

FEDERAL RESERVE BANK OF ST. LOUIS



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

Released for Publication On and After the Morning of December 31, 1924

WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

FUNDAMENTALLY business conditions in this district during the past thirty days developed no marked changes, and while the improvement which commenced in the early fall continued, the betterment was at a more moderate pace and less general in character than during the similar period immediately preceding. A slowing up in some industries was noted, particularly in the distributive departments. Likewise in certain sections there was manifestly less prosperity than elsewhere. In the coal producing areas and oil fields activities failed to expand, and in certain agricultural localities, where yields of the chief crops were small, the volume of business was disappointing. On the other hand there were many factors favorable to trade expansion, and taken as a whole gains were well in excess of losses.

Throughout the South, where harvesting of the cotton crop was successfully completed and unusually heavy marketing of the staple took place, a marked business revival was in progress. Planters were liquidating their indebtedness and purchasing of commodities was on a more extensive scale than at any similar period in three years. Generally marketing of agricultural products through the district was carried on with virtually no interruption, and prices received have been in the main satisfactory. Purchasing power in the farming communities has been greatly increased, and while agriculturists are still disposed to pay their debts before supplying their needs for goods, buying is steadily increasing, and covers a wider variety of things.

In a majority of lines investigated, wholesalers and jobbers report greater interest in merchandise to be sold next spring. Advance orders in such important lines as dry goods, clothing, boots and shoes, drugs and chemicals, furniture, hardware and groceries are in excess of the corresponding period a year ago. In the iron and steel industry ordering for both prompt and forward delivery made substantial gains over the preceding month, and despite the disposition to postpone commitments until after the annual inventory period, buying of raw materials has been on a large scale. Automobile production and distribution declined, both as compared with the month before and last year, and depression continues in the fuel industry.

The usual seasonal stimulation to distribution of commodities for common consumption was less in evidence than usual, owing to the extremely mild temperatures prevailing through November and the first weeks of December. The movement of typical winter goods, particularly heavy weight clothing, is backward, with reordering of such merchandise negligible. Sales of holiday goods, however, have been well up to expectations, and early reports of retailers indicate that the volume of goods moving through the Christmas shopping outlet this year promises to

be considerably larger than last season. Prices have generally advanced with the increasing activity in industry and trade, and in numerous instances there is strong resistance on the part of consumers to the higher levels.

Labor conditions underwent further slight improvement during the period under review. Building operations already started afforded virtual full employment to artisans in the building trades, as well as a large complement of unskilled laborers. According to the Employment Service of the U. S. Department of Labor, there was a decided increase registered in industrial employment during November, and the outlook for the winter, as compared with recent years, is excellent. Skilled labor in most industries is well employed, and while unskilled is plentiful, general farm requirements, especially for corn huskers, added materially in reducing idleness among this class. Increased forces were noted in candy and confectionery plants, wholesale hardware, dry goods and grocery establishments. Holiday activity resulted in a larger demand for clerical help in department stores, and the retail trade generally. Road building was still absorbing large numbers of common laborers. Employment by the railroads was unchanged from the preceding thirty days.

The movement of cereals to market was smaller than during the preceding month, and with the exception of wheat, receipts of all the principal grains were less than at the corresponding period last year. Shipments of cattle and calves in November were larger than in October, but there was a sharp falling off in the movement of both hogs and sheep. The upturn in cereal values continued throughout the period, new high records on the crop being established by wheat, corn and oats. Between November 15 and December 15, December wheat in the St. Louis market ranged from \$1.48 $\frac{7}{8}$ to \$1.62 per bushel, closing at \$1.61 $\frac{1}{8}$ on the latter date, which compares with \$1.53 on November 15, and \$1.06 $\frac{3}{4}$ on December 15, 1923. Cash wheat also advanced sharply, No. 2 red selling at \$1.88 on December 15, the highest since February, 1921. Between the same dates December corn ranged between \$1.11 $\frac{1}{2}$ and \$1.24 $\frac{5}{8}$, closing at \$1.23 on December 15, against \$1.11 $\frac{1}{2}$ on November 15, and 73 $\frac{1}{2}$ c on December 15, 1923. Cash corn sold at \$1.25 on December 13, the best price obtained since September, 1920. Cotton fluctuated over a narrow range, the spread on middling in the St. Louis market being between 23 $\frac{3}{4}$ and 24c per pound. The tendency of live stock prices was higher, with improvement particularly notable in the case of lambs, which touched the highest point in six months. Top cattle prices were the highest in more than two years. In face of heavy receipts, hog prices moved upward in early December, chiefly in response to a broader shipping outlet.

Lower temperatures in the middle West served to stimulate ordering of coal by domestic consumers to some extent, but not enough to effect the usual seasonal improvement in the fuel situation as a whole. Both producers and dealers report buying by householders for winter requirements much below normal. Steam coal is moving in fair volume, but principally on contract. New buying is in small quantities and on a necessity basis. This is true particularly of the smaller industrial consumers, whose confidence in available stocks and the ability of railroads to make prompt deliveries is prompting them to take only what they require from week to week. Prices, except for screenings, were unchanged to a shade lower, and the strength in slack coal was attributable more to scarcity, due to curtailed production of prepared sizes, than to urgency in the demand. In the Illinois fields a number of mines were active only one to two days per week, and most of those working three or more days were loading railroad coal. Relatively greater activity was reported in the Kentucky fields than elsewhere, and strip mines generally were busy, but continue to encounter difficulty in disposing of their full output. The movement of anthracite, smokeless coal and coke to domestic users has been disappointing, one reason being that many persons who formerly used this variety of fuel now have oil burners. Stocks of domestic coke on by-product manufacturers' yards continue abnormally large. Metallurgical coke, particularly foundry grades, was in good demand at steady prices. Production of soft coal for the country as a whole during the first 293 working days of the calendar year, or to December 13, was 444,520,000 tons, which compares with 524,136,000 tons for the corresponding period last year, and 399,679,000 tons in 1922.

Though freight loadings since the end of October show the usual seasonal downward trend, railroads operating in this district continue to accommodate the heaviest traffic ever recorded for this time of year. Reports from the grain and cotton areas of the district indicate that the crops were moved with a minimum of delay and inconvenience, preparations made by the carriers for handling this traffic having proven adequate to all demands. For the country as a whole loadings of revenue freight during the week ended November 22 were 1,010,122 cars, which was the eleventh week this year that loadings exceeded one million cars. The total for the week of November 22 was an increase of 19,823 cars over the corresponding week last year and of 63,480 cars over the same period in 1922. It also was a gain of 336,657 cars over the corresponding week in 1921 and 206,421 cars over the same week in 1920. Loadings this year to December 6 totaled 46,067,810 cars, against 47,419,310 for the corresponding period in 1923 and 40,797,973 cars in 1922. The Terminal Railway Association of St. Louis, which handles interchanges for 28 connecting lines, interchanged 207,150 loads in November against 229,275 loads in October and 207,973 loads in November, 1923. During the first nine days of December 61,677 loads were interchanged, which compares with 62,868 loads during the first nine days of October, and 58,585 loads during the corresponding period a year ago. Passenger traffic of the reporting roads decreased 10 per cent in November as compared with the same month last year. Tonnage moved by the Mississippi River section of the Federal Barge Line between St. Louis and New Orleans during November

amounted to 38,000 tons, against 57,604 tons in October and 53,273 tons in November, 1923.

Collections during the period under review developed further distinct improvement, and the average was slightly in excess of normal for this time of year. Wholesale dry goods and boot and shoe interests, with whom November is an important settlement period, report results above expectations and well in excess of a year ago. Throughout the South, particularly in the cotton and rice belts, collection efficiency is generally high, and in the tobacco districts where marketing of the crop is in progress, merchants report satisfactory payments. Wholesalers in the larger centers report that many of their customers are taking advantage of discounts, and for the most part retailers are getting in their money promptly. Some backwardness in settlements is still reported from the coal producing areas, and the same is true of scattered sections of the grain belt where crop yields were disappointing. Answers to 431 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
Nov., 1924.....	4.9%	42.3%	48.0%	4.8%
Oct., 1924.....	4.2	28.2	51.6	6.0
Nov., 1923.....	0.9	34.9	55.7	8.5

Commercial failures in the Eighth Federal Reserve District during November, according to Dun's, numbered 102, involving liabilities of \$1,039,945, against 79 defaults in October with indebtedness of \$1,945,106, and 109 failures for \$2,233,369 in November, 1923.

The per capita circulation of the United States on December 1 was \$44.08, against \$43.12 on November 1 and \$44.01 on December 1, 1923.

MANUFACTURING AND WHOLESALE

Automobiles

Production of automobiles for the country as a whole during November showed a rather sharp decrease under October, also under the total for November, 1923. As contrasted with the preceding month, the October output decreased 21 per cent, while a loss of 27 per cent under last year was recorded. The heavy decrease as compared with last year is accounted for partly by the fact that many important manufacturers have adjusted their schedules to a requirement basis, and were not stocking up their dealers with cars for sale in the spring as had been the practice in previous years. Companies reporting direct or through the Automobile Chamber of Commerce built 201,652 passenger cars in November, against 257,839 cars in October and 284,758 cars in November a year ago. Total truck production in November was 26,246, compared with 30,597 in October and 27,374 in November, 1923.

Distribution of automobiles also developed a further sagging tendency during the period under review. Decreases in sales extended generally through the line, affecting both expensive cars and medium and cheap makes. Business in the country was particularly disappointing, there being a general disposition among farmers to postpone renewals of passenger cars and trucks until spring. November sales of 320 dealers scattered through the district were 8.5 per cent under October, and 7.3 per cent under the total of the corresponding period a year ago. The number of new cars in hands of dealers showed a substantial decrease under the preceding month, and was below the same period in 1923. Relatively sales of accessories and parts were better than of new cars, a number

of dealers reporting gains over both October and November last year. This is due in large measure to the fact that owners are repairing their cars so that they will carry through the winter, but special selling campaigns and the introduction of numerous attractive accessories also had a tendency to help sales. Reduction in prices of new cars were announced by several important producers, but thus far these have failed to stimulate buying. The tire situation showed additional improvement, and is on a more stable basis than in many months. Stocks of used cars showed no change from the preceding month, but both in point of numbers and investment involved totals were well under the same period last year.

Boots and Shoes

Sales of the 11 reporting interests during November showed a decrease of 3.8 per cent under the corresponding period in 1923, and a decrease of 6.5 per cent under the October total this year. Business is described as generally satisfactory throughout the line, but with the demand for women's and children's wear relatively more active than in men's shoes. The movement into consumption of typical winter goods, particularly rubbers and heavy work shoes, has been curtailed by the unusually mild winter. Salesmen on the road report buying for spring delivery more active, and advance orders with a majority of the manufacturers are ahead of the corresponding period last year. Prices of finished goods showed a further upward tendency, but actual changes were confined to slight revisions on specific numbers, there being no full line advances. Factory operation was at 78 to 100 per cent of capacity, approximately the same as during the preceding thirty days.

Clothing

Sales of winter apparel were still being held down by unseasonably warm weather, with the result that until the second week in December reordering was in light volume. In the immediate past, however, improvement is reported in this respect, and mail orders have picked up. Generally through the line, but particularly in the small towns and country, interest centers in cheap and medium priced goods. Prices generally during the past thirty days were steady, though the trend was upward mainly in sympathy with the advance in raw wool, which reached a parity with the peak levels prevailing in May, 1920. This advance has not been fully reflected in clothing, wholesale prices for the spring of 1925 being approximately 4 per cent lower than the heavy weight prices for the fall of 1924, and 3.3 per cent under the spring prices of 1924. Salesmen on the road report that the upturn in raw wool has not stimulated ordering for spring. Retailers are not speculating and take the position that they will buy what they need when the time comes, and absorb any advance in their prices to consumers. Sales of the 10 reporting interests in November were 4.1 per cent under those of the corresponding period in 1923 and 39.3 per cent above the October total this year.

Drugs and Chemicals

November sales of the 11 reporting interests were 5.5 per cent larger than for the same month a year ago, but showed a loss of 15.1 per cent under the October total this year. The latter change is seasonal, declines being usually recorded in November from October. The increase over a year ago was distributed generally through the line, but affected particularly heavy chemicals, sales of which have been augmented by

heavier demands from the metal industries. Improvement in general business is reflected in an increased movement of medicinal drugs and fine chemicals. Wholesalers report sales of holiday goods well up to expectations, and slightly in excess of a year ago. The trend of prices was in the direction of greater stability, changes being relatively few, with advances and declines about balancing each other.

Dry Goods

Uncertainty relative to the price of raw cotton is causing some hesitation in purchasing of cotton goods for future delivery, but the volume of orders for prompt shipment is holding up well, and the undertone of the market is strong. Hosiery and knit underwear were unchanged in price, with the movement about normal for this season. Broad silks, particularly fancy goods and novelties, were in good demand, with increasing interest for spring delivery. Stocks in retailers' hands are universally light, except in the instance of certain cold weather goods, sales of which have been retarded by the unseasonably high temperatures. Notions, toys and specialties for the holiday trade moved in satisfactory volume, with eleventh-hour reordering unusually large. A general comment of the reporting stores was that future buying in the cotton sections was relatively better than in the grain areas, and even than in the large cities. November sales of the 12 reporting interests were 9.9 per cent larger than for the corresponding month in 1923, and 6.7 per cent under the October total this year.

Electrical Supplies

Mild winter weather, which permitted of uninterrupted outdoor construction operations until well into December, had a stimulating effect on sales of all sorts of electrical goods going into new buildings and public utility repair work. The movement of pole and line hardware was reported in larger than seasonal volume. The holiday trade in radio sets was of record proportions, and sales of fancy lamps, electrical toys, household appliances and other holiday goods were well up to expectations. No improvement was reported in the demand from the oil and coal fields. No change in prices worthy of mention took place during the past thirty days, but the average is from 5 to 8 per cent higher than a year ago. November sales of the 12 reporting interests were 5.7 per cent less than for the same month in 1923, and 0.1 per cent under the October total this year.

Fire-Clay Products

Conditions in this classification developed no change worthy of note as contrasted with the thirty days immediately preceding. Some improvement in the demand for refractories from the iron and steel and cement industries was noted, but the interest manifested was mainly in materials for delivery after the first of the year. Other users also were disposed to postpone commitments of size until after the inventory period. Miscellaneous materials continue to move in fair volume, and sales to the oil industry were slightly larger than during the month previous. Prices were in the main unchanged. November sales of the 5 reporting interests decreased 23.8 per cent under the same month in 1923 and 29.9 per cent under the October, 1924, total.

Flour

Production of the 11 leading mills of the district during November totaled 302,000 barrels, against 375,858 barrels in October, 383,922 barrels in Septem-

ber and 404,824 barrels in November, 1923. The situation developed no change worthy of note as contrasted with the thirty days immediately preceding. There was a fair business in small lots for immediate shipment, but quantity buyers are holding off, and show no disposition whatever to follow the advance in prices. There was some reordering from the bakery trade, and buying of soft flours in the South is in satisfactory volume, but dealers are extremely conservative in their purchases, and speculative interest is almost entirely absent. Routine export business with Latin-American countries holds up well, but bids from Europe continue too far out of line to result in heavy workings. In the immediate past there has been some betterment in shipping directions, and some mills are grinding at, or near, capacity to fill old orders. Prices on all grades were higher.

Furniture

The lively spurt in business in this classification during September and October failed to continue through the period under review, sales of the 25 reporting interests falling 19.1 per cent below the October total. As compared with the same month last year, however, November sales showed a gain of 8.2 per cent. The movement of holiday goods was in excellent volume, but ordering for delivery next year is disappointing. Manufacturers report that dealers generally are waiting for the special sales and expositions in January before covering on their requirements. Purchasing is largely on a necessity basis and for prompt shipment. A number of price advances, both actual and prospective, were announced, the changes being to conform with the upturn in raw materials. Factory operations declined somewhat, but in some instances plants are running full time, with two important manufacturers operating double shifts. Floor coverings continue active, and the demand for household furniture and metal beds is reported more active than some other sections of the line.

Groceries

Sales of the 22 reporting interests during November fell 7.4 per cent under those of the corresponding month in 1923, and 11.8 per cent under the October total this year. Jobbers generally were disposed to curtail buying in order to bring down their stocks against the inventory period, and the depressed conditions in the mining areas and uncertainty relative to prices were given as additional reasons for smaller sales. Except in the cotton areas, where the past three weeks have developed notable improvement in purchasing, business in the rural districts was backward. Farmers are practicing economy, and consuming more than the usual quantities of foods produced by themselves. In the large cities the demand for holiday goods, notably dried fruits, nuts, preserves and candies, has been large, but less success has been met with these goods in the country. Prices on the general run of groceries showed no change during the month. In the staples coffee and flour were higher, but with considerable resistance to the advance in the latter on the part of buyers.

Hardware

Ordering for future delivery was considerably freer than during the similar period immediately preceding, with the total volume of future business on books of the reporting firms well in excess of the corresponding period last year. Buying for spot delivery is also holding up well, with seasonable goods being taken in larger quantities. As has been the case dur-

ing the past several months, builders' hardware and tools were in active demand. The total volume of sales was materially assisted by purchasing of holiday merchandise, numerous dealers who had put off buying until later than usual, having come in with heavy orders during the last half of November. Jobbers report liberal ordering of hand implements, wire netting and other typical merchandise consumed in the country, for delivery early next year. The trend of prices was upward, a number of important manufacturers announcing specific advances to take effect January 1. November sales of the 12 reporting interests were 1.1 per cent under those of the same month in 1923, and 12.2 per cent under the October total this year.

Iron and Steel Products

Improvement noted in this classification in the preceding issue of this report continued through the period under review. An outstanding development was the increase in ordering of both raw and finished materials for delivery during the first quarter of 1924. Unfilled orders on books of both mills and foundries showed substantial gains over the preceding thirty days, and, in a number of notable instances, are well in excess of the corresponding period a year ago. Generally the trend of prices was upward, with specific advances recorded on several important commodities, the most marked being on pig iron. No. 2 Southern iron, 1.75 to 2.25 per cent silicon, advanced to \$20 per ton, while Northern iron of the same grade touched \$22 per ton, a gain of \$2 over the recent low point. Despite the fact that November was one day shorter than October, production of pig iron for the entire country during November was more than 51,500 tons larger than in October. Average daily production of steel ingots showed a gain over the preceding month, and in the case of both of these commodities, November was the fourth consecutive month in which gains were recorded. Railroad buying continues on a large scale, recent purchases including heavy tonnages for application on new equipment, and track materials. Buying by the automotive industry, while in smaller volume than earlier in the year, continues fair, and the building industry is accounting for considerably heavier tonnages than usual at this season. The demand for machine tools is active, and specialty makers generally report an improvement in their sales. The movement of stoves during the past six weeks has been on a larger scale than in three years, and farm implement manufacturers report a satisfactory volume of sales for delivery next spring. Wire and wire products are in good demand, and consumers of sheets, bars and plates have covered extensively on their needs through the first quarter of 1924. Tubular goods are relatively quiet, with the demand from the oil fields showing no change from the dull conditions of the past few months. Price advances were recorded on cold finished steel and chain, and the trend on nuts, bolts and rivets is higher. The upturn on scrap iron and steel continues, higher quotations being recorded on all the chief items in the list. The melt of pig iron in the district during November was approximately $3\frac{3}{4}$ per cent larger than during October, and 5 per cent in excess of November last year. November sales of stove manufacturers, 7 reporting, were 4.6 per cent larger than for the corresponding month in 1923, but 23.2 per cent under October this year; railway supplies, 5 reporting, decreased 32.5 per cent under the same month last year and 4 per cent under October this year; farm implements, 6

reporting, increased $3\frac{1}{4}$ per cent over November, 1923, but decreased 2 per cent under October, 1924; job foundries, 5 reporting, decreased 14.6 per cent under November, 1923, and 12.4 per cent under October this year; manufacturers of boilers, stacks, elevators, wire rope and miscellaneous products, 14 reporting, increased, 6.3 per cent over November, 1923 and 9.3 per cent over October this year.

Lumber

Save for a lull of minor significance during the past ten days, due primarily to the influence of the approaching holidays, the lumber situation during the period under review has showed steady improvement. Price advances have been general, both for hardwoods and softwoods. Fir and yellow pine have exhibited marked activity and strength since the first of November, specific price advances being recorded on all grades of these woods. Hardwoods were slower to respond to the improvement in general business, but during the past two weeks have made notable gains, with the furniture industry accounting for the major portion of the new business placed. Purchasing by car builders has been on a large scale, but orders from the automotive industry have not developed in satisfactory volume. West Coast woods have developed considerable activity during the past two weeks. Orders are now being placed in quantity for nearly all items for delivery after the first of the year, immediate shipment being to some extent held off until the annual inventory period is passed.

DEPARTMENT STORES

	Net sales comparisons		Stocks on hand		Annual rate of stock turnover	
	Nov. 1924 comp. to Nov. 1923	Five months ending Nov. 30, 1924, to same period, 1923	Nov. 30, 1924 comp. to Nov. 30, 1923		For 5 months ending Nov. 30, 1924	
Evansville.....	4.6%	7.0%	13.5%		1.85	
Little Rock.....	+13.5	+3.7	2.9		2.38	
Louisville.....	6.2	+2.1	3.7		2.56	
Memphis.....	+4.4	+0.8	4.3		2.26	
Quincy.....	+4.6	-0.8	7.8		2.01	
St. Louis.....	5.5	-5.3	3.0		2.70	
Springfield.....	-21.7	-16.3	19.9		1.44	
8th District.....	1.9	-2.2	3.8		2.50	

The U. S. Department of Agriculture's estimates of production of leading crops in the Eighth Federal Reserve District during 1924, with comparative figures for 1923, follow:

	Corn *Bu.	Wheat *Bu.	Oats *Bu.	Hay *Tons	Cotton *Bales	Tobacco *Lbs.	Potatoes *Bu.
1924.....	346,256	53,394	60,927	8,719	2,198	339,160	20,930
1923.....	399,009	82,490	51,635	7,863	1,274	396,721	18,224

*In thousands of units (000 omitted).

Consumption of Electricity

Consumption of electrical power by selected industrial customers of the public utility companies in the five largest cities of the district:

	No. of customers	Nov. 1924 *K.W.H.	Oct. 1924 *K.W.H.	Nov. 1924 comp. to Oct. 1924	Nov. 1923 *K.W.H.	Nov. 1924 comp. to Nov. 1923
Evansville.....	40	933	1,029	-9.3%	988	-5.6%
Little Rock.....	35	1,244	1,096	+13.5	1,181	+5.3
Louisville.....	67	3,917	4,264	-8.1	3,936	-0.5
Memphis.....	31	1,339	1,477	-9.3	1,143	+17.1
St. Louis.....	84	12,799	13,288	-3.7	11,807	+8.4
Totals.....	257	20,232	21,154	-4.3	19,055	+6.2

*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
October, 1924.....	1,628,040,000	3,559,084,000	5,187,124,000
September, 1924.....	1,492,070,000	3,311,027,000	4,803,097,000
October, 1923.....	1,491,344,000	3,479,719,000	4,971,063,000

AGRICULTURE

Reports generally from the grain areas of the district indicate that winter wheat has made good growth, and is entering the cold weather in strong position, though in some western counties there are

scattered complaints of thin stands. Both wheat and oats were greatly benefited by the recent precipitation. The high prices and ideal seeding conditions during the fall served to stimulate planting, and acreages are almost uniformly in excess of a year ago.

Fall plowing and other routine farm work is well up, and for the most part the condition of live stock is excellent, there being a minimum of disease reported among herds. The number of cattle and hogs on farms is apparently below that of last season, but there have been substantial additions to the number of sheep being raised in many sections. The supply of farm help during the fall was ample for all purposes, except for a scarcity of cotton pickers in some southern counties. A favorable feature noted in the rural communities has been the increased interest in farm lands. While no notable change in prices has occurred, the number of transfers was larger, and the trend of values is upward.

Diversification of crops and products has made decided progress in most sections of the district. Fruit orchards are being increased, and in the South growth is reported in trucking operations. Throughout the year dairying made steady strides forward, and farmers considerably added to their incomes by sales of eggs and poultry. These factors, coupled with a general disposition to work harder and practice economy, have resulted in greatly improved conditions in the agricultural sections as contrasted with the preceding two or three years.

Some delay in husking corn was occasioned by frequent rains and high temperatures, which prevented the grain from drying out and curing properly. In some sections, however, this work has been completed and much of the crop housed. Reports from scattered sections indicate extremely spotted conditions, both as to yield and quality. There is much soft corn, and in many important producing counties, the outturn is very low, owing to excessive precipitation during the planting and cultivation periods. Farmers are marketing their corn more heavily, sales being stimulated by the season's record prices in early December. Intershipments between sections within the district are larger than usual, owing to failures or partial failures and prices being paid in the fields are high.

The early promise for white potato production has been fully realized in the harvest, yields generally being well above those of a year ago. The movement of this crop continues slow, however, due to unfavorable marketing conditions and disappointing prices.

The quality of this year's crop of both dark and burley tobacco, while below that of many past years, is showing up better than expected earlier in the season. It is better than the 1923 crop, and compares favorably with the average in 1922. Due to the ideal curing season, there is virtually no house-burned tobacco and very little damage from rust or wild fire is in evidence. The leaves are generally comparatively small but have weight. The total output, however, is reduced from that of last year by about the extent heretofore indicated.

Practically all independent loose-leaf markets have opened, but little tobacco has been delivered as stripping is not as far advanced as usual at this date. The market was firm on all grades of leaf sold. During the month the Burley Tobacco Growers Cooperative Association sold 50,000,000 pounds of tobacco to a large manufacturing interest at association prices. The tobacco so disposed of covered the balance of the 1922 crop, consisting of the choicest grades, and part of the 1923 crop. An additional sale at association prices

of 1,750,000 pounds was made to another manufacturer. The Dark and Burley Tobacco Marketing Associations have opened their houses to receive this year's pooled tobacco.

Threshing of the rice crop has been completed, and with the exception of some Association rice held in rural storehouses, has been largely moved to the mills. Generally speaking the crop was harvested and threshed in excellent condition, though some of the grain threshed since the rains in November shows a certain percentage of excess moisture. Yields in the main were about as indicated in the recent official estimates. The demand for polished rice continues exceptionally good, and prices are strong. The prevailing range was from \$1.40 to \$1.75 per bushel, which compares with \$1.05 to \$1.40 a year ago. Rice farmers are generally in an optimistic mood, and have been able to liquidate their indebtedness in better shape than at any time since 1919.

Virtually all cotton produced in the district has been gathered and ginned. Yields in numerous instances have exceeded expectations earlier in the season, the ideal weather during the final stages of the crop permitting of late development, and intensive picking. Throughout the cotton sections conditions among planters have undergone notable improvement, both materially and psychologically, as contrasted with last year. In numerous instances they have liquidated old debts, in addition to clearing up a considerable part of this year's indebtedness.

Commodity Prices

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

15, 1923:

		High	Low	Close	
Wheat				Dec. 15, 1924	Dec. 15, 1923
December	per bu.	\$1.62	\$1.48½	\$1.61½	\$1.06¾
May	"	1.68½	1.55½	1.67¾	1.10¾
July	"	1.47¾	1.37	1.46	1.06¾
No. 2 red winter..	"	1.88	1.62	\$1.86 @ 1.88	\$1.13 @ 1.14½
No. 2 hard.....	"	1.64	1.51	1.64	1.07
Corn					
December	"	1.24½	1.11½	1.23	.73½
May	"	1.31¾	1.17¾	1.29½	.73½
July	"	1.31½	1.24	1.29½	.74½
No. 2.....	"	1.25	1.06	1.23	.74
No. 2 white.....	"	1.25	1.11	1.22½	.76
Oats					
December	"	.59½	.51½	.59½	.43¾
May	"	.65¼	.56¾	.64¾	.47
No. 2 white.....	"	.63	.52	.62 @ .62½	.45
Flour					
Soft patent.....	per bbl.	9.50	8.00	8.50 @ 9.50	5.25 @ 6.25
Spring patent.....	"	8.65	7.70	8.45 @ 8.50	5.75 @ 6.00
Middling cotton.....	per lb.	.24	.23¾	.23½	.34¾
Hogs on hoof.....	per cwt.	9.90	6.00	6.50 @ 9.70	5.75 @ 8.40

Commodity Movement

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

	*Receipts			*Shipments		
	Nov. 1924	Oct. 1924	Nov. 1923	Nov. 1924	Oct. 1924	Nov. 1923
Beef, lbs.....	226	123	580	22,270	26,765	25,326
Corn, bu.....	1,411	2,397	2,134	649	1,492	842
Flour, bbls.....	376	469	476	539	655	559
Hides, lbs.....	10,534	11,113	8,221	11,127	14,562	10,304
Lard, lbs.....	3,654	6,663	6,795	7,464	9,116	11,566
Lead, pigs.....	238	289	155	189	236	215
Lumber, cars.....	19	19	19	13	13	14
Oats, bu.....	1,944	2,946	2,646	1,646	2,437	1,909
Pork, lbs.....	19,073	22,902	22,907	29,861	34,214	31,344
Wheat, bu.....	3,346	5,363	2,259	2,882	4,673	1,819
Zinc, slabs.....	382	235	171	347	374	154

*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		
	Nov. 1924	Oct. 1924	Nov. 1923	Nov. 1924	Oct. 1924	Nov. 1923
Cattle and Calves.....	133	171	125	82	107	79
Hogs.....	355	379	451	230	267	281
Horses and Mules.....	6	6	8	7	6	11
Sheep.....	25	46	34	12	21	16

*In thousands (000 omitted).

BUILDING

Throughout the district building operations continued active, with work on structures in process of erection continuing further into the year than ever before. Craftsmen in the building trades in the large cities were fully employed, and there was a good call for workers in the smaller towns, suburban communities and in the country. With completion of harvests, farmers are undertaking repairs and improvements to their housing facilities on an extensive scale, and sales of lumber, standard iron and steel shapes and building materials generally to the rural districts have been in large volume. During the period under review road building in all states of the district has proceeded with virtually no interruption from unfavorable weather conditions, and the call for common labor on these operations was maintained at levels closely approximating the peak point last summer. While in point of expenditure involved, permits issued for new construction in the five largest cities of the district during November fell sharply under the high point recorded in October, the total for the first eleven months of the current year was 10.7 per cent in excess of the corresponding period in 1923. The general average of building material prices advanced slightly over the preceding thirty days, due principally to advances on steel and lumber which became effective in November. A feature developed in building reports covering November, was the decision of many important contractors to push work on buildings which they are constructing through the winter. Advantages in the way of price concessions, selection and prompt delivery of materials, they estimate, will offset any disabilities occasioned by cold weather. Production of Portland cement for the country as a whole during November totaled 13,141,000 barrels against 14,519,000 barrels in October, and 12,603,000 barrels during November, 1923.

Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	117	106	\$ 302	\$ 197	57	74	\$ 15	\$ 29
Little Rock.....	86	74	238	196	85	85	41	27
Louisville	255	268	1,104	582	70	88	73	102
Memphis	420	295	1,352	1,791	147	40	45	17
St. Louis.....	720	849	2,339	4,199	489	547	344	372
Nov. totals.....	1,598	1,592	\$ 5,335	\$ 6,965	848	834	\$518	\$547
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

*In thousands of dollars (000 omitted).

FINANCIAL

Influences which controlled the financial and banking situation in this district during the thirty days immediately preceding, continued largely in effect during the period under review. Further heavy liquidation, particularly throughout the South, has resulted in a sharp advance in deposits of reporting member banks, the total in mid-December establishing a new high record. There was a gain in loans and discounts of the reporting member banks, but the rise was proportionately much smaller than the gain in deposits, with the result that the banks still find themselves with a superabundance of funds on hand. In a number of instances banks in the large centers have loaned money on call in the East, and generally stocks, bonds and other investments of the banks have increased. The demand for money from commercial sources is described as only moderately active. Many large mercantile customers have paid out, and some borrowers in this category have asked their banks to be allowed to anticipate payment on loans due in

January and February. Country banks have extensively reduced obligations and increased their deposits with correspondents in the large centers. Bills discounted by member banks with the Federal Reserve Bank showed a further decrease, reaching a new low point for the year. In the immediate past there was a slight improvement in the demand for financing the tobacco crop, and borrowing in the rice section is well up to normal for this season. The recent movement of corn has resulted in increased requirements of commission houses and elevator interests. Loans to the flour milling industry continued about at the levels of the preceding month, liquidation being offset by heavier requirements occasioned by the high price of wheat and liberal stocks. Due to the high cost of feeds and reduced herds, demands for financing live stock feeding have dropped below recent levels, and are considerably less active than at this time last year. Activity in the security market is reflected in a further sharp gain in loans of member banks secured by stocks and bonds. Rates charged by the commercial banks increased slightly during the period, the average being about one-fourth of one per cent above those prevailing during the preceding thirty days. Rates on bankers acceptances advanced to the extent of about one-half of one per cent. Commercial failures in the district showed marked improvement both over the preceding month and the corresponding month in 1923.

Commercial Paper

Except for an upward trend in rates, the commercial paper situation developed no notable change as contrasted with the preceding month. Offerings were somewhat freer, but there continues a relative scarcity of prime names. Purchasing by the larger banks was restricted, the general disposition being to postpone commitments until after the first of the year in hopes of realizing more profitable rates. The demand from country banks is potentially very great, but actual buying has been held down by the low rates. Sales in the South were relatively larger than in other sections of the district. Since the second week in December considerable improvement has developed in the market generally. Rates ranged from $3\frac{1}{4}$ to 4 per cent, which compares with 3 to $3\frac{3}{4}$ per cent during the preceding thirty days, and $4\frac{3}{4}$ to $5\frac{1}{4}$ per cent during the corresponding period a year ago.

Condition of Banks

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

	*Dec. 17, 1924	*Nov. 19, 1924	*Dec. 19, 1923
Number of banks reporting.....	†33	†33	35
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations.....	\$ 10,649	\$ 9,708	\$ 11,979
Secured by other stocks and bonds.....	174,532	164,116	148,992
All other loans and discounts.....	316,749	319,501	312,632
Total loans and discounts.....	\$501,930	\$493,325	\$473,603
Investments			
U. S. Pre-war bonds.....	14,357	14,356	15,193
Liberty bonds.....	25,951	25,000	22,520
Treasury bonds.....	5,885	2,257	6,945
Victory and Treasury notes.....	12,210	10,160	17,075
Certificates of Indebtedness.....	2,768	2,708	9,318
Other securities.....	101,585	96,546	86,497
Total investments.....	\$162,756	\$151,027	\$157,548
Reserve balance with F. R. bank.....	50,772	57,266	37,856
Cash in vault.....	9,136	7,895	9,429
Net demand deposits.....	405,309	383,361	341,935
Time deposits.....	213,349	217,136	190,275
Government deposits.....	7,904	2,378	6,943
Bills payable and rediscounts with			
Federal reserve bank			
Secured by U. S. Govt. obligations.....	1,405	557	11,306
All other.....	2,311	3,728	31,525

*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.

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			Dec. 1924	Dec. 1924
	Dec. 3, 1924	Nov. 5, 1924	Dec. 5, 1923	comp. to Nov. 1924	comp. to Dec. 1923
Evansville 4	\$ 9,320	\$ 8,939	\$ 8,974	+ 4.3%	+ 3.9%
Little Rock.. 4	7,843	7,703	7,146	+ 1.8	+ 9.8
Louisville 7	26,941	26,869	24,434	+ 0.3	+10.3
Memphis 4	16,399	16,952	17,882	- 3.3	- 8.3
St. Louis.....12	96,728	80,563	73,426	+20.1	+31.7
Totals.....31	\$157,231	\$141,026	\$131,862	+11.5	+19.2

*In thousands (000 omitted).

Debits to Individual Accounts

	*For four weeks ending			Dec. 1924	Dec. 1924
	Dec. 17, 1924	Nov. 19, 1924	Dec. 19, 1923	comp. to Nov. 1924	comp. to Dec. 1923
E. St. Louis and					
Natl. Stock Yards, Ill..\$	41,479	\$ 40,133	\$ 40,540	+ 3.4%	+ 2.3%
El Dorado, Ark.....	6,772	5,871	6,013	+15.5	+12.8
Evansville, Ind.....	29,139	25,239	29,480	+15.5	- 1.2
Fort Smith, Ark.....	15,924	18,139	14,049	- 1.2	+13.3
Greenville, Miss.....	5,445	5,768	4,469	- 5.6	+21.8
Helena, Ark.....	6,942	8,923	8,123	-22.2	-14.5
Little Rock, Ark.....	79,892	87,039	70,070	- 8.3	+14.0
Louisville, Ky.....	157,595	156,747	148,739	+ 0.7	+ 6.2
Memphis, Tenn.....	171,355	163,714	176,635	+ 4.7	- 3.0
Owensboro, Ky.....	5,215	4,909	6,700	+ 6.2	- 2.2
Quincy, Ill.....	10,987	10,215	9,893	+ 7.6	+11.1
St. Louis, Mo.....	630,500	671,723	624,159	- 6.1	+ 1.0
Sedalia, Mo.....	4,065	3,992	3,880	+ 1.8	+ 4.8
Springfield, Mo.....	12,096	12,257	13,133	- 1.0	- 7.9
Totals.....	\$1,177,406	\$1,214,669	\$1,155,883	- 3.1	+ 1.9

*In thousands (000 omitted).

Federal Reserve Operations

A new low record for the present calendar year was recorded in the amount of paper discounted for its member banks by the Federal Reserve Bank of St. Louis. On December 17 the total was \$12,483,000 which compares with \$16,739,000 on November 17, and \$60,058,000 on December 17, 1923. Federal reserve note circulation increased slightly over the preceding month, the gain being ascribed chiefly to the usual demand for holiday currency. A feature of the Reserve bank's activities during the period under review has been the large volume of bill of lading drafts, drawn chiefly to cover cotton and rice shipments, discounted for member banks. The combined reserve ratio against deposit and Federal reserve note liabilities on December 17 was 74.3 per cent against 75.7 per cent on November 17, and 66.4 per cent on December 17, 1923. During November this institution discounted for 207 of its member banks, which compares with 236 banks accommodated in October and 211 in November, 1923. The discount rate of this bank remains unchanged at 4 per cent.

COST OF LIVING

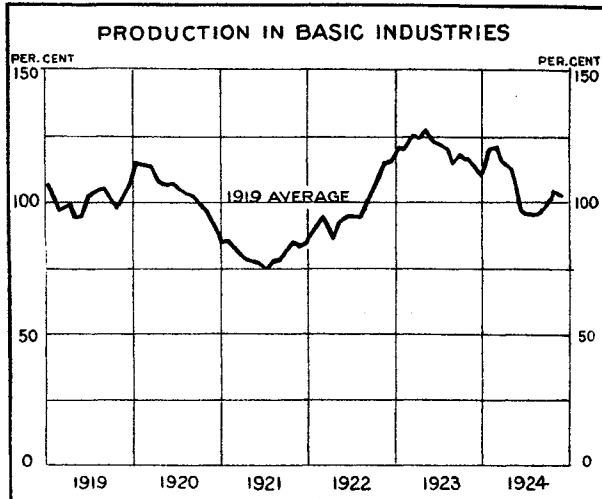
According to a survey of the cost of living in the United States for November 15, 1924, by the National Industrial Conference Board, the weighted increase of all items combined was only one-tenth of one per cent between October 15, and November 15, 1924. All of the separate items included in the cost of living showed variations in this period. Between July 15, and November 15, 1924 there was an average increase of 2.2 per cent. This change was occasioned by increases in the average cost of food, clothing, fuel and sundries, and a decrease in the average cost of shelter. The average cost of light, which had been slightly lower during this period, had returned in November to the level of July, 1924. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and November, 1924 the cost of living decreased 19.2 per cent. The increase in the cost of living since 1914 was 65.2 per cent.

(Compiled December 23, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES

Production

Production of basic commodities was at about the same rate in November as in October, but owing to the smaller number of working days not allowed for in the adjustment for usual seasonal variations, the Federal Reserve Board's



Index of 22 basic commodities corrected for seasonal variation.
Latest figure, November — 107.

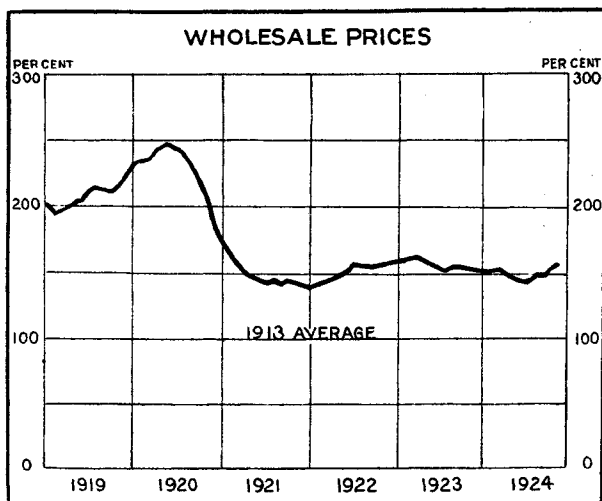
index of production declined by about two per cent. Increased activity was shown in the iron and steel industry and in cotton and woolen textiles, while production of food, coal, lumber, paper and automobiles declined. There was little change in the volume of factory employment in November.

Building contracts awarded declined somewhat in November, but the total was considerably larger than for the corresponding month of any recent year.

Final estimates by the Department of Agriculture of crop yields in 1924 showed a greater aggregate production than in 1923 and an increase of about nine per cent in the total value of all crops. Yields of wheat, oats, cotton, potatoes and hay were larger than in 1923, but the production of corn and tobacco was smaller. Marketing continued in larger volume in November and exports of agricultural products were the largest for that month in any recent year.

Prices

The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, advanced slightly in November, increases in most of the commodity groups being nearly offset by a considerable decline in the prices of animal pro-

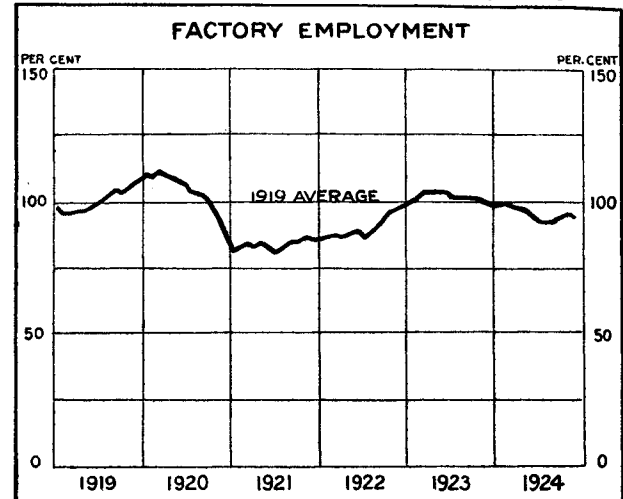


Index of U. S. Bureau of Labor Statistics.
Latest figure, November — 152.7.

ducts. During the first half of December there were further advances in the prices of grains, flour, sheep, metals and lumber, while the prices of beef, hides, silk and brick declined.

Trade

Railroad freight shipments, though smaller in November than in October owing to seasonal influences, were in about the same volume as in 1923. Wholesale trade showed the usual decline in November and was about as a year ago. Sales



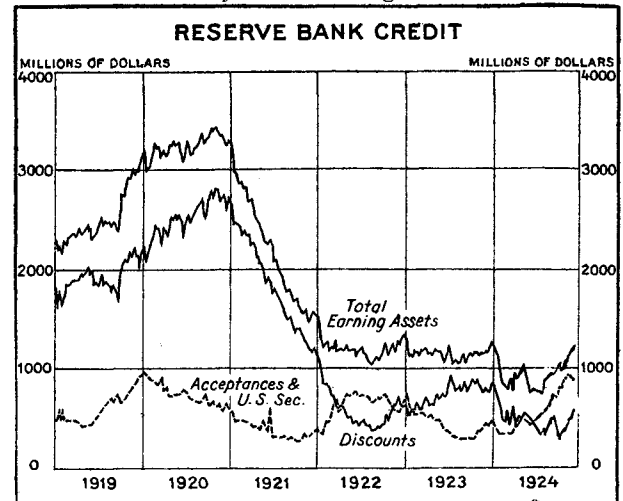
Index for 33 manufacturing industries.
Latest figure, November — 91.

of furniture and meat were larger than last year while the volume of business in nearly all other lines was smaller. Retail trade was somewhat more active in November, and sales of mail order houses and chain stores were larger than last year. Merchandise stocks at department stores were slightly reduced and were two per cent less than a year ago.

Bank Credit

Total loans and investments of member banks in leading cities continued to increase during the four weeks ending December 10, and on that date were in larger volume than at any previous time. The increase during the period was chiefly in loans secured by stocks and bonds and accompanied continued activity in the security markets. Commercial loans showed a seasonal decline from the high point of the year reached in the middle of November, but continued about the level of a year ago. Security holdings, after increasing rapidly since the spring of the year, reached a peak on November 19 and after that time showed a slight decrease.

At the Reserve banks total earning assets increased considerably during the four weeks ending December 17, reflecting the seasonal demands for currency and the export of gold. The volume of discounts of the Reserve banks increased between the middle of November and the middle of December. Their holding of acceptances also showed a net increase, while United States security holding declined somewhat. Firmer conditions in the money market during the last half of Novem-



Weekly figures for 12 Federal reserve banks.
Latest figure December 17.

ber and the first half of December were indicated by higher rates on bankers' acceptances and a rise of one-half per cent in the rate on commercial paper.