

# FEDERAL RESERVE BANK OF ST. LOUIS



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

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**I**RREGULARITIES which featured business during the preceding three months continued in evidence during the period under review. In some lines results were satisfactory, while in others a decided slowing down was indicated in reports of leading interests. Unevenness extended as well to localities, there being sections in which trade was all that could be desired, while elsewhere local influences made for a curtailment of activity. Poor crops in some areas have resulted in reduced purchasing power of agriculturists, and the persistent dullness in fuel situation is reflected in a contraction of business in the coal fields. Depression in the petroleum industry is another factor adversely affecting trade in specific areas, and unseasonably warm weather, excessive rains and heavy roads have interfered with routine distribution of merchandise to ultimate consumers, particularly in the country.

On the other hand in the larger centers of population and in sections where crops were ample or prices for farm products high enough to offset reduced yields, business has been satisfactory. Sales of department stores, which for November were 2.6 per cent in excess of the same month a year ago, are lagging somewhat behind the cumulative figure of 8.0 per cent for the period July 1 to date. Reports from retailers in rural communities and small towns indicate that the holiday shopping in the country is relatively less active than in the cities, which fact is ascribed in part to absence of the stimulus of seasonable weather and the poor condition of roads.

As contrasted with the preceding thirty days, changes in wholesale and jobbing were largely seasonal in character, but in some lines the tendency is to slow down, especially on future business. Keen competition is reported, and the policy of retail merchants to purchase only for well defined needs remains unchanged. The number of small orders is exceptionally heavy and stocks and assortments on retail shelves are being well kept up. In a number of important manufacturing lines further curtailment of output was reported, which was reflected in a retarded movement of raw materials, especially notable in textiles, chemicals, hides and some of the metals. Building activities are well sustained throughout the district, November permits issued in the five largest cities showing good gains both over the preceding month and the corresponding period a year ago. The demand for building materials was active, with further progress in price stabilization reported.

Employment conditions underwent but little change during the period under review, and are in the main satisfactory. Some reduction of forces in industrial plants was reported, notably in iron and steel works and shoe factories, and the arrival of winter weather has curtailed operations on road and river work. Mechanics in the building trades are well employed, especially in St. Louis, where there are no indications of slackening. Common labor is plentiful, with a small surplus in some localities. Seasonal factors are partly responsible for increased unemployment in automobile and related industries, while taking of inventories has resulted in lessened activities in shoe manufacturing plants. Employment in the candy and confectionery industry and in retail establishments showed gains. The demand for domestics continues in excess of the supply, but there is a surplus of clerical workers in certain centers.

Some slowing down in the marketing of farm products, as compared with the preceding thirty days, was noted during the period under review. This was partly attributable to seasonal considerations, but low prices and unsatisfactory marketing conditions are causing farmers to hold stocks to some extent. The movement of wheat and oats to market during November was in considerably smaller volume than a year ago, but corn showed a slight gain.

Price fluctuations of leading agricultural products of the district were rather broad. Wheat, which declined during mid-November, reacted upward later in the period, the options closing  $1\frac{1}{2}c$  to  $2c$  higher on December 15 than on November 15, and cash wheat from  $1\frac{1}{2}c$  to  $3c$  higher. Between November 15 and December 15 middling cotton at St. Louis ranged from  $34c$  to  $36\frac{3}{4}c$  per pound, the latter price which was attained on November 30, being a new high on the crop. Live stock prices declined, hogs in the St. Louis market selling at the lowest level since March 1912. Opening of the tobacco markets developed considerable diversity of results, but with initial price averages indicating slight declines as compared with last year.

While railroads operating in this district continued to exceed all previous records in the matter of seasonal freight loadings, the trend for the country as a whole during recent weeks has been in the direction of a decline in traffic movement. For the week ending December 1, according to the American Railway Association, loading of revenue freight by roads in the United States totaled 835,296 cars, a decrease of 154,291 cars un-

der the preceding week and a loss of 5,116 cars as compared with the corresponding period in 1922. This was the first time since early in the year that a decrease under the corresponding week in 1922 was recorded. The downward trend in freight movement is due in large part to seasonal factors, but the fact that such a large volume of freight was forwarded early in the year is given as the principal reason for the recession at this time. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 207,973 loads in November, against 226,242 loads in October, 220,169 loads in September and 205,056 loads in November, 1922. During the first nine days of December 58,585 loads were interchanged, against 66,020 loads during the first nine days of October and 59,336 loads during the corresponding period of November, 1922. Passenger traffic of roads reporting to this bank increased 4.5 per cent during November over the same month last year.

Extremely dull conditions, accompanied by lower prices, continue to feature the fuel situation in this district. Domestic demand is unusually backward for this time of year, and yards are well stocked. Additional mines have been closed in all coal fields, and operations have been further curtailed at active pits. Despite this reduced pace of production, considerable difficulty is experienced in disposing of outputs. Uncertainty relative to prices is causing steam users to postpone contracting for 1924 requirements, and liberal accumulations at mines and on tracks have banished all apprehension on the part of consumers relative to ability to secure coal when they need it. There has been some contracting on the part of users of metallurgical coke in the immediate past, but the volume of such orders is under normal for this season. By-product coke manufacturers report apathy in the demand from householders, and surplus stocks on their yards are augmenting in size. Production of bituminous coal for the country as a whole for the first 289 working days of this year, or to December 8, was 516,660,000 net tons, against 376,932,000 for the corresponding period in 1922, 393,165,000 in 1921 and 551,039,000 net tons in 1918.

Taken as a whole, collections through the district are barely normal for this period of the year. Some slowing down in efficiency as contrasted with the two months immediately preceding was reported, and in certain sections results are considerably more satisfactory than elsewhere. Current bills of wholesalers in the large cities are being paid fairly promptly, though several lines report that their settlements in November were not as large as for the same month in 1922. In the tobacco districts, where marketing of the crop is in progress, merchants report satisfactory payments, and the same is true in the areas where rice is the principal crop. Considerable diversity is noted in reports of retailers, with those in the cities making a relatively better showing than in the rural communities. Answers to 354 questionnaires addressed to representative interests in va-

rious lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
Nov. 1923.....	0.9%	34.9%	55.7%	8.5%
Oct. 1923.....	0.9	35.3	57.1	6.7
Nov. 1922.....	6.4	50.0	40.6	3.0

Commercial failures in Eighth Federal Reserve District during November, according to Dun's, numbered 109, involving liabilities of \$2,233,369, against 84 defaults with liabilities of \$1,308,833 in October, and 120 failures for \$2,060,085 in November, 1922.

Per capita circulation of the United States on December 1 was \$44.01, which compares with \$43.27 on November 1, and \$41.80 on December 1, 1922.

## MANUFACTURING AND WHOLESALE

### Automobiles

For the country as a whole, production of automobiles and trucks during November showed a decrease as contrasted with October, but compared with November, 1922, a gain of 32.1 per cent was recorded. The output of passenger cars by companies reporting direct or through the National Automobile Chamber of Commerce during November was 284,758 against 334,244 in October. Production of trucks in November totaled 27,374 against 29,638 in October. Sales of passenger cars have been stimulated to some extent by the holiday season, and the movement of accessories is reflecting an intensive selling campaign. According to reports of 230 dealers scattered through the district, November sales were approximately 12 per cent larger than for the same month in 1922. The used car situation is reported in better condition than for more than eight months, the number in dealers' hands having decreased materially during November and December. No change for the better has taken place in the tire industry. Buying by jobbers is on a hand to mouth basis, and the movement to ultimate consumers is slow. Uncertainty relative to prices is holding down contracting for 1924 needs to a minimum.

### Boots and Shoes

Sales of the 11 reporting interests during November were 3.4 per cent under those of the same month in 1922, and 21.3 per cent below the October total this year. Since December 1 there has been considerable improvement in orders for spring wear, several of the larger interests reporting sales in excess of the corresponding period last year. The comment is made that the keenest sort of competition exists, and retailers are purchasing with more than ordinary caution. Prices for finished goods underwent no change, but further weakness developed in raw materials. Factory operation decreased slightly during the period under review, being at from 80 to 90 per cent of capacity. A number of factories will be closed from one to two weeks during inventory time.

### Clothing

With retail movement of winter apparel retarded by mild weather, fill-in business during December has been negligible and disappointing.

There has been only fair demand for overcoats, and heavy woolen goods have moved slowly. As retailers are occupied with holiday trade, jobbers are not doing much spot business, except on goods for January sales. Advance orders for spring are about 10 per cent below those of a year ago. November sales of 11 representative interests were 0.3 per cent under those of the same month a year ago and 37.9 per cent under the October, 1923, total, the latter partially seasonal. November sales of reporting hatters were 4.1 per cent under those of a year ago, with open weather bringing only light demand for velours and other winter styles. Orders booked for spring continue well in excess of those of a year ago.

#### Drugs and Chemicals

Reports from leading interests in this classification indicate extremely spotted conditions. Some concerns report good gains, while others show rather sharp declines as compared with a year ago. The heaviest losses reported are in sales of heavy chemicals to manufacturers, but in the aggregate these losses are offset partially by gains in sales of seasonal drugs and holiday sundries. During the period under review the trend was toward more stable prices on numerous important items. Actual price changes were on a smaller scale, but advances continue to outnumber declines, particularly on crude drugs, spot supplies of which are light. Sales of the 11 reporting interests in November were 2.1 per cent in excess of the same month in 1922, and 6.3 per cent under the preceding month this year.

#### Dry Goods

Further upward revisions throughout the list of cotton goods during November brought the average of that line about one cent per yard higher and caused some curtailment of buying, both by wholesalers and retail trade. In spite of this advance, cotton goods manufacturers are in many instances selling below replacement cost. Orders for holiday lines have been numerous and often, but decidedly small, and buying of mid-winter goods has been retarded by unusually mild weather. Women's ready-to-wear has been taken in fair volume, but silks are quiet with prices lower. Overproduction continues in hosiery and there is keen competition among manufacturers for business in this line. November sales of 11 representative interests were 11.1 per cent under those of the same month a year ago and 13.6 per cent under the October, 1923, total. Orders for future delivery on books of reporting firms are barely two-thirds of the volume of future commitments placed at this time last year. The decrease is attributed largely to unsettled conditions in cotton goods lines.

#### Electrical Supplies

Continued activity in new construction and a brisk demand for holiday goods, particularly radio apparatus, were the principal factors causing an increase of 8.5 per cent in November sales of the 12 reporting interests over those of the corresponding month in 1922, and a gain of 1.0 per cent over the preceding month this year. The movement of lighting fixtures, shades and general household appliances is reported excellent. Some recession in the demand for pole and line hardware is noted, but

sales of automobile equipment are holding up well. The high cost of cotton yarns has advanced the price of nonmetallic flexible conduit and all insulated wires and cables.

#### Fire-Clay Products

Although some seasonal slowing down has been experienced during the past thirty days, business continues on a healthy basis, with small orders predominating. Nine-inch straights have moved in good volume, and record cement production has been reflected in a brisk demand for kiln liners. Adverse conditions in the oil industry have resulted in smaller tonnages being taken there. Stocks among consumers are universally low. November sales of 5 representative interests were 6.7 per cent in excess of the same month a year ago, but 19.2 per cent under the October, 1923 total. Many orders for first quarter requirements were placed during December, sales for the first three weeks of the month running ahead of the November rate. Inquiries continue numerous.

#### Flour

Production of the 11 leading mills of the district during November was 404,824 barrels, which compares with 446,009 barrels in October, 411,018 barrels in September, and 385,578 barrels in November, 1922. Quietness featured business throughout the period under review, especially in the case of new orders, which were confined largely to regular customers of the mills. Buying in the South was relatively better than in other sections, with the call chiefly for soft flours. Some current business was done with the West Indies in clears and straights, but bids from Europe were scarce and for the most part too low to result in business. Mill operation was at from 60 to 85 per cent of capacity.

#### Furniture

Anticipation of lower prices on the part of dealers is making for a hesitating market in this classification. Another retarding factor is the desire of retailers and jobbers to bring stocks to as low a point as possible against taking of inventory. Manufacturers declare that concessions under present price levels are improbable in view of raw materials and labor costs. Glass, hardware and paints and varnishes are firm, while advances have taken place in some grades of lumber. The general feeling is optimistic for trade during next year, and extensive preparations are being made by manufacturers for the January market. Sales of the 24 reporting interests during November were 18.2 per cent under those of the corresponding period last year, and 16.0 per cent under the October, 1923, total.

#### Groceries

Comments of reporting firms continue to exhibit considerable irregularity. In sections where the cotton crop has been particularly short, in the coal mining regions and in sections where tobacco is being held there is adverse comment, while in most of the larger centers buying is holding up well. Sugar stocks in jobbers' hands are low, despite shading of price. Good coffees continue firm. Canned goods are in normal demand. Retailers' total stocks are normal or below. November sales

of 20 representative interests were 3.4 per cent in excess of the same month a year ago, but 7.0 per cent under the October, 1923, total, the latter partially seasonal. Candy manufacturers report a good demand, sales of holiday goods being 9.6 per cent in excess of last year. Interest centers largely in medium priced varieties. With Christmas trade disposed of, manufacturers' and jobbers' stocks had, by late December, dwindled to a very low point. Retail candy stocks are only normal.

#### Hardware

November sales of the 12 reporting interests were 9.5 per cent larger than for the same month in 1922, but showed a seasonal decrease of 3.8 per cent under October this year. Uncertainty relative to future prices is having a tendency to hold down commitments to well defined requirements. The movement of goods during early December was in satisfactory volume, with indications pointing to heavier total sales than a year ago. The demand for building hardware continues active, and winter goods are being well taken.

#### Iron and Steel Products

Activities at leading mills, foundries and machine shops receded slightly during the period under review. Placing of orders by consumers is under some restraint due to uncertainty relative to prices and a general disposition to hold down stocks to as low a point as possible against taking of inventory. Additional open hearth furnaces have been extinguished, and several of the larger companies are planning to close down their works temporarily for repairs and inventory. In finished and semi-finished materials only minor price changes were recorded, but users of steel have been requesting concessions, which on some classes of products have been granted. While new business has been slow in arriving, old bookings are enabling mills and foundries to run at from 65 to 80 per cent of capacity, and some specialty manufacturers, notably castings for railroad cars and heating apparatus, are working on full schedule. The heavy buying movement of pig iron, which continued through November, has been succeeded by a period of quietness, but the advance in prices incident to the heavy purchasing has held firm. No. 2 Southern iron, 1.75 to 2.25 per cent silicon, is quoted at \$21, furnace, while Northern iron of the same grade is held at \$23. A sharp upturn in scrap iron and steel prices has taken place, advances of from \$1 to \$3 being noted on virtually all items in quoted lists. Buying by the railroads continues in good volume, and the automotive industry is accounting for large tonnages. Structural steel fabricators report steady demand, with the number of specifications for smaller jobs being more numerous than usual at this season. Warehouse interests report quietness in the demand for their goods, and stocks larger than in a number of months. Plants specializing in gray castings report no change in the status of their business as compared with the preceding thirty days. November sales of stove manufacturers, 7 interests reporting, were 10.8 per cent under the same month in 1922, and 26.0 per cent under the preceding month this year; wire products manufacturers, 5 reporting, showed a decrease of 10.2 per cent under

November, 1922, and a loss of 16.0 per cent as compared with October this year; railway supplies, 5 reporting, gained 10.3 per cent over November, 1922, but decreased 37.7 per cent under October this year; farm implement makers, 6 reporting, decreased 8.0 per cent under November, 1922, and 4.2 per cent under October this year; manufacturers of boilers, stacks, elevators and other miscellaneous products, 8 interests reporting, gained 19.3 per cent over November, 1922, but decreased 1.8 per cent under October this year.

#### Lumber

An early recession in the fall buying movement of soft woods has been followed by an unusually early opening of winter buying of this description of lumber. Consequent on sustained large retail distribution and improved prospects for building and railroad consumption next year, stock inquiries from line yards and other sources began to appear in volume at the outset of December. Carload buying started to increase at the same time, notwithstanding the nearness of the holidays. The mills are now asking varying advances, ranging from \$1 per thousand feet up for Southern pine and Western fir yard stock, with special reference to lower grades. Shed stock has been only sentimentally affected, no actual advances having been established, though the feeling is firm. The hardwood situation continues hopeful, though the holiday season and heavy production through the fall weigh upon the demand. Sap gum has somewhat receded in price. Red cypress has been selling fairly well to the yard trade, but the yellow variety is quiet and much depressed in all thicknesses in the shop grade. Receipts of lumber in St. Louis for the first eleven months of 1923 were 218,463 cars, an increase of 57,807 cars over the corresponding period in 1922.

#### Industrial Power Consumption

While November brought some decline, partly seasonal, in the consumption of electricity for industrial purposes, it is significant that not one of the reporting cities registers a decrease over the same month a year ago. Curtailment of refrigeration operations is largely responsible for the decreases shown, although the automotive industry and shoe manufacturers took smaller loads than during October, 1923. Detailed figures follow:

	No. of Custom- ers	Nov.	Oct.	Nov. 1923	Nov.	Nov. 1923
		1923	1923	comp. to	1922	comp. to
		*K. W. H.	*K. W. H.	Oct. 1923	*K. W. H.	Nov. 1922
Evansville.....	40	988	1,054	- 6.3%	909	+ 8.7%
Little Rock.....	11	778	853	- 8.8	726	+ 7.2
Louisville.....	67	3,936	4,283	- 8.1	3,665	+ 7.4
Memphis.....	31	1,477	1,146	+28.9	1,221	+21.0
St. Louis.....	70	15,000	15,348	- 2.3	12,280	+22.1
Totals.....	219	22,179	22,684	- 2.2	18,801	+18.0

\*In thousands (000 omitted)

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

1923	By Water Power	By Fuels	Totals
August.....	1,570,160,000	3,099,870,000	4,670,030,000
September.....	1,464,462,000	3,073,339,000	4,537,801,000
October.....	1,491,344,000	3,479,719,000	*4,971,063,000

\*Largest on record.

## RETAIL.

Although holiday shoppers have apparently been more numerous this year than ever before, the public is buying in moderation. Mild weather throughout December contributed toward a slacking of trade in staple goods. Demand for overcoats and gloves has been slow and sales of furs lagging, although a brisk demand is noticeable for women's short fur coats. Thirty-eight and one-tenth per cent of reporting retail stores show losses for November as compared with the same month a year ago against 4.5 per cent in October and 13.4 per cent in September. On the other hand, business of 5 and 10 cent stores and of chain grocery stores is surpassing all previous records. Last minute shopping has been in good volume and most reporting stores expect December sales to show small increases over those of a year ago. November reports of 21 department stores, shown in the table following, indicate some slackening in the demand noted in immediately preceding months. The fact that stocks on hand have increased 10.7 per cent while sales show only 2.6 per cent increase over the same period a year ago is taken to indicate a decline from expected levels of buying rather than speculation in merchandise. Detailed department store figures follow:

	Net Sales	Stocks on hand	Outstanding Orders
	Nov. 1923 comp. to Nov. 1922	End Nov. 1923, comp. to end Nov. 1922	End Nov. 1923, comp. to pur- chases for 1922
Evansville, Ind.....	+ 8.5%	+ 8.1%	1.8%
Little Rock, Ark....	+ 7.7	+23.6	2.7
Louisville, Ky.....	+12.2	- 1.6	3.6
Memphis, Tenn.....	- 3.6	+19.5	8.2
Quincy, Ill.....	+ 1.0	+12.4	-
St. Louis, Mo.....	+ 0.7	+ 8.7	6.0
Springfield, Mo.....	- 2.5	+18.0	-
Eighth District.....	+ 2.6	+10.7	5.6

## AGRICULTURE

The chief agricultural development during the period under review was the inauguration of sales of the 1923 tobacco crop. Virtually all the loose leaf markets in the burley, air-cured, Green river, stemming and dark fired districts were opened, and initial receipts were heavy. Quality of the crop, as indicated by leaf so far delivered, is ordinary, of red to dingy color, and bearing considerable trace of houseburn. Prices for good to medium tobacco are not as high as in 1922, whereas the common grades selling under \$20 per 100 pounds are about as high as last year. Daily average prices in some markets are below a year ago, but the decline is due to poorer quality of offerings this season. In the stemming district several sales were made as high as \$43 per 100 pounds, with the average around \$15.50, as compared with \$17.50 a year ago. In certain portions of the dark tobacco district offerings consist of common, light-bodied, light-colored, lightly fired leaf, in doubtful condition. It is believed that with larger receipts and offerings quality generally will show improvement. However, there is doubtless a considerable quantity of common tobacco in the current crop. Cooperative marketing associations are conducting sales, and are making advances to their members.

Husking and housing of corn has made good progress, and some quickening in the movement to market is noted. Returns from a number of sections indicate that yields are below expecta-

tions. Excessive precipitation during the fall resulted in some moulding in the shock, and an unusually large amount of soft and chaffy corn, and grain of high moisture content is reported. In Illinois, Indiana and Missouri a large amount of corn is being cribbed for feeding on farms.

Weather and soil conditions have been generally auspicious for germination, and fall-planted crops are entering the cold weather in excellent condition. Winter wheat has a good stand and color and but few complaints of fall dryness or Hessian fly have been heard. Prospects are for a smaller acreage of winter wheat, due to the decision of farmers to plant less this year than last, and to unfavorable weather which prevented producers from getting in all the area intended.

Pastures are in better shape than usual at this time of year, due to abundant rains and relatively high temperatures. Aside from more than ordinary prevalence of hog cholera in scattered sections, the condition of all classes of live stock is reported good. Late farm work has made favorable progress generally, but fall plowing was seriously hampered in some areas by too much rain. The supply of farm labor continues adequate.

Rice in Arkansas is approximately 85 per cent threshed, with conditions extremely unfavorable for this operation during the period under review. Yields of late-maturing varieties were considerably lessened by frost in late October. Heavy deliveries of rough rice to mills have resulted in decline in prices, though the cleaned rice market continues strong under a broad and active demand.

## Commodity Prices

Range of prices on typical products in the St. Louis market between November 15 and December 15, 1923, with closing quotations on the latter date, and on December 15, 1922:

	High	Low	Close Dec. 15,	Close Dec. 15, 1922
<b>Wheat</b>				
December.....per bu.	\$1.08 $\frac{3}{8}$	\$1.03 $\frac{1}{8}$	\$1.06	\$1.22
May....." "	1.13 $\frac{1}{4}$	1.08 $\frac{1}{8}$	1.10 $\frac{3}{8}$	1.21 $\frac{1}{4}$
July....." "	1.08	1.03 $\frac{3}{8}$	1.05 $\frac{3}{8}$	1.11 $\frac{3}{4}$
No. 2 red winter....." "	1.18	1.10	\$1.13 @ 1.14 $\frac{1}{2}$	1.40
No. 2 hard....." "	1.10	1.04	1.07	1.24
<b>Corn</b>				
December....." "	.76 $\frac{1}{2}$	.72 $\frac{3}{8}$	.73 $\frac{1}{2}$	.75
May....." "	.76 $\frac{1}{2}$	.72 $\frac{3}{8}$	.73 $\frac{3}{8}$	.73 $\frac{3}{8}$
July....." "	.77 $\frac{1}{2}$	.73	.74 $\frac{3}{8}$	.73 $\frac{3}{4}$
No. 2....." "	.91	.72	.74	.76
No. 2 white....." "	.88	.75	.76	.77
<b>Oats</b>				
December....." "	.44 $\frac{3}{4}$	.43	.43 $\frac{3}{4}$	.46 $\frac{1}{4}$
May....." "	.48 $\frac{1}{2}$	.46	.47	.48
No. 2 white....." "	.47 $\frac{1}{4}$	.44 $\frac{1}{2}$	.45	.47 $\frac{1}{2}$
<b>Flour</b>				
Soft patent....." bbl	6.25	5.25	5.25 @ 6.25	\$6.00 @ 7.00
Spring patent....." "	6.10	5.60	5.75 @ 6.00	6.75
Middling cotton....." lb.	.36 $\frac{3}{4}$	.34	.34 $\frac{1}{4}$	.25 $\frac{3}{4}$
Hogs on hoof....." cwt.	8.40	5.00	5.75 @ 8.40	7.10 @ 8.35

## Commodity Movement

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

	*Receipts		*Shipments			
	Nov. '23	Oct. '23	Nov. '22	Nov. '23	Oct. '23	Nov. '22
Beef, lbs.....	589	3,763	199	25,324	32,523	21,367
Corn, bu.....	2,134	1,998	2,189	842	1,110	1,520
Flour, bbls.....	476	524	393	558	630	638
Hides, lbs.....	8,221	9,967	6,250	10,304	12,167	9,129
Lard, lbs.....	6,795	7,291	4,674	11,564	9,735	8,805
Lead, pigs.....	155	119	265	215	176	192
Lumber, cars.....	19	22	13	14	15	10
Oats, bu.....	2,646	3,580	2,988	1,908	2,746	2,408
Pork, lbs.....	22,907	25,692	17,779	31,342	35,140	28,207
Wheat, bu.....	2,259	3,141	4,278	1,819	2,455	3,675
Zinc, slabs.....	171	196	226	154	184	217

\* In thousands (000 omitted).

## Live Stock Movement

Receipts and shipments of live stock at St. Louis during November, 1923 and 1922, and October, 1923, as reported by the National Stock Yards, were as follows:

	*Receipts			*Shipments		
	Nov. 1923	Oct. 1923	Nov. 1922	Nov. 1923	Oct. 1923	Nov. 1922
Cattle and Calves	125	197	154	79	117	110
Hogs	451	480	362	281	315	234
Horses and Mules	8	13	13	11	12	12
Sheep	34	53	39	16	25	14

\*In thousands (000 omitted)

## BUILDING

In building permits issued in the five leading cities of the district during November, residential construction again predominated. In St. Louis, for example, \$2,938,600 of the total valuation—\$4,199,000—for permitted construction represented dwellings, bungalows, cottages and apartments. Weather has been generally favorable for outside work, and excellent progress was made on buildings in course of construction. A gain of 74.6 per cent was made in November permits over those of October and a gain of 29.5 per cent over November, 1922. A considerable part of the increase, however, is accounted for by the influx of applications to build occasioned by abrogation of the St. Louis zoning law. Building labor is reported generally adequate, the only shortage being in certain skilled crafts in St. Louis. Production of portland cement for the country as a whole during November decreased slightly, the total output being 12,603,000 barrels against 13,350,000 barrels in October, and 11,349,000 barrels during November, 1922.

Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1923	1922	1923	1922	1923	1922	1923	1922
Evansville	106	56	\$197	\$108	74	45	\$29	\$15
Little Rock	74	89	196	255	85	145	27	90
Louisville.....	268	198	582	1,256	88	85	102	48
Memphis.....	295	288	1,791	1,159	40	56	17	31
St. Louis.....	849	635	4,199	2,602	547	451	372	249
Nov. totals	1,592	1,266	\$6,965	\$5,380	834	782	\$547	\$433
Oct. totals	1,906	1,513	3,988	5,893	1,133	979	601	461
Sept. totals	1,739	1,461	8,012	4,919	1,029	912	534	465

\*In thousands of dollars (000 omitted)

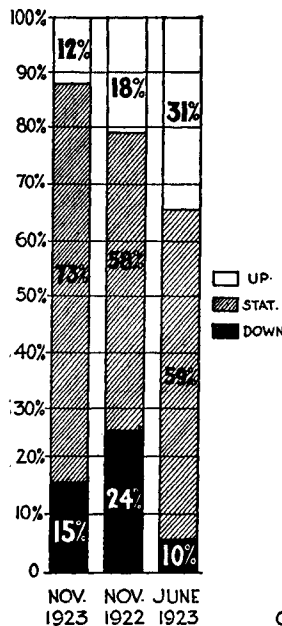
## Rents in St. Louis

Figures compiled by this bank indicate that rents in St. Louis, which have undergone an almost uninterrupted rise since 1914, are approaching stabilization and that this tendency is more pronounced in residential than in business property. Reports from local real estate and rental agencies, depicted in Fig. 1, indicate that a smaller percentage of those reporting show increases in residential rents during November, 1923, than for the same month a year ago. There were, however, during November, 1923, fewer decreases than for November, 1922, the predominate tendency in residential rents being toward a fixation of price at present levels. Rent movement in local business property continues slightly upward, and it is estimated that a shortage of 11 per cent of present floor space exists in business buildings. Just prior to November 20, when the Supreme Court of Missouri declared the St. Louis zoning ordinance invalid, real estate men had expressed the opinion that local apartment supply was adequate. Since then, however, applications for the erection of sev-

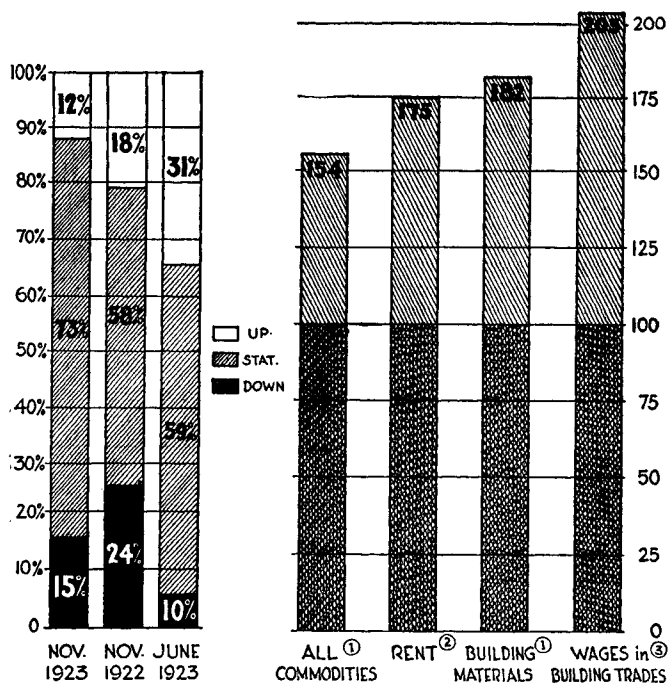
eral large apartment buildings in heretofore restricted districts have caused some revision of opinion and a belief that a slight shortage in that category still exists. Present estimates also indicate a shortage of 15 per cent of the present number of single family dwellings.

Fig. 2 give a comparison, for the entire United States, of the cost of all commodities with rents and factors contributing to the cost of rent.

**Figure 1**  
Movement of Residential Rents in St. Louis.



**Figure 2**  
Comparative Increase in Cost of All Commodities, Rents, Building Materials, and Wages in Building Trades.



- (1) From Bureau of Labor Statistics (1913-100)  
 (2) From National Industrial Conference Board (1914-100)  
 (3) From F. R. Bank of New York (1914-100)

## FINANCIAL

Aside from a slight quickening in the demand for credits, more pronounced during the second week of December, banking and financial conditions underwent no marked change during the period under review. Liquidation of bank loans has been on a large scale and quite general, though some backward spots are noted, chiefly in sections of the South where the cotton crop was a failure. Opening of the tobacco markets has resulted in the payment of some loans based on that commodity, and in the rice areas loans are being taken up. The increased movement of corn has augmented the demand for credits from that source, and in some sections borrowing for financing live stock, particularly cattle, is more active. The demand from wheat and milling interests, however, is quieter than thirty days ago. Banks, particularly in the large cities, report increased commitments by mercantile customers. Deposits are tending upward, the total on December 12 for reporting member banks of this institution being at the highest point since June 13 last. Loans of reporting member banks increased rather sharply, but their dis-

counts with the Federal reserve bank showed a heavy decline. Total stocks, bonds and other securities held by reporting member banks decreased to a new low for the year during the week ending November 21. A moderate upturn occurred between that date and December 19. Between November 15 and December 15 there was a decrease of \$17,573,338 in the amount of paper discounted by this bank for its members and an increase of \$1,142,015 in Federal reserve notes in circulation, the latter change being due largely to the demand for currency for the holiday season.

### Commercial Paper

With an active demand and fairly liberal supplies of commercial paper, business of reporting firms was active during the period under review. Some slowing down in purchasing developed about December 12, which was attributed to withdrawal of the large city banks from the market because of increasing demands from regular borrowing customers. Rates were a shade easier, ranging from 4¾ to 5¼ per cent. Sales to country banks in the South continue heavy, though the lower rate is serving to contract the movement through that outlet. Business of reporting firms during November was 27.5 per cent larger than for the same month in 1922, and 25.0 per cent under October this year, the latter change being seasonal.

### Debits to Individual Accounts

	*For Four Weeks Ending			Dec. 1923 comp. to Nov. 1923	Dec. 1923 comp. to Dec. 1922
	Dec. 12, 1923	Nov. 14, 1923	Dec. 13, 1922		
E. St. Louis and Nat'l. Stock Yards, Ill.....	\$44,174	\$44,765	\$41,974	- 1.3%	+ 5.2%
El Dorado, Ark.....	6,220	6,884	.....	- 9.5	.....
Evansville, Ind.....	30,011	28,558	28,943	+ 5.1	+ 3.7
Fort Smith, Ark.....	14,527	14,489	12,846	+ 0.3	+13.1
Greenville, Miss.....	4,028	3,915	4,745	+18.2	- 2.5
Helena, Ark.....	8,272	6,363	6,197	+30.0	+33.5
Little Rock, Ark.....	73,659	65,567	58,552	+12.3	+25.8
Louisville, Ky.....	142,719	140,914	135,886	+ 1.3	+ 5.0
Memphis, Tenn.....	180,408	154,880	162,919	+16.5	+10.7
Owensboro, Ky.....	5,809	5,022	6,275	+15.7	- 8.0
Quincy, Ill.....	9,725	9,734	10,009	- 0.1	- 2.8
St. Louis Mo.....	621,624	642,794	549,165	- 3.3	+13.2
Sedalia, Mo.....	3,837	.....	.....	.....	.....
Springfield, Mo.....	13,560	14,203	13,187	- 4.5	+ 2.8
<b>Totals.....</b>	<b>\$1,155,545</b>	<b>\$1,138,078</b>	<b>\$1,030,698</b>	<b>+ 1.5</b>	<b>+11.5</b>

\*In thousands (000 omitted)  
†Not including Sedalia

### Condition of Banks

Changes in the condition of banks in this district are reflected in the following statement showing the principal resources and liabilities of reporting member banks in Evansville, Little Rock, Louisville, Memphis and St. Louis (in thousands of dollars):

	Dec. 12, 1923	Nov. 7, 1923	Dec. 13, 1922
Number of banks reporting.....	*35	*35	37
Loans and discounts (incl. rediscounts).....	\$11,853	\$12,756	\$18,760
Secured by U. S. obligations.....	146,338	142,925	138,931
Secured by other stocks and bonds.....	312,138	316,367	295,848
All other loans and discounts.....	\$470,329	\$472,048	\$453,539
Total loans and discounts.....	\$152,704	\$153,832	\$159,925
Investments.....	41,377	37,054	42,267
U. S. pre-war bonds.....	15,193	15,192	.....
Liberty bonds.....	21,861	23,433	52,937
Treasury bonds.....	6,956	6,808	.....
Victory and Treasury notes.....	17,103	17,862	15,431
Certificates of Indebtedness.....	5,591	5,325	3,635
Other securities.....	86,000	85,212	87,922
Total investments.....	\$152,704	\$153,832	\$159,925
Reserve balance with F. R. bank.....	8,980	8,304	9,008
Cash in vault.....	350,185	330,855	356,617
Net demand deposits.....	189,760	192,297	170,419
Time deposits.....	1,444	4,220	11,541
Government deposits.....	.....	.....	.....
Bills payable and rediscounts with Federal reserve bank.....	7,536	14,134	7,618
Secured by U. S. obligations.....	28,295	35,648	8,940
All other.....	.....	.....	.....

\*Decrease due to consolidation

### Savings Deposits

	No. of Banks	Dec. 5, 1923		Nov. 7, 1923		Dec. 6, 1922	
		No. of Accts.	*Amount Deposits	No. of Accts.	*Amount Deposits	No. of Accts.	*Amount Deposits
Evansville	4	24,371	\$ 8,974	24,465	\$ 8,962	22,340	\$ 8,590
Little Rock	5	27,940	7,146	27,819	7,102	26,093	6,528
Louisville	7	†136,830	†24,434	148,573	24,725	141,871	21,496
Memphis	5	66,916	17,882	66,169	17,736	58,539	15,314
St. Louis	12	257,073	73,426	256,817	73,216	244,042	68,661
<b>Totals</b>	<b>33</b>	<b>513,130</b>	<b>\$131,862</b>	<b>523,943</b>	<b>\$131,741</b>	<b>492,885</b>	<b>\$120,589</b>

\*In thousands of dollars (000 omitted)  
†16,000 Xmas Savings Accounts matured Dec. 1, 1923.

### Federal Reserve Operations

During November the Federal Reserve Bank of St. Louis discounted for 284 of its 627 member banks, which compares with 287 member banks accommodated in October. The discount rate of this bank remains unchanged at 4½ per cent.

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):

	Dec. 12, 1923	Nov. 14, 1923	Dec. 13, 1922
Gold reserves.....	\$ 93,649	\$ 74,995	\$104,893
Legal tender notes, silver, etc.....	8,357	9,775	11,048
Total cash reserves.....	\$102,006	\$ 84,770	\$115,941
Discounts secured by Gov't. obligations.....	16,928	20,934	13,451
Discounts otherwise se- cured and unsecured.....	37,676	52,810	14,258
Bills bought in open market.....	72	29	12,660
U. S. Gov't. securities.....	.....	.....	21,116
Total earning assets.....	\$ 54,676	\$ 73,773	\$ 61,485
Uncollected items.....	38,370	44,358	39,447
Other resources.....	9,405	8,741	6,094
Total resources.....	\$204,457	\$211,642	\$222,967

### LIABILITIES

	Dec. 12, 1923	Nov. 14, 1923	Dec 13, 1922
Capital paid in.....	\$ 5,012	\$ 5,003	\$ 4,813
Surplus.....	9,665	9,665	9,388
Deposits.....	72,981	70,655	70,725
F.R. notes in circulation....	77,676	76,843	94,501
F.R. bank notes in circulation.....	.....	.....	1,457
Deferred availability items	37,632	47,992	40,922
Other liabilities.....	1,491	1,484	1,161
Total liabilities.....	\$204,457	\$211,642	\$222,967
Combined reserve ratio	67.7%	57.5%	70.2%

### ANNOUNCEMENT

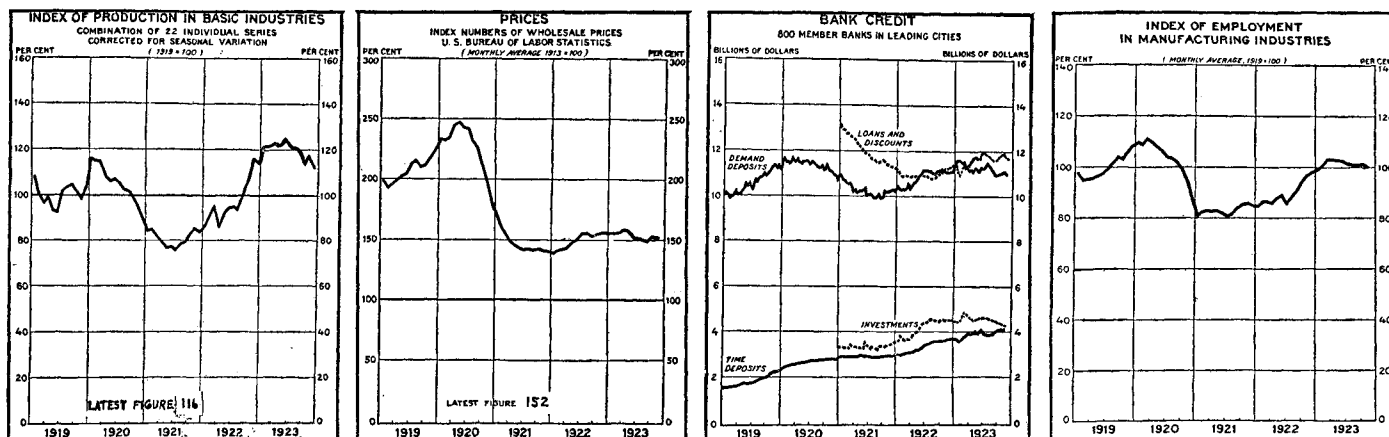
The Federal Reserve Bank of St. Louis has just issued a booklet entitled "Advantages of Membership in the Federal Reserve System."

The booklet explains in a concise and comprehensive way the purposes of the Federal Reserve Act, as well as the privileges and advantages that banks enjoy as members of the System. It also gives the requirements of membership.

Copies of the booklet may be obtained on request.

# BUSINESS CONDITIONS IN THE UNITED STATES

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



**Production**—In basic industries production decreased about 2 per cent in November. The decline was due chiefly to reduced output of iron and steel and smaller sugar meltings. The Federal Reserve Board's new index of factory employment, which is shown by the accompanying chart, also declined, due to less activity at iron and steel plants and large seasonal reductions at clothing establishments. The volume of employment is now 2 per cent smaller than in the spring but 3 per cent larger than a year ago. Contract awards for new buildings were smaller in November than in October in all reporting districts except New York, but were 20 per cent larger than a year ago. Final estimates by the Department of Agriculture show larger yields of corn, oats, tobacco, and cotton than in 1922 and smaller yields of wheat, hay, and potatoes. The total value of agricultural production at December 1 prices was 12 per cent larger than in 1922. Each of the ten principal crops except wheat showed an increase in value.

**Trade**—Railroad freight shipments in November showed about the usual seasonal decline from October, but were in heavier volume as compared with previous years. Wholesale trade was 13 per cent less in November than in October, which is more than the usual decrease at this season, but sales continued to be slightly larger than a year ago. Sales of hardware, drugs, and meat were larger than in November, 1922, while sales of shoes were smaller. Retail business was smaller than in October in most lines. Sales of mail order houses declined more than sales of department stores, but were 11 per cent larger than a year ago.

**Prices**—The Bureau of Labor Statistics index of wholesale prices declined in November to a point 4 per cent lower than last spring and about 3 per cent lower than a year ago. The chief reductions occurred in prices of animal products, fuel and house furnishings. Prices of clothing and crops, on the other hand, increased and the latter group averaged higher than in any month since 1920. During the first half of December prices of sheep, beef, sugar, cotton, silk and rubber declined while quotations on crude oil, wheat and wool were slightly higher.

**Bank Credit**—The total volume of credit extended by member banks in leading cities showed but little change between the middle of November and the middle of December. A seasonal reduction in commercial and agricultural loans in most districts was accompanied by increased loans on securities with the result that total loans remained practically constant. During the same period borrowings at the Federal reserve banks were also practically unchanged. Holdings of acceptances increased somewhat partly in connection with the financing of cotton exports. The increased demand for currency for holiday trade was reflected in both a moderate expansion in Federal reserve note circulation and a reduction in gold certificates held by the reserve banks. Rates on commercial paper sold in the open market continued to show an easier tendency as indicated by increased sales at  $4\frac{1}{2}$  per cent particularly in interior districts. The December issues of one year  $4\frac{1}{2}$  per cent and six months 4 per cent treasury certificates, compared with  $4\frac{1}{2}$  per cent on a six months issue sold in September were largely oversubscribed.

## The New Index of Employment

This month we present for the first time a chart showing the index of employment in manufacturing industries, compiled by the Federal Reserve Board's Division of Research and Statistics. Wide industrial and geographical representation in the composition of the index is obtained by using data collected by a number of Federal and State agencies covering 33 separate industries, which are grouped into 10 general classes, as follows: Metals; textiles; lumber; vehicles; paper and printing; food; leather; stone; clay and glass; tobacco; and chemicals.

The final index and each of the 10 group indexes were obtained by combining the 33 individual industry series, weighing them in accordance with their relative importance as determined by the number employed according to the census of manufactures of 1919 and 1921. The index is expressed in terms of percentages with the monthly average for 1919 as the base, i. e., 100 per cent. It is so constructed that its movements, although they do not measure the total volume of employment, reflect increases or decreases in this volume.

No correction was made for normal seasonal variations, because although these fluctuations are noticeable in individual industries, they vary as to time and degree and in the final index largely offset each other. A full description of the data and methods used in compiling this index and of the results obtained is published in the December issue of the Federal Reserve Bulletin.

## Cost of Living

Cost of living in the United States on November 15 had increased seven-tenths of one per cent over the October 15 level, according to the National Industrial Conference Board. The increase since July was 2.1 per cent. In the month ending November 15 there were increases in the cost of food and sundries. Rents advanced, but the cost of clothing, coal, gas and electricity were lower. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and November, 1923, the cost of living decreased 19.2 per cent. The increase since July, 1914, was 65.3 per cent.

The purchasing value of the dollar based on cost of living in November, 1923 was 60.5 cents as contrasted with one dollar in July, 1914.