

THE MONTHLY REVIEW

*Of Agricultural, Industrial, Trade and Financial
Conditions in the Tenth Federal Reserve District*

FEDERAL RESERVE BANK OF KANSAS CITY

M. L. McCLURE, Chairman and Federal Reserve Agent
A. M. McADAMS, Assistant Federal Reserve Agent and Secretary

Vol. 11

KANSAS CITY Mo., MARCH 1, 1926

No. 3

STATISTICS covering January production and trade in the Tenth Federal Reserve District showed recessions in most lines from the high levels of December. In some lines the volume for the month did not measure up to that of January of last year. On the whole, however, the January volume was above normal for that month and reports indicated conditions generally were satisfactory with a favorable outlook for business this year.

Payments by check through banks in twenty-nine cities amounted to \$1,583,023,000 for the five weeks ended February 3. This total exceeded that for the five weeks ended December 30 by \$32,149,000, or 2.1 per cent, and was \$82,873,000, or 5.5 per cent, larger than that for the five weeks ended February 4, 1925.

Wholesale trade reports varied. Sales of dry goods were larger in January than in December and of dry goods and furniture larger than in the same month last year. Other lines indicated by their reports of dollar sales a smaller volume of business than in the previous month or a year earlier. Following the heavy holiday buying in December, retail trade declined markedly in January, as was quite natural, and the volume of sales for the month in dollars very closely paralleled that for the same month in 1925.

Orders booked for spring delivery of implements, tractors and farm machinery were considerably larger than those on the books at the same time last year. Some houses reported dealers were discounting as high as 80 per cent of their purchases.

The value of building permits issued during January in eighteen cities of the district was 8.9 per cent below the record for January of last year. Sales of lumber at retail yards in cities and towns were larger in board feet and in dollar amounts than sales during the first month of last year.

Production of crude oil at wells in this district was at a smaller daily average and gross production was smaller in January than in the preceding month or a year ago. Prices of crude oil advanced during the month and there was increased activity in development operations. Zinc and lead mining, after the usual lull following the holidays, made a good start for the year. Shipments of zinc ore in the first five weeks were larger and of lead ore smaller than in the corresponding weeks last year. There was a further increase in activity in the metal mining camps in Colorado and New Mexico, the result of prevailing high prices for metals. Soft coal production was slightly less in tonnage than in January 1925, which was the peak month of that year.

Reduced market supplies of wheat was the chief cause of smaller production of flour at Southwestern mills. Slaughtering of beeves at meat packing plants fell off with the seasonal de-

RECORD OF THE TENTH FEDERAL RESERVE DISTRICT

Returns for January 1926 compared with those for December and January 1925

	Jan., 1926	Dec., 1925	Jan., 1925	% Chg. Year
Bank debits, 29 cities.....	\$1,583,023,000	\$1,550,874,000	\$1,500,150,000	5.5
Clearings, F. R. Bank.....	\$ 932,787,000	\$1,065,200,037	\$ 910,542,658	2.4
Items handled.....	5,689,267	6,556,070	5,448,539	4.4
Deposits, 69 banks.....	\$ 636,653,000	\$ 628,419,000	\$ 629,496,000	1.1
Loans, 69 banks.....	\$ 438,322,000	\$ 432,383,000	\$ 440,867,000	-0.6
Investments, 69 banks.....	\$ 180,790,000	\$ 171,566,000	\$ 162,304,000	11.4
Business failures.....	147	100	134	9.8
Liabilities.....	\$ 1,348,728	\$ 1,176,400	\$ 1,678,389	-19.6
Bldg. permits, 18 cities..	1,362	1,489	1,597	-14.7
Construction, cost.....	\$ 4,275,298	\$ 8,198,512	\$ 4,693,242	-8.9
Coal prod'n, tons.....	2,839,000	3,316,000	3,493,000	-18.7
Crude oil prod'n, bbls....	19,666,000	19,999,000	19,806,000	-0.7
Flour Prod'n, bbls.....	1,721,669	1,830,560	2,166,798	-20.5
Grain receipts, 5 markets:				
Wheat, bushels.....	6,244,300	10,709,950	8,217,150	-28.8
Corn, bushels.....	7,104,700	6,873,600	8,011,600	-11.3
Oats, bushels.....	1,530,200	1,789,000	3,299,000	-53.6
Live stock receipts, 6 markets:				
Cattle.....	406,592	441,070	431,900	-5.9
Calves.....	63,210	74,203	55,511	13.9
Hogs.....	838,912	770,842	1,231,980	-31.9
Sheep.....	497,335	474,745	510,688	-2.6
Horses and mules.....	14,710	9,504	16,353	-10.0
Meat packing, 6 centers:				
Cattle.....	232,809	269,013	247,025	-5.8
Calves.....	50,093	48,841	45,687	9.6
Hogs.....	636,645	570,401	981,175	-35.1
Sheep.....	326,035	285,384	305,005	7.0
Ore shipments, Mo.-Kans.-Okla.:				
Zinc, tons.....	76,579	84,746	67,824	12.9
Zinc, value.....	\$ 4,245,847	\$ 4,816,882	\$ 3,777,521	12.4
Lead, tons.....	11,976	17,080	13,499	-11.3
Lead, value.....	\$ 1,418,297	\$ 2,046,540	\$ 1,866,266	-24.0

NOTE: Bank debits are for five weeks. Banks deposits, loans and investments are amounts reported February 2 and January 6 of this year and February 3, 1925. Zinc and lead ore shipments and value are for five weeks.

crease in the market supply of cattle. Due to larger supplies of hogs, sheep and calves, the January slaughter of these classes was larger than in December; but the January slaughter of all classes of meat animals was smaller than in January, 1925.

The annual survey made by the United States Department of Agriculture showed smaller numbers of cattle, calves and hogs on farms in this district and in the United States on January 1, 1926 than on January 1, 1925, although the number of sheep and lambs reported this year was slightly larger than a year earlier. The farm value per head of all classes of live stock was larger than a year ago. With this increase the live stock industry was regarded as in stronger position than at the beginning of 1925.

Fall sown grains came through the winter to the last week of February with a minimum of winter killing and as a result of mild weather farmers made an early start in preparation of the soil for spring plantings. Conditions were more favorable for agriculture than at this time last year. The acreage of winter wheat sown last fall was increased over that sown in the fall of 1924. Further expansion of the cotton areas in this district is in prospect, according to the reports. The number of cotton gins in Oklahoma is to be increased this year. Expansion of the sugar beet area is under consideration in irrigated sections of Colorado, Wyoming, western Nebraska and western Kansas.

Banking and Credit

Weekly statements of reporting member banks in leading cities of this district since the opening of the year exhibited a small increase in loans, discounts and investments, and in demand and gross deposits, over the figures reported during the closing weeks of the preceding year. A comparison of this year's weekly statements with those for the corresponding reporting weeks last year showed loans and discounts running about even in volume until February 3 when the total stood \$2,545,000 or 0.6 per cent below the amount reported February 4, 1925. Investments of these reporting banks increased steadily during January and on February 3 were \$18,486,000 or 11.4 per cent larger than a year earlier and at the highest mark of record. Demand deposits on February 3 were \$807,000, or 0.2 per cent, less than on February 4 last year, but time deposits were larger by \$7,181,000, or 5.3 per cent, and government deposits larger by 78.5 per cent. The principal resource and liability items reported by the member banks, as of February 3 and January 6 of this year and February 4 of last year, follow:

	Feb. 3, 1926 69 Banks	Jan. 6, 1926 67 Banks	Feb. 4, 1925 71 Banks
Loans and Discounts.....	\$438,322,000	\$432,383,000	\$440,867,000
Investments.....	180,790,000	171,566,000	162,304,000
Loans, Disc. & Invest.....	619,112,000	603,949,000	603,171,000
Demand Deposits.....	491,397,000	482,663,000	492,204,000
Time Deposits.....	143,475,000	143,764,000	136,294,000
Government Deposits.....	1,781,000	1,992,000	998,000
Total Deposits.....	636,653,000	628,419,000	629,496,000
Reserve Balance.....	56,557,000	56,815,000	57,081,000

Federal Reserve Bank Operations

The statement of the condition of the Federal Reserve Bank of Kansas City, including branches, on February 3 showed a decline of \$2,629,136 or 8.2 per cent in the bank's holdings of discounted and purchased bills as compared with the amounts reported January 6, the first weekly reporting date of the current year; but holdings on February 3 were \$12,824,812 or 76.6 per cent, larger than at the first reporting date in February, 1925. There was a decline between January 6 and February 3 of \$5,566,050, or 7.7 per cent, in Federal Reserve note circulation and the total on the last named date was \$175,390, or 0.2 per cent, below that for February 4, 1925. Principal items in the statements as of February 3 and January 6 this year and February 4, last year, indicate the changes in four weeks and fifty-two weeks:

	Feb. 3, 1926	Jan. 6, 1926	Feb. 4, 1925
Gold Reserves.....	\$ 89,360,620	\$ 88,906,211	\$116,395,566
Total Reserves.....	94,326,180	93,365,298	120,568,515
Bills Discounted.....	15,115,801	15,917,165	4,788,287
Bills Purchased.....	14,441,388	16,269,160	11,944,090
U. S. Govt. Securities.....	35,607,700	37,459,700	25,155,750
Total Bills and Securities.....	65,520,889	70,046,025	42,862,127
Total Resources.....	206,459,979	220,514,129	205,732,703
F. R. Notes in actual circulation.....	66,642,750	72,208,800	66,818,140
Total Deposits.....	91,609,652	93,567,927	93,098,477

Savings.

Deposits in savings accounts in fifty-six banks of this district on February 1 were 2.4 per cent larger than on January 1 and 2.5 per cent larger than on February 1, 1925. Reporting banks in eight cities showed decreases and in other cities increases over the amounts reported one month earlier. Five cities reported decreases in the amount of deposits as compared with a year ago. The number of savings accounts in 52 banks on February 1 was 322,234 compared with 318,151 on January 1 and 310,166 on February 1, 1925.

Banks	DEPOSITS		
	Feb. 1, 1926	Jan. 1, 1926	Feb. 1, 1925
Denver, Colo.....	6 \$ 48,204,485	\$ 47,241,882	\$ 50,072,576
Kansas City, Kans.....	4 2,959,149	2,979,556	2,614,513
Kansas City, Mo.....	9 14,674,931	14,816,341	13,660,584
Lincoln, Nebr.....	3 2,898,266	3,016,031	2,772,203
Oklahoma City, Okla.....	8 7,828,239	7,976,604	9,831,800
Omaha, Nebr.....	6 7,366,151	7,435,323	7,450,974
St. Joseph, Mo.....	5 7,701,719	8,180,458	8,740,132
Tulsa, Okla.....	6 11,698,797	9,060,961	7,297,390
Wichita, Kans.....	6 4,681,089	4,751,632	2,782,593
Other Cities.....	3 998,448	1,038,581	1,080,784
Total.....	56 \$109,011,274	\$106,497,369	\$106,303,549

Banks	ACCOUNTS		
	Feb. 1, 1926	Jan. 1, 1926	Feb. 1, 1925
Denver, Colo.....	6 100,801	96,491	94,368
Kansas City, Kans.....	3 8,281	8,161	8,207
Kansas City, Mo.....	7 74,693	75,506	71,890
Lincoln, Nebr.....	3 14,742	14,444	14,973
Oklahoma City, Okla.....	8 22,849	22,789	20,017
Omaha, Nebr.....	6 38,714	38,643	39,630
St. Joseph, Mo.....	5 18,751	18,912	19,440
Tulsa, Okla.....	5 23,141	22,802	21,096
Wichita, Kans.....	6 16,856	16,575	16,730
Other Cities.....	3 3,406	3,828	3,815
Total.....	52 322,234	318,151	310,166

Federal Reserve Bank Clearings

During the month of January clearings through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver and Oklahoma City were 12.4 per cent smaller in amount than in December, but were larger in amount by 2.4 per cent than those reported for January of last year. The clearings for January 1926 are here compared with those for the previous month and also with those for the corresponding month last year.

	No. of Items	Amount
January, 1926.....	5,689,267	\$ 932,787,000
December, 1925.....	6,556,070	1,065,200,937
January, 1925.....	5,448,539	910,542,658

The number of banks in the district sharing in this clearing service in January was 3,680, of which 1,023 were member banks and 2,657 were non-member banks.

Payments Through Banks

Clearing house reports from twenty-nine cities in the Tenth District indicated the volume of business, as a whole, was larger in the first five weeks of 1926 than in the first five weeks of 1925, and also larger than in the last five weeks of that year. Payments by check through banks, or bank debits, in the twenty-nine cities during the five weeks ending February 3 amounted to \$1,583,023,000. This total is compared to \$1,550,874,000 as the amount of debits in five weeks ending December 30, and \$1,500,150,000 as the amount of debits in five weeks ending February 4, 1925, indicating an increase for this year's five-week period of \$32,149,000, or 2.1 per cent, over the previous five weeks, and an increase of \$82,873,000, or 5.5 per cent, over the corresponding five weeks last year. During the week ending January 6 of this year debits reported for the twenty-nine cities

reached the highest total of record, \$359,621,000. A summary of the reports covering debits for this year's five-week period shows increases in amount over last year in fifteen cities and decreases in fourteen cities.

	Five Wks. ending Feb. 3, 1926	Five Wks. ending Feb. 4, 1925	Per Cent Change
Atchison, Kansas.....	\$ 17,869,000	\$ 7,979,000	-1.4
Bartlesville, Okla.....	20,176,000	15,058,000	34.0
Casper, Wyo.....	11,303,000	14,661,000	-22.9
Cheyenne, Wyo.....	7,089,000	7,510,000	-5.6
Colorado Springs, Colo.....	16,307,000	17,321,000	-5.9
Denver, Colo.....	204,539,000	203,922,000	0.3
Enid, Okla.....	18,689,000	14,138,000	32.2
Fremont, Nebr.....	3,987,000	4,017,000	-0.7
Grand Junction, Colo.....	3,679,000	3,521,000	4.5
Guthrie, Okla.....	4,346,000	3,668,000	18.4
Hutchinson, Kans.....	15,430,000	18,288,000	-15.6
Independence, Kans.....	12,668,000	11,394,000	11.2
Joplin, Mo.....	24,166,000	20,555,000	17.6
Kansas City, Kans.....	22,254,000	22,769,000	-2.3
Kansas City, Mo.....	448,328,000	411,341,000	9.0
Lawrence, Kans.....	6,137,000	5,974,000	2.7
Lincoln, Nebr.....	38,389,000	35,507,000	8.1
McAlester, Okla.....	5,820,000	5,935,000	-1.9
Muskogee, Okla.....	16,916,000	18,843,000	-10.2
Oklahoma City, Okla.....	118,883,000	99,001,000	20.1
Okmulgee, Okla.....	13,506,000	12,101,000	11.6
Omaha, Nebr.....	222,561,000	238,525,000	-6.7
Parsons, Kans.....	4,147,000	3,569,000	16.2
Pittsburg, Kans.....	7,688,000	6,927,000	11.0
Pueblo, Colo.....	22,570,000	23,180,000	-2.6
St. Joseph, Mo.....	77,790,000	84,861,000	-8.3
Topeka, Kans.....	21,030,000	25,147,000	-16.3
Tulsa, Okla.....	148,504,000	100,611,000	47.6
Wichita, Kans.....	58,252,000	63,827,000	-8.7
Total, 29 Cities.....	\$1,583,023,000	\$1,500,150,000	5.5

from December and 8.9 per cent less than the value of permits issued in January, 1925. While eleven cities reported increases over January of last year, seven cities reported decreases. Permits issued and their estimated cost are shown for the eighteen cities in the following table:

	PERMITS		ESTIMATED COST		% Change
	1926	1925	1926	1925	
Casper, Wyo.....	6	10	\$ 6,475	\$ 6,976	-7.2
Cheyenne, Wyo.....	9	15	15,275	19,225	-20.5
Colorado Springs, Colo.....	50	77	53,275	92,755	-42.6
Denver, Colo.....	230	465	512,850	1,450,050	-64.6
Hutchinson, Kans.....	20	5	40,260	6,075	562.7
Joplin, Mo.....	13	21	26,300	21,520	22.2
Kansas City, Kans.....	69	71	112,845	82,375	37.0
Kansas City, Mo.....	294	254	1,397,150	1,126,480	24.0
Lincoln, Nebr.....	51	28	101,170	67,770	49.3
Muskogee, Okla.....	16	17	26,520	16,285	62.8
Oklahoma City, Okla.....	126	106	413,490	186,845	121.3
Okmulgee, Okla.....	7	2	13,350	1,300	926.9
Omaha, Nebr.....	87	144	299,008	555,770	-46.2
Pueblo, Colo.....	54	69	66,663	132,210	-49.6
St. Joseph, Mo.....	32	21	55,555	28,075	97.9
Topeka, Kans.....	52	55	310,670	89,310	247.9
Tulsa, Okla.....	132	158	456,377	698,780	-34.7
Wichita, Kans.....	114	79	368,065	111,441	230.3
Total, January.....	1,362	1,597	\$4,275,298	\$4,693,242	-8.9

Lumber and Materials

Sales of lumber in board feet at retail yards in this district were larger in January than in December and larger than in January of last year. Sales of all other materials at the reporting yards, in dollars, were also larger in January than in both months with which comparison is made. Stocks of lumber increased over December but were smaller than a year ago. Percentages of increase or decrease in sales, stocks, etc., for January, as compared with the previous month and the corresponding month a year ago, follow:

	January 1926 Compared to December 1925	January, 1926 Compared to January 1925
Lumber sales, board feet.....	-0.6	15.0
Lumber stocks, end of month, board feet.....	2.6	-9.2
All material sales, in dollars.....	2.8	5.3
Outstandings, end of month.....	-2.7	4.2
Collections during month.....	-39.0	2.4

During the four weeks ending January 30, 1926, the lumber cut reported by nine associations was 823,550,093 feet of softwood^s and 89,322,914 feet of hardwoods. Production of lumber, softwoods, was 109,012,551 feet or 11.7 per cent below shipments during the period of four weeks, and shipments were 52,190,541 feet or 5.3 per cent below orders.

Production of portland cement at mills in this district during January totaled 256,000 barrels as compared with 395,000 barrels in January a year ago. Shipments during January were 325,000 barrels against 275,000 barrels for the same month last year, an increase of 113,000 barrels, or 41 per cent.

Shipments of portland cement from all mills in the United States in January were the largest for that month in any year and showed an increase of nearly 11 per cent as compared with January, 1925, according to the Bureau of Mines, Department of Commerce. Production showed a decrease of 824,000 barrels, while stocks were never exceeded and were 17 per cent greater than in January, 1925.

Production of face brick at 71 plants located in 18 states in January was 8.7 per cent less than in December and 6.5 per cent larger than in January, 1925, as reported by the American Face Brick Association. Unfilled orders at the end of January were 18.4 per cent larger than a month earlier and 25.2 per cent larger than a year ago.

Business Failures

Insolvencies in the Tenth Federal Reserve District in January were 147 in number, with liabilities amounting to \$1,348,728. This record compares with that for December of 100 failures and \$1,176,400 of liabilities, and with that for January 1925 of 134 failures and \$1,678,389 of liabilities. Failures in the United States in January numbered 2,296 and liabilities \$43,661,444, indicating decreases from January 1925 of 21 failures and \$10,692,588 or 19.7 per cent in liabilities. Failures and liabilities in January compiled by R. G. Dun & Company are shown in the following by Federal Reserve Districts:

	NUMBER		LIABILITIES	
	1926	1925	1926	1925
First, Boston.....	211	217	\$ 6,691,046	\$ 3,742,645
Second, New York.....	466	416	8,636,584	20,028,016
Third, Philadelphia.....	56	80	1,348,759	1,747,846
Fourth, Cleveland.....	244	199	5,581,160	4,937,959
Fifth, Richmond.....	182	188	3,516,504	4,029,401
Sixth, Atlanta.....	80	156	1,355,434	2,750,320
Seventh, Chicago.....	316	345	8,180,404	9,753,298
Eighth, St. Louis.....	136	127	2,116,266	433,149
Ninth, Minneapolis.....	113	103	1,298,783	1,095,724
TENTH, KANSAS CITY.....	147	134	1,348,728	1,678,386
Eleventh, Dallas.....	108	78	1,457,716	1,312,839
Twelfth, San Francisco.....	237	274	2,130,060	2,845,349
Total, United States.....	2,296	2,317	\$43,661,444	\$54,354,032

Building

Building activity in cities of this district was retarded by weather conditions and the January reports showed something more than the usual decline from December, which was the high record December for all time. In eighteen cities, from which monthly reports have been received regularly since 1917, permits were issued during the month for 1,362 buildings estimated in cost of construction at \$4,275,298, a decrease of 47.8 per cent

RETAIL TRADE AT 33 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Percentage of increase (or decrease) for January 1926 over January 1925

	Kansas		Oklahoma				Tulsa	Other Cities	All Cities Reported
	City	Denver	Wichita	Omaha	City	Lincoln			
Number of stores reporting	3	4	4	2	3	3	3	11	33
1. Net sales, total.....	Same	-17.4	6.5	3.8	7.4	-3.0	15.1	-0.6	-0.9
2. Stocks (retail value) end of month.....	2.1	-2.0	5.2	7.5	14.9	-3.3	49.4	-1.0	1.7
3. Outstanding orders (cost) end of month.....	-0.2	-13.8	.....	.....	8.6	-3.8	.....	1.5	-3.7
4. Accounts receivable, end of month.....	7.2	-2.5	12.5	18.1	21.4	16.8	28.6	5.1	8.1
5. Total collections during month.....	5.9	-2.3	10.1	17.7	28.3	3.6	55.0	-5.0	7.8

Retail Trade

Retail stores in all cities of this district reported a marked seasonal slowing down of trade in January as compared with the exceptionally heavy volume in December. However, the reports of department stores showed January trade was somewhat spotty. Sales at 15 stores were larger and at 18 stores smaller for the month than in January of last year, the average for all reporting stores showing a decrease of less than 1 per cent. Sales of shoes at reporting retail stores were larger in January than in the same month last year, while sales of mens clothing were slightly larger and of womens apparel slightly smaller. Retail furniture sales in January fell considerably below December sales and below those for the same month last year.

Wholesale Trade

Reports of wholesale firms at the principal distributing centers of this district showed sales of dry goods during January were larger than in December and also exceeded those in January, 1925. Sales of furniture at wholesale houses were smaller than in the previous month but larger than a year ago. In other wholesale lines—groceries, hardware, drugs and millinery—January sales were smaller than in both months with which comparison is made. Stocks of dry goods, hardware and furniture were larger and of groceries and drugs smaller on January 30 than on the corresponding date last year. Outstandings at the end of January were larger than a year earlier for all reporting lines except millinery.

Dry goods firms reported trade starting off good for this season with steady buying by retailers for their immediate or near future needs. There was no speculation and no tendency to increase stocks at retail stores. An improvement in deliveries by railroads in recent months was reported and it was said that it was now possible, with the same amount of merchandise on hand, to do an increased business over similar periods three to five years ago when manufacturing and shipping facilities were not so good as at present. Prices of dry goods were reported a little under those prevailing a year ago, although there had been no radical changes. Such prices as were made for goods for the fall of 1926 were from 5 to 10 per cent under prices made a year ago for the fall of 1925.

January brought little change in the wholesale grocery trade. Retailers continued to buy from wholesalers in small lots but their more frequent orders contributed to the making of a very large and steady volume of business. The same tendency was reported in other lines.

The January returns from wholesale hardware firms disclosed great activity in trade for this time of the year. Wholesalers reported heavier stocks than last year. Deliveries from factories were good and wholesalers experienced little shortage from their sources of supply. Prices were reasonably stable, and no changes of consequence were reported in recent months, or in the past year. The problem of wholesalers in the distribution of merchandise seems to be that of increased cost of super-service. The disposition on the part of the consumer and the dealer to return merchandise means extra cost for transportation, depreciation of the value of returned goods and adds to overhead expense.

Wholesale druggists' reports indicated retailers were still buying in small lots, but their stocks were in better shape than for some time. Competition among wholesalers was very keen. Prices were reported steady with an upward tendency except for a few seasonal items on which the decline has been marked. Supplies are freely offered, with no delays in shipments.

Implements

Although actual delivery of implements and farm machinery to customers in this district will not begin until in the month of March, distributors in January and February were preparing their stocks so as to meet the demand when it comes. Orders booked for spring delivery were reported considerably ahead of those booked at the same time last year. At the convention of western retail implement dealers in Kansas City in January a great many purchases were made of implements and machinery, and it was indicated that conditions in the country, and the feeling with retail dealers and farmers, were greatly improved as compared with a year ago.

Collections

Collections during January were fair to good throughout the district, as indicated by reports of wholesale and retail firms and lumber and implement dealers. Amounts collected by wholesalers on outstanding accounts were smaller than in December, due to heavy payments made by retailers at the end of the year. Outstandings on the books of wholesalers in all lines except millinery were larger than a year ago, and percentages of collections were smaller for all lines except dry goods and millinery. Department store reports showed an increase of 7.8 per cent in collections during January, 1926, over January, 1925.

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDINGS		COLLECTIONS		STOCKS		
	Jan., 1926 Dec., 1925	compared with Jan., 1925	Jan. 30, 1926 Dec. 31, 1925	compared with Jan. 31, 1925	Jan., 1926 Dec., 1925	compared with Jan., 1925	Jan. 30, 1926 Dec. 30, 1925	compared with Jan. 31, 1925	
Dry Goods.....	9	39.8	1.9	6.2	7.2	-33.8	3.9	29.4	10.4
Groceries.....	8	-7.9	-6.5	-3.1	6.3	-16.9	-5.2	-6.9	-5.4
Hardware.....	7	-20.1	-2.8	-2.4	1.6	-25.2	-0.5	3.0	2.3
Furniture.....	6	-4.1	11.1	-0.5	7.9	-17.6	-4.9	1.8	3.5
Drugs.....	7	-8.0	-6.8	3.3	3.2	-12.3	-0.4	5.3	-3.4
Millinery.....	3	-7.2	-12.3	19.6	-3.2	-0.6	2.6	.....	.....

LIVE STOCK ON FARMS IN SEVEN STATES AND THE TENTH FEDERAL RESERVE DISTRICT JANUARY 1, 1926 and 1925

(U. S. Department of Agriculture's Report)

	Horses and Colts		Mules and Colts		All Cattle and Calves		Milk Cows and Heifers		Sheep and Lambs		Hogs and Pigs	
	1926	1925	1926	1925	1926	1925	1926	1925	1926	1925	1926	1925
Colorado.....	352,000	367,000	39,000	39,000	1,277,000	1,465,000	222,000	224,000	2,459,000	2,616,000	443,000	492,000
Kansas.....	896,000	938,000	244,000	260,000	3,080,000	3,143,000	766,000	766,000	432,000	376,000	2,023,000	2,467,000
Missouri.....	675,000	714,000	382,000	390,000	2,369,000	2,442,000	827,000	835,000	1,038,000	1,018,000	3,671,000	3,864,000
*19 Counties..	147,340	164,220	60,060	60,310	499,730	524,200	186,000	185,600	203,860	227,649	946,150	864,120
Nebraska.....	833,000	863,000	115,000	121,000	3,248,000	3,314,000	625,000	625,000	775,000	840,000	4,050,000	4,818,000
New Mexico....	175,000	187,000	34,000	33,000	1,161,000	1,290,000	64,000	64,000	2,502,000	2,360,000	47,000	59,000
*10 Counties..	72,000	76,000	13,000	12,000	438,000	485,000	26,000	26,000	1,176,000	1,110,000	22,000	28,000
Oklahoma.....	593,000	614,000	373,000	369,000	1,610,000	1,695,000	570,000	582,000	77,000	70,000	736,000	969,000
*69 Counties..	557,000	574,000	324,000	320,000	1,481,000	1,559,000	523,000	534,000	76,000	69,000	634,000	836,000
Wyoming.....	190,000	197,000	6,000	6,000	795,000	795,000	69,000	66,000	3,032,000	2,808,000	90,000	102,000
Seven States....	3,714,000	3,880,000	1,193,000	1,218,000	13,540,000	14,144,000	3,143,000	3,162,000	10,315,000	10,088,000	11,060,000	12,771,000
Tenth District	3,047,000	3,179,000	801,000	818,000	10,819,000	11,285,000	2,417,000	2,427,000	8,154,000	8,047,000	8,208,000	9,607,000
United States..	15,778,000	16,554,000	5,780,000	5,758,000	59,829,000	62,150,000	22,290,000	22,523,000	40,748,000	39,390,000	51,223,000	55,769,000

*Parts of states included in the Tenth Federal Reserve District.

Live Stock on Farms and Ranges

A compilation of the returns to the crop reporting board of the United States Department of Agriculture, for its 1926 live stock survey, placed the number of live stock on farms and ranges in the Tenth Federal Reserve District on January 1, 1926, at 31,029,000 head and gave them a value of \$777,407,000. The totals for January 1, 1926, indicated a decrease of 1,907,000, or 5.7 per cent, in number but an increase of \$49,050,000, or 6.7 per cent, in value as compared with the revised figures for January 1, 1925.

Estimates gave the Tenth District first rank among the twelve Federal Reserve Districts in the number of cattle and calves on farms, and second rank in the number of sheep and lambs and also second rank in the number of hogs and pigs.

Combined totals for the states and parts of states comprising the Tenth District, follow:

	NUMBER		VALUE	
	1926	1925	1926	1925
Horses and colts.....	3,047,000	3,179,000	\$145,663,000	\$148,327,000
Mules and colts.....	801,000	818,000	51,287,000	52,067,000
All cattle and calves..	10,819,000	11,285,000	365,326,000	330,922,000
Sheep and lambs.....	8,154,000	8,047,000	88,084,000	81,154,000
Hogs and pigs.....	8,208,000	9,607,000	127,047,000	115,887,000
All live stock.....	31,029,000	32,936,000	\$777,407,000	\$728,357,000

A study of the figures contained in the foregoing shows sheep and lambs were the only species of meat animals that increased in number during the year. The gain was 107,000 head, or 1.3 per cent. Cattle and calves decreased 466,000 head or 4.1 per cent, but the loss was mainly in beef cattle and calves, as the number of cows and heifers for milk was but 10,000 head, or 0.4 per cent, less than that reported a year earlier. Hogs and pigs fell 1,399,000, or 14.5 per cent, below the number reported January 1, 1925. The number of horses and colts decreased 132,000, or 4.1 per cent, while mules and mule colts decreased only slightly, 17,000 head, or 2 per cent.

The average value per head of all classes of live stock on farms and ranges in this district was larger on January 1, 1926, than on the corresponding date last year. The average value per head for the district, however, was smaller for all classes except sheep and hogs than the average for the entire United States. The following shows the average values per head for the district and the United States for both years:

	TENTH DISTRICT		UNITED STATES	
	1926	1925	1926	1925
Horses and colts.....	\$47.80	\$46.65	\$65.08	\$64.18
Mules and colts.....	64.02	63.65	81.30	82.24
Cattle and calves.....	33.76	29.32	38.40	33.46
Sheep and lambs.....	10.80	9.83	10.50	9.63
Hogs and pigs.....	15.47	12.06	15.21	12.38

Market Movement

Reports from six leading markets in the Tenth District for January showed receipts of cattle and calves were smaller and of hogs, sheep, horses and mules larger than in the month of December. However, the month's receipts of all classes of live stock, with the exception of calves, fell short of the receipts reported for January, 1925. The January receipts at the six markets, with comparisons, follow:

	Cattle	Calves	Hogs	Sheep	Horses Mules
Kansas City.....	148,858	27,021	224,672	104,766	4,733
Omaha.....	121,757	7,979	322,776	172,334	1,894
St. Joseph.....	46,660	9,499	146,299	114,776	1,106
Denver.....	37,088	5,087	73,609	101,987	3,296
Oklahoma City.....	25,341	7,879	17,140	123	980
Wichita.....	26,888	5,745	54,416	3,349	2,701
January, 1926.....	406,592	63,210	838,912	497,335	14,710
December, 1925.....	441,070	74,203	770,842	474,745	9,504
January, 1925.....	431,900	55,511	1,231,980	510,688	16,353

The countryward movement of stock and feeding meat animals in January fell short of the December outgo but exceeded that of January of last year for all classes except hogs. The January returns from four markets on stocker and feeder shipments follow:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	41,938	1,735	7,358	11,694
Omaha.....	23,812	.....	125	19,728
St. Joseph.....	7,376	261	1,926	11,836
Denver.....	25,268	913	1,599	40,378
January, 1926.....	98,394	2,909	11,008	83,636
December, 1925.....	126,653	5,645	12,279	116,998
January, 1925.....	95,501	1,905	14,136	73,358

Meat Packing

Reports of packers' purchases of meat animals at public stock yards, including live stock shipped direct to packer yards, indicated larger numbers of hogs, sheep and calves and a smaller number of cattle were slaughtered in January than in December.

	Cattle	Calves	Hogs	Sheep
Kansas City.....	83,913	21,797	177,506	85,893
Omaha.....	82,541	4,658	206,884	124,201
St. Joseph.....	32,436	8,571	126,179	98,637
Denver.....	9,341	4,112	59,573	14,249
Oklahoma City.....	17,246	7,243	14,396	108
Wichita.....	7,332	3,712	52,107	2,947

January, 1926.....	232,809	50,093	636,645	326,035
December, 1925.....	269,013	48,841	570,401	285,384
January, 1925.....	247,025	45,687	981,175	305,005

Stocks of pork and lard at Kansas City on January 31 were 26,040,800 pounds, as compared with 22,062,200 pounds on December 31, and 46,050,000 on January 31, 1925.

Agriculture

Moderate temperatures during the forepart of February gave farmers in many parts of the Tenth District an early start with their plowing and preparation of the soil for planting Spring crops. The work was well advanced by the middle of the month except in sections of the Rocky Mountains and upper Great Plains where light to heavy snows interfered. The soil generally was in good condition, although in some sections it was a little wet and in others it needed rain.

Seeding of oats began in the first week of February in the southern counties of Oklahoma, and these favorable conditions continuing, this work became general over the southern part of the district by the end of the month.

Reports indicated fall sown grains passed through December and January with a minimum of winter killing and were in good condition late in February, although March and April conditions were yet to be weathered successfully before winter wheat and rye could be regarded as safe. The condition of pastures in the eastern and southern parts of the district was reported as poor to fair, while on the ranges in the Rocky Mountain regions there were bare spots in a few sections which afforded some feed for stock, although the greater range area was covered with snow, necessitating heavy feeding of live stock.

Winter Wheat

The condition of winter wheat in Kansas, with 11,395,000 acres planted last fall, was much better in the early part of February than at the same time last year, according to an official report from that state. Surface moisture had been sufficient to keep the wheat healthy, whereas a year ago the crop in fifteen northern counties was reported as practically dead. The Hessian fly was present in several counties. The favorable outlook for wheat extended into Oklahoma and the crop in that state was in excellent condition. In the northwestern counties, notably in the Panhandle section where the soil was needing moisture, there was an improvement early in February. Winter wheat was in fairly good condition in Nebraska, while in Missouri it made little growth during the winter and afforded no pasture. The winter wheat acreage in Missouri, reported as 1,261,000 acres, is the smallest area in twenty-seven years.

Grain Marketing

The January movement of wheat to the five reporting markets in this district was 4,465,650 bushels, or 41.7 per cent, under the receipts during the month of December and 1,972,850 bushels, or 28.8 per cent, less than the number of bushels received at the same markets in January, 1925. Receipts of corn in January were 231,100 bushels, or 3.4 per cent, larger than in the preceding month but were 906,900 bushels, or 11.3 per cent, less than in January a year ago. Arrivals of other classes of grain at the five markets during the first month of 1926 were in smaller volume than in December and, save for an increase in rye receipts, were smaller than in the first month of 1925. The receipts at the five markets in January, and combined monthly totals follow:

	Wheat	Corn	Oats	Rye	Barley	Kafir
Kansas City.....	3,099,600	3,223,750	528,700	13,200	34,500	415,800
Omaha.....	907,200	2,102,800	794,000	128,800	40,000	.....
Hutchinson.....	862,650	196,250	7,500	.....	.....	159,900
St. Joseph.....	544,600	1,309,500	116,000	.....	.....	1,500
Wichita.....	830,250	272,400	84,000	.....	1,200	7,200
January, 1926....	6,244,300	7,104,700	1,530,200	142,000	75,700	584,400
December, 1925..	10,709,950	6,873,600	1,789,000	152,500	92,250	923,800
January, 1925....	8,217,150	8,011,600	3,299,000	97,900	720,750	1,092,400

Elevator stocks of grain at Kansas City, Omaha, St. Joseph and Wichita on January 30, 1926, were: Wheat 10,002,000

bushels, corn 5,799,000 bushels, oats 9,839,000 bushels. On January 31, 1925, elevator stocks at the four cities were: Wheat 16,837,000 bushels, corn 8,500,000 bushels, oats 4,311,000 bushels.

Flour Production

Southwestern reporting mills made 1,721,669 barrels of flour in January, 108,891 barrels, or 5.9 per cent, less than in December and 445,129 barrels, or 20.5 per cent, less than in January, 1925. Reports to the Northwestern Miller showed the number of barrels of flour produced at the leading milling centers during January 1926, December 1925 and January 1925, as follows:

	Jan., 1926	Dec., 1925	Jan., 1925
Atchison.....	105,326	94,008	115,370
Kansas City.....	484,557	509,685	520,518
Omaha.....	88,210	91,033	99,114
Salina.....	104,219	112,512	133,557
St. Joseph.....	113,649	162,939	191,947
Wichita.....	114,512	115,691	167,877
Outside.....	711,196	744,692	938,415
Total.....	1,721,669	1,830,560	2,166,798

Zinc and Lead Mining

Reports from the zinc and lead fields in Missouri, Kansas and Oklahoma, the tri-state district, showed some slowing down of activity during the early weeks of 1926. Shipments of zinc ore during a period of five weeks ending January 30 were 9.6 per cent less in tonnage and 11.9 per cent less in value than shipments during the five weeks ending December 26, 1925, although they exceeded the shipments during the corresponding first five weeks in 1925 by 12.9 per cent in tonnage and 12.4 per cent in value. Shipments of lead ores during the five weeks ending January 30 showed marked decreases in tonnage and value as compared for the previous five weeks and the first five weeks of 1925. Shipments in tonnage and values are shown in the following:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	48,499	\$2,692,507	9,057	\$1,070,135
Kansas.....	22,725	1,258,752	2,635	314,195
Missouri.....	5,355	294,588	284	33,967
5 wks. ending Jan. 30, 1926.....	76,579	\$4,245,847	11,976	\$1,418,297
5 wks. ending Dec. 26, 1925.....	84,746	4,816,882	17,080	2,046,540
5 wks. ending Jan. 31, 1925.....	67,824	3,777,521	13,499	1,866,266

Average prices paid for ores during the first five weeks of this year were \$55.90 per ton for zinc ore and \$119.50 per ton for lead ore. The average value for the corresponding five weeks of 1925 was \$54.60 per ton for zinc ore and \$137.20 per ton for lead ore.

Metal Mining in Colorado

Unusual activity for the winter season is reflected in reports from the mining camps in the Rocky Mountain regions, and particularly in Colorado. This favorable situation is due to present high prices for metals, an increased demand for silver, an expansion in industrial and commercial uses of zinc and lead, and a stabilized market for copper. Practically all mining communities in Colorado produce these metals, and with the adoption of improved methods of mining and smelting, operators planned for large production during this year. Operations during January and February, while restricted by winter conditions, continued at about the same rate of activity as in November and December, and in many of the mines exceeded that reported for the first month of last year.

Soft Coal Production

Production of bituminous coal at the mines in this district declined during January to a total of 2,839,000 tons, as compared to 3,316,000 tons in December and 3,493,000 tons in January,

1925, which was the high monthly production in that year. The tonnage of coal mined in each of the six producing states, as estimated for January by the United States Geological Survey, is here shown; the totals for January of last year are the final official figures for that month:

	*Jan., 1926 (Tons)	*Dec., 1925 (Tons)	Jan., 1925 (Tons)
Colorado.....	973,000	1,190,000	1,217,000
Kansas.....	427,000	450,000	485,000
Missouri.....	269,000	350,000	364,000
New Mexico.....	258,000	259,000	285,000
Oklahoma.....	218,000	272,000	349,000
Wyoming.....	694,000	795,000	793,000
Total.....	2,839,000	3,316,000	3,493,000

*Estimated
Production of bee hive coke in Colorado and New Mexico during the calendar year to February 7 was reported as 29,000 tons, against 23,000 tons produced in the same period last year.

Petroleum

The daily average output of crude oil from wells in five states of the Tenth District during the early weeks of 1926 fell regularly below the daily average for the corresponding weeks in 1925, and also were less than the daily averages for December. The daily average for the month of January was 634,387 barrels, 10,752 barrels less per day than in December and 4,507 barrels less per day than in January 1925. Gross production in January was 19,666,000 barrels, 333,000 barrels or 1.7 per cent less than in December and 140,000 barrels or 0.7 per cent less than in January of last year. Gross production in barrels and the daily averages for the five producing states are shown in the following:

GROSS PRODUCTION

	*Jan., 1926 Barrels	Dec., 1925 Barrels	Jan., 1925 Barrels
Oklahoma.....	13,822,000	14,135,000	14,975,000
Kansas.....	3,086,000	3,213,000	2,437,000
Wyoming.....	2,444,000	2,361,000	2,322,000
Colorado.....	183,000	158,000	58,000
New Mexico.....	131,000	132,000	14,000
Total.....	19,666,000	19,999,000	19,806,000

DAILY AVERAGE PRODUCTION

	*Jan., 1926 Barrels	Dec., 1925 Barrels	Jan., 1925 Barrels
Oklahoma.....	455,871	445,978	483,055
Kansas.....	99,548	103,645	78,613
Wyoming.....	78,839	76,161	74,903
Colorado.....	5,903	5,097	1,871
New Mexico.....	4,226	4,258	452
Total.....	634,387	645,139	638,894

*Estimated American Petroleum Institute

The steady decline in crude oil production during January was accompanied by an increase in the price per barrel in practically all fields. It also stimulated activity in new developments, as indicated by the summary of results of field operations in January:

	Wells Completed	Bbbs. Daily New Prod'n	Dry Wells	Gas Wells	Rigs - Wells Drilling
Oklahoma.....	441	52,606	151	61	1,212
Kansas.....	171	10,735	59	6	468
Wyoming.....	39	2,467	9	1	308
Colorado.....	9	490	5	0	124
New Mexico..	14	1,315	2	0	151
Jan., 1926.....	674	67,613	226	68	2,263
Dec., 1925.....	571	94,048	190	62	2,251
Jan., 1925.....	339	77,481	116	36	2,199

Reports of refinery activities showed 65 plants in operation in February 1, and daily runs to their stills of 250,555 barrels of crude oil. This total compares with 68 plants in operation and daily runs of 256,580 barrels on January 1, and with 87 plants in operation and daily runs of 260,730 barrels on February 1, 1925.

Business Conditions in the United States

Industrial activity in January was in slightly smaller volume than in December, and the distribution of commodities showed a seasonal decline. The level of prices remained practically unchanged.

Production

The Federal Reserve Board's index of production in selected basic industries was about 1 per cent lower in January than in December. The output of iron and steel, copper and zinc increased, while activity in the woolen and petroleum industries declined, and mill consumption of cotton, the cut of lumber and bituminous coal production increased less than is usual at this season of the year. Automobile production, not included in the index, was slightly smaller than in December, but considerably larger than in January, 1925. Factory employment changed but little in January, but the earnings of workers decreased considerably owing the closing of plants in most industries at the opening of the year for inventory taking and repairs. The volume of building contracts awarded in January, although seasonally less than in December, exceeded that of any previous January on record. Contracts awarded were particularly large in the New York and Atlanta districts.

Trade

Sales of department stores and mail order houses showed more than the usual seasonal decline in January, but were larger than in January of last year. Wholesale trade declined considerably and was in smaller volume than a year ago. Stocks at department stores showed more than the usual increase in January and were about 11 per cent larger than at the end of January, 1925. Freight car loadings declined in January and the daily average for the month was approximately the same as a year earlier.

Prices

Wholesale prices, as measured by the index number of the Bureau of Labor Statistics, remained practically unchanged from December to January. By groups of commodities, prices of grains, coke, and paper and pulp increased, while dairy products, cotton goods, bituminous coal, and rubber declined. In the first three weeks of February there was a decline in the prices of grains, and following the settlement of the strike in the anthracite region a drop in the prices of bituminous coal and coke. Price advances were shown for refined sugar, copper, and petroleum.

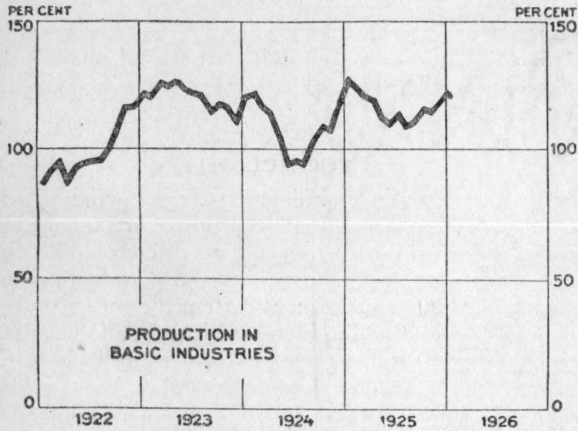
Bank Credit

At member banks in leading cities the seasonal decline in the demand for credit, which began at the turn of the year, came to an end toward the close of January, and in the early part of February the volume of loans and investments at these banks increased considerably. The increase was largely in loans for commercial purposes, which after declining almost continuously from their seasonal peak early in October, advanced by more than \$50,000,000 in February.

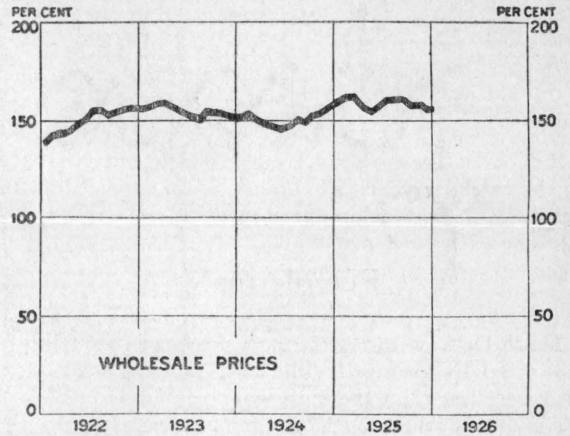
The growth in the commercial demand for credit throughout the country, together with some increase in currency requirements, was reflected in a withdrawal of funds from the New York money market and was a factor in the increase in the demand for reserve bank credit after the end of January. Reserve banks

holdings of bills and securities increased by about \$66,000,000 between January 27 and February 17.

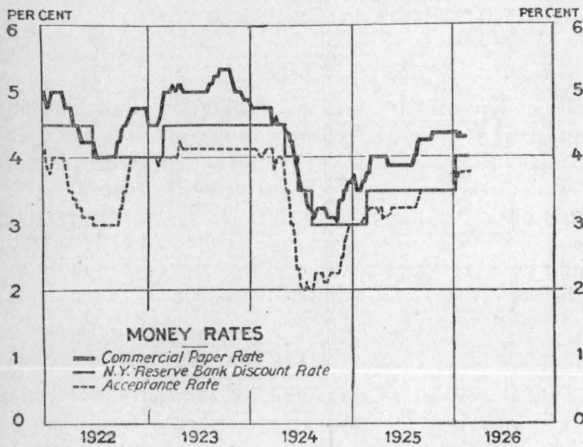
As the result of the withdrawal of funds from New York the rates on call loans became somewhat firmer in February but commercial paper rates were slightly lower.



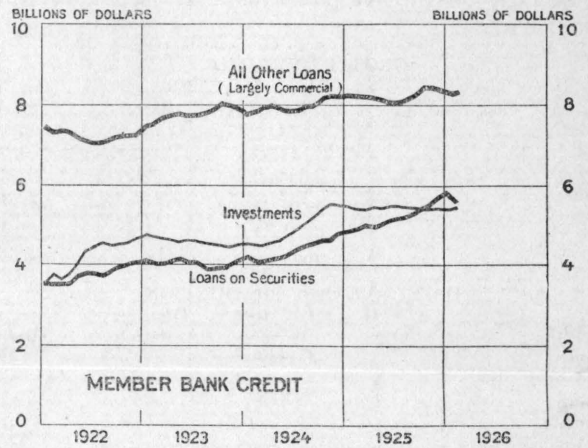
Index of 22 basic commodities, adjusted for seasonal variations, (1919=100). Latest figure, January, 120.



Index of United States Bureau of Labor Statistics (1913=100), base adopted by bureau. Latest figure, January, 156.



Weekly rates in New York money market. Commercial paper rates on 4 to 6 months paper and acceptance rate on 90-day paper.



Monthly averages of weekly figures for 100 leading cities. Latest figures are averages for first weekly report date in February.