

FEDERAL RESERVE BANK OF ST. LOUIS



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

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REPORTS covering general business conditions in this district during the past thirty days reflect marked improvement in sentiment and a greater degree of confidence in the near future than at any time since early spring. The chief factor in the more hopeful psychology has been the radical turn for the better in agricultural prospects and the relatively high prices being paid for cereals, live stock and other farm products. The improvement in the physical aspect of important crops, particularly corn and wheat, as contrasted with conditions early in the growing season, has been quite phenomenal, and has served to lift a considerable part of the gloom existing in the agricultural communities. Other influences favorably affecting sentiment have been the halt in recent price reductions of certain important commodities, more seasonable weather, and the continued strength of the banking and financial situation.

Results of the better feeling pervading business, while not universally felt, are being manifested in the form of broadened activities in many lines, particularly those dealing in goods for ordinary consumption. Retail merchants in both city and country are purchasing in larger quantities and taking more diversified assortments. As has been the case for many months past, buying continues chiefly on a basis of immediate requirements, but the number of current orders is large, and bulks impressively in the aggregate. Since the first of this month there has been some relaxation from the policy of purchasing only for immediate shipment, and bookings of future orders by the dry goods, boot and shoe, grocery, and hardware interests exhibit fair gains.

Progress in the direction of bringing production and consumption into nearer balance, noted in the preceding issue of this report, was carried further during the period under review. The curtailed industrial activity during the spring and early summer resulted in considerably reduced stocks of certain commodities in manufacturers' hands, and in a number of instances current output has fallen below the rate of distribution. Since the first of this month operations at many plants have been increased, and preparations were being made to broaden activities still further. Another development worthy of comment was the change in price trends which has worked to bring into closer relationship the values of various groups of commodities. In this movement the rise in prices of farm products was a particularly notable factor.

During July the employment situation showed no decided changes as compared with the month before. Some surplus of labor developed in the larger cities, noticeable particularly among iron and steel workers, and in the furniture and textile industries. The urgent call for men in the harvest fields, according to the

Employment Service of the Department of Labor, materially aided in reducing idleness, as did the resumption of improvement work on the waterways, which had previously been interfered with by high water. Lead and zinc mining showed renewed activity, due to the sharp advance in prices of ore and the refined metals. In the coal fields, however, production continues at a low ebb, and employment conditions were no better than during earlier months this year. Reports relative to the building industry reflected some unevenness. In some localities there was an overplus of both skilled artisans and common labor, while elsewhere full employment was the rule. Large numbers of men were added to highway construction forces, weather generally being auspicious for pushing this class of work. The demand for clerical help was slightly better.

While fluctuating widely, prices of cereals were well sustained during the period under review, and new highs for the year were established on both wheat and corn. Between July 15 and August 15, the September wheat option in the St. Louis market ranged from \$1.19 to \$1.33 $\frac{5}{8}$, and No. 2 red winter wheat from \$1.35 to \$1.47 per bushel. The closing price of September wheat on August 15 was \$1.29 $\frac{3}{4}$, which contrasts with \$1.01 $\frac{5}{8}$ on the corresponding date in 1923. The rise on corn was steady, the December option advancing from 85c on July 15 to \$1.20 on August 15, the latter price comparing with 62 $\frac{7}{8}$ c on the same date in 1923. There was a sharp advance in live stock during the closing week of July, hog prices reaching the highest point touched since July, 1922. Cattle and sheep values were also higher, with fat lambs recovering a good part of their recent losses. Middling cotton in the St. Louis market fluctuated between 28c and 30 $\frac{1}{2}$ c per pound, with the minor figure of the spread recorded on August 15.

Aside from a slightly better undertone and halt in the downturn in prices, the coal situation shows little change from the conditions of extreme dullness which have prevailed for many months. Consumers of all classes appear to have faith in the ability of mines to produce and the railroads to deliver fuel when needed, and are reluctant to purchase for their distant requirements. The quantity of coal stored in householders' bins is the smallest at this particular season in more than a decade. Dealers, as a consequence, are contracting sparingly and declare they will continue this policy until the intentions of their customers are more definitely known. In the immediate past there has been some improvement in demand for steaming coal from the principal Illinois and Indiana fields. Memphis and Louisville coal distributors report July business slightly better than in June, but still much below normal. Despite slack business Arkansas dealers made the regular retail

advance of 50c per ton on August 1. Production of soft coal during the first 188 working days of the calendar year, or to August 9, totaled 269,684,000 net tons, against 332,386,000 tons for the corresponding period in 1923, 218,120,000 tons in 1922, and 354,663,000 tons in 1918. Acute dullness of the market remained the principal feature in reports from the mines and was responsible for losses in working time, beside which other losses were of little consequence.

Freight traffic handled during July by railroads operating in this district was substantially augmented by the heavy movement of grain and, in the case of several Northwestern roads, was in excess of the same month last year. Reports from leading grain shipping points indicate ample facilities for handling all freight offered, there having been a minimum of congestion reported. For the country as a whole July loadings of revenue freight were below those of the July, 1923, total, but well in excess of the same month in 1922. Due chiefly to gains in shipments of grain and grain products, lumber, merchandise, ore and miscellaneous freight, loadings for the week ending August 2 totaled 945,731 cars, an increase of 19,872 cars over the week before, a loss of 87,735 cars over the same week in 1923, but an increase of 103,068 cars over the corresponding period in 1922. The Terminal Railway Association of St. Louis, which handles the interchange of 28 connecting carriers, interchanged 181,825 loads in July, against 175,492 loads in June and 195,318 loads in July, 1923. For the first nine days of August 59,706 loads were interchanged, which compares with 48,868 loads for the corresponding period in July and 62,799 loads in August, 1923. Tonnage moved by the Mississippi River section of the Federal barge line between St. Louis and New Orleans during July amounted to 68,000 tons, against 82,565 tons in June and 44,395 tons in July, 1923. Passenger traffic of the reporting roads decreased 6 per cent during July as compared with the same month a year ago.

Reports relative to collections during the period under review, while still reflecting spotty conditions, were on the whole somewhat more satisfactory than during the preceding thirty days. Improvement was particularly evident in the sections where winter wheat is the principal crop. In those areas many debts of long standing were liquidated, and merchants were able to reduce their commitments with the banks. Generally through the South collection efficiency is reported high, and the same is true in the lead and zinc mining districts, but backwardness continues the rule in the chief coal producing communities. Retailers in the large cities report the usual backwardness in collections at this season, due to the absence of numerous credit customers on vacations. Replies to 402 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
July, 1924.....	2.1%	30.5%	54.5%	12.9%
June, 1924.....	0.9	28.4	58.4	12.3
July, 1923.....	3.1	31.3	58.3	7.3

Commercial failures in the Eighth Federal Reserve District during July, according to Dun's, numbered 64, involving liabilities of \$579,643, against 81 defaults during June with indebtedness of \$975,155 and 47 failures for \$563,872 in July, 1923.

The per capita circulation of the United States on August 1 was \$41.36, against \$42.20 on July 1 and \$42.16 on August 1, 1923.

MANUFACTURING AND WHOLESALE

Automobiles

Combined production of automobiles and trucks for the entire country during July showed a gain of 7.1 per cent over the June total, but fell 19.7 per cent below the July, 1923, figure. The gain in July over June was accounted for entirely in the passenger car division, as the output of trucks showed a loss of 2,155 and was the smallest since February, 1923. Manufacturers reporting direct or through the Automobile Chamber of Commerce built 237,431 passenger cars in July, against 217,845 in June and 297,173 in July, 1923. The output of trucks was 24,895 in July, compared with 27,040 in the preceding month and 29,712 in July, 1923.

Distribution of automobiles during the period under review, as reflected by reports of leading dealers scattered through the district, was slightly in excess of the similar period immediately preceding, but approximately 5.3 per cent under the corresponding time a year ago. A feature of the month's business was increased sales in the country, where the improved crop outlook has served to materially better the purchasing power of farmers. Dealers in the large cities report sales of cheap and medium priced cars holding up well, but fewer of the expensive makes being disposed of, the latter fact being attributed to the absence of many persons on vacations. Sales of parts and accessories were in the main satisfactory, the more seasonable weather having a stimulating effect on automobile travel. No change worthy of note took place in the tire market, which is still suffering from excessive supplies. The number of new cars in dealers' hands was reduced further during July, and replacements are being made on an extremely conservative basis. Salable used cars held by dealers were below the preceding month, and are well under the same period a year ago.

Boots and Shoes

July sales of the 11 reporting interests were 34.2 per cent larger than for the corresponding month in 1923, but 22.6 per cent under the preceding month this year. Business is described as active, with results since August 1 particularly good. The volume of orders for immediate shipment is large, with some improvement in bookings for future delivery. Prices of finished goods were steady, but the trend was higher in sympathy with the upturn in the raw materials, particularly hides and calfskins. Traveling salesmen, who departed for their territories on August 1, report conditions greatly improved and their initial orders sent in have been generally above expectations. There are still numerous complaints of unusually heavy returns of goods, which is accounted for by rapid style changes, especially on women's wear. Factory operation was at from 70 to 90 per cent of capacity. The total number of pairs of shoes manufactured in this district during July was 0.7 per cent larger than the output of the preceding month, but for the country as a whole July production was 3.6 per cent under the June total.

Clothing

The arrival of fall buyers has brought decided optimism into this line, not only by their presence, but because of the sizable orders being placed. Price buying is less in evidence than it was six weeks ago, but demand still centers in the cheaper lines. Several jobbers in the latter group are behind on orders for the first time this year. Worsteds and woolens are a

shade higher in response to the improved demand, but no general advance is as yet in evidence. Tweeds are being given a preference by some buyers of men's wear. July sales of 11 reporting interests showed no change over a year ago, but there was a seasonal downturn as compared with June, 1924, of 10.9 per cent. Representative hatters report sales for the summer season as 0.4 per cent under those of 1923, which in view of the belated start, is well up to expectations.

Drugs and Chemicals

As compared with the same month last year, June sales of the 11 reporting interests showed a decrease of 0.9 per cent, but the total was 10.7 per cent larger than in June this year. Since the middle of July there has been a well defined improvement in all departments of the line. Warmer weather resulted in a good increase in sales of soda fountain supplies, and there was a good volume of reordering of insecticides and spraying materials. The condition of the drug and fine chemical market is better than for several months past, though the gain in actual business has been limited to the call for seasonable materials. Of 35 price changes noted in July, 11 were advances and 24 declines, with quicksilver, botanical drugs and some of the essential oils among the cheaper items.

Dry Goods

The improvement in tone noted in the preceding issue of this report has been emphasized by the placing of substantial orders, July sales of the 12 reporting interests being 18.4 per cent in excess of the June total, though the aggregate volume is still under that of last year. Prices were generally firmer, with spotted advances reported on a number of important items based on cotton, silk, and wool. Knit goods and some other lines failed to participate in the upturn. Sheetings, wash fabrics and certain colored cottons have moved freely, and there has also been good buying of soft-finished cloakings and fall dress goods of the heavier type. Corded fabrics are in better demand, and silk crepes are moving in larger volume. Hosiery, which has been slow for many months, showed slight improvement. Millinery constitutes the weakest spot in the line, with July sales of reporting interests 32 per cent below last year.

Electrical Supplies

A further slowing down in the demand for materials going into new buildings and the unusually cool summer, which held down the movement of fans and other seasonal goods, were mentioned as the chief factors in a reduction of 15.1 per cent in July sales of the 12 reporting interests as contrasted with the corresponding month in 1923, and a loss of 2.3 per cent as compared with the June total this year. The first half of August developed some improvement in the line as a whole, with the demand for radio sets and household appliances showing distinct betterment. With the exception of copper and brass goods, which were firmer in sympathy with the upturn in raw copper, prices showed little variation as compared with the preceding thirty days.

Fire-Clay Products

July business was disappointing, and though improvement developed in inquiries, big buyers were disposed to hold off. A great portion of the current business is in small lots or to dealers. Demand from iron and steel manufacturers is quiet and has followed closely the trend of pig-iron production. Considerable price buying has been in evidence in the oil industry. Demand from cement producers and automobile man-

ufacturers is about steady. Prices are unchanged. July sales of 5 reporting interests were 28 per cent under those of the same month a year ago and 8.5 per cent under the June, 1924 total. During the first two weeks of August some improvement was noted in demand from the iron and steel trade.

Flour

Production of the 11 leading mills of the district during July was 272,300 barrels, which compares with 277,560 barrels in June and 286,463 barrels in July, 1923. Mainly in sympathy with the upturn in wheat, flour prices were advanced during the latter part of July. Buyers, however, were not disposed to follow the advance, and except on clears and low grade flours, which are relatively scarce, the demand was not impressive. Since the first week of August, however, some improvement in buying has taken place, and mills generally have increased their operations, a number of country mills grinding at or near capacity. Some fair orders for export to Latin-American countries have been booked, and there is an unfilled demand for clears from Europe, chiefly Germany. Shipping directions from the domestic trade are reported satisfactory. High grade flours, on which the demand has lagged somewhat, were shaded slightly in price during the second week of this month.

Furniture

Sales of the 28 reporting interests in July were 14.5 per cent under those of the corresponding period in 1923, and 2.3 per cent larger than the June total this year. While business is reported still considerably under normal, there has been some improvement since the middle of July. Light stocks in the hands of dealers and the better economic conditions in the country have resulted in the placement of a fair volume of orders during the past three weeks. The demand for public seating, such as opera chairs, portable folding chairs and school furniture is reported good, and more interest is being displayed in office furniture. The special trade period held in St. Louis during the last two weeks of July was disappointing in results, both in point of number of buyers attending and orders booked. The Evansville trade period will be held the first week of September.

Groceries

Improved sentiment in the rural sections has contributed to renewed buying by country retailers, so that in spite of the movement of garden vegetables and fruits to market, sales have been fairly sustained. Although reports continue of small berry crops in many sections, domestic canning, coupled with the general demand has been of sufficient volume to cause a good advance in the price of refined sugar. Stocks of this commodity in retailer's hands are generally of moderate proportions and are below normal in some instances. The Brazilian situation continues the dominant factor in the coffee market, with the result that prices are firmer through all grades. Canned goods are in fair demand. July sales of 22 reporting interests were 3.2 per cent in excess of the same month a year ago and 3.6 per cent in excess of the June, 1924 total.

Hardware

Activity extending more generally through the entire line than has been the case for a number of months featured business in this classification. The arrival of more seasonable weather stimulated the sale of such typical summer goods as garden hose, refrigerators, ice cream freezers, sprayers and similar lines, the movement of which had been backward earlier in

the season. Camping supplies and sporting goods were also more active than heretofore, and the demand for builders tools and hardware continues strong. Except on certain brass and copper goods, price changes for the most part represented downward revisions. Buying generally in the rural districts was more satisfactory, and improvement in the demand for fall goods was reported by several leading interests. July sales of the 12 reporting interests were 6.5 per cent under those of the same month in 1923, but 9.3 per cent in excess of the June, 1923, total.

Iron and Steel Products

Improvement, manifested generally in sentiment and specifically in actual returns in a number of lines, marked business in this classification during the period under review. While operating schedules are still low, slight gains in a number of instances are reported and preparations were being made to increase activities during the next few weeks. There is more disposition to order for the future than at any time since the early spring, and the volume of bookings for prompt shipment has picked up substantially since the middle of July. Considerable unsettlement still exists in steel prices, but fewer declines were noted than during the preceding month, and in the immediate past a slight stiffening on certain products was in evidence. Raw materials, particularly pig iron and scrap, developed upward tendencies. No. 2 Southern foundry iron, 1.75 to 2.27 per cent silicon, was quoted at \$18 to \$18.50, furnace, while Northern iron of the same grade moved upward from its low point of \$19 to \$20 per ton. Buying of pig iron was more active than at any time since the movement last February, and included a fair portion for last quarter delivery. Production of pig iron for the country as a whole during July sustained a further decline, and was only 51.1 per cent of the high point in March. Steel ingot production also decreased sharply during July, and on an average daily basis was the smallest since January, 1922. Fabricators of structural iron and steel report a good number of awards of small jobs, with inquiries for larger structures more numerous than heretofore. Buying by the railroads, while confined largely to necessities, is showing more signs of life, with track fastenings and bridge repair material moving more satisfactorily. Foundries specializing in gray iron castings have booked a fair volume of new business, and there is a distinct improvement in the demand for stoves, farm implements and other goods for use in the country. Buying by the automotive industry continues quiet, and the demand from the oil fields was less active than during the preceding thirty days. Warehousemen report improvement in the demand for the general line, and have added slightly to their stocks. July sales of stove manufacturers, 7 reporting, were 24.7 per cent less than during the same month in 1923, and 36.4 per cent under the June total this year; railway supplies, 5 reporting, decreased 22¼ per cent under the same month in 1923 and 6.0 per cent below June this year; farm implements, 6 reporting, decreased 13.2 per cent under July, 1923, and 0.5 per cent under June this year; job foundries, 5 reporting, decreased 8.2 per cent under July, 1923, but gained 9.1 per cent over June this year; manufacturers of boilers, stacks, elevators, radiators, wire rope and miscellaneous products, 14 reporting, decreased 30.0 per cent under July last year, and 12.5 per cent under June this year.

Lumber

Yard and wholesale buying of Southern pine was

quite active in the district during late July and the opening week of August, but since that time activities have decreased, due chiefly to price advances by mills, which have added substantially to their unfilled orders. Somewhat less buying has also been noticed in Western products, except red cedar shingles, which improved in demand on strongly advancing prices. The hardwood situation continues to strengthen, despite increasing stocks at mills, but only red gum and a few items in oak have established definite and substantial advances. There has been some improvement in purchasing by the car builders, and the furniture industry is showing more interest in future supplies. Prices of virtually all woods hold to an upward course.

Consumption of Electricity

Decreases both as contrasted with the same month in 1923 and the preceding month this year were shown in the aggregate figures of the reporting centers. Losses were distributed generally through all industries, the only improvement in the comparison between June and July being shown in loads carried by cement manufacturers, flour mills and cold storage plants. The July reports reflected in more marked degree reduced use of current by automobile, steel, furniture and wood working plants.

Detailed figures follow:

	No. of customers	July, 1924	June, 1924	July, 1924	July, 1923	July, 1924
		*K.W.H.	*K.W.H.	comp. to June, 1924	*K.W.H.	comp. to July, 1923
Evansville	40	963	958	+ 0.5%	1,178	-18.3%
Little Rock	35	1,242	1,265	- 1.8	1,211	+ 2.6
Louisville	67	3,598	4,123	-12.7	3,952	- 9.0
Memphis	31	1,053	1,100	- 4.3	926	+13.7
St. Louis	77	13,182	13,007	+ 1.4	14,354	- 8.2
Totals	250	20,038	20,453	- 2.0	21,621	- 7.3

*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
June, 1924	1,765,211,000	2,183,877,000	4,579,088,000
May, 1924	1,953,753,000	2,839,091,000	4,792,844,000
June, 1923	1,758,901,000	2,764,669,000	4,523,570,000

RETAIL

Conditions in the retail department of distribution recorded moderate improvement during the period under review. Warm weather goods moved in more satisfactory volume than during the two preceding months, and in a number of instances retailers were obliged to reorder in certain lines. Improvement in trade in the rural districts was general, particularly through the winter wheat areas, where extensive marketing of grain assisted the buying power of the farming communities. Electrical supply dealers report quite a marked betterment in their business, with the heavier movement of radio sets, fans and other summer goods accounting for the larger sales total. Sporting goods, camping supplies and the general line of vacation goods were in better demand. Sales of the 22 leading department stores of the district in July showed a decrease of 1.0 per cent under the corresponding month in 1923, but sales during the first two weeks of August indicates a gain over a year ago.

Detailed department store figures follow:

	Net sales		Stocks on hand		Annual rate of stock turnover
	July, 1924	July 31, 1924	July 31, 1924	July 31, 1924	For the month ending
	comp. to July, 1923	comp. to July 31, 1923	comp. to June 30, 1924	comp. to July 31, 1924	July 31, 1924
Evansville	- 5.2%	- 5.3%	- 6.7%	- 6.7%	1.65
Little Rock	- 2.5	- 1.6	- 3.0	- 3.0	1.91
Louisville	- 1.9	+ 6.9	- 3.5	- 3.5	2.02
Memphis	+ 10.5*	+ 4.9	- 7.0	- 7.0	2.09
Quincy	- 3.3	- 6.3	- 3.1	- 3.1	2.04
St. Louis	- 3.8	+ 4.1	- 4.1	- 4.1	2.29
8th District	- 1.0	+ 2.1	- 4.4	- 4.4	2.15

*Increase occasioned largely by expansion of one reporting firm.

AGRICULTURE

Most crops in this district underwent substantial improvement during July, and generally favorable weather since August 1 has tended to carry this betterment still further. According to the U. S. Department of Agriculture the composite condition of all crops in states wholly or partly within the Eighth Federal Reserve District (100=10-year average) was 97 per cent on August 1, which compares with 90.2 per cent on June 1 and 96.6 per cent on August 1, 1923. Scattered reports from various sections of the district indicate rather uneven conditions, with some extremely brilliant prospects, while others are much less hopeful. Very generally, however, emphasis is laid upon the improved farm situation, due to more favorable prices for products of the soil and live stock and better physical condition of growing crops.

Threshing of winter wheat has made rapid progress, save in certain localities where rain has delayed operations temporarily. Early returns are developing results above expectations, both in point of quantity and quality. The unusually favorable weather for filling of heads resulted in exceptionally plump, heavy kernels and good milling quality. The total yield of all wheat in the district is estimated at 55,239,000 bushels, against 83,426,000 bushels harvested last year.

Except in Indiana and Tennessee, prospects for corn improved in all states of the district during July, and the total estimated output is 349,046,000 bushels, an increase of 19,516,000 over the estimate based on the July 1 condition, but 54,044,000 bushels less than was harvested last year. Intensive cultivation was general through the district, and numerous fields were thoroughly cleared of weeds and grass. Stands, however, are spotty, and growth will average from one to three weeks late. For this reason an early frost would prove injurious to the crop, and ideal growing conditions to harvest are essential to best results.

The average yield per acre of oats in the district is high, and the total estimated crop, 61,761,000 bushels, compares with 52,072,000 bushels harvested last year. In Illinois the August 1 condition of oats was rated at 92 per cent and the crop is the best since 1918.

Wheat—Corn—Oats

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

Winter Wheat	*Total production in bushels				Yield per acre		Quality	Farm Price per bu.	
	Harvested		1918-22		1924 10-yr.		per cent	July 15	
	Prelim.	1923	av.		Prelim.	av.		1924 10-	1924 1923
				Bu.	Bu.	yr. av.		cents	
Illinois	35,648	60,534	51,377	14.7	17.3	88	90	108	92
Indiana	29,520	34,188	33,707	16.0	15.6	92	89	105	96
Kentucky	4,340	7,688	8,320	10.0	11.7	88	88	115	112
Missouri	26,483	37,882	45,106	12.8	13.3	86	87	106	89
U. S. Total	589,350	572,340	624,653	16.0	15.2	93.0	89.6	.....	.....

Corn	*Production				Harvested		Farm Price per bu.		
	Condition August 1		Forecast 1924 from condition		1923		July 15		
	10-	yr. av.	Aug. 1	July 1	5-yr. av.		1924 1923		
		%	%	Bu.	Bu.	Bu.	Bu.	cents	cents
Illinois	70	79	282,590	248,276	337,312	317,273	96	80	
Indiana	59	80	123,567	123,545	192,616	177,513	94	82	
Kentucky	79	82	78,336	72,727	87,866	89,159	110	102	
Missouri	77	77	170,327	142,480	196,860	173,702	104	89	
Tennessee	79	82	77,609	77,007	73,941	83,241	110	109	
U. S. Total	70.7	80.9	2,576,440	2,515,385	3,046,387	2,899,428	98.3	87.0	

Oats	Condition August 1		Forecast 1924 from condition		Harvested		Farm Price per bu.	
	10-	yr. av.	Aug. 1	July 1	1923		July 15	
	%	%	Bu.	Bu.	Bu.	Bu.	cents	cents
Illinois	92	81	163,762	156,601	135,100	146,005	47	36
Indiana	92	79	67,731	63,154	48,692	59,088	47	38
Missouri	83	77	42,208	40,318	34,500	42,189	54	44
U. S. Total	88.2	80.8	1,439,041	1,356,338	1,299,823	1,302,516	49.4	40.2

*In thousands (000 omitted).

Tame hay condition reports are generally favorable, but frequent rain interruptions have greatly slowed up progress of haying operations and lowered quality in many localities. Second, or seed crop clover, outlook is good and in the South shortage of timothy will be largely made up by heavy planting of emergency crops, such as soybeans, cowpeas and kafir. Except in a relatively few sections, where moisture has been deficient, pastures are in excellent condition, with the general average condition on August 1 above 90 per cent.

Summer fruit and vegetable prospects are in the main good. Apples in Illinois and Missouri promise about 50 per cent of a normal crop, but in Arkansas, Kentucky and Tennessee, the indicated yield is higher. The estimated yield of white potatoes for the district, based on the August 1 condition, is 18,152,000 bushels, against 18,223,000 bushels harvested last year. A decline in condition of sweet potatoes and peanuts took place during July.

The conditions of live stock continues generally good, and farm labor is adequate to all requirements.

During July there was a rather sharp deterioration in tobacco prospects, with the estimated yield for the district dropping from 329,679,000 pounds on July 1 to 309,448,000 pounds on August 1. The total yield in 1923 was 396,737,000 pounds. Unfavorable conditions during the planting season, and heavy rains which interfered with cultivation were factors in the lowered status of the crop. Wildfire did damage in some sections, but the hot, dry weather of the past three weeks has served to check the spread of this disease, and has permitted of the thorough cultivation of the crop. The leaves are spreading and generally improvement is very noticeable. Prices of old tobacco remain firm.

Due to extremely dry weather, the rice crop in Arkansas lost ground during July and in some fields weeds and grass made headway. On the whole, however the crop is making good progress, though the comment is made that the cost of production will be high, due to the heavier irrigating expense. Early varieties have begun to head out, and prospects are for an early maturing crop. Stocks of old rice have been largely disposed of, stock remaining consisting of low grades. The demand continues active, with prices firm.

Reports relative to cotton indicate rather irregular conditions, but weather during the past two weeks has been generally favorable for development of the crop. Considerable backwardness has been caught up with, and insect damage, save in a few scattered localities, is negligible. Almost universally the crop is in splendid state of cultivation, and the plant in the main looks healthy, though there are complaints of irregular stands. Based on a condition of 67.4 per cent of normal on August 1, the Crop Reporting Board of the U. S. Department of Agriculture forecasts a cotton crop for the country as a whole of 12,351,000 bales (500 pounds gross weight).

Live Stock Movement

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

	*Receipts			*Shipments		
	July, 1924	June, 1924	July, 1923	July, 1924	June, 1924	July, 1923
Cattle and Calves	126	103	138	78	62	82
Hogs	319	361	338	201	222	207
Horses and Mules	2	2	3	2	2	3
Sheep	76	76	79	14	15	23

*In thousands (000 omitted).

Commodity Prices

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

	High	Low	Close	
			Aug. 15, 1924	Aug. 15, 1923
Wheat				
September .....per bu	\$1.33½	\$1.19	\$1.29¾	\$1.01½
December	1.37½	1.22	1.34½	1.04¾
May	1.41¾	1.35	1.39¾	1.09½
No. 2 red winter	1.47	1.35¼	\$1.37 @ 1.42	1.04
No. 2 hard.....	1.35	1.21	1.28 @ 1.30	1.01½
Corn				
September	1.20	1.01¾	1.20	.78½
December	1.14½	.85	1.14¼	.62¾
May	1.14¾	.92½	1.14¾	.64½
No. 2.....	1.18	1.09	1.18	.86 @ .87
No. 2 white.....	1.18	1.10	1.18	.84½ @ .85
Oats				
September .....	.55	.50¾	.55	.36
No. 2 white.....	.59½	.51½	.55 @ .55½	.39½ @ .40
Flour				
Soft patent.....per bbl.	7.50	6.00	7.00 @ 7.50	5.25 @ 6.25
Spring patent.....	8.10	6.90	7.10 @ 7.30	6.10 @ 6.25
Middling cotton.....per lb.	.30½	.28	.28	.24½
Hogs on hoof.....per cwt.	11.10	5.25	10.45	5.50 @ 8.70

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:

	Condition					*Production	
	Change between					Forecast	Final
	Aug. 16, 1924	Aug. 1, 1924	Aug. 25, 1923	Aug. 16, 1924	July 25, and Aug. 25, 1924	Aug. 16, 1924	Aug. 1923, (Census ginnings)
Arkansas	71	71	57	0	-11	8	1,112
Mississippi	65	67	48	-2	-17	-10	1,039
Missouri	70	72	67	-2	-3	-5	222
Tennessee	72	69	64	+3	-5	-5	436
U.S. Total	64.9	67.4	54.1	-2.5	-13.1	-9.1	12,956

*In thousands of bales (000 omitted)

Commodity Movement

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

	*Receipts			*Shipments		
	July, 1924	June, 1924	July, 1923	July, 1924	June, 1924	July, 1923
Beef, lbs.....	197	62	1,129	24,605	21,824	23,482
Corn, bu.....	3,701	2,834	2,616	2,149	2,195	1,797
Flour, bbls.....	441	404	387	465	384	437
Hides, lbs.....	6,101	6,793	6,318	8,479	6,706	8,887
Lard, lbs.....	6,716	5,181	5,639	14,514	11,398	11,331
Lead, pigs.....	170	240	142	116	156	112
Lumber, cars.....	17	18	19	11	11	13
Oats, bu.....	1,832	3,018	2,452	1,634	2,656	2,276
Pork, bbls.....	23,933	21,276	21,400	35,299	29,351	32,541
Wheat, bu.....	3,692	1,732	5,775	1,843	1,527	2,877
Zinc, slabs.....	188	182	345	233	213	323

*In thousands (000 omitted).

BUILDING

Activity in virtually all lines of construction continued at about the same pace noted during the preceding thirty days. While the amount of residential building in the larger cities shows a slight falling off as compared with recent months, the loss was compensated by gains in other classifications, notably industrial, commercial and municipal work. The volume of small homes being erected in suburban communities and the smaller towns is still large. The dollar value of permits issued during July in the five largest cities of the district showed a good increase over the preceding month, also over July, 1923. While somewhat easier than heretofore, the situation in the labor market is described as healthy. There is little unemployment among skilled artisans, and wages continue at their recent high levels. Road building programs are being vigorously pushed in Missouri, Illinois, and Arkansas, with considerable work of the same character reported by other states. Production

of portland cement for the country as a whole during July totaled 14,029,000 barrels, against 13,538,000 barrels in June and 12,620,000 barrels during July, 1923.

Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	183	112	\$ 164	\$ 242	75	69	\$ 16	\$ 12
Little Rock.....	75	79	169	327	78	85	31	52
Louisville	249	301	1,033	824	131	117	201	80
Memphis	432	328	1,703	953	119	107	78	95
St. Louis.....	858	825	2,489	2,456	625	568	335	452
July totals.....	1,797	1,645	\$5,558	\$4,802	1,028	946	\$661	\$691
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

*In thousands of dollars (000 omitted).

FINANCIAL

As contrasted with the similar period immediately preceding, the financial situation in this district during the past thirty days showed only minor changes. The general demand for funds from commercial and industrial sources was moderately active only, and the banks are still heavily equipped with loanable resources, with the result that rates sustained a further slight decline. Demands from the country for crop moving and general agricultural purposes gained somewhat particularly in the winter wheat areas, where marketing of the crop was stimulated by the high level of prices. Millers and country elevators were active borrowers, the volume of loans in this category showing a good increase over the preceding month. The seasonal liquidation of live stock loans was somewhat more pronounced than usual, due to the heavy shipments of cattle, sheep and hogs. The demand from the cotton sections is beginning to be felt, banks in the south reporting increased borrowings from that source. The past three weeks have also developed a better inquiry for credits by the southern lumber interests. Deposits of the commercial banks are at a high level, with the trend continuing upward.

Commercial Paper

Lower rates and decreased offerings of choice names were factors in a slowing down in the commercial paper market during the period under review. Country banks, which usually retire from the market during periods of extreme low rates, were purchasing sparingly, while city banks showed a disposition to discriminate in favor of the higher grade offerings, which are relatively scarce. Rates ranged between 3¼ and 4 per cent, with occasional sales of particularly prime paper at 3 per cent.

Condition of Banks

Condition reports of all member banks in United States as of June 30, 1924, which have now become available, indicate that total loans and investments on that date were \$27,262,000,000, marking a further increase of \$430,000,000 over the record amount shown for March 31, 1924. The increase for the period was chiefly in the banks' investments which advanced by \$342,000,000, while loans increased by \$88,000,000. Of the growth in investments, \$38,000,000 represented additional purchases of U. S. securities, and \$304,000,000—additions to the banks' holdings of corporate obligations. A rapid growth of demand deposits, including

certified and cashiers' checks, carried their total to \$16,293,000,000, the largest amount on record, and time deposits increased to \$9,203,000,000, also a larger total than at any previous time.

The following statement shows changes in the principal resources and liabilities of all member banks on the last call date compared with three months and with a year ago:

	Increase (+) or decrease (-) on June 30, 1924, since	
	March 31, 1924	June 30, 1923
Loans and discounts (including overdrafts).....	+\$ 88,000,000	+\$384,000,000
United States securities.....	+ 38,000,000	+ 262,000,000
Other bonds, stocks and securities.....	+ 304,000,000	+ 465,000,000
Total loans and investments.....	+ 430,000,000	+ 587,000,000
Demand deposits (including certified and cashiers' checks).....	+ 707,000,000	+1,132,000,000
Time deposits.....	+ 313,000,000	+ 825,000,000
Bills payable and rediscounts.....	- 242,000,000	- 570,000,000
Acceptances outstanding.....	- 108,000,000	- 60,000,000

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

	*Aug. 6, 1924	*July 9, 1924	*Aug. 8, 1923
Number of banks reporting.....	†34	†34	36
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations.....	\$ 8,040	\$ 8,277	\$ 11,799
Secured by other stocks and bonds.....	146,758	142,915	137,568
All other loans and discounts.....	306,216	309,040	309,427
Total loans and discounts.....	\$461,014	\$460,232	\$458,794
Investments			
U. S. Pre-war bonds.....	14,808	14,809	15,325
Liberty bonds.....	21,940	23,091	23,517
Treasury bonds.....	2,509	3,689	9,350
Victory and Treasury notes.....	9,411	15,087	21,255
Certificates of Indebtedness.....	1,201	1,380	6,563
Other securities.....	92,875	91,993	84,707
Total investments.....	\$142,744	\$150,049	\$160,717
Reserve balance with F. R. bank.....	46,143	45,834	41,556
Cash in vault.....	7,832	7,569	7,840
Net demand deposits.....	355,689	363,252	345,910
Time deposits.....	203,157	197,826	190,633
Government deposits.....	2,170	2,467	5,228
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Govt. obligations.....	0	242	9,943
All other.....	1,578	2,796	18,927

*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.

From the above statement it will be noted that the total deposits in the 34 reporting member banks in this district as of August 6, 1924, while \$2,529,000 under those of a month ago, are \$19,245,000 greater than a year ago. Loans and discounts of the reporting banks show an increase of \$782,000 over the previous month and an increase of \$2,200,000 over a year ago. Investments of the reporting member banks decreased \$7,275,000 since last month and decreased \$17,973,000 from a year ago.

Federal Reserve Operations

In contrast to the developments of member banks, bills discounted held by the Federal Reserve Bank of St. Louis on August 23, 1924, amounted to \$19,214,000, as compared with \$18,163,000 the previous month and \$55,741,000 a year ago. During July the reserve bank discounted for 244 of its 629 member banks, which compares with 260 of its 631 member banks accommodated in June. The discount rate of this bank remains unchanged at 4 per cent. The combined reserve ratio of this bank against deposit and Federal reserve note liabilities on August 23, 1924, was 80.5 per cent as compared with 85.2 per cent last month and 62.3 per cent a year ago.

Debits to Individual Accounts

The following table gives the total debits charged by banks to checking accounts, savings accounts and trust accounts of individuals, firms, corporations and

(Compiled August 23, 1924)

U. S. Government and also certificates of deposit paid, in the leading cities of this district during the past month and corresponding period a year ago. Charges to the accounts of banks are not included. These figures are considered the most reliable index available for indicating actual spending by the public during the periods which they cover:

	*For four weeks ending			Aug. 1924 comp. to July 1924	Aug. 1924 comp. to Aug. 1923
	Aug. 13, 1924	July 16, 1924	Aug. 15, 1923		
E. St. Louis and Natl. Stock Yards, Ill..	\$ 36,906	\$ 34,971	\$ 40,897	+ 5.5%	- 9.8%
El Dorado, Ark.....	7,154	7,037	8,353	+ 1.7	-14.4
Evansville, Ind.....	25,076	28,356	27,252	-11.6	- 8.0
Fort Smith, Ark.....	8,897	9,059	9,081	- 1.8	- 2.0
Greenville, Miss.....	2,503	2,962	2,425	-15.5	+ 3.2
Helena, Ark.....	3,097	3,623	3,332	-14.5	- 7.1
Little Rock, Ark.....	49,287	49,924	44,024	- 1.3	+12.0
Louisville, Ky.....	142,656	159,035	128,916	-10.3	+10.7
Memphis, Tenn.....	85,979	102,243	89,090	-15.9	- 3.5
Owensboro, Ky.....	4,949	5,099	5,135	- 2.9	- 3.6
Quincy, Ill.....	7,561	9,825	10,524	-23.0	-28.2
St. Louis, Mo.....	556,571	588,037	544,391	- 5.4	+ 2.2
Sedalia, Mo.....	3,486	3,800	.....	- 8.3	.....
Springfield, Mo.....	9,864	10,630	11,495	- 7.2	-14.2
Totals.....	\$943,986	\$1,014,601	.....	- 7.0	+ 2.1

*In thousands (000 omitted).

Savings Deposits

The changes in the amount of savings deposits, exclusive of postal savings deposits, since a month ago and a year ago, as reported by the largest member banks in the leading cities of this district, are shown in the following table:

	No. of banks reporting	*Amount of savings deposits			Aug., 1924 comp. to July, 1924	Aug., 1924 comp. to Aug., 1923
		Aug. 6, 1924	July 2, 1924	Aug. 1, 1923		
Evansville 4		\$ 9,193	\$ 9,243	\$ 9,050	- 0.5%	+ 1.6%
Little Rock... 5		7,613	7,915	7,262	- 3.8	+ 4.8
Louisville 7		27,218	26,627	23,296	+ 2.2	+16.8
Memphis 4		17,374	17,899	18,451	- 2.9	- 5.8
St. Louis.....12		76,778	76,866	71,681	- 0.1	+ 7.1
Totals.....32		\$138,176	\$138,550	\$129,740	- 0.3	+ 6.5

*In thousands (000 omitted).

COST OF LIVING

The average cost of living in the United States, according to the National Industrial Conference Board, remained unchanged between June 15, and July 15, 1924, although all of the separate items, except light, showed slight variations in this period. Between March 15, and July 15, 1924 there was an average decrease of nine-tenths of one per cent in the cost of living, due to decreases in the average cost of food, clothing, fuel and sundries. The only increase was in the average cost of shelter; the cost of light remained the same in this period. Between July, 1920, when the peak of the rise since 1914 was reached, and July, 1924 there was a decrease of 20.9 per cent. The increase since July, 1914 was 61.7 per cent.

The following table shows in detail the changes in the cost of living noted above:

Item	Relative import- tance 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 July 15, 1924, from average prices in		
		July, 1920	Mar., 1924	June, 1924	July, 1924	July, 1920	Mar., 1924	June, 1924
Food*	43.1	119	44	42	43	34.7	0.7	0.7**
Shelter	17.7	58	85	85	86	17.7**	0.5**	0.5**
Clothing	13.2	166	76	74	71	35.8	2.4	1.8
Fuel and light.....	5.6	66	72	65	66	0.0	3.4	0.6**
(Fuel)	(3.7)	(92)	(87)	(77)	(78)	(7.3)	(4.8)	(0.6)**
(Light)	(1.9)	(15)	(42)	(42)	(42)	(23.4)**	(0.0)	(0.0)
Sundries	20.4	85	74	74	73	6.4	0.6	0.6
Weighted average of all items.....	100.0	104.5	63.2	61.7	61.7	20.9	0.9	0.0

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

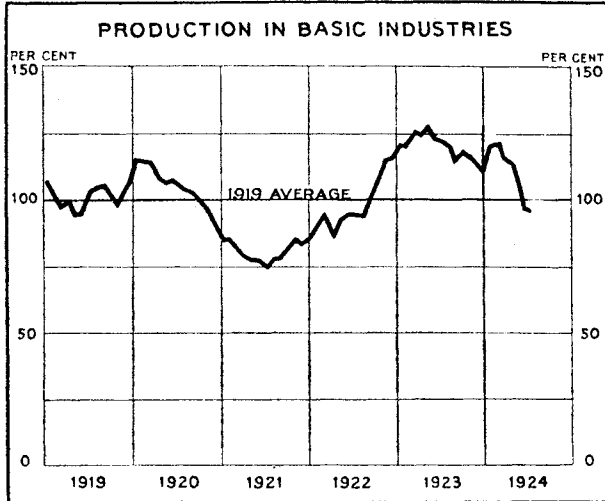
The purchasing value of the dollar based on the cost of living in July, 1924 was 61.8 cents as contrasted with one dollar in July, 1914.

BUSINESS CONDITIONS IN THE UNITED STATES

Production in basic industries, after a considerable decline in recent months, was maintained in July at the same level as in June. Factories employment continued to decline; wholesale prices increased for the first time since early in the year, reflecting chiefly the advance in the prices of farm products.

Prices

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, increased more than 1 per cent in July. Prices of farm products, foods, and clothing increased, while prices of building materials again declined sharply and prices



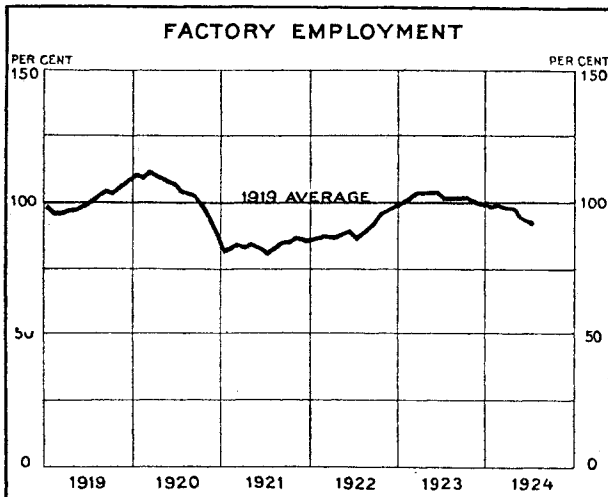
Index of 22 basic commodities corrected for seasonal variation. Latest figure, July=94.

Production

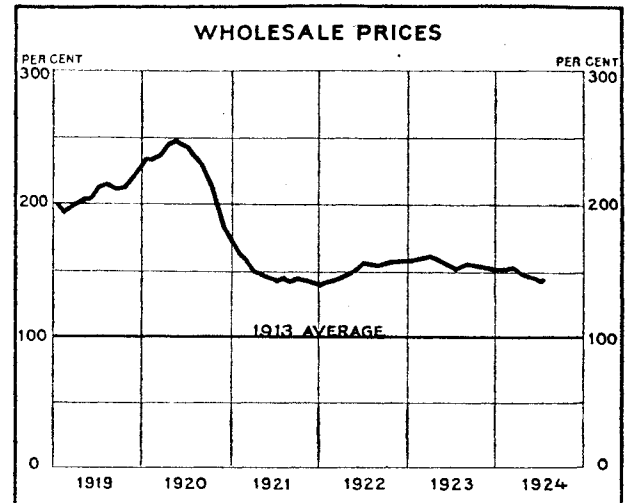
The Federal Reserve Board's index of production in basic industries, which had declined 22 per cent between February and June, remained practically unchanged during July. Iron and steel and woolen industries showed further curtailment, while production of flour, cement, coal and copper was larger than in June. Factories employment decreased 4 per cent in July owing to further reduction of prices in the textile, metal, and automobile industries. Building contract awards showed more than the usual seasonal decline in July, but were 10 per cent larger than a year ago. Crop conditions, as reported by the Department of Agriculture, were higher on August first than a month earlier. Estimated production of nearly all of the principal crops, except tobacco, was larger than in July and the yields of wheat, oats, rye, and cotton are expected to be considerably larger than last year.

Trade

Railroad shipments increased in July owing to larger loadings of miscellaneous merchandise, grain and coal. Wholesale trade was 3 per cent larger in June, owing to increased sales of meat, dry goods, and rugs, but was 3 per cent smaller than a year ago. Retail trade showed the usual seasonal decline in July and department store sales were 1 per cent greater and mail order sales 7 per cent less than a year ago. Merchandise stocks at department stores continued to decline during July and were only slightly larger at the end of the month than a year earlier.



Index for 33 manufacturing industries. Latest figure, July=87.



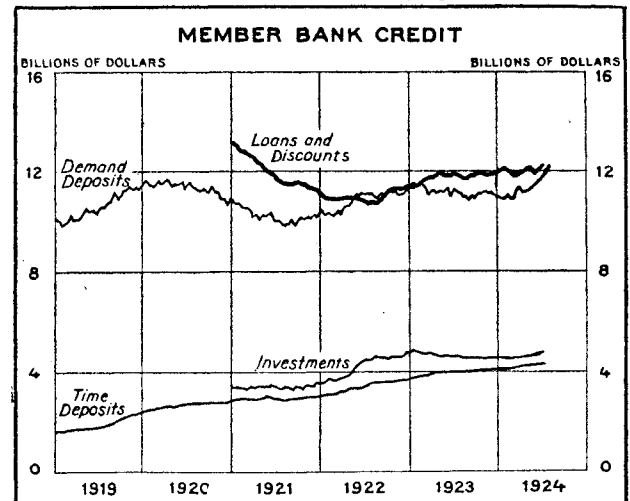
Index of U. S. Bureau of Labor Statistics. Latest figure, July=147.

of metals, fuel, and house furnishings also decreased. During the first half of August quotations on corn, beef, sugar, silk, copper, rubber, and anthracite advanced, while prices of cotton, flour and bricks declined.

Bank Credit

Commercial loans of member banks in leading cities, owing partly to seasonal influences, increased considerably early in August. Loans secured by stocks and bonds and investments continued to increase, so that at the middle of August total loans and investments of these banks were larger than at any previous time. Further growth of demand deposits carried them also to the highest level on record.

Between the middle of July and the middle of August Federal Reserve bank discounts for member banks declined further and their holdings of acceptances decreased somewhat. United States security holdings increased, however, and total earning assets of Federal Reserve banks remained practically unchanged. Continued easing in money rates in the New York market during July and early August is indicated by a decline of $\frac{1}{4}$ of 1 per cent in prevailing rates for commercial paper to $3\frac{1}{4}$ per cent. After the middle of August there was some advance in open market rates for bankers' acceptances and short term Government securities. During August the discount rate at the Federal Reserve Bank of New York was reduced from $3\frac{1}{2}$ to 3 per cent and at the Federal Reserve bank of Cleveland and of San Francisco from 4 to $3\frac{1}{2}$ per cent.



Weekly figures for member banks in 101 leading cities. Latest figure, August 14.