

FEDERAL RESERVE BANK OF ST. LOUIS



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

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STEADY growth in industrial activity, renewed confidence in the immediate outlook for trade, advancing commodity prices, continued strength in the banking and financial situation, heavy distribution of merchandise, enormous freight loadings and generally auspicious conditions for fall crops and farm operations were among the factors favorably affecting general business in this district during the past thirty days. In a majority of lines investigated October sales showed gains over the preceding month this year, and while some minor decreases as compared with the corresponding month in 1923 were developed, the losses were attributed largely to the unusually warm weather which seriously hampered the movement of seasonal goods throughout the chief trade territories.

While the disposition to cautious buying continues among both merchants and ultimate consumers, there was a perceptible relaxation on the part of the former from the recent policy to purchase only for immediate requirements. Ordering of merchandise for selling in the spring was being pursued with greater confidence and on a larger scale than heretofore. Retailers in the rural areas, whose stocks had been allowed to run low in recent months, showed considerably more interest in replenishing and filling out their assortments. Initial ordering of holiday goods in virtually all lines is reported satisfactory, and generally in excess of the corresponding period a year ago.

Production in a number of the basic industries recorded excellent gains over the month before. Iron and steel plants increased their activities, and the placement of orders for their products during the past several weeks has been in volume sufficient to renew interest in raw materials. Purchases of pig iron were the largest for any similar period this year, and heavy buying of scrap iron and steel, coupled with generally small stocks resulted in a sharp upturn in prices for waste material. Manufacturers of specialties, particularly stoves, farm implements and other goods consumed largely in the country, report substantial accretions to their unfilled orders.

Improvement in the drug and chemical, furniture, grocery and electrical supply lines, noted in the preceding issue of this report, continued during the period under review. Sales in these and several other classifications were stimulated by ordering of holiday goods. Reports relative to clothing and textiles generally were somewhat spotted. Price uncertainty and the unseasonably low temperatures were responsible for hesitation in certain quarters, particularly on staple goods. The movement of specialties, novelties and styled goods, however, was in satisfactory volume. The shoe industry continued its gains of recent months, though October sales while larger in volume

than a year ago, were slightly smaller in dollar value, due to a decrease in prices.

A feature of the employment situation was the sustained activity in building operations, the mild weather having permitted of all sorts of outdoor work, including highway and river improvement operations, to be carried further into the season than usual. This has resulted in a heavy call for common labor, and skilled artisans in the building trades are well employed. The demand for help on farms was well sustained, particularly in the South, where harvesting of the cotton, tobacco and rice crops was being completed. Foundries and steel mills added to their forces and the same was true of the railroads. Meat packing plants and flour mills were operating with close to normal complements of labor. Not much change took place in the coal mining areas, but full employment was the rule in the lead and zinc fields.

Changes in crop conditions in the district during October as contrasted with the preceding month were in the direction of betterment. Heavier production, based on November 1 conditions than at the opening of October, was indicated in corn, cotton, tobacco, and rice. According to the Department of Agriculture's report, the average yield per acre of all crops combined in States wholly or partly in this district—duly weighted—compared with the average for recent years, was 94.4 per cent, against 91.03 per cent last year, 97.4 per cent in 1922, 103 per cent in 1921 and 93.2 per cent in 1920. Marketing of farm products, including live stock, was on a large scale, receipts of corn, wheat, cotton, cattle and hay being well in excess of the same period a year ago.

As was the case during the preceding thirty days, cereal prices fluctuated broadly, but with the trend upward, wheat making a new high record on the crop. Between October 15 and November 15, in the St. Louis market, December wheat ranged from \$1.37 $\frac{1}{8}$ to \$1.55 $\frac{5}{8}$, closing at \$1.53 on the latter date, which compares with \$1.49 $\frac{3}{4}$ on October 15, and \$1.04 on October 15, 1923. Cash wheat was correspondingly high, No. 2 red winter selling at \$1.66 on November 10, the highest in more than three years. December corn closed slightly lower on November 15 than the month before, but the more distant options were higher. In face of the Government's increased estimates of production, cotton prices advanced, middling selling at 24c per pound on November 15, against 22 $\frac{1}{2}$ c a month earlier. Hog prices declined in sympathy with lower quotations on fresh pork products. With improved demand for fats and hides, beef prices were in the main satisfactory. There was an active market for mutton, and sheep prices were strong.

High temperatures extending through October and the first weeks of November resulted in serious setback to the coal trade. Consumption by households was greatly below normal for this time of year, and dealers generally were loath to contract for their mid-winter supplies in view of the scant purchasing by their customers. There was some improvement in the demand for steaming coal in the chief industrial centers, but in the country steam sizes are still slow. In Arkansas several mines were obliged to close down, due principally to the extreme difficulty of moving screenings. In the Kentucky field business was relatively more active than elsewhere, owing to a wider selling radius permitted by non-union operation and slightly lower prices. Generally list prices were unchanged, but in numerous instances concessions were being granted in order to move tonnage. The domestic coke situation continued dull, with stocks on producers' yards still heavy. The demand for metallurgical coke, however, was fairly active and prices firm. Production of bituminous coal for the country as a whole during the first 265 working days of the calendar year, or to November 8, totaled 392,849,000 net tons, which compares with 475,551,000 tons for the corresponding period last year and 342,883,000 tons in 1922. Reports from the mines indicate that lack of demand remains by far the dominant factor in limiting production.

Reports of railroads operating in this district continue to reflect the movement of enormous tonnage of freight, several important roads in October having exceeded the record of any previous single month. For the country as a whole a new high record for all time was established during the week ended October 25, when 1,112,345 cars of revenue freight were loaded. This total was 10,009 cars greater than the preceding week, the previous high record, and a gain of 38,504 cars over the corresponding week last year and of 112,627 cars over the same period in 1922. A considerable portion of the gains were accounted for by grain and grain products and miscellaneous freight, both these classifications establishing new high records. The Terminal Railway Association of St. Louis, which handles interchanges for 28 connecting lines, interchanged 229,275 loads in October, the highest on record, and comparing with 213,480 loads in September and 226,242 loads in October, 1923. During the first nine days of November 62,868 loads were interchanged, against 68,973 loads during the first nine days of September and 66,020 loads during the corresponding period a year ago. Passenger traffic of the reporting roads decreased 12 per cent during October as compared with the same month last year. Tonnage moved by the Mississippi River section of the Federal Barge line during October between St. Louis and New Orleans amounted to 56,000 tons, against 80,537 tons in September and 55,306 tons in October, 1923.

Further improvement in collection efficiency is indicated in reports from leading interests in both wholesale and retail lines. Payments to wholesale dry goods and shoe interests during October and early November were fully equal to expectations, and slightly above those of the corresponding period a year ago. Continued heavy marketing of crops has resulted in extensive liquidation of indebtedness in the farming communities, particularly in the grain and cotton areas. Country merchants are for the most part meeting their bills as they fall due, and a general comment among jobbers and wholesalers is that there are fewer requests for extensions than at any time in more

than two years. Retailers in the large cities report that with but relatively few exceptions their customers are paying promptly. Answers to 423 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
Oct., 1924.....	4.2%	38.2%	51.6%	6.0%
Sept., 1924.....	4.1	34.9	54.8	6.2
Oct., 1923.....	0.9	35.3	57.1	6.7

Commercial failures in the Eighth Federal Reserve District during October, according to Dun's, numbered 79, involving liabilities of \$1,945,106, against 71 defaults in September with indebtedness of \$3,586,174, and 84 failures for \$1,308,833 in October, 1923.

The per capita circulation of the United States on November 1 was \$43.12, against \$42.52 on October 1, and \$43.27 on November 1, 1923.

MANUFACTURING AND WHOLESALE

Automobiles

The increase in production of automobiles for the country as a whole, which had continued each consecutive month since May, was halted in October, the combined output of passenger cars and trucks for that month falling 0.6 per cent under the September total. As contrasted with a year ago, the October production showed a decrease of 20.7 per cent. Manufacturers reporting direct or through the Automobile Chamber of Commerce built 257,839 passenger cars in October, against 260,091 in September and 334,244 in October, 1923. The output of trucks by the same companies in October numbered 30,597, which compares with 30,154 in September and 29,639 in October, 1923.

As compared with September, sales of new automobiles showed a rather sharp decrease during October, but the total for the latter month was about equal to that of the corresponding period a year ago. The decrease in October under September is seasonal, and no greater than usual. Sales of 320 dealers scattered through the district during October were 10.4 per cent less than in September, and 0.2 per cent under the October, 1923 total. The number of cars on dealers' floors at the end of October was slightly less than the month before, and considerably below the total of a year ago. Manufacturers are shipping cars as required, and many of the most important producers have announced they will not load up dealers during the winter months with stock for sale in the spring. As has been the case for the past several months, business in accessories continues relatively better than in new cars, sales of the reporting dealers during October showing gains over September, 1924 and October, 1923. Further improvement was noted in the tire situation, both in point of stocks and volume of sales. Prices displayed a stronger tendency. No change worthy of note took place in the used car market as compared with the preceding month. Reductions in the price of new cars were announced by several manufacturers.

Boots and Shoes

Sales of the 11 reporting interests during October were 1.8 per cent smaller than for the corresponding month in 1923, but 1.3 per cent larger than the September total this year. In actual pairs of shoes sold the showing made in October exceeded that of a year ago, the decrease in dollar value being accounted for by a reduction of 3 to 4 per cent in prices as com-

pared with October, 1923. Orders received in early November have been in satisfactory volume and indicate gains over the same period last year. The demand in men's lines centers chiefly in the cheaper grades, those selling from \$4 to \$6. Goods to sell at \$8 and higher are relatively quiet. All grades of women's and children's footwear continue active, with the demand for novelties particularly strong. Factory operation was at from 80 to 100 per cent of capacity. The trend of prices is higher, the average being up about 2½ per cent since September 1. The upturn in finished products is largely in sympathy with higher raw materials.

Clothing

While the movement of clothing during the period under review, according to the reporting interests, was considerably more active than thirty days earlier, the unseasonably low temperatures had a retarding effect on sales of heavy-weight goods, and a spell of cold weather is much needed to produce best results. Ordering of goods for spring wear is in larger volume than a year ago, and assortments being taken include a greater variety and larger percentage of better class garments. Prices of finished goods showed little change worthy of comment, but the continued strength of raw wool is having a strengthening effect in apparel based on that staple. Sales of the 10 reporting interests during October were 3.9 per cent less than the same month last year, and 73.1 per cent over the September total this year, the latter gain being accounted for by seasonal considerations. Milliners complain of continued quietness, sales of representative concerns showing decreases both as compared with the preceding month and a year ago.

Drugs and Chemicals

As compared with a year ago, October sales of the 11 reporting interests showed an increase of 8.3 per cent, and the total was 11.5 per cent larger than during September this year. Improvement was pretty general through the entire line, but particularly noticeable in medicinal drugs and fine chemicals. Buying for future requirements is in larger volume and being pursued with greater confidence. Ordering of holiday goods has opened up in excellent shape, with total sales in this general category well in excess of the same time in 1923 or 1922. Improvement in the metal industries has had a favorable effect on the demand for heavy chemicals. There was little change in prices in drugs and fine chemicals, but the trend was upward. Of twenty-five changes reported, eighteen were advances and seven declines.

Dry Goods

Sales of the 12 reporting interests during October were 3.9 per cent larger than for the same month in 1923, and 18.9 per cent under the September total this year. Since the middle of October there has been steady improvement in ordering for January to March delivery, and the volume of cancellations and returned goods has fallen off perceptibly. Business for immediate shipments continues satisfactory, and the comment is made that the number of small orders for delivery by parcels post and express is larger than ever before. Fluctuations in the raw cotton market have caused considerable irregularity in prices of cotton goods, there having been advances and declines. The demand for knitted goods has been unfavorably affected by the warm weather, but there was a better movement of overalls and men's work clothes generally. Wash fabrics for spring sold more freely, but for the most part retailers are confining their com-

mitments to small lots of a wide variety and fancy weaves. Novelty weaves and crepes are reported the most active section of the silk goods market. Buying of staples is backward, owing to price uncertainty and lack of demand.

Electrical Supplies

October sales of the 12 reporting interests were 6.7 per cent under the corresponding month in 1923, but 1.0 per cent in excess of the September total this year. The movement of pole and line hardware was reported in good volume, and the late fall has kept up an active demand for new building installations. The holiday demand for radio equipment, flashlights, fancy lamps and other seasonal goods is being felt, with advance sales somewhat larger than a year ago. The general improvement in industrial activity has stimulated the demand for motors and repair materials. The chief price changes reported were a reduction in mild steel pipe (conduit), and a further slight advance in bare and insulated wire and cables.

Fire-Clay Products

A decrease of 12.1 per cent in October sales as compared with the same month last year was shown by the 5 reporting interests, and as contrasted with the September total this year a loss of 1.1 per cent was shown. Some recession in purchasing by the cement and oil industry was reported, and sales to the iron and steel industry were also smaller. Miscellaneous materials are moving in fair volume, and several sizeable inquiries for vitrified projects are pending. Since November 1 a fair volume of orders for first quarter of 1925 requirements has been booked.

Flour

Production of the 11 leading mills of the district during October was 375,858 barrels, against 383,922 barrels in September and 446,009 in October, 1923. Business generally during the period under review was described as quiet. There was a fair current movement in a small way to the domestic trade, and purchasing of soft flours in the South increased somewhat, but car lot buying continues backward. Mills advanced their prices sharply in sympathy with the rise in wheat, but buyers were disinclined to follow the upturn, and buying was on a hand-to-mouth basis. Shipping directions on flour previously purchased were good, however, and the mills were kept busy grinding on old orders. There was the usual routine export business with Latin-American countries, but bids from Europe were mainly too far out of line to result in workings.

Furniture

Improvement in this classification noted in the preceding issue of this report was accelerated by appearance of an excellent demand for holiday goods, and October sales of the 25 reporting interests gained 7.9 per cent over those in September and were 6.5 per cent larger than the October, 1923 total. The demand for household furniture, particularly suites, is reported better than at any time in more than two years, and there is an active call for hotel, hospital and school equipment. Stocks in retailers hands are small, and there is more disposition to replenish than heretofore. Buying by merchants in the country districts, particularly in the South, has developed marked betterment during the past six weeks.

Groceries

Greater purchasing power in the rural communities, good condition of roads, ordering for the holiday trade and small stocks in retailers' hands were men-

tioned as the chief factors favorably affecting business in this classification. October sales of the 22 reporting interests were 4.9 per cent larger than during the same month in 1923, and 5.8 per cent in excess of the September total this year. The trend of prices continues upward, with further specific advances in canned goods, cereals and several of the important staples. Sugar, however, continued weak and the recent upturn in coffee was checked. Purchasing of dried and preserved fruits, nuts and candy for the holidays is reported on a more liberal scale than for any similar period in more than three years.

Hardware

October sales of the 12 reporting interests were 0.8 per cent greater than those of the same month in 1923, but 4.5 per cent under the total of September this year. The comment is made that business in the country is relatively better than in the large centers of population. Agriculturists are filling their needs more freely, and all seasonal goods for the farm are moving in good volume. The demand for builders hardware and tools showed less than the usual seasonal decrease. Considerable interest was manifested in holiday goods. There was some reordering of hunters' supplies, and advance sales of spring sporting goods were reported in fair volume. Prices average about steady with the preceding thirty days, advances equalizing declines.

Iron and Steel Products

Activities at mills, foundries and machine shops increased slightly during the period under review, and reports from these interests indicate further gradual improvement in the demand for their products. While purchasing continues largely for nearby requirements, there has been considerable ordering for first quarter of 1925 needs, particularly of raw materials. The tonnage of pig iron engaged during the past thirty days was the largest for any similar period since last February. For the country as a whole, pig iron production in October scored a liberal gain, and steel ingot output also increased, this being the third consecutive month in which gains were recorded in these materials. The late fall, which has favored building activities, is accountable largely for a heavy movement of all varieties of iron and steel going into construction. The demand for bars, shapes and wire products has been well sustained at generally steady prices. Manufacturers of specialties, notably stoves and farm implements, report increased sales, and October bookings of several of the most important steel mills of the district were largely in excess of the preceding month, and in two instances the heaviest in two years. Foundries specializing in gray castings report the placement of a good volume of orders since November 1, and general purchasing by the railroads is in excellent volume. Scant supplies and speculative activity on the part of dealers resulted in a further sharp advance in scrap iron and steel prices, the upturn affecting virtually all items in the list. Warehousemen report a continued good movement of their entire line, but with sales chiefly for spot shipment. The demand for oil field materials and general supplies for the coal mining areas continues quiet. October sales of stove manufacturers, 7 reporting, were 2.0 per cent larger than for the corresponding month in 1923, and 4.1 per cent in excess of the September total this year; railway supplies, 5 reporting, decreased 32 per cent under last year, but increased 12.3 per cent over September this year; farm implements, 6 reporting, decreased 5.2 per cent under October, 1923, but

gained 13.4 per cent over September this year; job foundries, 5 reporting, decreased 6.0 per cent under October, 1923, and 1.1 per cent under September this year; manufacturers of boilers, stacks, elevators, wire rope and miscellaneous products, 14 reporting, decreased 0.5 per cent under October, 1923, and gained 32.6 per cent over September this year.

Lumber

Favorable building weather through October and the first half of this month served largely to offset the tendency to cautious buying, and an improvement in most woods has taken place. Small and broken stocks at mills and in dealers' yards, and a disposition on the part of jobbers to fill out their assortments has resulted in the placement of some fair orders and strengthening of prices. Specific advances have been recorded on several items of yellow pine. Some substantial orders have been placed by the car builders, and demands of the automotive industry continue large. Dullness in the hard woods is still general, but the feeling for the future is optimistic and prices firm. The export demand continues good.

DEPARTMENT STORES

	Net sales comparisons		Stocks on hand	Annual rate of
	Oct. 1924 comp. to Oct. 1923	Four months ending Oct. 31, 1924, to same period, 1923	Oct. 31, 1924 comp. to Oct. 31, 1923	For 4 months ending Oct. 31, 1924
Evansville	-10.2%	- 7.7%	-16.5%	1.79
Little Rock.....	+ 1.4	+ 2.0	- 0.4	2.11
Louisville	- 2.1	+ 5.8	- 9.2	2.41
Memphis	+ 2.8	- 0.2	- 3.8	2.21
Quincy	-12.7	+ 3.3	- 4.0	2.20
St. Louis.....	- 8.1	- 5.2	+ 1.4	2.80
Springfield.....	-23.2	-15.3	-19.1	1.43
8th District.....	- 4.7	- 1.8	- 1.9	2.48

CONSUMPTION OF ELECTRICITY

Consumption of electricity during October by selected industrial customers of the public utility companies in the five largest cities of the district was greater by 4.0 per cent than during September, but fell 2.5 per cent under the total for October, 1923. As compared with the preceding month, the only notable reductions were those of a seasonal character in ice manufacturing and cold storage, good gains being shown by the flour milling, mining, cement and wood working industries. Losses as compared with last year were attributable to heavily reduced loads taken by several large individual companies, the aggregate of which more than offset general gains distributed through most classes of consumers.

Detail figures follow:

	No. of custom-ers	Oct., 1924 *K.W.H.	Sept., 1924 *K.W.H.	Oct., 1924 comp. to Sept. 1924	Oct., 1923 *K.W.H.	Oct. 1924 comp. to Oct. 1923
Evansville.....	40	1,029	928	+10.9%	1,054	- 2.4%
Little Rock.....	35	1,096	1,366	-19.8	1,273	-13.9
Louisville.....	67	4,264	3,990	+ 6.9	4,246	+ 0.4
Memphis.....	31	1,477	1,025	+44.1	1,146	-28.9
St. Louis.....	82	13,159	12,904	+ 2.0	13,012	+ 1.1
Totals.....	255	21,025	20,213	+ 4.0	20,731	- 2.5

*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
September, 1924.....	1,496,127,000	3,309,732,000	4,805,859,000
August, 1924.....	1,517,621,000	3,217,650,000	4,735,271,000
September, 1923.....	1,491,969,000	3,079,267,000	4,571,236,000

AGRICULTURE

During the period under review weather conditions were peculiarly favorable for agricultural operations, and farmers made marked progress with fall work. Harvesting of late vegetables, fruits, and forage crops was completed, and yields were for the most part up to or in excess of expectations. The movement of all varieties of farm products has been on an

extensive scale, the long dry spell having put roads in excellent condition for hauling to railroad terminals. In the case of cereals and cotton a further incentive to marketing has been the high level of prices.

Seeding of winter wheat, which extended over an unusually long time because of the dry weather, has been completed. Early planted fields are up to a good stand, and generally the plant will enter the cold weather in fine condition. Late-sown grain was greatly benefited by the rains during the first weeks of November. Latest reports indicate some increase in acreage over last autumn. There are scattered complaints of hessian fly, but nothing serious, immunity dates having been almost universally observed.

Weather conditions throughout October and early November were ideal for corn in this district, and much of the crop which it was thought would turn out of poor quality has dried thoroughly and will make fine grain. Cribbing is generally backward, but this fact is proving beneficial rather than otherwise, as the corn will be in better condition than if it had been housed earlier. A general killing frost was not experienced until October 21, and meantime much of the crop had matured. In Illinois, the chief corn State of the district, the average yield is placed at 33 bushels per acre and the total production estimated at 302,775,000 bushels, or only 37,350,000 bushels under the 1923 output. The average in Missouri is 26.5 bushels per acre, and indicated yield 179,113,000 bushels against 196,960,000 bushels harvested in 1923. In Arkansas, however, the yield is only 16.5 bushels to the acre and in Tennessee 21.5 bushels. Generally the merchantable portion of the crop is small. The high prices paid for old corn have resulted in heavy shipments and reserves on farms are below the 10-year average. Live stock feeding in some sections will be below the average of last year. Production of corn for the district as a whole is estimated at 350,074,000 bushels, against 403,090,000 bushels in 1923.

Corn — Tobacco

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

Corn

	Yield per acre		*Total production				Farm Price	
	1924	10-yr.	1924	1923	5-yr. av.	10-yr.	per bu.	
	(Prelim.)	av.	(Prelim.)		1918-22	av.	1924 1923	
	Bu.	Bu.	Bu.	Bu.	Bu.	%	cts. cts.	
Illinois..	33.0	34.6	302,775	337,312	317,273	70	82 104 77	
Indiana ...	27.0	36.3	124,281	192,616	177,513	57	82 108 76	
Kentucky	25.0	27.7	74,000	87,866	89,159	72	83 120 93	
Missouri ..	26.5	27.4	179,114	196,860	173,702	73	80 109 86	
Tennessee	21.5	25.3	68,134	73,941	83,241	78	85 124 104	
U.S.Total	23.5	27.6	2,477,538	3,046,387	2,899,428	63.2	83.4 108.9 84.8	

Tobacco

	lbs.	lbs.	lbs.	lbs.	lbs.		
Indiana ...	870	892	18,270	19,800	16,202	82	87
Kentucky	785	868	385,435	494,190	446,072	79	86
Tennessee	760	774	101,840	109,500	87,796	78	88
U.S.Total	713	799	1,213,975	1,491,066	1,360,661	76.5	83.5

*In thousands (000 omitted).

The production of hay was only slightly below that of a year ago, but due to the long, wet harvest, a considerable part of the crop is of inferior quality. With but few minor exceptions, fodder is plentiful in all sections, though corn cut for fodder is less than in 1923. Total output of hay for the district is estimated at 18,007,000, against 18,876,000 tons in 1923. Pastures in some sections were badly dried up during

the drouth of October, but were revived by the precipitation early this month. In the South it will be possible to pasture live stock later into the year than usual, thus effecting economy of prepared feeds.

No change worthy of comment occurred during the period under review in prospects of late fruits. The apple crop was picked under ideal conditions, and shipments have been heavy. Arkansas has a total production of 3,630,000 bushels and commercial crop of 787,000 barrels, against 3,025,000 bushels in 1923, of which 656,000 barrels comprised the commercial crop. In Missouri and Illinois, both total yield and commercial crop were under a year ago. The peanut crop suffered from bad weather, and was the smallest in more than a decade.

The yield of white potatoes in the district, 19,771,000 bushels, compares with 18,223,000 bushels harvested in 1923, and quality of the current crop is generally high. Disappointing market prices, however, have held down shipments, and in some sections farmers are feeding potatoes to live stock and poultry. On the other hand, drouth and other factors in important producing states damaged sweet potatoes, and the output is considerably below the average of the past five years.

Total production of tobacco of all types in this district is estimated at 315,418,000 pounds, against 396,737,000 pounds a year ago. The quality of the crop varies considerably, and final results will depend in large measure on weather conditions during the curing period. Conditions during the growing period were un auspicious for best results. The late, wet spring interfered with planting, and fears of frost and field rust in fall caused much premature cutting. The extreme dry weather prevailing in October prevented farmers from stripping the leaf, though these same conditions proved favorable for curing the late crop, and such tobacco as was cut too soon. The recent rains have materially benefited housed tobacco, and it is thought the principal markets will open about December 1, and that considerable tobacco will be ready for sale at that time. Sales of old tobacco by the marketing associations and independent dealers while comparatively small, have been at steady prices.

The rice crop has been entirely harvested, and about 75 to 80 per cent threshed. Due to exceptionally favorable weather, the movement of rice to mills has been large. Quality in the main is good. Yields are shorter than usual, but on account of the splendid harvest weather garnering is thorough and at relatively cheaper cost. There is an active market for all qualities of clean rice, and sales have been heavy, including a considerable export tonnage to Europe and South America. No. 1 blue rose rice sold as high as \$1.45, and the average price of all grades is around \$1.38 per bushel. Stocks of old rice have been practically exhausted.

Weather conditions were unusually favorable for opening and picking the remainder of the cotton crop, and fields have been thoroughly cleaned up. In a number of sections late bolls matured well, and yields are turning out somewhat better than earlier expectations. The indicated yield for the district on November 1 was 2,316,000 bales, a gain of 57,000 bales over the estimate of October 1, and comparing with 1,274,000 bales harvested in 1923. The movement to date has been heavy, and for the most part quality of the staple is high.

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:

	*Production		Condition			*Production		
	Final Census Ginnings		or prospect in per cent of normal or full yield per acre					
	1914-1923	1922	Forecast	Oct. 18, 1924	Oct. 25, 1923		Nov. 1, 1924	Forecast
Arkansas	947	1,018	628	1,130	37	60	62	1,150
Mississippi	941	989	604	1,135	36	58	61	1,120
Missouri	79	143	121	200	49	59	56	190
Tennessee	320	391	228	400	35	58	59	365
U. S. Total.....	11,484	9,762	10,140	12,675	47.8	54.7	55.9	12,816

*In thousands of bales (000 omitted).

Commodity Prices

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

	High	Low	Close	
			Nov. 15, 1924	Nov. 15, 1923
Wheat				
December	per bu. \$1.55½	\$1.37½		\$1.53
May	" 1.62½	1.43½		1.60
July	" 1.39½	1.28		1.38½
No. 2 red winter..	" 1.69	1.47	\$1.65	@ 1.66
No. 2 hard.....	" 1.56	1.35½	1.51½	@ 1.53
Corn				
December	" 1.14½	.99½		1.11½
May	" 1.19¾	1.03¾		1.17½
July	" 1.18¾	1.18¾		1.18¾
No. 2.....	" 1.14	1.02		1.12
No. 2 white.....	" 1.15½	1.02	1.11	@ 1.12
Oats				
December	" .54	.48		.52¾
May	" .59	.52¼		.58
No. 2 white.....	" .56½	.48		.55½
Flour				
Soft patent.....	per bbl. 8.75	7.25	8.00	@ 8.75
Spring patent.....	" 8.50	7.10	7.85	@ 8.20
Middling cotton.....	per lb. .24	.22¾		.24
Hogs on hoof.....	per cwt. 11.75	7.00	9.25	@ 9.50

Commodity Movement

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

	*Receipts			*Shipments		
	Oct. 1924	Sept. 1924	Oct. 1923	Oct. 1924	Sept. 1924	Oct. 1923
Beef, lbs.....	123	1,173	3,763	26,765	25,092	32,527
Corn, bu.....	2,397	2,149	1,998	1,492	1,236	1,110
Flour, bbls.....	469	475	524	655	598	631
Hides, lbs.....	11,113	6,929	9,967	14,562	9,928	12,167
Lard, lbs.....	6,663	4,149	7,291	9,116	8,647	9,737
Lead, pigs.....	289	279	119	236	228	176
Lumber, cars.....	19	17	22	13	12	15
Oats, bu.....	2,946	3,012	3,580	2,437	2,399	2,748
Pork, lbs.....	22,902	22,820	25,692	34,214	37,643	35,153
Wheat, bu.....	5,363	5,567	3,141	4,673	4,142	2,456
Zinc, slabs.....	235	245	196	374	286	184

*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		
	Oct. 1924	Sept. 1924	Oct. 1923	Oct. 1924	Sept. 1924	Oct. 1923
Cattle and Calves.....	171	179	197	107	112	117
Hogs	379	312	480	267	228	315
Horses and Mules.....	6	7	13	6	6	12
Sheep	46	48	53	21	25	25

*In thousands (000 omitted).

BUILDING

The dollar value represented in permits issued for new construction in the five largest cities of the district during October was the greatest since these records were first compiled, early in 1916. The total, \$13,032,000, was 84.2 per cent larger than in September, and 227 per cent in excess of the October, 1923, aggregate. The large increase was accounted for principally by the issuance of permits for an office building in St. Louis and several large structures in Louisville. Throughout the period under review building operations were favored by unusually mild weather, and considerable progress was made on structures in course of erection. Work on highways proceeded without interruption, and an unusually large amount

of building for the season was reported in the small towns and on farms. Production of portland cement for the country as a whole during October totaled 14,820,000 barrels, which compares with 14,519,000 barrels in September and 13,350,000 barrels in October, 1923.

Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	216	142	\$ 391	\$ 269	113	86	\$ 37	\$ 15
Little Rock....	126	92	437	253	125	193	46	74
Louisville	403	313	2,036	766	121	136	109	82
Memphis	380	391	1,638	988	178	83	61	29
St. Louis.....	1,000	968	8,530	1,711	626	635	502	400
Oct. totals.....	2,125	1,906	\$13,032	\$3,987	1,163	1,133	\$755	\$600
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

*In thousands of dollars (000 omitted).

FINANCIAL

The principal developments in the banking and financial situation during the past thirty days were a somewhat better demand for funds from general sources, a sharp gain in deposits of commercial banks, further good liquidation in the rural sections and a slightly stronger trend in interest rates. The improved inquiry for credits, however, has not been sufficient to absorb the loanable resources of the commercial banks, and in a number of notable instances they were seeking temporary investment for their surplus funds. Weather and the condition of roads have been ideal for the movement of crops from farms and marketing of all varieties of agricultural products has been on an extensive scale. This has resulted in heavy payments by the producers to their merchants and banks, which in turn is reflected in extensive settlements with financial institutions in the large centers, and a further reduction of discounts with the Federal Reserve bank. In the cotton States there has been considerable liquidation, due to the early and heavy movement of that staple. Requirements for financing the tobacco crop are reflected in increased borrowings in Louisville and elsewhere in the tobacco belt. Loans to the milling interests show little change from thirty days ago, save that the recent acceleration in the movement of corn has resulted in some borrowing on that account. The inquiry for credits from live stock interests is slightly more active than a month ago, particularly in the northern stretches of the district. Demand from manufacturing and mercantile customers of the banks was moderately active only, though some improvement has taken place since the second week of November. Activity in the security markets is reflected in a perceptible increase in loans secured by stocks and bonds at the member banks. Deposits of reporting member banks continued to gain, a new high record being made on November 12. Since the first week in October a feature of the activities of the Federal Reserve bank has been the large volume of bill of lading drafts, drawn chiefly to cover cotton shipments, discounted for member banks.

Commercial Paper

Conditions in the commercial paper market were similar in most respects to those obtaining during the preceding thirty days. Money is plentiful and the demand practically limitless, but available paper to supply it is extremely scarce, particularly the more desirable grades. Sales of the reporting brokers during October were about 4 per cent in excess of the September total, but 24½ per cent under those of October, 1923. During the past two weeks there was a slight improvement in rates, that is the 3 per cent

quotation disappeared, brokers advancing their offerings at that quotation to $3\frac{1}{4}$ per cent. The range during the period under review was 3 to $3\frac{3}{4}$ per cent, the same as the month before, and comparing with $4\frac{3}{4}$ to $5\frac{1}{4}$ per cent a year ago. Bankers were firm at a minimum of $3\frac{1}{4}$ per cent, and in the immediate past brokers were less disposed to purchase paper at the prevailing levels.

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			Nov. 1924 comp. to Oct. 1924	Nov. 1924 comp. to Nov. 1923
	Nov. 5, 1924	Oct. 1, 1924	Nov. 7, 1923		
	1924	1924	1923		
Evansville 4	\$ 8,939	\$ 9,255	\$ 8,962	- 3.4%	- 0.3%
Little Rock.. 4	7,703	7,615	7,102	+ 1.2	+ 8.5
Louisville 7	26,869	26,807	24,725	+ 0.2	+ 8.7
Memphis 4	16,952	16,636	17,736	+ 1.9	+ 4.4
St. Louis.....12	80,563	77,934	73,216	+ 3.4	+10.0
Totals.....31	\$141,026	\$138,247	\$131,741	+ 2.0	+ 7.0

*In thousands (000 omitted).

Debits to Individual Accounts

	*For four weeks ending			Nov. 1924 comp. to Oct. 1924	Nov. 1924 comp. to Nov. 1923
	Nov. 19, 1924	Oct. 22, 1924	Nov. 21, 1923		
	1924	1924	1923		
E. St. Louis and Natl. Stock Yards, Ill..	\$ 40,133	\$ 42,349	\$ 46,109	- 5.2%	-14.9%
El Dorado, Ark.....	5,871	6,653	6,814	-11.8	-13.8
Evansville, Ind.....	25,239	26,273	29,254	- 3.9	-13.7
Fort Smith, Ark.....	18,139	16,781	15,115	+ 8.1	+20.0
Greenville, Miss.....	5,768	4,779	4,294	+20.7	+34.3
Helena, Ark.....	8,923	6,898	6,811	+29.4	+31.0
Little Rock, Ark.....	87,039	82,807	69,338	+ 5.1	+25.5
Louisville, Ky.....	156,747	152,278	143,056	+ 2.9	+ 9.6
Memphis, Tenn.....	163,714	138,058	163,982	+18.6	- 0.2
Owensboro, Ky.....	4,909	4,685	5,198	+ 4.8	- 5.6
Quincy, Ill.....	10,215	10,874	9,910	- 6.1	+ 3.1
St. Louis, Mo.....	671,723	654,805	630,139	+ 2.6	+ 6.6
Sedalia, Mo.....	3,992	4,178	- 4.5
Springfield, Mo.....	12,257	11,546	14,457	+ 6.2	-15.2
Totals.....	\$1,214,669	\$1,162,964	+ 4.5	+ 8.6

*In thousands (000 omitted).

Condition of Banks

Loans and discounts and deposits of the 34 reporting member banks continued their upward course during the period under review, both items scoring new high records. On November 12 loans and discounts totaled \$493,301,000, a gain of \$10,282,000 over October 15 and of \$20,848,000 over November 14, 1923. Deposits on November 12 amounted to \$610,694,000, which compares with \$585,548,000 on October 15 and \$529,008,000 on November 14, 1923. Investments increased approximately \$2,000,000 between October 15 and November 12.

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

	*Nov. 19, 1924	*Oct. 15, 1924	*Nov. 21, 1923
Number of banks reporting.....	†33	†33	35
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations.....	\$ 9,708	\$ 9,869	\$ 12,849
Secured by other stocks and bonds.....	164,116	153,747	141,912
All other loans and discounts.....	319,501	319,403	315,855
Total loans and discounts.....	\$493,325	\$483,019	\$470,616
Investments			
U. S. Pre-war bonds.....	14,356	14,807	15,193
Liberty bonds.....	25,000	22,924	22,060
Treasury bonds.....	2,257	2,256	7,009
Victory and Treasury notes.....	10,160	10,160	17,172
Certificates of Indebtedness.....	2,708	2,607	5,369
Other securities.....	96,546	94,548	85,815
Total investments.....	\$151,027	\$147,302	\$152,618
Reserve balance with F. R. bank.....	57,266	45,496	37,622
Cash in vault.....	7,895	7,932	7,980
Net demand deposits.....	383,361	375,393	329,605
Time deposits.....	217,136	206,549	193,795
Government deposits.....	2,378	3,606	2,361
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Govt. obligations.....	557	977	10,138
All other.....	3,728	5,244	36,831

*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.

(Compiled Nov. 21, 1924)

A tabulation of the reports of condition of all members of the entire Federal Reserve System, furnished under call of October 10, 1924, shows that loans and investments of all member banks increased \$1,189,000,000 between June 30 and October 10. On the latter date they aggregated \$28,451,000,000, which is the largest amount ever reported and is \$5,032,000,000 above the total reported on March 10, 1922, the low point of the post-war period. The total increase in loans and discounts amounted to \$556,000,000, while investments went up \$633,000,000. Total deposits increased \$1,242,000,000 to \$30,772,000,000. Over half of this increase was in amounts due to banks. Demand deposits increased \$421,000,000, time deposits, \$394,000,000, and U. S. deposits, \$123,000,000.

The following statement shows changes in the principal resources and liabilities of all member banks on the last call date, October 10, 1924, as compared with figures for June 30, 1924 and September 14, 1923.

	Increase (+) or decrease (-) On October 10, 1924, since June 30, 1924	Sept. 14, 1923
Loans and discounts (including overdrafts)	+\$ 556,000,000	+\$ 963,000,000
United States securities.....	+ 287,000,000	+ 172,000,000
Other bonds, stocks and securities.....	+ 346,000,000	+ 818,000,000
Total loans and investments.....	+ 1,189,000,000	+ 1,953,000,000
Demand deposits (including certified and cashiers' checks).....	+ 90,000,000	+ 1,282,000,000
Time deposits.....	+ 394,000,000	+ 1,131,000,000
Bills payable and rediscounts.....	+ 70,000,000	+ 688,000,000
Acceptances outstanding.....	+ 52,000,000	+ 39,000,000

Federal Reserve Operations

There was a sharp decrease in the amount of paper discounted by the Federal Reserve Bank of St. Louis during October and early November, the total receding to the lowest point of the year. On November 18 the amount of bills held was \$15,480,000, which contrasts with \$20,892,000 on October 18, and \$71,773,000 on November 18, 1923. There was a small increase in Federal reserve notes in circulation, the total being \$57,239,000 on November 18, as compared with \$56,649,000 on October 18. The combined reserve ratio against deposit and Federal reserve note liabilities on November 18 was 75.1 per cent, against 72.4 per cent on October 18 and 57.5 per cent last year. During October this institution discounted for 236 of its member banks, which compares with 239 banks accommodated in September and 287 in October, 1923. The discount rate remains unchanged at 4 per cent.

COST OF LIVING

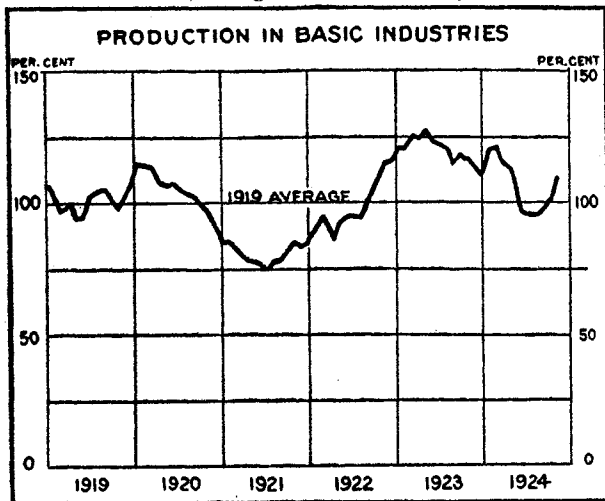
Several slight increases in the average prices of the major items comprising the total cost of living occurred between September 15, and October 15, 1924, according to the monthly survey by the National Industrial Conference Board. Increases were approximately 1 per cent for food, 1 per cent for fuel and 2 per cent for clothing. These increases, however, are largely due to seasonal influences. Other items remained unchanged. The total increase for all items combined during the month was eight-tenths of one per cent. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and October, 1924, the cost of living decreased 19.3 per cent. The increase in the cost of living since July, 1914 was 65 per cent.

The purchasing value of the dollar, based on the cost of living in October, 1924, was 60.6 cents as contrasted with one dollar in July, 1914.

BUSINESS CONDITIONS IN THE UNITED STATES

Production

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, increased six per cent in October, and was 16 per cent above the low point of midsummer, though still considerably below the level



Index of 22 basic commodities corrected for seasonal variation. Latest figure, October—109

of the early months of this year. Output of iron and steel, cotton and woolen textiles, lumber and bituminous coal was substantially larger than the month before.

Factory employment increased 2 per cent in October, reflecting larger working forces in most of the manufacturing industries. Building contract awards increased and were 14 per cent above a year ago.

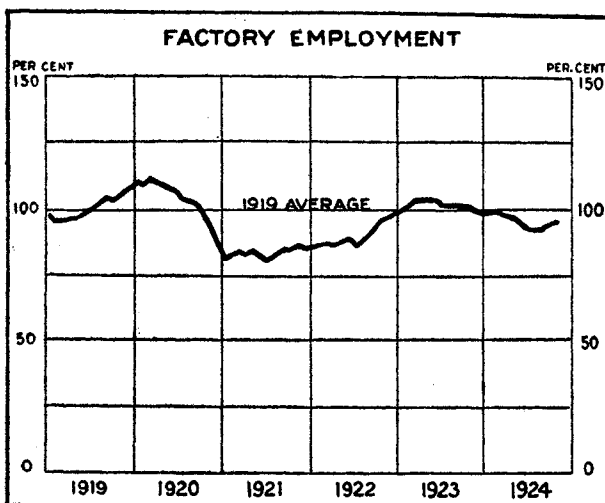
Crop estimates by the Department of Agriculture in November showed increases in the expected yields of corn, cotton, tobacco and potatoes. The movement of crops to market in October reached the largest volume in five years and exports of grain and cotton were in greater volume than in the corresponding month of any recent year.

Trade

Railroad freight shipments were larger in October than in any previous month owing to exceptionally heavy loadings of miscellaneous merchandise and grain. Wholesale trade increased slightly but was 3 per cent less than in October, 1923.

Sales of drygoods, shoes and hardware were considerably smaller than a year ago while sales of groceries and drugs were larger. Department stores sales showed a seasonal increase, but were 4 per cent less than last year, and sales of mail order houses and chain stores also increased and were in greater volume than in 1923.

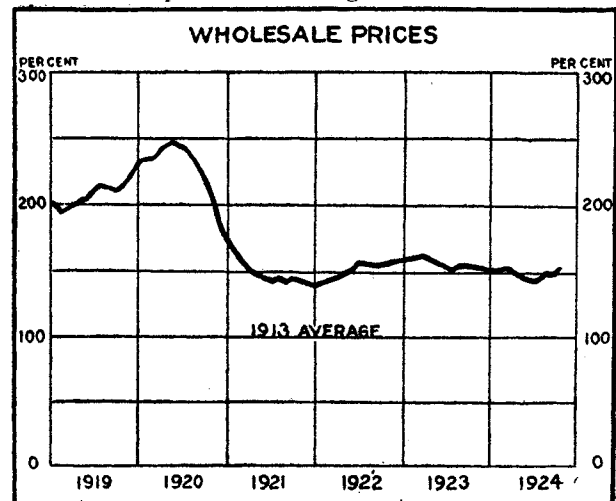
In preparation for Christmas trade merchandise stocks at department stores increased substantially and were 2 per cent larger than a year ago.



Index for 33 manufacturing industries Latest figure, October—91.5

Prices

The wholesale price index of the Bureau of Labor Statistics rose 2 per cent in October as a result of considerable advances in the prices of farm products and foods, and slight increases in the prices of clothing and chemicals. Fuel and



Index of U. S. Bureau of Labor Statistics Latest figure, October—152

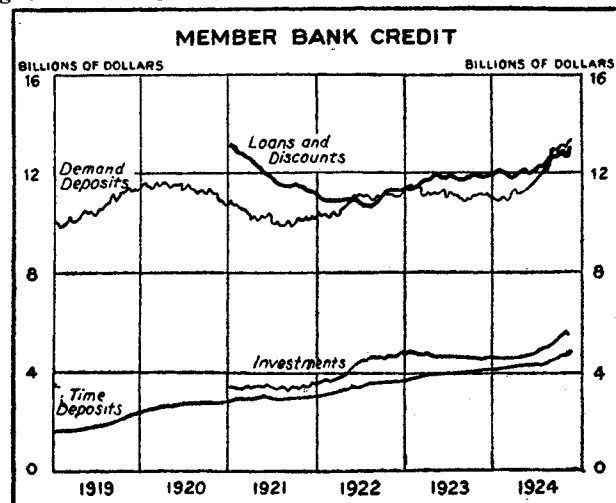
metals prices declined and prices of building materials and house furnishings were practically unchanged. During the first half of November quotations on all grains, cotton, silk, copper, and rubber advanced, while prices of raw sugar and bituminous coal declined.

Bank Credit

Loans for commercial purposes at member banks in leading cities, which had increased rapidly from the beginning of September to the middle of October, advanced only slightly in the following four weeks. The growth of loans secured by stocks and bonds was also relatively small, notwithstanding great activity in the securities market. Holdings of investments by these banks continued the increase which began in the early months of the year. A large part of the increase in demand deposits during the four weeks ending November 12, when they were higher than at any previous time, was in bankers balances, indicating a continued movement of funds to the large centers.

At the Reserve banks an increase in earnings assets was the result of larger offerings of acceptances, reflecting firmer money conditions. While discounts and holding of United States securities remained practically unchanged during the four weeks ending November 19, the increase in acceptances carried total earnings assets to the highest point since the early part of the year. Money in circulation increased in October for the third successive month and the total on November 1 was \$215,000,000 larger than in August.

Money rates continued to show a firmer tendency and by November 23 were generally from $\frac{1}{4}$ to $\frac{1}{2}$ of one per cent higher than in October.



Weekly figures for member banks in 101 leading cities Latest figure, November 12.