

THE MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF KANSAS CITY

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

Vol. 12

KANSAS CITY, MO., OCTOBER 1, 1927

No. 10

FURTHER improvement in the condition and prospect for farm crops, increased activity in leading industries, and an upturn in trade, were indicated by August reports on conditions in the Tenth District.

The Government's latest official crop report showed that between August 1 and September 1 the composite condition or yields of all farm crops in this District rose from 1.9 per cent below to 3.6 per cent above their ten-year average. On September 1, for the first time this year, the composite figure for this District was higher than the average for the entire country.

Among the major results of this improvement was a gain of 122,415,000 bushels in the District's corn prospect. The official forecast, based on the September 1 condition, placed this year's crop at 570,200,000 bushels, which is 261,526,000 bushels more corn than the farmers of this District produced in 1926.

Other crops made moderate to heavy gains during August, and it was apparent from September reports that nine of fourteen leading crops would show larger yields than last year and five would show smaller yields. The heaviest decline was in cotton—a decline of about 43 per cent from the District's record crop of 1926—due to reduced acreage, unfavorable weather conditions and damage by weevil.

Marketing of grain and other farm products during August were the heaviest for that month in several years. Receipts of livestock at primary markets, combined for all classes, were the largest of the year. Prices paid producers for farm products and livestock generally were higher than last year.

The output of flour mills increased under improved domestic and foreign demand. The slaughter of meat animals was the largest for any month of the year, and larger than in August last year for all classes except sheep.

The production of soft coal at the mines in this District was larger in August than in any preceding month since March, and for the first time since March the output was larger than for a corresponding month last year. The production of zinc and lead ore in the Missouri-Kansas-Oklahoma District continued the increase which began in July, and August shipments were the heaviest since March but not quite up to the record of a year earlier.

Some curtailment of the output of crude petroleum was reported for all of the producing states in this District, and the daily average flow fell below that of July, although it was nearly double that for August last year.

Building contracts awarded in this District in August called for a larger expenditure than the awards in July, but a smaller

BUSINESS IN THE TENTH FEDERAL RESERVE DISTRICT

	Percent Increase or decrease	
	August, 1927 compared to July 1927	August 1927 compared to August 1926
General Business		
Payments by check (debits), 29 cities	— 7.1	—4.6
Reserve bank clearings, amount.....	— 1.7	— 7.0
Items handled, number.....	2.1	0.2
Business failures, number.....	5.4	— 5.1
Liabilities.....	56.2	—17.6
Trade—		
Retail, Department stores.....	23.1	10.7
Wholesale, six lines.....	17.9	7.1
Lumber sales at retail yards.....	16.1	—25.9
Market receipts		
Wheat.....	—17.0	7.1
Corn.....	82.8	18.1
Oats.....	231.1	—28.6
Cattle.....	56.4	1.0
Calves.....	93.4	— 6.2
Hogs.....	5.5	2.5
Sheep.....	57.9	— 7.1
Horses and Mules.....	68.3	—22.3
Industrial Output—		
Flour.....	7.1	—22.3
Crude oil.....	— 4.3	49.1
Soft Coal.....	43.3	0.2
Cement, shipments.....	11.9	— 3.1
Face brick.....	8.5	— 1.5
Zinc ore shipments.....	27.0	—12.2
Lead ore shipments.....	84.2	—12.8
Meat packing—		
Cattle.....	38.1	3.4
Calves.....	77.7	8.6
Hogs.....	0.2	6.8
Sheep.....	22.5	— 3.4
Construction—		
Building permits, 18 cities.....	18.1	22.5
Value of permits.....	—19.1	—38.7
Value of contracts awarded, district.....	10.8	—19.1

expenditure than for the corresponding month last year. Considerable activity in building was indicated by the reports from leading cities. The number of building permits issued in August was greater than either the preceding month or the corresponding month last year, but the value of permits was less than in either the preceding month or a year ago.

The better prospect for agriculture brought increased trade activity in nearly all sections. There were evidences that retailers were preparing for a heavy fall business. Combined sales of wholesalers in six lines were larger than in July of this year or August of last year. Department stores and also single line stores handling men's and women's clothing, shoes and furniture reported their dollar sales were larger than in the preceding month this year, and also exceeded those for August 1926.

Financial

No important change in the financial situation developed between the middle of August and the middle of September. Money in banks at all times was plentiful and rates continued low. The heavier volume of business called for a small increase in loans, but the volume was slightly below that of a year ago. Demand deposits were a little less than a year ago, although time deposits and savings deposits in reporting banks were greater.

MEMBER BANK OPERATIONS: Loans and discounts of a selected list of member banks, which make weekly reports to the Federal Reserve Bank of Kansas City, declined less than one-half of one per cent between August 10 and September 14, and the total as of the latter date stood 4.9 per cent below that reported for the corresponding date last year. Investments increased 3.2 per cent during the five-week period to a new high level and were 7.4 per cent larger than a year earlier. The total of bank credit in the form of loans, discounts and investments of the reporting banks of September 14 was 1.2 per cent below that for the corresponding reporting date last year. Their deposits showed little change during the five-week period, while as compared with a year earlier demand deposits were 2.8 per cent smaller, time deposits 5 per cent larger, and total deposits 1.9 per cent smaller. Principal resource and liabilities items of sixty-five reporting banks are here shown for September 14, together with those for August 10, 1927, and September 15, 1926, for comparison:

	Sept. 14, 1927	Aug. 10, 1927	Sept. 15, 1926
Total Loans and Discounts.....	\$426,849,000	\$428,381,000	\$448,790,000
Secured U. S. Obligations.....	3,877,000	3,935,000	4,088,000
Secured by Other Bonds and Stocks.....	134,194,000	130,198,000	122,421,000
All Other.....	288,778,000	294,248,000	322,281,000
Total Investments.....	210,615,000	204,134,000	196,144,000
United States Securities.....	98,633,000	96,310,000	105,871,000
Other Bonds, Stocks and Securities.....	111,982,000	107,824,000	90,273,000
Total Loans, Discounts and Investments.....	637,464,000	632,515,000	644,934,000
Total Deposits.....	661,109,000	660,947,000	673,713,000
Demand Deposits.....	504,183,000	504,736,000	518,918,000
Time Deposits.....	156,813,000	155,474,000	149,344,000
Government Deposits.....	113,000	737,000	5,451,000
Reserve Balances with F. R. Bank.....	54,946,000	55,920,000	56,389,000

RESERVE BANK OPERATIONS: Bills rediscounted by the Federal Reserve Bank of Kansas City for its members, and also bills purchased in the open market, increased during the five weeks ending September 14, mainly as a result of the heavy movements of farm products and livestock, but were considerably smaller than at the corresponding reporting date in 1926. The Bank's holdings of United States securities was larger at the middle of September than five weeks earlier and a year earlier. Principal items contained in statements as of the three dates mentioned here shown:

	Sept. 14, 1927	Aug. 10, 1927	Sept. 15, 1926
Gold Reserves.....	\$ 96,753,684	\$103,594,937	\$ 95,399,910
Reserves other than Gold.....	5,848,072	5,247,780	4,540,920
Total Reserves.....	102,601,756	108,842,717	99,940,830
Bills Discounted.....	9,520,682	7,691,705	13,429,840
Bills Purchased.....	7,706,743	5,926,537	14,558,800
United States Securities.....	33,691,000	31,164,000	30,999,400
Total Bills and Securities.....	50,918,425	44,782,242	58,988,040
Total Resources.....	208,747,872	199,670,106	220,100,398
F. R. Notes in Circulation.....	64,140,475	63,892,275	66,412,200
Total Deposits.....	89,513,581	89,983,342	92,933,026

PAYMENTS BY CHECK: Debits by banks to individual accounts in twenty-nine cities amounted to \$1,242,933,000 during a period of four weeks ending August 31. This figure was

7.1 per cent less than that for the preceding four weeks ending August 3, and was also 4.6 per cent less than that for the corresponding four weeks in 1926. Debits reported by 19 cities were smaller and by 10 cities larger than for the corresponding four weeks in 1926. Debits in the twenty-nine cities during the first eight months of 1927 amounted to \$11,036,984,000, an increase of 1 per cent over the total for the first eight months of 1926.

	Four Weeks Ending		Per Cent Change
	Aug. 31, 1927	Sept. 1, 1926	
Albuquerque, N. M.....	\$ 9,182,000	\$ 9,914,000	- 7.4
Atchison, Kans.....	5,543,000	5,452,000	1.7
Bartlesville, Okla.....	17,763,000	21,162,000	-16.0
Casper, Wyo.....	6,824,000	8,647,000	-21.1
Cheyenne, Wyo.....	6,411,000	5,979,000	6.7
Colorado Springs, Colo.....	14,068,000	15,757,000	-10.7
Denver, Colorado.....	154,041,000	164,467,000	- 6.3
Enid, Okla.....	14,412,000	19,214,000	-25.0
Fremont, Nebr.....	3,418,000	3,165,000	8.0
Grand Junction, Colo.....	3,006,000	3,103,000	- 3.1
Guthrie, Okla.....	3,042,000	2,952,000	3.0
Hutchinson, Kans.....	15,636,000	23,365,000	-33.1
Independence, Kans.....	8,804,000	9,526,000	- 7.6
Joplin, Mo.....	19,723,000	16,437,000	20.0
Kansas City, Kans.....	18,513,000	18,128,000	2.1
Kansas City, Mo.....	367,820,000	387,204,000	- 5.0
Lawrence, Kans.....	4,221,000	4,729,000	-10.7
Lincoln, Nebr.....	27,797,000	27,914,000	- 0.4
Muskogee, Okla.....	9,787,000	10,048,000	- 2.6
Oklahoma City, Okla.....	76,203,000	85,591,000	-11.0
Okmulgee, Okla.....	6,623,000	10,870,000	-39.1
Omaha, Nebr.....	199,658,000	194,646,000	2.6
Parsons, Kans.....	2,650,000	2,883,000	- 8.1
Pittsburg, Kans.....	4,876,000	5,810,000	-16.1
Pueblo, Colo.....	17,391,000	15,814,000	10.0
St. Joseph, Mo.....	50,085,000	55,289,000	- 9.4
Topeka, Kans.....	14,908,000	14,763,000	1.0
Tulsa, Okla.....	106,601,000	115,723,000	- 7.9
Wichita, Kans.....	53,927,000	44,321,000	21.7

Total four weeks..... \$ 1,242,933,000 \$ 1,302,873,000 - 4.6
Total thirty-five weeks..... \$11,036,984,000 \$10,925,358,000 1.0

RESERVE BANK CLEARINGS: Check collections for banks in this District by the Federal Reserve Bank of Kansas City and branches at Omaha, Denver and Oklahoma City in August amounted to \$932,984,000, a decline of 1.7 per cent from July and 7 per cent less than the amount collected in August 1926. A total of 5,747,325 checks was handled by the transit forces during the month, which was an increase of 2.1 per cent over the number handled in the preceding month and an increase of 0.2 per cent over the number handled in the corresponding month last year.

SAVINGS: Fifty-nine commercial banks and savings institutions in leading cities reported an increase between August 1 and September 1 of 1.2 per cent in the amount of their savings deposits, and the total on the latter date stood 3.8 per cent above that reported for September 1, 1926. The number of savings accounts reported by fifty-three banks on September 1 showed an increase of 0.8 per cent in one month and 3.4 per cent in one year. The reports in detail:

Banks	Sept. 1		Aug. 1,		Sept. 1,	
	1927	1927	1927	1926	1926	1926
Denver, Colo.....	7	\$ 51,909,631	\$ 50,965,745	\$ 51,823,114		
Kansas City, Kans.....	3	2,090,418	2,039,355	2,202,011		
Kansas City, Mo.....	9	16,657,968	16,640,041	15,558,954		
Lincoln, Nebr.....	3	2,988,627	3,024,191	3,026,226		
Oklahoma City, Okla.....	6	7,859,199	7,776,638	7,466,761		
Omaha, Nebr.....	5	7,989,154	7,868,562	7,623,340		
St. Joseph, Mo.....	6	7,881,613	7,867,144	7,830,903		
Tulsa, Okla.....	6	15,375,620	15,285,091	13,606,427		
Wichita, Kans.....	10	5,858,649	5,786,740	5,109,486		
Other Cities.....	4	1,112,934	1,081,820	1,039,402		
Total.....	59	\$119,723,813	\$118,335,327	\$115,316,624		

WHOLESALE TRADE IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		OUTSTANDING (MO. END.)		COLLECTIONS		STOCKS (MO. END.)	
	August 1927	August 1926	Aug. 31, 1927	Aug. 31, 1926	Aug. 31, 1927	Aug. 31, 1926	Aug. 31, 1927	Aug. 31, 1926
Dry Goods.....	8	46.0	4.8	23.1	1.7	8.5	-0.8	11.7
Groceries.....	5	-2.2	12.1	-3.4	1.2	11.9	12.2	-5.8
Hardware.....	7	-0.6	-0.4	-1.5	9.0	1.6	2.8	-1.0
Furniture.....	4	52.4	3.2	6.8	-6.0	-3.0	-5.4	-8.0
Drugs.....	7	13.2	19.7	4.8	0.9	1.3	5.9	3.9
Millinery.....	4	113.9	-41.9	27.5	-52.5	-5.8	-25.4	.....

FAILURES: Business insolvencies in the Tenth District since the beginning of the second half of the year have been fewer and liabilities less than for the corresponding period in the preceding year. This is in marked contrast from the record for the first half of the year which showed a larger number of failures and a greater amount of liabilities than was reported for the first half of the preceding year. The figures, as reported by R. G. Dun & Company, follow:

	NUMBER		LIABILITIES	
	1927	1926	1927	1926
First Six Months.....	735	638	\$10,894,386	\$ 7,336,740
July.....	87	112	939,692	1,107,829
August.....	92	97	1,468,395	1,784,080
Eight Months.....	914	847	\$13,302,473	\$10,228,649

Failures in the United States, by Federal Reserve Districts, are here shown for the month of August together with those for August 1926 for comparison:

District	NUMBER		LIABILITIES	
	1927	1926	1927	1926
First, Boston.....	154	179	\$ 2,674,960	\$ 3,070,752
Second, New York.....	240	316	14,540,791	5,967,571
Third, Philadelphia.....	54	44	1,105,859	2,630,058
Fourth, Cleveland.....	173	138	4,276,479	1,651,989
Fifth, Richmond.....	143	107	2,155,805	1,433,713
Sixth, Atlanta.....	142	104	3,020,017	1,930,050
Seventh, Chicago.....	251	236	3,741,123	3,472,839
Eighth, St. Louis.....	103	53	750,216	1,326,682
Ninth, Minneapolis.....	85	85	1,819,855	631,509
TENTH, KANSAS CITY.....	92	97	1,468,395	1,784,080
Eleventh, Dallas.....	54	50	896,603	682,086
Twelfth, San Francisco.....	217	184	2,745,850	3,548,331
Total, United States.....	1,708	1,593	\$39,195,953	\$28,129,660

COLLECTIONS: The composite figure for all reporting department stores indicated collections during August on outstanding accounts at the end of the preceding month were 38.5 per cent, which compares with 40.1 per cent for July and 38.9 per cent for August 1926. The reports of apparel stores, shoe stores and furniture stores indicated percentages of collections on amounts outstanding were not quite up to the percentages reported a year earlier. Reports of wholesale firms showed but slight change in the percentage of collections from the previous August.

Trade

WHOLESALE TRADE: The volume of wholesale trade in six lines was larger in August than in July and larger than in August 1926, according to the reports of representative firms located at the leading centers of distribution in this District. The reports by lines showed increases for August over July in sales of dry goods, millinery, furniture and drugs and decreases in sales of groceries and hardware. Sales during August of dry goods, groceries, furniture and drugs were larger than for the same month last year, with hardware showing a small decrease and millinery a heavy decrease. Wholesale stationery trade was larger than either the preceding month or the same month last year.

Reports from over the District reflected a feeling of optimism among merchants over the improved crop conditions. This was particularly emphasized by reports of dealers in Nebraska. Retail merchants generally were reported as preparing for a good fall trade and their purchases of stock for the coming fall and winter were heavy.

The dry goods reports indicated a general firming up of prices for cotton goods, which wholesalers attributed to the short cotton crop and low stocks of cotton goods in the hands of manufacturers and wholesalers.

Sales of farm implements during the month were reported at about the level of a year ago. July and August were somewhat disappointing to distributors of tractors from the fact that in a considerable part of the territory the excessive moisture made it almost impossible to use tractors during a part of the season.

Wholesalers of automobile tires and accessories continued heavy during the season but the dollar value of sales was nearly 20 per cent less than a year ago.

RETAIL TRADE: Sales of department stores in cities throughout this District which report to the Federal Reserve System, were 23.1 per cent larger in August than in July and 10.7 per cent larger than in the same month last year. The August sales in dollars were large for the month, twenty-five stores reporting increases and nine stores decreases as compared with sales in August 1926. The heavier trade in August carried

RETAIL TRADE AT 37 DEPARTMENT STORES IN THE TENTH FEDERAL RESERVE DISTRICT

Reporting Stores	SALES		(RETAIL) STOCKS		OUTSTANDING ORDERS		ACCOUNTS RECEIVABLE		COLLECTIONS	
	August 1927	August 1926	August 31, 1927	August 31, 1926	August 31, 1927	August 31, 1926	August 31, 1927	August 31, 1926	August 1927	August 1926
Kansas City.....	4	11.6	-2.9	12.0	1.2	-6.4	1.6	2.0	-8.3	2.2
Denver.....	5	5.8	0.8	12.7	6.7	-10.6	-4.7	1.1	3.2	-1.8
Wichita.....	3	12.3	9.4	28.3	17.3	.....	.....	4.5	23.7	13.6
Oklahoma City.....	3	26.5	13.0	26.5	12.5	.....	-16.4	3.5	32.6	25.1
Omaha.....	4	10.9	-6.0	.....	10.2	.....	.....	.....	7.6	6.8
Lincoln.....	2	20.3	-0.1	8.3	-0.7	.....	-18.9	-0.5	2.4	-3.5
Tulsa.....	3	21.5	12.8	13.4	12.0	-12.9	6.1	5.2	5.8	18.0
Other Cities.....	13	0.4	-1.7	9.5	-6.4	.....	.....	-0.3	-3.6	-13.3
Total.....	37	10.7	2.2	13.4	4.7	-11.6	-4.0	1.8	7.0	-9.0

NOTE: Percentage of collections in August on outstanding accounts July 31, all stores reporting, 38.7%. Collections same month last year 39.1%.

total sales for the first eight months of 1927 to 2.5 per cent above the total for the like period in 1926.

Sales reported by stores carrying men's and women's apparel averaged 30 per cent above those for July and 22.1 per cent above those for August 1926. Sales of shoes at retail were 22.9 per cent smaller than in July but 8 per cent larger than in August a year ago. Sales of furniture at reporting retail stores exceeded those for August last year by 26.2 per cent.

The August reports of retail stores showed their stocks increased during the month and on August 31 were larger than on the same date last year, except for a small decrease in retail furniture stock.

Lumber and Materials

Reports of all associations to the National Lumber Manufacturers Association indicated the lumber cut in the United States during the four weeks ending August 27 was 11.6 per cent larger than in the preceding four weeks ending July 31, and 1.5 per cent larger than in the corresponding four weeks ending August 28, 1926. Shipments and orders exceeded those for the preceding four-week period but fell below those for the like period in 1926. The combined figures for all associations for the four-week period follow:

	Four Weeks Ending		
	Aug. 27, 1927 Feet	July 30, 1927 Feet	Aug. 28, 1926 Feet
Cut.....	1,233,049,823	1,104,728,709	1,214,285,722
Shipment.....	1,153,417,008	1,043,644,876	1,200,078,665
Orders.....	1,151,139,587	1,035,788,097	1,179,194,641

Separate reports of eight softwood associations and two hardwood associations, covering the lumber movement during the first thirty-four weeks of 1927, are here shown, together with those for the corresponding period in 1926 for comparison:

	Thirty-four Weeks Ending	
	Aug. 27, 1927 Feet	Aug. 28, 1926 Feet
Softwoods		
Cut.....	7,656,066,542	9,104,442,433
Shipments.....	7,806,863,005	9,259,417,584
Orders.....	7,835,105,341	9,189,680,966
Hardwoods:		
Cut.....	971,244,000	994,739,069
Shipments.....	1,038,922,000	958,039,301
Orders.....	1,045,644,000	982,752,414

Retail lumber yards in cities and towns in this district reported their August business as considerably heavier than that for July, but was still below the volume reported a year ago. The percentage of increase or decrease for August over July 1927 and August 1926 follows:

	August 1927 Compared to	
	July 1927	Aug. 1926
Sales of Lumber, board feet.....	16.1	-25.9
Sales of Lumber, and materials, dollars.....	18.9	-11.8
Stocks of Lumber, end of month.....	2.2	-2.3
Outstandings, end of month.....	3.6	-19.1
Collections during month.....	-8.5	-19.5

CEMENT: The recurrent summer rise carried production and shipments of Portland cement in the United States to new peaks in August, according to the Bureau of Mines, Department of Commerce. Production of 18,305,000 barrels for the month showed an increase of nearly 8 per cent over August 1926. Shipments of 21,411,000 barrels for the month were 15 per cent over the corresponding month last year. Portland cement stocks made further decline and on August 31 were 16,290,000 barrels, or 4 per cent in excess of stocks at the end of August 1926. August production of Portland cement at mills in this District totaled 1,159,000 barrels against 1,471,000 barrels in August 1926 and shipments were 1,442,000 barrels against 1,489,000 barrels in the corresponding month last year.

FACE BRICK: Production of face brick at sixty-five plants located in sixteen states during August averaged 842 thousand per plant. This output indicated an increase of 8.5 per cent over July production and a decrease of 1.5 per cent from production in August 1926. Shipments during August averaged 825 thousand per plant, which was 5.1 per cent larger than in the preceding month and 5.7 per cent larger than in the corresponding month last year. Unfilled orders at the end of August were 1,069 thousand per plant, 4.1 per cent larger than reported a month earlier and 8.5 per cent larger than a year earlier.

Building

The value of building contracts awarded in the Tenth District during August amounted to \$19,061,001, according to statistics compiled by F. W. Dodge Corporation. The August figures compare with \$17,203,236 for the month of July and with \$23,556,000 for the month of August, 1926, indicating an increase for August of 10.8 per cent over the preceding month and a decrease of 19.1 per cent over the corresponding month last year.

The number of building permits issued in eighteen cities of the District during August exceeded that for July by 18.1 per cent and that for August of last year by 22.5 per cent. However, the value of permits issued during the month was 19.1 per cent below that for the preceding month and 38.7 per cent below that for the corresponding month last year. An analysis of the returns show there was considerable building activity in most of the cities during the month and the building investment in seven cities was larger and in eleven cities smaller than a year ago. Official reports of building permits issued in both August 1927 and 1926 follow:

	Permits		Estimated Cost		Per cent Change
	1927	1926	1927	1926	
Albuquerque, N. M.....	80	40	\$ 148,300	\$ 207,500	-28.5
Casper, Wyo.....	6	20	45,950	11,500	300.0
Cheyenne, Wyo.....	25	26	29,400	133,610	-78.0
Colorado Springs, Colo.....	53	72	43,006	40,069	7.3
Denver, Colo.....	732	549	1,457,000	1,012,650	43.9
Hutchinson, Kans.....	63	31	111,123	34,670	220.5
Joplin, Mo.....	32	68	58,200	255,925	-77.3
Kansas City, Kans.....	123	177	123,950	321,438	-61.4
Kansas City, Mo.....	538	319	761,525	2,063,910	-63.1
Lincoln, Nebr.....	94	85	241,010	494,895	-51.3
Muskogee, Okla.....	39	12	50,040	18,372	172.4
Oklahoma City, Okla.....	208	160	802,250	2,667,625	-69.9
Omaha, Nebr.....	125	158	584,975	790,815	-26.0
Pueblo, Colo.....	153	86	179,928	84,585	112.7
St. Joseph, Mo.....	71	54	64,925	98,147	-33.8
Topeka, Kans.....	111	144	186,175	575,225	-67.6
Tulsa, Okla.....	314	245	640,956	485,083	32.1
Wichita, Kans.....	252	218	565,375	639,304	-11.6
Total 18 cities.....	3,019	2,464	\$6,094,088	\$9,935,323	-38.7

Flour Production

Mills in this district during August were operated at 67.2 per cent of their capacity as compared with 65.7 per cent in July and 90.7 per cent in August 1926. Production of flour at the leading milling centers during August totaled 2,156,941 barrels, an increase of 7.1 per cent over July and a decrease of 22.3 per cent as compared with August 1926. The output of the mills follows:

	Aug. 1927	July 1927	Aug. 1927
	Barrels	Barrels	Barrels
Atchison.....	123,277	119,853	122,647
Kansas City.....	577,398	522,984	654,756
Omaha.....	106,754	82,797	116,791
Salina.....	157,416	140,167	150,057
St. Joseph.....	144,141	170,852	216,127
Wichita.....	175,443	117,684	226,724
Outside.....	872,512	859,687	1,290,197
Total.....	2,156,941	2,014,024	2,777,299

THE CROPS

With generally good growing conditions and abundant to excessive rains farm crops improved substantially during August in the seven states whose areas or parts are included in the Tenth Federal Reserve District. Further improvement came in September as a result of unseasonably high temperatures delaying the coming of frost and permitting fall crops, which had a poor start, to come to maturity. The extent of the improvement in August may be realized by a study of the September report of the United States Department of Agriculture through its Bureau of Agricultural Economics. This report showed the composite condition, or yields, of all farm crops in the seven states rose from an August 1 condition of 98.1 per cent of the ten-year average condition on that date to a September 1 condition of 103.6 per cent of their ten-year average condition on that date. This indicates that crops, which on August 1 were 1.9 per cent below their ten-year average, moved up 5.5 points during the month and on September 1 were 3.6 per cent above the ten-year average. During August the composite condition of all crops in the United States declined from 99 per cent of the ten-year average to 98.1 per cent of the ten-year average.

The summary which follows shows the composite condition of all crops in the seven states as of the two dates mentioned and the percentage of change during the month. For growing crops the base of 100 per cent is the ten-year average condition. For harvested crops the base is the ten-year average yield per acre:

	Sept. 1	Aug. 1	Change
Colorado.....	102.6	95.2	7.4
Kansas.....	108.5	98.7	9.8
Missouri.....	91.8	88.6	3.2
Nebraska.....	121.0	110.2	10.8
New Mexico.....	101.4	86.1	15.3
Oklahoma.....	94.5	97.6	- 3.1
Wyoming.....	107.5	105.9	1.6
Seven States.....	103.6	98.1	5.5
United States.....	98.1	99.0	- 0.9

CORN: The outstanding feature of the September reports was a remarkable improvement in conditions and prospects for corn. The report indicated a total crop for the district of 570,200,000 bushels on September 1, a gain of 122,415,000 bushels in the corn prospect during August and an increase of 261,526,000 bushels or 84.7 per cent over the harvested crop of 1926. The reports in detail showed gains were made during the month in all of the seven states except Wyoming, where prolonged cool weather made it doubtful as to whether corn would have time to mature before frost. Corn prospects in the seven states are shown as of September 1 condition together with the estimate of August 1 of this year and a final estimate of 1926:

	Sept. 1, 1927 Bushels	Aug. 1, 1927 Bushels	Final 1926 Bushels
Colorado.....	24,852,000	20,143,000	10,472,000
Kansas.....	171,693,000	116,243,000	57,299,000
Missouri.....	153,055,000	144,726,000	176,011,000
Nebraska.....	261,446,000	218,000,000	139,407,000
New Mexico.....	3,587,000	3,020,000	4,420,000
Oklahoma.....	78,200,000	60,344,000	61,178,000
Wyoming.....	3,768,000	3,989,000	3,940,000
Seven States.....	696,601,000	566,465,000	452,727,000
TENTH DISTRICT.....	570,200,000	447,785,000	308,674,000
United States.....	2,456,561,000	2,835,226,000	2,646,853,000

OTHER FALL CROPS: Due to late plantings and some delay in growers contracting with refineries, this year's sugar beet acreage in the district is slightly below that of 1926. The crop in Colorado improved 3 per cent in condition during August. Estimated production on September 1 in that state was 2,279,000

ESTIMATED CROPS IN THE TENTH DISTRICT

	September 1	Final 1926
Winter Wheat, bushels.....	240,616,000	283,469,000
Spring Wheat, bushels.....	12,450,000	10,050,000
All Wheat, bushels.....	253,066,000	293,519,000
Corn, bushels.....	570,200,000	308,674,000
Oats, bushels.....	138,862,000	143,132,000
Barley, bushels.....	30,270,000	20,687,000
Rye, bushels.....	7,082,000	5,430,000
White potatoes, bushels.....	34,094,000	26,452,000
Sweet potatoes, bushels.....	3,387,000	3,219,000
Cotton, bales.....	957,000	1,689,000
Tame Hay, tons.....	14,324,000	11,894,000
Tobacco, pounds.....	3,227,000	3,182,000
Apples, bushels.....	5,852,000	8,408,000
Peaches, bushels.....	2,083,000	1,659,000
Grapes, tons.....	10,137	11,856

tons of beets, compared with 2,267,000 tons in 1926. Nebraska's report indicated a crop of 910,000 tons, against 923,000 tons last year. The Wyoming report indicated a yield of 11.5 tons per acre, but figures on acreage were not available for the September report although it was reported total production for 1927 would be larger than in 1926.

September reports indicated the broom corn crop in Oklahoma and Kansas combined would be 23,240 tons as compared with 33,400 tons last year, the reduction in the size of the crop resulting from a decrease in acreage in Oklahoma.

Reports from Colorado, Kansas, Nebraska and Oklahoma indicated a crop of 66,215,000 bushels of grain sorghums compared with 44,726,000 bushels in 1926.

The crop of dry beans in Colorado and Wyoming was reported on September 1 as 2,376,900 bushels as compared with 1,286,000 bushels last year.

COTTON: The condition of cotton in the United States declined from 69.5 per cent on August 1 to 56.1 per cent on September 1, a loss of 13.4 points for the month as compared with a ten-year average August loss of 8.7 points, as reported by the United States Department of Agriculture. Declines in the condition of cotton occurred in all cotton producing states except New Mexico, Arizona and California, and were due to rainy, cloudy weather during most of August which promoted weevil activity. The percentage of cotton acreage abandoned after July 1, the acreage left for harvest, estimated yield as of September 1 and final yield for 1926, are shown in the following summary for each of the eight southwestern cotton states:

	Per Cent Acreage Abandoned After July 1	Acres for Harvest September 1	Est. Bales Production September 1	Total Bales Production in 1926
Texas.....	4	16,354,000	4,700,000	5,627,831
Oklahoma.....	12	3,668,000	1,025,000	1,772,784
Arkansas.....	4	3,156,000	970,000	1,547,932
Louisiana.....	6	1,557,000	487,000	829,407
Missouri.....	6	289,000	106,000	217,859
New Mexico.....	5	101,000	70,000	75,000
Arizona.....	1	139,000	90,000	121,902
California.....	1	127,000	90,000	131,211
Eight S. W. States.....	5.3	25,391,000	7,538,000	10,323,926
United States.....	4.8	40,626,000	12,692,000	17,977,374

Oklahoma's decline in the cotton prospect, indicated by the September forecast, was attributed for the greater part to the smaller acreage planted during the spring. There was considerable damage by weevil. While it was apparent from the estimate that the crop of 1927 would fall about 42 per cent below the bumper crop of 1926, the reports indicated fair to good prospects over a large part of the cotton area, notably in the western counties.

Grain Movements

Heavy marketings of all classes of grain, with prevailing prices higher than a year ago for all classes except rye, were reflected by the August reports from the five important markets of this district. Receipts of wheat, although 17 per cent smaller than in the peak month of July, exceeded the receipts for August last year by 7.1 per cent and were the largest for August of all years since 1924. Receipts of corn during the month were 82.8 per cent larger than in July, 18.1 per cent larger than in August of last year, and the largest for the month of August since 1924. The prospect for a "bumper" crop in this district and the favorable price paid for corn accounted for the unusually heavy movements. Arrivals of oats and rye far exceeded the July receipts but for both of these grains the August receipts were smaller than those of a year ago. Receipts of barley and Kafir were larger than in the preceding month and the corresponding month last year. August receipts of six classes of grain at the five markets are here shown:

	Wheat Bushels	Corn Bushels	Oats Bushels	Rye Bushels	Barley Bushels	Kafir Bushels
Huchinson.....	1,541,700	13,750	3,000	.....	39,000	.....
Kansas City.....	17,722,600	1,306,500	626,000	90,000	244,800	284,900
Omaha.....	10,716,800	1,681,400	984,000	246,400	371,200	.....
St. Joseph.....	1,715,000	1,104,000	120,000	9,000	1,750	1,500
Wichita.....	2,335,500	63,600	13,500	.....	.....	7,200
Aug. 1927.....	34,031,600	4,169,250	1,746,500	345,400	617,750	332,600
July 1927.....	40,986,550	2,281,250	527,500	82,400	59,350	288,900
Aug. 1926.....	31,787,450	3,530,150	2,447,500	365,000	226,550	96,100

Live Stock

Heavy movements of all classes of livestock to markets in this district, fat cattle values the highest in two years, further advance in prices paid for hogs, and slightly lower prices for sheep, were important features of the livestock reports for August.

Combined receipts of cattle and calves at six leading markets were larger in August than in any preceding month since last November. The month's receipts of sheep were the largest since October of last year. Receipts of hogs were, with the exception of July, the smallest since last October. Receipts of horses and mules were the largest since March. The August receipts when compared with those for August of last year showed increases in cattle and hogs and decreases in calves, sheep, horses and mules.

The countryward movement of stocker and feeder cattle, calves and sheep during August was the heaviest for any month of the year, although as compared with the record for the same month last year there were decreases of 3.6 per cent in cattle and 9.6 per cent in sheep, and an increase of 34.7 per cent in calves. The outgo of stocker and feeder hogs showed but slight change as compared with the preceding month but was 19.9 per cent less than a year ago. The returns for the first eight months in 1927 showed the countryward movement of all classes of stocker and feeder livestock from four reporting markets was larger than for the corresponding eight months in 1926.

Reports from all sections of the district indicated excellent conditions of livestock on ranges and pastures on September 1, with the figures for cattle and sheep averaging two points above the high condition figure reported a year ago. Grass on ranges and pastures was kept green by frequent rains and provided the best grazing in years at this season. Stockmen are still inclined to make the best of the situation by holding their stock on grass for as long a period as possible. The September 1 report of the Division of Crop and Livestock Estimates placed the condition on that date for 1927 and 1926, (100-normal) as follows:

	RANGES		CATTLE		SHEEP	
	1927	1926	1927	1926	1927	1926
Colorado.....	101	98	99	98	99	99
Kansas.....	98	67	95	82	.....	.....
Nebraska.....	95	91	95	93	.....	.....
Oklahoma.....	92	83	88	86	.....	.....
Wyoming.....	97	93	98	99	97	101
Average 17 States.....	95	84	93	91	96	94

Meat Packing

With the heaviest market supplies of livestock of the year purchases by packers of animals for slaughter at the six leading packing centers were correspondingly heavy. The August totals showed a very large increase over July for all classes of meat animals, and there were moderate increases over August 1926 in the slaughter of all classes excepting sheep, which showed a decrease of 3.4 per cent.

Reports for August reflected an improvement in the trade in pork products, both at home and abroad. The market for dressed beef was fair and prices steady to a little stronger for the month as a whole.

Stocks of pork at Kansas City on August 31 were 39,820,200 pounds, 4,698,500 pounds less than on July 31 and 7,199,100 pounds more than on August 31, 1926.

Coal Mining

Reports from all soft coal mining fields of this district indicated greater activity during August than was reported for any month since last March. The total output for the month, as estimated by the Bureau of Mines, United States Department of Commerce, was 2,178,000 tons, an increase of 43.3 per cent over July production and an increase of 0.2 per cent over production in August 1926. The following summary shows the tonnage produced in August as compared with the preceding month and the corresponding month last year:

	*Aug. 1927 Tons	July 1927 Tons	Aug. 1926 Tons
Colorado.....	861,000	534,000	778,000
Kansas.....	174,000	129,000	326,000
Missouri.....	171,000	127,000	193,000
New Mexico.....	244,000	178,000	213,000
Oklahoma.....	254,000	188,000	168,000
Wyoming.....	474,000	364,000	495,000
Total.....	2,178,000	1,520,000	2,173,000

*Estimated

AUGUST MOVEMENT OF LIVE STOCK IN THE TENTH DISTRICT

	RECEIPTS				STOCKERS and FEEDERS				PACKERS PURCHASES			
	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep	Cattle	Calves	Hogs	Sheep
Kansas City.....	230,059	57,247	165,830	152,726	66,961	5,674	2,351	37,093	107,815	43,169	124,865	103,571
Omaha.....	121,130	8,411	246,254	341,751	23,626	.....	1,409	168,284	85,258	7,075	167,446	163,859
St. Joseph.....	55,953	10,701	119,822	97,156	8,582	667	1,633	21,557	40,120	8,997	93,381	72,794
Denver.....	24,289	3,992	33,428	60,718	7,910	908	1,659	20,513	10,742	3,004	21,881	12,913
Oklahoma City.....	24,741	9,333	15,177	3,159	.....	.....	.....	.....	18,260	8,025	12,510	1,016
Wichita.....	30,653	7,697	35,704	14,203	.....	.....	.....	.....	10,295	4,470	32,385	5,097
August 1927.....	486,825	97,381	616,215	669,713	107,079	7,249	7,052	247,447	272,490	74,740	452,468	359,250
July 1927.....	311,221	50,344	583,932	424,195	42,964	3,867	7,089	96,744	197,269	42,070	451,673	293,189
August 1926.....	481,998	103,827	600,980	721,205	111,118	5,380	8,808	273,801	263,531	68,823	423,406	371,818
8 Months 1927.....	3,105,871	454,846	5,762,258	4,250,886	591,578	40,630	113,208	850,738	1,841,847	374,951	4,463,858	2,648,252
8 Months 1926.....	3,126,045	490,001	5,552,890	4,549,581	589,967	30,194	105,518	746,005	1,892,858	402,710	4,131,184	2,800,664

Petroleum

Crude oil flowed from wells in the Tenth District during August at a rate of 1,002,760 barrels per day and gross output for the 31-day month was 31,085,000 barrels, according to compilation of weekly reports of the American Petroleum Institute. These figures indicate a decrease from the preceding month of 46,040 barrels per day and 1,424,000 for the month. Still, the August production of crude oil exceeded that for the corresponding month of last year by 330,160 barrels per day and 10,233,000 barrels for the month. Production figures for August are shown in the following tables with those for July of this year and August of last year for comparison:

	Daily Average Production		
	*Aug. 1927 Barrels	July 1927 Barrels	Aug. 1926 Barrels
Oklahoma.....	832,900	866,500	477,500
Kansas.....	105,100	108,200	118,400
Wyoming.....	55,160	63,500	63,500
Colorado.....	7,000	7,800	8,700
New Mexico.....	2,600	2,800	4,500
Total.....	1,002,760	1,048,800	672,600
	Gross Production		
	*Aug. 1927 Barrels	July 1927 Barrels	Aug. 1926 Barrels
Oklahoma.....	25,820,000	26,861,000	14,802,000
Kansas.....	3,258,000	2,353,000	3,672,000
Wyoming.....	1,710,000	1,969,000	1,968,000
Colorado.....	216,000	241,000	271,000
New Mexico.....	81,000	85,000	139,000
Total.....	31,085,000	32,509,000	20,852,000

*Estimated American Petroleum Institute.

The foregoing figures show curtailment in crude oil production in Kansas, Wyoming, Colorado and New Mexico, each of these states reporting a smaller output in August than in the preceding month and the same month last year. Production in Oklahoma, which during the present year mounted to huge proportions declined during August, though in the week ending September 3 the output was at an average of 809,950 barrels per day.

The summary of field operations shows a decrease in the number of new wells completed during August, although the average daily new production brought in from the 435 wells was 158 per cent larger than the average daily new production from 830 wells completed during August of last year. The bulk of this new production was in Oklahoma. The field summary for August follows:

	Wells Completed	Barrels Daily New Production	Dry Wells	Gas Wells	Rigs-Wells Drilling
Oklahoma.....	325	231,253	113	25	1,155
Kansas.....	55	3,135	32	4	246
Wyoming.....	35	5,071	7	6	141
Colorado.....	12	520	5	2	81
New Mexico.....	8	50	6	1	97
Aug. 1927.....	435	240,029	163	38	1,720
July 1927.....	633	301,314	235	57	1,956
Aug. 1926.....	830	93,014	256	56	2,415
8 Months 1927.....	4,490	1,688,915	1,534	389	.....
8 Months 1926.....	5,931	766,773	1,864	453	.....

Reports from Oklahoma and Kansas showed 60 refineries in operation on September 1 with daily runs to their stills of 269,325 barrels, whereas the same number of plants in operation on August 1 reported daily runs of 285,775 barrels. On September 1 of last year 66 plants were in operation with daily runs of 272,370 barrels per day.

Zinc and Lead

The five weeks ending September 3 brought increased activity at the mines in the Missouri-Kansas-Oklahoma or Tristate dis-

trict. Sales and shipments of both zinc and lead ores were the largest for any similar period since last March, exceeding those for the preceding five-week period by 27 per cent and 84.2 per cent respectively, but falling 12.2 per cent and 12.8 per cent short of the tonnages sold and shipped during the corresponding period in 1926. The record of ore shipments in tonnage and value follows:

	Zinc Ore		Lead Ore	
	Tons	Value	Tons	Value
Oklahoma.....	48,984	\$ 2,084,515	7,853	\$ 2,675,826
Kansas.....	23,900	1,020,011	3,166	273,360
Missouri.....	2,189	93,468	344	29,547
5 Wks. Ending Sept. 3, 1927.....	75,073	\$ 3,197,994	11,363	\$ 978,733
5 Wks. Ending July 30, 1927.....	59,104	2,509,415	6,169	473,449
5 Wks. Ending Sept. 4, 1926.....	85,496	4,285,426	13,032	1,466,096
36 Wks. Ending Sept. 3, 1927.....	466,229	19,903,971	71,333	6,396,250
36 Wks. Ending Sept. 4, 1926.....	573,663	28,339,312	85,423	9,100,288

During the last three weeks of this five-week period zinc ores brought producers an average of \$42 per ton, a decline of \$1 from the average for the first two weeks, and \$8 per ton below the price paid a year earlier. Lead ore prices, after rising to \$87.50 per ton in the early half of August, declined to an average of \$82.50 per ton for the week ending September 3, this price comparing with \$112.50 per ton for the corresponding week in 1926.

Business Conditions in the United States

Industrial production increased in August, reflecting a growth in the output of mines, and the distribution of commodities both at wholesale and at retail increased by more than the usual seasonal amount. The general level of wholesale commodity prices rose about 1 percent, owing chiefly to advances in the prices of farm products.

PRODUCTION: Production of anthracite and bituminous coal, which showed a considerable decline earlier in the season, increased sharply in August and the early weeks of September, and this rise was reflected in an advance in the board's index of mineral output from 98 percent of the 1923-1925 average in July to 106 percent in August. The index of manufacturers as a whole showed practically no change for the month. The iron and steel industry continued during August and September with little change in demand or in production, and the output of newsprint, lumber and cement showed only customary seasonal changes in August. Consumption of cotton remained unusually large for this season of the year, and there was an increase in the production of automobiles, which however, remained below the output of August last year. Output of shoes and rubber tires increased from July to August by less than the customary seasonal amount. Factory employment was in practically the same volume in August as in July, and both employment and production were smaller than a year ago. The volume of building contracts awarded in August was smaller than in August 1926, which was a month of unusually large awards. The largest decreases as compared with last year, were in the Boston, New York and Chicago Federal Reserve districts. In the first half of September awards were in practically the same volume as in the corresponding period of last year.

The Department of Agriculture's estimate of corn production on the basis of September 1 condition was 2,457,000,000 bushels compared with 2,647,000,000 harvested in 1926. The total yield of wheat is expected to be somewhat larger than a year ago. The

forecast of the yield of cotton was 12,692,000 bales, representing a reduction of 800,000 bales from the August estimate and of over 5,000,000 bales from last year's crop.

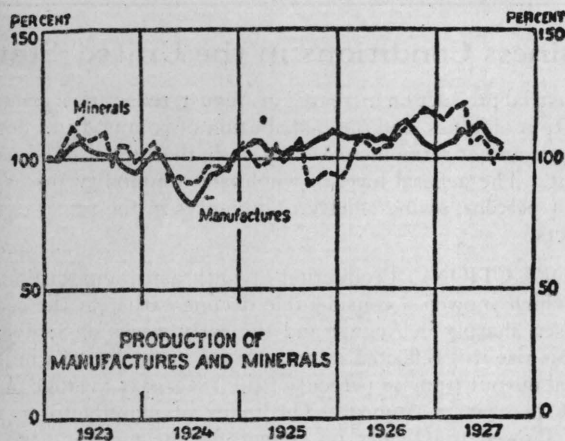
TRADE: Distribution of merchandise at wholesale and retail increased more than is usual in August, and sales were generally larger than in August of last year. Sales of wholesale firms in most leading lines were larger than a year ago. Inventories of department stores showed less than the usual seasonal increase in August and at the end of the month were in about the same dollar value as a year ago. Stocks carried by wholesale firms continued in August generally smaller than last year. Freight carloadings of nearly all types of commodities increased considerably in August and the early part of September, but with the exception of grains and miscellaneous products, loadings for all groups continued in smaller volume than in the same period of last year.

PRICES: Wholesale commodities prices, as measured by the index of the bureau of labor statistics, increased from 145 in July to 147 in August. There were large increases in the prices of farm products and of clothing materials, while most of the other groups showed only slight changes. The price of raw cotton advanced from 17½ cents a pound on August 1 to over 23 cents on

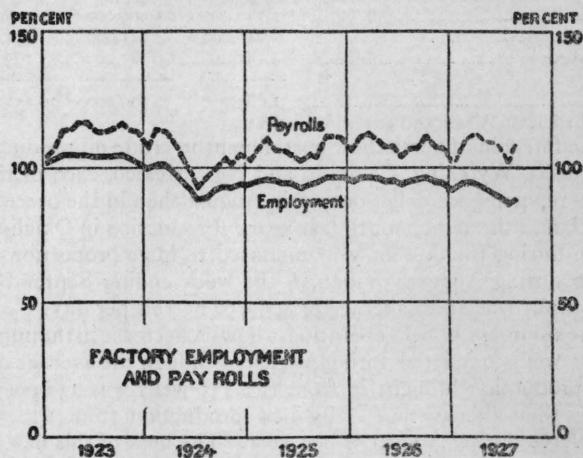
September 8, but since that date has declined by about 3 cents a pound. Prices of cotton goods, cattle, hogs and sugar also increased during August and the first three weeks of September, those of grains declined. Recently there have been reductions in the prices of some iron and steel products.

BANK CREDIT: Total loans and investments of Member Banks in leading cities between August 17 and September 21 increased by \$400,000,000 to the largest figure on record. There were increases in loans on securities and investments, as well as the usual seasonal growth in loans for agriculture and commercial purposes.

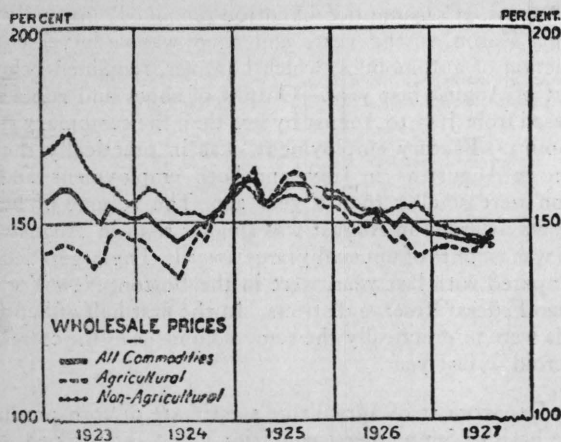
The volume of reserve Bank credit increased during the Month ending September 21 reflecting the seasonal growth in the demand for current, and export of gold. The increase was entirely in the holdings of acceptances and United States securities as there was little change in discounts for Member Banks. In the open money markets rates on security loans increased slightly during September while rates on Commercial paper and 90-day Bankers acceptances remained unchanged at the lowest level of the year. Discount rates at the Federal Reserve Banks of Philadelphia, Chicago, San Francisco and Minneapolis were reduced during September from 4 to 3½ percent, the rate prevailing in the other eight Districts.



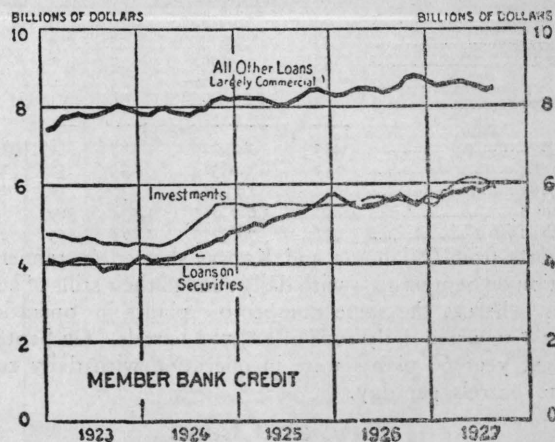
Index of Manufacturers and Minerals adjusted for seasonal variations (1923-25 average, 100). Latest figures, August; manufacturers 106, minerals 106.



Federal Reserve Board's Indexes of Factory Employment and Payrolls, (1919 100). Latest figures, August; employment 91.2, payrolls 104.4.



Index of United States Bureau of Labor Statistics, (1913-100). Latest statistics, August; all commodities 146.6, agricultural commodities 148.1, non-agricultural commodities 144.5.



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