

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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GENERAL business in this district underwent further slight improvement during the period under review. Conditions as a whole were favorable, and during the past three weeks more optimism was in evidence. Improvement in sentiment was due in large measure to the arrival of more seasonable weather, breaking of the protracted dry spell in the South, good progress for growing crops, and improvement in the general agricultural outlook. Retail distribution is exhibiting more life, and the movement of all varieties of seasonal goods into consumptive channels is in large volume. Wholesalers and jobbers in a number of important lines report growing confidence, and a slightly greater disposition to purchase commodities for the future. Forward sales, however, are still relatively small as contrasted with past years, and in the textile classification the decline in raw cotton and wool prices has proved a deterrent to forward commitments on goods based upon those staples.

Decreased production occurred in a number of important industries, but in a majority of instances the curtailment was not drastic and has served to bring outputs into nearer balance with current demand. Activities at iron and steel plants were less than during the preceding thirty days, and shipments of finished materials were in excess of new business booked, resulting in a further loss in unfilled orders. Automobile production increased over March, and for the country as a whole a new high record was established with the April output. Generally the trend of prices of manufactured goods was lower, and the Federal Reserve Board's price index of all commodities on May 1 stood at 156.2 as against 157.3 a month earlier. Inventories of both finished goods and raw materials are of moderate size, and in a majority of lines investigated, stocks were considerably below those held at the corresponding period last year.

An outstanding feature in the situation in this district during the past thirty days was the continued high rate of activity in the building industry. In point of value, permits for new construction in the five largest cities reached the highest total on record. In addition, work on buildings in course of construction was pushed without interruption, and in suburban communities and small towns residential construction is going forward on an unusually large scale. Producers and distributors of building materials report sales well ahead of the same period last year. Labor in the building crafts is fully employed, and generally employment conditions in the district are satisfactory. The railroads have released some workers in their shops and operating departments, and iron and steel plants have reduced their forces, but demand for farm hands and common laborers for highway and river improvement work has increased.

The movement of early fruits and vegetables to market is considerably in advance of a year ago. These crops, particularly strawberries, have turned out well, and producers are for the most part satisfied with prices. There was the usual seasonal decrease in shipments of cereals, and stocks of grain in all positions have been largely reduced. There was a recovery in prices of wheat, corn and oats from the low levels touched during the last week in April, and closing quotations on May 15 were sharply higher than at the middle of April. Cotton declined sharply, sentiment being affected by improved crop conditions, and middling in the St. Louis market closed at $22\frac{3}{4}c$ on May 15, against $24\frac{1}{4}c$ on April 15, and $30\frac{1}{2}c$ on May 15, 1924. Live-stock prices fluctuated rather broadly, but finished the period with no marked changes as compared with the preceding thirty days.

Little change worthy of note has taken place in the coal situation, operators and dealers contin-

uing to complain of extreme dullness in all sections of the trade. Around the first of May there was a slight flurry of buying, occasioned by the spell of unseasonably cold weather and the usual effort to purchase prior to the effective date of the advance in circular prices. The general run of steam coals still drag in all markets of the district, and the firmness displayed in screenings was caused more by temporary scarcity than any improvement in demand. Mines are working from one to three days per week, and each month adds to the number of collieries closed down, either permanently or for an indefinite period. The strip pits are relatively more active than shaft mines, and are supplying a considerable part of the steam tonnage that formerly went to the latter. The domestic trade is described as dull, with householders doing almost nothing in the way of engaging fuel for fall and winter use. In the immediate past Kentucky mines have been getting a fair share of lake trade, which has helped the fields in that State. In reports from the mines generally on loss of time, "no orders" continue to predominate. Production of bituminous coal for the country as a whole during the first 95 working days of the calendar year, or to May 9, totaled 172,768,000 tons, against 178,158,000 tons in 1924.

During each week in April, loadings of revenue freight by railroads of the country showed gains over the corresponding period in 1924, and the total for the first seventeen weeks of the year, or to April 25, was in excess of the same time in both 1924 and 1923. Roads operating to the southwest report the movement of early fruit and truck crops in heavy volume, and much in advance of a year ago. Loadings of merchandise and miscellaneous freight continue heavy, and account for a large part of the total increase over the preceding year. Passenger traffic continues its recent declines, especially in suburban business, competition of automobiles and interurban lines being given as the chief cause for the losses. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 197,758 loads in April, against 214,564 loads in March and 196,111 loads in April, 1924. During the first nine days of May 61,163 loads were interchanged, which compares with 60,436 loads for the first nine days of April and 58,262 loads during the corresponding period in 1924. Passenger traffic of the reporting roads decreased 10 per cent during April as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans during April was 97,500 tons against 91,787 tons in March, and 60,229 tons in April, 1924.

Collection efficiency during the period under review was fully equal to that of the preceding thirty days, and somewhat higher than the corresponding time in 1924 and 1923. Answers to 432 questionnaires addressed to representative lines scattered throughout the district showed the following results:

| | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> |
|------------------|------------------|-------------|-------------|-------------|
| April, 1925..... | 4.6% | 36.0% | 53.0% | 6.4% |
| March, 1925..... | 4.3 | 35.1 | 53.2 | 7.4 |
| April, 1924..... | 1.7 | 29.4 | 56.3 | 12.6 |

Commercial failures in the Eighth Federal Reserve District during April, according to Dun's, numbered 81, involving liabilities of \$1,684,044, against 86 defaults in March with indebtedness of \$3,343,246, and 97 failures for \$1,033,327 in April, 1924.

The per capita circulation of the United States on May 1, 1925, was \$41.50, against \$41.99 on April 1, 1925, and \$42.33 on May 1, 1924.

MANUFACTURING AND WHOLESALE

Automobiles—Further expansion at automobile plants took place in April, total output for that month being the largest ever recorded. As compared with March, production in April showed a gain of 10.6 per cent and was 15.1 per cent larger than in April, 1924. Manufacturers reporting direct or through the National Automobile Chamber of Commerce built 384,902 cars in April, against 326,140 in March and 336,968 in April, 1924. Trucks manufactured in April numbered 45,534 against 42,274 in March and 34,977 in April, 1924.

Both wholesale and retail distribution of automobiles was active during the period under review. Business in the larger cities was particularly good, and a number of dealers reported they were unable to secure sufficient cars to make immediate deliveries, the first time such a condition has been in evidence for two years or more. Country dealers' reports indicate rather spotted conditions, sales in some localities being up to expectations, while elsewhere they are slow. Marked improvement in the used car market has taken place, the number of vehicles in stock being about 25 per cent smaller than a year ago, and the investment represented being lower than that. Sales of new cars by 320 dealers scattered through the district during April were 8.3 per cent larger than for the same month in 1924, and 12.7 per cent in excess of the March total this year. Stocks of new cars are light.

Boots and Shoes—Sales of the 11 reporting interests during April were 6.8 per cent smaller than for the corresponding month in 1924, and 6.0 per cent under the March total this year. Stocks

at the end of April were 3.0 per cent larger than a year ago, but 6.8 per cent less than at the end of March this year. Orders received since May 1, while equal to last year, show a disposition to taper off as compared with recent months, a thing usual at this season. Shipments are holding up to a high level, and factory operation is at from 90 to 100 per cent of capacity. Some plants making women's novelties and children's wear are working overtime. Prices of finished goods were unchanged, and raw materials were also steady, but with a slightly easier trend. The total number of pairs of shoes manufactured in this district during April was 7.9 per cent larger than in the preceding month, and for the country as a whole April production was 0.8 per cent under the March total.

Clothing — More seasonable weather has had a stimulating effect on the apparel trade, and during the past several weeks buying has been in more satisfactory volume than for a number of months. As has been the case for the past two seasons, however, advance ordering is backward, and retailers are purchasing largely on a necessity basis. Since the middle of April there has been an unusually large amount of reordering of spring and early summer clothing, which is construed as meaning that consumption is larger than anticipated. The decline in raw wool has had a disturbing effect on sales of goods based on that material. The heavy drop in cotton has also proved an upsetting factor, but few goods have been returned, and cancellations are less than normal. The demand for working clothes continues fair, and in the South women's ready-to-wear garments are moving in heavy volume. Milliners continue to complain of quietness in their line. April sales of the 10 reporting clothiers were 13.6 per cent larger than during the corresponding period last year.

Drugs and Chemicals — As contrasted with a year ago, business of the reporting interests in this classification continued its recent gains, the total sales of the 11 firms in April being 5.9 per cent larger than the same month in 1924. April sales, however, were 5.1 per cent smaller than in March. Stocks showed little variation during the past thirty days, and are slightly in excess of a year ago. Activity is general through the line, but with seasonal goods making a particularly good showing. Current sales of soda fountain supplies have been large, and there have been satisfactory advance bookings of insecticides, spraying materials and live stock remedies. Heavy chemicals to manufacturers are moving in fair volume, though under the high point earlier in the year. Of 59 price changes reported during the past sixty days, 22 were advances and 37 declines.

Dry Goods — Sales of the 12 reporting interests during April were 7.8 per cent larger than for the same month in 1924, but 15.9 per cent under the March total this year, the latter change being largely seasonal. Stocks on hand at the end of April were 13.3 per cent less than at the same time last year, but 7.0 per cent larger than on March 31, 1925. Some slight improvement in future buying is noted, with a majority of the reporting firms showing larger totals than a year ago. Purchasing, however, continues close and for current needs. Wash goods, silks, ready-to-wear clothing and hosiery are reported active, but staple cotton goods are relatively slow, and the movement of white goods is disappointing. Sales of knit underwear, both for immediate shipment and for fall, have been satisfactory. The price trend in certain cotton goods is lower, in sympathy with the downturn in the raw staple.

Electrical Supplies — Sales of the 12 reporting interests in April exceeded those of March by 3.2 per cent, but the total was 0.5 per cent under that of April, 1924. Stocks on hand at the end of April were 5.1 per cent larger than on March 31, but 6.2 per cent smaller than a year ago. Seasonal goods are moving in good volume, with advance sales of fans larger than last year. The building industry continues an excellent outlet for many varieties of goods, and buying by the public utilities companies is more active. Sales of radio material in the country continue to grow. Prices were unchanged, except for reductions on copper wire, armored cable and non-metallix flexible conduit.

Flour — Production of the 11 leading mills of the district in April was 214,764 barrels, the smallest for any month in recent years, and comparing with 231,432 in March and 311,312 in April, 1924. Conditions of extreme dullness still obtain in the flour industry. Jobbers and dealers hesitate to order ahead because of the instability of the wheat market, and bakeries and the trade generally are purchasing in small quantities for immediate requirements. There was the usual routine export business with Latin-American countries, and some sales of clears and low grade flours were made to Europe, but for the most part export bids were too far out of line to result in extensive workings. Prices were higher in sympathy with the upturn in wheat. Mill operation was about 40 per cent of capacity, but even with the heavily reduced grinding, millers had difficulty in disposing of their outputs. Shipping directions on flour previously purchased were slow.

Furniture — A slight slowing down in both production and distribution in this line was noted during the period under review. April sales of the 25 reporting interests were 2.8 per cent under those of the same month last year, and 11.9 per cent be-

low the March total this year. Stocks on April 1 were 0.2 per cent larger than last year, and 8.2 per cent heavier than at the end of March, 1925. Dealers continue to buy conservatively, and stock orders of size are absent. There is a good call for hotel furnishings and seating equipment generally, but household furniture is moving slowly. Factory operation was at about 72 per cent of capacity.

Groceries — The arrival in larger quantities of early fruits and vegetables adversely affected the sale of canned goods, and generally the demand for groceries was less active than during the preceding month. Stocks are increasing, the April 30 aggregate of the reporting firms being 12.5 per cent larger than a month earlier, but 2.0 per cent less than on April 30, 1924. Increasing competition from chain stores and mail order houses is given as a factor in smaller sales, and is reducing profit margins on many varieties of goods. Prices showed no marked change, but the trend was lower. Sales of the 22 reporting interests in April were 1.6 per cent under those of the same month in 1924, and 10.5 per cent under the March total this year.

Hardware — Heavier sales by 15.3 per cent during April than a year ago were reported by 12 leading interests, while as contrasted with the March total this year, a loss of 4.9 per cent was shown. Builders' hardware continues the most active department of the line, and seasonal goods are moving reasonably well. During the past two weeks there has been improvement in the demand for wire products from the rural sections. Paints and plumbers' goods are somewhat less active than heretofore. Stocks of the reporting interests on April 30 were 12.5 per cent smaller than last year, but gained 7.5 per cent over the total on March 31.

Iron and Steel Products — The period under review was marked by a further downward trend in activities in the iron and steel industry. Purchasing of both raw and finished materials was largely on an immediate requirement basis, and specifications on goods previously contracted for were in smaller volume than heretofore. Additional open hearth furnaces at the steel plants were blown out, and operations at the mills fell about 40 per cent below the peak reached earlier in the year. Activities at foundries were also curtailed, a number of specialty manufacturers and job foundries working only three to four days per week. Competition was reported more strenuous, and was reflected in a lower drift in prices. Pig iron production for the country as a whole during April fell below the March total, and showed the first cut in daily production rate in nine months. The output of steel ingots in April was also smaller than during the preceding month. Buying by the railroads was disappointing, the gen-

eral disposition among the carriers being to take only what they are obliged to have. Plants specializing in grey castings report that their unfilled orders were substantially reduced, with new business being sparingly placed. Distributors of iron and steel from stock report a fair demand for their general line, with all varieties of building materials active. Structural steel fabricators report a good volume of inquiry, but few large lettings. Implement and stove manufacturers report a slowing down in the call for their goods, but with sales slightly in excess of the corresponding period a year ago. There is an excellent demand for reinforcing concrete bars, and the leading producer of this material continues to operate at capacity. Producers and distributors of pig iron report contracting for the third quarter considerably below normal for this period. Prices of pig iron were lower, and the recent downturn in scrap metal continued, virtually all the principal items touching new lows on the movement.

Lumber — The volume of lumber consumption is large, especially in building operations at the larger cities of the district, and wholesale distribution is better than usual at this season of the year. As a result of favorable weather through the winter and spring, production of lumber was heavy, and railroad facilities are ample for its quick, uninterrupted delivery. Since the recent decline in fir, western spruce and in northern maple and elm prices, the larger producers in all the woods are holding pretty steadily to the lower price levels. Small mill production, however, especially in transit stock, is for sale at obtainable figures, with the result that wide price spreads on the same items are the rule rather than the exception.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statement showing the activity of department stores in leading cities of the district:

| | Net sales comparisons | | Stocks on hand | Stock turnover | |
|-------------------|------------------------------------|--|--|-----------------|---------------------|
| | Apr. 1925 comp. to Apr. 1924 | Four months ending Apr. 30, 1925, to same period, 1924 | Apr. 30, 1925 comp. to Apr. 30, 1924 | Jan. 1, 1925 | to April 30 1924 |
| Evansville | - 2.8% | + 0.1% | - 9.4% | 65.0 | 61.6 |
| Little Rock..... | +14.2 | + 9.0 | - 4.1 | 84.4 | 78.0 |
| Louisville | - 1.4 | - 1.2 | -15.4 | 107.2 | 96.8 |
| Memphis | +11.7 | + 8.3 | + 0.1 | 77.0 | 71.2 |
| Quincy | -14.9 | - 2.0 | - 1.9 | 77.9 | 72.6 |
| St. Louis..... | + 1.4 | + 1.3 | - 0.4 | 118.1 | 113.9 |
| Springfield | - 2.7 | - 3.5 | -15.9 | 43.5 | 36.2 |
| 8th District..... | + 3.5 | + 2.7 | - 3.3 | 103.5 | 97.9 |

CONSUMPTION OF ELECTRICITY

Good gains over both a year ago and the preceding month were made in consumption of electric power by selected industrial customers of public utility companies in the five largest cities of the district. A large part of the month to month gain was accounted for by the seasonably heavier

loads of cold storage, refrigeration, compressor and cement plants. Improvement over last year reflects increased requirements of automobile, cement, pigment and implement manufacturers, and some sections of the iron and steel industry.

Detailed figures follow:

| | No. of customers | April 1925 *K.W.H. | Mar. 1925 *K.W.H. | Apr. 1925 comp. to Mar. 1925 | April 1924 *K.W.H. | Apr. 1925 comp. to Apr. 1924 |
|------------------|---------------------|--------------------------|-------------------------|------------------------------------|--------------------------|------------------------------------|
| Evansville..... | 40 | 1,104 | 952 | +16.0% | 950 | +16.2% |
| Little Rock..... | 35 | 1,237 | 1,633 | -24.3 | 1,149 | +7.7 |
| Louisville..... | 67 | 4,612 | 3,977 | +16.0 | 4,070 | +13.3 |
| Memphis..... | 31 | 1,358 | 1,408 | -3.6 | 1,340 | +1.3 |
| St. Louis..... | 88 | 13,828 | 12,652 | +9.3 | 12,383 | +11.7 |
| Totals..... | 261 | 22,139 | 20,622 | +7.3 | 19,892 | +11.3 |

*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 |
|---------------------|----------------|---------------|---------------|
| March, 1925..... | 2,039,552,000 | 3,322,630,000 | 5,362,182,000 |
| February, 1925..... | 1,741,750,000 | 3,239,794,000 | 4,981,544,000 |
| March, 1924..... | 1,711,935,000 | 3,269,257,000 | 4,981,192,000 |

AGRICULTURE

In the main weather conditions in this district during the period under review were auspicious for farming, and agricultural prospects are promising. The season is two to three weeks earlier than usual and farm work is well along, more than the average amount of plowing and planting having been accomplished. In some sections, particularly to the South, moisture was deficient earlier in the spring, but more recently general rains have corrected the situation and soil conditions are considerably improved. Growing crops have made rapid progress, although somewhat retarded by low temperatures in late April and early May. With ideal planting conditions, indications are for somewhat larger acreages of the principal crops than a year ago. With the exception of a relatively few scattering counties, farm help is adequate to the demand.

Winter Wheat — While abandonment of winter wheat acreage for the country as a whole, according to the May 1 report of the U. S. Department of Agriculture, was the second largest on record, the average for states in this district was relatively light. Of the acreage planted in the country as a whole last fall, 22 per cent has been abandoned, while the average for states in the Eighth District is only 7.5 per cent. The condition for the entire country on May 1 was 77.0 per cent, and that of states in this district 82.0 per cent. The condition of the crop in Missouri and Illinois is especially high, and indicates a combined yield of 75,805,000 bushels against 58,840,000 bushels in 1924. In Missouri only 1.5 per cent of the planted acreage has been abandoned and in Illinois only 3.7 per cent. Weather since May 1 has been favorable for wheat, and with the exception of a few scattered reports of damage from hessian fly and chinch bugs, improvement has been the rule. The outturn of winter

wheat for the entire country is estimated at 444,833,000 bushels, against 590,037,000 bushels harvested in 1924.

Corn — Planting of corn in the South has been completed, and many fields received their first cultivation, while in the more northern stretches of the district seeding is well advanced. Early planted corn is up to a fair stand, and has good root growth and color. Reports from all sections indicate that the corn acreage will be substantially larger than last year, when planting was seriously hampered by an unusually wet spring. Stocks of old corn in all positions are the lightest in recent years.

Fruits and Vegetables — The outlook for fruits and vegetables underwent further improvement during the past thirty days. The cold weather in May retarded development, but the actual damage done was immaterial, except in the case of strawberries and one or two other minor productions. The peach crop in the North was seriously damaged by frosts, but in the South this crop is expected to yield heavily. In the commercial sections the apple bloom was abundant, and prospects are generally good, though there have been complaints of the young fruit dropping heavily during the recent cool spell. Ground fruits are mainly in better condition than last year at this time, and some counties report increased acreages of melons. The tomato acreage will be larger than a year ago, with no material change in the area planted to either sweet or white potatoes. Gardens were planted earlier than usual, and are generally in prime condition. Shipments of early fruits and truck from the South are increasing, and are heavily in excess of last year.

Live Stock — Pastures, except in limited areas affected by the lack of rain earlier in the season, are in better than average condition. Live stock are in generally good condition, and mortality due to all causes during the winter was considerably less than a year ago. In most states the number of farm animals show slight increases. Spring lambs are in prime condition, and with favorable weather and ample pasturage, the movement to market will be earlier than last year. Dairying and poultry production are continuing their recent gains.

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

| | *Receipts | | | *Shipments | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Apr. 1925 | Mar. 1925 | Apr. 1924 | Apr. 1925 | Mar. 1925 | Apr. 1924 |
| Cattle and Calves..... | 85 | 87 | 87 | 50 | 51 | 47 |
| Hogs..... | 262 | 265 | 388 | 192 | 169 | 268 |
| Horses and Mules..... | 1 | 7 | 3 | 2 | 8 | 3 |
| Sheep..... | 14 | 26 | 26 | 9 | 13 | 17 |

*In thousands (000 omitted).

Cotton — Planting of the 1925 cotton crop has been virtually completed, and where moisture was sufficient the plant is up to a good stand and doing

well. Generally soil preparation has been more intensive and thorough than in any previous year, due to the ideal weather for field work during the late winter and early spring. In parts of Arkansas, Tennessee and Mississippi development was retarded by the protracted dry spell, but since the first week of May good rains have fallen over these areas with the result that prospects are considerably improved. Use of fertilizers has been extensive, and planters are preparing to carry on relentless warfare against boll weevils and other insect pests. Practically all of the old crop has been sold, and trading in spot cotton was quiet. At the Arkansas compresses stocks on hand on May 11 totaled 46,906 bales, against 79,669 bales on the same date in 1924.

Rice — The new rice crop is approximately 80 per cent planted, which is far ahead of the ten-year average at this time. Due to unusually dry weather during March and April apprehension was felt as to whether the planted rice would come to a stand. In some sections farmers were pumping water on their fields in the endeavor to bring the rice up in that way. Rains since the first week of May, however, have relieved the situation materially, and germination of the seed has started in good shape. Early estimates place the acreage at from 5 to 10 per cent larger than last year. Milling of old rice has been completed, except excess seed stocks which will not be worked until the latter part of June. The mills report a continued quiet market on clean rice, with prices about the same as during the preceding thirty days.

Tobacco — Stocks of tobacco in producers' hands in the dark-fired districts are light, and receipts at the association and loose-leaf houses were small. The association houses closed on May 15; the loose-leaf houses will terminate their activities early in June. All grades of desirable tobacco, both leaf and lugs, continue in good demand at firm prices. The Burley Tobacco Growers' Association has announced that a distribution to growers of the 1923 crop will be made before June 20. This association has effected a sale to the Japanese Government, the transaction being the first in which that government has ever figured as a purchaser of burley tobacco. Planting of the 1925 crop in the burley and dark districts began early in May. Growth of plants and soil preparation are further along than in many years. Conditions have favored preliminary work and plants are healthy and plentiful. Cool, rainy weather has retarded plant growth to some extent, but has resulted in little actual damage.

Commodity Prices — Range of prices in St. Louis market between April 14, 1925, and May 15,

1925, with closing quotations on the latter date and on May 15, 1924:

| | High | Low | Close | |
|-----------------------------|---------|---------|---------------|---------------|
| | | | May 15, 1925 | May 15, 1924 |
| Wheat | | | | |
| Mayper bu. | \$1.69½ | \$1.37¾ | \$1.67½ | \$1.04½ |
| July | 1.53¾ | 1.31¾ | 1.48½ | 1.06¾ |
| September | 1.48 | 1.28½ | 1.42 | 1.06¾ |
| No. 2 red winter | 1.97 | 1.78 | 1.90 | \$1.11 @ 1.13 |
| No. 2 hard..... | 1.69 | 1.50 | 1.68 | 1.07 |
| Corn | | | | |
| May | 1.11½ | 1.00½ | 1.10 | .75¾ |
| July | 1.18 | 1.05½ | 1.14¾ | .76¾ |
| September | 1.14½ | 1.04½ | 1.12½ | .75½ |
| No. 2..... | 1.18 | 1.04½ | 1.13½ | .76½ @ .77 |
| No. 2 white..... | 1.16½ | 1.07 | 1.15½ | .80 @ .81 |
| Oats | | | | |
| No. 2 white..... | .50 | .44½ | .48½ @ .49 | .50½ |
| Flour | | | | |
| Soft patent.....per bbl. | 9.50 | 8.25 | \$8.75 @ 9.50 | 5.25 @ 6.50 |
| Spring patent..... | 8.75 | 7.65 | 8.20 @ 8.40 | 6.20 @ 6.40 |
| Middling cotton.....per lb. | .24½ | .22¾ | .22¾ | .30½ |
| Hogs on hoof.....per cwt. | 13.20 | 9.50 | 10.25 @ 11.90 | 5.00 @ 7.65 |

BUILDING

The value of authorized construction in the five largest cities of the district during April was the largest ever recorded. The total for the month exceeded that of March by 62.8 per cent and was 63.9 per cent larger than in April, 1924. The major part of the gain was accounted for in the St. Louis permits, which included a \$2,600,000 theater, and several large office and industrial structures. Weather throughout the period under review was ideal for construction operations, and work on buildings in process of erection proceeded without interruption. Generally the supply of labor was adequate, and wages and employment conditions were unchanged as contrasted with the preceding thirty days. The cost of building materials declined slightly, the chief commodities affected being lumber and iron and steel structurals. In the suburban areas around the principal cities, building of small residences continues on a large scale. Highway construction is being pushed forward in all states of the district. Production of portland cement for the country as a whole during April totaled 13,807,000 barrels, against 11,034,000 barrels in March and 11,726,000 barrels in April, 1924.

Building figures for April follow:

| | New Construction | | | | Repairs, etc. | | | |
|-------------------|------------------|-------|----------|---------|---------------|-------|--------|-------|
| | Permits | | *Cost | | Permits | | *Cost | |
| | 1925 | 1924 | 1925 | 1924 | 1925 | 1924 | 1925 | 1924 |
| Evansville | 255 | 200 | \$ 150 | \$ 325 | 144 | 283 | \$ 37 | \$ 67 |
| Little Rock..... | 122 | 109 | 518 | 338 | 105 | 111 | 38 | 56 |
| Louisville | 599 | 512 | 4,634 | 4,558 | 158 | 196 | 136 | 102 |
| Memphis | 474 | 555 | 1,844 | 1,850 | 141 | 152 | 81 | 65 |
| St. Louis..... | 960 | 1,053 | 8,526 | 2,431 | 520 | 721 | \$ 563 | \$379 |
| April totals..... | 2,410 | 2,429 | \$15,672 | \$9,502 | 1,068 | 1,463 | 855 | 669 |
| Mar. totals..... | 2,352 | 2,057 | 9,625 | 8,047 | 1,037 | 1,053 | 848 | 661 |
| Feb. totals..... | 1,845 | 1,383 | 8,589 | 5,329 | 680 | 652 | 1,734 | 673 |

*In thousands of dollars (000 omitted).

FINANCIAL

The general demand for funds showed a slight slowing down during the period under review, particularly among mercantile interests, the volume of whose collections are such as to place them in an usually strong cash position. Deposits and loans of the reporting member banks declined steadily from the middle of April until May 13, at which date both items turned slightly upward. Their borrowing from the Federal Reserve Bank varied only

in minor degree, and total investments held were approximately the same as at the end of the preceding thirty days. Further improvement in the demand from live stock raisers was noted, and there was the seasonal increase in borrowing for agricultural needs generally. The volume of agricultural borrowing, however, was not sufficient to affect the situation. Grain and milling interests further reduced their commitments, and there was good liquidation in the tobacco areas. In the Louisville section country banks were borrowing quite freely, but liquidation there is expected early in June as a result of announced payments by the tobacco growers' cooperative associations. The demand from brokerage interests continues active, with loans secured by stocks, bonds and other securities heavier than thirty days earlier. The movement of early fruits and vegetables to market is earlier than last season, and there has been a fair demand for funds to finance these operations. Borrowings by manufacturers and distributors of building materials continue at the recent high levels. Interest rates were steady to a shade easier.

Federal Reserve Operations — Bills discounted by the Federal Reserve Bank of St. Louis for its member banks continued to increase during the period under review. The total on May 16 was \$20,010,000, which compares with \$14,732,000 on April 16, and \$26,255,000 on May 16, 1924. Federal reserve note circulation receded further; from \$49,262,000 on April 16, to \$47,570,000 on May 16, the latter figure comparing with \$65,840,000 a year earlier. Total earning assets increased sharply, the total on May 16 being \$58,513,000 against \$35,816,000 on April 16, the major part of the gain being accounted for by an increase of \$17,343,000 in holdings of United States securities. The combined reserve ratio against Federal reserve note and deposit liabilities stood at 57.6 per cent on May 16, 76.9 on April 16 and 80.6 on May 16, 1924. During April this institution discounted for 193 of its member banks, which compares with 186 accommodated in March and 275 in April, 1924. The discount rate of this bank remained unchanged at $4\frac{1}{4}$ per cent.

Changes in the principal assets and liabilities of this institution since last month and a year ago are shown in the following table:

| | *May 20, 1925 | *Apr. 20, 1925 | *May 20, 1924 |
|---|------------------|-------------------|------------------|
| Bills discounted..... | \$18,588 | \$19,498 | \$25,469 |
| Bills purchased..... | 11,311 | 10,047 | 2,774 |
| U. S. Securities..... | 26,640 | 9,297 | 6,966 |
| Foreign loans on gold..... | 483 | 483 | |
| Total earning assets..... | \$57,022 | \$39,325 | \$35,209 |
| F. R. Notes in circulation..... | 46,833 | 49,251 | 65,197 |
| Total deposits..... | 80,064 | 79,419 | 70,920 |
| Ratio of reserves to deposit and F. R. note liabilities..... | 59.0% | 75.5% | 80.1% |

*In thousands (000 omitted).

Commercial Paper — Sales of the reporting brokerage interests during April were 26.3 per cent larger than for the same month in 1924, but 8.7 per cent under the March total this year. Business is described as fair, with sales in early May about equal to the same period last year. There is an excellent demand, but only for paper bearing 4 per cent or better, while the current range of rates is $3\frac{3}{4}$ to 4 per cent, with many choice names offered bearing the lower rate. Offerings generally are moderate.

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

| | *May 20, 1925 | *Apr. 22, 1925 | *May 21, 1924 |
|--|------------------|-------------------|------------------|
| Number of banks reporting..... | †33 | †33 | 34 |
| Loans and discounts (incl. rediscounts) | | | |
| Secured by U. S. Gov't. obligations..... | \$ 10,253 | \$ 14,185 | \$ 9,044 |
| Secured by other stocks and bonds..... | 171,762 | 171,507 | 145,473 |
| All other loans and discounts..... | 302,888 | 306,984 | 310,054 |
| Total loans and discounts..... | \$484,903 | \$492,676 | \$464,571 |
| Investments | | | |
| U. S. Pre-war bonds..... | 12,708 | 13,296 | 14,810 |
| Liberty bonds..... | 40,570 | 23,462 | 22,245 |
| Treasury bonds..... | 14,077 | 19,907 | 4,208 |
| Victory and Treasury notes..... | 9,217 | 12,339 | 13,786 |
| Certificates of Indebtedness..... | 2,273 | 2,670 | 2,700 |
| Other securities..... | 108,554 | 100,980 | 92,394 |
| Total investments..... | \$187,399 | \$172,654 | \$150,143 |
| Reserve balance with F. R. bank..... | 44,214 | 46,280 | 41,422 |
| Cash in vault..... | 6,971 | 6,935 | 7,306 |
| Net demand deposits..... | 389,278 | 399,062 | 353,451 |
| Time deposits..... | 204,737 | 204,222 | 202,446 |
| Government deposits..... | 8,009 | 12,412 | 2,702 |
| Bills payable and rediscounts with Federal reserve bank | | | |
| Secured by U. S. Gov't. obligations.... | 1,296 | 1,788 | 1,121 |
| All other..... | 6,206 | 5,310 | 4,760 |

*In thousands (000 omitted).

†Decrease due to consolidation. Total resources of these 33 banks comprise approximately 54 per cent of the resources of all member banks in the district.

Debits to Individual Accounts — The following comparative table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in the leading cities of this district. Charges to accounts of banks are not included. These figures are considered the most reliable index available for indicating spending by the public:

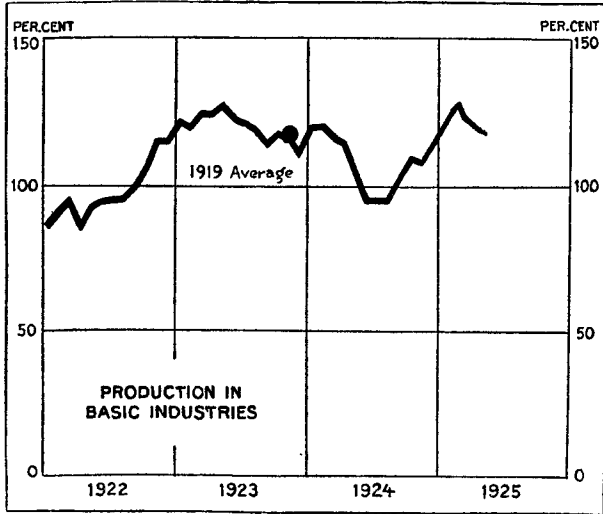
| | *For four weeks ending | | | May 1925 comp. to Apr. 1925 | May 1925 comp. to May 1924 |
|-------------------------|------------------------|------------------|-----------------|-----------------------------------|----------------------------------|
| | May 20, 1925 | Apr. 22, 1925 | May 21, 1924 | | |
| E. St. Louis and | | | | | |
| Nat. Stock Yards, Ill.. | \$ 39,970 | \$ 37,861 | \$ 40,310 | + 5.6% | - 0.8% |
| El Dorado, Ark..... | 9,018 | 8,335 | 7,578 | + 8.2 | +19.0 |
| Evansville, Ind..... | 40,055 | 34,032 | 28,777 | +17.7 | +39.2 |
| Fort Smith, Ark..... | 11,629 | 11,973 | 10,107 | - 2.9 | +15.1 |
| Greenville, Miss..... | 3,010 | 4,283 | 3,200 | -29.7 | - 6.0 |
| Helena, Ark..... | 3,724 | 4,414 | 3,921 | -15.6 | - 5.0 |
| Little Rock, Ark..... | 55,759 | 58,560 | 53,970 | - 4.8 | + 3.3 |
| Louisville, Ky..... | 159,635 | 176,204 | 156,494 | - 9.4 | + 2.0 |
| Memphis, Tenn..... | 119,570 | 124,960 | 116,340 | - 4.3 | + 2.8 |
| Owensboro, Ky..... | 4,726 | 5,391 | 5,164 | -12.3 | - 8.5 |
| Quincy, Ill..... | 11,568 | 13,212 | 10,193 | -12.4 | +13.5 |
| St. Louis, Mo..... | 660,300 | 717,300 | 604,259 | - 7.9 | + 9.3 |
| Sedalia, Mo..... | 4,268 | 4,330 | 4,273 | - 1.4 | - 0.1 |
| Springfield, Mo..... | 12,584 | 12,697 | 8,742 | - 0.9 | +43.9 |
| Totals..... | \$1,135,816 | \$1,213,642 | \$1,053,328 | - 6.4 | + 7.8 |

*In thousands (000 omitted).

Compiled May 22, 1925

BUSINESS CONDITIONS IN THE UNITED STATES

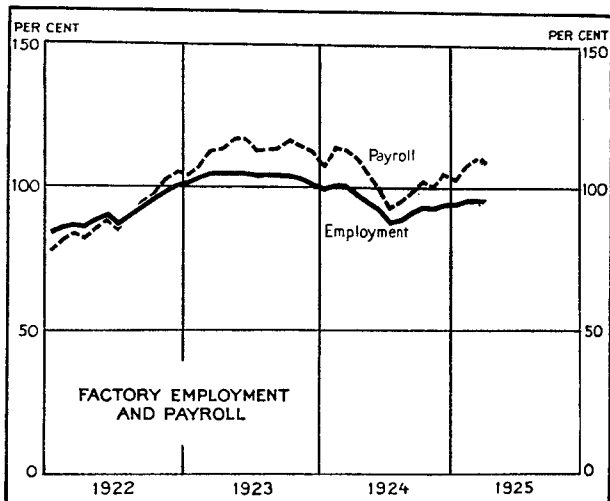
PRODUCTION—The output in basic industries declined less than one per cent in April. Decreased production of iron and steel, flour, and copper was largely offset in the Federal Reserve Board's production index by increases in mill consumption of cotton, and in the production of news print and petroleum. The output of automobiles, not included in the index, has increased rapidly since December,



Index of 22 basic commodities corrected for seasonal variation. Latest figure, April=119.

and in April was the largest ever recorded. Automobile tire production was maintained at the high level reached in March. Number of men employed at industrial establishments remained practically the same in April as in March, but owing to less full time operation, particularly in the textile, leather, and food industries, total factory pay rolls declined about 2 per cent. Building contracts awarded during April were the largest on record. Estimates by the Department of Agriculture on May 1 indicated a reduction of 6 per cent from the April forecast in the yields of winter wheat and rye. The winter wheat crop is expected to be 25 per cent smaller than last year and the indicated yield of rye is 9 per cent less.

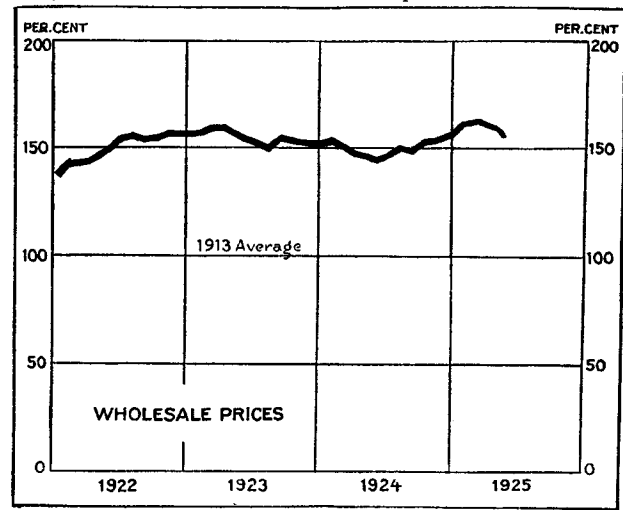
TRADE—Wholesale trade during April was smaller in all lines, except hardware, than in March. Compared with a year ago sales of groceries and shoes were less, but sales of meats, dry goods and drugs were larger. Sales at department stores and by mail order houses showed more than the usual seasonal increase in April and were larger than during April, 1924. Wholesale stocks of groceries, shoes,



Indices for employment and pay rolls in manufacturing industries. Latest figures, April.

and hardware were smaller at the end of April than a month earlier, while dry goods stocks were larger. Merchandise stocks at department stores showed less than the usual seasonal increase in April, but were about the same as a year ago. Freight car loadings of merchandise were greater than in March and larger than in any previous April.

PRICES—Wholesale prices, according to the index of the Bureau of Labor Statistics, declined three per cent in April, following an almost uninterrupted rise since the middle of 1924. All groups of commodities shared in the decline, except house furnishings and the miscellaneous group. The largest declines were in farm products and foods, which had shown the most rapid increases. During

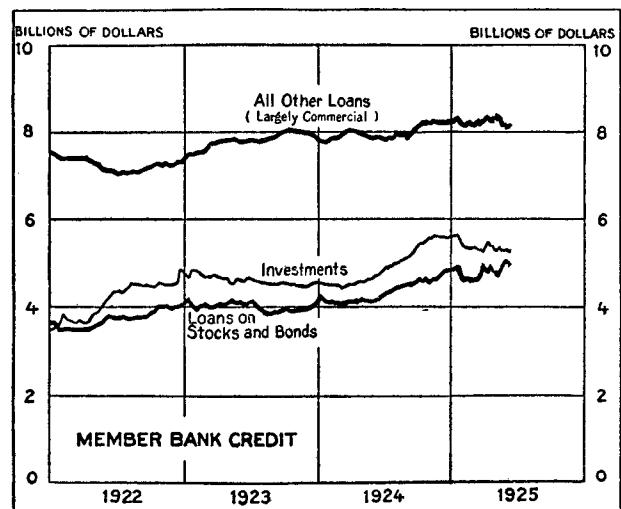


Index of U. S. Bureau of Labor Statistics
Latest figure, April=156.2

the first three weeks in May prices of grains, beef, hogs, flour, and rubber advanced while declines occurred in cotton, wool, lumber and iron prices.

BANK CREDIT—At the middle of May total loans and investments of member banks in leading cities were near the level which has prevailed with only minor fluctuations since the first of the year. Loans chiefly for commercial purposes declined slightly between the middle of April and the middle of May, while loans on securities rose to a high point at the end of April and decreased somewhat during the first two weeks of May. Total investment holdings, which increased considerably during the first half of March, have declined somewhat since that time. Net demand deposits increased considerably from the low point at the end of March but were still \$500,000,000 less than at the middle of January.

At the Federal reserve banks there was a marked decline in the volume of member bank borrowing after the first week in May and total earning assets of the reserve banks on May 20 were less than \$1,000,000,000 for the first time since January. Acceptances and holdings of United



Weekly figures for member banks in 101 leading cities
Latest figure, May 13.

States securities on that date were about the same as a month earlier. Money conditions continued relatively easy during the latter part of April and the first part of May at $3\frac{3}{4}$ to 4 per cent. The open market rate for prime commercial paper was slightly below the level for the preceding month.