

This advance copy of the Monthly Report on conditions in District No. 8 is sent to you and others who have aided in its compilation, in appreciation of our assistance and in hope that it will be of value to you.

This report is not to be released to the public until on and after the morning of July 2nd, 1917, so PLEASE HOLD IT CONFIDENTIAL UNTIL THE RELEASE DATE.

William McC. Martin,  
Chairman of the Board and Federal Reserve Agent,  
Federal Reserve Bank of St. Louis.

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REPORT ON CONDITIONS IN DISTRICT NO. 8.  
FOR THE JULY 1st ISSUE OF THE FEDERAL RESERVE BULLETIN.

Business in this district, with the exception of those lines supplying the Government with munitions and such supplies as clothing, hosiery, blankets, boots, shoes, etc., is not as active as it has been for the past few months. Its general condition, however, is satisfactory, and the fundamental situation seems to be sound.

Weather unfavorable to summer merchandise, has retarded buying, and this has resulted in an accumulation of stock in the hands of retail distributors. The increased cost of many articles has curtailed the consumption of luxuries, and a tendency to do away with entertaining is also reported to be having a slight effect.

In the past thirty days, climatic conditions have been more favorable to crops than at any time this spring, and they have developed accordingly. The wheat crop is now being harvested in the southern portion of the district. While letters from different sections indicate that the yield will be shorter than the final estimate for 1916 and for the five year average, yet the quality is good and the harvest will probably be above former estimates.

Late reports from the cotton producing sections of the district are also encouraging. The plant has developed under the seasonable weather of the last ten days. Fields have dried out and are now in a position to be worked, and there is, so far, little or no report of insect damage. Considerable replanting, however, has been necessary, and the season is still from two to three weeks late.

The present prices of cotton will have a tendency to stimulate replanting, but

this tendency will be to a certain extent offset by the increased cost of provisions and labor.

The outlook for the oats crop in this district is particularly bright. The reports of condition are favorable, and estimates for this year's harvest are well above the 1911 yield and the average for the five year period.

It is reported that splendid progress has been made in the cultivation of the corn crop during the last ten days. Warmer weather from now on, and especially warmer nights, are needed. There have been some reports of damage by overflow, but the crest of the flood appears to have passed and fields are drying, so that replanting will soon begin.

The first cutting of alfalfa was satisfactory, both as to quantity and quality. Meadows, in general, are reported to be in good condition, and there is an abundance of grass for stock. The strawberry movement is nearing its end in this district, and while the crop is not as large as previous years, reports indicate that the present prices made a satisfactory return to farmers. Other small fruits are developing fairly well.

Truck gardens in the central portions of the district have developed very rapidly in the past two weeks. There has been an abundance of fresh provisions in the market, and prices have declined accordingly. All reports indicate that the potato acreage is largely in excess of former years, and the crop to date has progressed in a very satisfactory manner.

Shortage of freight cars in this district is still serious, the cotton movement in the southern part being especially hampered. On June 16th, Memphis reported a stock of cotton on hand amounting to 247,000 bales, against 91,000 bales on the same date in 1916.

Building permits, for May, in Little Rock, Louisville and Memphis, show a substantial decrease as compared with last year, while St. Louis shows a slight gain for the same period.

Postal receipts show little change this May as compared with May of 1916, small, immaterial, gains or losses being reported from the principal cities.

Bond dealers and bankers, generally, have devoted a very large part of their time to the Liberty Loan and, consequently, the other bond business has been quiet. There has been no change in commercial paper rates since last reported. The supply of paper is, however, much larger than a month ago, and it is reported that there has been an active demand from country banks, even though they were also subscribing for the Liberty Loan bonds. City banks, with a few exceptions, have not been in the market. Bank rates to customers remain unchanged.