

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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REPORTS relative to general business in this district during the past thirty days reflect no radical change as contrasted with the similar period immediately preceding. As a whole activity maintained a steady pace, with a majority of lines showing improvement over the corresponding period a year ago. In the case of goods for ordinary consumption there has been freer purchasing for future requirements, and the volume of orders for prompt shipment has substantially assisted the general turnover. Further progress in the direction of price stabilization was recorded, which fact, coupled with more positive knowledge of favorable character relative to crops, has had a tendency to restore confidence and promote purchasing of commodities of all descriptions.

Retail distribution of seasonal goods was greatly stimulated by the long spell of hot weather. Summer apparel has moved in heavy volume, and mid-year clearance sales in all the large cities have met with unusually good response. Sales of vacation supplies, sporting goods, and the general line of warm weather merchandise were considerably in excess of the corresponding period last year. Since July 1 wholesalers and jobbers report a satisfactory volume of reordering from the retail trade. Hardware and electrical supply interests report a heavy call for summer merchandise, such as electric fans, garden hose, and ice cream freezers, while sales of soda fountain supplies by the grocery and drug interests were of record size.

There was some slowing down in activities in the iron and steel industry, though shipments on orders previously booked were well sustained. In the building industry activity continued at the high levels of the preceding several months and new projects initiated and construction under way insure continuance of the present pace through the fall. Distribution of automobiles during June declined somewhat under May, but was well in excess of June a year ago. Employment conditions were in

the main satisfactory, there being less than the usual amount of involuntary idleness at this season. Slack in the common labor market has been largely absorbed by the call for farm help and laborers for highway and river improvement work.

Crop prospects underwent distinct improvement in this district during June and the first half of July. Harvesting of wheat is nearing completion, and early threshing returns indicate yields and quality well up to expectations in most of the important growing areas. The outlook for corn is excellent, and tobacco and rice prospects have been greatly improved by recent precipitation. Wheat prices, which declined sharply early in July, scored a sharp recovery during the second week of the month, and corn and oats also reacted upward. Live stock prices were higher, with cattle values going to the highest levels since 1922. Cotton fluctuated in a relatively narrow range, closing quotations on July 15 being about steady with a month earlier.

Depression which has existed in the coal industry for many months is still unrelieved. Purchasing for storage purposes, both by steam users and the domestic trade is backward, and despite the heavily curtailed operations at the mines, operators are finding difficulty in disposing of their current outputs. Competition for all current business is keen and in order to move accumulations on track and in storage piles, further price concessions have been made. The usual advance in prices by Illinois operators on July 1 were not made, and generally in that field shaft mines are active only two to three days per week. The strip mines, both in Kentucky and Illinois, are relatively more active than the deep mines, and are crushing considerable coal and have booked some railroad tonnage. Conditions in Western Kentucky are reported unsatisfactory, with domestic prepared coal offered as low as \$1.10 per ton for some off grades, and markets at \$1.25 to \$1.50 for good coals. Production of bituminous

coal for the calendar year to July 4 was 239,170,000 tons which compares with 235,685,000 tons during the corresponding period last year and 284,924,000 tons in 1923. The total quantity of bituminous coal in the hands of consumers on June 1, 1925, was 38,000,000 tons, against 44,000,000 tons on March 1 and 51,000,000 tons on June 1, 1924.

Railroads operating in the district continue to accommodate an enormous volume of freight traffic, and for the country as a whole loadings of revenue freight for the first six months of this year (26 weeks) amounted to 24,297,628 cars, an increase of 1,112,476 cars or 4.8 per cent over the corresponding period last year and of 292,126 cars or 1.2 per cent over the first half of 1923. Arrangements made by southwestern roads for handling the movement of grain have proven adequate in every respect, and all freight offered is being forwarded without delay. Surplus serviceable equipment for the period ending June 23 was 308,824 freight cars, with no shortages of any kind being reported. The St. Louis Terminal Railroad Association, which handles interchanges for 28 connecting lines, interchanged 198,277 loads in June, against 207,360 loads in May and 175,492 loads during June, 1924. During the first 9 days of July 56,945 loads were interchanged, against 58,389 loads during the first 9 days of June, and 48,868 loads during the corresponding period in 1924. Passenger traffic of the reporting lines decreased 6 per cent during June as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans during June was 68,000 tons, against 97,349 tons in May and 82,565 tons in June, 1924.

For the most part reports relative to collections during the period under review indicate a continuance of the high efficiency maintained during the past several months. Wholesalers report that an unusually large number of their customers are taking advantage of discounts for prompt settlements, and in turn the wholesalers are paying their bills and reducing obligations at the banks. Retailers in the large cities report less than the usual delay in payments caused by absence of customers on vacations. Some backwardness is noted in the grain sections, due to the fact that farmers are busy with harvest and unable to get to town. In the iron and steel industry collections are reported mainly satisfactory. Answers to 448 questionnaires addressed to representative lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1925.....	6.7%	32.9%	53.3%	7.1%
May, 1925.....	5.5	36.0	50.7	7.8
June, 1924.....	0.9	28.4	58.4	12.3

Commercial failures in the Eighth Federal Reserve District during June, according to Dun's, numbered 86, involving liabilities of \$883,277, against 89 defaults in May with indebtedness of \$1,369,633 and 81 failures for \$975,155 in June, 1924.

The per capita circulation of the United States on July 1, 1925, was \$41.49, against \$41.89 on June 1, and \$42.20 on July 1, 1924.

MANUFACTURING AND WHOLESALE

Automobiles — Production for the country as a whole decreased 5.6 per cent in June as compared with May, but the total was 60.2 per cent greater than for June, 1924. Manufacturers reporting direct or through the National Automobile Chamber of Commerce built 364,731 cars in June, against 382,972 in May, and 222,966 in June, 1924. The output of trucks in June was 36,846 against 42,322 in May and 27,663 in June, 1924.

Sales of new cars of all descriptions continued active during the period under review, and were larger than during the corresponding period a year ago, though falling slightly under the preceding thirty days. The decrease as compared with the month before was seasonal in character, but according to many important dealers was less marked than in previous years. Stocks of new cars on dealers' floors continue of moderate proportions, and in some instances distributors of certain popular makes are behind on deliveries. Country dealers report improved inquiries and more numerous prospects, but actual sales were interfered with by preoccupation of farmers with harvest. The used car business was reported active, with a further reduction in stocks in a majority of instances. An exception to the smaller used car stocks was reported by the distributors of two makes, who have inaugurated the plan of taking in old cars as first payment on purchases of new vehicles. The accessory business proceeded at a steady pace as compared with the preceding month. Prices of tires advanced approximately 12 per cent, the upturn being in sympathy with higher crude rubber. Sales of new cars by 320 dealers scattered through the district during June were 8.3 per cent larger than a year ago, and 4.7 per cent under the May total this year.

Boots and Shoes — Sales of the 11 reporting interests during June were 8.1 per cent larger than for the same month in 1924, but 1.7 per cent below the May total this year. Future business with virtually all the reporting stores was smaller than a year ago, advance buying being held in check by uncertainty relative to styles. The comment is made that greater emphasis than ever is being laid on novelties and styled goods, both in women's and men's wear. Some improvement is noted in the demand for work shoes, particularly in the rural

districts. Prices showed no change as contrasted with the preceding thirty days, and there was little variation in stocks. Factory operation was at 85 to 95 per cent of capacity.

Clothing — Purchasing for delivery next fall has opened up in good shape, with the volume of future sales slightly in excess of the same time a year ago. Demand centers largely in novelties and medium price and cheap lines. Generally stocks in retailers' hands are light, and during the past two weeks there has been a fair volume of reordering of summer-weight goods, particularly from the South. There has been an excellent call for women's ready-to-wear garments in voiles, rayon mixtures and silk goods. The movement of furnishings has been active, with sales of neckwear and men's shirts running well over a year ago. The hot weather has had a stimulating effect on the movement of straw hats, but quietness is still complained of in the general millinery line. June sales of the 11 reporting clothiers were 20.3 per cent larger than during the same month in 1924, and 18.9 per cent under the May total this year.

Drugs and Chemicals — Sales of the 11 reporting interests during June were 14.4 per cent larger than for the same month in 1924, and 4.3 per cent in excess of the May total this year. The volume of sales was materially assisted by almost record purchasing of soda supplies. The movement of all varieties of hot weather goods was brisk, and sales of insecticides and spraying materials were heavy. Prices showed no notable change as compared with the preceding thirty days.

Dry Goods — Distinct improvement was reported in this line, June sales of the 12 stores being 22.5 per cent larger than a year ago, and 2.5 per cent greater than in May this year. Advance business with several of the more important interests accounted for a substantial part of the increase over last year. Improvement was fairly general through the entire line, but with hosiery, ready-to-wear garments, blankets, wash and knitted goods making a particularly favorable showing. Comment was made upon the heavily increased sale of bathing suits over a year ago. The movement of notions and the general line of men's furnishings was active.

Electrical Supplies — The recent hot wave created an extraordinary demand for electric fans, which, in conjunction with a continued broad outlet for electrical goods through the building industry, caused an increase in June sales of the 12 reporting interests of 30.8 per cent over the same month in 1924, and of 67.9 per cent over the May total this year. Other sections of the line were active, and sales during early July indicate a continuance of the recent gains. Prices were unchanged, save for

advances on rubber insulated copper wire. Stocks at the end of June were 3.1 per cent smaller than a month earlier, but 9.4 per cent larger than a year ago.

Flour — Production of flour by the 11 leading mills in the district during June was 226,800 barrels, against 207,809 barrels in May, and 277,560 barrels in June, 1924. Business during the last part of June and the first week of July continued quiet and featureless, but during the past two weeks there has been a fair revival of interest, with sales of new crop soft flours to the domestic trade in good volume. Prices were rather irregular, moving closely in accord with changes in the cash wheat market. Export inquiry has improved slightly, and some hard clears were sold for shipment to Europe. Mill operation has increased since July 1, grindings during the week ending July 11 being the heaviest for any single week since last February.

Furniture — June sales of the 25 reporting interests were 33.3 per cent larger than for the same month in 1924, but 5.6 per cent under the May total this year. Some improvement in future business was reported by manufacturers, with fair bookings as a result of the recent summer markets at Chicago and Grand Rapids. Retail stocks, particularly in the country, are light, and with improved crop prospects dealers are expected to fill out their assortments. There was no change worthy of note in prices, save where concessions were made to move particularly dormant lines. Stocks of the reporting interests on July 1 were 12.6 per cent smaller than a year ago, and 10.6 per cent below those of June 1 this year.

Groceries — Extreme hot weather and the seasonal arrival of fresh fruits and vegetables on the market tended to hold down sales in this classification. Withal total sales of the 22 reporting interests in June were 0.5 per cent larger than for the same month last year, and only 4.2 per cent under the May, 1925, total. Stocks on July 1 were 11.9 per cent larger than a year ago, but 10.2 per cent less than on June 1 this year. Competition of chain stores is mentioned as a factor in the wholesale grocery trade.

Hardware — As compared with a year ago, June sales of the 12 reporting interests showed a gain of 16.4 per cent, and the total was 0.7 per cent larger than in May this year. The movement of hot weather goods has been the most satisfactory in more than three years, and numerous reorders have created a scarcity in rubber hose, sprinklers, and kindred lines. Purchasing of hand implements, and farm supplies generally is on a large scale. Sporting goods and camping and touring supplies are in active demand. Prices of rubber products

were again higher, but there were declines on wire and wire products, rope, linseed oil, turpentine and white lead. Stocks on July 1 were 11.0 per cent larger than a year ago, but 1.1 per cent below those on June 1.

Iron and Steel Products—Further curtailment of activities in the iron and steel industry marked the period under review. At the steel mills additional open hearth furnaces were blown out or banked, and there was the usual closing at foundries for the vacation period and for inventorying and repairs. Distribution held up fairly well, with shipments on old orders large, but new business, especially of heavy tonnage, was being haltingly placed. As has been the case for a number of months, the most satisfactory outlet is the building industry, which continues to account for heavy tonnages of structurals, tubular goods and other construction materials. Reinforcing concrete bars are active, with highway work taking large quantities of this material. Some improvement was noted in the demand for oil field supplies, especially from Arkansas, but purchasing in the coal fields continues at a low ebb. Buying by the automotive industry is fully up to expectations, but orders from the railroads are disappointing, and specify only such goods as are required for immediate use. There was a further reduction in the output of pig iron for the country as a whole during June, the total being the smallest since last November. Melters are still slow in covering their requirements for the second half of the year, and prices continue weak. Production of steel ingots in the United States also showed another decline in June and was the smallest since last November.

Lumber—A rather paradoxical condition has obtained in the lumber industry during the period under review. While orders are in large volume, for some items reaching record proportions, prices have remained consistently low on both yellow pine and hardwoods. A number of important manufacturers report they are selling at a loss, notwithstanding heavy shipments. For this situation overproduction is blamed. Another factor mentioned as contributing to the price weakness is the abundant supply of cars for shipping lumber at all times, which encourages buyers to order only for immediate needs. Deliveries are now made in a fraction of the time required a few years back. Because of the low prices a number of southern mills have closed down, and further curtailment is indicated.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statement showing the ac-

tivity of department stores in leading cities of the district:

	Net sales comparisons		Stocks on hand		Stock turnover	
	June, 1925 comp. to June, 1924	Six months ending June 30, 1925, to same period, 1924	June 30, 1925 comp. to June 30, 1924	January 1, to June 30, 1925	June 30, 1924	1924
Evansville	- 3.7%	- 2.5%	- 11.4%	121.2	111.8	111.8
Little Rock.....	+ 6.7	+ 7.4	- 7.2	131.2	120.7	120.7
Louisville	- 2.2	- 2.8	- 17.2	166.2	148.9	148.9
Memphis	+ 8.4	+ 8.1	+ 3.6	118.5	108.6	108.6
Quincy	+ 1.9	- 1.2	- 2.6	121.2	111.8	111.8
St. Louis.....	+ 1.6	+ 3.6	+ 3.8	163.1	158.0	158.0
Springfield ..	+ 0.7	- 1.0	- 12.3	73.4	60.7	60.7
8th District..	+ 2.5	+ 3.5	- 0.2	152.0	144.0	144.0

CONSUMPTION OF ELECTRICITY

The recent gains in the consumption of electric power by industrial customers of public utilities companies in the five largest cities of the district were carried still further during June. Increases over both the preceding month and a year ago were shown in the June totals. The year to year gain was accounted for by general improvement in virtually all lines, but was particularly marked in the steel industry, automobile manufacturing and cement works. The increase over May was due to heavier loads at cold storage and ice plants.

Detailed figures follow:

	No. of custom- ers	June, 1925 *K.W.H.	May, 1925 *K.W.H.	June, 1925 comp. to May, 1925	June, 1924 *K.W.H.	June, 1925 comp. to June 1924
Evansville	40	1,081	1,040	+ 3.9%	958	+12.8%
Little Rock.....	35	1,309	1,241	+ 5.5	1,316	- 0.5
Louisville	67	4,681	4,899	- 4.4	4,157	+12.6
Memphis	31	1,386	1,475	- 6.0	1,100	+26.0
St. Louis.....	88	15,514	14,693	+ 5.6	13,452	+15.3
Totals.....	261	23,971	23,348	+ 2.7	20,983	+14.2

*In thousands (000 omitted).

The following figures, compiled by the Department of Interior, give kilowatt production for both lighting and industrial purposes for the entire country:

	By water power	By fuels	Totals
May, 1925.....	2,023,022,000	3,161,933,000	5,184,955,000
April, 1925.....	2,021,538,000	3,130,814,000	5,152,352,000
May, 1924.....	1,948,108,000	2,848,804,000	4,796,912,000

AGRICULTURE

In face of one of the hottest, and in some sections one of the driest Junes on record, most crops in the district underwent improvement during that month and entered July in good condition. Since July 1 there has been further general improvement, for while high temperatures have continued the situation was helped by scattering rains and favorable conditions for harvesting and other farm operations. Unusual effort has been exerted to bring crops to perfection. Cultivation of the soil has been intensive, and reports from all sections indicate extensive use of fertilizers, spraying materials and other agencies to combat insect pests.

The unfavorable conditions earlier in the season, however, are being reflected in disappointing results for some crops and unusually spotted conditions in others. Yields of early fruits and vegetables have proved very irregular, outputs in certain sections being satisfactory while elsewhere they were small, with quality poor. Pastures universally have suffered from the lack of moisture and intense

heat, and are below the average. The late frosts wrought considerable damage which is now coming to light. Peaches in the northern stretches of the district are a failure, and apples were seriously injured, while in the South the outlook for these fruits is fair to good. Early planted potatoes suffered, and the same is true of other important crops.

Winter Wheat—In all States of the district prospects for winter wheat improved during June, and threshing, which is now nearing completion, is developing more favorable returns than anticipated in many sections. The condition, however, is still below average, due to frosts and quite general damage from hessian fly and chinch bugs. There were a few scattered reports of wet harvest, but generally conditions have been ideal for threshing. In many sections farmers are disposed to hold their wheat for higher prices, and the initial movement to date is smaller than usual as a result. The estimated outturn of all wheat for this district is 60,247,000 bushels, against 53,394,000 bushels harvested in 1924. For the country as a whole the estimated production is 680,000,000 bushels, against 873,000,000 bushels in 1924 and a 5-year average (1920-1924) of 837,000,000 bushels.

Corn—Almost universally corn has been greatly benefitted by the recent high temperatures and precipitation. The acreage planted this year in all states of the district is largely in excess of a year ago, when, it will be recalled, the planting season was one of the most unfavorable on record. Prospects at July 1 in many important corn producing counties were the best in recent years. The crop is well advanced and as a rule is particularly healthy, with good root growth and fine color. Spring planting conditions were all that could have been desired and damage done by the May frost was less than anticipated, and necessitated relatively little reseeding. Acreage planted this season in the district is well above a year ago, the total in the five chief corn states being 105.5 per cent of the aggregate seeded in 1924. Based on the July 1 condition, the indicated yield for the district is 441,632,000 bushels, against 346,256,000 bushels harvested last year. For the entire country the forecast is 3,095,176,000 bushels, against 2,436,513,000 bushels produced in 1924.

Fruits and Vegetables—The acreage planted to white potatoes in the district is larger than a year ago, but the indicated yield as of July 1 is smaller than last season. Late frosts did considerable damage, from which the tubers failed to rally. There has been some betterment in the immediate past in prospects for late planted stock. Estimated yield for the district is 14,219,000 bushels against 20,930,000 bushels harvested in 1924. The early in-

attention to increase sweet potato acreage was not carried out to the extent planned, due to drouth in the southern states, but the total is larger than last year, with indicated yield also heavier. Fruits generally through the district suffered from cold and unfavorable spring weather, and the chief crops in this classification will be below the average. In the North peaches were a virtual failure, but fair results are expected in the South, the July 1 condition in Arkansas being 68 per cent and in Mississippi 78 per cent of normal. The July 1 condition of apples in the principal states of the district was as follows: Illinois 55 per cent, Missouri 55, Kentucky 40, Tennessee 36 and Arkansas 69. Truck gardens have been greatly benefitted by recent rains, and except in the dry areas are in generally prosperous condition.

Live Stock—No change worthy of note has taken place in the condition of live stock during the period under review. Generally herds are in good health, the only reports to the contrary being of scattered manifestations of hog cholera, which, however, are no more serious than usual at this season. Pastures as a whole sustained some improvement during June, but in many areas are still suffering from lack of moisture and are considerably below average. The hay crop is generally short, the indicated yield in this district based on the July 1 condition being 6,335,000 tons, against 8,719,000 tons harvested last year.

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

	*Receipts			*Shipments		
	June, 1925	May, 1925	June, 1924	June, 1925	May, 1925	June, 1924
Cattle and Calves.....	118	103	102	67	59	62
Hogs	264	293	361	181	230	222
Horses and Mules.....	1	1	2	1	1	2
Sheep	87	38	76	19	10	15

Cotton—According to the U. S. Department of Agriculture, the area of cotton planted in states of this district, with the exception of Missouri, was larger this year than in 1924. In Arkansas the acreage, 3,649,000 acres, is 115 per cent of the 1924 area and the largest on record. In Mississippi the acreage is 12 per cent larger than last year and in Tennessee 20 per cent larger. The condition for the country as a whole on July 16 was 70.4 per cent, indicating a total production of 13,588,000 bales, against 13,627,000 bales in 1924 and 10,139,671 bales in 1923. Since the date of the Government report conditions have been mainly auspicious for the crop, which has generally in the district held its own or improved. Generally stands are fair to excellent, with cultivation good and fields clean. Premature blooming is reported in some drouth areas, and moisture is needed in many sections. The season is two to three weeks early, and

labor is in adequate supply. Stocks of cotton in Arkansas warehouses totaled 16,903 bales on July 10 against 37,400 bales on the same date a year ago.

Rice—Planting of the crop was completed during the last week in June, and where it has had enough moisture is making rapid growth and has a fine appearance. Generally the crop is from two to three weeks ahead of normal. Owing to the exceptionally dry season, water for irrigation has been insufficient in many sections, and some acreage has been abandoned on that account. There is very little old crop rice on hand and demand is strong for all grades and qualities of polished rice, with prices high. Some farmers with surplus rice left from seeding sold it to the mills at \$1.65 to \$1.70 per bushel. These figures are considered encouraging as indicating possible prices for new rice. In Arkansas 172,000 acres were seeded in rice, and with a condition of 86 per cent on July 1 the indicated yield is 7,766,000 bushels.

Tobacco—Transplanting tobacco was checked to some extent by drouth, which fact was responsible for a smaller acreage than planned in early spring. Fairly general rains have fallen since the middle of June and the outlook for the crop is more encouraging, especially in the fired dark district of Kentucky and Tennessee. In the burley section the early planting is well advanced, and the later planting is beginning to make good headway. In all districts farmers are working the crop thoroughly in the endeavor to make not only quantity, but to improve quality. Based on the July 1 condition the estimated yield of tobacco is 319,174,000 pounds, against 338,335,000 pounds harvested in 1924.

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

Wheat	High		Low		Close	
	July 15, 1925	July 15, 1924	July 15, 1925	July 15, 1924	July 15, 1925	July 15, 1924
July	\$1.57¾	\$1.39½	\$1.56	\$1.19½		
September	1.55¾	1.38	1.52¾	1.20½		
December	1.57¾	1.40¼	1.54¾	1.23½		
No. 2 red winter	1.95	1.50	\$1.63 @	1.65	\$1.30 @	1.34
No. 2 hard.....	1.65	1.44	1.60 @	1.61		1.21
Corn						
July	1.11	.97	1.04¼	1.11½		
September	1.11½	.98¾	1.05½	1.02¾		
December91¾	.85¼	.87¾	.85¾		
No. 2.....	1.11	.99	1.10	1.14		
No. 2 white.....	1.11½	1.01	1.10½	1.16 @		1.17
Oats						
No. 2 white.....	.54	.47	.50½ @	.51		.59
Flour						
Soft patent.....per bbl.	9.25	7.75	8.25 @	8.75	6.00 @	7.00
Spring patent.....	8.65	7.50	7.90 @	8.50	7.00 @	7.50
Middling cotton.....per lb.	.24½	.23¾	.24½	.28¾		
Hogs on hoof.....per cwt.	14.75	11.00	12.75 @	14.50	5.00 @	7.65

BUILDING

In point of dollar value building permits issued in the five largest cities of the district during June exceeded those of May by 10.5 per cent, and were 92.4 per cent larger than the total for June, 1924. Conditions during the past thirty days were ideal

for pushing work under way, and generally activity in the building industry was at the highest level ever recorded for this time of year. Manufacturers report a continued active demand for their goods, with prices mainly steady as compared with the preceding month. As has been the case for the past three months, there is a steadily increasing proportion of industrial building in the permit lists. Production of portland cement for the country as a whole during June totaled 15,387,000 barrels, against 15,503,000 barrels in May, and 13,538,000 barrels in June, 1924.

Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1925	1924	1925	1924	1925	1924	1925	1924
Evansville ..	340	175	\$ 227	\$ 178	68	78	\$ 27	\$ 44
Little Rock	113	99	276	403	85	88	70	30
Louisville ..	483	353	2,578	1,137	128	37	127	15
Memphis	446	387	1,636	1,245	107	164	49	60
St. Louis....	983	867	4,796	1,981	462	596	767	611
June totals..	2,365	1,881	\$9,513	\$4,944	850	963	\$1,040	\$760
May totals..	2,242	2,013	8,603	7,383	1,067	1,231	939	1,031
April totals..	2,410	2,429	15,673	9,502	1,068	1,463	855	669

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in postal receipts for the second quarter of 1925 of 9.9 per cent over the first quarter, and of 6.8 per cent over the second quarter of 1924:

Detailed figures follow:

	For quarter ended				June, 1925 comp. to June, 1924
	June 30, 1925	Mar. 31, 1925	Dec. 31, 1924	June 30, 1924	
Evansville	\$ 151	\$ 148	\$ 160	\$ 143	+ 5.6%
Little Rock.....	201	207	224	187	+ 7.5
Louisville	664	642	714	630	+ 5.4
Memphis	493	143	509	444	+11.0
St. Louis.....	3,021	2,983	3,427	2,836	+ 6.5
Totals.....	\$4,530	\$4,123	\$5,034	\$4,240	+ 6.8

*In thousands (000 omitted).

FINANCIAL

The general aspect of the banking and financial situation underwent little change worthy of note during the period under review. The banks still hold abundant loanable funds, and the demand from rank and file of borrowers, save for a slight expansion in requirements for crop financing, was about in the same volume as thirty days earlier. There were the usual heavy withdrawals around July 1 to meet mid-year interest and dividend disbursements, but these transactions consisted largely of a shifting of credits, and their ultimate result on the situation was negative. Demands from the flour milling and grain elevator interests are fairly heavy, and about two weeks earlier than last year, but the volume of this borrowing is held down by uncertainty of wheat prices, and a disposition on the part of farmers to hold back their grain. The mercantile demand is good, but with collections exceptionally high, many concerns are able to operate largely on their own resources, and consequent-

ly have not materially increased their commitments at the banks. With the improved outlook for corn, there has been an increased inquiry for live stock loans in some sections of the district. Country banks generally are well supplied with funds, and are taking care of the agricultural needs in their own localities with less than the usual assistance from financial institutions in the larger centers. There has been considerable liquidation in sections where early crops have been marketed, and generally farmers and country merchants are reducing their indebtedness. The irregular decline in deposits of reporting member banks, which has been in progress since the middle of March, continued during the period under review, a new low point for the year being reached in the week ending July 1. Loans of the reporting banks increased slightly, with part of the increase being accounted for by borrowings of security brokerage interests, which latter item advanced to about the level of the middle of May. There was a slightly firmer trend in interest rates charged by the commercial banks about July 1, since which time fluctuations have been narrow, with the average a shade above that prevailing a month ago.

Commercial Paper — Business of commercial paper brokerage interests during June was reported moderately active, but with volume being held down by low rates and a scarcity of offerings. Country banks in some sections bought less freely, due to the fact that they are finding employment for their funds in local agricultural requirements. Since July 1 there has been general improvement, though offerings are restricted, especially of prime names. Rates were unchanged at $3\frac{3}{4}$ to 4 per cent.

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			July, 1925	July, 1925
	July 22, 1925	June 17, 1925	July 23, 1924		
E. St. Louis and					
Nat. Stock Yards, Ill.	\$ 42,830	\$ 40,279	\$ 34,368	+ 6.3%	+24.6%
El Dorado, Ark.	11,534	10,905	7,104	+ 5.8	+62.4
Evansville, Ind.	40,394	37,099	27,864	+ 8.9	+45.0
Fort Smith, Ark.	10,848	10,629	9,063	+ 2.1	+19.7
Greenville, Miss.	3,005	3,095	2,995	- 2.9	+ 0.3
Helena, Ark.	3,163	3,533	3,536	-10.5	-10.5
Little Rock, Ark.	55,362	55,581	51,113	- 0.4	+ 8.3
Louisville, Ky.	189,725	178,940	160,156	+ 6.1	+18.5
Memphis, Tenn.	104,332	110,970	101,562	- 6.0	+ 2.7
Owensboro, Ky.	5,172	4,559	5,185	+13.4	- 0.3
Quincy, Ill.	11,746	11,320	9,794	+ 3.8	+19.9
St. Louis, Mo.	655,100	720,300	591,327	- 7.7	+12.5
Sedalia, Mo.	4,511	4,172	3,746	+ 8.1	+20.4
Springfield, Mo.	13,727	13,719	11,104	+ 0.1	+23.6
Totals	\$1,151,447	\$1,205,101	\$1,018,917	- 3.6	+13.0

*In thousands (000 omitted).

Federal Reserve Operations — A further gain in bills discounted by the Federal Reserve Bank of St. Louis was recorded during the period under review. On July 16 the total was \$19,937,000, which compares with \$18,002,000 on June 16, and \$19,164,000 on July 16, 1924. Federal reserve note circulation declined again, from \$45,250,000 on June 16 to \$43,686,000 on July 16, the latter figure comparing with \$60,430,000 a year ago. Total earning assets on July 16 were \$61,613,000 against \$57,282,000 on June 16, and \$29,707,000 on July 16, 1924. The combined reserve ratio against Federal reserve note and deposit liabilities stood at 53.0 per cent on July 16, against 59.7 per cent a month earlier and 84.0 per cent a year ago. During June this institution discounted for 228 of its member banks, which compares with 204 accommodated in May and 260 in June, 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:

	*July 16, 1925	*June 16, 1925	*July 16, 1924
Bills discounted	\$19,937	\$18,002	\$19,164
Bills purchased	10,314	11,347	224
U. S. Securities	30,879	27,450	10,319
Foreign loans on gold	483	483
Total earning assets	\$61,613	\$57,282	\$29,707
F. R. Notes in circulation	43,686	45,250	60,430
Total deposits	75,173	84,456	73,333
Ratio of reserves to deposit and F. R. note liabilities	53.0%	59.7%	84.0%

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

	*July 15, 1925	*June 17, 1925	*July 16, 1924
Number of banks reporting	733	733	34
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations	\$ 9,150	\$ 10,181	\$ 7,657
Secured by other stocks and bonds	171,699	168,031	145,881
All other loans and discounts	299,717	296,574	307,484
Total loans and discounts	\$480,566	\$474,786	\$461,022
Investments			
U. S. Pre-war bonds	12,707	12,707	14,809
Liberty bonds	22,656	21,715	22,605
Treasury bonds	11,200	13,339	3,687
Victory and Treasury notes	7,043	8,355	15,090
Certificates of Indebtedness	552	3,600	1,382
Other securities	108,168	113,027	90,296
Total investments	\$162,326	\$172,743	\$147,869
Reserve balance with F. R. bank	45,409	45,118	42,187
Cash in vault	7,496	7,285	7,363
Net demand deposits	387,350	390,690	359,676
Time deposits	205,800	207,037	198,868
Government deposits	1,906	3,660	2,170
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't. obligations	1,641	500	267
All other	4,891	2,789	2,915

*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.

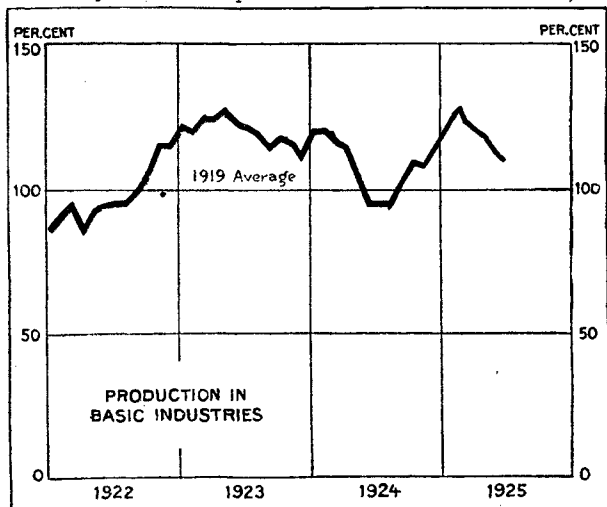
(Compiled July 23, 1925)

BUSINESS CONDITIONS IN THE UNITED STATES

Production— Production in basic industries, as indicated by the Federal Reserve Board's Index, declined about 1 per cent in June to the lowest level since the autumn of 1924, but was 17 per cent above the low point of last summer. Output of pig iron, steel ingots, lumber, news print and petroleum, and mill consumption of cotton declined in June, while production of bituminous coal, sole

wholesale firms were 5 per cent greater than in May and larger than in any June in the last 5 years. Department store stocks were reduced further in June, but were slightly larger than a year ago.

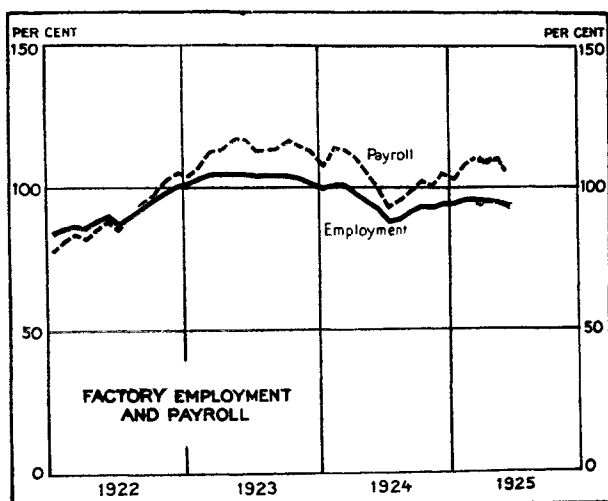
Prices— Wholesale commodity prices advanced 1.4 per cent in June, according to the index of the Bureau of Labor



Index of 22 basic commodities corrected for seasonal variation. Latest figure, June=110.

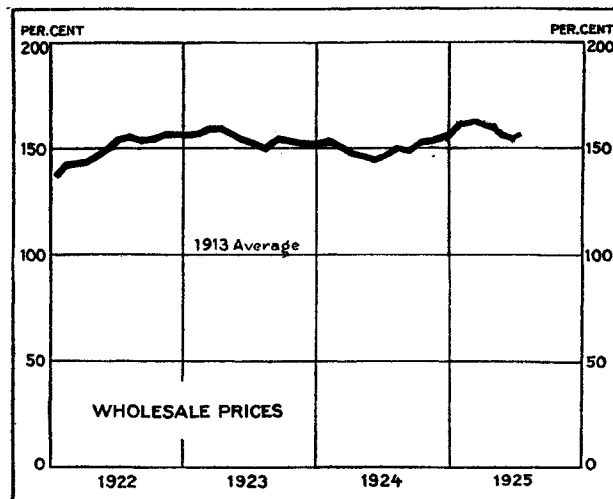
leather and wheat flour increased. The number of automobiles manufactured during June was slightly less than in May. Factory employment declined one per cent and factory payrolls over 2 per cent between May 15 and June 15, reflecting substantial declines in the automobile, boot and shoe, textile and iron and steel industries. Building contracts awarded during June were larger in value than during May and almost equalled the peak figure for April. In square feet of floor space the June awards were a little smaller than those for May. Residential contracts in June were the smallest for any month since February, but greatly exceeded those of a year ago. The Department of Agriculture's estimate of the condition of all crops combined on July 1 showed some improvement from the month before.

Trade— Freight car loadings were larger during June than during May, as is usual at that season, and also considerably exceeded the figures for June, 1924, the low point



Indices for employment and pay-rolls in manufacturing industries. Latest figure, June.

of last year. Sales at department stores during June were seasonally smaller than in May, but totaled 5 per cent more than last year. It should be borne in mind, however, that in June of this year there were four Sundays as compared with five in the preceding month, as well as in June, 1924. Mail order sales were 6 per cent larger than in May and exceeded the amount of June, 1924. Sales of

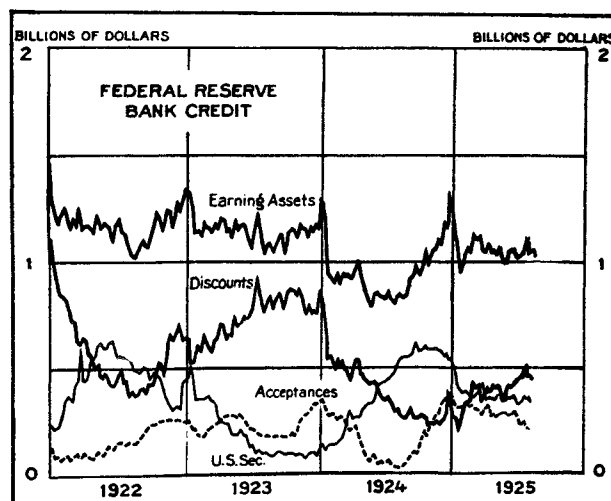


Index of U. S. Bureau of Labor Statistics. Latest figure, June=157.4

Statistics, following declines in April and May. The largest increase for any commodity group was for the miscellaneous group, which includes crude rubber. Prices of farm products, foods, and fuel and lighting also advanced, while prices of building materials declined considerably. In the first half of July quotations on flour, beef, hogs, wool, copper, petroleum, hides, and rubber increased, while prices of sugar, bituminous coal, and hardwood lumber declined.

Bank Credit— At member banks in leading cities, the volume of loans on securities continued to increase after the middle of June, and during the first half of July was at a higher level than at any previous time. Demand for bank credit for commercial purposes was relatively inactive and the volume of commercial loans at reporting member banks remained near the low level for this year, although considerably above the amount for the corresponding period in 1924.

Firmness in the money market at the close of the



Weekly figures for 12 Federal reserve banks. Latest figure, June 22.

fiscal year was followed by an easing of money after the first week of July. In the latter part of the month there was again evidence of firmer money conditions. These changes were reflected chiefly in the movement of rates for call money, quoted rates on prime commercial paper and on bankers acceptances remaining throughout the period at $3\frac{3}{4}$ per cent, 4 per cent and $3\frac{3}{4}$ per cent.