



MONTHLY REVIEW

*Of Agricultural, Industrial, Trade and Financial
Conditions in the Eighth Federal Reserve District*

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REPORTS relative to business and industry in this district during the past thirty days developed rather sharp contrasts. Relatively most satisfactory results were achieved in the manufacturing lines, notably in iron and steel, packing and food products generally. Resumption of activities at industrial plants after the holiday and inventorying interruption was more rapid than is ordinarily the case. In the distribution of merchandise, the retail section made a better exhibit than was the case in wholesaling and jobbing, though despite a heavy volume of Christmas buying, retail sales in December were slightly below the volume of the corresponding month in 1927. Of the wholesale lines investigated, a large majority showed decreases in sales both under the preceding month and the same period a year earlier.

Throughout December the movement into consumption of seasonal merchandise, particularly apparel, fuel, boots and shoes, sporting goods and certain lines of hardware, was restricted by unseasonably warm weather. Reordering of commodities in these classifications was disappointingly small, and some cancellations were reported. Since the first of January, however, the spell of low temperatures has materially stimulated the demand for cold weather goods, and in all parts of the district merchants have been able to measurably reduce their stocks. A further stimulus to retail distribution since the turn of the year has been the holding of numerous special sales, which have met with excellent response.

Inventory taking has disclosed almost universally small stocks, both in wholesale and retail establishments. The same is true of raw materials held by manufacturers in important lines, who during the past year have adhered to the policy of purchasing principally on an actual requirement basis. For the most part orders booked by manufacturers and jobbers for future delivery are below those of the corresponding period last year, and this is accountable in a large degree for the decrease in

sales reported in December as contrasted with that month in 1927. In the case of certain wholesale and jobbing lines, the seasonal decline from November to December was more pronounced than the average during the past half decade. Employment conditions, influenced mainly by seasonal considerations, showed little change from the preceding month, and were on the whole satisfactory. Savings accounts in December decreased slightly as compared with November, but were 3.5 per cent larger on January 4 than a year earlier. Building contracts let in the Eighth Federal Reserve District in December exceeded the November total, and the total for 1928 was 10.8 per cent larger than in 1927.

Freight traffic of railroads operating in this district attained high levels during the past thirty days, the volume reported by several important trunk lines being the largest on record for that particular period. The traffic decrease incident to the holidays was less marked than is ordinarily the case, and increases were shown in virtually all classifications, with merchandise and miscellaneous freight making a particularly good exhibit. The movement of coal and coke was considerably above that of a year ago. For the entire country, loadings of revenue freight during 1928 totaled 51,576,732 cars, against 51,666,765 cars in 1927 and 53,098,819 cars in 1926. The St. Louis Terminal Railway Association, which handles interchange for 28 connecting lines, interchanged 208,747 loads in December, against 196,502 loads in November, and 199,342 loads in December, 1927. During the first nine days of January the interchange amounted to 61,802 loads, against 62,936 loads during the corresponding period in December, and 58,120 loads during the first nine days of January, 1928. Passenger traffic of the reporting roads decreased nine per cent in December as compared with the same month in 1927. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 148,200 tons, which compares with 148,218 tons in November and 114,063 tons in December, 1927. The total tonnage

handled in 1928 was the largest on record, 1,448,257 tons, against 1,237,430 tons in 1927, and 1,044,658 tons in 1926.

Collections during the past thirty days developed some irregularity, both with reference to different localities and the several lines investigated. The average, however, was about even with the preceding month, and slightly lower than during the corresponding period a year earlier. In sections where cotton is the principal crop, liquidation both with merchants and the banks continued on a liberal scale, and payments in the tobacco areas showed favorable response to heavy marketings of that crop. December payments to retailers in the country showed the usual seasonal slump, but since the first of this month results have been more satisfactory. In the large cities unevenness was reported by retailers. For the most part wholesalers report January 1 settlements up to expectations, with some lines, notably boots and shoes, hardware and dry goods, making a particularly good showing. Questionnaires addressed to representative interests in the several lines throughout the district showed the following results.

	Excellent	Good	Fair	Poor
December, 1928.....	2.8%	57.8%	33.8%	5.6%
November, 1928.....	1.4	34.2	52.1	12.3
December, 1927.....	4.0	36.4	54.7	5.3

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's, numbered 103, involving liabilities of \$1,477,305, against 125 defaults in November with liabilities of \$5,740,158, and 84 failures for \$2,923,187 in December, 1927.

The per capita circulation of the United States on December 31, 1928, was \$41.77, against \$41.95 on November 30, 1928, and \$42.52 on December 31, 1927.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car and truck production in the United States during December totaled 233,135, which compares with 256,936 in November, and 133,579 in December, 1927.

There was the usual seasonal decrease in distribution of automobiles in December as compared with November, but for the eighth consecutive month, December showed a gain over the corresponding period the year before. Part of the decrease as contrasted with November was due to the fact that one leading manufacturer of cheap priced cars was out of production in December preparing for introduction of a new model. In both the month-to-month and yearly comparisons, relatively the heaviest falling off in sales was reported by

country dealers. Sales of dealers in the large cities were augmented by an unusually large number of cars ordered for delivery at Christmas. Universally there was a disposition to await the automobile shows to be held in late January and February before making commitments. This same attitude prevailed among dealers, who were purchasing only enough cars to fill actual and prospective orders. Inquiries and interest, however, were well sustained through all lines of vehicles, and reports from virtually all sections of the district reflect favorable prospects for spring trade. December sales of new cars by 320 dealers scattered through the district were 48.5 per cent smaller than in November, but 117.1 per cent larger than in December, 1927. Stocks of new cars on hand on January 1 were 6.2 per cent larger than on December 1 and 11.5 per cent in excess of those on January 1, 1928. The used car situation developed no marked changes as compared with the preceding thirty days. Sales were in satisfactory volume, and the number of cars on hand decreased, both as contrasted with thirty days and a year earlier. Organizations formed for the purpose of purchasing and dismantling old machines have substantially reduced the number of old vehicles on the market. The number of salable used cars on hand on January 1 was smaller by 2.6 per cent than on December 1, and 3.2 per cent than on January 1, 1928. Business in accessories and parts was reported generally active, with sales 3.2 per cent less than in November, and 8.3 per cent greater than in December, 1927. According to dealers reporting on that item, 52.9 per cent of their total sales were on the deferred payment plan, which compares with 54.3 per cent in November, and 47.4 per cent in December, 1927.

Boots and Shoes — December sales of the five reporting interests were the smallest for any month last year, falling 57.9 per cent below those of November, and 29.2 per cent below the total in December, 1927. Stocks on hand on January 1 were 11.6 per cent and 2.8 per cent larger respectively, than a month and a year earlier. The decline in sales shown in the month-to-month comparison was seasonal in character, but somewhat heavier than the average during the past half decade. Demand for women's and children's footwear was relatively better than for the heavier lines of men's wear and work shoes. Factory operations declined slightly as compared with the preceding thirty days. No changes worthy of note took place in finished goods.

Clothing — Reports relative to business in this classification reflected considerable unevenness.

While there was some improvement in ordering of both men's and women's apparel for distribution in the spring, the movement of heavyweight garments throughout December was disappointing, being affected by unseasonable weather. Since the first of this month, improvement has developed in this respect, purchasing being stimulated by prevailing low temperatures and numerous special sales. The movement of men's overcoats has been below expectations. December sales of the reporting clothiers were 29.2 per cent smaller than for the same month in 1927, and 57.9 per cent below the November total.

Drugs and Chemicals — Improvement in this classification was reported, both over the preceding month and a year earlier. The influenza epidemic was accountable for heavily increased sales of remedial drugs and proprietary preparations, two important firms reporting the heaviest sales of these goods in more than two years. Reordering of holiday goods, notably toilet preparations and cosmetics, assisted in augmenting the December totals. Demand for heavy drugs and chemicals from the manufacturing trade was generally good, and sales of denatured alcohol and anti-freeze mixtures were large. Sales in December of the five reporting interests were 1.4 per cent larger than in November, and 3.7 per cent greater than for December, 1927. Stocks on January 1 were 3.6 per cent less than on the same date last year, and unchanged from the December 1, 1928, total.

Dry Goods — For the fourth consecutive month, business in this classification during December showed a decrease under the corresponding period in 1927. Declines were rather general in all sections of the line, but most marked in staple goods. In the case of two of the leading stores, the major part of the decrease in sales was accounted for by a sharp reduction in future orders. The requirements usually filled by advance orders, however, remain as potential business, and with retail stocks generally light, the outlook for late winter and spring trade is considered good. Orders booked by salesmen who went into their territories shortly after January 1, have been in satisfactory volume, in some instances 10 to 15 per cent larger than at the same time last year. December sales of the eight reporting interests were 32.4 per cent smaller than in November, and 11.5 per cent below the December, 1927, total. Stocks on January 1 were 9.4 per cent larger than thirty days earlier, but 11.5 per cent smaller than on January 1, 1928.

Electrical Supplies — Improved demand for radio material and unusually heavy buying of holiday goods were factors in a gain of 10.1 per cent in

December sales of the reporting firms over the same month in 1927. As compared with November, however, the December total showed a decrease of 3.2 per cent. Stocks on January 1 were 1.4 per cent and 16.2 per cent, smaller respectively, than thirty days and a year earlier. There was the usual slump in demand from the building trade, which, however, was partly offset by good buying by the public utilities companies.

Flour — Production at the 12 leading mills of the district in December totaled 357,844 barrels, against 365,042 barrels in November and 345,793 barrels in December, 1927. Stocks of flour in St. Louis on January 1 were 3.9 per cent larger than on December 1, 1928, and 2.0 per cent smaller than on January 1, 1928. Business during the last half of December and the opening days of this month was extremely dull, being affected by the holiday period and inventorying. Since the first week of this month, however, there has been a decided revival of interest, and fair sales to the domestic trade were reported. Shipping directions on flour previously purchased also picked up and values were stronger in sympathy with the upturn in cash wheat prices. While actual sales for export were light, a better tone has developed in that trade, and bids from abroad were slightly higher. Mill operations were from 45 to 50 per cent of full capacity.

Furniture — December sales of the 13 reporting interests were 10.1 per cent smaller than in November, but 31.3 per cent larger than in December, 1927. Stocks on January 1 were 13.8 per cent less than thirty days earlier, and 11.3 per cent greater than on January 1, 1928. Christmas holiday business with retailers exceeded expectations, and resulted in a good clearance of certain lines, and a fair volume of reordering from wholesalers and manufacturers. Demand for household furniture and furnishings generally showed some improvement, but slightly more than usual seasonal recession was noted in other departments of the trade.

Groceries — Disappointing advance sales and unfavorable weather were mentioned as the chief factors in a decrease in December sales of the 14 reporting interests of 1.7 per cent under those for the same month a year earlier, and of 6.3 per cent below the November, 1928, total. Stocks on hand on January 1 were smaller by 17.3 per cent than thirty days earlier, and 17.6 per cent greater than on January 1, 1928. The movement of holiday goods was large, but purchasing of staple lines, particularly in the rural areas, was below expectations. Prices showed no notable changes as contrasted with the preceding month.

Hardware— While demand for seasonal and staple hardware continues fairly active, certain specialty lines and merchandise for consumption in the rural areas showed a falling off, with the result that December sales of the 12 reporting interests were 17.3 per cent less than in November and 6.4 per cent below the total in December, 1927. Stocks on January 1 were smaller by 8.8 per cent than thirty days earlier, and 5.3 per cent larger than on January 1, 1928. Since the first of January there has been a better demand at retail for cold weather goods, which has been reflected in a moderate volume of ordering from wholesalers. Ordering for spring and early summer distribution has been disappointing.

Iron and Steel Products— The holiday and inventory period was marked by considerably less than the usual slowing down in activities in the iron and steel industry. Business up to the last week in December continued brisk, and since the second week of this month operations at mills, foundries and machine shops have been resumed at a rate somewhat above the average in December. Shipments of both finished goods and raw materials continue on a liberal scale, and in the case of certain steel commodities, deliveries are behind schedules. Recent orders for freight and passenger equipment placed by the railroads have had a stimulating effect on the situation as a whole, and have proved of especial benefit to manufacturers and distributors of plates and sheets, and to plants specializing in railroad castings. Demand from the automotive industry was well sustained, with specifications and new ordering of body plates, bars and other materials being in good volume. Commitments of users of steel generally are being made somewhat more freely than heretofore. Requirements of the building industry, while showing the usual seasonal recession, are fully up to the average at this time during the past several years. In addition to better car orders, the railroads have increased their buying of track supplies and general repair materials. Specialty makers, notably of stoves, farm implements and machinery for the most part report unfilled orders larger than at the corresponding period in 1928. While many stove plants in the district have closed down for repairs and the making of new patterns, a majority of them plan to resume operations at an earlier period than in past years. Distributors of iron and steel goods from warehouses report a slightly better than seasonal demand for their general line, with several important commodities showing considerable life. A slowing down in demand for goods used in the rural districts was noted, an exception

being wire fencing, which continues in good call throughout the district. Purchasing of tubular goods, and oil country goods in general was disappointing, and demand from the bituminous coal industry is also slow. Prices of finished goods showed no change of importance as compared with the preceding thirty days. The recent upturn in scrap iron and steel prices has had a steadying influence on pig iron. As usual at this season, however, new buying of pig iron was light, though shipments continue at the high levels which marked the closing month of 1928. For the country as a whole, production of pig iron in December totaled 3,369,784 tons, the largest with exception of October of any month in that year, and comparing with 3,304,656 tons in November, and 3,698,208 tons in December, 1927. Steel ingot production in the United States in December, 4,015,434 tons, was the highest on record for that month, and compares with 4,295,380 tons in November, and 3,175,484 tons in December, 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
	Dec. 1928 comp. to Dec. 1927	12 months ending Dec. 31, 1928 to same period 1927	Dec. 31, 1928 comp. to Dec. 31, 1927	Jan. 1, to Dec. 31, 1928 1927
Evansville	+ 4.2%	+ 6.9%	+ 6.0%	2.68 2.87
Little Rock.....	+ 0.6	+ 1.9	- 4.9	2.55 2.7
Louisville	+ 1.7	+ 3.3	- 6.3	3.43 3.
Memphis	- 6.8	+ 1.3	-16.0	3.37 3.0.
Quincy	+ 9.0	+10.6	- 0.2	2.79 2.41
St. Louis.....	- 0.6	+ 0.3	- 8.5	3.89 3.57
Springfield, Mo.	- 2.4	- 1.3	- 2.2	1.77 1.71
8th District.....	- 1.2	+ 0.3	- 8.9	3.55 3.33

	Net sales comparison		Stocks on hand	
	Dec. 1928 comp. to Dec. 1927	Nov. 1928	Dec. 1928 comp. to Dec. 1927	Nov. 1928
Men's furnishings.....	+ 3.5%	+52.6%	- 2.3%	-21.6%
Boots and shoes.....	- 4.6	+33.0	+12.0	-11.8

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

	Percentage increase or decrease Dec. 1928 compared to Dec. 1927	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-13.1%	-13.6%
Ready-to-wear accessories.....	- 3.3	-11.2
Women and misses' ready-to-wear.....	+ 1.2	-10.5
Men's and boys' wear.....	- 2.2	- 9.9
Home furnishings.....	-14.7	-10.2

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current by selected industrial customers in December as being 5.0 per cent greater than in the same month in 1927, and 6.0 per cent less than in November, 1928. In the month-to-month comparison, the decrease is accounted for by seasonal reduction of loads taken by refrigeration and cold storage plants. The gain over December, 1927, was quite generally

distributed but most notable in iron and steel establishments. Detailed figures follow:

	No. of Custom- ers	Dec. 1928 *K.W.H.	Nov. 1928 *K.W.H.	Dec. 1928 comp. to Nov. 1928	Dec. 1927 *K.W.H.	Dec. 1928 comp. to Dec. 1927
Evansville	40	1,370	1,274	+ 7.5%	1,037	+22.8%
Little Rock..	35	1,792	1,982	— 9.6	1,223	+46.5
Louisville	87	5,876	6,220	— 5.6	5,162	+13.8
Memphis	31	1,869	1,983	— 5.8	1,770	+ 5.6
St. Louis.....	129	15,784	16,924	— 6.8	16,227	— 2.8

Totals.....322 26,691 28,383 — 6.0 25,419 + 5.0
*In thousands (000 omitted).

BUILDING

The dollar value of building permits issued in the five largest cities of the district in December showed an increase of 34.0 per cent over the same month in 1927, and a decrease of 38.7 per cent as compared with November, 1928. According to statistics compiled by the F. W. Dodge Corporation. Contracts let in the Eighth Federal Reserve District in December totaled \$31,378,972, against \$27,301,820 in November and \$33,352,300 in December, 1927. The total for 1928 was \$445,101,972, representing a gain of 10.8 per cent over 1927. No change occurred in the building costs as contrasted with the preceding thirty days. Production of portland cement for the country as a whole in December totaled 12,189,000 barrels, against 15,068,000 barrels in November, and 11,999,000 barrels in December, 1927. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1928	1927	1928	1927	1928	1927	1928	1927
Evansville ..	273	421	\$ 197	\$ 117	17	40	\$ 7	\$ 14
Little Rock	31	34	292	119	32	65	11	24
Louisville ..	78	135	556	808	44	39	616	63
Memphis ...	161	285	369	376	69	96	44	78
St. Louis....	346	356	2,718	1,664	201	498	203	658
Dec. totals	889	1,231	\$4,132	\$3,084	363	738	\$ 881	\$837
Nov. totals	1,429	1,487	6,742	7,389	555	1,330	771	1,571
Oct. totals	2,063	1,576	6,093	3,682	603	1,415	533	1,947

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the final quarter of 1928 of 3.5 per cent as compared with the corresponding period in 1927, and a gain of 21.4 per cent as compared with the third quarter of 1928. The loss as compared with the final quarter of 1927 was largely due to lower postal rates on certain classes of mail matter, while the gain over the preceding three months was seasonal in character. Detailed figures follow:

	For quarter ending			
	Dec. 31, 1928	Sept. 30, 1928	June 30, 1928	Dec. 31, 1927
Evansville	\$ 172,000	\$ 173,000	\$ 173,000	\$ 178,000
Little Rock....	243,000	245,000	220,000	239,000
Louisville	796,000	661,000	715,000	822,000
Memphis	734,000	573,000	620,000	788,000
St. Louis.....	3,544,000	2,869,000	3,082,000	3,667,000
Total.....	\$5,489,000	\$4,521,000	\$4,810,000	\$5,694,000

— 3.5

AGRICULTURE

Farm activities in the northern portion of the district during the past thirty days have consisted chiefly in feeding stock, completing corn husking and

housing, planning for spring planting and the usual cold weather routine. Until the first of this month weather was unusually mild, and on the whole unfavorable for agriculture. Dirt roads were heavy, and fields in many sections too muddy to permit of their being entered. In the south early plowing and soil preparation made only fair progress, and generally the movement of products to market was backward. Since January 1, however, freezing temperatures have improved roads, and hauling of corn to railroad terminals has increased. A good demand and firmer prices also served to stimulate the forwarding of certain products. Almost universally there has been abundant moisture, and soil conditions are excellent. There was no change worthy of note in farm labor conditions, the supply being adequate, with wages showing little variation as contrasted with a month and a year earlier.

Winter Wheat — According to the preliminary estimate of the U. S. Department of Agriculture, the area of winter wheat seeded last fall in all states wholly or partly within the Eighth Federal Reserve District was below that of the fall of 1927. The total acreage of these states, 7,077,000 acres, compares with 8,736,000 acres a year earlier, a decrease of 19.0 per cent. The December condition of the growing crop in all these states was lower than at the same time in 1927, though with the exception of Mississippi and Arkansas, two relatively unimportant wheat states, the condition was higher than the ten-year (1918-1928) average. Until the first of this month the crop generally lacked snow covering, and there were numerous complaints of heaving, caused by alternate freezing and thawing. The extent of the damage from this cause will be impossible to determine until the spring, and recent snows are thought to have materially assisted the position of the plant. For the country as a whole the area planted last fall was estimated at 43,228,000 acres, which compares with 47,280,000 acres in 1927, and 43,373,000 acres in 1926.

Corn — In some sections yields were reduced by overflows, with quality lowered, although not to the extent expected. Recent arrivals at primary points include considerable high-grade corn, though the autumn and early winter were generally unfavorable for curing and conditioning the crop. Harvesting was later than usual, being hampered in many important growing areas by rains and muddy fields. In the immediate past, however, excellent progress has been made, especially in the northern tier of counties. Farmers in Missouri and Illinois are paying slightly above day wages for husking and snapping, although labor is plentiful. In response to a good demand from live stock feeders

and manufacturers of corn products, prices advanced during the period, the May option in St. Louis closing at \$1.01 per bushel on January 15, as compared with 93½¢ on December 15.

Live Stock—According to the U. S. Department of Agriculture's December pig survey, in the corn belt states the decrease in the fall pig crop as compared with a year earlier was 1½ per cent, while large decreases were shown in the southern states. The number of sows farrowing decreased 7 per cent for the United States as a whole and about 4 per cent for the corn belt states. If the decreases shown in the spring and fall crops are applied to the total number of pigs saved in 1927, the total decrease in the pigs saved this year amounts to about 5,000,000 head for the entire country. The decrease in the corn belt states would be about 3,200,000 head.

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

	Receipts			Shipments		
	Dec. 1928	Nov. 1928	Dec. 1927	Dec. 1928	Nov. 1928	Dec. 1927
Cattle and Calves.....	87,244	104,292	92,520	60,344	57,373	62,554
Hogs	401,137	359,455	305,676	287,148	277,616	213,924
Horses and Mules.....	6,540	5,856	7,424	6,585	4,768	7,941
Sheep	23,955	24,272	35,191	10,835	9,514	17,669

Cotton — Some cotton still remains in the fields, especially in northern and eastern Arkansas and Missouri, but generally speaking the crop is out. Yields have turned out larger than expected in a number of instances, and in some Arkansas and Mississippi counties the output was close to the high record. Prices during the past thirty days fluctuated within a narrow range, averaging about the same as during the similar period immediately preceding. Demand has been fair, and sufficient to absorb cotton as fast as it came out. With the exception of cotton received in late December and early this month, the crop as a whole has been of relatively high quality. As has been the case for the past two years, there is still no premium to speak of for staple cotton, and as a result many planters have decided to reduce their plantings of staple cotton this year. Considerable farm work has been done, and in some localities more plowing has been accomplished to date than at the same time last year. Stocks in Arkansas warehouses on January 11 amounted to 295,011 bales, against 291,792 bales on the corresponding date last year.

Tobacco — Deliveries and sales of tobacco in all markets continued heavy and at high prices from the opening of the market until the close for the holidays. Deliveries were somewhat curtailed, however, when sales were resumed because of cold harsh weather. Prevailing high prices for all types are conducive to rapid marketing and it is expected that the selling season will be a relatively short one.

During December, sales of New burley amounted to over 60,700,000 pounds at an average of \$30.44 per hundred pounds. Recent sales on the loose-leaf floors have averaged from \$1 to \$2 per hundred higher than before the holidays. The tobacco, while light in weight, is of good smoking quality and very useful from that standpoint. Late sales of old burley in the hogshead market, considering the quality, were at prices higher than for years, all grades selling possibly 100 per cent higher than last August. A strong market continued in all Dark Tobacco sections. Manufacturers are active buyers in the Air-cured and Green River markets. All grades, particularly lugs and common leaf, are in demand at high prices. Sales have not been large since the reopening of the market, but the tobacco was of fair quality with prices for all grades higher. It was estimated that at the middle of January about 70 per cent of the crop had been sold and delivered. In the Dark-fired markets of Clarksville, Springfield, Hopkinsville and the Western District, cold weather has interfered with deliveries and sales and offerings, therefore, have been small and of rather inferior quality, but prices were higher for all grades. Aggressive purchases are being made at growers' barns as well as on the market floors, particularly by snuff interests.

Commodity Prices — Range of prices in the St. Louis market between December 15, 1928 and January 15, 1929, with closing quotations on the latter date and on January 15, 1928.

	High	Low	Close	
			Jan. 15, 1929	Jan. 15, 1928
Wheat				
May	per bu. \$1.24½	\$1.16½	\$1.22½	\$1.31¾
July	" 1.24¾	1.17	1.23¼	1.26
No. 2 red winter	" 1.47	1.34	\$1.40 @ 1.45	\$1.51 @ 1.52
No. 2 hard.....	" 1.21	1.12	1.19½ @ 1.21	1.35 @ 1.36
Corn				
May	" 1.01¾	.92½	1.01	.92½ @ .93
July	" 1.02	.94	1.02
No. 2 mixed.....	" .95½	.84	.92½ @ .93	.85½ @ .86
No. 2 white.....	" .96	.85	.95 @ .95½	.86½ @ .87
Oats				
No. 2 white.....	" .47	.54	.51	.57 @ .57½
Flour				
Soft patent.....	per bbl. 8.25	6.50	6.75 @ 8.25	6.50 @ 7.50
Spring patent.....	" 5.95	5.75	5.75 @ 5.95	6.60 @ 6.70
Middling cotton.....	per lb. .19	.18½	.18¾	.18¾
Hogs on hoof.....	per cwt. 9.50	6.50	6.50 @ 9.15	7.00 @ 8.45

FINANCIAL

Demand for funds generally through the district continued strong during the past thirty days, and rates remained at the high levels attained during the closing months of last year. In the chief industrial centers there was less than the usual seasonal recession in requirements of manufacturing and jobbing interests, and the call for financing stocks, bonds and other investments was the heaviest in some time. At the end of December, the general demand for funds was augmented by preparations for meeting January 1 interest and dividend payments. As in the past, however, these disburse-

ments had no lasting effect on the situation as a whole, amounting largely to a shifting of credits.

While liquidation by commercial and industrial borrowers was in large volume, and fully up to expectations, it was rather spotted in character. Renewals and new borrowing in certain lines were heavy, in many instances being equal to or larger than loans paid. January 1 settlements with wholesalers in the large centers were in the main satisfactory, and in the country, particularly in the cotton areas, bank loans were substantially reduced. Country banks have further cut down their loans with city correspondents and in some sections have been placing their surplus funds in commercial paper and other investments. Heavy marketing of tobacco at relatively high prices has been reflected in good initial liquidation of loans based on that commodity. Commitments of the grain and milling interests showed little change as contrasted with the preceding thirty days, and are somewhat higher than the average at this season during the past several years.

Loans of the reporting member banks which declined during the last week in December, moved sharply upward during the first two weeks of January, reaching the highest point since early October. Their loans based on stocks and bonds in the second week of this month moved to a point higher than any attained last year. Deposits of the reporting member banks, which declined in late December, advanced in the first two weeks of January to the highest level since last April. Borrowing of all member banks from this institution increased in early December, but subsequent payments brought the total at the middle of January to about the same level of thirty days earlier. Reflecting the return flow of currency following the holidays, the note circulation of this bank declined moderately in the first two weeks of January.

At the St. Louis banks current rates of interest were as follows: Prime commercial loans 5½ to 6 per cent; collateral loans, 5½ to 6½ per cent; loans secured by warehouse receipts, 5½ to 6¼ per cent; Interbank loans, 5½ to 6 per cent and cattle loans 5¾ to 6½ per cent.

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 lead-

ing cities of the district. Charges to accounts of banks are not included.

	*Dec. 1928	*Nov. 1928	*Dec. 1927	Dec. 1928 Nov. 1928	comp. to Dec. 1927
East St. Louis & Natl.					
Stock Jards, Ill..\$	72,385	\$ 68,035	\$ 65,772	+ 6.4%	+10.1%
El Dorado, Ark.....	8,787	7,438	8,586	+18.1	+ 2.3
Evansville, Ind.....	50,791	45,818	52,663	+10.9	- 3.6
Fort Smith, Ark....	16,189	14,792	14,995	+ 9.4	+ 8.0
Greenville, Miss....	6,242	6,344	4,358	- 1.6	+43.2
Helena, Ark.....	6,153	5,335	4,979	+15.3	+23.6
Little Rock, Ark....	99,901	94,289	92,524	+ 6.0	+ 8.0
Louisville, Ky.....	232,301	199,990	201,523	+16.2	+15.3
Memphis, Tenn.....	212,122	198,846	195,466	+ 6.7	+ 8.5
Owensboro, Ky.....	8,054	5,936	6,671	+35.7	+20.7
Pine Bluff, Ark....	17,997	16,999	16,342	+ 5.9	+10.1
Quincy, Ill.....	13,387	12,689	13,769	+ 5.5	- 2.8
St. Louis, Mo.....	928,292	756,560	858,340	+22.7	+ 8.1
Sedalia, Mo.....	5,085	4,299	4,911	+18.3	+ 3.5
Springfield, Mo....	16,612	15,389	16,093	+ 7.9	+ 3.2
**Texarkana, Ark.-Tex.....	17,904	15,961	15,708	+12.2	+14.0
Totals.....	\$1,712,202	\$1,468,720	\$1,572,700	+16.6%	+ 8.9%

*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 Jan. 16, 1929 showed an increase of 0.8 per cent as contrasted with Dec. 19, 1928. Deposits increased 2.0 per cent between Dec. 19, 1928 and Jan. 16, 1929 and on the latter date were 2.7 per cent smaller than on Jan. 18, 1928. Composite statement follows:

	*Jan. 16, 1929	*Dec. 19, 1928	*Jan. 18, 1928
Number of banks reporting.....	†29	†29	30
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. and other stocks and bonds.....	\$245,591	\$216,247	\$216,413
All other loans and discounts....	287,564(1)	312,736(1)	316,425(2)
Total loans and discounts.....	\$533,155(1)	\$528,983(1)	\$532,838(2)
Investments			
U. S. Government securities.....	82,535	77,354	85,129
Other securities.....	123,006	120,432	115,780
Total investments.....	\$205,541	\$197,786	\$200,909
Reserve balance with F. R. bank..	48,130	45,984	50,627
Cash in vault.....	6,708	9,979	7,517
Deposits			
Net demand deposits.....	416,557	409,233	430,509
Time deposits.....	240,725	230,861	245,935
Government deposits.....	2,310	6,490	1,665
Total deposits.....	\$659,592	\$646,584	\$678,109
Bills payable and rediscounts with Federal Reserve Bank.....	22,366	27,415	9,771

*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.

NOTE: — Certain items in the above table are not comparable because of revision of member bank reports. (1) figures for "All other loans and discounts" and "Total loans and discounts" for Jan. 16, 1929 and Dec. 19, 1928 have been revised to exclude acceptances of other banks and bills of exchange sold with endorsement. (2) Figures for "All other loans and discounts" and "Total loans and discounts" for Jan. 18, 1928 include acceptances of other banks and bills of exchange sold with endorsement.

Complete details of revision are given on page 6 of the Federal Reserve Bulletin for January.

Federal Reserve Operations — During December the Federal Reserve Bank of St. Louis discounted for 189 member banks against 201 in November and 166 in December, 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:

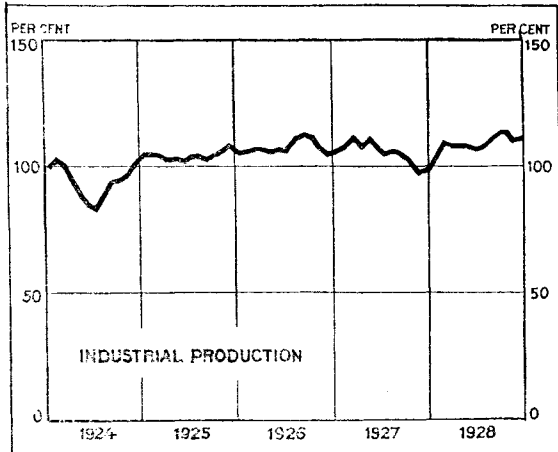
	*Jan. 24, 1929	*Dec. 24, 1928	*Jan. 24, 1928
Bills discounted.....	\$39,326	\$53,161	\$13,868
Bills bought.....	8,502	11,672	9,965
U. S. Securities.....	21,042	21,042	34,328
Total bills and securities.....	\$68,870	\$85,875	\$58,161
F. R. Notes in circulation.....	60,152	66,304	53,678
Total deposits.....	84,246	85,270	86,800
Ratio of reserve to deposits and F. R. Note Liabilities.....	57.6%	49.9%	63.7%

*In thousands (000 omitted).

(Compiled January 23, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

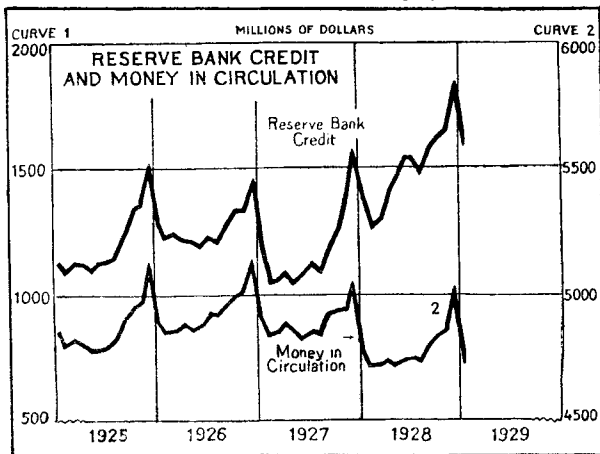
PRODUCTION—Output of manufactures decreased in December, but the decline was less than is usual during the month, and the Board's index was slightly higher than in November, and above the level of a year ago. Smaller than usual seasonal reductions were reported in the daily average output of steel, pig iron, automobiles, copper, cement, silk, and flour, while cotton and wool textiles declined considerably. Meat packing increased in December, reflecting a larger output of pork products, though beef and mutton production was smaller. Volume of factory employment and payrolls was larger than at this season last year. Production of minerals was in somewhat smaller volume in December than in November, reflecting chiefly a large



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, December, 112.

reduction in the output of bituminous and anthracite coal. Production of copper and zinc ore on a daily average basis was slightly smaller, while petroleum output increased. Preliminary reports for the first half of January indicate a steady increase in the output of petroleum and greater activity in the steel, automobile, coal, and lumber industries following the temporary lull during the inventory period at the end of the year.

Building contracts awarded in 37 eastern states declined sharply during December, as in the preceding month, and were smaller than in any December since 1924. The decline from November was attributable largely to decreases in



Monthly averages of daily figures. Latest figures are averages of first 23 days in January.

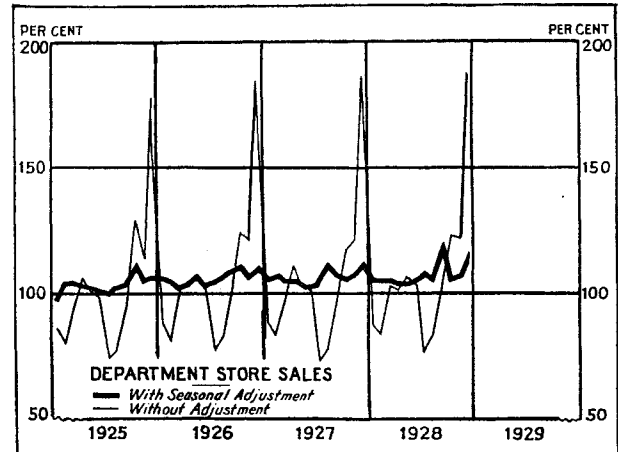
awards for residential building and public works and utilities. By districts, the largest declines over the preceding month were in Cleveland, Chicago, Boston, and Richmond Federal reserve districts, while increases were reported in the New York, Philadelphia, and Atlanta districts.

TRADE—Department store trade showed greater activity in December than in the preceding month, after allowance is made for the customary holiday increase. Total sales for the month were the largest on record, exceeding December, 1927 by one per cent, although there was one less trading day this year. Increases over a year ago, were reported for the New York and Philadelphia districts, while substantial decreases occurred in Atlanta and Minneapolis. Distri-

bution at wholesale declined seasonally and was smaller than a year ago.

Freight car loadings in December and the first half of January showed a slightly larger than usual seasonal reduction, but, as in earlier months, were above a year ago.

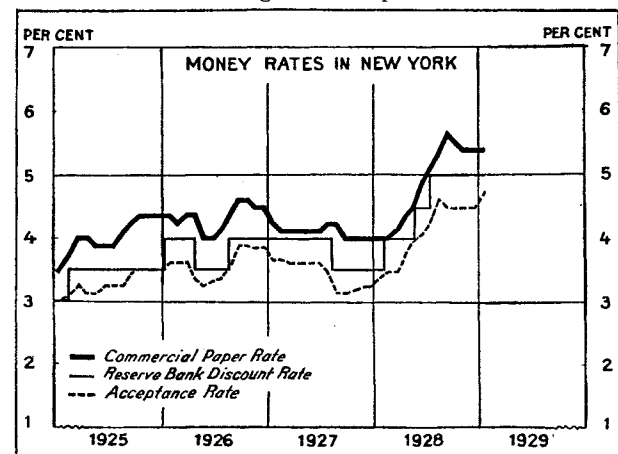
PRICES—The general level of wholesale prices, measured by the index of the United States Bureau of Labor Statistics, remained approximately the same during December as in the preceding month. Average prices of iron and steel, automobiles, copper, and building materials continued to advance slowly, and prices of farm products, after declining during October and November, also rose in December, reflecting higher average prices for raw cot-



Federal Reserve Board's index of department store sales (1923-25 average=100). Latest figures, December: Adjusted, 117; unadjusted, 188.

ton, oats, rye, and some grades of wheat, offset in part by lower prices for corn and cattle. In the first three weeks of January the price of rubber advanced sharply, and wheat, corn, potatoes, and flour also increased, while silk and sugar decreased somewhat and hides reached the lowest level in more than a year.

BANK CREDIT—Banking and credit conditions in January were influenced chiefly by the seasonal decline in the volume of money in circulation. At the reserve banks the return flow of currency from circulation resulted in a liquidation of member bank borrowing and small declines in reserve bank holdings of acceptances and of United



Monthly rates in the open market in New York: commercial paper rate on 4-to-6 month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 24 days in January.

States securities. Total bills and securities showed a decline of about \$450,000,000 for the period from December 26 to January 23, and were in about the same volume as in mid-summer of last year. At member banks there was an increase in the total volume of loans at the turn of the year due chiefly to year-end financial settlements, and the temporary withdrawal of funds loaned by corporations in the New York market. In January, deposits and loans of member banks declined to approximately the level of the early part of December. In the money market, rates on call loans declined sharply in January, while rates on time loans on securities remained firm and rates on acceptances advanced.