

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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IN the main developments during the past thirty days have tended toward further expansion in general business. In a majority of lines investigated, September sales showed good gains over the corresponding period last year, and in a number of important instances, increases over the August totals this year. The completion of the principal harvests has developed mainly satisfactory results, and prices being realized by farmers for their products are sufficiently high to insure good margins of profit. This fact, coupled with the universally high levels of employment in the leading industrial centers, has substantially increased the general purchasing power of the public.

Production and distribution of merchandise continues on a large scale, as indicated by the heavy railroad loadings and actual statistics of manufacturers and wholesale and retail interests. While in a majority of lines purchasing is still being done largely on an immediate requirement basis, some improvement in future ordering has taken place, notably in dry goods, drugs and chemicals, hardware and iron and steel. Greater stability in commodity prices has tended to increase manufacturing commitments for raw materials, and in a number of lines more goods are being made up to meet prospective demands than during the corresponding period last year.

In the building field activities continue unabated, the dollar value of permits issued in the five largest cities of the district during September showing a gain of 21.0 per cent over the same month in 1924. In face of unseasonably warm weather, which retarded the movement of fall goods, sales at department stores in the principal centers of the district during September increased 0.3 per cent over those of the same month last year. Sales of chain and mail order stores continue to exceed all seasonal records. Purchasing of farm implements, stoves and supplies generally for the agricultural sections is in heavy volume.

Supply and demand in the labor market is well balanced throughout the district, according to reports of the Employment Service of the U. S. Department of Labor. In all the chief industrial centers employment conditions during September displayed improvement over the preceding month. The call for common labor in highway construction, river improvement work and municipal and public utility building projects continued heavy, and served to absorb much of the slack created by completion of fall harvests. Save in certain counties where a shortage of cotton pickers was reported, farm help was fully adequate for all demands. Additions to their working forces were made by textile and lumber interests in the South.

Improvement in the coal situation noted in the preceding issue of this report, and which was occasioned partly by the strike in the anthracite fields which became effective September 1, failed to continue during the period under review. The spurt of buying by both steam users and the domestic trade quickly spent itself and was followed by a return of the recent quietness and a slight downward reaction in prices. The unseasonably warm weather during September had a depressing effect on sales to householders, and wagon deliveries from retail yards were in unusually light volume. In anticipation of the usual seasonal demand, plus the additional requirements looked for because of suspension in hard coal production, production at the bituminous mines was speeded up, and producers have experienced difficulty in disposing of their full outputs. Competition is reported very keen, and in the Illinois and Indiana fields price is becoming an important factor on account of the low prices made by Kentucky producers, with which dealers who handle Illinois and Indiana coals find it hard to compete. Total output of bituminous coal for the country as a whole during the calendar year 1925 to October 10, was 383,050,000 tons, against

360,545,000 tons for the corresponding period in 1924 and 443,303,000 tons in 1923.

Traffic handled by railroads operating in the district continues on a larger scale than during any similar season in previous years. As contrasted with the two preceding years, a large part of the recent gains is accounted for by heavier loadings of merchandise and miscellaneous freight. Total loadings of revenue freight for the entire country during the first 39 weeks of the year, or to September 26, were 37,846,925 cars, which compares with 35,701,943 cars for the corresponding period last year and 37,303,239 cars in 1923. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 217,465 loads in September, against 225,771 loads in August and 213,480 loads in September, 1924. During the first nine days of October 67,178 loads were interchanged, comparing with 62,828 loads during the first nine days of September, and 68,973 loads during the corresponding period last year. For the first time in many months an upward trend was shown in passenger traffic by the reporting roads, a gain of 3.5 per cent being recorded in September over the same month in 1924. Estimated tonnage of the Federal Barge line between St. Louis and New Orleans for the month of September was 47,000 tons, against 64,922 tons in August and 80,537 tons in September, 1924.

The high efficiency in collections generally through the district noted in recent months was well sustained during the past thirty days. Answers to 445 questionnaires addressed to representative interests in the various lines throughout the district showed the following results:

	Excellent	Good	Fair	Poor
September, 1925.....	3.1%	53.3%	41.5%	2.1%
August, 1925.....	4.0	36.0	56.0	4.0
September, 1924.....	4.1	34.9	54.8	6.2

Commercial failures in the Eighth Federal Reserve District during September, according to Dun's, numbered 54, involving liabilities of \$1,138,071, against 91 defaults in August with liabilities of \$1,049,444 and 71 failures for \$3,586,174 in September, 1924.

The per capita circulation of the United States on October 1, 1925, was \$42.17 against \$41.84 on September 1, 1925, and \$42.52 on October 1, 1924.

MANUFACTURING AND WHOLESALE

Automobiles—After declining steadily for the preceding four months, automobile production for the country as a whole registered a sharp turn upward in September, total output for that month being 28.3 per cent larger than in August and 12.5

per cent in excess of the September, 1924, total. Manufacturers reporting direct or through the National Automobile Chamber of Commerce built 272,360 passenger cars in September, against 221,739 in August and 263,464 in September, 1924. The output of trucks in September totaled 59,236, which compares with 36,696 in August and 31,224 in September, 1924.

Less than the usual slowing down in distribution of automobiles in September as compared with August was in evidence. According to reports of dealers sales during the period under review were stimulated by the appearance of new models and recent price concessions. Business in the large cities was relatively better than in the country, excessive rains during the last half of September interfering with sales in the rural districts. Deliveries of cars from manufacturers to dealers are backward, and the latter, in turn, are from three to eight weeks behind on deliveries to customers. Stocks of new cars in dealers' hands are the smallest in more than four years. There has been a rather marked slump in sales of used cars, stocks of which are increasing, and in many instances burdensome. Business in accessories is holding up to the recent high levels, and greater stability and generally more satisfactory conditions are reported in the tire trade. Sales of 320 dealers scattered through the district during September were 9.4 per cent larger than during the same month in 1924, and 1.7 per cent below the August total this year.

Boots and Shoes—September sales of the 11 reporting interests were 18.2 per cent under those of the corresponding month in 1924 and 10.2 per cent below the August total this year. In the year-to-year comparison the loss is accounted for partly by a decrease in advance orders. Stocks on hand on October 1 were 14.8 per cent in excess of the same date in 1924, but 9.1 per cent under those of September 1 this year. Prices of finished goods underwent no change during the past thirty days, and in raw materials the trend of values was slightly lower, except on especially prepared calf skins. Factory operation was at from 93 to 100 per cent of capacity.

Clothing—The movement of fall and winter apparel, both at wholesale and retail, was retarded by the unusually warm weather which prevailed through the district during September and into October. Manufacturers and jobbers report that purchasing by retailers is still of a character to suggest inventory caution. In turn producers are making up few goods for which they have not orders on hand. Uncertainty relative to styles is reflected in rather disappointing sales of women's

garments for spring delivery. In the immediate past some improvement has developed in sales of women's cloaks and suits, but the movement of heavy overcoats and the general run of men's clothing for winter wear is backward. The demand for work clothes was fairly active during September, with some reordering reported by certain distributors. September sales of the 10 reporting clothiers were 17.4 per cent larger than for the corresponding month in 1924, and 39.4 per cent under the August total this year. Prices were unchanged as compared with the preceding thirty days.

Drugs and Chemicals — Gains noted in this classification during the past several months were continued during the period under review. September sales of the 11 reporting interests exceeded those of the same month in 1924 by 13.1 per cent and were 12.5 per cent larger than the August total this year. Seasonal goods are moving in satisfactory volume, and advance ordering of fertilizers and insecticides are well above the same time a year ago. Fall holiday buying was in evidence earlier than usual, three leading interests reporting sales in this category the largest recorded in any similar period.

Dry Goods — Purchasing generally through the entire line continues active, with future orders showing further distinct improvement. The demand for staples is on a broader scale than heretofore, but the call for styled goods and specialties is still the outstanding feature in current sales. Hosiery and knitted goods generally are moving in satisfactory volume, though the warm weather in September and early October served to hold down the volume of reordering of heavy weight goods. Rayon mixtures and silk goods continue in excellent demand, with sales of women's ready-to-wear garments in these fabrics running well ahead of a year ago. Silks and a number of cotton goods showed small price increases over the preceding thirty days. Sales of the 11 reporting interests during September were 6.3 per cent larger than the total for the same month in 1924, but 2.1 per cent under August this year.

Electrical Supplies — As compared with the corresponding period a year ago, sales of the 12 reporting interests during September showed a gain of 34.2 per cent, but the total was 6.6 per cent under that of August this year. Business in the general run of staple supplies is reported on a normal and satisfactory basis. The gain over a year ago was accounted for in large part by increased sales of radio goods and household appliances. Prices showed no change worthy of note. Stocks of the reporting firms on October 1 were 16.7 per cent

smaller than a year earlier, but 4.3 per cent larger than those on September 1 this year.

Flour — Production by the 11 leading mills of the district during September was 354,457 barrels, the largest since last October, and comparing with 329,516 barrels in August and 383,922 barrels in September, 1924. During late September and the first week in October business was quiet, with an easier trend in prices. Export sales were limited, and domestic buyers were holding off because of the decline in wheat. Shipping directions on flour previously bought were good and some mills were moving close to their full current make. With the sharp upturn in wheat during the second week of October, flour prices were advanced, and considerable improvement was noted in sales and inquiries. Mill operation was at from 65 to 70 per cent of capacity.

Furniture — Reports of leading interests reflect considerable irregularity in business during the period under review. Sales in the country are not up to expectations, and dealers are disposed to take only what goods they can dispose of from month to month. Less than the usual interest has been displayed in holiday goods. On the other hand some factories are operating at capacity and disposing of their full outputs. There is an excellent demand for hotel, theater and school furnishings and equipment, but a slowing down in the call for household furniture. Prices were unchanged. September sales of the 25 reporting interests were 18.3 per cent under those of the same month in 1924 and 2.2 per cent below the August total this year. Stocks on October 1 were larger by 12.2 per cent than a year earlier and 27.6 per cent larger than on September 1 this year.

Groceries — September sales of the 22 reporting interests were 8.8 per cent larger than for the same month in 1924, and 19.0 per cent in excess of the August total this year. Stocks increased 13.9 per cent between September 1 and October 1, and on the latter date were 15.1 per cent larger than a year earlier. A large portion of the gain in the year-to-year comparison was ascribed to better results in the country, and but for wet weather and heavy roads in many sections, the betterment would have been even more marked. The demand generally through the line is good, with sales of canned goods particularly heavy. Prices averaged about steady, advances being offset by declines.

Hardware — The entire line of fall and winter goods is reported active, with retailers in the country calling for expedited shipment of merchandise previously ordered. More interest is being shown in spring goods than at the same period last year,

and ordering of holiday goods is generally satisfactory. All varieties of building hardware continues in excellent demand, with sales of paints, roofing materials and window glass heavier than usual at this season. The call for sporting goods and hunters' supplies was reported brisk. Price changes were narrow during the past month, but the trend was higher, with a number of specific advances mentioned in list prices for spring goods. September sales of the 12 reporting interests were 13.2 per cent larger than for the same month in 1924, and 1.4 per cent in excess of the August total this year.

Iron and Steel — Business in this classification continues to show moderate but steady expansion. Orders received at mills and foundries have increased, and while shipments hold to their recent high levels, some accumulation of backlogs is noted. As has been the case for a number of months the building industry continues the most satisfactory outlet for iron and steel goods. With the approach of less favorable weather for building operations there is in evidence a general anxiety to place work under contract, evidenced by the volume of structural awards and large sales of standard building materials from stock. The demand from the automotive industry is active, particularly for sheets, deliveries on which are backward in many instances. There has been some slowing down in the call for oil country goods, with sales of bars and tubular materials smaller than during the preceding thirty days. The coal fields, however, are purchasing more freely, and the cement and quarrying industries continue to account for liberal tonnages. With the improved general demand some efforts have been made to advance prices, particularly on materials for advanced delivery. In the case of finished and semi-finished goods, however, little has been accomplished in this direction, average values showing virtually no variation as compared with the preceding month. Pig iron production showed a further gain during September, the increase over August being approximately 0.69 per cent, though September has 30 days, against 31 in August. Steel ingot production in September also showed a moderate gain over the preceding month. Pig iron prices advanced, No. 2 Southern iron (1.75 to 2.25 per cent silicon) averaging \$18.50 in September against \$18 in August, and Northern iron of the same grade advancing \$1 per ton to \$21.50, base. During the third week of October Southern iron advanced to \$20.50 per ton. Scrap iron and steel prices, on the other hand, continued to decline, heavy melting steel in the St. Louis market dropping to \$15.25 per ton.

Lumber — Average prices of softwoods have attained the highest point since last May, a sharp upturn having developed since the decline of a month ago. The unprecedented volume of fall construction of all types, together with a broad industrial demand for lumber, has resulted in a heavy movement into consumers' hands. Yard stocks are generally light, particularly in the country, and there is a general movement to replenish and fill out assortments. No change worthy of comment has taken place in the hardwoods. Industrial buying is on a liberal scale, with the furniture and automotive interests still accounting for large quantities. Advices from Memphis mention heavy bookings of hardwoods to the United Kingdom, scheduled for shipment through the first quarter of 1926.

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		Stocks on hand		Stock turnover	
	Sept. 1925 comp. to Sept. 1924	Nine months ending Sept. 30, 1925, to same period, 1924	Sept. 30, 1925 comp. to Sept. 30, 1924	Sept. 30, 1925 comp. to Sept. 30, 1924	January 1, to Sept. 30, 1925	January 1, to Sept. 30, 1924
Evansville	0.0%	2.0%	17.3%	147.7	138.1	138.1
Little Rock.....	4.7	6.9	0.8	186.6	167.4	167.4
Louisville	+11.9	+ 0.4	6.1	242.9	211.3	211.3
Memphis	+ 0.1	+ 6.9	+ 2.9	170.6	162.9	162.9
Quincy	13.6	1.7	6.3	173.2	150.5	150.5
St. Louis.....	0.9	+ 3.6	+ 4.8	231.4	225.9	225.9
Springfield	6.3	2.8	16.2	112.6	95.5	95.5
8th District.....	0.3	+ 3.7	+ 2.0	215.1	206.5	206.5

CONSUMPTION OF ELECTRICITY

Public utility companies in the five largest cities of the district reported a decrease of 1.0 per cent in consumption of electricity by industrial customers during September as compared with the preceding month. As compared with September, 1924, however, a gain of 19.4 per cent was shown. In the year-to-year comparison the gain was spread generally over all classes of users, but with cold storage and ice manufacturing plants showing the largest relative increases.

Detailed figures follow:

	No. of customers	Sept. 1925 *K.W.H.	Aug. 1925 *K.W.H.	Sept. 1925 comp. to Aug. 1925	Sept. 1924 *K.W.H.	Sept. 1925 comp. to Sept. 1924
Evansville.....	40	1,246	1,242	+ 0.3%	928	+34.3%
Little Rock.....	35	1,334	1,351	1.3	1,366	2.3
Louisville	67	5,064	5,051	+ 0.3	4,118	+23.0
Memphis	31	975	961	+ 1.5	1,025	4.9
St. Louis.....	88	16,270	16,534	1.6	13,412	+21.3
Totals.....	261	24,889	25,139	1.0	20,849	+19.4

AGRICULTURE

Changes in yields of the chief crops in the district as a result of conditions prevailing during the past thirty days were relatively narrow. On the whole, however, prospects were somewhat more favorable than during the similar period immediately preceding and the general trend was in the

direction of improvement. The protracted drought and hot spell were broken in mid-September, though average temperatures during September were unusually high. The moisture came too late to repair injury done to certain crops, but pastures were greatly benefited, and corn, tobacco, legumes and late vegetables were helped to some extent.

In some sections good progress was made in preparing the soil for fall crops, but elsewhere such work is backward, having been held up in the first instance by lack of rain, and more recently by too abundant rains, which have interfered with seeding. During September there was a decline in the output of milk, due to dry pastures, and shipments of eggs and poultry were smaller. The condition of live stock was reported less satisfactory than heretofore, but some improvement has taken place since October 1. According to the Department of Agriculture, the composite condition of all crops in states wholly or partly within this district (100=10-year average) was 99.4 per cent on October 1, against 96.6 per cent on September 1, and 92.3 per cent on October 1, 1924.

Wheat—Scattered reports from the chief grain producing areas of the district indicate fair increases in winter wheat acreage, though weather conditions from this time forward will play an important part in final plantings. In parts of Illinois and Missouri too much rain has hampered field work, and fears are expressed that the delay will result in less acreage being seeded than intended. Early plowed land is in excellent condition, and grain planted early is coming up to a good stand. For the district the indicated yield of all wheat on October 1 was 63,351,000 bushels, against 63,427,000 bushels on September 1, and 53,394,000 bushels harvested in 1924. For the entire country the yield is 697,000,000 bushels, a decrease of 3,000,000 bushels under the September 1 estimate, and comparing with 873,000,000 bushels produced in 1924.

Corn—Intense heat and drought conditions during early September considered, the corn crop held its own in fairly good shape in this district during the period under review. In all states, with exception of Tennessee prospects are for heavier yields than last year. Harvesting is general, and cribbing is earlier than usual in most sections. Early husking returns indicate a large quantity of light, chaffy corn, but in some counties quality is exceptionally good. Virtually no corn is still immature, and frost damage will be negligible, as much of the crop is now cut and out of the way. Based on the October 1 condition total output of corn for the district is estimated at 410,628,000 bushels, against 410,785,000 bushels, the indicated yield on September 1, and

346,256,000 bushels harvested in 1924. For the entire country the crop is estimated at 2,918,000,000 bushels against 2,437,000,000 bushels in 1924.

Fruits and Vegetables—With the exception of Illinois, yields of apples, both total and commercial crops, are smaller than a year ago. In the South, particularly the Ozark country, the hot weather caused a heavy drop of apples, which served to reduce the crop materially. Keeping quality of the remaining fruit was considerably lowered. On October 1 the condition of apples in Illinois was 55 per cent, in Missouri 46 per cent, in Kentucky 37 per cent, in Tennessee 31 per cent and in Arkansas 60 per cent. Late tomatoes received but little benefit from the belated rains, and the output is disappointing in commercial areas. Shipments of grapes were fully up to expectations, and exceeded those of last year. The indicated yield of white potatoes for the district on October 1 was 13,794,000 bushels, which compares with 13,894,000 bushels indicated on September 1, and 20,930,000 harvested last year. Sweet potato prospects changed in minor degree only in the principal producing areas. In Mississippi the outlook is for a large crop, 8,294,000 bushels, against 4,400,000 bushels produced in 1924. The indicated combined yield of peanuts in Arkansas, Tennessee, and Mississippi is 29,528,000 pounds, an increase of 2,314,000 pounds over the 1924 crop.

Live Stock—Reports generally relative to live stock are less uniformly favorable than heretofore. The long drought and hot weather had a detrimental effect on herds, from which they have been slow to recover. The recent precipitation, however, has revived pastures, and with earlier and heavier feeding of prepared feeds, it is hoped to get live stock in good condition to enter the cold weather. The hay crop is generally short, the indicated yield for the district on October 1 being 6,793,000 tons, against 6,329,000 tons predicted on September 1, and 8,719,000 tons produced in 1924. The demand for live stock at the principal markets continued active, and shipments were heavy.

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

	Receipts			Shipments		
	Sept. 1925	Aug. 1925	Sept. 1924	Sept. 1925	Aug. 1925	Sept. 1924
Cattle and Calves.....	151,670	164,598	179,349	100,063	102,950	112,667
Hogs	300,110	244,703	312,089	208,771	165,267	227,949
Horses and Mules....	7,329	3,808	6,577	7,408	2,843	5,623
Sheep	54,226	70,035	48,148	28,468	23,407	25,168

Tobacco—Weather during late September and the first week of October was favorable for that portion of the crop remaining in the fields, much of which has shown considerable improvement. Reports from the burley district are to the effect that the crop is curing well, and indications are there will be some fair color, and the late crop will yield

some heavy bodied red fillers, which were scarce in the early cuttings. The aircured crop has improved considerably, both in length and quality, and gives promise of a good percentage of good useful manufacturing leaf. The greater part of the Green river and stemming crop was cut prior to the rains, and the early cutting is curing fairly well. Tobacco in the dark fired district has improved with the rains, and a certain part of this late tobacco will be of desirable quality. Farmers universally are making unusual effort to fire the crop well and cure it thoroughly. Based on the October first condition the crop in this district is estimated at 287,989,000 pounds, against 292,770,000 pounds, the indicated yield on September 1, and 338,335,000 pounds harvested in 1924.

Rice—Recent rains have seriously interfered with harvesting rice, and in the case of the early varieties, considerable damage has been wrought. Due to heavy and excessive rains, accompanied by high winds, much rice has fallen down before being properly matured, and this will be a total loss. While quality of rice threshed has been good, yields have been disappointing. The mills report a fair demand, with prices steady around \$1.50 to \$1.60 per bushel on No. 1 grades. The U. S. Department of Agriculture estimates the crop in Arkansas at 8,113,000 bushels, which compares with 6,552,000 bushels harvested in 1924.

Cotton—The condition of cotton in this district underwent improvement between the middle of September and October 1. The indicated yield on the latter date was 3,112,000 bales, which compares with 2,762,000 bales on September 16, and 2,231,000 bales produced in 1924. For the country as a whole the crop on October 1 was estimated at 14,759,000 bales, against 13,628,000 bales, the final Census ginnings in 1924. According to the U. S. Department of Agriculture the chief cause of the improved prospect was that September rains revived drought-stricken plants to an unexpected extent. This rainfall benefited many plants that had been regarded as hopelessly damaged. Generally bolls have opened so rapidly that there has been a scarcity of pickers, with the result that much cotton was unpicked and subject to damage from unfavorable weather. The movement to market has been rapid, and is taxing storage and ginning capacity. Receipts at Arkansas compresses from August 1 to October 9 totaled 237,654 bales, against 108,553 bales during the corresponding period last year and 38,768 bales in 1923.

Commodity Prices—Range of prices in the St. Louis market between September 15, 1925, and

October 15, 1925, with closing quotations on the latter date and on October 15, 1924:

		Close			
		High	Low	Oct. 15, 1925	Oct. 15, 1924
Wheat					
December	per bu.	\$1.56¾	\$1.37½	\$1.51	\$1.49
May	"	1.59	1.38¾	1.46½	1.54¾
No. 2 red winter	"	1.81	1.58	\$1.72 @	\$1.47 @
No. 2 hard	"	1.65	1.46	1.57 @	1.60 @
Corn					
December	"	.82¾	.74¾	.74¾	1.12
May	"	.85¾	.79	.79¼	1.15¾
No. 2	"	.96	.79	.83½	1.15 @
No. 2 white	"	.96	.81	.87	1.17
Oats					
No. 2 white	"	.42½	.39¾	.40¾	.55½
Flour					
Soft patent	per bbl.	9.25	8.25	8.75 @	9.25 @
Spring patent	"	8.25	7.30	7.85 @	8.10 @
Middling cotton	per lb.	.24	.22¼	.22¼	.22¼
Hogs on hoof	per cwt.	14.30	10.00	10.00 @	11.85 @
Note: September wheat closed at \$1.48 and September corn at 76c.					

BUILDING

Building operations throughout the district continued with undiminished activity during the period under review. In the five largest cities of the district the dollar value of permits for new construction in September was 21.0 per cent larger than for the same month in 1924, but 1.2 per cent less than during August this year. Save for a slight advance in certain grades of lumber, prices of building materials developed no change as compared with the preceding thirty days. Production of portland cement for the country as a whole during September was 15,939,000 barrels, against 16,419,000 barrels in August and 14,519,000 barrels in September, 1924.

Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1925	1924	1925	1924	1925	1924	1925	1924
Evansville ..	174	288	\$ 451	\$ 403	89	115	\$ 13	\$129
Little Rock ..	81	83	279	176	102	130	41	46
Louisville ...	373	362	2,637	2,937	96	107	219	64
Memphis	421	451	876	1,365	95	124	21	50
St. Louis....	852	1,059	4,312	2,192	512	591	352	592
Sept. totals..	1,901	2,243	\$8,555	\$7,073	894	1,067	\$ 646	\$881
Aug. totals..	2,188	1,922	8,659	5,506	979	946	827	602
July totals..	2,179	1,797	6,753	5,558	843	1,028	683	661
*In thousands of dollars (000 omitted).								

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in postal receipts for the third quarter of 1925 of 4.4 per cent under the second quarter, but a gain of 7.4 per cent over the third quarter of 1924. Detailed figures follow:

	*For quarter ending				Sept. 1925
	Sept. 30, 1925	June 30, 1925	Mar. 31, 1925	Sept. 30, 1924	comp. to Sept. 1924
Evansville	\$ 145	\$ 151	\$ 148	\$ 141	+ 2.8%
Little Rock	211	201	207	201	+ 5.0
Louisville	651	664	642	600	+ 8.5
Memphis	474	493	431	421	+12.6
St. Louis.....	2,850	3,021	2,983	2,669	+ 6.8
Totals.....	\$4,331	\$4,530	\$4,411	\$4,032	+ 7.4
*In thousands (000 omitted).					

FINANCIAL

The firmer tone of the money market, noted in the preceding issue of this report, was sustained during the period under review. A number of important manufacturing and mercantile lines increased their commitments, and total loans of the reporting member banks moved steadily upward to

the highest levels reached since last spring. The broader general demand for money was reflected in a further upward trend in interest and discount rates. Demand from the agricultural sections was stronger, particularly in the South where requirements for financing cotton, tobacco, rice, cotton seed, and other late crops are making themselves felt. As compared with the preceding thirty days there was quite marked improvement in the call for funds to carry live stock. Grain and flour milling interests were calling for slightly heavier accommodations, and there was the usual seasonal increase in borrowing by the packing and canning industries. Large October settlements of the boot and shoe and dry goods interests resulted in a reduction of their loans, though the broadened activities of these lines are holding their commitments at higher levels than at this time last year. Scattered liquidation through the agricultural sections is reported as crops are marketed and moved into consumptive channels. Requirements of manufacturers of building materials continue at the high levels noted in recent months. Loans on stock exchange collateral varied in minor degree only. Generally through the district the crop movement has been financed with a minimum of strain on banks in the large centers, and as has been the case for the past several months, loanable funds in hands of the financial institutions are ample for accommodating all legitimate business requirements.

Commercial Paper — Scant offerings, particularly of choice names, featured business during the past thirty days, and tended to hold down volume of sales. Brokerage interests also complained of keen competition of the low eastern call money rate and liberal accommodation offered borrowers by their banking connections. In addition efficient collections have placed many mercantile and manufacturing interests in a strong cash position, so that they are able to carry on to a large extent with their own resources. The general demand for commercial paper was reported good, especially in the South. Rates were steady at $4\frac{1}{4}$ to $4\frac{1}{2}$ per cent.

Condition of Banks — Further expansion in loans and discounts of reporting member banks took place during the period under review, the total on October 14 being \$511,979,000, which compares with \$503,981,000 on September 16 and \$483,019,000 on October 15, 1924. Deposits also moved upward, totalling \$617,041,000 on October 14, against \$607,393,000 a month earlier and \$585,548,000 on October 15, 1924. Investments declined slightly, the total on October 14 being \$165,129,000 against \$169,568,000 on September 16 and \$147,302,000 on October 15, 1924.

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

	*Oct. 14, 1925	*Sept. 16, 1925	*Oct. 15, 1924
Number of banks reporting.....	33	33	33
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations.....	\$ 6,654	\$ 7,228	\$ 9,869
Secured by other stocks and bonds.....	180,945	173,101	153,747
All other loans and discounts.....	324,380	323,652	319,403
Total loans and discounts.....	\$511,979	\$503,981	\$483,019
Investments			
U. S. pre-war bonds.....	12,707	12,707	14,807
Liberty bonds.....	22,812	22,788	22,224
Treasury bonds.....	10,638	11,247	2,256
Victory and Treasury notes.....	6,582	6,737	10,160
Certificates of Indebtedness.....	2,440	3,648	2,607
Other securities.....	109,950	112,441	94,548
Total investments.....	\$165,129	\$169,568	\$147,302
Reserve balance with F. R. bank.....	48,873	46,629	45,496
Cash in vault.....	8,799	7,969	7,952
Deposits			
Net demand deposits.....	399,404	392,204	375,393
Time deposits.....	213,167	210,081	206,549
Government deposits.....	4,470	5,108	3,606
Total deposits.....	\$617,041	\$607,393	\$585,548
Bills payable and rediscounts with Federal reserve bank			
Secured by U. S. Gov't. obligations....	2,471	3,843	977
All other.....	12,011	19,161	5,244
*In thousands (000 omitted)			
Total resources of these 33 banks comprise approximately 54 per cent of the resources of all member banks in the district.			

Federal Reserve Operations — During September the Federal Reserve Bank of St. Louis discounted for 226 of its member banks, against 220 accommodated in August, and 239 in September, 1924. The discount rate remained unchanged at 4 per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago are shown in the following table:

	*Oct. 17, 1925	*Sept. 17, 1925	*Oct. 17, 1924
Bills discounted.....	\$29,933	\$39,563	\$21,646
Bills purchased.....	15,402	2,374	7,017
U. S. Securities.....	20,288	30,163	16,769
Foreign loans on gold.....	294	345
Total bills and securities.....	\$65,917	\$72,445	\$45,432
F. R. Notes in circulation.....	41,419	40,051	56,727
Total deposits.....	83,372	79,315	78,556
Ratio of reserves to deposit and F. R. note liabilities.....	52.0%	44.4%	73.0%

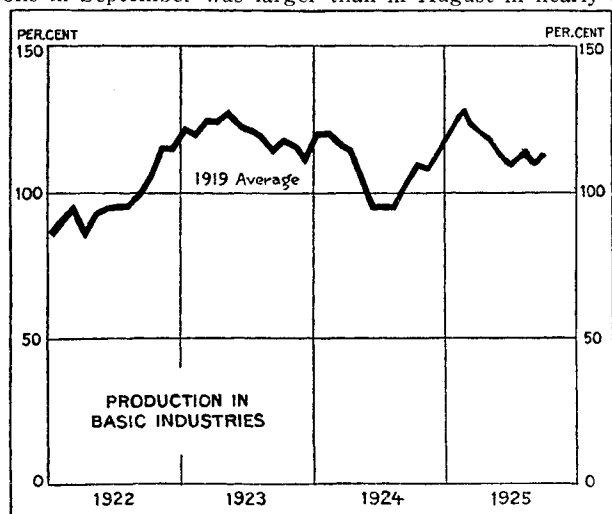
Debits to Individual Accounts — The following comparative table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in the leading cities of this district. Charges to accounts of banks are not included:

	*For four weeks ending			Oct. 1925	Oct. 1925
	Oct. 21, 1925	Sept. 22, 1925	Oct. 22, 1924	comp. to Sept. 1925	comp. to Oct. 1924
E. St. Louis and					
Nat. Stock Yards, Ill..	\$ 46,526	\$ 43,688	\$ 42,349	+ 6.5%	+ 9.9%
El Dorado, Ark.....	10,722	10,100	6,653	+ 6.2	+ 61.2
Evansville, Ind.....	38,073	37,226	26,273	+ 2.3	+ 44.8
Fort Smith, Ark.....	17,387	13,889	16,781	+ 25.2	+ 3.6
Greenville, Miss.....	5,931	4,713	4,779	+ 25.5	+ 24.1
Helena, Ark.....	8,176	6,347	6,898	+ 28.7	+ 18.5
Little Rock, Ark.....	88,972	74,628	82,807	+ 19.2	+ 7.4
Louisville, Ky.....	171,479	160,699	152,278	+ 6.7	+ 12.6
Memphis, Tenn.....	192,637	146,539	138,058	+ 31.5	+ 39.6
Owensboro, Ky.....	4,406	4,991	4,685	- 11.7	- 6.0
Quincy, Ill.....	11,783	10,953	10,874	+ 7.6	+ 8.4
St. Louis, Mo.....	730,000	648,100	654,805	+ 12.6	+ 11.5
Sedalia, Mo.....	3,988	4,565	4,178	- 12.6	- 4.5
Springfield, Mo.....	14,212	13,994	11,546	+ 1.6	+ 23.0
Totals.....	\$1,344,292	\$1,180,432	\$1,162,964	+ 13.9	+ 15.6
*In thousands (000 omitted).					

(Compiled October 22, 1925)

BUSINESS CONDITIONS IN THE UNITED STATES

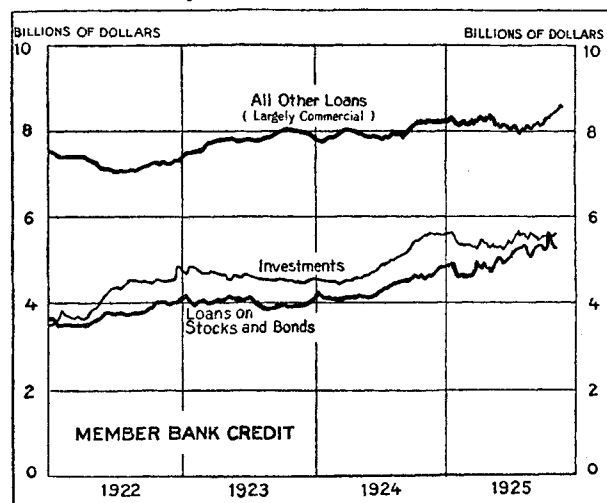
Production—The Federal Reserve Board's index of production advanced 2 per cent in September, notwithstanding the suspension of anthracite mining. The volume of output increased considerably in the iron and steel, bituminous coal, and textile industries, while the decreases which occurred in some other industries were relatively smaller. Automobile production was larger than in August, but continued to reflect the effects of curtailment incidental to changes in models. Number of employees on factory payrolls in September was larger than in August in nearly all



Index of 22 basic commodities corrected for seasonal variation. Latest figure, September=111.

reporting industries. Building contracts awarded during September did not equal the record level of August, but continued large as compared with earlier months. Total contracts awarded during the first nine months of this year were nearly as large as for the entire year 1924.

Crop conditions, as reported by the Department of Agriculture, showed considerable improvement in September and the indicated yields of cotton, corn, oats, barley and hay were larger than a month earlier, while forecasts of wheat and tobacco production were slightly smaller. Marketing of crops increased further in September, but was smaller than last year.

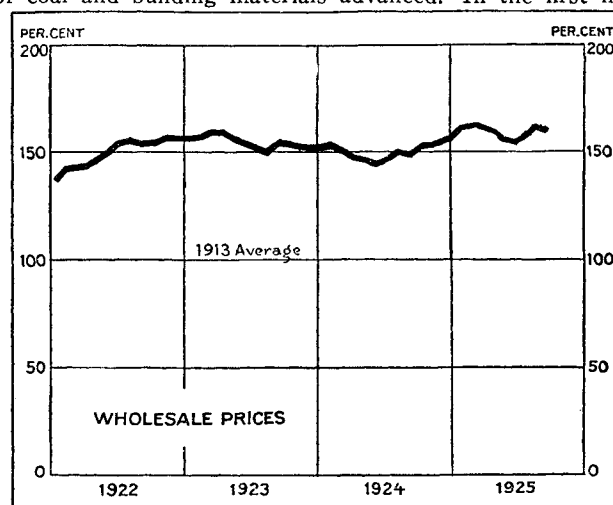


Weekly figures for member banks in 101 leading cities. Latest figure, October 15.

Trade—Wholesale trade was 9 per cent larger in September than in August and sales in all lines except dry goods were larger than a year ago. Sales of department stores and mail order houses showed considerably more than the usual increase in September and were larger than a year ago. Stocks of merchandise at department stores also increased in September more than usual and, at the end of the month, were 4 per cent greater than a year ago. Wholesale firms in all leading lines except groceries reported smaller stocks on September 30 than a month earlier.

Total and merchandise freight car loadings in September were larger than during the same month of any previous year. Coal shipments were smaller than in August, owing to the anthracite strike, and shipments of coal and of grain products were smaller than in September of last year.

Prices—The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined slightly in September. Among groups of commodities, grains, woolen goods, and furniture showed price declines, while prices of coal and building materials advanced. In the first half

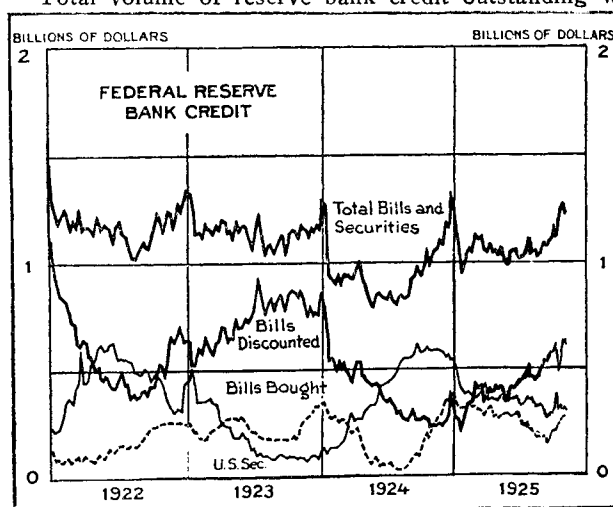


Index of U. S. Bureau of Labor Statistics. Latest figure, September=160.

of October prices of grains, woolen and rubber increased, while prices of sheep, hogs, sugar and cotton declined.

Bank Credit—At member banks in leading cities the volume of loans, both for commercial purposes and on securities, increased further between September 16 and October 14, and at the middle of October total loans of these banks were nearly \$650,000,000 larger than at the end of July. During the same period demand deposits of these banks increased by about \$360,000,000, but were below the level of the beginning of the year, while the volume of their borrowings at the reserve banks increased by about \$200,000,000 to the highest point of the year.

Total volume of reserve bank credit outstanding was



Weekly figures for 12 Federal reserve banks. Latest figure, October 21.

larger in October than at any other time during 1925, reflecting increases during the two preceding months both in discounts for member banks and in acceptances bought in open market. This growth has been due primarily to the seasonal increase during the period of about \$100,000,000 in currency in circulation, and there has also been a considerable increase in member bank reserve balances, accompanying a growth in their deposits. In October the rates on prime commercial paper were firmer and the renewal rate on call loans averaged higher than in September.