

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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Vol. 12

KANSAS CITY, MO., APRIL 1, 1927

No. 4

CONDITIONS at the close of March were more favorable for farm production and for livestock than a month earlier, as the result of recent rains and snows which provided a liberal supply of soil moisture for practically every section of the Tenth District. Production in basic industries increased in February with the passing of winter and was at a level a little above that of February 1926. The marketing of grain and livestock was heavy for the month and season. Wholesale trade was irregular, some lines registering increases and others decreases in the volume of distribution. Retail sales at department stores, apparel stores and at five- and ten-cent stores were larger than in February of last year, but smaller at retail hardware and furniture stores, and at mail order houses.

Measured by check payments, the dollar volume of February business in the Tenth District was 3.7 per cent in excess of that for the corresponding month in last year.

The outstanding feature in production in this district was in crude oil. The daily average output rose week by week and at the close of February reached the highest daily average for a seven-day period of record. The increase, which was mainly in the Seminole district of Oklahoma, resulted in a break in crude oil prices.

The tonnage of soft coal mined in February was smaller than in January, due to fewer working days, but was larger than in February 1926. Lead and zinc ore shipments increased slightly in the closing week under better prices, but the month's shipments did not come up to the total for February 1926. Production of cement declined during the month, on account of heavy surplus of stocks at mills in the district, but shipments were slightly in excess of the total barrels shipped during the same month last year and were indicative of an unusually large volume of construction throughout the Southwest territory. Shipments of face brick also increased. At the metal mines in Colorado, and throughout the Rocky Mountain region, mining activity continued at a high rate.

Operations of flour mills were at a high percent of full time capacity during the short month and the output was 27.5 per cent larger than a year ago. Meat packing operations were large for the season and the slaughter of hogs and cattle exceeded the number slaughtered in the corresponding month last year.

The spring season opened with building activity over the district at a high level and the value of contracts awarded 26.9 per cent larger than in February 1926. However, there were evidences that construction this year would be confined to current needs, with an absence of speculative building. This

BUSINESS ACTIVITY IN THE TENTH FEDERAL RESERVE DISTRICT

Returns for February 1927 compared to returns for January 1927 and February 1926 in percentages of increase or decrease.

	Feb., 1927 compared to Jan., 1927	Feb., 1927 compared to Feb., 1926
Banking		
Bank debits, 29 cities.....	-3.8	3.7
Clearings, Federal Reserve Bank.....	-13.8	4.9
Loans, 66 reporting banks.....	0.4	-3.4
Investments, 66 reporting banks.....	1.3	10.4
Deposits, 66 reporting banks.....	1.2	2.8
Trade		
Department store sales.....	-4.3	4.4
Wholesale trade, all lines reporting.....	4.9	-1.7
Marketings		
Wheat.....	-8.6	85.1
Corn.....	-31.8	-16.6
Oats.....	2.0	-10.4
Cattle.....	-19.5	5.1
Calves.....	-20.8	-5.2
Hogs.....	-23.3	4.3
Sheep.....	-4.6	-21.0
Horses and Mules.....	13.0	-18.2
Minerals		
Crude oil produced, barrels.....	1.8	35.8
Coal produced, tons.....	-14.0	25.4
Zinc ore shipped, tons.....	13.7	-35.6
Lead ore shipped, tons.....	-1.3	-31.7
Foods		
Flour produced barrels.....	-3.7	27.5
Meat Packing		
Cattle.....	-12.7	1.9
Calves.....	-13.3	-8.8
Hogs.....	-27.3	3.6
Sheep.....	-2.8	-17.8
Construction:		
Building, contracts awarded, district.....	41.2	26.9
Permits issued, 19 cities.....	39.9	-15.2
Value of permits, 19 cities.....	41.7	-17.3
Lumber sales retail yards.....	2.2	-17.0
Cement shipments.....	32.2	0.6
Face Brick shipments.....	14.5	17.6

was indicated by the reports from leading cities which showed building permits, both in number and value, were smaller than in the corresponding month last year.

The advance through February into the spring season was attended by no material increase in the demand for loans at banks in this district, and with substantial gains in deposits banks increased their investments to the highest figure of record. Interest rates charged by member banks in leading cities to March 15 were unchanged from the prevailing rate of 5 to 6 per cent for commercial loans and 5 to 6 per cent for stock exchange collateral.

Member Bank Operations

Loans and discounts at 66 reporting member banks in leading cities of this district increased 0.4 per cent between February 9 and March 9 and the total as of the date last mentioned stood 3.4 per cent below that for the corresponding date last year. Loans secured by United States government obligations and also those secured by other stocks, bonds and securities showed small increases over the totals reported a year ago, but these increases were offset by a decrease of \$18,361,000 or 5.7 per cent in loans otherwise secured. Investments of the reporting member banks reached the highest total of record on March 2, but receded slightly in the week ended March 9 with the total as of that date standing 10.4 per cent above that reported on March 10, 1926. Both demand and time deposits were larger on March 9 than four weeks earlier. The figures for the principal items in the weekly statements of reporting banks as of the three dates mentioned are here shown in the table which follows:

	Mar. 9, 1927	Feb. 9, 1927	Mar. 10, 1926
Loans, discounts and rediscounts:			
Secured by U. S. obligations.....	\$ 4,442,000	\$ 4,265,000	\$ 4,066,000
Stocks and bonds other than U. S.	115,284,000	116,380,000	112,247,000
All other.....	301,942,000	299,391,000	320,303,000
Total Loans and Discounts.....	421,668,000	420,036,000	436,616,000
Investments:			
U. S. Govt. securities.....	\$103,552,000	\$102,245,000	\$104,338,000
Other bonds, stocks and securities.....	96,545,000	95,291,000	76,832,000
Total Investments.....	200,097,000	197,536,000	181,170,000
Total Loans, Discounts and Investments.....	\$621,765,000	\$617,572,000	\$617,786,000
Deposits:			
Demand Deposits.....	\$500,182,000	\$493,908,000	\$481,342,000
Time Deposits.....	148,797,000	147,153,000	149,168,000
Government Deposits.....	1,283,000	1,447,000	1,804,000
Total Deposits.....	650,262,000	642,508,000	632,314,000

Federal Reserve Bank Operations

Bills rediscounted for member banks at the Federal Reserve Bank of Kansas City, and also bills purchased, continued during February and the forepart of March at a low level. The total of discounted and purchased bills as of March 9 was \$8,921,632 or 31.8 per cent less than reported a year ago. Total reserves as of March 9 were \$7,560,811 above that of February 9 and \$27,009,101 above that of March 10, 1926. The totals of the principal items appearing in statements of the three dates follow:

	Mar. 9, 1927	Feb. 9, 1927	Mar. 10, 1926
Gold reserves.....	\$107,000,906	\$ 98,822,973	\$ 80,381,370
Other reserves.....	4,965,764	5,582,886	4,576,199
Total reserves.....	111,966,670	104,405,859	84,957,569
Bills discounted.....	7,050,949	8,034,744	14,144,839
Bills purchased.....	12,068,254	15,767,920	13,895,996
U. S. Govt. securities.....	28,068,900	27,567,900	37,473,700
Other securities.....			443,200
Total bills and securities.....	47,188,103	51,370,564	65,957,735
Total resources.....	210,104,061	200,715,529	201,251,450
F. R. notes in circulation.....	68,581,425	68,683,400	64,740,000
Total deposits.....	88,566,505	85,933,238	85,070,798

Government Financing

Secretary Mellon announced that the total amount of subscriptions received for the two issues of February certificates of indebtedness (series TS-2-1927, 3 1/8 per cent dated March 15, 1927, maturing September 15, 1927, and series TM 1928, 3 1/4 per cent, dated March 15, 1927, maturing March 15, 1928) was \$1,225,082,500. The total amount of subscriptions allotted was \$484,296,000, of which \$24,416,000 represents allotments on subscriptions for which Treasury Notes of series B-1927, maturing March 15, 1927 were tendered in payment.

Subscriptions to the two issues in the Tenth District through

the Fiscal Agency department of the Federal Reserve Bank of Kansas City amounted to \$16,566,000, of which \$7,212,000 was allotted.

The Treasury Department announced that up to the close of business on March 15 over \$1,000,000,000 of the Second Liberty Loan 4 1/4 per cent bonds, or more than one-third of the total Second 4 1/4's outstanding had been presented for exchange into the five-year 3 1/2 per cent Treasury notes in accordance with the terms of the offering made public by the Treasury on March 8.

Savings

Reports from fifty-three banks in leading cities reflected an increase of 0.7 per cent in savings deposits between February 1 and March 1. The total of savings deposits on March 1 was greater by 2.6 per cent than reported for March 1, 1926. Savings accounts in fifty-two reporting banks increased in number 0.5 per cent during the month and were 2.4 per cent more numerous than a year ago. The reports in detail:

Banks	SAVINGS DEPOSITS		
	Mar. 1, 1927	Feb. 1, 1927	Mar. 1, 1926
Denver, Colo.....	\$ 49,299,156	\$ 48,767,223	\$ 49,214,265
Kansas City, Kans.....	2,605,522	2,582,510	2,899,985
Kansas City, Mo.....	13,887,580	13,949,655	14,419,901
Lincoln, Nebr.....	2,938,788	2,963,391	2,925,240
Oklahoma City, Okla.....	8,545,555	8,456,156	7,888,817
Omaha, Nebr.....	7,765,285	7,631,574	7,440,752
St. Joseph, Mo.....	7,680,918	7,664,556	7,952,449
Tulsa, Okla.....	13,526,931	13,580,840	11,208,593
Wichita, Kans.....	4,848,699	4,712,766	4,395,103
Other Cities.....	1,085,848	1,073,172	997,228
Total.....	\$112,184,282	\$111,381,843	\$109,342,333

Payments by Check

The aggregate value of checks debited to accounts of customers at banks in twenty-nine cities in the Tenth District during the four weeks ended March 2 was 3.8 per cent smaller than in the preceding four weeks ended February 2, but 3.7 per cent larger than in the corresponding four weeks of last year, ended March 3. However, the four-week period ended March 2 contained only

BANK DEBITS IN TWENTY-NINE CITIES

	Four Weeks Ending		Per Cent Change
	Mar. 2, 1927	Mar. 3, 1926	
Albuquerque, N. M.....	\$ 10,149,000	\$ 9,136,000	11.1
Atchison, Kans.....	5,347,000	5,993,000	-10.8
Bartlesville, Okla.....	26,048,000	15,085,000	72.7
Casper, Wyo.....	8,326,000	8,012,000	3.9
Cheyenne, Wyo.....	5,024,000	5,335,000	-5.8
Colorado Springs, Colo.....	12,173,000	11,437,000	6.4
Denver, Colo.....	149,425,000	153,814,000	2.9
Enid, Okla.....	12,903,000	12,245,000	5.4
Fremont, Nebr.....	3,167,000	3,417,000	-7.3
Grand Junction, Colo.....	2,659,000	2,674,000	-0.6
Guthrie, Okla.....	3,282,000	3,553,000	-7.6
Hutchinson, Kans.....	15,810,000	11,038,000	43.2
Independence, Kans.....	10,787,000	8,999,000	21.2
Joplin, Mo.....	14,129,000	18,146,000	-22.1
Kansas City, Kans.....	18,613,000	18,292,000	1.7
Kansas City, Mo.....	330,571,000	324,713,000	1.8
Lawrence, Kans.....	4,851,000	4,880,000	-0.6
Lincoln, Nebr.....	27,661,000	29,742,000	-7.0
Muskogee, Okla.....	10,785,000	12,263,000	-12.1
Oklahoma City, Okla.....	90,197,000	86,007,000	4.9
Okmulgee, Okla.....	9,541,000	10,710,000	-11.0
Omaha, Nebr.....	175,269,000	184,272,000	-4.9
Parsons, Kans.....	2,700,000	3,008,000	-10.2
Pittsburg, Kans.....	6,773,000	6,288,000	7.7
Pueblo, Colo.....	15,697,000	14,681,000	6.9
St. Joseph, Mo.....	50,932,000	55,579,000	-8.4
Topeka, Kans.....	17,301,000	15,387,000	12.4
Tulsa, Okla.....	131,737,000	104,756,000	25.8
Wichita, Kans.....	52,242,000	40,335,000	29.5
Twenty-Nine Cities.....	\$1,224,099,000	\$1,179,697,000	3.7

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Reporting Stores	Sales		Outstandings (Mo. End.)		Collections		Stocks (Mo. End.)	
		compared with		compared with		compared with		compared with	
		Jan. 1927	Feb. 1926	Jan. 31, 1927	Feb. 28, 1926	Jan. 1927	Feb. 1926	Jan. 31, 1927	Feb. 28, 1926
Dry Goods.....	7	8.4	-1.0	5.9	-6.6	-1.3	-3.6	0.9	-3.8
Groceries.....	5	-7.0	8.8	-2.9	3.9	-6.9	-0.8	5.5	-14.5
Hardware.....	8	16.8	-3.8	6.3	6.8	-11.9	-4.2	5.0	-8.5
Furniture.....	4	21.9	-9.7	3.0	-12.1	-20.8	-7.3	6.8	-3.1
Drugs.....	6	-8.9	-4.6	-1.1	1.2	-6.2	-4.8	4.1	-6.8
Millinery.....	4	51.3	-21.7	29.7	-13.9	-33.3	-24.6	.....	.....

twenty-three banking days (due to observance of the Washington birthday anniversary), whereas there were twenty-four banking days in the preceding four-week period. Thus it appeared the daily average amount debited during the period under review was \$53,221,695 per day as compared with \$53,030,500 per day for the preceding four-week period and \$51,291,174 per day as the daily average for the four-week period ended March 3, 1926. A survey of the reports from the twenty-nine cities for the period under review showed increases in fifteen cities and decreases in fourteen cities as compared with the record for the like period in 1926. Debits in the twenty-nine cities during the first nine weeks of 1927 amounted to \$2,884,138,000 as compared with \$2,769,685,000 for the like period in 1926, indicating an increase of \$114,453,000 or 4.1 per cent.

Reserve Bank Clearings

Check collections through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver, and Oklahoma City declined in February from the January totals, which were seasonally large on account of year-end settlements. The February total of clearings was \$39,391,000 or 4.9 per cent greater than that for February 1926, although the number of checks handled was 120,116 or 2.3 per cent less than in the same month last year. The record of Federal reserve clearings for the first two months of 1927 shows an increase of \$91,652,000 or 5.3 per cent over the first two months of 1926. The following shows the amount of clearings and the number of items handled during the first two months of 1927 and 1926:

	ITEMS		AMOUNT	
	1927	1926	1927	1926
January.....	5,543,292	5,689,267	\$ 985,048,000	\$ 932,787,000
February.....	5,188,147	5,308,263	849,360,000	809,969,000
Two Months.....	10,731,439	10,997,530	\$1,834,408,000	\$1,742,756,000

Business Failures

Business insolvencies usually are more numerous in the first month of the year than in succeeding months on account of year-end settlements, but this year February failures in this district, both in number and amount of liabilities, exceeded those of January, and were larger than in February of last year. Failures in the United States during February were fewer than in January but greater than in February 1926. The record for February, compiled by R. G. Dun & Company, follows:

	Number		Liabilities	
	1927	1926	1927	1926
First, Boston.....	210	170	\$ 3,412,009	\$ 2,338,036
Second, New York.....	276	308	9,722,481	6,174,315
Third, Philadelphia.....	68	93	8,272,430	2,104,852
Fourth, Cleveland.....	162	188	3,494,955	3,966,625
Fifth, Richmond.....	156	118	4,248,597	1,845,307
Sixth, Atlanta.....	191	100	1,686,424	1,762,288
Seventh, Chicago.....	260	252	3,738,344	7,729,996
Eighth, St. Louis.....	127	100	2,006,081	3,186,884
Ninth, Minneapolis.....	77	85	1,114,000	843,138
TENTH, Kansas City.....	143	87	2,137,188	703,410
Eleventh, Dallas.....	103	62	2,023,100	669,997
Twelfth, San Francisco.....	262	238	5,086,007	2,851,500
Total United States.....	2,035	1,801	\$46,940,716	\$34,176,348

Wholesale Trade

The volume of sales by wholesale firms at distributing centers in this district increased slightly during the month of February and the total dollar sales for that month, combined for stores of all lines reporting, was 4.9 per cent above that for January and 1.7 per cent below that for February 1926. The reports by lines showed February sales of dry goods, hardware, furniture and millinery were larger, and of groceries and drugs smaller, than in the preceding month, while sales in all lines except groceries were smaller than in February of last year.

The reports indicated in a general way that, while the volume of business at the opening of March was heavy, it was not showing the expansion that was looked for at the opening of spring. A considerable part of the increase in February sales was attributed to the fact that, on account of the custom of buying from hand to mouth, retailers in recent weeks had not been going to the more distant markets and were buying goods nearer home. The number of transactions had increased tremendously on account of the conservative buying policy of retailers, thus tending to bring about a more even distribution of merchandise through the season but at the same time increasing operating expenses of both wholesalers and retailers.

Wholesalers of dry goods reported some slight improvement in their business, with stocks clean and in good condition to supply the needs of retail merchants. Although cotton goods were fully 10 per cent cheaper than they were in the early part of 1926, the market at the end of February was stronger, due to a recent advance in the price of cotton. The heavy sales of groceries was regarded as an indication of seasonal expansion in industrial activity. The wholesale hardware trade had not shown the usual expansion at the beginning of the spring season, and in fact business during the first two months of the year was regarded as slow, although conditions were regarded as sound and wholesalers were preparing for increased business in all lines. There were evidences of increased business in wholesale furniture and house furnishings. In the wholesale drug and chemical market there were no startling changes in the situation, either as to prices or volume of distribution.

Deliveries of implements were about the same as in February a year ago. Most of the deliveries, however, were to dealers for samples, as deliveries to customers usually start about April 1.

Collections

Collections reported by a number of wholesale dealers were generally more satisfactory in February than in the same month last year, although the percentage of collections by wholesalers in February on accounts outstanding January 31 was about the same as one year ago. The better situation was attributed to the fact that retailers' stocks were reduced and by purchasing goods in small quantities their obligations were in better control. However, the reports of retail stores showed collections during February were not quite so good as they were a year ago. The percentage of department store collections during February on outstandings at the close of January was 40.5 per cent as compared with 43.5 percent for the preceding month and 41.5 per cent for February 1926.

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

Stores Reporting	Sales		Stocks (Retail)		Outstanding Orders		Accounts Receivable		Collections		
	Feb. 1927	2 Mos. 1927	February 28, 1927	February 28, 1926	February 28, 1927	February 28, 1926	February 28, 1927	February 28, 1926	February 1927	February 1926	
	compared to 1926	compared to 1926	compared to 1926	compared to 1926	compared to 1926	compared to 1926	compared to 1926	compared to 1926	compared to 1926	compared to 1926	
Kansas City.....	3	4.0	2.4	12.2	-2.3	-32.6	-13.3	-14.0	-0.2	3.0	-1.4
Denver.....	5	4.8	4.0	13.3	3.0	-13.9	1.2	-8.5	1.8	-27.7	-3.0
Wichita.....	4	10.9	7.9	38.1	-0.4	.....	.....	-2.4	18.6	-24.9	8.9
Oklahoma.....	3	17.7	8.6	12.8	5.1	28.6	24.7	-10.8	20.5	-20.9	11.8
Lincoln.....	3	-4.4	-3.6	1.0	-5.2	-6.8	-26.5	-10.8	3.5	-20.0	-3.8
Tulsa.....	3	9.3	11.3	40.5	18.7	-15.4	-1.9	17.4	35.2	-32.4	23.4
Other cities.....	12	-8.2	-4.9	10.9	-2.1	.....	.....	-10.9	-0.8	-26.5	0.7
Total.....	33	4.4	3.7	14.1	1.3	-14.2	-3.8	-8.5	6.4	-20.0	2.2

NOTE: Percentage of collections in February on outstanding accounts January 31, all stores reporting, 40.5%. Collections same month last year 41.5%.

Retail Trade

The reports of 32 department stores showed February sales were 4.3 per cent smaller than in January but were 4.4 per cent larger than in February 1926. For the first two months of 1927 their sales were 3.7 per cent larger than in the first two months of 1926. Seventeen stores reported increases and fifteen stores reported decreases for February over the corresponding month last year.

Sales of men's and women's apparel at reporting stores in February were 13.3 per cent larger than in February of last year, while sales at shoe stores showed a decrease of about 5 per cent from sales a year ago.

The combined reports of retail furniture stores in cities throughout the district showed a decrease of 0.1 per cent for February as compared with the same month last year.

Retail hardware trade at reporting stores in cities showed a marked decrease as compared with that reported a year ago. This was attributed for the main part to weather conditions retarding building operations.

Stocks at reporting retail stores at the close of February were larger than at the corresponding date last year.

Lumber

Reports on the state of the lumber trade during the season to the middle of March indicated the bulk of the trade in recent weeks came from territories where the mild weather had caused spring building activity to start. Dealers have practically ceased to place orders in the winter months for spring stocks of lumber and are following the conservative policy of buying for their immediate and near future requirements. With the advance of the season and the broadening of building operations, buying became increasingly heavy and reports indicated the volume of lumber distributed would about equal that of 1926.

Late figures reported by the National Lumber Manufacturers Association showed the lumber movement in the United States for the first eight weeks of 1927 as follows:

Cut.....	Softwoods		Hardwoods
	Feet	Feet	
Shipments.....	1,559,235,658	214,559,000	214,559,000
Orders.....	1,624,805,525	203,561,000	203,561,000
	1,748,636,663	221,618,000	221,618,000

With lumber shipments and orders exceeding production and continued forced curtailment of mill operations as a result of weather conditions in the South and West, the lumber market was in stronger position than a month or two months earlier.

Generally, the lumber business in small town and country yards appeared to be on the increase, whereas city business, with the exception of one or two large cities, showed a decrease. This swing of business would mean much to the lumber manufacturers, according to the reports which said the small towns and country communities were buying the better grades of lumber, and at the present time the surplus in all woods is in the better grades.

Reports from 197 retail lumber yards in cities and towns over the Tenth District covering the February business showed a slight increase in the volume of sales over January and a perceptible decrease as compared with February a year ago. The reports from these yards for the month of February are compared with those for January 1927 and February 1926 in percentages of increase or decrease:

	February, 1927 compared to January 1927	February 1927 Compared to February 1926
Sales of lumber, board feet.....	2.2	-17.0
Sales, all materials, dollars.....	0.0	-11.8
Stocks of lumber, end of month.....	-0.05	-4.9
Outstandings, end of month.....	1.8	-1.7
Collections during month.....	-12.8	-15.6

Cement

Spring activity in construction was reflected by larger shipments of Portland cement from mills in this district. February shipments showed an increase of 32.2 per cent over January, and shipments for the first two months of the current year exceeded those for the same period last year by 7.9 per cent. February production at the mills was smaller than in January, due partly to the fewer working days in the month and partly to the fact that stocks at mills at the close of January were greater than at the end of any other month in recent years, but production for the first two months of the year was 26.4 per cent larger than for the like period in 1926. The following shows the number of barrels produced and shipped during January and February as compared with the totals for the two months last year:

	January 1927	February 1927	Two Months 1927	Two Months 1926
Production, Bbls.....	589,000	301,000	890,000	704,000
Shipments, Bbls.....	475,000	628,000	1,103,000	1,022,000

Face Brick

Production of face brick at sixty-six plants located in fifteen states was an average of 560 thousand per plant during February, and total production for the month was 14.5 per cent larger than in January and 17.6 per cent larger than in February 1926. Shipments during February averaged 421 thousand per plant, and the month's total shipment exceeded that for January by 49.2 per cent and was 12.8 per cent above that for February a year ago.

Building

The value of building contracts awarded in the Tenth District, reported by the F. W. Dodge Corporation, showed increases for both January and February over the corresponding months of the last year. The combined value of contracts awarded during the two months was larger by \$4,948,000 or 21.8 per cent than for the like period last year. The figures for January and February of 1927 and 1926 are here shown for the Tenth

District and also for thirty-seven states covered by the Dodge report:

	Tenth District		Thirty-Seven States	
	1927	1926	1927	1926
January.....	\$11,457,000	\$ 9,946,000	\$384,455,000	\$457,159,000
February.....	16,173,000	12,736,000	394,869,000	389,900,000
Two Months.....	\$27,630,000	\$22,682,000	\$779,324,000	\$847,059,000

The value of building permits issued during February in cities which report their statistics to the Monthly Review was 17.3 per cent smaller than for February 1926, and the total for the first two months of the year was 13.6 per cent below that for the like period in the preceding year. The number of building projects for which permits were issued during the period of two months also showed a decline as compared with a year ago. Of the cities reporting for February nine showed increases and ten showed decreases in the value of permits as compared with February of last year.

	Permits		Estimated Cost		Per cent Change
	1927	1926	1927	1926	
Albuquerque, N. M.....	59	38	\$ 199,400	\$ 83,500	138.6
Casper, Wyoming.....	5	16	1,000	61,200	-98.3
Cheyenne, Wyoming.....	11	14	22,355	27,330	-18.2
Colorado Springs, Colo.....	68	69	34,535	68,157	-49.3
Denver, Colo.....	452	492	1,200,200	1,047,500	14.6
Hutchinson, Kans.....	35	48	60,690	67,645	-10.3
Joplin, Mo.....	22	55	124,650	114,285	9.1
Kansas City, Kans.....	88	117	95,955	166,650	-42.4
Kansas City, Mo.....	282	417	1,576,675	1,574,950	0.1
Lincoln, Nebr.....	54	95	140,350	1,177,574	-88.1
Muskogee, Okla.....	18	16	17,377	31,875	-45.5
Oklahoma City, Okla.....	137	201	552,415	657,902	-16.0
Okmulgee, Okla.....	6	8	32,125	24,831	29.0
Omaha, Nebr.....	48	94	125,660	316,200	-60.3
Pueblo, Colo.....	88	82	98,355	62,490	57.4
St. Joseph, Mo.....	38	55	105,670	79,960	32.2
Topeka, Kans.....	79	77	300,855	247,332	21.6
Tulsa, Okla.....	255	170	671,452	810,600	-17.2
Wichita, Kans.....	144	165	320,585	248,606	29.0
Nineteen Cities.....	1,889	2,229	\$5,680,304	\$6,868,587	-17.3

Petroleum

The flow of crude oil from wells in the Tenth District increased week by week during the current year up to and including the week ended February 26. In that week the daily average production reached 910,050 barrels, which was the highest daily average for any week of record. It was 150,550 barrels above the daily average for the first week in the year and 263,300 barrels above the daily average for the corresponding week ended February 27, 1926. The bulk of the increase in crude oil production was in the Seminole district in Oklahoma where the daily average for several weeks exceeded 300,000 barrels.

The record showed gross production during the twenty-eight days of February exceeded that for the thirty-one days of January, due to the increase in the daily average, and the February total was 6,516,000 barrels or 35.8 per cent greater than the gross production in February of last year. The following table shows the February daily production and gross production in barrels as compared with for January 1927 and February 1926:

	Daily Average			Monthly Production		
	Feb. 1927	Jan. 1927	Feb. 1926	Feb. 1927	Jan. 1927	Feb. 1926
Oklahoma.....	*693,360	596,700	456,822	*19,414,000	18,497,000	12,791,000
Kansas.....	116,250	116,100	104,607	3,255,000	3,598,000	2,929,000
Wyoming.....	59,610	58,300	76,821	1,669,000	1,808,000	2,151,000
Colorado.....	7,710	7,500	6,750	216,000	233,000	189,000
New Mexico..	4,820	4,300	4,036	135,000	132,000	113,000
Total.....	881,750	782,900	649,036	24,689,000	24,268,000	18,173,000

*Estimated American Petroleum Institute.

While the February field summary showed a decrease of 115 wells completed as compared with January, and a decrease of

eighty-one wells completed as compared with the second month of last year, the volume of daily new production brought in during the month showed a very slight decline from the preceding month but was 110.4 per cent greater than during the like month in 1926. The field summary:

	Wells completed	Bbls. Daily New Prod'n	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	348	132,924	96	25	1,571
Kansas.....	114	9,311	55	6	390
Wyoming.....	17	11,416	2	2	316
Colorado.....	13	1,440	3	1	113
New Mexico.....	8	335	1	0	151
Feb. 1927.....	500	155,426	157	34	2,541
Jan. 1927.....	615	156,424	209	54	2,521
Feb. 1926.....	581	73,873	180	49	2,345

There was but slight change in recent weeks in refinery operations and while fewer plants were operating, the daily runs of crude oil to stills was 29,250 barrels or 12.5 per cent greater than a year earlier. The figures for Oklahoma and Kansas:

	Plants Operating	Runs to Stills Barrels
March 1, 1927.....	58	262,595
April 1, 1927.....	64	265,070
March 1, 1926.....	62	233,345

Lead and Zinc Ores

Production and shipment of lead and zinc ores in the Tri-State District, which had been at a very low level for several weeks, increased in the last week of February and the first week of March as a result of heavier demand and better prices.

The consolidated figures on shipments in the three producing states during the four weeks ended March 5, with totals for the preceding four weeks, and the corresponding four weeks last year for comparison, are shown in the following:

	ZINC ORES		LEAD ORES	
	Tons	Value	Tons	Value
Oklahoma.....	25,433	\$1,111,976	4,264	\$ 392,548
Kansas.....	24,624	1,081,093	3,340	313,225
Missouri.....	5,054	220,860	353	33,043
4 wks. ending Mar. 5, 1927.....	55,111	\$2,413,929	7,957	\$ 738,813
4 wks. ending Feb. 5, 1927.....	48,472	2,107,923	8,064	752,261
4 wks. ending Mar. 6, 1926.....	85,550	4,319,856	11,655	1,372,434

The price of lead ore during the week ended March 3 was \$100 per ton, which was \$10 per ton above the price paid during the first half of February. It compared with \$110 per ton paid for lead ore during the corresponding week in 1926. The price of zinc ore, which stood at the low point of \$42 per ton during the first half of February, rose to \$45 per ton in the last week of the month, this price being \$5 per ton less than was paid for zinc ores in the closing week of February last year.

Bituminous Coal

Mining operations in the fields of this district continued at a high rate of activity during February and the output for the short month was only 450,000 tons or 14 per cent less than in January, and 561,000 or 25.4 per cent greater than in February 1926. The tonnage mined in the six producing states is here shown:

	Feb. 1927 Net Tons	Jan. 1927 Net Tons	Feb. 1926 Net Tons
Colorado.....	966,000	1,169,000	750,000
Kansas.....	438,000	487,000	334,000
Missouri.....	266,000	297,000	202,000
New Mexico.....	246,000	264,000	219,000
Oklahoma.....	227,000	247,000	174,000
Wyoming.....	623,000	752,000	526,000
Total.....	2,766,000	3,216,000	2,205,000

Agriculture

Recent heavy snows and generous showers of rain over the Tenth District put the soil in excellent condition and improved prospects for 1927 farm crops. Practically every section of the agricultural area received a liberal supply of the moisture and conditions were reported better than at the close of March last year, although farm work was retarded by wet and snow covered fields and was from one to two weeks behind the usual schedule. In parts of the Upper Great Plains, where there was an insufficiency of moisture during the winter, the snows in the last week of February and the second week of March brought soil conditions about up to the usual spring requirements. In the higher altitudes, where there had been a prospective shortage of water for irrigation, late snows varying in depth from eight to eighteen inches relieved the situation and gave a brighter outlook for irrigation farming.

Winter wheat was especially favored by the recent precipitation. The reports from the wheat belt indicated that the crop was in fine condition on a much larger acreage than that which produced last year's bumper crop. Weak plants in late sown fields revived and stooling of strong plants was stimulated. In northwestern Kansas and adjoining counties in Nebraska and Colorado, where little wheat was raised last year on account of the drought, a large acreage of wheat that had failed to germinate before the recent moisture was showing signs of life. Wheat experts reported this area has the best chance for a crop of wheat in three years.

During the mild weather in February the major portion of Oklahoma's oat acreage and about one-half of that in southern Missouri and southern Kansas was seeded. Due to cold weather and wet soil, however, this work made very little progress in the first half of March in the district. For the same reason only a small portion of the acreage for barley and spring wheat was seeded during the first three weeks of March. The potato acreage in southern sections was seeded early, and some early plantings in the lower Kaw Valley of Kansas were reported March 1.

Corn planting, except in southern sections where there was considerable early planting, was not expected to be under headway until April, depending on weather and soil conditions.

The acreage to be planted to cotton this year, according to reports, is expected to be smaller than that planted last year.

Growers of sugar beets in the irrigated sections of Colorado, Nebraska, Wyoming and western Kansas, having concluded negotiations for the sale of this year's crop to refiners, are preparing to plant and cultivate a larger acreage than last year.

Grain Marketing

Arrivals of wheat at the five leading markets of this district during February was 982,200 bushels less than in January and 4,808,950 bushels more than in February of last year. Receipts of corn at these markets during the month were smaller than in the preceding month and in the same month last year. The following table shows the volume of grain received at the five markets during February, with comparisons:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Hutchinson.....	2,015,550	86,250	10,500	1,200	2,500	217,100
Kansas City.....	5,677,000	1,737,000	312,000	51,000	11,200	442,200
Omaha.....	1,023,400	1,562,400	646,000	93,800	4,800	.....
St. Joseph.....	599,200	727,500	54,000	6,000	.....	.....
Wichita.....	1,143,000	27,600	33,000	.....	1,200	24,000
Feb. 1927.....	10,458,150	4,140,750	1,055,500	152,000	19,700	683,300
Jan. 1927.....	11,440,350	6,070,450	1,034,500	146,400	90,750	951,400
Feb. 1926.....	5,649,200	4,962,700	1,177,700	77,000	44,600	402,000

Farm Stocks of Grain

Stocks of wheat on farms in six Tenth District states on March 1 were estimated as 34,859,000 bushels or 11 per cent of the 1926 crop, as compared with the estimate of one year ago of 20,037,000 bushels or 11.2 per cent of the 1925 crop. Stocks of wheat at country mills and elevators in these states on March 1 were estimated 18,813,000 bushels as against 12,776,000 bushels one year ago. Stocks of corn on farms were reported 162,070,000 bushels or 36.3 per cent of the 1926 crop. On March 1 last year farm stocks of corn were estimated at 263,638,000 bushels, which was 44.6 per cent of the 1925 crop. Stocks of oats, totaling 50,983,000 bushels for the six states, represented 28.8 per cent of the previous year's crop and were nearly 18,000,000 bushels smaller than stocks on the corresponding date last year. The following table shows the stocks of wheat, corn and oats on farms on March 1, 1927, and 1926 in thousands of bushels (000 omitted.)

	Corn		Wheat		Oats	
	1927	1926	1927	1926	1927	1926
Colorado.....	2,723	7,844	2,399	1,599	1,357	1,987
Kansas.....	14,898	41,778	16,509	6,965	8,780	11,813
Missouri.....	73,159	94,629	2,554	3,134	13,293	17,499
Nebraska.....	44,610	113,568	5,211	5,806	14,179	28,842
Oklahoma.....	25,695	44,413	7,375	1,903	11,874	6,293
Wyoming.....	985	1,406	811	630	1,500	1,829
Six States.....	162,070	263,638	34,859	20,037	50,983	68,263
United States.....	1,113,691	1,329,581	130,444	100,137	423,957	571,248

Flour Production

Southwestern mills were operated during the month of February at 70 per cent of their full-time capacity, as compared to 69.6 per cent in January and 55.8 per cent in February of last year. Production during February was 75,622 barrels less than in January, this decrease being due to the difference in the number of milling days. The February output was 426,480 barrels or 27.5 per cent in excess of that for the second month of last year. The number of barrels produced at the leading milling centers, reported to the Northwestern Miller, is here shown:

	Feb. 1927	Jan. 1927	Feb. 1926
	Barrels	Barrels	Barrels
Atchison.....	110,893	112,545	94,125
Kansas City.....	575,565	567,885	413,864
Omaha.....	86,263	87,019	83,716
Salina.....	86,659	103,776	106,686
St. Joseph.....	137,549	147,926	116,421
Wichita.....	147,753	170,669	114,760
Outside.....	835,140	865,624	623,770
Total.....	1,979,822	2,055,444	1,553,342

Cottonseed Products

During the first seven months of the present cotton year, (August 1, 1926, to February 28, 1927), a total of 534,403 tons of cottonseed was received at mills in Oklahoma, as compared with 519,330 tons received in the corresponding period in the 1925-6 cotton year. Cottonseed crushed during the present year to the end of February was 420,711 tons as against 420,906 tons and cottonseed on hand at mills on February 28 was 114,072 tons as against 101,718 tons a year earlier.

In the manufacture of cottonseed products, the output of Oklahoma mills during the cotton year to February 28 was as follows: Crude cottonseed oil 117,641,605 pounds, cake and meal 196,113 tons, hulls 117,307 tons, and linters 64,208 running bales.

Stocks on hand at mills on February 28 were: Crude oil 8,996,156 pounds, cake and meal 7,369 tons, hulls 16,431 tons, and linters 29,845 bales.

Planting Intentions

According to the Department of Agriculture's March 1 survey of farmers' intentions to plant crops, there would be a decreased acreage in the Corn Belt of corn, spring wheat, flax and tobacco, but increased acreages of other leading crops. Prospective acreages to be planted in the Corn Belt this spring are compared with last year's acreages, in percentages, follow: Spring Wheat 99.6, Corn 98.1, Oats 101.7, Barley 115.1, Flax 87.2, Grain Sorghums 104.9, Hay 101.3, Potatoes 114, Sweet Potatoes 108.5, Tobacco 94.4

Livestock

Conditions in this district in March generally were favorable for the livestock industry, according to the reports of the crop and livestock reporting service of the United States Department of Agriculture. All classes of stock on farms and ranges wintered well and suffered small losses, due to the open winter and fewer severe storms and cold spells. Save in some parts of the Rocky Mountains and the Great Plains, where there were snow coverings of varying depths, ranges and pastures were open and grazing was good for this time of the year. This was particularly noticeable in the southern part of the district, and in Texas, where there was excellent grazing through the winter months.

The situation with respect to cattle was reported as exceptionally good, with fewer cattle on farms and ranges than at this time last year, the demand for beef continuing heavy, and prices firm and stabilized. Reports from the range country told of a desire on the part of cattlemen to restock their herds, but while finances were easier for producers the right kind of stock cattle were not available in such numbers as desired, and the prices demanded locally were usually above the market.

Sheep also wintered well and losses were light. The condition in Colorado on March 1 was 99 per cent as compared with 97 per cent a year ago. In Wyoming the March 1 condition was 94 per cent, one point below a year ago. Reports from the large producing sections of Wyoming, Colorado and New Mexico indicated a good lamb crop in prospect. About 60 per cent of the Wyoming wool clip had been contracted at prices ranging from 29c to 33c per pound with a few sales at 35c. Lamb contracting had been rather slow, a few selling at 9c and 10½c.

Hog production, according to reports from the larger producing sections of the Corn Belt, promised to be maintained at about the level of the past two years.

MARKET MOVEMENTS: The reports from six leading markets in the district showed smaller receipts of all classes of livestock in February than were received in January. The decreases were due in a measure to February being the shorter month. However, the February reports showed increases in receipts of cattle and hogs, and decreases in receipts of calves, sheep and horses as compared with the numbers arriving at the six markets in February 1926. Receipts of the various classes of livestock at these markets were:

	Cattle	Calves	Hogs	Sheep	Horses Mules	Cars
Kansas City.....	132,299	19,612	210,142	87,241	5,041	8,157
Omaha.....	107,078	7,654	234,748	149,603	1,976	7,166
St. Joseph.....	39,863	7,467	113,197	112,727	879	3,396
Denver.....	29,325	3,732	43,889	92,068	2,886	2,000
Oklahoma City.....	20,519	5,215	24,231	615	656	831
Wichita.....	19,738	4,338	43,490	6,999	2,594	1,096
Feb. 1927.....	348,822	48,018	669,697	449,253	14,032	22,646
Jan. 1927.....	433,098	60,625	873,337	470,972	12,415	27,394
Feb. 1926.....	332,042	50,646	642,034	568,528	17,158	23,392

STOCKERS AND FEEDERS: Reports from four markets show February countryward movements of stockers and feeders greatly exceeded those for the corresponding month last year,

	Cattle	Calves	Hogs	Sheep
Kansas City.....	34,421	2,020	11,594	9,185
Omaha.....	20,299	.....	2,241	22,952
St. Joseph.....	5,751	398	2,476	15,300
Denver.....	9,554	1,416	3,158	37,536
Feb. 1927.....	70,025	3,834	19,469	84,973
Jan. 1927.....	97,283	5,519	18,467	121,222
Feb. 1926.....	64,498	2,688	10,968	57,594

Meat Packing

Operations at packing plants in six cities of the district were heavy during the short month of February though the number of meat animals of each class slaughtered did not come up to the January totals. The February record, when compared with that for February of last year, showed an increase of 1.9 per cent in the slaughter of cattle, an increase of 3.6 per cent in hogs, a decrease of 8.8 per cent in calves, and a decrease of 17.8 per cent in sheep. The reports in detail:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	76,244	18,264	162,411	68,778
Omaha.....	73,127	5,793	145,295	107,851
St. Joseph.....	30,465	6,547	76,144	93,846
Denver.....	8,128	2,407	35,280	17,130
Oklahoma City.....	15,748	4,691	20,958	608
Wichita.....	6,922	2,764	40,031	5,578
Feb. 1927.....	210,634	40,466	480,119	293,791
Jan. 1927.....	241,153	46,689	660,808	302,371
Feb. 1926.....	206,717	44,365	463,555	357,546

Business Conditions in the United States

Industrial output increased further in February and was slightly larger than a year ago, and distribution of commodities by the railroads was larger than for the corresponding period of any previous year. The general level of wholesale prices continued to decline and was in February at the lowest level since the summer of 1924.

PRODUCTION: Production of manufactures increased in February for the second consecutive month, and the output of minerals, after declining in January, advanced once more in February to the record level reached last December. Factory production and employment, however, continued smaller than during the corresponding month of last year. Production of iron and steel has increased steadily since December and reports indicate that operations of steel mills in March were at almost the same high rate as in March 1926. Automobile production increased from 234,000 cars in January to 298,000 cars in February, and weekly figures of employment in Detroit factories indicate some further additions to production in March but output has continued much smaller than a year ago. Daily average consumption of cotton by mills in February was larger than in any previous month on record, but activity of woolen and silk mills decreased as compared with January. Production of bituminous coal has been maintained in large volume while that of anthracite has been considerably reduced. The output of building materials was smaller during the first two months of this year than in the corresponding period of 1926. The value of building contracts awarded in February was 3 per cent smaller than in the same month of last year, but awards for the first three weeks in March were in approximately the same volume as in 1926. Contracts in Southeastern and Northwestern states have been considerably smaller than a year ago while those in the Central West have been much larger.

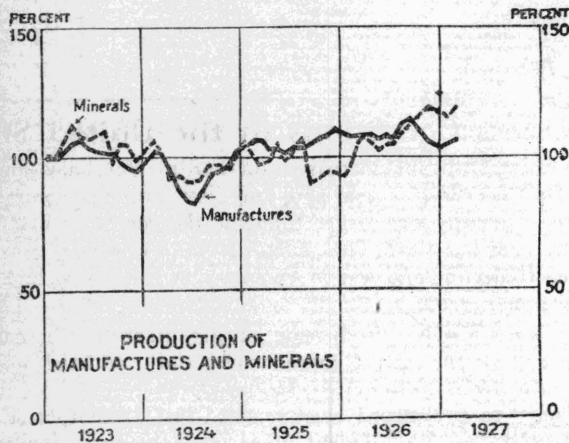
TRADE: Retail trade showed less than the usual seasonal decline between January and February. Sales of department stores and chain stores were larger than in February of last year, while those of mail order houses were smaller. Wholesale firms reported a smaller volume of business in February than a year ago, and this decline occurred in nearly all leading lines. Inventories of department stores increased in February in anticipation of the usual expansion in spring trade, but the growth was less than is customary at this season and at the end of the month stocks were slightly smaller than a year ago. Stocks of merchandise carried by wholesale firms also increased in February, but they were generally smaller than in the corresponding month of last year.

Railroad shipments of commodities have increased steadily since January by more than the usual seasonal amount and have exceeded those for the same period last year owing to larger shipments of coal, of miscellaneous commodities, and of merchandise in less than car load lots.

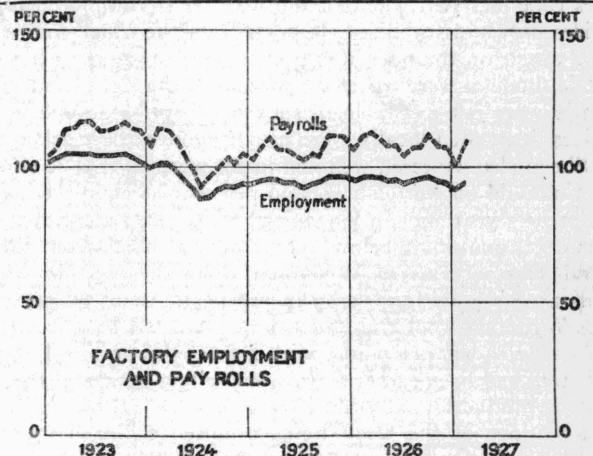
PRICES: Wholesale prices, according to the index of the Bureau of Labor statistics, continued to decline in February. Among non-agricultural products decreases occurred in the prices of coal, petroleum, iron and steel, nonferrous metals and lumber, and the index for non-agricultural prices as a group was at the lowest post-war level.

Prices of livestock and livestock products and of clothing materials, advanced in February. During the first three weeks of March there were decreases in prices of grains, livestock, sugar, silk, wool, coal, petroleum, and gasoline, while prices of potatoes, pig iron, hides and rubber advanced.

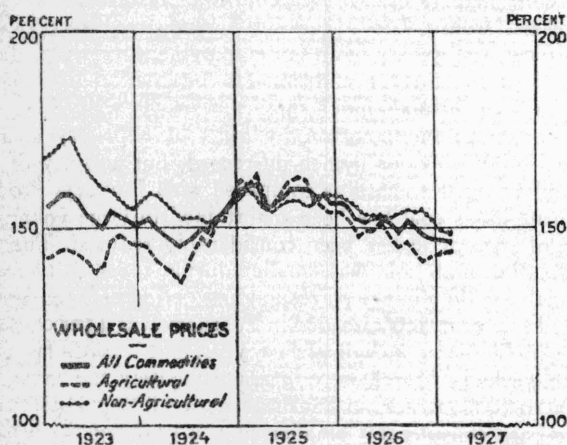
BANK CREDIT: Demand for commercial credit at member banks in leading cities increased seasonally between the middle of February and the middle of March. There was also growth in the volume of funds used in the security market, as indicated by increases in loans to brokers and dealers in securities. Consequently total loans of the reporting banks at the end of the period were close to the level of last Autumn. Financial operations of the United States Treasury around the middle of March, with disbursements temporarily in excess of receipts, resulted in a temporary abundance of funds, which was reflected at member banks in leading cities in a growth of deposits, in reduced indebtedness at the reserve banks and in increased holdings of securities. At the reserve banks, following changes in holdings of bills and securities accompanying the financial operations of the treasury, the total volume of credit outstanding on March 23 was somewhat larger than four weeks earlier. Conditions in the money market in March were slightly firmer than in February. Rates on prime commercial paper advanced from 4 per cent to $4\frac{1}{4}$ per cent and call money was also higher, while rates on acceptances declined somewhat.



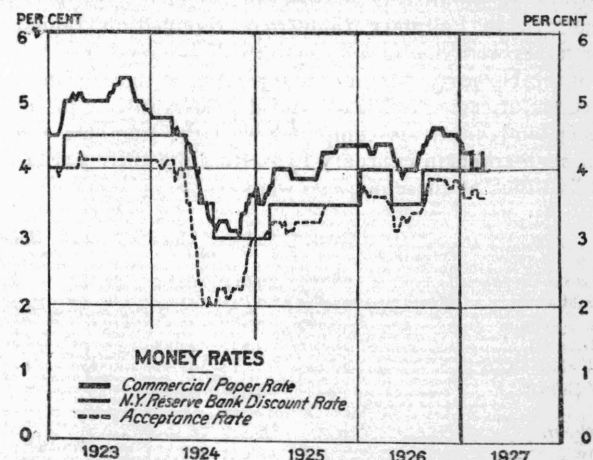
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average = 100.) Latest figures February, manufactures 106, minerals 120.



Federal Reserve Board's indexes of factory employment and payrolls (1919=100.) Latest figures February, employment 93.7, payrolls 108.5.



Index United States Bureau of Labor Statistics (1913=100, base adopted by bureau.) Latest figures, February, all commodities 146.4, non-agricultural 148.3, agricultural 143.8



Money rates in New York money market for third week in March. Commercial paper 4 to $4\frac{1}{4}$, acceptances 3%, New York Federal Reserve Bank discount rate unchanged at 4 per cent.