

FEDERAL RESERVE BANK OF ST. LOUIS



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

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IMPROVEMENT in general business which commenced last fall was continued during the period under review. Some irregularity was noted, and disappointment was expressed in some quarters at failure of the betterment to progress at a pace which the promise of the preceding two or three months seemed to warrant, but for the most part sentiment was optimistic and satisfaction felt with results obtained. In a majority of lines investigated production and distribution of goods was larger than for the corresponding period a year ago, and in a number of instances there were gains over the December, 1924, totals. An outstanding feature in the merchandising situation is the almost universally healthy condition of stocks. Inventories are small, relatively, and overbuying and speculation in commodities, aside from cereals, is negligible.

On all sides there is evident willingness to fully fill requirements for the near future, but purchasing for more distant needs is still being pursued with caution and conservatism. This is true both in regard to raw and finished materials. Manufacturers, while increasing their production for stock purposes in many instances, are apparently unwilling to increase their commitments in the raw material market until they are able to form a more definite estimate of the demand for their products during the next few months. Wholesalers and jobbers report that while they are not able to obtain large orders, the volume of current buying is big, and the character of goods taken indicates a more diversified demand on the part of the public.

In the retail section of distribution more seasonable weather has had a tendency to augment sales volume. During January the movement of winter goods, particularly apparel, was more active than at any time this season. Country merchants report freer buying of staple goods than heretofore, and the demand for hardware, groceries, and footwear in the farming communities has developed distinct improvement. Special clearance sales conducted by retailers in the larger centers of population during January and early February met with good response and resulted in the movement of large quantities of goods into consumptive channels. The preliminary estimate of sales of leading department stores of the district during January showed a gain of 4.5 per cent over the corresponding month in 1924.

Employment conditions in the district, according to reports of the Employment Service of the U. S. Department of Labor, were in the main satisfactory. Although there is some surplus of labor reported, both in the large industrial centers and the country, the amount of idleness is no greater than usual at this season. In the building industry skilled artisans are

more generally employed than ever before at this time of year. Resumption of road building in the South has reduced the surplus of common labor, and in the cotton sections there has been a good demand for farm help. More activity was noted in the oil industry, and in the lead and zinc district full time employment is the rule. There is still an overplus of miners in the coal fields, but in recent months many workers have abandoned the coal mines for other occupations. Increased activities at manufacturing plants have materially helped the situation in the large centers, and some slight improvement is noted in employment in the transportation industry. The farm labor situation is described as normal.

Cereal prices during the period under review were marked by broad fluctuations, the May wheat option in the St. Louis market moving over a range of more than 30c per bushel. The other wheat options were correspondingly active, and May corn covered a range of 15c. While legitimate supply and demand conditions figured in the rise in wheat, the extreme advance was more directly attributable to speculative factors. The extreme high point on May wheat, \$2.04 $\frac{1}{4}$ was reached on January 28, after which date there was a radical downward reaction, which continued until February 13, when a price of \$1.74 $\frac{7}{8}$ was recorded. May wheat closed on February 14 at \$1.84, which compares with \$1.82 $\frac{1}{2}$ on January 14, and \$1.10 on February 15, 1924. Cash wheat advanced sharply, No. 2 red winter selling at \$2.23 on January 28, against \$2.08 on January 15, and \$1.16 on February 15, 1924. May corn sold up to \$1.37 $\frac{1}{2}$, the highest since the war period, and cash corn scored a proportional advance.

Quietness and a general trend in the direction of easier prices featured the coal trade. The rise in temperatures, which began toward the end of January and continued through the first ten days of February, had a depressing effect on distribution to domestic users, and there was a sharp falling off in wagon deliveries from dealers' yards. This development, coupled with fairly heavy shipments from mines, resulted in a surplus of coal on tracks at many of the principal consuming points, and concessions were made in prices to dispose of these tonnages. The demand for steaming coal in both the large industrial centers and the country was less active than heretofore, and below normal for this season. In virtually all producing fields of the district the mines still are burdened with "no bills" in all sizes. As compared with the preceding month, running time was somewhat reduced and there was considerable talk of prospective shutdowns, particularly in the Illinois fields. Purchasing by the railroads is holding up in fairly good shape, however, and the domestic demand was helped to some extent by the cold wave which swept over the district in the

second week of February. Competition from the extensive use of oil for heating purposes is still mentioned as an important factor in the unsatisfactory state of the coal business. Production of bituminous coal for the country as a whole has declined steadily since the beginning of the year, the total for the week ending February 7 falling to 10,900,000 tons, which compares with 12,337,000 tons for the week ending January 10, and 11,891,000 tons for the first week of February, 1924.

Loadings of revenue freight by railroads operating in the district continue to exceed all previous records for this particular time of year. The total for January was the largest for that month in the history of the reporting lines. As has been the case for the past several months, the movement of merchandise and miscellaneous freight was especially favorable. As contrasted with a year ago, coal and coke loadings exhibited a good gain, and the same is true of grain and grain products and ore. For the country as a whole freight loadings for the week ended January 24 totaled 924,254 cars, an increase of 32,773 cars over the corresponding week in 1924 and 57,790 cars above the same week in 1923. For the four weeks ended January 24 total loadings were 3,554,938 cars, against 3,364,647 cars for the corresponding period in 1924 and 3,373,965 cars in 1923. The St. Louis Terminal Railway Association, which handles interchanges of 28 connecting lines, interchanged 229,022 loads in January, which compares with 200,455 in December, 207,150 loads in November, and 211,541 loads in January, 1924. During the first nine days of February 65,270 loads were interchanged, against 61,411 loads during the first nine days of January and 64,721 loads during the corresponding period in February, 1924. Passenger traffic of the reporting roads during January decreased 10 per cent as compared with the same month in 1924. Traffic of the Federal Barge Line between St. Louis and New Orleans during January mounted to 80,000 tons, against 54,229 tons transported in December and 82,186 tons in January, 1924.

The generally high efficiency of collections in virtually all parts of the district noted in the preceding issue of this report was still in effect during the past thirty days. The only backward spots were where peculiar local conditions tended to restrict payments. There are still some complaints of backwardness in the coal sections, and heavy roads and inclement weather had a tendency to restrict collections in some rural communities. For the most part, however, country merchants are getting in their money and in turn are liquidating their indebtedness with wholesalers in the large distributing centers. Wholesalers and jobbers report that an unusually large number of their customers are taking advantage of discounts for cash. Relatively the best results in most lines are being obtained in the South, though the average in the grain sections is reported higher than at this time either last year or in 1923. Further excellent liquidation was reported in the tobacco districts, where all the leading markets are in full operation and sales heavy. Retailers in the large cities report February payments in satisfactory volume. Answers to 438 questionnaires addressed to representative interests of various lines throughout the district show the following results:

	Excellent	Good	Fair	Poor
Jan., 1925.....	5.7%	53.3%	32.8%	8.2%
Dec., 1924.....	7.7	47.1	38.5	6.7
Jan., 1924.....	1.7	25.2	63.0	10.1

Commercial failures in the Eighth Federal Reserve District during January, according to Dun's, numbered 127, involving liabilities of \$433,149, against 100 defaults in December with indebtedness of \$2,133,944, and 143 failures for \$1,669,880 in January, 1924.

The per capita circulation of the United States on February 1 was \$41.86, against \$44.03 on January 1, and \$41.77 on February 1, 1924.

MANUFACTURING AND WHOLESALE

Automobiles

After having declined steadily since last September, production of automobiles for the country as a whole turned upward in January, the total output for that month being 12.5 per cent larger than in December, but 27.3 per cent under January, 1924. Companies reporting direct or through the National Automobile Chamber of Commerce built 203,757 passenger cars in January, against 178,570 in December and 287,211 in January, 1924. The output of trucks in January totalled 23,650, which compares with 25,330 in December and 28,247 in January, 1924.

Sales of automobiles during the period under review showed a rather sharp decline both under the corresponding period a year ago, and the thirty days immediately preceding. In the large cities and the country there was a general disposition to await the arrival of spring before buying new cars. Business in accessories and parts was relatively much better than in automobiles proper, owners generally making extensive repairs on their cars so that they would carry through the winter. January sales of 320 dealers scattered through the district were 9.8 per cent below the corresponding month a year ago, and 7.3 per cent under the December, 1924, total. Accessory sales were slightly larger than a year ago, and 2.3 per cent larger than in December. Stocks of new cars in dealers' hands are considerably smaller than at the same time last year, and in a number of instances the smallest at this season since the end of the war. The used car situation developed no change worthy of note as compared with the preceding month. Further slight improvement in the tire market was reported.

Boots and Shoes

January sales of the 11 reporting interests were 3.7 per cent under those of the corresponding month in 1924, but 24.3 per cent in excess of the December, 1924, total. Production is being maintained at the recent high levels, with plants manufacturing women's novelty goods and children's wear operating at full capacity. The demand generally through the entire line is active, but interest centers chiefly in novelty goods. The comment is made that the insistence upon this class of footwear has extended to the cheaper grades, large quantities of which are being shipped to all sections of the country. Even in men's shoes there is a strong demand for special new styles, and manufacturers have adjusted their facilities to the change. In finished goods prices showed only minor changes as compared with the preceding thirty days. Raw materials continue very firm, with specific advances recorded on certain descriptions.

The total number of pairs of shoes manufactured in this district during January was 11.3 per cent larger than during the preceding month and for the country as a whole January production was 7.38 per cent larger than the December total.

Clothing

As compared with a year ago the movement of all varieties of apparel developed distinct improvement during January. More seasonable weather reacted favorably upon distribution of men's heavy clothing, particularly overcoats, which had been backward earlier in the winter. Women's cloaks and suits were also in better demand, and there was a notable reduction of stocks of these goods, both in wholesalers' and retailers' hands. Spring lines were being well taken, particularly in the South, and orders received from salesmen on the road since February 1 indicate that the total for that month will run well ahead of the corresponding period a year ago. Prices of finished goods showed no change worthy of note during the period under review, but there was an advance in woolen and worsted goods for consumption next fall. Overalls and men's working clothes generally continue in excellent demand. Further improvement in millinery and kindred lines was reported, though business in this category was under that of a year ago. Sales of the 10 reporting interests in January were 54.5 per cent larger than for the corresponding month in 1924, but 33.4 per cent under the December, 1924, total. Stocks at the end of January were 25.1 per cent smaller than at the same time a year ago.

Drugs and Chemicals

January sales of the 11 reporting interests exceeded those of the preceding month by 12.2 per cent and were 14.3 per cent larger than the January, 1924, total. A feature of the month's business was the improvement noted in sales of remedial drugs, which was ascribed to the prevalence of influenza and other maladies due to the unfavorable weather. Sales of heavy chemicals to manufacturers are holding up well, though ordering for future delivery showed a falling off as compared with the preceding thirty days. Advance sales of fertilizers and insecticides, particularly in the South, are reported generally larger than a year ago. Stocks in retailers hands continue of moderate proportions.

Dry Goods

As has been the case for the past several months purchasing in this classification is confined closely to immediate requirements, but the volume of current orders is large and includes a broad variety of goods. Sales of the 12 reporting interests in January were 13.8 per cent under the same month a year ago, but 44.8 per cent over the December, 1924, total. The loss as compared with last January is accounted for almost entirely by the decrease in future business. Stocks in both wholesale and retail positions are considerably smaller than a year ago, those of the reporting stores on February 1 being 24.1 per cent less than on the corresponding date in 1924. The demand for all varieties of cotton goods is reported active, and prices are strong, there being several minor advances recorded, and no declines. Fabrics for spring distribution, particularly fancy dress goods in prints and rayon mixtures, ginghams and wash cottons generally were in better request, but purchasing was in small quantities. Silk goods were higher, though not proportionately with the upturn in raw silk.

Electrical Supplies

January sales of the 12 reporting interests were 3.9 per cent less than for the same month a year ago, but 5.5 per cent larger than the December, 1924, total. The usual seasonal slowing down in building activities has affected sales of building materials and general

installation work. There is an excellent demand for small motors and household appliances, but some falling off in sales of lamps and fixtures. Pole hardware and repair materials continue to move in large volume. Copper goods were higher, but there was a sharp reduction in certain radio goods. Stocks were approximately 2 per cent larger than a year ago.

Fire-Clay Products

Inquiries from all sources were somewhat smaller during the past thirty days than during the period immediately preceding, but shipments continue on a large scale, and a good volume of fill-in orders was reported. With iron and steel plants operating at or near capacity there has been little opportunity for relining of stacks, and the demand from that source is quiet. Specifications from the glass and cement manufacturers have been in fair volume, and some ordering for second quarter delivery has been done by the oil refiners. January sales of the 5 reporting interests were 13.2 per cent under the same month last year, but 16.9 per cent larger than in December, 1924.

Flour

Production of the 11 leading mills of the district during January totaled 294,748 barrels, which compares with 306,586 barrels in December, 302,626 barrels in November and 306,012 barrels in January, 1924. Violent fluctuations in the wheat market had a demoralizing effect on the flour business, particularly for future delivery. Buyers were taking only what they were obliged to have for immediate requirements, and there was very little in the way of car lot ordering. Prices advanced further during the period of the extreme rise in wheat but with the collapse of the speculative boom in that cereal, there was a weakening in millers' quotations. Some inquiry for clears and straights from Europe was noted, but except for the routine purchasing by Latin-American countries, the upturn in prices temporarily cut off export sales. Mill operation was at from 50 to 60 per cent of capacity.

Furniture

Further gradual improvement and indications for continued betterment during the next few months were the outstanding features in this classification. While dealers are buying closely and for prompt delivery chiefly, they are readily filling all requirements, and current orders are in good volume. Generally prices were steady, but in some instances concessions were made by certain manufacturers in order to stimulate the movement of goods. The rise in prices of certain raw materials, notably metal and lumber, has had a tendency to stiffen prices on finished goods in which these materials are extensively used. Stocks in hands of retailers and jobbers are light, and inventories of the reporting interests on February 1 were 8.3 per cent smaller than a year ago.

Groceries

As compared with the same month a year ago, January sales of the 22 reporting interests decreased 3.8 per cent, but were 5.4 per cent larger than the December, 1924, total. The demand generally through the line is holding up well, with some lines of canned goods scarce and slightly higher. Prices as a whole, however, were steady. The upward trend in coffee continues, and flour was higher, but these advances were counterbalanced by the decline in sugar. The movement of sugar into consumers' hands was reported about normal for this season. Retail stocks are light, and considerable reordering is reported. Stocks of the reporting grocers were 2.4 per cent larger than a year ago.

Hardware

January sales of the 12 reporting interests were 1.9 per cent in excess of the same month a year ago and 19.3 per cent larger than the December, 1924, total. The demand for seasonable goods continues active, and shipments of merchandise for spring distribution were in large volume. While some slowing down in sales of builders hardware and tools has taken place as compared with the preceding several months, sales of these goods were well in excess of the corresponding period last year. There was a general steadiness in values, though advances were recorded on some commodities, notably in iron and steel, linseed oil and copper. Advance ordering of sporting goods, hand implements and wire goods is reported somewhat larger than at this time last year. Stocks of the reporting interests on February 1 were 9.1 per cent less than on the same date in 1924.

Iron and Steel Products

Improvement in virtually all branches of the iron and steel industry, which began during the closing weeks of last year, was continued during the period under review. Production at mills, foundries and machine shops was pushed slightly higher, and the melt of pig iron in the district during January gained about $4\frac{1}{4}$ per cent over December, and was $5\frac{1}{2}$ per cent larger than during January, 1924. While the placement of new business with the industries slowed down somewhat during January, order books are generally in a position to insure the present rate of activities through the first quarter. Since February 1 there has been a satisfactory revival on specifications against first quarter commitments, due in a measure to the recent price advances on a number of important commodities. Shipments during January of many large interests closely approximated the heaviest in their history, and their production has been correspondingly high. Mill operation was from 85 to 98 per cent of capacity, and a number of foundries lighted additional open hearth furnaces. The demand is varied, and fairly well distributed throughout the district. The railroads continue to lead in the buying, recent orders including additional equipment and liberal tonnages of track materials. Plants specializing in railroad castings have in a number of instances received specifications in excess of their capacity. Job foundries, while reporting a falling off in new business, are busily engaged in turning out materials on old orders. Jobbers, following the inventory period, have been filling out their stocks, and report a continued active demand for practically all goods in their line. Fabricators of structural iron and steel are receiving a large volume of small orders, and the movement of reinforcing concrete bars, roofing materials and standard structural shapes is unusually heavy for this time of year. Buying by the automotive industry is along very conservative lines, and considerably smaller than at the same period last year. The trend of prices was higher, with specific advances recorded on a number of important items, notably track fastenings, galvanized sheets, tin plates, bars and wire products. Production of pig iron for the country as a whole in January scored another sharp increase, and was the largest since last March. There was also a heavy gain in steel ingot output. An exception to the general upturn in prices was scrap iron and steel, which declined sharply, some items as much as \$5 per ton. Pig iron prices were unchanged as compared with the preceding thirty days. January sales of stove

manufacturers, 7 reporting, were 16.5 per cent less than in January, 1924, and 4.1 per cent below the December, 1924, total; railway supplies, 5 reporting, increased 33.0 per cent over January, 1924, and 6.2 per cent over December, 1924; farm implements, 6 reporting, decreased 19.7 per cent under January, 1924, but gained 22.1 per cent over December, 1924; job foundries, 5 reporting, increased 16.1 per cent over January, 1924, and 18.4 per cent over December, 1924; manufacturers of boilers, stacks, elevators, wire rope and miscellaneous products, 14 reporting, decreased 8.3 per cent under January, 1924, and 15 per cent under December, 1924.

Lumber

Heavy purchasing of both soft and hardwoods in November and December, coupled with the seasonal regression in the building industry, was responsible for quietness in the lumber business during January and the early weeks of February. Producers have showed a disposition to adjust their output to the smaller demands, and unfavorable weather for logging also served to hold down production. There has been some accumulation of southern pine, but yard stocks are generally small and incomplete as to assortment, and with the opening of the building season and the movement from yards to jobbers and retailers, an outlet will be supplied for surplus stocks. Prices continue steady to firm, except on surplus mill items and transit stock. Buying by car builders and the furniture industry is maintained at recent levels, but the call from the automobile manufacturers is disappointing.

CONSUMPTION OF ELECTRICITY

Public utility companies in the five largest cities of the district report increases in consumption of current by selected industrial customers in January over both the preceding month and the corresponding period a year ago. Among the industries showing the largest gains were iron and steel, wood working, cement and packing. More power was also used by coal mines and manufacturers of bricks.

Detailed figures follow:

	No. of customers	Jan. 1925 *K.W.H.	Dec. 1924 *K.W.H.	Jan. 1925 comp. to Dec. 1924	Jan. 1924 *K.W.H.	Jan. 1925 comp. to Jan. 1924
Evansville	40	967	943	+ 2.5%	898	+ 7.7%
Little Rock.....	35	1,146	1,158	- 1.0	1,147	- 0.1
Louisville	67	3,968	4,118	- 3.6	3,576	+ 11.0
Memphis	31	1,468	1,176	+ 24.8	1,466	+ 0.1
St. Louis.....	87	11,901	11,332	+ 5.0	11,782	+ 1.0
Totals.....	260	19,450	18,727	+ 3.9	18,869	+ 3.1

*In thousands (000 omitted).

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

	By water power	By fuels	Totals
December, 1924.....	1,734,684,000	3,772,154,000	5,506,838,000
November, 1924.....	1,558,823,000	3,491,826,000	5,050,649,000
December, 1923.....	1,689,117,000	3,257,445,000	4,946,562,000

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statement showing activity of department stores in leading cities of the district.

	Net sales Jan. 1925 comp. to Jan. 1924	Stocks on hand		Annual rate of stock turnover For the month ending Jan. 31, 1925
		Jan. 31, 1925 comp. to Jan. 31, 1924	Jan. 31, 1925 comp. to Dec. 31, 1924	
Evansville	+ 1.4%	- 15.6%	- 9.3%	2.21
Little Rock.....	+ 8.3	- 5.9	- 3.4	2.74
Louisville	- 5.0	- 9.8	- 3.4	2.93
Memphis	+ 5.3	+ 3.3	- 3.2	2.26
Quincy	+ 2.4	- 10.6	- 5.2	2.20
St. Louis.....	+ 4.1	+ 4.3	- 5.8	3.14
8th District.....	- 1.7	+ 1.0	- 4.9	2.87

AGRICULTURE

While it is still too early to form any accurate estimate of the condition of fall-sown grains, scattered reports from various sections indicate that the cold weather was gotten through with without serious damage. In the South wheat has begun to take on color, and the plant looks healthy. There are the usual number of reports of injury from alternate freezing and thawing, but nothing of a serious nature is indicated. In all sections moisture has been abundant, and soil conditions are good. Snow covering has disappeared over a wide area, but temperatures have been mild enough to obviate much harm on that account.

The advance in corn prices had a stimulating effect on the movement from farms, and owing to the spotted condition of the crop, there is an unusually large quantity moving between sections within the district. Less corn is being fed on farms than a year ago, the chief reason for which is reduced numbers of livestock. Quality of corn arriving at the principal markets was somewhat higher than shipments earlier in the season.

Relatively little plowing has been accomplished in the South, due to inauspicious weather conditions. An unusually large amount of improvement work has been done during the past two months on farm buildings and general equipment. Farm labor is universally abundant, and wages are at approximately the same levels as prevailed at the corresponding period a year ago. Throughout the winter farmers in many sections have added to their incomes by dairying and marketing of poultry and eggs.

In Missouri, Illinois, and Arkansas recent cold spells are believed to have wrought considerable damage to peaches. In central and northern Missouri there has been injury, though in the southern part of the State a large crop is looked for with favorable conditions from this forward. Illinois agricultural officials report many peach buds killed, and the Arkansas Plant Board estimated that the peaches will run only from one-third to one-half the usual crop. Apples, strawberries, grapes and other fruits were not affected by the extreme weather.

Livestock are generally reported in good health, there being a minimum of disease among herds. For the most part supplies of feed, other than corn, on farms are sufficiently large to carry through the winter unless the season is unusually prolonged.

Tobacco-Rice

Weather conditions were generally favorable for handling tobacco and deliveries by producers were heavy. Receipts and offerings of the 1924 crop of both burley and dark varieties have been on a large scale at all markets and for the most part prices have been well sustained throughout the season. In the immediate past, however, quality of new burley offered has been less desirable than earlier, which fact has resulted in some price irregularity. Heavy sales of pooled tobacco were reported, the Burley Tobacco Growers' Cooperative Association having disposed of approximately 110,000,000 pounds in January, including a considerable proportion of the 1923 crop. In the air-cured district the markets are nearing the end of their season, and receipts are smaller and of less desirable quality. Deliveries of fired dark tobacco are of record proportions, despite which fact the market continues upward and the movement active, particularly on fine leaf and common and medium lugs.

Indications point to a normal acreage of burley tobacco in this district in 1925, the proposed "cut-out" having been definitely abandoned. Sentiment among

planters has been favorably affected by the recent heavy sales of burley stock. The Dark Tobacco Growers' Cooperative Association is reported to have made sales in quantity to the Swedish Government on satisfactory terms.

Rough rice, except what has been retained for seed, has virtually moved out of farmers' hands to the mills, and no change worthy of note has occurred in this cereal. The demand for polished rice continues excellent, and prices on all grades are high. Indications are that the carry-over of rice from the 1924 crop will be the smallest in recent years.

Interest in cotton centers chiefly in the 1925 crop. While the demand from all sources continued good, prices moved over a narrow range, middling values settling at about 24c per pound. During January and early February there was about the normal amount of favorable weather for field work, and farmers were able to push forward their preparations. The amount of preliminary work done is estimated at about normal for this time of year.

Live Stock Survey

In virtually all States of the district the annual livestock survey disclosed rather sharp decreases in the number and value of animals on farms on January 1 as compared with the same date a year earlier. Missouri farmers had on hand 8,547,000 head, valued at \$196,726,000, on January 1, which compares with 9,719,000 head worth \$206,679,000 on January 1, 1924. Excepting milch cows, all classes of live stock were in fewer numbers, and represented smaller dollar value. In Illinois there was also a gain in milch cows, but a decrease in other kinds of livestock. The total of all varieties in Illinois on January 1 was 8,842,000 head with aggregate value of \$271,038,000, against 9,958,000 head last year, worth \$268,726,000. Arkansas reported 2,391,000 head, valued at \$50,199,000 on January 1, against 2,500,000 head with estimated value of \$49,040,000 on the same date in 1924. Tennessee's total on January 1, 1925, was 3,033,000 head worth \$74,958,000, against 3,409,000 head, valued at \$82,503,000, on the same date in 1924. Mississippi farmers had 2,532,000 head worth \$62,858,000 on January 1, 1925, against 2,841,000 head, valued at \$70,567,000 on the corresponding day a year earlier.

The U. S. Department of Agriculture explaining the drop in number and value of livestock in 1924 cites the unusually large number of hogs on farms the year before and the poor corn crop which reduces the number of hogs and cattle which can be fattened. Other contributing causes were the low price of beef cattle which tended to curtail the numbers fattened for market, and the continued low prices for horses and mules, which has resulted in further reduction in the number of colts being raised. The increasing number of automobiles, trucks and tractors on farms is reflected in a slight reduction in work horses in some states.

Commodity Movement

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

	*Receipts			*Shipments		
	Jan. 1925	Dec. 1924	Jan. 1924	Jan. 1925	Dec. 1924	Jan. 1924
Beef, lbs.....	271	356	52	21,705	23,453	26,506
Corn, bu.....	3,357	2,730	4,628	1,258	1,334	3,046
Flour, bbls.....	488	383	440	566	547	511
Hides, lbs.....	10,432	10,005	7,586	14,049	11,123	9,559
Lard, lbs.....	3,953	5,230	5,991	9,233	12,248	15,845
Lead, pigs.....	251	294	243	161	242	149
Lumber, cars.....	16	20	18	11	14	12
Oats, bu.....	4,568	1,826	3,054	3,416	1,632	2,431
Pork, lbs.....	22,249	21,163	18,606	32,972	33,519	34,068
Wheat, bu.....	3,543	2,875	1,850	2,927	2,926	1,512
Zinc, slabs.....	374	211	325	248	174	213

*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		
	Jan. 1925	Dec. 1924	Jan. 1924	Jan. 1925	Dec. 1924	Jan. 1924
Cattle and Calves.....	83	120	92	57	70	53
Hogs	396	449	499	260	264	296
Horses and mules.....	11	6	15	11	7	15
Sheep	23	30	28	11	11	13

*In thousands (000 omitted).

Commodity Prices

Range of prices in the St. Louis market between January 15, 1925, and February 14, 1925, with closing quotations on the latter date, and on February 15, 1924:

	High	Low	Close	
			Feb. 14, 1925	Feb. 15, 1924
Wheat				
May	Per bu. \$2.04 $\frac{3}{4}$	\$1.74 $\frac{7}{8}$	\$1.84	\$1.09 $\frac{3}{4}$
July	" 1.70 $\frac{3}{8}$	1.48	1.54 $\frac{3}{8}$	1.08
September	" 1.55 $\frac{3}{4}$	1.40	1.08 $\frac{1}{2}$
No. 2 red winter..	" 1.23	1.90	\$2.00 @ 2.01	\$1.16 @ 1.17 $\frac{1}{2}$
No. 2 hard.....	" 2.01	1.76	1.80 @ 1.81	1.10 $\frac{1}{2}$
Corn				
May	" 1.37 $\frac{1}{2}$	1.21 $\frac{5}{8}$	1.26 $\frac{3}{8}$.79 $\frac{3}{8}$
July	" 1.39 $\frac{1}{2}$	1.24 $\frac{3}{8}$	1.29 $\frac{1}{2}$.80 $\frac{1}{2}$
No. 2.....	" 1.28	1.14	1.17	.76 @ .76 $\frac{1}{2}$
No. 2 white.....	" 1.30	1.17	1.18	.77 $\frac{1}{2}$ @ .78 $\frac{1}{2}$
Oats				
No. 2 white.....	" .64 $\frac{1}{2}$.51	.54	.49 $\frac{1}{2}$ @ .50
Flour				
Soft patent.....	Per bbl. 11.00	9.50	10.00 @ 11.00	5.40 @ 6.50
Spring patent.....	" 10.25	8.75	9.00 @ 9.80	6.00 @ 6.25
Middling cotton.....	Per lb. .24	.23 $\frac{3}{4}$.24	.32 $\frac{1}{2}$
Hogs on hoof.....	Per cwt. 11.35	6.00	9.00 @ 11.35	4.75 @ 7.35

BUILDING

In point of dollar value, building permits issued in the five largest cities of the district during January fell 16.0 per cent below the corresponding month a year ago, and 36.2 per cent under the December, 1924, total. Generally during the period under review work on buildings in course of erection made excellent progress, though in the North operations were interfered with somewhat by cold weather and storms. Reports from small towns and the rural districts indicate extensive preparations for new building enterprise during the spring and summer. Since the first of the current month highway construction work has been resumed on a large scale in the southern sections of the district. Labor conditions in the building trades are reported satisfactory, and no change worthy of note took place in prices of building materials. Production of portland cement for the country as a whole during January totaled 8,915,000 barrels, against 10,435,000 barrels, in December, and 8,788,000 barrels in January, 1924.

Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1925	1924	1925	1924	1925	1924	1925	1924
Evansville	187	43	\$ 130	\$ 82	29	27	\$ 10	\$ 12
Little Rock....	88	88	308	407	69	77	30	36
Louisville	216	185	1,257	815	65	53	162	34
Memphis	306	274	753	1,626	102	54	44	34
St. Louis.....	398	397	2,715	3,217	342	329	295	264
Jan. totals.....	1,195	987	\$5,163	\$6,147	607	540	\$541	\$380
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

*In thousands of dollars (000 omitted).

FINANCIAL

A somewhat better demand for money from mercantile interests and slightly higher rates on virtually all classes of loans made to their customers by commercial banks were noted during the period under review. Otherwise the general aspect of the financial and banking situation in this district underwent no change during the past thirty days. Additional liquidation was reported, particularly in the South. Country banks in sections where tobacco and rice are the chief crops have generally reduced their loans with

correspondents, and in a number of instances are seeking investments for their surplus funds. Marketing of tobacco has been on a large scale. The 1924 rice crop is practically all out of producers' hands, and mill stocks have been heavily reduced by recent shipments. Lumber jobbers and the packing interests have increased their borrowings, additional credits among the latter being necessitated by heavy purchases of hogs and augmented stocks of finished products in coolers. Flour millers have also increased their commitments, and the same is true of grain handlers, but loans based on live stock have been substantially reduced in recent weeks, and are considerably less than at the corresponding period a year ago. Deposits of reporting member banks reached a high record in February, and a new peak was also established on their loans. Loans on stocks and bonds continued to increase, and were at the highest level in recent years. Rates on bankers acceptances were $\frac{1}{8}$ to $\frac{1}{4}$ of one per cent higher. The record of commercial failures in the district during December showed largely reduced liabilities, both as compared with the preceding month and the corresponding period a year ago.

Commercial Paper

Business of the reporting brokers in January was active, sales for that month exceeding those of the same period in 1924 by approximately 16.3 per cent, and the December, 1924, total by 18.7 per cent. The principal buying, however, was during the first two weeks of January, after which a drop in rates served to restrict commitments by banks. Since February 1 rates have firmed up, and a good revival in buying has developed, sales for the first half of the current month being about on a parity with the same time last year. Offerings of paper have increased, with marked improvement in the quota of choice names. Buying by country banks in the South was in excellent volume, and sales to city financial institutions were also good. Rates in the extreme ranged from 3 $\frac{1}{2}$ to 4 per cent, but virtually no paper under 3 $\frac{3}{4}$ per cent was placed after February 1.

Condition of Banks

A tabulation of the reports of all member banks of the entire Federal Reserve System, furnished under call of December 31, 1924, shows that loans and investments of all member banks increased \$576,000,000 between October 10, and December 31, 1924, and reached another record total of \$29,027,000,000 or \$2,289,000,000 over the total reported on December 31, 1923. Of the increase (of \$576,000,000 in loans and investments) \$362,000,000 was in loans and discounts, \$8,000,000 in U. S. securities and \$206,000,000 in other bonds, stocks and securities. The increase since December 31, 1923, was divided almost equally between loans and discounts and investments, the increase in loans and discounts amounting to \$1,130,000,000, while the increase in investments was \$1,159,000,000. Total deposits aggregated \$32,362,000,000 on December 31, an increase of \$1,590,000,000 over the total shown on October 10, of \$3,875,000,000 over the total on December 31, 1923 and of \$9,550,000,000 over the low post-war total of \$22,812,000,000 reported for April 28, 1921. Of the increase of \$3,875,000,000 shown for the year, \$1,520,000,000 was in demand deposits, \$1,154,000,000 in time deposits, \$1,036,000,000 in amounts due to banks, \$160,000,000 in certified and cashiers' checks, and \$5,000,000 in United States deposits.

The following statement shows changes in the principal resources and liabilities of all member banks on the last call date as compared with figures for October 10, 1924, and December 31, 1923:

	Increase (+) or decrease (-) on December 31, 1924, since Oct. 10, 1924	Dec. 31, 1923
Loans and discounts (including overdrafts)	+\$ 362,000,000	+\$1,130,000,000
United States securities	8,000,000	262,000,000
Other bonds, stocks and securities	206,000,000	897,000,000
Total loans and investments	576,000,000	2,289,000,000
Demand deposits (including certified and cashiers' checks)	1,383,000,000	1,680,000,000
Time deposits	208,000,000	1,154,000,000
Bills payable and rediscounts	224,000,000	361,000,000
Acceptances outstanding	141,000,000	72,000,000

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

	*Feb. 18, 1925	*Jan. 14, 1925	*Feb. 20, 1924
Number of banks reporting	133	133	35
Loans and discounts (incl. rediscounts)	\$ 11,758	\$ 10,802	\$ 9,642
Secured by U. S. Gov't. obligations	191,534	181,210	148,494
Secured by other stocks and bonds	312,798	309,078	311,731
All other loans and discounts			
Total loans and discounts	\$516,090	\$501,090	\$469,867
Investments			
U. S. Pre-war bonds	13,275	14,341	14,981
Liberty bonds	24,724	27,455	23,656
Treasury bonds	8,792	6,284	6,197
Victory and Treasury notes	12,942	12,098	16,603
Certificate of Indebtedness	639	1,872	7,043
Other securities	100,805	103,400	89,310
Total investments	\$161,177	\$165,450	\$157,790
Reserve balance with F. R. bank	50,319	49,730	40,864
Cash in vault	7,268	8,663	7,264
Net demand deposits	417,316	410,464	344,946
Time deposits	210,776	211,870	202,040
Government deposits	6,713	7,286	4,183
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't. obligations	210	0	4,107
All other	4,919	575	18,413

*In thousands (000 omitted).
†Decrease due to consolidation. Total resources of these 33 banks comprise approximately 34 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			Feb. 1925 comp. to Jan. 1925	Feb. 1925 comp. to Feb. 1924
	Feb. 4, 1925	Jan. 7, 1925	Feb. 6, 1924		
Evansville	\$ 9,375	\$ 9,369	\$ 9,024	+ 0.1%	+ 4.0%
Little Rock	8,195	7,928	7,462	+ 3.4	+ 9.8
Louisville	27,014	27,267	25,987	- 0.9	+ 4.0
Memphis	16,809	16,011	19,063	+ 5.0	-11.8
St. Louis	79,774	79,751	73,489	0.0	+ 8.6
Totals	\$141,167	\$140,326	\$135,025	+ 0.6	+ 4.6

Federal Reserve Operations

For the first time in a number of months the curve of paper discounted for its member banks by the Federal Reserve Bank of St. Louis turned upward. On February 16 the aggregate was \$11,251,000, which compares with \$7,887,000 on January 16, and \$36,853,000 on February 16, 1924. Federal reserve note circulation declined slightly, the total on February 16 being \$53,874,000, against \$55,699,000 on January 16, and \$70,440,000 on February 16, 1924. Total earning assets on February 16 amounted to \$40,231,000, which compares with \$41,772,000 and \$41,091,000 a month and a year earlier, respectively. The combined reserve ratio against deposit and Federal reserve note liabilities stood at 75.5 per cent on February 16, against 75.6 per cent on January 16 and 77.8 per cent on February 16, 1924. During January this institution discounted for 176 of its member banks, which compares with 236 banks accommodated in December and 264 in January,

(Compiled Feb. 21, 1925).

1924. The discount rate of this bank was unchanged at 4 per cent.

Debits to Individual Accounts

The following comparative table gives the total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in the leading cities of this district. Charges to accounts of banks are not included. These figures are considered the most reliable index available for indicating spending by the public.

	*For four weeks ending			Feb. 1925 comp. to Jan. 1925	Feb. 1925 comp. to Feb. 1924
	Feb. 18, 1925	Jan. 21, 1925	Feb. 20, 1924		
E. St. Louis and Natl. Stock Yards, Ill.	\$ 36,962	\$ 39,225	\$ 36,358	- 5.8%	+ 1.7%
El Dorado, Ark.	6,903	6,517	6,313	+ 5.9	+ 9.3
Evansville, Ind.	33,089	34,359	26,326	- 3.7	+25.7
Fort Smith, Ark.	12,543	13,182	11,052	- 4.8	+13.5
Greenville, Miss.	4,835	4,862	4,370	- 0.6	+10.6
Helena, Ark.	4,829	6,012	4,649	-19.7	+ 3.9
Little Rock, Ark.	64,441	72,019	54,338	-10.5	+18.6
Louisville, Ky.	178,893	174,678	159,052	+ 2.4	+12.5
Memphis, Tenn.	140,766	162,327	129,785	-13.3	+ 8.5
Owensboro, Ky.	6,779	7,471	6,355	- 9.3	+ 6.7
Quincy, Ill.	10,608	9,748	9,180	+ 8.8	+15.6
St. Louis, Mo.	679,750	720,243	589,250	- 5.6	+15.4
Sedalia, Mo.	3,595	4,922	3,487	-27.0	+ 3.1
Springfield, Mo.	12,102	11,336	11,434	+ 6.8	+ 5.9
Totals	\$1,196,095	\$1,266,901	\$1,051,949	- 5.6	+13.7

*In thousands (000 omitted).

COST OF LIVING

The index number of the National Industrial Conference Board for January, 1925, indicates a rise in the cost of living of six-tenths of one per cent between December 15, 1924, and January 15, 1925. This was due to increases in the average retail prices of food of one and three-tenths per cent, and in the average retail prices of clothing of three-tenths of one per cent. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and January 15, 1925 the cost of living decreased 18.3 per cent. The increase in the cost of living from July, 1914 to January, 1925 was 67.1 per cent.

The following table shows the index numbers of the cost of living as compared with average prices in July, 1914, and also the percentage changes on January 15, 1925 as compared with previous months:

Item	Relative importance in family budget	Index numbers of the cost of living (Average prices in 1914=100)			Percentage of increase in the cost of living on January 15, 1925 over average prices in	
		July 1920	Dec. 1924	Jan. 1925	July, 1920	Dec. 1924
Food*	43.1	219	152	154	29.7**	1.3
Shelter	17.7	158	184	184	16.4	(0.0)
Clothing	13.2	266	173	174	34.8**	0.3
Fuel and light	5.6	166	169	169	1.8	(0.0)
(Fuel)	(3.7)	(192)	(183)	(183)	(4.7)**	(0.0)
(Light)	(1.9)	(115)	(142)	(142)	(23.4)	(0.0)
Sundries	20.4	185	175	175	5.4**	(0.0)
Weighted average of all items	100.0	204.5	166.1	167.1	18.3**	0.6

*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 January, 1925, was 59.8 cents as contrasted with one dollar in July, 1914.

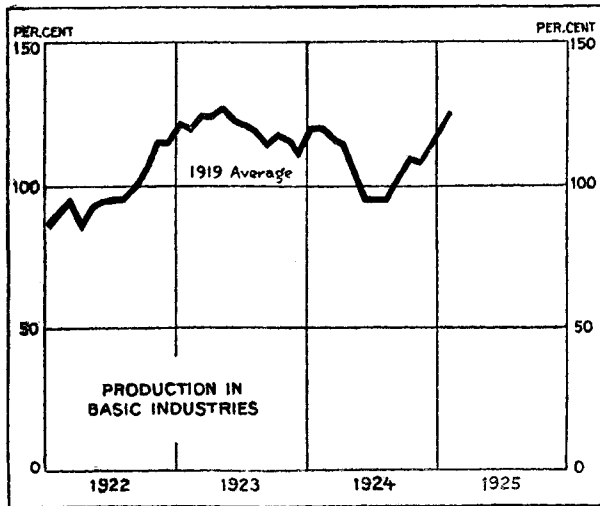
ANNOUNCEMENT

The third edition of the Index Digest of the Federal Reserve Act has been received from the Federal Reserve Board in Washington. The new edition contains the text of the Act as amended to date, the text of other acts which either amend it or have relation to it, and an alphabetical table of words and phrases appearing in the various acts, with a concise digest showing the use of each word and phrase. The book is bound in buckram and contains 1,346 pages. It may be obtained from this bank at \$2 per volume.

BUSINESS CONDITIONS IN THE UNITED STATES

Production

Production in basic industries after a rapid increase in recent months, advanced 8 per cent in January and was 34 per cent above the low point of last summer. The most im-

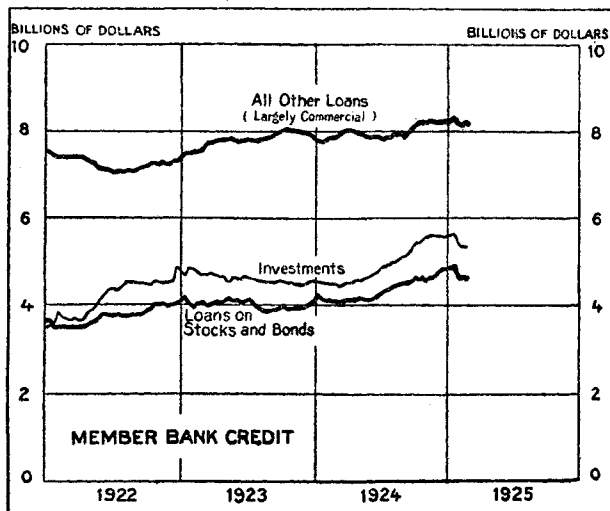


Index of 22 basic commodities corrected for seasonal variation.
Latest figure, January=126

portant factor in the increase in the level of production since August has been greater activity in the iron and steel industries, but in January the output of lumber, minerals, feed products and paper, and the mill consumption of cotton also showed considerable increases. The woolen industry was somewhat less active in January and output of automobiles, though larger than in December, was considerably smaller than a year ago. Further increases during the month in employment in the metal, textiles and leather industries were largely offset by seasonal decline in the number employed in the building materials and food products industries. Building activity, as measured by contracts awarded, though less in January than during the closing months of 1924, was near the high level of a year ago.

Trade

Railroad shipments were in record volume for this time of year, and loadings of merchandise and miscellaneous products were particularly heavy.



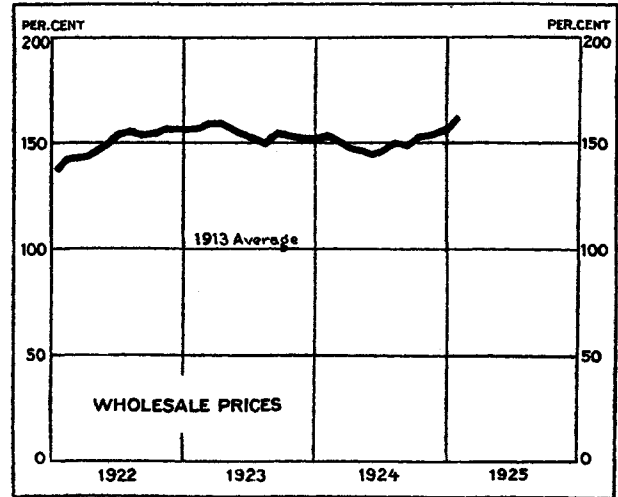
Weekly figures for member banks in 101 leading cities.
Latest figure, February 11.

Wholesale trade in January, however, was slightly smaller than in December. Sales of groceries, shoes and hardware were in smaller volume while sales of dry goods and drugs increased.

Department store sales in most districts were somewhat smaller than a year ago, but sales of mail order houses were considerably larger.

Prices

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, rose 2 per cent during January to the highest level in four years. The increase of 10 per cent in the index since last January represents an advance of 19



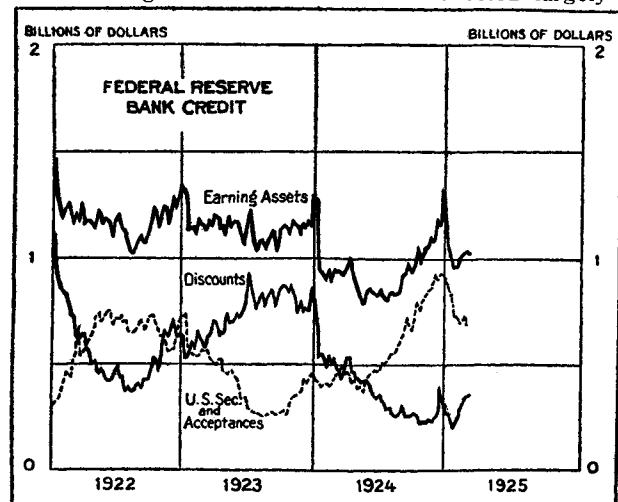
Index of U. S. Bureau of Labor Statistics.
Latest figure, January=150

per cent on prices of agricultural commodities and 3 per cent in other commodities. In the first half of February prices of grains, wool, coal and lead declined, while petroleum and gasoline prices advanced sharply, and cotton, silk, and rubber showed smaller increases.

Bank Credit

Loans and investments of member banks in leading cities, following the rapid growth during the last half of 1924, declined by about \$100,000,000 between the middle of January and the middle of February. This decrease represents a reduction in the holdings of investments, chiefly at banks in New York, partly offset by an increase in loans. Loans on stocks and bonds increased, though less rapidly than in the latter part of 1924, while loans for commercial purposes declined slightly from the high level reached in the middle of January.

Net demand deposits, owing largely to decreases at New York City banks, declined sharply from the high points reached in the middle of January. At the Federal reserve banks the seasonal liquidation, resulting from the return flow of currency from circulation, came to a close by January 21 and during the following four weeks there was an increase in total earning assets. This increase reflected largely the



Weekly figures for 12 Federal reserve banks.
Latest figure, February 18.

demand for gold for export which led member banks to increase their discounts at the reserve banks. Reserve banks' holdings of United States securities declined further, while acceptances showed relatively little change for the period.

Money rates, after remaining comparatively steady during most of January, showed a firmer tendency during the early part of February, when rates for prime commercial paper advanced to 3¼ per cent.