FEDERAL RESERVE BANK OF ST. LOUIS

MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

Released for Publication On and After the Afternoon of May 29, 1926
WILLIAM McC. MARTIN
Chairman of the Board and Federal Reserve Agent

WHILE business as a whole in this district during the past thirty days was active, and production and distribution of merchandise continued in large volume, there were increasing signs of uneveness and some slowing down as compared with earlier months this year. In a number of the lines investigated, sales showed decreases as contrasted with the same period a year ago, though almost universally results were better than the average during the past several years. Buying in all classifications continues on an extremely conservative scale, and is confined principally to goods for immediate use or consumption during the next thirty to sixty days. In a majority of the lines showing sales below those of the corresponding period in 1925, the loss occurred mainly in future business.

As was the case during the two preceding months, weather conditions were inauspicious for the movement of seasonal merchandise. This was true especially of goods for common consumption, such as clothing, groceries, dry goods, boots and shoes and certain items in the drug and chemical category. Sales of farm implements, seeds, fertilizers, dairy and poultry supplies and other merchandise consumed in the rural sections were disappointing, though since the arrival of warmer weather marked improvement has developed in buying in the country. Retail trade in the large cities was below expectations and was reflected in an unusually small volume of reordering of spring merchandise from the wholesalers.

Curtailment of industrial activity was in evidence in some quarters, but this manifestation was by no means general, and in a majority of instances the recent high schedules were maintained. Certain of the iron and steel plants reduced their working forces, and there was a further recession in activities at the textile mills, packing plants, flour mills, shoe factories and several miscellaneous industries. In the lead and zinc fields operating schedules were rather sharply lowered, and the surplus of miners in the bituminous coal areas was larger. As compared with the preceding month and a year ago, building permits decreased in April, but the total was still heavy, and work on buildings in course of construction and highways is keeping craftsmen and common labor in the building trades well employed.

Though the season is from two to four weeks late, the outlook for crops is on the whole favorable. Farmers have taken advantage of the recent good weather to push forward soil preparation and seeding of crops, and a considerable part of the delay in this work has been caught up with. Corn planting has made excellent progress, particularly in the South, and rains since the middle of April have served to greatly improve soil conditions. While below those of a year ago, prices of farm products are in the main satisfactory. Live stock prices advanced, and hogs and sheep and lambs reached the highest levels in several months. Favorable prospects for wheat, as indicated in the U. S. Department of Agriculture's report of condition as of May 1, resulted in a lowering of wheat prices, but caused a firmer market for feed grains. The demand for spot cotton continued quiet, and prices were a shade lower.

In the chief coal producing areas of the district conditions developed no change worthy of note as contrasted with the preceding thirty days. Due to the protracted cool weather retailers booked a fair volume of orders, and were able to pretty thoroughly clear up their reserve stocks. This advantage, however, was more than counterbalanced by the late opening of navigation on the Great Lakes, and the movement has been generally disappointing. With supplies plentiful, large industrial users are slow to contract for their forward requirements, and mine operators lack the usual backlog of future orders. Many important consumers in the middle West who formerly drew their supplies from the

Illinois and Indiana fields are turning to the cheaper product of the non-union districts. The railroads have been purchasing in heavier volume for storage purposes, but this tonnage has not been sufficient to absorb current production and "no-bills" are still much in evidence, and the number of suspensions is increasing. Prices were lower in most of the principal producing sections. Production of bituminous coal for the country as a whole during the calendar year 1926 to May 15 (approximately, 115 working days) was 205,770,000 net tons against 179,003,000 tons for the corresponding period in 1925 and 183,581,000 tons in 1924.

Loadings of revenue freight by railroads of the country during each week in April showed gains over the corresponding weeks last year and in 1924. The steady gains in the movement of merchandise and miscellaneous freight, noted in recent months, were continued. Total loadings for the entire country for the first eighteen weeks of this year, or to May 1, totaled 16,777,076 cars, which compares with 16,493,312 cars for the corresponding period last year and 15,999,791 cars in 1924. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 219,246 loads in April, against 230,909 loads in March and 198,758 loads in April, 1925. During the first nine days of May the interchange amounted to 65,113 loads, against 66,899 loads during the corresponding period in April and 61,163 loads during the first nine days of May last year. Passenger traffic of the reporting roads increased 3½ per cent during April as compared with the same month in 1925. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans for April was 73,400 tons, which compares with 74,688 tons (revised figures) in March and 98,417 tons in April, 1925.

Reports relative to collections during the past thirty days indicate a slight improvement over the similar period immediately preceding, but considerable irregularity still exists, both in point of locality and the several lines investigated. Wholesalers in the large centers report May settlements fully up to expectations, and slightly better than during the same month last year. Liquidation generally through the South has been on a large scale, except in certain sections where peculair local conditions have held back payments. There are still numerous complaints of backwardness in the coal areas, with an increasing number of requests for extensions. In the grain sections some delays have been occasioned by the wet weather, and preoccupation of farmers with their spring work. Retailers in the large cities report mainly satisfactory results in April and early May, both in their regular accounts and installment payments. Questionnaires addressed to 454 representative interests in the various lines throughout the district showed the following results:

	Excellent	Good	Fair	Poor
April, 1926	2.3%	30.3%	56.2%	11.2%
March, 1926	2.4	31.8	52.4	13.4
April, 1925	4.6	36.0	53.0	6.4

Commercial failures in the Eighth Federal Reserve District during April, according to Dun's numbered 84, involving liabilities of $1,656,577, against 78 defaults in March with liabilities of $2,808,588, and 81 failures for $1,684,044 in April, 1925.

The per capita circulation of the United States on May 1, 1926, was $42.11, against $41.73 on April 1, and $41.50 on May 1, 1925.

MANUFACTURING AND WHOLESALE

Automobiles — Distribution both at retail and wholesale during the past thirty days continued at the high rate noted in the past several months. Business in the country was assisted by more seasonable weather, and in a number of instances dealers in the small towns were behind on deliveries. A feature of the month's business, particularly pronounced in the country, was the unusually large number of straight sales, that is sales on which no used cars were taken in as part payment for new vehicles. As compared with the same period last year an increase of from 10 to 12 per cent on such transactions was reported. Stocks of new cars in dealers' hands were larger than a month earlier, and about the same as at this time last year. Reflecting the heavier sales of new cars, dealers' stocks of used cars increased, but the movement of second hand vehicles was reported satisfactory, and except in a very few instances, stocks are not excessive. Comment was made upon the continued trend away from cheap models to the medium-priced automobiles. Sales of new cars during April by 320 dealers scattered through the district were 53.4 per cent larger than for the same month last year and .04 per cent larger than the March total this year. The accessory and parts business was reported active, with sales in April 10.3 per cent larger than during the same month in 1925, and 22.3 per cent in excess of the March total this year. The tire situation underwent no change worthy of note as compared with the preceding thirty days. There was the usual seasonal increase in retail sales, but dealers are buying conservatively and for immediate requirements only.

Boots and Shoes — Sales of the 9 reporting interests during April were 14.7 per cent smaller than during the same month in 1925, and 7.7 per cent below the March total this year. Stocks on May 1 were 9.4 per cent larger than on the same date last year, but 7.7 per cent less than on April 1 this year. Orders received since May 1 show marked improvement, and are running slightly ahead of the same period in 1925. Prices of finished goods were unchanged as compared with the preceding month, but raw materials, particularly hides, advanced. Factory operation fell slightly below the rate in March.

Clothing — Weather was again unfavorable for best results in this industry. Sales of spring apparel, both men's and women's wear, at retail have been disappointing, and during the past three weeks special efforts in the way of price reductions and heavy advertising campaigns have been made to stimulate buying. Manufacturers of women's and children's clothing report advance orders for the summer trade about equal in volume to a year ago, but due to uncertainty relative to style and fabric trends they are making up few goods for stock purposes. Bookings of men's heavy suits and overcoats for fall delivery are fairly good, but the demand centers chiefly in low priced garments. Prices of raw wool are the lowest since 1921, and piece goods have declined about 8 per cent since the beginning of the year. Sales of the nine reporting interests during April were 0.5 per cent larger than during the same month in 1925, and showed the usual seasonal gain over March this year. The late season has been unfavorable for millinery and men's hat trade.

Drugs and Chemicals — Business in this classification was reported good, with sales continuing to run ahead of those last year. As compared with the preceding month, there was a fair increase in advance business, particularly marked on insecticides, fertilizer and seasonal drugs. Jobbers in the district are offering liberal discounts on selected lists of commodities to meet outside competition in local territory, which has tended to curtail profits to some extent. Sales of soda fountain equipment and supplies were below those of a year ago. Prices averaged about steady with the preceding month, advances offsetting declines. Sales of the 9 reporting interests during April were 3.5 per cent larger than for the same month in 1925, and 9.1 per cent below the March total this year.

Dry Goods — April sales of the 9 reporting interests were 13.3 per cent under those of the same month in 1925, and 27.2 per cent below the March total this year. Stocks on May 1 were 7.9 per cent larger than a month earlier and 14.7 per cent less than those on May 1, 1925. Ordering for prompt delivery is generally reported satisfactory, but advance business shows a large decrease under a year ago. Uncertainty relative to prices and the unusually cool spring are given as the main factors in backward buying. In the immediate past there has been some improvement in ordering for fall delivery, particularly of blankets and other heavy woolen goods.

Electrical Supplies — In spite of the cold spring advance sales of fans and other seasonal goods have been satisfactory. Unfavorable weather for outdoor work held down the movement of building materials and pole and line hardware. Purchasing of all sorts of materials by the coal industry continues at a low ebb, and there was the usual seasonal decline in radio sales. The demand for household appliances, lighting fixtures and small motors was reported active. April sales of the 10 reporting interests were 14.0 per cent larger than for the same month in 1925, and 4.0 per cent in excess of the March total this year.

Flour — Production at the twelve leading mills of the district during April was 277,339 barrels, which compares with 315,650 barrels in March and 237,757 barrels in April, 1925. Stocks of flour in St. Louis on May 1 were 14.4 per cent less than on April 1, and .08 per cent under those on May 1, 1925. There was no change from the quiet trade conditions obtaining during the preceding several months. Purchasing by both dealers and consumers is on a hand-to-mouth basis, with car lot sales almost entirely absent. Prices declined slightly in sympathy with the downturn in cash wheat, but buyers were not disposed to follow the decline. In the immediate past a better tone has developed in the domestic trade, particularly in the South, and bids from Europe for clears and low grade flours were closer to actual values than in a long while. Mill operation was at 55 to 60 per cent of capacity.

Furniture — April sales of the 19 reporting interests were 15.9 per cent under those of the same month in 1925, and 20.7 per cent below the March total this year. Stocks on May 1 were 48.7 per cent larger than at the same time last year, and 24.4 per cent in excess of the April 1 total this year. Unfavorable weather and the policy of dealers to purchase only for immediate requirements are given as the chief reasons for the decreases. Prices were unchanged as compared with the preceding month, but the trend is lower.

Groceries — The demand for staples was reported fairly active, but the movement of canned goods and the general line of miscellaneous groceries was disappointing. Advance orders booked for canned goods were smaller than at the same time last year, and the trend of prices was downward. Sales of the 11 reporting interests during April were 4.3 per cent larger than in the same month in 1925, and 10.1 per cent below the March total this year. Stocks on May 1 were 0.9 per cent larger than thirty days earlier and 11.0 per cent below the May 1, 1925, total.

Hardware — The backward spring was given as the principal cause for a decrease in April sales of the 10 reporting interests of 4.6 per cent as contrasted with the same month last year, and of 11.7 per cent as compared with the March total this year. The major part of the decrease in either comparison was recorded during the first half of April, orders since that date having favorably responded to a change for the better in weather conditions. The demand for builders' hardware is less active than heretofore.

Iron and Steel Products — Activity in both finished and raw materials sustained a slight slowing down during the past thirty days as compared with the similar period immediately preceding. Shipments by mills, foundries and machine shops were fairly well sustained, but specifications, particularly on seasonal goods for consumption in the rural districts, were below expectations, and new business is being sparingly and conservatively placed. While prices were for the most part steady with levels obtaining the month before, the trend was lower, and there was a disposition to shade current quotations to effect sales. Purchasing by the railroads continues backward, and is confined chiefly to materials necessary for immediate use. The building and automotive industries were relatively the most active outlets for ferrous materials. Fabricators of structural steel reported sufficient orders to keep their plants working at about the same rate as a month earlier, and the movement of standard structural shapes, reinforcing concrete bars and plates was in large volume. There was a rather sharp recession in the demand for sheets of all descriptions, and the leading producer in the district has curtailed its operations to 70 per cent of capacity, which compares with 85 per cent thirty days ago. Stove manufacturers complain of lack of new orders, and a number of the leading plants are active only two to three days per week. Engine builders and implement manufacturers are for the most part busy, and are better supplied with unfilled orders than other sections of the industry. Since the middle of April there has been some improvement in the demand for tank plates and other oil country goods, but purchasing in the coal-fields continues at a low ebb. Producers and distributors of tin plate report a smaller volume of orders than last year, due to hesitancy on the part of the canning industry in covering future requirements. Production of pig iron for the country as a whole in April showed a slight decrease under March, but was the heaviest for any April since 1923. After establishing a new record production in March, steel ingot production in April declined to a level only slightly better than the February rate, but the total output—4,123,941 tons—was the largest for any April in history. Pig iron prices declined from 50c to $1 per ton, but the reduction failed to stimulate buying, the market continuing dull. Scrap iron and steel recorded a further decline, and new low points on the downward movement were established.

Lumber — With more favorable weather for building operations, there has been a more active movement from softwood yards in the larger cities of the district. On the other hand, retailers depending on farm trade reported a quiet business, due to the fact that farmers are preoccupied with preparations for and planting of crops. Wholesale prices continued to sag on virtually all lumber stock, though there was a notable absence of drastic declines. Current consumption holds up well, and there is a heavy aggregate volume of small-order, quick delivery business.

RETAIL TRADE

Conditions in the retail trade are reflected in the following comparative tables showing activities at department stores and shoe and men's furnishing stores in leading cities of the district:

	Net sales comparisons		Stocks on hand	Stock turnover	
	Apr. 1926 comp. to Apr. 1925	4 months ending Apr. 30, 1926, to same period 1925	Apr. 30, 1926 comp. to Apr. 30, 1925	January 1, to Apr. 30, 1926	1925
Evansville	— 7.9%	— 8.9%	—13.6%	68.5	65.0
Little Rock	— 2.5	— 1.7	+ 2.2	82.2	82.6
Louisville	+ 3.0	— 0.4	+ 2.4	109.9	115.5
Memphis	+ 4.8	+10.5	+ 0.4	87.7	77.0
Quincy	— 6.1	— 3.3	— 6.0	78.9	77.9
St. Louis	+ 3.7	+ 5.0	+ 0.7	119.2	118.8
Springfield, Mo.	— 1.2	+ 5.6	— 6.4	49.4	43.5
8th District	+ 2.9	+ 4.6	+ 0.6	107.4	105.7

	Net sales comparisons		Stocks on hand	
	April 1926 compared to		April 1926 compared to	
	Apr. 1925	Mar. 1926	Apr. 1925	Mar. 1926
Men's Furnishing	— 5.7%	+ 1.7%	+ 1.2%	— 5.7%
Boots and Shoes	— 4.3	—36.9	+ 8.1	+ 8.9

CONSUMPTION OF ELECTRICITY

Electric power consumed by selected industrial customers of public utilities companies in the five largest cities of the district during April showed an increase of 5.5 per cent over the corresponding month in 1925, but a decrease of 4.1 per cent under March this year. In the year to year comparison the gain was spread pretty generally over all industries. The decrease from March to April was due to smaller loads taken by flour mills, pottery industries and the temporary closing for repairs of an important cement plant, together with reduced requirements of steel fabricators. Detailed figures follow:

	No. of customers	April 1926 *K.W.H.	Mar. 1926 *K.W.H.	Apr. 1926 comp. to Mar. 1926	April 1925 *K.W.H.	Apr. 1926 comp. to Apr. 1925
Evansville	40	1,266	1,186	+ 6.7%	1,104	+14.7%
Little Rock	35	1,184	1,271	— 6.8	1,237	— 4.3
Louisville	65	4,909	5,231	— 6.2	4,995	— 1.7
Memphis	31	1,769	1,630	+ 8.5	1,358	+30.3
St. Louis	92	15,025	15,878	— 5.4	14,197	+ 5.8
Totals	263	24,153	25,196	— 4.1	22,891	+ 5.5

*In thousands (000 omitted).

The following figures, compiled by the Department of the Interior, show kilowatt production both for lighting and industrial purposes for the country as a whole:

	By water power	By fuels	Totals
March, 1926	2,246,453,000	3,854,997,000	6,101,450,000
February, 1926	1,905,705,000	3,692,533,000	5,598,238,000
March, 1925	2,039,552,000	3,322,630,000	5,362,182,000

AGRICULTURE

Due to the late spring agricultural progress is considerably behind the seasonal schedule. Weather during the past thirty days was unfavorable for growth and development of planted crops and the accomplishment of farm work, notably plowing and soil preparation. Beginning with the second week in May, however, there was a marked change for the better in meteorological conditions, full advantage of which was taken by farmers to push forward operations, and while seeding of grains, vegetables, tobacco and other crops is still behind the average for this date, excellent progress was made, and total acreages of the chief crops will compare favorably with past years. There remains ample time for planting corn, potatoes and other spring crops, but the backward season will doubtless result in a curtailed acreage of oats.

In Missouri farm work is two to three weeks late, while in Illinois plowing for spring planting was reported only 42 per cent completed on May 8, against the average of 64 per cent. In Indiana only 38 per cent of spring plowing and planting had been completed on May 1, while last year on the same date 85 per cent was done. In Arkansas 63 per cent of this work had been accomplished on May 1, comparing with the 10-year average of 78 per cent. For the country as a whole on May 1, 68.3 per cent of all plowing and 56.1 per cent of planting had been completed. With the exception of a relatively small number of localities, farm labor was adequate to the demand.

Winter Wheat — While the estimated yield of winter wheat for the United States, based on the May 1 condition, was 548,908,000 bushels, against 398,486,000 bushels harvested in 1925, prospective yields in all states of this district, except Mississippi, are smaller than last year. The heaviest losses are in Missouri, Illinois and Indiana, and are attributable principally to the extremely unfavorable planting season last fall. Other causes contributing to the poor outlook were abandonment due to winter killing, unfavorable growing weather during the late winter and early spring, and heavy winds and hail storms. The principal damage was in the North, wheat in the South having come through the cold weather in comparatively good shape. For the country as a whole the abandonment of winter wheat acreage to May 1 was estimated to be 5.6 per cent, or 2,216,000 acres, of the 39,301,000 acres sown last fall, which is much below the 10-year average of 13 per cent.

Corn — Planting of corn has been delayed by rains and cold weather and considerably less than the usual amount has been sown. In the South relatively greater progress has been made than in the northern stretches of the district, and in many counties the plant is up to a good stand. In many northern counties soil conditions were not auspicious for seeding corn during April, but this condition has been remedied by good rains during the past three weeks. Stocks of old corn in all positions are heavy, and largely in excess of the same period last year.

Fruits and Vegetables — Reports relative to fruit vary widely, but on the whole prospects are good. Frosts and freezes in April did much damage to the peach crop in some sections, but the injury was spotted and scattered, and in the southern and extreme northern sections of the district the outlook is good. Apples were not seriously damaged, but the bloom in certain commercial sections was light. In Arkansas the condition of apples on May 1 was 75 per cent of a full crop, indicating a commercial production of 3,700 car loads. In Indiana and Illinois and parts of Missouri the apple crop will be large. Strawberries were two to three weeks late, but indications for the chief producing states of the district were for heavier yields than last year. Cherries, plums and other tree fruits are expected to yield heavily. Planting of vegetables is late, particularly potatoes, but the condition is high and with favorable weather from this on, results should be satisfactory. Gardens were planted later this year in more than a decade, but have responded well to the improved weather since May 1, and are in generally good condition.

Live Stock — Most recent reports indicate improved conditions among live stock as compared with the preceding month. The early lamb situation, while quite varied in different areas, is on the whole satisfactory, and prices were the highest since early in January. Due to the cold spring, there was unusually high mortality among young pigs. The general trend among raisers is to increase their herds of cattle and swine, both because of the abundance of cheap feeds, and the high market prices. The average condition of pasture in the United States on May 1 was 74.6 per cent of normal, compared with 86.5 per cent on the same date in 1925, and 84.0 per cent, the average condition for the past ten years on May 1.

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

	Receipts			Shipments		
	Apr. 1926	Mar. 1926	Apr. 1925	Apr. 1926	Mar. 1926	Apr. 1925
Cattle and Calves......	86,439	94,740	84,864	55,627	55,169	50,495
Hogs	311,011	301,580	262,267	227,800	210,284	191,949
Horses and Mules....	1,471	5,096	1,123	1,969	5,807	2,014
Sheep	15,859	30,250	13,969	7,741	14,433	8,930

Cotton — Weather was more favorable for planting cotton and considerable progress was made in putting in the crop. There is still considerable seeding to be accomplished in the northern section of the district. Unusually low temperatures were against germination, and for the most part stands are disappointing. There were some complaints of seed rotting in the ground, necessitating replanting. Recent precipitation has furnished abundant moisture generally through the district, and soil conditions are fine. Unofficial reports indicate acreages about on a parity with last year. The demand for cotton continued quiet and prices fluctuated over a very narrow range. The middling grade in the St. Louis market closed at 17¾c per pound on May 15, which was ¼c below the price on April 15, and compared with 22¾c on May 15, 1925. Stocks continue heavy, the total in Arkansas warehouses on May 14 being 386,033 bales, against 407,289 bales a month earlier, and 41,636 bales on May 7, 1925.

Rice — Preparation of the soil for the 1926 crop has been virtually completed, and approximately 75 per cent of the acreage seeded. Soil conditions are ideal, there being abundant soil and sub-soil moisture. Mills report the most active demand for polished rice experienced since the middle of January. Prices were unchanged.

Tobacco — Offerings of old crop tobacco have decreased sharply as the marketing season draws to a close, and quality is mainly indifferent. The medium to fine leaf offered is bringing as high prices as at any time during the season, but the ordinary grades are selling considerably below the levels at this time last year. Weather in the immediate past has been favorable for farm work, and good headway has been made with preparations for the new crop. Plants are reported plentiful, but small and backward. Due to the cold weather, very little actual planting has been done.

Commodity Prices — Range of prices in the St. Louis market between April 15, 1926, and May 15, 1926, with closing quotations on the latter date and on May 15, 1925:

			Close	
Wheat	High	Low	May 15, 1926	May 15, 1925
May ....per bu.	$1.68½	$1.54⅝	$1.58	$1.67½
July .... "	1.44⅛	1.33½	1.35	1.48⅝
September .... "	1.37¾	1.30¾	1.32	1.42
No. 2 red winter "	1.79	1.65	$1.65 @ 1.68	1.90
No. 2 hard.......... "	1.74	1.60	1.65	1.68
Corn				
May .... "	.74½	.67½	.70	1.10
July .... "	.78⅛	.73	.73⅝	1.14⅜
September .... "	.80¼	.76¼	.77⅜	1.12½
No. 2.................... "	.73½	.69	.71 @ .71½	1.13½
No. 2 white........ "	.75½	.72½	.75	1.15½
Oats				
No. 2 white........ "	.43¾	.42½	.43 @ .43½	.49
Flour				
Soft patent........per bbl.	9.25	.8.25	8.25 @ 8.75	$8.75 @ 9.50
Spring patent..... "	8.75	7.90	8.00 @ 8.30	8.20 @ 8.40
Middling cotton....per lb.	.18	.17¾	.17¾	.22¾
Hogs on hoof......per cwt.	10.50	14.35	12.40 @ 14.35	10.25 @ 11.90

BUILDING

Some slowing down in building operations throughout the district was indicated by building permits issued in April. Work on buildings in course of construction, however, proceeded with virtually no interruption and skilled artisans in the building trades are fully employed in all the large cities. Prices of building materials showed no appreciable change as compared with the preceding thirty days. In point of dollar value, building permits issued during April in the five largest cities of the district decreased 18.8 per cent as compared with the month before and the total was 45.5 per cent smaller than in April, 1925. According to statistics compiled by F. W. Dodge Corporation, building contracts awarded in the Eighth Federal Reserve District in April totaled $30,369,870, against $33,527,414 in March and $37,684,000 in April, 1925. Production of portland cement for the country as a whole in April totaled 12,403,000 barrels, against 10,355,000 barrels in March and 13,807,000 barrels in April, 1925.

Building figures for April follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1926	1925	1926	1925	1926	1925	1926	1925
Evansville ..	198	255	$ 671	$ 150	154	144	$ 63	$ 37
Little Rock	100	122	288	518	114	105	66	38
Louisville ..	431	599	2,628	4,634	126	158	163	136
Memphis ...	617	474	1,765	1,844	92	141	46	81
St. Louis....	862	960	3,196	8,526	500	520	615	563
Apr. totals	2,208	2,410	$8,548	$15,672	986	1,068	$ 953	$855
Mar. totals	2,266	2,352	10,537	9,625	905	1,037	1,049	848
Feb. totals	1,487	1,845	5,575	8,589	726	680	529	1,734

*In thousands of dollars (000) omitted.

FINANCIAL

The demand for credit accommodation from general commercial and industrial sources sustained a further slight slowing down during the period under review. The volume of collections with leading mercantile interests was large and their cash position is such as to enable them to carry on to a larger extent than usual with their own resources. Generally small inventories of both raw materials and finished goods were mentioned as another factor in the smaller demand for funds. Due to the liquid condition of country banks, these institutions are borrowing less money from their city correspondents than at the corresponding period during the past two years. The city banks report scattered liquidation, and the irregular decrease in loans of the reporting member banks, which began at the middle of February, continued during the past thirty days. Deposits also continued their downward movement, touching a new low point for the year in late April. Since that time, however, there has been a fair recovery, the total on May 12 being close to the level of the first week in April. Some improvement in the condition of country banks in the tobacco district was noted, due to a distribution by the Burley Tobacco Growers Cooperative Association of over $10,000,000 to its members during the last week of April. Except in the cotton sections, the demand for funds for financing early agricultural operations has been negligible, but the demand for conditioning live stock for market is reported good. Owing to the lateness of the spring the movement of early fruits and vegetables is backward, and the demand for funds to finance these operations is below the seasonal average of recent years. The trend of interest rates in St. Louis was lower as compared with the preceding month and were quoted as follows: Commercial paper 4 to 4¼ per cent, ordinary commercial loans 4¼ to 5½ per cent, collateral loans 4½ to 5½ per cent and live stock loans 5 to 6 per cent.

Commercial Paper — Offerings of commercial paper, particularly of choice names, was in limited volume during the past thirty days, and this fact, coupled with lower rates, resulted in a decrease in business, both as compared with the preceding month and a year ago. Brokerage interests report the demand good, with both city and country banks buying freely. Rates ranged from 4 to 4¼ per cent, which compares with 4¼ to 4½ per cent the month before, and 3¾ to 4 per cent at the corresponding period last year.

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 the district. Charges to accounts of banks are not included:

	*Apr. 1926	*Mar. 1926	*Apr. 1925	Apr. 1926, comp. to Mar. 1926	Apr. 1925
E. St. Louis and Nat. Stock Yards. Ill.	$ 45,229	$ 44,411	$ 41,109	+ 1.8%	+10.0%
El Dorado, Ark.	12,755	12,250	9,249	+ 4.3	+37.9
Evansville, Ind.	38,681	36,580	37,565	+ 6.3	+ 2.9
Fort Smith, Ark.	13,564	13,525	12,876	+ 0.3	+ 5.3
Greenville, Miss.	4,517	4,739	3,831	— 4.7	+17.9
Helena, Ark.	5,303	5,094	4,631	+ 4.1	+14.5
Little Rock, Ark.	76,789	81,274	62,492	— 5.5	+22.9
Louisville, Ky.	202,313	209,256	187,613	— 3.3	+ 7.8
Memphis, Tenn.	142,808	158,101	131,140	— 9.7	+ 8.9
Owensboro, Ky.	5,374	5,750	5,494	— 6.5	— 2.2
Quincy, Ill.	13,725	13,468	13,410	+ 1.9	+ 2.3
St. Louis, Mo.	760,357	773,900	758,867	— 1.7	+ 0.2
Sedalia, Mo.	4,694	4,655	4,729	+ 0.8	— 0.7
Springfield, Mo.	16,241	15,590	13,629	+ 4.2	+19.2
Totals	$1,342,350	$1,378,593	$1,286,635	— 2.6	+ 4.3

*In thousands (000 omitted).

Condition of Banks — Loans and discounts of the reporting member banks decreased slightly during the past thirty days, the total on May 19 being $516,451,000, against $525,457,000 on April 21 and $484,903,000 on May 20, 1925. Deposits on May 19 totaled $628,741,000, which compares with $627,750,000 on April 21, and $602,024,000 on May 20, 1925.

Comparative statement follows:

	*May 19, 1926	*Apr. 21, 1926	*May 20, 1925
Number of banks reporting	33	33	33
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations	$ 10,372	$ 11,663	$ 10,253
Secured by other stocks and bonds	195,918	201,102	171,762
All other loans and discounts	310,161	312,692	302,888
Total loans and discounts	$516,451	$525,457	$484,903
Investments			
U. S. Gov't. securities	77,949	63,375	78,845
Other securities	110,065	106,044	108,554
Total investments	$188,014	$169,419	$187,399
Reserve balance with F. R. bank	47,323	46,848	44,214
Cash in vault	7,791	7,609	6,971
Deposits			
Net demand deposits	404,758	402,675	389,278
Time deposits	217,481	216,916	204,737
Government deposits	6,502	8,159	8,009
Total deposits	$628,741	$627,750	$602,024
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't. obligations	4,846	5,987	1,296
All other	9,696	10,530	6,206

*In thousands (000 omitted)

Total resources of these 33 banks comprise approximately 54 per cent of the resources of all member banks in the district.

Federal Reserve Operations — During April the Federal Reserve Bank of St. Louis discounted for 212 member banks, against 200 in March and 193 in April, 1925. The discount rate remained unchanged at 4 per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago are shown in the following table:

	*May 17, 1926	*Apr. 17, 1926	*May 17, 1925
Bills discounted	$27,293	$29,272	$20,010
Bills bought	7,388	7,321	11,380
U. S. Securities	27,342	25,742	26,640
Foreign loans on gold	318	374	483
Total bills and securities	$62,341	$62,709	$58,513
F. R. Notes in circulation	38,358	37,368	47,570
Total deposits	81,662	84,904	83,740
Ratio of reserves to deposit and F. R. Note liabilities	53.7%	52.8%	57.6%

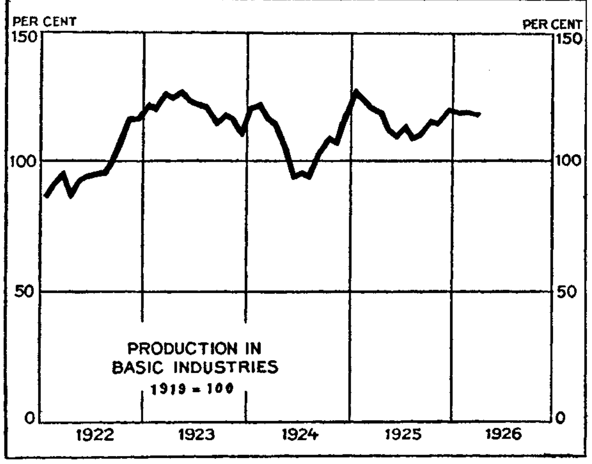
*In thousands (000 omitted).

(Compiled May 21, 1926)

BUSINESS CONDITIONS IN THE UNITED STATES

There was a slight decline in the activity of industry and trade in April and a further reduction in the general price level. Commercial demand for bank credit continued large and the volume of security loans, after a rapid decline since the turn of the year, remained at a constant level.

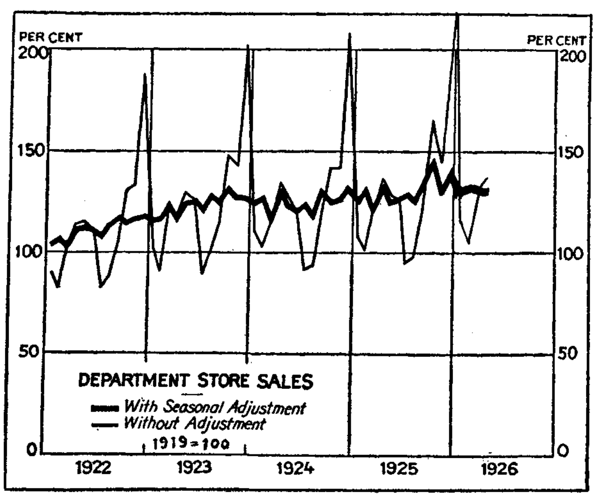
PRODUCTION — Production in basic industries, according to the Federal Reserve Board's index, decreased one per cent in April, slight increases in production of lumber and pig iron being more than offset by declines in



Index of 22 basic commodities adjusted for seasonal variations. Latest figure, April=122.

output in other industries. Particularly large recessions were shown in the production of steel ingots and in textile mill activity. Automobile production, not included in the index, continued in large volume. Factory employment and payrolls declined slightly, particularly the food, tobacco, textile, and boot and shoe industries. The volume of building contracts awarded during April was smaller than in March and practically the same as in April of last year. Awards for the first two weeks in May, however, showed increases as compared with the same weeks in 1925. Reports by the Department of Agriculture indicate that up to the first of May 68 per cent of spring plowing and 56 per cent of sowing and planting was completed, compared with about 83 per cent and 66 per cent last year.

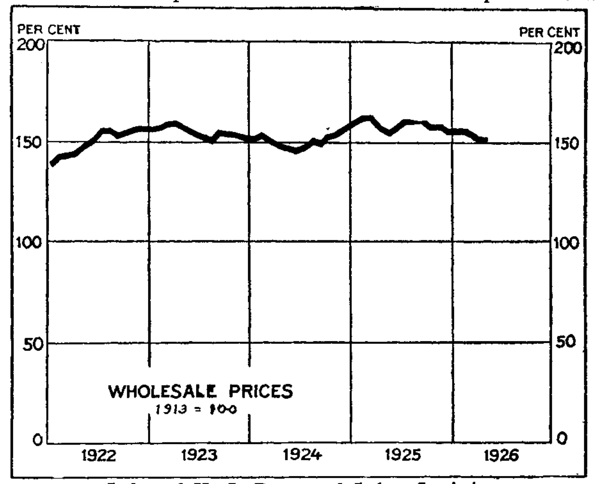
TRADE — The volume of wholesale trade in April was seasonally smaller than in March for all lines except meats. Compared with a year ago, sales of groceries, meats and drugs were larger in April, while sales of dry goods, shoes and hardware were smaller. Department



Index of sales of 359 stores. Latest figures, April, adjusted index=129. Unadjusted index=133.

stores sales increased less than usual and were somewhat smaller than a year ago. Sales of mail order houses were slightly smaller than in March, but continued to be larger than in the corresponding months of 1925. There was some decrease in the stocks of merchandise held by wholesale firms during the month, and inventories of department stores showed less than the usual seasonal increases, though they were larger than a year ago. Weekly freight car loadings decreased in the early part of April, but later increased, and the volume of shipments for the month of April as a whole and for the first two weeks in May was larger than in the corresponding periods of any previous year.

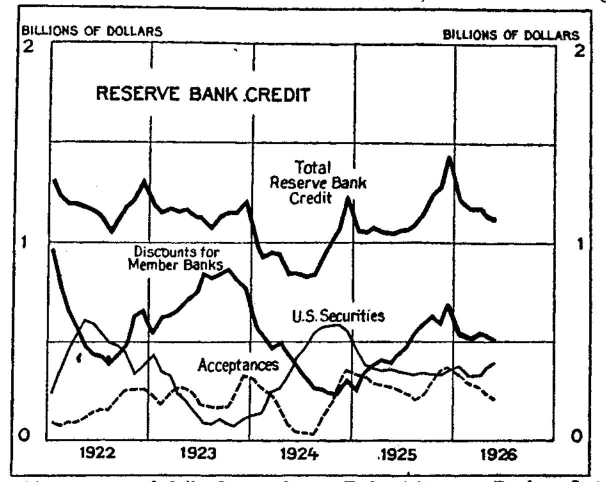
PRICES — Wholesale commodities prices, according to the Bureau of Labor Statistics index, declined slightly from March to April. Increases in the farm products and



Index of U. S. Bureau of Labor Statistics. Latest figure, April=151.

foods groups, which had been declining for several months, were more than offset by decreases in other groups. The greatest declines were in the prices of clothing materials. In the first three weeks of May prices of wheat, cattle, sheep, cotton goods, pig iron, bricks, and rubber declined, while those of hogs, raw silk and crude petroleum increased.

BANK CREDIT — Commercial demand for bank credit at member banks in leading cities continued in large volume between the middle of April and the middle of May. Liquidation of security loans, which had been rapid since the beginning of the year, did not continue after the middle of April and the volume of these loans remained fairly constant at a level about $450,000,000 below the peak at the end of 1925. There was some addition to the banks' investments and the total of their loans and investments was about $1,000,000,000 larger than at the same period of last year. Withdrawals of funds from New York were reflected in an increase between the middle of April and the middle of May in borrowings by member banks from the Federal Reserve Bank of New York, while borrowings



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 19 days in May.

at most of the other Reserve banks declined. Open market holdings of the Reserve banks remained fairly constant during the period and there was little change in the total volume of Reserve bank credit outstanding. Money rates late in April reached the lowest level for a year, but in May conditions in the money market became somewhat firmer.