

FEDERAL RESERVE BANK OF ST. LOUIS



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

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WHILE underlying conditions have undergone no change of moment during the past thirty days, and production and consumption of commodities continues on a large scale, the general business situation is streaked with unevenness, and greater hesitation is manifested among buyers, particularly in the matter of forward commitments. A number of unfavorable factors noted in the preceding issue of this report continued to be felt during the first half of the period under review. Chief among these was the unfavorable weather prevailing through the district. Low temperatures, accompanied by rain storms served to disturb the usual routine of business in the rural districts, and held down the volume of retail trading even in the large cities. Muddy roads kept farmers and their families from going to town to do their shopping, and the soft condition of fields held down farm operations to a minimum. The lateness of Easter was another factor adversely affecting the volume of distribution of merchandise, especially wearing apparel and holiday specialties.

In all lines of trade there is a growing disposition to take only such goods as can be disposed of from month to month. This attitude is ascribed to uncertainty relative to prices and to diminishing confidence relative to the outcome of business during the balance of the year. While there is every evidence of goods being needed, the policy is to deal with the utmost caution and to order often and in small lots rather than stock up heavily. Wholesalers make the comment that competition has increased in keenness, and it is more difficult to realize profits on their sales than was the case earlier in the year. Special effort in the direction of broadening assortments and offering attractive styles and designs are meeting less satisfactory response than might be expected. Price considerations continue an important factor, but at the moment it is less a matter of prices than general hesitancy and lack of interest.

Relatively industry made a more favorable showing than trade. Opening of the spring building season gave impetus to all kinds of construction work, and reports from all sections of the district indicate a continuance of the activity in construction which has marked the past eighteen months. The demand for building materials is active, and there is full employment among the building crafts. Heavy sales of building materials in the country, according to manufacturers and distributors, are taken to indicate that farmers are preparing to effect long delayed repairs and additions to their equipment. No improvement was noted in the coal mining industry, but in the lead and zinc district production is on a large scale, despite the recession in prices of ore and the refined metals.

Decreases in March sales as compared with a year ago were shown by reporting manufacturers and

wholesalers in the following lines: Boots and shoes, drugs and chemicals, dry goods, electrical supplies, furniture, fire clay products, stoves, railroad supplies, millinery, farm implements, job foundries and hardware. Gains were recorded in clothing and groceries. Stocks in virtually all lines investigated are of moderate proportions, and well under the corresponding period a year ago. Manufacturers are making up but few goods for which they have not orders booked or in immediate prospect, and their acquisitions of raw materials are being shaped to conform with this general policy. Price fluctuations of manufactured commodities were within rather narrow limits, but the trend was downward in a number of important classifications, notably iron and steel. Some cotton goods were higher, in response to the upturn in the raw staple, but generally textiles were unchanged.

Reports relative to employment in the district during March reflected rather irregular and spotted conditions. On the whole, however, fair gains were made over the preceding month, the chief accessions to the ranks of active workers being in the country, where farm operations and road building were resumed on a large scale. There were further gains in railroad shops and some factories, while losses were reported in the mining areas and among office help. According to the Employment Service of the U. S. Department of Labor, general industrial employment was maintained at a high rate. Common labor for all sorts of outdoor work was in excellent demand, and save where strikes have caused temporary idleness, artisans in the building industry are fully employed. Automobile plants, wholesale hardware, iron and steel, drugs and chemicals, packing plants and river improvement work are engaging their full seasonal complement of workers. In some sections of the South there is a scarcity of labor in the country, and efforts are being made to bring back laborers who left the farms to take work in the large manufacturing centers. Strikes and depression in the demand for fuel have created conditions of acute idleness in some coal mining sections.

While the season is from two to four weeks late, the agricultural outlook in this district is on the whole favorable. In the case of the main crops, indications are for acreages fully equal to those planted last year. The freezes in late March did little damage to fruits and small crops, as initial growth had not progressed far enough for the low temperatures to do any harm. The movement of cereals and other farm products to market during March showed a rather sharp decrease as compared with the preceding month and the corresponding period a year ago. Wheat futures in the St. Louis market declined further during the period under review, the May option closing at \$1.01½ on April 15, as compared with \$1.06½ on March 15.

Between the same dates corn futures were off $\frac{3}{8}$ c to $1\frac{3}{4}$ c, but both corn and wheat in the spot market held relatively strong, No. 2 red winter wheat being 1c to 2c higher. Middling cotton fluctuated rather broadly, dropping from 29c per pound on March 15 to $27\frac{1}{2}$ c on March 27, then reacting upward to $31\frac{1}{2}$ c on April 12, and closing at 31c on April 15.

A sharp reduction in production and continued dullness featured the coal situation during the period under review. All classes of consumers are disposed to postpone purchasing except what they are obliged to have for immediate use. Even the contract business usually in evidence at this time is considerably behind the seasonal level. The immediate cause of the recent decline in production was a general and marked softening in the market. Larger losses of working time through lack of demand were reported from all coal fields in the district. Labor troubles in the Kentucky fields have accentuated the depression there. Adjustments of wages and working conditions in the Central Competitive Field have served to reassure consumers relative to future supplies, and as a result, they are taking their time about buying. For the country as a whole the production of soft coal during the week ended April 5 was marked by a sharp decline. The total output was estimated at 6,814,000 net tons, a decrease of 2,004,000 tons under the preceding week, and comparing with 9,629,000 tons during the corresponding week in 1923. Production during the first 82 working days of the calendar year, or to April 5, totaled 141,841,000 tons, which compares with 146,311,000 tons for the same period in 1923.

While the past several weeks have developed a recessionary trend in traffic of railroads operating in this district, total volume continues heavy and above seasonal records of former years. For the country as a whole loadings of revenue freight have decreased steadily since the week ending March 1, the total for the week of April 5 being 862,096 cars. This represented a decrease of 45,452 cars under the preceding week and of 34,279 cars under the corresponding week in 1923, but a gain of 156,083 cars over the same week in 1922. Decreases were shown in all commodities except miscellaneous freight and forest products. The Terminal Railway Association of St. Louis, which handles the interchange of 28 connecting carriers, interchanged 204,656 loads in March, against 204,866 loads in February and 222,694 loads in March, 1923. During the first nine days of April 59,811 loads were interchanged, which compares with 59,660 loads during the first nine days of February and 63,580 loads during the corresponding period in April last year. Passenger traffic of reporting roads in March was unchanged from a year ago.

Tonnage moved on the Mississippi section of the Federal barge line between St. Louis and New Orleans amounted to 74,000 tons during March, which compares with 80,229 tons handled during February, 1924 and 59,551 tons moved during March, 1923. The relatively large total for February was occasioned by accumulation of freight prior to the opening of the season, and the fact that the first big tow was moved February 1.

A further slight slowing down in collections was indicated in reports to this bank covering March and early April. As has been the case for a number of months, much irregularity prevails, some localities making a markedly better showing than others. Country merchants complain that the unseasonable and heavy weather of March interfered with their collections, and unsatisfactory conditions in the coal fields

proved another factor making for backward payments. As a rule retailers in the large cities are getting in their money promptly, and wholesalers, particularly of boots and shoes and dry goods, report April settlements up to expectations. Answers to 408 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
March, 1924.....	0.0%	24.8%	58.7%	16.5%
Feb. 1924.....	1.7	27.1	53.4	17.8
March, 1923.....	1.8	42.8	51.8	3.6

Commercial failures in the Eighth Federal Reserve District during March, according to Dun's, numbered 100, involving liabilities of \$1,313,655, against 97 defaults with indebtedness of \$1,489,558 in February, and 107 failures for \$1,508,844 in March, 1923.

The per capita circulation of the United States on April 1 was \$42.85, against \$42.85 on March 1 and \$41.98 on April 1, 1923.

MANUFACTURING AND WHOLESALE

Automobiles

Production of automobiles and trucks for the country as a whole during March exceeded the February output by 4 per cent, and was 7.9 per cent greater than the total of March, 1923. Part of the gain in March as compared with February was due to seasonal considerations and the fewer number of working days during the earlier period. Companies reporting direct or through the Automobile Chamber of Commerce built 348,287 passenger cars in March, against 336,284 cars in February. The output of trucks by these companies in March totaled 33,061 against 30,399 in February. Distribution continues on a satisfactory scale, sales of 230 dealers scattered through the district during March being 5.5 per cent larger than during the corresponding month last year, and 12 per cent in excess of February. Reports relative to new stocks indicate that with the exception of two of the lowest priced vehicles, the number of cars on hand is normal for the season, and no greater than at the same time last year. The movement of accessories also showed gains over a year ago, and this branch of the industry is described as active. No change for the better took place in tires, except that price reductions have ceased. A slight increase in the number of used cars in stock as compared with the preceding thirty days was noted.

Boots and Shoes

Sales of the 11 reporting interests in March were 18.3 per cent less than for the same month in 1923, but showed somewhat more than the usual seasonal increase over the preceding month this year. The loss as compared with a year ago is chiefly in advance orders, sales for prompt delivery, continuing to make a good showing. Unfavorable weather and the general lateness of the season were mentioned as factors interfering with distribution in much of the territory served. Price changes in both finished goods and raw materials were of minor importance, though in the immediate past a lower trend was noticed in hides and certain grades of leather. Plants producing women's specialties continue on full schedule, but generally factory operation was at about 76 per cent of capacity. The total number of pairs of shoes manufactured in this district during March was 2 per cent more than during the preceding month and for the country as a whole, March production increased 4.8 per cent over the February total.

Clothing

Opening of fall lines of woollens and worsteds has brought but few orders, bookings to date being some 35 per cent less than at this time a year ago. Several firms have secured capacity business on men's wear, but this condition is not general. All grades of dress goods, cloakings and staples are relatively quiet, though women's spring coats are in good demand. Manufacturers of overalls report some slowing down in sales, while demand for men's sport clothes is slightly better. Woolen goods prices are barely steady. March sales of the 11 reporting interests were 8.9 per cent in excess of those of the same month a year ago, but 39.1 per cent under the February, 1924 total.

Drugs and Chemicals

March sales of the 11 reporting interests fell 10.3 per cent under the corresponding month last year, but were 6.7 per cent in excess of the February total this year. The backward spring has held down the movement of seasonal goods, but improvement in orders has taken place since April 1, particularly in the South. There has been a good movement of insecticides and spraying materials, and the demand for staple drugs and proprietary preparations continues active. A further recession in purchasing of heavy chemicals by manufacturers was reported. Sundries, cosmetics, paper goods and candy are being taken in normal volume. The retail drug business is generally good.

Dry Goods

The advance in spot cotton during the first half of April gave a momentary impetus to buying in this category, but it was not sustained. Prices on print cloths and sheetings were slightly higher, in response to the upturn in raw cotton, but otherwise prices on cotton goods showed little change worthy of mention, with the demand generally quiet. Demand in all apparel lines is lagging, due partly to the late Easter and the inclement weather. Spring yard goods are moving tardily, and there is only fair demand for silks. About the only activity noticeable is in sport goods. Piecemeal buying is everywhere in evidence and stocks in all positions continue light. March sales of the 11 reporting interests were 25.5 per cent under those of the same month a year ago and 30.7 per cent less than in February, 1924.

Electrical Supplies

The cold, wet weather during March, which delayed the opening of building and outdoor work by public utilities companies, was given as the chief cause for a decrease of 8.9 per cent in March sales of the 12 reporting interests as compared with the same month last year. A gain of 15.7 per cent, however, was shown as compared with February this year. Pre-season business in electric fans is reported satisfactory, and the movement of small motors of all sorts was in large volume. Companies specializing in household appliances report steadily increasing business, and sales of radio apparatus continue large.

Fire-Clay Products

March sales were hardly up to expectations, and the improvement noted during the first half of April has been largely a matter of tone, as not much business has resulted from the numerous inquiries received during that time. The placement of several large municipal vitrified contracts has assured operations for several manufacturers in this portion of the indus-

try for several weeks. Otherwise business is just about holding its own, with sales of cement kiln liners about on a parity with the previous month and a slight slackening in the movement of bung arches and other shapes taken by the malleable industry. Demand from the oil fields, which has been relatively quiet, shows signs of improvement. Prices are unchanged. March sales of the 5 reporting interests were 19.8 per cent under those of the same month a year ago, but 11.3 per cent in excess of the February, 1924 total.

Flour

Production of the 11 leading mills in the district during March was 358,055 barrels, against 357,539 in February and 350,064 barrels in March, 1923. No change took place in the main features of the trade, the inert conditions of the preceding few months still obtaining. No new business of consequence was reported, sales being chiefly on the regular customer order and for prompt shipment. Domestic orders for both hard and soft flours were limited, but fair shipping directions enabled some mills to operate at a higher capacity than during the preceding thirty days. Export business is almost at a standstill, bids from Europe being too far out of line to result in workings. Mill operation averaged approximately 67 per cent of capacity.

Furniture

As compared with a year ago, March sales of the 29 reporting interests showed a decrease of 16 per cent, and were 8 per cent under the February total this year. Manufacturers and jobbers complain that dealers are difficult to interest, and continue to purchase on a hand-to-mouth basis. Stock orders are the smallest for this particular season in a number of years. Concessions in prices are being asked by the dealers, but manufacturers say that with present raw material and labor costs it is impossible to lower their quotations and realize a profit. Case goods are especially quiet, sales during March being hardly a third of normal. Factory operation was at from 60 to 70 per cent of capacity.

Groceries

With spot sugar at its low price of the year, there has not been much tendency to accumulate this or other stocks, so that buying by retailers has not been beyond immediate needs. Impassable roads have reduced the extent of territory covered by salesmen, while this same condition has held down some rural purchasing. Coffee continues the strong spot in the list, with demand good and prices steady. Movement of this commodity into retail hands is normal, in contrast to a retarded demand for most other items. Business during the first three weeks of April showed some improvement, but without any firmer price tendencies. Sales of Easter candies were about on a parity with last year. March sales of 22 reporting firms were 0.7 per cent above those of the same month a year ago and 1.1 per cent less than those of February, 1924.

Hardware

Sales of the 12 reporting interests in March were 19.8 per cent under those of the same month in 1923, and 3.1 per cent under the February total this year. Business in the country is reported particularly quiet, due to unfavorable weather and the low prices of many agricultural products. Since April 1 there has been some improvement in sales of hand implements, poultry supplies and wire goods, but for the season

to date the movement of all sorts of farm supplies is below normal. Building hardware and tools continue the most active section of the line, and seasonal sporting goods are also in good demand.

Iron and Steel Products

During the past thirty days the disposition on the part of consumers to place no larger tonnages than they are in immediate need of became more pronounced. There were, however, substantial gains during March in output of both pig iron and steel ingots for the country as a whole. The trend of prices is easier, and a number of specific price reductions have been announced by manufacturers anxious to move certain varieties of material. Shipments by mills and foundries continue on a large scale, and in many instances are well in excess of incoming orders. Steel ingot production in March attained the highest daily average on record, 159,455 tons, or at the annual rate of 49,590,000 tons. The previous peak was in April, 1923, when the daily average rate was 157,776 tons. Total output of pig iron in March was 3,435,813 tons against 3,072,167 tons in February. The market for pig iron was very inactive, with the undertone easier. Nominally No. 2 Southern foundry iron, 1.75 to 2.25 per cent silicon, ranged from \$22 to \$23 per ton, furnace, while Northern iron of the same grade was quoted at \$24. Purchasing by the railroads, while still in fair volume, is less active than heretofore. Further improvement was noted in buying of supplies by the oil fields, but purchasing in the coal mining regions continues at a low ebb. The reduction of 80c per ton in the season's Lake Superior iron ore price to the lowest point since 1915 had a bearish influence on views of buyers of iron and steel materials. March sales of stove manufacturers, 7 reporting, were 21.3 per cent under the same month in 1923, and 3.7 per cent larger than the February total this year; railway supplies, 5 interests reporting, decreased 44.8 per cent under the same month in 1923, but gained 13.3 per cent over February this year; farm implement makers, 6 reporting, decreased 16.8 per cent under March last year and 2.5 per cent under the February total this year; job foundries, 5 reporting, decreased 8.6 per cent under March, 1923, but gained 2.6 per cent over February this year; manufacturers of boilers, stacks, elevators, radiators and miscellaneous products, 12 reporting, decreased 51.1 per cent under March, 1923, but gained 23.8 per cent over February this year.

Lumber

As usual at this season, there is marked contrast between conditions in the wholesale and retail branches of the trade. The latter shows decided further improvement with the coming of better and more settled weather for building operations. The change in this regard is particularly noticeable among city yards in the district. Because of heavy winter buying, however, on the part of retailers and the lateness of the building start, the benefits accruing from out-of-yard movement have not as yet been felt in the wholesale line. What is true of the lightness of buying at softwood mills is equally true with respect to the demand on hardwood producers. Along in late March the hardwood trade passed from declining activities to a period of quiet. Prices are somewhat lower and weak on douglas fir and short leaf yellow pine, among the building woods, but are well sustained on long leaf pine, cypress and redwood. In the hardwoods, ash, maple and elm hold firmly, but many items in the balance of the list sold at varying concessions.

Consumption of Electricity

Figures from reporting centers indicate considerable irregularity, the number of gains just balancing declines during the periods compared. Total consumption, however, continues to mount, with the gross increase largely in St. Louis. In this city the increase, both over the preceding month and year is occasioned by operations of a large cement plant that was shut down during both former periods. In other parts of the district increased loads were taken by ice manufacturers and foundries, while coal mines and furniture manufacturers used smaller quantities. Detailed figures follow:

	No. of custom- ers	Mar. 1924 *K.W.H.	Feb. 1924 *K.W.H.	Mar. 1924 comp. to Feb. 1924	Mar. 1923 *K.W.H.	Mar. 1924 comp. to Mar. 1923
Evansville.....	40	1,023	967	+ 5.8%	1,045	- 2.1%
Little Rock.....	11	712	693	+ 2.7	648	+ 9.9
Louisville.....	67	3,203	3,646	-12.2	3,270	- 2.0
Memphis.....	31	1,272	1,372	- 7.3	1,302	- 2.3
St. Louis.....	72	12,084	10,800	+11.9	11,311	+ 6.8
Totals.....	221	18,294	17,478	+ 4.7	17,576	+ 4.1

*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:

	By water power	By fuels	Totals
December, 1923.....	1,680,966,000	3,275,485,000	4,956,451,000
January, 1924.....	1,679,712,000	3,522,415,000	5,202,127,000
February, 1924.....	1,559,645,000	3,318,450,000	4,878,095,000

†Considered on a daily average basis, the February output surpasses the previous high record, that of January, 1924.

RETAIL

Pre-Easter trade throughout the district, while hardly up to expectations in the rural sections, was about on a parity with that of 1923 in the larger cities. It is noteworthy that in spite of the fact that Easter fell on the first day of April last year, sales of department stores in St. Louis for the first three months of 1924, during which time relatively little Easter apparel was moved because of unseasonable weather, exceeded those of the same period in 1923 by seven tenths of one per cent. Elsewhere in the district slight losses were recorded, but the aggregate loss for all reporting centers for the year to date is less than one per cent.

Demand for textiles during March was of a relatively limited character, particularly as regards assortments, the inclement weather retarding movement of all lighter weight fabrics. During the first three weeks of April, yard goods were in normal demand, but sales of hosiery show only moderate improvement. Printed silks and sport clothes, both men's and women's, constituted about the only really active items in the list, with demand for these fully equal to that of year ago. An increasing number of imported novelties are making their appearance in the larger stores. Demand for men's shoes continues about normal in the medium and higher grades, but shows some decline in the cheaper varieties. Women's novelty shoes are moving well. Easter sales of candy specialties exceeded those of 1923 in the cities, but showed general losses in the country. Sporting goods dealers, who experienced a dull demand during the first three months of 1924, now show sales in excess of the same period a year ago, with golf and baseball supplies especially active. Hardware dealers report an excellent demand for all sorts of hand implements and builders' supplies, though sales of radio apparatus are undergoing a seasonal decline. Demand for jewelry is dull throughout the list, with sales of reporting firms 10 per cent under those of a year ago. Stocks of department stores at the end of March showed gains over last year as against losses in sales, due to accumulation for Easter trade anticipated in April. Cautious purchasing on

the part of retailers themselves is shown in outstanding orders at the end of March, amounting to only 6 per cent of purchases for the calendar year 1923, as against 9 per cent a year ago.

Department store figures follow:

	Net sales comparisons		Stocks on hand		Annual rate of stock turnover For 3 months ending
	Mar. 1924	Three months ending Mar. 31, 1924, to same period, 1923	Mar. 31, 1924	Mar. 31, 1923	
	comp. to Mar. 1923		comp. to Mar. 31, 1923		
Evansville	15.6%	— 5.7%	— 3.5%		1.65
Little Rock	5.4	— 1.4	+ 3.0		2.18
Louisville	10.9	— 1.6	+ 3.4		2.64
Memphis	9.0	— 3.4	+ 2.3		2.25
Quincy	18.9	— 8.4	+ 6.8		1.97
St. Louis	10.3	+ 0.7	+ 7.5		3.11
8th District	9.9	— 0.8	+ 5.3		2.67
Entire U. S.	8.1	+ 2.8	+ 7.5		2.85

AGRICULTURE

Advices from all sections of the district tell of backwardness in growth and development of crops, also of seeding and soil preparation. At the beginning of April things were behind anywhere from ten to thirty days, with weather conditions the chief factor in the delay. Excessive precipitation made impassable roads in many sections and fields were too soft to permit of cultivation. However, the abundant moisture has made for excellent conditions of soil and subsoil, and fair weather the first week of April permitted field operations to go forward with a bound the second week. Except possibly in the case of oats, the initial delay should not result harmfully or materially reduce acreages, as there still remains ample time for putting in corn, cotton, vegetables, legumes and other crops. Furthermore the comment is made that crop failures rarely result from too much moisture, years of great precipitation being usually marked by heavy agricultural output.

The condition of wheat in States of this district on April 1, according to the U. S. Department of Agriculture, was under the corresponding period a year ago, with particularly heavy reductions in Kentucky and Tennessee. Considerable damage was done by freezes in January and February, and temperatures in March were too low for proper development of the plant. In Illinois a large portion of the crop went in late, with consequent poor start last fall and spring freezing and thawing, with deficient protection, killed many plants and caused abandonment of considerable acreage. In Missouri the April 1 condition of 77 per cent indicates a yield of 26,500,000 bushels, against 37,882,000 bushels harvested last year. It is still early to assess the full extent of damage from all causes, and with good growing weather in April and May, much of the damage can be repaired.

Wheat — Rye

The U. S. Department of Agriculture, in its report as of April 1, 1924, gives the conditions of winter wheat and rye in States of the Eighth Federal Reserve District as follows:

	Winter Wheat					Rye				
	Condition		Farm Price		Dec. 1	Condition		Farm Price		Dec. 1
	April 1	10-yr. av.	1923	March 15		April 1	10-yr. av.	1923	March 15	
	1924	1923	10-yr. av.	1924	1923	1924	1923	10-yr. av.	1924	1923
	%	%	%	%	cents	%	%	%	%	
Arkansas	79	83	87	86	109	87	85	89	93	
Illinois	73	82	83	88	103	87	85	89	94	
Indiana	74	78	82	88	102	84	83	88	91	
Kentucky	57	85	86	87	113	60	88	88	88	
Mississippi	76	77	86	88	88	88	
Missouri	77	84	84	85	102	84	83	88	89	
Tennessee	63	85	85	85	125	70	85	86	85	
U. S. Total	83.0	75.2	82.5	88.0	98.8	83.5	81.8	87.9	89.9	

Planting and preparation for corn is universally backward, due to the late season and muddy roads and

fields. The relatively high prices, coupled with heavy holdings of live stock, are expected to act as a stimulant to raising this cereal, and reports received point to acreages equal or slightly larger than last year. Reserves of old corn in Arkansas are the smallest in years.

Pastures on April 1 were generally in poor condition, owing to protracted cold weather, but marked improvement has taken place since that date. The condition of live stock is in the main good. In a number of important raising sections herds are thin, but healthy. The number of brood sows in all States of the district is smaller than a year ago, the reduction in Illinois being 12 per cent and in Missouri 15 per cent. The curtailment is ascribed in large measure to the adverse corn-hog price ratio.

Live Stock Movement

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

	*Receipts			*Shipments		
	Mar. 1924	Feb. 1924	Mar. 1923	Mar. 1924	Feb. 1924	Mar. 1923
Cattle and Calves	69	69	73	36	41	46
Hogs	388	453	422	265	284	253
Horses and Mules	4	8	11	5	9	12
Sheep	19	17	24	12	11	7

*In thousands (000 omitted).

Prospects for fruits of all kinds, with the exception of peaches and apricots, are good. The condition of apples on April 1 was high, particularly in Illinois, Missouri and Arkansas. While some damage was done to berries by freezes in March, generally good yields are looked for. All vegetables are backward, both commercial and garden. Scattered reports indicate smaller acreages of potatoes than last year.

Farm labor supply is below normal, ranging in the several States of this district from 76 to 95 per cent of actual demand. For the country as a whole the supply is estimated at 92 per cent of the demand, as compared with 88 per cent a year ago. Wages vary as to locality, but are approximately even with last year.

Practically all of the 1923 crop of burley and dark tobacco has been marketed, both by independent and association growers, except in the dark fired district, where a considerable tonnage remains to be delivered. A number of receiving houses have been closed. The backward season has delayed preparation of seed beds, and reports relative to prospective acreage are too meager to form an accurate opinion of this feature. Generally prices for the crop have been satisfactory and the cooperative marketing associations have functioned efficiently. The Burley and Dark Tobacco Growers Cooperative Associations have taken steps to organize agricultural credit corporations for the purpose of loaning their members on participation receipts. These bodies have each appointed a commission to visit Europe in May with the view of broadening the foreign market for American tobacco.

The past three weeks have been marked by intensive work in the cotton areas, weather having been auspicious for field work. Complaints are received from a number of sections of labor shortage. Much attention is being given to combating boll weevil with poison, and the use of fertilizers is expected to be heavier than in past years.

Virtually all of the 1923 rice crop has moved from the hands of producers. The clean rice market continues in excellent condition, the demand being active and prices the highest since 1919. Farmers are preparing for the new crop, and planting will begin early in May on an acreage about equal to that of last season.

Commodity Movement

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

	*Receipts			*Shipments		
	Mar. 1924	Feb. 1924	Mar. 1923	Mar. 1924	Feb. 1924	Mar. 1923
Beef, lbs.....	150	249	605	23,351	24,704	16,201
Corn, bu.....	2,863	5,393	2,845	2,188	3,534	2,186
Flour, bbls.....	451	457	410	515	553	574
Hides, lbs.....	7,933	6,699	7,679	11,207	10,247	9,048
Lard, lbs.....	7,198	8,187	4,403	13,109	14,586	15,631
Lead, pigs.....	304	226	297	182	154	159
Lumber, cars.....	20	20	22	13	14	16
Oats, bu.....	2,670	3,092	3,286	2,476	3,080	2,614
Pork, lbs.....	21,420	17,569	17,937	31,131	29,360	32,221
Wheat, bu.....	1,656	2,313	2,313	1,651	2,021	2,035
Zinc, slabs.....	329	285	442	344	240	281

*In thousands (000 omitted).

Commodity Prices

Range of prices on typical products in the St. Louis market between March 15, 1924, and April 15, 1924, with closing quotations on the latter date, and on April 14, 1923:

		Close			
		April 15, 1924	April 14, 1923		
Wheat					
May	per bu.	\$1.06½	\$1.00½	\$1.01½	\$1.25¼
July	"	1.06½	1.01½	1.02½	1.21
September	"	1.07	1.02½	1.03¾	1.20¼
No. 2 red winter..	"	1.16	1.11	\$1.13 @ 1.14	\$1.42 @ 1.43
No. 2 hard.....	"	1.08	1.01½	1.04	1.26
Corn					
May	"	.80½	.75½	.77½	.82½
July	"	.81½	.77½	.79	.83
September	"	.80¾	.75½	.77½	.82½
No. 2	"	.81	.75	.78½	.83½
No. 2 white.....	"	.82½	.76½	.82½	.84½
Oats					
May	"	.49½	.46	.48½	.47
No. 2 white.....	"	.51½	.47¾	.50	.47¾
Flour					
Soft patent.....	per bbl.	6.50	5.40	5.40 @ 6.50	6.25 @ 7.25
Spring patent.....	"	6.60	5.75	5.90 @ 6.25	6.50 @ 6.75
Middling cotton.....	per lb.	.31½	.27½	.31	.29
Hogs on hoof.....	per cwt.	7.85	4.75	5.00 @ 7.65	5.50 @ 8.65

BUILDING

In both number and value, permits issued during March in the five largest cities of the district for new construction showed a gain over the corresponding month in 1923, and were the largest for any month this year. The heaviest gain in value was in Louisville, where permits for several important construction enterprises were issued. Residential building continues on a large scale, permits for both apartments and small dwelling houses being numerous in the March lists. Road building has been resumed generally throughout the district, and important highway construction programs will be pushed forward during the next few months. Only minor changes were reported in prices of building materials. Wage scales of all building crafts continue at the recent record levels. Production of portland cement for the country as a whole during March totaled 10,370,000 barrels, against 8,588,000 barrels in February and 9,880,000 barrels in March, 1923.

Building figures for March follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	170	126	\$ 499	\$ 337	131	87	\$ 50	\$ 16
Little Rock.....	122	98	439	521	98	122	66	57
Louisville	363	382	2,796	1,899	153	81	146	85
Memphis	505	438	2,112	1,465	90	70	39	25
St. Louis.....	897	753	2,201	3,503	581	589	360	735
March totals.....	2,057	1,797	\$8,047	\$7,725	1,053	949	\$661	\$918
Feb. totals.....	1,383	1,092	5,329	5,783	652	651	673	746
Jan. totals.....	987	1,390	6,147	7,450	540	745	380	485

*In thousands of dollars (000 omitted).

COST OF LIVING

Cost of living in the United States on March 15, 1924, had decreased four-tenths of one per cent from the level of February 15, 1924, according to the National Industrial Conference Board. The most important change within that period was a decrease of 2 per cent in food prices. Since November, 1923 the most important changes noted were decreases of 4.6 per cent in food prices and slightly more than 3 per cent for fuel. Rents increased nearly 3 per cent in the four months. The combined decrease for all items in the period between November and March, was 1.3 per cent. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and March, 1924, the cost of living decreased 20.2 per cent. The increase since July, 1914 was 63.2 per cent.

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 March 15, 1924, from average prices in		
		July 1920	Nov. 1923	Feb. 1924	Mar. 1924	July 1920	Nov. 1923	Feb. 1924
Food*	43.1	119	51	47	44	34.2	4.6	2.0
Shelter	17.7	58	80	80	85	17.1**	2.8**	2.8**
Clothing	13.2	166	74	77	76	34.2	0.9**	0.6
Fuel and light	5.6	66	76	75	72	3.6**	2.3	1.7
(Fuel)	(3.7)	(92)	(93)	(91)	(87)	(2.6)	(3.1)	(2.1)
(Light)	(1.9)	(15)	(43)	(43)	(42)	(23.4)**	(0.7)	(0.7)
Sundries	20.4	85	74	74	74	5.9	0.0	0.0
Weighted average of all items.....	100.0	104.5	65.3	63.9	63.2	20.2	1.3	0.4

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

**Increase.

The purchasing value of the dollar based on the cost of living in March, 1924 was 61.3 cents as contrasted with one dollar in July, 1914.

FINANCIAL

The demand for credit during the period under review, while somewhat less active than during the thirty days immediately preceding, was still fairly good. The principal change noted was that borrowings by mercantile customers in the large cities were smaller than heretofore, while demand in the country was more pronounced. This fact was true particularly of the cotton sections, where early planting operations are being financed. Another feature was the relatively better demand from industrial than specifically commercial sources. Generally throughout the district lending to manufacturers and distributors of building material was large, and there was a broad inquiry for funds to finance all sorts of building operations. Banks specializing in cattle loans report an active demand from that industry, but borrowing by millers, elevator interests and grain shippers showed a further seasonal decrease.

April settlements with the boot and shoe, dry goods and other interests with which that is usually an important collection month, were in excellent volume. Generally liquidation was rather spotted and uneven. In the tobacco and rice areas marketing of these productions at mainly satisfactory prices resulted in large reductions of indebtedness. Backwardness was noted in the coal mining regions, and in scattered localities in the grain and cotton areas. The general policy of manufacturers and merchants to hold down their inventories is being reflected in smaller credit requirements to carry on business.

Loanable funds continue ample for all legitimate business purposes, and interest rates varied only slightly during the period under review. Deposits of the reporting member banks fluctuated quite broadly, but were approximately at the same level at the end as at the beginning of the period. Between March 15 and April 15 accommodations granted by this institution to member banks decreased \$2,951,984. Between the same dates Federal reserve note circulation decreased \$2,552,000.

Commercial Paper

Sales of reporting brokerage houses showed moderate gains in March as contrasted with the same month in 1923, but business during early April was marked by a decided falling off in volume. The retrogressive movement is ascribed chiefly to the rates, as offerings hold up fairly well, and banks have funds to invest. City banks bought well in March, but were in the market for only limited amounts during the first two weeks of April. Country banks are beginning to feel the seasonal urge for farm credits in their own localities, and are not buying paper to as large an extent as heretofore. Rates were lower, ranging from $4\frac{1}{2}$ to $4\frac{3}{4}$ per cent, as against $4\frac{3}{4}$ to 5 per cent during the preceding thirty days.

Debits to Individual Accounts

	*For four weeks ending				Apr. 1924 comp. to Mar. 1924	Apr. 1924 comp. to Apr. 1923
	Apr. 16, 1924	Mar. 19, 1924	Apr. 18, 1923	Mar. 1924		
E. St. Louis and Nat'l. Stock Yards, Ill.	\$ 33,222	\$ 34,028	\$ 38,294	— 2.4%	—13.2%	
El Dorado, Ark.	7,011	6,544	14,376	+ 7.1	—51.2	
Evansville, Ind.	26,388	27,387	28,023	— 2.9	— 5.1	
Fort Smith, Ark.	10,374	10,445	11,567	— 0.7	—10.3	
Greenville, Miss.	3,080	3,369	3,629	— 8.6	—15.1	
Helena, Ark.	4,287	4,506	4,391	— 4.9	— 2.4	
Little Rock, Ark.	54,118	56,809	57,214	— 4.7	— 5.4	
Louisville, Ky.	148,975	153,524	145,788	— 3.0	+ 2.2	
Memphis, Tenn.	121,617	117,407	149,943	+ 3.6	—18.9	
Owensboro, Ky.	5,513	5,710	6,099	— 3.5	— 9.6	
Quincy, Ill.	10,657	10,061	11,096	+ 5.9	— 4.0	
St. Louis, Mo.	611,965	605,755	623,969	+ 1.0	— 1.9	
Sedalia, Mo.	3,792	3,678		+ 3.1		
Springfield, Mo.	13,274	11,323	12,663	+17.2	+ 4.8	
Totals	\$1,054,473	\$1,050,546		+ 0.4	— 3.8	

*In thousands (000 omitted).

Condition of Banks

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

	*April 16, 1924	*Mar. 12, 1924	*April 11, 1923
Number of banks reporting	135	135	36
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't obligations	\$ 9,457	\$ 9,918	\$ 16,163
Secured by other stocks and bonds	145,491	151,701	136,034
All other loans and discounts	315,592	305,850	301,334
Total loans and discounts	\$470,540	\$467,469	\$453,531
Investments			
U. S. Pre-war bonds	14,981	14,981	15,323
Liberty bonds	24,193	22,689	24,420
Treasury bonds	4,371	6,221	9,033
Victory and Treasury notes	14,748	17,183	24,414
Certificates of indebtedness	3,995	6,866	5,815
Other securities	89,745	89,203	86,793
Total investments	\$152,033	\$157,143	\$165,798
Reserve balance with F. R. bank	43,019	42,288	42,403
Cash in vault	7,484	7,299	8,385
Net demand deposits	360,215	355,584	369,215
Time deposits	200,061	201,768	183,194
Government deposits	5,324	4,186	10,322
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't obligations	5,257	4,767	3,510
All other	9,648	11,797	7,614

*In thousands (000 omitted).

†Decrease due to consolidation. Total resources of these 35 banks comprise approximately 54 per cent of the resources of all member banks in the district.

(Compiled April 19, 1924)

Savings Deposits

Number of banks reporting	*Amount of savings deposits			April 1924 comp to Mar. 1924	April 1924 comp. to April 1923
	April 2, 1924	March 5, 1924	April 4, 1923		
Evansville	\$ 9,069	\$ 9,065	\$ 9,018	0.0%	+ 0.6%
Little Rock	7,620	7,616	7,606	+ 0.1	+ 0.2
Louisville	26,106	25,951	23,168	+ 0.6	+12.7
Memphis	18,225	18,978	16,309	— 4.0	+11.7
St. Louis	75,224	74,319	70,737	+ 1.2	+ 6.3
Totals	\$136,244	\$135,929	\$126,838	+ 0.2	+ 7.4

*In thousands (000 omitted).

Postal Receipts

	*For quarter ended				Mar. 1924 comp. to Mar. 1923
	Mar. 31, 1924	Dec. 31, 1923	Sept. 30, 1923	Mar. 31, 1923	
Evansville	\$ 146	\$ 145	\$ 120	\$ 131	+11.4%
Little Rock	203	208	190	178	+14.0
Louisville	644	680	578	600	+ 7.3
Memphis	426	476	408	403	+ 5.7
St. Louis	2,915	3,244	2,478	2,832	+ 2.9
Totals	\$ 4,334	\$ 4,753	\$ 3,774	\$ 4,144	+ 4.6

*In thousands (000 omitted).

Federal Reserve Operations

During March the Federal Reserve Bank of St. Louis discounted for 261 of its 631 member banks, which compares with 246 of its 630 member banks accommodated in February. The discount rate of this bank remains unchanged at $4\frac{1}{2}$ per cent.

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

RESOURCES

	*April 16, 1924	*March 19, 1924	*April 18, 1923
Gold with Federal Reserve Agent	\$ 64,213	\$ 65,584	\$ 65,610
Gold redemption fund with U. S. Treasury	3,187	4,111	2,448
Gold held exclusively against F. R. notes	\$ 67,400	\$ 69,695	\$ 68,058
Gold settlement fund with F. R. Board	15,085	13,602	9,679
Gold and gold certificates held	6,903	4,920	3,197
Total gold reserves	\$ 89,388	\$ 88,217	\$ 80,934
Reserves other than gold	14,228	13,283	18,722
Total reserves	\$103,616	\$101,500	\$ 99,656
Non-reserve cash	3,934	3,921	4,986
Bills discounted:			
Secured by U. S. Government obligations	10,906	11,914	14,550
Other bills discounted	21,438	22,812	15,294
Total bills discounted	\$ 32,344	\$ 34,726	\$ 29,844
Bills bought in open market	5,183	6,734	11,966
U. S. Government securities:			
Bonds			6,159
Treasury notes	5,136	4,515	9,079
Certificates of indebtedness	1,830	1,489	6,942
Total U. S. Government securities	\$ 6,966	\$ 6,004	\$ 22,180
Total earning assets	\$ 44,493	\$ 47,464	\$ 63,990
Uncollected items	40,263	38,638	43,484
Bank premises	1,790	1,648	940
All other resources	151	163	323
TOTAL RESOURCES	\$194,247	\$193,334	\$213,379

LIABILITIES

F. R. notes in actual circulation	\$ 66,896	\$ 69,003	\$ 80,512
Deposits:			
Member banks-reserve account	71,307	71,959	70,643
U. S. Government	2,280	1,157	2,805
Other deposits	465	392	572
Total deposits	\$ 74,052	\$ 73,508	\$ 74,020
Deferred availability items	37,475	35,027	43,409
Capital paid in	5,065	5,074	4,925
Surplus	10,072	10,072	9,665
All other liabilities	687	650	848
TOTAL LIABILITIES	\$194,247	\$193,334	\$213,379
MEMO—Contingent liability on bills purchased for foreign correspondents	850	474	1,404
Ratio of total reserves to deposit and F. R. note liabilities combined	73.5%	71.2%	64.5%

*In thousands (000 omitted).

ANNOUNCEMENT

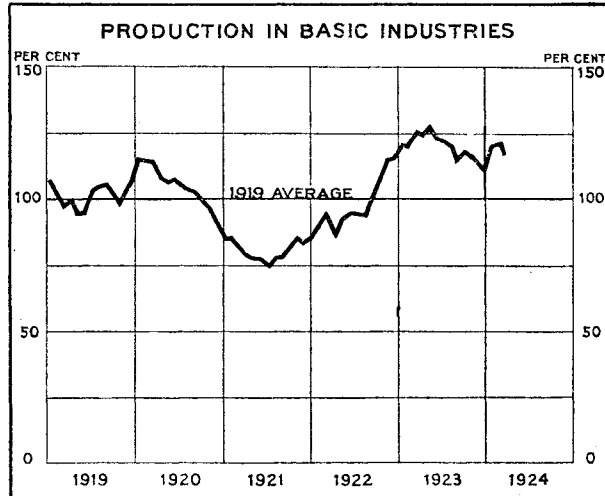
The Ninth Annual Report of the Federal Reserve Bank of St. Louis, covering operations during 1923, has been mailed to officers of member banks, etc. A limited supply is available for general distribution. Copies will be furnished on request.

BUSINESS CONDITIONS IN THE UNITED STATES

Production of basic commodities decreased during March, and there was a recession in wholesale prices. Distribution, both at wholesale and retail showed less than the usual seasonal increase and was smaller than a year ago.

Production

The Federal Reserve Board's index of production in basic industries, adjusted to allow for length of month and other seasonal variations, declined 3 per cent in March. Output was reduced by most industries and the decreases were particularly large in mill consumption of cotton and production of bituminous coal and copper. Daily average production of steel ingots, however, was larger than in any previous month.



Index of 22 basic commodities corrected for seasonal variation. Latest figure, March=116.

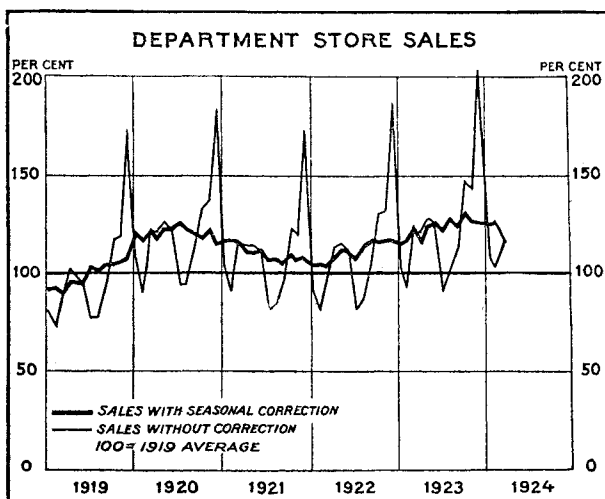
The level of factory employment was unchanged, but some curtailment in working hours was evidenced by a decline of 1 per cent in average weekly earnings. Contract awards for new buildings in March reached the highest total value on record, owing chiefly to a large increase in the New York district.

Estimates by the Department of Agriculture on the basis of condition on April 1, indicate a reduction of 4 per cent in the yield of winter wheat and of 6 per cent in the production of rye as compared with the final harvests in 1923.

Trade

Shipments of commodities by railroads declined each week in March, and car loadings were 4 per cent less than a year ago.

Wholesale trade increased slightly during March, but was 8 per cent less than a year ago owing to decreases in sales of dry goods, shoes, and hardware. March sales of department stores were 8 per cent less than in March, 1923, and merchandise stocks at the end of the month were 8 per cent larger than a year ago. Sales of mail order houses also showed less than the usual seasonal increase in March.

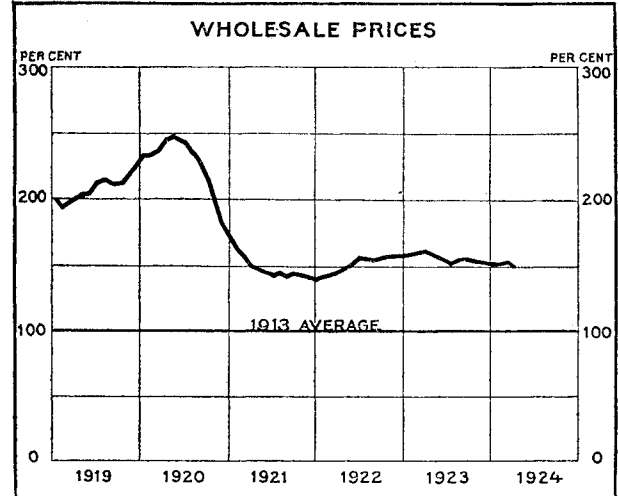


Index of sales of 333 stores in 117 cities. Latest figures, March=115 (both curves).

Decrease in the volume of purchases at retail compared with last year is partly accounted for by the late Easter and the generally unfavorable weather conditions.

Prices

Wholesale prices, as measured by the Bureau of Labor Statistics index, decreased slightly more than 1 per cent in March and were 6 per cent lower than a year ago. Prices of farm products, foods, clothing, chemicals and house furnishings declined. Building material remained unchanged, while fuel and metals were slightly higher than in February. During the first three weeks of April, quotations on pig iron, lead, coal, silk and sugar declined, while prices of wheat, corn and cotton advanced.



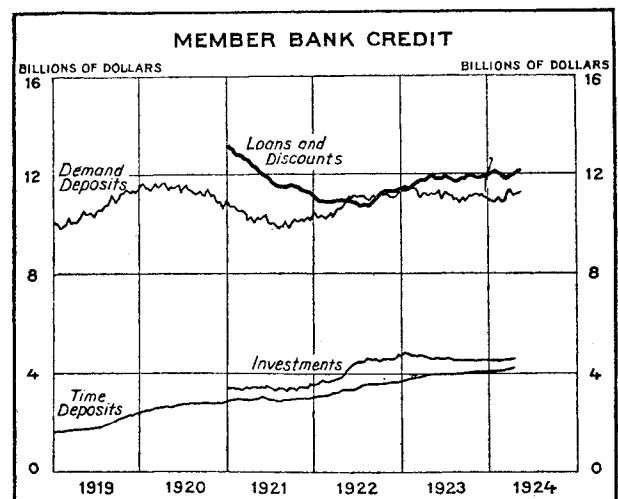
Index of U. S. Bureau of Labor Statistics. Latest figure, March=150.

Bank Credit

Volume of borrowing for commercial purposes at member banks in leading cities, after increasing during the early part of the year, remained constant at a high level between the middle of March and the middle of April. During that four week period total loans of these banks were in larger volume than at any time in more than two years.

Discounts and investments of the Federal reserve banks, which on April 2 were slightly above \$1,000,000,000, declined by about \$125,000,000 during the first three weeks in April to the lowest point for the year. This decline represents a reduction in discounts and in the holdings of acceptances, while the volume of government securities increased somewhat.

Money rates in the New York market during the first three weeks in April were at about the same level as in the latter part of March. Prime commercial paper was quoted at 4½ per cent and 90 day bankers' acceptances at 4 per cent throughout the period.



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