

# FEDERAL RESERVE BANK OF ST. LOUIS



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

Released for Publication On and After the Afternoon of January 30, 1924

WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

THE principal change in the aspect of general business in this district during the past thirty days, as reflected by current reports to this bank, is a greater degree of optimism on the part of business men regarding prospects for the next few months. While there has been no big increase in activities and conservatism is still the rule in purchasing commodities, the chief factors which influence commerce and industry are in the main favorable to a continuance of the conditions which obtained during the closing months of 1923 and gradual betterment as the present year progresses. Manufacturing and wholesale have recovered at a normal rate from the holiday let-down and in some lines, notably iron and steel, there has been slight improvement. The financial and banking situation at the opening of the year displays great strength, employment in both the large cities and smaller communities is at high levels, agriculturists are getting more satisfactory returns on their products, and the purchasing power of the public, as indicated by savings accounts, wage scales and current bank debits, is in a healthy position.

Reports relative to the holiday trade were somewhat uneven, results in certain sections being disappointing. On the whole, however, things were fully up to expectations and large quantities of goods were moved into consumptive channels. Selections of Christmas shoppers covered a broad variety of merchandise, with luxuries and the more expensive articles making up a relatively large part of the total. Stocks carried over were relatively small, except in the case of clothing, and special sales held during January have assisted materially in reducing accumulations in this category. The recent drop in temperature, which furnished the first really cold weather of the winter, served to stimulate the movement of seasonal goods, particularly heavy apparel, foot coverings, and fuel. Trade in winter wear in the South has been more active than at any time this season, and wholesalers and manufacturers are receiving numerous small fill-in orders, nearly all of which are accompanied by requests for immediate shipment.

The end of the inventory period discloses generally moderate stocks of both raw materials and finished goods. Manufacturers are purchasing supplies for the first half of the year with extreme caution and conservatism, and the same attitude is general among wholesalers and jobbers. Future orders on the books of reporting wholesale establishments in almost all lines are considerably smaller than at the corresponding period a year ago. This is true particularly of dry goods interests, whose customers are postponing forward commitments because of uncertainty relative to raw cotton. Retailers are purchasing heavily, but their orders are frequent and small in size, and there has been no change from the recent

policy of taking only such goods as can be currently disposed of or sold a month or six weeks ahead. Competition in all lines continues keen, and during the past several weeks there has been apparent a resistance on the part of ultimate consumers to the upward price trend in certain textiles.

With the exception of cotton goods, however, the period under review was marked by an absence of wide price fluctuations in manufactured products. There were the usual seasonal changes in certain food products, and advances were scored in some grades of lumber, lead and zinc, gasoline and several items in the drug and chemical list. The trend of cereal values was upward, with corn recording a sharp advance in the St. Louis market. Between December 15 and January 15, May corn advanced  $6\frac{3}{8}$ c per bushel and cash corn 4c. The wheat options were unchanged to 1c higher, but cash wheat was 4c to  $4\frac{1}{2}$ c higher. July oats were  $2\frac{3}{4}$ c higher and No. 2 white oats in the cash market 4c higher. Middling cotton in the St. Louis market fluctuated between 34c and  $35\frac{1}{2}$ c, the high point being reached toward the close of December. A decline took place during the second week in January, and the close on January 15 was 34c, which was  $\frac{1}{2}$ c under the final quotation on December 15.

Only minor changes occurred in the employment situation during the past thirty days. According to the Employment Service of the Department of Labor, unemployment was no greater than normal for this season. Temporary idleness resulted from the closing down of industrial plants for inventory and repairs. The outstanding feature was a rather sharp curtailment in forces employed at railroad shops, but it should be remembered that capacity forces were employed in the shops until a short time ago. Cold weather caused some slackening in building activities, especially outside of St. Louis, and road construction is off to some extent, but still absorbs much common labor. Meat packing establishments, flour mills and other manufacturing plants are running at normal, and the holiday trade furnished employment for many persons. Domestic help is scarce. Some reduction was reported in the number of men employed in the operating departments of railroads.

The drop to zero temperatures had a decidedly stimulating effect on the fuel situation, which for the first time in a number of months has been brought to a status approximating normal for the season. Dealers have been able to empty their yards, and have placed fair orders with mine operators. Operations in both the Illinois and Kentucky fields have been increased, and activities have been resumed at some pits which had been closed. Many industrial consumers of coal who had postponed purchasing on account of the inventory period have been forced into the

market, and a scarcity of screenings has developed in some quarters. Prices generally have not been materially affected, though the market displays a stronger tendency than heretofore, and certain Illinois coals have advanced slightly in the immediate past. The movement of domestic coke has been more active than at any time this winter, with by-product manufacturers drawing upon their stock piles. Metallurgical coke continues quiet, with contracting for first half requirements somewhat smaller than ordinary at this season.

Railroads operating in the district report a seasonal recession in the volume of freight handled, but as contrasted with former years, the movement continues on a large scale. According to the American Railway Association, loading of revenue freight for the week ended December 29 was 615,431 cars, a decrease of 261,826 cars under the preceding week and 88,793 cars under the same week in 1922, but a gain of 86,875 cars over the corresponding week in 1921. The sharp decrease as compared with the week of December 22 was due to the Christmas holidays. On December 31 the railroads of the country had 312,338 surplus freight cars, an increase of 74,995 over the week before. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 189,644 loads in December, the smallest number since last June, and comparing with 207,973 loads in November, 226,242 loads in October, and 196,136 loads in December, 1922. Passenger traffic of roads reporting to this bank increased 4.7 per cent in December over the same month in 1922.

Reports relative to collections, while still indicating rather spotted conditions, were somewhat more favorable than for the preceding month. In the typical grain areas payments show improvement, and generally through the South, except where the cotton crop was short, collection efficiency is high. Initial marketing of tobacco has resulted in the liquidation of loans based on that commodity, and settlements in the rice growing sections have been on a satisfactory scale. Retailers in the large cities report that they are getting in their money promptly. Complaints of backwardness are still received from the coal mining districts. January 1 settlements with wholesale interests in the large cities were slightly better than a year ago. Answers to 386 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
Dec. 1923.....	5.7%	33.6%	50.0%	10.7%
Nov. 1923.....	0.9	34.9	55.7	8.5
Dec. 1922.....	8.2	56.2	34.2	1.4

Commercial failures in the Eighth Federal Reserve District during December, according to Dun's, numbered 96, involving liabilities of \$1,954,500, against 109 defaults with indebtedness of \$2,223,369 in November and 84 failures for \$897,491 in December, 1922.

Per capita circulation of the United States on January 1 was \$44.22, which compares with \$44.01 on December 1 and \$42.81 on January 1, 1923.

## MANUFACTURING AND WHOLESALE

### Automobiles

Passenger car and truck production for the country as a whole during December was less by 3.1 per cent than during November, the decrease being accounted for in part by the closing of plants for the holidays. As compared with a year ago the December output showed a gain of 35.4 per cent. Companies

reporting direct or through the Automobile Chamber of Commerce built 275,121 passenger cars in December against 284,758 in November. Production of trucks in December totaled 27,275, which compares with 27,374 in November. Sales of passenger cars during December, according to reports of 230 dealers scattered through the district, were 11.0 per cent larger than for the same month in 1922, and 3.5 per cent in excess of the November total. The comment was general that the holiday stimulus to the trade, both in cars and accessories, was more pronounced than in any previous year. No improvement was noted in the tire situation, which continues slow and unsettled. Used car sales were described as about normal for the time of the year, but in many instances selling was accomplished under unusual pressure and by dint of sharp price reductions.

### Boots and Shoes

December sales of the 11 reporting interests were 2.0 per cent larger than for the corresponding month in 1922, and 25.1 per cent in excess of the November total. Uncertainty relative to styles and prices, coupled with the general disposition to caution, caused backwardness in future buying during December, but orders received since January 1 show distinct improvement. Prices of finished goods remained stationary, but a firmer tone was noted in raw materials. Some specific advances were recorded on novelty leather and other specialties, and the trend of hides and sole leather was upward. The demand for women's and children's shoes in relatively more active than men's wear. Factory operation was at from 75 to 85 per cent of capacity. Boot and shoe production in this district during December was 8.2 per cent under the November total.

### Clothing

Accounts from reporting interests in this line indicate rather mixed conditions. Orders for immediate or reasonably prompt delivery are holding up in excellent shape, but purchasing for spring is generally backward, and considerably under the corresponding period last season. There is some hesitation due to uncertainty relative to price and styles. Women's wear is the most active department of the trade, sales having been stimulated by numerous new and attractive designs and patterns. Cloakings of large patterns have been in extensive use, and the demand for such designs, both in cheap and expensive cloths, is active. The recent cold weather has assisted in moving a large volume of heavy wear, both men's and women's, though in many instances at reduced prices. Prices on spring lines are slightly higher than those current on similar goods last fall. December sales of the 12 reporting interests were 15.1 per cent larger than for the same month in 1922, and 13.9 per cent under the November, 1923, total. The decrease from November to December was accounted for in large part by seasonal considerations. December sales of reporting wholesale hatters showed a 12.1 per cent decrease under those of the same month a year ago, but no discouraging signs are in evidence inasmuch as a fair spring business has been booked.

### Drugs and Chemicals

Sales of the 11 reporting interests in December were about even with the corresponding month in 1922, and 7.3 per cent under November, 1923. The demand for drugs and fine chemicals continues fair, and buying by wholesalers and jobbers for spring

delivery is in satisfactory volume. A further slowing down in purchases of heavy chemicals by manufacturers was noted in December, but more activity in this department has developed since the first of January. Prices of drugs showed a number of changes, with advances outnumbering declines. Among the items to advance were arsenic and arsenic products, castor oil and the essential oils. The botanical drug market was easier. Inquiries for spraying materials for delivery in the spring were reported good.

### Dry Goods

A conspicuous feature of the textile situation is a trend toward medium priced novelty fabrics which is limiting demand for standard merchandise. Cheaper goods throughout the line are moving well, but the public and retail merchants are adverse to purchasing the more expensive merchandise. Demand for cotton goods continues light and curtailment of production was more noticeable. Prices hold steady. Brown sheetings, gray cloths and fine convertibles are being bought sparingly. Demand for silk is relatively better than for cotton, with some substitutions noted because of advances in cotton quotations. Hosiery continues slow and unsettled. December sales of 11 representative interests were 11.3 per cent under the December, 1922 total and 27.0 per cent under the November, 1923 mark. Orders placed during the first three weeks of January were about equal to those of the same period a year ago, but future business on the books of reporting firms is considerably less than at this time in 1923. The millinery business exhibits no changes of importance, with December sales of reporting firms showing a 2.1 per cent increase over December, 1922.

### Electrical Supplies

Business in this classification underwent a rather decided slump in December, sales of the 12 reporting interests for that month showing a decrease of 8.5 per cent under the same period in 1922, and a decline of 3.1 per cent as compared with November, 1923. Weakness in the copper market is given as one cause for hesitancy on the part of consumers in filling their needs, and generally buying is on a hand-to-mouth basis. The cold weather had a tendency to curtail outside work on construction jobs and repair work by the public utilities companies. The movement of holiday goods, especially radio sets, household appliances and fancy lighting fixtures, was in good volume. Prices generally were stationary during the period under review.

### Fire-Clay Products

A steady demand from all industries except oil characterized this line during the past thirty days. The high rate of cement production is reflected in large orders for kiln-liners and nine-inch straights by cement manufacturers. The automobile industry continues to take large tonnages, and there is a moderate demand from producers of iron and steel. December sales of 5 representative interests exceeded those of the same month in 1922 by 11.7 per cent, but were 13.7 per cent under the November, 1923 total. Business booked by reporting firms during the first three weeks of January was at a rate 8 per cent in excess of the December total, but during the same weeks in January, 1923, sales were at a rate 19 per cent greater than during December, 1922. Production of reporting firms averages 73 per cent of capacity.

### Flour

Production at the 11 leading mills of the district during December was 323,697 barrels, which compares with 404,824 barrels in November, 446,009 barrels in October and 346,030 barrels in December, 1922. Business during the closing weeks of December was rather quiet, though there were fair shipping directions from the South for soft flours, and some clears were sold for export. Following the usual holiday quietness, the trade developed considerable improvement in early January, and during the second week of the month prices advanced slightly. Sales from the mills, particularly of soft flours to Southern customers, were freer than in a long while, and with shipping directions good, the feeling generally was more hopeful. There was a fair volume of demand for clear flours for export, but prices offered were below the views of sellers. Mill operation was at from 60 to 75 per cent of capacity.

### Furniture

The disposition on the part of retailers to buy only sufficient goods for immediate requirements, and expectations of lower prices were the chief factors in causing declines in December sales of manufacturers and wholesalers in this district. The 26 reporting interests show December sales 18.0 per cent under those of the same month in 1922 and 12.5 per cent under the November, 1923 total. Prices showed no change worthy of note, but some revisions are expected as a result of the furniture market held in Chicago during the first three weeks of January. Manufacturers exhibiting their goods at that market report that they booked a good volume of orders, and generally expectations are for improved business during the next few months. Upholstered goods, metal furniture, dining room sets and floor coverings are in relatively better demand than other goods in the line.

### Groceries

Unseasonably warm weather during the six weeks preceding Christmas and a determination on the part of retailers to carry light stocks, contributed toward a curtailment in the demand for holiday goods. December sales of 19 representative interests were 2.7 per cent under those of the same month a year ago and 15.6 per cent under the November, 1923, total, the latter partly seasonal. In spite of keen competition, there has been a more optimistic tone since January 1, and this feeling has been accentuated by firmer prices in several staple lines. Canned goods are in better demand and a record movement of condiments continues. Slightly higher sugar prices during January lent a further firmness to the general list and has given some impetus to buying by retailers. In spite of an influx of cheap coffees, prices on choice grades continue firm to 2c higher while a ½c advance in cheaper grades went into effect.

### Hardware

Except for certain specialties, builders' hardware and wire goods, the demand in this line developed recessionary tendencies. Sales of the 12 reporting interests in December were 8.8 per cent under the same month in 1922, and 13.0 per cent under November, 1923. The comment is made that farmers are buying only what they are absolutely obliged to have, and the heaviest losses in sales are in the rural districts. Future business on books of reporting interests

was considerably less than a year ago, but the first two weeks in January developed some improvement in this respect.

### Iron and Steel Products

Activity in iron and steel products, particularly finished steel, since the first of the year, has been well up to expectations. New business placed has been in fair volume, and tentative inquiries indicate that further buying is likely in the not distant future. Stocks in consumers' hands are moderate, having been cut down by routine consumption during the closing weeks of 1923 and further curtailed for inventory taking. A number of mills, foundries and machine shops, which had planned to close down or sharply reduce operations for inventory and repairs, have been working at or close to the rate maintained during the preceding thirty days. Several of the steel interests and specialty makers have slightly expanded their operations in order to handle increased specifications and orders for finished products. Prices generally remain unchanged, both of raw and finished materials. Pig iron buying during December was quiet, and confined chiefly to small lots for prompt shipment, but some tonnages were contracted for since the second week in January, and resumption of purchasing for balance of the first and through the second quarter is expected in the near future. The upturn in scrap iron and steel prices was pushed still further, a number of important items having touched new high points on the movement. No. 2 Southern iron, 1.75 to 2.25 per cent silicon, was quoted at \$21.50 to \$23.00 furnace, while Northern iron of the same grade sold at \$23 to \$24. Railroads continue the chief factor in steel and iron buying, with the automotive industry second in order. Fabricators of structural iron and steel report a continued steady demand for materials for small projects, and some improvement is noted in buying by the oil industry. Orders for bars and sheets have been large, and manufacturers of tin plate are well situated in the matter of forward business. Manufacturers of radiators and heating apparatus have been working at capacity. December sales of stove manufacturers, 7 interests reporting, were 36.6 per cent under the same month in 1922 and 31.5 per cent under the November, 1923 total; railway supplies, 5 reporting, decreased 28.0 per cent under December, 1922, and 26.5 per cent under November, 1923; farm implement makers, 6 reporting, decreased 14.5 per cent under December, 1922, and 12.0 per cent under November, 1923; manufacturers of boilers, stacks, elevators, radiators and other miscellaneous products, 12 reporting, decreased 14.0 per cent under December, 1922, and 5.8 per cent under November, 1923.

### Lumber

A considerable amount of buying in the soft woods, especially yellow pine, developed in December, with the effect of stimulating prices rather markedly on yard items. Common boards were bought very largely, and, as a result, prices on this stock sustained an advance of from \$2 to \$3 per thousand feet. Dimension was also affected by the upward trend. Shed stock, except in certain items, has also shared in the upward movement, but to a less notable extent. Fir prices have moved up an average of about \$1 per thousand. The hardwood situation has been affected by unfavorable weather in the South. Production

has been curtailed and with some betterment in demand and a scarcity of dry items, the market displays strength. Mills in the Memphis territory have advanced prices on an average of \$5 per thousand since January 1.

### Consumption of Electricity

The Christmas holidays and year-end shut-downs account for a part of the decrease in electricity consumed for industrial purposes during December as compared with November, 1923. It is significant, however, that in addition to seasonal curtailment some slowing down is noted in representative lines, including shoe factories, the automotive industry and miscellaneous light manufacturing. Comparison with December, 1922, however, shows a substantial increase for the five reporting centers, though the bulk of it is in St. Louis.

Detailed figures follow:

	No. of customers	Dec. 1923 *K.W.H.	Nov. 1923 *K.W.H.	Dec. 1923 comp. to Nov. 1923	Dec. 1922 *K.W.H.	Dec. 1923 comp. to Dec. 1922
Evansville .....	40	915	988	- 7.4%	898	+ 1.9%
Little Rock.....	11	748	778	- 3.9	681	+ 9.8
Louisville .....	67	3,852	3,936	- 2.1	3,832	+ 0.5
Memphis .....	31	1,143	1,477	-22.6	1,149	- 0.5
St. Louis.....	69	15,102	15,000	+ 0.7	11,922	+26.7
Totals.....	218	21,760	22,179	- 1.9	18,482	+17.7

\*In thousands (000 omitted).

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

1923	By water power	By fuels	Totals
September .....	1,465,439,000	3,069,488,000	4,534,927,000
October .....	1,475,837,000	3,468,266,000	4,944,103,000
November .....	1,515,775,000	3,326,706,000	4,842,481,000

†Largest on record.

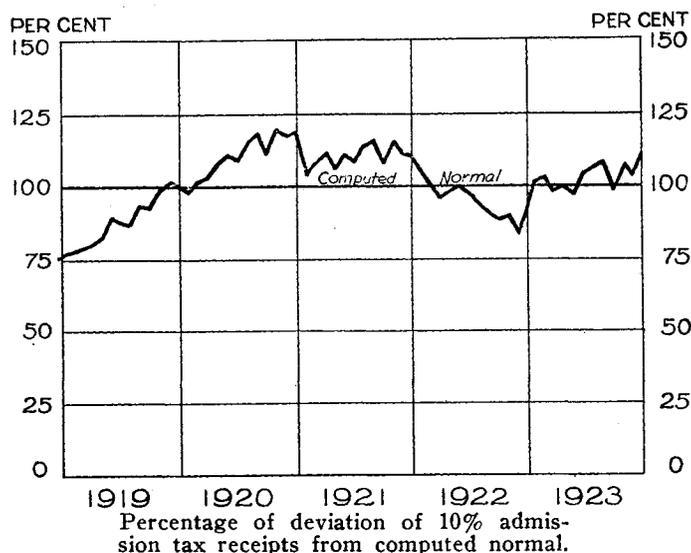
### RETAIL

Severe weather during the last week of December quickened the movement of typically winter merchandise. December sales, that in many reporting establishments were running under last year's rate during the first half of the month, exceeded December, 1922 figures in 15 out of 22 reporting department stores. Sales for December, 1923 are below the high rate of increase over 1922 noted in the early fall, and the amount of stock on hand indicates that retailers anticipated a somewhat larger demand than occurred. The January movement of overcoats is described as better, with many sales being accounted for because of price concessions, especially since the middle of the month. Sales of furs and of women's coats have been stimulated by the more reasonable weather as well as by special price offerings. Demand for gloves is described as brisk. Rubber goods have also moved well in spite of an advance of about 10 per cent on items in which cotton enters into the manufacturing process. Shoes are in only fair demand, due partly to the relatively open winter thus far. A preference for silks is noted because of advances in cotton, and good buying of silk yard goods is reported. Sales of reporting chain stores continue at record volume for this season. December department store figures follow:

	Net sales comparisons		Stocks on hand Dec. 31, 1923 comp. to Dec. 31, 1922	Annual rate of stock turnover For six months ending Dec. 31, 1923
	Dec. 1923 to Dec. 1922	Six months ending to Dec. 31, 1923, to same period, 1922		
Evansville .....	+ 3.6%	+ 9.7%	+ 5.9%	2.16
Little Rock.....	+ 7.0	+ 15.0	+ 17.6	2.71
Louisville .....	+ 4.9	+ 5.7	- 2.9	4.01
Memphis .....	- 0.7	+ 3.8	+ 15.3	2.51
Quincy .....	- 1.1	+ 8.1	+ 11.9	2.54
St. Louis .....	+ 5.7	+ 7.2	+ 13.4	3.33
Springfield .....	- 6.0	+ 7.4	+ 14.1	1.55
8th District .....	+ 4.3	+ 7.3	+ 12.3	3.04
Entire U. S.....	+ 6.0	+ 8.4	+ 11.8	3.33

## AMUSEMENT RECEIPTS

The volume of amusement receipts is sometimes considered a margin of the purchasing power of the public in excess of the amount represented by savings and by purchasing of necessities. The curve shown in the chart below is based on admission tax collections reported by the several Collectors of Internal Revenue in states wholly or partly within the Eighth Federal Reserve District. The collections include tax paid at theaters and for other amusements. Allowance has been made for normal seasonal variation. The curve reaches a maximum during the inflation period in 1920, but lags behind the retardation of business during 1921, reaching its later minimum toward the end of 1922. The year 1923 exhibits only a slight upward tendency, actual receipts for that calendar year being 1.4 per cent above the average of the five year period.



## AGRICULTURE

Smaller acreages of wheat than seeded in 1922 are indicated for all states of the district. In Illinois a reduction of about 600,000 acres in the area sown last fall is reported, and the average condition is slightly below normal. Generally, however, stands of fall sown grains are good, and the arrival of the recent extreme cold weather found most fields with snow protection. The crop is now in the dormant stage, so that it is impossible to estimate the extent of possible damage from unfavorable weather conditions or other factors. The movement of wheat to market during December was considerably under the corresponding month in 1922.

The recent cold weather has been beneficial for corn, and in Illinois and other sections of the district where excessive rains had interfered with husking and cribbing, farmers have been able to complete these operations, and virtually the entire crop has been housed. The condition of corn arriving at market has undergone considerable improvement since the drop in temperature, but there is still a relative scarcity of the higher grades. Receipts at the chief markets have been heavy, especially at St. Louis. The grain has been readily absorbed and large amount were being shipped South for export. Reports from many sections indicate that an unusually large quantity of corn is being fed to live stock, and the movement direct from growers to feeders continues heavy and at prices which compare favorably with those paid at terminal markets.

Reports relative to the amount of fall plowing and soil preparation accomplished vary rather widely. In some areas field work was delayed by heavy rains, but the warm weather which lasted well through December permitted of later work than ordinary, and the general average is estimated to be about on a parity with that of the past several seasons.

According to the Department of Agriculture wages of farm labor were higher last year than since 1920. The average rate with board was \$33.18 and without board \$46.91 a month. The rates in 1914 were \$21.05 and \$29.88 respectively. Farm help is everywhere adequate to the demand, and during the past fall more work was performed by farmers and their families than in a number of years.

The warm, wet spell which followed opening of the loose leaf tobacco markets made difficult the proper handling of delivered tobacco on account of its being soft or in too high order. The sudden change to zero weather proved a further disability to handling the leaf and retarded the movement to market. Recent sales of dark tobacco averaged around \$12 and for burley around \$23. While in pounds the 1923 crop exceeds the 1922 production by approximately 15 per cent, the quality is lower. For this reason fine dark tobacco is scarce and will bring close to last year's prices. The Dark Tobacco Growers Marketing Association has opened its receiving houses in the Green river, stemming and one sucker districts with relatively light receipts of 1923 stock. Receiving houses in the dark fired district have not been opened, but will be in the near future. The Burley Tobacco Growers Cooperative Association has been actively receiving at its houses, and has requested growers to curtail deliveries in order to avoid congestion. About 85 per cent of the burley growers have joined the association. The comment is made in a number of markets that the export demand for low grades of tobacco is better than in past years, which fact is ascribed to unsatisfactory financial conditions in Europe.

Due to extremely wet weather throughout December, threshing of rice in Arkansas was seriously delayed, and a considerable portion of the crop, estimated at from 10 to 15 per cent, still remains in the fields. Deterioration of rice in the shock is reported from some counties, but elsewhere fields were kept well drained and relatively little damage occurred. The demand for clean rice continues active and strong, with good grades selling at from \$1.10 to \$1.20 per bushel. The rough rice market is less active than heretofore because most of the mills filled up with stock prior to the holidays. The feeling among rice farmers is more optimistic than for more than three years, and indications point to a slight increase in acreage this spring.

In the cotton areas the belief prevails that the recent cold weather killed many boll weevils. Although it is conceded that the new crop will be an expensive one to produce, the general attitude is hopeful, and every effort will be made to raise a large amount of cotton.

## Live Stock Movement

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

	*Receipts			*Shipments		
	Dec. 1923	Nov. 1923	Dec. 1922	Dec. 1923	Nov. 1923	Dec. 1922
Cattle and Calves.....	99	125	114	54	79	76
Hogs.....	432	451	398	257	281	246
Horses and Mules.....	8	8	8	8	11	10
Sheep.....	34	34	33	16	16	8

\*In thousands (000 omitted).

## Commodity Movement

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

	*Receipts			*Shipments		
	Dec. 1923	Nov. 1923	Dec. 1922	Dec. 1923	Nov. 1923	Dec. 1922
Beef, lbs.....	30	589	200	27,890	25,324	20,635
Corn, bu.....	4,522	2,134	2,332	1,967	842	1,214
Flour, bbls.....	420	476	363	532	558	469
Hides, lbs.....	8,034	8,221	5,758	9,782	10,304	9,498
Lard, lbs.....	6,503	6,795	4,557	12,600	11,564	9,530
Lead, pigs.....	215	155	276	186	215	128
Lumber, cars.....	18	19	16	12	14	10
Oats, bu.....	2,906	2,646	2,640	2,383	1,908	1,657
Pork, bu.....	17,442	22,907	15,555	27,331	31,342	27,820
Wheat, bu.....	2,271	2,259	3,173	1,722	1,819	2,351
Zinc, slabs.....	368	171	217	225	154	208

\*In thousands (000 omitted).

## Commodity Prices

Range of prices on typical products in the St. Louis market between December 15, 1923, and January 15, 1924, with closing quotations on the latter date, and on January 15, 1923:

	per bu.	High		Low		Close	
		Jan. 15, 1923	Jan. 15, 1924	Jan. 15, 1923	Jan. 15, 1924	Jan. 15, 1923	Jan. 15, 1924
Wheat							
May		\$1.11 $\frac{3}{4}$	\$1.06 $\frac{1}{4}$	\$1.10 $\frac{3}{4}$	\$1.17 $\frac{1}{2}$		
July		1.06 $\frac{3}{4}$	1.03 $\frac{1}{2}$	1.06 $\frac{1}{2}$	1.11		
September		1.06 $\frac{1}{4}$	1.05	1.05 $\frac{3}{4}$	1.07 $\frac{1}{2}$		
No. 2 red winter		1.09	1.20	\$1.17 @ 1.19	\$1.36 @ 1.40		
No. 2 hard		1.11	1.03 $\frac{1}{2}$	1.11	1.07		
Corn							
May		.80 $\frac{3}{4}$	.72 $\frac{1}{4}$	.80	.73 $\frac{1}{4}$		
July		.74	.80 $\frac{1}{2}$	.80 $\frac{3}{4}$	.72 $\frac{3}{4}$		
September		.80 $\frac{3}{4}$	.79	.80 $\frac{3}{4}$			
No. 2		.78	.71	.78	.72 $\frac{1}{2}$		
No. 2 white		.80	.71	.80	.74		
Oats							
May		.49 $\frac{3}{4}$	.46	.49 $\frac{3}{4}$	.46 $\frac{1}{2}$		
No. 2 white		.48 $\frac{1}{2}$	.44	.48 $\frac{1}{2}$	.45 $\frac{1}{2}$		
Flour							
Soft patent.....per bbl.	6.50	5.25	5.50 @ 6.50	6.00 @ 7.00			
Spring patent.....	6.40	5.60	6.00 @ 6.25	6.40 @ 6.60			
Middling cotton.....per lb.	.35 $\frac{1}{2}$	.34	.34	.27 $\frac{1}{2}$			
Hogs on hoof.....per cwt.	7.80	5.00	5.25 @ 5.35	6.75 @ 8.60			

NOTE: December wheat closed at \$1.04 $\frac{3}{4}$ ; December corn at 71c and December oats at 44 $\frac{1}{4}$ c.

## BUILDING

Winter building activity on an almost unprecedented scale continued through the first week in January, at which time the extreme cold weather caused a slowing down on outside work. In the large cities, particularly St. Louis, building labor is fully employed, and in several crafts a small shortage of workers is reported. The demand for all kinds of building materials continues brisk, and manufacturers are adding to their stocks in anticipation of heavy call when the spring building season opens. Permits issued in the five largest cities of the district in December showed a decrease of 28.4 per cent under the same month in 1922, but in the earlier year the total was abnormally heavy, due to the inclusion of several large building enterprises in Memphis and St. Louis. Extensive road building programs for 1924 are planned in states of the district, and work on them will be begun as soon as weather conditions permit. Production of cement for the country as a whole in December totaled 9,997,000 barrels, which compares with 8,671,000 barrels in December, 1922. The total output, 35,950,000 barrels, in 1923 was the largest on record. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1923	1922	1923	1922	1923	1922	1923	1922
Evansville .....	46	45	\$ 123	\$1,102	48	21	\$ 14	\$ 6
Little Rock.....	56	63	109	220	63	76	66	24
Louisville .....	161	176	687	2,010	51	44	30	87
Memphis .....	209	208	2,520	4,290	20	34	12	33
St. Louis.....	543	426	3,196	1,645	358	560	268	697
Dec. totals.....	1,015	918	\$6,635	\$9,267	540	735	\$390	\$847
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

\*In thousands of dollars (000 omitted).

## FINANCIAL

The past thirty days have been featured by no marked changes in the financial and banking situation. The general demand for credits has receded somewhat, and there has been fair liquidation, particularly in the South where returns from marketing of cotton, rice and tobacco are being used to pay debts. Increased sales of corn by producers have been a factor in settlements in the grain areas, but borrowings by elevator and commission interests to finance the movement of this cereal have served to augment loans by banks in some sections. January 1 settlements with manufacturing and wholesale interests were in the main satisfactory. Banks in the larger centers of population report that their mercantile customers are slightly increasing their commitments, but the demand is nowhere urgent and funds are ample for all legitimate requirements. The trend of interest rates charged for the general run of commercial loans is easier. In some parts of the South where crops were short liquidation has been relatively light, and extensions of loans are being requested. The demand for financing live stock holds up well. Deposits of member banks scored a fair gain, and there was a small increase in loans and discounts. Their discounts with this institution, however, showed a further sharp decline, the decrease between December 15 and January 15 being \$13,179,122. Between the same dates there was a decrease of \$5,066,000 in Federal Reserve notes in circulation, this being accounted for largely by the usual falling off in the demand for currency following the holidays. The reserve carried against combined Federal reserve note and deposit liabilities increased 7.2 per cent, standing at 75.2 per cent on January 15.

## Commercial Paper

The demand from both city and country banks for commercial paper suffered a rather sharp decline in late December, and during the first half of January continued light. However, sales in early December were in good volume, and reporting brokers showed an increase for that month of approximately 16.5 per cent over the same period in 1922, and as compared with November, 1923, the December total was larger by 7.0 per cent. Supplies of paper are plentiful enough, but the easier rates, coupled with the fact that banks are finding full employment for their funds through their regular customers, tend to hold down the volume of investment in commercial paper. Rates ranged in this district from 4 $\frac{3}{4}$  to 5 per cent, but in some Eastern centers as low as 4 $\frac{1}{2}$  per cent was done on prime names.

## Savings Deposits

	Number of banks reporting	*Amount of savings deposits			Jan. 1924 comp. to Dec. 1923	Jan. 1924 comp. to Jan. 1923
		Jan. 2, 1924	Dec. 5, 1923	Jan. 3, 1923		
		1924	1923	1923		
Evansville .....	4	\$ 9,062	\$ 8,974	\$ 8,956	+ 1.0%	+ 1.2%
Little Rock .....	5	7,278	7,146	6,679	+ 1.8%	+ 9.0%
Louisville .....	7	26,012	24,434	23,055	+ 6.5%	+ 12.8%
Memphis .....	5	18,619	17,882	15,959	+ 4.1%	+ 16.7%
St. Louis.....	12	73,852	73,426	69,548	+ 0.6%	+ 6.2%
Totals.....	33	\$134,823	\$131,862	\$124,197	+ 2.2%	+ 8.6%

\*In thousands (000 omitted).

## Debits to Individual Accounts

	*For four weeks ending			Jan. 1924 comp. to Dec. 1923	Jan. 1924 comp. to Jan. 1923
	Jan. 16, 1924	Dec. 12, 1923	Jan. 17, 1923		
E. St. Louis and Nat'l. Stock Yards, Ill.	\$ 38,848	\$ 44,174	\$ 39,872	-12.1%	- 2.6%
El Dorado, Ark.	5,870	6,229	.....	- 5.8	.....
Evansville, Ind.	30,689	30,011	33,617	+ 2.3	- 8.7
Fort Smith, Ark.	12,315	14,527	11,282	-15.2	+ 9.2
Greenville, Miss.	4,573	4,628	4,975	- 1.2	- 8.1
Helena, Ark.	6,446	8,272	6,559	-22.1	- 1.7
Little Rock, Ark.	61,061	73,669	61,269	-17.1	- 0.3
Louisville, Ky.	150,135	142,719	161,792	+ 5.2	- 7.2
Memphis, Tenn.	162,738	180,408	156,403	- 9.8	+ 4.0
Owensboro, Ky.	7,266	5,809	7,875	+25.1	- 7.7
Quincy, Ill.	9,449	9,725	10,488	- 2.8	- 9.9
St. Louis, Mo.	654,932	621,824	691,440	+ 5.3	- 5.3
Sedalia, Mo.	4,894	3,837	.....	+27.5	.....
Springfield, Mo.	12,894	13,560	14,668	- 4.9	-12.1
<b>Totals</b>	<b>\$1,162,110</b>	<b>\$1,138,078</b>	.....	<b>+ 2.1</b>	<b>+ 4.1</b>

\*In thousands (000 omitted).

†This is the first time a decrease under the corresponding period in the immediately preceding year has been recorded since March, 1922.

## Federal Reserve Operations

During December the Federal Reserve Bank of St. Louis discounted for 279 of its 630 member banks, which compares with 284 of its 627 member banks accommodated in November. The discount rate of this bank remains unchanged at 4½ per cent for all classes and maturities of paper.

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

### RESOURCES

	*Jan. 16, 1924	*Dec. 19, 1923	*Jan. 17, 1923
Gold with Federal Reserve Agent	\$ 56,309	\$ 49,656	\$ 81,608
Gold redemption fund with U. S. Treasury	3,414	4,057	3,632
Gold held exclusively against F. R. notes	\$ 59,723	\$ 53,713	\$ 85,240
Gold settlement fund with F. R. Board	31,435	25,152	21,143
Gold and gold certificates held	5,622	4,356	2,876
<b>Total gold reserves</b>	<b>\$ 96,780</b>	<b>\$ 83,221</b>	<b>\$109,257</b>
Reserves other than gold	12,573	7,120	13,226
<b>Total reserves</b>	<b>\$109,353</b>	<b>\$ 90,341</b>	<b>\$122,485</b>
Non-reserve cash	4,756	7,048	5,081
Bills discounted:			
Secured by U. S. Government obligations	16,846	21,129	7,372
Other bills discounted	26,316	40,301	6,002
<b>Total bills discounted</b>	<b>\$ 43,162</b>	<b>\$ 61,430</b>	<b>\$ 13,374</b>
Bills bought in open market	348	29	14,926
U. S. Government securities:			
Bonds	.....	.....	7,306
Treasury notes	541	.....	10,666
Certificates of indebtedness	750	.....	6,478
<b>Total U. S. Government securities</b>	<b>\$ 1,291</b>	.....	<b>\$ 24,450</b>
<b>Total earning assets</b>	<b>\$ 44,801</b>	<b>\$ 61,459</b>	<b>\$ 52,750</b>
Uncollected items	35,539	37,833	40,320
Bank premises	1,402	1,345	919
All other resources	175	74	504
<b>TOTAL RESOURCES</b>	<b>\$196,026</b>	<b>\$198,100</b>	<b>\$222,059</b>

### LIABILITIES

F. R. notes in actual circulation	\$ 72,286	\$ 77,478	\$ 88,145
Deposits:			
Member banks—reserve account	70,617	65,920	76,349
U. S. Government	2,270	853	.....
Other deposits	601	527	1,165
<b>Total deposits</b>	<b>\$ 73,488</b>	<b>\$ 67,300</b>	<b>\$ 78,039</b>
Deferred availability items	34,676	37,106	40,692
Capital paid in	5,006	5,012	4,830
Surplus	10,072	9,665	9,665
All other liabilities	498	1,539	688
<b>TOTAL LIABILITIES</b>	<b>\$196,026</b>	<b>\$198,100</b>	<b>\$222,059</b>
MEMO—Contingent liability on bills purchased for foreign correspondents	764	787	1,593
Ratio of total reserves to deposit and F. R. note liabilities combined	75.0%	62.4%	73.7%

In thousands (000 omitted).

## 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:

	*Jan. 16, 1924	*Dec. 12, 1923	*Jan. 17, 1923
Number of banks reporting	†35	†35	37
Loans and discounts (incl. rediscounts)			
Secured by U. S. obligations	\$ 11,253	\$ 11,853	\$ 18,471
Secured by other stocks and bonds	152,795	146,338	142,578
All other loans and discounts	307,041	312,138	300,217
<b>Total loans and discounts</b>	<b>\$471,089</b>	<b>\$470,329</b>	<b>\$461,266</b>
Investments			
U. S. pre-war bonds	14,992	15,193	15,354
Liberty bonds	24,668	21,861	25,939
Treasury bonds	7,061	6,956	10,896
Victory and Treasury notes	17,403	17,103	25,226
Certificates of Indebtedness	8,070	5,591	3,518
Other securities	86,625	86,000	87,287
<b>Total investments</b>	<b>\$158,819</b>	<b>\$152,704</b>	<b>\$168,220</b>
Reserve balance with F. R. bank	42,229	41,377	47,170
Cash in vault	8,028	8,980	7,653
Net demand deposits	363,623	350,185	386,184
Time deposits	196,972	189,760	181,951
Government deposits	4,649	1,444	10,665
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. obligations	5,788	7,536	1,436
All other	19,039	28,295	1,336

\*In Thousands (000 omitted).

†Decrease due to consolidation.

## Postal Receipts

	*For quarter ended				Dec. 1923 comp. to Dec. 1922
	Dec. 31, 1923	Sept. 30, 1923	June 30, 1923	Dec. 31, 1922	
Evansville	\$ 145	\$ 120	\$ 140	\$ 141	+ 2.8%
Little Rock	208	190	186	190	+ 9.5%
Louisville	680	578	569	591	+15.1%
Memphis	476	408	435	457	+ 4.2%
St. Louis	3,244	2,478	2,694	3,062	+ 5.9%
<b>Totals</b>	<b>\$4,753</b>	<b>\$3,774</b>	<b>\$4,024</b>	<b>\$4,441</b>	<b>+ 7.0%</b>

\*In thousands (000 omitted).

## COST OF LIVING

Cost of living in the United States on December 15, 1923 had decreased three-tenths of one per cent from the November 15 level, according to the National Industrial Conference Board. Between November 15 and December 15, 1923 there was an increase in the average cost of clothing and a decrease for food. These changes were each less than one per cent. There were also decreases in coal prices in some of the larger cities, but these were not sufficient to justify any change in the level of fuel prices for the country as a whole. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and December, 1923, the cost of living decreased 19.3 per cent. The net increase since July, 1914 was 65.0 per cent.

The following table shows in detail changes noted above.

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 Dec. 15, 1923, from average prices in	
		July 1920	Nov. 1923	Dec. 1923	July 1920	Nov. 1923
Food*	43.1	119	51	50	31.5	0.7
Shelter	17.7	58	80	80	13.9**	No change
Clothing	13.2	166	74	75	34.2	0.6**
Fuel and light	5.6	66	76	76	6.0**	No change
(Fuel)	(3.7)	(92)	(93)	(93)	(0.5)**	(No change)
(Light)	(1.9)	(15)	(43)	(43)	(24.3)**	(No change)
Sundries	20.4	85	74	74	5.9	No change
Weighted average						
of all items	100.0	104.5	65.3	65.0	19.3	0.3

\*Food price changes are from the United States Bureau of Labor Statistics.

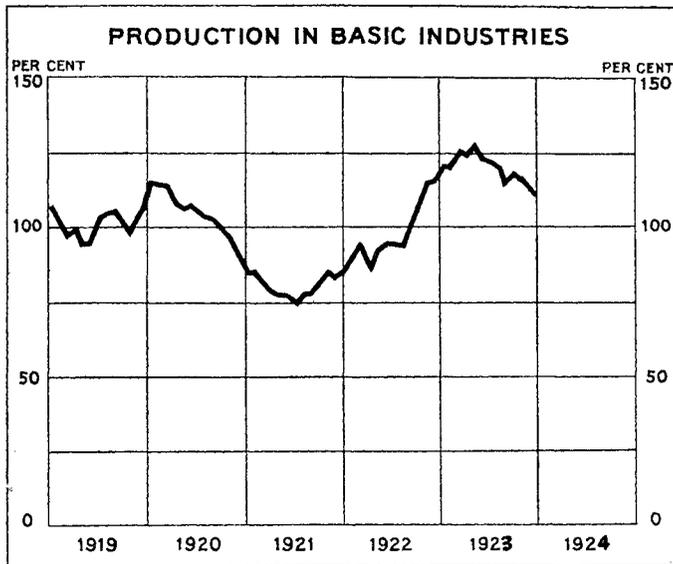
\*\*Increase.

The purchasing value of the dollar based on cost of living in December, 1923 was 60.6 cents as contrasted with one dollar in July, 1914.

(Compiled January 21, 1924)

## BUSINESS CONDITIONS IN THE UNITED STATES

The index of production in basic industries declined 4 per cent in December to the low point of the year. The decrease for the month reflected principally a large reduction in consumption of cotton, but also reduced operations in the woolen, petroleum, sugar and lumber industries. Production of pig iron and anthracite increased.



Index of 22 basic commodities corrected for seasonal variation. Latest figure, December, 112.

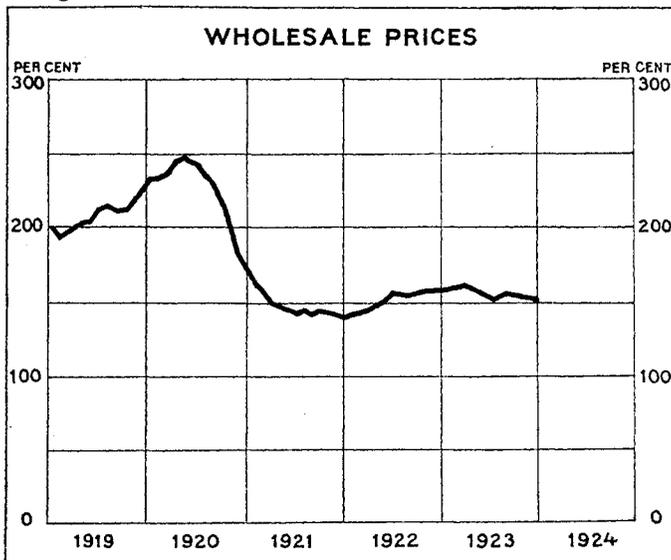
The Federal Reserve Board's index of factory employment decreased 1 per cent and was 4 per cent lower than in the spring. The largest decreases were at plants manufacturing food products and railroad equipment. Building contract awards in December were smaller than in November, but almost 25 per cent larger than a year ago.

### Trade

Railroad shipments continued to decrease during December and were slightly less than in December, 1922. Loadings of coal and grain were smaller than a year ago, while loadings of miscellaneous merchandise and live stock were in larger volumes. The volume of wholesale trade showed more than the usual seasonal decrease and was at about the same level as a year ago. Sales of meat, hardware and drugs were larger than in December, 1922, while sales of dry goods and shoes were smaller. Retail trade, though larger in December, 1923, than in any other month on record, did not show as large an increase over November as is usual at the Christmas season.

### Prices

Wholesale prices, according to the index of the Bureau of Labor statistics, underwent a decrease of less than 1 per cent during December.



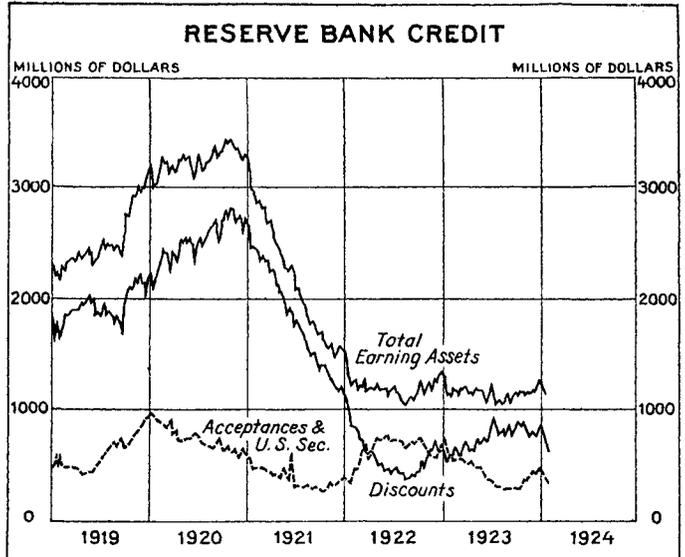
Index of U. S. Bureau of Labor Statistics. Latest figure—December, 151.

The chief reductions occurred in prices of fuel and building materials, while prices of clothing and metals increased, and prices of farm products remained unchanged. During the first

two weeks of January, prices of corn, wheat, pig iron, petroleum and lumber advanced, while quotations on cotton, sugar and copper were lower.

### Bank Credit

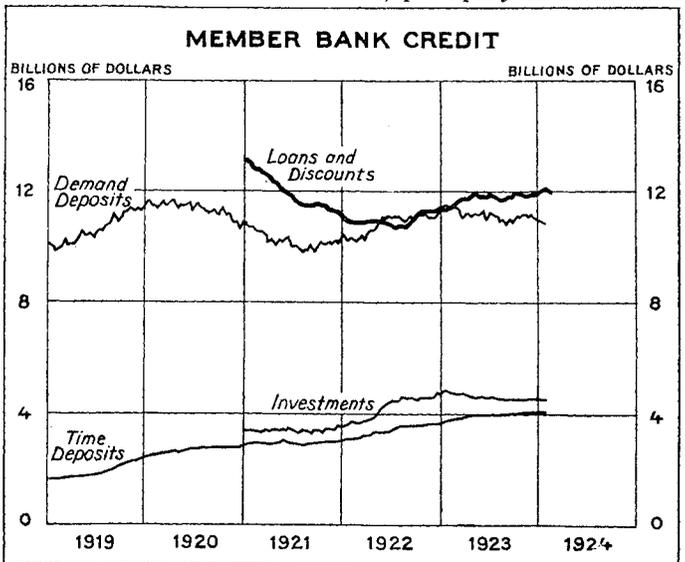
The volume of credit extended by the Federal reserve banks showed the usual sharp increase during the latter part of December in response to holiday requirements for credit and currency and financial settlements falling due on the first of January. With the passing of the seasonal demands there was an unusually rapid return flow of currency to the reserve banks, reflected both in an increase of reserves and decrease of Federal reserve note circulation.



Weekly figures for 12 Federal reserve banks. Latest figure, January 23.

Member banks used the currency returned from circulation to reduce their borrowing, with the consequence that the earning assets of the Federal reserve banks declined \$360,000,000 during the four weeks following Christmas, or approximately \$150,000,000 more than during the corresponding period in 1923. At the middle of January the volume of reserve bank credit outstanding was below \$1,000,000,000 for the first time since early 1918.

Loans made largely for commercial purposes by member banks in principal cities, declined between December 12 and January 16 to a point \$264,000,000 lower than at the peak in October and to about the level of July, 1923. This decrease in loans, which was general throughout the country, was accompanied by a movement of funds to the financial centers and an increase in loans on securities, principally in New York.



Weekly figures for member banks in 101 leading cities. Latest figure, January 16.

Easier money conditions during January were reflected in a further slight decline in the rate of prime commercial paper to  $4\frac{3}{4}$  per cent, compared with  $4\frac{3}{4}$  to 5 per cent in December, and in increased activity in the investment markets.