

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

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INDUSTRY and trade in the Tenth Federal Reserve District entered June under relatively favorable conditions. The volume was fully up to that reported at this time last year and in all years since 1920. Winter wheat, with the harvest now at its height, promised a yield around 257 million bushels, 14 million bushels less than forecast in May, but 107 million bushels or 71 per cent more than the harvested crop of 1925. The district is this year producing 47.5 per cent of the nation's winter wheat, with large yields of corn, cotton and other crops in prospect, and with hogs reaching the highest price since 1920 and cattle and sheep values firmer, the situation in the district at this season is regarded as highly encouraging to these basic industries and to all business.

Statistical reports for May disclosed a spotted condition of business, due largely to seasonal influences and price irregularities. There was slackening in certain lines, but this was offset by advances in other lines. Debits of checks drawn by customers against their bank accounts, an indicator of business activity, were at a higher daily rate for the twenty-three banking days in four weeks ending June 2 than in the preceding four full weeks ending May 5, and also at a higher daily rate than in the like period last year.

Wholesale trade improved slightly during May. Sales exceeded those in April, and in May of last year, in all reporting lines except drugs and millinery. The volume of business at department stores, in dollars, was smaller than in April but larger than in May of last year. The implement trade was the largest for May in recent years. Sales of harvest machinery and threshers in sections where the wheat crop was injured were disappointing, but good elsewhere. Sales of lumber and materials increased during the month and were 4.4 per cent larger than a year ago.

Moderate supplies of live stock at the markets enabled packers to increase the slaughter of cattle, calves and hogs, though there was a decrease in the slaughter of sheep and lambs. Arrivals of wheat at the markets, while showing an increase over April, reflected the smallest carry-over of old wheat for many years. The milling demand was unexpectedly heavy, and flour production increased.

Reports on mineral production showed a small decrease in the daily average output of crude oil and a decrease in the number of wells completed, but on June 1 more new wells were drilling than at any time since July of last year. Soft coal mining slackened but the month's output was larger than that for May of last year. There was also less activity at the

lead and zinc mines. Ore prices were at the low level of the year but advanced slightly at the end of the second week in June.

There was some decrease in the value of building permits in cities, although the value of building contracts awarded in this district in May was larger than in any preceding month since last August. The reports showed generally satisfactory employment conditions and a larger call for harvest hands than at previous harvest seasons.

STATISTICAL RECORD OF THE TENTH FEDERAL RESERVE DISTRICT

	May 1926	April 1926	May 1925	Pct. Chg. Year
Bank debits, 30 cities.....	\$1,164,518,000	\$1,181,971,000	\$1,162,960,000	0.1
Clearings, F. R. Bank.....	\$ 878,270,000	\$ 901,173,000	\$ 807,059,000	8.8
Items handled.....	5,647,274	5,770,268	5,314,313	6.3
Loans, 67 member banks\$	431,414,000	\$ 420,177,000	\$ 427,724,000	0.9
Investments, 67 member banks.....	\$ 195,816,000	\$ 193,599,000	\$ 169,665,000	15.4
Deposits, 67 member banks.....	\$ 642,605,000	\$ 627,120,000	\$ 613,477,000	4.7
Business failures.....	102	135	120	-15.0
Liabilities.....	\$ 1,323,712	\$ 1,861,132	\$ 1,956,286	-32.3
Bldg. permits, 18 cities..	3,006	2,899	3,364	-10.6
Estimated value.....	\$ 8,761,541	\$ 9,608,779	\$ 10,400,472	-15.8
Grain receipts, 5 markets:				
Wheat, bushels.....	4,085,450	3,483,850	5,393,400	-24.3
Corn, bushels.....	4,113,900	3,135,950	3,035,050	35.5
Oats, bushels.....	650,000	719,600	1,491,700	-56.4
Flour produced, bbls....	1,633,631	1,596,380	1,469,494	11.2
Crude oil produced, bbls.	20,251,000	20,321,000	20,721,000	-2.3
Coal produced, tons.....	1,868,000	2,187,000	1,754,000	6.5
Ores shipped, 3 states:				
Zinc, tons.....	63,720	79,893	72,843	-12.5
Zinc, value.....	\$ 2,867,400	\$ 3,738,800	\$ 3,525,321	-18.7
Lead, tons.....	9,690	11,101	9,499	2.0
Lead, value.....	\$ 885,156	\$ 1,071,833	\$ 927,135	-4.5
Live stock receipts, 6 markets:				
Cattle.....	388,421	343,349	342,585	13.4
Calves.....	52,088	44,529	55,615	-6.3
Hogs.....	693,115	652,397	745,778	-7.1
Sheep.....	445,662	568,452	500,787	-11.0
Horses and mules.....	3,827	4,080	3,089	23.9
Meat Packing, 6 centers:				
Cattle.....	234,609	210,184	205,277	14.3
Calves.....	45,382	37,946	44,933	1.0
Hogs.....	537,669	455,153	520,131	3.4
Sheep.....	315,249	348,148	335,217	-6.0

NOTE: Bank debits are for 4-week periods ending June 2 and May 5, 1926, and June 3, 1925. Bank loans, investments and deposits are amounts shown at the first reporting date in June and May 1926 and June 1925. Zinc and lead shipments and their values are for 5-week periods. Returns on other items are for the month of May compared to April 1926 and May 1925.

Banking and Credit

The demand for credit at banks in this district, and at the Federal Reserve Bank of Kansas City and branches, showed a slight seasonal expansion during the latter part of May and in June. The increase in the volume of loans, however, was accompanied by a gain in demand deposits. Thus, with rates unchanged and continued easy money conditions, the banks were in position to finance the movement of the new crop of wheat without inconvenience.

The weekly condition statement of sixty-seven member banks in leading cities as of June 2 showed an increase of 2.6 per cent in the volume of their loans and discounts over the total on May 5, and an increase of 0.9 per cent over the total on June 3, 1925. Investments on June 2 were 1.1 per cent larger than four weeks previous to that date and 15.4 per cent larger than on the corresponding date last year. Demand deposits increased 3.7 per cent in four weeks and were 3.4 per cent larger than a year ago. Principal items in the combined statement of these reporting banks are here shown as of the dates mentioned:

	June 2, 1926 67 Banks	May 5, 1926 67 Banks	June 3, 1925 71 Banks
Loans and Discounts.....	\$431,414,000	\$420,177,000	\$427,724,000
Investments.....	195,816,000	193,599,000	169,665,000
Loans, Discounts and Investments.....	627,230,000	613,776,000	597,389,000
Demand Deposits.....	490,199,000	472,713,000	474,163,000
Time Deposits.....	146,046,000	146,433,000	136,010,000
Government Deposits.....	6,360,000	7,974,000	3,304,000
Total Deposits.....	642,605,000	627,120,000	613,477,000
Reserve Balance.....	55,723,000	53,814,000	51,147,000
Bills Payable and Rediscounts with Federal Reserve Bank	10,122,000	12,303,000	1,847,000

Recent condition statements of the Federal Reserve Bank of Kansas City and branches showed that discounted and purchased bills were still at the high levels of the year and considerably above the totals at corresponding reporting dates last year. Total bills and securities held as the first reporting date in June exceeded the amount reported four weeks earlier by 1.5 per cent, and were larger by 19.2 per cent than a year ago. Other principal items in the statement exhibited some slight changes, as indicated in the following summary of the reports as of the dates mentioned:

	June 2, 1926	May 5, 1926	June 3, 1925
Gold Reserves.....	\$ 78,558,311	\$ 80,388,707	\$ 88,402,888
Total Reserves.....	83,368,651	85,385,363	92,746,786
Bills Discounted.....	19,643,071	21,150,607	7,718,969
Bills Purchased.....	11,489,240	9,510,384	14,096,614
U. S. Government Securities ..	38,664,400	37,433,800	36,629,750
Total Bills and Securities	70,143,811	68,387,291	58,865,333
Total Resources.....	202,683,073	201,774,696	200,307,533
F. R. Notes in Circulation	61,957,800	62,292,850	63,210,840
Total Deposits.....	89,759,142	89,005,043	87,181,464
Reserve Ratio.....	54.9%	56.4%	61.6%

Reserve Bank Clearings

Clearings reported by the Federal Reserve Bank of Kansas City and branches at Omaha, Denver and Oklahoma City amounted to \$878,270,000 for the month of May, \$22,903,000 or 2.5 per cent less than in April, and \$71,211,000 or 8.8 per cent more than in May, 1925. The number of items handled during May was 5,647,274, a decrease of 122,994 or 2.1 per cent from April and an increase of 332,961 or 6.3 per cent over the total for May of last year. The number of banks in the district sharing in this service during May was 3,630. In the five months of 1926, for which the records are complete, clearings reported by the Federal Reserve Bank of Kansas City

were \$4,541,309,000, an increase of \$196,661,000 or 4.5 per cent over the corresponding five months in 1925. Items handled during the five months this year numbered 28,680,396, an increase of 1,227,192 or 4.5 per cent.

Payment by Check

Debits by banks of checks drawn against individual accounts, measuring the money volume of business in thirty cities of this district, were at a higher daily average during the four weeks ending June 2 than in the preceding four weeks ending May 5, and also larger by 0.1 per cent than for the corresponding four weeks in last year, ending June 3. The daily averages and totals for the three four-weeks periods follow:

	Bank Days	Daily Average	Total Debits
Four weeks ending June 2, 1926.....23		\$50,631,217	\$1,164,518,000
Four weeks ending May 5, 1926.....24		49,215,791	1,181,179,000
Four weeks ending June 3, 1925.....23		50,563,478	1,162,960,000

The combined weekly totals reported by clearing houses covering the four weeks ending June 2 showed increases in thirteen cities and decreases in seventeen cities over the corresponding period in 1925. The returns follow:

	Four Weeks Ending		Percent Change
	June 2, 1926	June 3, 1925	
Albuquerque, N. M.....	\$ 9,066,000	\$ 8,574,000	5.7
Atchison, Kans.....	5,533,000	5,578,000	-0.8
Bartlesville, Okla.....	14,299,000	15,625,000	-8.5
Casper, Wyo.....	9,921,000	13,861,000	-28.4
Cheyenne, Wyo.....	5,283,000	5,768,000	-8.4
Colorado Springs, Colo.....	11,763,000	13,880,000	-15.3
Denver, Colo.....	148,222,000	161,581,000	-8.3
Enid, Okla.....	12,098,000	14,050,000	-13.9
Fremont, Nebr.....	3,399,000	3,430,000	-0.9
Grand Junction, Colo.....	3,107,000	2,767,000	12.2
Guthrie, Okla.....	2,739,000	2,610,000	4.9
Hutchinson, Kans.....	9,628,000	11,147,000	-13.6
Independence, Kans.....	10,224,000	9,279,000	10.8
Joplin, Mo.....	14,682,000	14,333,000	2.4
Kansas City, Kans.....	17,886,000	18,009,000	-0.6
Kansas City, Mo.....	325,045,000	316,460,000	2.7
Lawrence, Kans.....	4,390,000	4,479,000	-2.0
Lincoln, Nebr.....	30,120,000	29,749,000	1.2
McAlester, Okla.....	3,586,000	3,297,000	8.7
Muskogee, Okla.....	8,946,000	10,103,000	-11.5
Oklahoma City, Okla.....	79,075,000	80,404,000	-1.7
Oklmulgee, Okla.....	11,131,000	9,306,000	19.6
Omaha, Nebr.....	181,846,000	185,230,000	-1.3
Parsons, Kans.....	2,851,000	2,726,000	4.5
Pittsburg, Kans.....	5,684,000	5,623,000	1.1
Pueblo, Colo.....	14,989,000	16,442,000	-8.8
St. Joseph, Mo.....	57,514,000	52,268,000	10.0
Topeka, Kans.....	13,934,000	14,174,000	-1.7
Tulsa, Okla.....	111,483,000	94,101,000	18.5
Wichita, Kans.....	36,074,000	38,106,000	-5.3
Total Four Weeks.....	\$1,164,518,000	\$1,162,960,000	0.1
Total Twenty-two Weeks.....	\$6,629,610,000	\$6,505,158,000	1.9

Postal Receipts

Postal receipts in ten cities of this district, reported by the Postmaster General in his list of leading cities in the United States, were 7.1 per cent larger in May than in the corresponding month in 1925. The receipts with percentage of increase, or decrease, follow:

	May, 1926	May, 1925	Pct. Chg.
Kansas City, Mo.....	\$ 835,191.86	\$ 747,186.06	11.78
Denver, Colo.....	290,967.94	274,495.46	6.00
Omaha, Nebr.....	249,294.41	237,688.75	4.88
Oklahoma City, Okla.....	120,243.68	110,716.55	8.6
Topeka, Kans.....	79,227.90	84,379.13	-6.1
Lincoln, Nebr.....	67,211.79	70,604.26	-4.8
St. Joseph, Mo.....	55,329.69	52,304.56	5.78
Pueblo, Colo.....	25,450.44	27,236.76	-6.56
Albuquerque, N. M.....	12,471.16	12,085.70	3.19
Cheyenne, Wyo.....	8,804.48	10,727.25	-17.92
Total, Ten Cities.....	\$1,744,193.35	\$1,627,424.48	7.17

RETAIL TRADE AT 39 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	Sales		Stocks (Retail)		Outstanding Orders		Accounts Receivable		Collections	
	May, 1926 compared to		May 31, 1926 compared to		May 31, 1926 compared to		May 31, 1926 compared to		May, 1926 compared to	
	May, 1925	Apr. 30, 1926	May 31, 1925	Apr. 30, 1926	May 31, 1925	Apr. 30, 1926	May 31, 1925	Apr. 30, 1926	Apr. 1926	May, 1925
Kansas City.....	3	-3.8	-4.6	0.5	-7.1	4.2	3.1	6.4	-3.8	-2.2
Denver.....	5	1.8	0.1	4.8	6.9	-27.4	-1.5	2.4	1.7	5.6
Wichita.....	4	5.1	-2.8	0.5	.....	.....	-1.2	8.5	-2.4	7.2
Omaha.....	2	-4.0	-3.8	5.0	.....	.....	-2.2	1.4	0.5	Even
Oklahoma City.....	3	17.5	-5.6	13.4	-26.4	.....	2.1	19.5	-3.1	13.3
Lincoln.....	3	12.7	-6.5	-8.8	-20.0	11.6	10.7	3.7	10.9	6.7
Tulsa.....	3	11.6	-3.2	8.5	-29.6	-17.3	-1.3	7.6	13.4	15.0
Other Cities.....	16	2.4	-4.7	-1.7	.....	.....	2.4	3.4	-3.2	-5.7
Total.....	39	3.2	-3.2	2.5	-3.9	-20.4	0.8	5.3	0.5	3.9

Business Failures

Business failures in this district, and in the United States were fewer and liabilities smaller in May than in the preceding month and the corresponding month last year. The May failures and amount of liabilities for the United States, reported by Federal reserve districts by R. G. Dun & Company, follow:

	Number		Liabilities	
	1926	1925	1926	1925
First, Boston.....	210	177	\$ 3,847,729	\$ 2,563,135
Second, New York.....	290	347	5,748,621	8,959,077
Third, Philadelphia.....	46	67	3,071,127	1,108,264
Fourth, Cleveland.....	155	153	4,473,273	4,496,342
Fifth, Richmond.....	118	131	1,963,570	5,752,331
Sixth, Atlanta.....	54	97	1,280,119	1,418,655
Seventh, Chicago.....	222	197	7,176,994	2,896,011
Eighth, St. Louis.....	54	89	234,034	1,369,633
Ninth, Minneapolis.....	87	99	676,560	1,371,418
TENTH, KANSAS CITY.....	102	120	1,323,712	1,956,286
Eleventh, Dallas.....	91	56	802,029	1,956,651
Twelfth, San Francisco.....	301	234	2,945,550	3,178,749
U. S. Total, May.....	1,730	1,767	\$ 33,543,318	\$ 37,026,552
U. S. Total, 5 months.....	9,768	9,675	180,490,978	202,696,954

Savings in Banks

Savings deposits in reporting banks in leading cities of the district increased 0.6 per cent between May 1 and June 1, and the total on the last mentioned date was 1.8 per cent above that reported on June 1, 1925. There was a decrease in the month of .09 per cent in the number of savings accounts, with the June 1 total 1.8 per cent above that a year earlier. The reports of deposits:

Banks	June 1, 1926	May 1, 1926	June 1, 1925
Denver, Colo.....	6	\$ 46,550,582	\$ 46,916,580
Kansas City, Kans.	4	2,876,816	2,859,341
Kansas City, Mo.....	10	15,450,051	15,551,745
Lincoln, Nebr.....	3	3,040,729	3,008,904
Oklahoma City, Okla. 7	8,453,301	8,313,037	10,071,671
Omaha, Nebr.....	5	7,544,723	7,498,930
St. Joseph, Mo.....	6	8,489,723	8,448,689
Tulsa, Okla.....	6	13,054,330	12,275,960
Wichita, Kans.....	5	4,585,634	4,511,074
Other Cities.....	3	999,722	995,190
Total.....	55	\$111,045,611	\$110,379,450

Retail Trade

Sales at department stores which made reports to the Federal Reserve Bank of Kansas City were smaller in May than in April by 2.1 per cent, but were larger than in May of last year by 3.2 per cent. Of 39 department stores reporting for May, 24 showed increases and 15 decreases in the money volume of their sales as compared with May 1925. The returns complete for the five months of 1926 showed an increase of 1.4 per cent in the volume of sales over the corresponding five months last year. Combined reports of stores handling women's clothing and also of stores handling men's clothing showed sales in May were substantially larger than in May of last year. The volume of sales for the first five months of 1926 was 1.1 per cent larger for women's clothing and 1 per cent smaller for men's clothing than for the like period last year. Sales of shoes by retailers were smaller by 4.5 per cent than a year ago. Retailers of furniture reported sales in dollar volume were smaller than in the preceding month and smaller than a year ago.

Wholesale Trade

Distribution of merchandise by wholesalers at the leading centers continued in large volume, the more seasonal weather and harvest-time demands offsetting the unfavorable influence of the backward season. May sales by wholesalers of dry goods, hardware and furniture were larger than in April and larger than in May, 1925. Sales of groceries during the month were slightly smaller than in the preceding month but were larger than a year ago, while sales of drugs and millinery were smaller than in either of the former periods with which comparison is made. Wholesalers of dry goods reported the market on a sound basis as a result of a revision of prices of cotton goods. Conditions affecting the wholesale grocery trade were not materially different from those in the earlier spring months. The hardware trade, in spite of unfavorable weather conditions, held up well and there was no material change in price levels. The reports of wholesale furniture houses showed some improvement during May with the volume of business at the high level of the year. Wholesalers of drugs reported competition was very keen, with some price-cutting. Orders from retailers had taken another hand-to-mouth phase and were many and small. Notable declines in essential oils, menthol and some phar-

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	Sales		Outstandings (Mo. end.)		Collections		Stocks (Mo. end.)		
	May, 1926, compared with		May 31, 1926, compared with		May, 1926, compared with		May 31, 1926, compared with		
	Apr., 1926	May, 1925	Apr. 30, 1926	May 31, 1925	Apr., 1926	May, 1925	Apr. 30, 1926	May 31, 1925	
Dry Goods.....	6	6.2	0.8	-2.0	-2.8	-4.7	4.5	-1.8	-6.3
Groceries.....	6	-3.1	2.7	3.0	11.5	-5.0	-9.1	-2.4	9.6
Hardware.....	9	8.0	1.6	2.5	0.5	-0.4	-5.8	-7.6	-6.0
Furniture.....	5	8.5	3.7	2.5	3.1	20.8	-6.5	-3.2	-5.6
Drugs.....	8	-1.9	-0.9	-0.3	5.5	-6.7	-3.0	-2.8	-5.6
Millinery.....	5	-39.5	-4.0	-23.8	-10.6	-37.6	-2.1	-10.3	-23.9

maceutical products were reported, with heavy chemicals firm and showing an upward tendency. Denatured alcohol and glycerin were effected by seasonal advances, but wholesalers did not anticipate as great an advance as last year.

Collections

Collections during May were reported by wholesale dealers as generally satisfactory, due mainly to the fact that on account of the hand-to-mouth buying retailers had their affairs in better shape than in recent years. Collections during May at department stores in cities averaged 42.1 per cent of amounts outstanding at the end of April, against 42.5 per cent reported for the previous month and 41.8 per cent for May, 1925. Lumber and implement dealers reported collections good. A few reports showed collections were poor or fair, but reports as a whole indicated collections were a little better than a year ago.

Farm Implements and Machinery

Distributors of harvesting machinery and threshers reported May business disappointing in parts of the district in which the wheat crop is poor. Elsewhere throughout the district, where crop conditions are good, the volume of business was satisfactory and ahead of last year. Sales of farm implements reported by some of the dealers were larger in May than in the like month in recent years.

Lumber and Materials

The volume of business at 278 reporting retail lumber yards in cities and towns scattered over the Tenth District showed less than the usual seasonal advance during May, although sales of lumber in board feet, and sales of lumber and other materials in dollars, were larger than a year ago. Stocks on May 1 at the reporting yards were about the same reported a month earlier and were smaller than at the corresponding date last year. The volume of the lumber and material business at the reporting yards is indicated by the following percentages of increase or decrease for May as compared to April 1926 and May 1925:

	May, 1926 Compared to	
	April, 1926	May, 1925
Sales of lumber, feet.....	-1.0	3.3
Sales all materials, dollars.....	0.2	4.4
Stocks of lumber end of month.....	0.5	-5.3
Outstandings end of month.....	6.2	5.8
Collections during month.....	15.5	12.1

The National Lumber Manufacturers Association reported for all associations a lumber cut of 1,262,441,260 feet during the four weeks ending May 29, an increase of 36,985,575 feet over the preceding four-week period ending May 1. Shipments during the four weeks were 1,241,612,158 feet, a slight increase, and orders received were for 1,231,931,889 feet, an increase of 67,398,518 feet. Unfilled orders at the end of May amounted to 956,704,659 feet.

A report on the state of the lumber trade in June said: "Retailers generally have been busily engaged in delivering lumber sold the early part of the year, but generally have not been replacing as much lumber as delivered, preferring to reduce stocks. Strikes which have been interfering with business in the larger cities are mostly settled and the outlook for city business is better than it has been in recent months. Retail distributors in rural districts also report prospects favorable and the outlook for late summer and fall business good. Wholesale prices are about on the same level as the first of the year

and no marked declines anticipated. Manufacturing companies headquartering in this district report improved foreign and water borne domestic business. Southern pine prices are relatively firmer than fir prices. All prices on common lumber are fairly strong and on the better grade of lumber seasonably weak. The general outlook for softwoods from both wholesaler and retailer standpoint may be considered good for this season of this year. Demand for hardwoods shows some improvement over April and May."

Production and shipment of Portland cement at mills in this district increased in May over April but the month's totals fell below those for May 1925 by 1.2 per cent in production and 4.8 per cent in shipments. The monthly totals follow:

	May, 1926	April, 1926	May, 1925
Production, Barrels.....	1,368,000	1,073,000	1,395,000
Shipments, Barrels.....	1,329,000	1,100,000	1,396,000
Stocks, end of month.....	1,705,000	1,666,000	1,908,000

Production of all shades, textures and grades of face brick at 68 plants in 17 states in May was 3.7 per cent larger than in April but was 6.3 per cent smaller than in the same month last year. Shipments during the month increased 12.2 per cent and were 0.6 per cent larger than in May 1925. Stocks were reduced 10.9 per cent but were 23.3 per cent larger than a year earlier.

Building

The number of permits issued in eighteen cities during May exceeded the April total by 3.7 per cent, but fell short of the total for May 1925 by 10.6 per cent. The value of May permits was 8.8 per cent less than that for April, and 15.8 per cent less than in May 1925. The reports showed increases in the value of May permits over last year in eight cities and decreases in ten cities. The building record for May:

	PERMITS		ESTIMATED COST		Per cent Change
	1926	1925	1926	1925	
Casper, Wyoming.....	26	17	\$ 21,458	\$ 12,930	66.0
Cheyenne, Wyoming.....	31	22	40,020	56,735	-29.4
Colorado Springs, Colo.....	90	90	123,461	194,664	-36.6
Denver, Colo.....	644	764	2,000,200	2,110,650	-5.2
Hutchinson, Kans.....	37	31	89,110	52,830	68.7
Joplin, Mo.....	59	40	310,295	95,639	224.4
Kansas City, Kans.....	311	208	333,160	285,575	16.7
Kansas City, Mo.....	490	639	2,567,200	3,652,300	-29.7
Lincoln, Nebr.....	121	150	290,445	548,707	-44.7
Muskogee, Okla.....	31	24	27,375	46,645	-41.3
Oklahoma City, Okla.....	168	201	802,764	523,979	53.2
Okmulgee, Okla.....	8	5	36,900	17,900	106.1
Omaha, Nebr.....	212	291	765,910	1,213,985	-36.9
Pueblo, Colo.....	108	132	103,537	133,492	-22.4
St. Joseph, Mo.....	75	105	148,292	100,390	47.7
Topeka, Kans.....	156	161	426,135	202,987	109.9
Tulsa, Okla.....	263	284	410,045	822,182	-50.1
Wichita, Kans.....	176	200	265,234	328,882	-19.3
May.....	3,006	3,364	\$ 8,761,541	\$10,400,472	-15.8
April.....	2,899	3,750	9,608,779	13,148,702	-26.9
Five Months.....	12,735	15,848	39,526,812	52,068,705	-24.1

Building contracts awarded in the Tenth District during May had a value of \$18,838,990, according to the F. W. Dodge Corporation reports. This total exceeded the April awards by \$4,764,000 and was \$6,391,000 larger than the awards in May 1925.

Crop Conditions in the Tenth District

The June 1 survey of the United States and cooperating State Departments of Agriculture showed the following percentages of condition of crops in the states or parts of states which form the Tenth District, 100 per cent representing the normal condition:

	Wheat Winter	Wheat Spring	Oats	Rye	Barley	All Hay	Pastures
Colorado.....	80	89	91	87	89	95	96
Kansas.....	70	55	66	77	53	70	74
Missouri.....	69	79	58	....	....	62	66
Nebraska.....	64	86	71	72	71	71	70
New Mexico*.....	100	....	....	93	....	92	96
Oklahoma.....	82	....	84	87	86	78	84
Wyoming.....	88	91	....	90	94	94	95
United States.....	76.5	78.5	78.8	73.4	81	76	77

*Estimated May 1.

Percentages shown in the foregoing tabulated statement indicated declines between May 1 and June 1 in the condition in most farm crops in Missouri, Kansas and Nebraska, due to the backwardness of the season and to scant rainfall in May over portions of states. The condition of crops in Oklahoma was exceptionally high. High average conditions for all crops were reported for Colorado and Wyoming, states in which farming operations have greatly expanded in recent years. In New Mexico the composite condition of all crops was 20.5 per cent above the ten-year-average, and in Texas the percentage of condition was 24.4 per cent above the ten-year average, this being the best all-round average condition of crops in the United States. On the whole the crop situation in the seven states and in the Tenth District proper was far more encouraging on June 1 than had been expected, considering the unfavorable conditions through the greater part of May. With general rains over the district in June there was a promise of very large farm production for the year.

WINTER WHEAT: The pre-harvest estimate of winter wheat produced in Tenth District States is shown in the following table with the estimate of May 1 and the final estimate of the number of bushels harvested last year for comparison:

	Estimate June 1, 1926 Bushels	Estimate May, 1, 1926 Bushels	Final Estimate 1925 Bushels
Colorado.....	19,795,000	19,553,000	10,752,000
Kansas.....	133,172,000	141,937,000	74,750,000
Missouri.....	14,140,000	14,091,000	21,965,000
Nebraska.....	35,139,000	39,931,000	31,661,000
New Mexico.....	3,604,000	3,604,000	156,000
Oklahoma.....	62,730,000	63,450,000	28,282,000
Wyoming.....	581,000	583,000	464,000
Seven States.....	269,161,000	283,149,000	168,030,000
Tenth District*.....	256,859,000	270,892,000	150,185,000
United States.....	543,300,000	548,908,000	398,486,000

*Includes all of Colorado, Kansas, Nebraska and Wyoming, 19 counties in western Missouri, 12 counties in northern New Mexico and all of Oklahoma except 8 southern counties.

According to the foregoing reports this year's production of winter wheat in this district was estimated at 106,675,000 bushels or 71 per cent more than the harvested crop of 1925. However, the June 1 estimate for the district was 14,053,000 bushels, or 5.2 per cent, less than the estimated yield reported a month earlier.

The decline in condition and prospective yield between May 1 and June 1 was heaviest in Kansas and Nebraska, other states reporting but slight change. Wheat burned very badly in all sections of northern Kansas west of the Blue river north of the main line of the Union Pacific railroad, as a result of dry weather and absence of rainfall during the last two weeks of May.

Elsewhere in that state—though fired in spots, but not seriously—winter wheat went to harvest in good to excellent condition with prospects for a yield in the state which has been excelled only four times, in 1914, 1919, 1920 and 1924. There was deterioration of winter wheat in May and the first ten days of June over the greater part of Nebraska, dry weather causing it to head short and to fire, and considerable abandonment was reported. Still, the reports indicated Nebraska farmers will harvest nearly 3,500,000 more bushels of wheat than last year. Missouri wheat made little progress during May. Conditions were poorest in the northern counties and best in the southwest. Improvement followed June rains, heads filled well, and the crop went to harvest with a better promise than was noted a month earlier. Oklahoma's winter wheat, most of which had been harvested at the end of June, was the second best crop that state has yet produced, the estimate for June falling slightly below the crop of 1919. The Colorado estimate was for a large increase over last year and one of the best crops that state has produced. Wyoming reported excellent condition of winter wheat and New Mexico's estimate was for a very large yield, whereas a year ago wheat in that state was almost a failure.

The winter wheat harvest, starting in the lower counties of Oklahoma at the beginning of June, moved rapidly northward with the ripening of the wheat, and by June 20 was general over the wheat belt as far north as the Platte River in Nebraska. Early threshing returns indicated yields were showing up well, and new wheat arriving at the markets was of good quality.

SPRING WHEAT: No official estimate of this year's acreage and probable production of spring wheat is to be made until July. June reports for Colorado, Nebraska and New Mexico showed a higher condition figure, and for Wyoming a slightly lower condition figure, than was reported for June 1, 1925. Kansas and Missouri, with small acreages of spring wheat, reported the condition of the crop not so favorable as a year ago. The spring wheat crop in these six states last year totaled 9,675,000 bushels on 699,000 acres harvested.

CORN: It is still too early to calculate the prospective production of corn in the Tenth District, for the reason that planting in most of the larger production sections was delayed by unfavorable weather, while statistical data as to the acreage planted this year will not be available before July, when the Government is expected to present its first official estimate. In Nebraska, the condition of corn was good and the needed moisture came later in the month. Fields were in a fine state of cultivation and the stand generally satisfactory. In Missouri stands were better than expected but some replanting was necessary because of poor and unfavorable soil conditions. Recent rains greatly benefited corn in that state. In Kansas the condition of corn on June 1 was estimated at one point below that reported for the previous June. Corn was small for that date but was in splendid tith and good stand. The condition of corn in Oklahoma was very much higher on June 1 than a year ago when dry weather conditions were prevalent throughout the state.

COTTON made fair to very good advance during May in producing states lying west of the Mississippi River. In Oklahoma, the principal cotton state of the Tenth District, stands ranged from poor to very good, but showers and more seasonal temperatures prompted fair growth. Planting of the crop was late and in many localities was still in process in the first ten days of June. The Government's official report on

acreage and condition of cotton is to be given to the public in July.

OATS made a poor start in Missouri, Kansas and Nebraska, and the crop was damaged by heat and insufficient moisture so that the condition on June 1 was rated below that of a year ago. Oklahoma reports reflected an excellent condition of oats in the southern half of the state and from fair to good in the northern half, with a good crop in prospect for the entire state. Reports from the mountain states, where comparatively small acreage of oats were sown, indicated the crop was making an excellent showing and somewhat better than a year ago.

OTHER GRAINS: The condition of rye on June 1 promised 5,050,000 bushels for this year against 4,715,000 bushels harvested in 1925 in Colorado, Kansas, Nebraska, Oklahoma and Wyoming. The barley crop was expected to fall short of that of last year, due to the severe damage in the best barley sections of Kansas and Nebraska. Rains during June were beneficial to the crop in those sections, but at best it was indicated the yield would fall short of that of last year. Elsewhere in the district the barley crop was in much better condition on June 1 than a year ago.

TAME HAY suffered from lack of moisture in many sections in May, and the June 1 forecast indicated a probable reduction in the yield as a whole as compared with that of last year.

FRUITS: Nearly all of the states in this district reported prospects for at least a fair crop of apples with the average a little better than a year ago. The Kansas apple prospect on June 1 was 59 per cent of normal, the same as recorded for last June. Missouri reported prospects for 65 per cent of the normal crop. In Nebraska the condition was reported at 68 per cent. Apples made good progress in Colorado, New Mexico and Wyoming, the condition in the latter state was 95 per cent normal compared with 60 per cent a year ago. In Oklahoma the dry weather during May damaged the apple crop and prospects were for 52 per cent of a full crop, 580,000 bushels compared to 644,000 bushels last year. Indications in June pointed to a slightly larger peach crop in the district as a whole than that produced last year. Oklahoma and Kansas showed very low averages in condition as a result of severe freezes in March, while reports from other states showed a much better condition than a year ago. In Missouri the condition on June 1 was 66 per cent of normal or 19 points higher than a year ago. The pear crop in Colorado, Missouri and Nebraska was given a higher percentage of condition on June 1 than that reported one year earlier, although a lower condition was reported for Kansas and Oklahoma.

Grain Movements

Meager receipts of wheat at the markets in the Tenth District during the month of May—in the face of a good milling demand and advancing prices—indicated reserve stocks of old wheat in this region were nearing depletion and growers were making ready to refill their bins with the new crop now being harvested. May receipts at five markets exceeded those for April by 17.3 per cent, but were the smallest for May in seven years.

The movement of the 1926 crop of wheat into market channels started in the second week of June in southern sections and by the end of the month as the harvest moved northward receipts of new wheat had assumed large proportions.

May receipts of corn at the five markets were small, the reports indicating that with the relatively low prices of corn and high prices of hogs farmers were finding their corn of greater feeding value than at earlier periods in the year and were hold-

ing back their corn supplies. Private estimates indicated that on June 1 between 25 and 30 per cent of the 1925 crop of corn remained in the hands of farmers. Receipts of oats at the five markets during May were smaller than in the preceding month or a year ago. The table which follows shows receipts of six classes of grain at the five markets during May and for the five months of 1926 as compared with the total for the month and the five month period of last year:

	Wheat (Bu.)	Corn (Bu.)	Oats (Bu.)	Rye (Bu.)	Barley (Bu.)	Kafir (Bu.)
Hutchinson.....	464,400	108,750	.....	.....	.....	80,600
Kansas City.....	1,885,950	1,341,250	195,500	25,300	22,500	290,400
Omaha.....	854,000	1,150,800	366,000	53,200	24,000	.....
St. Joseph.....	478,800	1,344,000	84,000	.....	.....	1,500
Wichita.....	402,300	169,100	4,500	.....	.....	13,200
May, 1926.....	4,085,450	4,113,900	650,000	78,500	46,500	385,700
April, 1926.....	3,483,850	3,135,950	719,600	78,500	41,000	289,000
May, 1925.....	5,393,400	3,035,050	1,491,700	31,300	73,050	467,800
Five Mos. 1926.....	24,003,050	24,286,900	5,244,800	428,700	244,400	1,990,400
Five Mos. 1925.....	28,657,700	23,427,950	9,641,100	267,500	336,950	3,589,900

Flour Milling

Milling operations in this territory were at an average of 55 per cent of full time capacity during May against 53.2 per cent in April and 48.4 per cent in May 1925. Production of 1,633,631 barrels of flour during the month indicated an increase of 37,251 barrels over April and 164,137 barrels over May 1925. Production figures for the leading milling centers, compiled from the Northwestern Miller reports, follow:

	May, 1926 Barrels	April, 1926 Barrels	May, 1925 Barrels
Atchison.....	88,095	91,049	106,417
Kansas City.....	375,025	397,288	440,525
Omaha.....	94,096	78,154	74,048
Salina.....	115,054	91,857	100,689
St. Joseph.....	158,693	131,172	102,203
Wichita.....	133,475	128,475	107,378
Outside.....	669,193	678,385	538,234
Total.....	1,633,631	1,596,380	1,469,494

Sales of old wheat flour for immediate delivery to bakers and jobbers whose stocks were too low to permit them to delay purchases until new wheat flour is available accounted for the increase in production in May. While there was considerable inquiry concerning flour from the new crop of wheat, reports indicated no general forward bookings to the middle of June.

Conditions of the Live Stock Industry

Reports from over the district at the beginning of June indicated improvement in the live stock industry. The condition of all classes of live stock was slightly higher than a month earlier. Pastures in many sections made a late start and suffered injury by dry weather, but over the major portion of the district the condition of pastures and ranges was from fair to excellent. Market supplies of live stock were seasonally small. Hog prices early in June reached the highest peak since the fall of 1920. Spring lambs also rose to the highest point in recent years, sheep values were steady and firm, but there was no perceptible advance in wool prices. Cattle values were slightly stronger, and it was noted there was some inquiry for breeding cattle in southern sections of the range country where grazing was said to be the best in many years.

The movement of cattle into the Flint Hills district of Kansas from January 1 to June 1 this year was about 6 per cent smaller than the corresponding movement a year ago, according to

the estimate of the Kansas State Board of Agriculture. The survey showed that during the five months of 1926 about 244,000 cattle moved into this district as compared with 260,000 in 1925, 229,000 in 1924, 219,000 in 1923 and 270,000 in 1922. The cattle arriving this year from the Southwest were in much better flesh than those received a year ago. All native stock and all of the Texas offerings were in excellent condition of health and flesh. The number of cattle grazing on the Osage pastures of Oklahoma this year was estimated at 16 per cent less than the number that was on pasture there last year, according to a report of Carl H. Robinson, statistician of the United States Department of Agriculture. The June 1 survey indicated 160,000 head grazing their year as compared with 190,000 in 1925, 130,000 in 1924 and 150,000 in 1923. The June 1 condition of cattle on pasture in the Osage country was about 96 per cent. Inbound shipments were in better condition than last year's shipments, this being especially true of Texas cattle. The cattle that were carried over the winter in the Osage country were in good condition when placed on pasture. The condition of cattle on Colorado ranges averaged 98 per cent, compared with 95 per cent a month earlier and 91 per cent a year ago. For the most part cattle were in excellent condition though reported as having suffered a little from the cool storms during May. In New Mexico and Wyoming the condition was very satisfactory, while in Nebraska pastures were dry and those carrying the average number of live stock were short, though much improved by June rains. The Sand Hills pastures, however, were very good and cattle were being moved into that section for summer grazing.

Colorado sheep improved and their condition was reported at 98 per cent on June 1 compared with 97 per cent a month earlier and 96 per cent on June 1 last year. All reports indicated that sheep were doing well in New Mexico, and an improved condition was reported from Wyoming. Sheep on feed were practically all marketed by June 1. Only a few lambs had been bought thus far for fall delivery. In a few localities there was some loss of lambs on account of cold rains but generally a good lamb crop was in prospect, a little above the average. The prevailing prices of wool throughout Colorado and Wyoming ranged from 30c to 35c, but to June 1 the wool crop was mostly held.

The feature of the hog situation was the price advance, which was the greatest during any May in twenty-five years, except for certain war-time inflation years. Hogs sold on the markets reached the highest point in six years. With the United States supply of hogs in sight for slaughter no greater than last year, with pork products in storage 27 per cent or equivalent to 1,500,000 hogs less than last year, hogs are in exceedingly strong market position. The hog-corn price ratio is near the highest on record.

LIVE STOCK MARKETINGS: The May run of cattle at the six leading markets of this district was seasonally larger than that for April. A total of 388,421 head reported for the month showed an increase of 13.1 per cent over April receipts and an increase of 13.4 per cent over receipts in May 1925. The number of calves received at these markets in May exceeded the April total by 17 per cent but fell 6.3 per cent below the total for the corresponding month last year. The supply of hogs, although larger by 6.2 per cent than that reported for the preceding month, was the smallest May total of record dating back to 1919. The movement of sheep during May was the smallest since June of last year. The total of 445,662 head was 21.6 per cent less than that for April and 11 per cent less than the receipts in May of last year. Horses and mules at

these markets were fewer than in the previous month, though the number received was 23.9 per cent larger than a year ago. The number of cars of live stock arriving at the six markets was 24,013 for May against 22,583 for April and 23,198 for May 1925. There was also a perceptible increase in receipts of live stock by motor driven trucks. Receipts of five classes of live stock at the six markets are here shown for May with comparisons:

	Cattle	Calves	Hogs	Sheep	Horses Mules
Kansas City.....	135,688	22,802	247,622	154,655	1,195
Omaha.....	127,324	6,645	208,065	132,888	187
St. Joseph.....	43,121	8,341	123,203	88,151	213
Denver.....	45,908	4,286	37,865	61,601	826
Oklahoma City.....	19,054	6,323	25,217	1,072	528
Wichita.....	17,326	3,691	51,143	7,295	878
May, 1926.....	388,421	52,088	693,115	445,662	3,827
April, 1926.....	343,349	44,529	652,397	568,452	4,080
May, 1925.....	342,585	55,615	745,778	500,787	3,089
Five months 1926.....	1,876,659	268,196	3,602,678	2,853,986	50,830
Five months 1925.....	1,969,084	309,070	4,422,964	2,910,478	52,202

Hog prices continued high throughout the month and early in June lightweights at Kansas City sold up to \$15 per hundred pounds, the highest figure since 1920. Butcher hogs up to \$14.85 and heavy-weights up to \$14.60. Heavy steer prices showed a lower tendency during most of the month but later improved. Other classes shared in the advance, with stock and feeding cattle steady to strong. Spring lambs advanced to the highest price for the season, while sheep were steady.

STOCKER AND FEEDER SHIPMENTS: The May movement of stock and feeding live stock from four reporting markets to the country was larger than in the previous month for all classes except calves. Compared with the like month in 1925 all classes showed increases, the month's shipment of feeder hogs being the largest reported since 1924. The total for the four markets follows:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	28,414	3,672	13,595	12,350
Omaha.....	9,322	.....	383	8,841
St. Joseph.....	2,942	162	3,061	12,594
Denver.....	28,802	796	2,439	7,818
May, 1926.....	69,480	4,630	19,478	41,603
April, 1926.....	60,574	5,189	12,160	37,958
May, 1925.....	65,347	4,445	10,631	35,437
Five months 1926.....	364,168	17,711	65,601	273,223
Five months 1925.....	402,177	20,270	63,742	276,340

Meat Packing

Meat packing operations in May at the leading centers of this district, measured by purchases of live stock for slaughter, reflected an increase in the slaughter of cattle, calves and hogs over April of this year and over May of last year. The number of sheep and lambs killed and dressed during the month was smaller than in April and also smaller than in May 1925. Packers' purchases of meat animals at the six markets, including hogs shipped direct to packers' yards, are here shown for May and the five months of 1926, with comparisons:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	82,511	20,945	183,908	102,235
Omaha.....	90,919	4,960	146,682	109,103
St. Joseph.....	30,740	7,816	107,014	82,805
Denver.....	9,818	3,416	28,629	13,450
Oklahoma City.....	15,027	6,132	22,613	1,039
Wichita.....	5,594	2,113	48,823	6,617
May, 1926.....	234,609	45,382	537,669	315,249
April, 1926.....	210,184	37,946	455,153	348,148
May, 1925.....	205,277	44,933	520,131	335,217
Five months 1926.....	1,134,795	228,917	2,631,112	1,806,029
Five months 1925.....	1,109,649	245,432	3,364,093	1,679,488

The shortage of hogs indicated by the market receipts during the current year, together with a moderately heavy consumptive demand for pork products, was evidenced by the fact that packers during May purchased 77.5 per cent of all hogs arriving at the markets of this district. There was a further reduction in stocks of pork and lard at Kansas City. On May 31 total stocks were 28,735,900 pounds, against 29,534,000 pounds on April 30, and 53,327,700 pounds on May 31, 1925. The demand for beef was fair, according to packers' reports, and prices were steady. Hide values showed improvement during the month. Eastern markets for dressed sheep and lambs were fairly active but did not keep up with the advance in live prices.

Petroleum

The daily flow of crude oil from wells in Oklahoma, Kansas, Wyoming, Colorado and New Mexico in May was at an average of 653,258 barrels daily, 24,117 barrels less than in April and 15,151 barrels less per day than in May 1925. Declines in the daily average for the month as compared with the April record were 19,720 barrels in Oklahoma, 6,404 barrels in Kansas and 27 barrels in New Mexico, with increases of 975 barrels in Wyoming and 1,059 barrels in Colorado. The daily average for Colorado in May was 220 per cent larger than in May 1925 and the largest of record. Gross production of crude oil in May is here shown for each of the five producing states for the three periods:

	*May, 1926 Barrels	April 1926 Barrels	May, 1925 Barrels
Oklahoma.....	14,364,000	14,492,000	14,711,000
Kansas.....	3,290,000	3,376,000	3,441,000
Wyoming.....	2,255,000	2,153,000	2,448,000
Colorado.....	224,000	185,000	70,000
New Mexico.....	118,000	115,000	51,000
Total.....	20,251,000	20,321,000	20,721,000

*Estimated, American Petroleum Institute.

Development operations in the five states were smaller in May than in the preceding month or in the like period last year, both in the number of wells completed and the daily new production. At the close of the month more new wells were in process of drilling than at any time since last July. The record of developments:

	Wells Completed	Barrels Daily New Prod'n	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	407	57,617	135	39	1,475
Kansas.....	165	16,230	57	4	471
Wyoming.....	50	4,490	7	0	316
Colorado.....	10	4,480	1	0	116
New Mexico....	23	955	11	0	144
May, 1926.....	655	83,772	211	43	2,522
Apr., 1926.....	742	139,661	218	61	2,444
May, 1925.....	783	116,215	215	48	2,508

Refining operations in Oklahoma and Kansas on June 1 were slightly more active than a month earlier though daily runs of crude oil to stills was 9,800 barrels smaller than a year earlier, as indicated by the following:

	Plants Operating	Daily Runs Bbls.
June 1, 1926.....	67	276,125
May 1, 1926.....	66	250,745
June 1, 1925.....	74	285,925

The market in June was favorable for both gasoline and kerosene, with an increasingly heavy demand for these products and firmer prices. Reports indicated further declines in stocks of crude oil and also in gasoline stocks.

Bituminous Coal

Operations at soft coal mines in the Tenth District slackened seasonally during May, and total production for the month was 14.6 per cent less than in April but 6.5 per cent greater than in May, 1925. The returns by states:

	*May, 1926 Tons	April, 1926 Tons	May, 1925 Tons
Colorado.....	692,000	806,000	604,000
Kansas.....	270,000	319,000	250,000
Missouri.....	149,000	189,000	183,000
New Mexico.....	210,000	222,000	177,000
Oklahoma.....	154,000	179,000	165,000
Wyoming.....	393,000	472,000	375,000
Total.....	1,868,000	2,187,000	1,754,000

*Estimated, United States Bureau of Mines.

During the first five months of this year production in the six states amounted to 11,617,000 tons, against 10,878,000 tons produced in the first five months of 1925, an increase for this year of 739,000 tons, or 6.8 per cent.

Zinc and Lead Mining

Production of zinc and lead ores in Missouri, Kansas and Oklahoma decreased during May. Shipments also decreased and the combined outgo for the week ending June 5 was the smallest in both tonnage and value for any week in the current year to that date. Prices of both ores continued at the low levels for the year. The average for zinc ore was \$45 per ton, though it rose to \$46 in the week ending June 5, this price comparing with \$48.50 per ton in the corresponding week in 1925. Lead ore sold at \$90 per ton for three weeks ending June 5 and was then \$20 under the average for the corresponding week in 1925. At the middle of June the price of lead ore turned upward to \$95 per ton. Shipments of zinc and lead ores during the five-week period ending June 5, compared with those for the preceding five weeks and the corresponding period last year, follow:

	ZINC		LEAD	
	Tons	Value	Tons	Value
Oklahoma.....	43,994	\$ 1,979,730	6,824	\$ 623,159
Kansas.....	15,166	682,470	2,542	232,355
Missouri.....	4,560	205,200	324	29,642
5 wks. ended June 5, 1926.....	63,720	\$ 2,867,400	9,690	\$ 885,156
5 wks. ended May 1, 1926.....	79,893	3,738,800	11,101	1,071,833
5 wks. ended June 6, 1925.....	72,843	3,525,321	9,499	927,135
23 wks. ended June 5, 1926.....	369,196	18,328,768	55,285	5,928,630
23 wks. ended June 6, 1925.....	343,798	17,785,277	55,115	6,414,583

SUPPLEMENT TO THE MONTHLY REVIEW

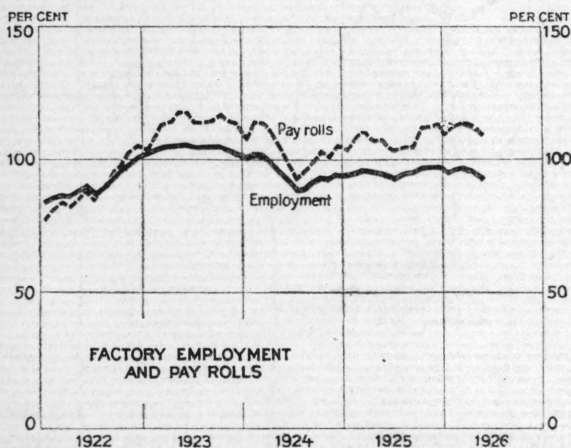
July 1, 1926

Business Conditions in the United States.

Production in basic industries and factory employment declined further in May while wholesale prices advanced slightly for the first time in seven months. The volume of trade at wholesale and at retail increased, partly as the result of more favorable weather condition.

Production

Activity in most lines of industry was smaller in May than in April. The reduction was reflected in a decreased volume of output as well as in a decline in the number of factory workers and in total wage payments. The largest declines occurred in



Federal Reserve Board's indexes of factory employment and payrolls. (1919=100.) Latest figures, May, employment, 94.8; payrolls, 108.8.

the textile, leather and shoe, and iron and steel industries. Production of automobiles continued large in May. In the lumber, cement, brick, and glass industries activity was maintained and there were seasonal increases in the output of certain food products. The volume of building contracts awarded declined further in May but continued larger than in May of last year. Figures for the first three weeks of June indicate further decreases, and the volume of contracts awarded was smaller in that period than in the corresponding weeks of 1925. Recent declines in contracts as compared with last year have been particularly large in Middle Western and Southeastern districts.

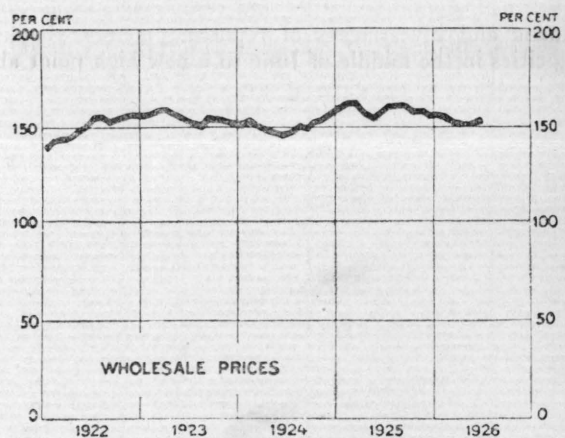
Reports by the Department of Agriculture indicate that the composite condition of crops on June 1 was 8 per cent below

the average condition on that date for the past ten years, and somewhat lower than the average condition a year ago. On the basis of the June 1 condition the estimated yield of winter wheat was 543,000,000 bushels, as compared with an estimate of 549,000,000 bushels made a month earlier, and a final yield of 398,000,000 bushels in 1925.

Trade

With more favorable weather in May than the preceding month the volume of wholesale and retail trade increased and was larger than in May of last year. Department store sales exceeded those of earlier months of this year and total sales for the first five months were larger than for the corresponding period of any preceding year.

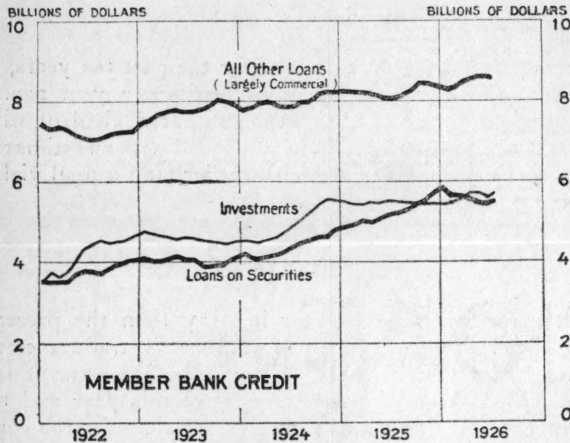
Merchandise stocks carried by wholesale firms were slightly smaller at the end of May than a month earlier. Stocks of groceries, hardware and drugs were larger than a year ago, but those of meats, dry goods, and shoes were smaller. Stocks at department stores declined more than usual in May and were only slightly larger at the end of the month than a year ago. Railroad freight shipments increased, and in May and in the first two weeks of June were above those of the same weeks of previous years. Shipments of miscellaneous commodities were especially large.



Index of United States Bureau of Labor statistics. (1913=100, base adopted by Bureau.) Latest figure, May 151.7.

Prices

The general level of wholesale commodity prices, according to the index of the bureau of labor statistics, rose slightly in May for the first time since last August. Price advances were shown both for agricultural and non-agricultural commodities. Among the principal advances were those in the prices of gaso-



Monthly average of weekly figures for banks in 101 leading cities. Latest figures are averages for first 3 weekly reporting dates in June.

line, livestock and meat, while prices of grains and cotton declined. In the first three weeks of June prices of grains, live stock, silk and non-ferrous metals advanced, while those of sugar, cotton, cotton goods, and pig iron declined.

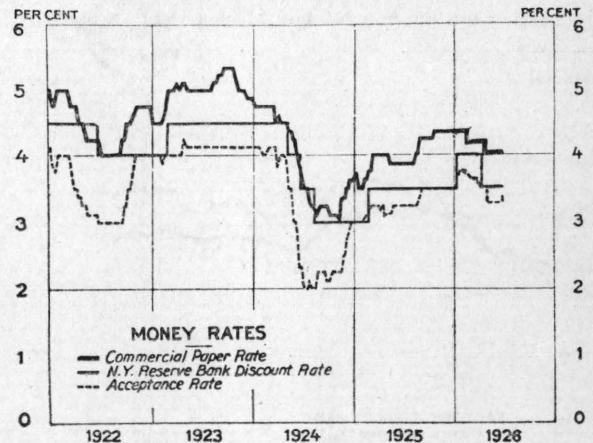
Bank Credit

Growth in loans on securities and commercial loans carried total loans and investments of reporting member banks in leading cities in the middle of June to a new high point above the total reached at the close of last year. The large reduction

in the volume of loans on securities by New York City banks since the beginning of the year has been more than offset in the total of loans and investments of all reporting banks, by increases in commercial loans and in investments of banks both in New York City and outside.

At the reserve banks changes in the volume of credit outstanding during the month ending June 23 reflected chiefly the financial operations of the United States Treasury around the middle of June. The temporary abundance of funds caused by the redemption of maturing United States obligations on June 15 caused a sharp decline in borrowings of member banks, particularly in New York City, as checks in payment of income taxes were cleared and collected. However, borrowings at the reserve banks rose to their previous level.

Money rates in general showed little change during the month. Rates on call and time loans were slightly lower around the middle of June, but in the third week were higher than in the latter part of May. Rates on acceptances and on commercial paper remained practically unchanged.



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