

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 November 30, 1923

WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

THE past thirty days have developed no sharp contrasts in general business in this district as compared with the similar period immediately preceding. Irregularity continues to feature trade, reports from leading interests in certain lines indicating fair activity, while in other classifications there is a tendency to slow down. Almost universally the comment is made that purchasing of commodities is on an extremely cautious and conservative basis. The total volume of distribution of merchandise is large, but orders being placed currently are for the most part small, and represent well defined needs. Stocks in all positions are in healthy condition and retailers in both the large cities and country are keeping up their assortments. The demand from ultimate consumers is holding up well, and the quality of merchandise called for is as a rule better than during the corresponding period a year ago. In the immediate past, however, there has been some reaction on the part of the public against price advances in textiles, particularly in the case of goods based on cotton. Uncertainty relative to styles is having a tendency to hold back purchasing of boots and shoes and wearing apparel.

Wholesalers showing holiday goods report results in the main satisfactory, though the volume of future ordering is somewhat under that of past seasons. The advent of cooler weather has served to stimulate the movement of typical winter merchandise with the exception of fuel, which continues dull. There were further recessions in output of certain manufacturing lines, notably iron and steel. In this classification shipments are in excess of new business and unfilled orders were materially reduced. Throughout October, purchasing of pig iron in this district was unusually backward, but further price concessions since the first week in November have resulted in the placement of substantial tonnages. A number of important melters, who for several months past have held consistently aloof from the market, are now covering on their requirements for the balance of this year and into the first quarter of 1924.

Changes in the employment situation were not marked, and largely seasonal in character. Leading industries, according to the Employment Service of the U. S. Department of Labor, are employing normal forces for this period of the year, although dullness prevails in some lines. There are sufficient building mechanics in the larger centers, except St. Louis, where construction operations are on a large scale. Road building and farm labor requirements are still a big factor in the call for unskilled labor,

although heavy rains have retarded outdoor work in some sections. In the lead and zinc mining areas activity was fairly well maintained, but the lack of demand for soft coal is reflected in further curtailment of production in all fields of the district. Many mines in Southern Illinois have been working only two to three days per week. Consumption of electrical power by industrial users in the five largest cities of the district during October showed a slight gain over the September total and was 14.7 per cent in excess of October, 1922.

Marketing of farm products has been on a liberal scale, and while prices realized by producers were not uniformly satisfactory, agriculturists in many sections are liquidating their indebtedness. The recent advance in cotton prices is reflected in increased optimism and actual purchasing of commodities in the South. Wholesalers in the chief jobbing centers report an unusually heavy volume of reordering by Southern customers. In many important cotton growing sections, however, the output is very light, and the movement to market is slow, due to lateness of the crop and lack of demand from consumers. Tobacco, both in the burley and dark sections, is being stripped and prepared for the markets, which will open during the next few weeks. Cereal prices declined rather steadily during the period under review, December wheat in the St. Louis market falling from \$1.10 $\frac{7}{8}$ on October 15 to \$1.04 on November 15 and December corn from 79 $\frac{3}{8}$ c to 76 $\frac{3}{8}$ c. December oats were down 2c per bushel, closing at 43 $\frac{1}{2}$ c on November 15. Values of cash grains were proportionately lower.

With the exception of cotton, which deteriorated somewhat during October, the period under review brought no marked changes in crop conditions. The November 1 report of the U. S. Department of Agriculture for the most part verified estimates of the preceding month for production of leading crops in states of this district. The outturn of corn will be larger in bushels than a year ago, but there are numerous complaints of poor quality, due to unfavorable weather and insect damage. According to the Department's report, the average yields per acre of all crops combined in states wholly or partly in this district, duly weighted, compared with the average for recent years, was 91.03 per cent, against 97.4 per cent last year, 103 per cent in 1921 and 93.2 per cent in 1920. Generally favorable conditions have attended gathering and marketing of late crops, and weather has been auspicious for farm work and live stock.

In the matter of car loadings, the performance of railroads operating in this district continues to surpass all previous years for this particular season. All roads reporting show gains over the preceding month, also over the corresponding period last year. According to the American Railway Association, total loading for the country as a whole for the week ended October 27 was 1,073,965 cars, a gain of 1,084 over the preceding week and of 74,247 cars for the corresponding week in 1922. The St. Louis Terminal Association, which includes in its membership 26 roads operating through this gateway, interchanged 226,242 loads in October, the largest single month's total on record, and comparing with 220,169 loads in September, 217,651 loads in August and 209,036 loads in October, 1922. During the first nine days of November 66,020 loads were interchanged, against 64,337 loads during the first nine days of October and 64,767 loads during the corresponding period a year ago. Passenger traffic of reporting roads, while continuing to increase, showed a lower rate of gain in October than during September, the betterment being 6 per cent in October against 17 per cent in September over the same months in 1922.

Quietness and lack of interest on the part of consumers were the outstanding features in the fuel situation during most of the period under review. There were reports of additional mines closing down, and reductions of outputs by active pits. Demand centers largely in the cheaper grades of coal for household consumption, and steaming users are not making their wants known. Contracting is considerably under normal for this season, and yards are well stocked. By-product coke manufacturers report slowness in the movement of both metallurgical and domestic sizes, and stores at ovens are augmenting in size. In the immediate past, cooler weather has stimulated the retail trade to some extent. Production of bituminous coal for the country as a whole during the first 260 working days of 1923, or to November 3, was 467,300,000 tons, against 322,588,000 tons for the corresponding period in 1922, 353,327,000 tons in 1921 and 499,955,000 tons in 1918.

Production of automobiles for the country as a whole during October showed a continuance of the large gains made each month during 1923 over the same periods last year, and combined output of passenger cars and trucks increased 8.4 per cent

over the September total. Manufacturers reporting direct or through the Automobile Chamber of Commerce built 334,244 passenger cars in October, against 298,600 in September. The October production of trucks totaled 29,638 against 27,841 during the preceding month. According to reports of 230 dealers scattered through the district, distribution of new cars in October was about 10 per cent in excess of the same month in 1922, but slightly under the September total this year. Comment is made upon the steadily growing demand for closed cars of all makes, while touring models are being neglected. Trade in accessories is relatively more active than in automobiles, which fact is partly attributable to special selling and advertising campaigns. Tires continue slow, both in the retail and jobbing departments of distribution. Uncertainty relative to prices has a tendency to hold down purchases of dealers to absolute requirements. The used car market shows slight improvement, stocks being described as normal for this season, and less in number and value than a year ago.

Reports relative to collections show rather spotted conditions, particularly with reference to locality. In the grain sections the liquidation of crops has resulted in extensive settlements by farmers, and in the cotton sections payments have been on a satisfactory scale. Some backwardness is noted in the mining fields, and retailers in the large cities report a slowing down as contrasted with the preceding thirty days. October settlements of wholesalers particularly boot and shoe and dry goods, were large, and resulted in some reduction by these interests of their commitments at the banks. Answers to 355 questionnaires addressed to representative interests in various lines throughout the district show the following results: 0.9 per cent excellent; 35.3 per cent good; 57.1 per cent fair and 6.7 per cent poor.

Commercial failures in the Eighth Federal Reserve District during October, according to Dun's numbered 84, involving liabilities of \$1,308,833 against 71 defaults with liabilities of \$536,652 in September and 91 failures for \$1,661,606 in October, 1922.

The per capita circulation of the United States on November 1 was \$43.27, which compares with \$43.45 on October 1 and \$41.44 on November 1, 1922.

MANUFACTURING AND WHOLESALE

Boots and Shoes—Sales of the 11 reporting interests during October were 4.8 per cent larger than for the corresponding month in 1922, and 23.8 per cent in excess of the September total this year, the latter change largely seasonal. While the policy of buying for immediate needs continues general, orders for future shipment are proportionately larger than earlier in the season. Prices were unchanged, save in the case of several interests which reduced quotations on certain lines in order to stimulate their movement. Some grades of leather were easier, but the general run of raw materials holds steady. Orders received from sales-

men on the road during the opening weeks of November were reported satisfactory. Factory operation was at from 85 to 100 per cent of capacity.

Clothing—In contrast with a satisfactory demand for goods for nearby delivery, spring lines have met relatively poor response and business in the latter category booked for the season thus far is less than for the corresponding period last year. Spring lines being shown exhibit only minor price variation as contrasted with current levels. While the demand in the main has been fully up to expectations, retailers and the ultimate consumers are being governed largely by prices in their pur-

chasing, and this has resulted in a number of manufacturers being obliged to absorb additional costs. The advent of cooler weather has stimulated the movement of finished woolens and worsteds, but the comment is made that women's wear is selling more satisfactorily than men's garments. October sales of 14 reporting interests were 14.4 per cent larger than for the same month in 1922, and 22.4 per cent under the preceding month this year, the latter change being largely seasonal. Labor is plentiful and factory operation was at from 80 to 100 per cent of capacity. Manufacturers of men's hats report a seasonal decrease during October and sales for that month as compared with a year ago show a decrease of 0.7 per cent. Bookings of straw hats for spring have exceeded the capacity of several manufacturers.

Iron and Steel Products—An easier trend in prices for both finished and raw materials in this classification has caused a hesitancy on the part of consumers, and there is a general disposition to purchase on an extremely conservative basis. Mills and foundries through the district report that new commitments have improved in spots, but the total volume is still under shipments, which fact is reflected in a further reduction of unfilled orders. Ordering of finished iron and steel for first quarter delivery is considerably under normal for this season, and the same is true of pig iron. Throughout October the pig iron market was dull and easier, additional price declines failing to bring out ordering. During the first two weeks of November, however, there was an excellent revival in pig iron purchasing, larger tonnages being placed during the first half of the month than during the six to eight weeks immediately preceding. No. 2 Southern iron, 1.75 to 2.25 per cent silicon, declined to \$18.50 per ton, furnace, and Northern iron of the same grade was obtainable at as low as \$22.50. Buying by the railroads was somewhat more active, sales of track materials and materials for repairing, equipment and buildings being in fair volume. The demand from the automotive industry, while under recent months, is well in excess of a year ago. Fabricators of building materials report a falling off in specifications, and no improvement in the demand for drilling and general materials for the oil fields was noted. In tin plate, where the price for the first quarter of 1924 has been reaffirmed, there has been good ordering. Except for an advance of 50c per day to moulders in job foundries in the St. Louis district, no change in wages was reported. October sales of stove manufacturers, 7 interests reporting, were 5.7 per cent larger than for the same month in 1922, and unchanged from the preceding month this year; wire products manufacturers, 5 reporting, showed a decrease of 6.7 per cent in October sales under a year ago and 3 per cent under the preceding month this year; railway supplies, 5 reporting, gained 39.8 per cent over October, 1922, and 8.2 per cent over September this year; farm implement makers, 6 reporting, gained 8 per cent over October, 1922, but showed a decrease of 2.4 per cent under September this year; manufacturers of boilers, stacks, elevators and other mis-

cellaneous products, 8 reporting, gained 34 per cent over October, 1922, but decreased 7.3 per cent under September this year.

Fire-Clay Products—Activity in refractories has been stimulated by the recent lull in demand for steel, the consequent blowing out of stacks being the occasion for relining a goodly number of open hearth furnaces. There has been a brisk demand for cement kiln lining blocks, and the lime industry has taken large tonnages. Bung arches and 9 inch straights have moved in good volume, but square edge tile and special shapes are in only fair demand due partly, manufacturers say, to a lull in new construction on a large scale and to the depression in the oil industry. A \$3 reduction in Missouri No. 1 brick, a similar cut in the intermediate grade and a \$5 drop in Missouri high grade were effective the middle of October. Reports of five representative interests show October business as 14.8 per cent in excess of the same month a year ago and 14.6 per cent over September, 1923. Orders booked by reporting firms during the first twenty days of November indicate a total for that month approximately 12 per cent in excess of October.

Hardware—October sales of the 12 reporting interests were 6.3 per cent larger than for the same month in 1922 and 4.8 per cent in excess of September this year. Current orders are reported satisfactory, and in some sections retail merchants are increasing their commitments for forward delivery. Retail stocks are being kept up well, and seasonal goods are moving in large volume. The demand for building hardware has slowed down somewhat, but is fully equal to this time last year. Some reordering of hunters' supplies is noted, and the call for roofing materials, paints and kindred lines is reported fair. Prices average about steady, declines offsetting advances through the line.

Electrical Supplies—Business under this classification is reported generally satisfactory, sales of the 12 reporting interests during October being 10.6 per cent larger than for the same month in 1922 and 5.8 per cent in excess of the September total this year. Ordering of radio sets and fancy lamps has been stimulated by the approach of the holiday season. Some recession in the demand for special wiring devices is noted, and there is the usual seasonal slowing down in outside construction work by public utilities companies. Aside from a slight reduction in bare and insulated copper wire and cables, no price changes were reported.

Flour—Production of the 11 leading mills of the district during October was 446,009 barrels, the largest in more than two years, and comparing with 411,018 barrels in September, 433,218 barrels in August and 365,841 barrels in October, 1922. Business during most of the period under review was described as dull and unsatisfactory. Aside from routine orders from Latin-American countries, the export trade was almost at a standstill. Cable offers for export to Europe brought no replies or bids too far out of line to result in workings. The domestic demand was confined to small lots, mainly from regular customers of the mills. Plant operations were at from 65 to 90 per cent of capacity.

Dry Goods—The outstanding feature in this classification was a general upward revision through the list of cotton goods. Price advances affected virtually all the chief items and were particularly notable in sheetings, print cloths, denims and ducks. Higher quotations on finished materials were in sympathy with the sharp upturn in raw cotton, which touched a new high on the crop. Ordering for future delivery has been stimulated somewhat by the price advance, and another effect has been a disposition on the part of spinners and weavers to withhold quotations on goods for forward shipment. Further downward adjustment in silk prices took place during early November, and the market for goods based on that staple continues unsettled. Ordering of holiday lines of toys and neckwear is reported only fair, retailers being disposed to postpone purchasing as long as possible. October sales of the 11 reporting interests decreased 6.8 per cent under those of the same month in 1922, and were 20.4 per cent below the September aggregate this year. Milliners report a slight slowing down in business, which they ascribe to uncertainty relative to prices and styles. Their October sales fell 12.7 per cent below the same month last year.

Groceries—Reports from different sections of the district exhibit striking irregularity, but in the aggregate business in this line is better than at any time since last spring. Canned goods are moving in satisfactory volume in spite of large fruit and vegetable crops in many sections. Coffee is in excellent demand, with prices firm, except in the lower grades. Sugar is weak, due largely to increased offerings of Louisiana and western beet sugars at slight concessions. Many retailers have increased stocks in anticipation of holiday demand, but withal the quantity of goods in retailers' hands is not above normal for this season. October sales of 20 representative interests exceeded those of the same month a year ago by 4.5 per cent and were 8.6 per cent in excess of the September, 1923, total.

Drugs and Chemicals—October sales of the 11 reporting interests were 7.2 per cent in excess of the same period in 1922, and 7.9 per cent larger than the preceding month this year. Routine sales were supplemented by the opening of an unusually

large number of new retail drug stores, the past three months witnessing more activity in this direction than noted during the past several years. Generally through the list of drugs and chemicals, the tendency was toward greater stabilization in values. An exception was Japanese products, some of which have sustained sharp advances since the earthquake. A slowing down was noted in the demand for heavy chemicals from manufacturers.

Furniture—Reports indicate extremely spotted conditions, some cities showing gains while others exhibit losses as compared with a year ago. Universally the comment is made that buying is on a hand-to-mouth basis, and has decreased perceptibly in volume since the end of October. Many retailers are holding off in anticipation of lower prices, particularly on household furniture. Raw materials hold very firm, particularly lumber and glass, which continue in large demand from the automotive industry. Stocks in all positions are low, there being a disposition to hold down inventories, both on the part of jobbers and retailers. Sales of the 24 reporting interests in October were 2.3 per cent less than for the same month in 1922, and 3.5 per cent in excess of September this year.

Lumber—The situation in this industry has undergone seasonal change since the preceding issue of this report. There was a premature decline in the autumn wholesale demand for building lumber, despite the good and continued retail distribution. Hardwood buying has decreased sharply since November 1. Logging conditions and the log supply have been good for several weeks, and production and shipments of hardwood are running large. Prices have weakened in sympathy with decreased buying. Not a great deal of stock is being pushed for sale. The great bulk of offerings in building lumber is made up of transit cars and surplus items of Southern pine. These are being dumped, rather than sold, on the market and prices obtained bear little relation to those prevailing for mixed cars, or that the mills would quote on a line of stock. Except vertical grain flooring, major items in the Western fir list are also more or less affected in price by the present slack demand. Yellow cypress is exhibiting further weakness in the upper grades.

Industrial Power Consumption—The demand for electricity for industrial purposes, which during September exhibited a 7.1 per cent decrease under the preceding month, the first such decrease since last February, has again turned upward. October not only showed an increase as compared with September, but a gain of 14.7 per cent over October, 1922. September's increase over the corresponding month last year was 11.7 per cent.

Representative Customers	Oct. 1923		Sept. 1923		Oct. 1923 comp. to Sept. 1923	Oct. 1922		Oct. 1923 comp. to Oct. 1922
		k.w.h.		k.w.h.			k.w.h.	
Evansville	40	1,053,868	1,043,358	k.w.h.	+ 1.0%	882,476	k.w.h.	+19.4%
Little Rock	11	852,853	808,314	"	+ 5.5	626,606	"	+36.1
Louisville	67	4,282,760	4,414,647	"	- 3.0	3,562,968	"	+20.2
Memphis	31	1,146,220	1,002,960	"	+14.3	1,007,280	"	+13.8
St. Louis.....	68	14,295,947	14,097,981	"	+ 1.4	12,776,949	"	+11.9
Total.....	217	21,631,648	21,367,260	"	+ 1.2	18,856,279	"	+14.7

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

(Percentages)	Evansville	Little Rock	Louisville	Memphis	Quincy*	St. Louis	Springfield	8th District
Net Sales:								
Oct., 1923, compared with Oct., 1922	+20.8	+18.2	+10.3	+ 7.1	+ 9.7	+ 9.2	+ 7.6	+ 9.0
Period July 1 to Oct. 31, 1923, compared with same period in 1922.....	+13.6	+22.3	+ 5.6	+ 8.6	+14.3	+10.2	+17.5	+10.8
Stocks on hand at end of Oct., 1923:								
Compared with Oct., 1922.....	+ 8.3	+28.9	+ 5.1	+22.4	+12.4	+15.0	+23.3	+16.1
Compared with stocks at end of Sept., 1923.....	+ 8.9	+ 7.1	+12.4	+ 5.5	+ 4.1	+ 3.5	+ 3.0	+ 5.7
Average stocks on hand at end of each month since July 1, 1923, to average monthly sales during same period	725.8	649.0	510.4	561.1	509.8	426.3	522.3	493.2
Outstanding orders at close of Oct., 1923, compared with purchases for calendar year 1922.....	3.7	6.9	5.8	11.9	6.6	6.6	.....	7.4

*Disparity in Quincy figures as compared with a month ago is due to failure of one firm there to report.

A comparison of October figures with September indicates that retail demand is hardly maintaining its pace of the past few months. Increase in net sales during September as compared with a year ago was 10.1 per cent versus 9.0 per cent for October. Normal seasonal upturn in demand, however, has enabled merchants to quicken their turnover from 509.3 for September to 493.2 for October. Heavy deliveries of goods on order in anticipation of fall and holiday buying has reduced outstanding orders from 9.8 per cent for September 30 to 7.4 per cent at end of October.

AGRICULTURE

Reports relative to the winter wheat crop are in the main favorable. The plant has a good stand and color, and with ample moisture in the soil will go into the winter in a strong position. Immunity dates from Hessian fly were closely observed in seeding, and more attention has been given to seed quality than in past seasons. Unofficial estimates place the acreage at from 10 to 15 per cent under last season.

Husking and cribbing of corn is making good progress, but is backward, due to lateness of the crop and heavy autumn rains. Reports relative to quality reflect very uneven conditions, there being a large amount of low grade and moist corn in a number of important producing areas. In Illinois the merchantable quality of the crop is 79 per cent, compared with 90 per cent of the 1922 crop and the average of 83 per cent. The proportion merchantable in Missouri is 81 per cent, which is below last year. In Arkansas the yield per acre was 15.5 bushels and total production 32,782,000 bushels, which was only about half the crop of 1917 and other favorable years. Corn of merchantable quality in Arkansas is estimated at 68 per cent of the total output, and will not meet the needs of livestock within that state. Of the total crop of 185,300,000 bushels in Indiana, 78 per cent, or 144,534,000 bushels, is of merchantable quality. The Kentucky corn crop was slightly larger in size than that of 1922, but quality this year is 80 per cent against 83 per cent last season.

Late fruits have turned out better than expected, especially in point of quality. During the final weeks of the season conditions were favorable for development of apples, particularly in Illinois, and yields in well cared for orchards have been high as a rule. The Illinois state apple crop is estimated at 7,357,000 bushels, which compares with the average of 4,779,000 bushels, and the commercial crop is placed at 981,000 barrels. The total apple crop in Indiana is estimated at 5,035,000 bushels and the commercial crop at 252,000 barrels. In Missouri the total yield was smaller by 17 per cent than last year, with the commercial crop totaling 706,000 barrels against 1,250,000 barrels in 1922. In Arkansas the crop is 55 per cent of normal and commercial production 544,500 barrels.

The yield of white potatoes in the principal producing states of the district was much in excess

of last year, and quality as a rule is high. In Illinois the total output was 10,948,000 bushels against 7,497,000 bushels in 1922; in Missouri 9,207,000 bushels against 5,400,000 bushels in 1922; in Indiana, 7,875,000 bushels against 5,624,000 bushels in 1922 and Tennessee, 2,880,000 bushels against 2,560,000 bushels in 1922. Sweet potatoes and peanuts have turned out well, and marketing of these products is proceeding on a generally satisfactory basis.

The total production of tobacco of all types in Kentucky is estimated at 476,280,000 pounds, against 446,250,000 pounds in 1922, and the yield per acre, 840 pounds against 859 pounds the year before. The Tennessee tobacco crop totals 111,540,000 pounds against 94,250,000 pounds in 1922, and the yield per acre 780 pounds this year against 772 pounds in 1922. Indiana produced 19,800,000 pounds against 16,200,000 pounds in 1922. For the first time in many years tobacco was grown commercially in Boone and Benton counties, Arkansas. In Missouri tobacco yielded 1,100 pounds to the acre, or 7,700,000 pounds against 4,500,000 pounds in 1922. Quality in many of the leading growing areas is somewhat under that of last season, due to unfavorable weather during the planting and growing seasons, and damage from wild fire and other sources. The leaf is being stripped and prepared for the great markets, which will open within the next few weeks.

Approximately 90 per cent of the rice crop in Arkansas has been harvested and shocked, and threshing is now in progress. Some damage was done to this crop by early frost, but weather has been favorable for harvest and threshing and rice being stored or marketed is in excellent condition. Demand is strong and marketing conditions all that could be desired. Prices range from \$1.10 for low grades to \$1.35 per bushel for the best varieties.

Farm labor supply is reported adequate through the district. In the Northern sections, fall operations on farms have been delayed somewhat by wet weather, but generally the average amount of work completed is normal for this season. Sporadic outbreaks of hog cholera are reported, but nowhere has the disease gotten beyond control. Generally the condition of livestock is good.

The U. S. Department of Agriculture gives the condition of corn and tobacco as follows:

	Yield Per Acre		PRODUCTION*			Quality		FARM PRICE	
	1923	10 yr. av.	1923	Harvested	5 yr. av.	1923	1922	1923	1922
	Prelim.		Prelim.	1922	1917-21	%	%	cents	cents
	Bu.	Bu.	Bu.	Bu.	Bu.				
Illinois	37.5	33.5	337,312	313,074	338,259	79	90	74	56
Indiana	38.5	36.0	185,300	176,305	181,607	78	88	70	54
Kentucky	28.5	26.9	89,632	88,060	94,542	80	83	88	70
Mississippi....	14.5	17.6	35,960	51,065	57,601	76	82	110	81
Missouri.....	30.0	26.1	191,880	175,275	186,377	81	84	85	63
Tennessee....	24.5	24.9	73,941	75,440	89,033	80	81	100	76

	Tobacco		Lbs.		Lbs.		Lbs.	
	1923	10 yr. av.	1923	1922	1923	1922	1923	1922
Kentucky	840	859	476,280	446,250	445,022	83	88	
Tennessee....	780	772	111,540	94,250	85,308	83	88	

*In thousands (000 omitted).

COMMODITY PRICES

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

		Close Oct. 15	High	Low	Close Nov. 15	Close Nov. 15, 1922
December wheat.....	Per bu.	\$1.10 $\frac{7}{8}$	\$1.10 $\frac{7}{8}$	\$1.03 $\frac{1}{2}$	\$1.04	\$1.18 $\frac{1}{2}$
May wheat.....	" "	1.13 $\frac{1}{4}$	1.14 $\frac{3}{8}$	1.08 $\frac{1}{4}$	1.09	1.16 $\frac{1}{2}$
July wheat.....	" "	1.08 $\frac{3}{8}$	1.08 $\frac{3}{8}$	1.04	1.04 $\frac{1}{4}$	1.06 $\frac{1}{4}$
December corn	" "	.77 $\frac{3}{8}$	.80 $\frac{1}{4}$	.72 $\frac{1}{8}$	.76 $\frac{3}{4}$	.70 $\frac{3}{4}$
May corn	" "	.75 $\frac{1}{2}$	.77 $\frac{1}{8}$	.70 $\frac{7}{8}$	.73 $\frac{1}{2}$	.70 $\frac{3}{8}$
July corn	" "	.75 $\frac{3}{8}$	.76 $\frac{7}{8}$	.71 $\frac{3}{4}$	.73 $\frac{3}{4}$	.70 $\frac{1}{4}$
December oats	" "	.43 $\frac{1}{2}$	.44	.41 $\frac{1}{2}$	.43 $\frac{1}{2}$	.45
May oats .....	" "	.....	.46 $\frac{3}{4}$	.46 $\frac{1}{2}$	.46	.44 $\frac{3}{4}$
No. 2 red winter wheat..	" "	\$1.17 @ 1.20	1.18	1.09	\$1.10 @ 1.13	\$1.27 @ 1.31
No. 2 hard wheat.....	" "	1.10 @ 1.12	1.10	1.05	1.05 @ 1.05 $\frac{1}{2}$	1.21 @ 1.22
No. 2 corn.....	" "	1.09 @ 1.09 $\frac{1}{2}$	1.11	.90	1.02	.72 @ .72 $\frac{1}{2}$
No. 2 white corn.....	" "	1.10 $\frac{1}{2}$ @ 1.12	1.14	.92	1.03	.71 $\frac{1}{2}$ @ .73 $\frac{1}{2}$
No. 2 white oats.....	" "	.45 $\frac{1}{2}$ @ .46	.46 $\frac{1}{4}$	.42 $\frac{1}{2}$	.45	.45 $\frac{1}{4}$ @ .45 $\frac{1}{2}$
Flour: soft patent.....	Per bbl.	5.25 @ 6.25	6.25	5.25	5.25 @ 6.25	6.00 @ 7.00
Flour: spring patent.....	" "	6.10 @ 6.20	6.35	5.75	5.85 @ 6.00	6.45 @ 6.50
Middling cotton	Per lb.	.... @ 29 $\frac{1}{4}$	.33 $\frac{1}{2}$	.29 $\frac{1}{4}$	.... @ .33 $\frac{1}{2}$	.... @ .26 $\frac{3}{4}$
Hogs on hoof.....	Per cwt.	6.50 @ 8.25	7.90	5.00	5.25 @ 6.90	7.00 @ 8.40

COMMODITY MOVEMENT

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

	Receipts			Shipments		
	Oct. 1923	Sept. 1923	Oct. 1922	Oct. 1923	Sept. 1923	Oct. 1922
Flour, barrels	524,460	438,600	417,860	630,380	527,920	638,450
Wheat, bushels	3,141,130	3,028,086	3,945,936	2,454,520	2,962,030	3,069,580
Corn, bushels	1,997,527	2,406,714	2,524,600	1,110,410	1,473,980	2,066,690
Oats, bushels	3,580,000	3,184,320	2,820,000	2,745,560	2,312,320	2,084,905
Lead, pigs	118,520	132,820	372,350	176,290	151,410	288,190
Zinc, slabs	196,390	157,860	244,140	184,130	136,380	270,120
Lumber, cars	21,834	18,172	13,659	14,986	12,815	10,834
Pork products, pounds...	25,691,800	23,564,800	22,967,100	35,140,000	31,363,000	31,319,300
Dressed beef, pounds....	3,762,600	1,069,300	102,900	32,523,100	24,446,000	21,949,800
Lard, pounds	7,291,200	6,311,800	5,247,200	9,734,600	10,019,700	10,868,400
Hides, pounds	9,967,100	5,466,800	4,790,100	12,166,500	8,960,300	6,550,300

LIVE STOCK MOVEMENT

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

	Receipts			Shipments		
	Oct. 1923	Sept. 1923	Oct. 1922	Oct. 1923	Sept. 1923	Oct. 1922
Cattle and Calves.....	197,147	165,388	207,283	116,891	117,264	129,420
Hogs	479,708	374,760	295,819	314,690	259,647	185,872
Sheep	52,714	59,854	53,861	25,257	33,275	22,889
Horses and Mules.....	13,366	7,455	13,798	11,564	7,941	13,236

BUILDING

The value of permits for new construction issued in the five largest cities of the district during October showed a sharp decrease as compared with the September total, also as compared with October, 1922. Only once before this year, in July, was the monthly total under that of the corresponding period in 1922. The total for the first ten months of 1923, \$63,582,330, represents an increase of 30.2 per cent over the \$48,832,337 aggregate for the corresponding period in 1922. Numerically the permits issued in October were greater than either September this year or October, 1922, indicating that small residential construction continues to head the list of new building enterprise. Work on buildings under way has been pushed under favorable weather conditions, and labor in the building industry continues well employed.

Production of portland cement for the country as a whole in October established a new high record, the total being 13,350,000 barrels, against 13,109,000 barrels in September and 12,286,000 barrels in October, 1922. Comparative figures for October follow:

	New Construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1923	1922	1923	1922	1923	1922	1923	1922
St. Louis.....	968	785	\$1,711,270	\$2,683,245	635	578	\$400,425	\$274,038
Louisville	313	262	766,094	690,725	136	103	82,168	53,575
Memphis	391	341	988,260	2,137,360	83	70	28,990	41,460
Little Rock.....	92	67	252,565	161,750	193	153	74,133	66,526
Evansville	142	58	269,320	219,527	86	75	15,040	25,431
Oct. totals.....	1,906	1,513	\$3,987,509	\$5,892,607	1,133	979	\$600,756	\$461,030
Sept. totals.....	1,739	1,461	8,012,187	4,919,432	1,029	912	533,764	464,610
Aug. totals.....	1,869	1,539	6,329,872	4,725,260	1,075	933	588,249	691,337

FINANCIAL

The demand for credits for general purposes, while somewhat less brisk than heretofore, continues fairly active, and total loans of member banks increased slightly during the period under review. Country banks have materially reduced their commitments with city correspondents, reflecting extensive marketing of crops and settlements by farmers. In the large cities of the South loans have increased, due to heavy seasonal requirements for moving the cotton crop. Needs for financing the tobacco crop are making themselves felt, and are reflected in heavier borrowings in Louisville and elsewhere in the tobacco belt. There has been no change worthy of note in grain and milling requirements, though the heavier movement of corn in the immediate past has resulted in some borrowing on that account. The demand for funds from mercantile sources is following the routine course noted at this particular season. October settlements with wholesale and jobbing interests were heavy, and there was some increase in deposits, though this item is under the level of the corresponding period a year ago. A feature of the activities of this institution during the past month has been the large volume of bill of lading drafts, largely covering cotton shipments, discounted for member banks.

The trend of interest rates is easier, accommodations by commercial banks to customers averaging about one-fourth of one per cent lower than thirty days ago. Between October 15 and November 15 there was an increase of \$823,506 in the amount of paper discounted by this bank for its members and a gain of \$290,000 in Federal Reserve notes in circulation. Total reserves carried against Federal Reserve note and deposit liabilities decreased 0.6 per cent, standing at 54.5 on November 15.

Commercial Paper—An active demand throughout the month resulted in October sales of reporting brokers showing an increase of 71.3 per cent over the same period in 1922 and a gain of 18.2 per cent over the preceding month this year. Banks in the large cities, particularly St. Louis, were large buyers, and while country institutions were also in the market, the demand from that source was spotted and less active than during the preceding thirty days. A slowing down in business has taken place since November 1, due more to lack of offerings than to any recession in the demand. Prevailing rates on commercial paper during October ranged from 5 to 5¼ per cent, but since November 1, the trend has been lower, some choice names selling at 4¾ per cent.

SAVINGS DEPOSITS

	Number Banks Reporting	Nov. 7, 1923		Oct. 3, 1923		Nov. 1, 1922	
		Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	256,817	\$73,216,000	256,062	\$72,315,000	243,362	\$67,204,000
Louisville	7	148,573	24,725,000	163,375	23,559,000	141,568	21,447,000
Memphis	5*	66,169	17,736,000	67,722	18,131,000	57,930	14,503,000
Little Rock.....	5	27,819	7,102,000	27,370	7,125,000	25,014	6,332,000
Evansville	4	24,465	8,962,000	24,462	8,998,000	22,215	8,572,000
Total.....	33*	523,843	\$131,741,000	538,991	\$130,128,000	490,089	\$118,058,000

*Decrease due to consolidation.

DEBITS TO INDIVIDUAL ACCOUNTS

	For four weeks ending Nov. 14, 1923	For four weeks ending Oct. 17, 1923	Nov., 1923 comp. to Oct., 1923	For four weeks ending Nov. 15, 1922	Nov., 1923 comp. to Nov., 1922
E. St. Louis and Natl. Stock Yards, Ill.....	\$44,755,000	\$43,347,000	+ 3.2%	\$40,397,000	+10.8%
El Dorado, Ark.....	6,884,000	7,362,000	- 6.5	.....	.....
Evansville, Ind.	28,558,000	29,680,000	- 3.8	28,986,000	- 1.5
Fort Smith, Ark.....	14,489,000	13,699,000	+ 5.8	14,066,000	+ 3.0
Greenville, Miss.	3,915,000	3,420,000	+14.5	4,130,000	- 5.2
Helena, Ark.	6,363,000	4,999,000	+27.3	8,318,000	-23.5
Little Rock, Ark.....	65,567,000	63,321,000	+ 3.5	61,703,000	+ 6.3
Louisville, Ky.	140,914,000	143,334,000	- 1.7	130,022,000	+ 8.4
Memphis, Tenn.	154,880,000	135,925,000	+13.9	161,199,000	- 3.9
Owensboro, Ky.	5,022,000	5,597,000	-10.3	4,646,000	+ 8.1
Quincy, Ill.	9,734,000	10,029,000	- 2.9	9,358,000	+ 4.0
St. Louis, Mo.....	642,794,000	636,143,000	+ 1.0	572,923,000	+12.2
Springfield, Mo.....	14,203,000	14,232,000	- 0.2	12,324,000	+15.2
Totals.....	\$1,138,622,000	\$1,111,088,000	+ 2.4	.....	+ 7.9

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 sources and liabilities of reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis.

	Nov. 7, 1923	Oct. 10, 1923	Nov. 8, 1922
Number of banks reporting.....	*35	*36	37
Loans and discounts (including rediscounts).....			
Secured by U. S. Government obligations.....	\$ 12,756,000	\$ 12,679,000	\$ 15,957,000
Secured by stocks and bonds other than U. S. Bonds....	142,925,000	141,626,000	132,666,000
All other loans and discounts.....	316,367,000	315,253,000	294,269,000
Total loans and discounts.....	\$472,048,000	\$469,558,000	\$442,892,000
Investments.....			
U. S. pre-war bonds.....	15,192,000	15,204,000	52,557,000
U. S. Liberty bonds.....	23,433,000	22,487,000	
U. S. Treasury bonds.....	6,808,000	8,726,000	
U. S. Victory notes and Treasury notes.....	17,862,000	18,594,000	14,864,000
U. S. Certificates of Indebtedness.....	5,325,000	5,790,000	3,561,000
Other bonds, stocks and securities.....	85,212,000	83,061,000	86,874,000
Total investments.....	\$153,832,000	\$153,862,000	\$157,856,000
Reserve Balance with Federal Reserve Bank.....	37,054,000	38,706,000	41,510,000
Cash in vault.....	8,304,000	8,220,000	10,384,000
Net demand deposits on which reserve is computed.....	330,855,000	333,924,000	341,210,000
Time deposits.....	192,297,000	189,230,000	176,443,000
Government deposits.....	4,220,000	7,888,000	4,992,000
Bills payable and rediscounts with Federal Reserve Bank			
Secured by U. S. Government obligations.....	14,134,000	13,552,000	6,593,000
All other.....	35,648,000	34,068,000	9,605,000

*Decrease due to consolidation.

FEDERAL RESERVE OPERATIONS

During October the Federal Reserve Bank of St. Louis discounted for 287 of its 626 member banks, which compares with 271 of its 626 member banks accommodated in September. The discount rate of this bank remains unchanged at 4½ per cent on 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		
	Nov. 14 1923	Oct. 17 1923	Nov. 15 1922	Nov. 14 1923	Oct. 17 1923	Nov. 15 1922
Gold Reserves.....	\$ 74,995	\$ 70,657	\$104,212	Capital paid in.....	\$ 5,003	\$ 4,801
Legal Tender Notes—				Surplus	9,665	9,388
Silver, etc.....	9,775	10,067	8,887	Deposits	70,655	67,701
Total Cash Reserves.....	\$ 84,770	\$ 80,724	\$113,099	F. R. Notes in circulation..	76,843	95,792
Discounts secured by Govt. obligations.....	20,934	22,684	13,721	F. R. Bank Notes in circulation		2,456
Discounts otherwise secured and unsecured....	52,810	49,260	18,281	Deferred availability items.	47,992	53,234
Bills bought in open market.....	29	7	9,730	Other Liabilities.....	1,484	1,051
U. S. Govt. securities.....			22,215	Total Liabilities.....	\$211,642	\$208,148
Total Earning Assets....	\$ 73,773	\$ 71,951	\$ 63,947	Combined Res. Ratio.....	57.5%	55.2%
Uncollected items.....	44,358	47,450	51,611			69.2%
Other Resources.....	8,741	8,023	5,766			
Total Resources.....	\$211,642	\$208,148	\$234,423			

CHANGES IN COST OF LIVING

Cost of living in the United States on October 15 was 64.1 per cent more than for the pre-war month of July, 1914, according to the National Industrial Conference Board. This was, however, 19.8 per cent less than for the peak month of July, 1920. Changes between Sept. 15, and Oct. 15, 1923 resulted in an increase of .4 per cent during that period. There were increases of .7 per cent in the cost of food, .6 per cent for clothing and 1 per cent for fuel. Wages changes during the month ending November 14 reveal a greater number of increases granted than any month since June. Detailed changes are shown in the table following:

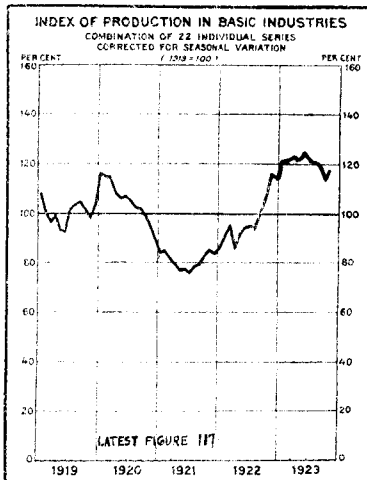
ITEM	Relative Importance in Family Budget	PERCENTAGE OF INCREASE IN THE COST OF LIVING ABOVE AVERAGE PRICES IN JULY, 1914, TO—			PERCENTAGE OF DECREASE IN THE COST OF LIVING ON OCTOBER 15, 1923, FROM AVERAGE PRICES IN—	
		July, 1920	September 1923	October, 1923	July, 1920	September, 1923
Food.....	43.1	119	49	50	31.5	0.7*
Shelter.....	17.7	58	75	75	10.8*	No Change
Clothing.....	13.2	166	75	76	33.8	0.6*
Fuel and Light.....	5.6 [†]	66	76	78	7.2*	1.1*
(Fuel).....	(3.7)	(92)	(92)	(94)	(1.0)*	(1.0)*
(Light).....	(1.9)	(15)	(46)	(46)	(27.0)*	(No Change)
Sundries.....	20.4	85	73	73	6.4	No Change [†]
Weighted average of all items.....	100.0	104.5	63.4 [†]	64.1	19.8	0.4*

*Increase.

(Compiled Nov. 21, 1923.)

BUSINESS CONDITIONS IN THE UNITED STATES

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



Production of basic commodities and retail trade increased during October and the volume of freight shipments as well as wholesale trade continued large. The level of wholesale prices and the volume of employment showed but little change.

Production—The Federal Reserve Board's index of production in basic industries advanced 3 per cent during October after having declined for four months. The increase for the month, while due in part to the resumption of anthracite coal mining, also reflected increases in textiles, lumber, sugar and most other industries included in the index.

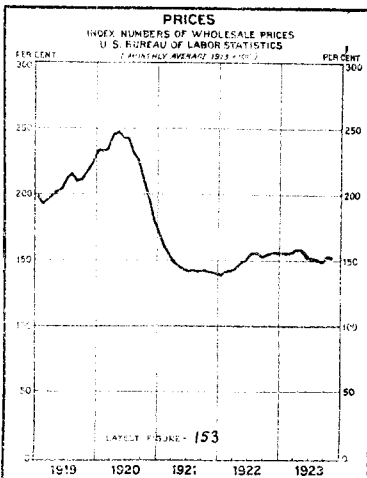
Employment at industrial establishments showed practically no change between September and October.

Contract awards for new buildings increased throughout the country considerably more than is usual at this season and were 25 per cent larger than for September. Residential building formed a larger proportion of the total than in any previous month of the year.

Crop estimates by the Department of Agriculture on November 1 indicated a substantial reduction from the September forecast in the yield of cotton, but larger yields of corn, potatoes and apples.

Trade—Heavy movement of miscellaneous merchandise and livestock during October resulted in the largest railroad shipments of any month on record. Wholesale trade was 12 per cent larger than a year ago and sales in all leading lines except shoes showed increases.

Department stores sales were 13 per cent larger than last October while sales of mail order houses were the largest of any month since 1919.

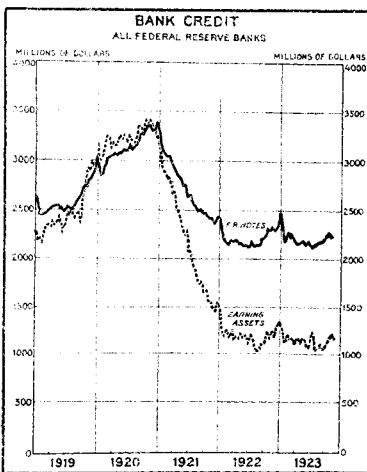


Prices—Wholesale prices declined less than one per cent in October, according to the index of the Bureau of Labor Statistic and stood approximately at the level of a year ago. The principal changes for the month were declines in the prices of fuel, clothing, metals and animal products, while wholesale prices of crops, particularly cotton, increased.

During the first half of November the prices of wheat, hogs, pig-iron and hides receded while prices of cotton, cotton goods, cement, and copper advanced.

Bank Credit—Since the middle of October there has been a slight decline in the demand for credit for commercial and agricultural purposes at member banks in leading cities. Considerable decreases in borrowings for these purposes in the New York and Chicago districts were partially offset by increases in other districts.

Loans secured by stocks and bonds increased somewhat, while investments continued to decline, reaching a new low point for the year.



Total member bank accommodations at Federal Reserve Banks declined between October 17th and November 21st, and on the latter date was the lowest since the middle of the year.

The total volume of Federal Reserve Bank credit outstanding, however, remained relatively constant because of increased purchases of bills in the open market.

The volume of Federal Reserve note circulation declined by about \$50,000,000 during the same period, while other forms of money in circulation increased.

Money rates showed an easier tendency, and during the early part of November the open market rate on commercial paper in New York declined from 5 @ 5¼ to 5 per cent.

