

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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DECLINING tendencies in both the production and distribution of commodities were indicated in a large majority of reports covering business conditions in this district during the past thirty days. The recession, however, was not attributed to any unfavorable change in fundamental conditions, but rather to further emphasis of the policy of ultra conservatism and caution which has obtained in many quarters during recent months. The demand for goods continues active and there has been no impairment in the general purchasing power of the public, but the disposition among consumers is to buy in quantities sufficient only to fill immediate needs. An almost universal comment among wholesalers and jobbers is that in recent weeks the average size of orders is the smallest in years. In such lines as dry goods, boots and shoes, drugs and chemicals and hardware, where heretofore the practice has been to buy in large quantities, piecemeal purchasing is the rule, and more goods are being shipped by express and parcels post than ever before.

The backward season is given as another reason for the delayed movement of certain descriptions of merchandise, notably apparel, farm supplies and sporting goods. There was excellent response to the improved weather in early May, but this was followed by a return of unseasonably low temperatures and excessive rainfall, which served to deprive the movement of a considerable part of its spontaneity. Effects of the unfavorable weather have been felt particularly in the country, where sales of seasonal goods have been below expectations and collections disappointing. In the large centers of population retail distribution has been relatively more satisfactory, and both retailers and wholesalers report an improvement in collections as contrasted with the preceding thirty days.

The slowing down in distribution and the marked absence of forward buying were reflected in curtailed operations on the part of manufacturers. In both basic and subsidiary industries outputs in April showed a number of decreases. Production of pig iron and steel for the country as a whole was smaller, and there was a decrease in the output of automobiles, coal, lumber, furniture and textiles. Generally iron and steel mills, foundries and machine shops in this district worked on reduced schedules. Commitments in the matter of raw material are along the same cautious lines as noted in finished and semi-finished goods. Uncertainty relative to the demand for their products and price trends is causing manufacturers to hold off, and even where price concessions are offered, little interest is manifested in future requirements.

Of the several lines investigated, decreases in April sales as contrasted with a year ago were shown by reporting manufacturers and wholesalers in the following lines: Boots and shoes, clothing, dry goods,

farm implements, groceries, furniture, job foundries, millinery, railroad supplies and stoves. Increases were reported in drugs and chemicals, electrical supplies, bakeries, hardware, confections and packing. The general trend of prices was downward, but changes during the period under review were not of a radical character, and on some commodities minor advances were recorded. Building continued active, permits issued in the five largest cities of the district being the largest on record in point of money involved. Consumption of electricity in the five chief cities during April showed slight gains over the same month in 1923 and March this year.

Taken as a whole the employment situation in this district developed little change during the period under review. There was some falling off in the number of active workers in industrial plants, particularly in the iron and steel industry and men's clothing. In the general total, however, their losses were counterbalanced by seasonal gains in employment on farms and in road building and river work. Throughout the district artisans in the building trades are fully employed, and the number of active workers in that classification was augmented by the settlement of strikes in certain crafts. In the South there are scattered complaints of lack of cotton hands, and a scarcity of help developed in sections where strawberries are raised in quantities. Settlement of the coal strike in the Southwest went far to offset the additional idleness in other coal fields. No wage reductions of consequence were reported. For the United States as a whole employment in manufacturing industries decreased 2.1 per cent in April, and pay roll totals decreased 2.5 per cent.

Marketing of grain, with the exception of corn, decreased slightly in April as compared with the same month a year ago, and the movement of early fruits and vegetables was under normal for this season. Larger receipts of corn had a depressing tendency on values of that cereal, and between April 15 and May 15 corn futures declined $2\frac{1}{8}$ to $2\frac{3}{8}$ c per bushel. Wheat futures, on the other hand, advanced about 3c, the upturn being in part due to the Government's reduced estimate of the winter wheat crop, based on conditions as of May 1. The demand for good milling wheat was active, but lower grades were dull, and there was practically no export demand. The movement of live stock was on a fairly liberal scale, and prices during the early part of the period held quite strong. Later, however, cattle and lambs declined slightly. Middling cotton at St. Louis ranged between $29\frac{3}{4}$ c and 31c, and closed at $30\frac{1}{2}$ c on May 15 as against 31c on April 15.

Except for a slight improvement in undertone, due to the diminished movement of tonnage having served to stabilize the market by eliminating excess accumulations on track and elsewhere, the fuel situa-

tion has undergone no change. Contracting is more backward than has been the case at this particular season for a number of years. Despite curtailed production, offerings are on a liberal scale, and keen competition exists for all current business. Railroad buying has fallen off, and the movement for domestic use is confined chiefly to small cars for emergency purposes. The demand for screenings has been better than for prepared sizes, but due to lack of demand for the latter, producers are short of slack. A further reduction in working time at active mines was reported, and a number of additional pits have closed for an indefinite period. Leading steam users, particularly the public utilities companies, are holding off on filling future requirements, mainly on the theory that they may obtain better terms later in the year. By-product coke manufacturers report extreme dullness in the demand for their outputs. Lack of interest on the part of the domestic trade and curtailment of operations at foundries and furnaces are the chief factors affecting their business. The wage dispute which caused a shutdown of mines in the Southwest was settled on May 3 by renewal of the old scale for three years. Production of soft coal for the country as a whole for the first 106 working days of the calendar year, or to May 3, totaled 169,161,000 net tons, which compares with 187,097,000 tons for the corresponding period in 1923 and 152,363,000 tons in 1922. Lack of demand remains by far the chief factor limiting production, and was responsible for losses of more than 50 per cent of full-time capacity in a large majority of the producing districts.

Freight traffic of the railroads, while still in large volume, continued to show decreases under the corresponding period a year ago. During each week in April there were losses as compared with the same weeks in 1923, but large gains as contrasted with 1922. For the week ending May 10 loadings of revenue freight totaled 909,187 cars, against 974,741 for the corresponding week in 1923, and 767,094 cars in 1922. The movement of merchandise is holding up relatively well, but heavy losses were recorded on coal and miscellaneous freight. The Terminal Railway Association of St. Louis, which handles the interchange of 28 connecting carriers, interchanged 196,111 loads in April, against 204,656 loads in March and 212,006 loads in April, 1923. Passenger traffic of reporting roads in April showed a decrease of 4 per cent as compared with the same month last year.

Total receipts and shipments of tonnage via river at St. Louis during the first four months of 1924, according to the Merchants' Exchange, were 64,515, as compared with 47,815 tons during the same period in 1923. Tonnage moved on the Mississippi River section of the Federal barge line between St. Louis and New Orleans amounted to 82,200 tons during April, against 74,117 tons in March and 60,229 tons in April, 1923. The April traffic was the heaviest for any month since June, 1923.

Reports relative to collections continue to reflect rather spotted conditions, both in reference to locality and lines of business. As a whole, however, efficiency was somewhat better in April than during the preceding month. As was the case earlier in the year, heavy roads, floods and unseasonable weather interfered with collections in the rural districts. Retailers in the large cities report satisfactory returns and the same is true of the general run of wholesalers. In the coal mining areas and certain localities affected by specific condi-

tions, payments are backward. Answers to 408 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
April, 1924.....	1.7%	29.4%	56.3%	12.6%
March, 1924	0.0	24.8	58.7	16.5
April, 1923.....	3.8	38.1	51.4	6.7

Commercial failures in the Eighth Federal Reserve District during April, according to Dun's, numbered 79, involving liabilities of \$1,033,327, against 100 defaults with indebtedness of \$1,313,655 in March and 80 failures for \$2,168,109 in April, 1923.

The per capita circulation of the United States on May 1 was \$42.33, against \$42.85 on April 1 and \$42.04 on May 1, 1923.

MANUFACTURING AND WHOLESALE

Automobiles

Production of automobiles and trucks for the country as a whole during April fell 2.3 per cent under the March total, and was 2.5 per cent less than in April, 1923. Companies reporting direct or through the Automobile Chamber of Commerce manufactured 336,968 passenger cars in April, against 348,287 in March. The output of trucks was 34,977 in April, which compares with 33,061 in March. Total number of passenger cars and trucks manufactured during the first 4 months of 1924, however, totals 1,435,434, against 1,265,874 during the same period in 1923, a gain of 13.4 per cent. According to reports of 230 dealers scattered through the district, sales of automobiles in April were 9.5 per cent larger than for the same month in 1923, and 18 per cent over the preceding month this year. Business of country dealers continues well up to expectations, despite unfavorable weather conditions. The growing popularity of closed cars is given as an important factor in increased sales. Stocks of new cars are reported about normal for this season, except in the case of the lowest price makes. The movement of accessories continues brisk, but no improvement was reported in the recent dull status of the tire trade. Intensive efforts on the part of dealers in St. Louis and other cities have resulted in a substantial reduction in the number of used cars on hand.

Boots and Shoes

Sales of the 11 reporting interests in April were 10.9 per cent less than for the corresponding month in 1923, but 11.1 per cent in excess of the March total this year. As has been the case for a number of months past, the demand for women's footwear is relatively much more active than for men's shoes, and all sorts of novelties are moving well. Comment is made that the average size of orders is the smallest in years, and buying is being pursued on extremely conservative lines. Mail orders are numerous, and shipments by parcels post and express unusually large. The outlet through this medium has materially assisted volume, but the cost of filling such orders is relatively much higher than on heavy shipments and materially reduces profits. No price changes in finished goods were reported. Factory operation was at about 74 per cent of capacity. The total number of pairs of shoes manufactured in this district during April was 4.7 per cent less than during the preceding month and for the country as a whole April production was 3.2 per cent under the March total.

Clothing

Advance bookings are decidedly scarce, with prospective buyers asking price concessions that manufacturers say they are unable to grant in the face of present production costs. Demand for medium and cheap priced apparel is relatively good, several local manufacturers of these lines being well sold up, though not to last year's level. Scattered advance bookings in quantity are noted among these producers of cheaper lines, but elsewhere orders for fall delivery are insignificant. Continued price buying, reporting firms say, while not seriously cutting into volume in all cases, has served to reduce profits. One further factor, the unseasonable weather, has caused postponement of buying in summer lines, and has already prompted special sales of some typically summer items. April sales of the 11 reporting interests were 31.4 per cent under those of the same month a year ago, but 2.2 per cent above the March, 1924 total.

Drugs and Chemicals

Sales of the 11 reporting interests in April exceeded the total of the same month in 1923 by 5.2 per cent and were 0.4 per cent larger than in March this year. Fair activity is reported through the entire line, except in the case of certain heavy chemicals used by manufacturers. The movement of certain items which was delayed by unseasonable weather earlier in the year is now above normal. The call for insecticides and spraying materials, especially from the South, is large, and there is also a heavy demand for live stock remedies. Sales of soda fountain supplies, while in good volume, are reported somewhat under this time last year.

Dry Goods

Purchasing in this line continues principally on a hand to mouth basis and centers largely in seasonable items. The incipient improvement in volume of sales and tone noted during the fair weather of the first week in May was cut short by a return of low temperatures and heavy rains. Stocks in the country are as a rule low, but few replenishments are necessary because of the unfavorable weather condition and the fact that farmers are preoccupied with planting. In the cities some retail price reductions have appeared, the idea being to stimulate the movement of summer goods. Increased curtailment of mill production is lessening the pressure of stock goods, and the strength in spot cotton has resulted in minor advances on gray goods, sheetings and one or two other items. Otherwise prices were unchanged. April sales of the 11 reporting interests were 9.2 per cent under those of the same month in 1923 and 17.9 per cent under the March total this year. Wholesale milliners report April sales as 10.4 per cent under those of the same month a year ago.

Electrical Supplies

Activity in the building industry and more favorable weather for outdoor work by the public utility companies were given as the chief factors in an increase of 2.5 per cent in April sales of the 12 reporting interests as contrasted with the same month a year ago. Sales of pole line hardware and copper wire were reported excellent, and advance business on electric fans and other seasonal goods has been fully up to expectations. A further seasonal recession in demand for radio sets was reported, and sales of automobile equipment developed a recessionary tendency.

Fire-Clay Products

Current demand for refractories products seems to reflect particularly well the spotted conditions prevailing elsewhere. Sales to cement producers and glass manufacturers are holding up well while demand from the oil industry and iron and steel producers is sagging. The principal interest is centered in numerous public improvement works, several of them vitrified, already under way. Contracts for others are pending. Inquiries since May 1 have been fewer and specifications smaller. Prices are unchanged. April sales of the 5 reporting interests were 5.9 per cent in excess of the same month a year ago and 38.8 per cent above the March, 1924, total.

Flour

Production of the 11 leading mills in the district during April was 311,312 barrels, against 358,055 barrels in March and 297,726 barrels in April, 1923. Continued dullness in the demand for all grades of flour is reported by both mills and jobbers. New business other than in less than car lot quantities is extremely light, and shipping directions on flour previously purchased are only fair. Domestic consumers are taking only enough to carry them from month to month, and are carrying the smallest reserve stock in years. No export business with Europe is possible on the bids made, but in the immediate past inquiries from South and Central American countries have improved slightly. Mill operation during the period under review averaged about 64 per cent of capacity. No change in prices was reported.

Furniture

Sales of the 28 reporting interests during April were 20.6 per cent less than for the same month in 1923 and 10.3 per cent under the March total this year. The comment is made that dealers are purchasing only for immediate needs, and there is an almost entire absence of stock orders. Unfavorable weather and muddy roads are holding down sales in the rural districts. Prices showed no change worthy of note during the period under review, and manufacturers report that production costs are such as to prevent any concessions at this time. Factory operation averaged approximately 65 per cent of capacity.

Groceries

Although some improvement is noted in demand in typically urban sections, increasing idleness in mining districts has served to offset this upturn so that total volume is just about holding its own. Extremely unseasonable weather and the consequent lateness of garden vegetables has lent a stimulus to demand for canned goods, which are moving in good volume for this time of year. Coffee continues in good demand, with prices firm on all grades. Sugar is dull with prices near the low of the year. Business in rural sections, while slightly better than a month ago, is affected by the disinclination of farmers to come to town, due to the planting season. April sales of 21 reporting firms were 0.5 per cent under the same month last year, and 4.6 per cent under the March, 1924 total. April sales of reporting candy manufacturers were 7.8 per cent in excess of those of April, 1923.

Hardware

April sales of the 12 reporting interests were 6.9 per cent less than for the corresponding month in 1923, but 4.9 per cent in excess of the March total this year. As has been the case for the past several

months, builders' hardware continues the most active section of the line. Some improvement in the demand for hand implements and wire products was reported, but generally the movement of farm supplies is below normal for this season.

Iron and Steel Products

The demand for both finished and semi-finished materials sustained a further slowing down during the period under review. Shipments by mills and foundries were fairly well sustained, but the business represented was largely old orders, new bookings being in considerably smaller volume than work turned out. The dullness was accompanied by a generally easier price trend, with a number of specific reductions recorded. Purchasing by the railroads was confined largely to materials of which they are in immediate need, and there was a recession in takings of all varieties of materials by the automotive industry. Automobile sheets were lower, while reductions were made in prices of black sheets, rivets, wire, nails and some other items. Oil country pipe and supplies for the oil fields generally are not moving in as large volume as heretofore, and buying by the coal mining industry is at the lowest ebb noted in many months. Fabricators of structural iron and steel report a continued fair demand for their wares, but specifications are mainly on small jobs, few new large undertakings being initiated. There was a sharp decrease in production of both pig iron and steel ingots during April as compared with March. Purchasing of pig iron was the slowest in more than a year, and tonnages taken were mainly for prompt shipment, no interest whatever being manifested in second half requirements. Factories specializing in grey castings report a dearth of new orders, and a number of plants have cut down their operations to three to four days per week. Additional open hearth furnaces have been blown out at the steel mills, and producers report greater difficulty in rounding out their rolling schedules. Specialty makers, particularly the stove interests, report that ordering is on an extremely conservative basis, with advance sales the smallest at this particular season in years. Uncertainty relative to prices and the general policy of buying for immediate needs only are mentioned as the chief factors in the present lull. Quotably pig iron prices were unchanged, but concessions under current asking prices were obtainable where round tonnages were involved. There was a further decline in prices of scrap iron and steel, with virtually all grades affected by the weakness. April sales of stove manufacturers, 7 reporting, were 18.3 per cent under the same month in 1923 and 10.6 per cent less than the March total this year; railway supplies, 5 interests reporting, decreased 30.3 per cent under April, 1923, but gained 16 per cent over March this year; farm implement makers, 6 reporting, decreased 23.6 per cent under April, 1923, and 17 per cent under March this year; job foundries, 5 reporting, decreased 19.9 per cent under April, 1923, and 14.3 per cent under March this year; manufacturers of boilers, stacks, elevators, radiators and miscellaneous products, 12 interests reporting, decreased 31.5 per cent under April, 1923, and 17.6 per cent under March this year.

Lumber

While the actual movement of stock from mills and from retail yards in the larger centers of the district has been very heavy the past thirty days, replenishing demand has been disproportionately light. The continued decline in prices provides the explana-

tion for present under-buying for retail needs. Industrial takings of lumber have also further decreased, but the decline here is largely of seasonal occurrence, and except as to the automotive industry and possibly one or two other lines of production, the lessened buying is not regarded with any misgivings. Prices of lumber have now reached levels in the downward movement which, in the case of the major softwoods especially, are close around or below production costs. Douglas fir is noticeably below in many items.

Consumption of Electricity

Consumption of electricity for industrial power purposes is well maintained around the recent high levels. Decreases noted in two of the five reporting centers were more than offset by augmented consumption in the three remaining cities. The decline in St. Louis is attributable to reduced requirements of steel and automobile manufacturers exclusively. In three of the five centers, unseasonable weather has reduced the load taken by ice manufacturers as compared with the same month a year ago, and decreases are also shown by coal mines and furniture manufacturers. In Louisville, however, large building operations have resulted in greater consumption at woodworking plants, with the result that the increase there is due to these expansions and to heavier loads being taken by ice and cold storage plants. Detailed figures follow:

No. of custom-ers	April, 1924 *K.W.H.	March, 1924 *K.W.H.	Apr. 1924 comp. to Mar. 1924	April, 1923 *K.W.H.	Apr. 1924 comp. to Apr. 1923
Evansville.....40	950	1,023	- 7.1%	1,039	- 8.5%
Little Rock....11	752	712	+ 5.6	632	+19.0
Louisville....67	4,070	3,203	+27.1	3,262	+24.8
Memphis.....31	1,340	1,272	+ 5.3	1,171	+14.4
St. Louis.....75	11,915	12,148	- 1.9	12,419	- 4.1
Totals.....224	19,027	18,358	+ 3.6	18,523	+ 2.7

*In thousands (000 omitted).

The following figures, compiled by the Department of Interior, give kilowatt production for both lighting and industrial purposes for the entire country:

1924	By water power	By fuels	Totals
January	1,675,393,000	3,514,071,000	5,189,464,000
February	1,563,040,000	3,274,118,000	4,837,158,000
March	1,711,104,000	2,271,837,000	4,982,941,000

RETAIL

Unseasonable weather has occasioned a marked depression in the demand for typically summer goods, particularly in the country. The movement of men's summer suits, underwear, shirts, straw hats, etc., has been disappointing, and sales of men's shoes continue slightly below normal. Demand for women's fancy shoes and children's footwear is holding up well. Reports from all sections of the district indicate sluggishness in the movement of the entire line of women's apparel, particularly the lighter weight garments. Summer millinery has been adversely affected by the cool weather, and no change is noted in the recent dull conditions in hosiery. Some interest is noted in fancy dress goods, both silk and cotton, and sport clothes for men and women are in relatively better demand than other items of apparel. Except in the case of cheap novelty goods, the jewelry line continues quiet, with the demand for gems and high priced articles especially dull. Cold, wet weather has held down the movement of sporting goods generally, though a good demand is reported for golf and camp supplies.

Cutlery, shelf hardware and building hardware and tools are reported fairly active, but the late season has retarded the movement of hand implements,

and garden and farm supplies. Considerable interest is manifested in washing machines and other household electrical appliances, but sales of fans are backward, and the usual seasonal recession in sales of radio sets is noted. Floor coverings and cheaper furniture items are fairly active, but the general line of furniture continues slow. In the immediate past there has been considerable effort to move summer goods through medium of special sales and price concessions.

April was a somewhat better month than May, as compared with a year ago, but this is partly due to the fact that most 1923 Easter buying came during March, whereas this year it was in the following month. April sales of 3 interests operating 1,491 chain grocery stores in the district exceeded those of the same month a year ago by 8.9 per cent and a fair increase is indicated for May. April sales of the 21 largest department stores in the district were 2.6 per cent in excess of those of April, 1923, and dollar sales for the year to date show no change as compared with the same period a year ago, although the price level is lower, indicating the movement of a slightly larger volume. Stocks are everywhere light.

Detailed department store figures follow:

	Net sales comparisons		Stocks on hand	Annual rate of
	April, 1924 comp. to April, 1923	Four months ending April 30, 1924, to same period, 1923	April 30, 1924 comp. to April 30, 1923	For 4 months ending April 30, 1924
Evansville	+12.0%	- 1.0%	- 9.0%	1.73
Little Rock.....	+ 3.8	- 2.1	- 1.8	2.21
Louisville	+ 6.3	+ 0.7	+ 2.5	2.68
Memphis	- 1.9	- 3.1	+ 0.2	2.24
Quincy	+16.6	- 1.7	+ 0.6	2.13
St. Louis.....	+ 3.4	+ 1.4	+ 6.0	3.11
8th District....	+ 2.6	0.0	+ 3.3	2.69
Entire U. S....	+ 9.9	+ 4.5	+ 5.4	2.96

AGRICULTURE

Weather conditions beginning the latter part of April were more favorable for growth and development of crops, and generally through the district agricultural prospects have improved during the past thirty days. As a rule things are still backward, due to protracted cool weather and excessive precipitation in many sections. Despite this handicap, however, farmers have accomplished a large amount of work, plowing, planting and cultivation being much nearer completion now than was thought possible for this date earlier in the season. With the possible exception of oats and two or three minor products, seeding of which was hampered by unfavorable conditions earlier in the spring, normal acreages of spring-sown crops are indicated.

According to the May 1 report of the U. S. Department of Agriculture, winter wheat acreage abandonment is one of the worst in years, particularly in states east of the Mississippi River. Losses range from 5 per cent in Arkansas to 25 per cent in Kentucky and 50 per cent in Mississippi. In Illinois, the chief wheat State of the district, the abandonment amounted to 17 per cent. The condition of the growing crop is also reported low, every State in the district being under the 10-year average for May 1. Since the compilation of the Department's data, however, vastly improved weather has prevailed, and except where complete destruction has been wrought, much of the lost ground may be retrieved before harvest. The indicated winter wheat output for the country as a whole is 553,013,000 bushels, the smallest since 1917, and comparing with 572,340,000 bushels harvested in 1923.

Winter Wheat

The U. S. Department of Agriculture, in its report as of May 1, 1924, gives the condition of winter wheat as follows:

	Per cent abandoned	*Acres remaining to be harvested	Condition May 1		Forecast 1924 *Production Ten from May 1	*Harvested 1923	Farm price Apr. 15		
			1924	1923			1924	1923	
Arkansas ..	5.0	59	81	86	90	573	770	106	122
Illinois	17.0	2,425	70	81	84	33,950	60,534	100	118
Indiana	9.0	1,845	78	78	84	25,904	34,188	100	124
Kentucky ..	25.0	434	69	86	88	3,743	7,688	112	131
Mississippi ..	50.0	2	83	84	86	28	60	.....	.....
Missouri ..	7.0	2,069	79	87	86	24,027	37,882	100	114
Tennessee ..	14.0	319	74	88	87	2,620	4,508	122	134
U. S.	7.6	36,898	84.8	80.1	86.3	553,013	572,340	95.8	108.4

*In thousands (000 omitted).

Corn planting was in full swing, and in the South has been completed, with some fields where the plant is up having received first cultivation. In the more northern stretches of the district work is being pushed as weather will permit, and it is expected that seeding will be finished by the second week in June. Scattered reports indicate acreages of corn about equal to last year, with some small increases in the South. Stocks of old corn in farmers' hands are generally light.

The outlook for fruits is in the main excellent. The peach crop has been damaged in certain sections and some complaints are received relative to apples, but prospects for cherries, plums, and ground fruits are uniformly good. Notable progress was made in the planting of commercial crops of vegetables which has been delayed and although the season is late, ample time remains for their cultivation.

Pastures, though late, are in the main in as good condition as at this time last season, but in many sections are below two years ago and the 10-year average. The condition of live stock is slightly below the average for this season, due in part to shortage of forage, the severe winter and poor quality of feed in many sections. Mortality among sheep, cattle and swine is reported slightly above the average.

Live Stock Movement

Receipts and shipments of live stock at St. Louis, as reported by the National Stock Yards, were as follows:

	*Receipts			*Shipments		
	April 1924	March 1924	April 1923	April 1924	March 1924	April 1923
Cattle and Calves.....	87	69	75	47	36	38
Hogs	388	388	393	268	265	217
Horses and Mules.....	3	4	6	3	5	7
Sheep	26	19	20	17	12	8

*In thousands (000 omitted).

The supply of farm labor is reported generally below normal, but demand is also somewhat less than normal, and in a few sections supply is about equal to requirements. A temporary shortage of help was reported in sections where the strawberry crop was being picked.

Active preparations for planting this year's tobacco crop are in progress. Due to cool weather, plants in the beds are not as large as usual at this season. Indications point to a reduction in acreage of both burley and dark tobacco by the market association farmers, but this reduction may be offset by increased efforts on the part of independent growers. A number of planters in southern Kentucky have signified their intention to reduce tobacco acreages and experiment in the growing of cotton.

During the past few weeks advantage has been taken of every period of seasonable weather to complete deliveries of the 1923 tobacco crop. The greatest percentage of this crop is outstanding in the dark fired district. Market conditions continue auspicious and the lower grades are being readily taken at the

highest prices of the season. The proportion of good and fine tobacco was relatively small in the 1923 crop, and these grades are bringing high prices.

Virtually all of the old crop of rough rice has been marketed by producers, and planting of the new crop is well under way. Acreages equal to last year are generally indicated in the chief growing sections, but in some counties quite sharp increases are reported. Due to the excellent market and high prices for rice in recent months, farmers are making every effort to put in their crops in good condition, particular attention being given to selection of seed and to cultivation. The demand for clean rice continues strong, at prices unchanged from thirty days ago.

Interest in cotton centers in the new crop preparation and progress. Weather conditions have not been uniformly favorable for seeding and growth, and in some sections excessive rains have necessitated replanting of limited areas. The amount of fertilizers being used is larger than last year, and quality is better. Soil conditions are mainly excellent and some of the cotton planted is up to a good stand. In southern Missouri and sections of Kentucky and Tennessee, where cotton raising is a relatively new venture, considerably larger acreages will be planted this year than last.

Commodity Movement

Receipts and shipments of important commodities at St. Louis, as reported by the Merchants' Exchange, were as follows:

	*Receipts			*Shipments		
	April 1924	March 1924	April 1923	April 1924	March 1924	April 1923
Beef, lbs.....	379	150	861	21,643	23,351	21,780
Corn, bu.....	3,587	2,863	2,180	2,054	2,188	1,880
Flour, bbls.....	381	451	404	421	515	544
Hides, lbs.....	5,234	7,933	5,597	6,738	11,207	9,601
Lard, lbs.....	6,567	7,198	5,595	11,216	13,109	13,417
Lead, pigs.....	257	304	239	202	182	136
Lumber, cars.....	22	20	21	14	13	16
Oats, bu.....	2,870	2,670	2,824	2,317	2,476	2,853
Pork, lbs.....	20,323	21,420	18,350	28,861	31,131	30,104
Wheat, bu.....	1,481	1,656	2,024	1,393	1,651	2,084
Zinc, slabs.....	239	329	361	217	344	219

*In thousands (000 omitted).

Commodity Prices

Range of prices on typical products in the St. Louis market between April 15, 1924, and May 15, 1924, with closing quotations on the latter date, and on May 15, 1923:

Wheat	Per bu	High		Low		Close	
		May 15, 1924	May 15, 1923	May 15, 1924	May 15, 1923	May 15, 1924	May 15, 1923
May		\$1.04 3/4	\$1.01 5/8		\$1.04 1/2		\$1.17
July		1.06 5/8	1.02 3/4		1.06 5/8		1.13 5/8
September		1.07 3/4	1.03 7/8		1.06 3/8		1.12 3/8
No. 2 red winter..		1.15 1/2	1.08	\$1.11 @	1.13		1.39
No. 2 hard.....		1.08	1.04		1.07		1.21
Corn							
May .....		.80	.75 3/4		.75 3/4		.83 1/2
July .....		.81	.76		.76 3/4		.81 3/8
September .....		.79 1/2	.75		.75 1/2		.78 3/4
No. 2 .....		.79 1/2	.76 1/2	.76 1/2 @	.77		.83
No. 2 white.....		.82	.78 1/2	.80 @	.81	\$.85 @	.85 1/2
Oats							
May .....		.49 1/4	.48		.48 1/2		.44 1/4
No. 2 white.....		.51 1/2	.49 3/4	.50 1/4 @	.50 1/2	.46 @	.46 1/2
Flour							
Soft patent.....per bbl.	6.50	5.25	5.25 @	6.50	6.00 @	7.00	
Spring patent.....	6.50	5.75	6.20 @	6.40	6.30 @	6.65	
Middling cotton.....per lb.	.31	.29 3/4		.30 1/2		.26	
Hogs on hoof.....per cwt.	7.75	5.00	@ 7.65	5.25 @	8.10		

BUILDING

In point of value, permits issued in the five largest cities of the district for new construction during April exceeded all preceding records. As compared with March this year the total was 18.1 per cent larger, while a gain of 26.5 per cent was recorded over April, 1923. Numerically, April permits were the largest for any month this year. The largest increase in amount was shown in Louisville, where several large construction projects were initiated. Generally through the district building continued active during the period under review. A feature of the activity was the large number of small homes, chiefly of the bunga-

low type, being erected in the smaller towns and suburbs of the large cities. The April lists, however, contained a fair proportion of business structures, theatres, hotels and apartment houses. Manufacturers of building materials report a continued brisk demand for their goods. Generally prices were unchanged, but minor reductions in reinforcing steel and lumber resulted in slight lowering of the average price of all building materials. Road construction work in all States of the district is being pushed under generally favorable weather and labor conditions. Production of portland cement for the country as a whole during April totaled 11,726,000 barrels, the highest figure this year and comparing with 10,370,000 barrels in March and 11,359,000 barrels in April, 1923.

Building figures for April follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	200	142	\$ 325	\$ 940	283	128	\$ 67	\$ 29
Little Rock.....	109	153	338	460	111	131	56	51
Louisville	512	405	4,558	1,443	196	215	102	123
Memphis	555	469	1,850	1,393	152	101	65	37
St. Louis.....	1,053	970	2,431	3,276	721	635	379	615
April totals.....	2,429	2,139	\$9,502	\$7,512	1,463	1,210	\$669	\$855
March totals.....	2,057	1,797	8,047	7,725	1,053	949	661	918
Feb. totals.....	1,383	1,092	5,329	5,783	652	651	673	746

*In thousands of dollars (000 omitted).

Building and Loan Associations

Unprecedented building activity and the general disposition to save are reflected in the steady expansion of building and loan associations during the past three years. In six States of this district their combined resources, on the last reporting date in 1923, were 17.8 per cent greater than in the preceding year and 37.3 per cent in excess of the 1921 total.

Detailed figures follow:

	No. of Associations			*Resources		
	1923	1922	1921	1923	1922	1921
Arkansas	57	55	54	\$ 29,377	\$ 25,049	\$ 21,500
Illinois	771	739	710	232,093	201,928	174,360
Indiana	376	369	372	167,943	140,945	121,595
Kentucky	140	121	118	55,000	46,429	40,092
Missouri	224	201	190	75,376	60,498	49,769
Tennessee	14	12	11	3,877	3,473	3,285
Totals.....	1,582	1,497	1,455	\$563,666	\$478,322	\$410,601

*In thousands (000 omitted).

FINANCIAL

A slight slowing down in the demand for funds from general commercial and industrial sources and lower trend in interest rates were the principal factors in the banking and financial situation during the period under review. There was a rather sharp reduction in the volume of borrowing by member banks from the Federal Reserve Bank, but total loans of the member banks at the middle of May were somewhat larger than at the corresponding time in April. Deposits showed only minor variations as contrasted with the preceding thirty days. Some improvement is noted in the demand for money in the country for agricultural purposes, particularly in the South, where cotton planting is nearing completion. Banks specializing in live stock loans report a continued active demand from that source. Fair liquidation of a scattered character has taken place, with settlements in the tobacco areas reported very satisfactory. Marketing of early fruits and vegetables has been delayed by unseasonable weather, and the demand for financing those operations is under normal for this time of year. There was a further reduction in credits based on cereals, particularly corn, which has been moving to market in larger volume than heretofore. Between April 15 and May 15 accommodations granted by this institution to member banks decreased \$1,002,105, and Federal reserve note circulation decreased \$1,875,000.

Commercial Paper

Sales of reporting brokers in April were 18.4 per cent under the same month in 1923 and 37.9 per cent under the March total this year. The decrease is ascribed to the lower rate and the fact that generally low inventories are resulting in smaller financial requirements by both manufacturers and wholesalers. Purchasing by country banks is relatively light, but a plethora of funds in city banks has had a tendency to increase buying by the latter class of financial institutions. Offerings have been in fair volume, but choice names are scarce and bear the minor figure of the rate differential. Some improvement has taken place in the demand during the past two weeks, and sales during the first half of May were slightly in excess of the corresponding period a year ago. Rates range from 4¼ to 4½ per cent as compared with 4½ to 4¾ per cent during the preceding thirty days.

Savings Deposits

	Number of banks reporting	*Amount of savings deposits			May 1924 comp. to Apr. 1924	May 1924 comp. to May 1923
		May 7, 1924	April 2, 1924	May 2, 1923		
Evansville	4	\$ 9,053	\$ 9,069	\$ 8,964	- 0.2%	+ 1.0%
Little Rock	5	7,625	7,620	7,233	+ 0.1	+ 5.4
Louisville	7	26,372	26,106	23,221	+ 1.0	+13.6
Memphis	14	18,826	18,225	16,210	+ 3.3	+16.1
St. Louis	12	75,669	75,224	71,292	+ 0.6	+ 6.1
Totals...†32		\$137,545	\$136,244	\$126,920	+ 1.0	+ 8.4

*In thousands (000 omitted).

†Decrease due to consolidation.

Debits to Individual Accounts

	*For four weeks ending			May 1924 comp. to Apr. 1924	May 1924 comp. to May 1923
	May 14, 1924	Apr. 16, 1924	May 16, 1923		
E. St. Louis and Nat'l. Stock Yards, Ill.	\$ 38,787	\$ 33,222	\$ 43,048	+16.8%	- 9.9%
El Dorado, Ark.	7,473	7,011	12,689	+ 6.6	-41.1
Evansville, Ind.	26,721	26,588	30,414	+ 0.5	-12.1
Fort Smith, Ark.	10,362	10,374	10,980	- 0.1	- 5.6
Greenville, Miss.	3,012	3,080	3,200	- 2.2	- 5.9
Helena, Ark.	3,963	4,287	4,105	- 7.6	- 3.5
Little Rock, Ark.	54,635	54,118	53,820	+ 1.0	+ 1.5
Louisville, Ky.	155,373	148,975	142,998	+ 4.3	+ 8.7
Memphis, Tenn.	119,527	121,617	116,150	- 1.7	+ 2.9
Owensboro, Ky.	5,234	5,513	5,790	- 5.1	- 9.6
Quincy, Ill.	10,367	10,657	11,563	- 2.7	-10.3
St. Louis, Mo.	592,947	611,965	632,004	- 3.1	- 6.2
Sedalia, Mo.	4,083	3,792	.....	+ 7.7	.....
Springfield, Mo.	7,699	13,274	13,352	-42.0	.....
Totals.....	\$1,040,183	\$1,054,473	.....	- 1.4	- 4.1

*In thousands (000 omitted).

Condition of Banks

Changes in the condition of banks in this district are reflected in the following statement showing principal resources and liabilities of reporting member banks in Evansville, Little Rock, Louisville, Memphis, and St. Louis:

	*May 14, 1924	*Apr. 16, 1924	*May 16, 1923
Number of banks reporting.....	134	135	36
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't obligations.....	\$ 9,199	\$ 9,457	\$ 15,018
Secured by other stocks and bonds.....	147,231	145,491	135,562
All other loans and discounts.....	312,642	315,592	368,225
Total loans and discounts.....	\$469,072	\$470,540	\$458,805
Investments			
U. S. Pre-war bonds.....	14,810	14,981	15,332
Liberty bonds.....	22,361	24,193	21,969
Treasury bonds.....	4,378	4,371	9,068
Victory and Treasury notes.....	14,111	14,748	29,667
Certificates of Indebtedness.....	3,313	3,995	5,512
Other securities.....	92,049	89,745	86,864
Total investments.....	\$151,022	\$152,033	\$168,412
Reserve balance with F. R. bank.....	41,089	43,019	38,597
Cash in vault.....	7,676	7,484	8,036
Net demand deposits.....	358,761	360,215	360,552
Time deposits.....	201,493	200,061	182,472
Government deposits.....	4,222	5,324	20,154
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't obligations.....	1,600	5,257	7,873
All other.....	4,656	9,648	10,089

*In thousands (000 omitted).

†Decrease due to consolidation. Total resources of these 34 banks comprise approximately 54 per cent of the resources of all member banks in the district.

Federal Reserve Operations

During April the Federal Reserve Bank of St. Louis discounted for 275 of its 633 member banks, which compares with 261 of its 631 member banks accommodated in March. The discount rate of this bank remains unchanged at 4½ per cent.

Changes in the assets and liabilities of the Federal Reserve Bank of St. Louis since a month ago and last year are shown in the following statement:

	*May 14, 1924	*April 16, 1924	*May 16, 1923
Gold with Federal Reserve Agent.....	\$ 63,685	\$ 64,213	\$ 59,752
Gold redemption fund with U. S. Treasury	2,426	3,187	2,855
Gold held exclusively against F. R. notes.....	\$ 66,111	\$ 67,400	\$ 62,607
Gold settlement fund with F. R. Board.....	22,127	15,085	15,818
Gold and gold certificates held.....	7,636	6,903	3,512
Total gold reserves.....	\$ 95,874	\$ 89,388	\$ 81,937
Reserves other than gold.....	14,078	14,228	17,738
Total reserves.....	\$109,952	\$103,616	\$ 99,675
Non-reserve cash.....	3,972	3,934	4,580
Bills discounted:			
Secured by U. S. Government obligations	6,963	10,906	15,026
Other bills discounted.....	17,086	21,438	17,497
Total bills discounted.....	\$ 24,049	\$ 32,344	\$ 32,523
Bills bought in open market.....	3,418	5,183	4,580
U. S. Government securities:			
Bonds.....	.....	.....	6,150
Treasury notes.....	5,136	5,136	8,728
Certificates of indebtedness.....	1,830	1,830	2,555
Total U. S. Government securities.....	\$ 6,966	\$ 6,966	\$ 17,433
Total earning assets.....	\$ 34,433	\$ 44,493	\$ 61,114
Uncollected items.....	37,200	40,263	37,731
Bank premises.....	1,898	1,790	948
All other resources.....	141	151	301
TOTAL RESOURCES.....	\$187,596	\$194,247	\$204,349
LIABILITIES			
F. R. Notes in actual circulation.....	\$ 65,331	\$ 66,896	\$ 76,961
Deposits:			
Member banks-reserve account.....	69,283	71,307	67,145
U. S. Government.....	1,681	2,280	4,237
Other deposits.....	749	465	491
Total deposits.....	\$ 71,713	\$ 74,052	\$ 71,873
Deferred availability items.....	34,685	37,475	39,945
Capital paid in.....	5,075	5,065	4,932
Surplus.....	10,072	10,072	9,665
All other liabilities.....	720	687	973
TOTAL LIABILITIES.....	\$187,596	\$194,247	\$204,349
MEMO—Contingent liability on bills purchased for foreign correspondents.....	1,260	850	1,263
Ratio of total reserves to deposit and F. R. note liabilities combined.....	80.2%	73.5%	67.0%

*In thousands (000 omitted).

COST OF LIVING

Cost of living in the United States on April 15, 1924, had decreased nine-tenths of one per cent from the level of March 15, 1924, according to the National Industrial Conference Board. The most important changes within that period were decreases of 2.1 per cent in food prices and 3.2 per cent in fuel prices. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and April, 1924, the cost of living decreased 20.9 per cent. The increase since July, 1914, was 61.8 per cent.

The following table shows detailed changes:

Item	Relative importance in family budget	Percentage of increase in the cost of living above average prices in July, 1914, to—			Percentage of decrease in the cost of living on April 15, 1924, from average prices in		
		July 1920	March 1924	April 1924	July 1920	March 1924	April 1924
Food*	43.1	119	44	41	35.6	2.1	
Shelter	17.7	58	85	85	17.1**	0.0	
Clothing	13.2	166	76	77	33.7	0.7**	
Fuel and Light	5.6	66	72	68	1.2**	2.3	
(Fuel)	(3.7)	(92)	(87)	(81)	(5.7)	(3.2)	
(Light)	(1.9)	(15)	(42)	(42)	(23.4)**	0.0	
Sundries	20.4	85	74	74	5.9	0.0	
Weighted average of all items...100.0		104.5	83.2	61.8	20.9	0.9	

*Food price changes are from the United States Bureau of Labor Statistics.

**Increase.

The purchasing value of the dollar based on the cost of living in April, 1924, was 61.8 cents as contrasted with one dollar in July, 1914.

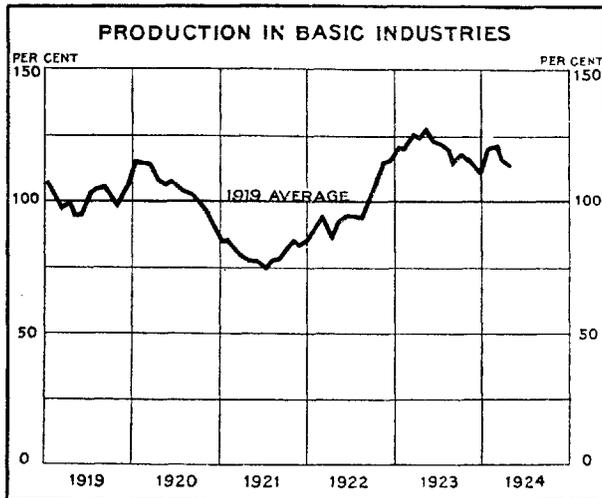
(Compiled May 24, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES

Production

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, declined 2 per cent in April. Declines were particularly large in the iron and steel, coal and woolen industries. Mill consumption of cotton, on the other hand, showed less than the usual seasonal reduction between March and April. Factory employment declined 2 per cent in April owing chiefly to large reduction of forces at textile and clothing establishments.

Contract awards for new buildings reached a higher value than in March and were also larger than a year ago.



Index of 22 basic commodities corrected for seasonal variation. Latest figure, April=114.

Value of building permits granted, however, declined and was smaller than in the corresponding month of 1923.

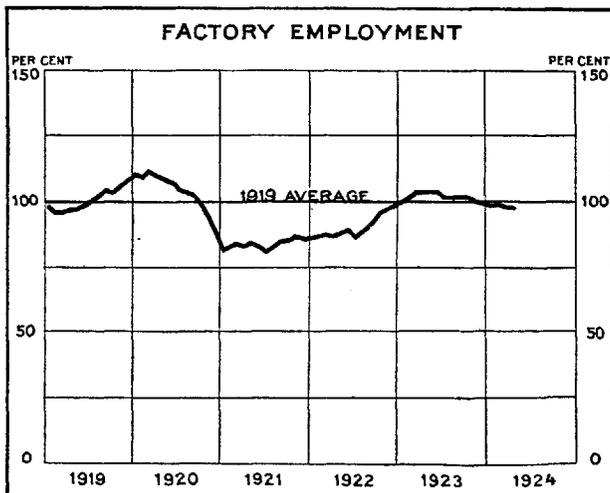
The Department of Agriculture's estimates on May 1 of yields of winter wheat and rye are somewhat above the forecasts made in April. The acreage of winter wheat is estimated at 7 per cent less than last year.

Trade

Railroad shipments, which since the middle of March have been smaller than last year, were 3 per cent less in April than a year ago. Shipments of coal were much below last year, while loadings of merchandise and miscellaneous freight were higher.

Wholesale trade in April was in about the same volume as during the preceding month and as in April, 1923. Sales of dry goods and hardware were smaller than a year ago, while sales of drugs and shoes showed some increase.

Department store sales were considerably larger in April than in March, partly owing to the unusually late Easter. Total sales for the two months were 2 per cent greater than in the corresponding period of 1923. Merchandise stocks at department stores showed less than the usual seasonal increase in April, but were at a higher level than a year ago.

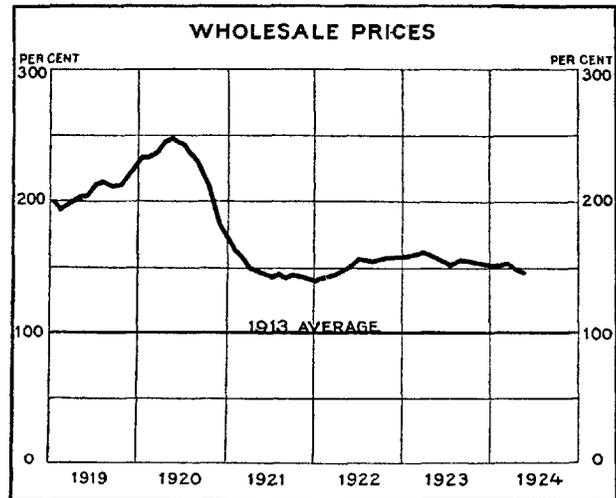


Index for 33 manufacturing industries. Latest figure, April=97.

Prices

According to the Bureau of Labor Statistics' index, prices declined 1 per cent during April and reached the lowest point since May, 1922. Farm products, however, advanced 2 per cent in April. Metals and foods showed substantial reduction. Prices of clothing, fuel and chemicals also declined, while prices of building materials and house furnishings remained unchanged.

During the first half of May, quotations on cotton, wheat, flour and hogs increased, while prices of sugar, silk, wool and metals declined.



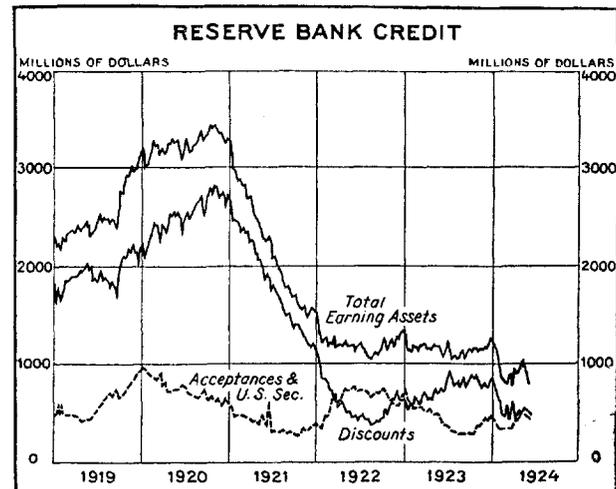
Index of U. S. Bureau of Labor Statistics. Latest figure, April=148.

Bank Credit

During the five week period ending May 14, the volume of borrowing for commercial purposes at member banks in leading cities declined somewhat from the high level reached early in April. There were increases, however, in loans on stocks and bonds and in investments in securities, so that the total of all loans and investments at the middle of May was higher than a month previous, and in larger volume than at any time in more than three years.

Volume of borrowing by member banks at Federal reserve banks declined further during the last week of April and in May, while holdings of securities bought in the open market increased slightly. Total earning assets declined to \$795,000,000 on May 21, the lowest figure since the autumn of 1917.

Further easing of money conditions during the last week of April and the first three weeks of May was reflected in a continued rise of the price of government securities, in a reduction from $4\frac{1}{2}$ to $4\frac{1}{4}$ per cent in the rate for prime commercial paper, and a decline in the rate for bankers' acceptances from 4 to 3 per cent. On May 1 the discount rate of the Federal Reserve Bank of New York was reduced from $4\frac{1}{2}$ to 4 per cent.



Weekly figures for 12 Federal reserve banks. Latest figure, May 21.