

# FEDERAL RESERVE BANK OF ST. LOUIS



## MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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IN virtually all lines investigated, sales during March showed gains over the corresponding month in 1924, and except where seasonal considerations figured, increases over February totals were the rule. Improvement was particularly notable in lines dealing in goods for ordinary consumption, such as food, clothing, and drugs and chemicals. In marked contrast with last year, weather conditions were ideal, both for work on farms and general merchandising and industrial activities. These conditions continued through the first weeks of April, and early returns indicate a continuance of the improvement which featured general business during March. The movement of spring goods was in large volume, which was reflected in rather general reductions of stocks, totals in many important classifications showing reductions under a year ago and the preceding month this year.

Production in most lines was well sustained, but the improvement in manufacturing was less marked than in distribution. Manufacturers complain that their customers are holding closely to an immediate necessity basis in their buying, and lack of future orders is causing uncertainty, and holding down commitments for raw materials. Generally the period under review was featured by a lower trend in commodity prices, with the most marked declines being recorded in the cereal markets and the metals. Changes in prices of manufactured goods were relatively narrow, and in a majority of cases took the form of adjustments. There were the usual seasonal declines in certain farm products, which begin to move to market in quantity at this time of year.

The more seasonable weather, especially the ideal conditions immediately preceding Easter, had a stimulating effect on retail trade. Easter shopping in both the large cities and the country was in substantially heavier volume than last year, and resulted in the movement of large quantities of goods into consumptive channels. Heavy inroads were

made in retail stocks, with the result that since the Easter holidays wholesalers have received an unusually large number of fill-in orders for immediate shipment. Generally through the district the demand for farm supplies is on a large scale. In the South, where planting of cotton and other crops is in progress, purchasing of prepared foods and feeds shows distinct improvement. Hardware interests report their country sales the most satisfactory in more than five years.

Coal operators throughout the district are still experiencing difficulty in disposing of their outputs, despite further curtailment in production. In the Illinois fields several more mines have closed down indefinitely, and those active are working on short time. Shut-downs are frequent in Arkansas, with the mines in that State which are active being largely engaged in turning out coal to apply on old contracts. In Kentucky a fair volume of annual contracting was reported, but routine activity was light. Generally demand from domestic consumers is below normal, and the movement of railroad tonnage is disappointing. Dealers' stocks are large for this time of year, and ordering from this source is backward. Screenings are in relatively better demand than other varieties of coal, but competition is keen, and prices low. Reports from mines in all sections indicate that lack of demand is the chief factor in accounting for losses in working time. Production of bituminous coal for the country as a whole during the first 83 working days of the calendar year, or to April 4, totaled 132,974,000 net tons, against 142,666,000 tons for the corresponding period last year and 147,099,000 tons in 1923. By-product manufacturers report a fair demand for metallurgical coke, particularly foundry grades, but no change from the recent depressed conditions in the domestic trade.

Freight traffic of railroads operating in the district continues to surpass all previous records for this time of year. There was the usual seasonal de-

crease in the movement of coal and a slight decrease from the recent high point in loadings of grain and grain products and merchandise, but the tonnage of ore, live stock and miscellaneous freight, which latter classification comprises largely manufactured products, was well sustained. For the country as a whole loadings of revenue freight during the first thirteen weeks of 1925, ending April 28, totaled 11,765,235 cars, which compares with 11,588,011 for the corresponding period last year and 11,316,740 cars in 1923. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 214,564 loads in March, compared with 194,089 loads in February and 204,656 loads in March, 1924. During the first nine days of April 60,430 loads were interchanged, against 65,232 loads during the first nine days of March and 59,660 loads during the same period in 1924. Passenger traffic of the reporting roads continues to decline, the March total showing a decrease of 7 per cent under the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans for March was 88,000 tons, which compares with 95,907 tons transported in February and 74,117 tons in March, 1924.

Generally through the district collections continue to make a satisfactory showing. Some backward spots are noted, but these are confined mainly to localities where depression in local industries is responsible for delayed settlements. Wholesalers in the large centers report less than the usual number of requests for extensions, and a large number of their customers continue to avail themselves of discounts for cash. In some of the rural districts retailers report delayed payments are being occasioned by floods and heavy roads, which are preventing farmers from coming to town. City retail merchants are for the most part getting in their money promptly, and in turn are reducing their indebtedness with wholesalers and at the banks. Answers to 421 questionnaires addressed to representative interests in various lines throughout the district showed the following results:

	Excellent	Good	Fair	Poor
March, 1925.....	4.3%	35.1%	53.2%	7.4%
February, 1925.....	6.0	32.0	54.0	8.0
March, 1924.....	0.0	24.8	58.7	16.5

Commercial failures in the Eighth Federal Reserve District during March, according to Dun's, numbered 86, involving liabilities of \$531,515, against 107 defaults in February with indebtedness of \$3,343,246, and 100 failures for \$1,313,655 in March, 1924.

The per capita circulation of the United States on April 1, 1925, was \$41.99, against \$42.28 on March 1, 1925, and \$42.85 on April 1, 1924.

## MANUFACTURING AND WHOLESALE

**Automobiles** — For the third consecutive month this year production of automobiles for the entire country showed a gain, the total being 32.2 per cent greater than in February. As compared with March, 1924, however, a loss of 3.4 per cent was recorded. Companies reporting direct or through the National Automobile Chamber of Commerce built 326,140 passenger cars in March, against 246,671 in February and 348,287 in March, 1924. The output of trucks in March was 42,274, which compares with 32,014 in February and 33,061 in March, 1924.

Ideal spring weather, coupled with intensive selling campaigns and a general disposition on the part of owners to turn to closed models, resulted in a marked improvement in distribution of automobiles during the period under review. Betterment extended both to the city and country, and embraced all classes of cars. Sales of 320 dealers scattered through the district were 8.3 per cent larger during March than for the same month last year, and 12.5 per cent in excess of the February total this year. Accessory sales were larger by 15 per cent than last year, and 10 per cent ahead of the preceding month this year. Stocks of new cars in dealers' hands are considerably under the same period in 1924. General comment was made upon the improvement in the used car situation, stocks being heavily reduced as compared with a year ago, and sales being in satisfactory volume. Dealers are taking in fewer open cars, and where obliged to on trades, are valuing them much lower than heretofore. Of new cars sold the average is approximately three closed cars to one open model.

**Boots and Shoes** — Sales of the 11 reporting interests during March were 11.9 per cent larger than in March, 1924, and 77.8 per cent in excess of the February total this year. Stocks at the end of March were smaller by 3.6 per cent than a month earlier, but 10.0 per cent larger than a year ago. While sales of women's wear, particularly specialties and novelties, continue to make the best showing, some improvement is noted in distribution of men's shoes. Novel styles in men's shoes are being stressed to a greater extent than heretofore. Prices of finished goods and raw materials developed no change worthy of note as compared with thirty days ago. Factory operation was at from 85 to 100 per cent of capacity.

**Clothing** — Sharp gains over both a year ago, and the preceding month this year featured March business of the reporting interests. More seasonable weather and an exceptionally heavy demand for

Easter goods were mentioned as factors in the improvement. Numerous emergency orders were received for spring clothing, both men's and women's, and retailers whose stocks were depleted by the holiday rush have since appeared in the market to replenish. Men's furnishings were more active than has been the case in a number of months, and manufacturers of women's suits report advance orders in excess of a year ago. The trend of prices is slightly upward, particularly on woolen and silk goods. March sales of the 10 reporting interests were 32.2 per cent larger than for the same month in 1924, and 43.0 per cent in excess of the February total this year, the latter gain being largely seasonal in character.

**Drugs and Chemicals** — Generally light stocks in retailers' hands, more seasonable weather and improvement in business as a whole were factors in further improvement in this classification. March sales of the 11 reporting interests exceeded those of March, 1924, by 11.2 per cent and the February, 1925, total by 8.0 per cent. The demand for heavy chemicals from manufacturers is holding up well, and the warm days in March resulted in a heavy call for prompt shipment of seasonal goods. There was a slight recession in the demand for remedial drugs, but sundries and soda fountain supplies were in good call. Prices through the line were firm, but with no notable change as compared with the month before.

**Dry Goods** — A fair growth in orders for delivery in the fall, which has brought the total well beyond the corresponding period a year ago, featured business in this line. In addition current orders are holding up well, and the number of visiting merchants in the large centers was somewhat above ordinary for this time of year. The print cloth situation is described as healthy, with the demand good, and prices steady. Future orders for heavy knitted goods, blankets and the general run of woolen goods are in satisfactory volume, and wash goods, light woolens, and notions are selling well currently. Sales of fancy hosiery continue fair, and purchasing of overalls and the general run of work clothes and women's ready-to-wear garments is about normal for this season. March sales of the 12 reporting interests were 11.2 per cent larger than during the same month last year, and 17.5 per cent below the February, 1925, total.

**Electrical Supplies** — Activity in the building industry and freer buying by the automobile interests were given as the chief causes for an increase of 19.8 per cent in March sales of the 12 reporting interests over the preceding month. As compared with a year ago, however, the March total showed a decrease of 4.0 per cent. Stocks at the end of March

were 1.9 per cent larger than on the same date in 1924, and 1.6 per cent larger than at the end of February. With the exception of a slight reduction on copper wire, and some goods based on lead, prices were unchanged.

**Flour** — Production of the 11 leading mills of the district in March was 231,432 barrels, the smallest since June, 1922, and comparing with 283,300 barrels in February, and 358,055 barrels in March, 1924. The curtailed production was in direct response to a further decrease in sales, business of the mills being adversely affected by the wild fluctuations of the wheat market. Lack of confidence in prices held future buying down to a minimum, and consumers generally were taking only enough to carry them from week to week. Some mills sold only 15 to 30 per cent of their production, despite reduced grinding schedules. Prices were lower in sympathy with the downturn in wheat. Mill operation was at from 40 to 50 per cent of capacity.

**Furniture** — As compared with the corresponding period a year ago, March sales of the 25 reporting interests showed a gain of 1.7 per cent. It will be recalled, however, that business in this line during the early months of 1924 was depressed. As contrasted with February this year, the March total showed a gain of 7.3 per cent. Generally March was a month of heavy shipments, with the result that stocks decreased 20.1 per cent from the total on February 28. Manufacturers report that buying by their customers is still largely on an immediate requirement basis. Competition is unusually keen, and some price cutting to secure business is in evidence.

**Groceries** — March sales of the 22 reporting interests exceeded those of the same month in 1924 by 8.8 per cent, and were 3.7 per cent larger than the February total this year. Stocks at the end of March were 3.4 per cent larger than 30 days earlier and 1.7 per cent above a year ago. Improvement in the demand from the rural district is reported, with the South generally buying more heavily than at the same time last year. The usual recession in demand for canned goods incident to the arrival of spring vegetables and fruits was in evidence, but staple lines were in good demand. With the exception of declines in flour, sugar and several other less important commodities, prices were unchanged. Sales of Easter goods were the largest in several years.

**Hardware** — The demand generally through the line is reported good, with all varieties of seasonal hardware in particularly brisk call. The early agricultural season, and good prospects for crops have had a stimulating effect on sales of hand implements, and all sorts of materials used on farms.

Builders' hardware and tools continue in excellent demand, and sales of wire and wire products are running well ahead of a year ago. Shipments of paints and roofing materials have been heavy, and advance orders of ice cream freezers, refrigerators, garden hose and other summer goods are reported satisfactory. Seasonal sporting goods and automobile accessories are in brisk demand. Sales of the 12 reporting interests during March were 7.8 per cent larger than a year ago, and 9.5 per cent heavier than the February, 1925, total.

**Iron and Steel Products** — Purchasing in this classification was at a somewhat slower pace as a whole than during the preceding thirty days, though some important industries notably automobile and farm implement manufacturers, increased their commitments. The second quarter opened with order books of mills and foundries in less comfortable position than around January 1. This lack of backlog has resulted in uncertainty in the minds of producers, and there has been some shading of prices in order to stimulate buying. Generally March was marked by heavy shipments and large specifications against tonnages previously engaged. In numerous instances shipments were in excess of incoming business. Production of pig iron for the country as a whole during March showed a further gain, and reached the highest point since April, 1923. Buying of pig iron was extremely slow, and confined almost exclusively to small tonnages for prompt delivery. Contracting for second quarter requirements continues much below normal, and price reductions in early April failed to stimulate business. Steel ingot production also gained during March, the output being approximately 11 per cent over the February total. Weakness in pig iron was emphasized by announcement of a reduction of 50c per ton in the season's iron ore price. Purchasing by the railroads has receded somewhat, and was under expectations. The building industry continues to furnish a broad outlet for iron and steel products, with the movement of reinforcing concrete bars and standard structural shapes in especially large volume. The favorable outlook for the farm implement business has been adversely affected by the sharp decline in cereal prices, and the same is true of stoves and other commodities used largely on farms. While activities at some plants were maintained at the level of the preceding thirty days, slight decreases were the general rule, particularly in the case of manufacturers of specialties. A further decline in scrap iron and steel was recorded, with heavy melting steel touching a new low on the movement.

**Lumber** — Builders' buying is fairly active, with delivery from yards to jobs becoming brisk, at the larger centers in the district. Country yards, on the other hand, are having very little farm trade while crop work is being pushed. It is, therefore, still a waiting period for the wholesale softwood markets, with prices continuing weak, but apparently stabilized at present levels. Production costs and some degree of curtailment, especially in western woods, give underlying strength to the situation. Only in hardwoods is the price tendency still noticeably downward, with manufacturers' stocks heavy and production an added burden. Consumption in this line is good, however, and the steady buying of small lots for filling-in purposes indicates a revived stock demand. The cypress markets are quiet, but not dull, with comparatively few price changes.

### RETAIL TRADE

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

	Net sales comparisons		Stock on hand	Stock turnover
	Mar. 1925 comp. to Mar. 1924	Three months ending Mar. 31, 1925, to same period, 1924	Mar. 31, 1925 comp. to Mar. 31, 1924	Jan. 1, 1925 to Mar. 31, 1925
Evansville .....	+ 3.7%	+ 1.3%	- 6.4%	47.6%
Little Rock.....	+ 7.2	+ 7.0	- 2.3	61.7
Louisville .....	- 1.4	+ 2.2	-15.5	75.8
Memphis .....	+12.2	+ 7.3	+ 2.4	56.0
Quincy .....	+ 4.5	+ 5.6	- 7.2	57.8
St. Louis.....	+ 3.5	- 0.1	+ 0.4	80.5
8th District.....	+ 4.5	+ 1.4	- 1.8	73.9

### CONSUMPTION OF ELECTRICITY

As compared with a year ago, March consumption of electric power by selected industrial customers of public utility companies in the five largest cities of the district showed a gain of 6.8 per cent. An increase of 4.7 per cent over February was recorded, due mainly to the fact that March contained two more working days than the earlier period.

Detailed figures follow:

	No. of customers	Mar. 1925	Feb. 1925	Mar. 1925	Mar. 1924	Mar. 1925
		*K.W.H.	*K.W.H.	comp. to Feb. 1925	*K.W.H.	comp. to Mar. 1924
Evansville .....	40	952	924	+ 3.0%	1,023	- 6.9%
Little Rock.....	35	1,633	1,109	+47.2	854	+91.2
Louisville .....	67	3,977	4,440	-10.4	3,576	+11.2
Memphis .....	31	1,408	1,481	+ 5.2	1,272	+16.9
St. Louis.....	87	12,652	11,738	+ 7.8	12,585	+ 0.5
Totals.....	260	20,622	19,692	+ 4.7	19,310	+ 6.8

\*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
February, 1925.....	1,748,882,000	3,256,164,000	5,005,046,000
January, 1925.....	1,716,532,000	3,875,720,000	5,592,252,000
February, 1924.....	1,559,645,000	3,318,450,000	4,878,095,000

## AGRICULTURE

Generally throughout the district farm work was pushed forward with virtually no interruption during the period under review and in most sections is unusually well advanced. Dry weather in March and early April enabled farmers to get into their fields, and soil preparation and early seeding and planting of all crops has made excellent progress. Rather general precipitation since the first week of April supplied needed moisture, and has resulted in good development of growing crops and marked improvement in condition of pastures and ranges. Because of the earlier and more favorable season, indications are for larger acreages of a number of important crops than a year ago. Farm labor demand is slightly in excess of supply, with wages showing only minor variations as compared with levels prevailing last spring.

**Wheat** — According to the U. S. Department of Agriculture, the April 1 condition of winter wheat in all States of the district, with exception of Indiana, was higher than on the same date in 1924. In Illinois, the chief wheat State, the condition on April 1 was 87 per cent against 73 per cent last year. Missouri wheat was 85 per cent of normal, indicating 28,743,000 bushels against 24,589,000 bushels produced in 1924. There were some complaints of winter killing and dry weather, but these were confined to scattered localities. Ice and sleet damage was less than expected, and abandoned acreage is light. The plant for the most part has good color and is well rooted. The average condition of winter wheat for the entire country on April 1 was 68.7 per cent, compared with 83.0 per cent a year ago, and indicates a yield of 474,255,000 bushels, against the estimated production of 590,037,000 bushels in 1924.

**Corn** — Stocks of old crop corn on farms are considerably smaller than at the same period last year, also well under the 10-year average. Planting of the new crop in the South has continued under favorable conditions, and further North there has been good progress in preparations for seeding this crop. Indications generally are for heavier corn planting than last season, when, it will be remembered, weather conditions during the seeding period were the most unfavorable in more than a decade.

**Fruits and Vegetables** — Prospects for fruits are good, with the exception of peaches in the northern sections of the district. The April first condition of apples was high, particularly in Arkan-

sas, Missouri and Illinois, the dry weather in March having aided pollination, and orchards showed unusually vigorous bloom. In the South the outlook for peaches is good, the April 1 condition in Arkansas being 83 per cent of a normal crop. Generally strawberries are promising, though some injury to plants from drouth is reported in the South. Cherries, plums and apricots are expected to yield slightly heavier than last year, and the outlook for raspberries and blackberries is fair. Grapes came through the winter with a minimum of damage, and owing to the large number of vineyards which will come into bearing this year, the total grape production for the district is expected to be larger than ever before. Planting of commercial vegetable crops and gardens is slightly above normal for this season. The recent rains have materially aided early vegetables in the South.

**Live Stock** — The condition of live stock showed no change worthy of note during the past thirty days, and is generally good. With the exception of a few scattering reports of hog cholera, herds are in prime condition. Fewer hogs and cattle are on feed than at this time last year, but production of lambs is larger. Further increase in dairying and production of poultry and eggs is reported.

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

	*Receipts			*Shipments		
	Mar. 1925	Feb. 1925	Mar. 1924	Mar. 1925	Feb. 1925	Mar. 1924
Cattle and Calves.....	87	74	69	51	27	36
Hogs .....	265	284	388	169	119	265
Horses and Mules.....	7	11	4	8	10	5
Sheep .....	26	23	19	13	1	12

\*In thousands (000 omitted).

**Cotton** — Generally through the cotton areas of the district, prospects for that crop are excellent. Planting is further advanced than usual, and while germination of early planted cotton was retarded by dryness, recent rainfall has brought much cotton up with prospects for very good stands. Recent mild temperatures have materially assisted growth and development. Fertilizer sales have increased in the immediate past, and planters generally are planning for intensive cultivation and warfare against insect pests.

**Rice** — Preparation for the new rice crop is virtually completed, and planting is general. Reports from the cooperative marketing associations indicate acreages from 2 to 10 per cent larger than last year. The market for clean rice has declined slightly during the past three weeks, standard varie-

ties, selling around \$1.65 per bushel. However, there is a very small amount of 1924 crop left to be sold.

**Tobacco**—The independent loose-leaf floors have closed for the season except in the dark fired tobacco district, where it is estimated about 85 per cent of the tobacco has been delivered. Dry weather in March restricted deliveries and sales at independent and association houses, but the market was firm on all leaf sold. Favorable weather has prevailed since sowing time and plant beds are in good condition. While it is too early to estimate what will be done in the way of planting this year, early indications point to a normal acreage.

**Commodity Prices**—Range of prices in the St. Louis market between March 14, 1925 and April 15, 1925, with closing quotations on the latter date and on April 15, 1924, follow:

	High	Low	Close	
			April 15, 1925	April 15, 1924
Wheat				
May .....per bu.	\$1.71	\$1.38	\$1.54	\$1.01½
July .....	1.48½	1.24¾	1.39	1.02¾
No. 2 red winter .....	1.84	1.60	1.87	\$1.13 @ 1.14
No. 2 hard.....	1.67	1.43	1.62	1.04
Corn				
May .....	1.20½	.89	1.04	.77½
July .....	1.24½	.94¾	1.09½	.79
No. 2 .....	1.13	.91	1.07½	.78½
No. 2 white.....	1.16	.98	\$1.12 @ 1.13	.82½
Oats				
No. 2 white.....	.50¼	.44	.49 @ .50	.50
Flour				
Soft patent.....per bbl.	9.50	8.00	8.50 @ 9.50	5.40 @ 6.50
Spring patent.....	8.90	7.40	8.15 @ 8.25	5.90 @ 6.25
Middling cotton.....per lb.	25¾	.24	12.4½	.31
Hogs on hoof.....per cwt.	14.50	9.00	11.00 @ 13.00	5.00 @ 7.65

### BUILDING

March was an unusually busy month in the field of construction, both as regards work accomplished on buildings under way and new permits issued. In point of value permits issued in the five largest cities of the district during March were the second highest on record, the total of \$9,625,000 being only exceeded by the \$13,032,000 aggregate of October, 1924. In the list of permitted building, residences continue well in the lead, with the number of moderately priced dwellings especially large. In St. Louis, for instance, 756 of the 897 permits were for dwellings and in Louisville, 389 of the 560 permits were for buildings in that category. Wages of building labor in February and March were well stabilized, most crafts renewing scales of 1924. Production of portland cement for the country as a whole during March totaled 11,034,000 barrels, against 8,255,000 barrels in February and 10,034,000 barrels in March, 1924.

Building figures for March follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1925	1924	1925	1924	1925	1924	1925	1924
Evansville .....	256	170	\$ 254	\$ 499	108	131	\$ 38	\$ 50
Little Rock.....	124	122	1,064	439	110	98	65	66
Louisville .....	560	363	3,179	2,796	142	153	215	146
Memphis .....	417	505	1,591	2,112	166	90	52	39
St. Louis.....	995	897	3,537	2,201	511	581	478	360
Mar. totals.....	2,352	2,057	\$9,625	\$8,047	1,037	1,053	\$ 848	\$661
Feb. totals.....	1,845	1,383	8,589	5,329	680	652	1,734	673
Jan. totals.....	1,195	987	5,163	6,147	607	540	541	380

\*In thousands of dollars (000 omitted).

### POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease of 4.9 per cent in postal receipts for the first quarter of 1925 as compared with the corresponding period a year ago. Compared with the last three months of 1924, a decrease of 18.1 per cent is shown.

Detailed figures follow:

	For quarter ended				Mar. 1925 comp. to Mar. 1924
	Mar. 31, 1925	Dec. 31, 1924	Sept. 30, 1924	Mar. 31, 1924	
Evansville .....	\$ 148,000	\$ 160,000	\$ 141,000	\$ 146,000	+ 1.4%
Little Rock.....	207,000	224,000	201,000	203,000	+ 1.9
Louisville .....	642,000	714,000	600,000	644,000	- 0.3
Memphis .....	143,000	509,000	421,000	426,000	-66.4
St. Louis.....	2,983,000	3,427,000	2,669,000	2,915,000	+ 2.3
Totals.....	\$4,123,000	\$5,034,000	\$4,032,000	\$4,334,000	- 4.9

### FINANCIAL

As contrasted with the preceding thirty days, the period under review developed no marked changes in the banking and financial situation. The demand for credit from commercial and industrial sources was only moderately active, and banks have ample funds to meet all calls made upon them. Deposits of the reporting member banks receded from the high levels reached during March and touched a new low for the year, but the total continues well over the corresponding period a year ago. April settlements with boot and shoe, dry goods and other mercantile interests with which this is an important collection month, were heavy and resulted in substantial liquidation of loans at banks in the larger cities. Good liquidation was also reported at banks in the tobacco areas, where marketing of the crop is rapidly drawing to a close. In the South beginnings of the demand for financing agricultural operations were in evidence, but not sufficiently to affect the general situation. Slightly heavier borrowing from live stock raisers was reported, but this was more than offset by the seasonal reduction of loans to grain shippers and the elevator interests. Rates developed a strengthening tendency about the end of March, being affected by withdrawals to meet interest, dividend and tax payments. Since the second week in April, however, the trend has been easier. Debits to individual accounts continue to run well over a year ago, and savings deposits are being well sustained. The March record of commercial failures for the district showed marked improvement over the preceding month and a year ago.

**Federal Reserve Operations**—A further increase in bills discounted for member banks by the Federal Reserve Bank of St. Louis took place during the period under review. The total on April 16 was \$15,423,000, which compares with \$10,204,000 on March 16, and \$29,597,000 on April 16, 1924.

Federal reserve note circulation receded slightly; from \$51,574,000 on March 16 to \$49,201,000 on April 16. Total earning assets increased from \$34,885,000 on March 16 to \$36,584,000 on April 16, the gain being accounted for by accretions in bills discounted. The combined reserve ratio against Federal reserve note and deposit liabilities stood at 76.5 per cent on April 16, 77.5 per cent on March 16, and 77.3 per cent on April 16, 1924. During March this institution discounted for 186 of its member banks, which compares with 172 accommodated in February and 261 in March, 1924. The discount rate of this bank remained unchanged at 4 per cent.

Changes in the principal assets and liabilities of this institution since last month and a year ago are shown in the following table:

	April 22, 1925	Mar. 22, 1925	April 22, 1924
Bills discounted .....	\$17,025,000	\$12,019,000	\$37,146,000
Bills purchased .....	9,470,000	13,789,000	5,268,000
U. S. Securities.....	9,297,000	8,720,000	6,966,000
Foreign loans on gold.....	483,000	525,000	.....
Total earning assets.....	\$36,275,000	\$35,053,000	\$49,380,000
F. R. Notes in circulation.....	48,639,000	50,581,000	66,044,000
Total deposits.....	81,040,000	82,882,000	77,611,000
Ratio of reserves to deposit and F. R. note liabilities....	74.9%	78.3%	72.6%

**Commercial Paper**—Sales of the reporting brokerage interests during March were 6.7 per cent below the same month in 1924, and generally business was described as lacking spontaneity. City banks are buying sparingly, while in the country there is a disposition among bankers to conserve their resources for expected agricultural requirements. Offerings are about normal for this season, but include slightly less than the usual number of prime names. Rates ranged from 3¾ to 4 per cent, with an occasional sale at 4¼ per cent.

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

	*April 15, 1925	*Mar. 18, 1925	*April 16, 1924
Number of banks reporting.....	†33	†33	35
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations.....	\$ 12,925	\$ 13,060	\$ 9,457
Secured by other stocks and bonds.....	172,250	174,996	145,491
All other loans and discounts.....	313,930	312,282	315,592
Total loans and discounts.....	\$499,105	\$507,338	\$470,540
Investments			
U. S. Pre-war bonds.....	13,257	13,257	14,981
Liberty bonds.....	24,766	31,473	24,193
Treasury bonds.....	19,322	19,005	4,371
Victory and Treasury notes.....	12,317	13,517	14,748
Certificates of Indebtedness.....	2,792	3,391	3,995
Other securities.....	100,481	99,289	89,745
Total investments.....	\$172,935	\$179,932	\$152,033
Reserve balance with F. R. bank.....	47,388	51,427	43,019
Cash in vault.....	7,165	7,425	7,484
Net demand deposits.....	406,200	422,661	360,215
Time deposits.....	203,833	202,896	200,061
Government deposits.....	14,710	18,898	5,324
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't. obligations....	1,234	940	5,257
All other.....	4,758	6,289	9,648

\*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.

**Debits to Individual Accounts**—The following comparative table gives the total debits charged by banks to checking accounts, savings accounts, certificates 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			April 1925 comp. to Mar. 1925	Apr. 1925 comp. to Apr. 1924
	April 22, 1925	Mar. 18, 1925	April 23, 1924		
E. St. Louis and Nat. Stock Yrds, Ill..	\$ 37,861	\$ 36,925	\$ 34,169	+ 2.5%	+10.8%
El Dorado, Ark.....	8,335	7,413	7,225	+12.2	+15.4
Evansville, Ind.....	34,032	34,064	25,510	— 0.1	+33.4
Fort Smith, Ark.....	11,973	11,916	11,000	+ 0.5	+ 8.8
Greenville, Miss.....	4,283	4,538	3,228	— 5.1	+ 3.3
Helena, Ark.....	4,414	4,732	4,268	— 6.7	+ 3.4
Little Rock, Ark.....	58,560	60,611	56,766	— 3.4	+ 5.0
Louisville, Ky.....	176,204	175,186	155,640	+ 0.6	+13.2
Memphis, Tenn.....	124,960	142,124	124,805	—12.1	+ 0.1
Owensboro, Ky.....	5,391	6,102	5,604	—11.7	— 3.8
Quincy, Ill.....	13,212	11,935	10,956	+10.7	+20.6
St. Louis, Mo.....	717,300	658,700	616,466	+ 8.9	+16.3
Sedalia, Mo.....	4,330	3,965	3,958	+ 9.2	+ 9.4
Springfield, Mo.....	12,697	11,918	10,525	+ 6.5	+20.6
Totals.....	\$1,213,642	\$1,170,129	\$1,069,120	+ 3.7	+13.5

\*In thousands (000 omitted).

### COST OF LIVING

The National Industrial Conference Board's index number for March 15, 1925, according to a survey just completed, indicates that since November 15, 1924 there has been a net change of only one-tenth of one per cent, and since February 15, 1925 the total cost of living remained unchanged. Between November, 1924 and March, 1925, there were slight increases noted in food, clothing and light, each averaging less than one per cent. Shelter showed an average decrease of slightly more than one per cent. The average prices of fuel and sundries were at the same level as in November, 1924. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and March, 1925 the cost of living decreased 19.2 per cent.

The increase in the cost of living since 1914 was 65.3 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 March 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 March 15, 1925, above average prices in	
		July, 1920	Feb., 1925	March, 1925	July, 1920	Feb., 1925
Food*	43.1	219	151	151	31.1**	0.0
Shelter	17.7	158	183	182	15.2	0.6**
Clothing	13.2	266	172	173	35.2**	0.6
Fuel and light	5.6	166	169	169	1.8	0.0
(Fuel)	(3.7)	(192)	(183)	(182)	(5.2)**	(0.6)**
(Light)	(1.9)	(115)	(142)	(143)	(24.3)	(0.7)
Sundries	20.4	185	175	175	5.4**	0.0
Weighted average of all items.....	100.0	204.5	165.3	165.3	19.2**	0.0

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

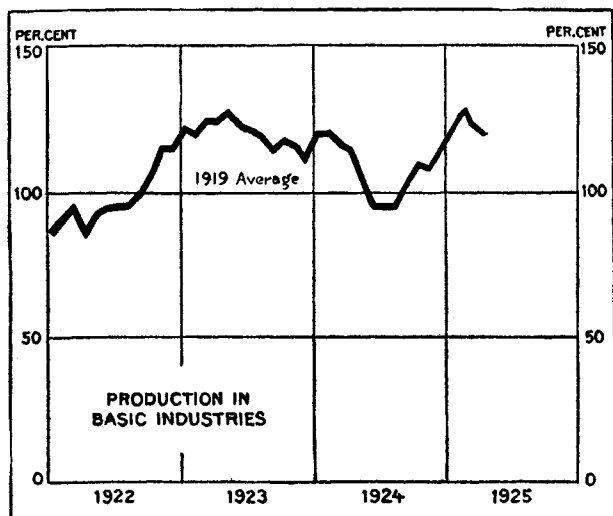
\*\*Decrease.

The purchasing value of the dollar, based on the cost of living in March, 1925 was 60.5 cents as contrasted with one dollar in July, 1914.

(Compiled April 18, 1925)

## BUSINESS CONDITIONS IN THE UNITED STATES

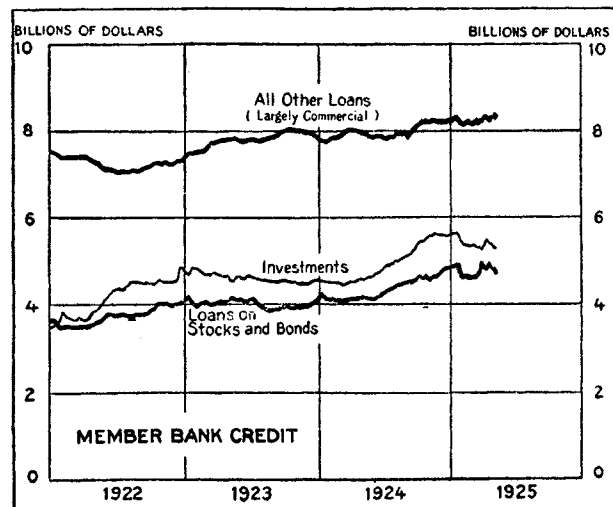
Production in basic industries was smaller in March than in the two preceding months but was as large as at any time in 1924. Distribution of merchandise both at retail and wholesale was in greater volume than a year ago. Wholesale prices, after increasing since the middle of 1924, remained in March at about the same level as in February.



Index of 22 basic commodities corrected for seasonal variation. Latest figure, March=120.

**PRODUCTION** — The Federal Reserve Board's index of production in basic industries declined in March to a level 5 per cent below the high point reached in January. Iron and steel production and cotton consumption showed less than the usual seasonal increase during March, and activity in the woolen industry declined. There was a further decrease in the output of bituminous coal. Increased activity in the automobile industry was reflected in larger output, employment, and payrolls. In general, factory employment and payrolls increased during the month. Value of building contracts awarded in March was the largest on record, notwithstanding the recent considerable reduction in awards in New York City.

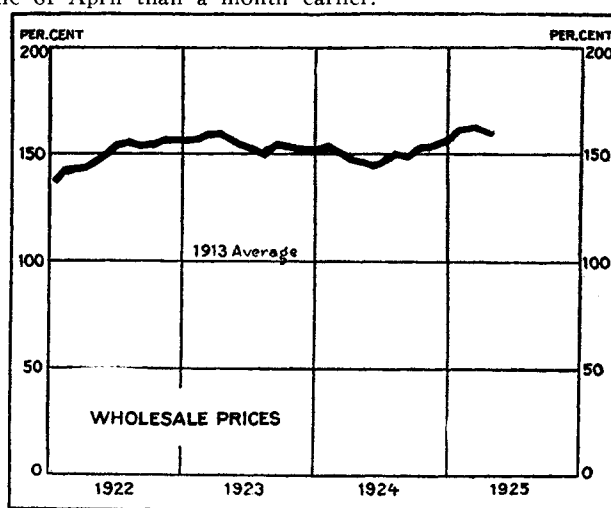
**TRADE** — Wholesale trade in all principal lines increased in March and the total was larger than a year ago. Sales at department stores and by mail order houses in-



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

creased less than is usual at this time of the year. Stocks of shoes and groceries carried by wholesale dealers were smaller at the end of March than a month earlier, and stocks of dry goods, shoes, and hardware were smaller than last year. Stocks of merchandise at department stores showed more than the usual seasonal increase and were somewhat larger than last year.

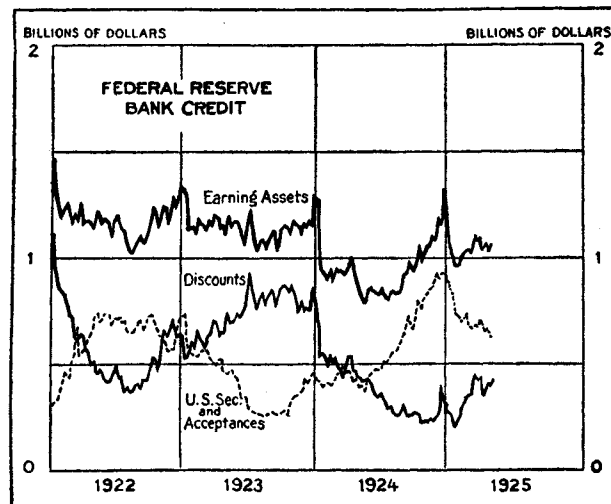
**PRICES** — Wholesale prices of most groups of commodities included in the index of the Bureau of Labor Statistics declined somewhat in March, but owing to an advance of food prices, particularly of meats, the general level of prices remained practically unchanged. Prices of many basic commodities, however, were lower at the middle of April than a month earlier.



Index of U. S. Bureau of Labor Statistics. Latest figure, March=161.0.

**BANK CREDIT** — Volume of loans and investments at member banks in principal cities continued at a high level during the five-week period ending on April 15. Total loans declined, reflecting chiefly a reduction in loans on stocks and bonds and also some decrease in loans for commercial purposes. Investment holdings, which early in March had been nearly \$300,000,000 below the high point of last autumn, increased by the middle of April by about half this amount. Demand deposits, after declining rapidly between the middle of January and March 25, increased during the following weeks, but on April 15 were still \$633,000,000 below the maximum reached in January.

At the reserve banks the volume of earning assets on April 22 was about \$75,000,000 below the high point at the end of February, but continued above the level of a year ago. Discounts for member banks were about twice as large in April as at the exceptionally low point in the middle of January while total United States securities and



Weekly figures for 12 Federal reserve banks. Latest figure, April 22.

acceptances held were in smaller volume than at any time during the year.

Somewhat easier money conditions in April were indicated by a decline of one-eighth of one per cent in the open market rate on 90 day acceptances to  $3\frac{1}{8}$  per cent and by sales of prime commercial paper at below four per cent.