

# FEDERAL RESERVE BANK OF ST. LOUIS



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

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GENERAL business during the past thirty days, as reflected in reports of representative interests throughout the district, was in the main satisfactory. While considerable irregularity still exists and some weak spots are in evidence, recent gains in certain lines were maintained and in a few instances increased. Routine distribution and consumption of commodities continues heavy and stocks in all positions are of moderate proportions. Without any growth in buying for forward requirements nor change from the policy of conservatism which has prevailed for many months, retail merchants are placing fair orders for additional supplies, and the character of their purchases indicates no contraction in the outlet to final consumers. Due to almost universal employment at high wages, the purchasing power of the public in the industrial centers continues in a strong position, and with improvement in market conditions and prices of farm products, reports from the country are more encouraging.

As compared with a year ago, when a rapid expansion was taking place in commerce and industry, a number of important lines show rather sharp decreases in sales. However, the situation now is apparently on a sounder and more satisfactory basis than during the earlier period. Further progress has been made in price stabilization, changes during the past thirty days having been relatively narrow, and there is an almost entire absence of speculation in commodities. While their books show a smaller volume of advance orders than during past years at this season, merchants and manufacturers view this as a rather healthy symptom and take it to indicate that the goods which have not been ordered in advance will be purchased currently during the next few months, thus insuring a continuance of activity at least through the first half of the year.

Production in a number of the major industries turned upward during January, and the rate maintained during that month was continued during the opening weeks of February. Iron and steel production for the country as a whole reversed the record of the preceding few months, and showed good gains. The output of automotive vehicles was larger than during December, and heavily in excess of January, 1923. There were increases in outputs of a majority of the principal manufacturers of building materials, and the building industry generally through the district was active. Railroads continue to accommodate an enormous volume of freight traffic, loadings during January being larger than for any like month in history. The boot and shoe industry registered large gains over the corresponding period a year ago, and there were increases in orders booked by job foundries and manufacturers of certain iron and steel specialties. Slight

increases were reported by wholesale grocery and clothing interests.

Decreases, on the other hand, were shown in sales of manufacturers and distributors of hardware, drugs and chemicals, dry goods, electrical supplies, furniture and railway supplies. Distributors of textiles complain that their customers are disposed to strongly resist any price advances, and are centering their demands in the cheaper grades of goods. This attitude has resulted in curtailment of sales, and in a majority of instances, the reduction of profit margins to a minimum. In a lesser degree the same is true in hardware and furniture. In the latter line, jobbers and retailers are holding down their purchases to such goods as they absolutely have to have, and are insistent upon reductions in prices, which manufacturers say they are unable to grant because of the high cost of raw materials and labor.

Unevenness marked the movement of food products during the period under review. The general line of staple groceries was more active than heretofore, but the dressed beef trade was listless and wholesale meat prices are low, ranging from 20 to 70 per cent under the peak levels, and in some cases are under 1913 prices. Marketing of hogs continues on an enormous scale, farmers being disposed to ship their stock because of the high price of feed. The flour and feed situation underwent no change worthy of note, the dull conditions of the preceding thirty days still obtaining. Cereal prices fluctuated rather broadly, but closing quotations on February 15 were about on a parity with those on the same date in January. Spot cotton in the St. Louis market ranged from 34c to 32½c between January 15 and February 15, the low figure of the range being recorded on the latter date.

Employment conditions throughout the district, according to the Employment Service of the U. S. Department of Labor, continue in the main satisfactory. While there is some surplus building labor in the northern sections, spring building activities are expected to rapidly absorb the available supply. Normal quotas of employees are being maintained in most industries, many operatives who were temporarily released during the inventory period having been reengaged. There is still a good call for common labor on road and river work, and farm help is in better demand than at the same time last year. Some unemployment is reported among railroad workers, particularly in the shop crafts. Unemployment among negroes in St. Louis and other Northern centers, noted during the preceding month, still prevails.

With the return of milder temperatures and diminishing fears of a serious coal strike in spring, the fuel situation lost much of the spontaneity which featured it during the cold weather a few weeks back. The

domestic demand has eased off materially in the larger cities, and the movement to the country is described as slow and below normal for this time of year. Some contracting and storage by steam users was in progress, but this was confined chiefly to the larger industrial centers, sales to the small towns and country being relatively light. Producers report, however, that there have been few cancellations of orders placed during the extreme cold weather, and filling of these orders has served to maintain a movement of fair proportions. Production for the country as a whole was well sustained during January, the Geological Survey showing a larger bituminous output during that period than in any previous year, with the weekly average exceeding 11,500,000 tons.

January business of railroads operating in this district showed a large gain over the same month in 1923, and in point of total number of cars loaded with revenue freight was the record January in the history of the lines. These results were accomplished in face of the inclement weather, which hampered log and lumber loading in the South and generally interfered with traffic. According to the American Railway Association loading for the country as a whole for the week ending February 2 totaled 929,936 cars, an increase of 38,000 cars over the preceding week and a gain of 64,000 cars over the corresponding week last year. Coal loadings totaled 198,955 cars, a high record as compared with corresponding weeks in previous years. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 211,541 loads during January, the largest number ever handled in any January, and comparing with 189,644 loads in December, 207,973 loads in November and 208,584 loads in January, 1923. During the first nine days of February 64,721 loads were interchanged against 51,581 loads for the first nine days of December, and 60,408 loads for the corresponding period a year ago. Passenger traffic of the reporting roads decreased 2 per cent in January under the same month in 1923.

Considerable irregularity is reflected in reports on collections. In some sections returns are satisfactory, while elsewhere there are complaints of backwardness. Some delays were occasioned by heavy snows and rains, which prevented farmers from coming to town, and interfered with means of communication. Improvement was noted in the coal mining areas, particularly Illinois, where increased activity at many mines aided the communities in which they are located. In the tobacco and rice sections there has been good liquidation, but numerous backward spots are reported in the cotton areas, due to reduced yields and failure of the 1923 crop. Wholesalers in the large cities report settlements of accounts due in February under the corresponding period last year. Answers to 410 questionnaires addressed to representative interests in the various lines throughout the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
Jan. 1924.....	1.7%	25.2%	63.0%	10.1%
Dec. 1923.....	5.7	33.6	50.0	10.7
Jan. 1923.....	7.1	50.5	41.2	1.2

Commercial failures in the Eighth Federal Reserve District during January, according to Dun's, numbered 143, involving liabilities of \$1,669,880, against 96 defaults with indebtedness of \$1,954,500 in December and 97 failures for \$1,855,028 in January, 1923.

The per capita circulation of the United States on February 1 was \$41.77, which compares with \$44.22 on January 1, and \$40.74 on February 1, 1923.

## MANUFACTURING AND WHOLESALE

### Automobiles

Production of passenger cars and trucks for the country as a whole during January increased 4.3 per cent over December and was 30.1 per cent greater than in January, 1923. Complete figures of passenger cars produced in January by companies reporting direct or through the Automobile Chamber of Commerce were 287,211 against 275,287 in December. Trucks built in January numbered 28,247 against 27,068 in December. Distribution of automobiles and accessories throughout the district continues active. Sales of passenger cars during January, according to reports of 230 dealers, were 1.2 per cent larger than for the same month in 1923, and 12 per cent in excess of the December total. The entire line participated in the activity, but purchases of medium price cars were relatively larger than the more expensive makes. Sales of accessories in January showed a gain of approximately 10 per cent over the same month in 1923, due in large measure to intensive selling campaigns. Stocks of new cars in hands of dealers show the usual seasonal increase. Used car stocks are moderate, and in both numbers and investment value represented, are below those at the corresponding period last year. Several price changes were reported by manufacturers of passenger cars, most of which represented upward revisions. The tire market continues depressed, but stocks in hands of jobbers and dealers have been reduced, and on standard sizes price declines have been halted.

### Boots and Shoes

Sales of the 11 reporting interests in January were 21.6 per cent larger than for the corresponding month in 1923 and 3.1 per cent less than in December. Orders booked during the first half of February were in satisfactory volume, and indicate a substantial increase for that month as contrasted with the same period last year. As has been the case for several months, business in women's and children's wear is relatively much better than in men's shoes. Factories working exclusively on women's novelty goods are operating full time and in many instances are behind on deliveries. The comment is made that uncertainty relative to styles is holding back future business. There was no change worthy of note in prices of finished goods but raw materials reflect the firmer trend in hides, and some fancy and novelty leathers were higher. Factory operation was at from 80 to 100 per cent of full capacity. The total number of pairs of shoes produced in this district during December was 7.1 per cent less than during the preceding month, and for the country as a whole, December production decreased 15.8 per cent under the November total.

### Clothing

Seasonal improvement was noted in sales of men's clothing and generally the movement of both women's and men's wear was more satisfactory than during the preceding month. The comment is made, however, that ordering is on an extremely conservative basis, with uncertainty relative to prices and styles tending to hold down commitments for forward delivery. The spell of mild weather in early February brought an end to reordering of winter goods, and stocks in that category have been well cleaned up. Special clearance sales by retailers during January met with good response, and accounted for the movement of a large volume of apparel. Prices quoted by wholesalers and jobbers underwent no change worthy of mention during

the period under review, but in many instances concessions were made by retailers in order to dispose of accumulations of cold weather goods. January sales of the 11 reporting interests were 6.3 per cent larger than for the corresponding period in 1923, but 12.7 per cent under the December total.

#### **Drugs and Chemicals**

As compared with a year ago, January sales of the 11 reporting interests showed a decrease of approximately 7.9 per cent, but the total was 13 per cent in excess of that of December, 1923. The demand for remedial drugs was described as brisk, and sales of sundries and soda fountain supplies and fixtures were larger than a year ago. Decreases were reported generally in sales of heavy chemicals to manufacturers, and future orders of insecticides were in smaller volume than during the corresponding period in 1923. Increases in sales of cosmetics were offset by a smaller movement of candy. The price trend of fine drugs continues upward, and there were several specific advances in important proprietary preparations.

#### **Dry Goods**

Purchasing of goods in this classification continues on an extremely conservative basis, due mainly to irregularity in prices and the recent broad fluctuations in raw cotton. Future orders on books of wholesalers and jobbers are considerably smaller than at the same time a year ago, and a rather sharp reduction in January shipments was reported. Buyers visited the chief distributing centers in large numbers, but their orders were for the most part small in size and piecemeal in character. The general comment of retail merchants was that their customers are unwilling to pay higher prices, and they are shaping their purchases accordingly. Retail stocks are universally light, which fact leads to the belief among wholesalers that spot buying will be heavy during the next few months. The trend of prices on certain cotton goods is easier, reflecting the recent decline in the raw staple. The demand for silk goods is reported quiet, though some silk mixtures and fancy patterns are meeting good sale. Knit cotton underwear and hosiery continue quiet, with prices a shade easier. January sales of the 11 reporting interests were 16.5 per cent under the same month in 1923. Wholesale milliners report January sales 34.1 per cent less than for the same month last year.

#### **Electrical Supplies**

January sales of the 12 reporting interests were 1.5 per cent less than for the corresponding month in 1923, and 4.8 per cent in excess of the December total. The demand for all varieties of goods going into new buildings is reported active, particularly in the South, where construction work has suffered little interruption during the winter months. Some improvement over the preceding thirty days was noted in sales of pole hardware and general supplies used by public utility interests. The movement of supplies for mines continues slow, but some betterment in the demand from the oil fields has taken place since the first of the year. The trend of prices was slightly easier, and as compared with the same period a year ago the general level of prices is from 5 to 10 per cent lower. In the immediate past the upturn in copper, lead and slab zinc has had a tendency to strengthen goods in the manufacture of which these metals are used.

#### **Fire-Clay Products**

A better tone has been in evidence during the past thirty days, especially with reference to inquiries. Glass producers have placed a considerable amount of

business and demand from the cement industry is maintaining its recent rapid pace. Buying by the steel industry is holding up well, while reduced operations by some equipment manufacturers have prompted relining of furnaces. There has been good buying by municipal plants, and several cities have sent out inquiries on extensive vitrified projects. The value of January shipments of the 5 reporting interests was 22.3 per cent under the total for the same month a year ago, but new business booked by these firms during the month exceeded that of January, 1923 by 16.6 per cent.

#### **Flour**

Production of the 11 leading mills of the district during January was 306,012 barrels, the lightest since last July, and comparing with 323,697 barrels in December, 404,824 barrels in November and 321,727 barrels in January, 1923. In point of new business the period under review was quiet, but shipping directions were satisfactory, buyers generally ordering out flour previously engaged. Trade in the South was relatively better than elsewhere, the call from that section being for soft wheat flours. Toward the end of January a slight advance in prices was noted, the rise reflecting the upturn in wheat values. The usual routine export business with Latin-American countries continued, but the demand from Europe was extremely slow, with bids below asking prices of local millers. Mill operation was at from 60 to 65 per cent of full capacity.

#### **Furniture**

Sales of the 26 reporting interests showed a decrease of 28.7 per cent under the same month last year and a loss of 47.2 per cent as compared with December, 1923. The general comment is made that retailers are purchasing almost exclusively on a necessity basis, the percentage of future business to total sales being the smallest for this particular season in a number of years. Uncertainty relative to prices and styles is mentioned as a factor in holding down forward commitments. Some improvement is reported in the demand for metal beds, but the general run of bedroom and dining room furniture is slow. Prices of finished goods showed no change during the period under review, but generally through the line prices range from 10 to 15 per cent lower than at this time last year. Factory operation ranged from 40 to 80 per cent of capacity.

#### **Groceries**

Bad roads and the consequent difficulty salesmen have in covering territory has had its effect on buying by country stores, while this same condition has prevented many who live in rural sections from making purchases from retailers. Low prices of farm products is mentioned as a retarding factor. Withal both sales and prices have held up well. The entire list is firm to higher, due largely to upward tendencies in sugar and coffee. Purchases of sugar have been only fair in the face of its continued strength, merchants being disposed to carry light stocks in preference to taking possible inventory losses. Gross movement of sugar into consumers' hands, however, is slightly above normal for this season. Coffee, from the cheapest to the choicest grades, is slightly higher, with sales normal. Demand for canned goods shows seasonal improvement. Stocks throughout the line continue moderate, though merchants are keeping up assortments. January sales of 23 reporting interests were 6.4 per cent above those of the same month a year ago and only 0.1 per cent under the December total.

## Hardware

Rather spotted conditions were reflected in reports covering business during the period under review. In some localities sales were well up to expectations, while elsewhere results were poor. The demand for builders' tools and hardware continued active, and there was a fair movement of shelf hardware and household goods generally. Hand implements and farm supplies on the other hand, were reported slow, farmers buying only what they are obliged to have. While stocks are generally of moderate proportions, jobbers and retail merchants are ordering on a very conservative basis. Orders placed for spring and summer sporting goods are smaller than a year ago. An excellent demand is reported for all varieties of spraying apparatus. January sales of the 12 reporting interests were 8.5 per cent under those of the same month last year and 12.4 per cent in excess of the December total. Prices on nearly all items are holding steady at about the levels current during the opening month of 1923.

## Iron and Steel Products

While total volume of new orders for finished and semi-finished materials was hardly up to expectations of certain reporting interests, a fairly steady day-to-day movement has been in progress, and inquiries received by mills, foundries and machine shops indicate that substantial tonnages may be placed in the near future. Production during the period under review was well maintained, and shipments were somewhat larger than during the preceding thirty days. After a seven months decline, the production of pig iron for the country as a whole took a turn upward in January, the total output being about 100,000 tons larger than in December. Production of steel ingots in January also showed an increase, and was the largest since last August. Fabricators of structural iron and steel in this district report an excellent volume of orders for small jobs, and a number of large contracts are being figured on. Warehouse interests have increased their stocks and assortments in anticipation of the demand which they believe will appear with the opening of the spring building season. Stove plants, which were closed down earlier in the year for repairs and inventory, have all resumed production, and manufacturers of radiators and heating apparatus continue to operate at full capacity. Purchasing of track materials by the railroads has been on a large scale, and further improvement was noted in the demand for all varieties of drilling and general iron and steel supplies from the oil fields. Gradual improvement is noted in wire and wire products, and the same is true of the general run of rolling mill products. Sales of pig iron have been fairly heavy, due chiefly to covering by foundry interests on their second quarter requirements. The trend of prices of raw materials is upward, No. 2 Southern foundry iron being firm at \$23, and Northern iron of the same grade ranging from \$24 to \$24.50 per ton. Further advances were recorded in scrap iron and steel prices, with steel and cast grades going to new high points on the movement. January sales of stove manufacturers, 7 reporting, were 0.1 per cent under the same month in 1923, and 8.0 per cent less than the December total; railway supplies, 5 reporting, decreased 56.3 per cent under January, 1923, and 32 per cent under December; farm implement makers, 6 reporting, increased 3.8 per cent over January, 1923, and 8.3 per cent over December; job foundries, 6 reporting, increased 3.9 per cent over January,

1923, and 63.7 per cent over December; manufacturers of boilers, stacks, elevators, radiators, and other miscellaneous products, 12 reporting, decreased 11 per cent under January, 1923, and 27.6 per cent under December.

## Lumber

During the sixty-day period ended January 15, retail yards throughout the district bought sufficient lumber for early spring requirements, and since that time have been virtually out of the market at the advanced and very firmly held mill prices. They are waiting for the arrival of favorable weather to start building work, so that they may put their own price increases, based on higher replacement costs, to the acceptance test. The belief prevails that large requirements for the second quarter still remain to be filled, and considerable supplementary buying is expected to follow the first protracted spell of favorable building weather, even should the mills be able to maintain the present level of prices in the meantime. Transit car prices, however, have been unable to endure the strain and have weakened to some extent, and stock unmarketed before being put on wheels is hard to sell even at a narrow margin over November prices. The hardwood trade, on the other hand, continues active, and the price tendency is still upward in the more salable kinds and grades of stock, such as sap and plain red gum, the lower grades of plain oak, cottonwood and some of the minor woods. Buying by the automotive interests and car builders is an important factor in the situation.

## Consumption of Electricity

Considerable variation is noted in January figures of reporting centers, but increases and declines balance in number, resulting in only minor net changes. The increases over December are largely accounted for by the passing of the holiday season, but the decreases under January, 1923, represent specific curtailments. The most important changes for January, 1924, as compared with the same month a year ago are substantial reductions in delivery to several large air products companies, steel companies and to automotive manufacturers. Detailed figures follow:

	No. of customers	Jan. 1924 *K.W.H.	Dec. 1923 *K.W.H.	Jan. 1924 comp. to Dec. 1923	Jan. 1923 *K.W.H.	Jan. 1924 comp. to Jan. 1923
Evansville .....	40	898	915	- 1.9%	942	- 4.7%
Little Rock.....	11	747	748	- 0.1	683	+ 9.4
Louisville .....	67	3,576	3,852	- 7.2	3,480	+ 2.8
Memphis .....	31	1,466	1,143	+28.3	1,254	+16.9
St. Louis.....	70	11,173	10,756	+ 3.9	11,350	- 1.6

Totals.....219      17,860      17,414      + 2.6      17,709      + 0.9  
\*In thousands (000 omitted).

## RETAIL

Reports from retailers throughout the district reflect a continuation of the spotted conditions which have prevailed during the past several months. An encouraging feature has been the heavy turnover resulting from clearance sales, particularly in the category of textiles and apparel of all sorts. The recent decline in the price of raw cotton has quickened interest in goods based on that staple, and in the immediate past there has been notable marking down of print cloths, sheetings, gingham and some other cloths. Further stabilization in prices of other lines, notably hardware, furniture and groceries, is mentioned as a factor tending to help the volume of retail trade. The principal adverse factor was the weather, storms and thaws having placed roads in many sections in almost impassable condition. This accounts for the relatively more active status of retail trade in the cities than in

the country, but increased production in certain basic industries has stimulated distribution in manufacturing centers. The comment is made that interest in dry goods, apparel, jewelry and furniture centers strongly in novelties, to the detriment of certain staple merchandise in these lines. Sales of gasoline and lubricating oils have been curtailed by the inclement weather, particularly in the rural areas. Purchasing of supplies for farms, except in the extreme southern tier of the district, is backward.

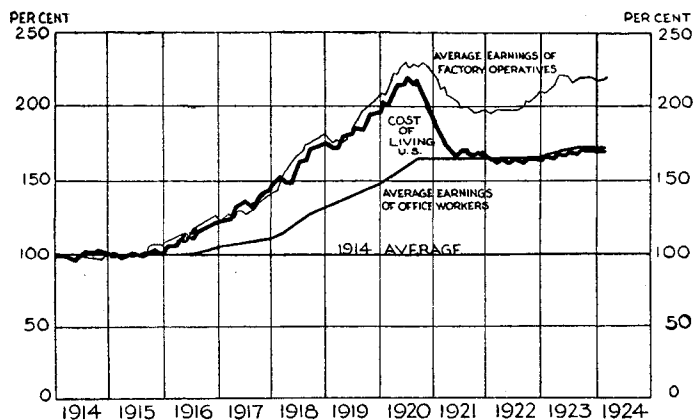
January sales of 3 interests operating 1,482 chain grocery stores show a 14.3 per cent increase over the same month a year ago. January reports from the 22 large department stores, while not uniformly encouraging, show a healthy demand, but with 8 of the reporting stores registering decreases under the same month a year ago. Detailed department store figures follow:

Net sales Jan. 1924 comp. to Jan. 1923	Stocks on hand		Annual rate of stock turnover For the month ending Jan. 31, 1924
	Jan. 31, 1924 comp. to Jan. 31, 1923	Jan. 31, 1924 comp. to Dec. 31, 1923	
Evansville .....	+ 9.3%	+ 17.1%	1.96
Little Rock.....	+ 2.6	+ 1.0	2.43
Louisville .....	+ 5.7	+ 4.4	3.19
Memphis .....	+ 2.4	+ 14.1	2.21
Quincy .....	+ 5.0	+ 2.5	1.96
St. Louis .....	+ 7.3	+ 7.8	3.12
Springfield .....	+ 37.3	+ 5.5	0.90
8th District.....	+ 4.1	+ 6.8	2.72

### WAGE RATES

The average wage rate for male factory operatives in the Eighth District, according to figures compiled by this bank, continued during February at about the level reached last April, following an almost continuous advance since February, 1922. During 1923 the average rose 7 per cent, and the present figure of \$26.89 per week is within 10 per cent of the 1920 peak.

Per capita weekly earnings of office workers, computed as \$32.06, show an increase of 2.7 per cent during 1923 and are now slightly above the 1920 high, but just about on a parity with the cost of living.



Average Earnings Compared With Cost of Living

### AGRICULTURE

Reports from scattered sections of the district indicate that winter wheat has come through the cold weather in good condition, there being few complaints of winter killing and these confined chiefly to late sown grain. Some little damage has been done by alternate freezing and thawing, the extent of which it is too early to determine. There was snow protection over the greater part of the wheat area, and early planted wheat is well rooted and has had ample moisture since the seeding period.

While farmers in surplus counties are selling more

corn since the advance in prices, there is no disposition to rush stocks of this grain to market because of the fact that the high moisture content prevents a large percentage from grading high. The comment is made that arrivals at primary markets include very little choice corn, considerably less than usual grading above No. 3. Farmers are feeding large quantities of corn, despite the fact that the high price of corn and depressed market on hogs are holding down profits in such operations.

In the South some plowing has been accomplished, but as a rule early farm work is backward because of the unfavorable weather. Generally the condition of live stock is good. The movement of potatoes and other vegetables was interfered with to some extent by the extreme cold weather.

The delivery of tobacco to market in some sections has been hampered by the bad condition of roads caused by snows and freezing and thawing. Weather has also been unfavorable for stripping and preparing the leaf for market. The Dark Tobacco Growers Cooperative Association opened its receiving houses in the dark fired district with only fair delivery. Not more than 30 per cent of the pooled tobacco has been delivered in that district. Demand continues for the extremes in quality, best grades of leaf, common lugs and trash selling readily at satisfactory prices.

The tendency is toward higher prices in both burley and dark tobacco. Recent sales on independent floors averaged around \$24 for burley and \$12.50 for dark tobacco. Both the Burley and Dark Tobacco Growers Cooperative Associations are reporting sales at good prices, the Burley Association having disposed recently of 60,000,000 pounds of the 1923 crop and 20,000,000 pounds of the 1922 crop, leaving unsold only about 17,000,00 of the 1922 crop, which consists largely of high grade leaf. The associations are functioning satisfactorily, and recent court decisions have removed doubts as to the validity of contracts made by growers who have pooled their tobacco. Membership in the Burley Association has passed the 100,000 mark.

The rice situation has undergone no change worthy of note during the past thirty days. There was an advance in rough rice which brought the price up to \$1.30 for strictly No. 1, but the prevailing price for average grades has been around \$1.15 to \$1.25. Farmers are selling and delivering as rapidly as weather and road conditions will permit. The demand is excellent and should it continue for another month, very little rice will be left in producers' hands. Some few farmers still have small patches of rice in the field yet unthreshed, but the quantity is small, estimated at less than 5 per cent of the 1923 crop.

In spite of much bad weather, there has been considerable preparation for next season's cotton crop. Reports from scattered sections of the cotton area indicate that planters will practice intensive farming, with the view of producing as large a crop as possible on the acreage planted. Fertilizers will be extensively used, also poisons for combating boll weevil and other insect pests. Southern farmers are being urged to diversify, and particularly to plant more food and feed crops.

Results of the annual survey of live stock on farms in states of this district disclose reductions in the number of animals and a sharp decrease in total value represented on January 1 as compared with the corresponding date in 1923. Missouri farmers had a total of 9,754,000 head of live stock on January 1, compared

with 9,826,000 head last year, and the value this year was \$208,047,000 against \$215,047,000 last year. In Illinois there was a slight increase in numbers, 10,004,000 head, against 9,998,000 head on January 1, 1923, but the value this year was \$269,852,000 as compared with \$285,088,000 last year. The count in Kentucky showed 3,442,000 head worth \$81,340,000, which compares with 3,601,000 head with a value of \$94,207,000 on January 1, 1923. Indiana showed an increase in the number of sheep and milk cows, but decreases in all other classes of live stock. In Tennessee there was a decline of over \$13,000,000 in the value of live stock during the year, and the report from that state comments upon the steady decrease in the number of horses and mules, the total number on January 1 being 12 per cent less than in 1914. In Arkansas all classes of live stock, except sheep decreased in numbers and the value of all animals was \$49,440,600 as compared with \$60,662,400 on January 1, 1923. Explaining the decreases in numbers and value of live stock, agricultural officials in the several states point out that low prices have discouraged stock raisers, and failure of crops in many sections has forced the liquidation of farm animals, not only to defray debts, but to reduce expenses. Many other contributing causes are mentioned, among which are drought, sheep-killing dogs, hog cholera, slack demand for draft animals due to increased use of automobiles and tractors, and high cost of feed.

#### Live Stock Movement

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

	*Receipts			*Shipments		
	Jan. 1924	Dec. 1923	Jan. 1923	Jan. 1924	Dec. 1923	Jan. 1923
Cattle and Calves.....	92	99	98	53	54	60
Hogs.....	499	432	453	296	257	284
Horses and Mules.....	15	8	23	15	8	21
Sheep.....	28	34	32	13	16	14

\*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		
	Jan. 1924	Dec. 1923	Jan. 1923	Jan. 1924	Dec. 1923	Jan. 1923
Beef, lbs.....	52	30	489	26,506	27,890	17,945
Corn, bu.....	4,628	4,522	2,431	3,046	1,967	2,361
Flour, bbls.....	440	420	332	511	532	461
Hides, lbs.....	7,586	8,034	7,975	9,559	9,782	10,943
Lard, lbs.....	5,991	6,503	7,190	15,845	12,600	13,026
Lead, pigs.....	243	215	279	149	186	136
Lumber, cars.....	18	18	19	12	12	14
Oats, bu.....	3,054	2,906	4,490	2,431	2,383	3,196
Pork, lbs.....	18,606	17,442	21,488	30,923	27,331	33,454
Wheat, bu.....	1,850	2,271	3,556	1,512	1,722	2,681
Zinc, slabs.....	325	368	148	213	225	169

\*In thousands (000 omitted).

#### Commodity Prices

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

	High		Low		Close	
	Feb. 15, 1924	Feb. 15, 1923	Feb. 15, 1924	Feb. 15, 1923	Feb. 15, 1924	Feb. 15, 1923
Wheat .....per bu.						
May .....	\$1.13½	\$1.08½	\$1.09¾	\$1.18½		
July .....	1.11¾	1.05¾	1.08	1.12½		
September .....	1.12½	1.05	1.08½	1.11½		
No. 2 red winter..	1.23½	1.12	\$1.16 @ 1.17½	1.42		
No. 2 hard.....	1.14½	1.09	1.10½	\$1.21 @ 1.22		
Corn .....						
May .....	.82½	.78¾	.79½	.74½		
July .....	.82½	.79¾	.80½	.75¾		
September .....	.82½	.79¾	.80½	.76		
No. 2 .....	.80	.77½	.77½	.73		
No. 2 white.....	.84½	.78½	.78½ @ .79½	.74		
Oats .....						
May .....	.51¾	.49¾	.50	.47¾		
No. 2 white.....	.51¾	.48	.49½ @ .50	.45½ @ .46		
Flour .....						
Soft patent.....per bbl.	6.50	5.25	5.40 @ 6.50	6.00 @ 7.00		
Spring patent.....	6.25	5.90	6.00 @ 6.25	6.50		
Middling cotton.....per lb.	.34½	.32½	.32½	.28½		
Hogs on hoof.....per cwt.	8.40	4.00	4.75 @ 7.35	7.00 @ 8.85		

## BUILDING

Permits for new buildings in the five largest cities of the district during January showed a slight decrease under the corresponding month in 1923, but a gain of 38.2 per cent in number and 170.3 per cent in amount as compared with January, 1922. Low temperatures and storms interfered somewhat with construction operations during the period under review, but despite this handicap more than the usual amount of work for this season of the year was accomplished. Residential construction continues to feature new building enterprise, particularly in the South. Building in the suburbs of the larger cities is on an extensive scale, and according to building material interests, farmers are planning to make more repairs and additions to their buildings during the coming spring than at any time during the past three years. Road work showed the usual seasonal slowing down, but will be resumed on a large scale as soon as weather conditions permit. No changes worthy of note took place in prices of building materials or wages, the latter holding firm at the peak levels of last fall. Production of Portland cement for the country as a whole totaled 8,788,000 barrels in January, which compares with 9,997,000 barrels in December and 7,990,000 barrels in January, 1923. Building figures for January follow:

	New construction		Repairs, etc.	
	Permits	*Cost	Permits	*Cost
	1924	1923	1924	1923
Evansville .....	43	71	\$ 82	\$ 194
Little Rock .....	88	84	407	248
Louisville .....	185	337	815	3,404
Memphis .....	274	343	1,626	1,386
St. Louis .....	397	555	3,217	2,218
Jan. totals.....	987	1,390	\$6,147	\$7,450
Dec. totals.....	1,015	918	6,635	9,267
Nov. totals.....	1,592	1,266	6,965	5,380

\*In thousands of dollars (000 omitted).

## FINANCIAL

Influences affecting the banking and financial situation during the period under review were virtually the same as during the preceding thirty days, and only minor changes occurred in this district. The demand for credits from commercial sources continues good, though somewhat spotted, but with loanable resources of the banks large, the trend of rates was slightly easier. A moderate volume of liquidation was reported, with settlements in the tobacco sections making a particularly favorable showing in this respect. Marketing of tobacco in all districts is making satisfactory progress, the demand being good and prices well up to expectations. Relatively little rice still remains in producers' hands, and loans based on that cereal have been substantially reduced. The increased movement of corn is reflected in heavier borrowings by shippers and the elevator interests, but these have been largely offset by payments which producers have been enabled to make with the proceeds of stocks sold. Millers, who had been carrying liberal stocks, have since February 1 received freer shipping directions and been able to cut down their banking commitments. Generally agricultural borrowings continue to decline as live stock and last season's crops move to market, and except in the South borrowings for the present crop year are still some weeks off. Deposits of reporting member banks showed a good increase. Stocks, bonds and other investments of the banks were virtually stationary. Between January 15 and February 15 accommodations granted by this bank to all member banks decreased \$7,002,000. Between the same dates there was a decrease of \$3,894,000 in Federal reserve note circulation of this bank.



## Commercial Paper

Dull conditions featured the market for commercial paper during the greater part of the period under review. A reduction in rates served to reduce the demand from country banks, and city institutions with but few exceptions were finding ample outlet for their funds through regular line borrowers. Offerings at 4½ per cent met with such indifferent response that paper bearing this rate was either withdrawn or the quotation advanced. Good to prime names bearing 4¾ per cent, however, found ready sale. January sales of reporting brokers were 8.8 per cent less than for the corresponding month in 1923, but 3.2 per cent in excess of December. During the first two weeks of February, sales were about on a parity with the corresponding period last year. In the extremes, rates were quoted at from 4½ to 5 per cent.

## Savings Deposits

Number of banks reporting	*Amount of savings deposits			Feb. 1924 comp. to Jan. 1924	Feb. 1924 comp. to Feb. 1923
	Feb. 6, 1924	Jan. 2, 1924	Feb. 7, 1923		
Evansville.....4	\$ 9,024	\$ 9,062	\$ 8,825	— 0.4%	+ 2.3%
Little Rock.....5	7,462	7,278	7,222	+ 2.5	+ 3.3
Louisville.....7	25,987	26,012	22,846	— 0.1	+ 13.7
Memphis.....5	19,063	18,619	16,534	+ 2.4	+ 15.3
St. Louis.....12	73,489	73,852	69,802	— 0.5	+ 5.3
Totals.....33	\$135,025	\$134,823	\$125,229	+ 0.1	+ 7.8

\*In thousands (000 omitted).

## Federal Reserve Operations

During January the Federal Reserve Bank of St. Louis discounted for 264 of its 629 member banks, which compares with 279 of its 630 member banks accommodated in December. 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 statement:

	*Feb. 20, 1924	*Jan. 23, 1924	*Feb. 21, 1923
<b>RESOURCES</b>			
Gold with Federal Reserve Agent.....	\$ 69,304	\$ 62,872	\$ 82,095
Gold redemption fund with U. S. Treasury.....	2,487	3,055	2,058
Gold held exclusively against F. R. notes.....	71,791	65,927	84,153
Gold settlement fund with F. R. Board.....	14,366	23,952	9,511
Gold and gold certificates held.....	4,587	4,779	5,360
Total gold reserves.....	\$ 90,744	\$ 94,658	\$ 99,024
Reserves other than gold.....	13,732	13,569	18,714
Total reserves.....	\$104,476	\$108,227	\$117,738
Non-reserve cash.....	4,639	5,140	4,145
Bills discounted:			
Secured by U. S. Government obligations.....	10,883	14,680	8,431
Other bills discounted.....	27,357	26,649	7,765
Total bills discounted.....	\$ 38,240	\$ 41,329	\$ 16,196
Bills bought in open market.....	2,740	655	9,202
U. S. Government securities:			
Bonds.....			7,313
Treasury notes.....	1,514	760	10,923
Certificates of indebtedness.....	893	766	10,756
Total U. S. Government securities.....	\$ 2,407	\$ 1,526	\$ 28,992
Total earning assets.....	\$ 43,387	\$ 43,510	\$ 54,390
Uncollected items.....	35,230	32,653	36,709
Bank premises.....	1,493	1,409	919
All other resources.....	188	81	538
<b>TOTAL RESOURCES.....</b>	<b>\$189,413</b>	<b>\$191,020</b>	<b>\$214,439</b>
<b>LIABILITIES</b>			
F. R. Notes in actual circulation.....	\$ 69,223	\$ 70,850	\$ 86,594
Deposits:			
Member banks-reserve account.....	69,815	69,281	72,681
U. S. Government.....	1,899	2,738	3,696
Other deposits.....	374	557	593
Total deposits.....	\$ 72,088	\$ 72,576	\$ 76,970
Deferred availability items.....	32,399	31,949	35,589
Capital paid in.....	5,055	5,003	4,900
Surplus.....	10,072	10,072	9,665
All other liabilities.....	576	570	721
<b>TOTAL LIABILITIES.....</b>	<b>\$189,413</b>	<b>\$191,020</b>	<b>\$214,439</b>
<b>MEMO—Contingent liability on bills purchased for foreign correspondents.....</b>	<b>825</b>	<b>748</b>	<b>1,404</b>
Ratio of total reserves to deposit and F. R. note liabilities combined.....	73.9%	75.5%	72.0%

\*In thousands (000 omitted).

## Debits to Individual Accounts

	*Four weeks ending			Feb. 1924 comp. to Jan. 1924	Feb. 1924 comp. to Feb. 1923
	Feb. 13, 1924	Jan. 16, 1924	Feb. 14, 1923		
E. St. Louis and Nat'l. Stock Yards, Ill..	\$ 36,930	\$ 38,848	\$ 40,021	— 4.9%	— 7.7%
El Dorado, Ark.....	6,139	5,870	.....	+ 4.6	— 10.2
Evansville, Ind.....	26,119	30,689	29,089	— 14.9	.....
Fort Smith, Ark.....	11,011	12,315	10,586	— 10.6	+ 4.0
Greenville, Miss.....	4,331	4,573	5,194	— 5.3	— 16.6
Helena, Ark.....	4,544	6,446	5,254	— 29.5	— 13.5
Little Rock, Ark.....	54,327	61,061	51,030	— 11.0	+ 6.5
Louisville, Ky.....	156,025	150,135	149,489	+ 3.9	+ 4.4
Memphis, Tenn.....	130,571	162,738	143,955	— 19.8	— 9.3
Owensboro, Ky.....	6,221	7,266	6,649	— 14.4	— 6.4
Quincy, Ill.....	9,151	9,449	9,527	— 3.2	— 3.9
St. Louis, Mo.....	589,138	654,932	571,756	— 10.0	+ 3.0
Sedalia, Mo.....	3,484	4,984	.....	— 30.1	.....
Springfield, Mo.....	11,271	12,894	12,622	— 12.6	— 10.7
Totals.....	\$1,049,262	\$1,162,110	.....	— 9.7	+ 0.4

\*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:

	*Feb. 13, 1924	*Jan. 16, 1924	*Feb. 14, 1923
Number of banks reporting.....	735	735	37
Loans and discounts (incl. rediscounts):			
Secured by U. S. obligations.....	\$ 9,779	\$ 11,253	\$ 17,911
Secured by other stocks and bonds.....	148,746	152,795	137,786
All other loans and discounts.....	314,445	307,041	302,898
Total loans and discounts.....	\$472,970	\$471,089	\$458,595
Investments:			
U. S. Pre-war bonds.....	14,991	14,992	15,324
Liberty bonds.....	23,556	24,668	24,802
Treasury bonds.....	6,242	7,061	9,742
Victory and Treasury notes.....	16,714	17,403	24,850
Certificates of Indebtedness.....	7,451	8,070	3,709
Other securities.....	89,584	86,625	90,363
Total investments.....	\$158,538	\$158,819	\$168,790
Reserve balance with F. R. bank.....	43,559	42,229	43,843
Cash in vault.....	8,773	8,028	8,330
Net demand deposits.....	364,079	363,623	384,705
Time deposits.....	201,805	196,972	184,571
Government deposits.....	4,186	4,649	4,410
Bills payable and rediscounts with Federal reserve bank:			
Secured by U. S. obligations.....	3,237	5,788	1,401
All other.....	14,108	19,039	1,747

\*In thousands (000 omitted).

†Decrease due to consolidation.

## COST OF LIVING

Cost of living in the United States on January 15, 1924 had decreased two-tenths of one per cent from the level of December 15, 1923 according to the National Industrial Conference Board. In the month from December 15, 1923 to January 15, 1924 there was an increase in the cost of clothing and decreases for fuel and food. These changes were each less than one per cent. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and January, 1924, the cost of living decreased 19.5 per cent. The increase since July, 1914 was 64.6 per cent.

Detailed changes are shown in the following table:

Item	Relative importance in family budget	Percentage of increase in the cost of living above average prices July, 1914 to			Percentage of decrease in the cost of living on Jan. 15, 1924, from average prices in	
		July 1920	Dec. 1923	Jan. 1924	July 1920	Dec. 1923
Food*.....	43.1	119	50	49	32.0	0.7
Shelter.....	17.7	58	80	80	13.9**	No change
Clothing.....	13.2	166	75	76	33.8	0.6**
Fuel and Light.....	5.6	66	76	75	5.4**	0.6
(Fuel).....	(3.7)	(92)	(93)	(92)	(No change)	(0.5)
(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	65.0	64.6	19.5	0.2

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

\*\*Increase.

The purchasing value of the dollar based on the cost of living in January, 1924 was 60.8 cents as contrasted with one dollar in July, 1914.

(Compiled February 21, 1924)

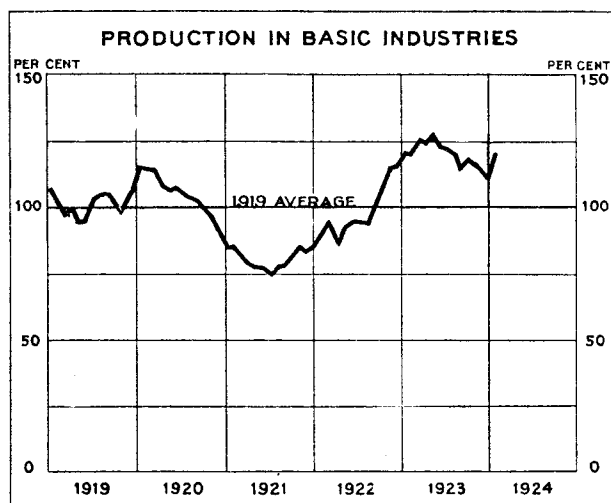
## BUSINESS CONDITIONS IN THE UNITED STATES

### Production

The Federal Reserve Board's index of production in basic industries increased 8 per cent in January and was at approximately the same level as a year ago. This increase followed a downward movement which had been under way since May, 1923. The increases over December, which occurred in most industries, were particularly large in the production of steel ingots, lumber and bituminous coal and in mill consumption of cotton.

A small but general reduction of working forces at industrial establishments resulted in a slight decline in the index of factory employment. The largest decreases occurred at plants manufacturing food products and tobacco.

Contract awards for new buildings in January were slightly higher in value than in December and were 26 per cent above a year ago.



Index of 22 basic commodities corrected for seasonal variation.  
Latest figure, January=120.

### Trade

Railroad shipments, particularly of miscellaneous merchandise, increased during January, and total car loadings were somewhat above the high level of January, 1923.

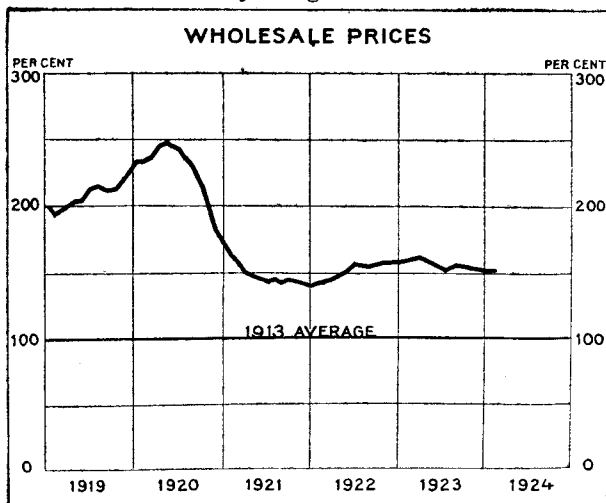
The index of wholesale trade increased 11 per cent during January and was slightly higher than a year ago. Sales of groceries, meat and drugs were larger than in January, 1923, while sales of dry goods and shoes were smaller.

Retail trade in January showed the usual seasonal decline. Compared with a year ago, department store sales were 7 per cent larger, and stocks of merchandise at these stores, after declining in January, were 6 per cent above last year's level.

Sales of mail order houses in January exceeded those of a year ago by 11 per cent.

### Price

The wholesale price index of the Bureau of Labor Statistics remained unchanged during January and was at a level 3 per cent lower than a year ago.



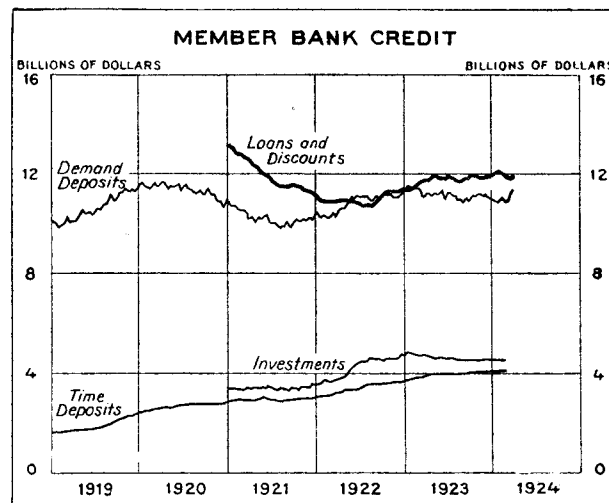
Index of U. S. Bureau of Labor Statistics.  
Latest figure, January=151.

Prices of fuels and building materials, which had been declining since early in 1923, increased in January, while prices of farm products, foods and clothing declined.

During the first two weeks of February prices of hogs, sugar, hides, lumber and metals advanced while prices of cotton, wheat and silk declined.

### Bank Credit

The volume of borrowing for commercial purposes at member banks in leading cities, after an almost continuous decline for more than three months, increased considerably during the latter part of January and the first two weeks in February. This increase was accompanied by a decline in loans secured by stocks and bonds.



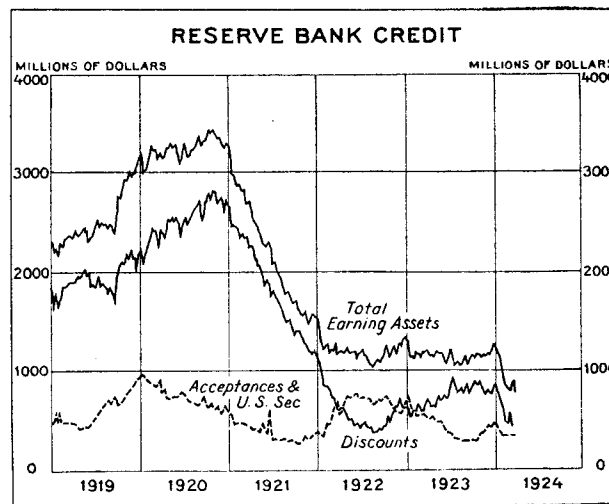
Weekly figures for member banks in 101 leading cities.  
Latest figure, February 13.

Total loans and investments of the reporting banks are now slightly larger than a year ago, commercial loans and loans on stocks and bonds are larger, but investments are smaller.

At the Federal reserve banks the total volume of earning assets fluctuated within narrow limits during February. The large return flow of currency and the repayment of discounts, which characterized the early weeks of the year, did not continue after January.

Since the first week in February the volume of discounts for member banks has been about \$500,000,000 and the holdings of securities purchased in the open market about \$400,000,000.

The easier money conditions of January were followed in February by slightly firmer rates of acceptances and on short term government securities. Commercial paper rates in the New York market remained unchanged at  $4\frac{3}{4}$  per cent.



Weekly figures for 12 Federal reserve banks.  
Latest figure, February 20.