

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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CONSIDERABLE irregularity featured business during the period under review, with weather and crop prospects the chief influencing factors. Meteorological changes were drastic and sudden, extreme heat being succeeded by unusually low temperatures, the latter culminating in freezes late in May which resulted in scattered damage to crops and retarded retail distribution of seasonal merchandise. The cold was followed by a return in June of excessive heat, which latter, however, was accompanied by good rains and scattering showers that served to materially aid all varieties of vegetation which had long suffered from lack of moisture.

Taken as a whole business activities were well sustained, and in a majority of lines investigated there were gains over the corresponding period a year ago. In the iron and steel industry a slight increase in production was recorded over the low point in April. Distribution of automobiles, both at wholesale and retail was larger than during the preceding thirty days, and also showed a fair gain over the same time in 1924. Sales of drugs and chemicals, dry goods, clothing and hardware were larger than last year. Activity in the building industry was well sustained, though the value of permits issued in the five largest cities during May fell below the April total.

As has been the case for the past several months, purchasing of commodities for prompt shipment is relatively much better than for future delivery. In all sections there is a disposition to resist price advances, and retailers are taking only what they can dispose of from month to month. Merchants in the country are postponing ordering of fall goods until something more definite is known relative to the outcome of crops. Since June 1 the movement of farm supplies has undergone marked improvement, and retail trade in the country is showing more life than in a number of months. Retailers in the large cities report an exceptionally

good business in tourist accoutrements and vacation supplies generally.

While purchasing of coal by virtually all classes of consumers is limited to current requirements, and activities at mines continue at a low ebb, the feeling in the fuel market was slightly more optimistic. This improved sentiment was based on an increase in inquiries, generally light stocks in consumers' and retailers' hands, and expectations that contracting and stocking for fall and winter will begin soon. The drop in temperatures toward the end of May caused a temporary acceleration in the movement of domestic coal, and there has been a fair volume of ordering by apartment houses and householders about to depart on vacations. In the Illinois, western Kentucky and Indiana fields shaft mines are active from one to three days per week, but many strip pits are operating at close to full time. The demand for steaming coal continues slow, and railroad tonnage is disappointing. Prices generally showed little change worthy of note as compared with the preceding thirty days. Production of bituminous coal for the country as a whole for the calendar year to June 6 was 206,103,000 net tons, against 207,345,000 tons for the corresponding period in 1924, and 243,346,000 tons in 1923.

Freight traffic of railroads operating in the district continues in satisfactory volume, and for the country as a whole loadings of revenue freight for the first 22 weeks of the current year, or to May 23, totaled 20,341,617 cars, against 19,559,907 cars during the same period last year and 19,957,899 cars in 1923. Loadings for the week of May 23, totaled 986,209 cars, the largest for any one week recorded this year. Intensive preparations have been made by southwestern roads for accommodating the grain movement, which is expected to assume large proportions during the next two weeks. Loadings of merchandise and miscellaneous freight are continuing their recent gains. The St. Louis Terminal Railway Association which handles interchanges for

28 connecting lines, interchanged 207,360 loads in May, against 197,758 loads in April and 199,572 loads in May, 1924. During the first 9 days of June, 58,389 loads were interchanged, against 61,163 loads during the first 9 days of May, and 52,613 loads during the corresponding period a year ago. Passenger traffic of the reporting lines decreased 6 per cent during May as compared with the same month in 1924. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans during May was 96,500 tons in April and 69,900 tons in May, 1924.

Reports relative to collections during the period under review reflect generally satisfactory conditions. There are still complaints of backwardness in the coal sections, and preoccupation of farmers with their crops resulted in a slowing down in payments in the country. For the most part, however, merchants in the agricultural areas are getting in their money promptly, and in turn are settling with their creditors. Wholesalers and jobbers in the large centers report May collections fully up to expectations, and early June payments slightly in excess of a year ago. Answers to 441 questionnaires addressed to representative lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
May, 1925.....	5.5%	36.0%	50.7%	7.8%
April, 1925.....	4.6	36.0	53.0	6.4
May, 1924.....	2.7	23.2	58.9	15.2

Commercial failures in the Eighth Federal Reserve District during May, according to Dun's, numbered 89, involving liabilities of \$1,369,633, against 81 defaults in April with indebtedness of \$1,684,044, and 62 failures for \$174,163 in May, 1924.

The per capita circulation of the United States on June 1, 1925, was \$41.89, against \$41.50 on May 1, and \$42.78 on June 1, 1924.

MANUFACTURING AND WHOLESALE

Automobiles — As compared with the preceding month, May production of automobiles for the country as a whole decreased 3.1 per cent, but the total was 32.8 per cent larger than for May, 1924. Manufacturers reporting direct or through the National Automobile Chamber of Commerce built 382,972 passenger cars in May, against 392,264 in April and 286,680 in May, 1924. The output of trucks in May totaled 42,322, against 46,765 in April and 33,576 in May, 1924. In order to conform more closely to statistics published by the Bureau of Census the figures given in this report have been revised to include Canadian production.

Distribution of automobiles both at wholesale and retail continued active during the period under

review, though a slight slowing down was noted during the first weeks of June and it was evident that the crest of the spring demand had been passed. Weather conditions were favorable for selling passenger cars, and this accounted in part for the gain in sales over a year ago, when it will be remembered, heavy and continuous rains interfered with business, particularly in the rural sections. Stocks of new cars are light, and a further reduction was effected in both numbers and investment represented in used cars. Sales of new cars by 320 dealers scattered through the district during May were 12.3 per cent larger than a year ago, and 8.3 per cent over the April total this year. Steady gains in sales of dealers in Arkansas in recent months are attributed to the increase in hard road construction in that state. Business in accessories and tires during the period under review was reported satisfactory. Tire prices have advanced in sympathy with the rise in crude rubber.

Boots and Shoes — Sales of the 11 reporting interests during May were 5.3 per cent less than for the same month in 1924, and 14.0 per cent below the April total this year. The decreases in both comparisons were distributed generally through the line, but were particularly marked in men's shoes. The demand for styled goods and women's and children's novelties continues active, both in the large cities and country. Prices of finished goods underwent no change during the past thirty days, and are about 3.5 per cent below the levels obtaining a year ago. Factory operation decreased slightly, and was at from 85 to 95 per cent of capacity. Stocks of the reporting firms on June 1 were 17.5 per cent smaller than a year ago, and 3.4 per cent below the May 1 total.

Clothing — The movement of seasonal goods has been stimulated by the summer weather, and the volume of sales of both men's and women's apparel was more satisfactory than during the preceding thirty days. During the first weeks of June a fair volume of reordering of lightweight apparel and furnishings of various kinds was reported by wholesalers in the large centers. Sales of men's hats, particularly straws, are in considerably larger volume than a year ago. Millinery interests, however, still complain of quietness in their line. Ordering for fall trade is along conservative lines, but generally heavier than at this time last year. Prices showed no change worthy of note during the month. May sales of the 10 reporting clothiers were 24.2 per cent larger than a year ago, but 13 per cent under the April, 1925 total.

Drugs and Chemicals — As compared with the corresponding month in 1924, May sales of the 11

reporting interests showed a gain of 6.2 per cent, but the total was 5.3 per cent less than the preceding month this year. Seasonal goods are moving in satisfactory volume, with sales of soda fountain supplies the largest ever recorded at this season. Shipments of insecticides were reported heavy particularly to the cotton areas. There was a slight slowing down in sales of heavy chemicals to manufacturers, particularly noticeable in the metal industries. The demand for cosmetics and toilet preparations generally continues active, and the movement of sundries is in satisfactory volume. Prices averaged steady, advances about offsetting declines.

Dry Goods — Further improvement was recorded in this classification, sales of the 12 reporting interests during May being 13.8 per cent in excess of the same month in 1924, and 7.3 per cent larger than in April this year. A feature of the month's business was the heavy distribution of silk and artificial silk goods, and ready-to-wear garments made of these materials. All varieties of fancy and styled fabrics are in excellent demand, but some slowing down was noted in the movement of the more staple lines of cotton goods. Knit goods are moving well, with sales of hosiery and bathing suits largely in excess of a year ago. Stocks of the reporting stores on June 1 were 8.2 per cent less than a year ago, and 2.8 per cent under those of May 1 this year.

Electrical Supplies — May was marked by a recession in business in this line, sales of the 12 reporting interests during that month being 6.1 per cent smaller than a year ago and 14.5 per cent under the April total this year. Continued gains were reported in sales of all sorts of supplies going into new buildings, but the movement of seasonal goods, such as fans and certain household appliances, was retarded by the cool weather in late May. Pole hardware is active, and there is a continued excellent movement of small motors for miscellaneous uses. A slight falling off in sales of radio materials and automobile equipment was reported. Stocks of the reporting firms decreased 6.4 per cent from April to May, but were 6.0 per cent larger than on June 1, 1924.

Flour — Production of flour by the 11 leading mills in the district during May was 207,809 barrels, the smallest in more than three years, and comparing with 214,764 barrels in April and 322,106 barrels in May, 1924. The uncertain trend of the wheat market is having a deterring effect on flour buyers, who are ordering only enough to fill immediate requirements. As is usual at this season, bakeries and other heavy consumers are postponing their commitments until the new wheat crop is marketed. Cash wheat commanded high premiums over the near July option, which fact had a tendency to hold

down grinding by the mills. Millers were loath to name prices for future contracts, owing to uncertainty relative to the wheat crop, and export inquiry on new crop flours has met with little response. Mill operation was at from 35 to 40 per cent of capacity.

Furniture — Sales of the 25 reporting interests in May were 10.2 per cent in excess of the corresponding period in 1924, but 10.8 per cent under the April total this year. Stocks on June 1 were 31.4 per cent less than a year ago, and 14.8 per cent less than a month earlier. Retailers continue to purchase on a hand-to-mouth basis, and large stock orders continue scarce. Manufacturers complain that their customers expect immediate service, thus forcing them to carry complete stocks in dull seasons and increasing their costs. Prices decreased on a number of important items during the month, and are generally 6 to 10 per cent below a year ago.

Groceries — There was little change worthy of note in this line as compared with the preceding thirty days. Sales of the 22 reporting interests during May were 0.6 per cent larger than during the same month in 1924, and 1.6 per cent in excess of the April total this year. There was the usual recession in sales of canned goods, incident to heavier receipts of fresh fruits and vegetables. Sales of sugar were larger than a year ago, and the movement of tea and coffee was generally satisfactory. Prices generally were steady.

Hardware — The demand generally through the line continues active, with sales of builders' hardware and tools holding at the high levels of recent months. The excessive high temperatures have stimulated the movement of all typical summer goods, such as garden hose, refrigerators, screen wire, shower bath outfits and ice cream freezers. Business in garden tools, sprayers, and lawn mowers has been excellent all season. One leading distributor reports sales of lawn mowers this season the heaviest ever recorded. Prices generally hold firm, with slight advances on goods containing rubber. Total sales of the 12 reporting interests during May were 5.3 per cent larger than for the same month in 1924, and 2.9 per cent under the April total this year. Stocks on June 1 were 9.0 per cent larger than last year, but 2.9 per cent under those of May 1.

Iron and Steel Products — Activities at mills, foundries and machine shops gained slightly over the pace of the preceding thirty days. While shipments continued to run ahead of new business booked, the sum of larger specifications and new buying lowered the rate at which unfilled orders are being reduced. As has been the case for the

past several months the disposition of buyers is to take only what they need, both raw and finished materials, but heavily reduced stocks are forcing many important users into the market. Foundries specializing in gray castings added to their forces, and farm implement and stove manufacturers reported heavier sales and improved prospects. The demand for sheets, plates and bars exhibited more life than during the preceding month, and sales of track materials were in fair volume. The most satisfactory outlet for iron and steel goods generally continues through the building industry. Fabricators of structural steel report a steady stream of small orders, with a number of projects involving large tonnages pending. Further improvement has taken place in the demand for oil field materials, particularly tank plates and tubular goods. Reinforcing concrete bars are active, with prices firm. Production of pig iron during May carried further the heavy loss appearing in April, after nine months of consecutive gains. Pig iron prices fell to a new low on the downward movement during the final week of May, but since that time the market has stiffened perceptibly, several important furnace interests having advanced their quotations from 50c to \$1 per ton. Purchasing for third quarter was more in evidence, but is still below normal for this time of year. The output of steel ingots during May decreased below the April total. Scrap iron and steel recovered sharply from the low point reached in April, with all items in the list sharing in the upward reaction.

Lumber — The arrival of extreme hot weather, coupled with less selling pressure from the larger producers, has had a tendency to reduce volume of wholesale business. This is particularly true in yellow pine and the hardwoods. Several of the important southwestern pine manufacturing interests are pursuing a common course of reducing output and diverting more lumber, building up their stocks for fall trade. Hardwood mills continue to shut down as the end of the season's log supply is reached, and the financially stronger mills are apparently adopting the policy of holding large amounts of dry stock for the autumn demand. Fir is in slightly stronger demand, but quotably unchanged. However, there is still more than enough lumber on the market for the amount of buying, though consumption is steady and larger in volume than usual for this time of year. Prices generally continue irregular and weak, without being lower as a whole. Due to the activity in building at the larger centers, retail yards there are doing a good business. Industries are also taking fair quantities, but their buying is confined to current needs.

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	
	May, 1925 comp. to May, 1924	Five months ending May 31, 1925, to same period, 1924	May 31, 1925 comp. to May 31, 1924	Jan. 1, 1925	to May 31, 1924
Evansville	-10.6%	- 2.3%	-10.5%	78.2	81.4
Little Rock	2.3	+ 6.1	- 4.5	102.5	109.0
Louisville	8.9	- 3.0	-16.5	124.2	136.5
Memphis	+ 6.8	+ 8.0	+ 1.1	90.3	97.2
Quincy	5.0	- 1.9	- 4.3	92.7	114.7
St. Louis	0.3	+ 4.1	+ 2.2	133.1	137.4
Springfield	+ 5.5	- 1.4	-15.8	48.6	59.2
8th District	- 0.8	+ 3.7	- 1.4	120.9	127.1

CONSUMPTION OF ELECTRICITY

During May further gains over both the preceding month and a year ago were recorded in consumption of electric current by selected industrial customers of public utilities companies in the five largest cities of the district. In the month to month comparison the increase was accounted for in large measure by the seasonal gain in loads of the refrigeration and cold storage plants. The gain over a year ago was distributed generally through all classes of users. Cement, air compressor and automobile interests were among those showing the largest increases.

Detailed figures follow:

	No. of custom- ers	May, 1925 *K.W.H.	April, 1925 *K.W.H.	May, 1925 comp. to Apr. 1925	May, 1924 *K.W.H.	May, 1925 comp. to May, 1924
Evansville	40	1,040	1,104	- 5.8%	1,058	- 1.1%
Little Rock	35	1,241	1,237	+ 0.3	1,126	+10.2
Louisville	67	4,899	4,612	+ 6.2	4,244	+15.4
Memphis	31	1,475	1,358	+ 8.6	1,450	+ 1.7
St. Louis	88	14,693	13,828	+ 6.3	13,334	+10.2
Totals	261	23,348	22,139	+ 5.5	21,212	+10.1

*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
April, 1925	2,022,274,000	3,137,028,000	5,159,302,000
March, 1925	2,041,594,000	3,321,795,000	5,363,389,000
April, 1924	1,846,368,000	2,904,507,000	4,750,875,000

AGRICULTURE

Weather conditions during the period under review were distinctly unfavorable for crops, and prospects for all the principal farm products, with possible exception of cotton and corn, were materially lowered. In virtually all sections moisture was inadequate. There were rapid and drastic changes from extreme heat to unseasonably low temperatures, the latter culminating in freezes which wrought scattered, and in some areas, heavy damage to fruits, vegetables and grain. Generally crop conditions are spotted and reflect the results of a dry season, with the more intensively cultivated lands showing up to best advantage. Damage by frost in late May was felt most severely in the bottom lands, the more elevated country having come

through with relatively little injury. On the other hand the hill lands suffered most from the drouth, and the large yields indicated on May 1 will be materially reduced. Considerable replanting has been necessary, and in many instances fields have been abandoned, or thrown into pasturage.

Winter Wheat—With the exception of Tennessee, winter wheat prospects in all states of the district retrograded sharply during May. While production for the four chief wheat producing states will be slightly larger than a year ago, the indicated total fell from 107,948,000 bushels on May 1 to 95,660,000 bushels on June 1. The heaviest losses were in Illinois and Missouri, the June 1 condition of the former being 68 per cent against 85 per cent on May 1, and the latter 76 per cent on June 1 against 89 per cent on May 1. The combined indicated yield of these two states on June 1 was 66,170,000 bushels, against 75,805,000 bushels on May 1, and 58,840,000 bushels harvested in 1924. In addition to the impairment due to drouth and freezes, the crop suffered severely in many sections from ravages of hessian fly, chinch bugs and other insect pests. Harvesting is in progress and early returns show much light grain, due to premature ripening and lack of moisture during the growing period. For the country as a whole a crop of 407,156,000 bushels of winter wheat is indicated against 590,037,000 bushels harvested last year, and a five year average (1920-24) of 591,057,000 bushels.

Corn—The outlook for this crop has been materially improved by good rains which materialized toward the middle of June. Generally fields have been thoroughly cultivated, and while early development was retarded by lack of moisture, the crop is in excellent shape to respond to the precipitation and warmth. In scattered sections damage was done by frost, necessitating some reseeding, but the total amount of this work was relatively small. Indicated acreages, according to scattered preliminary reports, are unchanged to slightly larger than last year.

Fruits and Vegetables—Early frosts, dry weather, blight, and other detrimental factors served to lower prospects for fruits and vegetables, and generally through the district conditions are below the 10-year average for this season. With the exception of Arkansas, the condition of apples in all states of the district is below a year ago. The drouth and low temperatures have caused a heavy drop, particularly in the commercial areas. Young trees suffered especially heavy damage. Grapes and ground fruits, which promised heavy yields earlier in the year, were severely injured by the low temperatures in May. In the South peaches

will yield fairly well, but in the northern areas this crop is a failure. In Illinois the condition of peaches on June 1 was 24 per cent of normal and in Missouri 47 per cent. Arkansas, however, showed a condition of 66 per cent and Mississippi 80 per cent. The output of cherries was disappointing, due mainly to frosts. Progress of gardens and commercial vegetable crops was retarded by the dry weather, but has been benefitted by the rains in June.

Live Stock—There was no notable change in the general condition of live stock during the past six weeks, herds being for the most part in good condition. Scattered outbreaks of cholera among hogs are reported, but nothing of a serious nature. Pastures have sustained serious damage from the protracted dry spell, and are short generally. In many sections farmers were obliged to turn their stock into meadows or poor oats and rye fields for feed. As was the case with cereals, hays and grasses suffered from insufficient moisture, and the condition on June 1 was low. The estimated yield of hay for the district is 6,948,000 tons, against 8,719,000 tons harvested in 1924.

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

	*Receipts			*Shipments		
	May, 1925	April, 1925	May, 1924	May, 1925	April, 1925	May, 1924
Cattle and Calves.....	103	85	102	59	50	61
Hogs	293	262	392	230	192	280
Horses and Mules.....	1	1	2	1	2	2
Sheep	38	14	33	10	9	9

*In thousands (000 omitted).

Cotton—The condition of cotton in all states of the district on May 25 was higher than a year ago, also well above the 10-year average. Generally planting was from a week to ten days earlier than usual, but early development was retarded in many sections by dry weather. Almost universally fields are in an excellent state of cultivation and the rather general rains since the second week in June have improved prospects materially. Fertilizers are being more freely used in some sections, and quality of the fertilizers is better than a year ago. Very little old cotton is being sold and stocks are light. On June 5 total stocks in Arkansas warehouses were 29,614 bales, against 53,086 bales on the same date in 1924.

Rice—Planting of rice has been completed, and in all the chief growing areas is up to a good stand. Irrigation of fields has been general and about two weeks earlier than ordinarily, due to the unusually dry season. There are complaints of lack of water for irrigation purposes, but the rains during the second week of June supplemented the artificial watering and prospects through the rice belt are good. Some improvement was reported

in the demand for clean rice, with prices ranging from 6c to 7¼c per pound.

Tobacco — Farmers in both burley and dark tobacco districts made early preparation for a normal acreage, but planting intentions have been interfered with by the hot, dry weather which continued through the first part of June. In many sections plants set during the drouth died on the hill, and this was true especially of the late planted weed. Replanting has been rendered difficult because in many instances plants in the bed have grown too large for transplanting. Good rains and lower temperatures since the second week of June have aided the general situation, and recent reports indicate that farmers are taking advantage of the more favorable conditions to increase their acreage. Extensive use has been made of a new device with water attachment for setting plants. With the exception of very poor grades and damaged leaf, prices of old tobacco continue high. On June 13 the Burley Tobacco Growers Cooperative Association mailed to growers checks aggregating approximately \$12,500,000, covering the second distribution on the 1923 crop.

Commodity Prices — Range of prices in the St. Louis market between May 15, 1925, and June 15, 1925, with closing quotations on the latter date and on June 14, 1924:

	High	Low	Close	
			June 15, 1925	June 14, 1924
Wheat				
Julyper bu.	\$1.67½	\$1.47½	\$1.50¾	\$1.11¾
September	1.65	1.41½	1.50	1.13½
December	1.66¾	1.52½	1.52½	1.16¾
No. 2 red winter ..	2.05	1.83	\$1.86 @	1.96
No. 2 hard.....	1.78	1.63	1.64 @	1.68
				\$1.12 @ 1.13½
Corn				
July	1.19½	1.07¾	1.07¾	.81½
September	1.18½	1.09¾	1.09¾	.80¾
December99	.89	.89	.74
No. 2	1.18	1.10	1.10	.85
No. 2 white.....	1.19	1.09	1.09 @	1.09½
				.85 @ .86
Oats				
No. 2 white.....	.57½	.46	.52	.53½
Flour				
Soft patent.....per bbl.	9.50	8.75	8.75 @	9.25
Spring patent.....	9.00	7.85	7.85 @	8.25
				6.75 @ 6.95
Middling cotton.....per lb.	.24	.22¾	.24	.30
Hogs on hoof.....per cwt.	13.80	9.75	10.00 @	12.90
				5.50 @ 7.25

Note: May wheat closed at \$1.67½ and May corn at \$1.15.

BUILDING

The value of building permits issued in the five largest cities of the district during May fell sharply below the record total of April, but was 16.5 per cent larger than the aggregate of May, 1924. The loss from May to June was attributable to the fact that a number of unusually large construction projects were initiated during the earlier period. Work on buildings in course of erection went forward without interruption, and employment in the building crafts is holding at the recent high levels. There was no change worthy of note in wage scales, but a further settling in prices of building materials took place, the chief items affected being in lumber and iron and steel. Highway construction programs

of the several states are being actively pushed forward. Production of portland cement for the country as a whole during May totaled 16,735,000 barrels, the highest on record, and comparing with 14,394,000 barrels in April and 15,503,000 barrels in May, 1924.

Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1925	1924	1925	1924	1925	1924	1925	1924
Evansville ..	219	70	\$ 274	\$ 189	98	81	\$ 62	\$ 17
Little Rock	80	79	541	215	96	114	49	76
Louisville ..	439	415	2,404	1,593	128	163	173	115
Memphis	404	428	1,246	2,007	150	146	12	62
St. Louis....	1,100	1,021	4,138	3,379	595	727	643	761
May totals..	2,242	2,013	\$ 8,603	\$ 7,383	1,067	1,231	\$ 939	\$ 1,031
Apr. 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

*In thousands of dollars (000 omitted).

FINANCIAL

The demand for funds from commercial sources during the past thirty days developed a slight slowing down as compared with the similar period immediately preceding. This was due more to the fact that mercantile houses are operating to a greater extent on their own resources than to any decrease in activities. May settlements with both wholesalers and manufacturers were heavy and early June payments were in larger volume than a year ago. Deposits of the reporting member banks declined during the latter half of May, but turned upward slightly in the first week of June. Total stocks and bonds and other investments held by member banks went to the highest point of the year at the end of May, but at the middle of June receded to approximately the same levels as a month earlier. Gradual improvement is noted in the demand for agricultural purposes, particularly in the South where early crops are being harvested. During the past two weeks there has been a good inquiry for funds from flour milling and grain elevator interests. This demand is about ten days earlier than last season, and in most instances larger amounts are being mentioned in inquiries. Additional heavy payments to planters by the tobacco cooperative marketing associations have resulted in good liquidation in that general territory. There was the usual seasonal recession in the demand for live stock loans. Borrowing by security brokerage interests held at about the same levels as during the preceding thirty days. Quotably rates charged by the commercial banks were unchanged, but with the tendency slightly easier.

Commercial Paper — Generally business with commercial paper brokerage interests was described as satisfactory. A fair volume of paper is coming out, and purchasing is better distributed than usual at this season. Country banks are taking less than heretofore, due to the fact that calls on them for

agricultural financing are increasing. Purchasing by southern banks was in relatively larger volume than in other sections of the district. Sales of the reporting brokerage interests were 3.2 per cent larger than during the same month in 1924, and 5.0 per cent larger than the April total this year.

Federal Reserve Operations—Seasonal requirements in the country for financing crop operations were reflected in a further increase in bills discounted by the Federal Reserve Bank of St. Louis for its member banks. On June 15 the total was \$19,085,000, which compares with \$16,311,000 on May 15, and \$24,730,000 on June 15, 1924. Federal reserve note circulation dropped from \$47,268,000 on May 15 to \$45,528,000 on June 15, the latter figure comparing with \$63,211,000 a year ago. Total earning assets rose from \$54,108,000 on May 15 to \$58,035,000 on June 15. The combined reserve ratio against Federal reserve note and deposit liabilities stood at 59.1 per cent on June 15, 60.6 per cent on May 15, and 62.3 per cent on June 15, 1924. During May this institution discounted for 204 of its member banks which compares with 193 accommodated in April and 268 in May, 1924. The discount rate of this bank remained unchanged at 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:

	*June 17, 1925	*May 17, 1925	*June 17, 1924
Bills discounted.....	\$16,023	\$20,010	\$23,615
Bills purchased.....	11,144	11,380	1,292
U. S. Securities.....	28,413	26,640	6,825
Foreign loans on gold.....	483	483
Total earning assets.....	\$56,063	\$58,513	\$31,732
F. R. Notes in circulation.....	45,093	47,570	62,622
Total deposits.....	78,289	83,740	76,157
Ratio of reserves to deposit and F. R. note liabilities.....	58.6%	57.6%	83.5%

*In thousands (000 omitted).

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

	*June 17, 1925	*May 20, 1925	*June 18, 1924
Number of banks reporting.....	733	733	34
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations.....	\$ 10,181	\$ 10,253	\$ 7,757
Secured by other stocks and bonds.....	168,031	171,762	143,807
All other loans and discounts.....	296,574	302,888	308,670
Total loans and discounts.....	\$474,786	\$484,903	\$460,234
Investments			
U. S. Pre-war bonds.....	12,707	12,708	14,809
Liberty bonds.....	21,715	40,570	23,424
Treasury bonds.....	13,339	14,077	3,492
Victory and Treasury notes.....	8,355	9,217	14,995
Certificates of Indebtedness.....	3,600	2,273	2,858
Other securities.....	113,027	108,554	91,536
Total investments.....	\$172,743	\$187,399	\$151,114
Reserve balance with F. R. bank.....	45,118	44,214	44,763
Cash in vault.....	7,285	6,971	7,198
Net demand deposits.....	390,690	389,278	358,256
Time deposits.....	207,037	204,737	197,911
Government deposits.....	3,660	8,009	2,860
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't. obligations....	500	1,296	1,103
All other.....	2,789	6,206	4,374

*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			June, 1925 comp. to May, 1925	June, 1925 comp. to June, 1924
	June 17, 1925	May 20, 1925	June 18, 1924		
E. St. Louis and Nat. Stock Yards, Ill..\$	40,279	\$ 39,970	\$ 37,038	+ 0.8%	+ 8.8%
El Dorado, Ark.....	10,905	9,018	7,263	+20.7	+50.1
Evansville, Ind.....	37,099	40,055	25,084	— 7.4	+47.9
Fort Smith, Ark.....	10,629	11,629	9,501	— 8.6	+11.9
Greenville, Miss.....	3,095	3,010	3,114	+ 2.8	— 0.6
Helena, Ark.....	3,533	3,724	3,525	— 5.1	+ 0.2
Little Rock, Ark.....	55,581	55,759	49,014	— 0.3	+13.4
Louisville, Ky.....	178,940	159,635	140,057	+12.1	+27.8
Memphis, Tenn.....	110,970	119,570	103,279	— 7.2	+ 7.4
Owensboro, Ky.....	4,559	4,726	4,975	— 3.5	— 8.4
Quincy, Ill.....	11,320	11,568	9,868	— 5.1	+14.7
St. Louis, Mo.....	720,300	660,300	647,761	+ 9.1	+11.2
Sedalia, Mo.....	4,172	4,268	3,989	— 2.2	+ 4.6
Springfield, Mo.....	13,719	12,584	6,946	+ 9.0	+97.5
Totals.....	\$1,215,101	\$1,135,816	\$1,051,414	+ 7.0	+15.6

*In thousands (000 omitted).

COST OF LIVING

A survey of the cost of living in the United States by the National Industrial Conference Board indicates that a net increase of three-tenths of one per cent occurred in the total cost of living between April 15 and May 15, 1925. There was a decrease noted in the average price of fuel; average food and clothing prices advanced somewhat and the average prices of shelter, light and sundries did not change in this period. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and May, 1925 the cost of living decreased 19.2 per cent. The increase in the cost of living since 1914 was 65.3 per cent.

The following table shows the index numbers of the cost of living as compared with average prices in July, 1914, and also the percentage changes on May 15, 1925 as compared with previous months:

Item	Relative importance in family budget	Index numbers of the cost of living (Average prices in 1914=100)			Percentage of decrease in the cost of living on May 15, 1925 from average prices in—	
		July, 1920	April, 1925	May, 1925	July, 1920	April, 1925
Food*	43.1	219	151	152	30.6	0.7**
Shelter	17.7	158	182	182	15.2**	0.0
Clothing	13.2	266	171	172	35.6	0.3**
Fuel and light..	5.6	166	165	163	1.8	1.1
(Fuel)	(3.7)	(192)	(176)	(174)	(9.4)	(1.1)
(Light)	(1.9)	(115)	(143)	(143)	(24.3)**	(0.0)
Sundries	20.4	185	175	175	5.4	0.0
Weighted average of all items..100.0		204.5	164.8	165.3	19.2	0.3**

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

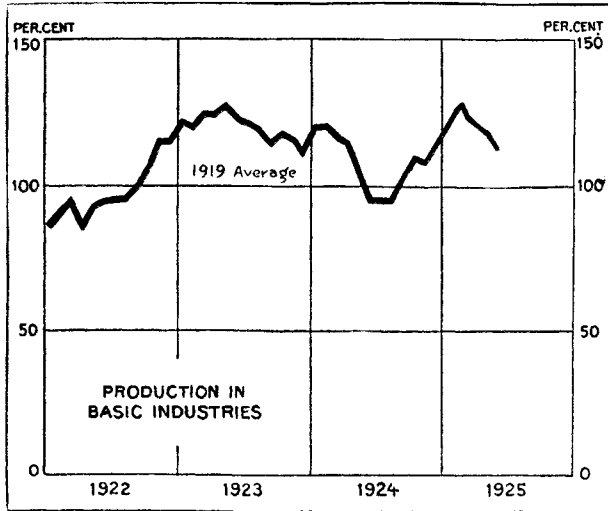
**Increase.

The purchasing value of the dollar, based on the cost of living in May, 1925, was 60.5 cents as contrasted with one dollar in July, 1914.

(Compiled June 20, 1925)

BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION — The Federal Reserve Board's index of production in basic industries declined six per cent in May to 12 per cent below the high point in January. There were further considerable decreases in the output of the iron and steel and woolen industries, and declines also

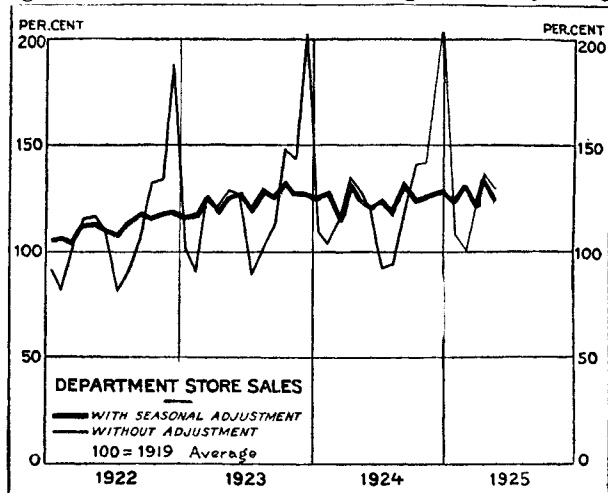


Index of 22 basic commodities corrected for seasonal variation. Latest figure, May = 112.

occurred in the mill consumption of cotton and in copper, sole leather, and news print production. The number of automobiles manufactured during May fell slightly below the record figure of April. Employment at industrial establishments was slightly less in May than in the month before, with decreases, partly seasonal, in the clothing, boot and shoe, and iron and steel industries and increases in the industries producing automobiles, tobacco products, and certain building materials. Building contracts awarded during May were smaller in value and in square feet than those for April, but were larger than for any other month on record.

TRADE — Department store sales in May were smaller than in April but somewhat larger than a year ago, and mail order sales were 5 per cent larger than in May 1924.

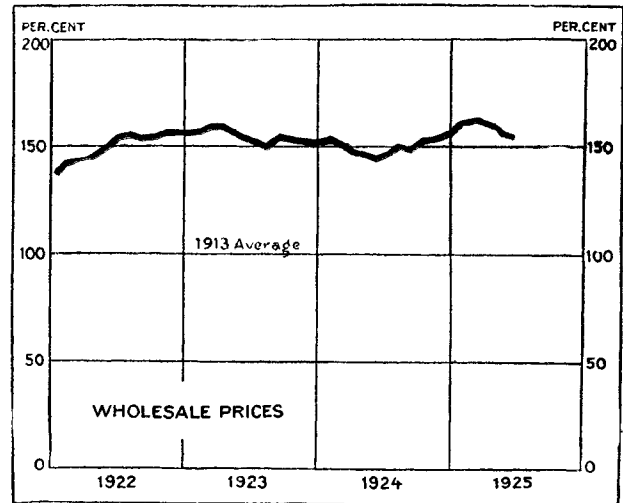
Department store stocks declined in May and were at the same level as a year ago. Wholesale trade was in about the same volume as the month before and about 3 per cent larger than a year ago, increases over last year in sales of meats and dry goods offsetting decreases in sales of groceries, shoes, hardware and drugs. Wholesale stocks of groceries in dollar values were larger than a year ago,



Index sales of 333 stores in 117 cities. Latest figures, May, 1925.

while stocks of dry goods and shoes were substantially smaller. Carloadings of miscellaneous products and merchandise decreased slightly during May, but were greater than a year ago.

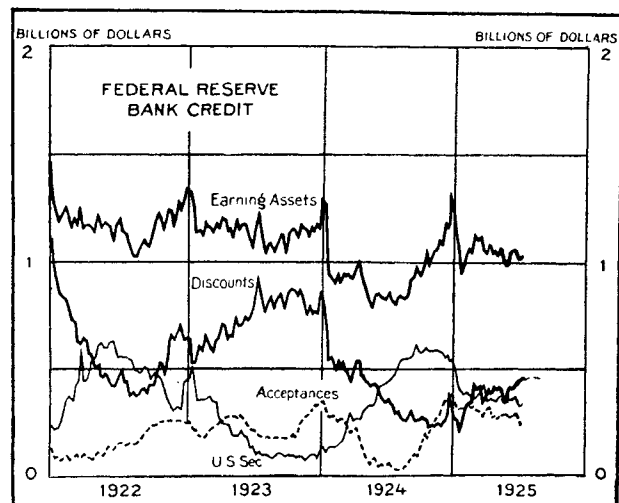
PRICES — Wholesale prices continued to decline in May, but the decrease was considerably smaller than for the preceding month. All groups of prices represented in the Bureau of Labor Statistics index declined except the house-furnishings and miscellaneous groups. In the



Index of U. S. Bureau of Labor Statistics. Latest figure, May = 155.2.

first three weeks of June prices of wheat, corn, flour, cotton goods, and pig iron declined, while quotations on sheep, hogs, gasoline, hides and rubber advanced.

BANK CREDIT — Borrowing for commercial purposes at member banks in leading cities declined further between the middle of May and the middle of June to a level lower than at any time this year, while loans on securities increased and reached a new high level in June. Investment holdings of these banks also increased, and total loans and investments at the middle of June were near the high point for the year. At the reserve banks there was an increase in member bank borrowing between May 20 and June 24 and on that date discounts for member banks were in larger volume than at any time since the opening of the year. Further decreases in the holdings of acceptances and of United States securities brought the volume of open market holdings in June to the lowest level since last summer.



Weekly figures for 12 Federal reserve banks. Latest figure June 24.

Conditions in the money market remained relatively steady during the latter part of May and first three weeks of June, notwithstanding the heavy treasury operations in the middle of June.