

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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WHILE exhibiting some rather sharp contrasts, business as a whole in this district during the past thirty days continued the record of gradual improvement noted each month since last August. A particularly good showing was made in industry, with activities at a higher rate than a year ago, and many important lines exhibiting less than the usual seasonal slowing down, and some recording actual gains. In the iron and steel industry, and through the metal working industries generally, activities were at an unusually high rate for this time of year. Through the south improvement was general in the textile industry, many mills operating at full capacity. Building continued in relatively good volume, with outdoor operations being carried on later into the year than is ordinarily the case. Public demand for merchandise of all sorts is still heavy, and while purchasing is conservative, there is a general disposition to fill requirements.

Interest centered chiefly in retail trade, and since the middle of November there has been a distinct quickening in that section of distribution. Universally through the district, holiday business has been in large volume, in many instances exceeding expectations, and results of former years. While relatively the best results have been achieved in the large centers of population, reports from the small towns and country indicate mainly satisfactory conditions. Weather in the late fall and early winter has been unseasonably warm, which fact has militated against the movement of seasonal merchandise, but despite this handicap the turnover of goods for ordinary consumption has been large. Mail order houses and five and ten cent stores reported gains in November sales over a year ago, while an increase of 0.9 per cent was shown in department store sales.

Harvesting and housing of late crops was accomplished under mainly favorable conditions, and latest returns indicate results equal to or somewhat better than earlier official estimates. The tobacco markets have opened, and heavy initial sales were

effected at prices averaging substantially higher than last year or in 1926. Cotton has moved to market rapidly and prices have been well sustained. There was a further decline in prices of hogs and hog products, but cattle and sheep values remained at the recent high levels. Reports relative to employment reflected considerable unevenness, but according to the Employment Service of the Department of Labor, conditions are mainly satisfactory. Debits to individual accounts in the principal cities in November declined 9.2 per cent as compared with October, but the total was 1.0 per cent greater than in November last year.

Reversing conditions of the preceding thirty days, there was a general slowing down in the bituminous coal trade, accompanied by a downward trend in prices. Responding to lessened demand, occasioned by the protracted mild weather, production declined in all fields of the district. Despite the smaller output, railroad sidings at mines in many instances were filled with loaded cars for which no orders had been received. Retailers in both the cities and country had heavy stocks, and were not interested in additional tonnage, even when offered at cheaper prices. Deliveries to householders were considerably below the average at this time of year. Tonnage moved in the Illinois fields in November was among the smallest for that particular month in many years, and little improvement was noted during the first half of December. Demand for steaming coal was relatively better than in the case of heating varieties. Screenings in the Kentucky field were firm, due, however, more to scarcity than urgency of demand. Operating time at western Kentucky mines was lower than the average for this season. The close of navigation on the Great Lakes added another depressing factor to the situation. Demand for metallurgical coke was active, but the domestic coke situation was adversely affected by the warm weather. Production of bituminous coal

for the country as a whole to December 8, approximately 289 working days, totaled 462,084,000 tons, against 490,060,000 tons for the corresponding period in 1927, and 535,553,000 tons in 1926.

According to officials of railroads operating in this district, freight traffic continues at the high levels of recent months. In the case of two of the largest trunk lines, November loadings were the heaviest on record for that month. The movement of coal, forest products and grain were particularly heavy, and the merchandise and miscellaneous freight classifications continue to make a good showing. For the entire country, loadings of revenue freight for the first 48 weeks this year, or to December 1, totaled 48,062,739 cars, against 48,379,016 cars for the same period in 1927 and 49,659,647 cars in 1926. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 196,502 loads in November, against 243,119 loads in October, and 196,502 loads in November, 1927. During the first nine days of December the interchange amounted to 62,935 loads, against 66,792 loads during the corresponding period in November, and 59,245 loads during the first nine days of December, 1927. Passenger traffic of the reporting lines decreased 10 per cent in November as compared with the same month last year. Estimated tonnage of the Federal Barge Line between New Orleans and St. Louis in November was 147,400 tons, the largest on record for any single month but one, and comparing with 120,444 tons in October and 114,063 tons in November, 1926.

Reports relative to collections during the past thirty days reflect generally satisfactory conditions. Through the cotton areas, liquidation has been particularly good, both with merchants and at country banks. In sections affected by the recent floods backwardness in payments was complained of, and in some sections communications were interfered with by the condition of dirt roads, due to heavy rains. Wholesalers reported November 1 settlements well up to expectations, and fully equal to those at the same time last year. In the large centers retail merchants report the average of collections good. Reports from country retailers reflect somewhat irregular results. Questionnaires addressed to representative interests in the several lines through the district showed the following results:

	Excellent	Good	Fair	Poor
November, 1928.....	1.4%	34.2%	52.1%	12.3%
October, 1928.....	2.5	37.8	50.7	9.0
November, 1927.....	1.4	29.7	59.5	9.4

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's,

numbered 125, involving liabilities of \$5,740,158, against 93 defaults in October with liabilities of \$1,074,591, and 93 failures for \$3,476,584 in November, 1927.

The per capita circulation of the United States on November 30, 1928, was \$41.93, against \$40.45 on October 31, 1928, and \$42.13 on November 30, 1927.

MANUFACTURING AND WHOLESALE

Automobiles—Combined passenger car and truck production in the United States during November totaled 256,936, which compares with 398,818 in October, and 134,416 in November, 1927.

Sales of automobiles in this district showed continued expansion over the corresponding period in 1927, and contrary to the seasonal trend during the past four or five years, there was an increase in November sales over the October total. Since the first of December, business has continued active, with dealers reporting an unusually large number of orders and inquiries for delivery at Christmas. The demand is fairly well balanced, extending through all classes of makes, but as has been the case for the past several months, the largest increase was recorded in the cheap-priced category. Replacement buying in the rural sections was on a more liberal scale than heretofore, this being particularly so through the south. Dealers in the large cities handling the more expensive makes report that inquiries and prospects have been good, but there is a general disposition to await new models to be exhibited in the annual shows in February and March before making commitments. Business in parts and accessories continued active during the period, with total sales showing fair gains over a year ago. Part of the increase is ascribed to natural growth, due to the greater number of cars in use, but in many instances the satisfactory results are due to intensive selling campaigns. Sales of new passenger cars in November, by 320 dealers scattered through the district were 16.7 per cent larger than in October, and 91.7 per cent in excess of the November, 1927, total. Stocks of new cars on hand on December 1 were 8.2 per cent larger than thirty days earlier, and 12.4 per cent greater than on December 1, 1928. The used car situation developed no marked change as compared with the preceding thirty days. The movement is fairly satisfactory, and stocks are mainly of seasonal proportions. On December 1 the number of salable used cars on hand was 4.3 per cent and 6.2 per cent larger, respectively, than thirty days and a year earlier. The value represented in these second hand vehicles was substantially less this year than last. Many old passenger cars are being permanently retired and dismantled by organizations of dealers in the large cities. In St. Louis upwards of 1,600

vehicles have been bought for that purpose during the past three months at an average price of \$21. Assessor sales of the reporting dealers in November were 0.2 per cent larger than in October, and 6.4 per cent greater than in November, 1927. According to dealers reporting on that item, 54.3 per cent of their total sales were on the deferred payment plan, which compares with 57.6 per cent in October, and 48.3 per cent in November, 1927.

Boots and Shoes — November sales of the 5 reporting interests were 9.0 per cent smaller than for the same month in 1927, and 1.0 per cent below the October total this year. Stocks on December 1 were 10.4 per cent greater than on the same date in 1927, and 2.3 per cent in excess of those on November 1 this year. Manufacturers and jobbers were chiefly concerned with shipments, it being a between season period, with salesmen for the most part in from their territories. As compared with the preceding thirty days, there was a moderate decrease in manufacturing activity, though the rate was above the average of the past five years. Sales of overshoes were in satisfactory volume, and heavy lines of men's shoes were moving in somewhat better volume than heretofore. There was no change in prices worthy of note, either in raw materials or finished goods.

Clothing — Considerable improvement developed in distribution of winter apparel as compared with the preceding thirty days, though the relatively high temperatures caused business in these lines to fall below expectations. Due to the recent curtailed production, however, stocks of both wholesalers and retailers are of moderate proportions. Sales of work clothing showed improvement over a year ago, with business in the south especially satisfactory. Purchasing of the general line of children's clothing and women's suits for spring has been in good volume, with prices showing little variation from a year ago. November sales of the reporting clothiers were 5.9 per cent larger than for the same month in 1927, and 92.8 per cent greater than in October this year.

Drugs and Chemicals — Sales of the five reporting interests in November were 3.9 per cent less than for the same month in 1927, and 3.5 per cent below the October total this year. Stocks on December 1 were unchanged as compared with a month earlier, and 4.4 per cent smaller than on December 1, 1927. Prevalence of influenza through the district caused unusually heavy sales of remedial drugs, and demand for sundries and holiday goods was well up to expectations. Sales of toilet preparations and cosmetics were especially large. Some slowing down in purchasing of heavy drugs and

chemicals by the general manufacturing trade was noted.

Dry Goods — Due mainly to smaller advance business, November sales of the 7 reporting firms were 2.6 per cent smaller than for the same month last year, and 10.3 per cent below the October total this year. Stocks on December 1 were larger by 6.3 per cent and 18.7 per cent than thirty days and a year earlier. Pre-inventory sales held by several important stores met with good response and accounted for the movement of a large volume of goods. Purchasing of cotton goods was quieter, being affected by uncertainty relative to the staple cotton market. Generally prices showed no notable change as contrasted with the preceding thirty days.

Electrical Supplies — Business in this classification was active, with virtually all the principal lines selling well. November sales of the reporting interests were 50.4 per cent larger than for the corresponding period in 1927 and 2.7 per cent under the October total this year. Stocks on December 1 were 4.0 per cent larger than thirty days earlier, and 15.4 per cent less than on December 1, 1927. Purchasing of radio goods was in large volume, and the movement of holiday merchandise was the heaviest on record. Demand for small motors continues at the high levels of recent months.

Flour — Production at the 12 leading mills of the district in November totaled 363,316 barrels, against 436,365 barrels in October and 342,510 barrels in November, 1927. Business throughout the period was very dull, both in point of new buying and specifications on flour previously purchased. Purchasing by the domestic trade was on a hand-to-mouth basis, car lot orders being unusually scarce. Export business was light, and confined principally to routine transactions with the Latin-American countries. Bids from Europe were still too far out of line to result in substantial workings. Prices, however, were steady. Mill operations were at from 48 to 52 per cent of capacity.

Furniture — November sales of the thirteen reporting interests were 1.3 per cent larger than for the same month in 1927, and 35.8 per cent below the October total this year. Stocks on December 1 were 22.7 per cent larger than on the same date in 1927, and 7.3 per cent smaller than on November 1 this year. Demand for radio cabinets and the general run of holiday goods was brisk, but quietness was complained of in the more staple lines, notably bedroom furniture. Some improvement took place in sales of office furniture and equipment. Advance orders were slightly larger than at the corresponding period last year, but buying generally is on an immediate necessity basis.

Groceries — A slight recession in business in this line was noted, November sales of the 13 reporting interests showing a decrease of 1.1 per cent under the same month in 1927, and of 8.1 per cent under the October total this year. Stocks on December 1 were 1.1 per cent less than on November 1, and 22.2 per cent larger than on December 1, 1927. Results in the large cities were relatively better than in the country, due partly to unfavorable weather conditions which prevented salesmen completing their rounds. Buying of holiday goods was well up to expectations, and in the case of several important firms, the largest on record. The movement of certain staple goods was disappointing, and generally keen competition is narrowing profit margins.

Hardware — Demand for holiday goods was reported satisfactory throughout the district, with some jobbers receiving a large volume of reorders in late November and early this month. Purchasing of the staple lines of shelf hardware was active, but confined chiefly to immediate requirements. Toy sales were the largest in several years, and there was also a heavy movement of sporting goods. Hand implements, notably wood cutting tools, and other goods for consumption in the country continue in good demand. Prices were steady, with an advancing tendency on several groups of commodities. Less than the usual seasonal recession in the call for builders' hardware and tools was in evidence. November sales of the 12 reporting firms were 2.3 per cent smaller than for the same month in 1927, and 8.9 per cent below the October total this year. Stocks on December 1 were 0.3 per cent and 10.9 per cent larger, respectively, than thirty days and a year earlier.

Iron and Steel Products — November proved one of the best months this year in the iron and steel industry, and in the first half of December less than the usual slackening in demand was apparent. The total of tonnage placed was bolstered by heavier ordering of equipment by the railroads and prospects for additional freight and passenger car lettings in the near future. Winter construction programs have accounted for liberal quantities of ferrous building materials, and the open winter to date has permitted of almost uninterrupted outdoor operations. Purchasing by the oil and coal industries was somewhat better than heretofore, while the outlet through the general manufacturing trade has held up beyond expectations. Distributors of iron and steel goods from warehouses report a satisfactory movement of a broad assortment of commodities. Specifications have been good, and new orders

placed somewhat larger than the average at this season during the past several years. Manufacturers and distributors of sheets have experienced a continued good call for their wares. The leading sheet producer of the district was operating at full time on all units, and will continue at that rate for the next six weeks. There was the usual seasonal recession in demand for tin plate, and the general line of plates was relatively quiet. Generally the demand for wire and wire goods was active, with fencing material being heavily taken throughout the south and in the grain areas. Tubular goods were irregular, and less active than during the preceding thirty days. Specialty makers, notably of stoves, farm implements and machinery, report heavy shipments in November. Demands from the automotive industry fell off as compared with the two preceding months, but were substantially in excess of the corresponding period in 1927. Prices showed no notable change from the month before, either in raw or finished materials. Purchasing of pig iron was in heavy volume, with many leading users covering their full first quarter of 1929 requirements. The only change in pig iron prices during the period was an advance of fifty cents per ton by southern producers. The leading pig iron producer of the district blew in its idle stack on December 11 in order to accommodate increased demand. For the country as a whole, production of pig iron in November decreased slightly under the preceding month, the total of 3,303,680 tons comparing with 3,373,539 tons in October, and 2,661,863 tons in November, 1927. The decrease under October was due to one less day in November than the month before, and the November average daily rate was the third largest in history for that particular month. Output of steel ingots in the United States in November totaled 4,259,380 tons, against 4,647,891 tons in October and 3,127,015 tons in November, 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	
	Nov. 1928 comp. to Nov. 1927	11 Months ending Nov. 30, 1928 to same period 1927	Nov. 30, 1928 comp. to Nov. 30, 1927	Jan. 1, to Nov. 30, 1928	Nov. 1, to Nov. 30, 1927
Evansville	+35.3%	+ 7.5%	+ 2.4%	2.24	2.06
Little Rock.....	+ 1.4	+ 2.1	- 3.9	2.16	2.24
Louisville	+ 0.7	- 4.2	- 9.3	2.85	2.94
Memphis	+ 0.2	+ 4.8	-12.0	2.92	2.58
Quincy	+ 8.0	+10.9	- 0.8	2.34	2.01
St. Louis.....	- 3.2	+ 0.4	- 6.2	3.34	3.06
Springfield, Mo.—	5.0	- 1.1	- 3.1	1.52	1.46
8th District.....	- 1.3	+ 0.9	- 7.1	3.04	2.84
	Net sales comparison		Stocks on hand		
	Nov. 1928 comp. to Nov. 1927	Oct. 1928	Nov. 1928 comp. to Nov. 1927	Oct. 1928	
Men's furnishings.....	- 0.7%	+18.9%	- 3.4%	+ 6.6%	
Boots and shoes.....	- 1.8	- 7.5	+ 1.6	+ 2.7	

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

	Percentage increase or decrease Nov. 1928 compared to Nov. 1927	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-20.3%	-13.2%
Ready-to-wear accessories.....	3.6	7.1
Women and misses' ready-to-wear+	3.1	+24.4
Men's and boys' wear.....	6.2	5.8
Home furnishings.....	-10.6	-9.3

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current by selected industrial customers during November as being 6.9 per cent less than in October, and 8.0 per cent greater than in November, 1927. The loss in the month-to-month comparison is due in part to the closing down of a large cement plant in St. Louis. Detailed figures follow:

	No. of Custom- ers	Nov. 1928		Oct. 1928		Nov. 1927	
		*K.W.H.	*K.W.H.	comp. to Oct. 1928	*K.W.H.	Nov. 1927	
Evansville ...	40	1,274	1,357	- 6.2%	1,036	+22.9%	
Little Rock..	35	1,982	1,894	+ 4.6	1,366	+45.1	
Louisville ...	82	6,220	6,831	- 9.0	5,405	+15.0	
Memphis	31	1,983	1,884	+ 5.2	1,839	+ 7.8	
St. Louis.....	130	16,924	18,515	- 9.6	16,633	+ 1.7	
Totals.....	318	28,383	30,481	- 6.9	26,279	+ 8.0	

*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
October, 1928.....	2,876,316,000	5,024,583,000	7,900,899,000
September, 1928.....	2,784,928,000	4,484,960,000	7,269,888,000
October, 1927.....	2,375,527,000	4,528,735,000	6,904,262,000

BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in November showed an increase of 16.5 per cent over October, and a decrease of 9.0 per cent under November, 1927. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in November amounted to \$27,301,820 against \$32,408,584 in October and \$27,793,287 in November, 1927. A slight decrease in the cost of building was noted, caused by the accumulative effect of several slight reductions in the price of building materials. Production of portland cement for the country as a whole in November totaled 15,068,000 barrels, against 17,533,000 barrels in October, and 14,449,000 barrels in November, 1927. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1928	1927	1928	1927	1928	1927	1928	1927
Evansville ..	351	519	\$ 368	\$ 273	56	56	\$ 29	\$ 12
Little Rock	54	52	343	162	102	108	362	36
Louisville ..	168	166	1,395	2,122	50	37	88	104
Memphis ...	322	195	2,139	330	69	102	21	66
St. Louis....	534	555	2,497	4,502	278	1,027	271	1,353
Nov. totals	1,429	1,487	\$6,742	\$7,389	555	1,330	\$ 771	\$1,571
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

*In thousands of dollars (000 omitted).

AGRICULTURE

Weather conditions during the past thirty days were variable, but generally favorable for agricultural operations. In some sections excessive rains prevented farmers from entering their fields, but taken as a whole farm work has progressed well, and is somewhat ahead of the corresponding period a year ago or in 1926. The movement of agricultural products to market has been on a large scale. This is true particularly of cereals and live stock. Prices of wheat and corn fluctuated over a relatively narrow range, and developed no marked changes as contrasted with the preceding thirty days. Cotton has moved rapidly from producers to the gins, with the general movement somewhat earlier than the average of the past several years. Tobacco markets opened with liberal offerings in most cases, and prices obtained have been universally satisfactory, averaging higher than a year or two years ago. There has been a good marketing movement of oats, barley and rye from farms to interior loading stations and from country elevators to terminal markets.

Winter Wheat—In the principal producing areas of the district, the condition of the winter wheat crop is reported generally satisfactory. Good growth was attained in October, and recent rains have further assisted development. Most recent reports indicate that seeding has been entirely completed, and indications point to a slightly smaller acreage than planted last fall. Hessian fly infestation is light, and confined to scattering localities.

For the country as a whole an area of 43,228,000 acres of winter wheat sown this fall is estimated by the Crop Reporting Board of the United States Department of Agriculture, based upon reports and data furnished by crop correspondents, field statisticians, and cooperating State Boards (or Departments) of Agriculture and Agricultural Colleges. This sown area is 8.6 per cent less than the revised estimate of 47,280,000 acres sown in the fall of 1927. The sowings in the fall of 1926 were 43,373,000 acres (revised). The abandonment in 1928 was 23.5 per cent of the acreage sown to winter wheat; in 1927 13.0 per cent, and average for the ten years 1918-1927 was 10.8 per cent.

Condition of winter wheat on December 1, 1928 was 84.4 per cent compared with 86.0 and 81.8 on December 1, 1927 and 1926 respectively, and a ten-year average of 84.6 per cent.

Corn—Save where delayed by rains, husking of corn has made good progress, and cribbing is being pushed forward rapidly throughout the district. Latest husking returns seem to carry out earlier official estimates of total yields. The quality

of grain arriving at primary markets averages good, with moisture content mainly light. In the immediate past a considerable quantity of high grade corn has been received, much grading No. 1. In Illinois, Missouri and Indiana an unusually large amount of corn is being fed to live stock on farms. Demand for feeding purposes is good, and in the surplus areas shipments from farms have been large.

Fruits and Vegetables—Harvesting of the white potato crop has been completed, but due to the low prices prevailing the movement has been restricted. In some sections farmers did not dig all of their crops, and a large quantity of inferior grade potatoes were not shipped to market. The sweet potato crop is turning out about as indicated in the Government estimate and marketing has progressed under generally favorable conditions.

Live Stock—Favorable weather throughout the autumn and early winter has proved beneficial to live stock. Less than the usual number of complaints of disease have been received, and generally herds are entering the cold weather in healthy condition. Pastures were benefited by the abundant moisture and low temperatures, and farmers have been able to carry their stock with relatively little prepared feed. There was a further decline in hog prices, the lowest levels of the year being recorded in early December. Cattle and sheep values were relatively well sustained. Generally favorable conditions prevailed in the poultry and dairying industries, with steady expansion in the latter being noted in the south.

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

	Receipts			Shipments		
	Nov. 1928	Oct. 1928	Nov. 1927	Nov. 1928	Oct. 1928	Nov. 1927
Cattle and calves.....	104,292	162,218	130,862	57,373	110,602	84,341
Hogs	359,435	353,864	281,578	277,616	250,326	190,289
Horses and mules.....	5,856	4,161	7,891	4,768	4,773	8,533
Sheep	24,272	55,398	35,211	9,514	32,610	17,640

Cotton—According to the U. S. Department of Agriculture's November 1 report, prospects for cotton in states wholly or partly within this district underwent some improvement from November to December. Total yield in Arkansas, Mississippi, Missouri and Tennessee is estimated at 3,251,000 bales, against 3,103,000 on November 1, and 2,829,000 bales in 1927. Weather conditions were mixed, but on the whole harvesting was accomplished under favorable auspices. Some lowering of grade and field losses resulted from rains in November, but these were no greater than average, and only a small amount of cotton still remains in the fields. The movement to market continued heavy, stocks in Arkansas warehouses totaling 332,778 bales on December 7 against 338,292 bales on the corresponding date in 1927. Prices fluctuated in a narrow

range, and showed little change from the preceding thirty days or the same period a year ago.

Rice—Harvesting of the crop was virtually completed on December 1, it being estimated that less than 5 per cent remained in the fields on that date. Excessive rainfall during November impaired the milling quality of much rice and caused some reduction in quantity. Values were well sustained on all qualities through November, though the average was below that of a year ago. Sales during November and early December were in about the usual volume, with demand both for domestic consumption and export, fair.

Tobacco—Loose leaf markets throughout the burley districts opened in the week of December 8, and prices were in excess of expectations and averaged considerably higher than at the opening last year or in 1926. The crop contains some as fine bright tobacco as has appeared in years, but there is also some as common leaf as could be found any year. A large portion of the crop is small in length but generally clean. Average sales were slightly above \$30 per 100 pounds. The air-cured and green river loose leaf markets had some large sales, with prices high, manufacturing leaf selling as high as \$33. Markets in the western fire district of Murray, Mayfield and Paducah, Ky. also opened with heavy offerings, but very good prices, the average being \$2 to \$2.50 better than last year. Conditions in the Clarksville and Springfield markets, which held their initial sales, were similar to those existing in the western district. Buyers are numerous and demand brisk for all grades. Prices of old burley were higher than at any time this season, and there is less old stock unsold at this time than has been the case in more than a decade.

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

		High	Low	Close	
				Dec. 15, 1928	Dec. 15, 1927
Wheat	per bu.	\$1.18½	\$1.14½	\$1.15	\$1.28½
Dec.				1.21½	1.30½
May		1.25½	1.21		
July		1.24½	1.21½		
N. 2 red winter..		1.51	1.38	\$1.38 @ 1.43	1.44
No. 2 hard.....		1.24	1.16	1.17 @ 1.18½	1.32 @ 1.33
Corn					
Dec.87½	.83½	.84½	.84½
May93½	.89½	.93½	.92½
No. 2 mixed.....		.87	.81	.83 @ .84	.85
No. 2 white.....		.92	.82	.85½ @ .86	.86
Oats					
No. 2 white.....		.51½	.47½	.48 @ .48½	.57
Flour					
Soft patent.....	per bbl.	7.25	6.50	6.50 @ 7.25	6.50 @ 7.25
Spring patent.....		5.95	5.75	5.75 @ 5.90	6.50 @ 6.60
Middling cotton.....	per lb.	.19½	.18½	.19	.19
Hogs on hoof.....	per cwt.	9.30	6.25	7.60 @ 8.80	7.35 @ 8.65

FINANCIAL

Routine seasonal factors were the chief influences in the banking and financial situation in this

district during the past thirty days, with nothing developing to change the trends noted a month earlier. Demand for funds continued active and diversified, certain banks reporting a somewhat better inquiry than in the preceding month. With offerings generally less free than heretofore, rates were maintained at the highest point attained this year, or, in fact, during the past five or six years. Liquidation among major mercantile and manufacturing interests in the principal cities was in large volume, reflecting generally good collections, and there were also heavy payments of agricultural loans, notably in the typical cotton areas. New borrowings and renewals, however, were also on a liberal scale, so that loanable resources of the commercial banks were kept well employed.

Markets in all the tobacco districts opened, with sales heavy and average prices high, but it is still too early for proceeds of these sales to materially affect the financial situation in that region. Similar conditions obtained in sections where rice is the principal crop, save that prices were below those of last year. Demands of grain handlers and flour millers increased in somewhat more than the seasonal amount, being augmented by rather heavy inventories carried by the milling interests, and to an extensive movement of corn in the surplus areas. As has been the case all fall, the cattle industry is employing a considerable volume of credit, reflecting in part high market values. Requirements of packers and other manufacturers of food products continued at the recent high levels.

Loans of the reporting member banks decreased in late November, but regained part of the loss later, and on December 12 were at about the same level as in the first week of October. Deposits of these banks increased in early December to the highest point since the middle of May. Loans of this bank to its member banks decreased steadily and at the middle of December were at approximately the same level as in late May. Responding to the usual seasonal call for currency for holiday purposes, the note circulation of this bank increased in late November and early December to the highest point of the year.

At the St. Louis banks current rates were as follows: Prime commercial paper, 5½ to 6 per cent; collateral loans, 5½ to 6½ per cent; loans secured by warehouse receipts, 5½ to 6 per cent; interbank loans, 5½ to 6 per cent and cattle loans, 5¾ to 6½ per cent.

Federal Reserve Operations—During November the Federal Reserve Bank of St. Louis discounted for 201 member banks, against 217 in October and 121 in November, 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:

	*Dec. 21, 1928	*Nov. 21, 1928	*Dec. 21, 1927
Bills discounted.....	\$45,529	\$41,181	\$22,831
Bills bought.....	11,647	9,699	4,569
U. S. Securities.....	20,782	21,216	38,163
Total bills and securities.....	\$77,958	\$72,096	\$65,563
F. R. Notes in circulation.....	65,637	60,762	57,300
Total deposits.....	86,287	83,496	85,093
Ratio of reserve to deposits and F. R. Note Liabilities.....	53.7%	57.4%	58.2%

*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.

	*Nov. 1928	*Oct. 1928	*Nov. 1927	Nov. 1928 comp. to Oct. 1928	Nov. 1927
East St. Louis & Natl.					
Stock Yards, Ill..\$	68,035	\$ 78,139	\$ 51,820	-12.9%	+31.3%
El Dorado, Ark.....	7,438	9,711	9,269	-23.4	-19.8
Evansville, Ind.....	45,818	47,478	46,601	- 3.5	- 1.7
Fort Smith, Ark....	14,792	19,371	15,492	-23.6	- 4.5
Greenville, Miss....	6,344	6,517	4,197	- 2.7	+51.2
Helena, Ark.....	5,335	5,657	6,464	- 5.7	-17.5
Little Rock, Ark....	94,289	108,403	101,055	-13.0	- 6.7
Louisville, Ky.....	199,990	210,256	184,614	- 4.9	+ 8.3
Memphis, Tenn.....	198,846	211,147	200,443	- 5.8	- 0.8
Owensboro, Ky.....	5,936	5,797	5,167	+ 2.4	+14.9
Pine Bluff, Ark.....	16,999	17,753	17,130	- 4.2	- 0.8
Quincy, Ill.....	12,689	13,843	13,073	- 8.3	- 2.9
St. Louis, Mo.....	756,560	842,350	761,467	-10.2	- 0.6
Sedalia, Mo.....	4,299	4,748	4,335	- 9.5	- 0.8
Springfield, Mo....	15,389	17,398	15,200	-11.5	+ 1.2
**Texarkana, Ark.-Tex.	15,961	18,215	18,230	-12.4	-12.4
Totals.....	\$1,468,720	\$1,616,783	\$1,454,557	- 9.2	+ 1.0

*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 December 19, showed an increase of 2.0 per cent as contrasted with November 21 and a decrease of 2.0 per cent as compared with December 21, 1927. Deposits increased 2.6 per cent between November 21 and December 19 and on the latter date were 4.1 per cent smaller than on December 21, 1927. Composite statement follows:

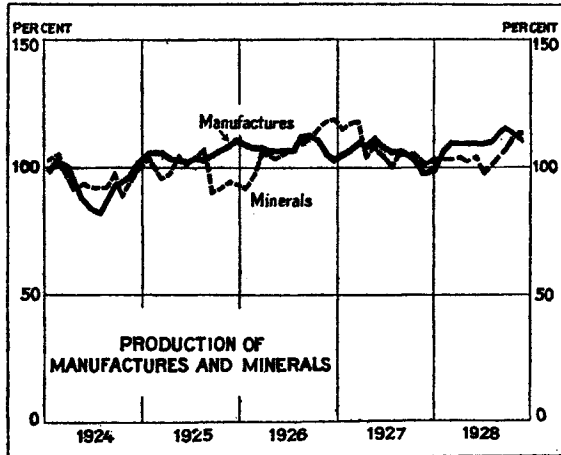
	*Dec. 19, 1928	*Nov. 21, 1928	*Dec. 21, 1927
Number of banks reporting.....	129	129	31
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations.....\$	4,061	\$ 4,018	\$ 4,233
Secured by other stocks and bonds.....	212,186	212,419	213,619
All other loans and discounts.....	299,621	289,213	308,812
Total loans and discounts.....	\$515,868	\$505,650	\$526,664
Investments			
U. S. Government securities.....	77,354	75,540	78,417
Other securities.....	134,287	129,616	130,409
Total investments.....	\$211,641	\$205,156	\$208,826
Reserve balance with F. R. bank.....	45,984	46,687	49,270
Cash in vault.....	9,979	7,916	9,870
Deposits			
Net demand deposits.....	409,233	389,901	430,393
Time deposits.....	230,861	238,069	240,065
Government deposits.....	6,490	1,999	3,626
Total deposits.....	\$646,584	\$629,969	\$674,084
Bills payable and rediscounts with Federal Reserve Bank, Secured by U. S. Govt. obligations.....	16,556	16,118	13,635
All others.....	10,859	13,049	1,514

*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 December 20, 1928)

BUSINESS CONDITIONS IN THE UNITED STATES

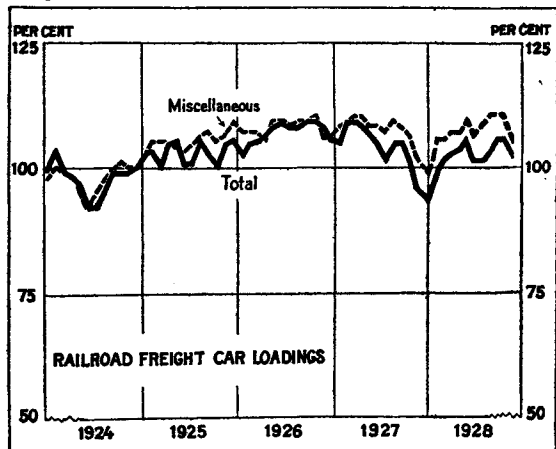
PRODUCTION—Total output of manufacturers was somewhat lower in November, reflecting primarily a decrease in production of automobiles and steel, larger than is usual at this season, but total output continued larger than a year ago. Production of pig iron and copper continued to increase in November, textile mills remained active, and meat packing increased, while sugar refining declined seasonally during the month and the production of building materials was smaller. Factory employment and payrolls were seasonally reduced but were larger than in 1927. Mineral production was in about the same volume as in October, according to the Federal Reserve Board's index which makes allowance for seasonal variations. Increases occurred in the daily average production of copper, zinc,



Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures, November: Manufactures, 111; Minerals, 114.

tin and bituminous coal, while anthracite coal decreased and the output of petroleum was smaller.

The value of building contracts awarded in November and the early part of December receded sharply from the record figures of the two preceding months. The November total was slightly larger than in the corresponding month in 1927, and the volume of contracts for the first two weeks of December was smaller than a year ago. The December forecast of the Department of Agriculture increased the estimated 1928 production of cotton by 240,000 bales to a total of 14,373,000 bales, which is nearly 11 per cent larger than a year ago. The total value of crops, based



Cars of revenue freight loaded as reported by the American Railway Association. Index numbers adjusted for seasonal variations (1923-25 average=100). Latest figures, November: Total 103; Miscellaneous, 106.

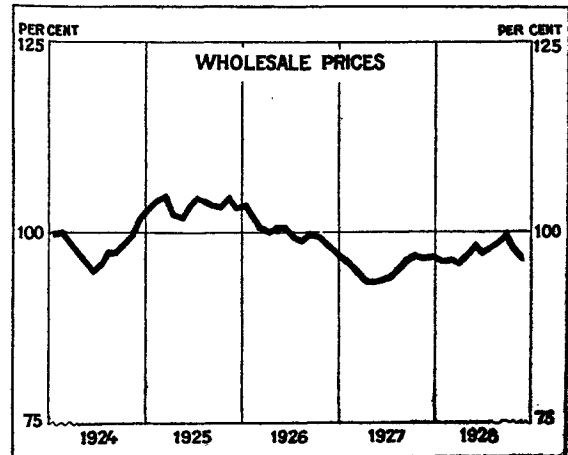
on December farm prices is estimated at \$8,456,052,000 as compared with \$8,522,563,000 in 1927.

TRADE—Department store sales showed a seasonal increase in November when allowance is made for the number of business days, and approximated those of a year ago, while inventories continued smaller than in 1927. Sales at wholesale declined seasonally, but were larger than in the same month last year.

Railroad freight shipments decreased in volume during November and the early part of December, but continued larger than in 1927. The decrease from October was es-

pecially marked in loadings of miscellaneous freight.

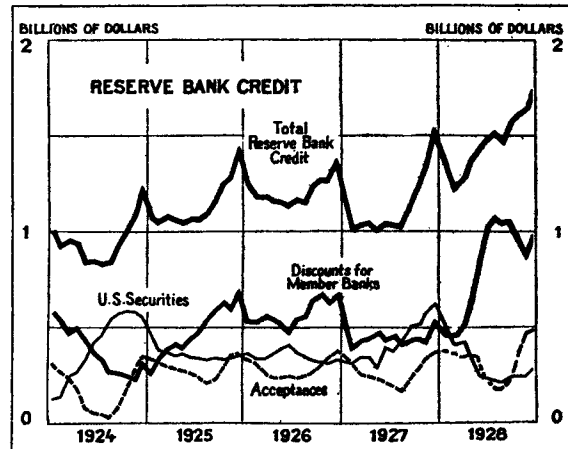
PRICES—Wholesale commodity prices decreased further in November and the first two weeks of December. The largest price declines during the six week period, were in farm and food products and leather, while several groups of industrial products, notably iron and steel, nonferrous metals and cotton goods were generally higher. Wholesale prices of gasoline and automobile tires declined. Among the agricultural products, prices of raw silk, corn, livestock, and meats were lower during November, while raw cotton and wool, wheat and oats increased somewhat. During the first two weeks of December, however, prices of all these products with the exception of raw silk, declined. Building materials were generally higher in Novem-



Index of United States Bureau of Labor Statistics (1926=100, base adopted by bureau). Latest figure, November, 96.7

ber but declined somewhat in the middle of December.

BANK CREDIT—Loans and investments of member banks in leading cities increased \$329,000,000 during the four week period ending December 19. The advance during the first two weeks reflected chiefly a rapid increase in security loans which include loans to brokers and dealers in securities. Subsequently, a sharp decline in loans on securities was more than offset by a rapid increase in all other loans and in holdings of investments. The increase in all other loans, which includes loans for commercial purposes, was contrary to the usual movement at this season and carried the total to the highest figure in eight years.



Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages of first 21 days in December.

Seasonal growth in the demand for currency in November and December, together with increases in member bank reserve requirements, consequent upon an increase in their deposit, have been reflected in larger borrowings by the member banks from the reserve banks. This recent growth, following upon demand caused by the loss of gold in earlier months, has carried the total volume of reserve bank credit to the highest level in seven years. The rates on call and time loans on security collateral increased during the last week in November and the first part of December, while rates for commercial paper were generally steady. Rates on certain maturities of bankers' bills increased somewhat.