

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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GENERAL business in this district during the past thirty days developed no marked changes as contrasted with the similar period immediately preceding. The improvement which commenced in the early fall was continued, but it was at a more moderate rate and extended to a more limited number of lines than was the case earlier in the season. Distribution at retail, which was stimulated by unusually heavy holiday shopping, was relatively much better than in the wholesale and jobbing lines. In a majority of the wholesale lines investigated, sales during November fell below those of the corresponding month in 1924, also below the October totals this year.

In the general classification of goods for common consumption, such as dry goods, groceries, clothing and boots and shoes, wholesale transactions showed declines. In iron and steel, hardware, chemicals and furniture there were good gains over the corresponding period last year. Distribution of automobiles was also in considerably heavier volume than a year ago. Unseasonably warm weather was responsible in large measure for a retarded movement of winter goods, and there was the usual slowing down in purchasing incident to the approach of the inventory period. In the South results were below expectations, due partly to the decline in prices of raw cotton.

In virtually all lines buying is still largely on an immediate requirement basis, though during the past three weeks there has been greater interest shown in goods for consumption next spring. Future business has increased slightly and is generally equal to or a shade better than a year ago. Price changes were relatively narrow in manufactured goods, though in the future grain markets sharp advances took place, and raw cotton declined below the levels of the preceding thirty days. Activity in the building industry continued at the

recent high levels, and the movement to market of farm products was on a large scale.

Employment conditions underwent further slight improvement, particularly in the large industrial centers. Heavy additions were made to forces at the department stores, and the demand for clerical help was better than during the early fall. Gains were reported by the textile mills, and additional help was taken on at chemical plants, food and kindred products plants, paper and printing establishments and some miscellaneous industries. Some surplus common labor is reported in the South, but not more than customary at this season. Belated fall work on farms kept common farm help busy later into the year than usual. Wages in virtually all industries were maintained at recent levels.

With production of bituminous coal being maintained at close to record levels and continued mild weather, the coal situation was less satisfactory than heretofore. Offerings were more abundant, and an increasing number of "no orders" were reported at the mines. Trade in domestic grades was quieter, with the trend of the market weaker, though taken as a whole prices were fairly well sustained. The demand for steam coal was relatively much better than for domestic grades, and in all fields of the district the volume of railroad tonnage was satisfactory. The recent overtures to settle the anthracite strike have lessened the demand for coke and smokeless coal, and there have been some cancellations of orders for these fuels. Withal sales of by-product coke are heavy, and November shipments of two of the leading by-product interests were the largest ever made in a single month. In the Illinois coal fields shaft mines are active from three to five days a week, and most of the strip mines were on full time. Total output of bituminous coal for the country as a whole for the calendar year to December 5 was 480,679,000 tons, as against 443,981,000

tons for the corresponding period in 1924 and 527,641,000 tons in 1923.

Mild weather and activity in general business, according to officials of railroads operating in this district, are the chief factors in holding freight traffic above all previous seasonal records. In recent weeks heavy gains have been made in the movement of merchandise and miscellaneous freight, and passenger traffic of reporting roads was 3½ per cent greater in November than during the corresponding month last year. Loadings of revenue freight for the entire country during the first 48 weeks this year, or to November 28, aggregated 47,479,300 cars, which compares with 45,059,546 cars for the same period in 1924 and 46,505,389 cars in 1923. The St. Louis Terminal Railway Association which handles interchanges for 28 connecting lines, interchanged 222,669 loads in November, against 235,936 loads in October and 207,150 loads in November, 1924. During the first 9 days of December the interchange amounted to 66,721 loads, against 69,956 loads during the first 9 days of November and 61,677 loads during the corresponding period in December last year. Estimated tonnage of the Federal Barge line between St. Louis and New Orleans for November was 46,700 tons, against 67,627 tons in October and 39,603 tons in November, 1924.

Although collections during the past thirty days were in the main satisfactory, and above the average for the same period in 1924, there was some slowing down as compared with the preceding month. The best results, relatively were in the South where marketing of the cotton, tobacco and rice crops has enabled farmers to pay their bills to merchants, who have in turn been able to settle with the wholesalers in the large centers. There have been further good payments made in the grain areas, but some backwardness is reported in the coal fields. There are some complaints of slow collections by retailers in the large cities. Questionnaires addressed to 460 representative interests in the various lines throughout the district showed the following results:

	Excellent	Good	Fair	Poor
November, 1925.....	5.5%	34.1%	52.7%	7.7%
October, 1925.....	4.4	49.6	40.5	5.5
November, 1924.....	4.9	42.3	48.0	4.8

Commercial failures in the Eighth Federal Reserve District during November, according to Dun's, numbered 74, involving liabilities of \$5,173,004, against 80 defaults in October with liabilities of \$1,756,347 and 102 failures for \$2,063,142 in November, 1924.

The per capita circulation of the United States on December 1, 1925, was \$43.35, against \$42.77 on November 1, 1925 and \$44.08 on December 1, 1924.

MANUFACTURING AND WHOLESALE

Automobiles — Production of automobiles for the country as a whole during November fell 16.8 per cent below the record output of October, but gained 62.1 per cent over the total for November, 1924. Manufacturers reporting direct or through the National Automobile Chamber of Commerce built 336,330 passenger cars in November, against 406,509 in October and 204,402 in November, 1924. Trucks made by these companies in November numbered 38,910, which compares with 44,695 in October and 27,047 in November last year.

Business in automobiles and accessories during the period under review was active, with retail distribution during the first half of December being materially assisted by purchases for Christmas. Mild weather was mentioned by country dealers as a factor in larger sales than anticipated. Generally stocks of new cars are of moderate proportions, and with but two or three exceptions, are smaller than at the corresponding period last year. The used car situation showed little change as compared with the preceding thirty days, save that the number of open models showed a further increase. This was an unfavorable development in that such cars are difficult to dispose of at this season. November sales of 320 dealers scattered through the district were 36.0 per cent larger than for the same month in 1924, and 7.1 per cent under the October total this year. Special campaigns for selling accessories through the holiday trade outlet were reported successful, some of the leading dealers reporting the heaviest November sales ever experienced. The recent advance in tire prices has had a tendency to curtail purchasing both by dealers and the public.

Boots and Shoes — November sales of the 11 reporting interests were 16.8 per cent less than those for the same month in 1924, and 13.8 per cent below the October total this year. Stocks on December 1 were 20.9 per cent larger than on December 1, 1924, and 2.0 per cent larger than on November 1 this year. The past thirty days was a between-season period in this industry, salesmen mainly being in from their territory, and manufacturers and distributors being concerned with the shipment of goods previously sold. Manufacturing activity continued at a high rate, a number of plants operating at full capacity. Generally there was a disposition to make up goods to meet a heavy demand expected in the spring. With a majority of the reporting firms future business was smaller than at the same time last year.

Clothing — Distribution of winter apparel both for men's and women's wear was retarded by unseasonably warm weather and business fell somewhat below expectations. November sales of the 10 reporting interests were 8.3 per cent below those of the corresponding month in 1924 and 32.4 per cent under the October total this year. Reports relative to sales for spring reflect irregular conditions, but the volume of advance orders by a majority of the reporting firms are larger than a year ago. Sport clothes and men's furnishings showed fair activity, with some reordering reported by jobbers during the last week in November and the first half of this month.

Drugs and Chemicals — The steady gains in this classification noted during the past several months were continued in November, sales of the 11 reporting interests during November being 8.4 per cent larger than for the same period in 1924, and 3.8 per cent under the October total this year. Sales of holiday merchandise were the largest in recent years and there was a marked increase in the movement of toilet supplies, medicinal drugs and fine chemicals. Activity in general manufacturing lines was reflected in a continued strong demand for heavy chemicals.

Dry Goods — November sales of the 11 reporting interests were 7.6 per cent below those of the same month in 1924, and 23.1 per cent under the October total this year. Stocks on December 1 were 12.4 per cent less than a month earlier, but 3.8 per cent larger than on December 1, 1924. Advance business of the reporting firms was about equal to that of a year ago. The decline in cotton prices has a tendency to hold down buying of goods based on that staple and the movement of seasonal merchandise was held in check by the warm weather. Sales of novelties and holiday goods were slightly in excess of last year. Improvement was noted in the demand for hosiery and the general line of knitted goods.

Electrical Supplies — Unusually heavy sales of radio materials and the general line of holiday goods, coupled with continued activity in the building industry, caused a gain in November sales of the 12 reporting interests of 37.6 per cent over the same month in 1924. As compared with the preceding month this year, November sales showed a decrease of 6.8 per cent. Business generally through the entire line was reported active, with the movement of household appliances, batteries of all kinds and small motors in particularly strong demand. Except for a decline in copper wire, prices showed no change worthy of note as contrasted with the preceding thirty days. Stocks on December 1. were

6.4 per cent larger than a month earlier, but 21.5 per cent smaller than on December 1, 1924.

Flour — Production at the 11 leading mills of the district during November was 324,214 barrels, which compares with 393,111 barrels in October and 302,626 barrels in November, 1924. Stocks of flour in St. Louis on December 1 were 14.7 per cent less than a month earlier and 5.4 per cent below the total on December 1, 1924. Business generally during the period was unsatisfactory. Flour buyers were unwilling to follow the advance in wheat during late November and the first week of December, and sales to the domestic trade were confined to a necessity basis. The decline in wheat beginning the second week of this month intensified the dullness, several mills reporting sales under 40 per cent of current production. Export business was confined to the usual routine transactions with Latin-American countries, virtually nothing being sold to Europe.

Furniture — Sales of the 25 reporting interests during November were 4.9 per cent larger than for the corresponding period in 1924, and 17.0 per cent under the October total this year. Stocks on December 1 were 10.5 per cent smaller than on the same date in 1924, but 47.8 per cent larger than on November 1 this year. Buying for prompt shipment continues on a satisfactory scale, but ordering for delivery next year was under expectations. The movement of office furniture, particularly metal goods, has developed marked improvement during the past sixty days. Purchasing of holiday goods was in most instances satisfactory, and there is still an active demand for floor coverings and house furnishings. Some advances in prices on spring goods were announced, mainly to conform with the recent rise in certain grades of lumber.

Groceries — While stocks in hands of retailers are light, buying continues on a hand-to-mouth basis and business generally in this line developed no change worth mention, either as compared with the preceding month or the corresponding period a year ago. Sales volume in November, however, was materially assisted by unusually heavy ordering of holiday goods. Price fluctuations were narrow, and advances about balanced declines. November sales of the 22 reporting interests were 0.1 per cent smaller than for the corresponding month in 1924 and 14.3 per cent below the October total this year. Stocks on December 1 were 0.5 per cent larger than a month earlier, and 6.0 per cent smaller than on December 1, 1924.

Hardware — Sales of the 12 reporting interests during November were 1.2 per cent larger than in the corresponding period in 1924, but 21.1 per cent

below the October total this year. Stocks on December 1 were greater by 2.4 per cent than on the same date last year and 0.7 per cent below those of November 1 this year. Sales of holiday merchandise were above expectations, wholesalers and jobbers reporting an unusually large number of repeat orders. Demand for staple goods was confined chiefly to immediate requirements, due to desire to hold down stocks at the inventory period. Builders' hardware continues in better than seasonal demand, and ordering of hand implements, garden tools, dairy and poultry supplies and other goods for consumption in the country for delivery early next year was in liberal volume. Prices were strong, with an upward trend in certain lines of iron and steel goods.

Iron and Steel Products — The steady improvement in this classification, noted during the preceding three months, continued during the past thirty days. Ordering of finished and semi-finished materials for delivery during the first quarter of 1926 was large, and most of the mills and foundries report future business ahead of the corresponding period in 1925. The average rate of production at steel mills was higher than a month earlier, and the leading sheet producer was operating at full capacity. Manufacturers of farm implements, stoves and other commodities used principally in the agricultural sections report an active demand for their goods. The demand for structural iron and steel is unusually good for this season, and fabricators are well supplied with orders. Sales of reinforcing concrete bars, both for prompt and future delivery, are above the seasonal average. Purchasing of equipment and track materials by the railroads has increased in volume, and automobile builders are specifying freely on goods under contract. The demand for machine tools and machinery is active, and specialty makers generally report improvement in their sales. An exception to general betterment was noted in the case of tubular goods, due to the lessened demand from the oil fields. While the trend of prices on finished materials was upward, actual changes were insignificant as compared with levels prevailing thirty days earlier. For the country as a whole a further increase in the output of pig iron during November was recorded, though the percentage of gain was less than half of that of October. Steel ingot production in November was the largest in history for that month and on an average daily basis represented 96.7 per cent of the highest monthly output or that of March, 1924. Buying of pig iron slowed down rather markedly, most of the melters of the district having covered their requirements in purchasing movement of the

preceding month. Pig iron prices were unchanged to 50c per ton higher. Scrap iron and steel declined further, with heavy melting steel falling to \$14.75 per ton, the lowest point reached in recent months.

Lumber — Save for the usual seasonal decrease in demand since the first of this month, the lumber situation has showed gradual improvement. The falling off in buying during the past three weeks is due chiefly to the approach of the inventory period, somewhat freer offerings of yellow pine in transit and rather marked price advances in the hardwoods during November. Production of virtually all woods has been below the fall averages in recent years, and with mill stocks low, prices were generally well maintained. No. 2 boards and some other staple items of southern pine were lower, and the price range has widened on some of the hardwoods which advanced most sharply last month. The demand from the building industry is holding up well, and the general manufacturing demand is active.

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	
	Nov. 1925 comp. to Nov. 1924	Eleven months ending Nov. 30, 1925, to same period, 1924	Nov. 30, 1925 comp. to Nov. 30, 1924	Nov. 30, 1925 comp. to Nov. 30, 1924	January 1 to Nov. 30, 1925	January 1 to Nov. 30, 1924
Evansville	+ 0.6%	— 1.8%	— 9.0%	185.4	171.9	
Little Rock.....	— 10.4	+ 6.0	— 0.1	241.0	222.3	
Louisville	+ 1.4	+ 2.2	+ 7.4	300.6	267.1	
Memphis	+ 7.6	+ 9.3	+ 8.2	220.1	206.6	
Quincy	— 5.8	+ 0.6	+ 1.0	220.1	211.6	
St. Louis	+ 6.2	+ 6.4	+ 6.4	292.4	279.8	
Springfield	+ 7.0	+ 1.3	— 13.3	147.0	120.1	
8th District.....	+ 4.3	+ 6.0	+ 5.9	274.6	258.6	

CONSUMPTION OF ELECTRICITY

Electric power consumed by industrial customers of public utilities companies in the five largest cities of the district during November was 10.5 per cent larger than for the same month in 1924, but 8.9 per cent below the October total this year. In the year-to-year comparison the increase was distributed generally through all classes of users. The reduction from October to November represented the seasonal curtailment of production at cold storage and compressor plants.

Detailed figures follow:

	No. of customers	Nov. 1925	Oct. 1925	Nov. 1925	Nov. 1924	Nov. 1925
		*K.W.H.	*K.W.H.	comp. to Oct. 1925	*K.W.H.	comp. to Nov. 1924
Evansville	40	1,035	1,088	— 4.9%	933	+10.9%
Little Rock.....	35	1,136	978	+16.2	1,192	— 4.8
Louisville	67	4,937	5,346	— 7.7	3,996	+23.5
Memphis	31	1,543	1,554	— 0.8	1,339	+15.2
St. Louis.....	89	14,280	16,203	—11.9	13,293	+ 7.4
Totals.....	262	22,931	25,169	— 8.9	20,753	+10.5

*In thousands (000 omitted).

The following figures, compiled by the Department of the Interior, show kilowatt production both

for lighting and industrial purposes for the country as a whole:

	By water power	By fuels	Totals
October, 1925.....	1,795,906,000	4,135,690,000	5,931,596,000
September, 1925.....	1,607,003,000	3,876,366,000	5,483,369,000
October, 1924.....	1,628,040,000	3,559,084,000	5,187,124,000

AGRICULTURE

Weather conditions generally throughout the district during the past thirty days were more favorable than during the preceding two months and farmers were able to accomplish a considerable amount of delayed plowing and other fall work. The drying up of fields and roads in many sections permitted of an accelerated movement to market of all varieties of crops. Another stimulant to a heavier movement of cereals was the higher range of prices, particularly in the case of corn, marketing of which has increased to slightly above the same time last year. Sales of wheat and oats in the country were in fair volume, though the movement of wheat is below the average for this season.

Economic conditions in most of the agricultural sections of the district are better than at any time in the past three years. Successful crops and good market prices have enabled farmers to substantially reduce their indebtedness, to make improvements to their farms and facilities and replace equipment. Programs for next year's activities are being formulated on a more extensive scale and with more optimism than during the two preceding years. Results of the recent diversification policy are being felt in increased returns. The past several years have been marked by steady growth in the raising of vegetables and planting and development of orchards. Farm incomes have been materially assisted by the augmented output of dairy and poultry products.

Winter Wheat — Reports relative to the winter wheat crop indicate rather irregular conditions. Due to unfavorable weather, planting extended much further into the season than usual and in many important growing areas farmers were unable to seed as large acreages as they had intended. Much late sown wheat is just appearing above ground and generally very little was suitable for pasturing. The mild temperatures and sunshine since the first of this month have helped the crop and put it in better condition for entering the cold weather. Soil conditions are good and universally there has been ample moisture. Hessian fly infestation is light and confined to scattered localities.

Corn — Since November 1 considerable progress has been made in husking and cribbing corn, and except in a few of the most northern counties this work has been completed. Latest husking returns are bearing out the earlier estimates as to

yield, but are disclosing an unusually large amount of high-moisture content, and the outlook for prime seed corn is the poorest in recent years. The movement from farms is larger than indicated by receipts at primary markets as shipments direct to consumers in sections where the crop was short are larger than is ordinarily the case this early in the season.

Fruits and Vegetables — Harvesting of the white potato crop has been completed, and due to high prices at leading markets, shipments have been heavy. Quality is generally poor and in many sections yields were insufficient to supply local requirements. The sweet potato crop, which was large in Mississippi and Arkansas, has been profitable to producers.

Live Stock — Favorable weather during late November and the first half of December greatly benefited pastures in the South and reports from that section indicate improvement in the condition of live stock as compared with the preceding thirty days. The movement to market of hogs and cattle continued light during November, but there was a gain in shipments of sheep over the month before. Farmers in the northern sections of the district are increasing the number of cattle and hogs on feed, though the total number is slightly below a year ago.

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

	Receipts			Shipments		
	Nov. 1925	Oct. 1925	Nov. 1924	Nov. 1925	Oct. 1925	Nov. 1924
Cattle and Calves.....	137,753	159,429	133,149	83,787	102,490	82,173
Hogs	309,415	307,365	354,971	207,721	217,917	229,816
Horses and Mules....	5,410	8,923	6,120	5,578	8,064	6,556
Sheep	37,755	59,825	25,454	11,751	34,359	11,719

Tobacco — The loose leaf markets for sale of the 1925 crop in the burley, aircured, green river and fired dark districts were opened December 1 with the heaviest offerings in the history of the markets. The tobacco offered was not altogether satisfactory, consisting mostly of common and medium grades. More damaged tobacco is appearing than it was thought the crop contained. Prices for new burley were higher than expected, especially on common and medium grades. Good and fine tobacco brought prices about equal to those realized last year. In the one sucker or aircured markets manufacturing grades brought about last year's prices, while common leaf and lugs were lower. Conditions in the green river and stemming districts were similar to those prevailing in the aircured section. The Burley Tobacco Growers' Cooperative Association announced a sale of 5,500,000 pounds of pooled tobacco of the 1923 and 1924 crops.

Rice — Harvesting and threshing of rice which was retarded early in the season by excessive rains, has made good progress during the past three

weeks. Cutting has been completed, and recent reports indicate 5 to 7 per cent abandoned in the field. Threshing is about half completed, and a considerable part of the threshed rice has an excess of moisture which tends to lower its milling quality. The demand for rice is good and prices better than for several years. Drought during the growing season, and unfavorable weather at harvest and threshing time made the crop expensive to raise.

Cotton — Under greatly improved weather conditions picking of cotton made good headway during the last half of November and the first weeks of December. In Arkansas, Missouri, and Mississippi, growers have been able to pick some cotton which a few weeks ago they thought would be lost. While there is an unusually large amount of poor quality cotton, due to the unfavorable weather conditions, recent ginnings are reported showing some improvement in grade. The movement continues heavy, receipts at Arkansas compresses from August 1 to December 11 totaling 1,266,395 bales, the largest on record for that period, and comparing with 1,028,624 bales for the corresponding time in 1924. Prices were lower, middling cotton in the St. Louis market closing at 19½c per pound on December 15, against 20½c on November 15, and 23½c on December 15, 1924. The December 1 estimate of the U. S. Department of Agriculture places the crop for the entire country at 15,603,000 bales. This was 305,000 bales, or 2.0 per cent above the estimate based on reports to November 14.

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

	High	Low	Close	
			Dec. 15, 1925	Dec. 15, 1924
Wheat				
December .....per bu.	\$1.78½	\$1.59½	\$1.71½	\$1.61½
May	1.76½	1.52½	1.69½	1.67¾
July	1.52¾	1.33	1.46¾	1.46
No. 2 red winter	1.91	1.72½	\$1.80 @ 1.83	\$1.86 @ 1.88
No. 2 hard.....	1.82	1.68	1.71 @ 1.72½	1.64
Corn				
December .....	.80½	.71¾	.76½	1.23
May .....	.86½	.77½	.83¾	1.29¾
July .....	.88	.79½	.85½	1.29¾
No. 2.....	.80	.71¾	.76 @ .77	1.23
No. 2 white.....	.85	.75	.77 @ .78	1.22½
Oats				
No. 2 white.....	.44¾	.40¾	.43	.62 @ .62½
Flour				
Soft patent.....per bbl.	9.50	8.25	8.55 @ 9.00	8.50 @ 9.50
Spring patent....	9.50	8.00	8.55	8.45 @ 8.50
Middling cotton....per lb.	.20¾	.19½	.19½	.23½
Hogs on hoof.... per cwt.	8.75	12.25	9.25 @ 11.35	6.50 @ 9.70

BUILDING

As compared with the preceding thirty days the building situation in this district developed no change worthy of note. Open weather permitted of almost uninterrupted outdoor work, and considerable progress was made on buildings in course of construction. The dollar value of permits issued for new buildings in the five largest cities of the dis-

trict during November was 14.1 per cent smaller than in October, but showed a gain of 17.8 per cent over the total for December last year. There were a few minor fluctuations in building material prices, but these were not sufficient to change the general average. Production of portland cement for the country as a whole during November totaled 13,639,000 barrels, against 15,992,000 barrels in October, and 13,141,000 barrels in November, 1924.

Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1925	1924	1925	1924	1925	1924	1925	1924
Evansville ..	131	117	\$ 215	\$ 302	53	57	\$ 14	\$ 15
Little Rock ..	83	86	241	238	82	85	26	41
Louisville ..	220	255	1,011	1,104	50	70	82	73
Memphis	299	420	930	1,352	145	147	113	45
St. Louis....	758	720	3,893	2,339	371	489	233	344
Nov. totals..	1,491	1,598	\$6,290	\$5,335	701	848	\$ 468	\$518
Oct. totals..	2,103	2,125	7,327	13,032	954	1,163	616	755
Sept. totals..	1,901	2,243	8,555	7,073	894	1,067	646	881

*In thousands of dollars (000 omitted).

FINANCIAL

In the St. Louis money market there were no marked changes or significant developments during the past thirty days and generally credit conditions through the district were similar in most respects to those existing a month earlier. Commercial banks in both the large centers and the country are abundantly equipped with loanable funds, and the demand from mercantile and manufacturing interests was only moderately active. Rates, however, were firm, which fact was attributable mainly to the strong call money market in the East and the lending of large amounts by banks in this district to eastern institutions. The large corn crop and relatively low prices are reflected in increased demands for financing live stock feeding operations in certain sections. The heavier movement of corn and sharp advance in wheat prices have resulted in somewhat heavier borrowings by grain handlers and the flour milling interests. As has been the case for several months past, borrowing from the banks by the mercantile interests is small in proportion to the volume of business being transacted. There has been considerable liquidation from various sources, and deposits of the reporting member banks rose to the highest point since last April. Loans and discounts of the reporting banks also increased, and loans secured by stocks and bonds went to a new high point for the year. In the tobacco districts, where marketing of the 1925 crop is in full swing, there has been fair liquidation, and heavy settlements have been general throughout the cotton areas. Wholesalers and jobbers in the larger centers report November settlements satisfactory and in most instances in excess of a year ago. Indebtedness involved in commercial failures

in the district during November exhibited a heavy increase over the preceding month and the same period in 1924, the unfavorable showing being attributable to one unusually large failure in St. Louis.

Condition of Banks — Loans and discounts of the reporting member banks reached a new high point for the year on December 16, when the total was \$522,004,000. This compares with \$508,475,000 on November 18 and \$501,930,000 on December 17, 1924. Deposits continued to mount sharply and were the highest since last March. Total of this item on December 16 was \$642,841,000, as against \$614,617,000 on November 16 and \$626,562,000 on December 17, 1924. As compared with the preceding thirty days total investments showed little change, the aggregate on December 16 of \$169,857,000 being larger by \$2,030,000 than on November 18, and comparing with \$152,756,000 on December 17, 1924.

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

	*Dec. 16, 1925	*Nov. 18, 1925	*Dec. 17, 1924
Number of banks reporting.....	33	33	33
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations.....	\$ 10,620	\$ 7,039	\$ 10,649
Secured by other stocks and bonds.....	207,431	192,838	174,532
All other loans and discounts.....	303,953	308,598	316,749
Total loans and discounts.....	\$522,004	\$508,475	\$501,930
Investments			
U. S. Pre-war bonds.....	12,957	12,707	14,357
Liberty bonds.....	23,238	23,158	25,951
Treasury bonds.....	10,651	10,640	5,885
Victory and Treasury notes.....	6,894	6,584	12,210
Certificates of Indebtedness.....	6,136	2,719	2,768
Other securities.....	109,981	112,019	101,585
Total investments.....	\$169,857	\$167,827	\$162,756
Reserve balance with F. R. bank.....	49,621	51,107	50,772
Cash in vault.....	8,965	8,254	9,136
Deposits			
Net demand deposits.....	431,663	399,465	405,309
Time deposits.....	203,877	213,854	213,349
Government deposits.....	7,301	1,298	7,904
Total deposits.....	\$642,841	\$614,617	\$626,562
Bills payable and rediscounts with			
Federal reserve bank			
Secured by U. S. Gov't. obligations.....	4,168	3,720	1,405
All other.....	7,593	16,117	2,311

*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.

(Compiled December 19, 1925)

BUSINESS CONDITIONS IN THE UNITED STATES

Production — Output of basic industries included in the Federal Reserve Board's index of production was at about the same rate in November as in October, but owing to a smaller number of working days the index declined by about 1 per cent. Increases occurred in average daily production of pig iron, steel ingots, copper and bituminous coal and in the consumption of cotton, while the production of flour, sugar, and meal products declined. Automobile production in November was seasonably less than in October, but continued large for this time of the year. Employ-

Commercial Paper — In this district the supply of commercial paper has been limited and the market rather inactive. The demand is good, both city and country banks being in the market, and dealers would have been able to place much larger amounts had they been available. Sales of the reporting brokerage interests during November were 10 per cent below the corresponding month a year ago. Rates were unchanged at $4\frac{1}{4}$ to $4\frac{1}{2}$ per cent.

Federal Reserve Operations — During November the Federal Reserve Bank of St. Louis discounted for 201 of its member banks against 219 accommodated in October, and 207 in November, 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:

	*Dec. 16, 1925	*Nov. 16, 1925	*Dec. 16, 1924
Bills discounted.....	\$26,102	\$29,819	\$12,483
Bills bought.....	31,556	22,550	15,650
U. S. Securities.....	18,301	20,487	14,672
Foreign loans on gold.....	405	262	294
Total bills and securities.....	\$76,364	\$73,118	\$43,099
F. R. Notes in circulation.....	39,275	39,744	57,728
Total deposits.....	79,509	85,363	81,891
Ratio of reserves to deposit and F. R. Note liabilities.....	40.7%	46.5%	74.3%

*In thousands (000 omitted).

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			Dec. 1925 comp. to Nov. 1925	Dec. 1925 comp. to Dec. 1924
	Dec. 16, 1925	Nov. 18, 1925	Dec. 17, 1924		
E. St. Louis and					
Nat. Stock Yards, Ill..\$	44,159	\$ 42,495	\$ 41,479	+ 3.9%	+ 6.5%
El Dorado, Ark.....	10,982	10,320	6,772	+ 6.4	+62.2
Evansville, Ind.....	34,610	36,189	29,139	- 4.4	+18.8
Fort Smith, Ark.....	18,243	18,206	15,924	+ 0.2	+14.6
Greenville, Miss.....	5,303	5,572	5,445	- 4.8	- 2.6
Helena, Ark.....	6,750	7,030	6,942	- 4.0	- 2.8
Little Rock, Ark.....	85,926	86,917	79,892	- 1.1	+ 7.6
Louisville, Ky.....	184,728	166,615	157,595	+10.9	+17.2
Memphis, Tenn.....	177,072	176,415	171,355	+ 0.4	+ 3.3
Owensboro, Ky.....	5,497	4,312	5,215	+27.5	+ 5.4
Quincy, Ill.....	11,290	11,173	10,987	+ 1.0	+ 2.8
St. Louis, Mo.....	745,700	719,300	630,500	+ 3.7	+18.3
Sedalia, Mo.....	3,576	3,742	4,065	- 4.4	-12.0
Springfield, Mo.....	14,232	13,575	12,096	+ 4.9	+17.7
Totals.....	\$1,348,068	\$1,301,861	\$1,177,406	+ 3.5	+14.5

*In thousands (000 omitted).

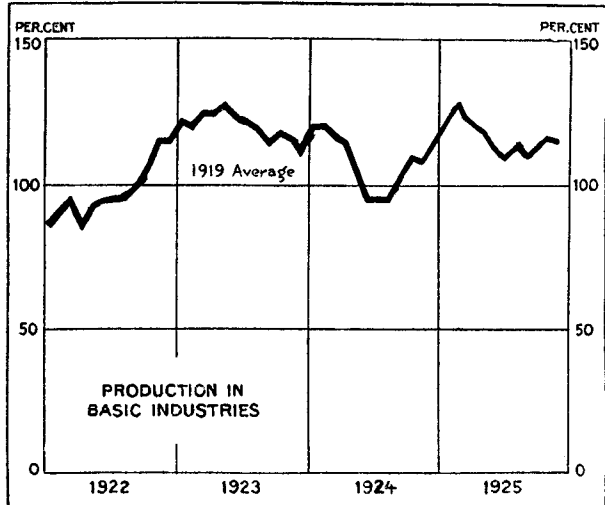
ment and payrolls in manufacturing industries showed small increases in November as compared with October. Employment and workmen's earnings increased in the machinery industries, while in food products and tobacco and in the clothing industry there were seasonal declines.

Building contracts awarded were smaller in November than in October, but were large when compared with the volume for November of previous years. Final estimates by the Department of Agriculture in 1925 indicate that the

acreage of all crops harvested was slightly larger than in 1924, but that the aggregate production of crops was in about the same volume.

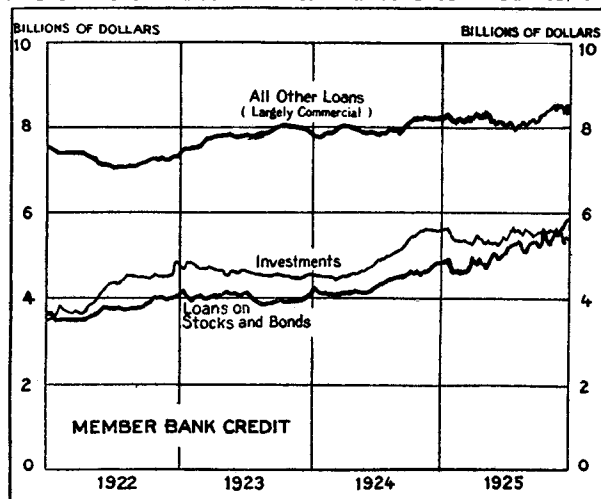
Yields of cotton, corn and tobacco were considerably larger than last year while the production of wheat, oats, potatoes, and hay was smaller.

Trade—Sales in leading lines of wholesale trade showed the usual decline in November from the seasonally



Index of 22 basic commodities corrected for seasonal variation. Latest figure, November=115.

high levels in October, but continued larger than in the corresponding month of any of the past five years. Total volume of trade at department stores and mail order houses was smaller than in October, owing largely to the smaller number of business days in November. Compared with earlier years, however, department store sales were the largest on record for November and sales at mail order houses were the largest for that month in the past six years. Merchandise stocks at department stores showed considerably more than the usual increase in November and were four per cent larger than in November of last year. Distribution of commodities by railroads during November reached new high levels for the month. Movements of merchandise and miscellaneous commodities, coal,



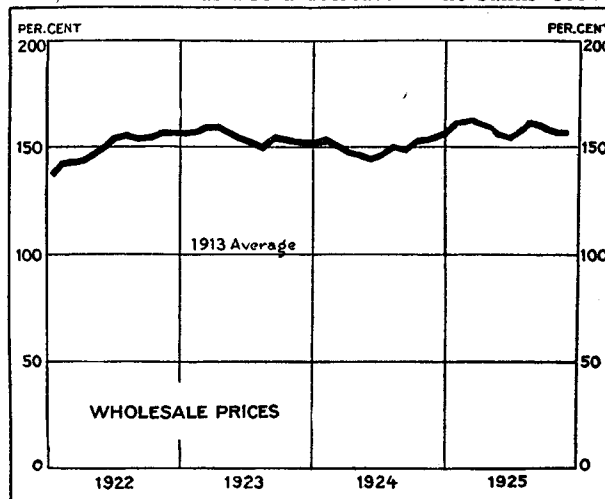
Weekly figures for member banks in 101 leading cities. Latest figure, December 9.

and coke were larger, while those of live stock, grain, and forest products were somewhat smaller than in November of the two preceding years.

Prices—Wholesale prices, according to the index of the Bureau of Labor Statistics remained the same in November as in October. Prices of live stock, meats and cotton goods declined, but these decreases were offset in the general average by the advances in the price of grains,

fuel, lumber and rubber. In the first three weeks of December prices of wheat, flour, and hardwood lumber were slightly higher than in November, while quotations on cattle, cotton, coke, copper, and hides were lower.

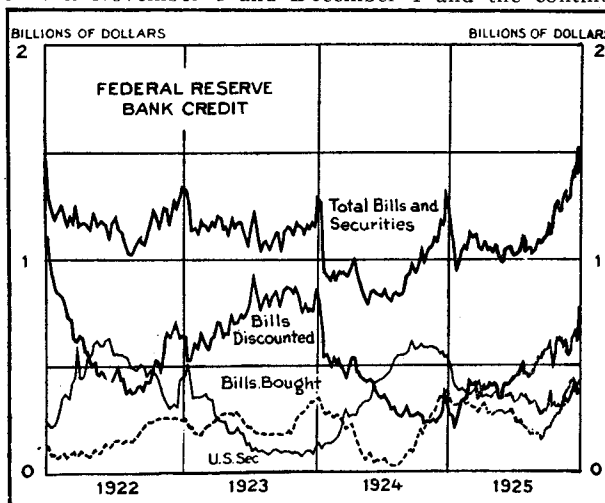
Bank Credit—At member banks in leading cities the volume of credit outstanding on December 9 was near the high level reached early in November. Loans for commercial and agricultural purposes declined somewhat during the period, and there was also a decrease in the banks' security



Index of U. S. Bureau of Labor Statistics Latest figure, November=158.

holdings. Continued growth of loans on securities, was sufficient to offset these reductions, and the total of loans and investments remained practically unchanged.

At the reserve banks the seasonal demand for currency and credit resulted in an increase of total bills and securities in December to the highest level in nearly four years. This increase in reserve bank credit in use has been in the form of discounts for member banks, as the volume of purchased bills held changed but little between the middle of November and the middle of December, and holdings of United States securities also remained constant, except for a temporary increase connected with treasury financing on December 15. Money in circulation increased by \$71,000,000 between November 1 and December 1 and the continued



Weekly figures for 12 Federal reserve banks. Latest figure, December 16.

demand for currency in December was reflected at the reserve banks both in increased Federal reserve note circulation and in a decline in cash reserves. During the latter part of November and the early part of December open-market rates on commercial paper and acceptances remained substantially unchanged. Later in December increased demand for credit and currency, largely seasonal in character, was reflected in firmer money conditions.