

FEDERAL RESERVE BANK OF ST. LOUIS



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

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RECSSIONARY tendencies, in some lines quite sharply defined, featured general business in this district during the past thirty days. In virtually all basic industries there was curtailment of production, while in both the wholesale and retail departments of distribution sales fell below these of the corresponding period last year and the preceding month this year. Generally through the list of commodities the trend of prices was lower, but except in relatively few instances concessions granted failed to stimulate buying. The latter fact was particularly true in the case of raw materials, which are being taken on an extremely conservative basis and only in quantities sufficient for immediate needs. Price considerations at the moment are apparently less a factor in the situation than the spirit of uncertainty and caution, and inability to interest consumers in goods offered. The general policy of conservatism, however, has resulted in small stocks in all positions and with an almost entire absence of speculative accumulation of merchandise, business is in excellent shape to respond to any improvement in demand conditions.

Unseasonable weather and uncertainty relative to the outcome of crops constitute the chief factors in the present decline in business activity. From all directions reports tell of the delayed movement of spring and early summer merchandise. Low temperatures and incessant and heavy rains, the latter extending far into June, have interfered seriously with the usual routine agricultural operations which should be making headway at this time of year. Farmers have been unable to get into their fields to cultivate crops, and growth and development of the principal products are from one to four weeks late. Extensive replanting of cotton, corn and some other crops has been necessary, and in some sections the seed has not been put in, due to the soggy and unworkable condition of the soil. Because of these circumstances, the usual stimulation to business felt at the approach of the spring farming season and early harvests is entirely lacking.

Farm supplies and merchandise generally for distribution in the rural districts are moving slowly and in light volume. Ordering by country merchants is on a hand to mouth basis, and even in the smaller towns and cities there is a disposition to postpone commitments until something more definite is known as to the probable outcome of crops. This hesitation is reflected in reduced sales by wholesalers in the large distributing centers, and is in turn affecting production by manufacturers. The period under review has been marked by a slight increase in unemployment in the large cities, due to reduced operations at industrial plants, and additional idle workers were reported in the coal, lead and zinc mining districts.

Answers to questionnaires addressed to leading business interests throughout the district comment

upon the extreme caution among buyers of all classes and their disinclination to purchase beyond immediate requirements. A corollary of this condition has been increasing competition among sellers, manifested principally in more intensive salesmanship and granting of price concessions. Special sales, held much earlier in the season than is ordinarily the case, have been conducted by both wholesalers and retailers, the response to which has been moderately satisfactory. Stocks of goods which should have moved earlier in the year were materially reduced, but profit margins were sharply reduced, and in some instances eliminated entirely. Another phase stressed by reporting wholesale interests is the small size of the average orders received. The steady flow of such orders has assisted the current turnover, but the cost of filling them perceptibly affects profits.

The labor situation in the district was less favorable than during the preceding thirty days. Surplus common labor due to the slower pace of industrial activity is being absorbed by farms and road building, but not to the extent which would be the case if weather conditions were more auspicious. Lateness of the wheat harvest is a factor in the farm labor situation, and the supply of farm hands is adequate for all demands.

As contrasted with a year ago, the movement of farm products to market during the period under review developed rather spotted conditions. Receipts of wheat, rye and hay were smaller, but there was a good increase in arrivals of corn and oats. Due to the lateness of the season, shipments of fruits and garden truck were below normal for this time of year. Prices of cereals, which declined sharply during the last week of May and early June, took a turn upward following the publication of the Government's June 1 condition report. The continued wet weather has had a buoyant effect on corn prices, values of both the options and spot corn having advanced 10c to 12c per bushel since the middle of May.

Except for a slight improvement in sentiment, based on gradually dwindling reserves of numerous important industries, the coal situation underwent no change from the recent dull conditions. There was a further decline in production, accounted for in the main by lack of orders received at the mines. The revival in purchasing looked for about June 1 failed to materialize, and consumers, both large and small, have not deviated to any appreciable extent from the policy of hand to mouth buying which has obtained since last fall. The decline in industrial activity is reflected in reduced consumption of steaming coal, and operators continue to comment upon the inroads made in their business by fuel oil and electric power competition. Dealers in the large cities have

reduced their accumulations slightly during the past several weeks, but are slow to contract for their requirements through the balance of the year. They explain this attitude by the backwardness of householders in placing their orders for the coming fall and winter. The trend of prices continued downward until June 1 when circular quotations were advanced by many of the companies and most of the leading independent producers from 10c to 20c per ton. Similar conditions of apathy were reported in the coke trade. The demand from domestic users is quiet, and curtailed operations at furnaces and foundries is reflected in a slowing down in the demand for metallurgical coke. Production of bituminous coal for the country as a whole during the calendar year to June 14 was 211,490,000 net tons, which compares with 249,931,000 tons for the corresponding period a year ago.

As compared with the corresponding period last year, traffic of railroads operating in this district again showed a rather sharp decline, but the May business was well in excess of that for the same month in 1922, with one large southwestern system showing the heaviest May traffic in its history. For the country as a whole loadings of revenue freight during the week ending May 31 totaled 819,904 cars, a decrease under the preceding week of 98,309 cars, and a decrease of 112,780 cars under the same week in 1923. As compared with the corresponding period in 1922 the total for the week of May 31 showed an increase of 80,345 cars. The Terminal Railway Association of St. Louis, which handles the interchange of 28 connecting carriers, interchanged 199,542 loads in May, against 196,111 loads in April, 204,656 loads in March and 207,094 loads in May, 1923. Passenger traffic of the reporting roads decreased 2 per cent in May as compared with the same month in 1923. Tonnage moved by the Mississippi River section of the Federal barge line between St. Louis and New Orleans amounted to 68,600 tons during May, against 81,528 tons in April and 77,552 tons in May, 1923.

Taking into account the very unfavorable weather and general slowing down in business activities during the period under review, the record of collections made an unusually favorable showing. This was ascribed chiefly to abundant supplies of money and the fact that merchants for the most part are carrying small stocks and have less than the usual amount of their funds tied up in inventories. In the large wholesale and jobbing centers merchants report May 1 settlements well up to expectations, and in a number of instances better than a year ago. There are still some backward spots in the farming regions, and in the coal mining areas collection efficiency continues below normal. Replies to 408 questionnaires addressed to representative interests in the various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
May, 1924.....	2.7%	23.2%	58.9%	15.2%
April, 1924.....	1.7	29.4	56.3	12.6
May, 1923.....	2.8	36.8	53.8	6.8

Commercial failures in the Eighth Federal Reserve District during May, according to Dun's, numbered 62, involving liabilities of \$174,163, against 79 defaults with indebtedness of \$1,033,327 in April, and 63 failures for \$760,293 in May, 1923.

The per capita circulation of the United States on June 1 was \$42.78, against \$42.33 on May 1 and \$42.34 on June 1, 1923.

MANUFACTURING AND WHOLESALE Automobiles

There was a further decrease in the production of automobiles and trucks in the country as a whole during May, the loss as compared with the preceding month being 16.2 per cent, while a loss of 20.6 per cent was recorded under the total of May, 1923. Companies reporting direct or through the Automobile Chamber of Commerce built 279,385 passenger cars in May, against 336,968 in April, and 350,073 in May, 1923. The output of trucks in May was 32,326 against 34,977 in April and 42,373 in May, 1923. The total number of passenger cars and trucks manufactured during the first five months of 1924, however, was 1,747,145 against 1,658,320 for the corresponding period last year. A general slowing down in distribution, both at wholesale and retail, was noted during the past thirty days. Sales of 230 dealers scattered through the district showed a decrease of 5.8 per cent under the same month last year, and of 8.5 per cent under the April total this year. Unfavorable weather is given as the principal reason for the recession in buying, particularly in the country, where dealers say that the continuous rains and muddy roads have made it extremely difficult to dispose of automobiles. Business in accessories decreased in about the same ratio noted in new cars, and there continue complaints relative to the slowness with which tires are moving. The used car business was reported quieter than at any time in more than eight months, price concessions and inducements in the shape of equipment and terms failing to stimulate buying.

Boots and Shoes

Sales of the 11 reporting interests in May were 1.7 per cent under the corresponding month in 1923, and 9.2 per cent under the April total this year. As was the case during the two preceding months, the loss as compared with last year was chiefly in orders for future shipment. Buying is almost exclusively on an immediate basis, each week developing an increase in the proportion of small orders to be filled by express or parcels post. The volume of this piecemeal current buying is quite large, but the cost of filling the orders is such as to reduce profits. The demand for women's and children's shoes continues relatively better than for men's wear, and generally sales in the cities are better than in the country. There was no change worthy of note in prices of either finished goods or raw materials during the past thirty days. Factory operation was at approximately 72 per cent of capacity. The total number of pairs of shoes manufactured in this district during May was 6 per cent less than during the preceding month, and for the country as a whole, May production was 9.6 per cent under the April total.

Clothing

An increasing tendency is noted to sacrifice profits in order to maintain present production schedules or to move stocks on hand. There are few buyers in the market, however, especially from the rural districts, where demand has contracted to a notable degree. Fall booking of reporting firms are from 40 to 60 per cent lower than last year and jobbers are unable to arouse interest in new commitments on anything like a normal scale. The entire woolen line is in only moderate request with prices weak and declining. In many instances, however, production has declined to lower levels than present consumption and stocks are everywhere low. The rainy, cool weather has retarded sales of all summer fabrics, and at the same time

prompted vigorous selling campaigns at rather large price concessions. Men's hats are moving tardily, particularly straws, sales of which are the most disappointing in years for the season to date. May sales of the 11 reporting firms were 38 per cent under those of the same month a year ago, but 0.4 per cent in excess of the April, 1924, total.

Drugs and Chemicals

May sales of the 11 reporting interests were 6.2 per cent less than during the same period in 1923, and 5.8 per cent under the April total this year. A considerable part of the decrease as compared with a year ago was accounted for by reduced sales of spraying materials, insecticides and heavy chemicals used by manufacturers. Smaller sales were also the rule in the soda fountain supply departments of reporting interests, the unusually cool weather having had a detrimental effect on this business. The demand for remedial drugs and sundries continues good, there being a disposition to place orders at the recent slight price reductions in a number of staple drugs and proprietary medicines. The retail drug business was reported somewhat less active than heretofore, particularly in the South.

Dry Goods

Buying in all sections of the line continues on an extremely conservative basis, and mainly in small lots for prompt shipment. Cotton goods held relatively firm, the decline in the raw staple being in a large measure offset by curtailment of production and generally small stocks. The movement of seasonal goods continues backward, and special efforts to move such merchandise have been made by a number of important wholesale establishments. The downward trend in silks continued, and with the 25 per cent decline in raw silk since May 1, many grades can now be purchased at prices lower than at any time since 1916. With the exception of styled piece goods and garments, the movement of print cloth and women's ready to wear clothing is disappointing. Staple hosiery continues quiet, but there is a fair demand for certain fancy descriptions. Some reordering of underwear is reported, but advance business is the lightest at this season in several years. May sales of the 11 reporting interests were 12.5 per cent under those of the same month in 1923, but 1.5 per cent in excess of the April total this year.

Electrical Supplies

Unseasonable weather and ultra conservatism on the part of buyers of all classes are given as the chief reasons for a decrease in sales of the 12 reporting interests during May of 15.1 per cent as contrasted with the same month in 1923, and a loss of 4.7 per cent under the April total this year. Sales of electric fans and fan motors are considerably under normal for this time of year. but the demand for electrical household appliances continues brisk. Some falling off in the volume of electric installations was reported, and there was a slowing down in the movement of copper wire, pole hardware and the general line of goods taken by public utility companies. All sorts of mining supplies are quiet, and there was less vigor to demand from the oil fields. The trend of prices was slightly downward, with specific reductions in bare and insulated copper wire. Sales and shipping directions from the automotive industry continued to decline.

Fire-Clay Products

Decreased activities in certain basic lines have perceptibly affected the demand for refractories products, with the result that operations at manufacturing

plants in the district have been considerably curtailed. Demand from public utilities was less than heretofore and purchasing by iron and steel manufacturers has contracted with the banking and blowing out of additional stacks and ovens. Ordering by cement producers is still on a large scale, reflecting the continued activity in building. Demand from the oil centers is barely holding its own, but municipal buying continues in volume sufficient to sustain interest in vitrified projects. Jobbers' purchases have been on a hand to mouth basis, and stocks in their hands are reported at the lowest level in three years. Prices were unchanged. May sales of the 5 reporting interests were 26.6 per cent under those of the same month in 1923, and 17.9 per cent under the April total this year.

Flour

Production of the 11 leading mills of the district during May was 322,106 barrels, which compares with 311,312 barrels in April, 358,055 barrels in March and 302,791 barrels in May, 1923. Business during late May and the first week of June continued quiet and entirely on an immediate shipment basis. New orders were small in size, and came mainly from the regular customers of the mills. Shipping directions were generally fair, and there was a particularly good run of requests to forward soft flours from Southern buyers. Throughout the period under review, export business was stagnant, with bids scarce and too far out of line to result in workings. With the upturn in wheat about June 12, flour prices advanced slightly and the market displayed a somewhat better undertone, though actual sales showed only moderate improvement. Mill operation was at 65 per cent of capacity.

Furniture

Sales of the 28 reporting interests during May were 30.7 per cent under those of the same period in 1923, and 12.7 per cent below the April, 1924, total. Reports from all sections of the district reflect extreme apathy in this line. Dealers are buying chiefly on a replacement basis, and are carrying the smallest stocks in years. The better and more expensive grades of household furniture are particularly quiet, the small current demand centering chiefly in low priced goods. The trend of finished furniture was easier, and there were specific reductions in the prices of raw materials, notably glass, lumber and iron and steel goods. Part of the backwardness on the part of dealers was ascribed to their desire to postpone purchasing until after the summer markets at Chicago and Grand Rapids, opening June 23, at which new styles are displayed and prices announced. Factory operation dropped again, averaging less than 55 per cent of capacity.

Groceries

During the first week of June Cuban raw sugar touched new low price levels for the year, but buying by retailers together with augmented demand from consumers, because of abundant berry and cherry crops, served to produce a turn which stimulated further retail buying. There has been no abnormal accumulation of sugar, however, either at wholesale or retail. A favorable factor has been the heavy movement of canned goods caused by the backwardness of spring garden truck. Coffee, from cheap to choice, continues in good demand at firm prices, due to small retail stocks and a continuance of the Brazilian export limitation. A slight improvement in rural buying is noted, and city sales were about steady with the preceding month. Demand in mining sections is lagging. Candy is moving in normal volume, though season-

ally dull. May sales of 21 reporting interests were 6.4 per cent in excess of those of the same month a year ago, but 0.3 per cent under the April, 1924, figure.

Hardware

Uncertainty relative to crops and heavy and continuous rains have served to hold down buying in the country to a minimum, with the result that May sales of the 12 reporting interests fell 16.7 per cent below the total of the same month in 1923, and 2.5 per cent under the April aggregate this year. The demand for building hardware, which has been the chief activity in the hardware line during recent months, showed a rather sharp falling off. Hand implements, spraying apparatus, and the general run of goods for use on farms are reported dull, and price concessions have been made in order to stimulate the belated movement. Sales of binder twine and other harvest materials are considerably below those of the corresponding period last season. With the exception of camping supplies and fishing tackle, the general movement of sporting goods was disappointing. Curtailed operations were reported in several important manufacturing lines.

Iron and Steel Products

There was a further recession in activities at mills, foundries and machine shops in this district during the period under review, and for the country as a whole production of pig iron and steel ingots declined sharply in May as compared with the preceding month. In spite of the almost universal curtailment, demand has dropped below output, many of the leading reporting interests showing current shipments in excess of new orders booked. Purchasing by all classes of consumers has fallen off, and there is a very decided tendency to postpone commitments into the future. This is true both of finished and semi-finished goods and raw materials. Sales of pig iron were unusually light for this time of the year, and contracting for last half requirements is the smallest in more than a decade. During the past three weeks a fair volume of inquiries has appeared, but mainly for the purpose of feeling out the market, as the tonnage actually closed has been insignificant. Prices of pig iron declined further, No. 2 Southern, 1.75 to 2.25 per cent silicon, falling to \$18 per ton, furnace, while Northern iron of the same grade was freely offered at \$20. Further weakness was noted in the scrap iron and steel market, with all items on the list touching new lows on the present downward movement. Scattering price reductions were recorded on standard steel products, among the articles affected being bars, bolts, and nuts, plates and some wire products and tubing. Manufacturers of farm implements, stoves and other goods largely consumed in the country report that their business has been adversely affected by the lowering of crop conditions. There has been a rather sharp curtailment in takings by the automobile manufacturers, and buying by the railroads is considerably less active than was the case earlier in the year. Warehousemen are ordering on a hand to mouth basis, and report the demand for their goods the quietest in months. Job foundry operations have been further reduced, with several of the larger plants pouring only two or three melts per week. Additional open-hearth furnaces have been blown out by steel manufacturers, and rolling mills are operating at less than 50 per cent of capacity. May sales of stove manufacturers, 7 reporting, were 22 per cent under the same month in 1923, and 23.7 per cent less than the April total this year; railway supplies, 5 reporting, decreased 44 per

cent under the same month in 1923, and 6 per cent under April this year; farm implements, 6 reporting, decreased 32.5 per cent under May last year and 16 per cent under the April, 1924, total; job foundries, 5 reporting, decreased 16.5 per cent under May, 1923, and 8.2 per cent under April this year; manufacturers of boilers, stacks, elevators, radiators, wire rope and miscellaneous products, 14 reporting, decreased 22.8 per cent under May, 1923, and 14.2 per cent under April, 1924.

Lumber

Sustained building activity in St. Louis and other large cities of the district accounted for a good retail demand and a brisk delivery of lumber from yards at those centers. Country yards, on the other hand, are doing a light business while the farmers are preoccupied with their crops. Wholesale buying has run in smaller volume since the first of June, but since mill costs are being closely pressed by prices, the market has remained practically stationary. There is the usual slack-business run of price concessions and minor changes in the market standing of items in the various woods. On the bulk of lumber production, however, prices have held steady with the levels current during the preceding thirty days. Weather has been extremely unfavorable for logging operations in the South, and many of the small sawmills have shut down. Generally, there is a tendency to hold down production until market conditions warrant increased outputs. Furniture manufacturers and the automotive industry are purchasing more sparingly than heretofore.

Consumption of Electricity

In spite of the current business recession, electricity consumed for industrial purposes continues to surpass former seasonal records in two of the reporting centers and for the district as a whole. Increases over last year represent heavier loads taken by cement, brick and auto truck manufacturers, while decreases for the same period represent curtailment by steel companies, liquid air manufacturers and ice plants. The seasonal upturn, however, is represented largely by increased operations at ice plants.

Detailed figures follow:

	No. of customers	May, 1924 *K.W.H.	April, 1924 *K.W.H.	May, 1924 comp. to Apr. 1924	May, 1923 *K.W.H.	May, 1924 comp. to May, 1923
Evansville.....	40	1,058	950	+11.4%	1,060	- 0.2%
Little Rock.....	11	692	752	- 8.0	758	- 8.7
Louisville.....	67	4,244	4,070	+ 4.3	3,868	+ 9.7
Memphis.....	31	1,450	1,340	+ 8.2	1,120	+29.5
St. Louis.....	75	12,888	11,915	+ 8.2	13,322	- 3.3
Totals.....	224	20,332	19,027	+ 6.9	20,128	+ 1.0

*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
February	1,562,947,000	3,270,796,000	4,833,743,000
March	1,711,935,000	3,269,257,000	4,981,192,000
April	1,846,368,000	2,904,507,000	4,750,875,000

RETAIL

Business in this section of distribution during the past thirty days was largely a reproduction of the picture of the period immediately preceding, except that greater selling pressure was in evidence. Cool, wet weather, which prevailed through the third week of June served to retard activities in every line investigated except chain grocery stores. The movement of men's summer clothing has been disappointing, and sales of straw hats the smallest at this season in more than a decade. Cheap work suits, harvest hats and supplies used in the fields are not being bought in the usual seasonal volume. Certain classes of styled goods

for women's wear are meeting with good demand, and other varieties offered at lower prices are moving well, but the general line of women's apparel is dull. Liberal price concessions have stimulated some buying of camping supplies, but otherwise sporting goods, including golf and baseball supplies, are moving in less volume than at this time last year. Jewelers report the usual buying of wedding and graduation gifts, but total sales were about 10 per cent below those of the same month in 1923. Continued dullness is reported by furniture dealers. Building activity has served to sustain interest in hardware, but supplies for the farm are being sparingly bought.

May sales of 3 interests operating 1,578 chain grocery stores in this district exceeded those of the same month a year ago by 8.1 per cent. Department stores, by aggressive selling campaigns, have maintained volume, if not profits, May sales of the 21 largest department stores in the district being only 3.9 per cent under those of the same month last year. These price concessions, together with smaller stocks have made possible the best rate of turnover shown for any month this year.

Detailed department store figures follow:

Net sales comparisons		Stocks on hand	Annual rate of stock turnover
May, 1924 comp. to May, 1923	Five months ending May 31, 1924, to same period, 1923	May 31, 1924 comp. to May 31, 1923	For 5 months ending May 31, 1924
Evansville - 8.4%	- 1.2%	- 7.6%	1.80
Little Rock..... + 7.4	+ 0.2	+ 0.9	2.34
Louisville + 1.2	+ 0.8	+ 3.9	2.70
Memphis - 8.1	- 4.3	+ 0.3	2.29
Quincy + 0.4	- 1.3	- 3.6	2.21
St. Louis..... - 6.6	- 0.4	+ 7.2	3.30
8th District..... - 3.9	- 0.8	+ 4.4	2.80
Entire U. S..... - 1.5	+ 3.0	+ 3.9	3.01

AGRICULTURE

The outstanding feature in reports covering agricultural conditions during the past thirty days was the lateness of the season. In the main weather was unfavorable for growth and development of crops and for general farm operations. The month of May was wet and cold, and the early weeks of June, while bringing higher temperatures also brought a continuance of the unusual precipitation. Muddy fields and roads prevented farmers from accomplishing much needed cultivation of growing crops and delayed seeding of corn and planting of vegetables. In many sections the soggy condition of the soil and lack of sunshine caused the rotting of seeds in the ground and necessitated replanting, in some instances as many as two to four times. Scattered hail and wind storms of great severity did material local damage, and injury to crops in some rich river and creek bottoms was wrought by floods.

Despite weather handicaps, early crops were generally successful, both in point of yields and prices obtained. The output of strawberries in commercial sections of the district was large, and adequate marketing arrangements and transportation permitted of prompt and satisfactory movement. Shipments of spring truck were behind the usual seasonal schedule, but have increased steadily in volume during the past several weeks. Cherries were an abundant crop generally through the district, but prices were under those of last season.

The condition of winter wheat in States of the district, according to the report of the U. S. Department of Agriculture, declined rather sharply during May, and in all instances was below the 10-year average on June 1. In Illinois the June 1 condition was 64 per cent of normal, against 70 per cent on May 1, with an indicated yield of 33,368,000 bushels against

60,534,000 bushels harvested last year. The indicated outturn in Missouri is 21,808,000 bushels compared with 37,882,000 bushels in 1923. The deterioration is ascribed chiefly to unfavorable weather, but there are numerous reports of damage from insects pests, though as a rule Hessian fly and cinch bug damage is less severe than last year. The harvest will be later than usual due to the cool weather in April and May.

Wheat — Oats

The U. S. Dep't of Agriculture, in its report as of June 1, 1924, gives condition of winter wheat and oats in the Eighth Federal Reserve District as follows:

Wheat	Condition June 1	*Production				Farm price	
		Forecast 1924		Harvested		per bu.	
		10-yr. av. 1924	from condition June 1	1923	5-yr. av. 1918-22	May 15 1924	1923
		%	Bu.	Bu.	Bu.	cents	cents
Illinois	64	80	33,368	33,950	60,534	51,377	100 116
Indiana	77	81	26,567	25,904	34,188	33,707	98 122
Kentucky	63	84	3,773	3,743	7,688	8,320	112 130
Missouri	68	78	21,808	24,027	37,882	45,106	99 113
U. S. Total.....	74.0	81.6	509,319	553,013	572,340	624,653	.....

Oats	% of 1924	Acreage Acres	Condition June 1 1924	10-yr. av.	Forecast 1924		Harvested		Farm price	
					from condition June 1	1923	5-yr. av. 1918-22	per bu. 1924	1923	
					%	Bu.	Bu.	Bu.	cents	cents
Illinois	106	4,092	86	88	142,524	135,100	146,005	44	44	
Indiana	102	1,774	89	87	59,207	48,692	59,088	44	46	
Missouri	110	1,518	70	83	32,941	34,500	42,189	56	54	
U. S. Total.....	101.9	41,625	83.0	88.8	1,231,728	1,299,823	1,302,516	46.3	45.3	

*In thousands (000 omitted).

Advices relative to the corn crop are almost universally pessimistic. Generally where planted the crop has a poor stand, and in the lowlands where moisture has hindered cultivation, weeds have made considerable headway. In many sections where cultivation should have been well under way at the middle of June, there was still much corn to be planted, and in some cases corn land was unplowed. On both sides of the Mississippi River considerable replanting has been necessary. Every day of sunshine is being taken advantage of to make up the delayed planting and cultivation, and there still remains sufficient time to accomplish much in this direction. However, it is generally conceded that ideal growing conditions to harvest and a late frost experience are needed to produce a normal crop.

The June 1 condition of oats in this district was below the 10-year average, except in Indiana where it exceeds the average by 2 points. Generally, cutting of oats has been delayed by rains, which has resulted in a good immediate shipment demand and fair upturn in prices.

The condition of hay is close to normal, the abundant moisture having aided the growth of this crop. Many counties in the Northern tier of the district report the best clover prospects in a number of years. Cutting of all hay, however, is backward and dry weather is much needed for haying operations.

Reports relative to fruit prospects in the district are varied and irregular. In the North the peach crop is largely a failure due to the severe winter. In the South the outlook is better, particularly in the commercial areas. Apples promise well, though the average condition on June 1 was below that at the corresponding date last year. The drop has been heavy during the past three weeks, due to cool weather and storms, and blight has seriously injured the Jonathan crop in Arkansas. The condition of blackberries, raspberries and melons indicates a yield slightly above normal. Commercial vegetable crops and gardens are from two to three weeks late and are in need of warm weather and less abundant moisture. The recent excessive rainfall has interfered with spraying and culti-

vation, and there are numerous complaints of the presence of insects and parasites in gardens and orchards.

In spite of continued rains over the entire tobacco producing section, fair progress is reported in transplanting the 1924 crop. Unofficial estimates as of the middle of June indicate that 60 per cent of the burley, 70 per cent of the aircured and green river, and from 80 to 85 per cent of the fired dark tobacco crop in Kentucky and Tennessee had been planted, with initial growth mainly satisfactory. There were scattered reports of disease appearing in plant beds, but on the whole healthful conditions exist, and indications are for normal acreage in the chief producing areas. Deliveries during the period under review were large, weather considered. Prices are generally satisfactory.

An exception to the general belated conditions is rice, seeding of which has been completed with the crop generally up to an excellent stand and from 15 to 30 days ahead of the corresponding period last year. Virtually the entire crop is being flooded, and the abundant rainfall has reduced the costs and labor involved in this operation. Unofficial estimates place the acreage in Arkansas at from 10 to 18 per cent in excess of last year. Farmers in the rice area generally more adequately financed than at any time since 1920. The movement of old crop rice continues satisfactory, with indications that stocks will be cleaned up by the end of June. Prices held steady.

The condition of cotton in all States of the district on May 25 was below that of the corresponding date last year, also the 10-year average. Weather conditions through May and the first half of June were unfavorable for growth and development of the plant, and the crop is reported from three to four weeks late. Soil conditions, however, are for the most part excellent, and conditions considered, fields are fairly clean. Much replanting has been necessary, particularly in the most northern producing counties. There are some reports of boll weevil and other insect pests.

Cotton

The condition of cotton in the Eighth Federal Reserve District and the United States is given by the Department of Agriculture as follows:

Condition, May 25.	Area planted (in cultivation end of June) 1923.		Area picked, 1923, revised	Yield per acre, 1923 revised				
	1924	1923						
Arkansas	58	66	76	70	74	3,120,000	3,026,000	98
Mississippi	69	70	75	60	75	3,392,000	3,170,000	91
Missouri	52	54	90	75	77	394,000	355,000	171
Tennessee	54	70	79	69	75	1,221,000	1,172,000	92
U. S. Total	65.6	71.0	69.6	66.0	72.8	38,709,000	37,130,000	130.6

Commodity Prices

Range of prices in the St. Louis market between May 15, 1924, and June 14, 1924, with closing quotations on the latter date, and on June 15, 1923:

Commodity	Unit	Close		June 14, 1924		June 15, 1923	
		High	Low				
Wheat	per bu.	\$1.11½	\$1.01%	\$1.11½	\$1.09%	\$1.11½	\$1.09%
July		1.13½	1.04	1.13½	1.07%	1.13½	1.07%
September		1.16%	1.07	1.16%	1.10%	1.16%	1.10%
December		1.18	1.08	1.18	1.30	1.18	1.30
No. 2 red winter		1.13½	1.02½	\$1.12 @	1.13½	\$1.13 @	1.14
No. 2 hard							
Corn		.81½	.76	.81½	.83½	.81½	.83½
July		.80%	.75½	.80%	.77%	.80%	.77%
September		.74	.71¾	.74	.66%	.74	.66%
December		.85	.76½	.85	.86	.85	.86
No. 2		.86	.80½	.85 @	.86	.85 @	.88
No. 2 white							
Oats		.49	.45	.48	.43%	.49	.45%
July		.53½	.49½	.53½		.53½	
No. 2 white							
Flour							
Soft patent	per bbl.	6.50	5.25	5.50 @ 6.50	5.50 @ 6.50	5.50 @ 6.50	5.50 @ 6.50
Spring patent		6.95	6.07½	6.75 @ 6.95	6.05 @ 6.30	6.05 @ 6.30	6.05 @ 6.30
Middling cotton	per lb.	.31½	.29½	.30	.29	.30	.29
Hogs on hoof	per cwt.	7.75	4.75	5.50 @ 7.25	4.50 @ 7.25	5.50 @ 7.25	4.50 @ 7.25

NOTE—May wheat closed at \$1.04½; May corn at 78½¢ and May oats at 47¾.

Live Stock Movement

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

	*Receipts			*Shipments		
	May 1924	Apr. 1924	May 1923	May 1924	Apr. 1924	May 1923
Cattle and Calves	102	87	98	61	47	48
Hogs	392	388	420	280	268	234
Horses and Mules	2	3	4	2	3	4
Sheep	33	26	54	9	17	15

*In thousands (000 omitted).

Commodity Movement

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

	*Receipts			*Shipments		
	May 1924	April 1924	May 1923	May 1924	April 1924	May 1923
Beef, lbs.		379	504	20,405	21,643	24,046
Corn, bu.	3,077	3,587	1,617	1,858	2,054	1,086
Flour, bbls.	399	381	394	426	421	485
Hides, lbs.	6,512	5,234	4,583	8,853	6,738	8,579
Lard, lbs.	5,718	6,567	6,434	12,743	11,216	14,956
Lead, pigs	255	257	210	195	202	106
Lumber, cars	21	22	23	14	14	16
Oats, bu.	3,420	2,870	2,534	2,545	2,317	2,147
Pork, lbs.	22,322	20,323	20,914	27,681	28,861	33,543
Wheat, bu.	1,731	1,481	2,212	1,471	1,393	2,303
Zinc, slabs	260	239	326	293	217	251

*In thousands (000 omitted).

BUILDING

The value of building permits issued in the five largest cities of the district during May fell sharply below the record total of April, but was only 3.8 per cent under the aggregate of May, 1923. Building operations in the large centers continued at an active pace during the period under review, with residential construction still occupying an important place in the general activity. Reports from the smaller towns and rural districts in the South reflect extensive home building, particularly of small residences. Road building has been badly hampered by excessive rainfall, but it is planned to push forward the highway construction programs as soon as weather conditions will permit. The trend of prices of building materials was slightly downward, and many manufacturers have caught up with their orders, with some reporting moderate accumulations. Production of portland cement for the country as a whole during May totaled 13,777,000 barrels, against 11,726,000 barrels in April and 12,910,000 in May, 1923.

Building figures for May follow:

City	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	70	139	\$ 189	\$ 278	81	104	\$ 17	\$ 20
Little Rock	79	92	215	225	114	142	76	74
Louisville	415	552	1,593	1,784	163	199	115	139
Memphis	428	477	2,007	1,691	146	91	62	30
St. Louis	1,021	974	3,379	3,701	727	747	761	465
May totals	2,013	2,234	\$7,383	\$7,679	1,231	1,283	\$1,031	\$728
April totals	2,429	2,139	9,502	7,512	1,463	1,210	669	855
Mar. totals	2,057	1,797	8,047	7,225	1,053	949	661	918

*In thousands of dollars (000 omitted).

FINANCIAL

Generally abundant funds and a lower trend in interest rates, coupled with a slackening in the demand for credit from commercial and industrial sources, featured the banking and financial situation in this district during the past thirty days. Commercial banks, particularly in the large cities, report liquidation of loans in good volume, with renewals and new borrowing in many instances below the aggregate of payments by their customers. Wholesalers in a number of important lines say that May settlements were somewhat above expectations, and find themselves with surplus funds on hand. Due to the lateness of the season, demands from the country to

finance agricultural operations are below normal for this time of the year in typical grain areas. Banks in the cotton producing sections, however, are receiving heavy calls, especially in territory where replanting has been necessary during the past several weeks and additional seed and feed for farm animals has had to be purchased. Milling loans have been well cleaned up during the past month, and there has also been extensive liquidation of loans based on grain and live stock. The demand from stock raisers is less active than heretofore. Additional heavy advances to producers by the cooperative tobacco marketing associations have resulted in excellent liquidation on areas where tobacco is the chief crop.

This bank's quota of the issue of 2¾ per cent U. S. Treasury Certificates of Indebtedness dated June 16 and due December 15, 1924, was largely over-subscribed. The discount rate of this bank, which had held unchanged at 4½ per cent since April 6, 1922, was reduced to 4 per cent, effective June 19. Between May 15 and June 14 accommodations granted to member banks by this institution increased \$135,965 and there was a decrease of \$2,120,000 in Federal reserve note circulation.

Commercial Paper

Sales of reporting brokers in May were 3.5 per cent larger than for the same month in 1923, but 11.8 per cent under the April total this year. Generally offerings from all sources are light, with prime names especially scarce. The reduction in rates has had a tendency to curtail purchasing by country banks, buying being confined almost exclusively to financial institutions in the larger centers. Rates ranged from 4 to 4½ per cent, with an occasional sale of strictly prime paper at 3½ per cent. This compares with 4¼ to 4½ per cent, the range prevailing during the preceding thirty days.

Savings Deposits

Number of banks reporting	*Amount of savings deposits			June, 1924 comp. to May, 1924	June, 1924 comp. to June, 1923
	June 11, 1924	May 7, 1924	June 6, 1923		
Evansville	\$ 9,090	\$ 9,053	\$ 8,994	+ 0.4%	+ 1.1%
Little Rock	7,670	7,625	7,178	+ 0.6	+ 6.9
Louisville	26,806	26,372	23,719	+ 1.6	+ 13.0
Memphis	19,322	18,826	16,112	+ 2.6	+ 19.9
St. Louis.....12	76,374	75,669	72,602	+ 0.9	+ 5.2
Totals.....32	\$139,262	\$137,545	\$128,605	+ 1.2	+ 8.3

*In thousands (000 omitted).

Condition of Banks

The following statement shows principal resources and liabilities of reporting member banks in Evansville, Little Rock, Louisville, Memphis, and St. Louis:

Number of banks reporting	*June 11, 1924	*May 14, 1924	*June 13, 1923
	Loans and discounts (incl. rediscounts)	†34	†34	36
Secured by U. S. Govt. obligations.....	\$ 8,168	\$ 9,199	\$ 11,727
Secured by other stocks and bonds.....	145,625	147,231	140,983
All other loans and discounts.....	304,145	312,642	299,806
Total Loans and discounts.....	\$457,938	\$469,072	\$452,516
Investments			
U. S. pre-war bonds.....	14,309	14,810	15,336
Liberty bonds.....	22,805	22,361	23,450
Treasury bonds.....	5,049	4,378	9,024
Victory and Treasury notes.....	13,763	14,111	23,994
Certificates of Indebtedness.....	1,865	3,313	10,490
Other securities.....	92,023	92,049	87,635
Total investments.....	\$149,814	\$151,022	\$169,929
Reserve balance with F. R. bank.....	39,937	41,089	40,535
Cash in vault.....	7,504	7,676	8,225
Net demand deposits.....	355,464	358,761	359,942
Time deposits.....	197,049	201,493	181,536
Government deposits.....	1,849	4,222	8,819
Bills payable and rediscounts with			
Federal reserve bank			
Secured by U. S. Govt. obligations.....	1,114	1,600	8,860
All other.....	3,847	4,656	12,853

*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 this district.

Debits to Individual Accounts

	*For four weeks ending			June, 1924 comp. to May, 1924	June, 1924 comp. to June, 1923
	June 18, 1924	May 14, 1924	June 20, 1923		
E. St. Louis and Nat'l Stock Yards, Ill..	\$ 37,038	\$ 38,787	\$ 40,380	- 4.5%	- 8.3%
El Dorado, Ark.....	7,263	7,473	12,099	- 2.8	- 40.0
Evansville, Ind.....	25,084	26,721	29,691	- 6.1	- 15.5
Fort Smith, Ark.....	9,601	10,362	10,929	- 7.3	- 12.2
Greenville, Miss.....	3,114	3,012	2,962	+ 3.4	+ 5.1
Helena, Ark.....	3,525	3,963	3,611	- 11.1	- 2.4
Little Rock, Ark.....	49,014	54,635	47,632	- 10.3	+ 2.8
Louisville, Ky.....	140,057	155,373	150,821	- 9.9	- 7.1
Memphis, Tenn.....	103,277	119,527	114,520	- 13.6	- 9.8
Owensboro, Ky.....	4,975	5,234	5,098	- 4.9	- 2.4
Quincy, Ill.....	9,868	10,367	10,574	- 4.8	- 6.7
St. Louis, Mo.....	647,761	592,947	652,817	+ 9.2	- 0.8
Sedalia, Mo.....	3,989	4,083	.....	- 2.3	.....
Springfield, Mo.....	6,946	7,699	14,776	- 9.8	- 53.0
Totals.....	\$1,051,512	\$1,040,183	.....	+ 1.1	- 4.4

*In thousands (000 omitted).

Federal Reserve Operations

During May the Federal Reserve Bank of St. Louis discounted for 268 of its 633 member banks, which compares with 275 accommodated in April.

Comparative statement of this bank follows:

RESOURCES

	*June 11, 1924	*May 14, 1924	*June 13, 1923
Gold with Federal Reserve Agent.....	\$ 61,736	\$ 63,685	\$ 55,447
Gold redemption fund with U. S. Treasury	2,411	2,426	4,090
Gold held exclusively against F. R. notes..	65,847	66,111	59,537
Gold settlement fund with F. R. Board....	24,700	22,127	18,878
Total gold and gold certificates held.....	7,580	7,636	3,526
Total gold reserves.....	\$ 98,127	\$ 95,874	\$ 81,941
Reserves other than gold.....	12,849	14,078	15,953
Total reserves.....	\$110,976	\$109,952	\$ 97,894
Non-reserve cash.....	4,112	3,972	5,147
Bills discounted:			
Secured by U. S. Government obligations	5,533	6,963	15,265
Other bills discounted.....	17,520	17,086	20,846
Total bills discounted.....	\$ 23,053	\$ 24,049	\$ 36,111
Bills bought in open market.....	1,743	3,418	9,077
U. S. Government securities:			
Bonds.....	.....	.....	6,150
Treasury notes.....	5,701	5,136	5,002
Certificates of indebtedness.....	1,265	1,830	360
Total U. S. Government securities.....	\$ 6,966	\$ 6,966	\$ 11,512
Total earning assets.....	\$ 31,762	\$ 34,433	\$ 56,700
Uncollected items.....	30,878	37,200	37,320
Bank premises.....	1,920	1,898	991
All other resources.....	200	141	189
TOTAL RESOURCES.....	\$179,848	\$187,596	\$198,241

LIABILITIES

F. R. Notes in actual circulation.....	\$ 62,627	\$ 65,331	\$ 73,910
Deposits:			
Member banks-reserve account.....	68,333	69,283	70,337
U. S. Government.....	2,115	1,681	1,157
Other deposits.....	378	749	766
Total deposits.....	\$ 70,826	\$ 71,713	\$ 72,260
Deferred availability items.....	30,533	34,685	36,413
Capital paid in.....	5,072	5,075	4,951
Surplus.....	10,072	10,072	9,665
All other liabilities.....	718	720	1,042
TOTAL LIABILITIES.....	\$179,848	\$187,596	\$198,241
MEMO—Contingent liability on bills purchased for foreign correspondents.....	1,958	1,260	1,288
Ratio of total reserves to deposit and F. R. note liabilities combined.....	83.2%	80.2%	67.0%

*In thousands (000 omitted).

COST OF LIVING

Cost of living in the United States on May 15 had decreased three-tenths of one per cent from the level of April 15, according to the National Industrial Conference Board. The most important change within the month was a decrease of approximately 2 per cent in fuel prices. This decline was occasioned largely by decreases for bituminous coal in regions where it is an important domestic fuel. In the East, where anthracite is used almost exclusively for domestic purposes, there were no decreases reported for anthracite, and decreases for anthracite in other parts of the country were not important.

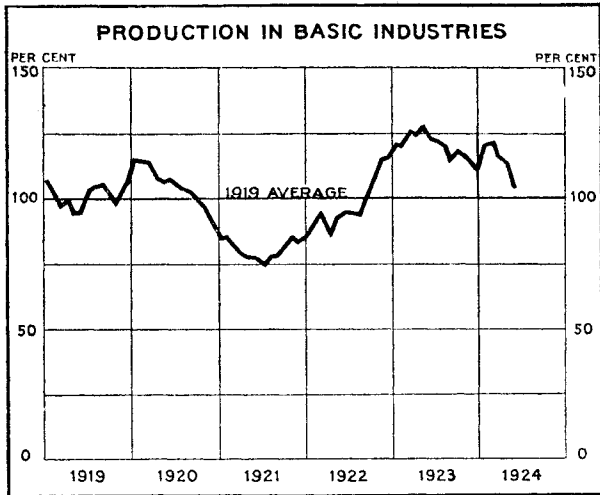
The purchasing value of the dollar, based on the cost of living in May, 1924, was 62 cents as contrasted with one dollar in July, 1914.

(Compiled June 23, 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 about 11 per cent in May to a point 19 per cent below the peak reached a year ago. Particularly marked decreases were shown for production of iron and steel and mill consumption of cotton. Output of anthracite, cement and tobacco products, on the other hand, was slightly larger than in April.



Index of 22 basic commodities corrected for seasonal variation. Latest figure, May=103.

Factory employment declined 4 per cent in May, the number of employees being reduced in almost all reporting industries. The largest reduction of working forces occurred in the textile, metal, automobile, and leather industries.

The value of building contracts awarded in May was 13 per cent less than the month before and for the first time since the beginning of the year fell below the corresponding month in 1923.

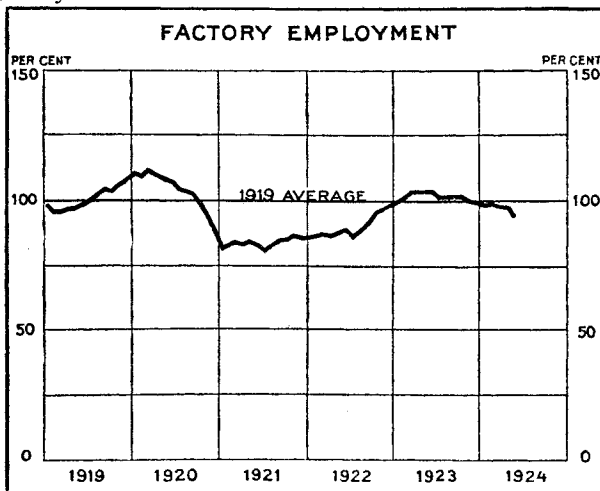
The Department of Agriculture forecasts as of June 1 indicated smaller yields of wheat, oats and barley as compared with the harvests of 1923. The condition of the cotton crop on May 25 was 5 per cent lower than a year ago and 7 per cent below the average condition for the past ten years.

Trade

Railroad shipments showed a slight increase in May, but were 8 per cent smaller than a year ago. Carloadings of all classes of freight, with the exception of grain and livestock, were smaller than in May, 1923.

Wholesale trade decreased slightly in May and was 6 per cent less than in May, 1923. Sales of dry goods, shoes, and hardware were much smaller than a year ago, while drug sales were slightly larger.

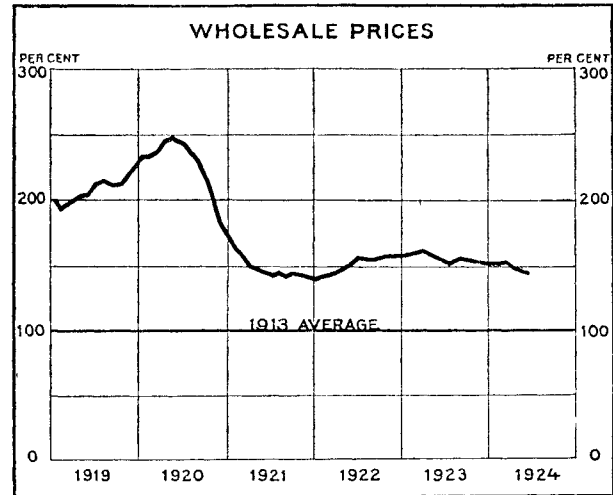
Retail trade at department stores and mail order houses declined during May more than is usual at that season and was smaller than last year. Department store stocks were 4 per cent smaller in May than in April and 3 per cent larger than a year earlier.



Index for 33 manufacturing industries. Latest figure, May=93.

Prices

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined 1 per cent during May to a level about 8 per cent below the high point reached in the Spring of 1923. Prices of all commodity groups, with the exception of food, declined in May. During the first half of June quotations on wheat, corn, rye and milk, increased, while prices of hogs, beef, cotton and lumber declined.



Index of U. S. Bureau of Labor Statistics. Latest figure, May=147.

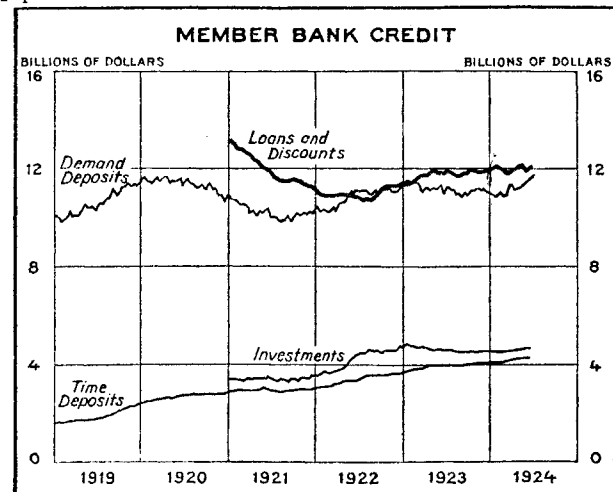
Bank Credit

Decreased demand for credit for current business requirements between the middle of May and the middle of June was reflected in a smaller volume of borrowing for commercial purposes at member banks in leading cities. Further purchases of corporate securities by these banks and larger loans on stocks and bonds, however, resulted in an increase for the month in their total loans and investments. There was an unusually large increase in net demand deposits of these banks, which carried the total of these deposits to the highest figure on record.

At the Federal Reserve Banks between May 21 and June 18 there was a further decline in discounts for member banks and in acceptances purchased in the open market. Government security holdings, on the other hand, increased and total earnings assets were somewhat larger than a month ago.

The prevailing ease in the money market was reflected in a further decline from $4\frac{1}{4}$ to $3\frac{1}{2}$ - $3\frac{3}{4}$ per cent in rates on prime commercial paper in New York. The June 15 issue of six month Treasury Certificates bore a rate of $2\frac{3}{4}$ per cent compared with 4 per cent on a similar offering last December.

Discount rates at the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis and San Francisco were reduced from $4\frac{1}{2}$ to 4 per cent during June, and the rates in Boston, New York and Philadelphia were reduced to $3\frac{1}{2}$ per cent.



Weekly figures for member banks in 101 leading cities. Latest figure, June 11.