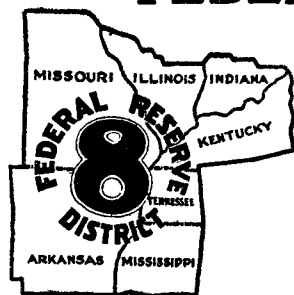


FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF GENERAL BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

Released for Publication On and After the Afternoon of September 29, 1923

WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

GENERAL business in this district during the past thirty days was featured by slight improvement over the similar period immediately preceding, and as contrasted with a year ago the gains of recent months were well maintained. The acceleration was due in part to seasonal considerations, but according to reports of a majority of leading interests in all lines scattered through the district, the principal factor favorably affecting the situation was a distinct improvement in expectations of the business community for fall and winter trade. There is less uncertainty on the part of merchants and the public relative to commodity prices. Declines which developed toward the end of April and continued through July, have become less marked and in a number of lines have terminated. Some raw materials, notably cotton, silk and sugar, advanced with the result of stimulating the demand for goods based on them.

Other favorable influences on trade were generally satisfactory results of agricultural operations, higher prices for cereals, cotton and other farm products, continued activity in the building industry, high level of employment among all classes of labor, strong banking and financial position, low record of commercial mortality, somewhat better collection efficiency and the arrival of more seasonable weather. Stocks in all positions continue in an extremely healthy condition, with inventories unusually light for this time of year. Buying of merchandise for prompt shipment is relatively much more active than for forward delivery, especially in the case of goods for common consumption. This, however, is construed as a healthy symptom, for while it deprives wholesalers and manufacturers of the satisfaction of a backlog of orders, it will extend purchasing through a longer period.

The disposition to caution and conservatism on the part of both merchants and manufactures is still strongly in evidence. The latter are making up but few goods for which orders have not been received, and their purchases of raw materials are being shaped in accord with this policy. As was the case during the preceding two months, the volume of reordering by retail merchants is unusually large, and cancellations and requests for deferred deliveries on goods ordered is at a minimum. In the main goods are plentiful, manufacturers having caught up well with their orders. In the case of certain products based on iron and steel, however, some scarcity still exists, and the recent upturn in cotton and silk prices has resulted in the withdrawal from the market of a number of important producers of cotton and silk goods. Several leading manufacturers of clothing have sold their prospective outputs for fall consumption and closed their books for that delivery.

The marketing and movement of cereals and agricultural products generally, while slightly below nor-

mal, has picked up noticeably since the middle of August. Higher prices for wheat in late August and early September resulted in heavier sales in this territory, and total shipments of that cereal in August, while below a year ago, were considerably larger than during July. Shipments of hogs and cattle continue to run well ahead of last year's totals. Reports relative to prospective wheat acreage to be seeded this fall vary widely, but indications are for a sharp reduction under last season. The recent rise in wheat prices has improved sentiment to some extent in the typical wheat areas, but producers still consider present levels out of line with other commodities, and where possible, farmers are holding their stocks for a higher market. According to the U. S. Department of Agriculture the composite condition of all crops in states wholly or partly within the Eighth Federal Reserve District (100 equals 10-year average) was 100.17 per cent, on September 1, against 96.9 per cent on August 1.

Retail trade throughout the district was stimulated by cooler weather, and the movement of seasonal goods was heavy, particularly wearing apparel. A general comment of reporting stores is that a greater variety of goods is being called for than at this time last year, and in the large cities and generally through the South there is a better demand for more expensive articles. Jewelers report that their business during the first weeks of September showed marked improvement, the volume being larger than could be entirely accounted for by seasonal change. Furniture, floor coverings and draperies are being well taken, and all varieties of hardware for household use are in active demand. Sales of reporting department stores in August were in excess of the same month in 1922, and results during the first two weeks of September indicate a continuance of the gain over a year ago.

Loadings of revenue freight by railroads in the district during the period under review again exceeded all previous records for this time of year. A large part of the increase over the corresponding period in 1922 was accounted for by the movement of merchandise and miscellaneous freight. For the week ending August 25 loadings in this classification were the largest ever recorded. Good increases were also shown in lumber, live stock, farm products and coal. Passenger traffic continues its recent gains, the improvement for reporting roads during August amounting to 17.5 per cent as compared with the same month in 1922. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 217,651 loads in August, which number was exceeded only once before—in March, 1923, when 222,694 loads were interchanged—and comparing with 195,318 loads in July, 187,035 loads in June and 182,683 loads in August, 1922.

During the first nine days of September 63,533 loads were interchanged, against 62,799 for the first nine days of July and 56,561 for the corresponding period in 1922.

The drop in temperature toward the end of August caused a slight improvement in the demand for coal from domestic users, but settlement of the anthracite strike and the enormous current production has banished all apprehension on the part of householders relative to winter supplies. Stocks in the hands of consumers increased further, and are now estimated at approximately 60,000,000 tons. Retail yards are fairly well stocked, and dealers report that uncertainty relative to prices is holding down orders by their customers. Inquiries for coke are numerous, and by-product manufacturers in the district report good sales, both for domestic and commercial consumption, with prices steady. Offerings of metallurgical coke have increased, and with a slowing down in pig iron production, an easier tone is noted in furnace grades. According to the U. S. Geological Survey the estimated production of soft coal for the country as a whole during the first eight months of 1923 was 367,260,000 net tons, which compares with 231,496,000 net tons in 1922, 266,910,000 net tons in 1921, and 391,824,000 net tons in 1918. The present year's production to September 1 was 18 per cent ahead of the average production during the corresponding periods of the nine years, 1914-1922.

Production of automobiles for the country as a whole in August, while below the high figures of April, May and June, registered a slight gain over the July total and was greatly in excess of August, 1922. The output of passenger cars reporting direct or through the Automobile Chamber of Commerce was 313,972 in August against 297,173 in July. Production of trucks in August totaled 29,882 against 29,712 in July. A slowing down in sales of new cars in August as compared with July was indicated in reports of 230 dealers scattered through the district, but a slight

gain was recorded over the corresponding period last year. The demand for more expensive makes was relatively quieter than was the case with moderate and cheap cars. The comment was rather general that accessories moved better, relatively, than automobiles. Lower prices for gasoline and putting out of new models by a number of manufacturers have served to stimulate inquiries, and considerable optimism is expressed relative to the outlook for fall trade. Parts business continues good, but commitments are not extending beyond 60 to 90 days. Tire stocks have been materially reduced by recent sales and reduced production, and the tone of the tire market showed slight improvement.

Collections generally continue to make a good showing, both in the retail and wholesale sections of distribution. Since the middle of August, liquidation of indebtedness in the wheat territory has augmented, reflecting higher prices and increased marketings of the fine grain. Throughout the South bills are being paid promptly, though some backward spots are noted. Heavy rains early in September have interfered with collections in some sections. Further payments to growers by the cooperative associations have eased the situation in the tobacco districts. Retailers in the large cities report collections during early September slightly better than normal. Answers to 334 questionnaires addressed to representative interests in various lines throughout the district show the following results for August: 3.8 per cent excellent; 36.6 per cent good; 52.9 per cent fair and 6.7 per cent poor.

Commercial failures in the Eighth Federal Reserve District during July, according to Dun's, numbered 45, involving liabilities of \$694,960, against 47 defaults with liabilities of \$563,872 in July and 135 failures with indebtedness of \$2,347,687 in August, 1922.

The per capita circulation of the United States on September 1 was \$42.85 against \$42.51 on August 1, and \$39.93 on September 1, 1922.

MANUFACTURING AND WHOLESALE

Boots and Shoes—August sales of the 11 reporting interests were 6.0 per cent larger than for the same month in 1922 and 15.2 per cent under the July total this year. The demand is described as active through the line, but with particular emphasis on fancy goods and special styles. Uncertainty relative to future styles is interfering somewhat with programs of manufacturers, who are hesitating about making up large stocks until something more definite is known about what will be called for. A slightly easier trend in prices of finished goods was reported, and raw materials were firm, with certain upper grades of leather higher. Orders being booked currently are largely for prompt shipment, less than 25 per cent being for forward delivery. Factory operations are at from 85 to 100 per cent of capacity, with labor conditions easier than during the preceding month. Collections are reported better.

Clothing—The continuance of relatively full employment and the rather sharp upturn in spot and future cotton prices gave stimulus to what was already a normal month for clothiers. Clearance sales contributed to a satisfactory liquidation of summer suitings and a broad demand is reported for sport clothes. Sales of the 10 reporting interests were 33.1 per cent in excess of those of a year ago and 42.5 per cent over

July, 1923, the latter purely seasonal. Cool weather since September 1 has given an impetus to fall buying, with some firms reporting that higher priced goods are in better demand than in recent months. Dealers in mens' hats report their business in healthy condition and while shipments exceed those of a year ago, new commitments, for which they report sharp competition, show a decrease of 4.4 per cent under those of August, 1922.

Iron and Steel Products—New bookings during the period under review were sustained at or slightly better than the rate of the similar period just preceding. There has been a decided improvement in the volume of inquiries directed to manufacturers and jobbers, and the character of the inquiry is indicative of reduced stocks and actual need of the tonnage specified. Price fluctuations in finished and semi-finished steel products were narrow. Job foundries and specialty makers have received a fair volume of new orders, and are extending their commitments for raw materials. Buying by the railroads continues on a liberal scale, and the automotive interests are also accounting for heavy tonnages of materials going into that class of construction. Structural iron and steel fabricators report a

decided slump in large contracts, but a steady, active business in jobs running from 25 to 75 tons. Warehouse interests complain of a backwardness on the part of their customers, and they in turn are buying on a hand to mouth basis. Steel plants specializing in railroad castings are operating at capacity, and have orders which will insure the present pace for the next 60 to 90 days. A further decline in buying of drilling and oil working supplies was reported. Pig iron receded in price, No. 2 Southern (1.75 to 2.25 per cent silicon) dropping to \$23.50 to \$24 per ton. Northern iron of the same grade is quoted at \$26 to \$27 furnace. The scrap iron and steel market displayed greater activity than in several months, with prices on some grades a shade higher. August sales of stove manufacturers, 7 interests reporting, were 5.3 per cent larger than in August, 1922, and 25.0 per cent in excess of the July total this year; wire rope makers, 5 interests reporting gained 12.8 per cent over August, 1922, and 2.7 per cent over the July total this year; railway supplies, 5 interests reporting showed a gain of 44.5 per cent over August, 1922, and 1 per cent over the July total this year; farm implement makers, 6 interests reporting, decreased 8 per cent in August as compared with a year ago, and 14 per cent as contrasted with July this year; boiler works, 6 interests reporting, showed no change in August as compared with last year, and a decrease of 14 per cent as contrasted with July this year.

Hardware—August sales of the 12 reporting interests were 16.0 per cent larger than for the same month in 1922 and 12.0 per cent in excess of July this year. Seasonal hardware is moving in normal volume, and the demand for all varieties of goods for household use is active. Sales of hunters' supplies and sporting goods were well in excess of the same period last year. Builders hardware and tools continue in good demand, and sundries and specialties are moving in satisfactory volume.

Electrical Supplies—New construction and extensions by public utility companies, coupled with continued activity in the building industry were the chief factors in an increase in August sales of the 12 reporting interests of 22.2 per cent over the same period a year ago. As contrasted with July this year, however, there was a decline of 17.5 per cent. Prices were steady, except for a decline in copper wire and wiring devices. The demand for radio sets, lamps and household appliances is holding up in excellent shape.

Flour—Production by the 11 leading mills of the district in August was 433,218 barrels, the largest in more than a year, and comparing with 291,332 barrels in July, 286,463 barrels in June and 363,367 barrels in August, 1922. Business during the past thirty days was the most satisfactory since 1920. Free sales were made to the domestic trade, particularly in the South, where wholesalers and jobbers are stocking up for the fall and winter trade. In addition to actual sales, shipping directions on flour previously disposed of were satisfactory, and mills are busy grinding flour for delivery on old orders. Export demand developed improvement, both to Europe and Latin America. Bids from abroad were nearer in line than for a number of months, and large workings were reported. Mill operation was at from 70 to 100 per cent of capacity, as compared with 60 to 75 per cent during the preceding 30 days.

Dry Goods—Most firms report a healthy condition and, since September 1, a steady, conservative demand over rather broader lines than in recent months. The field has been unsettled, however, by the perpendicular rise in raw cotton, which has placed some manufacturers in a rather difficult position. Wholesalers, too, are not inclined to purchase, except for immediate needs, though there has been more than the normal amount of buying in printcloths and sheetings. Some jobbing centers report a better demand from retailers on account of the rise, but the general tendency is not to make unnecessary commitments at present figures. The demand for silk goods has been active in the face of a 10 to 20 per cent rise since September 1, while woolen prices are firm with demand only moderate. August sales of the 11 representative interests decreased six-tenths of one per cent under those of a year ago, but showed a seasonal increase of 28.8 per cent over the previous month.

Groceries—Although August business in most sections was slightly in excess of a year ago, some comments indicate that normal commitments will not be made by retailers until the outcome of crops yet to be gathered is ascertained. The seasonal marketing of vegetables and the closing of some mines has also contributed to the rather spotty conditions that exist, but withal August sales of the 20 reporting interests were 2.4 per cent in excess of the same month a year ago and exceeded July, 1923, by 8.5 per cent. A moderate upturn in spot and future sugar prices since September 1, has lent a firmness to the entire list and dealers generally speak of a much more healthy demand during the first two weeks of the current month.

Drugs and Chemicals—August sales of the 11 reporting interests were 7.0 per cent larger than for the same month in 1922, and 1.0 per cent in excess of July this year. Conditions in the drug and chemical line, while only moderately active during the past thirty days, developed a steadier tone. The unusual demand for insecticides from the cotton districts did much to raise the average of monthly sales. Price changes have been relatively few in number, but where made, the trend was slightly upward, particularly on remedial drugs and proprietary preparations. Opening of the school season stimulated sales of paper goods, stationery and class-room supplies. The demand from manufacturers for heavy chemicals holds up well. Sales of candy continue subnormal.

Furniture—Marked hesitation on the part of dealers in stocking up for fall and winter trade and uncertainty relative to prices had a tendency to hold down the volume of business in this industry during the period under review. Despite this handicap, however, August sales of the 16 reporting interests showed a gain of 9.0 per cent over the same month in 1922, and 10.8 per cent over the preceding month this year. The markets recently held in Grand Rapids and Chicago were disappointing in point of volume of sales, and this has affected the tone of business in other centers. Bedroom suites and general household furniture are relatively more active than other varieties. The demand for office furniture is reported quiet. Some factories are running only 2 to 3 hours per day, but the general average for the district was about 70 per cent of capacity.

Lumber—Notwithstanding that local yards and woodworking interests did an extraordinarily large

amount of winter and early spring stock purchasing, lumber consumption has been so heavy that there was a considerable volume of filling-in business for mills, both in the early and late summer periods. Since the beginning of September the demand has developed the proportions of renewed stock buying, especially in the major soft woods, notably in yellow pine. The Japanese earthquake has had a sentimentally helpful effect on the fir market as a price tonic, without as yet quotably changing open values. Yellow pine, how-

ever, is up \$1 to \$2 on common boards, with varyingly small advances on all the more active items in the list. The hardwood situation has also improved to some extent since late August, but demand has not as yet had the effect of raising the general level of prices. The strengthening of some items has been measurably offset by continuing declines in others. Cypress, both red and yellow, is weak. The same is true of California redwood, which is rather strongly competitive with the former.

Industrial Power Consumption—In contrast to past summer showings, consumption during August exhibited a sharp upturn, and, for the first time since these figures have been compiled, all reporting centers show a uniform trend, indicating that the increased demand is general. Expansion of operations by flour mills, a slightly increased demand from industrials and peak operations of refrigerating plants are given as the causes for the increase. The totals, in the aggregate, are the largest on record.

Representative Customers	Aug., 1923		July, 1923		Aug., 1923 comp. to July, 1923		Aug., 1922 comp. to Aug., 1922	
		k.w.h.		k.w.h.		k.w.h.		k.w.h.
Evansville.....	40	1,268,628	1,177,842	1,177,842	+ 7.7%	999,683	999,683	+26.9%
Little Rock.....	11	890,268	876,025	876,025	+ 1.6	529,899	529,899	+68.0
Louisville.....	67	4,740,756	3,952,797	3,952,797	+19.9	3,720,997	3,720,997	+27.4
Memphis.....	31	1,027,380	806,840	806,840	+27.3	867,420	867,420	+18.4
St. Louis.....	66	15,068,675	14,768,393	14,768,393	+ 2.0	12,872,720	12,872,720	+17.1
Total.....	215	22,995,707	21,581,897	21,581,897	+ 6.5	18,990,719	18,990,719	+21.1

Retail—The condition of retail trade during August is reflected in the following statement, compiled from reports of 22 representative department stores:

(Percentages)	Evansville	Little Rock	Louisville	Memphis	Quincy	St. Louis	8th District
Net Sales:							
Aug. 1923, compared with Aug., 1922.....	+ 9.1	+29.8	+ 5.7	+ 5.9	+13.0	+ 9.1	+10.4
Period July 1 to Aug. 31, 1923 compared with same period in 1922.....	+ 6.5	+30.9	+ 8.1	+ 9.9	+ 7.9	+11.1	+12.4
Stocks on hand at end of Aug., 1923:							
Compared with Aug., 1922.....	+ 9.6	+27.4	- 0.7	+29.9	+ 7.0	+14.3	+15.7
Compared with stocks at end of July, 1923.....	+ 6.8	+ 4.2	+10.3	+ 3.6	+ 6.2	+10.7	+ 8.6
Average stocks on hand at end of each month since July 1, 1923, to average monthly sales during same period.....	769.6	625.3	516.6	643.1	698.9	485.0	541.4
Outstanding orders at close of Aug., 1923 compared with purchases for calendar year 1922.....	7.7	13.4	12.5	14.3	9.7	10.0	11.5

AGRICULTURE

Reports covering agriculture during the period under review indicate considerable unevenness, both with reference to specific products and localities. In certain sections developments were much more satisfactory than elsewhere, and some crops made progress while others deteriorated. However, the general average on September 1 for the district as a whole was well above the August 1 condition. Prices in the main were more satisfactory to producers, advances being recorded on wheat, corn, oats, cotton and a number of the less important products.

Corn scored distinct improvement during August, and according to the U. S. Department of Agriculture the yield for the Eighth Federal Reserve District will be 421,893 bushels, against 394,916 bushels in 1922. In Illinois prospects were described as the best in years. Missouri corn on September 1 was 83 per cent of a full crop, indicating 31.95 bushels to the acre; the Kentucky crop is estimated at 95,168,000 bushels against 88,060,000 bushels last year; the Tennessee condition was bettered in August by 7 per cent, or 7,000,000 bushels, and in Indiana, there was a gain in condition of 4 per cent during August, which brought the total estimate up to 201,476,000 bushels, against 192,712,000 bushels in 1922. Excessive rains during early September have done some damage to corn in the lowlands, and dry weather is needed be-

tween this and harvest to obtain best results.

Total wheat output for the district is estimated at 79,472,000 bushels, which compares with 78,652,000 bushels harvested in 1922. Latest advices indicate that the seeding of new wheat is proceeding slowly, both on account of unfavorable weather and indecision on the part of farmers as to intended area. Prices between this and the final seeding date will be an important factor in determining the acreage.

The September 1 forecast places the outturn of oats in the district at 52,003,000 bushels, an increase of more than 16,000,000 bushels over the 1922 crop.

Fruit crops are somewhat under last year, though in some localities the outlook is for heavy yields. Grapes in many important sections were damaged as a result of spring frosts and insects. The commercial apple crop in Missouri, Illinois and Arkansas will be under a year ago. Vegetables, on the other hand, are better than in 1922, particularly potatoes, which promise large yields in all the chief producing areas.

Hay yields are in the main disappointing due to unfavorable weather earlier in the year. Pastures have been benefitted by recent precipitation, and barring early frosts should provide food for livestock for some weeks to come. Livestock is reported to be in good condition generally, there being an unusually small amount of disease among the herds.

Weather in the immediate past has been more favorable for the tobacco crop, and about 75 per cent of the burley crop is cut and housed. In the dark fired district about 70 per cent of the crop is cut and housed, but wildfire continues to spread, and while this is largely local, it has caused considerable damage. Approximately 76 per cent of the crop has been cut in the Green river and aircured district, and a large portion was cut green to protect it from ravages of wildfire. Despite the numerous reverses suffered by the dark crop, the outlook for fine quality and heavy production is good, due to the large acreage and the fact that damage was confined to isolated localities. Harvesting of the rice crop in Arkansas is under

way, and early returns indicate spotted conditions. The September 1 condition was estimated by the U. S. Department of Agriculture at 82 per cent of normal. As compared with previous years, very little old rice remains in the country. The clean rice market remains strong and movement satisfactory, with prices ranging from 4½¢ to 7¢ per pound.

Weather conditions in the cotton growing sections since September 1 have been in the main unfavorable for development of the crop. Excessive moisture has caused sprouting in the bolls in some counties, and in bottom lands fields were too wet to permit of picking. There are scattered reports of damage from boll weevil and army worm.

The U. S. Department of Agriculture, in its report as of September 1, 1923, gives the condition of corn and oats in the states of this district as follows:

Corn	CONDITION		PRODUCTION COMPARISONS*		FORECAST 1923 PRODUCTION*		FARM PRICE PER BU.	
	September 1.		5 yr. Av.	1922	From Condition		September 1	
	10 year av.	1923	1917-21	(Dec. est.)	Aug. 1	Sept. 1	1922	1923
	%	%	Bu.	Bu.	Bu.	Bu.	cents	cents
Illinois.....	75	90	338,259	313,074	334,884	362,678	55	80
Indiana.....	80	92	181,607	176,305	192,713	201,473	59	83
Kentucky.....	80	89	94,542	88,060	90,356	95,168	85	103
Mississippi.....	76	66	57,601	51,065	37,646	38,137	84	106
Missouri.....	68	83	186,377	175,275	195,718	204,384	63	88
Tennessee.....	81	84	89,033	75,440	71,575	78,589	85	107
Oats								
Illinois.....	78	83	171,843	110,010	148,917	146,394	30	33
Indiana.....	76	70	69,747	23,770	54,975	48,909	33	34
Missouri.....	73	72	50,189	17,872	35,261	32,382	38	39

* In thousands of bushels—i. e., 000 omitted.

COMMODITY PRICES

Range of prices on typical products in the St. Louis market between August 15 and September 15, 1923, with closing quotations on each of these dates, and on September 15, 1922:

		Close Aug. 15		High	Low	Close Sept. 15		Close Sept. 15, 1922	
September wheat.....	Per bu.		\$1.01½	\$1.05¼	\$.99¼		\$1.01¼		\$1.02½
December wheat.....	"		1.04½	1.08½	1.03		1.03¼		1.00½
May wheat.....	"		1.09½	1.13½	1.07½		1.07½		1.05½
September corn.....	"		.78½	.89	.77½		.87		.60¾
December corn.....	"		.62½	.70	.62½		.66¾		.56½
May corn.....	"		.64½	.69¾	.64½		.67¾		.59½
September oats.....	"		.36	.41	.36¾		.40¾		.34½
No. 2 red winter wheat.....	"		1.04	1.14	.97	\$1.06 @	1.10½	\$1.11 @	1.13
No 2 hard wheat.....	"		1.01½	1 07½	.99½		1.04		1.03
No 2 corn.....	"	\$.86 @	.87	.89½	.84½		.89½	.61 @	.61¾
No. 2 white corn.....	"	.84½ @	.85	.91	.84½	.89½ @	.90		.61¾
No 2 white oats.....	"	.39½ @	.40	.44	.39 ¼		.43½		.40
Flour: soft patent.....	Per bbl.	5.25 @	6.25	6.50	4.85	5.00 @	5.50	5.25 @	6.25
Flour: spring patent.....	" "	6.10 @	6.25	6.40	5.60	5.60 @	6.15	5.90 @	6.10
Middling cotton.....	Per lb.		.24½	.27½	.24½		.27½		.21¾
Hogs on hoof.....	Per cwt.	5.50 @	8.70	9.80	5.00	5.60 @	9.60	6.75 @	9.80

COMMODITY MOVEMENT

Receipts and shipments of important commodities at St. Louis during August, 1923 and 1922, and July, 1923, as reported by the Merchants' Exchange, were as follows:

	Receipts			Shipments		
	Aug. 1923	July 1923	Aug. 1922	Aug. 1923	July 1923	Aug. 1922
Flour, barrels.....	445,590	387,100	428,280	564,290	436,650	571,385
Wheat, bushels.....	5,833,912	5,775,272	7,058,479	4,398,235	2,876,650	6,379,160
Corn, bushels.....	2,581,800	2,616,057	2,568,800	1,987,155	1,795,710	1,771,950
Oats, bushels.....	3,434,000	2,452,000	2,580,000	2,733,290	2,272,430	2,159,155
Lead, pigs.....	215,830	141,650	322,230	157,150	112,590	245,680
Zinc, slabs.....	277,290	345,350	166,940	269,360	322,980	279,550
Lumber, cars.....	20,034	19,407	15,228	14,486	13,454	12,488
Pork Products.....	21,825,600	21,400,300	19,527,000	32,867,500	32,490,000	28,565,800
Dressed beef, pounds.....	1,252,300	1,129,300	43,300	27,223,600	23,482,100	24,256,900
Lard, pounds.....	7,533,800	5,739,200	6,229,300	13,339,200	11,231,300	10,019,400
Hides, pounds.....	6,738,500	6,318,000	6,954,000	9,433,900	8,886,600	8,934,100

LIVE STOCK MOVEMENT

As reported by the St. Louis National Stock Yards, receipts and shipments of live stock in August, 1923 and 1922, and July, 1923, were as follows:

	Receipts			Shipments		
	Aug. 1923	July 1923	Aug. 1922	Aug. 1923	July 1923	Aug. 1922
Cattle and Calves.....	161,789	138,969	157,864	110,889	81,504	102,403
Hogs.....	336,456	337,862	240,535	227,920	207,353	158,565
Sheep.....	59,944	79,209	81,668	19,604	23,351	20,866
Horses and Mules.....	5,961	2,548	6,031	4,329	2,536	4,827

BUILDING

The period under review was marked by continued activity in the building industry. Work on buildings in course of construction was pushed forward, and a large number of new enterprises were started. In the five largest cities of the district permits issued during August were the largest since May, and approximately 11.1 per cent in excess of the corresponding period last year. The gain was largely in the South, with Memphis making the most favorable showing. In the new permits, residential construction continues to lead, both in number and value. There is still a scarcity of skilled laborers in the building crafts, and wages are at the highest levels ever recorded in most sections. Manufacturers of building materials report an active demand for all their products, but little variation in prices as contrasted with the preceding month. Production of portland cement for the country as a whole in August was the highest on record, 14,971,000 barrels, against 13,712,000 barrels in July and 12,967,000 barrels in August, 1922.

Comparative building figures for August in leading cities of the district follow:

	New Construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1923	1922	1923	1922	1923	1922	1923	1922
St. Louis.....	974	803	\$1,940,935	\$1,780,450	666	538	\$430,070	\$426,220
Louisville.....	306	287	757,747	1,113,000	128	134	60,444	130,375
Memphis.....	360	311	2,104,310	1,476,240	70	139	34,580	61,427
Little Rock.....	80	62	265,860	202,545	149	58	52,590	55,500
Evansville.....	149	76	261,020	153,025	62	64	10,565	17,815
Aug. Totals.....	1,869	1,539	\$5,329,872	\$4,725,260	1,075	933	\$588,249	\$691,337
July Totals.....	1,645	1,478	4,799,725	5,233,075	946	813	690,526	465,717
June Totals.....	1,784	1,572	5,301,510	5,224,814	1,139	935	582,564	630,645

FINANCIAL

The feature of the banking and financial situation during the past thirty days has been a marked improvement in the demand for money, which is reflected in a sharp upturn in bills discounted both of this institution and member banks, which are at the high point of the year. While loans are pretty well distributed through all classes of borrowers, the heaviest requirements relatively are noted among handlers of agricultural products, particularly cotton. Harvesting and the movement of that staple in this district have gotten under way, and despite lateness of the crop, requirements in the South to date are apparently heavier than a year ago. Cotton seed oil interests are requiring larger amounts for financing their operations, due to the high cost of cotton seed, which is selling around \$45 a ton as against \$25 to \$30 this time last year. The accelerated movement of wheat and other cereals during late August and early September has had a tendency to augment the demand from that source, and banks specializing in financing the flour milling industry report continued strong call from that class of borrowers. Banks in the large distributing centers report an active demand from their mercantile customers. Deposits of member banks declined slightly during the period under review, but are somewhat in excess of the corresponding period a year ago. A moderate decline

has taken place in banks' holdings of investments, which fact taken in conjunction with the movement of deposits, indicates that more of their funds are being utilized to finance current requirements. Between August 15 and September 15 there was an increase of \$10,833,263 in the amount of paper discounted by this institution for member banks. Total reserves carried against deposit and Federal reserve note liabilities decreased 8.5 per cent, standing at 55.7 per cent on September 15.

Commercial Paper—Following a period of quietness during early August, business of reporting brokers took a turn for the better toward the end of that month, and has continued on a very satisfactory basis since. The volume of sales was materially assisted by heavy purchases by banks in Texas, where surplus funds were created by liquidation of cotton stocks. Offerings throughout the period under review were plentiful, but decreased somewhat toward the middle of September. Rates were firm in the range between 5¼ and 5½ per cent. Some few choice names were sold as low as 5 per cent, and a few transactions as high as 5¾ per cent were reported. Relatively little commercial paper is being purchased by banks in the large centers, their funds being well occupied in the service of regular customers.

Savings Deposits—The changes in the number of savings accounts and the amount of savings deposits, exclusive of postal savings deposits, since a month ago and a year ago, as reported by the largest member banks in the leading cities of this district, are shown in the following table:

	Number Banks Reporting	September 5, 1923		August 1, 1923		September 6, 1922	
		Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	255,636	\$72,158,000	241,334	\$71,681,000	240,963	\$66,909,000
Louisville.....	7	169,166	23,347,000	167,183	23,296,000	133,312	20,960,000
Memphis.....	7	67,249	18,326,000	67,286	18,451,000	57,058	14,255,000
Little Rock.....	5	27,181	7,333,000	26,850	7,262,000	24,867	6,158,000
Evansville.....	4	24,644	8,994,000	24,772	9,050,000	21,876	8,433,000
Total.....	35	543,876	\$130,158,000	527,425	\$129,740,000	478,076	\$116,715,000

CHANGES IN COST OF LIVING

Cost of living in the United States on August 15 was 61.6 per cent higher than in July, 1914, according to figures compiled by the National Industrial Conference Board. Between July 15 and August 15 there was a decrease of two-tenths of one per cent. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and August, 1923, the cost of living dropped 21 per cent.

DEBITS TO INDIVIDUAL ACCOUNTS

	For four weeks ending Sept. 19, 1923	For four weeks ending Aug. 22, 1923	Sept. 1923 comp. to Aug., 1923	For four weeks ending Sept., 20, 1922	Sept. 1923 comp. to Sept., 1922
E. St. Louis and Nat'l. Stock Yards. Ill.	45 532 000	41,480,000	+ 9.8%	32,250,000	+41.2%
El Dorado, Ark.	7,919,000	8,091,000	— 2.1		
Evansville Ind.	28,017 000	26,836,000	+ 4.4	23 861 000	+17.4
Fort Smith, Ark.	9,486,000	9,085,000	+ 4.4	9,769,000	— 2.9
Greenville, Miss.	2,631,000	2,455,000	+ 7.2	2,917,000	— 9.8
Helena, Ark.	3,866,000	3,672,000	+ 5.3	4,581,000	—15.6
Little Rock, Ark.	51,002,000	43,297,000	+17.8	42,798 000	+19.2
Louisville, Ky.	128,721,000	129,436,000	— 0.5	115,234,000	+11.7
Memphis, Tenn.	104,335,000	91,080,000	+14.6	93,707,000	+11.3
Owensboro, Ky.	4,459,000	4,990,000	—10.7	4,227,000	+ 5.5
Quincy, Ill.	9,082,000	10,208,000	—11 0	8,343,000	+ 8.9
St. Louis, Mo.	553,939,000	547,971,000	+ 1.1	507,523,000	+ 9.1
Springfield, Mo.	12 921,000	11,948,000	+ 8.1	11,367,000	+13.7
Total	961,910,000	930,549,000	+ 3.4		+11.4

Condition of Banks—The condition of banks in this district and changes since a month ago and last year, are reflected in the following comparative statement showing the principal resources and liabilities of member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville:

	Sept. 12, 1923	Aug. 8, 1923	Sept. 13, 1922
Number of banks reporting.....	*36	*36	*36
Loans and discounts (including rediscounts)			
Secured by U. S. Government obligations.....	\$12,445,000	\$11,799,000	\$15,562,000
Secured by stocks and bonds other than U. S. Bonds.....	139,697,000	137,568,000	124,493,000
All other loans and discounts.....	310,985,000	309,427,000	279,851,000
Total loans and discounts.....	463,127,000	458,794,000	419,906,000
Investments			
U. S. pre-war bonds.....	15,334,000	15,325,000	
U. S. Liberty Bonds.....	23,591,000	23,517,000	36,045,000
U. S. Treasury bonds.....	8,723,000	9,350,000	
U. S. Victory notes and Treasury notes.....	20,564,000	21,255,000	12,645,000
U. S. Certificates of Indebtedness.....	6,238,000	6,563,000	7,391,000
Other bonds, stocks and securities.....	84,886,000	84,707,000	84,176,000
Total Investments.....	159,336,000	160,717,000	140,257,000
Reserve Balance with Federal Reserve Bank.....	40,433,000	41,556,000	38,591,000
Cash in vault.....	7,950,000	7,840,000	7,246,000
Net demand deposits on which reserve is computed.....	344,204,000	345,910,000	331,997,000
Time deposits.....	188,638,000	190,633,000	170,415,000
Government deposits.....	2,678,000	5,228,000	3,749,000
Bills payable and rediscounts with Federal Reserve Bank secured by			
U. S. Government obligations.....	13 568,000	9,943 000	1,363,000
All other.....	25,188,000	18,927,000	1,712,000

* Decrease due to consolidation

FEDERAL RESERVE OPERATIONS

During August the Federal Reserve Bank of St. Louis discounted for 258 of its 624 member banks, which compares with 251 of its 624 member banks accommodated in July. The discount rate of this bank remains unchanged at 4½ per cent for all classes and maturities of paper.

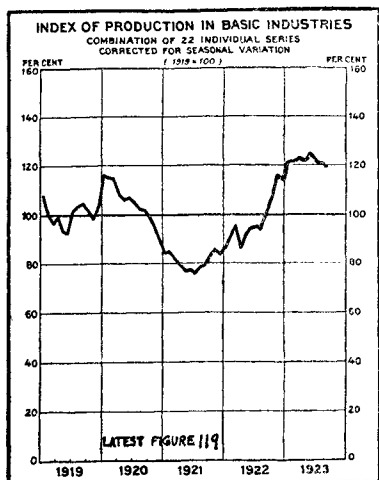
Changes in the assets and liabilities of the Federal Reserve Bank of St. Louis since a month ago and last year are shown in the following comparative statement (in thousands of dollars):

RESOURCES				LIABILITIES			
	Sept. 19 1923	Aug. 15 1923	Sept 20 1922		Sept 19 1923	Aug. 15 1923	Sept 20 1922
Gold Reserves.....	\$ 62,011	\$ 80,935	\$ 75,029	Capita paid in.....	\$ 4,995	\$ 4,987	\$ 4,786
Legal Tender, Notes, Silver etc	10,607	11,594	8,101	Surplus.....	9,665	9,665	9,388
Total Cash Reserves.....	\$ 72,618	\$ 92,529	\$ 83,130	Deposits.....	67,572	71,505	63,349
Discounts secured by Gov't. obligations.....	21,108	18,912	8,054	F. R. Notes in circulation.....	72,310	72,521	74,260
Discounts otherwise secured and unsecured.....	47,919	32,455	16,860	F.R. Bank Notes in circulation			3,411
Bills bought in open market..	40	1,111	14,153	Deferred availability items....	36,627	34,205	35,642
U. S. Gov't. securities.....	3,672	7,251	28,212	Other Liabilities.....	1,344	1,104	901
Total Earning Assets..	\$ 72,739	\$ 59,729	\$ 67,279	Total Liabilities.....	\$192,513	\$193,987	\$191,737
Uncollected Items.....	39,121	34,571	35,930	Combined Res. Ratio	51.9%	64.2%	60.4%
Other Resources.....	8,035	7,158	5,398				
Total Resources.....	\$192,513	\$193,987	\$191,737				

(Compiled Sept. 20, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by Federal Reserve Board, September 26, 1923)

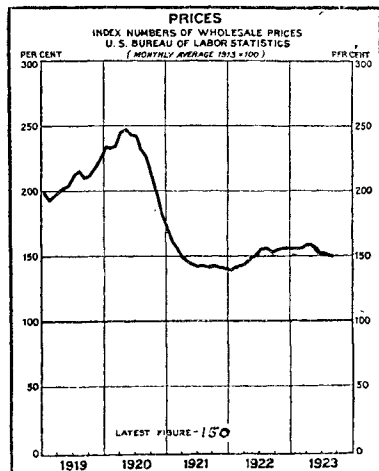


Production—The Federal Reserve Board's index of production in basic industries declined 2 per cent during August, and was at the lowest point for this year. The August output, however, was 27 per cent larger than a year ago and production in every month this year has been at a higher level than in any month of the previous five years. Lower production in August reflected reduced output, after a correction for the usual seasonal trend, of pig iron, woolen goods, flour and cement. Cotton consumption, sugar meltings, lumber cut and bituminous coal production increased. The number and value of new building products as measured by permits granted in 168 leading cities, increased during August, but actual contract awards were smaller than in July.

Employment at industrial establishments throughout the United States was slightly smaller in August, while average weekly earnings advanced about 1 per cent. Increases in wages amounting to 10 per cent were granted to anthracite coal miners. Reduction of wages and hours in the steel industry continued, but wage advances during August were fewer than in any month since last winter.

The principal changes in crop estimates by the September 1 forecast of the Department of Agriculture were a large reduction in the expected cotton crop, slight decreases in the probable yield of wheat, of barley and oats, and increases in yields of corn, tobacco, and potatoes.

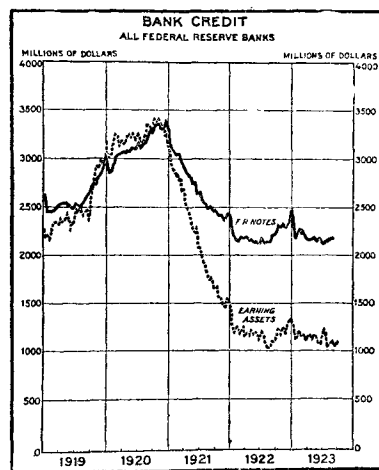
Trade—Railroad freight shipments were larger in August than in any previous month on record. This was due to seasonal increases in shipments of coal, miscellaneous merchandise and agricultural products. Wholesale trade, according to the index of the Federal Reserve Board, increased 12 per cent in August, which is more than the usual seasonal increase, and sales were the largest of any month in three years. Sales of clothing, dry goods and shoes showed substantial gains as compared with July and were larger than a year ago. Retail trade also increased in August and sales in all reporting lines were larger than in August, 1922. Department store sales in all sections of the country averaged 12 per cent above last year's level.



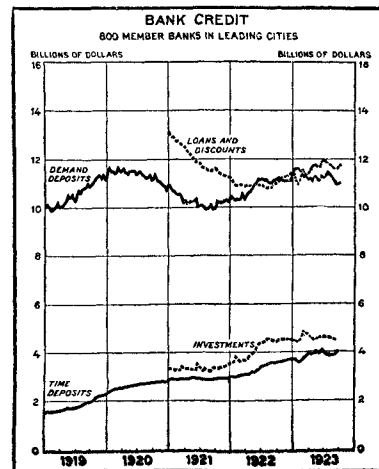
Prices—The general level of wholesale prices, according to the index of the Bureau of Labor statistics, remained relatively constant in August, the change for the month being a reduction of less than one-fifth of one per cent, compared with declines of about 2 per cent in each of the three preceding months.

Prices of building materials, house furnishings and fuel were materially reduced, while prices of farm products and foods increased. Prices of certain raw materials, particularly cotton and silk advanced substantially during September, while prices of petroleum and copper declined.

Bank Credit—After a decline during July and the first part of August, the volume of bank credit in use showed a seasonal increase during the last week of August and the first two weeks of September. Total loans and demand deposits of member banks in principal cities increased during recent weeks, reversing the trend of the preceding two weeks. Loans chiefly for commercial and agricultural purposes increased by \$122,000,000 and reached a high point for the year. Investment holdings of these banks, on the contrary, continued to decline and on September 12 were lower than at any time since the middle of October of last year.



Between August 1 and September 1 the amount of accommodation extended to member banks by Federal Reserve Banks in industrial districts declined, while in agricultural districts the seasonal demand for credit and currency resulted in a considerable growth of reserve bank credit in use. The demand for currency arising out of crop moving and fall trade has been reflected in an increase of \$82,000,000 in money in circulation between August 1 and September 1, of this amount about \$44,000,000 represents an increase in Federal Reserve note circulation.



Money rates were firmer during the first two weeks of September, but eased somewhat after the 15th, partly because government disbursements were temporarily in excess of tax collections. The Treasury issued on September 15th \$200,000,000 of six months certificates bearing 4½ per cent interest, compared with 4 per cent borne by six months certificates issued in June.