

FEDERAL RESERVE BANK OF ST. LOUIS



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

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WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

THE record of general business and industrial activity in this district during the past thirty days is one of improvement, partially seasonal and pursuing an extremely conservative and gradual course. Distribution of commodities continues large, as indicated by freight loadings, debits to bank accounts, and specific reports of manufacturers, wholesalers and retailers, but nowhere is there apparent a rush to buy, and purchases represent principally goods actually needed for current consumption. As was the case during the similar period immediately preceding, the improvement does not embrace all lines, and some sections are evidently more prosperous than others. Generally, however, gains outnumbered losses and taken as a whole the situation is more satisfactory with the improvement well enough defined to sustain the recent optimism.

Ordering of merchandise for future delivery increased slightly as compared with the preceding month, but in most of the lines investigated the volume is behind that of previous years. A rather universal comment of wholesale merchants is that even in purchasing for prompt shipment there have been frequent lulls and considerable irregularity. This manifestation is ascribed to weather conditions and uncertainty relative to prices of finished goods, caused by fluctuations in the markets for raw materials. The latter explanation applies especially to textiles and food products. The unusually high temperatures prevailing almost continuously during September and the first weeks of October proved a serious handicap to the movement of heavy apparel and seasonal goods of other descriptions. With needs still to be supplied and the present high level of buying power considered, this is looked upon as a temporary delay which a few weeks of cold weather could easily dispose of.

The employment situation showed no marked variation as compared with the two preceding months. Increased activities in the industrial centers reduced the number of idle workers and additions were made by the railroads to their forces, both in shops and in the operating departments. The most marked betterment occurred in the coal fields, where a number of mines resumed operations, and working time at active mines was slightly increased. In the lead and zinc fields some surplus exists, but there continues a strong call for common labor for road building and river improvement work. Completion of harvest of certain crops released some labor in the country, but there is an excellent demand for experienced help on the farms. With but few exceptions, the supply of labor in the cotton sections has been adequate. Both common and skilled workers continue well employed in the building

industry. There is still a surplus of male and female clerical help, but a shortage of domestic help, particularly in the larger cities.

Conditions in the agricultural sections showed added improvement. Harvesting of late crops has progressed under favorable weather and marketing of farm products continues on an extensive scale. According to the Department of Agriculture, the composite condition of all crops in states wholly or partly within the district (100=10-year average) was 92.3 per cent on October 1, which compares with 92.2 per cent on September 1. Since the first of this month weather conditions have been auspicious for the development of crops not yet harvested, growth of pastures and the accomplishment of all kinds of farm work. Farmers have had time to take stock and estimate more closely how they have come out on the year's activities. As noted in the preceding issue of this report, they are liquidating the arrears of their indebtedness, replacing equipment and purchasing necessities.

Prices of cereals fluctuated broadly during the period under review, but with the upward trend continuing, and new high records on the present crop being established. Wheat, corn and hog values reached the highest levels recorded since 1921. Between September 15 and October 15 the December wheat option in the St. Louis market ranged between $\$1.30\frac{1}{2}$ and $\$1.51\frac{1}{4}$, and closed at $\$1.49$ on the latter date, which compares with $\$1.33\frac{1}{4}$ on September 15 and $\$1.10\frac{7}{8}$ on October 15, 1923. No. 2 red winter wheat in the cash market advanced to $\$1.63$ on October 6, the highest in more than three years. December corn fluctuated between $\$1.01\frac{7}{8}$ and $\$1.13\frac{1}{8}$, closing at $\$1.12$ on October 15, against $77\frac{3}{8}c$ on the corresponding date last year. Cash corn was correspondingly high, the maximum price for No. 2 white— $\$1.19$ —being reached on October 9. The top price on hogs, $\$12$ per cwt., was paid on October 10, after which date there was a slight downward reaction, the high on October 15 being $\$11.40$. Middling cotton in the St. Louis market ranged from $22c$ to $25c$, closing at $22\frac{1}{2}c$ on October 15, which compares with $22c$ on September 15 and $29\frac{1}{4}c$ on October 15, 1923.

The seasonal expansion in demand for coal by domestic users proved the principal factor in further slight improvement in the fuel situation during the period under review. While contracting by householders and dealers is still considerably below normal for this time of year, tonnages placed during September were the largest for any single month this year. The movement of lump and egg coal in all fields in the district was in satisfactory volume, and mine operations were increased and averaged four days per

week, with strip mines working practically every day. The demand for steam coal continues disappointing, and screenings are in oversupply and difficult to dispose of. Production of soft coal for the country as a whole continues on the upturn, and reports from the mines indicate fewer losses of time from "no market." For the first 236 days of the calendar year, or to October 4, the total output of bituminous coal in the United States was 342,341,000 net tons, which compares with 421,712,000 tons for the corresponding period last year and 289,070,000 tons in 1922. The slightly increased melt of pig iron in the district during September was reflected in a more active movement of metallurgical coke. Domestic coke also shows more life than in a long while, but stocks on reserve piles of the by-product manufacturers are still abnormally large.

According to officials of railroads operating in this district, freight traffic continues to maintain the gains started in late August, with the movement of merchandise, grain and farm products making a particularly excellent showing. For the country as a whole total loadings of revenue freight for the week ended September 27 was 1,087,447 cars, the third highest week's loading on record, and only 10,046 behind the peak loading of 1,094,493 cars during the same week last year. This was an increase of 10,894 cars over the preceding week, as well as 109,656 cars over the corresponding week in 1922. The number of cars loaded with merchandise, L. C. L., and miscellaneous freight was the largest on record during the week ended September 27, and with the exception of live stock and ore, all classifications increased over the preceding week. The Terminal Railway Association of St. Louis, which handles interchanges for 28 connection lines, interchanged 213,480 loads in September, the largest number since last October, and comparing with 210,829 loads in August and 220,169 loads in September, 1923. During the first nine days of October 68,973 loads were interchanged, against 58,236 loads during the same period in September and 64,337 loads in October, 1923. Passenger traffic of the reporting roads decreased 14 per cent in September as contrasted with the same month in 1923. Tonnage moved by the Mississippi River section of the Federal Barge line during September amounted to 80,000 tons, against 76,609 tons in August and 54,623 in September, 1923.

Distinct improvement in collections is indicated in reports from virtually all lines covering the past thirty days. Results in the country, particularly in the winter wheat areas, are especially satisfactory. Farmers have employed a large part of the proceeds of their crops to take up their bills, many of which had been past due. Throughout the South collection efficiency is also reported high, with settlements in sections where cotton is being marketed considerably above expectations. Returns of wholesalers in the chief distributing centers during September were generally larger than during the same month last year, and payments during the first two weeks of October indicate that totals for that month will run well ahead of the same period during the past three years. In addition to paying their wholesalers, retail merchants in the country have materially reduced their commitments at the banks. Some slight improvement is noted in the coal fields, and in the large cities retailers report that they are getting in their money promptly. Generally the number of backward spots has been materially reduced. Answers to 415 questionnaires

addressed to representative lines throughout the district show the following results:

| | Excellent | Good | Fair | Poor |
|-------------------|-----------|-------|-------|------|
| Sept., 1924..... | 4.1% | 34.9% | 54.8% | 6.2% |
| August, 1924..... | 3.4 | 36.6 | 51.4 | 8.5 |
| Sept., 1923..... | 2.7 | 41.0 | 50.0 | 6.3 |

Commercial failures in the Eighth Federal Reserve District during September, according to Dun's, numbered 71, involving liabilities of \$3,586,174, against 91 defaults in August with indebtedness of \$922,409 and 71 failures for \$536,652 in September, 1923.

The per capita circulation of the United States on October 1 was \$42.52, against \$42.28 on September 1, and \$43.45 on October 1, 1923.

MANUFACTURING AND WHOLESALE

Automobiles

For the third consecutive month production of automobiles for the country as whole continued an upward trend during September, combined output of passenger cars and trucks for that month being 3.2 per cent larger than in August. As has been the case for the five months immediately preceding, however, the year-to-year comparison was unfavorable, the September output being smaller by 12 per cent than that of the corresponding month in 1923. Manufacturers reporting direct or through the National Automobile Chamber of Commerce built 257,868 passenger cars in September, against 251,553 in August and 298,600 in September, 1923. The output of trucks was 29,410 in September, compared with 26,781 in August and 27,841 in September, 1923.

A rather sharp slowing down in the distribution of automobiles in this district, both as compared with the preceding month and the corresponding period last year is indicated in reports of leading dealers. Compared with a year ago sales of new cars by 320 dealers during September showed a loss of approximately 6.3 per cent, while contrasted with August this year the September total was smaller by 5.6 per cent. The decreases were rather general through the entire line, and affected both expensive makes and the cheaper classes of cars. Purchases in the country were reported disappointing and under expectations, in view of the increased purchasing power in the rural communities. Stocks of cars on dealers floors decreased slightly during September as compared with the preceding month, and there is a disposition on the part of agencies and dealers to resist attempts of manufacturers to load them up heavily. Used car stocks are about normal for this season, and while numerically slightly larger than a year ago, represent a considerably smaller money investment. Business in accessories was relatively better than in automobiles, September sales showing a fair gain over both the preceding month and the corresponding period last year. The tire situation is on a more satisfactory basis, with greater stability in prices and stocks less burdensome than has been the case in recent months.

Boots and Shoes

Sales of the 11 reporting interests during September were 14.5 per cent larger than for the corresponding period in 1923, and 67.3 per cent in excess of the August total this year. The large gain in September over August was due partially to seasonal considerations. Improvement is reported as extending pretty well through the entire line, but with women's novelties making the best showing and men's high grade shoes the poorest. Orders are mainly for immediate shipment, but future business is gradually increasing.

The comment is made by several of the largest interests that labor efficiency is greater than ever before, some plants producing as high as 20 per cent more goods than their previously estimated capacity. Prices of finished goods were slightly higher, averaging from 2 to 3 per cent above levels of the preceding thirty days. Orders received since October 1 indicate a continuance of recent gains over a year ago. Factory operation ranges from 75 to 100 per cent of capacity, with plants turning out women's novelty goods working full time.

The total number of pairs of shoes manufactured in this district during September was 9.6 per cent larger than the preceding month and for the country as a whole September production was 8.4 per cent over the August total.

Clothing

Somewhat spotty conditions are reflected in reports covering activities during the period under review. Unseasonably warm weather had a detrimental effect on the movement of heavyweight apparel, but stocks in retailers hands are generally light, and some good fill-in orders helped to swell the total volume of business. Prices were a shade higher than a month earlier, the advance being due chiefly to the upturn in wool. September sales of the 10 reporting interests were 29.0 per cent larger than for the same month in 1923, and 15.3 per cent larger than for the preceding month this year. Orders booked for spring are slightly in excess of the corresponding time last year, and returns since October 1 are reported in the main satisfactory, particularly in the West and Southwest. Sales of leading hatters in September were 5.3 per cent larger than a year ago, and showed the usual seasonal gain over August this year.

Drugs and Chemicals

Well defined improvement over both the preceding month and the corresponding period a year ago is indicated in reports of leading interests in this line. September sales of the 11 reporting firms were 4.7 per cent larger than for the corresponding month in 1923, and 6.9 per cent in excess of the August total this year. The demand for remedial drugs and proprietary preparations was on the upgrade, and a heavier movement of heavy chemicals to manufacturers was noted. Advance ordering of holiday goods was in satisfactory volume, and considerably larger than during the corresponding period last year. The call for cosmetics and the general line of sundries was active, and sales of soda fountain supplies were stimulated by the protracted warm weather. No change in general price levels took place, declines about counterbalancing advances. Competition of foreign goods is causing lower prices in certain groups of drugs.

Dry Goods

Sales of the 12 reporting interests during September were 0.9 per cent larger than in the same month in 1923, but 7.6 per cent below the August total this year. Business during the early weeks of September showed marked improvement, but with the sharp decline in price of cotton and unseasonably warm weather, buying subsided. Uncertainty relative to prices is given as the principal cause for hesitation on the part of buyers. The broad and rapid fluctuations in the cotton and silk markets, and upward trend in wool have served to upset confidence, and ordering is confined almost exclusively to goods for disposition during the next month or six weeks. Retail stocks are moderate, however, and the volume of current sales by

the wholesale and jobbing trade is large. Some improvement was noted in the demand for hosiery and knitted goods generally, and the movement of woolen dress goods is better than heretofore. There are some complaints relative to unsatisfactory profits from the wholesale and jobbing trade.

Electrical Supplies

Seasonal demand for certain classes of goods, coupled with improved conditions in the coal mining areas were factors in an increase of 6.9 per cent in September sales of the 12 reporting interests over those of August. As compared with a year ago, however, the September total showed a decline of 4.3 per cent. Sales of line and pole hardware were in fair volume, and radio goods, particularly batteries, are in active demand. Some falling off in the demand from the building industry was noted, and sales to the oil fields were under those of a year ago. Prices showed little variation, aside from a reduction in bare and insulated copper wires and cables. Business in small electric motors is reported quiet.

Fire-Clay Products

Little change worthy of note was reported in this classification as contrasted with the preceding thirty days. Sales of the 5 reporting interests in September were 1.9 per cent larger than for the same month in 1923, and 14.6 per cent in excess of the August total this year. A slightly lower trend in prices was noted, with the general level about 5 per cent under this time last year. The demand for refractories from the iron and steel industry continues dull.

Flour

Production of the 11 leading mills of the district during September was 383,922 barrels, the highest since last November, and comparing with 367,040 in August and 446,009 in September, 1923. Moderate improvement in the domestic demand took place, with the South buying in larger quantities than heretofore. There was a good export demand from Europe for hard clears and straights, and fair sales of soft flours to South and Central American countries. Prices on all grades of flour advanced in sympathy with the upturn in cash wheat, but domestic buyers were loath to follow the upturn, and some slowing down in new business was noted toward the end of the period. Mills, however, were kept busy grinding out flour previously sold, and several interests reported sales being made for export to extent of capacity. Supplies of good milling wheat continued ample.

Furniture

The upward course in this classification, which commenced in August, was continued in satisfactory manner during September. Factories added to their production, and in some instances plants were operating at full time, with the average close to 70 per cent of capacity. Purchasing by dealers, while still chiefly for immediate shipment, is being pursued with more confidence, and there is a disposition on the part of retailers to replenish their depleted stocks. While virtually all lines participated in the improvement, particularly good reports came from manufacturers of metal beds, office furniture and case goods. Some slight price reductions were reported, affecting metal goods more particularly.

Groceries

Improved conditions in the mining sections and agricultural communities and the usual seasonal replenishment of stocks, allowed to run low during the summer months, were given as the principal factors

in a gain of 7.9 per cent in September sales of the 22 reporting interests over the same month in 1923 and an increase of 19.0 per cent over the August total this year. Advancing prices of staples and many lines of subsidiary goods also served as a stimulant to buying. A sharp advance in prices of canned goods has taken place during the past several weeks, with a scarcity existing in certain varieties. The upward trend in sugar, coffee and flour continued, and all cereals were higher. Manufacturers of candy report continued betterment in their business, with early inquiries for holiday goods considerably more promising than a year ago.

Hardware

September sales of the 12 reporting interests were 3.5 per cent larger than for the corresponding month in 1923 and 0.2 per cent in excess of the August total this year. Staple lines are more active than during the preceding three months, and the demand for hand implements, fencing materials and other goods used extensively in the rural districts has developed decided improvement. The movement of certain seasonal goods is disappointing, the backwardness being ascribed to the unusually warm weather. Builders' hardware continues in good demand, with prices, except on a few scattered items, steady. Seasonal sporting goods are being taken in good volume, particularly hunters' supplies.

Iron and Steel Products

While considerable irregularity marked developments in this category during the period under review, the general trend was in the direction of further moderate improvement. Both mills and foundries increased their operations, and specialty makers report a more satisfactory volume of new orders. The melt of pig iron in the district during September was approximately 6.2 per cent larger than in August, and 3 per cent in excess of the total for the same month in 1923. Uncertainty relative to prices, caused by the abandonment of the Pittsburgh plus practice of quoting steel products, had a tendency to restrain buying, particularly for distant delivery. Many consumers were disposed to hold off in hope of obtaining some price advantage later on through the change of basing points. For the second consecutive month, production of pig iron and steel ingots for the country as a whole increased during September, but in the case of both commodities the output was below that of the corresponding period last year. Prices of pig iron held about steady with levels prevailing during the preceding thirty days, and buying was on a limited scale, and confined almost exclusively to prompt delivery. Steel prices showed some variation, but the changes were not broad, and in a number of instances were merely adjustments to conform with the new method of making quotations. A further sharp decline in scrap iron and steel took place, the downturn affecting practically all classes of items. Buying of steel by the railroads is proceeding in undiminished volume, and plants producing materials for that outlet are relatively more active than those turning out other lines. Job foundries report the placement of fair tonnages, and machine tool and engine builders have received increased inquiries. Distinct betterment has developed in the demand for farm implements, stoves and other goods used largely in the country. Inquiry for structural steel is better than actual business closed, recent orders being chiefly for small jobs. Warehouse interests report a fair volume of current sales, but little future buying, purchasing continuing

on a hand-to-mouth basis. September sales of stove manufacturers, 7 reporting, were 4.0 per cent under those of the same month in 1923, but 36.4 per cent larger than the August total this year; railway supplies, 5 reporting, decreased 23.3 per cent under last year, and 12 per cent under August this year; farm implements, 6 reporting, gained 13.2 per cent over a year ago but decreased 8.4 per cent under August this year; job foundries, 5 reporting, gained 48.0 per cent over September, 1923, and 6.5 per cent over August this year; manufacturers of boilers, stacks, elevators, wire rope and miscellaneous products, 14 reporting, increased 10.3 per cent over September, 1923, and 7.2 per cent over August this year.

Lumber

Wholesale lumber trade conditions remain quiet throughout the district, all classes of quantity buyers being disposed to postpone commitments. The situation is fundamentally sound, though, in that prices are fairly stabilized for all the woods by their near touch with production costs and the low state of stocks among both consumers and producers. Consumption, too, is of fair volume and steady. Only in hardwoods and cypress are mill stocks noticeably full and well assorted, and in the case of the former accumulation is against the losses to production expected to result from the early appearance of unfavorable weather. Retail trade is of rather good volume in the cities, but indifferent to poor in country districts.

Department Stores

September sales of leading department stores of the district were 5.5 per cent larger than in September, 1923, but the total for the three months ending September 30, was 0.7 per cent less than for the corresponding period a year ago. Stores in Louisville, Memphis, and Little Rock showed larger sales in September than a year ago, while losses were recorded by all other reporting cities. Stocks on hand at the end of September were smaller by 2.1 per cent than on the same date in 1923. Detailed figures follow:

| | Net sales comparisons | | Stocks on hand | | Annual rate of stock turnover | |
|-------------------|---------------------------------|--|--|------------------------------------|-------------------------------|--|
| | Sept. 1924 comp. to Sept., 1923 | 3 months ending Sept. 30, 1924, to same period, 1923 | Sept. 30, 1924 comp. to Sept. 30, 1923 | For 3 months ending Sept. 30, 1924 | | |
| Evansville | 9.1% | - 6.5% | -14.7% | 2.32 | | |
| Little Rock..... | + 1.6 | - 0.8 | + 1.9 | 1.96 | | |
| Louisville | +37.1 | +10.9 | -10.2 | 2.21 | | |
| Memphis | + 4.4 | + 0.9 | - 3.1 | 2.06 | | |
| Quincy | - 5.1 | - 4.3 | - 7.5 | 2.14 | | |
| St. Louis..... | - 1.6 | - 4.1 | + 0.8 | 2.31 | | |
| Springfield..... | - 9.5 | -12.0 | -19.2 | 1.41 | | |
| 8th District..... | + 5.5 | - 0.7 | - 2.1 | 2.19 | | |
| Entire U. S..... | + 5.1 | - 0.03 | - 1.7 | 2.64 | | |

Consumption of Electricity

Consumption of electricity during September in the 5 largest cities of the district by selected industrial customers of the public utility companies decreased 3.4 per cent under the preceding month and 3.3 per cent under September, 1923. The loss as compared with August was due chiefly to the decrease in the refrigeration load, which is seasonal at this time of year. The decrease under September last year was due to rather general losses, but particularly to smaller requirements of the automotive industry, steel fabricating concerns and air reduction plants.

Detail figures follow:

| | No. of customers | Sept., 1924 *K.W.H. | Aug., 1924 *K.W.H. | Sept. 1924 comp. to Aug. 1924 | Sept., 1923 *K.W.H. | Sept. 1924 comp. to Sept. 1923 |
|------------------|------------------|---------------------|--------------------|-------------------------------|---------------------|--------------------------------|
| Evansville | 40 | 928 | 1,048 | -11.5% | 1,043 | -11.0% |
| Little Rock..... | 35 | 1,366 | 1,211 | +12.8 | 1,200 | +13.8 |
| Louisville | 67 | 3,990 | 4,057 | - 1.7 | 4,000 | - 0.3 |
| Memphis | 31 | 1,025 | 964 | + 6.3 | 1,003 | + 2.2 |
| St. Louis..... | 80 | 12,850 | 13,590 | - 5.4 | 13,591 | - 5.5 |
| Totals..... | 253 | 20,159 | 20,870 | - 3.4 | 20,837 | - 3.3 |

*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 | Total |
|-------------------|----------------|---------------|---------------|
| August, 1924..... | 1,519,743,000 | 3,214,410,000 | 4,734,153,000 |
| July, 1924..... | 1,602,601,000 | 3,008,038,000 | 4,610,639,000 |
| August, 1923..... | 1,593,980,000 | 3,061,149,000 | 4,655,129,000 |

Postal Receipts

| | *For quarter ended | | | | Sept. 1924 comp. to Sept. 1923 |
|------------------|--------------------|------------------|------------------|-------------------|--------------------------------------|
| | Sept. 30, 1924 | June 30, 1924 | Mar. 31, 1924 | Sept. 30, 1923 | |
| Evansville | \$ 141 | \$ 143 | \$ 146 | \$ 120 | + 17.5% |
| Little Rock..... | 201 | 187 | 203 | 190 | + 5.8 |
| Louisville..... | 600 | 630 | 644 | 578 | + 3.8 |
| Memphis..... | 421 | 444 | 426 | 409 | + 2.9 |
| St. Louis..... | 2,669 | 2,836 | 2,915 | 2,479 | + 7.7 |
| Totals..... | \$4,032 | \$4,240 | \$4,334 | \$3,776 | + 6.8 |

*In thousands (000 omitted).

AGRICULTURE

Taken as a whole agricultural developments in this district were favorable during the period under review. Prospective yields of leading crops changed in minor degree only during September, gains and losses about balancing. The outlook for oats, barley, potatoes, some fruits and vegetables and hay improved, while there were indications for smaller out-turns of corn, tobacco, apples, sweet potatoes, grapes and broomcorn than the month before. Weather was in the main auspicious for farm work, and garnering of late crops and seeding of fall grains made excellent progress. High temperatures and scattered rains during early October materially assisted late truck crops and pastures, also the maturing of corn. Market prices of cereals and other products fluctuated rather broadly, but relatively high averages were maintained, and generally a greater degree of optimism prevails in the farming communities than at any like season during the past three years.

Reports relative to planting of winter wheat indicate slightly larger acreages than last fall, stimulation having been furnished by favorable soil conditions and high prices. Much sowing has been completed and early seeded fields are coming up to fine stands, and will enter the cold weather in exceptionally good condition. In some localities heavy infestation of hessian fly is retarding seeding, and generally fly-immune dates are being closely observed.

Husking of corn and silo filling is under way, but due to the lateness of the crop these operations are backward as compared with many former seasons. Cool weather during September delayed maturing of the corn crop in the Northern stretches of the district, and less than the normal portion was matured on October 1. Actual damage done by the scattering frosts was slight, and conditions since October 1 have been ideal for development of late planted corn. The condition of corn on October 1 was below the 10-year average in all states of the district, but there were scattered reports of unusual production. In many Southern counties production is below requirements and the deficit must be made up by purchases from other sections. The total production of corn for this district is estimated at 344,741,000 bushels, against 403,090,000 bushels harvested last year.

Additional improvement was made by oats during September, and in states of this district as well as the country as a whole, the total yield will be well in excess of the five year (1918-1922) average. There are some complaints of poor quality, due to heavy rains while in the shock. Total output for the district is estimated at 60,827,000 bushels, against 52,072,000 bushels last year.

Corn — Oats

The U. S. Dept. of Agriculture, in its report as of October 1, 1924, gives condition of corn and oats in states of the Eighth Federal Reserve District as follows:

| Corn | Condition | | *Production | | Harvested | | Farm price | |
|----------------|-------------------|--------------------|--------------------------------------|-----------|-----------|----------------------|------------|-------------------|
| | October 1 1924 | 10-yr. av. 1924 | Forecast from condition Oct. 1 | Sept. 1 | 1923 | 5-yr. av. 1918-22 | 1924 | Sept. 15, 1923 |
| Illinois | 69 | 78 | 279,819 | 281,719 | 337,312 | 317,273 | 108 | 80 |
| Indiana | 56 | 82 | 115,222 | 115,190 | 192,616 | 177,513 | 108 | 82 |
| Kentucky | 73 | 85 | 71,306 | 73,378 | 87,866 | 89,159 | 125 | 100 |
| Missouri | 73 | 74 | 182,561 | 187,495 | 196,860 | 173,702 | 110 | 87 |
| Tenn. | 69 | 83 | 67,785 | 65,820 | 73,941 | 83,241 | 129 | 107 |
| U.S. Total | 65.3 | 78.4 | 2,458,809 | 2,512,888 | 3,046,387 | 2,899,428 | 109.7 | 86.2 |

Oats

| Oats | Yield per acre | | *Total Production | | Harvested | | Quality | | Farm Price | |
|----------------|-----------------|-------------------------|-------------------|-----------|-----------|------|------------|------|-------------------|--|
| | 1924 Prelim. | 10-yr. av. Harvested | 1924 Prelim. | 1923 | 1918-22 | 1924 | 10-yr. av. | 1924 | Sept. 15, 1923 | |
| Illinois | 39.3 | 36.8 | 160,816 | 135,100 | 146,005 | 87 | 87 | 44 | 34 | |
| Indiana | 37.0 | 32.8 | 65,638 | 48,692 | 59,088 | 97 | 85 | 46 | 35 | |
| Missouri | 27.5 | 26.0 | 41,745 | 34,500 | 42,189 | 83 | 83 | 52 | 40 | |
| U.S. Total | 36.3 | 31.9 | 1,509,409 | 1,299,823 | 1,302,516 | 91.4 | 87.9 | 47.1 | 38.0 | |

*In thousands (000 omitted)

Except in certain sections in the South which were affected by drouth early in the season, hay crops have turned out well, and yields will be well over a year ago. Generally there is an abundant supply of forage feeds, but quality is not particularly high. Pastures are in the main in excellent condition, and will furnish grazing sufficient to carry live stock well into the winter. The hay crop for this district is estimated at 8,386,000 tons, compared with 7,643,000 tons in 1923.

Apples in Illinois and Missouri are disappointing, and will yield considerably under last year. In Arkansas, however, the crop is larger than a year ago, and exceeds the 5-year average. Harvesting of late apples was in progress, and recent reports indicate that more than the usual percentage of the crop is being sold at the orchards. The earlier promise of grapes was cut down heavily by black rust. In the Southern sections of the district, the peach crop was large, and well above the 10-year average, but due to the large production and competition from other commercial areas, prices were disappointing.

In the principal producing sections, white potatoes registered marked improvement during September, the condition in Illinois, for example, rising from 91 per cent on September 1 to 110 per cent on October 1. Quality is generally high. Total production for the district is estimated at 19,624,000 bushels against 18,223,000 bushels last year.

Ideal weather conditions have prevailed in the rice growing sections, and harvesting and threshing has made excellent progress. Approximately 35 per cent of the crop in Arkansas has been threshed, and deliveries to mills are heavy. Generally speaking the crop has not deteriorated during the past six weeks, and improvement has taken place on some of the late varieties. The demand continues strong, and prevailing prices averaged around \$1.22 per bushel. There is practically no old rice in the hands of Arkansas millers, but due to uncertainty relative to new crop prices, jobbers and wholesalers are disposed to purchase only for their immediate requirements. For the country as a whole the condition of rice deteriorated 0.4 per cent during September, standing at 79.9 on October 1, with the indicated yield 32,292,000 bushels against 33,256,000 bushels harvested in 1923, and a 5-year average of 42,335,000 bushels.

The entire early planted tobacco crop in both the burley and dark tobacco districts has been housed and weather, with the exception of a few days, has been favorable for proper curing. Late tobacco, however,

has not fared so well. Growers generally have rushed the cutting of the late planted weed fearing damage by frost, and for this reason quite a large part has been cut prematurely. Approximately 85 per cent of the late tobacco has been housed. The frost which appeared on the night of September 30 injured the crop to a certain extent, particularly in Southern Kentucky. The damage in some localities was light, while elsewhere losses were heavy. It is feared that quality will be lowered generally in all localities affected by the frost. Limited sales of old tobacco have been made during the past thirty days, with firm prices prevailing on all desirable grades. Based on the October 1 condition, total production of tobacco for the district is estimated at 298,141,000 pounds, against 396,737,000 pounds last year.

No change in the prospective yield of cotton in this district took place between September 1 and October 1, the estimate based on conditions at both those dates being 2,259,000 bales, which compares with 1,274,000 bales harvested last year. Weather during the past several weeks has been fine for field work, and picking has progressed rapidly, with the movement to gins heavy.

Cotton

The condition of cotton in states of the Eighth Federal Reserve District and the United States is given by the Department of Agriculture as follows:

| | Condition | | | | | | | | *Production Final 1923 |
|-------------|-----------------|-------------------|------------------|-------------------|------------------------------------|--|----------------------|---------------------|---------------------------|
| | Change between | | | | | | Fore-cast Oct. 1, | Cen-sus ginnings | |
| | Oct. 1, 1924 | Sept. 16, 1924 | Sept. 1, 1924 | Sept. 25, 1924 | Sept. 1, and Oct. 1, 1924 | Aug. 25 and Sept. 25, 10-yr.av. 1924 | | | |
| Arkansas | .58 | .59 | .66 | .50 | — 8 | — 7 | — 7 | 1,068 | 628 |
| Mississippi | .57 | .57 | .60 | .37 | — 3 | — 11 | — 8 | 1,113 | 604 |
| Missouri | .59 | .63 | .70 | .64 | — 11 | — 3 | — 5 | 201 | 121 |
| Tennessee | .57 | .60 | .65 | .47 | — 8 | — 17 | — 9 | 402 | 228 |
| U.S.Total | .53.5 | 55.4 | 59.3 | 49.5 | — 5.8 | — 4.6 | — 6.0 | 12,499 | 10,140 |

*In thousands of bales (000 omitted).

Commodity Prices

Range of prices in the St. Louis market between September 15, 1924, and October 15, 1924, with closing quotations on the latter date, and on October 15, 1923:

| | High | Low | Close | |
|------------------------|----------------|---------|---------------|---------------|
| | | | Oct. 15, 1924 | Oct. 15, 1923 |
| Wheat | | | | |
| December per bu. | \$1.51½ | \$1.30¾ | \$1.49 | \$1.10¾ |
| May | 1.55¾ | 1.36¾ | 1.54¾ | 1.13¾ |
| July | 1.39¾ | 1.35 | 1.35 | 1.08¾ |
| No. 2 red winter | 1.63 | 1.40 | \$1.47 @ 1.52 | \$1.17 @ 1.20 |
| No. 2 hard | 1.48½ | 1.26 | 1.45 @ 1.46 | 1.10 @ 1.12 |
| Corn | | | | |
| December | 1.13¾ | 1.01¾ | 1.12 | .77¾ |
| May | 1.16 | 1.03¾ | 1.15½ | .75½ |
| July | 1.13 | 1.11 | | .75¾ |
| No. 2 | 1.17 | 1.09 | 1.15 @ 1.16 | 1.09 @ 1.09½ |
| No. 2 white | 1.19 | 1.12 | 1.17 | 1.10½ @ 1.12 |
| Oats | | | | |
| December | .55½ | .52¾ | .53 | .43½ |
| May | .59½ | .57¾ | .57½ | |
| No. 2 white | .57 | .49½ | .55½ | .45½ @ .46 |
| Flour | | | | |
| Soft patent | per bbl. 8.25 | 6.50 | 7.25 @ 8.25 | 5.25 @ 6.25 |
| Spring patent | 8.30 | 6.75 | 7.35 @ 7.90 | 6.10 @ 6.20 |
| Middling cotton | per lb. .25 | .22 | 22½ | .29½ |
| Hogs on hoof | per cwt. 12.00 | 7.25 | 8.50 @ 11.40 | 6.50 @ 8.25 |

Note: September wheat closed at \$1.38½; September corn at \$1.11 and September oats at 50½c.

Commodity Movement

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

| | *Receipts | | | *Shipments | | |
|-------------------|------------|-----------|------------|------------|-----------|------------|
| | Sept. 1924 | Aug. 1924 | Sept. 1923 | Sept. 1924 | Aug. 1924 | Sept. 1923 |
| Beef, lbs..... | 1,173 | 103 | 1,069 | 25,092 | 24,790 | 24,448 |
| Corn, bu..... | 2,149 | 1,971 | 2,407 | 1,236 | 1,458 | 1,474 |
| Flour, bbls..... | 475 | 431 | 439 | 598 | 502 | 528 |
| Hides, lbs..... | 6,929 | 8,482 | 5,467 | 9,928 | 11,559 | 8,960 |
| Lard, lbs..... | 4,149 | 7,164 | 6,312 | 8,647 | 11,797 | 10,023 |
| Lead, pigs..... | 279 | 262 | 133 | 228 | 219 | 151 |
| Lumber, cars..... | 17 | 20 | 18 | 12 | 12 | 13 |
| Oats, bu..... | 3,012 | 3,684 | 3,184 | 2,399 | 25,796 | 2,313 |
| Pork lbs..... | 22,820 | 21,676 | 23,565 | 37,643 | 31,702 | 31,365 |
| Wheat, bu..... | 5,567 | 9,200 | 3,029 | 4,142 | 4,964 | 2,962 |
| Zinc, slabs..... | 245 | 199 | 158 | 286 | 225 | 136 |

*In thousands (000 omitted).

Live Stock Movement

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

| | *Receipts | | | *Shipments | | |
|------------------------|------------|-----------|------------|------------|-----------|------------|
| | Sept. 1924 | Aug. 1924 | Sept. 1923 | Sept. 1924 | Aug. 1924 | Sept. 1923 |
| Cattle and Calves..... | 179 | 132 | 165 | 112 | 90 | 117 |
| Hogs | 312 | 285 | 375 | 228 | 206 | 260 |
| Horses and Mules..... | 7 | 4 | 7 | 6 | 4 | 8 |
| Sheep | 48 | 63 | 60 | 25 | 18 | 33 |

*In thousands (000 omitted).

BUILDING

Weather during the period under review was ideal for all classes of building operations, and the high pace of activity noted in the preceding issue of this report was well sustained. Reports of building material manufacturers and distributors indicate a resumption of building activities in the rural sections, where the call for materials for new construction and repairs is better than in many months. The money value of new building authorized in the five largest cities of the district in September, while approximately 11.6 per cent under the corresponding month in 1923, was the largest since May this year. Some recession in the number of permits for industrial construction was noted, but the lists included a number of amusement enterprises, hotels and schools, and residential building continues on a large scale. With the exception of slight declines in certain grades of lumber and steel bars, prices of building materials showed no change worthy of note. Work on highways is being pushed, and will continue active until interfered with by cold weather. Production of portland cement for the country as a whole during September totaled 14,519,000 barrels, against 15,128,000 barrels in August and 13,109,000 barrels in September, 1923.

Building figures for September follow:

| | New Construction | | | | Repairs, etc. | | | |
|--------------|------------------|-------|---------|---------|---------------|-------|-------|-------|
| | Permits | | *Cost | | Permits | | *Cost | |
| | 1924 | 1923 | 1924 | 1923 | 1924 | 1923 | 1924 | 1923 |
| Evansville | 288 | 134 | \$ 403 | \$ 277 | 115 | 80 | \$129 | \$ 14 |
| Little Rock | 83 | 63 | 176 | 177 | 130 | 153 | 46 | 53 |
| Louisville | 362 | 282 | 2,937 | 1,005 | 107 | 123 | 64 | 54 |
| Memphis | 451 | 351 | 1,365 | 1,349 | 124 | 65 | 50 | 24 |
| St. Louis | 1,059 | 909 | 2,192 | 5,205 | 591 | 608 | 592 | 388 |
| Sept. totals | 2,243 | 1,739 | \$7,073 | \$8,013 | 1,067 | 1,029 | \$881 | \$533 |
| Aug. totals | 1,922 | 1,869 | 5,506 | 5,330 | 946 | 1,075 | 602 | 589 |
| Aug. totals | 1,797 | 1,645 | 5,558 | 4,802 | 1,028 | 946 | 661 | 691 |

*In thousands of dollars (000 omitted).

COST OF LIVING

Several slight changes in the average prices of the major items comprising the total cost of living occurred between August 15, and September 15, 1924, according to the monthly survey of the National Industrial Conference Board. The most important of these were approximately 2 per cent increase for food and 1 per cent decrease for clothing. The total increase for all items combined during the month was six-tenths of one per cent. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and September, 1924, the cost of living decreased 20 per cent. The increase in the cost of living since July, was 63.7 per cent.

The following table shows in detail the changes in the cost of living noted above:

| Item | Relative importance in family budget | Percentage of increase in the cost of living above average prices in July, 1914, to— | | | Percentage of decrease in the cost of living on Sept. 15, 1924, from average prices in | |
|------------------------------------|--------------------------------------|--|------------|-------------|--|------------|
| | | July, 1920 | Aug., 1924 | Sept., 1924 | July, 1920 | Aug., 1924 |
| Food* | 43.1 | 119 | 44 | 47 | 32.9 | 2.1** |
| Shelter | 17.7 | 58 | 86 | 85 | 17.1** | 0.5 |
| Clothing | 13.2 | 166 | 76 | 74 | 34.7 | 1.1 |
| Fuel and light..... | 5.6 | 66 | 66 | 66 | 0.0 | 0.0 |
| (Fuel) | (3.7) | (92) | (78) | (79) | (6.8) | (0.6)** |
| (Light) | (1.9) | (15) | (42) | (41) | (22.6)** | (0.7) |
| Sundries | 20.4 | 85 | 73 | 73 | 6.4 | 0.0 |
| Weighted average of all items..... | 100.0 | 104.5 | 62.8 | 63.7 | 20.0 | 0.6** |

*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 September, 1924, was 61.1 cents as contrasted with one dollar in July, 1914.

FINANCIAL

Outstanding features in the banking and financial situation in this district during the past thirty days have been a plethora of loanable funds held by the commercial banks, heavy liquidation of virtually all classes of loans and an easier trend in rates. Continued marketing of agricultural products on a large scale is reflected in heavy payments to country merchants, who in turn are settling with the wholesalers and jobbers and reducing their commitments at the banks. In the larger centers banks report that their mercantile customers are paying up, and the demand for new loans from that source is limited. Numerous manufacturing and wholesale establishments which are ordinarily heavy borrowers at this season find themselves with surplus funds for which they are seeking temporary investment. The generally moderate stocks of merchandise being carried, and the relatively light volume of future buying are given as additional reasons for the smaller demand for credit from commercial interests. Deposits of the commercial banks continue at the recent high levels, a number of large institutions reporting the largest volume in recent years. In the South demands for financing the cotton, tobacco and rice crops are being easily met, and in the immediate past there has been liberal liquidation of loans based on these commodities, particularly cotton. The demand from the grain and milling interests is holding up well, but requirements of the live stock raisers are less in evidence than earlier in the season.

Commercial Paper

A marked scarcity of offerings, coupled with low rates were the chief factors in a decrease of 17.2 per cent in September sales of reporting brokers under the corresponding month in 1923, and a loss of 10.4 per cent as contrasted with the August total this year. Brokers report that their most important borrowing customers are not in the market for loans, with the result that their lists of offerings are conspicuously lacking in choice names. The demand from both country and city banks is extremely good, but paper is lacking to supply it. Rates were again lower, ranging from 3 to 3¾ per cent, which compares with 3¼ to 3¾ per cent during the preceding thirty days, and 5¼ to 5½ per cent during the corresponding period last year.

Savings Deposits

The changes in the amount of savings deposits, exclusive of postal savings deposits, since a month ago and a year ago, as reported by the largest member banks in the leading cities of this district, are shown in the following table:

| | No. of banks reporting | *Amount of savings deposits | | | Oct. 1924 comp. to Sept. 1924 | Oct. 1924 comp. to Oct. 1923 |
|-----------------|------------------------|-----------------------------|---------------|--------------|-------------------------------|------------------------------|
| | | Oct. 1, 1924 | Sept. 3, 1924 | Oct. 3, 1923 | | |
| Evansville | 4 | \$ 9,255 | \$ 9,240 | \$ 8,998 | + 0.2% | + 2.9% |
| Little Rock .. | 5 | 7,615 | 7,585 | 7,125 | + 0.4 | + 6.9 |
| Louisville | 7 | 26,807 | 26,926 | 23,559 | - 0.4 | + 13.8 |
| Memphis | 4 | 16,636 | 17,329 | 18,131 | - 4.0 | - 8.2 |
| St. Louis..... | 12 | 77,934 | 77,496 | 72,315 | + 0.6 | + 7.8 |
| Totals..... | 32 | \$138,247 | \$138,576 | \$130,128 | - 0.2 | + 6.2 |

*In thousands (000 omitted).

Debits to Individual Accounts

| | *For four weeks ending | | | Oct. 1924 comp. to Sept. 1924 | Oct. 1924 comp. to Oct. 1923 |
|---|------------------------|----------------|---------------|-------------------------------|------------------------------|
| | Oct. 22, 1924 | Sept. 24, 1924 | Oct. 24, 1923 | | |
| E. St. Louis and Natl. Stock Yards, Ill.. | \$ 42,349 | \$ 38,463 | \$ 44,760 | +10.1% | - 5.4% |
| El Dorado, Ark..... | 6,653 | 6,983 | 7,481 | - 4.7 | -11.1 |
| Evansville, Ind..... | 26,273 | 25,863 | 29,716 | + 1.6 | -11.6 |
| Fort Smith, Ark..... | 16,781 | 10,464 | 14,194 | +60.3 | +18.2 |
| Greenville, Miss..... | 4,779 | 3,187 | 3,490 | +50.0 | +36.9 |
| Helena, Ark..... | 6,898 | 4,174 | 5,633 | +65.3 | +22.5 |
| Little Rock, Ark..... | 82,807 | 62,431 | 67,726 | +32.6 | +22.3 |
| Louisville, Ky..... | 152,278 | 153,162 | 146,677 | - 0.6 | + 3.8 |
| Memphis, Tenn..... | 138,058 | 110,809 | 143,647 | +24.6 | - 3.9 |
| Owensboro, Ky..... | 4,685 | 4,649 | 5,739 | + 0.8 | -18.4 |
| Quincy, Ill..... | 10,874 | 9,962 | 10,100 | + 9.2 | + 7.7 |
| St. Louis, Mo..... | 654,805 | 570,316 | 683,984 | +14.8 | - 4.3 |
| Sedalia, Mo..... | 4,178 | 4,015 | | + 4.0 | |
| Springfield, Mo..... | 11,546 | 11,498 | 13,947 | + 0.4 | -17.2 |
| Totals..... | \$1,162,964 | \$1,032,620 | | +12.6 | - 1.6 |

*In thousands (000 omitted).

Condition of Banks

The upward trend in loans and discounts of the 34 reporting member banks continued during the period under review, and on October 15 reached a new high point for the year. The total on that date, \$483,019,000, was \$8,521,000 larger than on September 17, 1924, and \$13,757,000 in excess of the total on October 17, 1923. Investments remained stationary, but there was a sharp upward movement in deposits, the total of \$585,548,000 on October 15 being the highest in more than two years and comparing with \$573,428,000 on September 17 and \$529,447,000 on October 17, 1923.

The following statement shows principal resources and liabilities of reporting member banks in Evansville, Little Rock, Louisville, Memphis, and St. Louis:

| | *Oct. 15, 1924 | *Sept. 17, 1924 | *Oct. 17, 1923 |
|---|----------------|-----------------|----------------|
| Number of banks reporting..... | †33 | †34 | 36 |
| Loans and discounts (incl. rediscounts) | | | |
| Secured by U. S. Govt. obligations..... | \$ 9,869 | \$ 9,843 | \$ 12,392 |
| Secured by other stocks and bonds..... | 153,747 | 151,390 | 140,964 |
| All other loans and discounts..... | 319,403 | 313,262 | 315,906 |
| Total loans and discounts..... | \$483,019 | \$474,495 | \$469,262 |
| Investments | | | |
| U. S. Pre-war bonds..... | 14,807 | 14,808 | 15,204 |
| Liberty bonds..... | 22,924 | 22,826 | 23,551 |
| Treasury bonds..... | 2,256 | 2,505 | 7,610 |
| Victory and Treasury notes..... | 10,160 | 10,140 | 18,410 |
| Certificates of Indebtedness..... | 2,607 | 3,934 | 5,861 |
| Other securities..... | 94,548 | 93,238 | 83,532 |
| Total investments..... | \$147,302 | \$147,451 | \$154,168 |
| Reserve balance with F. R. bank..... | 45,496 | 44,319 | 39,530 |
| Cash in vault..... | 7,932 | 7,243 | 8,163 |
| Net demand deposits..... | 375,393 | 367,339 | 333,606 |
| Time deposits..... | 206,549 | 201,800 | 190,183 |
| Government deposits..... | 3,606 | 4,289 | 5,658 |
| Bills payable and rediscounts with Federal reserve bank | | | |
| Secured by U. S. Govt. obligations..... | 977 | 880 | 13,616 |
| All other..... | 5,244 | 4,760 | 35,060 |

*In thousands (000 omitted).

†Decrease due to consolidation. Total resources of these 33 banks comprise approximately 54 per cent of the resources of all member banks in the district.

Federal Reserve Operations

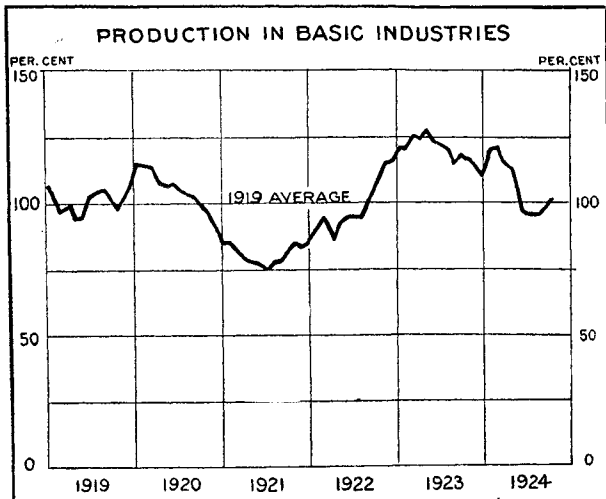
There was a further increase during September in the amount of paper discounted by the Federal Reserve Bank of St. Louis. On October 15, the amount of bills held was \$22,248,000 which compares with \$18,323,000 on September 17, and \$71,944,000 on October 17, 1923. Total earning assets on October 15 were \$45,461,000 as against \$44,034,000 on September 17, and \$71,951,000 on October 17, 1923. The combined reserve ratio of this bank against deposit and Federal reserve note liabilities on October 15 was 72.5 per cent, which compares with 73.7 per cent on September 17 and 55.2 per cent a year ago. During September this institution discounted for 239 of its member banks, which compares with 236 and 271 accommodated in August this year and September, 1923, respectively. The discount rate remains unchanged at 4 per cent.

(Compiled October 24, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES

Production

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, rose 9 per cent in September, the first advance since last January. In-



Index of 22 basic commodities corrected for seasonal variation. Latest figure, September—102.

creased activity was reported in many lines of industry including textiles, iron and steel, and coal.

Employment

Factory employment increased 2 per cent during September, reflecting larger working forces in nearly all reporting industries. Average weekly earnings of industrial workers increased slightly, owing to a decrease in the extent of part time employment.

Building contracts awarded showed a small seasonal decline in September, but were considerably larger than a year ago.

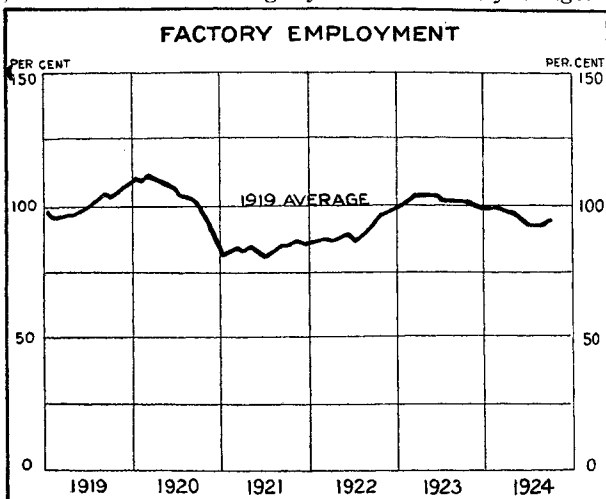
Crop conditions, as reported by the Department of Agriculture, showed a further slight improvement during September and the estimates of production for spring wheat, oats, barley and white potatoes on October 1 were larger than the month before. Estimates of the yields of corn, tobacco, and cotton, however, were reduced.

Marketing of wheat was exceptionally heavy in September and exports of wheat and cotton were larger than for the same month of any recent year.

Trade

Distribution of commodities, as reflected in railroad shipments, increased during September and was greater than last year, owing to larger loadings of miscellaneous merchandise, grain and coal.

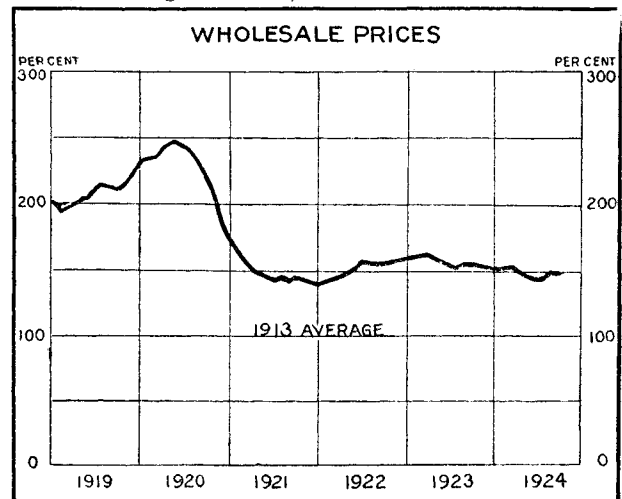
Wholesale trade was 11 per cent larger than in August, as a result of increased business in almost all reporting lines. Sales of groceries and drugs were larger than a year ago, while sales of meat and shoes were smaller. Retail trade showed more than the usual seasonal increase in September and sales of department stores and mail order houses were considerably larger than last year. Merchandise stocks at department stores increased more than usual during September, but continued to be slightly smaller than a year ago.



Index for 33 manufacturing industries Latest figure, July—87

Prices

Wholesale prices of farm products, clothing, fuel, and metals declined somewhat in September, while prices of food products, building materials, and chemicals advanced. The



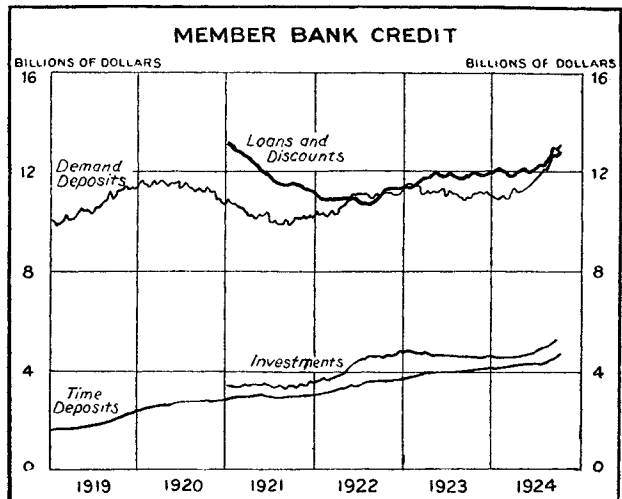
Index of U. S. Bureau of Labor Statistics Latest figure, September—149

general level of prices, as measured by the Bureau of Labor Statistics index, was slightly lower in September than in August. During the first half of October quotations on wheat, flour, cattle, hogs, wool, and rubber increased, while prices of cotton, lumber, and gasoline declined.

Bank Credit

During the five weeks ending October 15 loans and investments of reporting member banks in leading cities increased by more than \$600,000,000. Credit demand for financing the marketing of crops and the fall activity of trade were reflected in increased commercial loans throughout the country and the total volume of these loans rose to a level considerably above the peak of October, 1923. Member bank investments in securities continued to increase and loans on stocks and bonds also advanced. A further growth of demand deposits carried their total to the highest figure on record.

At the Federal reserve banks, discounts changed but little in September and declined in the first three weeks of October, while holdings of acceptances increased considerably and there was also some increase in United States securities. As a consequence, total earning assets were larger than at any time since early in the year. Larger currency requirements, partly seasonal in character, were reflected between August 1 and October 1 in an increase of \$140,000,000 in the total volume of money in circulation. Money rates in the New York market remained relatively constant in the latter part of September and the early part of October. On October 15 the discount rate of the Federal Reserve Bank of Minneapolis was reduced from 4½ to 4 per cent.



Weekly figures for member banks in 101 leading cities Latest figure, October 15.