



MONTHLY REVIEW

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

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JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Ass't Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

THE trend of business activity in the Eighth District during the past thirty days was quite distinctly upward. As contrasted with earlier months of the summer, August developed improvement in virtually all merchandising lines, both wholesale and retail. While betterment was to be seasonally expected in a number of classifications, the gains in some important instances were greater than could be accounted for entirely by seasonal considerations. In comparison with a year earlier there were decreases in the volume of business transacted during the period in all lines investigated, but the extent of such decreases was considerably narrower than has been the case for any month this year or in 1931. As an example, boot and shoe sales in August were 75 per cent greater than in July and only one-sixth of one per cent below the total for August, 1931, whereas the average decline during the preceding seven months as compared with a year earlier was approximately 34 per cent. August sales of all wholesaling lines decreased 12 per cent under the total for that month in 1931, as against an average decline of 30 per cent for the seven preceding months.

Inventories of merchandise in distributors' hands continue light, decreases between August 1 and September 1 being general. While buying is still chiefly on an absolute requirement basis, there was more of a disposition to replenish stocks and fill out assortments than has existed for a number of months. This was true particularly in the case of goods for current and ordinary consumption, the heavier and more permanent descriptions of commodities exhibiting relatively less activity. Distribution of automobiles increased in August over July, but was substantially less than a year ago. Taken as a whole, moderate improvement took place in the industrial situation during August and since Labor Day production of commodities has further increased. Textile and boot and shoe plants expanded their operations and there were seasonal increases in

establishments manufacturing food products and some other commodities. Production of bituminous coal increased over the preceding month, and since September 1 there has been a fair gain in freight car loadings. Production of iron and steel goods, lumber, glass and the general run of building materials continued at low levels.

With the exception of cotton, prospects for which were lowered in August by unfavorable weather and boll weevils, the outlook for crops in the Eighth District improved during the month. The rise in the price of cotton and wheat in August served to improve the morale in the agricultural areas. While part of the advance has been lost since the first week in September, values still range above the low point of the year. Corn in the district will be an unusually large crop, but prices are discouragingly low. In point of quantity and quality, late fruits and vegetables turned out better than earlier expectations. Due to the generally low public purchasing power and overstocked markets, however, returns to producers of these crops were disappointing.

Gauged by sales of department stores in the principal cities of the district, the volume of retail trade during August was 21.0 per cent greater than in July, but 29.6 per cent less than in August, 1931; for the first eight months this year the total was 23.7 per cent smaller than for the comparable period a year ago. Combined sales of wholesaling and jobbing firms reporting to this bank in August showed an increase of 57 per cent over July, and a decrease of 12 per cent under the same month in 1931; aggregate sales for the first eight months this year were 29 per cent smaller than for the same period last year. The dollar value of permits issued for new construction in the five largest cities of the district in August was 8 per cent smaller than in July and 67 per cent less than in August, 1931; for the first eight months the total was 77 per cent smaller than for the same period a year ago. Contracts let for

construction in the Eighth District in August were 33.3 per cent smaller than in the preceding month and 43.2 per cent less than the August, 1931, total; for the first eight months the aggregate was 58.5 per cent less than for the comparable period in 1931. Debits to checking accounts in August were 11 per cent and 27 per cent smaller, respectively, than a month and a year earlier, and the total for the first eight months fell 26 per cent below that for the same period in 1931.

Officials of railroads operating in this district report a continued falling off in both freight and passenger traffic as compared with like periods in recent years. The low rate of industrial activity, coupled with labor disturbances in the bituminous coal fields, was reflected in a sharp decrease in the movement of coal as contrasted with last year. The seasonal increase in the movement of miscellaneous and less-than-car-lot freight is in measurably smaller volume than usual. For the country as a whole, loadings of revenue freight for the first 35 weeks this year, or to September 3, totaled 18,669,811 cars, against 25,795,595 cars for the comparable period in 1931, and 31,508,909 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines interchanged 110,387 loads in August, the smallest number in more than a decade, and comparing with 143,022 loads in July, and 167,311 loads in August, 1931. During the first nine days of September the interchange amounted to 33,075 loads, against 31,888 loads during the same period in August and 43,356 loads during the first nine days of August, 1931. Passenger traffic of the reporting roads in August decreased 40 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 100,000 tons, against 106,853 tons in July, and 104,266 tons in August, 1931.

Reports relative to collections during the past thirty days indicated little change from conditions obtaining during the past several months. Moderate improvement was noted by retail merchants in the winter wheat belt, but due to low prices and a disposition of producers to hold their grain, results were not up to seasonal expectations. Generally through the south liquidation was on a somewhat more liberal scale than heretofore, particularly where cotton is the principal crop. There were continued complaints of backwardness in settlements in the bituminous coal areas. Generally wholesalers and jobbers in the chief distributing centers report September 1 settlements in considerable volume, in many instances relatively larger than last year. Spottiness and irregularity continue to characterize

collections of retailers in the large centers, with the average somewhat below a year ago. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
August, 1932.....	1.7%	20.2%	56.1%	22.0%
July, 1932.....	0	18.5	58.5	23.0
August, 1931.....	0	19.1	59.1	21.8

Commercial failures in the Eighth Federal Reserve in August, according to Dun's numbered 144, involving liabilities of \$3,279,105, against 109 failures in July with liabilities of \$2,093,558 and 125 defaults for a total of \$830,833 in August, 1931.

The average daily circulation of the United States in August was \$5,720,000,000 against \$5,751,000,000 in July, and \$4,947,000,000 in August, 1931.

MANUFACTURING AND WHOLESALING

Boots and Shoes — Notable improvement in the boot and shoe industry took place during August, and has continued through the first half of September. Sales of the reporting firms in August were more than three times as large as in July, and only one-sixth of one per cent smaller than the August total last year. Stocks on September 1 were 23 per cent smaller than a month earlier and 47 per cent less than a year ago. Taking into consideration the decline in prices, the unit volume in August considerably exceeded that of the same month in 1931. While purchasing continues chiefly for prompt shipment, a moderate increase in advance orders took place. A slight advance in prices of certain styles of shoes was announced by several leading firms, the advance being made to conform with the recent upturn in hide and leather prices. Factory operations were at from 85 to 90 per cent of capacity.

Clothing — August sales of the reporting clothiers were 41 per cent greater than for July and 15 per cent smaller than in August, 1931. Purchasing of apparel for late fall and winter use was considerably more active than earlier in the season, numerous retailers who had postponed covering their requirements having come into the market during the last half of August. The volume of advance business on books of the reporting firms, however, continued sharply below the average of recent years. Further slight betterment was noted in demand for work clothes.

Drugs and Chemicals — Demand for seasonal merchandise was on a broader scale than earlier in the year, which fact, coupled with moderate improvement in purchasing of heavy drugs and chemicals by the general manufacturing trade, resulted in an increase of 11 per cent in August sales of the

reporting firms over the July total. As compared with a year ago the August volume showed a decline of approximately 15 per cent. Stocks on September 1 were slightly smaller than a month earlier and 19 per cent below a year ago.

Dry Goods — August sales of the reporting firms were the largest for any month since last November, showing an increase of 110 per cent over the July total and a decrease of 11.6 per cent under August a year ago. Inventories continued to decrease, stocks on September 1 being 4 per cent and 34 per cent smaller, respectively, than a month and a year earlier. The increase in the month-to-month sales comparison is seasonal in character, but its extent was considerably greater than in recent years. Improvement extended to virtually all lines handled, but was most marked in cotton and woolen fabrics.

Electrical Supplies — Improvement noted in other lines failed to extend to this classification, August sales of the reporting interests showing a decrease of 7 per cent under the preceding month and 48 per cent below the August, 1931, total. Stocks on September 1 were slightly smaller than a month earlier, and 31 per cent less than on August 1 last year. A moderate pick-up in business during the first half of September has taken place, but sales continue well below last year.

Flour — Production at the twelve leading mills of the district in August was 253,677 barrels, the largest since last May, and comparing with 226,330 barrels in July and 311,440 barrels in August, 1931. Some improvement in demand was noted in late August which has continued during the first half of this month. Large buyers were more active than heretofore, and there was a general disposition to build up depleted stocks on the part of retailers. Purchasing by the bakery interests was on a larger scale than earlier in the year. Mill operations were from 45 to 50 per cent of capacity.

Furniture — August sales of the reporting firms were 59 per cent larger than in July, and 31 per cent smaller than in August, 1931. This was the first time since last February that sales in any current month showed improvement over its predecessor. Retailers in the rural areas were reported purchasing more freely than earlier in the year and generally there was more of a disposition than heretofore to replenish stocks and fill out assortments. Inventories on September 1 were 3 per cent and 40 per cent smaller, respectively, than thirty days and a year earlier.

Groceries — Following the usual seasonal trend, sales of the reporting firms in August showed an increase of 10 per cent over the preceding month, and the total was 26 per cent smaller than in August

last year. Stocks on September 1 were 6 per cent greater than a month earlier and about one-fifth smaller than a year ago. Advance ordering of canned goods, while below the average at this time in recent years, showed considerable improvement over earlier in the season. Prices showed no change worthy of note as compared with the preceding thirty days, advances about balancing declines.

Hardware — There was a decidedly better tone in the hardware trade than during the past several months, with purchasing in the rural areas, particularly in the south, showing considerable improvement. August sales of the reporting firms, while 29 per cent smaller than for the same month in 1931 were 15 per cent greater than the July total this year. Further improvement has taken place since September 1. Stocks on September 1 were 4 per cent and 11 per cent smaller, respectively, than a month and a year earlier.

Iron and Steel Products — As compared with the similar period immediately preceding, conditions in the iron and steel industry in this district during the past thirty days developed no notable change. The volume of buying of miscellaneous products showed some improvement, with demands from the general manufacturing trade evidencing slightly broadening tendencies. Jobbing foundries reported the placement of a fair volume of new business, and accumulation of orders at certain mills permitted of temporary increases in operations. Resumption of activities at stove plants was general, and in some instances these interests were manufacturing for stock purposes. Advance business of both heating apparatus and stove makers, however, continues considerably below that at the same period in recent years. Machinery builders report no change from the dull conditions which have obtained throughout the year. The outlet for iron and steel goods through the building industry is still narrow, except in the case of reinforcing concrete bars, bridge materials and other commodities going into highway construction, river and levee work and other outdoor engineering projects. Purchasing by the railroads continues on a hand-to-mouth basis, and requirements of the bituminous coal and petroleum industries remained at the low levels which have marked earlier months this year. Prices as a whole underwent no notable revisions during the thirty-day period, the situation remaining fairly steady. For the first time in a number of months moderate strengthening tendencies developed in scrap iron and steel, with several important items advancing from the low point of the year. Commitments for both pig iron and scrap, however, were on a very limited scale, with practically no interest shown in fourth quarter re-

quirements. Shipments of pig iron to consumers in this district during August showed a moderate gain over the July total, but continued measurably below the corresponding period a year ago. For the country as a whole, production of pig iron receded to the lowest level in thirty years, or since statistics have been compiled on a monthly basis. Total output of 528,413 tons for the month compares with 570,222 in July and 1,279,205 tons in August, 1931. Steel ingot production in the United States in August, totaled 832,402 tons, against 792,533 tons in July and 1,716,829 tons in August, 1931. There were two days more of operation in August than July.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in August was 90,324, against 111,139 in July and 187,197 in August, 1931.

According to dealers reporting to this bank, distribution of automobiles during August scored a substantial increase over the preceding month, though the volume was again sharply below that of the corresponding period a year ago. During the past eight years August volume of these dealers has invariably exceeded that of the preceding month. The extent of the increase this year was somewhat smaller than the average during the eight-year period, and was largely exceeded in 1930, when the gain was approximately 45 per cent. The improvement in business from July to August extended to practically all varieties of cars, but was most pronounced in the field of low priced vehicles, sales of which were stimulated by demand for new models. Of the total sales of new passenger cars in August, approximately 82 per cent were cheap-priced cars, as against 80 per cent in July, 76 per cent in June, and 70 per cent in August, 1931. As has been the case for the past eighteen months or more, business of dealers in the larger towns and cities was in relatively greater volume than that of country distributors, due to the depressed prices of agricultural products and a disposition on the part of farmers to postpone filling their requirements until absolutely necessary. Demand for trucks, particularly vehicles for heavy service work, also improved in August as compared with July, but as in the case of passenger cars the volume of sales fell off substantially as contrasted with the same month a year ago. Moderate betterment was shown in sales of replacement parts, accessories and garage supplies in August as compared with the preceding month, with several dealers reporting volume equal to, or only slightly below that of a year ago. August sales of new passenger cars by the reporting dealers were 30 per cent larger than in July and 43 per cent less than in August,

1931. Stocks of new cars continue to reflect the close buying of dealers, and on September 1 were 3.5 per cent smaller than a month earlier and 38 per cent less than on September 1, 1931. Sales of used cars increased in August in sympathy with the heavier distribution of new vehicles, the total being 5.8 per cent greater than in July and 12 per cent less than in August last year. Salable secondhand cars in stock increased slightly between August 1 and September 1, and on the latter date showed a decrease of 18 per cent under a year earlier. The ratio of time payment sales to total sales in August, according to dealers reporting on that detail, was 51 per cent, against 49 per cent in July and 48 per cent in August, 1931.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statements showing activities in the leading cities of the district:

Department Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Aug. 1932 comp. to Aug. 1931	8 months ended Aug. 31, 1932 to same period 1931	Aug. 31, 1932 comp. to Aug. 31, 1931	Jan. 1, to Aug. 31, 1932	1931
Evansville	-46.3%	-32.3%	-23.8%	1.08	1.22
Little Rock.....	-18.3	-27.2	-12.4	1.34	1.71
Louisville	-26.9	-21.2	-2.5	1.55	1.75
Memphis	-25.1	-24.9	-17.9	1.82	2.00
Quincy	-28.6	-25.2	-15.8	1.41	1.67
St. Louis.....	-29.9	-23.2	-24.7	2.19	2.41
Springfield	-49.8	-32.3	-15.1	.81	1.09
8th District.....	-29.6	-23.7	-20.2	1.93	2.16

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Aug. 1932 comp. to Aug. 1931	8 months ended Aug. 31, 1932 to same period 1931	Aug. 31, 1932 comp. to Aug. 31, 1931	Jan. 1, to Aug. 31, 1932	1931
Men's Furnishings	-30.9%	-30.4%	-20.2%	1.77	2.18
Boots and Shoes.....	-37.6	-26.9	-19.5	1.71	1.92

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in August was 8 per cent smaller than in July, and 67.4 per cent less than in August, 1931. According to statistics compiled by the F. W. Dodge Corporation construction contracts let in the Eighth Federal Reserve District in August amounted to \$9,340,382 which compares with \$12,024,207 in July and \$16,457,113 in August, 1931. Production of portland cement for the country as a whole in August totaled 7,835,000 barrels, against 7,659,000 barrels in July and 13,549,000 barrels in August, 1931. Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	131	197	\$ 39	\$ 146	40	52	\$ 9	\$ 15
Little Rock	7	24	3	23	64	48	13	19
Louisville ..	40	63	41	93	43	58	40	67
Memphis ..	89	78	50	277	79	176	30	90
St. Louis....	170	316	280	727	199	282	116	209
Aug. totals..	437	678	\$ 413	\$ 1,266	425	616	\$ 208	\$ 400
July totals..	451	615	445	1,590	436	560	529	530
June totals..	504	763	503	1,249	452	656	269	335

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in August as being 4.9 per cent smaller than in July and 20.7 per cent less than in August, 1931. Detailed figures follow:

	No of Custom- ers	Aug., 1932 *K.W.H.	July, 1932 *K.W.H.	Aug. 1932 comp. to July, 1932	Aug., 1931 *K.W.H.	Aug. 1932 comp. to Aug. 1931
Evansville	40	1,701	1,781	- 4.5%	2,428	-29.9%
Little Rock..	35	1,901	1,897	+ 0.2	2,087	- 8.9
Louisville	85	6,117	5,810	+ 5.3	7,123	-14.1
Memphis	31	1,167	855	+36.5	1,780	-34.4
St. Louis.....	185	18,021	20,044	-10.1	23,048	-21.8
Totals	376	28,907	30,387	- 4.9	36,466	-20.7

*In thousands (000 omitted).

AGRICULTURE

Taken as a whole, prospects for crops in the Eighth District underwent little change during August as contrasted with the preceding month. The U. S. Department of Agriculture's report, based on September 1 conditions, showed improvement in corn, hay, pastures, potatoes and some of the less important productions, and deterioration in prospects for cotton and tobacco. The estimated yield of oats was increased, while that of winter wheat remained the same as the previous forecast on August 1. For the most part weather was favorable for harvesting late crops, also for preparation of the soil for fall planting, and these operations made good progress. In the principal wheat growing sections, plowing, in general, is further advanced than at this time a year ago. Reports relative to livestock indicate that the high condition of herds which has obtained throughout the year was well sustained. Rains in August and during the first half of September, while excessive in some localities, were generally favorable for late gardens, commercial vegetable crops and pastures. In all parts of the district the supply of farm labor continued considerably in excess of requirements. Throughout the season, farmers have operated with less hired help than ever before, and as a result of this and other economies, the year's crops are being produced at a considerably smaller cost than in the past.

Corn— Except in Kentucky and Tennessee, where drouth caused considerable damage, the corn crop of all states of the Eighth District will be above the 5-year average, and in some sections the largest on record. Generally the crop is maturing rapidly, and by the end of September should be well out of danger from frost. Based on the September 1 condition, the U. S. Department estimates the output of corn in this district at 378,548,000 bushels, an increase of 5,845,000 bushels over the August 1 forecast, and comparing with 372,673,000 bushels harvested in 1931 and a 9-year average (1923-1931) of

342,534,000 bushels. More than the usual amount of corn is being utilized for fodder and silage.

Winter Wheat— Farmers in this district plan to reduce the fall sown acreage about 3.5 per cent from last year and 29 per cent from the 5-year average, according to a survey of planting intentions made by the U. S. Department of Agriculture in conjunction with departments of the several states. This survey indicates that the fall sown wheat acreage in states including the Eighth District will be about 4,884,000 acres, against 5,056,000 acres sown a year ago and the 5-year average of 6,884,000 acres. Causes contributing to the slump in the wheat acreage during the past two or three years are the discouraging price situation, the menace of hessian fly, and chinch bug damage, and overproduction. Judging from experience during the past decade, seedings will exceed or fall below these indications as farmers' intentions are affected by weather conditions.

Fruits and Vegetables— While prospects for fruit and vegetable crops improved somewhat during the past thirty days, marketing conditions continued unfavorable. Prices were the lowest for this particular time of year in more than a decade, and generally markets were overstocked. Field tomato crops were benefitted materially by August rains and are in a more favorable condition than earlier in the season. The U. S. Department of Agriculture in its September 1 report estimates the apple crop in states entirely or partly within the Eighth District at 6,622,000 bushels, of which 967,000 barrels represent commercial crop, against 28,642,000 bushels with 3,527,000 barrels commercial crop in 1931, and a 5-year average of 23,967,000 bushels, of which 2,511,000 barrels were commercial crop. The output of peaches in these states is estimated at 1,218,000 bushels, one of the smallest crops on record, and comparing with 15,470,000 bushels in 1931 and a 5-year average of 8,175,000 bushels; pears, 495,000 bushels, against 2,639,000 bushels in 1931 and a 5-year average of 1,681,000 bushels; grapes, 34,576 tons, against 33,721 tons in 1931 and a 5-year average of 28,707 tons. Despite considerable damage from heat and drouth in the south, the sweet potato crop in states of this district will be the largest on record, the estimated output being 20,630,000 bushels, against 17,851,000 bushels in 1931, and a 5-year average of 14,864,000 bushels. The yield of white potatoes in the district proper is forecast at 13,029,000 bushels, an increase of 212,000 bushels over the August 1 estimate, and comparing with 12,472,000 bushels harvested in 1931 and a 9-year average of 14,596,000 bushels. Strawberry growers in all states of the district are planning to substantially increase their acreage for harvest in

1933, and indications are that the commercial acreage will be the largest since 1929.

Livestock—Reports from virtually all sections of the district indicate a continuance of the very favorable condition of livestock which has prevailed throughout the year. Due to the unusually large corn crop, farmers are preparing to increase their feeding operations this fall and winter, with the result that demand for feeder cattle has been active during the past few weeks. Milk production in all states of the district on September 1 was smaller than a year ago, and with the exception of Missouri, Arkansas and Kentucky, was below the 5-year average on that date.

The U. S. Department of Agriculture estimates the production of tame hay in this district at 5,030,000 tons, an increase of 133,000 tons over the August 1 estimate, and comparing with 5,458,000 tons produced in 1931, and a 9-year average of 7,616,000 tons. The condition of pastures in all states of the district on September 1 was lower than the 10-year average.

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

	Receipts			Shipments		
	Aug., 1932	July, 1932	Aug., 1931	Aug., 1932	July, 1932	Aug., 1931
Cattle and Calves.....	120,775	87,382	124,255	78,408	54,928	84,186
Hogs	188,755	173,991	190,104	148,855	133,728	152,715
Horses and Mules.....	1,902	1,179	2,358	1,754	993	1,740
Sheep	65,702	80,975	52,267	12,781	17,126	12,332

Tobacco—Prospects for the Eighth District tobacco crop decreased slightly during August, but since September 1 weather has been favorable both for the growing plant and for harvesting and housing early types. At the middle of September it was estimated that approximately 75 per cent of the burley crop had been cut and housed. In the air-cured and fired-dark districts the crop made exceptionally good progress. Based on the September 1 condition, the U. S. Department of Agriculture estimates the output of all types in this district at 284,681,000 pounds, against 395,016,000 pounds harvested in 1931 and a 9-year average of 285,534,000 pounds.

Cotton—In all states of the district, prospects for cotton declined during August. The U. S. Department of Agriculture in its report as of September 1 estimates the output in the Eighth District at 2,185,000 bales, a decrease of 228,000 bales under the August 1 forecast, and comparing with 3,470,000 bales harvested in 1931, and a 9-year average (1923-1931) of 2,726,000 bales. The chief causes of deterioration during August were boll weevil infestation and adverse weather. Conditions are rather spotty

and irregular, crops in some sections being very good, while elsewhere the plant makes a very poor showing. In many counties weevils are taking heavy toll of all new squares, and the outlook for a fall crop is poor, even with ideal weather conditions. Demand for raw cotton was more active than in many months, being stimulated by a revival of the textile industry and prospects for a short crop. Prices continued the advance which started in July and in the last week of August reached a new high on the movement and since July, 1931. While a considerable part of the advance has been lost during the present month, the higher prices have served to bolster sentiment among cotton planters and in business circles generally through the south. In the St. Louis market the middling grade ranged from 6.70c per pound to 8.65c per pound between August 15 and September 15, closing at 6.70c per pound on the latter date, which compared with 7.05c on August 15 and 6.05c on September 15, 1931. Receipts at Arkansas compresses from August 1 to September 16 totaled 123,775 bales, against 14,443 bales during the same period a year ago. Stocks on hand on September 16 totaled 395,609 bales, against 88,741 bales on the corresponding date in 1931.

COMMODITY PRICES

Range of prices in the St. Louis market between August 15, 1932, and September 15, 1932, with closing quotations on the latter date and September 15, 1931, follow:

	High	Low	Close	
			Sept. 15, 1932	Sept. 15, 1931
Wheat				
Sept.per bu..	\$.54 $\frac{3}{4}$	\$.48	\$.48 $\frac{1}{2}$	\$.46 $\frac{1}{2}$
Dec.	\$.59 $\frac{1}{2}$	\$.51 $\frac{1}{2}$	\$.52 $\frac{1}{2}$	\$.48 $\frac{1}{2}$
May	\$.64	\$.57	\$.58	\$.52 $\frac{1}{2}$
No. 2 red winter	\$.57 $\frac{1}{2}$	\$.51 $\frac{1}{2}$	\$.51 $\frac{1}{2}$ @ .52	\$.49 @ .49 $\frac{1}{2}$
No. 2 hard	\$.55 $\frac{1}{2}$	\$.50	\$.51	\$.48 @ .48 $\frac{1}{2}$
Corn				
Sept.	\$.30 $\frac{1}{2}$	\$.25 $\frac{3}{4}$	\$.26 $\frac{1}{4}$
Dec.	\$.32	\$.28 $\frac{1}{2}$	\$.29	\$.37 $\frac{1}{4}$
No. 2 mixed	\$.32 $\frac{3}{4}$	\$.28 $\frac{1}{2}$	\$.28 $\frac{1}{2}$ @ .29	\$.48 @ .48 $\frac{1}{2}$
No. 2 white	\$.31 $\frac{1}{2}$	\$.29	\$.30 @ .30 $\frac{1}{2}$	\$.49 @ .49 $\frac{1}{2}$
Oats				
No. 2 white	\$.19 $\frac{1}{2}$	\$.17	\$.18	\$.23 $\frac{1}{2}$ @ .24
Flour				
Soft patent.....per bbl.	3.60	2.90	2.90 @ 3.25	3.25 @ 4.00
Spring patent.....	4.50	3.80	3.80 @ 4.00	3.75 @ 4.00
Middling cotton.....per lb.	.0865	.067	.067	.0605
Hogs on hoof.....per cwt.	4.90	3.10	3.10 @ 4.35	3.75 @ 6.00

FINANCIAL

The banking and financial status in the Eighth District during the past thirty days showed little change worthy of note as contrasted with the similar period immediately preceding. Demand for credit from commercial and industrial sources showed moderately expanding tendencies, but requirements for manufacturing and stocking of merchandise for late fall and winter distribution was of smaller than the usual seasonal proportions. This was accounted for partly by lower prices, smaller inventories and generally decreased volume of business as compared

with past years. Liquidation of commercial loans continued on a liberal scale, reflecting generally more satisfactory collections. The augmented movement to market of winter wheat resulted in substantial payments to both merchants and banks in sections where that cereal is an important crop. In the immediate past, agricultural demands for credit in the south have expanded, mainly for financing the harvest and early movement of cotton, tobacco and rice. Demand for purchasing and carrying securities decreased during the period, and was substantially less than a year ago.

Between August 17 and September 14 reporting member banks in the district further improved their position. Total loans of these banks declined two-tenths of one per cent, which compares with a decline of 2.6 per cent during the preceding four week period, and the decline was entirely confined to loans on securities, "all other loans", which represent chiefly commercial borrowing, showing a slight increase. Deposits receded in late August, but turned upward in the first week of September and on the second report date this month were only 0.3 per cent smaller than on the corresponding date in August. Investments recorded little change during the period, and on September 1 were 0.4 per cent larger than a year ago.

Federal reserve credit outstanding showed little variation, but due to a reduction in acceptances held and smaller volume of discounts, the total on September 16 was approximately 3 per cent smaller than a month earlier. The usual seasonal demand for currency was reflected in a further gain in the note circulation of this bank, a new high for the year being recorded in the second week of September.

The amount of savings deposits in selected banks declined 1.0 per cent between August 3 and September 7, and on the latter date was 10.8 per cent smaller than a year ago.

Interest rates fluctuated within a narrow range, with no marked trend in either direction. At St. Louis banks current rates were as follows: Prime commercial loans, 4 to 5½ per cent; collateral loans, 4¾ to 6 per cent; loans secured by warehouse receipts, 4½ to 5½ per cent; interbank loans, 4¾ to 5¾ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on September 14, 1932 showed a decrease of 0.2 per cent as contrasted with August 17, 1932. Deposits increased 0.3 per cent between August 17, 1932 and September 14, 1932 and

on the latter date were 17.5 per cent smaller than on September 16, 1931. Composite statement follows:

	*Sept. 14, 1932	*Aug. 17, 1932	*Sept. 16, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$113,256	\$114,327	\$160,654
All other loans and discounts....	186,635	186,207	240,786
Total loans and discounts.....	\$299,891	\$300,534	\$401,440
Investments U. S. Government securities.....	102,857	96,489	83,807
Other securities.....	119,946	126,979	138,146
Total investments.....	\$222,803	\$223,468	\$221,953
Reserve balance with F. R. Bank	35,544	35,751	41,097
Cash in vault.....	6,969	6,345	6,245
Deposits Net demand deposits.....	281,267	277,087	339,488
Time deposits.....	199,547	201,171	234,029
Government deposits.....	2,130	3,153	11,575
Total deposits.....	\$482,944	\$481,411	\$585,092
Bills payable and rediscounts with Federal Reserve Bank.....	1,564	2,364	4,778
*In thousands (000 omitted).			

These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 52.6 per cent of all member banks in this district.

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.

	*Aug., 1932	*July, 1932	*Aug., 1931	Aug., 1932 comp. to July, 1932	Aug. 1931
East St. Louis & Natl. Stock Yards, Ill. \$	20,638	\$ 21,362	\$ 27,735	— 3.4%	—25.6%
El Dorado, Ark.....	3,964	3,366	4,957	+17.8	—20.0
Evansville, Ind.....	12,956	17,084	21,497	—24.2	—39.7
Fort Smith, Ark.....	7,022	6,185	8,187	+13.5	—14.2
Greenville, Miss.....	2,191	2,044	2,185	+ 7.2	+ 0.3
Helena, Ark.....	894	852	1,923	+ 4.9	—53.5
Little Rock, Ark....	15,441	16,326	24,096	— 5.4	—35.9
Louisville, Ky.....	97,289	106,219	117,526	— 8.4	—17.2
Memphis, Tenn.....	68,194	65,004	77,131	+ 4.9	—11.6
Owensboro, Ky.....	2,390	2,920	4,626	—18.2	—48.3
Pine Bluff, Ark.....	3,880	3,996	5,561	— 2.9	—30.2
Quincy, Ill.....	5,102	5,240	7,470	— 2.6	—31.7
St. Louis, Mo.....	343,637	409,153	492,898	—16.0	—30.3
Sedalia, Mo.....	1,386	1,529	3,089	— 9.4	—55.1
Springfield, Mo.....	8,740	9,062	10,998	— 3.6	—20.5
**Texarkana, Ark-Tex.....	4,885	5,578	7,847	—12.4	—37.7
Totals	\$598,609	\$675,920	\$817,726	—11.4	—26.8
*In thousands (000 omitted).					

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

Federal Reserve Operations — During August, the Federal Reserve Bank of St. Louis discounted for 213 member banks against 225 in July, and 191 in August, 1931. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Sept. 16, 1932	*Aug. 16, 1932	*Sept. 16, 1931
Bills discounted	\$10,994	\$12,457	\$13,376
Bills bought		26	978
U. S. Securities.....	66,156	66,156	30,708
Federal Inter. Cr. Bk. Debentures.....			630
Participation in Inv. Foreign Banks.....	1,009	1,004	1,106
Total bills and securities.....	\$78,159	\$79,643	\$46,798
Total reserves.....	91,799	86,675	110,223
F. R. Notes in circulation.....	101,630	101,378	75,972
Total deposits.....	59,718	58,562	71,976
Ratio of reserve to deposits and F. R. Note Liabilities.....	56.9%	54.2%	74.5%
*In thousands (000 omitted).			

(Compiled Sept. 22, 1932)

BUSINESS CONDITIONS IN THE UNITED STATES

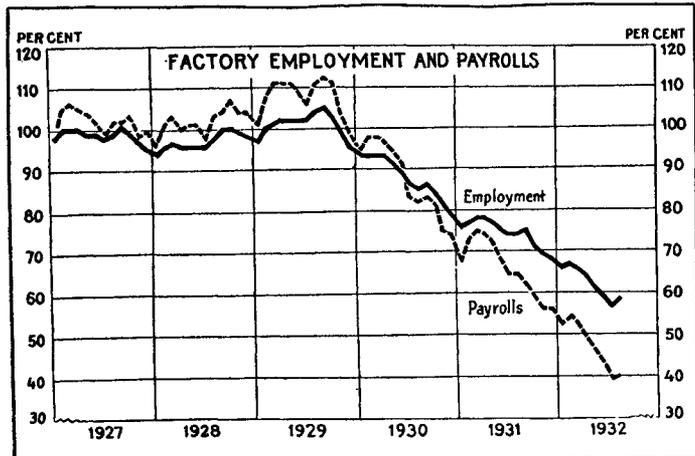
Volume of industrial production increased from July to August by considerably more than the usual seasonal amount, reflecting chiefly expansion in activity at textile mills. Wholesale prices advanced during August and the general level prevailing in the first three weeks of September was somewhat higher than in other recent months. There was a further growth in the country's stock of monetary gold and a non-seasonal return flow of currency to the reserve banks.

PRODUCTION AND EMPLOYMENT—Industrial output increased substantially in August and the Board's seasonally

adjusted index showed an advance from 58 to 60 per cent of the 1923-1925 average.

DISTRIBUTION—Volume of merchandise and other freight handled by the railroads increased seasonally during August, while during the corresponding period a year ago no increase was reported. Department store sales of merchandise increased from July to August by somewhat less than the usual seasonal amount.

WHOLESALE PRICES—Wholesale commodity prices advanced from 64.5 per cent of the 1926 average in July to 65.2 per cent in August, according to the monthly index of the Bureau of

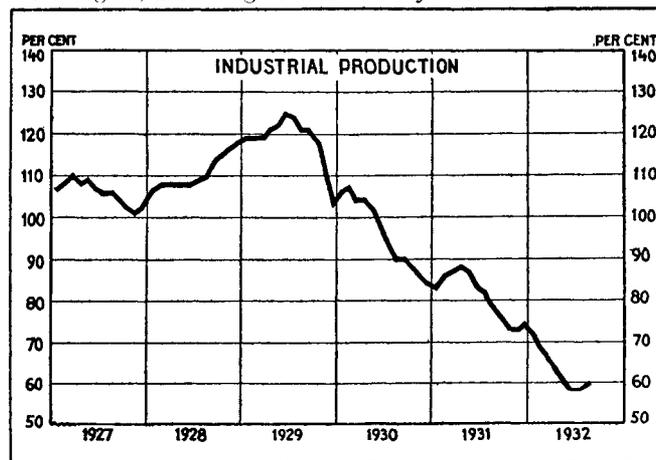


Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100).

Latest figures August, employment 58.6, payrolls 40.1.

adjusted index showed an advance from 58 to 60 per cent of the 1923-1925 average.

Activity at cotton, woolen, silk, and rayon mills increased from the low level of other recent months by considerably more than the usual seasonal amount, and there was also a substantial increase in activity at shoe factories. Output of automobiles, however, declined further and production in the steel and lumber industries showed none of the usual seasonal increase in August. During the first three weeks of September there was a slight advance in steel output. Employment at factories increased slightly more than is usual at this season. There were large additions to working forces in the textile, clothing, and leather industries, while in the automobile, tire, and machinery industries and at

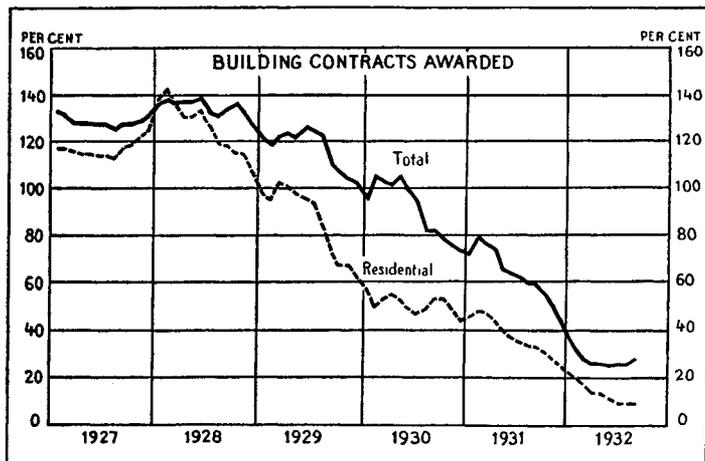


Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure August, 60.

Labor Statistics. During August prices of many leading commodities including textile, raw materials and finished products, wheat, hides, nonferrous metals, sugar, rubber, and coffee, increased substantially. In the first half of September there were declines in the prices of many of these commodities, while prices of wool and woolen goods, cattle, and hides advanced.

BANK CREDIT—During recent weeks further growth in monetary gold stock, a return flow of currency from hoards, and new issues of national bank notes have resulted in additions to the reserve funds of member banks.

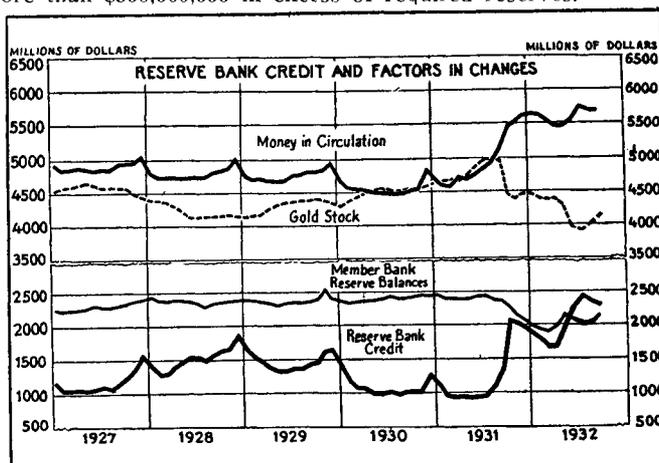
These banks have employed a part of the funds in further reducing their borrowings at the reserve banks and have accumulated a part as reserve balances, which at the present time are more than \$300,000,000 in excess of required reserves.



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100). Latest figures August, residential 11, total 29.

car building shops, the number employed decreased further. Aggregate wage payments increased less than seasonally. Building contracts awarded up to September 15, as reported by the F. W. Dodge Corporation, indicate that for the third quarter the total value of contracts will be about the same as for the second quarter, whereas usually awards for the third quarter are smaller. Currently, contracts for public works are a considerably larger part of the total than they were at the beginning of the year and residential contracts are a smaller part.

Department of Agriculture crop estimates, based on September 1, conditions, indicate little change in prospects during August. Indicated crops of wheat and tobacco are considerably smaller than in other recent years, while the corn crop is the largest since



Monthly averages of daily figures.

Latest figures are averages of first 21 days in September.

Reserve bank holdings of United States Government securities and of acceptances remained practically unchanged during the four weeks ending September 14, while the total of reserve bank credit declined by \$43,000,000 through the reduction of discounts for member banks. Loans and investments of reporting member banks in leading cities showed little change between the middle of August and the middle of September.

A further decline of more than \$150,000,000 in loans by banks outside New York City during the past four weeks was offset in large part by continued increase in investment holdings, chiefly at member banks in New York City. There was a considerable growth in deposits of reporting member banks, reflecting in part larger balances held by city banks for the account of other banks. Money rates in the open market remained unchanged at low levels during August and the first half of September.