

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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STATISTICAL reports for May revealed a lack of uniformity in seasonal trends of activity in various branches of trade and industry in the Tenth Federal Reserve District. Some branches were affected more adversely than others by continuance of abnormally cool weather, declines in prices of products, and other deterrents. However, the volume of business evidenced by payments by check, while not materially different from that for April, was substantially larger than in May of last year.

Wholesale trade in dollar value of goods sold in six reporting lines was at about the level for the preceding month and the corresponding month last year, while retail trade at department stores declined 10.8 per cent from April and was 2.7 per cent smaller than in May a year ago. Sales of lumber at retail yards in city, town and country increased less than 1 per cent during the month but were much smaller than in the previous May. Implement dealers did a heavy business in sales of harvest machinery, but in sections where the wheat crop was short sales were disappointing. The outstanding feature of the trade situation was the heavy receipts of livestock and grain, the month's marketings of cattle, hogs, wheat and corn establishing new high records for the month of May in recent years.

Reports on production in leading industries showed substantial increases in the output of meat and flour, with the month's totals also the highest of record for May in recent years. The petroleum industry set up another new peak mark in daily average and gross output of crude oil, although the first two weekly reports in June showed efforts to curtail production were beginning to show results. The tonnage of soft coal mined increased slightly over April, but was 28 per cent smaller than in May a year ago. Continued low prices caused further decline in production of zinc and lead ores in the Missouri, Kansas, and Oklahoma district, and shipments were the smallest of the year. Metal mining in the Rocky Mountain regions was also affected by low prices, actual production showing a decline, though operators were retaining their forces of employees by continuing development work.

The Government and State crop reports, based on the condition of June 1, estimated this year's production of winter wheat in this district at 229,333,000 bushels, 47,576,000 bushels less than the May 1 estimate, 54,394,000 bushels less than the harvested crop of 1926, but 79,000,000 bushels greater than the harvested crop of 1925. Since this estimate was made, however, beneficial rains have fallen over the greater part of the wheat area, and late June reports indicated improvement of wheat in nearly all sections except in the dry areas where the crop is almost a failure. With the harvest now under way in

MAY BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

Returns for the Month Compared to Returns for April 1927 and May 1926
in Percentages of Increase or Decrease

	May, 1927 Compared to April, 1927	May, 1927 Compared to May, 1926
General Business		
Bank debits, 29 cities.....	0.4	4.4
Clearings, Federal Reserve Bank.....	1.1	4.4
Items handled.....	1.5	0.9
Postoffice receipts, 10 cities.....	9.9	1.7
Business failures, number.....	16.9	0.9
Amount of liabilities.....	28.4	61.3
Trade		
Department store sales.....	10.8	2.7
Men's and women's apparel, retail.....	11.2	0.8
Shoes, retail.....	3.3	6.1
Furniture, retail.....	14.3	21.8
Wholesale trade, 6 lines.....	0.4	1.7
Lumber trade, retail yards.....	0.6	19.3
Market Receipts		
Wheat.....	59.7	105.4
Corn.....	144.3	1.6
Oats.....	2.4	7.6
Cattle.....	25.4	12.5
Calves.....	20.7	2.2
Hogs.....	24.9	17.9
Sheep.....	7.8	17.9
Horses and mules.....	23.4	48.5
Production		
Flour.....	0.8	26.7
Crude oil.....	8.5	37.6
Soft coal.....	2.1	28.2
Cement.....	9.2	7.6
Face Brick.....	12.3	5.0
Zinc ore (shipped).....	27.4	19.0
Lead ore (shipped).....	25.3	2.8
Meat Packing		
Cattle.....	23.5	8.7
Calves.....	21.0	4.8
Hogs.....	24.3	23.1
Sheep.....	3.5	13.7
Construction		
Contract awards.....	4.9	81.9
Permits in 19 cities.....	7.1	0.3
Value of permits.....	29.3	2.9

the lower portions of the district, later reports show higher per acre yields than were forecast by the June 1 reports and indicating a larger crop than was promised. Other growing crops deteriorated during May. Corn and cotton plantings were two to three weeks late and, due to cold weather, these and other spring planted crops were making slow progress.

The feature of the livestock situation in May was the advance in prices of beef cattle to the highest levels in a year and a half,

with the cattle industry in a firmer position than for many months. The hog situation, on the other hand, was less promising, prices dropping to the low level of the year. There was little change in the sheep and lamb situation.

Building activity increased during May and the number and value of permits issued in leading cities compared favorably with the record for the same month last year, while the value of building contracts awarded in the entire district exceeded the total for May, 1926, by 81 per cent.

Banking and Credit

The money situation in this district at the opening of the 1927 harvest season exhibited no material change from the comparatively easy conditions which prevailed during the earlier months of the year. Banks, apparently, were in better position than in several previous summer seasons to finance the heavy marketward movement of new wheat which is becoming increasingly heavy as the harvest season advances.

Loans of reporting member banks outstanding on June 15 were a little less than a year ago. Their investments, after continuing the increase recorded for preceding months of the year, reached the highest figures of record on June 1, but declined slightly by the middle of June. Their deposits, while showing an increase during May, were on June 15 a little below the amount reported one year ago.

Weekly condition statements of the Federal Reserve Bank of Kansas City and branches as of June 15 reflected moderately heavy borrowings by member banks for the season and some decrease in open market purchases of bills.

Principal resources and liability items of the Federal Reserve Bank of Kansas City, and of sixty-five reporting member banks, as shown in the tables, indicate the changes in four weeks and fifty-two weeks.

RESERVE BANK CLEARINGS: May check collections through the Federal Reserve Bank of Kansas City and branches at Omaha, Denver and Oklahoma City fell a little more than 1 per cent below those in April in value and number of items handled. However, the May, 1927, totals showed increases over May, 1926, of 4.4 per cent in amount and 0.9 per cent in items handled. The number of banks receiving this service in May was 3,440. The record of the Federal Reserve Bank's clearing operations follows:

	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
March.....	6,190,274	6,265,324	1,055,113,000	1,019,110,000
April.....	5,781,244	5,770,268	927,197,000	901,173,000
May.....	5,696,261	5,647,274	916,730,000	878,270,000
Five Months.....	28,399,218	28,680,396	\$4,733,448,000	\$4,541,309,000

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF SIXTY-FIVE REPORTING MEMBER BANKS IN THE TENTH FEDERAL RESERVE DISTRICT

	June 15, 1927	May 18, 1927	June 16, 1926
Total Loans and discounts.....	\$ 429,773,000	\$ 415,986,000	\$ 434,327,000
Secured by U. S. Obligations.....	4,348,000	4,272,000	3,910,000
Secured by other bonds and stocks	129,665,000	113,715,000	106,524,000
All others.....	295,760,000	297,999,000	323,893,000
Total Investments.....	205,921,000	208,108,000	194,847,000
U. S. Securities.....	103,852,000	111,419,000	106,612,000
Other bonds, stocks, securities.....	102,069,000	96,689,000	88,235,000
Total loans, discounts and inv'ts	635,694,000	624,094,000	629,174,000
Total deposits.....	652,996,000	638,911,000	654,021,000
Demand.....	494,854,000	486,191,000	501,525,000
Time.....	151,574,000	151,421,000	146,136,000
Government.....	2,706,000	1,299,000	6,360,000
Reserve balances with F. R. Bank.	53,884,000	56,023,000	55,432,000

PAYMENTS BY CHECK: The general volume of business in the Tenth District during a period of four weeks ending June 1 is indicated by debits to individual accounts at reporting banks in twenty-nine cities. The daily average of amounts debited during the twenty-three banking days in this period was \$52,823,913. This compares with \$50,846,166 as the daily average for twenty-four banking days in the preceding four-week period ending May 4, and with \$50,475,304 as the daily average for twenty-three banking days in the four-week period ending June 2, 1926. The reports for twenty-nine cities:

	Four Weeks Ending		Per Cent
	June 1, 1927	June 2, 1926	
Albuquerque, N. M.....	\$ 10,588,000	\$ 9,066,000	16.8
Atchison, Kans.....	5,433,000	5,533,000	— 1.8
Bartlesville, Okla.....	23,049,000	14,299,000	61.2
Casper, Wyo.....	7,208,000	9,921,000	—27.3
Cheyenne, Wyo.....	4,839,000	5,283,000	— 8.4
Colorado Springs, Colo.....	12,434,000	11,763,000	5.7
Denver, Colo.....	168,187,000	148,222,000	13.4
Enid, Okla.....	11,721,000	12,098,000	—3.1
Fremont, Nebr.....	3,914,000	3,399,000	15.1
Grand Junction, Colo.....	3,207,000	3,107,000	3.2
Guthrie, Okla.....	3,158,000	2,739,000	15.3
Hutchinson, Kans.....	13,001,000	9,628,000	35.0
Independence, Kans.....	10,917,000	10,224,000	6.8
Joplin, Mo.....	15,821,000	14,682,000	7.7
Kansas City, Kans.....	17,694,000	17,886,000	— 1.1
Kansas City, Mo.....	335,800,000	325,045,000	3.3
Lawrence, Kans.....	4,584,000	4,390,000	4.4
Lincoln, Nebr.....	30,127,000	30,120,000	
Muskogee, Okla.....	9,846,000	8,946,000	10.1
Oklahoma City, Okla.....	93,685,000	79,075,000	18.5
Okmulgee, Okla.....	8,037,000	11,131,000	—27.8
Omaha, Nebr.....	173,571,000	181,846,000	— 4.6
Parsons, Kans.....	2,624,000	2,851,000	— 8.0
Pittsburg, Kans.....	4,961,000	5,684,000	—12.7
Pueblo, Colo.....	16,949,000	14,989,000	13.1
St. Joseph, Mo.....	53,471,000	57,514,000	— 7.0
Topeka, Kans.....	15,404,000	13,934,000	10.5
Tulsa, Okla.....	111,397,000	111,483,000	— 0.1
Wichita, Kans.....	43,323,000	36,074,000	20.1
29 Cities, 4 Weeks.....	\$1,214,950,000	\$1,160,932,000	4.4
29 Cities, 22 Weeks.....	6,877,338,000	6,607,446,000	4.1

SAVINGS IN BANKS: Reports of fifty-eight banks in leading cities as of June 1 show further increases in the amount of their savings deposits and number of accounts over May 1, 1927, and over June 1, 1926. The deposits:

	Banks	June 1, 1927	May 1, 1927	June 1, 1926
Denver, Colo.....	6	\$ 45,850,544	\$ 46,155,285	\$ 46,550,582
Kansas City, Kans.....	4	2,630,590	2,629,077	2,855,237
Kansas City, Mo.....	10	16,445,250	16,244,396	15,386,841
Lincoln, Nebr.....	3	3,046,144	2,964,475	3,049,729
Oklahoma City, Okla.....	6	7,748,165	7,702,009	7,497,696
Omaha, Nebr.....	5	7,983,853	7,925,939	7,544,723
St. Joseph, Mo.....	5	7,292,180	7,213,388	7,294,041
Tulsa, Okla.....	4	13,590,053	13,290,036	11,435,602
Wichita, Kans.....	11	6,155,409	5,957,139	5,338,017
Other Cities.....	4	1,088,564	1,089,969	1,022,033
Total.....	58	\$111,830,752	\$111,171,713	\$107,965,501

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF THE FEDERAL RESERVE BANK OF KANSAS CITY INCLUDING BRANCHES

	June 15, 1927	May 18, 1927	June 16, 1926
Gold Reserves.....	\$ 85,737,858	\$ 94,198,426	\$ 82,746,865
Reserves other than Gold.....	5,856,176	5,754,250	4,786,606
Total reserves.....	91,594,034	99,952,676	87,533,471
Bills discounted.....	15,599,081	19,124,069	18,637,071
Bills purchased.....	9,175,377	9,784,101	12,767,975
U. S. Securities.....	33,853,000	23,175,500	33,250,900
Foreign loans in gold.....			292,500
Total bills and securities.....	58,627,458	52,083,670	64,948,446
Total Resources.....	204,257,429	204,801,536	208,243,411
F. R. Notes in Circulation.....	63,484,975	64,323,375	62,304,700
Total Deposits.....	88,367,692	90,267,612	89,049,309

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

	Reporting Stores	SALES		OUTSTANDING (Mo. End)		COLLECTIONS		STOCKS (Month End)	
		May, 1927, compared with April, 1927	May, 1926	May 31, 1927, compared with April 30, 1927	May 31, 1926	May, 1927, compared with April, 1927	May, 1926	May 31, 1927, compared with April 30, 1927	May 31, 1926
Dry Goods.....	6	-0.4	-1.5	-3.3	-2.7	5.4	0.4	1.9	4.9
Groceries.....	3	-0.2	16.6	5.5	2.3	2.0	7.3	4.7	-18.4
Hardware.....	8	-3.8	-4.2	1.1	5.2	5.9	7.5	1.2	-10.0
Furniture.....	5	9.0	-4.6	0.9	-8.5	7.4	18.9	4.5	-9.9
Drugs.....	6	2.0	4.0	-0.7	-0.6	Even	3.1	1.3	-5.6
Millinery.....	4	-52.4	-30.4	-26.1	-29.4	-37.8	-15.0	-----	-----

Trade

RETAIL: The dollar volume of retail trade in this district in May, indicated by combined sales of thirty-three department stores, was 10.8 per cent smaller than in April and 2.7 per cent smaller than in May, 1926. The reports disclosed that the recessions were not so great in some cities, and at individual stores in cities, as in others. Of the stores reporting for the month sales at fourteen were larger and at nineteen smaller than in May, 1926. Combined sales of the reporting department stores for the first five months of 1927 were 2.3 per cent in excess of sales for the like period in 1926.

Sales of men's and women's apparel at reporting stores showed almost the same percentages of decline as those reported by department stores. Sales of shoes at retail stores were larger than in April but smaller than in May of last year. Sales at retail furniture stores showed increases over the preceding month and the same month last year.

Department store stocks at the close of May were smaller than a month earlier and a year earlier. Stocks at apparel and shoe stores, although smaller than at the close of April, were substantially larger than at the close of May last year. Retail furniture stores reported month-end inventories showed stocks were smaller than at the close of the preceding month and a year ago.

WHOLESALE: Firms engaged in six lines of merchandising—dry goods, groceries, hardware, furniture, drugs and millinery—reported the dollar volume of their combined sales in May was 0.4 per cent smaller than in April, but 1.7 percent larger than in May, 1926. Lines reporting gains over April were furniture and drugs, and lines reporting gains over May of last year were groceries and drugs.

Wholesalers of dry goods reported retail merchants were carrying small stocks and were buying in small quantities.

The heavy volume of distribution by wholesale grocery firms was said to reflect about the usual employment for this time of the year. The wholesale hardware trade like that of the paint and building material trade, was affected to a considerable extent by unfavorable weather and bad road conditions. Retail hardware merchants apparently were making an effort to reduce their stocks on hand and this practice

also had the effect of holding down the volume of sales of wholesalers. Conditions for the wholesale furniture trade were more satisfactory in May than in the previous months and while the volume of distribution was seasonally heavy it was not up to that of last year. May conditions were favorable for the wholesale drug business,

While the implement trade during the season, particularly in the lines of tractors and harvest machinery, has been running considerably ahead of this time last year May business was disappointing because of dry weather over a large area in western Kansas, western Oklahoma, southeastern Colorado and eastern New Mexico.

COLLECTIONS: Department store collections during May were 40.3 per cent of their outstanding accounts as compared with 41.7 per cent for April and 42 per cent for May, 1926. Collections at other retail stores exhibited a similar trend, an exception being retail furniture stores which reported collections were better than in the former months with which comparison is made. Wholesalers reported collections generally fair.

Failures

Business failures in the Tenth District and in the entire country were fewer in May than in April but more numerous than in May, 1926. Liabilities involved in May failures in the district, however, exceeded those for the preceding month and also those for the corresponding month last year. The number of failures and the amount of liabilities in the United States during May, as reported by R. G. Dun & Company by Federal reserve districts, follow:

	NUMBER		LIABILITIES	
	1927	1926	1927	1926
Federal Reserve District				
First, Boston.....	206	210	\$ 5,536,440	\$ 3,847,729
Second, New York.....	325	290	6,797,687	5,748,621
Third, Philadelphia.....	61	46	752,612	3,071,127
Fourth, Cleveland.....	148	155	3,225,890	4,473,273
Fifth, Richmond.....	125	118	5,707,404	1,963,570
Sixth, Atlanta.....	121	54	1,673,027	1,280,119
Seventh, Chicago.....	266	222	5,455,359	7,176,994
Eighth, St. Louis.....	81	54	539,209	234,034
Ninth, Minneapolis.....	88	87	997,778	676,560
TENTH, KANSAS CITY.....	103	102	2,135,281	1,323,712
Eleventh, Dallas.....	51	91	1,220,408	802,029
Twelfth, San Francisco.....	277	301	3,743,678	2,945,550
Total United States, May.....	1,852	1,730	\$37,784,773	\$33,543,318

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

	Stores Reporting	SALES		(RETAIL) STOCKS		OUTSTAND. ORDERS		ACCTS. RECEIVABLE		COLLECTIONS	
		May 1927 compared to May, 1926	Five Months 1927 compared to Five Months 1926	May 31, 1927 compared to Apr. 30, 1927	May 31, 1926	May 31, 1927 compared to Apr. 30, 1927	May 31, 1926	May 31, 1927 compared to Apr. 30, 1927	May, 1927 compared to Apr. 1927	May, 1926	
		May, 1927	Five Months 1927	May 31, 1927	May 31, 1926	May 31, 1927	May 31, 1926	May 31, 1927	May, 1927	May, 1926	
Kansas City.....	3	-8.0	-3.2	-4.6	-4.8	-11.7	-25.9	-0.5	-5.3	1.4	1.1
Denver.....	5	-1.3	1.8	-1.7	-5.6	43.7	-7.4	-1.2	-0.4	5.7	1.3
Wichita.....	3	9.7	10.7	-3.5	4.8	-----	-----	-0.5	18.5	1.1	16.5
Oklahoma City...	3	8.9	12.1	-3.9	1.7	-----	5.3	2.4	26.6	0.6	23.1
Lincoln.....	2	-18.8	-7.0	-3.5	-1.4	-35.4	-39.6	0.9	-1.9	5.0	-14.8
Tulsa.....	3	7.1	13.9	-2.9	12.5	13.1	20.5	-0.3	9.0	-4.1	21.6
Other cities.....	14	-8.8	-3.7	-3.7	-4.5	-----	-22.0	1.6	-0.4	-0.5	Even
Total.....	33	-2.7	2.3	-3.0	-2.9	14.3	-10.6	0.9	2.8	2.0	4.5

NOTE: Percentage of collections in May on outstanding accounts April 30, all stores reporting, 40.3%. Collections same month last year, 42.0%.

The Crops

The United States Department of Agriculture, in its June 1 report, placed the composite condition of eleven crops in the seven states whose areas or parts form this district at 9.1 per cent below the ten-year average condition on that date. Crops on which this percentage figure was computed include winter and spring wheat, oats, barley, rye, tame hay, wild hay, pastures, and fruits, but do not include corn, cotton, potatoes, grain sorghums and sugar beets. The June 1 figure of 90.9 per cent compares with 91.3 per cent on June 1, 1926. Percentages for the seven states, based on the ten-year average condition (not the normal condition) of 100 per cent, are as here shown:

	CONDITION	
	Per Cent of 10-Year Average	
	June 1, 1927	June 1, 1926
Colorado.....	84.9	103.4
Kansas.....	86.1	92.9
Missouri.....	99.8	80.6
Nebraska.....	109.5	82.2
New Mexico.....	66.2	120.3
Oklahoma.....	76.7	103.3
Wyoming.....	96.0	99.4
Seven States.....	90.9	91.3
United States.....	96.2	92.0

WINTER WHEAT: The pre-harvest estimate for the seven states, as reported by the United States Department of Agriculture and cooperating State Boards of Agriculture, place the condition of winter wheat on June 1 at 21 points lower and the estimated yield for the seven states at 47,570,000 bushels less than reported on May 1. However, the June 1 figures do not take into account the improvement in winter wheat during June which, according to late reports, indicated the harvest returns would show a much larger yield than forecast. The official June 1 figures:

	CONDITION %			PRODUCTION IN BUSHELS		
	June 1, May 1, June 1,			June	May,	Final,
	1927	1927	1926	1927	1927	1926
Colorado.....	63	80	80	15,201,000	18,362,000	14,484,000
Kansas.....	58	86	70	108,045,000	143,200,000	150,057,000
Missouri.....	77	82	68	20,648,000	20,082,000	21,282,000
Nebraska.....	91	94	64	62,353,000	57,968,000	37,165,000
New Mexico.....	10	60	100	209,000	1,122,000	4,876,000
Oklahoma.....	54	80	82	38,102,000	51,408,000	73,745,000
Wyoming.....	85	88	88	850,000	836,000	756,000
Seven States.....	64.3	85.3	72.5	245,408,000	292,978,000	302,365,000
Tenth District.....	64.3	85.4	72.5	229,333,000	276,909,000	283,727,000
United States.....	72.2	85.6	76.5	537,000,000	593,940,000	626,929,000

The cooperative report of the United States Department of Agriculture and the Kansas State Board of Agriculture said:

Many causes contributed to the decline in wheat prospects. Chief among them was the lack of May rainfall and high winds that whipped the tender foliage stimulated by April rains and sapped the surface soil of a supply of moisture that looked ample for all needs a month ago. The western third of Kansas suffered the worst, but all except about twenty eastern counties felt the influence of unfavorable moisture conditions. Hessian fly, chinch bugs, hoppers, wheat straw worms, cut worms, foot rot, hail storms, all took their toll, although all of these causes combined probably caused less damage than the dry and trying winds without rain.

The opening of the harvest season was characterized by big slump in prospective production of small grains in Oklahoma with a near failure in the Panhandle, it was announced by the Federal and State crop statisticians. Wheat in three Panhandle counties is practically a failure, due to drought. The Nebraska report indicated winter wheat was in excellent condition and with an increased acreage that state would produce a record crop. In Missouri wheat lost five points during May owing to excessive rains and standing water on uplands and frequent overflows in nearly all of the river bottoms, with best conditions prevailing in the western third of the state. Colorado winter wheat prospects declined seventeen points during May on account of dry

weather and high winds. Frequent rains and cool weather caused most of the crops over Wyoming to be two to three weeks late, although winter wheat fared better than most of the crops and a yield estimated at seventeen bushels per acre was forecast for that state. New Mexico, with a small acreage of winter wheat, suffered a severe loss by dry weather.

Spring wheat in the Mountain and upper Great Plains areas was rather slow in starting this year. The condition in Wyoming was placed at 90 per cent of normal and in Colorado at 78 per cent, which was 1 and 2 points, respectively, below the condition on June 1, 1926. In Nebraska, however, the condition was 88 per cent on June 1 or 2 points better than a year ago. The bulk of Nebraska's crop is in the northwest quarter of the state and conditions were reported as ideal.

OTHER CROPS: The oats crop suffered serious declines during May but the condition on June 1 showed better promise than a year ago in Missouri, Kansas, Nebraska and Colorado, and a decline in Oklahoma and Wyoming. The barley crop declined in condition during the month, suffering the same as wheat. Rye condition on June 1 was not so good in most of the producing areas as last year. Nebraska was an exception, the condition of June 1 indicating a crop for that state of 4,203,000 bushels, against last year's crop of 2,606,000 bushels.

Potato plantings in the Mountain states were not completed on the first of June and generally were not doing as well as expected. In Kansas, where a large acreage of early potatoes was planted, the condition on June 1 was 71 per cent or 5 points below the condition on the same date last year. Oklahoma potatoes were rated at 64 per cent in condition with prospects for a smaller yield than last year. In Missouri's commercial districts potatoes rotted badly and plants were poor with a considerable loss in acreage.

Sugar beet plantings in the irrigated sections were about finished at the first week in June. There was considerable reduction in the planted acreages, particularly in Nebraska, due to delay in contracting with refiners. The early planted crop in Nebraska was injured by freezing and in Colorado by high winds and much replanting was necessary. The entire crop was late, according to the reports, but generally was in fairly good condition.

The condition of all hay on June 1 was generally very favorable and ranging well above last year except in some dry areas in the southwest part of the district. Some alfalfa in the best river bottoms in the eastern part of the district was killed by overflow and on June 1 was not so promising as last year, otherwise the condition of alfalfa is rated very high.

CORN planting, although two to three weeks late over the larger producing sections of the district, was about completed by June 1. Moisture supply was ample for most sections but the weather was too cool for germination and corn had a poor start and to the middle of June it had not made the usual progress. Cut worms have seldom been so destructive in Kansas as this year. Nebraska also reported the presence of cut worms.

COTTON planting in southern parts of this district was retarded by weather and soil conditions, which also were unfavorable for healthy growth.

FRUIT prospects on June 1 were not so good as on the corresponding date last year. The condition of apples in Colorado was reported as 72 per cent of a full crop, Kansas 66 per cent, Oklahoma 64 per cent and Nebraska 77 per cent. Condition of peaches in Colorado was 78 per cent of a full crop, or 18 points below a year earlier, Kansas 41 per cent, Oklahoma 35 per cent and Nebraska 75 per cent, while the condition in Missouri was not as good as it was on June 1, 1926. The Colorado pear crop with a condition of 90 per cent of a full crop, was more promising than the other important crops.

Grain Marketing

Movements of wheat to the markets in the Tenth District during May were the largest for that month since 1922, receipts for the month at five markets exceeding those for April by 59.7 per cent and those for May of last year by 105.4 per cent. The heavier marketward movement indicated that with the new crop coming on farmers generally were disposing of their reserve stocks of old wheat. Advance in prices during the month also proved an incentive to heavy marketing. At Kansas City the closing quotation range for May on No. 1 dark hard wheat was \$1.46@1.60½ as compared with \$1.32@1.38½ on April 30.

May receipts of corn increased 144.3 per cent over April, and were 1.6 per cent larger than those for May, 1926. This increase was, for the greater part, in response to an advance for the month of 17@21½ cents at Kansas City, No. 2 white and No. 2 mixed corn selling on May 31 at 97@98½ cents and No. 2 yellow 1 cent higher. Receipts of oats at the five markets were 2.4 per cent smaller than in April but 7.6 per cent larger than in May, 1926. The May receipts in detail:

	Wheat, Bushels	Corn, Bushels	Oats, Bushels	Rye, Bushels	Barley, Bushels	Kafir, Bushels
Hutchinson.....	1,432,350	38,750	.....	.....	6,250	127,400
Kansas City.....	4,062,800	1,213,500	266,000	6,000	22,400	192,500
Omaha.....	929,600	1,878,800	302,000	46,200	4,800	.....
St. Joseph.....	709,800	1,005,000	106,000	.....	.....	.....
Wichita.....	1,256,850	44,400	25,500	.....	.....	18,000
May, 1927.....	8,391,400	4,180,450	699,500	52,200	33,450	337,900
April, 1927.....	5,253,000	1,711,300	716,500	29,900	27,000	347,700
May, 1926.....	4,085,450	4,113,900	650,000	78,500	46,500	385,700

Flour Production

Mills in the Tenth District were operated during May at 67.8 per cent of full-time capacity and produced 2,070,051 barrels of flour. This was the highest per cent of operation and the largest production for the month of May of record. The number of barrels produced exceeded that for April by 15,853 and that for May, 1926, by 436,420 or 26.7 per cent. The flour output at the leading milling centers and at interior mills in the district, compiled from weekly reports to the Northwestern Miller, is here shown:

	May, 1927 Barrels	April, 1927 Barrels	May, 1926 Barrels
Atchison.....	112,265	112,062	88,095
Kansas City.....	586,128	592,181	375,025
Omaha.....	97,538	86,371	94,096
Salina.....	120,715	98,585	115,054
St. Joseph.....	143,985	150,907	158,693
Wichita.....	172,181	176,753	133,475
Outside.....	837,239	837,339	669,193
Total.....	2,070,051	2,054,198	1,633,631

Live Stock

Contrary to early expectations more cattle were shipped into the Kansas Flint Hills and also into the Osage pastures of Oklahoma for the 1927 grazing season than were received in the spring of 1926, according to a report of the United States Bureau of Agricultural Economics cooperating with the Kansas State Board of Agriculture, which said:

A very complete check of the railroad movement into the counties comprising this district (Flint Hills) shows that 8 per cent more cattle were unloaded at receiving points in the blue stem pastures from January 1, to June 1, 1927, than in the same period of 1926. Total receipts for the five-month period this year are estimated at 251,000 head compared with 232,000 in 1926; 248,000 in 1925; 229,000 in 1924; 219,000 in 1923; and 270,000 in 1922. The movement in 1927 was decidedly earlier than in 1926. About 76 per cent of the cattle were unloaded this year prior to May 1, as compared with 68 per cent by May 1, 1926. Receipts during January, February and March were almost twice as large as in 1926. * * A survey and check of railroad movement in the Osage Country as of June 1 indicated that there are 181,000 head of cattle grazing this year as compared with 160,000 head in 1926; 190,000 head in 1925; and 130,000 head in 1924.

Cattle in Kansas and Oklahoma were on June 1 in a good state of health and putting on flesh rapidly. In Colorado the condition of cattle declined 4 points in May and in Wyoming cattle suffered from the May blizzard and a considerable loss of calves was reported.

The condition of sheep on the ranges of Wyoming was reported at 92 per cent as compared with 88 per cent one month earlier while many lambs were lost during the May storm. Lambing at that time was not well under way in most sections and the crop promises to be not far from usual. There were also some losses of lambs in Colorado and a fair to good crop was expected in most localities. Dry conditions in the southeastern part of Colorado was causing some sheep owners to look elsewhere for water and ranges.

MARKET MOVEMENTS: May movements of livestock from farms, ranges and feeding grounds to the six leading markets in the Tenth District were unusually large for the month and season. Receipts of all classes of livestock during May totaled 1,836,742 head, indicating increases of 214,042 over April, 253,629 over May, 1926, and 188,888 over May, 1925, and a decrease of 128,347 from the total for May, 1924.

Receipts of cattle at the six markets during May were the largest for any month since last November. The total for the month indicated increases of 25.4 per cent over April, 12.5 per cent over May, 1926, and 27.5 per cent over May, 1925. Receipts of calves were 20.7 per cent larger than in the preceding month but were 2.2 per cent smaller than in the corresponding month last year.

Hogs arriving at these markets during May were in exceptionally large numbers for a month in the spring and summer killing season. The total was 24.9 per cent above that for April, 17.9 per cent above that for May, 1926, and 9.1 per cent above that for May, 1925.

Receipts of sheep and lambs in May declined 7.8 per cent from the April total but showed an increase of 17.9 per cent over the total for 1926.

The marketing of horses and mules declined seasonally in May, due to increased farm activities, but the month's total stood 48.3 per cent above that for May, 1926.

Receipts of the various classes of livestock at the six markets are here shown for the month of May and the five months of 1927, with comparisons:

	Cattle	Calves	Hogs	Sheep	Horses, Mules	Cars
Kansas City.....	157,251	24,340	282,786	182,500	2,371	9,805
Omaha.....	131,809	6,227	249,909	163,707	185	7,807
St. Joseph.....	47,297	7,317	134,555	103,772	374	3,532
Denver.....	50,109	4,105	39,287	49,028	407	2,014
Oklahoma City.....	23,491	5,439	31,651	1,822	257	931
Wichita.....	26,940	3,523	79,340	24,862	2,081	1,607

May, 1927.....	436,897	50,951	817,528	525,691	5,675	25,696
April, 1927.....	348,362	42,213	654,776	569,937	7,412	21,737
May, 1926.....	388,421	52,088	693,115	445,662	3,827	24,013
5 months, 1927.....	1,958,008	254,406	3,774,318	2,660,042	51,365	122,772
5 months, 1926.....	1,876,659	268,196	3,602,678	2,853,986	50,830	125,338

In the face of the heavy receipts cattle values were strengthened by an active trade in dressed beef, and the Kansas City May top of \$13.40 for heavy prime steers was the highest price paid at that market in eighteen months. The May top for spring lambs was \$18.10, which was 30 cents under the high record price for two years paid in April, though prices of fat sheep and lambs declined \$1 to \$2 during the month. The outstanding feature of the May livestock trade, however, was a decline in the price of fat hogs. The low point of \$9.15 was reached in the last week of the month, \$3.20 below the year's high point on February 7, and \$5.35 below the level of the first week in May, 1926.

STOCKER AND FEEDER SHIPMENTS: The countryward movement of stock and feeding cattle, calves and sheep was moderately heavy. May shipments of cattle to the country were the largest for that month since 1924. Shipments of calves were the largest for May since 1922 and shipments of sheep the largest May total of record since 1921. The outgo of hogs was very light in comparison with the heavy market receipts. The summary follows:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	36,679	4,696	8,499	25,682
Omaha.....	9,809	-----	1,697	32,685
St. Joseph.....	3,899	390	2,028	11,676
Denver.....	26,630	1,573	2,007	3,491
May, 1927.....	77,017	6,659	14,231	73,534
April, 1927.....	59,872	3,979	16,796	61,064
May, 1926.....	69,480	4,630	19,478	41,603
5 months, 1927.....	384,758	24,824	87,320	421,358
5 months, 1926.....	364,168	17,711	65,601	273,223

MEAT PACKING: Operations of meat packing plants at the six livestock centers were at a higher rate of activity than in any month of the present year, due to more liberal supplies of livestock. Purchases by packers of all classes of meat animals were in larger numbers than in April and with the exception of calves, were larger than in May, 1926. The number of head purchased by packers during May at each of the six markets, including hogs shipped direct to packer yards, is shown in the following:

	Cattle	Calves	Hogs	Sheep
Kansas City.....	86,945	21,492	231,962	125,206
Omaha.....	95,795	5,125	191,240	121,420
St. Joseph.....	37,911	6,807	107,527	88,415
Denver.....	10,718	2,482	27,586	15,355
Oklahoma City.....	15,578	4,866	28,351	1,481
Wichita.....	8,136	2,437	75,295	6,611
May, 1927.....	255,083	43,209	661,961	358,488
April, 1927.....	206,540	35,711	532,521	346,199
May, 1926.....	234,609	45,382	537,669	315,249
5 months, 1927.....	1,142,739	211,955	2,919,711	1,660,401
5 months, 1926.....	1,134,795	228,917	2,631,112	1,806,029

Stocks of pork in Kansas City at the close of business May 31 were reported as 43,334,600 pounds, compared to 41,218,500 pounds on April 30, 1927, and 28,735,900 pounds on May 31, 1926.

Petroleum

In the face of efforts to curtail production of crude oil the output from wells in the Tenth District made a further increase during May. Reports of the American Petroleum Institute indicated the average flow was approximately 932,000 barrels per day in May, with the gross production for the thirty-one days totaling 28,892,000 barrels. This was the highest daily average and gross production of record for the fields of this district. The average for the month was larger by 49,200 barrels per day or 5.6 per cent than for April, and 254,617 barrels per day or 37.6 per cent above the daily average for May, 1926. Oklahoma's production, which has increased steadily during the year, accounted for the major part of the increase. The summary of daily average and gross production during May in the five producing states follows:

	DAILY AVERAGE			MONTHLY PRODUCTION		
	*May, 1927	April, 1927	May, 1926	*May, 1927	April, 1927	May, 1926
Oklahoma.....	741,742	693,300	483,253	22,994,000	20,949,000	14,981,000
Kansas.....	114,742	115,900	113,710	3,557,000	3,478,000	3,525,000
Wyoming.....	61,967	58,700	69,549	1,921,000	1,761,000	2,156,000
Colorado.....	9,355	10,000	6,968	290,000	299,000	216,000
New Mexico.....	4,194	4,900	3,903	130,000	146,000	121,000
Total.....	932,000	882,800	677,383	28,892,000	26,633,000	20,999,000

*Estimated American Petroleum Institute.

The reports covering field operations show the number of wells completed in May was 127 less than in April and 123 less than in May of last year, but daily average new production for the month was 71,204 barrels greater than in the preceding month and 170,332 barrels greater than in May, 1926. The summary of field operations for the month follows:

	Wells Completed	Bbls. Daily New Prod.	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	372	197,341	125	49	1,398
Kansas.....	105	11,501	40	6	276
Wyoming.....	32	45,142	3	1	272
Colorado.....	12	100	11	0	105
New Mexico.....	11	20	9	0	135
May, 1927.....	532	254,104	188	56	2,186
April, 1927.....	659	182,898	216	57	2,255
May, 1926.....	655	83,772	211	43	2,522

The foregoing reports would indicate a decline in new development work. The number of wells drilling at the close of May was 69 less than one month earlier and 356 less than at the close of May, 1926.

Oklahoma and Kansas reported 58 refineries in operation on June 1, the same as on May 1, but 9 less than on June 1, 1926. The daily run of crude oil to the stills of these refineries was 268,035 barrels on June 1, an increase of 8,100 barrels over May 1, but 8,090 barrels less than on June 1, 1926.

Mining

BITUMINOUS COAL: Production of soft coal in the various fields of this district increased during May and the tonnage recorded exceeded that for April by 2.1 per cent. Due to cessation of operations in many of the mines because of failure of operators and union miners to enter into new contracts the output for the month was 28.2 per cent below the tonnage produced in May, 1926. The production of soft coal:

	May, 1927	April, 1927	May, 1926
	Tons	Tons	Tons
Arkansas, Kansas and Oklahoma.....	269,000	239,000	492,000
Colorado.....	587,000	616,000	620,000
Iowa and Missouri.....	131,000	103,000	477,000
New Mexico.....	241,000	214,000	203,000
Wyoming.....	332,000	356,000	381,000
Total.....	1,560,000	1,528,000	2,173,000

ZINC AND LEAD: Production and shipments of zinc and lead ores between May 1 and June 4 were at the low level of the year, while average prices paid producers were lower than at any five-week period in more than three years. During the first three weeks of May zinc ore sold at \$38 per ton, though advancing to \$39 per ton in the last two weeks of the period under review. Lead ore dropped from \$85 per ton early in the month to \$80 per ton for the week ending May 21 and the average for the weeks ending May 28 and June 4 was \$78 per ton. Shipments of these ores, and their value, combined for five-week periods, follow:

	ZINC ORES		LEAD ORES	
	Tons	Value	Tons	Value
Oklahoma.....	33,655	\$ 1,304,997	5,836	\$ 487,905
Kansas.....	14,201	550,887	3,470	289,017
Missouri.....	3,734	144,453	111	9,148

5 weeks ending June 4.....	51,590	\$ 2,000,337	9,417	\$ 786,070
5 weeks ending April 30.....	71,081	3,009,164	12,602	1,176,434
5 weeks ending June 5, 1926.....	63,720	2,867,400	9,690	885,156
23 weeks ending June 4, 1927.....	308,252	\$13,251,656	50,443	\$ 4,682,144
23 weeks ending June 5, 1926.....	369,196	18,328,768	55,285	5,928,630

During the first twenty-three weeks of 1927 average prices paid producers for their ores were \$42.25 per ton for zinc and \$91.21 per ton for lead. Average prices for the first twenty-three weeks of 1926 were \$49.00 per ton for zinc and \$105.09 per ton for lead.

Building

Permits issued in eighteen cities in this district showed increases for May over April of 7.1 per cent in the number and 29.3 per cent in the value of buildings. The May totals, compared with those for May, 1926, showed a decrease of less than 1 per cent in number and of less than 3 per cent in value. The May reports, with those for April, 1927, and May, 1926, for comparison, are shown in the report which follows:

	PERMITS		ESTIMATED COST		Per Cent Change
	1927	1926	1927	1926	
Albuquerque, N. M.....	64	52	\$ 82,000	\$ 143,300	— 42.8
Casper, Wyo.....	16	26	40,074	21,458	86.8
Cheyenne, Wyo.....	27	31	58,650	40,020	46.6
Colorado Springs, Colo.....	79	90	43,570	123,461	— 65.5
Denver, Colo.....	750	644	1,512,400	2,000,200	— 24.4
Hutchinson, Kans.....	36	34	52,910	89,110	— 40.6
Joplin, Mo.....	41	59	152,135	310,295	— 51.0
Kansas City, Kans.....	115	311	99,855	333,160	— 70.0
Kansas City, Mo.....	633	490	1,686,990	2,567,200	— 34.3
Lincoln, Nebr.....	114	121	442,475	290,445	52.3
Muskogee, Okla.....	27	31	39,880	27,355	45.8
Oklahoma City, Okla.....	190	168	1,558,525	802,764	94.1
Omaha, Nebr.....	116	212	554,955	765,910	— 27.5
Pueblo, Colo.....	161	108	220,248	103,537	112.7
St. Joseph, Mo.....	67	74	40,878	152,890	— 73.3
Topeka, Kans.....	132	156	145,086	426,135	— 65.9
Tulsa, Okla.....	261	263	1,294,163	410,045	215.6
Wichita, Kans.....	208	176	585,869	265,234	120.9
Total, May.....	3,037	3,046	\$8,610,663	\$8,872,519	— 2.9

Building contracts awarded in the district, as compiled from the report of the F. W. Dodge Corporation, had a value of \$21,527,597 as compared with \$22,643,671 for April and \$18,838,000 for May, 1926.

Lumber and Material

A survey of the lumber situation to the middle of June indicated that hardwood prices, which advanced rapidly during March and April due to a large portion of the hardwood area being inundated, are still firm.

There has been little change in prices on softwoods. Production continues well under consumption. Association reports

show smaller stocks June 1 as compared to July 1, and the industry is in a better position than usual to meet the normal mid-summer quiet which usually precedes the buying for fall trade.

The cut of softwoods lumber in the United States during four weeks ending May 28 increased about 7 per cent over the four-week period ended April 30. Shipments exceeded production but were about the same as in the preceding period. Orders also were in excess of production and were about 0.4 per cent larger than for the preceding four weeks. The lumber movement, both of hardwoods and softwoods, for twenty-one weeks of the year to May 28, is here shown in board feet as reported by the various associations to the National Lumber Manufacturers Association.

	Cut	Shipments	Orders
Softwoods.....	4,296,594,316	4,633,880,277	4,762,774,143
Hardwoods.....	584,974,000	640,619,000	665,770,000
Total.....	4,881,588,316	5,274,499,277	5,428,544,143

Retail lumber sales in board feet at 189 reporting yards in the Tenth District increased 0.6 per cent over April but showed a decrease of 19.3 per cent as compared with sales in May, 1926. The May business at the reporting yards is compared with that for April, 1927, and May, 1926, in percentages of increase or decrease.

	May, 1927; April, 1927	Compared to May, 1926
Sales of lumber, board feet.....	0.6	—19.3
Sales of All Materials, dollars.....	— 5.6	—19.6
Stocks of lumber, end of month.....	— 1.1	— 4.1
Outstandings, end of month.....	2.8	—14.0
Collections during month.....	3.2	—23.8

Portland cement production at mills in this district during May amounted to 1,283,000 barrels, 109,000 barrels more than in April and 106,000 barrels less than in May, 1926. Shipments of 1,297,000 barrels for the month were about even with those in April but were 90,000 barrels less than for the same month last year.

Manufacturers in fifteen states reported production of face brick at an average of 819 thousand per plant in May, an increase of 12.3 per cent over April and an increase of 5 per cent over May, 1926. Shipments increased 11.1 per cent over the preceding month but were 4 per cent less than for the month last year.

Business Conditions in the United States

Industrial production increased in May and continued at a higher level than a year ago, while distribution of commodities was in smaller volume than last year. The general level of wholesale commodity prices has changed but little in the past two months.

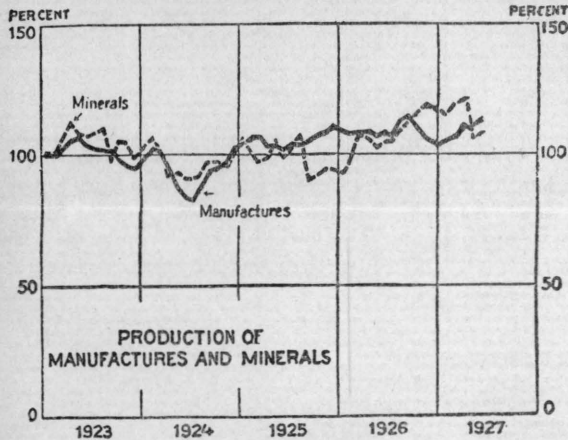
PRODUCTION: Output of manufacturers increased considerably in May, while production of minerals was maintained at the April level. Increased activity was shown in cotton and woolen mills, in meat packing, and in the production of lumber. The output of iron and steel, nonferrous metals, automobiles, and building materials, after allowance for usual seasonal variations, was maintained at practically the same level as in April. Since the latter part of May, however, production of steel and automobiles has declined. The total value of building contracts awarded continued slightly larger in May and in the first two weeks of June than in the corresponding period of last year. Production of winter wheat was estimated by the department of agriculture on the basis of June 1 condition at 537,000,000 bushels, or 90,000,000 bushels less than last year. The indicated rye production was placed at 48,600,000 bushels, which is 20 per cent larger than the crop in 1926.

TRADE: Sales of retail stores in May showed more than the usual seasonal decline from the high April level. Compared with May last year department store sales were about 4 per cent smaller, while those of mail order houses were slightly larger. Value of wholesale trade of all leading lines, except groceries and meats, was smaller in May than in April and in the corresponding month of 1926. Inventories of merchandise carried by department stores showed slightly more than the usual seasonal decline in May and at the end of the month were somewhat smaller than a year ago. Stocks of wholesale firms were also smaller than last year. Freight carloadings increased in May by less than the usual seasonal amount, and for the first time in over a year daily average loadings were in smaller volume than in the corresponding month of the preceding year. Loadings of all classes of commodities except livestock, ore, and miscellaneous products were smaller than last year.

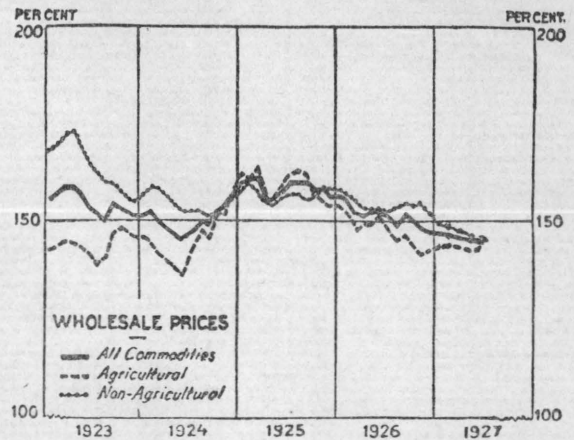
PRICES: The general level of wholesale commodity prices has remained practically unchanged since the middle of April. Prices of grains, cotton, and hides and skins have advanced, but these advances have been offset in the general index by declines in the prices of livestock, wool, silk, metals and rubber.

BANK CREDIT: Demand for bank credit to finance trade and industry remained at constant level between the middle of May and the middle of June, and the growth in the volume of credit extended by member banks in leading cities during the period was in holdings of securities and in loans on stocks and bonds. Loans to brokers and dealers in securities by reporting member banks in New York City increased rapidly and on June 15 were in larger volume than at any previous time covered by the reports.

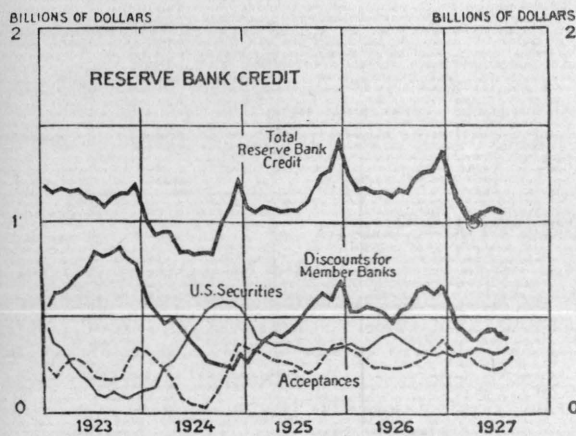
At the Federal Reserve Banks there was little net change in the volume of bills and securities between May 25 and June 22, the fluctuations during the period reflecting largely the effects of Treasury operations. Discounts for member banks toward the end of June were in about the same volume as a month earlier, while there was a decline in the Reserve Banks holdings of acceptances, and an increase in their portfolio of United States securities. Conditions in the money market were fairly stable throughout the period, with slight advances in the rates on commercial paper and more recently on bankers acceptances.



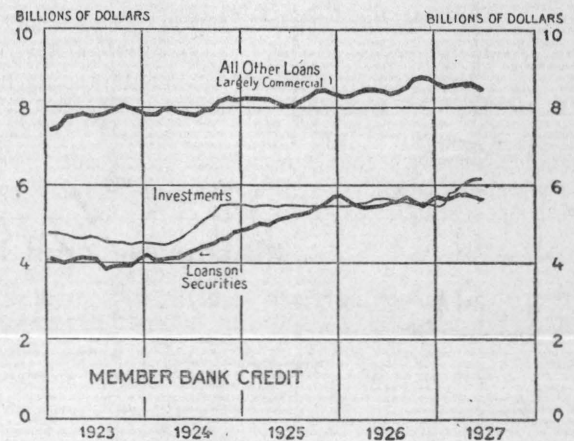
Index numbers of Production of Manufacturers and Minerals, adjusted for seasonal variations, (1923-25 average-100). Latest figures May: Manufacturers 112, Minerals 107.



Indexes of United States Bureau of Labor Statistics, (1913-100). Latest figures May: All commodities 144.1, non-agricultural commodities 143.9, agricultural commodities 143.7.



Monthly averages of daily figures for twelve Federal Reserve Banks. Latest figures are averages of first 23 days in June.



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