

THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

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CONTINUED heavy industrial operations, the output for some industries surpassing former high records, and a sharp upturn in the volume of trade following a recession early in autumn were features of the situation in the Tenth Federal Reserve District at the close of 1926. Official returns for the full 12-month period may not be completed for several days, but the value of checks cashed at banks in thirty cities to the middle of December and other statistical data available indicated the grand total of business for the year would exceed the high mark attained in 1925. With con-

ditions basically sound the outlook at the year-end was reassuring.

Production of farm crops, the basis for a good part of the prosperity reflected by the reports, was estimated for the year as slightly below the average for ten years. Yet, considering individual crops, it was a notable year for agriculture—the peak year for production of cotton and sugar beets and the second best year for wheat production. The corn crop was reduced by drought to about half the size of the 1925 crop, but this loss was partly offset by large yields of other crops of value for feeding live stock. On the whole the value of farm crops in this district should fall but little below the value of 1925 crops, estimated at \$1,229,000,000.

The enormous crop and the fine quality of winter wheat harvested—and another crop up to good stands and entering the winter in excellent condition—led to an expansion of the milling industry and gave this district first rank in flour production. The flour output from January 1 to the end of November was 15.7 per cent above that for the like period in 1925.

The live stock industry, second only to that of agriculture, had a good year. Production of meat animals made good progress and while market supplies of all classes of live stock, except sheep, fell below those for the preceding year, prices were better balanced and generally more satisfactory to growers. Dairy production made good gains, and there was heavy marketing of poultry and eggs. The wool clip was the largest for several years.

Meat packing operations were moderately heavy but not quite up to the record of 1925. The official count of cattle, calves, hogs, sheep and lambs purchased and slaughtered during the first eleven months of the year totaled 12,598,243, a decrease of 368,304, or 2.8 per cent from the record for the like period in 1925.

Reports of the mineral industries revealed remarkable progress. Several new high records were established. The output of crude oil increased in late autumn and in November was the largest for any month of record. The final figures were expected to show the year's production a few thousand barrels less than in the preceding year, but higher average prices gave the 1926 output a value greatly in excess of that for 1925. Soft coal production in the week ending November 20 attained the highest peak in four years, and the tonnage mined during the calendar year was larger than in 1925. Production and shipment of lead and zinc ores in the Missouri, Kansas and Oklahoma district exceeded the tonnages of the preceding year, but values were smaller on account of the lower prices. There

STATISTICAL RECORD, TENTH FEDERAL RESERVE DISTRICT

Returns for November and eleven months of 1926 compared with the corresponding month and eleven months of 1925 in percentages of increase or decrease.

	November 1926 compared to November 1925	11 months 1926 compared to 11 months 1925
Bank debits in 30 cities.....	4.9	4.6
Federal Reserve Bank Clearings.....	9.2	7.1
Number of items handled.....	3.5	3.9
Commercial failures.....	5.0	1.0
Amount of liabilities.....	-32.6	-9.4
Retail trade at 35 department stores.....	8.6	1.0
Wholesale trade at all stores reporting.....	1.7	-2.1
Lumber sales at reporting retail yards.....	-8.2	-2.2
Building contract awards in entire district.....	-5.4	32.1
Permits issued in 18 cities.....	-18.2	-18.7
Value of permits in 18 cities.....	-11.1	-26.1
Receipts of grain at 5 markets:		
Wheat, bushels.....	-3.3	60.7
Corn, bushels.....	-13.6	14.8
Oats, bushels.....	-57.1	-58.9
Flour production.....	40.6	15.7
Cement production.....	7.0	-0.1
Face brick production.....	4.8	0.2
Crude oil production.....	7.1	-0.3
Zinc ore shipments.....	-1.9	3.5
Lead ore shipments.....	-22.5	4.3
Soft coal production.....	4.5	3.9
Live stock receipts at 6 markets:		
Cattle.....	5.9	-5.5
Calves.....	-4.6	-14.4
Hogs.....	0.6	-12.8
Sheep.....	1.7	5.1
Horses and mules.....	-31.9	-16.0
Meat packing at 6 cities:		
Cattle.....	-1.6	-2.5
Calves.....	-5.8	-15.3
Hogs.....	13.0	-10.8
Sheep.....	16.4	14.0

was no apparent slowing down in the camps of Colorado and New Mexico where metal mining operations were the greatest for many years. The arrival of winter caused the usual slowing down of operations at plants manufacturing cement, brick, mineral paints and clay products, while operations at glass plants increased. Production in these industries for the year was slightly larger than in 1925.

Building operations and public work throughout the district as a whole were heavy, and the value of contract awards in eleven months was greater than for the same period in 1925, although in reporting cities the value of permits decreased, indicating that building shortages in these cities had been overcome and construction was in keeping with the seasonal demand.

Banking and Credit

Credit conditions in the Tenth District in the final month of the year were not materially different from those which prevailed in the summer and autumn. While large amounts of money were necessary to finance industrial and trade operations, and to meet requirements of agriculture and livestock, it was noted that the volume of loans at banks fell steadily during the last quarter of the year and the total at reporting member banks on December 8 was 7.6 per cent below that reported one year earlier, and in fact the smallest total reported since October 22, 1924. On the other hand there had been a steady upward trend in investments by banks and the level in the last quarter of the year was the highest of record. Deposits fell off during the latter part of the year and the gross at the second reporting date in December was only one-tenth of 1 per cent above that reported December 9, 1925. Weekly statements of reporting member banks as of December 8 and November 10, 1926, and December 9, 1925, are shown in the following table:

	Dec. 8, 1926 (66 Banks)	Nov. 10, 1926 (66 Banks)	Dec. 9, 1925 (69 Banks)
Loans and Discounts, including Re-discounts:			
Secured by U.S. Govt. Obligations.....	\$ 4,587,000	\$ 4,496,000	\$ 4,011,000
Stocks and Bonds other than U. S.			
Bonds.....	107,455,000	107,640,000	115,136,000
All Other.....	303,187,000	309,405,000	330,082,000
Total Loans and Discounts.....	415,229,000	421,541,000	449,229,000
Investments:			
U. S. Govt. Securities.....	\$101,343,000	\$103,195,000	\$ 91,728,000
Other Bonds, Stocks and Securities.....	93,117,000	94,876,000	76,809,000
Total Investments.....	194,460,000	198,071,000	168,537,000
Total Loans, Discounts and Investments.....	609,689,000	619,612,000	617,766,000
Deposits:			
Demand Deposits.....	\$485,611,000	\$497,720,000	\$487,142,000
Time Deposits.....	145,404,000	149,607,000	143,949,000
Government Deposits.....	1,041,000	1,652,000	437,000
Total Deposits.....	632,056,000	648,979,000	631,528,000

GOVERNMENT FINANCING: The Secretary of the Treasury reported a liberal response by Tenth District banks and their customers to the December offering of an issue of 3¼ per cent Treasury certificates of indebtedness to mature September 15, 1927. Cash subscriptions through the Fiscal Agency Department of the Federal Reserve Bank of Kansas City aggregated \$13,690,000 and exchange subscriptions of maturing certificates for the new issue amounted to \$1,080,000. Of the total amounts subscribed only \$2,772,500 was allotted to Tenth District subscribers. The total of subscriptions to the new issue in the United States was \$1,096,000,000, and the total of subscriptions allotted was \$229,264,500.

RESERVE BANK OPERATIONS: Weekly statements of the Federal Reserve Bank of Kansas City, including branches, showed total reserves increased \$2,882,035 between November 10 and December 15, and the total as of the latter date stood \$12,363,155 above the amount reported at the corresponding date in 1925. Bills rediscounted for member banks, and also bills purchased in the open market, increased during the four-week period and the total at the middle of December was \$113,012 less than the total at the middle of December in the preceding year. Important resource and liability items appearing in the financial statements as of the three dates mentioned are shown in the table which follows:

	Dec. 15, 1926	Nov. 10, 1926	Dec. 16, 1925
Gold Reserves.....	\$ 98,307,136	\$ 95,820,527	\$ 87,102,932
Total Reserves.....	103,187,116	100,305,081	90,823,961
Bills Discounted.....	16,597,387	15,844,025	20,542,779
Bills Purchased.....	19,467,139	18,382,904	15,634,759
U. S. Govt. Securities.....	27,019,400	28,349,400	32,970,200
Total Bills & Securities.....	63,083,926	62,576,329	69,599,738
Total Resources.....	223,673,750	218,198,524	220,002,334
F. R. Notes in Circulation.....	72,033,400	68,365,300	69,763,900
Total Deposits.....	94,060,918	93,435,611	90,814,888
Reserve Ratio.....	62.1%	61.9%	56.5%

CHECKING OPERATIONS: Debits by reporting banks of checks drawn by customers against accounts in thirty cities increased during November and the total for four weeks ending December 1 stood 0.4 per cent above that for the preceding four weeks ending November 3, and 4.9 per cent above that for the four weeks ending December 2, 1925. Debits reported for the first 48 weeks of 1926 were larger by \$662,967,000 or 4.6 per cent than in the 48-week period in 1925. Later reports showed the total for the first 50 weeks of 1926 exceeded the total for the entire year 1925. Debits reported by the thirty cities by 4-week periods are shown in the following:

	Four Weeks Ending		Per cent Change
	Dec. 1, 1926	Dec. 2, 1925	
Albuquerque, N. M.....	\$ 12,561,000	\$ 10,442,000	20.3
Atchison, Kans.....	5,578,000	5,875,000	-5.1
Bartlesville, Okla.....	25,154,000	14,105,000	78.3
Casper, Wyo.....	10,115,000	10,396,000	-2.7
Cheyenne, Wyo.....	7,456,000	8,195,000	-9.0
Colorado Springs, Colo.....	15,204,000	14,795,000	2.8
Denver, Colo.....	168,673,000	167,094,000	0.9
Enid, Okla.....	13,818,000	14,155,000	-2.4
Fremont, Nebr.....	3,217,000	3,099,000	3.8
Grand Junction, Colo.....	3,988,000	4,004,000	-0.6
Guthrie, Okla.....	3,457,000	3,920,000	-11.8
Hutchinson, Kans.....	13,906,000	13,756,000	1.1
Independence, Kans.....	10,846,000	9,088,000	19.3
Joplin, Mo.....	17,111,000	18,287,000	-6.4
Kansas City, Kans.....	18,599,000	19,106,000	-2.6
Kansas City, Mo.....	361,959,000	367,256,000	-1.4
Lawrence, Kans.....	4,902,000	5,017,000	-2.3
Lincoln, Nebr.....	28,048,000	29,145,000	-3.7
McAlester, Okla.....	4,517,000	5,109,000	-11.5
Muskogee, Okla.....	12,203,000	13,180,000	-7.4
Oklahoma City, Okla.....	90,150,000	85,565,000	5.4
Okmulgee, Okla.....	9,501,000	9,988,000	-4.9
Omaha, Nebr.....	171,474,000	177,722,000	-3.5
Parsons, Kans.....	3,043,000	2,916,000	4.4
Pittsburg, Kans.....	6,520,000	6,365,000	2.4
Pueblo, Colo.....	37,250,000	23,252,000	60.2
St. Joseph, Mo.....	58,645,000	55,150,000	6.3
Topeka, Kans.....	15,866,000	14,193,000	11.8
Tulsa, Okla.....	124,450,000	95,268,000	30.6
Wichita, Kans.....	47,921,000	39,130,000	22.4
Total Four Weeks.....	\$ 1,306,132,000	\$ 1,245,573,000	4.9
Total Forty-eight weeks.....	15,199,199,000	14,536,232,000	4.6

RESERVE BANK CLEARINGS: In the twenty-three banking days of November a daily average of 256,794 items and \$45,005,000 in amount was handled for 3,562 banks in this district by the transit forces of the Federal Reserve Bank of Kansas City and branches at Omaha, Denver and Oklahoma City. This was the highest daily average of record for both items and amounts handled for collection. These averages far exceeded those for the twenty-six banking days in October, although the totals for the month were smaller than those for the preceding month. During the eleven months of 1926 the number of items handled was 2,422,403 greater and the amount \$713,914,000 greater than reported for the corresponding eleven months in 1925. The summary for the year follows:

	ITEMS		AMOUNT	
	1926	1925	1926	1925
November.....	5,906,243	5,704,700	\$ 1,035,111,000	\$ 948,169,000
Eleven Months.....	64,168,009	61,745,606	\$10,710,660,000	\$9,996,746,000

SAVINGS. A selected list of savings banks and savings departments in commercial banks reported an increase of 0.4 per cent in the amount of savings deposits between November 1 and December 1, and there was an increase of 3.7 per cent in the amount of deposits in twelve months. The number of savings accounts increased 0.3 per cent in one month and 1.7 per cent in one year. Savings deposits in reporting banks follow:

Banks	Dec. 1, 1926	Nov. 1, 1926	Dec. 1, 1925
Denver, Colo.....	6 \$ 47,449,792	\$ 47,576,144	\$ 48,004,361
Kansas City, Kans.....	3 2,186,595	2,184,056	2,128,744
Kansas City, Mo.....	10 14,987,309	15,072,425	15,117,083
Lincoln, Nebr.....	4 3,558,343	3,446,386	3,350,648
Oklahoma City, Okla.....	7 9,406,672	9,340,945	7,867,327
Omaha, Nebr.....	5 7,739,716	7,674,035	7,514,437
St. Joseph, Mo.....	6 8,102,295	8,050,605	8,838,197
Tulsa, Okla.....	5 13,359,011	13,024,142	10,173,613
Wichita, Kans.....	6 5,014,822	5,046,912	4,769,015
Outside.....	3 828,607	801,884	846,141
Total.....	55 \$112,633,162	\$112,217,534	\$108,609,566

Failures

The report of R. G. Dun & Company for November showed fewer business insolvencies in the Tenth District than in October, but the month's total slightly exceeded that for the corresponding month in 1925. The amount of liabilities involved in November failures was, with the exception of last February, the smallest for any month since November 1922. During the eleven months of 1926, for which returns were available for this issue of the Monthly Review, there were twelve more business failures than in the corresponding eleven months of 1925, but the amount of liabilities involved in 1926 failures was \$1,408,042 less than recorded for the eleven months of 1925. The record of business failures in the United States by Federal reserve districts for the month of November in 1926 and 1925 and for the first eleven months of both years, follows:

Districts	Number		Liabilities	
	1926	1925	1926	1925
First, Boston.....	221	158	\$ 3,425,829	\$ 2,118,334
Second, New York.....	363	302	5,931,843	5,734,875
Third, Philadelphia.....	72	49	2,620,000	1,011,228
Fourth, Cleveland.....	134	165	2,775,023	3,428,114
Fifth, Richmond.....	120	91	3,067,845	1,631,370
Sixth, Atlanta.....	92	74	1,875,122	2,065,090
Seventh, Chicago.....	237	218	5,633,337	7,065,391
Eighth, St. Louis.....	69	74	806,848	5,173,004
Ninth, Minneapolis.....	83	90	721,000	963,797
TENTH, KANSAS CITY.....	105	100	777,792	1,153,488
Eleventh, Dallas.....	95	71	1,543,071	995,237
Twelfth, San Francisco.....	239	280	3,516,283	4,582,493
U. S. Total, November.....	1,830	1,672	\$ 32,693,993	\$ 35,922,421
U. S. Total, 11 months.....	19,704	19,336	363,622,700	407,216,112
TENTH DISTRICT, 11 months	1,150	1,138	13,532,591	14,940,633

Agriculture

A further substantial increase in cotton production in the Tenth District was indicated by the December 1, or final estimate for 1926, of the United States Department of Agriculture. Aside from this gain the report showed few important changes from earlier reports in the estimated size of other leading crops grown in the district in the year 1926.

The value of Tenth District farm crops for 1926, based on the Department's estimated production and at current farm prices, should closely approximate \$1,165,000,000, or about \$64,500,000 below the value of farm crops produced in the district in 1925.

The final estimates on farm production made a more favorable showing for agriculture in this district than was anticipated at the close of the summer when fall crops were maturing. This district in 1926 produced its largest crops of cotton and sugar beets, and its second largest crop of wheat. Due to dry weather conditions the corn crop was but little better than half the size of the 1925 crop. Yields of oats, hay and potatoes were smaller than in 1925, but yields of grain sorghums, broom corn, sweet potatoes, fruits (except peaches) were larger than those of the preceding year.

WINTER WHEAT: According to the final report of the United States Department of Agriculture for the year 1926, made public December 20, the area sown to winter wheat in the Tenth District totaled 22,177,000 acres, or 53 per cent of the entire United States winter wheat acreage sown in the fall of 1926. This is the largest acreage of winter wheat of record for this district. It exceeds the total planted in the fall of 1925 by 1,054,000 acres. The year's acreage sown in the leading producing states of this district and the increase or decrease over the acreage for 1925 follows:

- Colorado, 1,509,000 acres; increase 105,000 acres.
- Kansas, 11,962,000 acres; increase 470,000 acres.
- Missouri, 1,619,000 acres; increase 358,000 acres.
- Nebraska, 3,569,000 acres; increase 518,000 acres.
- Oklahoma, 4,558,000 acres; increase 228,000 acres.
- New Mexico and Wyoming reported slight changes.

The area of winter wheat in Kansas is the second largest sown since 1921. This was the peak year for wheat plantings in that state. "The increase in the acreage this year over last is quite uniform throughout the state," said the board's report. "Only a few counties in the northwest, where it was very dry, and a few in the southeast, where it was too wet at seeding time, show smaller acreage now than a year ago. Some of the largest wheat counties of the Central Kansas wheat belt indicate the largest acreage ever planted. The condition of this year's wheat acreage, as it entered the dormant winter period in December, was at 80 per cent of normal compared with 84 per cent last December, 76 per cent in 1924, 84 per cent in 1923 and a 10-year average of 80 per cent. The outcome of this new wheat crop is very much dependent on winter moisture conditions and the severity of the temperatures from now until spring. Unfavorable turns of weather could prove disastrous. Favorable moisture and temperature could make it one of Kansas' largest wheat crops."

COTTON: The crop reporting board of the United States Department of Agriculture, as of December 1, estimated the United States cotton crop at 18,618,000 bales, an increase of 1,018,000 bales over the November 1 estimate, and 2,514,321 bales over the total cotton ginned from the crop of 1925. The summary of the reports shows that 58.3 per cent of the United States cotton crop was produced in the eight states lying west

of the Mississippi River. The number of bales produced in these states follows:

	Estimate Dec. 1, 1926 Bales	Ginned 1925 Bales
Texas.....	5,900,000	4,165,374
*Oklahoma.....	1,950,000	1,691,000
Arkansas.....	1,620,000	1,604,000
Louisiana.....	820,000	910,468
*Missouri.....	255,000	294,262
*New Mexico.....	72,000	64,444
Arizona.....	115,000	118,588
California.....	128,000	121,795
Eight S. W. States.....	10,860,000	8,969,931
Tenth District.....	1,880,000	1,698,000
United States.....	18,618,000	16,103,679

*Total for entire state, and not segregated by Federal Reserve Districts.

An Oklahoma cotton crop of 1,950,000 bales was in prospect on December 1, the largest ever produced and that state ranks second in cotton production. The Census Bureau reported 1,164,000 bales ginned in Oklahoma to December 1, against 1,340,000 bales of the 1925 crop ginned prior to December 1. Considerable of the crop was still in the field at the date of the report and should favorable weather continue until February it was probable the state would pick and gin in excess of the estimated 1,950,000 bales. Ginnings to December 1 were 48,013 bales in New Mexico and 161,747 bales in Missouri.

Grain Movements

November reports reflected a general slowing down in movements of grain to the markets. Receipts for the month at five markets in the Tenth District were smaller than in October for all classes except kafir, while receipts of all classes except rye and kafir fell below those of November 1925.

Movements of the 1926 wheat crop which were exceptionally heavy during July, August and September, receded late in autumn. As estimates indicated less than 20 per cent of the year's crop remained on farms December 1, it was apparent that marketings during the remainder of the wheat year would be small. Combined receipts at the five markets in the first five months of the 1926-27 wheat year were 99 per cent larger than for the like period in 1925, while receipts for the calendar year to November 30 at these markets were 60.7 per cent larger than for the first eleven months of 1925.

Official records of receipts of six classes of grain at the five leading markets of the district are shown in the following:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	1,502,550	10,000	1,500	3,600	7,500	183,300
Kansas City.....	4,307,800	790,500	338,000	31,500	56,000	397,100
Omaha.....	1,037,400	1,419,600	282,000	57,400	49,600	.....
St. Joseph.....	644,000	375,000	76,000	55,500	.....	.....
Wichita.....	1,487,700	51,600	15,000	1,200	1,200	15,600
Nov. 1926.....	8,979,450	2,646,700	712,500	149,200	114,300	596,000
Oct. 1926.....	14,559,550	5,043,850	1,192,000	216,700	176,900	137,000
Nov. 1925.....	9,288,700	3,062,050	1,660,800	70,400	118,250	432,100
11 Mos. 1926..	170,963,900	46,269,050	13,211,500	1,621,400	892,900	3,907,900
11 Mos. 1925..	106,384,050	40,314,450	32,175,100	827,700	1,360,750	5,305,400

Flour Production

Southwestern mills were operated during November at 78 per cent of the full-time capacity as compared with 81.6 per cent in October and 57.7 per cent in November 1925 and the output of flour during the short month was the largest for any November of record. The reporting mills in this district produced 22 765 526 barrels of flour during the first eleven months of 1926 which was 3,088 194 barrels above the total

for the eleven months of 1925 and the largest output for a similar period in all years of milling history. The record of November production of reporting mills at the leading centers as compiled from reports to the Northwestern Miller follows:

	Nov. 1926 Barrels	Oct. 1926 Barrels	Nov. 1925 Barrels
Atchison.....	123,774	122,197	97,693
Kansas City.....	622,925	647,507	485,831
Omaha.....	98,107	96,908	85,899
Salina.....	146,773	146,084	108,576
St. Joseph.....	185,783	185,406	134,980
Wichita.....	213,365	208,265	121,225
Outside.....	1,008,790	1,106,893	672,557
Total.....	2,399,517	2,513,260	1,706,761

Live Stock

Except for such declines as may be looked for every year when winter comes—these declines varying as weather changes are more or less severe—the condition of live stock on western farms and ranges on December 1 was generally good. Feed conditions save in a few dry sections were excellent and while there was reported some shifting about and some change in feeding methods the number of cattle on feed west of the Mississippi River this winter was reported as a few thousand head less than last winter, although the number of sheep on feed appeared to be slightly larger than a year earlier.

The cattle situation showed some improvement during the fall and with less liquidation. This situation was described by the United States Division of Crop and Livestock Estimates for Colorado in the December report as follows: "There is a considerable desire to restock, and finances are more available but the right kind of stock cattle cannot now be supplied. Reports are that the numbers of all kinds of cattle on hand are about the same as a year ago. With the prevailing prices for cattle slightly higher, there is a much better feeling toward the business than in recent years."

Available reports indicated a marked increase in the number of sheep in the breeding herds and flocks in the Rocky Mountain regions of this district. On the whole 1926 was a very good year for the sheep and wool industry and the year-end reports gave a very encouraging outlook for the coming year.

Late reports indicated there were fewer hogs on farms in the western part of the Corn Belt than at the beginning of last winter. In Nebraska, the leading producing and feeding state of this district, it was estimated the number of hogs on farms was 88 per cent of the total on hand one year ago.

The market reports covering the first half of December showed top prices of cattle, sheep and hogs were closer than at any previous time this year, although it would be difficult to make comparisons on the various grades. Top prices at Kansas City for the first week in December were: Hogs \$11.90, lambs \$12.65, steers \$12.60. The bulk of hogs sold above \$11.35, of lambs above \$12 and of cattle under \$9.50.

FEEDING OPERATIONS: The movement of meat animals from four primary markets to the country for feeding purposes was seasonally smaller in November than in October but was larger than that for November 1925 for all classes except sheep. The record for eleven months of 1925 showed a decrease of 8.6 per cent in the number of stock and feeding cattle shipped to the country, but substantial increases in countryward shipments of calves, sheep and hogs as compared with the same period in 1925. Shipments of stock and feeding live stock from

the four reporting markets to the country are here shown for the month of November and the 11-month period in both years:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	99,921	8,714	11,365	20,556
Omaha.....	49,868	.....	1,336	46,538
St. Joseph.....	12,843	889	2,352	15,549
Denver.....	74,040	6,869	1,629	179,970

November, 1926.....	236,672	16,472	16,682	262,613
November, 1925.....	187,794	14,725	10,777	263,432
11 months 1926.....	1,370,010	75,430	154,716	2,181,692
11 months 1925.....	1,499,729	73,203	133,674	2,127,967

The abundant supply of winter feed, and the ranges and pastures still affording good grazing, caused a very strong demand in November for stock and feeding cattle. This was particularly noticeable in Kansas where in addition to very large crops of roughage the wheat fields made excellent pasturage, and shipments of stock and feeding cattle into that state were the largest of the year. The demand was also very heavy from the southern states, with their enormous supplies of cottonseed meal and hull, excellent feed for livestock, and where winter pasture conditions are the best in years. Larger numbers of cattle were on feed in Colorado where winter ranges were still considered as excellent in most localities and hay plentiful at comparatively low prices.

MARKET MOVEMENTS: November brought seasonal declines from October in market supplies of cattle, calves, sheep, horses and mules, and a seasonal increase in hogs. But the month's totals showed increases over November 1925 in receipts of all classes of live stock except calves, horses and mules. Reports from the six markets for November and eleven months of the year are shown in the following table, with totals for November and eleven months of 1925 for comparison:

	Cattle	Calves	Hogs	Sheep	Horses Mules
Kansas City.....	244,251	48,678	*260,150	92,522	2,546
Omaha.....	140,931	13,503	137,903	164,373	1,768
St. Joseph.....	54,410	10,298	148,555	73,862	835
Denver.....	100,004	10,219	38,433	190,885	1,719
Oklahoma City.....	24,713	8,913	16,254	1,139	174
Wichita.....	34,484	10,372	48,819	6,617	740

November, 1926.....	598,793	101,983	650,114	529,398	7,782
November, 1925.....	565,661	106,869	646,502	520,428	11,432
11 months 1926.....	5,034,267	824,487	7,249,646	7,403,847	101,379
11 months 1925.....	5,330,070	963,434	8,316,911	7,043,740	120,759

*Includes hogs received at packers' yards.

MEAT PACKING: With increased supplies at the markets the slaughter of hogs at six packing centers was larger in November than in the preceding month and also exceeded the number slaughtered in November 1925. While the slaughter of cattle, calves and sheep was seasonally smaller than in October, the month's totals compared favorably with those for November 1925, those for cattle and calves showing small decreases and those for sheep showing a good increase. Purchases of meat animals by packers, including hogs shipped direct to packers yards, follow:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	120,631	30,299	204,115	69,157
Omaha.....	84,726	7,961	95,432	109,898
St. Joseph.....	36,600	7,867	127,271	56,051
Denver.....	12,922	3,278	24,931	15,314
Oklahoma City.....	11,970	6,894	12,930	9,150
Wichita.....	8,933	3,254	43,422	2,119

November 1926.....	275,782	59,553	508,101	253,489
November, 1925.....	280,364	63,250	449,773	217,827
11 months 1926.....	2,757,793	602,732	5,420,433	3,817,335
11 months 1925.....	2,829,627	711,849	6,074,846	3,350,275

STOCKS OF PORK: Stocks of pork and lard at Kansas City on November 30 were 21,612,500 pounds, an increase of 1,060,000 pounds during the month and 1,628,800 pounds more than reported one year earlier.

Petroleum

Production of crude oil in fields of the Tenth District averaged 741,967 barrels daily during November and the output for the 30-day month was 22,259,000 barrels. This was the largest daily average and monthly production of crude oil of record for this district. The nearest approach to the November record was in May 1923 when the daily average was 715,634 barrels and the month's production 22,185,000 barrels. Oklahoma's daily average and gross production was the largest of record for that state. Of the five producing states all showed increases over a year ago except Wyoming. The heavy output during the month brought production for eleven months of the year to 225,802,000 barrels, which was only 600,000 barrels short of the output for the first eleven months of 1925. The November record of gross production, as reported by the American Petroleum Institute, is here compared with the Institute's figures for October and the official Geological Survey figures for November of 1925:

	*Nov. 1926 Barrels	*Oct. 1926 Barrels	Nov. 1925 Barrels
Oklahoma.....	16,521,000	15,604,000	14,850,000
Kansas.....	3,475,000	3,554,000	3,272,000
Wyoming.....	1,872,000	2,018,000	2,358,000
Colorado.....	226,000	242,000	165,000
New Mexico.....	165,000	152,000	138,000
Total.....	22,259,000	21,570,000	20,783,000

*Estimated, American Petroleum Institute.

Reports on field operations showed little change in the number of new wells completed, but daily new production was the largest for any month since December 1924. New development work showed greater activity than at any time since last July. The number of wells drilling at the end of the month was 102 more than at the end of the previous month and 250 more than at the end of November 1925. Reports in detail for the five states on field operations and new work follow:

	Wells Completed	Bbbs. Daily New Prod'n	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	427	148,052	145	36	1,485
Kansas.....	165	14,807	57	8	409
Wyoming.....	37	20,990	11	3	337
Colorado.....	3	545	0	0	124
New Mexico.....	10	293	3	0	144
Nov., 1926.....	642	184,687	216	47	2,499
Oct., 1926.....	682	138,857	221	35	2,397
Nov., 1925.....	625	106,108	202	48	2,249

A slight slowing down in refinery operations from the previous month was indicated by the December 1 reports, although the daily runs of crude oil to refinery stills were larger than a year ago. The combined reports for Oklahoma and Kansas follow:

	Plants Operating	Runs to Stills
December 1, 1926.....	62	250,480
November 1, 1926.....	65	261,200
December 1, 1925.....	66	246,130

Mining

COAL: Mining operations in the soft coal fields of this district in November were at the highest percentage of full-time capacity of the year. The peak of production came in the week ending November 20, the United States Geological Survey estimating the output for that week at 785,000 tons. Total

production for the month, amounting to 3,209,000 tons, was the largest for any month since January 1925. Production reports from six producing states were:

	*Nov., 1926 Tons	Oct., 1926 Tons	Nov., 1925 Tons
Colorado.....	1,048,000	1,058,000	1,168,000
Kansas.....	521,000	481,000	419,000
Missouri.....	313,000	286,000	263,000
New Mexico.....	283,000	266,000	235,000
Oklahoma.....	251,000	235,000	231,000
Wyoming.....	793,000	727,000	754,000
Total.....	3,209,000	3,053,000	3,070,000

*November estimated, United States Bureau of Mines.

The record for eleven months of 1926 shows 26,299,000 tons as compared with 25,310,000 tons for the same period in 1925.

Cumulative production of soft coal in the United States in 1926 to December 4 (approximately 286 working days) amounted to 530,252,000 net tons. This was the largest production in a like period since 1922. In 1925 the total to the first Saturday in December was 478,653,000 net tons and in 1924 it was 442,361,000 net tons.

The demand for domestic coal was moderately heavy, though retailers were carrying small stocks in their yards and home owners were not buying in large quantities. The demand for steam coal has been quite heavy during the last half of the year.

Production of Bee-Hive Coke in Colorado and in New Mexico to the end of November was 242,000 tons as compared with 218,000 tons for the same period in 1925.

ZINC AND LEAD: Mining operations continued through November and into December at about the same level as at that time in 1925 in the lead and zinc fields of southwest Missouri, southeast Kansas and northeast Oklahoma, known as the Tri-State District. Shipments of zinc ore during a five-week period ending December 4 exceeded those for the preceding five weeks but were smaller than for the same period in 1925. This decrease was due to the fact there were three holidays in this period against two holidays in the five weeks of 1925. Shipments of lead ore were comparatively light during the latter part of November but for the week ending December 4 they were the third largest weekly shipments of the year. Shipments of these ores from each of the three producing states in tonnage and value follow:

	ZINC ORE		LEAD ORE	
	Tons	Value	Tons	Value
Oklahoma.....	57,493	\$ 2,714,483	8,700	\$ 874,822
Kansas.....	24,673	1,169,986	3,675	369,490
Missouri.....	7,275	344,006	427	42,802
5 wks. ending Dec. 4, 1926.....	89,441	\$ 4,228,475	12,802	\$ 1,287,114
5 wks. ending Oct. 30, 1926.....	75,786	3,682,148	14,969	1,575,005
5 wks. ending Dec. 5, 1925.....	91,132	5,300,668	16,519	2,079,315
49 wks. ending Dec. 4, 1926.....	790,687	\$38,839,785	123,546	\$13,127,004
49 wks. ending Dec. 5, 1925.....	764,161	41,664,792	118,456	13,943,330

For forty-nine weeks of 1926 the average price paid for zinc ore was \$48.77 per ton and for lead ore \$105.10 per ton, as

compared with \$53.53 per ton for zinc and \$115.73 per ton for lead during the corresponding forty-nine weeks of 1925. For the week ending December 4 zinc ore sold at \$46 per ton and lead ore at \$100 per ton, as compared with \$56 per ton for zinc ore and \$120 per ton for lead ore for the same week in 1925.

METAL MINING IN COLORADO: Operations in the metal mining camps throughout the mountain sections were unusually heavy during the first eleven months of the year and early in December were showing no apparent recession. Complete returns on the volume of production were not available for this issue of the Monthly Review, but reports indicated it was running considerably ahead of 1925. It was expected production of lead, zinc and copper would show substantial increases while there would be only slight increases in the output of gold and silver. While prices of metals, particularly in the latter part of the year, were below those for the corresponding period in 1925 it was evident that with the larger output the aggregate value of mineral production in Colorado and New Mexico for 1926 would slightly exceed that for the preceding year.

Trade

WHOLESALE: Trade at wholesale reported by firms located at distributing centers of this district was slightly smaller in volume in November than in October, due chiefly to the fact there were fewer business days in the month than in the preceding month. However, the November volume of sales in dollars exceeded that for November 1925.

Wholesalers of dry goods reported their business was fairly heavy for so late in the year, and somewhat heavier than in November a year ago. Recent reduction in the price of cotton goods, amounting to about 10 per cent on plain and staple lines, caused merchants to feel safer in buying for their trade requirements. However, stocks at retail stores, as well as at wholesale establishments, were reported as the lowest for years. General conditions for this and other lines of wholesale trade were reported favorable. Wholesale hardware trade, while seasonally quiet, was somewhat better than in November 1925 and in the early part of December was about normal for the season. November sales at hardware, furniture and drug stores were augmented by late buying by retailers for their holiday trade.

Business in the implement and farm machinery lines was seasonally light, particularly in those parts of the agricultural territory which suffered from drought during the summer. But distributors reported the outlook for the district as a whole as encouraging and very good business in sight for 1927.

RETAIL: Firms engaged in various lines of retail trade reported their sales in dollar amounts were considerably larger in November than in the same month in 1925, and the continued heavy buying through December to Christmas indicated that final returns for the year would show a volume equal to that of 1925, which was reported as the best year for retail

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	Sales		Outstandings (Mo. End.)		Collections		Stocks (Mo. End.)	
	Nov. 1926 compared with		Nov. 30, 1926 compared with		Nov., 1926 compared with		Nov. 30, 1926 compared with	
	Oct. 1926	Nov. 1925	Oct. 31, 1926	Nov. 30, 1925	Oct. 1926	Nov. 1925	Oct. 31, 1926	Nov. 30, 1925
Dry Goods.....	7	-2.4	8.8	-6.5	6.4	0.7	-13.5	-15.5
Groceries.....	4	3.7	-9.8	-2.1	1.8	-13.8	2.3	-18.5
Hardware.....	7	-9.8	0.5	-3.7	2.3	-0.5	1.2	-5.8
Furniture.....	4	-7.6	6.4	-5.6	5.1	5.1	-2.0	-3.7
Drugs.....	6	-2.0	3.1	0.3	-1.4	-1.9	-3.7	-9.6
Millinery.....	4	-70.0	-11.1	-30.9	-36.5	12.5	.....	.....

RETAIL TRADE AT 35 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Stores Reporting	Sales		Stocks (Retail)		Outstanding Orders		Accounts Receivable		Collections		
	November 1926	November 30, 1926	November 30, 1926	November 30, 1926	November 30, 1926	November 30, 1926	November 30, 1926	November 1926	November 1926	November 1926	
	compared to	compared to	compared to	compared to	compared to	compared to	compared to	compared to	compared to	compared to	
	Nov. 1925	Oct. 31, 1926	Nov. 30, 1925	Oct. 31, 1926	Nov. 30, 1925	Oct. 31, 1926	Nov. 30, 1925	Oct. 31, 1926	Nov. 30, 1925	Oct., 1926	Nov., 1925
Kansas City.....	3	4.8	-1.6	-3.2	-22.1	0.3	8.4	-0.2	7.5	1.7	1.7
Denver.....	5	8.2	1.6	0.9	-2.2	2.9	2.2	1.0	1.2	1.0	1.0
Wichita.....	4	12.1	1.4	-5.0	.....	.....	-1.4	6.0	10.8	9.9	9.9
Oklahoma City.....	3	16.1	-3.0	-0.6	-38.0	.....	2.7	7.8	4.3	2.1	2.1
Lincoln.....	3	0.4	-2.6	-5.8	-30.0	-21.1	0.6	-3.8	4.7	-3.4	-3.4
Tulsa.....	3	26.8	-5.4	.....	-44.7	.....	10.3	28.9	9.3	34.5	34.5
Other cities.....	14	4.6	-1.4	-6.0	.....	43.7	0.6	6.6	15.9	1.1	1.1
Total.....	35	8.6	-0.6	-1.4	-15.7	0.9	3.1	3.2	5.4	2.5	2.5

NOTE: Percentage of collections in November on outstanding accounts October 31, all stores reporting, 43.2%. Collections same month last year 42.3%.

trade since 1920. The advent at Thanksgiving time of colder weather, caused a brisk demand for winter goods. Much of the improvement in retail trade was due to an early start in buying for the Christmas season. This trade increased slightly and at the middle of December, aided by Christmas savings funds released by banks to their depositors, assumed high record proportions.

The November record of sales in dollars at reporting department stores in cities throughout the district reflected an increase over November 1925. Of 35 department stores reporting, sales at 29 stores were larger and at 6 stores smaller than one year earlier. Reports of retail stores handling men's and women's apparel, shoes, furniture and general merchandise, exhibited a similar trend.

Stocks at nearly all of the retail stores at the end of November were smaller than at the corresponding date in 1925, and with heavy sales during December further reductions in stocks were expected to be shown in year-end inventories.

COLLECTIONS: November collections reported by wholesalers were somewhat in excess of those for the same month in 1925 with about the same amount of outstanding accounts. Retail store reports showed about the same trend. The percentage of collections during the month on amounts outstanding at department stores was 43.2 per cent as compared with 42.3 per cent for November 1925. Retail lumber yards reported higher percentage of collections for November than in the preceding month and a year ago, while distributors of implements reported collections generally good.

Lumber and Materials

Lumber orders during recent weeks were under production and shipments, but as lumber stocks at the mills and distributing yards were still much lower than on January 1, 1926, and as there had been practically no forward buying, which was seasonably due, lumber manufacturers were anticipating a large volume of business early in 1927. Pending an increase in orders many mills were closing down or running short time. Purchases were confined to the picking up of bargains and urgent requirements of construction already under way. The failure of the buyers to make heavy lumber purchases in the late fall and early winter was stressed as a determining factor of the situation. The reports indicated that retail yards were doing a good business for the time of the year, and sooner or later they must make up for their failure to round out their stocks in the early winter rather than run them down to what is possibly the lowest point in history.

Lumber production in the United States in the first forty-seven weeks of 1926 was 0.8 per cent below orders on softwoods and 0.5 per cent below orders on hardwoods, as reported by

the National Lumber Manufacturers Association for all associations. Total cut for that period was 12,547,471,473 feet of softwoods and 1,382,526,357 feet of hardwoods.

The retail lumber trade in the Tenth District in November, as reported by yards in towns and cities, showed a decrease both as compared with the preceding month and a year ago. The November business at reporting yards is compared with that for October 1926 and November, 1925, in the following:

	November 1926	compared to
	Oct. 1926	Nov. 1925
Sales of lumber in board feet.....	-13.8	-8.2
Sales of all materials in dollars.....	-12.0	-9.4
Stocks of lumber at end of month.....	-4.8	-1.3
Outstandings at end of month.....	-4.6	-4.5
Collections during the month.....	2.5	2.1

Sales of lumber, in board feet, at retail yards in this district during the first eleven months of 1926 were 2.2 per cent smaller than for the corresponding eleven months of 1925.

CEMENT: Mills throughout the district reported production of cement during November was about 7 per cent larger but shipments were about 5 per cent smaller than in November 1925. Stocks of cement at mills at the close of November were 6.8 per cent more than one month earlier but 1.2 per cent less than a year ago. The November record:

	Nov., 1926	Nov. 1925
	Barrels	Barrels
Production.....	1,021,000	954,000
Shipments.....	895,000	946,000
Stocks, end of month.....	1,988,000	2,012,000

The output of cement mills in the Tenth District during the year to November 30 was 12,112,000 barrels, against 12,129,000 barrels for the eleven months in 1925.

Production of face brick of all shades and textures at sixty-one plants located in fifteen states was larger in November by 4.8 per cent than in the same month in 1925. The average production per single plant in eleven months was 0.25 per cent above the average for the corresponding period in the preceding year.

Building

Building operations slowed down to winter schedules in the latter part of November. As a result there were declines from October in the value of contracts awarded in the Tenth District as a whole, and also in the number and value of permits issued in leading cities of the district.

Statistics reported by the F. W. Dodge Corporation showed the value of contract awards in this district for November was 5.5 per cent less than for November 1925. In only two months of 1926, March and November, did the value of awards fall below those for the same months in the preceding year and

total awards from January 1 to November 30 were 32.1 per cent greater than for the like period in 1925. The value of building contract awards for November and eleven months:

	1926	1925
November.....	\$ 11,979,000	\$ 12,681,000
Eleven Months.....	185,857,000	140,676,000

Official returns from eighteen cities reporting their statistics to the Monthly Review showed more than the usual seasonal falling off in building activity. The heavier decreases were in cities in the northern and Rocky Mountain sections where early winter conditions prevailed, as with but two exceptions the cities in the southern half showed a high rate of activity and substantial increases in the value of permits over those reported for the corresponding month in 1925. The record of permits and their value for the reporting cities follows:

	Permits		Estimated Cost		Percent Change
	1926	1925	1926	1925	
Casper, Wyo.....	14	15	\$ 5,375	\$ 5,140	4.4
Cheyenne, Wyo.....	18	14	32,190	29,875	7.8
Colorado Springs, Colo...	59	84	57,276	125,733	-54.4
Denver, Colo.....	454	449	760,450	1,059,600	-28.2
Hutchinson, Kans.....	35	42	37,415	214,985	-82.6
Joplin, Mo.....	22	58	270,924	109,963	146.4
Kansas City, Kans.....	82	151	106,575	227,050	-53.1
Kansas City, Mo.....	279	417	1,248,220	1,636,550	-23.7
Lincoln, Nebr.....	68	97	269,396	361,603	-25.5
Muskogee, Okla.....	21	6	21,850	9,480	13.0
Oklahoma City, Okla.....	103	153	602,813	443,607	35.9
Okmulgee, Okla.....	3	5	6,500	6,400	1.5
Omaha, Nebr.....	88	156	558,940	519,815	7.5
Pueblo, Colo.....	72	63	107,520	361,305	-70.2
St. Joseph, Mo.....	31	54	90,581	100,915	-10.3
Topeka, Kans.....	88	98	170,810	125,635	35.9
Tulsa, Okla.....	192	171	1,037,927	1,002,527	3.5
Wichita, Kans.....	169	164	479,703	257,194	86.5
November.....	1,798	2,197	\$ 5,864,465	\$ 6,597,377	-11.1
October.....	2,655	2,891	7,273,230	9,742,176	-25.3
Eleven Months.....	26,985	33,177	84,945,540	114,426,552	-26.1

Business Conditions in the United States

Activity in manufacturing industries decreased in November and December, while production of important minerals continued at a high level. Wholesale prices declined to the lowest level in more than two years. Firmer money conditions in December reflected the usual seasonal requirements in connection with holiday and end of year activity.

PRODUCTION: Factory employment and payrolls declined in November, reflecting decreased activity in many important industries, but owing to the large output of minerals the Federal Reserve Board's index of production in basic industries advanced somewhat during the month. Production of bituminous coal and petroleum in recent weeks has exceeded all previous records, and output of copper and zinc during the month of November was in unusually large volume. Pig iron production also increased slightly in November, but steel mill operations in that month and in December were considerably reduced. Automobile production, which is not included in the index of production in basic industries, declined sharply in November for the second consecutive month and was smaller than in any month since August 1925. Textile mill activity was maintained

during November at approximately the same rate as in October. The value of building contracts awarded showed less than the usual seasonal decline in November and was slightly larger than in November 1925. Awards for the first half of December likewise exceeded those reported in the corresponding period of last year.

AGRICULTURE: The Department of Agriculture estimated the value of 55 principal crops raised in 1926, on the basis of December 1 farm prices, at \$7,802,000,000, compared with \$8,950,000,000 in 1925. Of the decrease in the value of crops, the decline in the value of the cotton crop accounts for \$580,000,000, and that of the corn crop for about \$260,000,000, while the total value of the wheat crop increased by nearly \$40,000,000.

TRADE: In November distribution of merchandise at wholesale and retail showed the usual decline from the activity earlier in the autumn. Compared with a year ago, however, wholesale trade was in about the same volume and retail trade larger. Sales of department stores were about 7 per cent larger than last year and those of leading mail order houses were 6 per cent larger. Stocks of merchandise carried by wholesale firms declined further in November and were smaller at the end of the month than a year ago. Inventories of department stores, however, increased slightly more than is usual in November. Freight car loadings declined considerably in November and December from the record high levels of October, although the movement of coal continued heavy.

PRICES: The general level of wholesale prices declined in November and prices of many important basic commodities decreased further in the first half of December. The Bureau of Labor statistics index of wholesale commodity prices for November was 148, the lowest level since July 1924. Bituminous coal prices increased sharply during October and the early part of November but in recent weeks have declined by about two-thirds of the previous rise. Petroleum prices have been reduced since early in November, and there have also been declines in pig iron, copper, zinc, lead and silver. The fall in prices of agricultural commodities, which has lasted with few interruptions for over a year, continued in November. Grains, however, have risen somewhat since the latter part of that month. The clothing materials and house furnishings groups have declined steadily in price during recent months to the lowest levels of the post-war period.

BANK CREDIT: Loans and investments of member banks in leading cities increased by over \$100,000,000 during the four weeks ending December 15, reflecting in part the growth in the demand for credit and currency that usually occurs in December. The increase was in loans on securities while commercial loans declined somewhat from their seasonal high point in November. The volume of reserve bank credit showed the usual seasonal increase after the middle of November but was lower than in the corresponding period of 1925, partly because there was a smaller increase this year in the amount of money in circulation. Money market conditions became slightly firmer in December than at the end of November. Commercial paper rates were unchanged but open market rates on Bankers acceptances advanced by one-eighth of one per cent and call rates on security loans averaged higher for the month.