

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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AS reflected in reports of leading interests in the most important commercial and industrial lines, business in this district during the past thirty days developed recessionary tendencies. With but few exceptions, sales during June in all lines investigated were below those of the corresponding period last year, and in a number of instances totals were less than in May this year. The falling off as contrasted with a year ago was most pronounced in goods for ordinary consumption, notably groceries, dry goods, boots and shoes and hardware. More seasonable weather served to stimulate the movement of apparel, sales of which showed fair gains, and there was also improvement in the drug and chemical and some miscellaneous lines of lesser importance. The movement of building materials sustained a further decline, and in the iron and steel industry smaller production and distribution was the rule. Retail trade, as indicated by department store sales, was smaller in June than a year ago. On the other hand, debits to individual accounts in fifteen of the largest cities were 3.7 per cent larger than in May and 1.1 per cent in excess of the total of June, 1926.

While weather was the most seasonable for agriculture experienced so far this year, considerable was left to be desired in that respect. Temperatures were not sufficiently high for growth and development of the corn crop, and during June winter wheat prospects deteriorated. Cotton underwent improvement during the month, but the acreage seeded in this district is sharply below that of a year ago. The outlook for fruits and vegetables is spotted, and the poorest at this particular period in a number of years. Generally crops are late, and good average growing conditions, with frosts deferred into late fall, are required if present prospects are to be realized. There is a general disposition, particularly in the country, to postpone merchandise commitments until something more defi-

nite is known relative to the outcome of the year's crops.

A slight recession in industrial employment was apparent in the principal manufacturing centers, affecting unskilled labor chiefly. There was also the usual seasonal increase in unemployment among clerks in the retail lines, and in office help. In the building industry a surplus of both skilled and common labor was reported, and working forces at many iron and steel, lead and zinc smelting, and packing plants were reduced. Highway construction, levee improvement work, and general rehabilitation operations in the flood areas have absorbed a considerable part of the surplus common labor, and farm help was well employed in the wheat harvest.

No change worthy of note transpired in the coal situation. Consumers generally continue to exhibit indifference relative to supplies, and in the case of the domestic trade this condition was emphasized by warmer weather. In spite of the strike of bituminous miners and a decrease in production as compared with a year ago, prices were weak and below the levels prevailing at the corresponding time in 1926. There is no evidence of shortage anywhere, and stocks of industrial users and the railroads are still relatively high. In some instances the industries are replenishing their supplies, but heavy tonnage purchasing is confined principally to instances where concessions are being made by operators to move accumulations. As has been the case since the early days of the strike, Kentucky and other non-union coal have failed to make much headway in the Illinois and Indiana territory. The outlet through the Great Lakes, however, has been satisfactory for the Kentucky product and was the chief factor in the small advance in mine-run prices early this month. Production of soft coal for the country as a whole during the calendar year to July 9, approximately 160 working days, amounted to 285,179,000 net tons, against 278,535,000 tons for

the corresponding period in 1926 and 242,388,000 tons in 1925.

While some falling off in freight traffic of railroads operating in the district was noted, due chiefly to seasonal causes and the strike of bituminous coal miners, the total volume continues high. In the merchandise and miscellaneous classifications an excellent showing was made, but due to lateness of the season, the movement of agricultural products is backward. For the country as a whole for the first 27 weeks of this year, or to July 2, loadings of revenue freight totaled 26,347,988 cars, against 26,074,792 cars for the corresponding period last year and 25,194,689 cars in 1925. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 201,729 loads in June, which compares with 213,830 loads in May and 213,725 loads in June, 1926. During the first nine days of July the interchanged amounted to 56,253 loads, against 58,977 loads during the same period in June, and 60,493 loads during the first nine days of July, 1926. Passenger traffic of the reporting lines decreased 7 per cent during June as compared with the same period in 1926. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans for June was 93,600 tons, against 99,608 tons in May and 90,504 tons in June, 1926.

Collections during the past thirty days were in a majority of lines about equal to those of the like period immediately preceding, but the average was slightly below that of the same time in 1926. In the grain areas retailers complained of backwardness in payments, due mainly to preoccupation of farmers with harvest and other field work. In sections where early fruit and vegetable crops have been marketed, improvement has taken place in payments both to merchants and the banks. Wholesalers in the principal cities report good liquidation, with results in the dry goods, boot and shoe, hardware and electrical supplies particularly satisfactory. Absence on vacations of numerous customers of retail stores in the large centers has interfered with collections, but to no greater extent than usual at this time of year. Answers to questionnaires addressed to representative interests in the several lines throughout the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1927.....	1.3%	28.7%	58.8%	11.2%
May, 1927.....	1.4	34.2	54.8	9.6
June, 1926.....	5.5	34.6	47.8	12.1

Commercial failures in the Eighth Federal Reserve District during June, according to Dun's numbered 98, involving liabilities of \$1,897,022,

against 88 defaults in May with liabilities of \$539,209, and 81 failures for \$882,180 in June, 1926.

The per capita circulation of the United States on July 1, 1927, was \$40.58, against \$40.97 on June 1, 1927, and \$41.85 on July 1, 1926.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car and truck production in the United States in June totaled 314,552, which compares with 395,674 in May and 383,575 in June, 1926.

Distribution of automobiles declined again during the past thirty days, both as compared with the preceding month and the same period last year, and was the smallest since last winter. As has been the case for the past several months, losses as compared with a year ago were most pronounced in the agricultural sections and in areas directly affected by the floods. Weather conditions were more favorable than earlier in the year, but dealers reported a general disposition among prospective purchasers to await the appearance of new models of passenger cars which are planned by several leading producers before making commitments. Sales of trucks, busses and tractors were relatively more satisfactory than of passenger cars. In the country business was held down by preoccupation of farmers with harvesting and other farm work, and a desire to await the outcome of crops before filling automobile requirements. June sales of new cars by 320 dealers scattered through the district were 27.6 per cent smaller than during the same month in 1926, and 10.8 per cent below the May, 1927, total. Business in parts and accessories made a relatively better showing than did trade in automobiles, June sales being approximately the same as a year ago, and 0.4 per cent less than in May this year. Stocks of new cars were 4.6 per cent smaller than at the corresponding time last year, but 7.2 per cent larger than a month earlier. The used car situation underwent further slight improvement, sales showing a small gain over May, and stocks a decrease of 8.7 per cent. As compared with the same period in 1926, however, used car stocks were about 2.5 per cent larger. Aside from a moderate acceleration in retail sales, the tire situation developed no change worthy of note as contrasted with the preceding thirty days.

Boots and Shoes — June sales of the 5 reporting interests were 10.0 per cent smaller than during the same month in 1926, and 41.8 per cent under the May total this year. The aggregate was the smallest since last November, and with the exception of that month were less than in any month since November, 1925. Stocks on July 1 were 21.5

per cent larger than thirty days earlier, and 0.3 per cent smaller than on July 1, 1926. The trend of prices continues upward in sympathy with the advance in raw materials. Factory operation was at a slightly reduced rate as compared with the preceding thirty days.

Clothing — As contrasted with the same month in 1926, June sales of the 8 reporting interests showed an increase of 48.9 per cent, and the total was 33.4 per cent under that of May this year. More seasonable weather has materially aided the movement of hot weather apparel, and a fair volume of reordering of this class of merchandise was reported. Contracting for fall lines has been disappointing, and demand generally centers in the cheaper grades of garments. Demand for work clothes is reported less active than heretofore.

Drugs and Chemicals — June sales of the 5 reporting interests were 10.2 per cent larger than in the same month last year, and 6.5 per cent above the May total this year. Business was reported uneven, some lines showing good gains while others developed losses. The movement of soda fountain supplies gained heavily over the preceding month, and there was an excellent demand for sundries and toilet preparations. Purchasing of heavy drugs and chemicals by the general manufacturing trade was less active than earlier in the year.

Dry Goods — While sales of the reporting interests in June were smaller than a year ago and a month earlier, the general tone in this line showed improvement, and advance business of several of the leading firms scored good gains. Since July 1 orders have been arriving in good shape, with purchasing of cotton goods particularly active. The 8 reporting firms showed June sales 2.1 per cent less than the same month in 1926, and 1.0 per cent under the May total this year. Stocks on July 1 were 14.6 per cent larger than on June 1, and 2.2 per cent larger than on July 1, 1926.

Electrical Supplies — A further decrease in activity was noted in this line during the period under review. The slow movement of summer goods and reduced demand by the automotive and building industries were the chief factors in a decline in June sales of the 5 reporting interests of 16.6 per cent as compared with a year ago, and of 0.4 per cent as contrasted with the May total this year. Stocks on July 1 were 7.8 per cent larger than thirty days earlier and 19.2 per cent larger than on July 1, 1926.

Flour — Production at the 12 leading mills of the district in June was 298,151 barrels against 295,057 barrels in May and 241,019 in June, 1926.

Stocks of flour in St. Louis on July 1 were 1.9 per cent smaller than on June 1, but 70.0 per cent greater than on July 1, 1927. Wide fluctuations in the cash wheat market made for confused conditions in the flour trade. During late June flour buyers were not inclined to follow the upturn in the grain market, and there was a general disposition to await the arrival of new crop wheat before making extensive commitments. The recent decline in prices has been accompanied by more interest and freer sales, particularly of soft flours to the Southern trade. Export demand continues quiet, the only inquiry from that source being for clears and straight flours. Mill operation was at from 50 to 60 per cent of capacity.

Furniture — With the exception of January, sales of the 14 reporting interests in June were the smallest for any month this year. The total was 13.8 per cent smaller than in May, but 3.6 per cent larger than in June, 1926. Stocks on July 1 were 3.7 per cent larger than thirty days earlier, but 17.0 per cent smaller than on July 1, 1926. Hand-to-mouth buying continues the rule among retailers, and there is a notable absence of stock orders.

Groceries — Business in this classification suffered a further decline, both as compared with the preceding month and a year ago. Competition was reported unusually keen, with country sales being reduced by an increasingly large number of chain stores. Purchasing in areas affected by the floods is considerably reduced as compared with last year, and the same is true of the coal fields. Due to poor crop prospects, prices on potatoes, beans and some other vegetables have advanced, and the trend of canned goods is upward. June sales of the 13 reporting interests were 9.2 per cent smaller than in the same month in 1926, and 7.3 per cent below the May total this year. Stocks on July 1 were 1.3 per cent smaller than thirty days earlier and 18.0 per cent less than on July 1, 1926.

Hardware — As compared with a year ago, June sales of the 10 reporting interests showed a decrease of 12.8 per cent, but the total was 0.4 per cent larger than during the preceding month this year. Stocks on July 1 were 5.3 per cent smaller than thirty days earlier and 23.5 per cent below the total on July 1, 1926. Purchasing is mainly on a hand-to-mouth basis, with future business below the average for this period during the past several years. Some improvement in seasonal goods has developed since the middle of June, and sales of sporting goods, tourists' supplies and kindred lines the most satisfactory experienced so far this year.

Iron and Steel Products — The closing weeks of June were marked by a better demand for both

finished and semi-finished ferrous goods, with improvement most pronounced among manufacturers and distributors of commodities for use in the agricultural sections and in the building industry. Implement manufacturers report the lateness of the planting season necessitated rapid operations to get in crops, and this was reflected in a heavy call for certain varieties of equipment. New orders and specifications on sheets, strip steel and plates were in better volume than during the preceding thirty days, with the movement into the flood areas for rehabilitation work accounting for a substantial part of the total business. The leading producer of sheets in the district put into operation five idle mills, and increased working time at all active units. Demand for standard structural shapes and concrete bars was in fair volume, with prices steady. Generally prices fluctuated within narrow limits, though unusually keen competition in certain lines resulted in shading under listed quotations. Railroad buying continues backward, though somewhat heavier than a month earlier, and inquiries during the past three weeks indicate improvement through the third quarter of the year. Distributors of iron and steel goods from warehouse report uneven conditions. Demand from the coal mines, and oil fields continues disappointing, but buying by southern cotton ginning and compress interests was above expectations, and the outlet through the general manufacturing trade was satisfactory. Sales of wire and wire products have improved, and the call for all varieties of galvanized materials was better than earlier in the year. New orders and specifications of purchased materials by the automotive industry are below the same period a year ago. For the country as a whole, production of pig iron in June fell 9 per cent below May and 7 per cent under the June, 1926, total. The month's aggregate of 3,088,996 tons compares with 3,391,067 tons in May and 3,232,478 tons in June last year. The June average daily rate was the lowest for the year with the exception of January. Buying of pig iron by melters in the district was in considerably smaller volume than during the same period in 1926, but prices were unchanged at the levels prevailing during the past several months. Steel ingot production also declined in June, the 3,466,168 tons comparing with 4,015,192 in May, and 3,734,153 in June, 1926.

Lumber — Conditions in the lumber industry during the past thirty days reflected somewhat more than the usual seasonal slump. While retail stocks continue light, there is little disposition to replenish, and ordering is largely confined to immediate requirements. In the immediate past there has been some improvement in demand for yellow

pine, but as yet no bettering in prices has taken place. Southern hardwoods remain about \$10 above the levels prevailing before the flood, but sales have been light and difficult to effect. Resumption of activities at hardwood mills in the overflow districts has been further delayed, and recent estimates indicate that enforced curtailment of hardwood will average about seventy-five days at approximately 8,000,000 feet per day production. Hardwood flooring prices are firm.

RETAIL TRADE

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

	Net sales comparison		Stocks on hand	Stock turnover	
	June, 1927 comp. to June, 1926	6 months ending June 30, 1927 to same period 1926	June 30, 1927 comp. to June 30, 1926	Jan. 1 to June 30, 1927	June 30, 1926
Evansville	+24.1%	+16.0%	+ 7.8%	117.9	108.6
Little Rock.....	+ 1.6	— 7.0	— 4.7	118.8	122.2
Louisville	— 0.7	— 1.2	— 3.3	161.6	149.0
Memphis	— 7.9	— 7.9	— 4.7	133.0	137.9
Quincy	— 3.9	— 9.2	—18.2	104.6	99.6
St. Louis.....	— 2.7	— 3.3	— 5.6	167.2	168.3
Springfield, Mo.	—13.7	— 8.5	— 2.2	79.6	81.5
8th District.....	— 2.9	— 3.9	— 5.1	153.5	153.6

	Net sales comparison		Stocks on hand	
	June, 1927 compared to June, 1926	May, 1927	June, 1927 compared to June, 1926	May, 1927
Men's furnishings.....	— 0.6%	+ 9.1%	— 0.9%	—10.1%
Boots and shoes.....	— 8.4	+ 6.5	+ 1.1	— 7.6

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric power by selected industrial customers in June as being 1.2 per cent less than in May, and 1.6 per cent below June, 1926. The decreases both in the monthly and yearly comparisons were due to smaller loads taken by several important automobile plants, coal mines and iron and steel plants. Detailed figures follow:

	No. of Custom- ers	June, 1927	May, 1927	June, 1927 comp. to May, 1927	June, 1926	June, 1927 comp. to June, 1926
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	1,249	1,256	— 0.6%	1,343	— 7.0%
Little Rock.....	35	1,470	1,565	— 6.1	1,712	—14.1
Louisville	83	5,604	5,772	— 2.9	5,412	+ 3.5
Memphis	31	1,199	1,463	—18.0	2,005	—40.2
St. Louis.....	101	17,277	17,056	+ 1.3	16,754	+ 3.1
Totals.....	290	26,799	27,112	— 1.2	27,226	— 1.6

*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
May, 1927.....	2,632,373,000	3,883,197,000	6,515,570,000
April, 1927.....	2,530,166,000	3,840,877,000	6,371,043,000
May, 1926.....	2,308,948,000	3,500,836,000	5,809,784,000

BUILDING

The dollar value of permits issued for new buildings in the five largest cities of the district in June was 3.2 per cent smaller than in June, 1926, but 5.3 per cent greater than in May this year. According to figures compiled by the F. W. Dodge Corporation, building contracts let in the Eighth Federal Reserve District in June amounted to

\$44,170,814, which compares with \$31,342,287 in May and \$35,032,880 in June, 1926. Production of portland cement for the country as a whole during June totaled 17,078,000 barrels, the largest since last July and comparing with 16,674,000 barrels in May and 16,866,000 barrels in June, 1926. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1927	1926	1927	1926	1927	1926	1927	1926
Evansville	218	490	\$ 202	\$ 272	95	116	\$ 29	\$ 43
Little Rock	85	76	218	239	137	137	44	52
Louisville ..	199	355	924	2,234	90	125	138	181
Memphis ...	287	450	972	850	117	127	89	226
St. Louis.....	1,011	428	4,300	2,686	464	293	445	496
June totals	1,800	1,799	\$6,616	\$6,281	903	798	\$ 745	\$998
May totals	1,677	2,502	6,837	7,886	1,050	1,124	801	1,000
April totals	1,690	2,208	7,315	8,548	888	986	749	953

*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 1927 of 3.9 per cent over the corresponding period in 1926, and a decrease of 6.1 per cent under the first quarter of this year. Detailed figures follow:

	For Quarter Ending				June 30, 1927 comp. to June 30, 1926
	June 30, 1927	Mar. 31, 1927	Dec. 31, 1926	June 30, 1926	
Evansville	\$ 167,000	\$ 162,000	\$ 167,000	\$ 158,000	+5.7
Little Rock.....	199,000	237,000	238,000	211,000	-5.7
Louisville	733,000	739,000	813,000	702,000	+4.4
Memphis	512,000	517,000	589,000	518,000	-1.2
St. Louis.....	3,251,000	3,536,000	3,851,000	3,091,000	+5.2
Total.....	\$4,862,000	\$5,191,000	\$5,658,000	\$4,680,000	+3.9

AGRICULTURE

Unfavorable conditions for agriculture which have prevailed through the year are being reflected in reduced yields and disappointing prospects for most crops. While it is still too early to accurately estimate the size of late planted crops, there are quite definite indications for reduced yields of corn, tobacco, and all fruits and vegetables as compared with last year and the five-year average. The cotton acreage is smaller in all states of the district than in 1926, and acreage and indicated yield of rice is below that of last year. The winter wheat crop is substantially smaller than in 1926, in which year it was well under the five-year average. An exception to the general rule of reduced output is hay, this crop being benefitted by the excessive moisture which militated against best results in other crops. Pastures are also in excellent condition, in some sections the highest on record for this time of year.

Reduced acreages and low yields are rather general throughout the district, but most pronounced in those areas directly affected by the overflow of the Mississippi River and its tributaries. Universally the season is backward, and in the case of corn, cotton and some other crops, good

average growing conditions until harvest are essential if even present indications as to yields are to be realized. Of particular importance is a late frost date. Farmers have taken advantage of every favorable day for intensively working their crops, and for the most part fields are cleaner and in better condition than might be expected, general conditions considered. The supply of farm labor has been adequate for all requirements in most sections, with wages unchanged to slightly lower as compared with a year ago.

Winter Wheat—Prospects deteriorated during June, and early threshing returns are disclosing disappointing results, both in point of quantity and quality. Rust has prevented proper filling of heads in some sections, and there are scattered reports of insect damage. Harvesting has been about completed, and threshing is making rapid progress under mainly favorable weather. In the Eighth District, the indicated yield, based on the July 1 condition, was 47,586,000 bushels, which compares with 54,518,000 bushels harvested in 1926. For the entire country a crop of 579,416,000 bushels is forecast, against 626,929,000 bushels in 1926, and a five-year average of 555,915,000 bushels.

Corn—The crop is from two to five weeks behind the usual seasonal schedule, and condition the lowest in recent years. Continuous rains and floods held back planting, and temperatures, except during the past two or three weeks, have been too low for proper growth and development. Through the northern sections of the district, where most of the corn is raised, late frosts and favorable growing conditions are needed to mature bulk of the crop. Low prices last year and the wet planting season were the chief factors in reducing acreage. Since the first week of July improvement has been general, and fields are for the most part well cultivated and free of weeds. Based on the July 1 estimate, the indicated yield in this district, was 274,959,000 bushels, against 371,567,000 bushels harvested last year. The forecast for the United States was 2,274,424,000 bushels, against 2,465,031,000 bushels in 1926, and a five-year average of 2,766,197,000 bushels.

Oats—Production of oats in the Eighth District, based on the July 1 condition, is 50,576,000 bushels, against 57,771,000 bushels in 1926. For the United States the forecast is 1,349,026,000 bushels, against 1,253,739,000 bushels in 1926, and a five-year average of 1,353,101,000 bushels.

Fruits and Vegetables—The year has been unfavorable for virtually all varieties of fruits and

vegetables. Tree and many ground fruits were seriously injured by freezes in March and April, and since that time have been adversely affected by low temperatures, excessive rains, insects and fungus diseases. There has been an unusually heavy drop of apples and peaches, particularly in the commercial orchard districts. Grapes were badly injured, and prospects are for a crop only half as large as in 1926. The indicated yield of apples in states partly or entirely within the Eighth District, based on the July 1 condition, is 12,892,000 bushels, of which 1,559,000 barrels represent the commercial crop. This compares with 33,532,000 bushels in 1926, of which 2,949,000 barrels were commercial crop and a five-year average of 29,154,000 bushels, with 3,132,000 barrels commercial crop. The peach crop in these states is estimated at 4,624,000 bushels, against 11,203,000 bushels in 1926, and a five-year average of 8,163,000 bushels. The indicated output of pears is 1,025,000 bushels against 2,334,000 bushels last year and a five-year average of 1,790,000 bushels. The forecast for white potatoes in the district is 12,041,000 bushels, which is 962,000 bushels less than the 1926 production. The outlook for sweet potatoes in the chief producing states is good, and the combined yield for all states partly or entirely within the district is estimated at 19,304,000 bushels, against 20,907,000 bushels in 1926, and a five-year average of 18,698,000 bushels.

Live Stock — Reports from scattered sections of the district indicate general improvement in the condition of live stock as compared with the preceding thirty days. The high condition of pastures has assisted in fattening animals for market, and prices of cattle and hogs have been more satisfactory than in several months. The hay crop has turned out better than in a number of years, the yield in states entirely or partly within the district being estimated at 18,177,000 tons, against 14,128,000 tons last year and a five-year average of 15,377,000 tons.

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

	Receipts			Shipments		
	June, 1927	May, 1927	June, 1926	June, 1927	May, 1927	June, 1926
Cattle and Calves.....	121,984	111,349	139,074	87,633	69,505	91,680
Hogs	375,398	389,890	301,934	255,798	257,084	205,666
Horses and Mules.....	2,615	2,126	2,108	1,678	2,230	1,534
Sheep	93,158	36,419	88,101	21,118	9,105	19,965

Cotton — According to the U. S. Department of Agriculture's July 1 report, acreage planted to cotton in all states of the district is below that of 1926. The total for the states of Missouri, Tennessee, Mississippi and Arkansas is placed at 7,938,000 acres, against 9,326,000 acres last year. Weather

has been mainly favorable for growth and development of the crop, which is making satisfactory progress, and is further advanced than at this time last year. Boll weevils have appeared, but damage to date from this source has not been material. Demand for spot cotton has continued active, and prices advanced further during the period under review, recording a new high for the year. Stocks on hand in Arkansas warehouses on July 15, totaled 87,125 bales, against 280,275 bales on the corresponding date last year.

Tobacco — As a result of widely differing economic conditions affecting the several types and an unusually unfavorable planting season, tobacco acreage in states of the district this year has been sharply reduced under that of 1926. The Kentucky acreage is 75 per cent, and that of Tennessee, only 66 per cent of the 1926 acreage. Based on the July 1 condition, the total prospective yield in this district is estimated at 175,162,000 pounds, against 306,162,000 pounds in 1926. Excepting the late planted tobacco, the crop is generally doing well, recent weather having been favorable for cultivation and development. The Burley Tobacco Growers Cooperative Association reported the sale of all its redried tobacco of the 1923, 1924 and 1925 crops, except about 6,000 hogsheads. The sale involved 64,448 hogsheads, or approximately 67,500,000 pounds.

Rice — The acreage seeded to rice in Arkansas this year is 9 per cent smaller than in 1926, and in Missouri 70 per cent less. Based on the July 1 condition, the total yield in these two states is estimated at 8,666,000 bushels, against 10,627,000 bushels harvested last year and a five-year average of 7,851,000 bushels. The crop is generally up to a good stand, and farmers are practically up with their work. Mills report a slackening in demand for clean rice, but prices have been well sustained.

Commodity Prices — Range of prices in the St. Louis market between June 15, 1927, and July 15, 1927, with closing quotations on the latter date and on July 15, 1926, follow:

	High	Low	Close	
			July 15, 1927	July 15, 1926
Wheat				
July	bu. \$1.46½	\$1.38½	\$1.38½	\$1.41
Sept.	" 1.46½	1.37¾	1.38½	1.405½
Dec.	" 1.49	1.42	1.42½	1.445½
No. 2 red winter	" 1.54	1.43	\$1.43@ 1.44	\$1.46@ 1.48
No. 2 hard.....	" 1.50	1.38	1.38@ 1.40	1.48@ 1.49
Corn				
July	" 1.06	.96	1.05	.78
Sept.	" 1.11	1.05	1.07½	.82¾
Dec.	" 1.14½	1.00	1.07¾	.82¾
No. 2 mixed.....	" 1.06	.96	1.01@ 1.03	.79@ .80
No. 2 white.....	" 1.08	1.00	1.04½	.81@ .83
Oats				
No. 2 white.....	" .56	.49½	.50	.42
Flour				
Soft patent.....per bbl.	7.50	6.75	7.00@ 7.50	7.25@ 7.75
Spring patent.....	" 7.50	7.00	7.00@ 7.25	8.00@ 8.25
Middling cotton.....per lb.	.17	.15¾	.17	.17¾
Hogs on hoof.....per cwt.	10.85	7.35	8.00@ 10.85	11.25@ 14.60

FINANCIAL

Credit demand for general commercial, industrial and agricultural purposes combined was featured by moderate expansion during the past thirty days. Merchants and manufacturers have increased their borrowings in some degree in order to take care of purchases of goods for fall distribution. Commercial banks in the large centers, notably St. Louis and Louisville, have reduced their balances with eastern correspondents in order to accommodate customers in their own territories. Demands from the country for financing the winter wheat crop and other agricultural operations have increased, but as has been the case for the past several years, these requirements are being easily handled, and thus far have not been in sufficient volume to affect interest rates. For the most part the condition of country banks continues strong, and in some areas they are seeking investment for surplus funds. Total loans of the reporting member banks, including bills discounted with the Federal reserve bank, have advanced steadily since June 1, and in the week ending July 13 were at the highest point since early in February. Deposits of these banks declined rather sharply between June 15 and July 13, but since the latter date, part of the loss has been regained. Loans of the reporting member banks based on stock exchange collateral have moved upward, reaching a new high for the year in the week ending July 13. Rediscounts of this bank in the week of July 6 were at the highest point of the year, but liquidation in the second week of the month reduced them to the level prevailing at the middle of June. At St. Louis banks current interest rates were as follows: Prime commercial loans, 4½ to 5 per cent; interbank loans, 5 to 5½ per cent; collateral loans, 5 to 5½ per cent; loans secured by warehouse receipts 5 per cent and cattle loans, 6 per cent. Reflecting the usual vacation withdrawals, savings deposits of the reporting member banks declined slightly during June, but the total on July 6 was 5.9 per cent larger than on the corresponding date last year.

Federal Reserve Operations — During June the Federal Reserve Bank of St. Louis discounted for 182 member banks, against 179 in May and 222 in June, 1926. 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:

	*July 21, 1927	*June 21, 1927	*July 21, 1926
Bills discounted.....	\$33,440	\$26,252	\$35,134
Bills bought.....	9,684	11,357	4,157
U. S. Securities.....	26,427	29,330	26,467
Total bills and securities.....	\$69,551	\$66,939	\$65,758
F. R. Notes in circulation.....	39,189	40,874	43,332
Total deposits.....	84,058	85,767	82,053
Ratio of reserves to deposit and F. R. Note liabilities.....	48.4%	51.5%	52.1%

*In thousands (000 omitted).

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 leading cities of the district. Charges to accounts of banks are not included.

	*June, 1927	*May, 1927	*June, 1926	June, 1927 comp. to May, 1927 June, 1926	
E. St. Louis & Nat. [†]					
Stock Yards, Ill. \$	54,521	\$ 46,209	\$ 53,008	+18.0%	+ 2.9%
El Dorado, Ark....	8,114	8,355	12,684	— 2.9	—36.0
Evansville, Ind.....	57,880	49,963	42,362	+15.8	+36.6
Fort Smith, Ark....	14,479	16,159	12,234	—10.4	+18.4
Greenville, Miss.**	1,912	3,799	—49.7
Helena, Ark.....	3,801	3,511	4,024	+ 8.3	— 5.5
Little Rock, Ark....	70,929	66,085	65,405	+ 7.3	+ 8.4
Louisville, Ky.....	197,915	185,373	204,613	+ 6.8	— 3.3
Memphis, Tenn.....	145,696	155,534	138,493	— 6.3	+ 5.2
Owensboro, Ky.....	4,769	4,653	4,681	+ 2.5	+ 1.9
Pine Bluff, Ark....	10,265	10,124	10,707	+ 1.4	— 4.1
Quincy, Ill.....	13,339	13,436	12,309	— 0.7	+ 8.4
St. Louis, Mo.....	770,137	745,535	774,360	+ 3.3	— 0.5
Sedalia, Mo.....	4,582	4,657	5,185	— 1.6	—11.6
Springfield, Mo....	16,598	16,104	16,780	+ 3.1	— 1.1
Totals.....	\$1,374,937	\$1,325,698	\$1,360,644	+ 3.7	+ 1.1

*In thousands (000 omitted).

**No report for Greenville, month of May, account of flood.

Condition of Banks — Loans and discounts of the reporting member banks on July 20 showed an increase of 1.3 per cent as compared with June 15, and a decrease of 1.7 per cent as contrasted with July 14, 1926. Deposits decreased 3.7 per cent between June 15 and July 20, and on the latter date were 1.0 per cent larger than on July 14, 1926. Comparative statement follows:

	*July 20, 1927	*June 15, 1927	*July 14, 1926
Number of banks reporting.....	†31	†31	32
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't obligations.....	\$ 4,605	\$ 4,426	\$ 8,183
Secured by other stocks and bonds.....	202,797	193,590	191,094
All other loans and discounts.....	292,710	295,787	309,329
Total loans and discounts.....	\$500,112	\$493,803	\$508,606
Investments			
U. S. Gov't securities.....	76,398	77,536	61,614
Other securities.....	124,702	125,676	115,562
Total investments.....	\$201,100	\$203,212	\$177,176
Reserve balance with F. R. Bank.....	48,328	52,037	46,154
Cash in vault.....	7,354	8,012	8,720
Deposits			
Net demand deposits.....	400,360	423,040	409,682
Time deposits.....	231,459	230,801	212,679
Government deposits.....	1,465	3,634	4,779
Total deposits.....	\$633,284	\$657,475	\$627,140
Bills payable and rediscounts with Federal Reserve Bank,			
Secured by U. S. Gov't obligations.....	12,275	4,971	1,623
All others.....	9,968	2,458	13,735

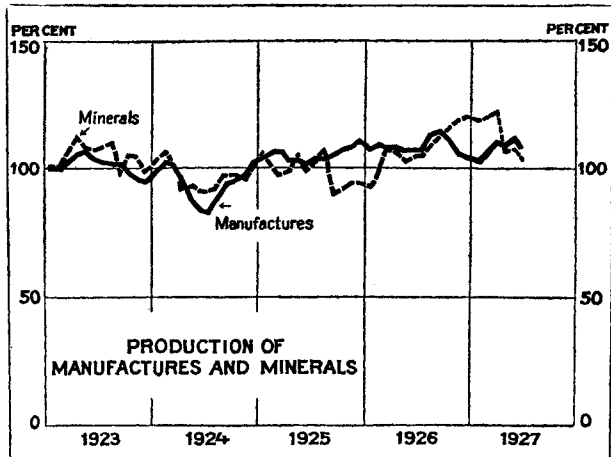
*In thousands (000 omitted).

†Decreases due to consolidation. These 31 banks are located in St. Louis, Louisville, Memphis, Little Rock and Evansville, and their total resources comprise approximately 55.5 per cent of the resources of all member banks in the districts.

(Compiled July 22, 1927)

BUSINESS CONDITIONS IN THE UNITED STATES

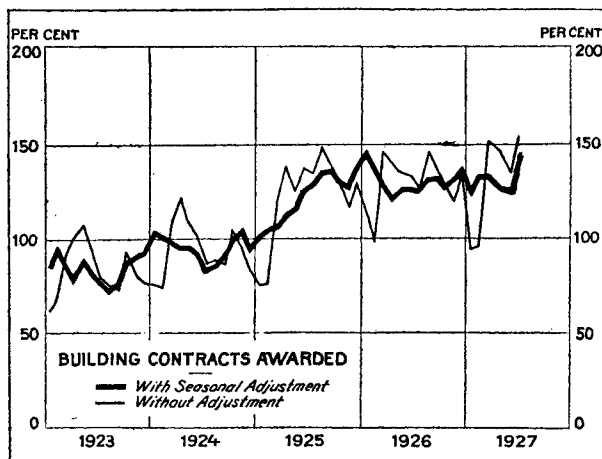
PRODUCTION—Production of iron and steel and automobiles declined considerably in June and curtailment continued during the early part of July. There were also decreases in June in silk deliveries, sugar refining, and production of lumber, copper and anthracite coal. Cotton and woolen mills continued active for this season, and consumption of raw cotton was larger than in any previous June on record. Meat packing, shoe production and the manufacture of building materials showed increase. Production of manufactures, as a group, was slightly larger in June than in the same month of 1926, but output of miner-



Index numbers of production of manufacturers and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures, June: manufacturers, 108; minerals, 103.

als, owing largely to decreased production of coal, was less than a year ago. The value of building contracts awarded in June was larger than in any previous month on record, owing chiefly to the steady increase within recent months of contracts for public works and public utilities. Awards were particularly large in the New York and Chicago Federal reserve districts. Contracts were awarded during the first half of July in practically the same volume as in the corresponding period of last year.

On the basis of conditions on July 1, forecasts of the Department of Agriculture indicate increases as compared with the 1926 harvested production in the output of wheat, oats, barley, rye, hay and potatoes, and decreases in corn, tobacco and the principal fruit crops. Cotton, for which no production estimate was given, shows a decrease of 12 per cent in acreage planted, while the total area planted to all crops shows a reduction of 2 per cent. A reduction of 371,000,000 bushels in the estimated production of corn, as compared with 1926, indicates the smallest crop since 1901.

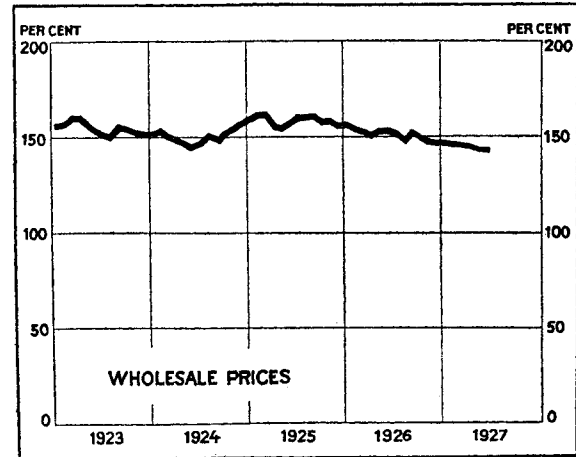


Federal Reserve Board's indexes of value of building contracts awarded as reported by the F. W. Dodge Corp., (1923-25 average=100). Latest figures, June: adjusted index, 144; unadjusted, 154.

TRADE—Wholesale trade in most leading lines increased slightly between May and June, while retail trade showed less than the customary seasonal decline. Sales of department stores were in about the same volume as a year ago, while those of mail order houses and chain stores were larger. Sales of meat, dry goods and hardware at wholesale were smaller than in June of last year, while sales of groceries, shoes and drugs were about the same in volume. Inventories of department stores declined fur-

ther to a level about 3 per cent below that of June, 1926. Stocks carried by wholesale firms showed no change for the month and were smaller than a year ago. Daily average freight car loadings failed to show the customary seasonal increase between May and June and were in smaller volume from early in May to the middle of July than during the corresponding period of last year. Shipments of almost all groups of commodities have been smaller than a year ago. The largest declines occurred in coal and coke.

PRICES—The general level of wholesale commodities prices, according to the Bureau of Labor Statistics in-

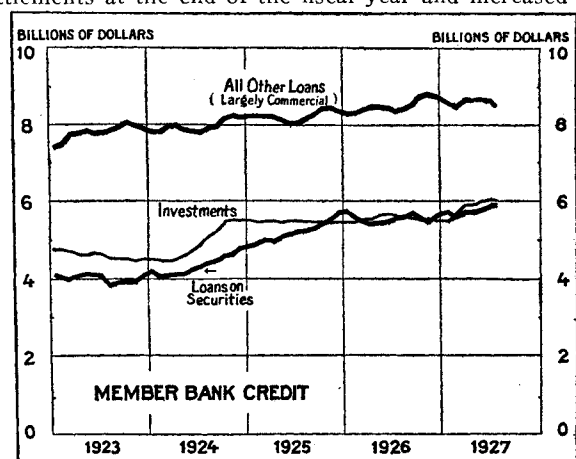


Index of United States Bureau of Labor Statistics (1913=100, base adopted by bureau). Latest figures, June 143.7.

dex, continued practically the same in June as in the two preceding months. Prices of agricultural commodities as a group declined slightly, while the average for the non-agricultural group remained practically unchanged. There were declines between May and June in the prices of silk, iron and steel, non-ferrous metals, building materials and rubber and advances in grains, cotton, hides and skins, and anthracite coal. During the first three weeks of July prices of wheat, bituminous coal, iron and steel, and rubber declined, while those of livestock, cotton, wool, copper and hides advanced.

BANK CREDIT—The demand for member banks' credit decreased from the latter part of June to the middle of July, and on July 20 loans and investments of member banks in leading cities were more than \$200,000,000 lower than the month before. The decline was principally in the banks' investment holdings and in loans secured by stocks and bonds. Loans for commercial, agricultural, and industrial purposes decreased by about \$45,000,000.

Demand for Reserve bank credit in connection with settlements at the end of the fiscal year and increased cur-



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in July.

rency requirements over the holiday period carried total discounts for member banks on July 6 to the highest level since the first of the year. Thereafter, largely in consequence of the return flow of currency from circulation, there was a decreased demand for member bank accommodations and on July 20 total discounts were somewhat smaller than four weeks earlier. Holdings of United States securities showed a slight increase during July. Conditions in the money market, after seasonal firmness at the end of June, were easier in July.