

# FEDERAL RESERVE BANK OF ST. LOUIS



## MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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**T**HE steady improvement in business in this district, noted in the three preceding issues of this review, was continued during the past thirty days. Production and distribution of merchandise was on a large scale, and while both wholesalers and retailers are still buying conservatively, they are covering their full requirements, and in the case of a number of important lines, ordering for future delivery was somewhat freer than heretofore. In spite of the handicap of unseasonably warm weather throughout October and early in November, sales of goods for ordinary consumption made a good showing. Increases over the corresponding period last year were recorded in sales of groceries, hardware, drugs and chemicals, furniture, packing products, millinery and confectionery. The high temperatures, however, adversely affected sales of clothing, dry goods and men's hats, in which lines the volume of sales fell below that of a year ago. Ordering of Christmas holiday goods began earlier than during the past several years, and in most lines reporting on this detail, the aggregate of orders placed was larger than at the corresponding time in 1927.

Of the several branches of industry, the iron and steel division showed relatively the greatest activity. Mills, foundries and machine shops, in a number of instances, added to their working forces, and shipments of finished and raw materials were on a larger scale than at any time this year. Manufacturers of stoves, farm implements, engines and some other specialties reported sales well in excess of a year ago in 1926. Industrial consumption of electricity in the chief cities of the district was measurably larger than in October last year, and building permits issued for new construction in these centers showed heavy gains over both a month and year earlier. Taken as a whole, the employment situation developed further slight improvement, with conditions in the principal manufacturing centers described as satisfactory.

While the warm weather militated against distribution of merchandise at retail, and was the chief factor in causing a reduction in sales of department stores in the principal cities in October of 6.7 per cent as compared with the same month last year, it was ideal for the harvesting of late crops and the progress of all sorts of farm work. Planting of winter wheat and other cereals was completed, and these crops achieved good growth and are in strong position for entering the cold weather. Corn, rice, tobacco and other late products were harvested under favorable conditions, and the movement to market has been on a large scale. Picking of cotton is nearing completion, and yields in the chief producing areas of the district are fully up to earlier estimates.

In face of increased production and unseasonably high temperatures prevailing throughout the district, a slightly higher level of spot prices prevailed in the bituminous coal market. Moderate improvement was shown in demand for steam coal, reflecting somewhat greater than usual activity in industry. The fine coal situation was also helped by a slowing down in prepared sizes, occasioned by the warm weather. In the Indiana and Illinois fields working time was increased, and following some local labor disturbances, miners have generally accepted the new wage scale. The outlet through the lake trade has been satisfactory, and in all fields of the district the number of loaded cars at mines was reduced. Since the first of November, however, consumption has fallen on account of the warm weather, resulting in some congestion in domestic coal. Purchasing by the railroads was on a slightly more generous scale than heretofore, and in certain of the major industries consumption was larger than is ordinarily the case at this time of year. Consumers' stocks of bituminous coal in the United States on October 1 totaled 41,100,000 tons, the smallest since August, 1926, and comparing with 41,400,000 tons on July 1, and 61,000,000 tons on

October 1, 1927. For the country as a whole production of soft coal during the present calendar year to November 10, approximately 266 working days, amounted to 419,050,000 tons, against 452,492,000 tons for the corresponding period last year and 479,573,000 tons in 1926.

Freight traffic of railroads operating in this district was more than seasonally large, the volume of several of the chief trunk lines in November reaching the highest total for any month on record. A particularly favorable showing was made in the movement of merchandise and miscellaneous freight. There was an increase in the movement of coal over a year ago, but due to the unusually early marketing of the wheat crop, grain and grain products decreased. For the country as a whole, loadings of revenue freight for the first 44 weeks of this year, or to November 3, totaled 44,021,267 cars, against 44,676,701 cars for the corresponding period in 1927, and 45,491,988 cars in 1926. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 243,119 loads in October, against 242,543 loads in September and 224,460 loads in October, 1927. During the first nine days of November the interchange amounted to 66,792 loads, against 73,815 loads during the corresponding period in October, and 60,566 loads during the first nine days of November, 1927. Passenger traffic of the reporting roads decreased 6.0 per cent in October as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 120,500 tons, against 148,377 tons in September, and 104,923 tons in October, 1927.

Generally through the district collections during the past thirty days maintained the satisfactory status of the similar period immediately preceding. Particularly good results were reported in the south, where liberal marketing of cotton, rice and other late crops has supplied agriculturists funds wherewith to pay their bills. In the grain areas liquidation has been up to expectations, both with merchants and at country banks. Wholesalers in the chief centers of population report that settlements in October were good, though in certain lines backwardness was complained of. City retailers were for the most part getting in their money promptly. Answers to questionnaires addressed to representative interests in the several lines showed the following results:

	Excellent	Good	Fair	Poor
October, 1928.....	2.5%	37.8%	50.7%	9.0%
September, 1928.....	1.3	38.0	55.3	5.4
October, 1927.....	1.3	38.5	52.5	7.7

Commercial failures in the Eighth Federal Reserve District in October, according to Dun's, num-

bered 93, involving liabilities of \$1,074,591, against 85 defaults in September with liabilities of \$1,009,897, and 63 failures for \$1,345,463 in October, 1927.

The per capita circulation of the United States on October 31, 1928, was \$40.46, against \$40.82 on September 30, 1928, and \$42.12 on October 31, 1927.

## MANUFACTURING AND WHOLESALE

**Automobiles**— Combined passenger car and truck production in the United States during October totaled 398,818, which compares with 413,720 in September and 219,719 in October, 1927.

For the seventh consecutive month, distribution of automobiles in this district in October exceeded the total of the corresponding period a year ago. A decrease occurred in the October sales under those of September, but this is a usual seasonal manifestation, and the loss was considerably less than in 1927. Some slowing down in business was noted during the last half of October, ascribed to preoccupation of the public in the election, but since the second week of this month a general revival of interest has taken place, with a substantial increase in sales and inquiries. As contrasted with a year ago, improvement was fairly general, both country and city dealers reporting a better market. Demand was well distributed among all classes of vehicles, but numerically much the greatest gain was made in cheap-priced cars. This fact was due in large part to the markedly heavier sales of one manufacturer which in October this year sold 4566.6 per cent more cars than during the same month in 1927. As has been the case for the past several months, dealers are purchasing mainly on a requirement basis, and stocks of new cars are of moderate proportions, and generally under the average at this season for the past five years. Stocks of new cars in dealers' hands on November 1 were 5.2 per cent larger than on the same date in 1927, and 8.3 per cent greater than on October 1 this year. In several of the large cities dealers are cooperating to purchase old automobiles, primarily to remove them from service, and salvage useful parts. An organization formed for that purpose in St. Louis has during the past sixty days purchased and dismantled more than 1200 cars. Dealers' stocks of used cars on November 1 were 7.8 per cent and 12.3 per cent larger, respectively, than thirty days and a year earlier. October sales of new passenger cars by 320 dealers scattered through the district were 10.3 per cent smaller than in September, but 59.3 per cent greater than in October, 1927. Accessory sales of the reporting dealers showed small increases in both the month-to-month and yearly comparisons. The tire situation developed no change worthy of

note as compared with the preceding thirty days. Of the new cars sold by dealers reporting on that item, 57.6 per cent in October were on the deferred payment plan, which compares with 54.8 per cent in September, and 50.3 per cent in October, 1927.

**Boots and Shoes**—October sales of the five reporting interests were 4.0 per cent smaller than a year ago, and 2.7 per cent under the September total this year. Stocks on November 1 were 18.5 per cent in excess of those on the same date in 1927, and 6.3 per cent less than on October 1 this year. In the yearly sales comparison a considerable part of the loss was represented in men's heavy wear shoes and other seasonal goods. Prices of finished goods showed no change worthy of note as contrasted with the preceding thirty days. Factory operations were at from 92 to 95 per cent of capacity.

**Clothing**—The movement of seasonal apparel, both men's and women's, has been materially curtailed by the high temperatures prevailing in this territory through October and early November. Manufacturers and jobbers report an unusually small volume of reordering of heavy weight clothing. Sales of men's overcoats are below those at the same time last year. Demand for work clothes is reported active, with stocks in retailers' hands light. October sales of the reporting firms were 44.7 per cent smaller than a year ago, and 76.9 per cent larger than the September total this year. The heavy loss in the yearly comparison is accounted for in part by the fact that salesmen of several firms went into their territories later this year than last.

**Drugs and Chemicals**—October sales of the six reporting interests were 5.6 per cent larger than for the same month in 1927, and 4.4 per cent in excess of the September total this year. Stocks on November 1 showed no notable change as contrasted with thirty days and a year earlier. Demand for seasonal merchandise was reported disappointing, but ordering of holiday goods was heavy, and the movement of specialties and sundries continues in large volume.

**Dry Goods**—A general slowing down in business, both as compared with the preceding thirty days and a year ago, was reflected in reports of leading interests in this line. Sales of seasonal merchandise was adversely affected by the warm weather, and retailers were disposed to purchase cautiously. In marked contrast with a year earlier, cotton goods were quiet, buyers generally holding off until final results of the cotton crop are known. The movement of woolens, worsteds and heavy goods generally was disappointing. October sales of the eight reporting firms were 4.7 per cent smaller than during the same month in 1927, and 13.0 per cent

under the September total this year. Stocks on November 1 were 8.8 per cent and 12.3 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies**—Business generally through the line was active during the past thirty days. Purchasing by public utilities companies was in large volume, and sales of radio material stimulated by the presidential campaigns and election, were exceptionally heavy. Demand for small motors was active, and advance sales of household appliances and other goods for the holiday trade exceeded expectations. October sales of the five reporting interests were 48.2 per cent larger than for the same month in 1927, and 19.1 per cent above the September total this year. Stocks on November 1 were smaller by 1.4 per cent and 9.5 per cent, respectively, than thirty days and a year earlier.

**Flour**—Production at the 12 leading mills of the district in October totaled 438,900 barrels, against 459,103 barrels in September and 376,675 barrels in October, 1927. Stocks of flour in St. Louis on November 1 were 16.9 per cent larger than on October 1, and 7.3 per cent greater than on November 1, 1927. Business during the past thirty days was the lightest for any similar period during the present crop year. There was a general disposition on the part of domestic buyers to hold off until after the election, and purchasing was largely on a hand-to-mouth basis. Export demand was disappointing, with bids from Europe mainly too far out of line to result in workings. Shipping directions were reported poor to fair. Mill operations were at 50 to 55 per cent of capacity.

**Furniture**—Marked betterment in actual business and the outlook for the balance of this year was indicated in reports covering activities in the furniture trade during the past thirty days. Purchasing was on a more liberal scale than earlier in the year, with retailers covering their requirements further ahead than has been the case in a number of months. Heavy sales of furniture and furnishings for large hotels and apartment houses substantially added to the sales total. October sales of the 13 reporting interests were 35.1 per cent larger than for the same month in 1927, and 17.3 per cent in excess of the September total this year. Stocks on November 1 were 17.8 per cent larger than on the same date in 1927, and 2.9 per cent smaller than on October 1 this year.

**Groceries**—Generally small stocks in retailers' hands and an improved demand for goods in the rural areas had a stimulating influence in business in this classification. October sales of the 15 reporting firms were 4.1 per cent larger than for the same

month in 1927, and 5.3 per cent greater than in September this year. Stocks on November 1 were larger by 17.5 per cent than on the same date in 1927, and 12.3 per cent in excess of the total on October 1 this year. Advance ordering of holiday goods was in satisfactory volume.

**Hardware**—A marked improvement in the movement of staple lines and an active demand for Christmas holiday merchandise were mentioned as the chief factors in a gain in October sales of the 12 reporting interests of 3.2 per cent over the same month in 1927, and 4.3 per cent over the September total this year. Open weather for outdoor construction operations was accountable for continued heavy call for builders' tools and hardware. Stocks on November 1 were 7.4 per cent larger than on the same date in 1927, and 4.1 per cent below those on October 1 this year.

**Iron and Steel Products**—Active general demand, increased production and a further strengthening in prices of certain important commodities marked the iron and steel industry in this district during the past thirty days. Foundries, mills and machine shops reported a good volume of new orders, and specifications on goods previously purchased continued at the high levels of recent months. As a result of the heavy shipping directions received, the movement of commodities generally was large, both of finished and raw materials. The leading producer of pig iron in the district reported October shipments the largest for any single month on record, and during the first half of November the average daily movement was greater than in the preceding month. In the case of raw and semi-finished materials, consumers were more disposed to cover on future requirements than at any time this year. Manufacturers of stoves, farm implements, heating apparatus and other specialties reported satisfactory business, and good prospects for the balance of this year. Jobbing foundries in many instances increased their working forces, and were operating at a substantially higher rate than at the corresponding period in 1927. Demand for sheets of all descriptions was brisk, with buying well diversified, both in reference to material and users. The chief producer of sheets and plates in the district was operating all units at capacity, and reported sufficient accumulated orders to maintain that rate during the remainder of this year. Sales of wire and wire products were in increased volume as compared with the preceding thirty days, with fencing materials in especially good call. Some slowing down in requirements of the automotive and building industries was noted, but in the case of the latter, open weather has permitted of outdoor

operations later in the year than usual, and heavy tonnages of iron and steel goods were still going into construction work. Purchasing by the railroads improved somewhat as compared with recent months, and since the first of November, inquiries for equipment have increased. Track supplies were more active than heretofore. Distributors of iron and steel goods from warehouses report a steady demand, with sales in October well ahead of the same month in 1927. The outlet through the general manufacturing trade is broad, and buying by certain important consumers, notably the oil, coal and packing industries, was above expectations. The price of pig iron advanced 50c per ton, but despite this fact, buying was in heavier volume than during any similar period this year, with a considerable part of the tonnage placed representing first quarter of 1929 needs. Further advances were recorded on scrap iron and steel, heavy melting steel reaching a new high on the present upward movement. Production of pig iron for the country as a whole in October was the heaviest for any single month since May, 1927, and the greatest for any October since 1918. The 3,373,539 tons made in October compare with 3,063,593 tons in September and 2,812,015 tons in October, 1927. Steel ingot production in the United States in October totaled 4,647,891 tons, against 4,147,583 tons in September and 3,316,292 tons in October, 1927.

## 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		Stocks on hand	Stock turnover	
	Oct. 1928 comp. to Oct. 1927	10 months ending Oct. 31, 1928 to same period 1927	Oct. 31, 1928 comp. to Oct. 31, 1927	1928	Jan. 1, to Oct. 31, 1927
Evansville .....	+17.6%	+ 4.2%	- 0.2%	1.98	1.87
Little Rock.....	- 0.3	+ 2.2	- 0.02	1.87	1.96
Louisville .....	- 8.8	- 4.9	- 0.2	2.52	2.65
Memphis .....	- 0.6	+ 3.1	-10.8	2.54	2.30
Quincy .....	+12.6	+11.2	- 3.5	2.11	1.80
St. Louis.....	- 9.1	+ 0.8	- 9.8	3.02	2.75
Springfield, Mo. ....	- 0.5	- 0.6	- 8.9	1.36	1.30
8th District.....	- 6.7	+ 0.8	- 7.8	2.71	2.55
	Net sales comparison		Stocks on hand		
	Oct. 1928 comp. to Oct. 1927	Sept. 1928	Oct. 1928 comp. to Oct. 1927	Sept. 1928	
Men's furnishings.....	- 6.9%	+11.6%	- 6.5%	+ 0.7%	
Boots and shoes.....	- 4.0	+ 6.0	+ 0.4	+ 4.7	

**Department Store Sales by Departments**—As reported by the principal department stores in Little Rock, Louisville, Memphis, and St. Louis.

	Percentage increase or decrease Oct. 1928 compared to Oct. 1927	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-14.0%	-12.0%
Ready-to-wear accessories.....	- 4.5	-11.4
Women and misses' ready-to-wear.....	- 2.5	-14.1
Men's and boys' wear.....	- 7.0	- 8.4
Home furnishings.....	-15.1	- 6.2

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current by selected industrial customers during

October as being 3.5 per cent less than in September, and 7.0 per cent greater than in October, 1927. Detailed figures follow:

	No. of Custom-ers	Oct., 1928	Sept., 1928	Oct. 1928 comp. to Sept. 1928	Oct., 1927	Oct. 1928 comp. to Oct. 1927
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ...	40	1,357	1,191	+13.9%	1,192	+13.8%
Little Rock..	35	1,894	1,778	+ 6.5	1,487	+27.4
Louisville ...	82	6,831	6,313	+ 8.2	6,266	+ 9.0
Memphis .....	31	1,884	1,276	+47.6	1,813	+ 3.9
St. Louis.....	129	18,515	21,013	-11.9	17,728	+ 4.3
Totals.....	319	30,481	31,571	- 3.5	28,486	+ 7.0

\*In thousands (000 omitted).

### BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in October showed an increase of 19.0 per cent over September, and of 83.2 per cent over October, 1927. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District during October amounted to \$32,408,584, against \$33,240,828 in September and \$41,404,547 in October, 1927. There was no change worthy of note in building costs as compared with the preceding month. Production of portland cement for the country as a whole in October totaled 17,533,000 barrels, against 17,856,000 barrels in September, and 17,174,000 barrels in October, 1927. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1928	1927	1928	1927	1928	1927	1928	1927
Evansville ..	628	522	\$ 283	\$ 221	73	97	\$ 23	\$ 27
Little Rock	54	52	175	186	60	91	37	29
Louisville ..	225	142	1,298	801	89	125	126	99
Memphis ...	360	290	1,700	964	9	164	45	120
St. Louis....	796	570	2,637	1,590	372	938	302	1,672
Oct. totals	2,063	1,576	\$6,093	\$3,762	603	1,415	\$ 533	\$1,947
Sept. totals	1,739	1,502	5,790	6,253	854	873	960	571
Aug. totals	1,819	1,800	7,066	8,381	737	862	722	763

\*In thousands of dollars (000 omitted).

### AGRICULTURE

This general region has seldom experienced a more ideal autumn for the maturing of crops and for farm operations of all sorts, including live stock raising, than the present one. Soil preparation and seeding of winter wheat and other cereals made excellent progress, and early planted grain achieved good growth and is for the most part in strong position for entering the cold weather. In limited areas insufficient moisture delayed field work to some extent and lowered the condition of pastures, but generally rains were sufficient to render soil favorable and to promote growth of planted cereals. Virtually all late crops benefitted by the auspicious weather, and their garnering was effected with a minimum loss of quantity and quality. Taken as a whole, farm conditions through the district are favorable. Due to heavy production of certain crops, prices are below expectations, but the average compares favorably with previous years and farmers are realizing fair profits in most instances as a result of the season's activities.

Improvement in agricultural prospects as a whole took place in October. 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 99.8 per cent. This indicates that, considering all important crops, yields per acre are expected to be 0.2 per cent below the average yields during the past ten years. This composite of yields is 1.3 per cent above that on October 1, and compares with 95.9 per cent and 110.5 per cent on November 1, 1927, and 1926, respectively. The supply of farm labor through the harvest season has been adequate to all requirements, with wage scales showing little variation as contrasted with a year ago.

**Winter Wheat**—Despite the handicap of dry weather in some localities, seeding of winter wheat was completed somewhat earlier than last year. For the most part reports of the growing plant are encouraging, but there are scattered complaints of poor stands due to inadequate moisture. Reports relative to acreage vary considerably. The present relatively low prices of wheat, coupled with discouragement of farmers in sections where the crop was a failure this year, tend to indicate a smaller acreage than planted last fall. The total output of all wheat in this district in 1928 is estimated at 29,984,000 bushels, against 42,310,000 bushels harvested in 1927.

**Corn**—Based on the November 1 condition, the yield of corn in this district is estimated at 383,059,000 bushels, which compares with an indicated yield of 381,943,000 bushels on October 1, and 342,426,000 bushels harvested in 1927. Relatively little damage was done to the crop by frost or other factors, and as a result quality is well above the 5-year average in the chief producing states of the district. In Kentucky, Tennessee and Arkansas, however, both quality and quantity are below the 5-year average. Husking has become general, and a considerable amount of cribbing has been accomplished. Scattered reports indicate that husking machines are being used to a greater extent than heretofore. The yield per acre in Missouri, Indiana and Illinois is considerably higher than last year, and early husking returns are disclosing heavier yields than anticipated.

**Fruits and Vegetables**—Generally no marked change took place in condition of fruits and vegetables from October to November, and prospects remain well above those a year ago at this time. Unusually favorable harvesting conditions prevailed, and these operations were rapidly completed, and the movement to market continued in large volume. Some damage to late apples from storms in the

Ozark region was reported, despite which fact the crop remains a bumper one, with quality exceptionally high. The white potatoe crop is also unusually large, and due to low prices farmers are not digging the tubers in some sections, and a considerable quantity of second grade potatoes will not be marketed. Prices of apples were also depressed by liberal offerings. In states entirely or partly within this district the output of apples is estimated at 25,055,000 bushels, of which 2,544,000 barrels represent commercial crop, against a total crop of 10,842,000 bushels in 1927, with 1,398,000 barrels commercial crop. Production of grapes in these states was the largest on record, 44,997 tons against 17,827 in 1927, and a 5-year average of 24,107 tons. The peanut crop is slightly under that of last year and the 5-year average. The estimated output of sweet potatoes, 18,221,000 bushels, compares with 20,926,000 bushels produced in 1927 and 18,511,000, the 5-year average. In the district proper the yield of white potatoes is placed at 20,833,000 bushels, which compares with an estimated yield of 20,432,000 bushels on October 1, and 14,061,000 bushels harvested in 1927. The general lateness of frost was favorable for gardens, which were serviceable further into the season than the average of the past decade.

**Live Stock**—The physical condition of live stock throughout the district is almost universally good, due to the fine fall weather and abundant supplies of feed. In some sections pasturage deteriorated, but for the most part conditions in this respect are favorable. While prices of hogs continued downward, values of sheep and cattle were fair, and the movement of farm animals to market was in liberal volume. An unusually large amount of corn is being fed on farms, particularly in Missouri, Illinois and Indiana. Milk production showed the usual seasonal shrinkage, and the output of eggs in many sections was the smallest at this time in a number of years. Total production of hay in this district is estimated at 7,224,000 tons, against 9,038,000 tons in 1927.

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

	Receipts			Shipments		
	Oct., 1928	Sept., 1928	Oct., 1927	Oct., 1928	Sept., 1928	Oct., 1927
Cattle and Calves.....	162,218	155,661	159,738	110,602	115,876	110,530
Hogs .....	353,864	282,932	248,161	250,326	226,896	183,620
Horses and Mules.....	4,161	4,814	11,134	4,773	4,614	9,186
Sheep .....	248,161	48,040	42,013	32,610	19,029	17,032

**Cotton**—Based on the November 1 condition, the yield of cotton in this district is estimated at 2,542,000 bales, an increase of 92,000 bales over the October 1 estimate, and comparing with 2,319,000 bales harvested in 1927. Weather conditions were rather mixed, both for developments of the crop

and harvesting. Picking was interfered with to some extent by rains, but withal good progress was made, and movement to gins and compresses was in large volume. Killing frosts occurred around November 1, about the average date, and resulted in no extensive damage. Demand for cotton was moderately active only, and prices fluctuated in a narrow range, averaging slightly lower than the preceding thirty days and the corresponding period last year. In the St. Louis market the middling grade closed at 18 $\frac{3}{4}$ c per pound on November 15, against 18 $\frac{3}{4}$ c on October 16, and 19 $\frac{3}{4}$ c on November 15, 1927. Stocks of cotton in Arkansas warehouses on November 16 totaled 320,713 bales, against 317,951 bales on the corresponding date in 1927.

**Rice**—The chief development in this crop was the heavily increased production in Missouri, which state promises 400,000 bushels on 10,000 acres against 75,000 bushels on 3,000 acres last year. The combined yield of Arkansas and Missouri is estimated at 8,224,000 bushels, against 7,897,000 bushels in 1927, and a 5-year average of 7,857,000 bushels. Pressure of heavy offerings to mills resulted in a sharp decline in prices in October, but considerable improvement has taken place in the market since November 1, though the average price is still well under that at the same time last year.

**Commodity Prices**—Range of prices in the St. Louis market between October 15, 1928 and November 15, 1928, with closing quotations on the latter date and on November 15, 1927.

	High	Low	Close	
			Nov. 15, 1928	Nov. 15, 1927
Wheat				
Dec. ....per bu.	\$1.17 $\frac{3}{4}$	\$1.11 $\frac{3}{4}$	\$1.16 $\frac{3}{4}$	\$1.28 $\frac{3}{4}$
May .....	1.25 $\frac{3}{4}$	1.19 $\frac{3}{4}$	1.24 $\frac{3}{4}$	1.34 $\frac{3}{4}$
No. 2 red winter "	1.50	1.36	\$1.44 @ 1.49	\$1.42 @ 1.45
No. 2 hard..... "	1.19 $\frac{1}{2}$	1.11	1.18 $\frac{1}{2}$ @ 1.19 $\frac{1}{2}$	1.31 @ 1.32
Corn				
Dec. .... "	.87 $\frac{1}{2}$	.79 $\frac{1}{2}$	.85 $\frac{1}{2}$	.84 $\frac{1}{2}$
May .....	.92 $\frac{1}{2}$	.85 $\frac{1}{2}$	.90 $\frac{1}{2}$	.92 $\frac{1}{2}$
No. 2 mixed..... "	1.08	.82	.83 @ .84	.83 @ .85
No. 2 white..... "	1.09	.82	.85 @ .86	.84 @ .85 $\frac{1}{2}$
Oats				
No. 2 white..... "	.43	.49	.48 @ .49	.53
Flour				
Soft patent.....per bbl.	7.25	6.50	6.50 @ 7.25	6.25 @ 7.00
Spring patent..... "	6.10	5.50	5.75 @ 5.90	6.40 @ 6.65
Middling cotton...per lb.	.19	.18	.18 $\frac{1}{4}$	.19 $\frac{1}{4}$
Hogs on hoof.....per cwt.	10.10	7.85	7.90 @ 9.05	8.00 @ 9.50

**Tobacco**—Weather in late October was favorable for curing tobacco in barns, and growers have availed themselves of every opportunity to strip their stock and a large quantity will be ready for delivery when the market opens. December 3 is the announced date for opening of the loose leaf burley market at Lexington, Kentucky, and other similar markets will hold their openings on succeeding days. Old crop burley has been well cleaned up, and the new crop is in strong position for the initial trading. There are reports of purchases in various parts of the burley district by both speculators and loose leaf floor operators at from \$20 to \$30 per 100 lbs. Reversing the usual practice at this

time of year, there has been little dark fired tobacco purchased at the barns, and indications are that virtually the entire crop will be disposed of at auction on the loose leaf floors. The total crop in this district is estimated at 245,510,000 pounds, against 166,876,000 pounds harvested in 1927, and 304,603,000 pounds in 1926. The average quality of this year's crop is high.

### FINANCIAL

Demand for credit while somewhat less active than thirty days earlier, continued brisk and diversified. In the chief centers of population seasonal needs of mercantile and industrial interests were strongly felt, while in the country harvesting and the movement of late crops accounted for the employment of a large volume of funds. Liquidation, however, was on an extensive scale, and resulted in a decrease in the loans of reporting member banks from the high point of the year, reached during the last week of September. Borrowing of member banks from the Federal reserve bank also decreased, and at the middle of November were smaller than at any time since the first week in June. Loans of the reporting member banks based on stocks and bonds declined in October, but turned sharply upward again during the second week of November. In response to a heavier demand for currency in the rural areas, the circulation of this bank moved steadily upward during October, and in the first week of November was at the high point of the present year.

The heavy marketing of agricultural products has been accompanied by good liquidation, particularly in the south. The movement of cotton is earlier this year than last or in 1926, and liquidation of country banks in the typical cotton areas is also somewhat earlier than usual. Numerous country banks have paid up in full or in large part their loans from city correspondents. Some increase in loans based on tobacco and rice were reported, and no substantial liquidation in the tobacco section is looked for prior to the first of next year. There is still a good demand for conditioning live stock, but commitments of flour milling and grain handling interests were materially reduced.

Generally offerings of funds were somewhat heavier than thirty days earlier, and a somewhat easier trend developed in rates, though quotably no change occurred. At the St. Louis banks current rates were as follows: Prime commercial paper, 5½ to 5¾ per cent; collateral loans, 5½ to 6 per cent; loans secured by warehouse receipts, 5½ to 6 per cent and cattle loans, 5¾ to 6 per cent.

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

for 217 member banks, against 229 in September and 109 in October, 1927. The discount rate remained unchanged at 5 per cent. Changes in the principal assets and liabilities of the institution as compared with the preceding month and a year ago appear in the following table:

	*Nov. 22, 1928	*Oct. 22, 1928	*Nov. 22, 1927
Bills discounted.....	\$41,959	\$51,082	\$18,946
Bills bought.....	9,343	7,736	4,729
U. S. securities.....	21,216	20,776	41,717
Total bills and securities.....	\$72,518	\$79,594	\$65,392
F. R. Notes in circulation.....	60,824	61,382	52,883
Total deposits.....	81,779	81,895	88,277
Ratio of reserve to deposits and F. R. Note Liabilities.....	55.7%	51.3%	59.5%

\*In thousands (000 omitted).

**Debits to Individual Accounts**—The following 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. 1928	*Sept. 1928	*Oct. 1927	Oct. 1928 Sept. 1928	comp. to Oct. 1927
East St. Louis & Natl.					
Stock Yards, Ill..\$	78,139	\$ 79,989	\$ 49,475	— 2.3%	+57.9%
El Dorado, Ark....	9,711	8,808	10,104	+10.3	— 0.5
Evansville, Ind....	47,478	46,441	47,706	+ 2.2	— 0.5
Fort Smith, Ark... 19,371	14,817	17,838	+30.7	+ 8.6	
Greenville, Miss....	6,517	4,286	4,233	+52.1	+54.0
Helena, Ark.....	5,657	3,364	6,684	+68.2	—15.4
Little Rock, Ark.. 108,403	84,145	99,742	+28.8	+ 8.7	
Louisville, Ky.....	210,256	200,167	195,450	+ 5.0	+ 7.6
Memphis, Tenn.... 211,147	149,784	218,819	+41.0	— 3.5	
Owensboro, Ky....	5,797	5,504	5,351	+ 5.3	+ 8.3
Pine Bluff, Ark....	17,753	11,444	18,796	+55.1	— 5.5
Quincy, Ill.....	13,843	12,653	12,556	+ 9.4	+10.3
St. Louis, Mo..... 842,350	705,848	770,389	+19.3	+ 9.3	
Sedalia, Mo.....	4,748	4,538	4,873	+ 4.6	— 2.6
Springfield, Mo....	17,398	17,186	16,116	+ 1.2	+ 8.0
**Texarkana, Ark.-Tex. ....	18,215	16,452	18,045	+10.7	+ 0.9
Totals.....	\$1,616,783	\$1,365,426	\$1,496,177	+18.4	+ 8.1

\*In thousands (000 omitted).

\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Condition of Banks**—Loans and discounts of the reporting member banks on November 14 showed a decrease of 1.0 per cent as contrasted with October 10, and a decrease of 0.9 per cent as compared with November 9, 1927. Deposits decreased 1.0 per cent between October 10 and November 14 and on the latter date were 4.1 per cent smaller than on November 9, 1927. Compared statement follows:

	*Nov. 14, 1928	*Oct. 10, 1928	*Nov. 9, 1927
Number of banks reporting.....	129	129	31
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations.....	\$ 4,102	\$ 3,443	\$ 4,782
Secured by other stocks and bonds.....	213,233	210,604	209,051
All other loans and discounts.....	295,358	303,944	303,739
Total loans and discounts.....	\$512,693	\$517,991	\$517,572
Investments			
U. S. Government securities.....	75,556	75,693	73,461
Other securities.....	127,015	128,799	126,573
Total investments.....	\$202,571	\$204,492	\$200,034
Reserve balance with F. R. bank.....	47,203	48,035	50,102
Cash in vault.....	8,706	7,174	8,053
Deposits			
Net demand deposits.....	392,598	397,658	420,717
Time deposits.....	239,387	240,915	237,541
Government deposits.....	1,999	2,107	2,841
Total deposits.....	\$633,984	\$640,680	\$661,099
Bills payable and rediscounts with Federal Reserve Bank,			
Secured by U. S. Govt. obligations.....	18,457	13,511	8,027
All others.....	15,117	15,104	1,013

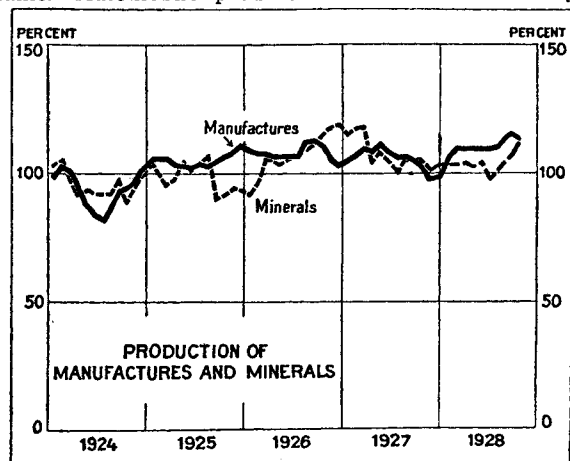
\*In thousands (000 omitted).

†Decrease due to consolidation. These 29 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 55.5 per cent of all member banks in this district.

(Compiled November 23, 1928)

## BUSINESS CONDITIONS IN THE UNITED STATES

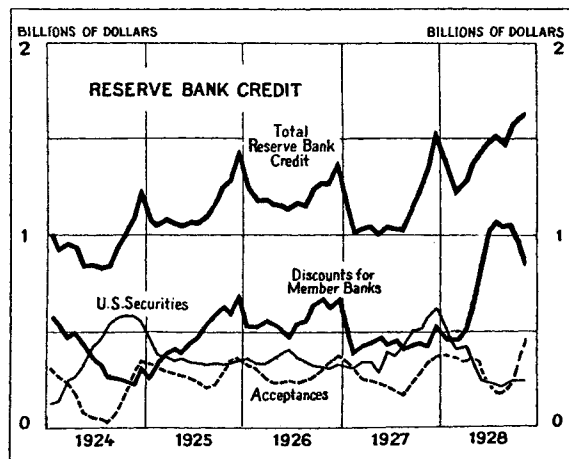
**PRODUCTION**—Industrial production continued in October at the high level of September and considerably above the level of a year ago. Output of minerals increased over September, while the production of manufactures declined slightly. Factory employment and payrolls increased to the highest level since early in 1927. The production of pig iron was particularly large in October and the first half of November, and the output of steel continued in record volume. Automobile production declined considerably in



Index numbers of production of manufactures and minerals adjusted for seasonal variations (1923-25 average=100). Latest figures, October: Manufactures, 114; minerals, 114.

October after exceptional activity in September, and showed further reduction in November, as is usual at this season. Activity increased in October in meat packing and in the textile industries, with the exception of silk. Copper mining and smelting continue at a high level, and the output of coal and petroleum increased by more than the usual seasonal amount, while the production of zinc declined. There was also a decline in the output of lumber and building materials. Building contracts awarded continued to increase in October and were larger than in that month of any previous year, but declined sharply during the first two weeks of November. The increase in October was due principally to large contracts for engineering and industrial projects.

The November cotton crop estimate of the Department of Agriculture, was slightly larger than the October estimate and indicated a yield of 14,133,000 bales, 1,178,000 more than the production of 1927. Ginnings of the current crop prior to November 14, totaled 11,320,302 bales, compared with 10,894,912 in the similar period of a year ago. Indicated yields of wheat, corn, oats, potatoes, and tobacco were

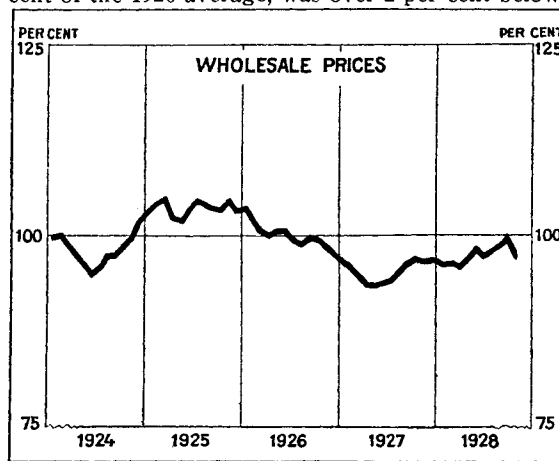


Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages of first 23 days in November. Larger than the 1927 crops, while estimates of hay, rye, and flaxseed were smaller.

**TRADE**—Department store sales in October, were in about the same volume, as in the same period in the preceding year, but showed somewhat less than the usual seasonal increase from the high level of September. Inventories of these stores increased during the month, but con-

tinued smaller than a year ago. The volume of distribution at wholesale was larger than in September and showed a substantial gain over October, 1927. Freight car loadings continued larger in October and November than a year ago reflecting chiefly large loadings of miscellaneous freight.

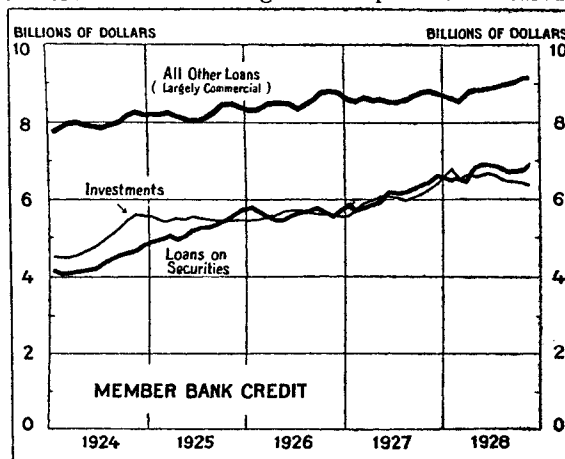
**PRICES**—Wholesale commodity prices declined in October after a continuous increase for three months, and the Bureau of Labor Statistics index for October, at 97.8 per cent of the 1926 average, was over 2 per cent below that



Index of United States Bureau of Labor Statistics (1926=100, base adopted by bureau). Latest figure, October, 97.8.

for September. This decline reflected chiefly large decreases in prices of farm and food products and hides and leather. Prices of industrial commodities increased slightly, with small gains recorded in metals, building materials, and chemicals and drugs. The principal increases occurred in prices of iron and steel, copper and raw silk. During the first three weeks of November, prices of cotton, pig iron, copper and petroleum increased, and prices of most farm and food products, except corn, pork, and sugar, recovered somewhat after the October decline.

**BANK CREDITS**—Between October 24, and November 21 there was a considerable increase in loans and investments of member banks in leading cities, but at the end of this period the total was still below the large volume outstanding at the middle of the year. Loans chiefly for commercial purposes remained at a high level during the period and loans on securities showed further growth, reflecting a marked increase in the volume of loans to brokers and dealers in securities. Investments showed further decline. During the four weeks ending November 21, there was little change in the volume of reserve bank credit in use. Reserve bank holdings of acceptances increased fur-



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in November. Other, and discounts for member banks declined. During the last week of October and the first three weeks of November conditions in the money market were somewhat easier, the rate on four to six months commercial paper declined from a level of 5½ per cent to a range of from 5¼ to 5½ per cent, and rates of call and time loans in the open market also declined slightly.