

FEDERAL RESERVE BANK OF ST. LOUIS



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

Released for Publication On and After the Afternoon of January 30, 1925

WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

RESUMPTION of activities in industrial lines and the wholesale and jobbing trade after the holiday and inventory interruption has been more rapid than is ordinarily the case. In virtually all lines investigated stocks at the end of the year were found to be of moderate proportions, and this fact coupled with a continued good consumptive demand for commodities of all sorts has had a tendency to stimulate production and the replenishment of depleted supplies of goods. Buying is maintained on the same conservative and cautious scale which prevailed throughout last year, but there was further gradual improvement in purchasing for future requirements. This latter manifestation was particularly notable in raw materials, in which the trend of prices for many important commodities was upward. Prices generally displayed advancing tendencies, with foods of all kinds taking the lead in the upward movement.

The movement of goods for common consumption was greatly assisted by the arrival of the first real cold weather of the season. All varieties of winter merchandise, particularly fuel, apparel, drugs and chemicals, heaters and hardware, distribution of which had been retarded by the mild weather, were being taken in considerably heavier volume than heretofore. For the first time in a year the coal situation worked to a position approximating normal for the season. Increased consumption by both steam users and the domestic trade resulted in a substantial reduction of surplus stocks, and expansion of activities at the mines. Despite temporary interruption to traffic caused by the storm, business of railroads operating in the district continues above all previous records for this particular time of year.

Reports relative to the holiday trade were somewhat spotted, but on the whole indicated very satisfactory results. Wholesalers were in receipt of a large volume of fill-in orders for this class of goods, and distribution through retail channels in virtually all sections of the district was largely in excess of a year ago. Sales of leading department stores in December, as indicated by preliminary figures, were 5.1 per cent larger than for the corresponding period in 1923. Clearance sales conducted by retail establishments since January 1 have met with excellent response, and accounted for the movement of large quantities of winter merchandise. The comment is made, however, that buying by the public is extremely conservative, especially of staple goods, and there is a general disposition to resist price advances.

Marked betterment developed in the iron and steel industry. Plant operation was considerably higher than at the same time a year ago, and in many instances, orders booked insure the present pace of

activity through the first quarter at least. Specialty makers, notably of stoves and farm implements, report the placement of a satisfactory volume of new business, and they are making up stocks in anticipation of an increased demand in the spring. Several important plants, which usually shut down for from two to four weeks at this season for inventorying and repairs, closed only three days to a week. Manufacturers in other lines, notably clothing, building materials, and boots and shoes, are deviating to some extent from their recent policy of making up only such goods as they have sold or have orders for in immediate prospect.

The labor situation showed no notable changes as compared with the thirty days immediately preceding. There was the usual seasonal decrease in employment among workers in outdoor occupations, such as building, highway construction, river improvement and agriculture, but in the building trades skilled artisans are more universally employed than is usually the case this season. Increased operations at the collieries reduced idleness in the coal fields, and in the lead and zinc district activities are of almost record proportions, many mines operating three shifts. Repair work on railroads, telegraph and telephone lines, necessitated by damage from the storm in December, gave temporary employment to hundreds of workers. Railroad shops continue to employ a large complement of skilled mechanics, and iron and steel interests added to their forces.

The upturn in prices of farm products was carried further during the period under review, all the chief cereals scoring new high records on the movement. In the case of corn and wheat, prices were the highest in more than three years. Between December 15 and January 15, May wheat in the St. Louis market ranged from \$1.68 $\frac{3}{8}$ to \$1.86 per bushel, closing at \$1.82 $\frac{1}{2}$ on the latter date, which compares with \$1.67 $\frac{3}{8}$ on December 15 and \$1.10 $\frac{3}{8}$ on January 15, 1924. Cash wheat also advanced sharply, No. 2 red winter selling on December 13 at \$2.08, the highest since the early part of 1921. Between the same dates May corn fluctuated between \$1.26 $\frac{1}{4}$ and \$1.34 $\frac{1}{4}$, closing at \$1.32 $\frac{1}{8}$ on January 15, against \$1.29 $\frac{7}{8}$ on December 15, and 80c on January 15, 1924. Cash corn soared to \$1.25 per bushel, which contrasts with 78c, the selling price on January 15 a year ago.

Under stimulus of the first real winter weather of the season, the coal market developed distinct improvement. Production in all fields was curtailed by the holidays, and transportation was temporarily hampered in certain sections. These factors in conjunction with the pickup in industrial activity, served to reduce stocks in all positions and create the most

active demand for all varieties of coal experienced in almost a year. The low temperatures resulted in heavily increased consumption among domestic users, heating plants and public utility companies, and the urgent call for supplies resulted in considerable congestion in wagon deliveries in the large cities and suburban communities. In the Illinois and Indiana fields a number of mines increased their working time to three and four days a week, with a few showing a record of five days. Prices in all fields were higher, though the advances were irregular and not broad. The demand for steaming coal was particularly marked in the principal industrial centers, and there was a much better call for this variety of fuel in the country. The general improvement extended to coke, both industrial and domestic sizes moving in heavier volume. By-product manufacturers were obliged to draw on their reserve piles for the first time in many months. Production of soft coal for the country as a whole during 1924, according to the preliminary estimate of the Geological Survey, was 467,700,000 net tons, which compares with 564,157,000 tons in 1923 and 422,268,000 tons in 1922.

According to officials of railroads operating in the district the usual recession in the movement of freight during December was less marked than in previous years, and virtually all lines are handling the heaviest traffic on record for this particular season. The showing made by loadings of merchandise and miscellaneous freight is particularly favorable, the total being considerably in excess of the corresponding period a year ago. The movement of coal and coke was also larger than a year ago, but there was a slight decrease in loadings of grain and grain products. The storm in December delayed traffic temporarily on some lines, but regular schedules were fully restored by the end of the month. For the country as a whole loadings of revenue freight for the week ended December 20 totaled 899,776 cars. This was a decrease of 56,985 cars under the preceding week, but a gain of 22,149 cars over the same week in 1923, and of 73,464 cars over the same week in 1922. It was also an increase of 233,171 cars over the corresponding period in 1921 and an increase of 251,370 cars above the same week in 1920. The Terminal Railway Association of St. Louis, which handles interchanges of 28 connecting lines, interchanged 200,455 loads in December, which compares with 207,150 loads in November, 229,275 loads in October and 189,644 loads in December, 1923. During the first nine days of January 61,411 loads were interchanged, against 61,677 loads during the first nine days of December, and 51,581 loads during the corresponding period in 1924. Passenger traffic of the reporting roads during December decreased slightly as compared with the same month in 1923. Tonnage moved by the Mississippi River section of the Federal Barge Line between St. Louis and New Orleans during December amounted to 54,000 tons against 39,603 in November and 51,855 tons during December, 1923.

Reports relative to collections reflected satisfactory conditions, with the general average well in excess of the same period a year ago. Throughout the South efficiency continues high, particularly in the cotton and tobacco areas, where farmers and merchants are rapidly clearing up their indebtedness. Some further improvement was noted in the coal areas, and in the zinc and lead mining districts, where employment is at high levels, bills are being promptly

paid. In the typical grain producing sections results are somewhat spotted, but the recent sharp advance in wheat and corn prices has strengthened the cash position of farmers. Retailers in the large centers of population report first-of-the-year payments heavy, and wholesalers comment on the large number of customers taking advantage of discounts for cash. Answers to 435 questionnaires addressed to representative interests in various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
Dec., 1924.....	7.7%	47.1%	38.5%	6.7%
Nov., 1924.....	4.9	42.3	48.0	4.8
Dec., 1923.....	5.7	33.6	50.0	10.7

Commercial failures in the Eighth Federal Reserve District during December, according to Dun's, numbered 100, involving liabilities of \$2,133,944, against 102 defaults in November with indebtedness of \$1,039,106, and 96 failures for \$1,954,500 in December, 1923.

The per capita circulation of the United States on January 1, 1925, was \$44.03, against \$44.08 on December 1, 1924 and \$44.22 on January 1, 1924.

MANUFACTURING AND WHOLESALE

Automobiles

As a result of further cuts in manufacturing schedules, the December production of automobiles for the country as a whole fell sharply under that of November. There was also a heavy decrease as compared with December, 1923. The combined output of passenger cars and trucks in December was 10.5 per cent less than in November, and 32.6 per cent below the December, 1923, total. Companies reporting direct or through the Automobile Chamber of Commerce built 178,570 passenger cars in December, against 201,652 in November and 275,287 in December, 1923. The output of trucks in December was 25,333, against 26,246 in November and 27,275 in December, 1923.

There was also a further slowing down in the distribution of automobiles during the period under review. Sales in the country were drastically affected by the spell of inclement weather and dealers in the large centers, while reporting a large number of inquiries and prospects, say that there is a disposition to postpone actual purchasing until the spring. Due to the fact that numerous owners are repairing their cars so that they will carry through the winter, business in parts and accessories was relatively better than in new machines. The intensive selling campaign started in the fall of 1924 is continuing, and is another factor in the movement of accessories. Sales of 320 dealers scattered through the district in December were 11.5 per cent under those of December, 1923, and approximately 6.3 per cent below the November, 1924, total. Accessory sales gained 4 per cent in December over the same month in 1924, and were 3.5 per cent larger than in November. Stocks of new cars in dealers' hands on January 1 were the smallest for that particular date in years, and showed a contraction under stocks on December 1. Sales of used cars were also disappointing, showing losses under both the preceding month and the corresponding period in 1923. The tire situation developed no change worthy of note as compared with the preceding thirty days. Prices were steady, and stocks generally of moderate proportions. Some price reductions were announced in three or four of the leading lines of automobiles.

Boots and Shoes

Sales of the 11 reporting interests during December were 26.4 per cent larger than in December, 1923, but 41.5 per cent under the November, 1924, total. The sharp decrease from November to December was seasonal in character. Orders for future delivery were in excess of the corresponding period a year ago, and orders arriving since January 1 have been in satisfactory volume. The improvement extends through the entire line, but as has been the case for the past several months, the demand for women's and children's shoes is relatively more active than for men's wear. Novelties and specialties are in particularly good call. Prices were slightly higher, but are still $2\frac{1}{2}$ per cent to 3 per cent below the peak levels of 1923. Raw materials continue firm, with accumulations of desirable leathers at a low ebb. Operations were at from 85 to 100 per cent of capacity, and two of the leading manufacturers have announced the perfection of plans for erecting an additional factory each during the next few months.

The total number of pairs of shoes manufactured in this district during December was 9.0 per cent less than during the preceding month and for the country as a whole December production was 0.4 per cent under the November total.

Clothing

The outstanding feature in this classification has been the improved ordering for future delivery. This is accounted for by the upturn in raw materials and generally small stocks in hands of retailers. Heavy apparel, the movement of which was hampered earlier in the season by unusually warm weather, has responded to the low temperatures of the past few weeks, and some reordering was reported. Women's cloaks and suits are moving in excellent volume, though the comment is made that interest centers chiefly in the cheaper class of goods. Sales of men's suits during the period under review were reported the largest in a number of months, but there are still complaints of backwardness in overcoats, and special sales held since January 1 have met with only indifferent success, despite price concessions. Labor is plentiful and wages unchanged. The trend of prices on finished goods was higher in sympathy with the higher market on raw materials. Sales of the 10 reporting interests in December were 55.6 per cent larger than during December, 1923, and 49.8 per cent under the November, 1924, total.

Drugs and Chemicals

December sales of the 11 reporting interests were 6.1 per cent under the corresponding period in 1923, and 2.8 per cent less than the November, 1924, total. As usual in the drug and chemical business there was a slowing down in business prior to inventory taking, but a number of important interests report the demand through the entire line better than is ordinarily the case at this time. The recent cold spell had a stimulating effect on purchases of remedial drugs and winter goods generally. The Christmas holiday trade turned out better than expected, there being a large volume of eleventh-hour ordering by retailers particularly in the large cities. Retail stocks are for the most part light, and are being replenished. Sales of cosmetics continue in large volume, and there has also been a heavy movement of denatured alcohol and anti-freezing preparations. Heavy chemicals are in excellent demand, especially all varieties extensively used in the

metal industries. Prices were generally steady with the preceding thirty days.

Dry Goods

The 12 reporting interests show December sales 4.7 per cent larger than for the same month in 1923, but 32.2 per cent less than the total for November, 1924. Orders for future delivery are reported slightly under those of the same period a year ago, but the volume of purchasing for prompt shipment is holding up well. Jobbers for the most part are carrying light stocks, and the same is true of retailers. The demand for cotton goods is somewhat spotted, buyers being disposed to hold off because of uncertainty relative to prices. The trend of woolen fabrics continues upward, in sympathy with the upturn in raw wool, and this comment applies as well to silk goods. Sheetings and other gray goods were slightly under the recent high point, but generally cotton goods were unchanged. Linens and other imported goods displayed an advancing tendency, due chiefly to the sharp rise in exchange rates. Some improvement was noted in the demand for hosiery, sweaters and other knitted goods.

Electrical Supplies

December sales of the 12 reporting interests were 1.8 per cent larger than for the same month in 1923, and 6.0 per cent in excess of the November, 1924, total. Impetus was given to the demand for pole hardware and general repair materials by the sleet storm in December, which wrought serious damage to telephone, telegraph and interurban railway equipment. Public utilities companies, particularly those in the South and Southwest, have already started to build power plants and transmission lines, and the demand for materials going into that sort of construction is unusually brisk for this time of year. Record sales of radio goods during November and December substantially helped total sales volume. The movement of holiday goods generally was well in excess of a year ago. Prices, with the exception of advances on copper wires and cables and pole hardware, and a slight decrease in incandescent bulbs, were unchanged.

Fire-Clay Products

The demand for relining, repairs and replacement of reduced stocks of both fire clay and silicon brick has resulted in greater productive activity in this classification. Distribution has been in large volume, virtually all lines served by the industry being busy. Ordering by cement manufacturers holds up well, recent purchases including heavy tonnages of kiln-liners and nine-inch straights. December sales of the 5 reporting interests were 13.2 per cent less than for the same month in 1923, but 6.3 per cent in excess of the November total this year. Orders booked since January 1 indicate a sharp gain over both the preceding month and the same month a year ago.

Flour

Production of the 11 leading mills of the district during December totaled 306,586 barrels, which compares with 302,626 barrels in November, 375,858 in October and 323,697 barrels in December, 1923. The market during the past thirty days has been quiet and featureless. The usual holiday and inventory period dullness was in evidence, and since that time buyers have held off on account of the higher prices asked by millers. While new business was in relatively light

volume, shipping directions have picked up to some extent, and mills are kept fairly busy grinding flour to fill orders previously booked. Routine business with the Latin-American countries continues good, but bids from Europe are too low to result in sales. In the immediate past there has been some improvement in the domestic demand in the South, but this involves mainly soft flours, and clears and low grades, the latter being scarce. Due to the sharp upturn in wheat, millers have advanced their prices, which are the highest in years. Mill operation was at from 65 to 70 per cent of capacity.

Furniture

Business in this line continued to maintain recent gains over the preceding year, but there was the usual seasonal decrease in sales during December as compared with November. Dealers generally were waiting for the furniture shows at Chicago and Grand Rapids before making commitments for spring and summer goods, and there continues a tendency to purchase closely and for immediate requirements. Some sections of the line, however, are quite active, notably metal beds, hotel and theater furniture, floor coverings and some varieties of household goods. Prices showed no change worthy of note during the period under review, and are generally slightly under levels prevailing at the same time a year ago.

Groceries

December sales of the 22 reporting interests were 13.3 per cent larger than during the corresponding month in 1923, but 4.7 per cent under the November total this year. The decrease in December under November is accounted for partly by the fact that the heavy storm caused numerous salesmen to abandon part of their regular trips. The movement of holiday goods was well in excess of a year ago, and in the case of several large concerns was the largest on record. Prices on numerous important articles in the line were higher, advances being recorded on canned goods, coffee, flour, bakery products and starch. Improvement in sales in the coal mining areas was noted, and there was also betterment in the tobacco districts. Collections were in the main satisfactory.

Hardware

Sales of the 12 reporting interests during December were 7.3 per cent larger than for the same month in 1923, and 7.6 per cent under the November total this year. Inventorying disclosed generally small stocks, and during the past three weeks there has been a general movement to replenish and fill out assortments. Further gains were recorded in future orders, the total being well in excess of a year ago. The storm in December resulted in an active call for all varieties of snow goods, such as snow shovels, sidewalk scrapers and sleds. Ordering of hand implements and all varieties of goods used on farms is in large volume. No change was reported in the general run of standard hardware lines as compared with the preceding thirty days. The trend of prices continues upward, with specific advances announced on many important items.

Iron and Steel Products

Increasing rate of production, expanding demand and advancing prices were the outstanding characteristics in this classification during the period under review. Mills, foundries and machine shops, as well

as specialty makers report the placement of a good volume of orders for their products, and in a number of notable instances unfilled orders are sufficiently large to insure the present pace of operations through the first quarter of the year. Steel buyers are more disposed to make their wants known, and the railroads continue to figure conspicuously in the general purchasing. Some improvement has been noted in the demand for all sorts of materials from the oil fields and coal mining sections, with oil-country pipe showing more activity and strength than in a long while. A significant feature of the market has been the reordering of both raw and finished materials by interests which had underestimated their requirements in original purchases. Pig iron has advanced further in price, and melters are requesting expedition of deliveries, with a number anticipating contract quotas due next month. No. 2 Southern iron sold at \$22 per ton, the highest since last spring, and Northern iron of the same grade is firmly held at \$24 to \$24.50. The leading local producer has advanced its price to \$25 to \$25.50, f. o. b. furnace. The melt of pig iron during December for the district increased about $4\frac{1}{2}$ per cent over November, and was approximately $6\frac{3}{4}$ per cent greater than in December, 1923. Plates, shapes and bars are holding their recent gains, and wire and wire products are firm. Stove makers report a satisfactory volume of current orders, and while buying of farm implements has not increased, manufacturers are making up goods in anticipation of a larger demand in the spring. Warehousemen report a brisk call for virtually their entire line, with building and repair materials particularly active. Specifications received by fabricators of structural iron and steel continue heavy in the aggregate, though confined principally to small jobs. Waste material sustained a further sharp advance, heavy melting steel and cast grades going to the highest levels since last February. Production of iron and steel ingots for the country as a whole increased during December, this being the fifth consecutive month during which gains were recorded. December sales of stove manufacturers, 7 reporting, were 2.6 per cent larger than in December, 1923, but 32.9 per cent under the November, 1924, total; railway supplies, 5 reporting, increased 2 per cent over December, 1923, and declined 2.3 per cent under November, 1924; farm implements, 6 reporting, gained 2.3 per cent over December, 1923, and 0.4 per cent over November, 1924; job foundries, 5 reporting, increased 25.5 per cent over December, 1923 and 1.4 per cent over November, 1924; manufacturers of boilers, stacks, elevators, wire rope and miscellaneous products, 14 reporting, decreased 0.3 per cent under December, 1923, and 13.2 per cent under November, 1924.

Lumber

Purchasing by both dealers and consumers, which sustained a lull prior to the inventory period, has been gradually resumed since the first week in January. Yards and the trade generally are covering for early spring needs for which commitments were not previously made, at prices which have reflected stability, rather than any marked tendency either upward or downward. The advances in December provided the governing price in the larger transactions in virtually all the woods, though there have been some slight additional advances in both soft and hardwood stocks.

The latter are more noticeably reflected in the ordinary run of current sales. Only in transit stock and a limited range of surplus items has there been such pressure to sell as has made for concessions in minor sales. Stocks in yards pretty generally through the district have been replenished, and assortments are fairly complete. The furniture industry is purchasing in fair volume, and some improvement is reported in buying by the car builders and automobile manufacturers.

CONSUMPTION OF ELECTRICITY

Consumption of electricity during December by selected industrial customers of the public utilities companies in the five largest cities of the district was larger by 0.6 per cent than during the corresponding month in 1923. As compared with November, 1924, however, a decrease of 10.0 per cent was shown. This loss was accounted for chiefly in interrupted service to a large number of industries occasioned by the severe sleet and ice storm, and, according to officials of the companies, the gain over December last year would have been considerably larger but for this interruption. Gains over the preceding year were shown by practically all the principal industries.

Detailed figures follow:

	No. of customers	Dec. 1924 *K.W.H.	Nov. 1924 *K.W.H.	Dec. 1924 comp. to Nov. 1924	Dec. 1923 *K.W.H.	Dec. 1924 comp. to Dec. 1923
Evansville.....	40	943	933	+ 1.1%	915	+ 3.1%
Little Rock.....	35	1,158	1,244	- 6.9	1,157	+ 0.1
Louisville.....	67	4,118	3,917	+ 5.1	3,852	+ 6.9
Memphis.....	31	1,176	1,339	-12.2	1,143	+ 2.9
St. Louis.....	84	10,854	12,839	-15.5	11,065	- 1.9
Totals.....	257	18,249	20,272	-10.0	18,132	+ 0.6

*In thousands (000 omitted).

The following figures, compiled by the Department of Interior, give kilowatt production for both lighting and industrial purposes for entire country:

	By water power	By fuels	Totals
November, 1924.....	1,558,493,000	3,492,489,000	5,050,982,000
October, 1924.....	1,632,438,000	3,559,926,000	5,192,364,000
November, 1923.....	1,515,775,000	3,326,706,000	4,842,481,000

DEPARTMENT STORES

	Net sales comparisons		Stocks on hand	Annual rate of stock turnover
	Dec. 1924 comp. to Dec. 1923	Six months ending Dec. 31, 1924, to same period, 1923	Dec. 31, 1924 comp. to Dec. 31, 1923	For six months ending Dec. 31, 1924
Evansville.....	+ 1.9%	- 4.5%	-14.0%	2.19
Little Rock.....	+ 9.8	+ 5.4	- 3.2	2.78
Louisville.....	+ 4.4	+ 2.6	-13.7	2.94
Memphis.....	+13.0	+ 4.1	- 0.7	2.74
Quincy.....	2.3	- 3.8	-10.9	2.38
St. Louis.....	+ 1.8	- 3.5	+ 1.9	3.02
Springfield.....	8.6	-14.9	-20.3	1.62
8th District.....	+ 4.7	- 0.5	- 2.3	2.87

AGRICULTURE

With the exception of Illinois and Mississippi, where the acreage planted to wheat last fall is the same as in 1923, all states of the district increased their acreages of winter wheat. The total for states lying wholly or partly within the district is 8,434,000 acres against 7,856,000 acres the year before, a gain of approximately 7.3 per cent. Higher prices and generally favorable marketing conditions were the chief incentives to heavier planting. In some sections, however, excessive rains, droughts and the late maturity of other crops tended to hold down acreages. For the country as a whole the Department of Agriculture estimates the area planted last fall 42,317,000 acres, against 39,749,000 acres in 1923.

The condition of the wheat crop is below that at the corresponding period a year ago, also under the 10-year average (1914-1923). Generally the crop was

well covered with snow, but the outcome of those sections of Missouri and Illinois where fields are still under a sheet of ice spread by the recent storm is uncertain. Scattered reports from Indiana, Tennessee and Kentucky indicate possible damage from alternate freezing and thawing. This is the period when the crop is dormant, and little can be told of its intrinsic condition.

Corn has apparently been considerably benefitted by the recent extreme low temperatures. The grain has dried out, and the crop is all housed. Quality of corn arriving at market in the immediate past shows considerable improvement over grain shipped earlier in the season. The movement to primary markets is still considerably below a year ago, but there is an unusually heavy movement between country points, due to the irregularity of the crop, and farmers are receiving high prices for all they sell. Reports from virtually all sections indicate less corn is being fed to live stock than a year ago.

Generally through the district progress made in the direction of fall plowing, soil preparation and farm work up to the beginning of the recent cold spell was above the average of the past several years. Ideal weather for outdoor operations continued further into the winter than usual, and with an abundant supply of labor, farmers were able to make excellent headway with all sorts of preliminary work. Considerable damage to fruit trees, particularly apple orchards, resulted from the severe ice storm of December 18. Losses were especially heavy in Missouri, Indiana and Illinois. There were also scattered reports of mortality among live stock, but nothing of a serious character.

Initial offerings of tobacco at the several markets of the district were somewhat disappointing as to quantity and quality, but since the first of January weather conditions have been more favorable for moving the leaf, and deliveries have been heavy. The tobacco recently received is generally in excellent condition, and the quality almost universally better than the preceding year's crop. The market on all grades was active and firm, with a tendency to higher prices. Included in the new burley offerings was a large proportion of desirable tobaccos, both red and color. In the old burley were some good grades which sold at satisfactory prices. Offerings of the new crop of one sucker tobacco have been light. The loose leaf markets in the burley, Green River, aircured and fired districts report large sales, and the cooperative association's markets, all of which have opened, also report a fair volume of transactions. A recent feature of the Burley Association's activities was the sending of a sales representative to Europe. This Association announced the sale of 50,000,000 pounds of 1924 crop to a manufacturer at Association prices.

Reports from the rice section indicate that the crop has been moved from farms. According to the milling interests the past three weeks have been marked by some slowing down in purchases of clean rice, due chiefly to inventorying by merchants and jobbers. Prices, however, were well sustained, and available stocks are considerably under this time a year ago. Farmers in the rice area are in an optimistic mood, and have been able to largely liquidate their indebtedness.

Interest in the cotton sections centered chiefly in production of the 1925 crop, last year's stock having largely moved from producer's hands. Farm operations made rapid progress until the extreme cold

weather in December, at which time preparations were somewhat in excess of normal. Suspended operations occasioned by the unfavorable weather have resulted in a drop of preparatory work to slightly below normal. The world's cotton crop in 1924, although not of record proportions, was probably the largest in the last nine years, according to forecasts by the U. S. Department of Agriculture from all the principal producing countries.

Commodity Prices

Range of prices in the St. Louis market between December 15, 1924, and January 15, 1925, with closing quotations on the latter date, and on January 15, 1924:

	High	Low	Close	
			Jan. 15, 1925	Jan. 15, 1924
Wheat				
May .....per bu.	\$1.86	\$1.68 $\frac{3}{8}$	\$1.82 $\frac{1}{2}$	\$1.10 $\frac{3}{8}$
July	1.56 $\frac{1}{2}$	1.46	1.55 $\frac{1}{2}$	1.06 $\frac{1}{2}$
September	1.46	1.42 $\frac{1}{2}$	1.46	1.05 $\frac{3}{4}$
No. 2 red winter..	2.08	1.88	\$2.07 @ 2.08	\$1.17 @ 1.19
No. 2 hard	1.87 $\frac{1}{2}$	1.67	1.85 $\frac{1}{2}$	1.11
Corn				
May	1.34 $\frac{3}{8}$	1.26 $\frac{1}{4}$	1.32 $\frac{1}{8}$	.80
July	1.24 $\frac{3}{8}$	1.26 $\frac{1}{8}$	1.33	.80 $\frac{3}{4}$
No. 2	1.25 $\frac{1}{2}$	1.19	1.25 $\frac{1}{2}$	.78
No. 2 white.....	1.28	1.20	1.27	.80
Oats				
May .....	.65 $\frac{3}{4}$	.60 $\frac{1}{4}$	.....	.49 $\frac{3}{4}$
No. 2 white.....	.64 $\frac{1}{2}$	.60 $\frac{1}{2}$	.63	.48 $\frac{1}{2}$
Flour				
Soft patent.....per bbl.	10.25	8.50	9.25 @ 10.25	5.50 @ 6.50
Spring patent.....	9.60	8.15	9.50	6.00 @ 6.25
Middling cotton.....per lb.	.24 $\frac{1}{4}$	.23 $\frac{3}{4}$	.24 $\frac{1}{4}$	.34
Hogs on hoof.....per cwt.	11.25	6.00	6.50 @ 10.90	5.25 @ 5.35

Note: December wheat closed at \$1.74; December corn at \$1.23 $\frac{1}{8}$, and December oats at 60c.

Commodity Movement

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

	*Receipts			*Shipments		
	Dec. 1924	Nov. 1924	Dec. 1923	Dec. 1924	Nov. 1924	Dec. 1923
Beef, lbs.....	356	226	30	23,453	22,270	27,892
Corn, bu.....	2,730	1,411	4,522	1,334	649	1,967
Flour, bbls.....	383	376	420	547	539	532
Hides, lbs.....	10,005	10,534	8,034	11,123	11,127	9,782
Lard, lbs.....	5,230	3,654	6,503	12,248	7,464	12,601
Lead, pigs.....	294	238	215	242	189	19
Lumber, cars.....	20	19	18	14	13	12
Oats, bu.....	1,826	1,944	2,906	1,632	1,646	2,383
Pork, lbs.....	21,163	19,073	17,442	33,519	29,861	29,431
Wheat, bu.....	2,875	3,346	2,271	2,926	2,882	1,722
Zinc, slabs.....	211	382	368	174	347	225

*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		
	Dec. 1924	Nov. 1924	Dec. 1923	Dec. 1924	Nov. 1924	Dec. 1923
Cattle and Calves.....	120	133	99	70	82	54
Hogs	449	355	432	264	230	257
Horses and Mules.....	6	6	8	7	7	8
Sheep	30	25	34	11	12	16

*In thousands (000 omitted).

BUILDING

In spite of the severe cold wave and sleet storm which swept over a large area of the district on December 18 and the low temperatures since that date, winter building continued on an unusually large scale. Work on buildings under way made excellent progress, particularly in the larger cities and through the South. Considerably less than the ordinary unemployment was noted in the building trades, but many common laborers were released by suspension of highway construction and river improvement work. In the five largest cities of the district building permits for new construction issued during December were larger by 22 per cent than in December, 1923, while the dollar value was 22.0 per cent greater than during the earlier month. Gains in both number of permits issued and dollar value were shown in December over Novem-

ber, 1924. For the year 1924 the total number of permits issued for new construction and repairs exceeded the 1923 total by 4.7 per cent, and the dollar value in 1924 was 9.5 per cent larger than in 1923. Prices of building materials continue to show strength, though actual changes as compared with the preceding thirty days were narrow. Production of portland cement for the country as a whole in December totaled 10,435,000 barrels, against 13,141,000 barrels in November and 9,997,000 barrels in December, 1923.

Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1924	1923	1924	1923	1924	1923	1924	1923
Evansville	251	46	\$ 92	\$ 123	28	48	\$ 11	\$ 14
Little Rock.....	65	56	458	109	60	63	38	66
Louisville	226	161	1,378	687	49	51	103	30
Memphis	311	209	4,411	2,520	109	20	47	12
St. Louis.....	386	543	1,753	3,196	308	358	316	268
Dec. totals.....	1,239	1,015	\$ 8,092	\$ 6,635	554	540	\$ 515	\$ 390
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

*In thousands of dollars (000 omitted).

FINANCIAL

Changes in the banking and financial situation during the period under review were of minor importance, the principal influencing factors being about the same as during the thirty days immediately preceding. Supplies of loanable funds at the commercial banks are large, deposits continuing at or about the record high levels which prevailed at the end of last year. The demand from commercial interests was moderately active only, though during the past ten days some improvement has developed in that direction. Settlements with the wholesale and manufacturing interests since January 1 were for the most part satisfactory, and resulted in substantial payments at the banks, particularly in the larger cities. Generally throughout the South liquidation continues in satisfactory volume. In the tobacco districts, where the leading markets are in full operation, payments of all sorts of indebtedness are heavy, and excellent liquidation is reported in the rice territory. Grain shippers and elevators have slightly reduced their commitments, but there continues a good demand from the flour milling industry, due to the fairly heavy stocks being carried and the sharp advances in cash wheat prices. The high price of feeds is reflected in decreased activities among live stock raisers, and the demand for accommodations from that source are less than at the corresponding period a year ago. Withdrawals from the banks for first-of-year interest and dividend disbursements failed to perceptibly affect the general situation, and constituted largely only a shifting of credits. Continued activity in the security market was reflected in a further gain in loans based on stocks and bonds. Interest rates charged their customers by the commercial banks were approximately the same as during the preceding thirty days. The record of commercial failures in the district during December shows larger liabilities than in November, also than in December, 1923.

Commercial Paper

Rates on commercial paper were again firmer, the range being from 3 $\frac{1}{2}$ to 4 per cent, against 3 $\frac{1}{4}$ to 4 per cent during the preceding thirty days. Sales of the reporting brokerage interests during December were 9.4 per cent under the same month in 1923, but 41 per cent larger than in November, 1924. During the first twelve days of January there was an active move-

ment, a large amount of desirable paper bearing 3¾ to 4 per cent, making its appearance. This was readily absorbed, with both city and country banks buying. Since that time, however, rates have eased off, and banks, particularly in the country, have restricted their purchasing. According to brokers there is ample money throughout this region, and the volume of their business is entirely contingent upon rates, any decline being immediately reflected in restricted buying.

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			Jan. 1925 comp. to Dec. 1924	Jan. 1925 comp. to Jan. 1924
	Jan. 7, 1925	Dec. 3, 1924	Jan. 2, 1924		
Evansville ... 4	\$ 9,369	\$ 9,320	\$ 9,062	+ 0.5%	+ 3.4%
Little Rock... 4	7,928	7,843	7,278	+ 1.1	+ 8.9
Louisville ... 7	27,267	26,941	26,012	+ 1.2	+ 4.8
Memphis 4	16,011	16,399	18,619	- 2.4	-14.0
St. Louis.....12	79,751	80,435	73,852	- 0.9	+ 8.0
Totals.....31	\$140,326	\$140,938	\$134,823	- 0.4	+ 4.1

*In thousands (000 omitted).

Condition of Banks

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

	*Jan. 14, 1925	*Dec. 17, 1924	*Jan. 16, 1924
Number of banks reporting.....	†33	†33	35
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations.....	\$ 10,802	\$ 10,649	\$ 11,253
Secured by other stocks and bonds.....	181,210	174,532	152,795
All other loans and discounts.....	309,078	316,749	307,041
Total loans and discounts.....	\$501,090	\$501,930	\$471,089
Investments			
U. S. Pre-war bonds.....	14,341	14,357	14,992
Liberty bonds.....	27,455	25,951	24,668
Treasury bonds.....	6,284	5,885	7,061
Victory and Treasury notes.....	12,098	12,210	17,403
Certificates of Indebtedness.....	1,872	2,768	8,070
Other securities.....	103,400	101,585	86,625
Total investments.....	\$165,450	\$162,756	\$158,819
Reserve balance with F. R. bank.....	49,730	50,772	42,229
Cash in vault.....	8,663	9,136	8,028
Net demand deposits.....	410,464	405,309	363,623
Time deposits.....	211,870	213,349	196,972
Government deposits.....	7,286	7,904	4,649
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Govt. obligations.....	0	1,405	5,788
All other.....	575	2,311	19,039

*In thousands (000 omitted).

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

Federal Reserve Operations

There was a further slump during the period under review in the amount of paper discounted for its member banks by the Federal Reserve Bank of St. Louis, the total falling to the lowest point in recent years. On January 17 the aggregate was \$8,290,000, which compares with \$12,483,000 on December 17 and \$43,136,000 on January 17, 1924. Federal reserve note circulation showed the usual post-holiday contraction, dropping from \$57,728,000 on December 17 to \$55,711,000 on January 17. This total compares with \$72,095,000 on January 17, 1924. Total earning assets on January 17 were \$42,984,000, against \$43,099,000 on December 17, and \$45,221,000 on January 17, 1924. The heavy loss in bills discounted was in large measure compensated for by bills purchased, this item standing at \$21,567,000 on January 17, against \$683,000 a

(Compiled January 20, 1925)

year earlier. The combined reserve ratio against deposit and Federal reserve note liabilities on January 17 was 72.2 per cent, against 74.3 per cent on December 17 and 72.9 per cent on January 17, 1924. During December this institution discounted for 236 of its member banks, which compares with 207 banks accommodated in November and 279 in December, 1923. The discount rate of this bank was unchanged at 4 per cent.

Debits to Individual Accounts

	*For four weeks ending			Jan. 1925 comp. to Dec. 1924	Jan. 1925 comp. to Jan. 1924
	Jan. 21, 1925	Dec. 17, 1924	Jan. 23, 1924		
E. St. Louis and Natl. Stock Yards, Ill..	\$ 39,225	\$ 41,479	\$ 39,091	- 5.4%	+ 0.3%
El Dorado, Ark.....	6,517	6,772	5,847	- 3.8	+11.3
Evansville, Ind.....	34,359	29,139	31,026	+17.6	+10.7
Fort Smith, Ark.....	13,182	15,924	12,753	-17.2	+ 3.4
Greenville, Miss.....	4,862	5,445	4,592	-10.7	+ 5.9
Helena, Ark.....	6,012	6,942	5,878	-13.4	+ 2.3
Little Rock, Ark.....	72,019	79,892	61,135	- 9.8	+17.8
Louisville, Ky.....	174,678	157,595	156,893	+10.8	+11.3
Memphis, Tenn.....	162,327	171,355	164,484	- 5.3	- 1.3
Owensboro, Ky.....	7,471	5,215	7,180	+43.3	+ 4.1
Quincy, Ill.....	9,748	10,987	9,585	-11.3	+ 1.7
St. Louis, Mo.....	720,243	630,500	667,900	+14.2	+ 7.8
Sedalia, Mo.....	4,922	4,065	4,787	+21.1	+ 2.8
Springfield, Mo.....	11,336	12,096	12,831	- 6.3	-11.7
Totals.....	\$1,266,901	\$1,177,406	\$1,184,008	+ 7.6	+ 7.0

*In thousands (000 omitted).

Postal Receipts

	*For quarter ended				Dec. 1924 comp. to Dec. 1923
	Dec. 31, 1924	Sept. 30, 1924	June 30, 1924	Dec. 31, 1923	
Evansville	\$ 160	\$ 141	\$ 143	\$ 145	+10.3%
Little Rock.....	224	201	187	208	+ 7.7
Louisville	714	600	630	680	+ 5.3
Memphis	509	421	444	476	+ 6.9
St. Louis.....	3,427	2,669	2,836	3,244	+ 5.6
Totals.....	\$5,034	\$4,032	\$4,240	\$4,753	+ 5.9

*In thousands (000 omitted).

COST OF LIVING

Average prices of three of the major items comprising the total cost of living increased slightly between November 15 and December 15, 1924, according to the monthly survey by the National Industrial Conference Board. These increases were 1.3 per cent for food, six-tenths of one per cent for fuel and three-tenths of one per cent for clothing. Seasonal influences probably contributed to these advances. The average cost of the other items included in the total cost of living remained unchanged. The total increase for all items combined during the month was five-tenths of one per cent.

Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached and December, 1924, the cost of living decreased 18.8 per cent. The increase in the cost of living since July, 1914 was 66.1 per cent.

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

Item	Relative importance in family budget	Percentage of increase in the cost of living above average prices in July, 1914, to—			Percentage of increase in the cost of living on Dec. 15, 1924, from average prices in	
		July, 1920	Nov. 1924	Dec. 1924	July 1920	Nov. 1924
Food*	43.1	119	50	52	30.6**	1.3
Shelter	17.7	58	84	84	16.4	0.0
Clothing	13.2	166	73	73	35.0**	0.3
Fuel and Light.....	5.6	66	68	69	1.8	0.6
(Fuel)	(3.7)	(92)	(82)	(83)	(4.7)**	(0.5)
(Light)	(1.9)	(15)	(42)	(42)	(23.4)	(0.0)
Sundries	20.4	85	75	75	5.4**	0.0
Weighted average of all items.....	100.0	104.5	65.2	66.1	18.8**	0.5

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

**Decrease.

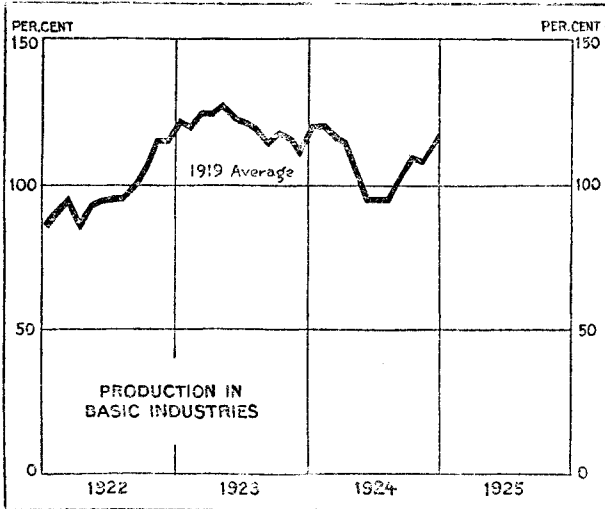
The purchasing value of the dollar, based on the cost of living in December, 1924, was 60.2 cents as contrasted with one dollar in July, 1914.

BUSINESS CONDITIONS IN THE UNITED STATES

Production

The index of production in basic industries advanced about ten per cent in December to a point 25 per cent higher than

of grains, wool, coal and metals increased further, while sugar, dairy products, silk, coke and rubber declined.

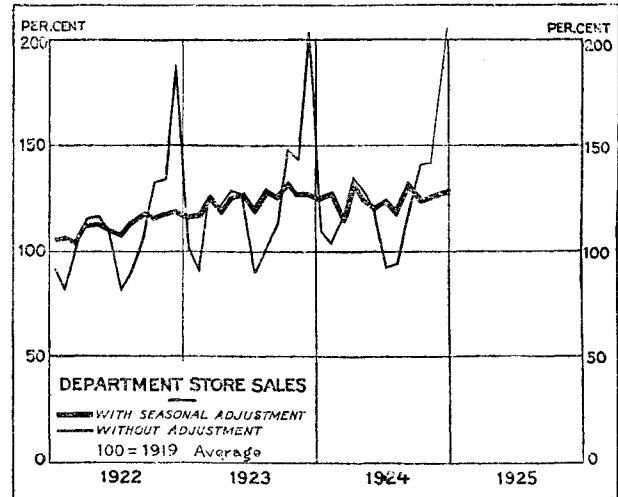


Index of 22 basic commodities corrected for seasonal variation. Latest figure, December — 117.

last summer, but was still below the level of the opening months of 1924. Practically all of the 22 industries included in the index shared in the advance, and the increases were particularly large in iron and steel, cotton manufacturing, coal mining and meat packing. Among the industries not represented in the index, the output of automobiles declined in December and was the smallest for any month in more than two years. Increased industrial activity was accompanied by an advance of about two per cent in factory employment with larger increases in the metal and textile industries, and by a growth of nearly five per cent in total factory payrolls. Volume of building, as measured by contracts awarded, was less in December than in November, but continued unusually large for the season of the year.

Trade

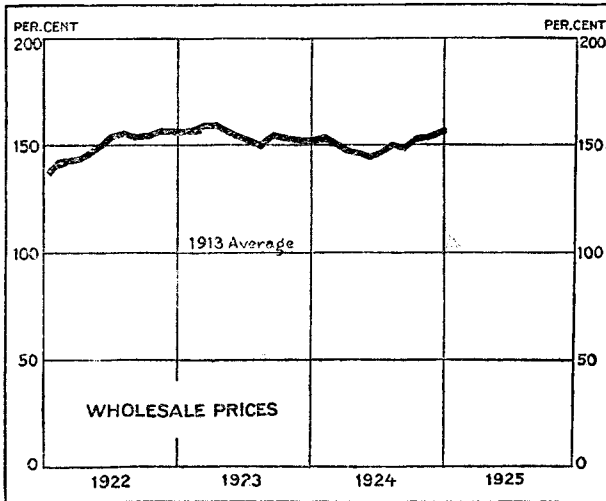
Distribution of goods was greater in December than in the same month of 1923, as indicated by larger railroad shipments and increase in the volume of wholesale and retail trade. Christmas trade at department stores was greater than in the



Index sales of 333 stores in 117 cities. Latest figures, December, 1924.

Bank Credit

At the Federal reserve banks the rapid return flow of currency after the holiday trade resulted, during the four weeks ending January 21, in a reduction of earning assets about equal to that for the same season a year earlier. The new outflow of currency from the reserve banks during the month preceding Christmas amounted to more than \$200,000,000 and the return flow after the Christmas peak, reflected both in the increase in reserves and in the decline of Federal reserve note circulation, was in excess of \$300,000,000. Fluctuations in the earning assets of the reserve banks during the past two months have reflected chiefly these seasonal changes in the demand for currency. The decline in discounts brought their total on January 21 to a smaller volume than at any time in 1924, and acceptances also showed a seasonal decrease. Holdings of United States securities, which have declined for more than two months, were about \$175,000,000 below the level of last autumn and in about the same amount as at the middle of 1924. Net exports of gold, which gave rise to a demand for reserve bank credit, amounted to \$30,000,000 in December and



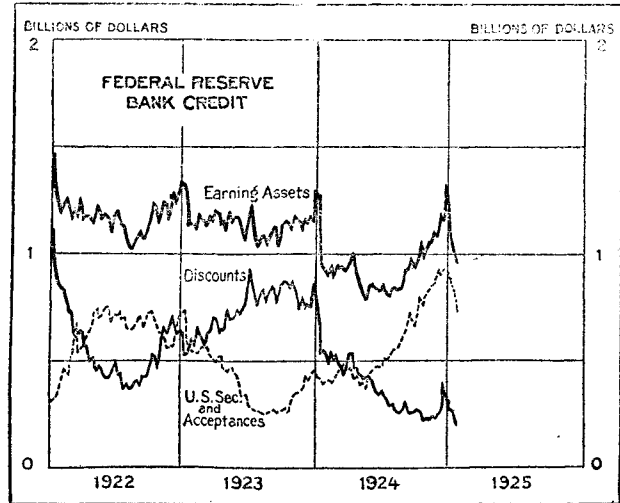
Index of U. S. Bureau of Labor Statistics. Latest figure, December — 157.

previous year and sales by mail order houses and chain stores were the largest on record.

Wholesale trade was seasonally less than in November, but in practically all lines was larger than a year ago. Marketing of agricultural products was greater than for the corresponding month of any recent year.

Prices

Further advance of more than 2 per cent in the Bureau of Labor Statistics' index of wholesale prices carried the average in December 8 per cent above the low point of June and to the highest level since April, 1923. Prices of all groups of commodities were higher, the principal increases being in farm products and foods. In the first half of January prices



Weekly figures for 12 Federal reserve banks. Latest figure January 21.

were in larger volume during the first three weeks in January.

The growth of demand deposits at member banks in leading cities during the three weeks ending in the middle of January, which has been greater than the increase in their total loans and investments, has reflected the return of currency from circulation. In the same period there was some increase in commercial loans and a continued growth in loans secured by stocks and bonds. Holdings of investment securities have decreased somewhat since the middle of November, particularly at the banks in New York City.

Firmer conditions in the money market in December and the first few days in January were followed later in the month by declines in rates on commercial paper to 3½ per cent.