

FEDERAL RESERVE BANK OF ST. LOUIS



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

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IN a majority of lines investigated, sales during June developed further declines as compared with the corresponding period a year ago. The general disposition then was to purchase with caution and conservatism and for well defined needs. The more favorable agricultural aspect during the past three weeks, however, is being reflected in renewed interest in goods for future delivery, and accelerated buying both at wholesale and retail. Production in basic industries and most subsidiary lines is being brought down to square more nearly with current consumption, and in some instances output has fallen slightly below the level of consumption. As a result of these movements stocks generally are light and in unusually strong position. By dint of special sales and price reductions there has been a more or less thorough clearing out of merchandise, the movement of which had been hindered by unseasonable weather or other causes, so that the stocks remaining consist of readily salable assortments and closely represent existing market values.

Since the first of July there has been a marked change for the better in weather conditions throughout the district, and this has resulted in a considerable improvement in crop prospects and sentiment in the farming communities and through the business structure generally. Another favorable factor has been the sharp advance in cereal values, notably wheat and corn. Retail trade has picked up somewhat in the last three weeks, and reports of wholesalers indicate a better tone in their business. According to reporting dry goods, boot and shoe, hardware and clothing interests, advance orders booked during the second and third weeks of July were larger than the total for the four weeks immediately preceding.

The slowing down in manufacturing activities is reflected in some increase in unemployment in the large industrial centers, and this has been emphasized by the usual mid-year closings of plants for repairs and inventorying. A large part of the surplus of common labor, however, has been absorbed by harvest and road building operations. The demand for threshing hands in the West and Southwest is being strongly felt, and has resulted in a large exodus of idle workers from the cities and coal, lead and zinc mining districts. According to the employment service of the U. S. Department of Labor, employment in meat packing, flour milling and public improvements maintained about the same rate of activity as during the preceding thirty days, but was slightly less than a year ago, and there is a surplus of skilled workers in the larger cities. Railroad shops continue on a part time employment basis, and there have been heavy releases of both skilled and common labor in the iron and steel, automotive, and brick and cement industries. There are some scattered reports of lowered wages, but no general scale reductions.

The outstanding feature in the agricultural situation was the sharp upturn in grain prices. Poor prospects during the early growing season, coupled with the Government's reduced estimates of yields of wheat and corn contained in its report on conditions as of July 1, created an active buying movement in these cereals. In the St. Louis market July corn advanced from 81½c on June 16 to \$1.11½ on July 15, while cash corn moved upward from 86½c to \$1.14. Between the same dates July wheat advanced from \$1.12 per bushel to \$1.19½, and No. 2 winter wheat in the cash market rose from \$1.18 to \$1.34. The closing price of cash wheat on July 15 was 33c to 34c higher than on the corresponding date last year, and that of cash corn 27c to 28c higher. Since the middle of July the advance in wheat and corn has been carried considerably further. Middling cotton ranged from 28¼c to 30c per pound, the high figure of the range being recorded on June 16 and the low point on July 15.

Live stock prices declined during the latter part of June, being affected by the radical slump in the fresh meat trade. Fat steers fell to new low price levels for the year and hog values fell to a parity with last December, while fat lamb and sheep prices were reduced to those which prevailed at the first of the year. During early July some of the losses were recovered, the strengthening influence being the rise in corn. The movement of farm products to market was maintained at a high rate, arrivals of many of the leading products being in excess of the same period last year. Shipments of garden truck and fruits were unusually large, and represented in part the delayed movement occasioned by lateness of the season.

Continued apathy and a further decline in prices featured the fuel situation in this district. Curtailed industrial activity is reflecting a falling off in the demand for steaming coal, and screenings in the Illinois field reached a new low level on the downward movement. Ordering by dealers is considerably below normal for this time of year, and they explain their unwillingness to purchase by the fact that householders are unusually slow in filling their fall and winter requirements. The tonnage of threshing coal thus far this year has been so small as not to constitute a factor in the situation. Gas engines are largely supplanting steam as motive power for threshing machines. In the immediate past some slight improvement is reported in the Kentucky fields, and strip mines in Illinois, which are meeting the low prices of the Kentucky operators, are getting good running time. Production of bituminous coal for the country as a whole showed a further decline. In virtually all fields the decrease is largely accounted for by lack of orders, other causes being negligible. Total production of soft coal during the first 158 working days of the calendar year, or to July 5, was 231,971,000 tons,

which compares with 279,553,000 tons for the corresponding period in 1923, 196,706,000 tons in 1922 and 291,509,000 tons in 1918. Similar conditions of dullness obtain in coke. Ordering of domestic sizes is backward, and consumption of metallurgical coke has decreased sharply with the blowing out of numerous blast furnaces and reduced operations at mills and foundries.

Traffic of railroads operating in this district during June, while still of large volume as contrasted with previous years, was smaller than for the corresponding month in 1923. Total loadings of revenue freight for the country as a whole during the four weeks of June totaled 3,625,472 cars against 4,074,603 cars for the corresponding month in 1923 and 3,414,031 cars for the same period in 1922. The week ending June 28 showed a slight gain over its predecessor, the increase being in the grain, coal, ore, and miscellaneous classifications. Extensive preparations have been made by Southwestern roads for handling the grain crops, the movement of which is already under way. The Terminal Railway Association of St. Louis, which handles the interchange of 28 connecting carriers, interchanged 175,492 loads in June, against 199,572 loads in May and 187,035 loads in June, 1923. For the first nine days of July 48,868 loads were interchanged, against 52,613 loads for the corresponding period in June and 51,472 loads in July, 1923. Passenger traffic of reporting roads decreased 8 per cent under June last year. Tonnage moved by the Mississippi River section of the Federal barge line between St. Louis and New Orleans during June amounted to 81,500 tons, which compares with 68,600 tons in May and 69,900 tons in June, 1923.

Collections during June, while less satisfactory than during the same month in 1923, showed slight improvement over the May record. Wholesalers in the large centers report that they are being paid promptly with more of their customers taking advantage of discounts offered for cash. Cessation of the recent heavy rains has had a tendency to increase collection efficiency in rural sections. Some backward spots are still noted, particularly in the coal fields, where requests for extensions are more numerous. Retailers in the large cities report the usual backwardness in payments occasioned by persons being away on vacations, but generally their customers are meeting bills promptly. Replies to 406 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
June, 1924.....	0.9%	28.4%	58.4%	12.3%
May, 1924.....	2.7	23.2	58.9	15.2
June, 1923.....	1.0	42.0	54.0	3.0

Commercial failures in the Eighth Federal Reserve District during June, according to Dun's, numbered 81, involving liabilities of \$975,155, against 62 defaults during May with indebtedness of \$174,163 and 68 failures for \$2,450,239 in June, 1923.

The per capita circulation of the United States on July 1 was \$42.20 against \$42.78 on June 1 and \$42.51 on July 1, 1923.

MANUFACTURING AND WHOLESALE

Automobiles

Production of automobiles and trucks for the country as a whole sustained another sharp decrease during June, the loss compared with the preceding month being 21.4 per cent, while a loss of 35 per cent was recorded under June, 1923. Companies reporting direct or through the Automobile Chamber of Com-

merce built 217,845 passenger cars in June, against 279,385 in May, and 337,048 in June, 1923. The output of trucks in June was 27,040 against 32,326 in May and 39,945 in June, 1923. The total number of passenger cars and trucks manufactured during the first half of 1924 was 1,992,030 against 2,035,313 for the first six months of 1923. Warmer weather and the termination of the long protracted spell of heavy rains had a stimulating effect on distribution of passenger cars during the period under review. June sales of 230 dealers scattered through the district were 7.5 per cent larger than for the same month in 1923, and 4 per cent in excess of the May total this year. Much of the improvement noted was in the country, and the comment was also made that standard makes were relatively much more active than the less well known cars. Stocks of new cars, with but few exceptions were reported about normal for this time of year, the total having been materially reduced since April. The intensive campaign to sell accessories has met with satisfactory results, business in June showing a good gain over the same month last year. No change from recent dull conditions occurred in the tire market. Stocks continue excessive and recent reductions in price have failed to stimulate purchasing. The used car market improved slightly during June, with stocks generally normal, and in some instances smaller than at this time last year.

Boots and Shoes

June sales of the 11 reporting interests were 4.3 per cent larger than for the same month in 1923, but 16.9 per cent under the May total this year. The decrease from May to June is largely accounted for by seasonal considerations. Ordering for immediate shipment is holding up in good shape, and the past three weeks have been marked by a decided improvement in future buying. Comment is made upon the active demand for sport shoes, and sales of women's and children's shoes continue more satisfactory than of men's wear. Prices of finished goods underwent no change worthy of note. Factory operation was at approximately 74 per cent of capacity. The total number of pairs of shoes manufactured in this district during June was 3.3 per cent in excess of the output during the preceding month, but for the country as a whole June production was 7.9 per cent under the May total.

Clothing

Nothing during last thirty days indicates any change in fundamental conditions obtaining in this line, and midsummer dullness prevails, inasmuch as fall buyers have not yet entered the market. There is continued apathy in the matter of forward commitments, and the absence of burdensome stocks is a decidedly favorable factor. Forward orders on the books of reporting firms are about 30 per cent less than at this time last year. Sport clothes constitute the outstanding feature of the list, though the sporadic hot spells during the past month stimulated demand for summer suitings. Prices are spotty. Sales of men's hats underwent a decided improvement during June, due largely to more seasonable weather. June sales of 11 reporting clothing interests were 17.2 per cent under those of the same month a year ago and 1.9 per cent less than the May, 1924 total.

Drugs and Chemicals

Sales of the 11 reporting interests during June were 9.1 per cent under those of the same month in 1923, and 6.8 per cent under the May total this year. Buying by retail druggists is along extremely conserv-

ative lines, the average size of orders being the smallest in a number of years. In the drug and fine chemical market competition is keen, and prices definitely in favor of buyers. Of 34 changes during June 21 were downward revisions and 13 advances. Since the last week of June marked betterment has taken place in sales of soda fountain supplies, and the volume in this department for the first half of July is close to the high record of the corresponding period last year. A further slump in the movement of heavy chemicals and crude drugs to manufacturers was noted.

Dry Goods

While the volume of business in this classification continues under that of a year ago, the past two weeks have developed more optimism, and inquiries for goods for future delivery are more numerous. Country merchants appeared in large numbers for the opening of the market season in the chief wholesale centers, and their buying reflected larger and more diversified demands. There has been some reordering of summer merchandise, and the volume of small orders for prompt shipment is holding up well. A feature has been the large number of requests by retailers for goods to dispose of in special sales. Prices generally showed no notable change during the period under review. Brown sheetings and print cloths were a shade lower, but silk mixtures, which have improved in demand, were steady at the recent decline. Uncertainty relative to the raw cotton market is making for hesitation in commitments on cotton goods. June sales of the 11 reporting interests were 29.7 per cent under those of the same month in 1923, and 2.7 per cent under the May total this year. Orders booked by a number of important interests during the first two weeks of July were about on a parity with the corresponding period last year.

Electrical Supplies

The decrease in building activity, unseasonably cool weather and uncertainty relative to prices are given among reasons for a loss in June sales by the 12 reporting interests of 17.2 per cent as compared with the same month in 1923. Sales of electric fans and fan motors have been held down by cool weather, but business in the general line of motors is fairly steady. There has been a rather sharp falling off in electrical installations, and all sorts of supplies for coal mines are reported inactive. The trend of prices is lower, with specific reductions on bare and insulated copper wire, pole line hardware, mazda lamps and some specialties.

Fire Clay Products

Unsettled conditions in the oil fields and the sharp reduction of operations at blast furnaces and foundries were factors in a slowing down in this industry. Maintenance of the recent high rate of production in the cement industry has resulted in an active demand from that quarter, while extensive municipal operations have aided the movement of vitrified products. Total production, however, is at only about 60 per cent of capacity. There has been a reduction of \$2 per thousand on 9-inch straights in the three standard grades, and proportionate downward revisions on shapes and hollow tile. June sales of the 5 reporting interests were 19 per cent under those of the same month last year, but 1.5 per cent in excess of the May, 1924 total.

Flour

Production of the 11 leading mills of the district during June was 277,560 barrels, which compares with

322,106 barrels in May and 286,463 barrels in June, 1923. In point of new business booked, particularly in car lots, the past thirty days have been marked by continued dullness. Shipping directions from the domestic trade on flour previously purchased, however, were good, and some inquiry from abroad for clear flours was noted. Since July 1 prices have stiffened, in sympathy with the upturn in wheat, but flour buyers are not disposed to follow the advance, and are holding off or purchasing on a hand to mouth basis. With but few exceptions millers are refraining from quoting prices on new wheat flour. Mill operation was at 63 per cent of capacity.

Furniture

Sales of the 28 reporting interests during June were 34.2 per cent less than for the same month in 1923, and 7.1 per cent below the total of May this year. Buying by dealers is slow, and chiefly of goods to fill in with, stock orders being unusually light, even for this season. Sharp curtailment of production was reported, a number of factories operating only two days per week. Prices on new goods displayed at the special trade periods at Chicago, Grand Rapids and St. Louis, averaged about 5 per cent lower than levels in the immediate past. Manufacturers say their customers are pressing for reductions, which they are unable to grant under present conditions of material and labor costs.

Groceries

The lateness of most garden vegetables has contributed to the demand for canned goods, and this situation has been further stimulated by the fact that little or none of this year's canned goods have as yet made their appearance on the market. The continuance of the Brazilian export limitation has lent a firmness to all grades of coffee, which has moved into consumers' hands in good volume. Sugar, after a flurry of strength during the first week of July, has turned dull again at prices only slightly above the low for the year. Stocks in retailers' hands are close to normal. Candy is seasonably dull. June sales of 23 reporting interests were 1.6 per cent under those of the same month a year ago and 4.3 per cent under the May, 1924 total.

Hardware

Aside from slight improvement in the country, where the better crop outlook and upturn in cereal prices have served to stimulate buying, conditions in this line showed little change from the preceding thirty days. A further recession was noted in the demand for builders' tools and hardware, but sales of seasonal goods in the country, such as hand implements, harness, wire netting and spraying apparatus, were in somewhat better volume. Generally through the line price changes were nominal, but mainly in the direction of lower levels. June sales of the 12 reporting interests were 10.9 per cent under those of the same month in 1923, and 8.7 per cent under the May total this year.

Iron and Steel Products

Buyers of both raw and finished materials continue to exhibit a hesitating attitude in the matter of filling their requirements. Further curtailment of activities at mills, foundries and machine shops was reported, and since the first of this month there have been numerous closings of important manufactories for repairs and inventory taking. There was a further decline in production of pig iron and steel ingots. Total output of pig iron for the country during June

was the smallest for any single month since August, 1922. On an average daily basis, ingot production in June fell 15.5 per cent below May, bringing the total loss from the high point in March to 40.89 per cent. The slowing down in operations was accompanied by additional price reductions, among the commodities affected being pig iron, plates, shapes and bars, certain wire products and track materials. No. 2 Southern iron, 1.75 to 2.25 per cent silicon, declined to \$18 per ton, furnace, while Northern iron of the same analysis dropped to \$19 per ton. The leading producer of the district reduced its minimum price from \$22.50 to \$20, f. o. b. Granite City, Illinois. The demand for structural steel showed a falling off, and that section of the industry was marked by scarcity of large awards. Buying by automobile manufacturers continued the decline of recent months, and there were numerous requests for delay in shipments of quotas due on earlier contracts. The demand for all sorts of iron and steel supplies from the oil fields is holding up well, and during the period under review was one of the market's most active features. For the most part railroads continue to postpone buying or carrying out improvement programs, their takings being confined to absolute requirements. Warehousemen report lack of interest on the part of their customers. In the immediate past some improvement has developed in the farm implement trade, but stove manufacturers report no change in the dull conditions which have featured their business for the past several months. June sales of stove manufacturers, 7 reporting, were 11.8 per cent under the same month in 1923, but 4.3 per cent larger than the May total this year; railway supplies, 5 reporting, decreased 57.7 per cent under the same month in 1923 and 8 per cent under the preceding month this year; farm implements, 6 reporting, decreased 38.4 per cent under June, 1923, and 3.5 per cent under the May, 1924, total; job foundries, 5 reporting, decreased 23.5 per cent under June, 1923, and were 17 per cent below the May total this year; manufacturers of boilers, stacks, elevators, radiators, wire rope and miscellaneous products, 14 reporting, decreased 19 per cent under June, 1923, and 6.2 per cent under the preceding month this year.

Lumber

July has witnessed quite an improvement in market tone, resulting more from balancing production with orders and from brighter outlook for farm trade than from gains in the demand. There has been some increase in buying and still more in inquiry, but it is the prospect for fall, mainly, that accounts for the better and more confident feeling which is becoming wide-spread. Prices are now fairly steady at present low levels. Transit cars under or threatened with demurrage and occasional cars or lots offered under financial pressure constitute the sum of the market's real weakness. Mixed cars are rather inclined toward minor advances, and many pine mills are asking somewhat better prices on descriptions of stock in which their holdings are light. Retailers in the district appear to be gradually taking on more new lumber, without doing any actual stock buying as yet. The factory trade is buying only for immediate needs, particularly the automotive and furniture industries.

Consumption of Electricity

In contrast to the slight upturn noted last month, reporting centers indicate decided irregularity, with gains and declines exactly balancing in number in the

five cities. It is also noted that in some sections of the district certain lines are using heavier loads, while elsewhere the same industries are reducing the wattage taken. General upward trends are noted by ice manufacturers, cold storage concerns, packing plants and cable manufacturers, while losses are recorded by steel plants, automobile manufacturers and cement and railroad equipment companies.

Detailed figures follow:

	No. of customers	June, 1924		June, 1924 comp. to May, 1924	June, 1923		June, 1924 comp. to June, 1923
		*K.W.H.	*K.W.H.		*K.W.H.	*K.W.H.	
Evansville	40	958	1,058	- 9.5%	1,212	1,212	-21.0%
Little Rock	11	845	692	+22.1	793	793	+ 6.6
Louisville	67	4,123	4,244	- 2.9	3,990	3,990	+ 3.3
Memphis	31	1,100	1,450	-24.1	931	931	+18.2
St. Louis	77	13,007	12,948	+ 0.5	13,781	13,781	- 5.6
Totals	226	20,033	20,392	- 1.8	20,707	20,707	- 3.3

*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:

	By water power	By fuels	Totals
May, 1924	1,948,108,000	2,848,804,000	4,796,912,000
April, 1924	1,849,312,000	2,889,434,000	4,738,746,000
May, 1923	1,901,400,000	2,729,073,000	4,630,473,000

RETAIL

Clearance sales, more seasonable weather and increasing optimism in rural districts has lent a decided stimulus to retail trade during the past three weeks. Sales of most reporting groups are, of course, still behind those of the first seven months of 1923, but buying that has been in abeyance for the last few months is now making itself felt. Hot weather has prompted buying of all lightweight suitings and there has been a gratifying movement of men's straw hats. Fancy summer yard goods are in normal demand and there have been large retail sales of cosmetics. A relative improvement is noted in jewelry, with sales of reporting firms for the year to date approximating those of the same period in 1923. Sporting goods are spotty, with sustained demand for golf and baseball supplies, but a retarded movement of tennis, fishing and camping supplies, the relative quietude in the latter group being traceable to the abnormally heavy rains of June. Convention broadcasting brought an unprecedented movement of radio supplies, with June sales of reporting firms 60 per cent above those of the same period in 1923. Demand for electric fans, hand implements and garden hose has been slow, but lawn mowers, builders' hardware and the general line of shelf goods have moved briskly. Shoes are dull.

June sales of 3 interests operating 1,576 chain grocery stores in this district were 0.4 per cent in excess of those of June, 1923, but sales per store were less than a year ago. The number of stores operated was slightly greater than during the same period in 1923. Although the 21 reporting department stores of the district report a 9.1 per cent loss during June as compared with June, 1923, July sales to date have been more encouraging.

Detailed department store figures follow:

	Net sales comparisons		Stocks on hand June 30, 1924 comp. to June 30, 1923	Annual rate of stock turnover For 6 months ending June 30, 1924
	June, 1924 comp. to June, 1923	Six months ending June 30, 1924, to same period, 1923		
	Evansville	- 6.9%	- 4.0%	- 6.9%	1.93
Little Rock	-12.0	- 1.3	+ 3.3	2.22
Louisville	- 4.5	- 1.1	+ 5.6	2.84
Memphis	-10.2	- 5.4	- 2.4	2.34
Quincy	-11.6	- 4.2	- 2.3	2.24
St. Louis	- 9.5	- 2.1	+ 5.0	2.92
8th District	- 9.1	- 2.4	+ 3.4	2.67
Entire U. S.	- 6.1	+ 1.3	+ 3.1	3.02

AGRICULTURE

Taken as a whole agricultural prospects in this district showed improvement during the period under review. Most of the betterment, however, came during the closing days of June and the first two weeks of July, when the end of the long spell of heavy and continuous rains and the arrival of seasonal temperatures gave impetus to the growth and development of crops and permitted farmers to cultivate their fields. Since the return of more favorable weather all sorts of farm operations have been aggressively pushed. Fields which three or four weeks back seemed hopelessly encumbered with weeds and grass have been cleaned up. Delayed spraying in orchards and vegetable and fruit plantations has been accomplished and the wheat harvest and haying have proceeded at a satisfactory pace. Generally the outlook for production is good, and latest reports from virtually all sections reflect more optimism than at any time since the cropping season opened.

Corn got off with one of the poorest starts on record, and the July 1 condition for the country as a whole, according to the U. S. Department of Agriculture, was only 72 per cent, the lowest ever recorded for that date. The low condition was due to the fact that an unusually cool May was followed during June by excessive rainfall. In all states of the district the crop is late, and more replanting than ever before was required. In some sections, particularly in the river bottoms, the soil was too soaked to permit of seeding until too late, and much of this land will in all likelihood remain idle. In Illinois, the most important corn producing state of the district, the indicated yield is 248,276,000 bushels, against 337,312,000 bushels last year and a five year average (1918-1922) of 317,273,000 bushels. Missouri's estimated yield is 142,480,000 bushels, against 196,860,000 bushels in 1923. The yield for the entire district is estimated at 394,972,000 bushels against 403,090,000 bushels harvested last year.

Wheat — Oats — Corn

The U. S. Dept. of Agriculture, in its report as of July 1, 1924, gives condition of winter wheat, oats and corn in states of the Eighth Federal Reserve District as follows:

WINTER WHEAT

	Condition July 1 1924 10-yr. av.	*Production				Farm price	
		Forecast 1924 from condition		Harvested		per bu.	
		July 1	June 1	1923	5-yr. av. 1918-22	June 15 1924	1923
	%	Bu.	Bu.	Bu.	Bu.	cents	cents
Illinois	66	33,931	33,368	60,534	51,377	100	105
Indiana	80	28,044	26,567	34,188	33,707	100	112
Kentucky	68	3,984	3,773	7,688	8,320	110	126
Missouri	68	23,214	21,808	37,882	45,106	100	104
U.S.Total	77.9	542,551	509,319	572,340	624,653	.....	.....

OATS

Illinois	89	83	156,601	142,524	135,100	146,005	44	42
Indiana	89	81	63,154	59,207	48,692	59,088	45	44
Missouri	83	81	40,318	32,941	34,500	42,189	54	51
U.S.Total	86.9	84.7	1,356,338	1,231,728	1,299,823	1,302,516	46.8	43.7

CORN

	Average % of 1923	1924 Acres	Condition July 1 1924 10-yr. av.	*Production			Farm price		
				Forecast '24 from cond.		Harvested		per bu.	
				July 1	1923	5-yr. av. 1918-22	1924	1923	
	%	%	Bu.	Bu.	Bu.	cents	cents		
Illinois	102	66	86	248,276	337,312	317,273	76	77	
Indiana	92	61	85	123,545	192,616	177,513	72	80	
Kentucky	96	78	87	72,727	87,866	89,159	100	101	
Missouri	103	62	84	142,480	196,860	173,702	85	90	
Tennessee	105	81	85	77,007	73,941	83,241	104	106	
U. S. Total	101.4	72.0	85.0	2,515,385	3,046,387	2,899,428	80.8	85.8	

*In thousands (000 omitted)

Winter wheat prospects for the country improved during June, the indicated yield of 542,551,000 bushels on July 1 being larger by 33,232,000 bushels than the

indicated outturn on June 1. June weather was in the main favorable for maturing the crop, and comments relative to the quality of the crop are generally favorable. The grain is well filled out, with weight and milling quality good. Cutting has been completed, and threshing is well under way in the southern tiers of the district and rapidly moving northward. There are some complaints of wet harvest, and the crop is generally late. The estimated outturn of all wheat for this district is 50,879,000 bushels, against 83,426,000 bushels, the final estimate for 1923.

Due to the cool, wet weather in May, hay crops were slow in starting, but with warmer weather there has been substantial improvement in prospects, and in many important producing areas the condition is above the average. Haying, however, was delayed seriously and in some localities rains made saving the crop difficult. Oats promise a heavier yield than last year, the estimated production for this district being 59,416,000 bushels, against 52,072,000 bushels in 1923. The planting of forage crops in the South is nearing completion. Pastures generally are in excellent shape, the average condition on July 1 for Illinois, for instance, being 94 per cent. Reports relative to live stock indicate a generally healthy condition among herds, but fewer animals, particularly hogs, than last year. The decrease in the number of hogs in important producing sections is ascribed chiefly to the continued adverse corn-hog ratio.

The acreage planted to potatoes shows no material variation as contrasted with last year, but conditions are spotted, and the indicated output for this district is estimated at only 16,342,000 bushels, against 18,223,000 bushels harvested in 1923. The area seeded to sweet potatoes shows a slight reduction from last year, due mainly to unfavorable weather conditions, and in some localities to scarcity of labor and shortage of slips caused by potatoes rotting in the bed.

Planting of rice is entirely completed and conditions of the crop exceptionally good. The general crop is from two to three weeks ahead of the 10-year average, and the acreage and prospective yield both larger than a year ago. Virtually all the rice has been flooded the first time, and a good portion has received a second flooding. There are scattered complaints of water maggots, but nothing of a serious character. The stock of old rice is small, and it is expected that it will be moved by the first week of August. The demand continues active, with prices steady to strong.

Most recent reports indicate that the acreage of tobacco planted in this district will be under that of last year. In the burley tobacco district acreage is approximately 92 per cent of last year's planting, and percentages of the 1923 acreage in the dark districts are about as follows: Green river and stemming, 85 per cent; Western district, 83 per cent; one sucker, 75 per cent and dark fired, 95 per cent. While quite late the crop has made favorable progress, especially during the past three weeks. As a whole fields are in fair state of cultivation, though in the lowlands where moisture has interfered with cultivation, weeds and grass have made headway. All desirable old tobacco being offered is moving at good prices.

The past several weeks have been generally favorable for growth and development of the cotton crop. According to the U. S. Department of Agriculture the outlook is more hopeful than at this time last year. The season is still late, but comparatively not nearly

as late as a month ago, there having been some "catching up." The crop is growing well, has good color and is well cultivated, except where there has been excessive rain. The stand is about average, but somewhat ragged on account of replanting. Boll weevils are less numerous in this district than at the corresponding time in 1923. The area of cotton for the country as a whole on June 25 was estimated at 40,403,000 acres, or 4.4 per cent above last year.

Cotton

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

	Area		Change between				
	June 25, 1924		Condition June 25		May 25 and June 25		
	Preliminary estimate % compared with 1923	Acres	1924	1923 10-yr. av.	1924	10-yr. av.	
Arkansas	98	3,058,000	68	66	77	+10%	+3%
Mississippi	96	3,256,000	74	67	75	+5	0
Missouri	115	453,000	60	62	79	+8	+2
Tennessee	97	1,184,000	67	67	77	+13	+2
U. S. Total	104.4	40,403,000	71.2	69.9	74.8	+5.6	+2.0

Live Stock Movement

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

	*Receipts			*Shipments		
	June 1924	May 1924	June 1923	June 1924	May 1924	June 1923
Cattle and Calves	103	102	94	62	61	57
Hogs	361	392	349	222	280	197
Horses and Mules	2	2	2	2	2	2
Sheep	76	33	92	15	9	25

*In thousands (000 omitted).

Commodity Movement

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

	*Receipts			*Shipments		
	June 1924	May 1924	June 1923	June 1924	May 1924	June 1923
Beef, lbs.	62		47	21,824	20,405	22,863
Corn, bu.	2,834	3,077	2,344	2,195	1,858	1,703
Flour, bbls.	404	399	356	384	426	465
Hides, lbs.	6,793	6,512	4,149	6,706	8,853	5,342
Lard, lbs.	5,181	5,718	6,479	11,398	12,743	12,576
Lead, pigs.	240	255	203	156	195	108
Lumber, cars.	18	21	21	11	14	14
Oats, bu.	3,018	3,420	2,748	2,656	2,545	2,314
Pork, lbs.	21,276	22,322	22,185	29,351	27,681	31,165
Wheat, bu.	1,732	1,731	1,607	1,527	1,471	1,733
Zinc, slabs.	182	260	302	213	293	281

*In thousands (000 omitted).

Commodity Prices

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

	per bu.	High		Low		Close	
		July 15, 1924	July 14, 1923	July 15, 1924	July 14, 1923	July 15, 1924	July 14, 1923
Wheat							
July	"	\$1.20½	\$1.09½		\$1.19½		\$.95½
September	"	1.23½	1.11½		1.20½		.96
December	"	1.26½	1.14¼		1.23½		.99¾
No. 2 red winter	"	1.34	1.16	\$1.30 @	1.34	\$.97	@ 1.00
No. 2 hard	"	1.21	1.12		1.21		@ .98
Corn							
July	"	1.11½	.81½		1.11½		.85¾
September	"	1.07	.81		1.02¾		.76½
December	"	.87¼	.74		.85½		.62½
No. 2 white	"	1.14½	.86½		1.14		.87
No. 2 hard	"	1.17	.87½	1.16 @	1.17	.88½ @	.89
Oats							
July	"	.57	.47½		.56		.39½
No. 2 white	"	.60	.52		.59	.41½ @	.42
Flour							
Soft patent	per bbl.	7.00	5.25	6.00 @	7.00	5.00	@ 6.00
Spring patent	"	7.50	6.50	7.00 @	7.50	5.75	@ 6.20
Middling cotton	per lb.	.30	.28¼		.28¼		.27¾
Hogs on hoof	per cwt.	7.65	5.00	5.00 @	7.65	6.50	@ 7.65

BUILDING

In point of dollar value building permits issued in the five leading cities of the district in June showed a rather sharp decrease under the preceding month, also under June last year, and represented the smallest

total since last October. Generally building operations showed a falling off, due to a disposition to postpone new enterprises and the fact that much work commenced earlier in the year has been completed. In the June lists residential building continued to make a relatively good showing, but there was a noticeable decrease in the number of permits for industrial structures. The demand for building materials in the country showed the usual seasonal decline, due to the fact that farmers are preoccupied with harvesting. There was no change worthy of note in material prices, but the trend continues easier. Improved weather since the end of June has permitted of increased activities in highway construction. Production of portland cement for the country as a whole during June totaled 13,538,000 barrels, against 13,777,000 in May and 12,382,000 barrels in June, 1923.

Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	175	144	\$ 178	\$ 262	78	72	\$ 44	\$ 13
Little Rock	99	106	403	247	88	144	30	75
Louisville	353	273	1,137	731	37	148	15	132
Memphis	387	382	1,245	1,479	164	112	60	38
St. Louis	867	879	1,981	2,582	596	663	611	324
June totals	1,881	1,784	\$4,944	\$5,301	963	1,139	\$760	\$582
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

*In thousands of dollars (000 omitted).

FINANCIAL

The chief features of the financial and banking situation in this district during the past thirty days were reduced credit demand from commercial and industrial sources, over-abundant funds in the larger cities, and lower interest rates. Apathy on the part of mercantile borrowers was offset in some degree by increasing demands for funds to finance agricultural operations. In the cotton producing sections the inquiry for credits was considerably better than heretofore, a number of financial institutions in that region finding it necessary to extend their lines to borrowers during the past several weeks. Requirements in the grain sections are also increasing with the progress of the wheat harvest, and borrowing by millers, elevator interests and grain shippers has increased. The demand from live stock raisers is holding up well, but recent heavy shipments of cattle and hogs to market have resulted in considerable liquidation, leaving this general class of loans about at the same level as at the end of the preceding thirty days. A fair volume of liquidation is reported in the tobacco district, and extensive payments have been made in sections where early fruits and vegetables are important crops. Deposits of reporting member banks are holding up well, and a number of banks with surplus funds have turned to the investment market to find employment for them. Loans to member banks by the Federal reserve bank showed a further sharp decrease, and recorded a new low point for the year. Between June 16 and July 15 accommodations granted to member banks by this institution decreased \$2,240,035 and there was a decrease of \$2,420,000 in Federal reserve note circulation.

Commercial Paper

May sales of reporting brokerage interests were 12.5 per cent larger than for the corresponding month in 1923, and 8.3 per cent larger than the May total

this year. The demand from city banks was reported good, but due to the depressed interest rates and the fact that they are finding local outlet for their funds, country banks purchased sparingly. General conditions considered, offerings are holding up fairly well from all classes of borrowers. Rates were again lower, ranging from 3½ to 4 per cent, with an occasional choice name selling at 3¼ per cent. This compares with 4 to 4½ per cent, the range prevailing during the preceding thirty days.

Savings Deposits

No. of banks reporting	*Amount of savings deposits			July 1924 comp. to June 1924	July 1924 comp. to July 1923
	July 2, 1924	June 11, 1924	July 3, 1923		
Evansville 4	\$ 9,243	\$ 9,090	\$ 9,590	+ 1.7%	- 3.6%
Little Rock .. 5	7,915	7,670	7,484	+ 3.2	+ 5.8
Louisville 7	26,627	26,806	23,839	- 0.7	+ 11.7
Memphis 4	17,899	19,322	16,072	- 7.4	+ 11.4
St. Louis.....12	76,866	76,374	72,922	+ 0.6	+ 5.4
Totals.....32	\$138,550	\$139,262	\$129,907	- 0.5	+ 6.7

Postal Receipts

	*For quarter ended				June 1924 comp. to June 1923
	June 30, 1924	Mar. 31, 1924	Dec. 31, 1923	June 30, 1923	
Evansville	\$ 143	\$ 146	\$ 145	\$ 140	+ 2.1%
Little Rock.....	187	203	208	187	+ 0.0
Louisville	630	644	680	569	+ 10.7
Memphis	444	426	476	435	+ 2.1
St. Louis.....	2,836	2,915	3,244	2,694	+ 5.3
Totals	\$4,240	\$4,334	\$4,753	\$4,025	+ 5.3

Debits to Individual Accounts

	*For four weeks ending			July 1924 comp. to June 1924	July 1924 comp. to July 1923
	July 16, 1924	June 18, 1924	July 18, 1923		
E. St. Louis and Nat'l. Stock Yards, Ill.	\$ 34,971	\$ 37,038	\$ 40,889	- 5.6%	- 14.5%
El Dorado, Ark.....	7,037	7,263	10,627	- 3.1	- 33.8
Evansville, Ind.....	28,356	25,084	31,339	+ 13.0	- 9.5
Fort Smith, Ark.....	9,059	9,601	9,351	- 5.6	- 3.1
Greenville, Miss.....	2,962	3,114	2,845	- 4.9	+ 4.1
Helena, Ark.....	3,623	3,525	3,545	+ 2.8	+ 2.2
Little Rock, Ark.....	49,924	49,014	44,035	+ 1.9	+ 13.4
Louisville, Ky.....	159,035	140,057	157,197	+ 13.6	+ 1.2
Memphis, Tenn.....	102,243	103,277	104,155	- 1.0	- 1.8
Owensboro, Ky.....	5,099	4,975	5,162	+ 2.5	- 1.2
Quincy, Ill.....	9,825	9,868	9,735	- 0.4	+ 0.9
St. Louis, Mo.....	588,037	647,761	612,203	- 9.2	- 3.9
Sedalia, Mo.....	3,800	3,989	3,889	- 4.7	.....
Springfield, Mo.....	10,630	6,946	11,862	+ 53.0	- 10.3
Totals.....	\$1,014,601	\$1,051,512	.....	- 3.5	- 2.7

Condition of Banks

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

	*July 9, 1924	*June 11, 1924	*July 11, 1923
Number of banks reporting.....	†34	†34	36
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations.....	\$ 8,277	\$ 8,168	\$ 11,329
Secured by other stocks and bonds.....	142,915	145,625	137,001
All other loans and discounts.....	309,040	304,145	298,618
Total loans and discounts.....	\$460,232	\$457,938	\$446,948
Investments			
U. S. Pre-war bonds.....	14,809	14,309	15,335
Liberty bonds.....	23,091	22,805	23,184
Treasury bonds.....	3,689	5,049	9,373
Victory and Treasury notes.....	15,087	13,763	24,764
Certificates of Indebtedness.....	1,380	1,865	6,406
Other securities.....	91,993	92,023	87,875
Total investments.....	\$150,049	\$149,814	\$166,937
Reserve balance with F. R. bank.....	45,834	39,937	39,832
Cash in vault.....	7,569	7,504	8,464
Net demand deposits.....	363,252	355,464	351,199
Time deposits.....	197,826	197,049	182,469
Government deposits.....	2,467	1,849	7,205
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't. obligations.....	242	1,114	11,627
All other.....	2,796	3,847	14,995

*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 June the Federal Reserve Bank of St. Louis discounted for 260 of its 631 member banks, which compares with 268 of its 633 member banks accommodated in May. The discount rate of this bank remains unchanged at 4 per cent.

Comparative statement of this bank follows:

RESOURCES

	*July 16, 1924	*June 18, 1924	*July 18, 1923
Gold with Federal Reserve Agent.....	\$ 61,589	\$ 63,118	\$ 51,708
Gold redemption fund with U. S. Treasury....	1,440	2,084	4,226
Gold held exclusively against F. R. notes.....	\$ 63,029	\$ 65,202	\$ 55,934
Gold settlement fund with F. R. Board.....	30,424	29,304	19,810
Gold and gold certificates held.....	8,261	7,780	3,818
Total gold reserves.....	\$101,714	\$102,286	\$ 79,562
Reserves other than gold.....	10,684	11,924	13,660
Total reserves.....	\$112,398	\$114,210	\$ 93,222
Non-reserve cash.....	4,332	4,164	6,346
Bills discounted:			
Secured by U. S. Government obligations..	3,887	5,198	17,910
Other bills discounted.....	15,277	17,717	28,327
Total bills discounted.....	\$ 19,164	\$ 22,915	\$ 46,237
Bills bought in open market.....	224	1,196	3,446
U. S. Government securities:			
Bonds .....	.....	.....	6,150
Treasury notes.....	8,527	6,303	1,101
Certificates of indebtedness.....	1,792	1,701	.....
Total U. S. Government securities.....	\$ 10,319	\$ 8,004	\$ 7,251
Total earning assets.....	\$ 29,707	\$ 32,115	\$ 56,934
Uncollected items.....	32,908	33,495	36,040
Bank premises.....	2,116	1,994	1,031
All other resources.....	140	139	146
TOTAL RESOURCES.....	\$181,601	\$186,117	\$193,719

LIABILITIES

F. R. Notes in actual circulation.....	\$ 60,430	\$ 62,225	\$ 73,244
Deposits:			
Member banks-reserve account.....	70,741	73,411	66,648
U. S. Government.....	2,170	1,234	3,327
Other deposits.....	422	381	712
Total deposits.....	\$ 73,333	\$ 75,026	\$ 70,687
Deferred availability items.....	32,209	33,029	34,153
Capital paid in.....	5,064	5,072	4,951
Surplus.....	10,072	10,072	9,665
All other liabilities.....	493	693	1,019
TOTAL LIABILITIES.....	\$181,601	\$186,117	\$193,719
MEMO—Contingent liability on bills purchased for foreign correspondents.....	1,882	1,906	1,612
Ratio of total reserves to deposit and F. R. Note liabilities combined.....	84.0%	83.2%	64.8%

*In thousands (000 omitted).

COST OF LIVING

Slight changes in the retail cost of food and clothing caused an increase of two-tenths of one per cent in the cost of living in the United States between May 15 and June 15, 1924, according to the National Industrial Conference Board. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and June, 1924, the cost of living decreased 20.9 per cent. The increase since July, 1914 was 61.7 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 June 15, 1924, from average prices in		
		July, 1920	May, 1924	June, 1924	July, 1920	May, 1924
Food*	43.1	119	41	42	35.2	0.7**
Shelter	17.7	68	85	85	17.1**	0.0
Clothing.....	13.2	166	76	74	34.6	0.9
Fuel and light.....	5.6	66	65	65	0.6	0.0
(Fuel)	(3.7)	(92)	(77)	(77)	(7.8)	0.0
(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	61.4	61.7	20.9	0.2**

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

**Increase.

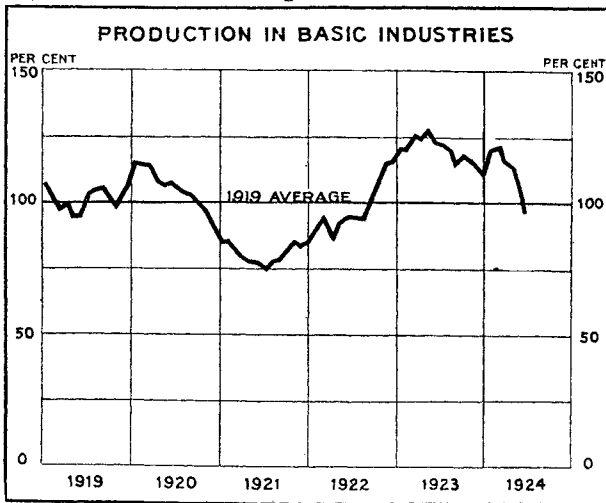
The purchasing value of the dollar, based on the cost of living in June, 1924, was 61.8 cents as contrasted with one dollar in July, 1914.

(Compiled July 25, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES

Production

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variation, declined about 9 per cent in June to a point 22 per cent below the level of the first two months of the year. Iron and steel and cotton manufacturing industries continued to show curtailment of activity, and decreases were general in other industries.



Index of 22 basic commodities corrected for seasonal variation.
Latest figure, June=94.

Factory employment decreased 3 per cent in June, the metal, automobile, textile and leather industries reporting the largest reductions in force. Value of building contracts awarded in June was 8 per cent smaller than in May, though 4 per cent larger than in June of last year.

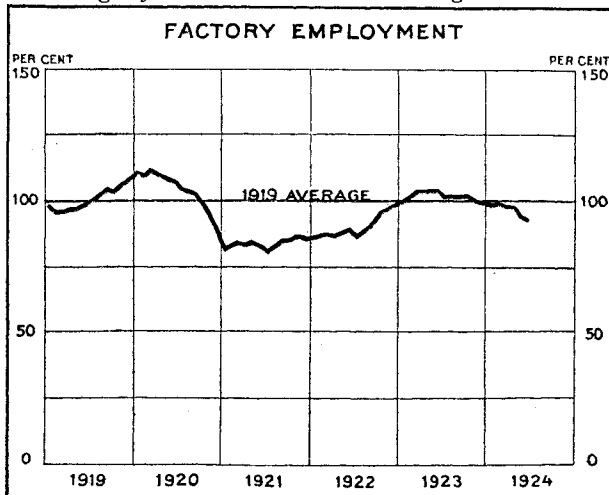
Condition of the corn crop on July 1, as reported by the Department of Agriculture was the lowest on record for that date and indicated a probable yield of about 500,000,000 bushels less than last year. Condition of the cotton crop was recorded less satisfactory than a month earlier, while forecasts for wheat and oats were larger than in June.

Trade

Railroad shipments decreased in June and were about 15 per cent less than a year ago, owing to smaller loadings of all classes of freight except grain and livestock.

Wholesale trade showed a further slight decline in June and was 11 per cent smaller than a year ago. Sales of hardware, drugs, shoes and drygoods decreased, while sales of groceries and meat increased slightly.

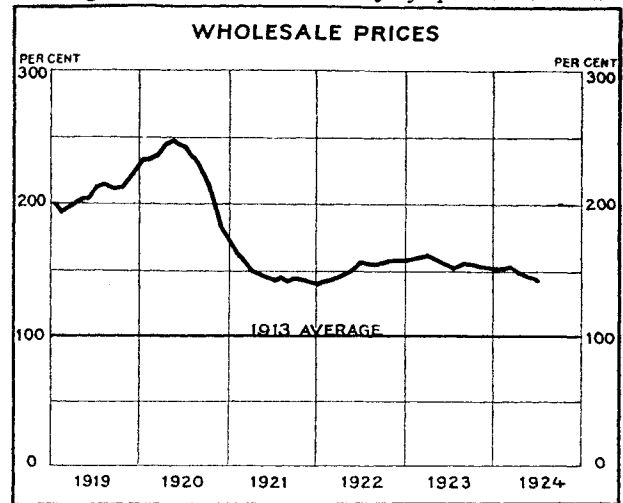
Sales of department stores and chain stores showed more than the usual seasonal decrease during June and were smaller than last year. Mail order sales in June showed less than the usual seasonal decline and were larger than a year ago. Department stores further reduced their stocks of merchandise and slightly increased their outstanding orders.



Index for 33 manufacturing industries.
Latest figure, June=90.

Prices

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined more than 1 per cent in June to a level 5 per cent below the high point for this year. Prices of all groups of commodities except clothing showed declines and decreases were particularly large for building materials. During the first three weeks of July quotations on wheat,



Index of U. S. Bureau of Labor Statistics.
Latest figure, June=145.

corn and hogs advanced sharply, while prices of sugar, cotton goods and iron and steel products were lower.

Bank Credits

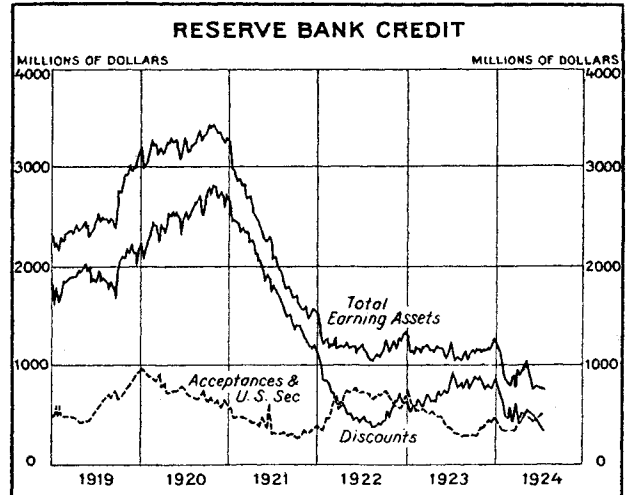
Commercial loans at member banks in leading cities during June and the first two weeks of July remained at a relatively constant level, considerably below the peak reached in April, while investment holdings and loans secured by stocks and bonds increased rapidly and carried total loans and investments to the high point for the year. Demand deposits, owing partly to the growth of bankers' balances at financial centers, advanced to a record level.

At the Federal reserve banks there was continued decline in discounts and an increase in purchases of government securities in the open market. As a consequence, total earning assets in the middle of July were only slightly less than at the beginning of June.

Member bank reserve balances increased rapidly, reflecting a return flow of currency from circulation and further imports of gold. Total deposits at the reserve banks on July 16 were larger than at any time since the organization of the System.

Money rates in July were comparatively steady but continued to show a somewhat easier tendency.

Discount rates at the Federal Reserve Banks of Kansas city and Dallas were reduced during July from 4½ to 4 per cent.



Weekly figures for 12 Federal reserve banks.
Latest figure, July 23.