



## MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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**B**USINESS in this district during the past thirty days was influenced in an unusual degree by weather conditions. Throughout October and the opening days of this month temperatures were abnormally high over virtually the entire Middle West. These conditions had the effect of limiting distribution of fall and winter merchandise both at retail and wholesale, also of preventing the expansion in trade which is ordinarily experienced at this time of year. On the other hand the mild, open weather was extremely beneficial to late crops. Corn prospects, which earlier in the season were poor, improved substantially in October. This crop, as well as cotton, rice, tobacco and some less important products were harvested under the most ideal conditions which have attended these operations in recent years. Yields are turning out larger than expected, and due to the auspicious harvesting weather, quality in most instances is much higher than had been looked for. This combination of circumstances has improved matters in the agricultural areas and materially augmented purchasing power in the farming community.

Reports from manufacturers and wholesalers in the chief centers of population indicate a lagging tendency and disposition to purchase with caution. Of the lines investigated a large majority showed decreases in the volume of October sales as compared with the same month last year, also as compared with the preceding month this year. Among the lines showing losses in both comparisons were hardware, groceries, dry goods, drugs and chemicals, lumber, automobiles, furniture, electric supplies, millinery and railroad supplies. Gains over last year were recorded in clothing, boots and shoes, men's hats, fire clay products, explosives and some branches of the iron and steel industry. Generally the iron and steel industry, however, exhibited recessionary tendencies, with a further shrinkage in unfinished business and new orders booked. Department stores in the principal cities showed a

small aggregate gain in October over a year ago, and increases were reported by mail order houses and five and ten-cent stores. There was a further decrease in freight loadings of railroads operating in this district, and a sharp recession in building permits.

The employment situation, as reflected in reports of the Employment Service of the U. S. Department of Labor, was less satisfactory than during the preceding month and the corresponding period in 1926. Fewer workers were employed in southern textile and lumber mills, and there was the usual seasonal falling off at cement plants and in the quarrying industry. Generally through the district there was an increase of unemployment among common laborers, most marked in the building industry. The mild weather, permitting of uninterrupted work on highways, gave employment to large numbers of workers, and public works relieved the situation in certain localities. Gains were reported in tobacco warehouses and factories, cotton products plants, glass factories and certain miscellaneous industries.

Mild weather through October and this month adversely affected the coal market. Current consumption was inadequate to take care of production, and in all the chief coal sections of the district railroad tracks were burdened with loaded cars for which no orders existed. Reports from the Illinois and Indiana fields, in which the miners' strike terminated on October 1, indicate that operations are on a relatively limited scale. Nevertheless output is in excess of demand, and operators are experiencing difficulty in disposing of the coal lifted. As has been the case for a number of weeks, steaming coal is especially quiet and weak. Numerous industrial concerns still have a considerable part of the reserve stocks accumulated in the belief that the strike would endure through this winter, and are burning these supplies before arranging for additional tonnages. The Western Kentucky fields are feeling the effects of competition of the reopened union mines,

and of the increased rate differential on shipments to Chicago and the Northwest, which recently went into effect. The domestic coal trade is in need of cold weather to stimulate demand. Railroad buying is disappointing. According to mine operators, attempts to curtail output have been complicated by unevenness in demand as between different sizes of coal. For the country as a whole, production of bituminous coal for the year to November 5, approximately 262 working days, amounted to 445,208,000 net tons, against 472,182,000 tons for the corresponding period in 1926 and 425,193,000 tons in 1925.

A further decrease in freight traffic as contrasted with the same time last year was reported by officials of railroads operating in this district. For the country as a whole loadings of revenue freight during the first 43 weeks of this year, or to October 29, totaled 44,459,425 cars against 45,101,716 cars for the corresponding period last year and 43,430,103 cars in 1925. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines interchanged 224,460 loads in October, against 211,615 loads in September and 241,339 loads in October, 1926. During the first nine days of November the interchange amounted to 60,566 loads, against 63,678 loads during the corresponding period in October and 68,350 loads during the first nine days of November, 1926. Passenger traffic of the reporting roads in October decreased 10 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans for October was 103,000 tons, against 89,396 tons in September and 103,960 tons in October, 1926.

Collections generally through the district were more satisfactory than during the two preceding months, though about equal to those a year ago. In the South where cotton has begun to move, both merchants and bankers report improvement in liquidation, and some betterment was noted in the rice and tobacco areas. Elsewhere in the country, however, spottiness was complained of, with backwardness in some parts of the grain belt and coal fields. In the large cities retailers, except certain department stores, reported payments less prompt than heretofore, but wholesalers for the most part are getting in their money satisfactorily. Answers to questionnaires addressed to representative interests in the several lines through the district showed the following results:

	Excellent	Good	Fair	Poor
October, 1927.....	1.3%	38.5%	52.5%	7.7%
September, 1927.....	1.4	31.5	54.8	12.3
October, 1926.....	1.4	26.4	62.5	9.7

Commercial failures in the Eighth Federal Reserve District during September, according to Dun's numbered 63, involving liabilities of \$1,345,463, against 53 defaults in September with liabilities of \$184,910, and 67 failures for \$801,234 in October, 1926.

The per capita circulation of the United States on November 1, 1927, was \$41.25, against \$41.35 on October 1, 1927, and \$42.53 on November 1, 1926.

## MANUFACTURING AND WHOLESALE

**Automobiles**— Combined passenger car and truck production in the United States during October totaled 221,292, which compares with 257,580 in September and 332,463 in October, 1926.

The decline in distribution of automobiles of the past several months was continued during October and the first half of this month. The shrinkage in October sales was too pronounced to be accounted for by the usual seasonal considerations, and was ascribed by dealers to a general disposition on the part of prospective purchasers to await the appearance of new models. While losses were quite general through all classes of passenger cars, the heaviest declines were in the low priced cars. Business in the country was relatively less satisfactory than in the large centers of population, there being a general inclination among farmers to postpone filling requirements until next spring. Handlers of the more expensive makes in the large cities report lack of interest on the part of their customers in renewals, and universally owners are repairing and conditioning their cars to make them serviceable as long as possible. This policy is reflected in relative activity in parts and accessories. Demand for trucks and business automobiles holds up well, and tractor sales have shown improvement since the middle of September. October sales of passenger cars by 320 dealers scattered through the district were 22.0 per cent less than during the same month in 1926, and 14.5 per cent under the September total this year. Accessories and parts sales of the reporting dealers in October were 4.2 per cent smaller than in September, and 0.5 per cent larger than in October, 1926. Stocks of new cars were larger than a month and a year earlier, but a further slight reduction in used car stocks was reported. Of the new cars sold 50.3 per cent were on the deferred payment plan, which compares with 52.2 per cent in September, and 58.3 per cent in October, 1926.

**Boots and Shoes**— October sales of the 5 reporting interests were 5.3 per cent larger than for the corresponding month in 1926, and 0.8 per cent smaller than the September total this year. Stocks on November 1 were 1.3 per cent larger than a

month earlier, but 5.3 per cent in excess of those on November 1, 1926. Demand generally through the entire line continued satisfactory, but movement of winter footwear through the retail trade was retarded by the warm weather in October. Factory operations were slightly reduced in October, but were still above the average for that month during the past five years.

**Clothing** — The movement into consumptive channels of seasonal apparel has been generally disappointing, due to warm weather through October. Sales of both men's and women's clothing for spring, however, developed improvement, particularly in the south, and prices are reported firm. Demand for work clothes has fallen off somewhat as compared with the preceding thirty days, and is below that of the corresponding period last year. Sales of the 5 reporting clothiers in October were 17.5 per cent larger than during the same month in 1926, and 171.1 per cent larger than the September total this year. The gain in the month-to-month comparison was accounted for by seasonal considerations.

**Drugs and Chemicals** — As compared with the corresponding month in 1926, October sales of the 9 reporting firms showed a loss of 5.1 per cent, and the total was 6.9 per cent smaller than that of September this year. Unusually warm weather in October held down the movement of seasonal goods, and reduced industrial activity has adversely affected demand for heavy drugs and chemicals from the manufacturing trade. Demand for the general line of drugs and miscellaneous items holds up well, and ordering of holiday goods has picked up markedly since the first of this month. Prices developed no change worthy of note as contrasted with the preceding thirty days.

**Dry Goods** — October sales of the 8 reporting firms were 0.1 per cent under those of the same month in 1926, and 17.4 per cent below the September total this year. Stocks on November 1 were 1.4 per cent less than on the same date in 1926, and 6.3 per cent below those on October 1 this year. Business is reported uneven, with the movement of winter merchandise held down by unseasonable weather. The response to showings of holiday goods has been under expectations. In the immediate past there has been some improvement in orders for spring delivery, and January and February shipments are expected to be large.

**Electrical Supplies** — A further recession in activities in this classification was noted, October sales of the 5 reporting interests being 6.8 per cent less than for the same month last year and 6.4 per cent under the September total this year. Stocks on November 1 were larger by 21.6 per cent than a

month earlier and 24.7 per cent greater than a year ago. Buying by the building industry was less active than heretofore, and demand from utility companies was in smaller volume than during the past several months.

**Flour** — Production at the 12 leading mills of the district in October was 376,675 barrels, against 370,450 barrels in September and 411,049 barrels in October, 1926. Stocks of flour in St. Louis on November 1 were 0.3 per cent less than on October 1, and 5.1 per cent below the total on November 1, 1926. The last half of October was marked by a broadening in the domestic demand, particularly for soft wheat flours in the South. Since the first week of this month, however, a slowing down in new business was noted, but shipping directions continue good. Some sales for export to Latin-American countries were made, but bids from Europe were generally out of line, and aside from a limited quantity of clears and low grade flours, little business was booked. Mill operation was at from 55 to 60 per cent of capacity.

**Furniture** — October sales of the 14 reporting interests showed a decrease of 4.3 per cent under the same month in 1926, and of 5.1 per cent under the September total this year. Stocks on November 1 were 9.0 per cent smaller than thirty days earlier and 35.8 per cent less than on October 1, 1926. Retail merchants in both the city and country are purchasing closely and holding inventories unusually low. Sales of holiday goods have been generally below expectations, though some improvement in this respect has taken place since the middle of October. Prices showed no change worthy of note as compared with the preceding thirty days.

**Groceries** — Extremely conservative buying by retailers and competition from chain stores were mentioned as factors in a decline in October sales of the 11 reporting interests of 11.7 per cent as compared with the same month in 1926 and 2.4 per cent under the September total this year. Stocks on November 1 were 6.1 per cent smaller than on the same date last year but 19.9 per cent greater than those on October 1 this year. Since the first of this month there has been improvement in demand for holiday goods, but sales in that category are below those at this time a year ago.

**Hardware** — October sales of the 10 reporting firms showed a loss of 1.7 per cent under those of the same month in 1926 and of 18.5 per cent under the September total this year. Stocks on November 1 were smaller by 23.4 per cent and 5.7 per cent, respectively, than a month and a year earlier. A slowing down in purchasing of staple goods was noted, and seasonal merchandise is quiet, due to the

late fall. Prices showed little change worthy of note as contrasted with the preceding thirty days. Sales of sporting goods, hunters supplies and holiday specialties were reported in satisfactory volume.

**Iron and Steel Products** — Conditions in the iron and steel industry developed no special change as contrasted with the preceding thirty days. Business is extremely spotted, with total volumes slightly below that of the month before, and rather sharply below that of the corresponding period last year. A further reduction in unfinished orders was reported by a number of important interests, and steel mills are still handicapped by lack of purchasing by the railroads. The outlet for ferrous materials through the building and automotive industries was not as broad as heretofore, and competition in virtually all commodities has gained in intensity. On the other hand certain specialty makers report an improved demand for their goods, and have been operating at, or close to capacity. Manufacturers of stoves and heating apparatus have booked a satisfactory volume of new orders, and their shipments have compared well with the average at this season for the past five years. Farm implements interests also report improvement in both actual sales and prospects for late fall and winter trade. Fencing, roofing materials, galvanized sheets, hoops, bands, cotton ties and other goods used extensively in the country are moving in good volume. Reinforcing material has also sustained the activity noted in the past several months. Contracting for structural steel has fallen off, and fabricators in a number of instances have curtailed their working forces. Purchasing of bars, shapes, plates, and sheets was in smaller volume than a year ago. The general trend of prices was lower, and in all quarters there was a disposition to meet competition. Pig iron declined in price and purchasing was light, both of steel-making and foundry grades. Further sharp declines were noted in scrap iron and steel, many of the most important items touching the lowest levels since the war. Production of pig iron for the country as a whole in October continued the descent which has marked the past six months. While the total of 2,810,231 tons was 27,731 tons more than in September, the daily average production was 90,652 tons, a drop of 2,098 tons per day from the 92,750-ton rate of September. This output was the lowest for any month since August, 1925, when the daily rate was 87,328 tons. Production of steel ingots in the United States gained in October, the total for that month being 3,289,013 tons, against 3,232,108 tons reported in September, and 4,074,544 tons in October, 1926.

**Lumber** — The past thirty days have developed no change worthy of note from the dull conditions obtaining during the preceding two or three months. While the open weather of October stimulated demand from the building industry and the rural areas, the volume of buying from those sources was not sufficient to affect the general situation. In this district some improvement developed in purchasing of southern pine, but this was offset by smaller buying in other sections of the country, and values failed to advance. Southern hardwoods, with the exception of a limited number of items, continue dull, and prices have declined during the past several weeks. Production has been curtailed somewhat, but further additions were made to stocks. The outlet through the automotive industry and manufacturers of railroad equipment continues narrow.

### RETAIL TRADE

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

	Net sales comparison		Stock on hand	Stock turnover	
	Oct. 1927 comp. to Oct. 1926	10 months ending Oct. 31, 1927 to same period 1926	Oct. 31, 1927 comp. to Oct. 31, 1926	Jan. 1 to Oct. 31,	1926
Evansville .....	+32.4%	+18.9%	+15.6%	1.87	1.73
Little Rock.....	- 1.9	- 4.1	- 0.2	1.95	1.96
Louisville .....	+ 1.5	- 0.3	-11.3	2.65	2.43
Memphis .....	+ 2.9	- 4.1	-12.0	2.30	2.24
Quincy .....	+ 9.8	- 8.3	- 8.1	1.80	1.72
St. Louis.....	+ 0.8	- 2.3	- 3.5	2.75	2.73
Springfield, Mo. +	+ 1.9	- 8.4	+ 6.0	1.30	1.39
8th District.....	+ 1.2	- 2.4	- 5.2	2.55	2.50

	Net sales comparison		Stocks on hand	
	Oct. 1927 compared to Oct. 1926	Sept. 1927	Oct. 1927 compared to Oct. 1926	Sept. 1927
Men's furnishings.....	- 1.0%	+16.3%	+ 9.6%	+ 2.1%
Boots and shoes.....	+ 0.2	+32.8	- 4.9	+34.5

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric power by selected customers in October as being 0.1 per cent less than in September, but 5.0 per cent greater than in October, 1926. The decrease from September to October was attributed to the seasonal reduction in requirements of refrigeration plants. In the yearly comparison heavy gains were shown by cement, glass and some furniture factories. Smaller loads were taken by iron and steel plants. Detailed figures follow:

	No. of Custom- ers	Oct.	Sept.	Oct. 1927	Oct.	Oct. 1927
		1927	1927	comp. to	1926	comp. to
		*K.W.H.	*K.W.H.	Sept. 1927	*K.W.H.	Oct. 1926
Evansville .....	40	1,192	1,272	- 6.3%	1,290	- 7.6%
Little Rock.....	35	1,487	1,843	- 9.4	1,622	- 8.4
Louisville .....	83	6,266	6,127	+ 2.3	5,724	+ 9.5
Memphis .....	31	1,813	1,459	+24.3	1,555	+16.6
St. Louis.....	110	17,728	17,797	- 0.4	16,950	+ 4.6
Totals.....	299	28,486	28,498	- 0.1	27,141	+ 5.0

\*In thousands (000 omitted).

The following figures compiled by the Department of the Interior show kilowatt production for lighting and industrial purposes for the country as a whole:

	By water power	By fuels	Totals
September, 1927.....	2,223,254,000	4,336,586,000	6,559,840,000
August, 1927.....	2,411,562,000	4,249,728,000	6,661,290,000
September, 1926.....	2,074,147,000	4,092,444,000	6,166,591,000

## BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district during October was 41.1 per cent less than in the preceding month, and 31.9 per cent under the total for October, 1926. According to figures compiled by the F. W. Dodge Corporation, building contracts let in the Eighth Federal Reserve District in October totaled \$41,404,547, which compares with \$32,572,662 in September and \$40,981,236 in October, 1926. There was no change worthy of note in labor wages or the price of materials during the past thirty days, but the average cost of building is approximately 3 per cent lower than a year ago. Production of portland cement for the country as a whole during October totaled 17,174,000 barrels, against 17,505,000 barrels in September, and 16,596,000 barrels in October, 1926. Building figures for October, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1927	1926	1927	1926	1927	1926	1927	1926
Evansville ..	522	463	\$ 221	\$1,205	97	98	\$ 27	\$ 27
Little Rock	52	52	186	86	91	92	29	28
Louisville ...	142	264	801	1,671	125	71	99	84
Memphis ....	290	446	964	803	164	110	120	70
St. Louis....	570	800	1,590	1,640	938	414	1,672	468
Oct. totals	1,576	2,025	\$3,682	\$5,405	1,415	785	\$1,947	\$677
Sept. totals	1,502	1,885	6,253	6,716	873	887	571	956
Aug. totals	1,800	1,965	6,381	5,835	862	1,148	763	1,244

\*In thousands (000 omitted).

## AGRICULTURE

Weather throughout October was mild and ideal for maturing fall crops, and indicated yields on November 1 of virtually all the principal products were above those a month earlier. Freezes and killing frosts were delayed considerably beyond their usual date, and in only a limited number of localities was precipitation sufficiently heavy to seriously hamper harvesting operations. Among the crops especially benefitted by the auspicious weather conditions were corn, potatoes, sweet potatoes, rice, grain sorghums, tobacco, peanuts, cotton and some late fruits and vegetables. In addition to specific betterment to crops, the fine weather permitted of excellent progress in the matter of fall farm work of all kinds. Breaking of land for next year's crops has progressed rapidly, and seeding of winter wheat was completed under the most favorable conditions in recent years. Pasturage and

forage are abundant, and reports from all sections of the district indicate that live stock is doing well.

According to the U. S. Department of Agriculture, on November 1 the composite of crop yields in states entirely or partly within the Eighth Federal Reserve District was 95.9 per cent. This indicates that, considering all important crops, yields per acre are expected to be 4.1 per cent below the average yields during the past ten years. This composite of yields is 4.9 per cent above the composite of crop yields and condition on October 1, but 14.6 per cent below the composite of yields per acre last year. The supply of farm labor was universally adequate to demand, and in some sections where public work has slowed down, an excess of farm help was reported.

**Corn** — Based on the November 1 condition, the yield of corn in this district is estimated at 337,972,000 bushels, which compares with an indicated yield of 316,160,000 bushels on October 1, and 393,007,000 bushels harvested in 1926. In addition to increasing the prospective yield, the ideal weather of October will result in much higher quality than had been expected earlier in the season. Practically all the crop matured in October and the first week of this month, which was prior to the first general killing frost, which occurred on November 6. The grain has dried out well, and an unusually small quantity of soft corn will be included in the late crop. Husking is well under way and cribbing has begun in some sections. For the country as a whole the corn crop is estimated at 2,753,249,000 bushels, which compares with 2,646,853,000 bushels harvested in 1926 and a 5-year average of 2,766,561,000 bushels.

**Winter Wheat** — Open weather for field work through October permitted of excellent progress in seeding the winter wheat crop, and brought out considerably more of the intended acreage than had been thought possible six weeks or two months ago. Planting was in progress in scattered areas up to November 1. Generally soil conditions are all that could be desired, and seldom in recent years have prospects been more promising at this particular season. Early seeded wheat is up to a good stand, and rains since the first of this month have materially assisted germination and growth of late planted grain. Indications are for a heavier acreage than was planted last fall. The total output of all wheat in this district in 1927 is estimated at 66,600,000 bushels, against 69,715,000 bushels harvested the year before.

**Fruits and Vegetables** — While some improvement in prospects for certain late fruits and vegetables took place during October, general results with these crops in 1927 were below those of the preceding year and the 5-year average. Unfavorable weather conditions during the crucial periods of the growing season, coupled with the presence of insect and fungus pests in unusually large numbers, are being reflected in quantity and quality of yields. Prospects for apples deteriorated further in October, due to heavy drop and failure of fruit to reach the expected size. In states wholly or partly within this district the apple crop is estimated at 10,967,000 bushels, a decrease of 623,000 bushels from the October 1 prospect, and comparing with 33,532,000 bushels in 1926. The commercial crop this year is estimated at 1,472,000 barrels, against 2,949,000 barrels in 1926. Sweet potatoes bettered their condition in October, and the indicated yield in these states is 21,958,000 bushels, against 20,949,000 bushels in 1926, and a 5-year average of 17,650,000 bushels. Peaches, pears, grapes and a number of other fruits show heavily reduced yields as compared with the preceding year and a 5-year average. In the Eighth Federal Reserve District the output of white potatoes is estimated at 14,071,000 bushels, against 13,239,000 bushels a month earlier and 13,003,000 bushels harvested in 1927. Gardens throughout the district underwent surprising improvement under influence of the mild weather.

**Live Stock** — Reports from scattered sections of the district indicate that pasturage and forage are abundant, and that live stock is doing well, there being unusually little disease among herds. Slightly fewer cattle are on feed than last year, but the improved corn prospects have resulted in an increase of the number of hogs fattening in many localities. Milk production showed the usual fall decline, and output of eggs continued the downward trend of the preceding thirty days.

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

	Receipts			Shipments		
	Oct. 1927	Sept. 1927	Oct. 1926	Oct. 1927	Sept. 1927	Oct. 1926
Cattle and Calves.....	159,738	152,045	163,112	110,530	109,988	109,530
Hogs .....	248,161	243,684	286,357	183,620	186,967	213,262
Horses and Mules.....	11,134	7,231	4,631	9,186	7,174	4,569
Sheep .....	42,013	53,320	67,303	17,032	23,085	40,902

**Cotton** — The indicated yield of cotton in this district, based on the November 1 condition is 2,295,000 bales, an increase of 71,000 bales over the October 1 estimate, and comparing with 3,349,000 bales harvested in 1926. Weather was rarely more favorable for harvesting than during all of October and the first few days of this month. Rapid progress was made in gathering the crop, and these opera-

tions were attended with much less than usual loss in yield and quality. The movement to market is in satisfactory volume, and prices, while falling below the high point of the season, averaged well above those at the corresponding period last year. Stocks of cotton in Arkansas warehouses on November 11 were 322,442 bales, against 212,414 bales a month earlier and 575,437 bales at the corresponding time last year. For the country as a whole the crop is estimated at 12,842,000 bales, against 17,977,000 bales produced in 1926.

**Tobacco** — The loose-leaf tobacco markets are scheduled to open between the fifth and tenth of December. Ideal curing weather has prevailed and tobacco has been in good handling order. Farmers have taken advantage of these conditions to prepare their stock for market and considerable quantity will be ready for delivery on opening dates. Reports indicate a wide variation in quality of this year's crop, due to unseasonable weather for late planting. However little damage was caused by frost, the greatest injury being from premature cutting. Buying of the dark fired crop continues in the Clarksville, Springfield and western districts, with a reduction of quantity purchased, but prices, quality considered, are as high as at the opening of the season. The output of tobacco in this district, based on the November 1 condition, is 187,641,000 pounds, a betterment for the month of 2,162,000 pounds, and comparing with 304,603,000 pounds in 1926.

**Rice** — The rice harvest was conducted under ideal weather conditions, and as a result large quantities are being threshed and offered to the mills. Pressure of offerings has caused a slight recession in prices during the past thirty days. Quality of rice in Arkansas is the best in many years, and yields larger than looked for earlier in the season. The 1927 output in Arkansas and Missouri is estimated at 7,664,000 bushels, against 10,062,700 bushels in 1926, and a 5-year average of 7,751,000 bushels.

**Commodity Prices** — Range of prices in the St. Louis market between October 15, 1927 and November 15, 1927, with closing quotations on the latter date and on November 15, 1926.

	High	Low	Close	
			Nov. 15, 1927	Nov. 15, 1926
<b>Wheat</b>				
Dec. ....per bu.	\$1.29½	\$1.21½	\$1.28¾	\$1.35¾
May .....	1.35	1.26¾	1.34½	1.41
No. 2 red winter ..	1.48	1.39	\$1.42@1.45	\$1.34½@1.35
No. 2 hard.....	1.32	1.25½	1.31@1.32	1.37 @ 1.38
<b>Corn</b>				
Dec. ....	.86¼	.80¼	.84½	.68¾
May .....	.93	.87½	.92½	.78½
No. 2 mixed.....	.87	.80½	.83@.85	.....
No. 2 white.....	.91	.80	.84@.85½	.68 @ .69
<b>Oats</b>				
No. 2 white.....	.53½	.48	.53	.45½
<b>Flour</b>				
Soft patent.....per bbl.	7.25	6.20	6.25@7.00	6.75 @ 7.50
Spring patent.....	6.80	6.25	6.40@6.65	6.90 @ 7.10
Middling cotton....per lb.	.20½	.19½	.19½	.12¾
Hogs on hoof.....per cwt.	11.85	7.90	8.00@9.50	10.50 @12.05

## FINANCIAL

The general banking and financial status in this district during the past thirty days developed no important change as contrasted with the similar period immediately preceding. As contrasted with the same time last year, the principal change was in loans of reporting member banks, which moved upward to a new high in the week of November 12, while in 1926 there was a sharp downward movement beginning in the middle of November, and continuing through December. Deposits of these banks declined during the final weeks of October, but recovered the loss early this month, and on November 16 reached the high point of the year. Demand for credit for general commercial and industrial purposes has been well sustained as a whole, but is spotted, both with reference to the various lines and localities.

Through the south requirements for financing the cotton, tobacco, rice and some lesser crops showed the usual seasonal increase, but in the immediate past there has been good liquidation in the cotton sections, and country banks have substantially reduced their borrowing from correspondents and the Federal Reserve Bank. In the grain and live stock areas settlements have also been large, but new borrowing has also been of sizeable proportions, being stimulated by purchasing of animals to fatten incident to the improved corn prospects. Flour millers have reduced their commitments, and due to high premiums of wheat, are carrying relatively small stocks. Grain loans showed little variations as compared with a month earlier, but the volume is below that of a year ago. There was little variation in the volume of loans based on stocks and bonds, the total at the middle of November being approximately the same as thirty days earlier.

Borrowing from the Federal Reserve Bank by member banks decreased during the period under review and reached the lowest point since the end of last April. Federal reserve notes in circulation increased sharply, and attained a new high for the year early this month. Interest rates averaged about the same as during the month before, but the trend was slightly easier. At the St. Louis banks current rates were as follows: Prime commercial loans, 4 to 5 per cent; interbank loans  $4\frac{1}{4}$  to 5 per cent; collateral loans,  $4\frac{1}{2}$  to 5 per cent; loans secured by warehouse receipts,  $4\frac{1}{4}$  to 5 per cent and cattle loans,  $5\frac{1}{2}$  to 6 per cent.

**Federal Reserve Operations** — During October the Federal Reserve Bank of St. Louis discounted

for 109 member banks, against 198 in September and 232 in October, 1926. The discount rate remained unchanged at  $3\frac{1}{2}$  per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*Nov. 19, 1927	*Oct. 19, 1927	*Nov. 19, 1926
Bills discounted.....	\$16,238	\$28,260	\$37,077
Bills bought.....	5,340	3,700	9,415
U. S. Securities.....	42,717	36,900	19,798
Total bills and securities.....	64,295	68,860	66,290
F. R. Notes in circulation.....	53,348	51,225	46,492
Total deposits.....	90,470	86,182	81,534
Ratio of reserves to deposits and F. R. Note liabilities.....	59.5%	57.5%	53.7%

\*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 leading cities of the district. Charges to accounts of banks are not included.

	*Oct. 1927	*Sept. 1927	*Oct. 1926	Oct. 1927 Sept. 1927	comp. to Oct. 1926
E. St. Louis & Nat'l. Stock Yards, Ill. \$	49,475	\$ 50,267	\$ 50,924	— 1.6%	— 2.8%
El Dorado, Ark.....	10,104	9,285	11,807	+ 8.8	—14.4
Evansville, Ind.....	47,706	47,857	43,671	— 0.3	+ 9.2
Fort Smith, Ark.....	17,838	14,022	16,031	+27.2	+11.3
Greenville, Miss.....	4,233	3,670	5,681	+15.3	—25.5
Helena, Ark.....	6,684	5,083	6,306	+31.5	+ 6.0
Little Rock, Ark.....	99,742	82,316	102,616	+21.2	— 2.8
Louisville, Ky.....	195,450	185,510	199,840	+ 5.4	— 2.2
Memphis, Tenn.....	218,819	180,208	182,049	+21.4	+20.2
Owensboro, Ky.....	5,351	5,366	4,801	— 0.3	+11.5
Pine Bluff, Ark.....	18,796	13,119	17,050	+43.3	+10.2
Quincy, Ill.....	12,556	12,600	12,834	+ 0.3	— 2.2
St. Louis, Mo.....	770,389	700,930	801,380	+ 9.9	— 3.9
Sedalia, Mo.....	4,873	4,825	5,184	+ 1.0	— 6.0
Springfield, Mo.....	16,116	14,922	15,862	+ 8.0	+ 1.6
Totals.....	\$1,478,132	\$1,329,980	\$1,476,036	+11.1	+ 0.1

\*In thousands (000 omitted).

**Condition of Banks** — Loans and discounts of reporting member banks on November 16 showed an increase of 0.3 per cent compared with October 19, and an increase of 0.02 per cent as contrasted with November 17, 1926. Deposits increased 3.7 per cent between October 19 and November 16, and on the latter date were 9.1 per cent larger than on November 17, 1926. Composite statement follows:

	*Nov. 16, 1927	*Oct. 19, 1927	*Nov. 17, 1926
Number of banks reporting.....	31	31	31
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't obligations.....	\$ 4,996	\$ 4,233	\$ 6,791
Secured by other stocks and bonds.....	207,472	207,656	194,842
All other loans and discounts.....	303,244	302,430	313,980
Total loans and discounts.....	\$515,712	\$514,319	\$515,613
Investment			
U. S. Gov't securities.....	76,515	75,585	62,170
Other securities.....	126,416	126,049	117,874
Total investments.....	\$202,931	\$201,634	\$180,044
Reserve balance with F. R. Bank.....	52,793	48,613	48,510
Cash in vault.....	7,941	7,715	7,750
Deposits			
Net demand deposits.....	430,232	407,177	399,221
Time deposits.....	238,360	237,689	218,019
Government deposits.....	6,413	5,968	1,480
Total deposits.....	\$675,005	\$650,834	\$618,720
Bills payable and rediscounts with with F. R. Bank			
Secured by U. S. Gov't obligations.....	3,905	15,700	9,932
All other.....	4	527	14,852

\*In thousands (000 omitted).

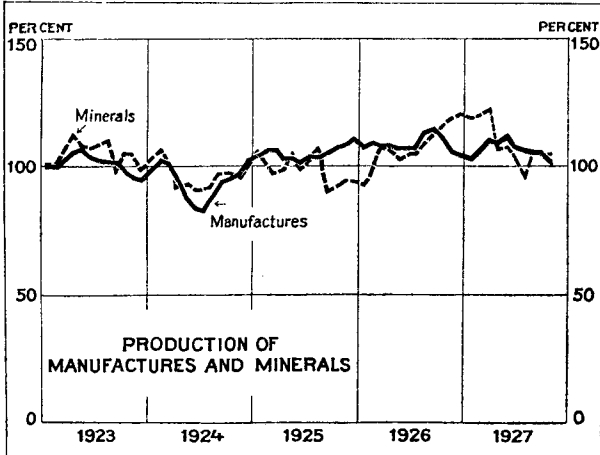
(Compiled Nov. 21, 1927)



## BUSINESS CONDITIONS IN THE UNITED STATES

Industry and trade were less active in October than in the preceding month and were in smaller volume than a year ago. The general level of wholesale commodity prices showed a further slight advance.

**PRODUCTION**—Production of manufacturers declined in October contrary to the usual seasonal tendency, while the output of minerals remained in practically the same volume as in September. In October and November activity of iron and steel mills and of automobile plants was smaller than at any previous period of the year. There were also decreases during October in cotton consumption and in the production of building materials, crude petroleum

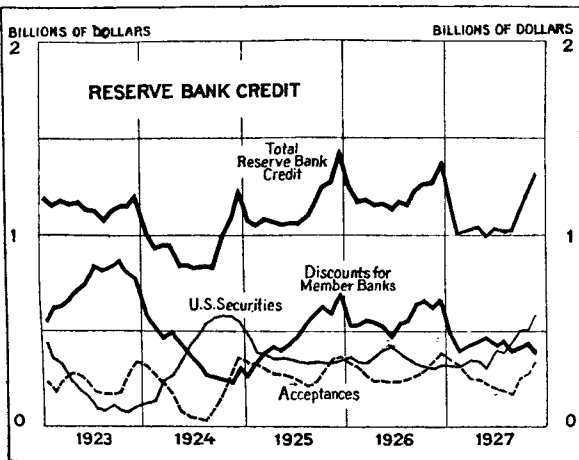


Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100).

Latest figures, October: manufacturers, 102; minerals, 105, and boots and shoes. The output of bituminous coal and the number of hogs and cattle slaughtered increased by less than the usual seasonal amount. Production of flour, copper and anthracite coal showed increases in October.

Building contracts awarded increased considerably owing to unusual large awards in New York and Chicago in the last week of the month. The increases were largest in contracts for residential and commercial buildings. Unusually favorable weather during October in agricultural states resulted in increased yield for late fall crops. The indicated production of corn, according to the November crop report of the Department of Agriculture, was placed at 2,753,000,000 bushels, an increase of 150,000,000 bushels, over the estimate of the previous month and 106,000,000 bushels over the yield a year ago. Larger yields as compared with the previous month's estimates were also indicated for cotton, tobacco, and potatoes.

**TRADE**—Trade at wholesale and retail showed less



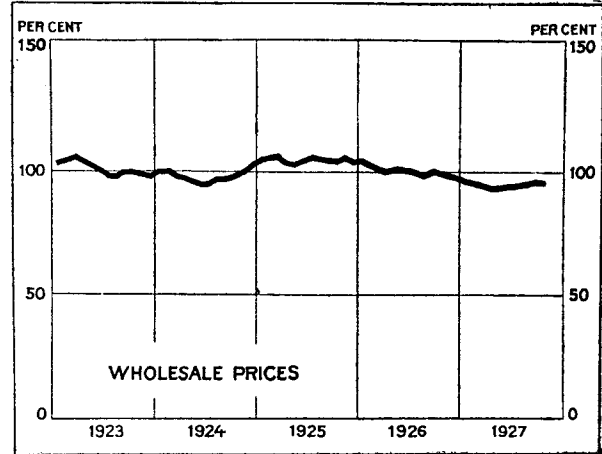
Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages for first 23 days of November.

than the usual seasonal increase in October compared with October a year ago. Wholesale trade in all leading lines, except meats and drugs, was smaller.

Department store sales were approximately 3 per cent smaller than in October, 1926, while those of mail order houses and chain stores were somewhat larger. Inventories of merchandise carried by wholesale firms were smaller in all reporting lines at the end of the month than in September. Compared with a year ago, stocks were smaller in all lines except drugs. Stocks of department stores increased in October in anticipation of the growth

in sales that usually occurs in November and December, but at the end of the month they were no larger than a year ago. Freight car loadings declined in October and the first part of November and were smaller than in the corresponding period of last year for all classes of freight except grain and grain products.

**PRICES**—Wholesale commodity prices increased slightly in October continuing the advance which began early in the summer, and the Bureau of Labor Statistics index for October was higher than for any previous month of this year. The advance in the average was higher than for any previous month of this year. The advance in the

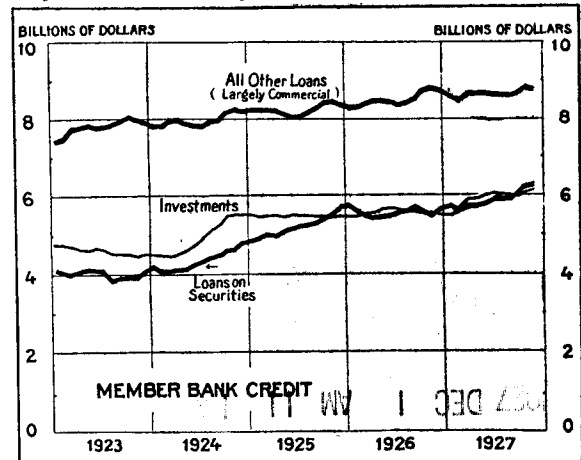


Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figures, October 97.0.

average for all commodities from September to October reflected increases in the prices of livestock, meats and dairy products. Prices of corn, cotton, coal, metals, paint materials and automobile tires, on the other hand, declined. During the first three weeks in November, there were increases in the prices of grains, cattle, copper, hides and rubber, and decreases in hogs, cotton, silk, coal, petroleum and iron and steel.

**BANK CREDITS**—Total loans and investments of member banks in leading cities increased by nearly \$300,000,000 during the latter part of October and the first half of November and on November 16 were the highest ever reported.

Investments increased by more than \$200,000,000, reflecting in large part purchases of Treasury certificates issued on November 15, and loans on securities increased by about \$125,000,000. Loans chiefly for commercial and agricultural purposes declined during the period from the seasonal peak reached early in October. There was a con-



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in November.

tinued increase in the demand for reserve bank credit between October 19 and November 23, arising chiefly out of further exports of gold. Discounts from member banks declined somewhat, while acceptances and holdings of United States Government securities increased. Conditions in the money market remained moderately easy in November.

Call loan rates remained at the level reached in the latter part of October, and rates on prime commercial paper and bankers' acceptances were unchanged.