



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of January 31, 1930

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THE decline in activity in trade and industry throughout the district, which was noted in the preceding issue of this review, became considerably more marked and widespread during the past thirty days. Influenced by seasonal considerations and hesitancy on the part of merchants and the public, purchasing of commodities decreased sharply in volume, both as contrasted with the similar period immediately preceding and a year ago. At manufacturing establishments operations were further curtailed during the last half of December, and following the holiday and inventorying lull, resumption of production has been longer delayed and at a smaller percentage of capacity than has been the case during the past several years. There is a general disposition on the part of all classes of consumers to await developments before making commitments, and though specifications on goods previously purchased decreased, unfilled orders on books of numerous interests showed rather sharp reductions.

Reports from all important wholesaling lines reflect extreme conservativeness on the part of retail merchants in covering future requirements, current orders being mainly of small size and for prompt delivery. In most lines investigated decreases in December sales under the volume of a month and a year earlier were reported. While decreases from November to December are seasonal, their extent in a majority of instances was greater than the average during the past half decade. Total sales of the reporting wholesale firms during December were the smallest for any single month in more than three years. Retail trade also developed recessionary tendencies, though in less marked degree than in the wholesale lines. Holiday shopping got a late start, and while a notable pick up occurred in late December, the volume was considerably under that of the previous season. Department store sales in December were 6.8 per cent smaller than for the same month in 1928, and decreases were shown in apparel stores and other retail lines.

Production and distribution in the iron and steel industry declined in December to the lowest point of the year, and during the first half of January the average has been only slightly higher than in the preceding month. Distribution of automobiles decreased as compared with a month and a year earlier, and building permits and construction contracts let in the district showed decline in both comparisons. For the first time in a number of months, consumption of electric power by industrial users in the principal cities was smaller than during the corresponding period a year earlier. Debits to individual accounts in December were 3.3 per cent less than in November, and 13.7 per cent below the total for December, 1928.

Notwithstanding the sharp falling off in freight traffic during December, railroads operating in this district handled a larger volume of freight in 1929 than in 1928 or 1927, and with the exception of 1926, the largest volume on record. Throughout the year operation of the roads was characterized by high efficiency. Gains over 1928 were made in virtually all classifications, with merchandise and miscellaneous freight making an especially favorable showing. For the entire country loadings of revenue freight in 1929 totaled 52,789,789 cars, against 51,589,887 cars in 1928, and 51,635,806 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 187,464 loads in December, against 197,835 loads in November, and 208,747 loads in December, 1928. During the first nine days of January the interchange amounted to 53,814 loads, against 57,971 loads during the corresponding period in December, and 61,802 loads during the first nine days of January, 1929. Passenger traffic of the reporting roads decreased 0.1 per cent in December as compared with the same month in 1928. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 73,900 tons, against 103,478 tons in November, and 135,439 tons in December, 1928. The total tonnage in 1929 was 1,293,971 tons, against 1,435,486 tons in 1928 and 1,237,430

tons in 1927. The decrease in 1929 under the preceding year was due largely to the low stage of water in the Mississippi River during several months of 1929.

Considerable backwardness was noted in collections generally through the district early in December, but quite marked improvement developed during the two closing weeks of that month, ascribed partly to stimulation imparted by holiday shopping. Wholesalers in the large centers reported settlements in December about equal to the same month in 1928. Reports since January 1 indicate spotty conditions, both with reference to the several lines and different localities. Slowness is complained of by retailers in the country districts where cotton is the principal crop. There was good liquidation of indebtedness to both merchants and banks in the tobacco and rice areas. City retailers report December collections below the average for that month in recent years, but some improvement since the first of January. Answers to questionnaires addressed to representative interests in the several lines through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
December, 1929.....	1.4%	24.3%	61.4%	12.9%
November, 1929.....	2.7	22.7	65.3	9.3
December, 1928.....	2.8	57.8	33.8	5.6

Commercial failures in the Eighth Federal Reserve District in December, according to Dun's, numbered 113, involving liabilities of \$4,935,058, against 126 failures in November with liabilities of \$1,773,236, and 103 defaults in December, 1928 for a total of \$1,477,305. In 1929 there were 1,420 failures with liabilities of \$24,782,558, against 1,300 failures in 1928 with liabilities of \$29,885,811, and 1,104 failures for a total of \$23,632,196 in 1927.

The average daily circulation in the United States in December, 1929, was \$4,943,000,000 against \$4,845,000,000 in November, and \$5,008,000,000 in December, 1928.

## MANUFACTURING AND WHOLESALE

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in December totaled 119,950, the smallest for any single month in recent years, and comparing with 217,441 in November and 234,957 in December, 1928.

According to dealers reporting to this bank, distribution of automobiles showed a sharp decrease from November to December, and there was also a substantial decrease as contrasted with the corresponding period a year ago. Total sales of these interests in December were the smallest for any month since last January. The decrease in the month to month comparison was seasonal in charac-

ter, and has taken place each year since 1924. The extent of the decline was considerably smaller than was recorded from November to December in 1928 and 1927. Dealers in both the large cities and smaller communities reported virtually no stimulation in demand due to Christmas. Generally there was a disposition on the part of the public to postpone purchasing until the appearance of new models, which are expected to be put out by several important manufacturers during the next few weeks. This attitude was also prevalent among dealers, who were ordering only enough cars to take care of actual requirements or reasonably certain prospects. Weather conditions throughout the district were unfavorable, and, according to a number of dealers, constituted a material factor in holding down the volume of buying. Business in parts and accessories, while relatively more active than in automobiles proper, also showed declines in volume in comparison with a month and a year earlier. December sales of new passenger cars by 320 dealers scattered through the district were 28.6 per cent smaller than in November, and 9.9 per cent less than in December, 1928. Stocks of new cars in dealers' hands on January 1 were 7.2 per cent greater than on December 1, and 16.8 per cent larger than on January 1, 1929. The used car market developed no change worthy of note as compared with the quiet conditions obtaining during the two or three months preceding. Dealers report prospective customers more exacting in their demands and increasing difficulty in profitably placing secondhand vehicles. The stocks of salable used cars on hand on January 1 were 8.2 per cent larger than on December 1, and 25.3 per cent larger than on January 1, 1929. Sales of parts and accessories in December fell 7.2 per cent below those of the preceding month and 12.1 per cent under the December, 1923, total. According to dealers reporting on that item, sales of new cars on the deferred payment plan in December were 53.9 per cent of their total retail sales, against 51.2 per cent in November, and 52.9 per cent in December, 1928.

**Boots and Shoes** — Sales of the five reporting interests in December fell 55.7 per cent below November, and 18.8 per cent below December, 1928, and the total was the smallest for any single month in more than five years. Stocks on January 1 were 32.5 per cent larger than thirty days earlier, and 1.7 per cent smaller than on January 1, 1929. The decrease in the month-to-month sales comparison is accounted for chiefly by seasonal influences though it is somewhat larger than the average during the past several years. Retail stocks are for the most part small, but replenishment is being carried

forward cautiously, and the volume of forward orders is below that at the same period last year. There was no change in prices as compared with the preceding thirty days.

**Clothing** — A further decrease in volume of business in this classification, both as compared with a month and a year earlier, was indicated by returns of the reporting firms. The movement of winter apparel through retail channels was backward during the closing months of last year, and in numerous instances heavier stocks were carried over than was the case in recent seasons. Ordering of clothing for spring has not assumed the usual volume for this time of year, and in this business price considerations are an important factor. Special sales of retailers since January 1 have met only fair response. December sales of the reporting interests were 74.9 per cent smaller than for November, and 41.4 per cent less than the December, 1928 total.

**Drugs and Chemicals** — Sales of the six reporting interests in December were smaller by 11.2 per cent than in November, and by 3.8 per cent than in December, 1928. Stocks on January 1 were 6.6 per cent smaller than a month earlier, and 10.5 per cent larger than on January 1, 1929. Demand for seasonal goods was generally active, but purchasing of heavy drugs and chemicals by the manufacturing trade continued the slump noted in the late fall and early winter.

**Dry Goods** — December sales of the eight reporting interests were 41.1 per cent smaller than in November, and 17.4 per cent below the December, 1928, total. Stocks on January 1 were 14.2 per cent larger than thirty days earlier, and 7.4 per cent smaller than on January 1, 1929. The decrease shown in the month-to-month comparison is seasonal in character, but somewhat larger than usual. Purchasing for future requirements is backward, and reordering of winter merchandise was in smaller volume than is ordinarily the case at this time of year. Uncertainty relative to raw cotton prices has a tendency to hold down buying of fabrics based on that staple.

**Electrical Supplies** — An exception to the general declining tendencies, December sales of the reporting interests in this classification showed an increase of 5.2 per cent over the preceding month and of 7.3 per cent over the December, 1928, total. Stocks on January 1 were 2.1 per cent and 9.2 per cent, respectively, larger than thirty days and a year earlier. Purchasing by public utilities companies and a heavy movement of typically seasonal goods were the chief factors in the increases in both comparisons.

**Flour** — Production at the 12 leading mills of the district in December totaled 393,777 barrels, against 359,562 barrels in November, and 357,844 in

December, 1928. Stocks of flour in St. Louis on January 1 were 11.2 per cent larger than on December 1, and 3.7 per cent smaller than on January 1, 1929. In late December the sharp upturn in cash wheat values was reflected in an advance in flour prices. Buyers, however, were not disposed to follow the advance, and throughout the period business was dull. Shipping directions on old contracts were in considerable volume, but new purchasing was held down to an absolute requirement basis. Foreign demand was small, and export sales consisted chiefly of routine transactions with Latin-American countries. Mill operations were at from 55 to 60 per cent of capacity.

**Furniture** — December sales of the 11 reporting firms were the smallest for any single month since December, 1927, the total falling 7.1 per cent below that of December, 1928, and 20.1 per cent below November, 1929. Stocks on January 1 were 9.2 per cent larger than thirty days earlier, and 16.8 per cent smaller than on January 1, 1929. Irregularity was noted in the several sections of the furniture line. Household furniture and furnishings showed relatively heavier decreases in both comparisons than office furniture and equipment and specialties. Sales of typical holiday goods were below expectations. The trend of prices was lower.

**Groceries** — Unfavorable weather, disappointing holiday trade and a general disposition to conservatism were given as the chief causes for a decline in December sales of the 14 reporting firms of 4.9 per cent under those in November, and 7.6 per cent under the total in December, 1928. Stocks on January 1 were 6.8 per cent smaller than thirty days earlier and 22.4 per cent larger than on January 1, 1929. There was no change in prices worthy of note as contrasted with the preceding thirty days.

**Hardware** — While the movement of typical winter merchandise improved substantially as compared with earlier in the season, purchasing of hardware generally was in smaller than the average volume at this period during the past several years. Retailers are replenishing stocks cautiously, and orders are for the most part small and for immediate requirements. December sales of the 12 reporting interests were 6.1 per cent smaller than in November, and 16.9 per cent less than in December, 1928. Stocks on January 1 were smaller by 9.6 per cent and 7.5 per cent, respectively, than thirty days and a year earlier.

**Iron and Steel Products** — Activities in the iron and steel industry in this district during the past thirty days underwent somewhat more than the usual seasonal recession. According to the interests reporting to this bank, new orders booked and specifications on materials previously purchased were

considerably smaller in December than the average of the preceding several months. The totals of both new orders and specifications fell below those of the corresponding month in 1928. Shipments of raw materials and finished goods decreased as compared with the month before, but in spite of the smaller outward movement, further contraction in unfinished orders was reported by a majority of the firms. Working schedules at jobbing foundries, malleable shops and at plants of a number of specialty manufacturers were curtailed. Operations at steel mills in late December were at the lowest rate for the year. While actual quotations were not subject to marked changes, the general trend of prices was lower, with weakness developing in such important items as tin plate, autobody sheets, blue annealed sheets and plates, strip steel and wire. Demand from the automotive industry continued sluggish through December, but since the second week of January some improvement has developed, though hesitancy and a disposition to await developments is still apparent. The turn of the year has also been marked by a better demand for steel materials by the farm implement and several less important industries. Demand from the general manufacturing trade is backward and cautious, being confined chiefly to materials for immediate delivery. The usual seasonal quietness in the building industry has been accentuated by the unusually long spell of unfavorable weather for outdoor operations. Fabricators of structural iron and steel report a scarcity of new lettings, and completion of old work has resulted in their reducing their working forces. Distributors of iron and steel goods from warehouses report quietness in virtually all lines, with December and early January sales considerably smaller than at the same period a year ago. An exception to the general lack of buying interest is the railroads, which have placed substantial orders for a variety of commodities for delivery during the first quarter. Orders pending for freight cars, track equipment and bridge and general repair materials call for a considerable tonnage of steel. Purchasing of pig iron during the past thirty days by melters in this district was in unusually small volume for this time of year. For the country as a whole production of pig iron in December was the smallest for any month since December, 1927, the 2,836,917 tons comparing with 3,182,420 tons in November and 3,369,784 tons in December, 1928. Production of steel ingots in the United States in December totaled 2,896,269 tons, against 3,513,025 tons in November and 4,018,208 tons in December, 1928.

**CONSUMPTION OF ELECTRICITY**

Public utilities companies in the five largest cities of the district reported consumption of electric

current in December by selected industrial customers as being 17.7 per cent smaller than in November, and 15.7 per cent less than in December, 1928. In the yearly comparison a considerable part of the decrease is accounted for by smaller loads taken by cement plants and manufacturers of other descriptions of building materials. Detailed figures follow:

	No. of Customers	Dec. 1929 *K.W.H.	Nov. 1929 *K.W.H.	Dec. 1929 comp. to Nov. 1929	Dec. 1928 *K.W.H.	Dec. 1929 comp. to Dec. 1928
Evansville ....	40	1,536	1,424	+ 7.9%	1,370	+12.1%
Little Rock..	35	1,521	1,628	- 6.6	1,792	-15.1
Louisville ...	87	6,024	6,611	- 8.9	5,876	+ 2.5
Memphis .....	31	1,656	1,942	-14.7	1,869	-11.4
St. Louis.....	143	14,110	18,569	-24.1	18,570	-24.0
Totals.....	336	24,847	30,174	-17.7	29,477	-15.7

\*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
Nov., 1929.....	2,642,163,000	5,598,244,000	8,240,407,000
Oct., 1929.....	2,724,066,000	5,518,748,000	7,997,814,000
Nov., 1928.....	2,780,729,000	4,971,919,000	7,752,648,000

**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. 1929 comp. to Dec. 1928	12 months ending Dec. 31, 1929 to same period 1928	Dec. 31, 1929 comp. to Dec. 31, 1928	Jan. 1, to Dec. 31, 1929	Jan. 1, to Dec. 31, 1928	
Evansville .....	-16.0%	- 9.0%	- 1.8%	2.42	2.68	
Little Rock.....	- 8.9	- 1.5	- 4.6	2.71	2.55	
Louisville .....	-12.9	- 2.7	+ 1.9	3.36	3.38	
Memphis .....	- 3.2	- 2.4	+ 0.3	3.46	3.37	
Quincy .....	+ 0.2	+ 7.6	+ 2.8	2.84	2.79	
St. Louis.....	- 6.2	+ 2.4	- 3.9	4.18	3.92	
Springfield, Mo.-	6.0	- 1.8	- 4.5	1.71	1.77	
8th District.....	- 6.8	+ 0.7	- 2.5	3.74	3.57	
	Net sales comparison		Stocks on hand			
	Dec. 1929 comp. to Dec. 1928	Nov. 1929	Dec. 1929 comp. to Dec. 1928	Nov. 1929		
Men's furnishings.....	-16.3%	+20.6%	- 4.5%	-22.0%		
Boots and shoes.....	-11.6	+18.3	-10.4	-12.5		

**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. 1929 compared to Dec. 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-13.1%	-11.4%
Ready-to-wear accessories.....	- 8.0	- 4.4
Women and misses' ready-to-wear.....	- 4.3	-11.3
Men's and boys' wear.....	- 8.4	- 4.2
Home furnishings.....	- 8.1	- 5.8

**BUILDING**

The dollar value of building permits issued for new construction by the five largest cities of the district in December was 0.8 per cent larger than in November, but 45.2 per cent smaller than in December, 1928. For the year 1929, the total value of permits issued in these cities was 39.6 per cent smaller than in 1928, and 29.9 per cent smaller than in 1927. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in December totaled \$17,387,230, against \$18,676,021 in November, and \$31,378,077 in December, 1928. The total for 1929,

\$403,936,124, compares with \$445,101,972, in 1928, and \$401,759,100 in 1927. For the country as a whole production of portland cement in December totaled 11,215,000 barrels, against 14,036,000 barrels in November, and 12,189,000 barrels in December, 1928. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	169	273	\$ 57	\$ 197	13	17	\$ 7	\$ 7
Little Rock ..	37	31	425	292	41	32	32	11
Louisville ..	47	78	175	556	19	44	17	616
Memphis ....	289	161	628	369	49	69	72	44
St. Louis....	163	346	988	2,718	219	201	363	203
Dec. totals	705	889	\$2,273	\$4,132	343	363	\$ 491	\$881
Nov. totals	955	1,429	2,244	6,742	632	555	781	771
Oct. totals	1,242	2,063	2,246	6,093	968	603	1,392	533

\*In thousands of dollars (000 omitted).

**POSTAL RECEIPTS**

Returns from the five largest cities of the district show an increase in combined postal receipts for the final quarter of 1929 of 3.0 per cent over the corresponding period in 1928, and a gain of 22.8 per cent over the third quarter of 1929. Detailed figures follow:

	For Quarter Ending				Dec. 1929 comp. to Dec. 1928
	Dec. 31, 1929	Sept. 30, 1929	June 30, 1929	Dec. 31, 1928	
Evansville .....	\$ 187,000	\$ 171,000	\$ 161,000	\$ 172,000	+ 8.7%
Little Rock.....	245,000	225,000	208,000	243,000	+ 0.8
Louisville .....	805,000	681,000	695,000	796,000	+ 1.1
Memphis .....	788,000	605,000	613,000	734,000	+ 7.4
St. Louis.....	3,629,000	2,923,000	3,066,000	3,544,000	+ 2.4
Totals.....	\$5,654,000	\$4,605,000	\$4,743,000	\$5,489,000	+ 3.0

**AGRICULTURE**

Weather conditions during the past thirty days were varied and on the whole unfavorable for crops and general farm activities. High temperatures in late December, accompanied by rains, resulted in fields becoming too muddy for farmers to enter, and resulted in considerable delay in husking and housing of corn. Throughout the northern sections of the district damage of greater or lesser extent was sustained by corn in the shock. Heavy dirt roads hampered the movement of grains and other products to terminal points. Sleet storms of unusual severity swept the entire district during the second week of January, temporarily holding up transportation and causing considerable damage to live stock and to produce in transit. Generally routine farm operations are behind the usual seasonal schedule, particularly in the south, where weather conditions have held down field work to a minimum. No change was reported in the farm labor situation as contrasted with the preceding month or the corresponding period last year. Supplies are adequate to all demands, with wage scales unchanged.

Demand for wheat and corn was less active than during the preceding thirty days, and the trend of prices since the first of January has been rather sharply downward. Decreased operations at textile mills were reflected in a falling off in demand for raw cotton, and prices of that staple ranged around

the lowest levels for the season. Marketing of rice and tobacco continued on a large scale, and prices of the latter product averaged slightly higher than during the preceding thirty days. There was a slight upward turn in hog prices early in January, while sheep and cattle about maintained the average of the month before.

**Winter Wheat**— According to the U. S. Department of Agriculture the combined area of winter wheat seeded last fall in states partly or entirely within the Eighth Federal Reserve District was below that of the fall of 1928. The total estimated acreage in these states, 6,354,000 acres, compares with 6,766,000 acres a year earlier, a decrease of 6.1 per cent. A considerable part of the decrease in acreage was in the river bottom lands, particularly along the Mississippi, where farmers were discouraged from planting by successive years of floods which demolished their crops. The condition of the crop is generally below that of a year ago, but in all the chief producing sections, is above the ten year average. Snow covering for the crop was lacking during the most of the period since cold weather set in, and some apprehension is felt that damage may have resulted to the growing crop from the recent rain and sleet storms, which covered fields with a sheath of ice. Latest reports, however, indicate that the condition of the crop is generally good, with only local accounts of freezing and thawing and little actual damage.

**Corn**— Generally through the northern tiers of the district, husking and cribbing of corn is unusually backward. This is due to the extremely unfavorable weather conditions, which have made it impossible to enter fields to do the work. There are numerous reports of deterioration of corn in the shock and moulding in cribs, particularly from Illinois, Indiana and central Missouri. Excessive moisture has given the grain an unusual weight, and receipts at terminal and primary markets are showing the effect in lowering of quality. Generally through the surplus areas of the district there is a disposition on the part of farmers to hold corn for higher prices, and considerable quantities are being fed to live stock on farms. Total production of corn in states of the district in 1929 is estimated by the Department of Agriculture at 786,035,000 bushels, worth at December 1 farm prices \$630,632,450, which compares with 889,054,000 bushels in 1928, with value of \$675,638,000.

**Live Stock**— An increase of 3.7 per cent in the fall pig crop of 1929 over that of 1928 for the Cotton Belt states is indicated in the Department of Agriculture's pig survey. In these states it is probable that the 1929 total pig crop was fully as large as the crop of 1928. In the corn belt states an increase of

6.0 per cent is indicated in the number of sows bred to farrow next spring as compared with the number actually farrowed last spring. Making allowance for an average decline between breeding intentions in the past and actual farrowings later, the present prospect is that the 1930 spring pig crop will show little change from the spring crop of 1929.

The movement of feeder cattle into the Corn Belt states last fall was unusually heavy, and considerably larger than a year earlier. Distribution with reference to states, however, showed marked change as contrasted with the year before. Increases were noted in receipts in Illinois while a smaller quota was received in Missouri. The broad demand for unfinished cattle in the chief feeding areas of the district was a factor in maintaining prices during the late fall and early winter.

Latest available information indicates a larger number of lambs and sheep on feed for market than at the corresponding period last year. Inspection of feeding lambs and sheep in November were the largest for that month since 1922, and about 40 per cent larger than the average November during the preceding half decade.

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

	Receipts			Shipments		
	Dec., 1929	Nov., 1929	Dec., 1928	Dec., 1929	Nov., 1929	Dec., 1928
Cattle and calves.....	85,708	99,098	87,244	55,073	70,288	60,344
Hogs .....	317,662	317,820	401,137	234,619	225,090	287,148
Horses and mules.....	4,591	5,865	6,540	4,675	5,676	6,585
Sheep .....	31,319	36,280	23,955	12,680	11,657	10,835

**Cotton**— Due to the very unfavorable weather for harvesting, a relatively large amount of cotton still remained in the fields at the beginning of January, particularly in Northern Arkansas and Missouri. These unfavorable conditions for picking have obtained with little interruptions for sixty days, with the result that much of the late gathered crop is off color and low grade. There were numerous complaints of cotton reaching gins being snapped. Producers generally in the district have disposed of their cotton, and the movement from farms has materially decreased. The usual seasonal dullness in demand for spot cotton has been emphasized by decreased operations at the mills. In the immediate past, however, a moderate revival in interest has taken place, centering principally in the better grades. The range of prices was narrow, and near the low level of the season. In the St. Louis market the middling grade, which closed at 15½c per pound on November 15, advanced to 16½c on November 29, and after reacting fractionally lower from that figure, closed at 16¼c on January 15. Stocks of cotton in Arkansas warehouses on January 17 totaled 339,084 bales, against 383,027 bales on December 13, and 276,068 bales on January 17, 1929.

**Rice**— Except in a few scattered instances, threshing has been completed, and virtually all of the crop has been sold, or is in the hands of producers in local warehouses. There is a general disposition on the part of farmers to hold their stocks for higher prices. Prices have been well sustained, on both rough and polished rice. All grades have been selling at an advance of approximately 5c per bushel over the low point recorded earlier in the season.

**Tobacco**— The movement of all types over loose-leaf floor markets in all districts was in considerable volume during December. In Kentucky sales of the several types during that month aggregated in excess of 100,000,000 pounds, including resale and tobacco sold for dealers, at an average price per 100 pounds of about \$18.74, including both burley and dark leaf. Recent heavy rains, however, have retarded deliveries from farms. Since the reopening of the markets subsequent to the holidays there has been an upward trend in prices. Recent sales of burley have averaged from \$3 to \$4 per hundred pounds higher than during the opening week of the market.

The average prices obtained in dark markets are ranging from \$1 to \$1.50 per 100 pounds less than last year, except in the Green River and Henderson districts, where recent sales have lifted the average price to approximately the level of a year ago. Common lugs are in demand at relatively higher prices because of the limited old stock of this grade. Medium and common leaf, while selling in large quantities, has brought prices slightly lower than at the corresponding period in 1929.

Announcement was made by the Dark Tobacco Growers Cooperative Association that about \$3,000,000 remains to be distributed to its members from proceeds of the crops of 1922, 1923 and 1926.

**Commodity Prices**— Range of prices in the St. Louis market between December 16, 1929, and January 15, 1930, with closing quotations on the latter date and on January 15, 1929.

	High	Low	Close	
			Jan. 15, 1930	Jan. 15, 1929
Wheat				
May .....	per bu. \$1.36½	\$1.24¾	\$1.27½	\$1.22½
July .....	" 1.36	1.25½	1.28¾	1.23¾
No. 2 red winter .....	" 1.40	1.26	\$1.36 @ 1.36½	\$1.40 @ 1.45
No. 2 hard .....	" 1.31½	1.20¾	1.23 @ 1.23½	1.19½ @ 1.21
Corn				
May .....	" .97½	.94¾	.95½	1.01
July .....	" .98½	.96¼	.97½	1.02
No. 2 mixed .....	" .88	.83½	.87¾ @ .88	.92½ @ .93
No. 2 white .....	" .90	.86	.88¾ @ .89½	.95 @ .95½
Oats				
No. 2 white .....	" .49¾	.46½	.48 @ .48½	.51
Flour				
Soft patent .....	per bbl. 7.75	6.50	6.50 @ 6.75	6.75 @ 8.25
Spring patent .....	" 6.75	6.30	6.50 @ 6.60	5.75 @ 5.95
Middling cotton .....	per lb. .16½	.15¾	.16¾	.18¾
Hogs on hoof .....	per cwt. 10.15	7.90	8.10 @ 10.00	6.50 @ 9.15

**FINANCIAL**

Demand for credit during the past thirty days, while continuing in considerable volume, was somewhat less active than during the similar period immediately preceding. Liquidation with both city and

country financial institutions was on a large scale, and with the supply of loanable funds more abundant, the trend of interest rates was lower. A temporary stiffening was occasioned by the January 1 interest and dividend requirements, but the ultimate effect of these disbursements was negligible, as they constituted merely a shifting of credits. Country banks, particularly in the south, further reduced their indebtedness to city correspondents and in many instances country banks have been in the market for commercial paper and other investments. City banks have also increased their holdings of commercial paper purchased in the open market. Total investments of the reporting member banks remained stationary through December, but have turned slightly upward since the first week of this month.

Settlements with the mercantile interests in the principal cities were in large volume, and have been reflected in a substantial reduction in their commitments with the banks. Rapid marketing of tobacco has resulted in extensive liquidation with both banks and merchants in the areas where tobacco is the principal crop. Payments in the rice sections have also been on a large scale. Flour milling interests have curtailed their borrowings, but there was little change as compared with the preceding month in commitments of the grain and elevator interests, the total of which is still well in excess of a year ago. Demand for funds for carrying stocks and bonds was in smaller volume than heretofore. Requirements of manufacturers and distributors of building materials are measurably smaller than the average at this period during the past several years. Aside from a brisk call for funds for conditioning live stock for market, demand from the agricultural areas was negligible.

Loans of the reporting member banks declined slightly between December 18 and January 15, but there was an increase in deposits, the total of this item on January 15 being higher than at any time since the end of last April. Borrowings of all member banks from the Federal reserve bank declined sharply during the past thirty days, and in the third week of January represented the smallest aggregate since January, 1928. Savings deposits decreased 0.4 per cent from December 4 to January 2, and on the latter date were 7.1 per cent smaller than on the same date in 1929.

St. Louis banks' current interest rates were as follows: Prime commercial paper  $5\frac{1}{4}$  to 6 per cent; collateral loans,  $5\frac{1}{2}$  to 7 per cent; loans secured by warehouse receipts,  $5\frac{1}{2}$  to 6 per cent; interbank loans  $5\frac{3}{4}$  to 6 per cent, and cattle loans, 6 to  $6\frac{1}{2}$  per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on January 15, 1930 showed a decrease of 0.8 per cent as contrasted with December 18, 1929. Deposits increased 0.8 per cent between December 18, 1929 and January 15, 1930 and on the latter date were 6.3 per cent smaller than on January 16, 1929. Composite statement follows:

	*Jan. 15, 1930	*Dec. 18, 1929	Jan. 16, 1929
Number of banks reporting.....	†25	†25	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$251,016	\$253,546	\$245,591
All other loans and discounts....	283,640	285,456	287,564
Total loans and discounts.....	\$534,656	\$539,002	\$533,155
Investments			
U. S. Government securities.....	36,388	37,720	82,535
Other securities.....	112,021	110,042	123,006
Total investments.....	\$148,409	\$147,762	\$205,541
Reserve balance with F. R. bank	46,272	43,904	48,130
Cash in vault.....	5,759	7,468	6,708
Deposits			
Net demand deposits.....	390,761	392,053	416,557
Time deposits.....	227,105	220,110	240,725
Government deposits.....	270	892	2,310
Total deposits.....	\$618,136	\$613,055	\$659,592
Bills payable and rediscounts with Federal Reserve Bank.....	5,198	16,403	22,366

\*In thousands (000 omitted).

†Decrease due to consolidation. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represents 53.1 per cent of all the resources of 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.

	*Dec. 1929	*Nov. 1929	*Dec. 1928	Dec. 1929 Nov. 1929	comp. to Dec. 1928
East St. Louis & Natl. Stock Yards, Ill..	\$ 41,613	\$ 46,210	\$ 72,385	— 9.9%	—42.5%
El Dorado, Ark.....	8,979	7,783	8,787	+15.4	+ 2.2
Evansville, Ind.....	30,698	31,152	50,791	— 1.5	—39.6
Fort Smith, Ark....	14,866	14,859	16,189	— 0.0	— 8.2
Greenville, Miss....	5,382	5,834	6,242	— 7.7	—13.8
Helena, Ark.....	6,675	7,057	6,153	— 5.4	+ 8.5
Little Rock, Ark....	90,075	95,109	99,901	— 5.3	— 9.8
Louisville, Ky.....	184,018	212,530	232,301	—13.4	—20.8
Memphis, Tenn.....	200,507	225,161	212,122	—10.9	— 5.5
Owensboro, Ky.....	7,987	6,297	8,054	+26.8	— 0.8
Pine Bluff, Ark....	13,494	15,172	17,997	—11.1	—25.0
Quincy, Ill.....	13,555	13,667	13,387	— 0.8	+ 1.3
St. Louis, Mo.....	825,542	810,970	928,292	+ 1.8	—11.1
Sedalia, Mo.....	4,586	4,757	5,085	— 3.6	— 9.8
Springfield, Mo....	15,333	16,044	16,612	— 4.4	— 7.7
**Texarkana, Ark-Tex.....	14,618	16,115	17,904	— 9.3	—18.4
Totals.....	\$1,477,928	\$1,528,717	\$1,712,202	— 3.3	—13.7

\*In thousands (000 omitted).

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

**Federal Reserve Operations**—During December the Federal Reserve Bank of St. Louis discounted for 205 member banks, against 222 in November and 189 in December, 1928. 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. 23, 1930	*Dec. 23, 1929	*Jan. 23, 1929
Bills discounted.....	\$14,356	\$31,398	\$41,939
Bills bought.....	13,564	6,387	8,383
U. S. Securities.....	19,266	26,892	21,043
Municipal Warrants.....	30	—	—
Total bills and securities.....	\$47,216	\$64,677	\$71,365
F. R. Notes in circulation.....	88,633	97,352	60,304
Total deposits.....	79,707	76,072	85,599
Ratio of reserve to deposits and F. R. Note Liabilities.....	73.3%	66.7%	57.4%

\*In thousands (000 omitted).

(Compiled January 23, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of February 28, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

AS compared with the similar period immediately preceding, the past thirty days have been marked by moderate improvement in commerce and industry in this district. In a large majority of lines investigated, however, the volume of business transacted was measurably below that at the corresponding period last year or in 1928. The loss in volume extended to both the wholesale and retail sections of distribution, and was also noticeable in most manufacturing lines. In retail trade and some wholesale classifications, the recession was accounted for partly by the long spell of unfavorable weather. The temperature in January was considerably below average, and for the district as a whole that month was the coldest since 1918. Precipitation was heavy, and during practically the entire month, ice and snow covered the ground throughout the northern tiers of the district. Communications in the country were seriously interfered with by impassable roads in many sections, while in the urban centers prevailing weather conditions tended to discourage shopping.

While inventories of merchandise are for the most part of moderate proportions, there is a general disposition among merchants to postpone replenishing stocks until a more definite opinion can be formed of likely developments during the next few months. This is true particularly of retailers in the country, where uncertainty relative to spring farming programs has been emphasized by the recent decline in prices of cereals, cotton and some other farm products to the lowest levels of the season. Purchasing of commodities is confined very largely to an immediate requirement basis, and in turn manufacturers are making up only limited quantities of goods for which they have not actual orders on their books. This attitude of hesitancy is reflected in extremely conservative commitments for raw and semi-finished materials.

Combined January sales of all wholesale lines investigated were 47.2 per cent larger than in December, and 18.6 per cent below the January, 1929, total. The volume of retail trade, as reflected by

sales of department stores located in the principal cities of the district, was 11.8 per cent smaller in January than a year ago. Withdrawals from checking accounts in the chief cities in January were smaller by 2.7 per cent than in December, and 9.9 per cent less than in January, 1929. Most recent reports indicate that special sales conducted by merchants through the district for purpose of moving winter merchandise have met with less satisfactory response than during the past several seasons.

Investigations by the Employment Service of the U. S. Department of Labor indicate that the employment situation as a whole in this district developed moderate improvement as contrasted with the closing weeks of last year and the first half of January. The number of idle workers, however, was larger than at the corresponding period a year earlier. Resumption of activities at industrial plants, which were closed for inventory and repairs, has given employment to large numbers of skilled and common laborers. At numerous plants, however, operations were being conducted on part-time schedules, and in a majority of industries there was a surplus of workers. There were unusually heavy releases of clerical help in retail stores and officers in the large cities. Decreases in building activity has reacted adversely on the volume of employment in the building trades and in manufacturies of building materials. Southern textile and lumber mill operations have not been at a sufficiently high rate to utilize the full supply of workers available. The long spell of extremely cold weather halted highway construction, river and levee improvements and city street and sewer work, resulting in heavy unemployment among workers engaged in these activities.

Stimulated by weather conditions, the markets for bituminous coal maintained a high level of activity. Demand from both industrial and domestic consumers was strong, and the trend of prices was higher, with the average well above that of the same time last year. The only weakness evident was in screenings, particularly the lower grades, and this was due to increased stocks resulting from

the larger production of prepared sizes. While purchasing was still on a hand-to-mouth basis as a rule, there was a disposition in some quarters to build up stock piles. The heavy movement during the last half of the month rapidly cleaned up the accumulation of loaded cars at Illinois, Indiana, and western Kentucky mines. The augmented requirements for domestic sizes resulted in producers being behind on orders in a number of instances. Buying by the railroads, public utilities and municipalities was in considerable volume, with reordering for needs presumably covered, representing a large part of the tonnage. For the country as a whole production of bituminous coal for the present coal year to February 8, approximately 265 working days, totaled 449,510,000 tons, against 436,158,000 tons the year before and 407,456,000 tons in the coal year of 1927-1928.

Freight traffic of railroads operating in this district showed considerable loss in volume as compared with the corresponding periods a year ago and in 1928. Decreases in both comparisons was general through all classes of freight, and particularly marked in the miscellaneous, merchandise and farm products categories. A relatively better showing was made by coal and coke than the other classifications, the movement having been stimulated by cold weather. For the country as a whole, loadings of revenue freight for the first five weeks of the year, or to February 1, totaled 4,248,318 cars, against 4,518,609 cars for the corresponding period in 1929 and 4,375,157 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 208,059 loads in January, against 187,464 loads in December and 240,596 loads in January, 1929. During the first nine days of February the interchange amounted to 62,703 loads, against 53,814 loads during the corresponding period in January, and 81,306 loads during the first nine days of February, 1929. Passenger traffic of the reporting roads in January was about even with that of the same month a year ago. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in January was 74,500 tons against 72,480 tons in December, and 131,916 tons in January, 1929. The decrease in the yearly comparison was due largely to the presence of heavy ice in the Mississippi River.

Reports relative to collections during the past thirty days reflected considerable irregularity, with the average below that at the corresponding period last year. February first settlements with wholesalers in the chief urban centers were generally below expectations, and the number of requests for

extensions was somewhat more numerous than has been the case in recent months. Boot and shoe interests, and hardware firms reported relatively better returns than some of the other principal lines. Retail collections in the country were reported slow, due partly to the inclement weather. City wholesalers reported payments in smaller volume than at the same time in 1929. Slow collections are still complained of by building material interests, and some branches of the iron and steel industry. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
January, 1930.....	1.4%	20.3%	55.4%	22.9%
December, 1929.....	1.4	24.3	61.4	12.9
January, 1929.....	3.6	57.8	33.8	5.6

Commercial failures in the Eighth Federal Reserve District during January, according to Dun's, numbered 170, involving liabilities of \$3,054,140, against 113 failures in December with liabilities of \$4,935,058, and 171 defaults for a total of \$3,052,720 in January, 1929.

The average daily circulation in the United States in January, 1930, was \$4,652,000,000 against \$4,943,000,000 in December, 1929, and \$4,748,000,000 in January, 1929.

## MANUFACTURING AND WHOLESALING

*Jan. Production 273,070*  
**Automobiles** — For the fifth successive month, distribution of automobiles in the Eighth Federal Reserve District decreased in January, according to reporting dealers. Total sales, which were sharply below the January, 1929, aggregate represented the smallest volume for any single month in five years, with the exception of January and December, 1927. January is normally a month of light sales, and during the past six years has invariably shown decreases under December. In the present instance, however the decline is somewhat larger than the average during the past half decade. Dealers attribute the larger than usual decrease partly to the extremely unfavorable weather conditions which obtained throughout the district during January. Another influence adversely affecting sales was the disposition on the part of prospective purchasers to await the automobile shows before making their selections. Decreases in both the month-to-month and yearly comparisons were spread generally through all classes of makes. Relatively the largest declines were noted among country dealers. Business in parts and accessories was also in smaller volume than a month and a year earlier. Demand for trucks

was considerably less active than heretofore, particularly in the case of the heavier varieties. Requirements for heavy hauling were affected by the between-season period of construction operations. January sales of new passenger cars by 320 dealers scattered through the district were 21.9 per cent smaller than in December, and 27.7 per cent less than in January, 1929. Stocks of new cars in dealers' hands on February 1, were 9.2 per cent larger than on January 1, and 22.3 per cent larger than on February 1, 1929. No change took place in the used car market, dealers reporting considerable difficulty in affecting sales, even where material price concessions are offered. Stocks of saleable second hand cars increased, the number in dealers' hands on February 1 being 12.3 per cent larger than on January 1, and 28.4 per cent greater than on February 1, 1929. The total value of used cars on February 1, was slightly smaller in both comparisons. January sales of parts and accessories by the dealers reporting were 11.3 per cent and 17.0 per cent smaller respectively, than thirty days and a year earlier. Deferred payment sales of dealers reporting on that detail in January constituted 55.0 per cent of their total sales, against 53.9 per cent in December and 56.2 per cent in January, 1929.

**Boots and Shoes** — January sales of the five reporting interests were 140.8 per cent greater than for December, but 20.5 per cent smaller than in January, 1929. Stocks on February 1 were 12.8 per cent larger than on January 1, and 0.5 per cent larger than on February 1, 1929. The increase in the month-to-month sales comparison is seasonal in character, but due to the unusually small volume of sales in December, the gain was considerably larger than the average during the past several years. Demand for overshoes during January was the best experienced in a number of seasons, and clearance of this class of goods, both at wholesale and retail, above expectations. Purchasing for spring and early summer distribution is conservative, and retailers generally are backward about filling out stocks and assortments. No change in prices was noted as compared with the preceding thirty days. Factory operations were at a lower rate than a year ago.

**Clothing** — Sales of the reporting clotheirs in January were 101.4 per cent larger than in December, and 8.2 per cent smaller than in January, 1929. The gain in the month-to-month comparison was seasonal in character, and about the average amount during the past several years. Advance buying for late spring and summer is reported generally backward, and below the volume at this time last year. The trend of prices was slightly lower.

**Drugs and Chemicals** — Due to the extreme cold weather, sales of seasonal goods, notably reme-

dial drugs, alcohol and anti-freeze preparations, were in considerable volume. The increase in this general category, however, was more than offset by decreases in staple goods, and heavy chemicals used by manufacturers, with the result that January sales of the six reporting interests were 0.4 per cent smaller than in December, and 18.3 per cent smaller than in January, 1929. Stocks on February 1 were 0.7 per cent smaller than thirty days earlier, and 13.9 per cent larger than on February 1, 1929.

**Dry Goods** — Business in this classification showed the usual seasonal betterment from January to February, but the January volume was sharply below that of the corresponding period a year ago. The decrease in sales under last year was ascribed to a number of causes, among them the unfavorable weather, price uncertainty and the decline in values of farm products, especially cotton. Prices of finished merchandise was lower, and while retail stocks are mainly small, there is hesitation about replenishing. January sales of the eight reporting interests were 34.7 per cent larger than in December, but 23.2 per cent smaller than for January, 1929. Stocks on February 1 were 2.3 per cent larger than thirty days earlier, and 9.2 per cent smaller than on February 1, 1929.

**Electrical Supplies** — January sales of the five reporting interests were 27.4 per cent smaller than in December, and 6.9 per cent below the January, 1929, total. Stocks on February 1 were 13.7 per cent and 19.7 per cent larger, respectively, than thirty days and a year earlier. Losses in both sales comparisons were distributed generally through the entire line, but most pronounced in the building and radio material classifications.

**Flour** — Production at the 12 leading mills of the district in January totaled 377,590 barrels, against 394,030 barrels in December and 399,051 barrels in January, 1929. Stocks of flour in St. Louis on February 1 were 2.8 per cent larger than on January 1, and 1.2 per cent smaller than on February 1, 1929. Flour buyers were disturbed by the sharp decline in wheat values, and business throughout the period was dull. Purchasing by the domestic trade was confined almost exclusively to immediate requirements, and export interest was at a low ebb. Due to the low prices of feeds, millers were unwilling to materially reduce their prices on flour, with the result that dealers and the bakery interests refused to cover on future requirements. Mill operation was at from 55 to 58 per cent of capacity.

**Furniture** — January sales of the twelve reporting interests were 13.0 per cent smaller than in December and 2.4 per cent larger than in January, 1929. Stocks on hand on February 1 were 15.9 per cent larger than a month earlier, and 6.0 per cent

smaller than on February 1, 1929. The trend in sales of household furniture and furnishings continued the decline of recent months. In the yearly comparisons the gain was due largely to the heavier sales of specialties, hotel and hospital equipment and metal furniture.

**Groceries** — Inclement weather, which prevented salesmen from completing their rounds, and a disposition to postpone commitments on the part of retailers, were influences in a decline of 2.8 per cent in sales of the 15 reporting firms in January as compared with the same month in 1929. The January total, however, was 2.5 per cent larger than that of December. Stocks on February 1 were 15.6 per cent and 47.0 per cent smaller, respectively, than thirty days and a year earlier.

**Hardware** — January sales of the 11 reporting interests were 4.0 per cent larger than in December, and 7.7 per cent smaller than in January, 1929. Stocks on February 1 were 23.6 per cent larger than on January 1, and 14.3 per cent greater than on February 1, 1929. The increase reported in the month-to-month comparison was ascribed in large part to the heavy call for seasonal merchandise incident to the spell of cold weather accompanied by snow and ice. Advance business is reported in smaller volume than at this time last year by a majority of the firms.

**Iron and Steel Products** — Moderate improvement from the low point of activity in December and early January was noted in this classification. The betterment centers chiefly in specifications on goods previously ordered, as new orders booked by mills, foundries and machine shops are still backward, and measurably below the volume at the corresponding period a year ago. Important users of steel are disposed to postpone commitments, and the failure of the automobile industry to substantially increase operations has had an adverse effect on cold-rolled specialties and other commodities used largely in the manufacture of motor vehicles. Purchasing of building materials continues to lag, which fact is partly due to the unusually cold weather which seriously interfered with outdoor work. Fabricators of structural iron and steel report a dearth of lettings, particularly of contracts calling for heavy tonnage. Reinforcing concrete bars were quiet, though in the immediate past betterment in demand for this material has developed. The movement of sheets of all descriptions has been below the seasonal average of the past several years. Requirements of the general manufacturing trade are smaller than heretofore, and large users of sheets are purchasing only sufficient for immediate needs. The general run of wire and wire products, including nails, continued quiet. Ordering of fencing and

woven wire products for spring consumption has been relatively light. Manufacturers of tin plate report a pickup in ordering by the can industry, with advance sales about equal in volume to a year ago. Railroad equipment interests have increased their specifications on a variety of materials to apply on car orders recently released by the railroads. Some improvement is also noted in demand for track accessories and bridge materials. A number of stove foundries, which were idle during the first half of January, have resumed operations on part-time schedules, but report orders booked in January smaller than during the same month in 1929 or 1928. Farm implement manufacturers were for the most part working on higher schedules than during the preceding thirty days but report that dealers generally through the district are slow in covering on their spring and summer requirements. Jobbers of iron and steel goods reported a quickening in business during the last half of January, but a slowing down in the general demand for their wares since the first of this month. Tank plates and the entire line of oil country goods continued quiet, and purchasing by the cement, quarry, fire clay products, glass and furniture industries was below the usual seasonal average. Buying of pig iron in January was in considerable volume, but competition was reported keen, resulting in price shading to secure business. Production of pig iron for the country as a whole in January was 2,838,543 tons, against 2,836,917 tons in December, and 3,433,028 tons in January, 1929. Steel ingot production in the United States in January totaled 3,786,319 tons, against 2,896,268 tons in December, and 4,490,354 tons in January, 1929.

**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	
	Jan. 1930 comp. to Jan. 1929	Jan. 1930 comp. to Jan. 1929	Jan. 31, 1930	Jan. 31, 1929	1930	1929
Evansville .....	-23.1%	+ 9.8%	.16	.21		
Little Rock .....	-11.0	+ 1.1	.16	.18		
Louisville .....	-17.5	+ 3.3	.20	.24		
Memphis .....	-14.4	-12.5	.23	.26		
Quincy .....	+ 1.9	+10.0	.18	.19		
St. Louis .....	-10.3	+ 3.3	.27	.29		
Springfield, Mo. ....	-10.2	+ 5.6	.08	.09		
8th District .....	-11.8	- 4.0	.24	.26		
	Net sales comparison		Stocks on hand			
	Jan. 1930 comp. to Jan. 1929	Dec. 1929	Jan. 1930	Dec. 1929	Jan. 1930	Dec. 1929
Men's furnishings .....	-13.7%	-44.2%	+ 0.5%	+11.3%		
Boots and shoes .....	-17.8	-29.0	- 9.0	-11.4		

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

	Percentage increase or decrease Jan. 1930 compared to Jan. 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods .....	-12.7%	+ 0.8%
Ready-to-wear accessories .....	-15.2	- 4.4
Women and misses' ready-to-wear .....	-23.6	- 3.4
Men's and boys' wear .....	-20.2	- 3.8
Home furnishings .....	-23.1	- 3.9

## BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in January was the smallest for any single month in more than seven years, and 62.4 per cent smaller than in December, and 75.3 per cent below the January, 1929, total. According to statistics compiled by the F.W.Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January totaled \$13,062,764, against \$17,387,230 in December, and \$25,479,285 in January, 1929. For the country as a whole, production of portland cement in January totaled 8,498,000 barrels, against 11,215,000 barrels in December, and 9,881,000 barrels in January, 1929. Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	193	260	\$ 125	\$ 210	28	16	\$ 30	\$ 20
Little Rock ..	26	36	97	172	118	45	54	34
Louisville ..	65	89	195	793	25	39	35	47
Memphis ....	134	293	295	607	124	43	83	23
St. Louis....	130	202	141	1,675	228	218	147	243
Jan. totals	548	880	\$ 853	\$3,457	523	361	\$ 349	\$367
Dec. totals	705	889	2,273	4,132	343	363	781	881
Nov. totals	955	1,429	2,244	6,742	632	555	1,392	771

\*In thousands of dollars (000 omitted).

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electricity by selected industrial customers in January as being 3.2 per cent larger than in December, but 10.4 per cent smaller than in January, 1929. An increase in January was shown by railroad shops and coal mines, but this was more than offset in the yearly comparison by rather general decreases elsewhere, notably among cement and other building material plants. Detailed figures follow:

	No. of Customers	Jan. 1930	Dec. 1929	Jan. 1930 comp. to Dec. 1929	Jan. 1929	Jan. 1930 comp. to Jan. 1929
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	1,540	1,536	+ 0.2%	1,605	- 4.0%
Little Rock..	35	1,390	1,521	- 8.6	1,449	- 4.1
Louisville ....	87	6,948	6,024	+15.3	6,985	- 0.5
Memphis .....	31	1,791	1,656	+ 8.2	1,867	- 4.1
St. Louis.....	143	13,961	14,110	- 1.1	16,693	-16.4
Totals.....	336	25,630	24,847	+ 3.2	28,599	-10.4

\*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
Dec. 1929.....	2,757,827,000	5,758,637,000	8,516,464,000
Nov. 1929.....	2,641,729,000	5,607,671,000	8,249,400,000
Oct. 1929.....	2,730,226,000	5,978,090,000	8,708,316,000

## AGRICULTURE

Generally through the district early farm work is backward, due to the protracted spell of cold weather and to snow and ice, which prevented farmers from entering their fields. In the south relatively little plowing for cotton and other early crops had been accomplished at the middle of February,

while in the northern tiers of the district virtually no field work was done. In many sections the condition of dirt roads hampered hauling of farm products to markets, and the sharp decline in values of certain important products was a further deterrent to heavy marketing. Gathering of the considerable portion of the corn crop still remaining in the fields made poor progress, and there were increasing reports of damage to quality of corn left outside and in cribs. Serious flood damage occurred in sections of Indiana, Illinois, Missouri and Arkansas, the overflows in these areas being at an earlier date and of greater extent than in a number of seasons. The greatest injury was wrought in the valleys of the Wabash and St. Francis rivers.

Reports from scattered sections indicate rather widespread damage to fruit trees from ice and sleet, and some apprehension is felt relative to the peach crop, due to the unusually low temperatures prevailing through January. No comprehensive survey of the orchard situation has been made, however, and it is too early to estimate the extent of damage. Wheat prices declined in early February to the lowest level since last June. Corn was also lower, and cotton recorded a new low level for the crop year in the first week of February. The live stock markets on the other hand, were strong and on the upturn, hogs selling at the highest point since last August.

**Winter Wheat**—Generally through January and the first week of February, fields were covered with snow, which afforded protection against the extreme low temperatures prevailing during that period. Milder weather since has caused melting, and at the middle of February most of the crop was uncovered, and there were minor complaints of damage from Indiana, Illinois and Missouri. Almost universally there has been abundant moisture, and soil conditions were rarely better at this particular time of the year. For the most part, reports indicate that the crop is in good condition.

**Corn**—Progress of the season is disclosing increased quantities of corn of poor quality. Grain arriving at the principal centers averages high in moisture content, and there are numerous reports of damage from mould to corn in cribs and in the field. Weather has been against gathering corn in the fields, and in many sections a larger proportion of the crop remains unhoused than has been the case in a number of years. Recent reports indicate that seed corn is testing poorly throughout parts of Illinois, Indiana and Missouri, particularly where frost caught the crop before it was properly matured. Generally through the district, prime seed corn is scarce. On account of the long spell of extremely cold weather, feeding of corn to livestock on farms

in many localities has been the heaviest in twenty years.

**Live Stock** — According to the annual survey of the U. S. Department of Agriculture, the number and value of livestock on farms in states lying wholly or partly within the Eighth Federal Reserve District showed only minor variations from January 1, 1929 to the same date this year. The aggregate number of cattle, sheep, swine and horses and mules on the first day of this year was 32,557,000 head, which compares with 32,334,000 head on January 1, 1929. The total value of these animals was placed at \$1,027,293,000 as against \$1,020,916,000 on January 1 a year earlier. The number and value of swine was lower this year than last, and the same was true of horses and mules. In both point of numbers and aggregate value, cattle showed a substantial increase over the preceding year. There was a slight increase in the number of sheep, but a decline in total value as compared with a year ago. For the country as a whole the total value of live stock on farms on January 1 was \$5,864,969,000, compared with \$6,003,598,000 on January 1, 1929. The 1930 valuation, while below that of a year ago, was above any other year since 1921. The total value of each species was below a year ago.

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

	Receipts			Shipments		
	Jan. 1930	Dec. 1929	Jan. 1929	Jan. 1930	Dec. 1929	Jan. 1929
Cattle and calves.....	81,977	85,708	90,783	46,360	55,073	54,725
Hogs .....	342,603	317,662	409,468	274,802	234,619	294,568
Horses and mules.....	12,011	4,591	10,976	12,329	4,675	11,954
Sheep .....	35,088	31,319	27,955	20,172	12,680	14,451

**Cotton** — Preparations for the new crop have not progressed far. Weather throughout January and early this month was decidedly inauspicious for outdoor operations. Some plowing was done in the southern tiers of the district, but virtually none north of the Arkansas River. Milder temperatures developed toward the middle of February, but melting snow and ice left the soil so muddy that a week or ten days of ideal conditions would be required to place it in condition to till. Some progress was made in completing the old crop harvest, but condition of cotton in the fields was such that much of it was abandoned. There is nothing as yet to indicate acreage prospects. Campaigns to curtail acreage have been started in Mississippi and elsewhere. Prices of cotton declined in early February to the lowest point on the crop. In the St. Louis market the middling grade fluctuated between 14½c and 16¼c per pound between January 15 and February 15, closing at 15c on the latter date, against 16¼c on January 16, and 18½c on February 15, 1929. Very little cotton remains in producers' hands in this district, although cotton merchants hold fairly large stocks. Stocks of cotton in Arkansas ware-

houses on February 14 totaled 291,980 bales, against 339,084 bales on January 17, and 196,400 bales on February 14, 1929.

**Rice** — Since the first of this month quite decided improvement has developed in the market for both rough and polished rice, greater strength being shown than at any time since last fall. In Arkansas an unusually large amount of rice is still in farmers' hands, the total being estimated at 25 to 30 per cent of the 1929 crop. There has been very little progress made in preparations for the 1930 crop, due principally to unfavorable weather conditions.

**Tobacco** — Most recent reports indicate that the 1929 crop of burley tobacco will considerably exceed in pounds the estimates earlier in the season. Weight of the leaf marketed has exceeded expectations. Sales from the date of the opening of the markets to February 8 averaged \$22.21 per hundred pounds, which compares with an average of \$32.50 on the entire 1928 crop. The better grades and color tobacco have been relatively the cheapest. Common and medium grades brought relatively higher prices. In the dark fired districts heavy deliveries and rapid marketing have generally continued, and similar conditions to those in the burley sections prevail, in that yield in pounds is exceeding estimates previously made. Lugs are in strong demand and sell at high prices, and there has been spirited competition for good to fine leaf. Low grades have been relatively quiet and cheap, which in conjunction with an increase in yield, have served to lower the average price level. To February 8, average prices in the several markets averaged from 50c to \$3.50 lower than for the 1928 crop.

**Commodity Prices** — Range of prices in the St. Louis market between January 15, 1930, and February 15, 1930, with closing quotations on the latter date and on February 15, 1929:

	High	Low	Close	
			Feb. 15, 1930	Feb. 15, 1929
Wheat				
May .....	\$1.28½	\$1.16	\$1.19	\$1.30¾
July .....	1.29¼	1.17	1.19½	1.33
No. 2 red winter " .....	1.35	1.23	\$1.24 @ 1.25	1.43 @ 1.46
No. 2 hard..... " .....	1.25	1.16¾	1.18 @ 1.18½	1.28 @ 1.28½
Corn				
May .....	.95¼	.90¾	.90¾	1.02¾
July .....	.97¾	.92¾	.93¾	1.04¾
No. 2 mixed..... " .....	.87½	.82	.83 @ .84	.96½ @ .97½
No. 2 white..... " .....	.89	.85	.87 @ .88	.95½ @ .98
Oats				
No. 2 white..... " .....	.49½	.45	.46½ @ .48	.51 @ .51½
Flour				
Soft patent.....per bbl.	6.75	6.25	6.25 @ 6.50	7.00 @ 7.25
Spring patent..... " .....	6.60	5.95	6.25 @ 6.30	6.10 @ 6.25
Middling cotton.....per lb.:	.16½	.14½	.15	.18½
Hogs on hoof.....per cwt.	11.50	8.00	9.25 @ 11.50	6.75 @ 10.40

**FINANCIAL**

Liquidation of loans at commercial banks and the Federal reserve bank continued in considerable volume during the past thirty days. Settlements were well diversified, both with reference to geographic location and the various borrowing interests. Demand for credit from commercial and industrial sources, while somewhat less active than thirty days

earlier, was still in large volume, and only minor variations were noted in the rates charged customers by the commercial banks. Quite generally through the district, but more particularly in sections where tobacco is the principal crop, country banks further reduced their indebtedness to city correspondents, and in a number of instances these banks were seeking investments for surplus funds. Due to the liberal movement of live stock to market, occasioned by the high prices prevailing, there was a substantial reduction in loans based on that class of property. Demand for funds to condition live stock for market, however, continues active.

There was also further curtailment in commitments of flour milling and grain interests, with the total about 50 per cent smaller than at the peak last fall. Packers slightly increased their borrowings to take care of increased inventories of finished products. Demand from manufacturers of building materials were measurably smaller than at the corresponding period last year or in 1928. Routine liquidation by mercantile interests in the large cities was fully up to the usual seasonal average, but new requirements about balanced payments, with the result that no material change was noted in this class of loans as contrasted with the preceding month. Owing to the lateness of the season, requirements for agricultural operations were at a minimum.

Between January 15 and February 12, loans of the reporting member banks decreased 2.7 per cent, and on the latter date were 3.1 per cent below the total a year earlier. Deposits of these banks, which declined steadily from the opening of the year until February 5, turned slightly upward in the second week of this month. Borrowings of all member banks from the Federal reserve bank continued the steady decline which has been in progress since last September, and on February 11 reached the lowest aggregate since January, 1928.

St. Louis bank's current interest rates were as follows; Prime commercial paper, 5¼ to 6 per cent; collateral loans, 5½ to 7 per cent; loans secured by warehouse receipts, 5¼ to 6½ per cent; interbank loans, 5½ to 6 per cent and cattle loans, 6 to 6½ per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on February 19, 1930 showed a decrease of 0.7 per cent as contrasted with January 22, 1930. Deposits decreased 1.2 per cent between January 22, 1930 and February 19, 1930

(Compiled February 21, 1930)

and on the latter date were 7.0 per cent smaller than on February 20, 1929. Composite statement follows:

	*Feb. 19, 1930	*Jan. 22, 1930	*Feb. 20, 1929
Number of banks reporting.....	†25	†25	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$232,247	\$238,548	\$245,615
All other loans and discounts.....	284,360	281,873	286,048
Total loans and discounts.....	\$516,607	\$520,421	\$531,663
Investments			
U. S. Government securities.....	36,301	37,440	80,041
Other securities.....	112,624	111,735	118,588
Total investments.....	\$148,925	\$149,175	\$198,629
Reserve balance with F. R. bank..	44,397	44,786	47,569
Cash in vault.....	5,760	5,804	6,591
Deposits			
Net demand deposits.....	369,811	378,227	402,334
Time deposits.....	228,574	227,358	240,181
Government deposits.....	30	243	1,102
Total deposits.....	\$598,415	\$605,828	\$643,617
Bills payable and rediscounts with Federal Reserve Bank.....	6,431	5,235	27,244

\*In thousands (000 omitted).  
†Decrease due to consolidation. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*Jan. 1930	*Dec. 1929	*Jan. 1929	Jan. 1930 Dec. 1929	comp. to Jan. 1929
East St. Louis & Natl. Stock Yards, Ill..	\$ 49,027	\$ 41,613	\$ 67,964	+17.8%	-27.9%
El Dorado, Ark.....	8,187	8,979	9,835	- 8.8	-16.8
Evansville, Ind.....	27,445	30,698	51,477	-10.6	-46.7
Fort Smith, Ark....	15,075	14,866	14,488	+ 1.4	+ 4.1
Greenville, Miss....	5,898	5,382	5,434	+ 9.6	+ 8.5
Helena, Ark.....	6,321	6,675	5,137	- 5.3	+23.0
Little Rock, Ark....	81,154	90,075	84,662	- 9.9	- 4.1
Louisville, Ky.....	199,021	184,018	235,280	+ 8.2	-15.4
Memphis, Tenn.....	177,420	206,507	197,065	-11.5	-10.0
Owensboro, Ky.....	9,834	7,987	9,573	+23.1	+ 2.7
Pine Bluff, Ark.....	12,097	13,494	13,390	-10.4	- 9.7
Quincy, Ill.....	12,597	13,555	13,170	- 7.1	- 4.4
St. Louis, Mo.....	796,378	825,542	848,284	- 3.5	- 6.1
Sedalia, Mo.....	5,104	4,586	4,798	+11.3	+ 6.4
Springfield, Mo....	16,755	15,333	18,204	+ 9.3	- 8.0
**Texarkana, Ark.-Tex.....	16,196	14,618	18,403	+10.8	-12.0
Totals.....	1,438,509	\$1,477,928	\$1,597,164	- 2.7	- 9.9

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations**—During January the Federal Reserve Bank of St. Louis discounted for 196 member banks, against 205 in December, and 173 in January, 1929. The discount rate, which had been uniformly at 5 per cent since July 19, 1928, was lowered to 4½ per cent, effective February 11. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*Feb. 21, 1930	*Jan. 21, 1930	*Feb. 21, 1929
Bills discounted.....	\$20,093	\$14,932	\$41,088
Bills bought.....	18,584	12,576	10,397
U. S. securities.....	19,266	19,266	19,484
Municipal warrants.....	30	30	—
Total bills and securities.....	\$57,973	\$46,804	\$70,969
F. R. Notes in circulation.....	85,099	89,316	60,207
Total deposits.....	81,973	83,119	85,450
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.8%	75.3%	57.0%

\*In thousands (000 omitted).



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of March 29, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**AKEN as a whole, business in this district during the past thirty days about maintained the rate of the similar period just preceding. Spotted conditions obtained, however, and aggregate volume of production and distribution of commodities continued considerably below the volume at the corresponding time a year and two years earlier. In practically all lines, purchasing is on an extremely conservative basis, and confined principally to immediate requirements. There is a general disposition on the part of merchants and the public to postpone commitments as long as possible. This is true particularly in the rural areas, where the recent sharp decline in prices of wheat, corn, cotton and other important farm products served to curtail purchasing power and create uncertainty relative to planting programs for spring crops. Continued depression in the building industry, which was still feeling the effects of between-season inactivity, adversely affected the movement of an important group of commodities, and retarded the usual seasonal pickup in employment.

Reports relative to the iron and steel industry reflected unevenness and mixed conditions. Some lines increased their working schedules, while others were less active than during the preceding month. Ordering of iron and steel by the railroads was in smaller volume, and plants specializing in materials for the carriers reported shipments in excess of new business placed. The outlet through the building industry was smaller than during the past several years, but some improvement was noted in requirements of automobile manufacturers, and during the past two or three weeks, miscellaneous users of ferrous goods have increased their takings. There was a notable gain in distribution of automobiles in February over the month before and a year ago, and makers of tractors and farm implements reported improvement in business.

Of the wholesale lines investigated by this bank, a large majority recorded decreases in February sales under those of the same month last year,

while gains and losses as compared with January this year were about evenly divided. Combined February sales of all wholesale lines showed a decrease of 10.4 per cent as compared with the same month in 1929. The volume of retail trade, as reflected by sales of department stores in the principal cities of the district, was 2.2 per cent smaller in February than a year ago. The mild, clear weather which was general through the district in February resulted in increased sales by country retailers as compared with January, but in virtually all sections, February totals were under those of last year. Debits to individual accounts in the principal cities of the district in February were 18.4 per cent smaller than in January, and 13.5 per cent less than the February, 1929, total.

The mildest February weather experienced in this general region in recent years had a decidedly quieting effect on the bituminous coal industry. Demand for domestic sizes slumped to almost nothing, and the recession was accompanied by lower prices and increased accumulations at mines in Illinois, Western Kentucky and Indiana. Curtailment of production was apparent in all districts, and this had a strengthening effect on screenings, which recovered some of the price decline which occurred earlier in the winter. Demand for steaming coal generally, however, was quiet, and there is little disposition to stock up, even though this is the season at which contracting for future requirements is usually done. Large operators are content to deal in the open market as needs arise, which attitude, is attributable in part to efficient transportation. In the St. Louis area a number of important industries which were formerly heavy consumers of coal are substituting natural gas for their fuel requirements. For the country as a whole, production of bituminous coal during the present coal year to March 15, approximately 294 working days, totaled 499,125,000 tons, against 492,469,000 tons during the corresponding period a year earlier, and 458,188,000 tons for the coal year of 1927-1928.

According to officials of railroads operating in this district, freight traffic continued in smaller volume than at the corresponding period last year and in 1928. Considerable losses in both comparisons were noted in the tonnage of merchandise and miscellaneous freight hauled. There were also well defined decreases in the movement of grain and grain products and live stock. For the country as a whole, loadings of revenue freight during the first nine weeks this year, or to March 1, totaled 7,754,575 cars, against 8,315,792 cars for the corresponding period in 1929 and 7,999,131 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 194,531 loads in February, against 208,059 loads in January, and 243,690 loads in February, 1929. During the first nine days of March the interchange amounted to 64,274 loads, against 62,703 loads during the corresponding period in February, and 76,709 loads during the first nine days of March, 1929. Passenger traffic of the reporting lines in February was 6 per cent smaller than that of the same month a year ago. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in February was 75,000 tons, against 75,739 tons in January, and 109,419 tons in February, 1929.

As was the case during the preceding thirty days, reports relative to collections reflected considerable spottiness and irregularity. Wholesalers in the large centers reported moderate betterment in payments in February as contrasted with the preceding month, but the average was below that at the corresponding period a year ago. Generally through the rural sections, but more particularly the winter wheat areas, retailers reported payments slow, due partly to weather conditions and depression in the market for cereals. Further liquidation was noted in the tobacco and rice sections, but generally in localities where cotton is the chief crop, backwardness was complained of. Retailers in the principal cities reported payments in relatively smaller volume than at the same time a year and two years earlier. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
February, 1930.....	1.5%	15.0%	56.2%	27.3%
January, 1930.....	1.4	20.3	55.4	22.9
February, 1929.....	2.7	33.0	44.0	20.3

Commercial failures in the Eighth Federal Reserve District during February, according to Dun's, numbered 102, involving liabilities of \$6,029,700, against 170 failures with liabilities of \$3,054,140 in January, and 120 failures for a total of \$1,762,479 in February, 1929.

The average daily circulation in the United States in February was \$4,556,000,000 against \$4,652,000,000 in January and \$4,686,000,000 in February, 1929.

### MANUFACTURING AND WHOLESALING

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in February was 323,962, against 273,089 in January and 466,418 in February, 1929.

Stimulated by the usual demand and annual shows in St. Louis and elsewhere, distributon of automobiles in this district during February showed substantial gains over the preceding month and the corresponding period a year ago. In point of the number of cars sold, the February total was the largest reported since April, 1926. Increases in value of cars sold in both comparisons were measurably smaller than the numerical gains, indicating greater demand for low and medium priced vehicles than for the more expensive makes. Marked increases in passenger car distribution from January to February are seasonal in character, and have taken place in this district during the past six years. The gain this year, however, was larger than the average, due partly to the unusually small total recorded in January. As has been the case for the past several months, relatively the largest sales were made by dealers in the chief centers of population. Weather in early February was against best results in the country and generally there is a disposition on the part of farmers to postpone filling automobile requirements until more definite estimate of crops can be made. Considerable betterment was noted in sales of trucks, with substantial gains over a year and a month earlier being made in the light varieties for retail delivery service in the large cities. Distributors of heavy trucks report a good volume of inquiry for delivery during the second quarter of the year, principally for use by contractors on river, levee and other public and semi-public construction operations. Sales of new passenger cars in February by 320 dealers scattered through the district were nearly six times as large as in January, and 35.7 per cent greater than in February, 1929. Due to generally conservative buying by these dealers, their stocks of new cars, on March 1 were smaller by 3.8 per cent than a month earlier, and by 9.2 per cent than on March 1, 1929. Generally unsatisfactory conditions continued in the used car market. Dealers reported an increase of 10.6 per cent and 19.3 per cent, respectively, over a month and a year earlier in the number of secondhand cars on hand on March 1, though in both comparisons increases in value represented was considerably smaller, relatively,

than in the number of cars in stock. February sales of parts and accessories showed an increase of 3.4 per cent over January, and the total was about the same as that for February last year. Deferred payment sales of dealers reporting on that detail in February constituted 57.2 per cent of their total sales against 55.0 per cent in January, and 57.3 per cent in February, 1929.

**Boots and Shoes** — February sales of the five reporting interests were 9.0 per cent smaller than in January, and 6.9 per cent smaller than the February, 1929 total. Stocks on March 1 were 3.8 per cent and 7.8 per cent larger, respectively, than thirty days and a year earlier. Since March 1 there has been some improvement in ordering for immediate shipment, but future business shows little if any betterment, and the volume is measurably below that at the corresponding period a year ago. There was no change in prices of finished materials as compared with the preceding thirty days.

**Clothing** — February sales of the reporting clothiers were 17.2 per cent larger than in January, and 2.4 per cent greater than for February, 1929. Purchasing is mainly for immediate requirements, ordering for future being held in check by price uncertainty. The unusually mild weather in February adversely affected the movement of heavy apparel through retail channels, and clearance of this class of goods was below expectations. Demand for work clothes of all descriptions was reported in smaller volume than at any corresponding period in recent years.

**Drugs and Chemicals** — As was the case earlier in the year, demand for heavy drugs and chemicals from the general manufacturing lines, particularly the metal industries, was quiet, with purchasing almost exclusively for immediate needs. Partly as a result of this condition February sales of the six reporting interests fell 9.2 per cent below those for the same month in 1929, and 5.0 per cent below the January total this year. Stocks on March 1 were 0.7 per cent smaller than a month earlier, and 13.7 per cent larger than on March 1, 1929.

**Dry Goods** — Affected by unseasonable weather and the disturbed condition of the raw cotton market, February sales of the eight reporting firms showed a decrease of 19.3 per cent as compared with the corresponding period a year ago. The February total, however, was 7.8 per cent larger than that for January. Stocks on March 1 were 4.3 per cent and 12.6 per cent smaller, respectively, than a month and a year earlier. Retail stocks generally are below the seasonal average, and this condition has resulted in a considerable volume of ordering of small lots for immediate shipment. Future business at the middle

of March was larger than a year ago, but was unusually spotted, the increase being due to a limited number of items. Factory lines are reported active, particularly women's ready-to-wear garments.

**Electrical Supplies** — In virtually all sections of this classification, business was in smaller volume than a year and a month earlier. Most marked decreases were noted in sales of radio materials, electrical installations in new buildings and commodities for the public utilities companies. February sales of the five reporting interests were 4.0 per cent smaller than in January, and 6.2 per cent less than in February, 1929. Stocks on March 1 were 1.3 per cent larger than on February 1, and 9.3 per cent greater than on March 1 last year.

**Flour** — Production at the 12 leading mills of the district in February totaled 368,286 barrels, against 379,967 barrels in January and 392,465 barrels in February, 1929. Stocks of flour in St. Louis on March 1 were 8.2 per cent smaller than on February 1, and 2.0 per cent less than on March 1, 1929. The drop in cash wheat values to the lowest point in more than a half decade had a disturbing effect on the market. New orders were confined almost exclusively to immediate requirements, and for prompt shipment. At the extreme low point in the decline in wheat, some export demand developed for clears and low grade flours from the United Kingdom and the Continent. On the rebound in wheat, however, renewed offers were not acceptable, and relatively little business was done. Buying by the domestic trade improved somewhat on the decline, but not sufficiently to warrant increased mill operations, which were at from 50 to 55 per cent of capacity.

**Furniture** — February sales of the 13 reporting interests were 9.5 per cent smaller than in January and 22.8 per cent less than in February, 1929. Stocks on March 1 were 6.5 per cent smaller than on February 1 and 1.3 per cent smaller than on March 1, 1929. While declines in both sales comparisons were general through the line, the most marked decline was in furniture and furnishings for homes. Prices showed no change as compared with the preceding month, and there was very little variation as contrasted with a year ago.

**Groceries** — Due to more favorable weather in February, salesmen were able to cover their territories more thoroughly than earlier in the year. This fact, coupled with a general disposition on the part of country retailers to fill out depleted stocks, was partly responsible for an increase in February sales of the 12 reporting firms of 2.8 per cent over the same month a year ago. The February total, however, fell 8.3 per cent below that of January this year. Stocks on March 1 were 4.9 per cent larger

than a month earlier, and 21.4 per cent smaller than on March 1, 1929.

**Hardware**—Purchasing of seasonal merchandise continues backward, particularly of commodities consumed principally in the country. Builders tools and hardware and the general run of building materials were also reported moving in less than the usual seasonal volume. February sales of the 12 reporting interests were 2.0 per cent smaller than in January and 5.2 per cent smaller than in February, 1929. Stocks on March 1 were 3.1 per cent smaller than a month earlier, and 4.4 per cent larger than on March 1, 1929.

**Iron and Steel Products**—Purchasing of iron and steel goods by all classes of consumers continued backward during the past thirty days. While several important foundry and mill interests reported a slightly larger volume of unfilled orders than a month earlier, the increase was due in most instances to smaller shipments rather than the placement of additional business. Uncertainty relative to prices tended to emphasize the attitude of hesitation on the part of buyers. The usual seasonal improvement in demand for building materials was considerably less in evidence than at the corresponding period during the past several years. Fabricators of steel structural material report an absence of new lettings, particularly of contracts involving heavy tonnage. There was moderate improvement in demand from the automotive industry, reflected in both specifications and new orders. Interests specializing in gray iron castings and the malleable shops reported fair accretions to their order books, and requirements of the farm implement industry, particularly the tractor division, were in considerable volume. Generally, however, goods designed for consumption in the rural areas continued quiet. The movement of wire fencing, woven wire and the general run of wire products was below the seasonal average. Purchasing by the railroads, except of certain specialties, was less active than earlier in the year. Reduction of operation at a number of railroad shops has resulted in a reduced call for repair materials. Specifications on sheets, plates, bars and other materials going into the manufacture of automobiles have developed improvement during the past two or three weeks. Miscellaneous sheet users, however, have ordered only sufficient quantities for immediate needs. Iron and steel warehouse interests report dullness in virtually all lines, an exception being in items for highway construction, river and levee improvement work, and public utility projects. Demand for oil country goods was reported the

quietest for this particular season for a number of years. New buying of pig iron was in smaller than seasonal volume, but shipments to melters in this district during February were slightly larger than in January, though measurably below the total in February last year. While blast furnace interests are willing to sell for second quarter on a basis of present prices, little interest has been shown supplies for that period. Scrap iron and steel prices, which had held firm since early in January, eased off perceptibly during the first half of March and pig iron was 50c per ton lower. Production of pig iron for the country as a whole in February totaled 2,845,927 tons, against 2,838,751 tons in January, and 3,218,376 tons in February, 1929. Steel ingot production in the United States in February was 4,057,691 tons, compared with 4,328,000 tons in January, and 4,326,000 tons in February, 1929.

### 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	
	Feb. 1930 comp. to Feb. 1929	2 months ending Feb. 28, 1930 to same period 1929	Feb. 28, 1930 comp. to Feb. 28, 1929	Jan. 1, 1930 to Feb. 28, 1929	1930	1929
Evansville .....	+15.1%	- 7.8%	+ 0.4%	.31	.35	
Little Rock.....	4.7	- 7.8	- 3.4	.34	.36	
Louisville .....	+ 7.8	- 5.1	- 1.0	.43	.45	
Memphis .....	1.6	- 8.3	-10.9	.47	.47	
Quincy .....	+10.4	+ 6.5	+13.0	.40	.40	
St. Louis.....	3.9	- 6.9	- 4.4	.59	.61	
Springfield, Mo. ....	6.0	- 8.1	+ 1.1	.17	.18	
8th District.....	2.2	- 6.9	- 4.4	.51	.53	
	Net sales comparison		Stocks on hand			
	Feb. 1930 comp. to Feb. 1929	Jan. 1930	Feb. 1930 comp. to Feb. 1929	Jan. 1930		
Men's furnishings.....	+ 7.7%	- 5.2%	- 5.2%	+ 9.0%		
Boots and shoes.....	+ 9.2	+ 7.7	+ 5.5	+12.6		

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

	Percentage increase or decrease Feb., 1930 compared to Feb., 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-13.8%	- 7.9%
Ready-to-wear accessories.....	0.5	- 4.3
Women and misses' ready-to-wear.....	0.2	-16.0
Men's and boys' wear.....	5.0	- 2.5
Home furnishings.....	-15.6	- 0.5

### BUILDING

In point of dollar value, building permits issued for new construction in the five largest cities of the district in February were 149.3 per cent larger than in January, but 48.8 per cent smaller than in February, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February totaled \$24,510,045, against \$13,114,166 in January, and \$23,371,859 in February, 1929. Production of portland cement for the country as a whole in February totaled 8,162,000 barrels, against 8,498,000

barrels in January, and 8,522,000 barrels in February, 1929. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	258	181	\$ 97	\$ 116	45	20	\$ 88	\$ 7
Little Rock ..	44	38	262	146	122	33	46	14
Louisville ..	69	100	247	1,189	52	43	76	44
Memphis ....	312	306	874	608	63	48	20	36
St. Louis....	254	236	647	2,101	336	210	315	202
Feb. totals	937	861	\$2,127	\$4,160	618	354	\$ 545	\$303
Jan. totals	548	880	853	3,457	523	361	349	367
Dec. totals	705	889	2,273	4,132	343	363	781	881

\*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 February as being 2.7 per cent greater than in January, and 8.7 per cent less than in February, 1929. In the month-to-month comparison increases were fairly general among all classes of consumers. The decrease in the yearly comparison was due chiefly to smaller loads taken by cement, iron and steel, fire clay products and railroad shops. Detailed figures follow:

	No. of Custom-ers	Feb. 1930	Jan. 1930	Feb. 1930	Feb. 1929	Feb. 1930
		*K.W.H.	*K.W.H.	comp. to Jan. 1930	*K.W.H.	comp. to Feb. 1929
Evansville ....	40	1,483	1,540	- 3.7%	1,603	- 7.5%
Little Rock..	35	1,331	1,390	- 4.2	1,356	- 1.8
Louisville ....	87	6,126	6,948	-11.8	7,789	-21.4
Memphis .....	31	1,724	1,791	- 3.7	1,786	- 3.5
St. Louis.....	144	15,998	14,294	+11.9	16,660	- 4.0
Totals.....	337	26,662	25,963	+ 2.7	29,194	- 8.7

\*In thousands (000 omitted).

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

	By water power	By fuels	Totals
January, 1930.....	2,899,855,000	5,747,518,000	8,647,373,000
December, 1929.....	2,757,827,000	5,758,637,000	8,516,464,000
January, 1929.....	2,715,122,000	5,503,422,000	8,218,544,000

### AGRICULTURE

According to the U. S. Department of Agriculture, combined stocks of the principal grains on farms in states entirely or partly within the Eighth Federal Reserve District were considerably smaller than on the same date in 1929 and the 5-year average. The combined farm reserves of wheat, corn and oats in these states on March 1 was 413,503,000 bushels, which compares with 444,418,000 bushels on the same date in 1929, and the 5-year average (1924-1928) of 475,917,000 bushels.

For the country as a whole stocks of grain on farms on March 1 were also smaller than a year earlier and the 5-year average. Combining the estimated farm stocks of corn, wheat, oats, barley, and rye on March 1 this year, holdings total 1,596,482,000 bushels, against 1,773,495,000 bushels on March 1, 1929, and a 5-year average of 1,726,202,000 bushels, which includes the very small holdings of March 1, 1925, resulting from the short crop of 1924.

Taken as a whole, weather during the past thirty days was more favorable for farming operations than at any time since last fall. While preparation for spring crops is still somewhat behind the seasonal schedule, excellent progress was made in that direction, both in the cotton and grain areas. Seeding of oats has been about completed, but it is still too early to form an accurate estimate as to the area planted. Plowing and discing of corn land in Missouri, Illinois and Indiana made considerable headway. Supplies of farm labor are abundant, with an overplus reported in some sections.

As an offset to the more favorable weather and farming conditions was the further sharp decline in prices of cereals, cotton and some other farm products. In the St. Louis market, No. 2 mixed corn declined to 74c per bushel on March 13, the lowest since the spring of 1927. Wheat values declined to the lowest level since May, 1924. Middling cotton at 13½c per pound on March 8 was the lowest since January, 1927.

**Winter Wheat** — Reports covering the more important wheat producing areas of the district indicate apparently little damage to the growing crop from the low temperatures early in March. Temperatures through February were mild and the plant achieved good growth, and is for the most part showing fine color and stand. There were scattered complaints of damage from alternate freezing and thawing, but nothing of a serious nature. Reports of winter killing are relatively few, and due to abundant moisture during the dormant season, soil conditions are good. On March 1 stocks of wheat on farms in states partly or wholly within this district totaled 12,162,000 bushels, against 5,867,000 bushels in 1929 and the 5-year average of 15,112,000 bushels.

**Corn** — Wetness of soil, particularly in the river and creek bottoms, interfered to some extent with preparation of corn land, but generally fair progress was made in the matter of clearing and discing. Most recent reports indicate unusually large quantities of low-grade, high moisture-content corn. Much corn was still in the fields on March 1, and a considerable portion of this grain is unfit for fattening live stock. Prime seed corn is universally scarce, and the amount of merchantable corn included in the 1929 crop was the smallest in a long series of years. In many communities tests of seed corn shows germination of the 1929 seed runs only 25 to 75 per cent, and farmers are endeavoring to secure 1928 seed corn to plant this spring. Stocks of corn in farmers' hands on March 1 in states partly or entirely within the Eighth District totaled 325,565,000 bushels, against 332,978,000 bushels on

the same date in 1929, and a 5-year average of 380,348,000 bushels.

**Oats** — Seeding of oats moved rapidly towards completion in the southern tiers of the district under the favorable weather conditions in February. Early planted oats are generally up to a good stand, and outlook for the crop is favorable. Farm reserves in states entirely or partly within this district on March 1 aggregated 75,276,000 bushels, against 105,573,000 bushels on the corresponding date last year, and a 5-year average of 80,457,000 bushels.

**Fruits and Vegetables** — With the exception of peaches and cane fruits in some sections, fruit crops, according to most recent reports, appear to have come through the winter in fairly good condition. Apples sustained no serious damage, but peaches were seriously injured, reports of heavy damage to trees being common in Missouri, Illinois and Northern Arkansas.

**Live Stock** — The movement of live stock to market during February was in considerably smaller volume than a month earlier, and with the exception of sheep and lambs, was below that during the same month last year. There were substantial declines in prices of lambs and dressed mutton, but cattle and hog values were well sustained. Due to mild weather, egg production in this district during February was at a higher rate than has been the case in a number of years. There was little change in the general condition of herds as compared with the preceding thirty days.

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

	Receipts			Shipments		
	Feb. 1930	Jan. 1930	Feb. 1929	Feb. 1930	Jan. 1930	Feb. 1929
Cattle and calves.....	61,548	81,977	62,239	39,760	46,360	39,694
Hogs .....	270,008	342,603	295,318	211,607	274,802	231,179
Horses and mules.....	10,823	12,011	10,923	11,940	12,329	12,824
Sheep .....	25,565	35,088	16,214	10,646	20,172	7,099

**Cotton**—Practically the entire month of February and the first half of March were favorable for field work, and good progress was made in clearing the land and plowing for the new crop. The vigor with which this work has been pursued, coupled with increased sales of fertilizer tags and absence of floods in sections affected by overflows at planting time in recent years, fails to indicate widespread reduction of acreage. Except in river bottoms, where the soil has been slow in drying out, preliminary work is ahead of the usual seasonal schedule. Due to variety of causes, there was a sharp break in prices in late February and early March, the low level of the season being reached at the end of the second week in March. Fair investment buying developed at the decline, resulting in a moderate recovery later in the month. In the St. Louis market the middling grade declined from 14¾c per pound on February 17 to 13½c on March 8, and closed at

14¾c on March 17, as against 19½c on March 17, 1929. Stocks of cotton in Arkansas warehouses on March 21 totaled 239,758 bales, against 286,231 bales on February 21, and 128,387 bales on March 22, 1929.

**Rice** — A more active demand for polished rice during the past thirty days was reflected in an advance of from 15c to 20c per bushel to the highest point on the crop. Movement from farms to mills has been rapid, and at the middle of March stocks in producers' hands were reduced to about 8 per cent of the 1929 crop. Farmers have begun preparations for the new crop, and with the favorable conditions prevailing, indications are for an acreage about equal to that of last season.

**Tobacco** — Termination of tobacco loose-leaf markets develops the fact that the crop has been marketed this season more rapidly than has been the case in a number of years. Interest centers in preparations for the new crop, which, under favorable weather conditions, have made fair progress in all districts. Preliminary reports indicate that there will be an abundance of plants of good quality for planting this spring.

Estimated total sales of the 1929 crop to March 8, with average prices, and comparisons with a year ago, are given in the following tables:

	Pounds	Cost	Average Per 100 lbs.
Burley —			
1929.....	350,709,195	\$76,262,611	\$21.74
1928.....	273,154,726	85,519,485	31.31
One Sucker —			
1929.....	24,000,000	\$ 2,520,000	\$10.50
1928.....	16,000,000	2,000,000	12.50
Owensboro-Green River —			
1929.....	18,000,000	\$ 1,924,200	\$10.69
1928.....	15,000,000	1,800,000	12.00
Western District of Kentucky dark fired —			
1929.....*	31,658,000	\$ 3,007,510	\$ 9.50
1928.....	28,000,000	3,500,000	12.50
Hopkinsville dark fired —			
1929.....	23,680,000	\$ 2,611,904	\$11.03
1928.....	17,000,000	2,550,000	15.00
Clarksville, Tenn., dark fired —			
**1929.....	20,206,365	\$ 2,693,499	\$13.33
1928.....	13,296,485	2,193,906	16.50
Springfield, Tenn., dark fired —			
**1929.....	16,800,000	\$ 2,521,755	\$15.01
1928.....	9,437,185	1,647,717	17.46

\*Does not include about 10,000,000 pounds purchased direct from farmers, consisting of better grades, which would improve the 1929 average for the district.

\*\*In the Springfield and Clarksville Districts approximately 10,000,000 pounds of the better grades of tobacco were purchased direct from farmers, which would materially raise the 1929 average price.

**Commodity Prices** — Range of prices in the St. Louis market between February 17, 1930 and March 17, 1930, with closing quotations on the latter date and on March 15, 1929:

	High	Low	Close	
			Mar. 17, 1930	Mar. 15, 1929
Wheat				
May .....	\$1.17½	\$1.02¼	\$1.04¼	\$1.28¾
July .....	1.18½	.99¼	1.03¾	1.30¾
No. 2 red winter .....	1.24	1.13	\$1.18@ 1.18½	\$1.40@ 1.47
No. 2 hard.....	1.16½	1.03	1.05@ 1.06	1.26@ 1.28
Corn				
May .....	.90¼	.78¾	.82½	1.01¼
July .....	.92½	.80½	.82¾	1.04¾
No. 2 mixed .....	.83	.74	.76@ .77	.95@ .96
No. 2 white .....	.84¼	.77½	.81@ .81½	.96@ .96½
Oats				
No. 2 white .....	.47½	.43	.45@ .45½	.52@ .52½
Flour				
Soft patent.....per bbl.	6.60	6.15	6.25@ 6.50	7.00@ 7.25
Spring patent.....	6.40	5.50	5.50@ 6.00	6.15@ 6.25
Middling cotton.....per lb.	.14¾	.13½	.14¾	.20
Hogs on hoof.....per cwt.	11.60	8.50	8.50@10.75	7.75@12.10

### FINANCIAL

Generally through the past thirty days, demand for bank accommodation from industrial and commercial sources was somewhat less active than during the similar period immediately preceding and at the same time in 1929. Liquidation with both city and country financial institutions continued in considerable volume, and in some sections, notably areas where tobacco is the principal crop, there was a further reduction in borrowings of country banks from their city correspondents. Loanable resources of the commercial banks increased, and the trend of interest rates was toward lower levels, though actual quotations on certain classes of loans underwent no marked change as contrasted with the month before.

In late February and early March, there was the usual decrease in deposits of commercial banks, incident to income tax settlements. Since the first report date in March, however, there has been a well defined rise in deposits of the reporting member banks, the total on March 12 advancing to the highest point since the middle of January. Loans and discounts of the reporting member banks declined by approximately 1.0 per cent between February 12 and March 12, and on the latter date were 2.5 per cent smaller than a year earlier. Security loans showed a moderate decrease as compared with last year. Borrowings by all member banks from this institution increased during the last half of February, but receded in early March and on the second report date were about on a parity with the closing week in January. Throughout the period Federal reserve bank credit outstanding was substantially smaller than a year ago.

Except for a continued good demand for funds for financing live stock operations, agricultural requirements have not made themselves felt to any appreciable extent. Generally through the south, country banks have completed preparations for financing planting of the cotton and tobacco crops. There was the usual seasonal liquidation of loans to the flour milling and grain interests, though the total of such loans is still above the seasonal average.

St. Louis banks' interest rates were as follows: Prime commercial paper, 4½ to 6 per cent; collateral loans, 5½ to 6½ per cent; loans secured by warehouse receipts 5 to 6 per cent; interbank loans, 5½ to 6 per cent, and cattle loans 6 to 6½ per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on March 19, 1930, showed a nominal decrease as contrasted with February 19, 1930 and a decrease of 2.1 per cent as compared with March 20, 1929. Deposits increased 2.4

per cent between February 19, 1930 and March 19, 1930 and on the latter date were 1.7 per cent smaller than on March 20, 1929. Composite statement follows:

	*Mar. 19, 1930	*Feb. 19, 1930	*Mar. 20, 1929
Number of banks reporting.....	†24	†25	†29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$233,073	\$232,247	\$236,832
All other loans and discounts.....	283,390	284,360	290,887
<b>Total loans and discounts.....</b>	<b>\$516,463</b>	<b>\$516,607</b>	<b>\$527,719</b>
Investments			
U. S. Government securities.....	37,644	36,301	78,284
Other securities.....	116,291	112,624	115,508
<b>Total investments.....</b>	<b>\$153,935</b>	<b>\$148,925</b>	<b>\$193,792</b>
Reserve balance with F. R. bank.....	46,109	44,397	46,021
Cash in vault.....	5,769	5,760	6,321
Deposits			
Net demand deposits.....	378,482	369,811	384,755
Time deposits.....	230,660	228,574	235,272
Government deposits.....	3,534	30	3,409
<b>Total deposits.....</b>	<b>\$612,676</b>	<b>\$598,415</b>	<b>\$623,436</b>
Bills payable and rediscounts with			
Federal Reserve Bank.....	2,535	6,431	34,992

†In thousands (000 omitted).  
\*Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*Feb. 1930	*Jan. 1930	*Feb. 1929	Feb. 1930 Jan. 1930	comp. to Feb. 1929
East St. Louis & Natl.					
Stock Yards, Ill. \$	36,455	\$ 49,027	\$ 56,638	—25.6%	—35.6%
El Dorado, Ark.....	6,705	8,187	7,447	—18.1	—10.0
Evansville, Ind.....	23,508	27,445	44,541	—14.3	—47.2
Fort Smith, Ark.....	12,646	15,075	12,359	—16.1	+ 2.1
Greenville, Miss....	5,031	5,898	4,224	—14.7	+ 19.1
Helena, Ark.....	4,993	6,321	3,229	—21.0	+ 54.6
Little Rock, Ark....	68,464	81,154	71,658	—15.6	— 4.5
Louisville, Ky.....	170,644	199,021	208,297	—14.3	—18.1
Memphis, Tenn.....	145,890	177,420	164,356	—17.8	—11.2
Owensboro, Ky.....	7,976	9,834	6,245	—18.9	+ 27.7
Pine Bluff, Ark....	8,757	12,097	9,691	—27.6	— 9.6
Quincy, Ill.....	11,309	12,597	12,782	—10.2	—11.5
St. Louis, Mo.....	641,667	796,378	722,900	—19.4	—11.2
Sedalia, Mo.....	3,855	5,104	4,102	—24.5	— 6.0
Springfield, Mo....	13,407	16,755	14,926	—20.0	—10.2
**Texarkana					
Ark-Tex.....	12,881	16,196	14,754	—20.5	—12.7
<b>Totals.....</b>	<b>\$1,174,188</b>	<b>\$1,438,509</b>	<b>\$1,358,149</b>	<b>—18.4</b>	<b>—13.5</b>

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations**—During February the Federal Reserve Bank of St. Louis discounted for 195 member banks, against 196 in January and 174 in February, 1929. The discount rate remained unchanged at 4½ per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*Mar. 21, 1930	*Feb. 21, 1930	*Mar. 21, 1929
Bills discounted.....	\$12,948	\$20,093	\$51,086
Bills bought.....	12,137	18,584	8,438
U. S. Securities.....	19,266	19,266	19,062
Municipal warrants.....	30	30	—
<b>Total bills and securities.....</b>	<b>\$44,381</b>	<b>\$57,973</b>	<b>\$78,586</b>
F. R. Notes in circulation.....	81,381	85,099	58,813
<b>Total deposits.....</b>	<b>77,644</b>	<b>81,973</b>	<b>78,723</b>
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	78.3%	69.8%	49.7%

\*In thousands (000 omitted).

(Compiled March 21, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of April 30, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

**D**UE mainly to seasonal influences, business in this district during the past thirty days developed moderate improvement as contrasted with the similar period just preceding. As compared with a year ago, however, the volume of trade and industry in March and early April showed a considerable decrease. In virtually all lines investigated by this bank, March sales were smaller than during the same month in 1929, also below the average of the corresponding period during the past half decade. Such lines as reported gains from March to April were affected by the usual seasonal considerations, and the percentage of increase was smaller than in recent years. A number of industries which ordinarily increase their activities at this season failed to show any upward trend. Among these were certain iron and steel lines, building materials, clothing, automobiles and millinery.

Unfavorable weather during March and the lateness of Easter had a tendency to hold down retail trade, both in the large cities and the country. These same causes also reacted adversely against the volume of wholesale distribution, particularly of merchandise for ordinary consumption. The most important factor in the curtailment of business, according to the reporting interests, was the general disposition on the part of buyers to purchase conservatively and almost exclusively on a necessity basis. While retail stocks are universally small, merchants are slow to replenish and fill out assortments. Manufacturers, in turn, are making up very little merchandise for which they have not actual orders booked or in fairly certain prospect.

The average rate of operations at iron and steel plants in the district showed little variation from the preceding thirty days. The estimated melt of pig iron and scrap in March was approximately the same as in February, though measurably below the total in March last year. Certain specialty makers, notably of stoves and implements, increased their operations, while curtailment was reported by other plants. The general employment situation was also

spotted, and showed no marked change as a whole from the month before. Outdoor work reduced the number of idle common laborers, while the average number of unemployed factory and building workers remained about stationary. There was an increase in the surplus of clerical help and miscellaneous workers. In all states of the district the supply of farm help is adequate, with an overplus reported in scattered localities.

As reflected by sales of department stores in the principal cities in March, the volume of retail trade was 10.7 per cent smaller than for the same month a year ago. Combined sales of all wholesale lines investigated showed a decrease of 8.3 per cent in March under the same month in 1929. Debits to checking accounts in March as reported by the large centers were larger by 12.9 per cent than in February, but 12.9 per cent smaller than in March a year ago. The amount of savings deposits increased 0.9 per cent between March 5 and April 2 and on the latter date reached the highest figure this year. The total, however was 4.9 per cent below that on April 3, 1929.

Aside from a slight pickup in demand for domestic sizes, occasioned by the cold snap in late March, the bituminous coal market continued quiet. There was a decline in production in all the chief fields of the district, despite which fact mine operators experienced difficulty in placing their full current output. Due to smaller production of prepared sizes, however, screenings were stronger than heretofore, though demand for steaming fuel failed to increase in volume. Contracting for future requirements, which at this time of year is usually an important factor in the market was much less in evidence than during past seasons. As has been the case in recent months, industrial users and retailers are satisfied to deal in the open market, and there was little disposition to augment storage stocks. Absence of labor troubles in the industry, coupled with efficient transportation service, tended to hold

down future commitments to a minimum. Such contracting as was reported was at a reduction in prices, except in the case of steaming coal. For the country as a whole, production of bituminous coal during the present calendar year to April 5, approximately 81 working days, amounted to 131,726,000 tons, against 145,762,000 tons for the corresponding period in 1929, and 135,156,000 tons in 1928.

Railroads operating in this district showed a smaller volume of freight traffic handled than during the same period last year or in 1928. Decreases extended to all classifications, but were most marked in coal, coke, ore and grain and grain products categories. Combined merchandise and miscellaneous freight made a relatively better showing than other classifications. For the country as a whole loadings of revenue freight for the first 13 weeks this year, or to March 29, totaled 11,270,011 cars, against 12,153,528 cars for the corresponding period in 1929, and 11,792,196 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 220,296 loads in March, against 192,513 loads in February and 255,717 loads in March, 1929. During the first nine days of April the interchange amounted to 64,523 loads, which compares with 64,274 loads during the corresponding period in March, and 70,280 loads during the first nine days of April, 1929. Passenger traffic of the reporting lines in March was 10 per cent smaller than that of the same month a year ago. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in March was 70,300 tons, against 75,157 tons in February, and 104,483 tons in March, 1929.

Reports relative to collections reflect generally less satisfactory conditions than existed earlier this year, and during the corresponding period a year and two years ago. Retailers in both the large cities and the country complain of backwardness in payments. In the case of country stores the slowness was accounted for partly by preoccupation of farmers with spring work and inclement weather during March. City retail merchants report collections on deferred payment accounts backward. Wholesalers in the large centers reported March settlements generally below estimates. Boot and shoe and dry goods wholesaling interests, with whom April is an important collection month, report payments to April 15 in measurably smaller volume than a year ago. There has been further good liquidation in the tobacco and rice areas, following marketing of those crops. Manufacturers and distributors of building materials continue to complain of backward collections. Answers to 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>
March, 1930 .....	1.4%	14.1%	59.2%	25.3%
February, 1930.....	1.5	15.0	56.2	27.3
March, 1929 .....	4.1	30.6	50.0	15.3

Commercial failures in the Eighth Federal Reserve District in March, according to Dun's, numbered 133, involving liabilities of \$2,419,565, against 102 failures in February with liabilities of \$6,029,700, and 123 failures for a total of \$1,897,665 in March, 1929.

The average daily circulation in the United States during March was \$4,534,000,000, against \$4,556,000,000 in February and \$4,709,000,000 in March, 1929.

### MANUFACTURING AND WHOLESALING

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in March was 401,378, against 323,962 in February and 585,457 in March, 1929.

Following a sharp upturn in February, distribution of automobiles in this district during March, according to dealers reporting to this bank, resumed the downward trend which had proceeded without interruption since last September. Reversing the seasonal trend of the past several years, March sales were in smaller volume than in February, and the total was also substantially less than in March, 1929. Relatively the greatest decreases in both sales comparisons were reported by country dealers, which fact is ascribed partly to the depressed prices of certain farm products and to cold weather and snow storms which prevailed during March. Losses extended to virtually all classes of passenger cars, but was most marked in the more expensive descriptions. Distributors of cheap priced vehicles report a marked falling off in new prospects, that is of persons who have not previously owned cars. Renewal sales, according to a number of dealers, have been held down by the congested condition of the used car market. Due to the large number of secondhand vehicles in stock and difficulty of moving them profitably, terms offered on trades are necessarily less advantageous than heretofore. This condition has resulted in numerous owners retaining their old cars and reconditioning them for additional service. March sales of new passenger cars by 320 dealers scattered through the district were 31.6 per cent smaller than in February, and 27.9 per cent smaller than in March, 1929. New commitments by both wholesale and retail distributors continue on a conservative basis, less than the usual numbers for spring and early summer distribution being ordered from producers. Stocks of new passenger cars in dealers' hands on April 1 were 2.6 per cent smaller

than on March 1 and 7.2 per cent less than on April 1, 1929. Stocks of used cars increased further, the number on hand on April 1 being 21.5 per cent and 16.2 per cent larger respectively than a month and a year earlier. As has been the case for a considerable while, the increase in number of secondhand cars in the yearly comparison was relatively much larger than the dollar value represented. Business in parts and accessories declined slightly as compared with a year ago, but was relatively better than in automobiles proper. March sales of parts and accessories were 1.2 per cent larger than in February and 3.7 per cent less than in March, 1929. Deferred payment sales of dealers reporting on that detail in March constituted 54.2 per cent of their total sales, against 57.2 per cent in February and 56.2 per cent in March, 1929. Collections were less satisfactory than during the preceding several months.

**Boots and Shoes** — March sales of the five reporting firms were 29.5 per cent larger than in February and 7.1 per cent smaller than in March, 1929. Stocks on April 1 were 12.2 per cent smaller than thirty days earlier and 10.9 per cent greater than on April 1, 1929. In the yearly sales comparison decreases were noted in practically all classes of goods, but particularly marked in merchandise for Easter. Since April 1 some improvement has taken place in orders received from salesmen on the road who are selling goods for consumption in the fall. A reduction in prices on fall lines was announced. April collections were reported relatively smaller than a year ago. Factory operations were at a lower average daily rate than in March, 1929.

**Clothing** — The lateness of Easter and unfavorable weather during the past thirty days had a tendency to hold down distribution of clothing at retail, and this was reflected in a reduction in sales of manufacturers and jobbers. As has been the case for the past few months, demand for work clothes of all descriptions was in less than the usual seasonal volume. Sales of the reporting clothiers in March were 43.0 per cent smaller than in February, and 16.8 per cent less than the March, 1929, total.

**Drugs and Chemicals** — Sales of the 6 reporting firms in March were 7.5 per cent larger than in February, but 10.1 per cent smaller than in March, 1929. Stocks on April 1 were 0.2 per cent greater than on March 1, and 12.8 per cent larger than on April 1, 1929. As has been the case for the past several months, decreased sales as compared with a year earlier were due in large measure to smaller volume of heavy drugs and chemicals taken by manufacturers. Purchasing of insecticides and spraying materials were in smaller volume than at the same period a year and two years ago. The trend of prices was lower. Since April 1 considerable improvement in ordering of seasonal materials has taken place.

**Dry Goods** — There was a further decline in activities in this classification, March sales of the eight reporting interests being 4.7 per cent smaller than in February, and 8.6 per cent less than the March, 1929, total. Stocks on April 1 were 3.6 per cent and 12.9 per cent, smaller, respectively, than thirty days and a year earlier. Easter business was considerably under expectations, and in smaller volume than during the past several years. The downward trend in prices served to hold back commitments for future delivery. However, considerable improvement in advance orders has taken place since April 1. Ready-to-wear clothing and other specialty departments are reported doing relatively better than those handling more staple merchandise. Collections were below the average of the corresponding period during the past half decade.

**Electrical Supplies** — March sales of the reporting firms were 4.3 per cent smaller than in February and 28.6 per cent less than in March, 1929. Stocks on April 1 were 8.3 per cent and 5.0 per cent larger, respectively, than thirty days and a year earlier. In the yearly sales comparison a considerable part of the decline was accounted for by reduced sales of radio materials, and smaller volume of electrical installations in new structures.

**Flour** — Production at the twelve leading mills of the district in March totaled 398,763 barrels, which compares with 393,212 barrels in February, and 369,619 barrels in March, 1929. Stocks of flour in St. Louis on April 1 were 1.8 per cent smaller than on March 1 and 6.2 per cent larger than on April 1, 1929. Business continued quiet and very irregular.

**Furniture** — March sales of the 12 reporting interests were 10.6 per cent larger than in February, but 25.6 per cent smaller than in March, 1929. Stocks on April 1 were 2.4 per cent smaller than a month earlier, and 0.2 per cent larger than on April 1, 1929. Demand for household furniture and furnishings continues slow, and there is generally a scarcity of large stock orders.

**Groceries** — Business in this classification was relatively better than in some other lines handling goods for ordinary consumption. March sales of the 12 reporting firms were 10.9 per cent larger than in February and 0.5 per cent less than the March, 1929 total. Stocks on April 1 were 35.4 per cent larger than thirty days earlier, and 4.1 per cent smaller than on April 1, 1929.

**Hardware** — There was a considerable pickup in activity in this classification from March to April, particularly noticeable in seasonable merchandise, and goods for consumption in the rural areas. Hand implements, wire fencing, dairy and poultry supplies and materials for country machine shops were

among the items showing improvement. Builders' tools and hardware, paints, shelf hardware, and certain staple lines continued quiet. Demand for sporting goods, while showing greater activity since the first of April, is in less than the usual seasonal volume. Sales of the 12 reporting interests in March were 14.4 per cent greater than in February, but 10.3 per cent smaller than the March, 1929, total.

**Iron and Steel Products** — The iron and steel industry in this district during the past thirty days showed little change worthy of note as contrasted with the like period just preceding. With the exception of a limited number of commodities, new purchasing was light and confined almost exclusively to an immediate requirement basis. Specifications on seasonal materials were spotted and irregular, and in smaller volume than a year ago, and the average at this time during the past decade. Reports of warehousemen and jobbers reflect a sharp decline in March sales as compared with a year ago, while their entire first quarter volume reached the lowest level in a number of years. Operating schedules at mills, foundries, machine shops and other ferrous metal working plants during the month were at about the same average rate as in February. Since April 1 there have been some additions to working forces, notably in jobbing foundries and plants specializing in automobile materials. As has been the case since the first of the year, purchasing by the railroads was backward. New orders and inquiries for equipment were disappointing, and ordering out of cars previously contracted for progressed slowly. Farm implement manufacturers reported a fair volume of shipments, and small accretions to unfinished business, mainly for delivery during the early summer. Demand for farm tractors continued active, with producers operating at capacity. Due to the cold weather in March, highway construction work was retarded, and there were a number of requests for delayed delivery on materials for that purpose. The low temperatures tended to hold back building operations generally, and fabricators of iron and steel structural materials reported a further curtailment in activities. Sheets and plates were quiet, particularly galvanized roofing descriptions. Tin plate was relatively more active than the general run of rolled products. Demand for oil country goods was at a low ebb, and purchasing by the bituminous coal, quarrying, fireclay products and cement industries was under the usual seasonal volume. Quietness in the demand for finished and semi-finished iron and steel goods was reflected in very conservative buying of raw materials. New buying of pig iron during March was in smaller volume than a year ago, and with competition keen, shading of prices was reported on particularly desirable business, though no change was recorded in

list quotations. A further decline in iron and steel scrap prices occurred, most marked on steel-mill scrap and cast grades. Production of pig iron for the country as a whole in March totaled 3,274,122 tons, against 2,845,937 tons in February, and 3,709,518 tons in March, 1929. Production of steel ingots in the United States in March totaled 4,288,985 tons, against 4,067,971 tons in February and 5,058,258 tons in March, 1929.

**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	
	Mar. 1930 comp. to Mar. 1929	3 months ending Mar. 31, 1930 to same period 1929	Mar. 31, 1930 comp. to Mar. 31, 1929	Jan. 1, to Mar. 31, 1930	1929
	Evansville .....	-19.8%	-12.7%	+25.9%	.48
Little Rock.....	-17.4	-11.7	-10.6	.54	.59
Louisville .....	-19.5	-14.8	+ 2.6	.67	.79
Memphis .....	-19.0	- 2.6	+ 5.3	.73	.78
Quincy .....	- 6.0	+ 1.5	+ 2.5	.61	.64
St. Louis.....	-13.6	- 9.6	+ 1.2	.92	.98
Springfield, Mo..	-20.7	-13.5	-16.9	.30	.31
8th District.....	-15.3	-10.7	- 2.2	.80	.86

  

	Net sales comparison		Stocks on hand	
	Mar. 1930 comp. to Mar. 1929	Feb. 1930	Mar. 1930 comp. to Mar. 1929	Feb. 1930
	Men's furnishings.....	-38.2%	- 8.8%	- 3.0%
Boots and shoes.....	-21.7	+32.9	- 8.7	+ 6.5

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

	Percentage increase or decrease March, 1930 compared to March, 1929	
	Net sales for month	Stocks on hand at end of month
	Piece goods.....	-16.0%
Ready-to-wear accessories.....	-21.8	- 1.5
Women and misses' ready-to-wear.....	-29.6	- 5.3
Men's and boys' wear.....	-33.3	- 4.1
Home furnishings.....	-13.3	- 5.8

**CONSUMPTION OF ELECTRICITY**

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in March as being 16.0 per cent larger than in February, and 0.4 per cent greater than in March, 1929. The increase in the month-to-month comparison was due in part to the greater number of working days in March. The comparison with March last year discloses unusually spotty conditions, with the gain due mainly to resumption of cement operations. Detailed figures follow:

	No. of Custom- ers	Mar.	Feb.	Mar. 1930	Mar.	Mar. 1930
		1930 *K.W.H.	1930 *K.W.H.	comp. to Feb. 1930	1929 *K.W.H.	comp. to Mar. 1929
Evansville ....	40	1,687	1,483	+13.8%	1,709	- 1.3%
Little Rock..	35	1,466	1,331	+10.1	1,477	- 0.8
Louisville ....	87	7,183	6,126	+17.3	7,503	- 4.3
Memphis ....	31	1,714	1,724	- 0.6	1,429	+19.9
St. Louis.....	145	18,877	15,998	+18.0	18,681	+ 1.0
Totals.....	338	30,927	26,662	+16.0	30,799	+ 0.4

\*In thousands (000 omitted).

**BUILDING**

The dollar value of building permits issued for new construction in the five largest cities of the district during March was 13.2 per cent larger than in February and 35.0 per cent less than in March, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March totaled

\$23,705,343, against \$24,510,045 in February and \$38,795,147 in March, 1929. Production of portland cement for the country as a whole in March totaled 11,225,000 barrels, against 8,162,000 in February, and 9,969,000 barrels in March, 1929. Building figures for March follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	51	412	\$ 189	\$ 295	74	75	\$ 50	\$ 25
Little Rock	65	49	217	194	98	59	96	65
Louisville ..	145	265	478	1,065	77	79	77	134
Memphis ....	330	311	652	1,036	168	77	157	17
St. Louis....	440	749	873	2,652	440	403	295	467
Mar. totals	1,031	1,786	\$2,409	\$5,242	857	693	\$ 675	\$708
Feb. totals	937	861	2,127	3,457	618	354	545	303
Jan. totals	548	880	853	4,132	523	361	349	367

\*In thousands of dollars (000 omitted).

**POSTAL RECEIPTS**

Returns from the five largest cities of the district show a decrease in postal receipts for the first quarter of 1930 of 3.3 per cent under the corresponding period in 1929, and of 15.3 per cent under the final quarter of 1929. Detailed figures follow:

	For Quarter Ending				Mar. 1930 comp. to Mar. 1929
	Mar. 31, 1930	Dec. 31, 1929	Sept. 30, 1929	Mar. 31, 1929	
Evansville .....	\$ 164,000	\$ 187,000	\$ 171,000	\$ 163,000	+ 0.6%
Little Rock.....	238,000	245,000	225,000	244,000	- 2.5
Louisville .....	681,000	805,000	681,000	724,000	- 5.9
Memphis .....	653,000	788,000	605,000	672,000	- 2.8
St. Louis.....	3,049,000	3,629,000	2,923,000	3,147,000	- 3.1
Totals.....	\$4,785,000	\$5,654,000	\$4,605,000	\$4,950,000	- 3.3

**AGRICULTURE**

The report of the U. S. Department of Agriculture setting forth planting intentions on March 1, 1930, indicates no marked changes in acreage of the principal crops in states entirely or partly within the Eighth Federal Reserve District compared with last year and 1928 and 1927. Total acreage of the chief crops, however, including winter wheat seeded last fall and excluding cotton, on which no estimate is made, will be 1.3 per cent greater than the aggregate acreage of these crops harvested in 1929. Farmers plan to plant larger acreages of corn, oats, rice, potatoes, sweet potatoes, tobacco and peanuts, and smaller acreages of tame hay and winter wheat this year than last.

The following comparative table shows the intended plantings in 1930 by farmers in states including the Eighth District, and the number of acres of the several crops harvested in the three preceding years:

	1930	1929	1928	1927
Corn .....	28,512,000	27,937,000	30,024,000	28,142,000
Oats .....	8,863,000	8,389,000	9,474,000	8,170,000
Rice .....	178,000	156,000	174,000	178,000
Potatoes .....	351,000	333,000	367,000	317,000
Sweet Potatoes.....	177,000	168,000	161,000	185,000
Tobacco .....	684,400	627,400	515,000	390,400
Peanuts .....	70,000	65,000	56,000	54,000
Tame Hay.....	13,289,000	13,379,000	12,148,000	12,940,000
Winter Wheat.....	5,945,580*	6,292,000	4,229,000	6,491,000
Totals.....	58,078,980	57,346,400	57,148,000	56,867,400

\*Acreage sown for harvest in 1930, less 10-year average abandonment.

**General Farm Conditions** — Following the mildest February in recent years, March brought unusually low temperatures for that month, accompanied by heavy snow storms, sleet and ice. Considerable

progress was made in early farming operations in February, particularly in the south, where soil preparation was reported ahead of the seasonal schedule. Conditions obtaining in March, however, badly hampered outdoor activities, and in the northern tiers of the district little headway was made in plowing and clearing the land for spring planting. The snow proved beneficial in affording moisture, and in protecting winter wheat, pastures and vegetation generally. Subsoil conditions were substantially improved, and have served in a large measure to offset effects of scanty precipitation during late March and early in April.

Since the beginning of April weather conditions have been mainly favorable for agriculture. Much of the time lost in March has been made up, and taken as a whole the middle of April found farm work well up to the average at that date during the past decade. In the south seeding of oats has been completed, seeding of corn has made headway, gardens have been planted, and extensive cultivation of cotton fields and some planting has taken place. Prospects for fruits are much below those a year ago. Serious damage to peach trees was wrought by the extreme low temperatures during the winter, and injury to tree and cane fruits resulted from the freezes in March. At the middle of April rains were badly needed generally throughout the district, but particularly in sections where wheat is the principal crop.

**Winter Wheat** — In states entirely or partly within the Eighth Federal Reserve District the winter wheat deteriorated during the winter. The condition on April 1, according to the United States Department of Agriculture, was considerably lower than on December 1, 1929, also below the condition on April 1, 1929, and with the exception of Arkansas, a state of small importance in this culture, below the 10-year average (1919-1929). Based on the April 1 condition, the aggregate indicated yield in Indiana, Illinois, Missouri, Kentucky and Tennessee is 82,100,000 bushels, against 84,705,000 bushels harvested in 1929, and a 5-year average of 84,591,000 bushels. Winter killing was responsible for the major part of the deterioration since planting. Most recent reports indicate that the crop is doing well, warm weather in late March and early this month having materially assisted growth and development. In all sections of the district, however, precipitation was much needed at the middle of April.

**Corn** — Preparations for and planting of the new crop have made excellent progress. Through the south considerable acreage has been seeded, and the warm weather since early this month has favored field work and germination. Soil texture is good, and in river bottoms flooded during the past several seasons, corn acreage will be large. There

are still numerous complaints of scarcity and high prices of prime seed corn.

**Fruits and Vegetables** — Latest available reports reflect spotty conditions in the fruit and vegetable crops in this district. The extreme cold weather of January caused serious damage to peach trees, and the outlook for the peach crop is the poorest in many years. Buds have failed to form, and in some of the most important growing sections, the crop will be a complete failure. The low temperatures also did considerable damage to cane fruits, both in the northern and southern sections of the district. Frosts in March injured truck crops in the southern areas, besides doing much damage to early blossoming fruit trees, notably plums, pears and apricots. Reports relative to the apple crop vary considerably, with some sections having prospects for an average crop, while elsewhere the outlook is for less than 30 per cent of normal yield. Cherries will be a small crop, but grapes are not believed to have sustained material damage, and with average weather conditions to harvest should produce the largest crop on record in this district. Many early planted potatoes were caught by the March freezes, necessitating re-planting.

**Live Stock** — Reports from the principal producing sections of the district reflect mainly satisfactory conditions in the spring lamb crop. Generally the condition of live stock is good, herds having come through the winter in better shape than it was thought the extreme cold weather would have permitted. The movement of cattle and hogs to market in March was heavier than in February, also considerably in excess of March, 1929. Prices were fairly well sustained. The condition of pastures on April 1 was below that a year ago, and at the middle of the month there has been further deterioration, due to lack of rainfall.

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

	Receipts			Shipments		
	Mar., 1930	Feb., 1930	Mar., 1929	Mar., 1930	Feb., 1930	Mar., 1929
Cattle and calves.....	79,627	61,548	68,075	50,764	39,760	40,190
Hogs .....	306,178	270,008	286,352	263,597	211,607	229,048
Horses and mules.....	10,163	10,823	8,948	9,725	11,940	10,743
Sheep .....	29,029	25,565	17,751	16,221	10,646	11,446

**Cotton** — Preparations for the new crop are well advanced, due to an unusually favorable February, an average March and auspicious conditions in early April. Another factor in aiding initial work is a supply of labor generally above the average during recent years. Considerable planting was accomplished in the lower tier of counties in late March and early April, and by the middle of this month seeding was general throughout the district, except, possibly, in the extreme north. Supplies of seed are apparently adequate, with quality mainly good. Re-

ports relative to use of fertilizer reflect uneven conditions, but indications are that the entire quantity employed will show only minor variation from last season. The market for spot cotton during the past thirty days has been quiet, with demand from the mills lacking energy. Selling pressure was absent, however, and prices scored a fair recovery from the low point of early March. In the St. Louis market the middling grade advanced to 16c per pound on April 1 from 15c on March 19, and closed on April 15 at 15c, which compares with 20c on April 15, 1929. Stocks of cotton in Arkansas warehouses on April 12 totaled 201,020 bales, against 269,064 bales on March 12, and 97,712 bales on April 12, 1929.

**Tobacco** — At the middle of April practically all of the 1929 crop has been moved to market. Taken as a whole, the crop was marketed more rapidly and thoroughly than any in recent year. Latest reports available give the following average prices paid in Kentucky for the several descriptions during March: Hopkinsville dark-fired, \$11.37 per 100 pounds; Paducah dark-fired, \$9.83; Henderson dark-fired, \$8.32; burley, \$17.88; one sucker, \$8.84, and Green River and Henderson air-cured, \$12.04.

Preparations for the new crop have made good progress. Favorable weather has permitted of sowing plant beds, and except where damaged by the cold weather in late March, plants have come up well. Reports from all districts indicate that there will be sufficient plants to complete intended acreage. Present indications point to a slightly larger acreage of burley tobacco this year than last; about the same acreage in the dark-fired districts as in 1929 and possible small reductions in the one-sucker, air-cured and Green River sections. In all districts special efforts are being made to improve quality.

**Commodity Prices** — Range of prices in the St. Louis market between March 17, 1930 and April 15, 1930, with closing quotations on the later date and on April 15, 1929:

	High	Low	Close	
			April 15, 1930	April 15, 1929
<b>Wheat</b>				
May .....per bu.	\$1.14	\$1.03 $\frac{3}{4}$	\$1.04 $\frac{3}{4}$	\$1.21 $\frac{1}{2}$
July .....	1.15 $\frac{1}{4}$	1.02	1.04 $\frac{3}{4}$	1.24 $\frac{3}{4}$
Sept. ....	1.17 $\frac{3}{4}$	1.06	1.07 $\frac{3}{4}$	1.26 $\frac{3}{4}$
No. 2 red winter ..	1.24	1.14	\$1.16 $\frac{1}{2}$ @ 1.17	\$1.33@ 1.36
No. 2 hard.....	1.13	1.04	@ 1.05 $\frac{1}{2}$	1.22@ 1.22 $\frac{1}{2}$
<b>Corn</b>				
May .....	.88 $\frac{3}{4}$	.82 $\frac{1}{4}$	.82	.95 $\frac{1}{2}$
July .....	.89 $\frac{3}{4}$	.84 $\frac{1}{2}$	.84 $\frac{1}{2}$	.98 $\frac{1}{2}$
No. 2 mixed.....	.86 $\frac{1}{2}$	.80	.81 @ .81 $\frac{1}{2}$	.93
No. 2 white.....	.88	.83	.83 @ .84	.94 $\frac{1}{2}$
<b>Oats</b>				
No. 2 white.....	.47 $\frac{3}{4}$	.45	.45 @ .45 $\frac{1}{2}$	.52@ .53
<b>Flour</b>				
Soft patent.....per bbl.	6.75	6.25	@ 6.50	6.50@ 7.00
Spring patent.....	6.00	5.40	@ 5.75	6.10@ 6.25
Middling cotton.....per lb.	.16	.15	.15	.19 $\frac{3}{4}$
Hogs on hoof.....per cwt.	10.80	8.25	8.75 @ 10.15	8.25@ 11.45

**FINANCIAL**

Demand for credit in this district during the past thirty days was in somewhat smaller volume than earlier in the year, and considerably less than at the corresponding period in 1929. Security loans

on April 9 reached the highest level since the last week in January, but the increase in this item was offset by smaller demands from commercial and industrial sources. There was a considerable volume of liquidation of bank loans by wholesale interests, in the principal centers, particularly in the case of boot and shoe, dry goods and other interests with which April is an important settlement month. Generally through the South there was good liquidation, both by merchants and country banks, resulting in a further reduction of borrowings of country banks from their city correspondents and the Federal reserve bank.

Except in sections where preparations for planting cotton are in progress, demands for financing spring agricultural operations have not made themselves felt to any great extent. The call for funds for conditioning live stock for market, however, continues active. Milling and grain interests further curtailed their commitments, but the aggregate of this class of loans continues relatively greater than the average at this season during the past several years. Requirements of building material manufacturers and some other leading industrial lines are in smaller volume than a year ago.

Deposits of reporting member banks increased during March, and on the second report date in April were at the highest point since the middle of January. Loans and discounts of these banks increased 0.4 per cent between March 12 and April 9, and on the latter date were 2.9 per cent below the total a year earlier. Investments of the reporting member banks showed relatively little variation between the dates mentioned. Borrowings of member banks from this institution continued the downward trend which started in early March, a new low for the year being established on the first report date in April. Federal reserve credit outstanding throughout the period was considerably less than a year ago.

Reflecting less active demand for credit, the trend of interest rates was lower. Current rates at St. Louis banks were as follows; Prime commercial loans, 4½ to 5¾ per cent; collateral loans 5 to 6 per cent; loans secured by warehouse receipts, 4½ to 5¾ per cent; interbank loans, 5 to 6 per cent, and cattle loans, 5¾ to 6½ per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on April 9, 1930 showed a decrease of 0.4 per cent as contrasted with March 12, 1930. Deposits increased 0.9 per cent between March 12, 1930 and April 9, 1930 and on the latter

date were 1.2 per cent smaller than on April 10, 1929. Composite statement follows:

	*April 9, 1930	*Mar. 12, 1930	*April 10, 1929
Number of banks reporting.....	†24	†24	†28
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$231,721	\$233,060	\$235,690
All other loans and discounts.....	281,540	282,054	292,868
Total loans and discounts.....	\$513,261	\$515,114	\$528,558
Investments U. S. Government securities.....	37,805	35,769	74,275
Other securities.....	116,524	114,056	109,346
Total investments.....	\$154,329	\$149,825	\$183,621
Reserve balance with F. R. bank.....	45,439	45,016	45,800
Cash in vault.....	5,599	6,006	6,385
Deposits Net demand deposits.....	380,305	378,637	385,416
Time deposits.....	231,215	229,795	232,887
Government deposits.....	2,178		2,890
Total deposits.....	\$613,698	\$608,432	\$621,193
Bills payable and rediscounts with Federal Reserve Bank.....	2,130	3,420	31,786

\*In thousands (000 omitted).

†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*Mar. 1930	*Feb. 1930	*Mar. 1929	Mar 1930 Feb. 1930	comp. to Mar. 1929
East St. Louis & Natl. Stock Yards, Ill..\$	40,994	\$ 36,455	\$ 62,909	+12.5%	-34.8%
El Dorado, Ark.....	7,404	6,705	8,690	+10.4	-14.8
Evansville, Ind.....	27,686	23,508	52,154	+17.8	-46.9
Fort Smith, Ark.....	13,589	12,646	14,845	+ 7.5	- 8.5
Greenville, Miss.....	5,249	5,031	4,261	+ 4.3	+23.2
Helena, Ark.....	4,817	4,993	3,528	- 3.5	+36.5
Little Rock, Ark.....	80,039	68,464	85,749	+36.9	- 6.7
Louisville, Ky.....	181,365	170,644	212,785	+ 6.3	-14.8
Memphis, Tenn.....	162,689	145,890	185,078	+11.5	-12.1
Owensboro, Ky.....	7,064	7,976	6,750	-11.4	+ 4.7
Pine Bluff, Ark.....	10,013	8,757	10,639	+14.3	- 5.9
Quincy, Ill.....	13,453	11,309	14,778	+18.9	- 9.0
St. Louis, Mo.....	736,277	641,667	821,754	+14.7	-10.4
Sedalia, Mo.....	4,587	3,855	4,913	+19.0	- 6.6
Springfield, Mo.....	15,983	13,407	16,802	+19.2	- 4.9
**Texarkana, Ark.-Tex.....	14,042	12,881	15,578	+ 9.0	- 9.9
Totals.....	\$1,325,251	\$1,174,188	\$1,521,213	+12.9	-12.9

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During March the Federal Reserve Bank of St. Louis discounted for 206 member banks, against 195 in February and 197 in March, 1929. The discount rate was lowered from 4½ to 4 per cent, effective April 12. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*April 24, 1930	*Mar. 24, 1930	*April 24, 1929
Bills discounted.....	\$14,961	\$12,325	\$47,102
Bills bought.....	11,717	10,698	2,492
U. S. Securities.....	19,268	19,267	7,125
Municipal warrants.....	15	30	309
Total bills and securities.....	\$45,961	\$42,320	\$57,028
F. R. Notes in circulation.....	75,831	81,136	57,120
Total deposits.....	80,995	78,905	82,185
Ratio or reserve to deposits and F. R. Note Liabilities.....	77.0%	79.1%	66.4%

\*In thousands (000 omitted).

(Compiled April 23, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of May 31, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

THE moderate betterment in trade and industry, noted in the preceding issue of this report, failed to continue during the past thirty days. With the exception of retail trade in the chief centers of population, which showed a substantial gain over a year ago, virtually all lines investigated showed recessionary tendencies. Output of most manufacturing lines was smaller in April than in March, and this curtailment extended to certain lines which ordinarily increase their production at this particular time of year. Reports covering the first half of May reflect little, if any betterment over the average daily rate prevailing in April. Extreme conservatism is the rule in purchasing, both by the public and merchants. As a result of this policy, manufacturers are holding down their operations, and are making up only such goods as they are able to apply on orders actually booked or for which there is definite inquiry.

In a large majority of wholesaling lines investigated, April sales were sharply below those of the same month in 1929, also under those of the preceding month this year. A considerable part of the decrease in the yearly comparison was accounted for by smaller advance sales. Dry goods, millinery, clothing and boot and shoe interests attribute their decreased volume of sales partly to price uncertainty and to unseasonable weather. In the country purchasing has been held down by the depression in values of wheat, corn, cotton and other agricultural products. As an indication of the disposition to purchase only for immediate requirements, wholesalers cite the unusually large number of mail orders received, also the numerous orders transmitted through the usual channels which specify immediate delivery. While retail stocks are universally small, merchants are hesitant about replenishing and completing their full lines.

An important factor in the gain in department store sales in April over those a year ago was the fact that Easter was unusually late, and much shopping ordinarily done in March was carried into the following month. Special sales involving price con-

cessions, accompanied by extensive advertising campaigns also figured in the increase. Distribution of automobiles decreased as compared with the preceding month and a year ago, and generally through the iron and steel industry activities were at a slightly lower rate in April than March. The melt of pig iron was smaller, and though shipments of finished materials decreased, the volume of unfinished orders on May 1 was smaller than a month earlier.

Taken as a whole the employment situation showed no marked change as contrasted with the preceding month. Gains in the number of workers engaged in outdoor occupations about offset increased idleness occasioned by curtailed schedules in industrial plants. Conditions through April and early May were in the main very favorable for agricultural operations, and spring farm work is considerably ahead of the seasonal average. In some sections moisture was insufficient for promoting growth and development of planted crops, and the low prices of wheat, corn, cotton and other important products tended to emphasize conservatism in the rural areas.

Combined sales of all wholesale lines investigated showed a decrease of 16.3 per cent in April sales under those for the same month in 1929. As reflected by sales of department stores in the principal cities, the volume of retail trade in April was 9.8% larger than a year ago. The value of authorized new construction in the five largest cities in April was 145.3 per cent greater than in March, but 16.3 per cent smaller than in April, 1929. Debits to checking accounts in April, as reported by the large centers, were 2.0 per cent smaller than in March, and 11.5 per cent less than the April, 1929 total. The amount of savings deposits increased 1.6 per cent between April 2 and May 7, and on the latter date reached the highest figure this year. The total, however, was 3.4 per cent smaller than on May 1, 1929.

The volume of freight traffic handled by railroads operating in this district continued to run be-

low that of a year and two years earlier. The seasonal increase in the movement of vegetables and fruits from the south was more than offset by decreases in all other classifications. The tonnage of forest products, coal and coke and ore was sharply below that of a year ago. For the country as a whole, loadings of revenue freight for the first 18 weeks this year, or to May 3, totaled 15,832,203 tons, against 17,194,605 tons for the corresponding period in 1929, and 16,510,556 tons in 1928. The St. Louis Terminal Railway Association which handles interchanges for 28 connecting lines, interchanged 211,707 loads in April, against 220,296 loads in March, and 241,881 loads in April, 1929. During the first nine days of May the interchange amounted to 61,545 loads, against 64,523 loads during the corresponding period in April, and 72,140 loads during the first nine days of May, 1929. Passenger traffic of the reporting roads was 9.0 per cent smaller in April than in the same month a year ago. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in April was 100,700 tons, the largest since last November, and comparing with 71,087 tons in March, and 134,747 tons in April, 1929.

While continuing rather spotted and irregular, collections developed some improvement over the preceding thirty days. Large wholesaling lines, notably boots and shoes and dry goods, with which April is an important settlement month, reported payments during the last half of that month much better than indicated during the opening weeks, with the result that total returns compared favorably with a year ago. Retailers in the large cities reported moderate improvement in April and during the first half of this month. In the country, however, there are still numerous complaints from retailers of backwardness in collections, particularly in areas where farmers are intensively engaged in spring field work. In the iron and steel building material industries payments are still reported below the seasonal average. Answers to 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>
April, 1930.....	1.5%	12.4%	63.5%	22.6%
March, 1930.....	1.4	14.1	59.2	25.3
April, 1929.....	2.6	36.7	50.6	10.1

Commercial failures in the Eighth Federal Reserve District in April, according to Dun's, numbered 128, involving liabilities of \$4,114,163, against 133 failures in March with liabilities of \$2,419,565, and 126 failures for a total of \$1,992,932 in April, 1929.

The average daily circulation in the United States during April was \$4,518,000,000 against \$4,534,000,000 in March, and \$4,679,000,000 in April, 1929.

### MANUFACTURING AND WHOLESALING

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in April was 442,630, against 401,378 in March, and 621,910 in April, 1929.

Distribution of automobiles in this district during April, according to dealers reporting to this bank, was smaller than in March, and dropped sharply below the total of April a year ago. With the exception of February, every month since last August has shown smaller sales than during the corresponding period a year earlier. During the past six years there has been no definite seasonal trend from March to April, three years showing gains and three losses. A considerable part of the decrease in the month-to-month comparison this year was accounted for by curtailed business of country dealers. In the yearly comparison, losses were fairly evenly spread over both country and city dealers, and extended to all descriptions of vehicles, though somewhat more pronounced in the more expensive makes. Country dealers report a general disposition on the part of owners to recondition their cars and make them serviceable as long as possible. This has been an important factor in the relatively large sales during the past sixty days of replacement parts and accessories. A number of firms specializing in parts report their sales during that period on a parity with the same time last year. Since May 1 there has been some improvement reported in sales of passenger cars, and an increase in inquiries. Sales of trucks by reporting dealers in April were about the same as in March, but considerably below a year ago. Both wholesale and retail dealers are purchasing conservatively and there was a further decrease in the number of new vehicles on hand. Stocks of new passenger cars on May 1 were 12.3 per cent smaller than on the same date in 1929, and 7.2 per cent smaller than on April 1 this year. Used car inventories also decreased moderately, stocks on hand on May 1 being 14.1 per cent larger than a year earlier, and 2.0 per cent smaller than on April 1 this year. Sales of new passenger cars by 320 dealers scattered through the district in April were 23.9 per cent smaller than for the same month in 1929, and 7.9 per cent below the April total this year. April sales of parts and accessories were 2.1 per cent and 0.5 per cent smaller, respectively, than a month and a year earlier. According to dealers reporting on that particular, deferred payment sales in April constituted 55.9 per

cent of their total sales, against 54.2 per cent in March, and 54.8 per cent in April, 1929.

**Boots and Shoes** — April sales of the five reporting interests were 12.1 per cent smaller than in March, and 16.4 per cent less than the April, 1929 total. Stocks on hand on May 1 were 12.6 per cent smaller than a month earlier, and 9.6 per cent larger than those on May 1, 1929. Orders for future delivery are considerably smaller than a year ago, and retailers are purchasing chiefly for immediate requirements. This fact is emphasized by the extraordinarily heavy volume of mail orders received in recent weeks. Some slight improvement in orders booked by salesmen on the road is reported since May 1. Retail stocks are generally light, and manufacturers, with this fact in mind, have stepped up their operations, the rate at the middle of May being at from 85 to 90 per cent of capacity. There was no change in prices during the past thirty days, but the average is about 5 per cent below the same time last year.

**Clothing** — The volume of purchasing of both men's and women's clothing during the past thirty days was substantially below the average at the corresponding period during the past several years. There was a marked hesitancy on the part of merchants and the public to fill requirements, which attitude was emphasized by unseasonable weather. Advance buying for early fall and late summer was disappointing, and in smaller volume than a year ago. The trend of prices was downward. April sales of the reporting clothiers were 80.8 per cent smaller than during the same month in 1929, and 38.7 per cent smaller than the March total this year.

**Drugs and Chemicals** — Sales of the six reporting firms in April were 2.1 per cent larger than in March, and 5.8 per cent less than in April, 1929. Stocks on May 1 were 0.9 per cent smaller than thirty days earlier, and 9.8 per cent larger than on May 1, 1929. Smaller sales of heavy drugs and chemicals to the manufacturing trade made up the major portion of the decrease in the yearly comparison. Purchasing of soda fountain supplies and equipment was measurably smaller than a year ago.

**Dry Goods** — For the fifth consecutive month, April sales of the reporting interests in this classification were smaller than for the corresponding month a year earlier. Considerable irregularity exists in the different lines handled, some exhibiting sharp decreases, while others show only minor losses, and in some instances, gains. Silks, hosiery, wash goods and ready-to-wear garments were among the items showing sharp decreases, while gains were reported in domestics, percales, underwear and notions. Price declines since a year ago

were a factor in the lower sales total in the yearly comparison. Since May 1 considerable improvement has developed in orders for both future and prompt shipment. April sales of the eight reporting firms were 13.1 per cent smaller than the same month in 1929, and 13.2 per cent below the March total this year. Stocks on May 1 were 2.9 per cent and 19.2 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies** — April sales of the five reporting interests were 19.6 per cent smaller than for the same month in 1929, and 20.9 per cent larger than the March total this year. Stocks on May 1 were 7.9 per cent and 9.9 per cent larger, respectively, than thirty days and a year earlier. The gain shown in the month-to-month sales comparison was due in large part to seasonal influences. Sales of radio material were considerably smaller than last year, and there were also decreases in electrical installations in new buildings, and small motors. Advance sales of electric fans are disappointing. The trend of prices was easier in sympathy with the downturn in copper, zinc and other raw materials.

**Flour** — Production at the twelve leading mills of the district in April was 360,684 barrels, the smallest since last June, and comparing with 388,661 barrels in March, and 350,575 barrels in April, 1929. Stocks of flour in St. Louis on May 1 were 3.2 per cent smaller than on April 1, and 12.0 per cent greater than on May 1, 1929. As has been the case for the past several months, business was quiet, and purchasing confined to absolute requirements. The drop in wheat prices to the lowest point on the crop tended to disturb buying psychology. Shipping directions were fair, however, and at the extreme decline, some sales were made for export. Mill operation was at from 50 to 55 per cent of capacity.

**Furniture** — A slowing down in business in this classification as compared with a month and a year earlier extended to virtually all lines. Decreases as compared with last year were marked in office furniture and equipment, radio cabinets and seating for theaters, etc. April sales of the 12 reporting interests were 21.0 per cent smaller than for the same month last year and 12.7 per cent below the March total this year. Stocks on May 1 were 2.4 per cent smaller than thirty days earlier and 0.2 per cent less than on May 1, 1929.

**Groceries** — Lowered demand for goods in the luxury class, coupled with reduced purchasing in some sections of the agricultural area, was partly responsible for a decrease in April sales of the 14 reporting interests of 7.5 per cent under the same

month in 1929, and of 2.1 per cent under the March total this year. Stocks on May 1 were 14.9 per cent larger than on the same date in 1929, and 3.6 per cent smaller than on April 1 this year. The trend of prices continued downward, with the general average considerably below that at the corresponding period a year ago.

**Hardware**—Following the spurt of activity during March and early April, business in this classification sustained a decided slump in late April and the first half of May. The movement of seasonal goods was backward, and country dealers were hesitant about replenishing stocks. Sales of sporting goods were in relatively small volume for this time of year, and demand for builders' tools and hardware was quiet. The trend of prices was downward, particularly in the case of merchandise in the manufacture of which steel and copper have an important part. April sales of the 12 reporting firms were 18.2 per cent smaller than for the same month in 1929, and 10.4 per cent smaller than in March this year. Stocks on May 1 were 15.1 per cent smaller than on the same date in 1929 and 2.5 per cent larger than on April 1 this year.

**Iron and Steel Products**—Business in this classification during the past thirty days was in slightly smaller volume than during the similar period just preceding and considerably below that at the same time last year. Specifications on goods previously acquired were below expectations and new orders were being sparingly placed and covered chiefly materials for immediate needs. The general price situation developed further weakness, which fact had a tendency to hold down commitments by consumers, particularly in the case of merchandise for future requirements. Pig iron was reduced 50c per ton, and scrap iron and steel continued to decline, with most important items, including heavy melting steel, recording new lows on the present movement. Among the finished products affected by the lower trend were wire and wire products, steel pipe, sheets, shapes and bars. Moderate improvement in the demand for iron and steel from the automotive industry was noted, but this was spotted, and did not counterbalance the failure of other consumers to take their usual seasonal quotas. Disappointment was felt at the disposition of railroads to hold back releases on track materials and equipment. The outlet through the building industry, while somewhat broader than earlier in the year, failed to show the usual seasonal improvement. There is still a good call for materials going into highway construction, public utility improvements and similar enterprises, but the volume of iron and steel going into residential building and other forms of housing is rela-

tively light. Demand for sheets and plates was reported the smallest for any similar period in more than five years. Oil country and refinery materials are quiet. Foundries specializing in gray castings reported a further reduction in unfinished orders. Since April 1 there has been noticeable improvement in the business of stove manufacturers, with new orders and shipping directions the largest so far this year. Implement makers report smaller advance orders than a year or two ago, and attribute the decrease to the depressed prices of cereals and cotton. Machinery and engine builders report spotted conditions, with tractors and road building machinery making a relatively better showing than other descriptions. Distributors of iron and steel goods from warehouses report no change from the quiet conditions existing during the past three months. Individual sales are small in size, and almost exclusively for prompt delivery. Shipments of pig iron in April were slightly less than in March, and during the first half of May the average daily rate was about the same as in April. Production of pig iron for the country as a whole in April totaled 3,192,538 tons, which compares with 3,252,822 tons in March and 3,663,167 tons in April, 1929. Steel ingot production in the United States in April was 4,143,312 tons, against 4,288,985 tons in March, and 4,938,025 tons in April, 1929.

**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	
	April, 1930 comp. to April, 1929	4 months ending Apr. 30, 1930 to same period 1929	April 30, 1930 comp. to April 30, 1929	Jan. 1 to April 30, 1930	1930	1929
Evansville .....	+19.5%	- 4.4%	+23.4%	.69	.80	
Little Rock .....	+ 3.5	- 7.9	- 5.6	.72	.76	
Louisville .....	+ 4.3	- 9.4	- 5.6	.97	1.06	
Memphis .....	+ 5.5	- 8.3	- 6.3	.99	1.01	
Quincy .....	+18.0	+ 5.9	+ 2.9	.85	.85	
St. Louis.....	+12.0	- 3.8	+ 2.1	1.32	1.32	
Springfield, Mo.....	- 1.7	-10.2	-17.1	.43	.43	
8th District.....	+ 9.8	- 5.3	- 3.4	1.13	1.15	
	Net sales comparison		Stocks on hand			
	April, 1930 comp. to April, 1929	March, 1930	April, 1930 comp. to April, 1929	comp. to Mar., 1930		
Men's furnishings.....	+32.3%	+41.7%	- 3.8%	- 4.5%		
Boots and shoes.....	+ 6.2	+21.4	- 8.9	+ 1.3		

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

	Percentage increase or decrease April, 1930 compared to April, 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	- 9.1%	- 5.8%
Ready-to-wear accessories.....	+17.7	- 6.1
Women and misses' ready-to-wear.....	+13.8	-17.1
Men's and boys' wear.....	+28.1	- 2.4
Home furnishings.....	-16.7	- 5.2

**CONSUMPTION OF ELECTRICITY**

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in April as being 3.3 per cent greater than in March and 2.8 per

cent smaller than in April, 1929. In the yearly comparison decreases were general through all classes of industries. Seasonal increase in activity by certain manufacturers was responsible for the gain from March to April. Detailed figures follow:

	No. of Customers	Apr. 1930	Mar. 1930	Apr. 1930 comp. to Mar. 1930	Apr. 1929	Apr. 1930 comp. to Apr. 1929
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	1,663	1,687	- 1.4%	1,676	- 0.8%
Little Rock..	35	1,597	1,466	+ 8.9	1,781	-10.3
Louisville ....	87	6,097	7,183	-15.1	8,115	-24.9
Memphis .....	31	1,319	1,714	-23.0	1,522	-13.3
St. Louis.....	146	21,192	18,814	+12.6	19,702	+ 7.6
Totals.....	339	31,868	30,864	+ 3.3	32,796	- 2.8

\*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
March, 1930.....	3,259,853,000	4,904,227,000	8,164,080,000
Feb. 1930.....	2,677,235,000	4,946,711,000	7,623,946,000
March, 1929.....	3,138,290,000	4,850,922,000	7,989,212,000

### BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district during April was 145.3 per cent larger than in March, and 16.3 per cent smaller than in April, 1929. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in April amounted to \$28,330,977 against \$23,705,343 in March and \$54,362,947 in April, 1929. As contrasted with the preceding thirty days, there was no notable change in building costs, prices of building materials and labor schedules remaining constant. Production of portland cement for the country as a whole in April totaled 13,521,000 barrels, against 11,225,000 barrels in March, and 13,750,000 barrels in April, 1929. Building figures for April follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	341	452	\$ 244	\$ 427	89	98	\$ 36	\$ 53
Little Rock	61	62	120	377	117	76	134	28
Louisville ..	156	217	635	1,381	95	99	109	144
Memphis ....	621	473	2,678	959	69	86	71	150
St. Louis....	456	690	2,233	3,730	490	368	345	325
Apr. totals	1,635	1,894	\$5,910	\$6,874	860	727	\$ 695	\$700
Mar. totals	1,031	1,786	2,409	5,242	857	693	675	708
Feb. totals	937	861	2,127	3,457	618	354	545	303

\*In thousands of dollars (000 omitted).

### AGRICULTURE

Taken as a whole, the season thus far has been auspicious for field work, and at the middle of May farm operations generally through this district were further advanced than on that date for a number of years. Virtually all crops were planted on or close to seasonal schedule, and in most instances growth and development has been good. A further factor in the advanced condition of soil preparation and planting has been an abundance of farm labor, the supply in most sections being in excess of actual requirements. Generally through the district moisture has been below average, and this has caused backward growth in scattered areas. At the middle of May soaking rains were generally needed to ob-

tain best results both in field and garden crops. Hay crops and pastures are in somewhat lower condition than a year ago, and lack of precipitation has made necessary the reseeding of certain crops, though this condition is by no means universal.

Scattered reports indicate that injury from the unusually cold winter and the frosts and freezes in March is more extensive than had been believed. Serious damage was done to young trees in orchards, and the peach crop is practically a complete failure in this district. In Arkansas, for example, the condition of the peach crop on May 1 was 2 per cent of normal, as compared with 80 per cent on the same date in 1929 and 67 per cent in 1928. In areas where snow protection was lacking, stands of fall sown grains are thin, with considerable abandonment of acreage in some counties. Cane fruits and berry crops were adversely affected, and latest reports from southern Illinois, Missouri and the general Ozark region, reflect an unusually heavy drop of apples.

**Winter Wheat**—According to the U. S. Department of Agriculture's May 1 report, the estimated yield of winter wheat in states partly or entirely within the Eighth Federal Reserve District is 76,991,000 bushels, which compares with 85,085,000 bushels harvested in 1929, and a 5-year average (1924-1928) of 85,017,000 bushels. In all these states the condition of the crop on May 1 was below that on the same date last year, also below the 5-year average. Acreage abandonment was high, particularly in Indiana and Illinois, and due to injury from winter kill and scant moisture this spring, the growth has been slow. In many sections wheat has not stooled properly, and stands are thin. No more than the usual damage from hessian fly and other insect pests is indicated. For the country as a whole the condition on May 1 was 76.7 per cent, against 83.6 per cent last year and a 10-year average of 83.3 per cent. Indicated yield is 525,070,000 bushels, against 578,336,000 bushels harvested last year, and a 10-year average of 550,636,000 bushels.

**Corn**—Planting is far advanced generally through the district, and in the south the crop has made good progress, stands and color being fine. In Missouri, Indiana and Illinois the spring has been ideal for seeding, and the crop is from three to five weeks ahead of the usual seasonal schedule. Generally fields have been worked well, and are clear of weeds and grass. While moisture is needed on most sections, the appearance of the crop is considerably better than expected when the poor quality of last season's seed is considered. Stocks of old corn in farmers' hands are large, especially in the surplus counties, and considerable difficulty is being experienced in disposing of them with profit to producers.

**Oats** — The U. S. Department of Agriculture's May report makes the condition of oats in Arkansas and Mississippi below a year ago, also under the May 1, 1928 condition. In the northern stretches of the district the crop was planted at an earlier date than usual, and acreage is slightly larger than a year ago. Prospects are generally good, though growth was hampered by drought, and some damage was done by cold weather.

**Fruits and Vegetables** — The general condition of fruits in the district is below average, with the outlook for certain varieties the poorest in a number of years. Peaches were badly damaged by the sub-zero temperatures, and the commercial crop this year will be practically nothing. Cherries and plums are estimated at about half an average crop, while the output of cane fruits will be short. A large crop of grapes is looked for in the Ozark region, and generally prospects for this crop are considerably more promising than some other varieties. Shipments of strawberries started early this month, and while the total crop will be small, relatively, prices are markedly higher than at the same time last year. Prospects for apples are less favorable than earlier in the season, latest reports indicating a heavy drop, occasioned by the March freeze. Garden truck was held back by inadequate moisture in April and cool weather. Early potatoes have made a good start, though there are complaints of irregular stands. In Mississippi the condition of potatoes on May 1 was 72 per cent and in Arkansas, 77 per cent, as compared with 78 per cent in each state last year.

**Live Stock** — The May 1 condition of hay and pastures in all states of the district was below that on the same date in 1929, also below the 10-year average. Stocks of hay on farms in states partly or entirely within the district on May 1 totaled 2,788,000 tons, against 2,232,000 tons last year and 3,586,000 tons on May 1, 1928. Live stock is reported generally in good condition. Both egg and milk production showed a slight reduction in April from the rate in that month last year. The season has been favorable for young lambs and pigs, and the crop is large. Demand for stocker and feeder cattle is fair.

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

	Receipts			Shipments		
	April, 1930	Mar., 1930	April, 1929	April, 1930	Mar., 1930	April, 1929
Cattle and calves.....	94,484	79,627	81,881	56,114	50,764	46,197
Hogs .....	339,050	306,178	319,092	283,550	263,597	231,809
Horses and mules.....	3,498	10,163	5,170	4,206	9,725	4,898
Sheep .....	46,638	29,029	25,810	27,205	16,221	14,484

**Cotton** — Generally through the district crop prospects are favorable, with planting unusually well advanced, and fields almost universally well cultivated and clean. March and April developed less than the usual precipitation, but aside from backward growth in limited areas, no serious

injury resulted from the drouth. Rains have been abundant since the last week in April, particularly in the Mississippi Delta and Eastern Arkansas. Due to absence of flood conditions, plantings in the river bottoms have been larger than at this time in recent years. Reports relative to the use of fertilizer vary, but indicate no great change as compared with the total last season. Demand for cotton continued in moderate volume during the past thirty days, but prices advanced slightly, due chiefly to technical market conditions. In the St. Louis market the middling grade declined from 15½c per pound on April 12, to 14.85c on April 22, later advancing to 15.85c on May 12, and closing at 15¾c on May 15, which compares with 17¾c on May 15, 1929. Stocks of cotton in Arkansas warehouses on May 16 totaled 155,448 bales, against 201,020 bales on April 12, and 61,156 on the corresponding date in 1929.

**Tobacco** — Protracted dry weather during late March and April caused considerable delay in preparation for the crop, and tobacco plants in all districts sustained more or less serious damage. In many sections it was necessary to haul water and sprinkle plants to keep them alive. Recent rains, however, have materially assisted moisture conditions, but general precipitation was much needed at the middle of May. Setting of plants is generally backward.

Clarksville, Springfield, Hopkinsville and Mayfield have postponed closing their markets to await proper conditions for disposing of the unsold portion of the 1929 crop. Recent prices on all grades have been high, prime grades bringing the highest prices of the season.

**Rice** — Farmers have made rapid progress in planting the crop, about 85 per cent of the intended acreage having been seeded by the middle of May. Soil conditions are mainly good, and less than the usual amount of reseeded will be necessary. The 1929 crop is practically all out of farmers' hands. Demand for clean rice continued active, with prices firm.

**Commodity Prices** — Range of prices in the St. Louis market between April 13, 1930 and May 15, 1930, with closing quotations on the latter date and on May 15, 1929.

	High	Low	Close	
			May 15, 1930	May 15, 1929
<b>Wheat</b>				
May .....	per bu. \$1.06	\$ .99	\$1.00	\$1.04½
July .....	"	1.07½	.99	1.07½
Sept. ....	"	1.10	1.01	1.11½
No. 2 red winter	"	1.19	1.10	1.05½
No. 2 hard.....	"	1.09	1.00½	1.03
<b>Corn</b>				
May .....	"	.84	.78½	.79
July .....	"	.85½	.78½	.80½
Sept. ....	"	.83	.79½	.80½
Dec. ....	"	.86½	.73½	.86
No. 2 mixed.....	"	.84½	.78	.81
No. 2 white.....	"	.84½	.82	.83
<b>Oats</b>				
No. 2 white.....	"	.45	.42	.42½ @ .43
<b>Flour</b>				
Soft patent.....	per bbl.	6.50	6.25	6.25 @ 6.50
Spring patent.....	"	5.80	5.40	5.40 @ 5.50
Middling cotton....	per lb.	.15.85c	.14.85c	.15½ @ .17½
Hogs on hoof.....	per cwt.	10.55	8.65	9.00 @ 10.20

**FINANCIAL**

Funds were in ample supply throughout the district during the past thirty days, and there was a further slight recession in demand from general commercial and industrial sources. The trend of deposits was upward and there was a considerable volume of liquidation of loans, notably by mercantile and manufacturing interests. Investments of the banks increased rather markedly, and demand for commercial paper was more active than has been the case in a number of months. Country banks, which thirty days earlier had fairly well liquidated their borrowing from city correspondents, have increased their commitments in the immediate past in order to accommodate agricultural requirements. This is true particularly in the south, where preparations for the new cotton crop have made good headway.

Generally the demand from agricultural sources is exhibiting the usual seasonal increase, and agriculturists are finding less difficulty than anticipated in financing their needs. There was a heavy reduction in commitments of flour millers and grain handlers, but due to the sharp decline in cereal prices, there is a disposition on the part of holders to retain their stocks for a more favorable market. In sections where early vegetables and fruits are important crops, there has been a considerable volume of liquidation, and the movement of spring lambs and wool to market has resulted in extensive settlements with country banks. Banks specializing in the financing of live stock, however, report a continued active demand from that class of borrowers.

Loans of the reporting member banks continued the downward trend which has been in operation since January, and at the middle of May were at the lowest point this year. Borrowing by member banks from the Federal reserve bank increased slightly in late April and early this month, but throughout the period were considerably smaller than at the corresponding time last year.

The trend of interest rates continued downward, and at the middle of May averaged lower than at any time in the past two years. Current rates at St. Louis banks were as follows: Prime commercial loans, 4 to 5½ per cent; collateral loans 5 to 6 per cent; loans secured by warehouse receipts, 4¼ to 5½ per cent; interbank loans 5 to 5¾ per cent, and cattle loans 5½ to 6¼ per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on May 14, 1930 showed a decrease of 2.2 per cent as contrasted with

April 16, 1930. Deposits decreased 0.9 per cent between April 16, 1930 and May 14, 1930 and on the latter date were 0.1 per cent larger than on May 15, 1929. Composite statement follows:

	*May 14, 1930	*April 16, 1930	*May 15, 1929
Number of banks reporting.....	†24	†24	28
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$228,317	\$234,306	\$241,304
All other loans and discounts.....	276,462	281,766	282,621
Total loans and discounts.....	\$504,779	\$516,072	\$523,925
Investments			
U. S. Government securities.....	39,388	39,609	71,251
Other securities.....	120,251	113,526	105,753
Total investments.....	\$159,639	\$153,135	\$177,004
Reserve balance with F. R. bank	43,793	49,646	44,656
Cash in vault.....	6,146	5,468	6,010
Deposits			
Net demand deposits.....	381,585	386,280	377,357
Time deposits.....	228,917	228,898	232,325
Government deposits.....	602	1,704	1,173
Total deposits.....	\$611,104	\$616,882	\$610,855
Bills payable and rediscounts with			
Federal Reserve Bank.....	3,119	3,450	20,445

\*In thousands (000 omitted).  
†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*April, 1930	*Mar., 1930	*April, 1929	April, 1930 Mar. 1930	comp. to Apr. 1929
East St. Louis & Natl.					
Stock Yards, Ill. \$	46,391	\$ 40,994	\$ 68,556	+13.2%	—32.3%
El Dorado, Ark.....	7,574	7,404	8,792	+ 2.3	—13.9
Evansville, Ind.....	30,480	27,686	43,886	+10.1	—30.5
Fort Smith, Ark.....	13,043	13,589	14,357	— 4.0	— 9.2
Greenville, Miss....	4,259	5,249	3,827	—18.9	+11.3
Helena, Ark.....	4,916	4,817	3,529	+ 2.1	+39.3
Little Rock, Ark....	75,511	80,039	80,886	— 5.7	— 6.6
Louisville, Ky.....	177,648	181,365	198,707	— 2.0	—10.6
Memphis, Tenn.....	143,427	162,689	165,176	—11.8	—13.2
Owensboro, Ky.....	6,328	7,064	6,107	—10.4	+ 3.6
Pine Bluff, Ark....	8,893	10,013	10,809	—11.2	—17.7
Quincy, Ill.....	13,402	13,453	14,459	— 0.4	— 7.3
St. Louis, Mo.....	732,273	736,277	810,565	— 0.5	— 9.7
Sedalia, Mo.....	4,481	4,587	5,169	— 2.3	—13.3
Springfield, Mo....	15,675	15,983	15,351	— 1.9	+ 2.1
**Texarkana, Ark.-Tex.....	14,236	14,042	16,579	+ 1.4	—14.1
Totals.....	\$1,298,537	\$1,325,251	\$1,466,755	— 2.0	—11.5

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During April the Federal Reserve Bank of St. Louis discounted for 213 member banks, against 206 in March and 225 in April, 1929. The discount rate remained unchanged at 4 per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in following table:

	*May 21, 1930	*April 24, 1930	*May 21, 1929
Bills discounted.....	\$16,932	\$14,406	\$49,587
Bills bought.....	9,198	11,628	1,142
U. S. Securities.....	19,268	19,268	13,625
Municipal Warrants.....	—	15	—
Total bills and securities.....	\$45,398	\$45,317	\$64,354
F. R. Notes in circulation.....	75,764	78,640	57,843
Total deposits.....	79,458	79,025	76,827
Ratio of reserve to deposits and F. R. Note Liabilities.....	76.8%	77.5%	59.7%

\*In thousands (000 omitted).

(Compiled May 22, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of June 30, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

THE volume of trade and industry in this district during the past thirty days continued considerably below that of the same time a year earlier, and the level reached compared unfavorably with the average for the corresponding period during the past half decade. The tendency to slow down extended to retailing, wholesaling and manufacturing, but was somewhat more pronounced in production than distribution of commodities. Output in virtually all manufacturing lines was smaller in May than in April, and except in a limited number of industries affected by seasonal increase in demand, the pace since June 1 has not been accelerated. Due to the unusually small volume of orders for advance delivery, manufacturers are unwilling to complete large stocks of their products. Uncertainty relative to prices, coupled with extreme conservatism in purchasing by ultimate consumers, has a tendency to hold down commitments of wholesale and retail establishments as close as possible to absolute requirements.

The movement of seasonal goods through both wholesale and retail channels was retarded to some extent by cool weather. Lines particularly affected were apparel, boots and shoes, millinery, men's hats, groceries, sporting goods, hardware and electrical supplies. Retail trade was adversely affected in the country by the continued depression in market prices of leading agricultural products and live stock. There was a sharp drop in cereal values, wheat declining to the lowest point recorded since 1914, and corn to the lowest level on the crop. A new low for the season was also recorded on cotton, and cattle and sheep continued at levels considerably below those obtaining at the corresponding period in 1929. Taken as a whole agricultural prospects in the district improved slightly during May, but conditions are spotty and uneven, due to drouth over a broad area during April, May and early June, and to extreme low temperatures during the past winter, and late frosts and freezes.

In the iron and steel industry a rather marked slump occurred in new orders booked, both as com-

pared with the preceding thirty days and the corresponding period a year ago. Specifications on goods previously contracted for were disappointing, and were reflected in a reduced volume of shipments from producing plants. Purchasing by the automotive and building industries failed to expand, while ordering by railroads was confined almost exclusively to necessities. Building continued below a year ago, but showed an upward trend as compared with April. The general employment situation was less satisfactory than a month earlier. Seasonal occupations absorbed large numbers of workers, but failed to take up all the slack occasioned by releases of industrial plants and railroads. An increase in idleness among clerical help in the large cities was noted. A general overplus of farm labor existed, due partly to ideal weather conditions which permitted farmers to perform much of their work without the aid of hired help.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade in May showed a decrease of 8.3 per cent as compared with the same month last year, and for the first five months this year the volume was 5.9 per cent smaller than for the corresponding period in 1929. Combined sales of all wholesale lines investigated showed a decrease of 19.4 per cent under the total for the same month last year. Construction contracts let in the Eighth Federal Reserve District in May were 16.0 per cent larger than in April, but 19.9 per cent smaller than in May, 1929. Debits to checking accounts in May were 5.4 per cent larger than in April, and 5.2 per cent less than in May, 1929. For the first five months this year the volume of debits shows a decrease of 10.5 per cent as compared with the corresponding period in 1929. The amount of savings deposits increased 0.1 per cent between May 7 and June 4, but the total on the latter date was 4.3 per cent smaller than at the same time in 1929.

Dullness which has obtained in the bituminous coal markets for the past several months remained unbroken during May and the first half of June. Both domestic and industrial demand were light.

Purchasing for stockpiles was spotted and irregular, with total tonnage taken for that purpose considerably below the average at the same period during the past five years. Operators in the Illinois, Indiana and Kentucky fields reported contracting by retail distributors in unusually small volume. The trend of prices was lower on coal from all fields. Taken as a whole, the most active purchasers were municipalities and public utilities, which have booked a large portion of their fall and winter requirements. The total production of bituminous coal during the present calendar year to June 7, approximately 135 working days, amounted to 205,073,000 tons, against 226,455,000 tons for the corresponding period last year, and 208,771,000 tons in 1928.

The movement of freight by railroads operating in this district continued in smaller volume than during the corresponding period a year and two years earlier. As has been the case throughout the year, decreases were spread generally through all classes of commodities. A particularly heavy decrease as contrasted with a year ago was noted in merchandise and miscellaneous freight. Loadings of revenue freight for the country as a whole during the first 23 weeks this year, or to June 7, totaled 20,423,506 cars, against 22,380,840 cars for the corresponding period last year and 21,467,901 cars in 1928. The St. Louis Terminal Railway Association which handles interchanges for 28 connecting lines, interchanged 217,226 loads in May, against 211,707 loads in April and 244,051 loads in May, 1929. During the first nine days of June the interchange amounted to 62,388 loads, which compares with 61,545 loads during the corresponding period in April and 68,471 loads during the first nine days of June, 1929. Passenger traffic of the reporting lines in May was 14.0 per cent smaller than during the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 124,300 tons, the largest this year, and comparing with 101,122 tons in April, and 123,850 tons in May, 1929.

Reports relative to collections during the past thirty days developed no marked changes as compared with conditions existing a month earlier. Taken as a whole, however, payments averaged lower than earlier months this year, and substantially below the corresponding period a year ago. Spottiness is reported, both with reference to different localities and the several lines. Generally through the agricultural areas retail collections are backward. Wholesalers in the large centers report some increase in requests for extensions and longer datings. Unevenness is reflected in collection reports of city retail establishments. Answers to question-

naires addressed to leading 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>
May, 1930.....	1.0%	14.0%	58.5%	26.5%
April, 1930.....	1.5	12.4	63.5	22.6
May, 1929.....	3.4	32.0	50.4	14.2

Commercial failures in the Eighth Federal Reserve District in May, according to Dun's numbered 133, involving liabilities of \$4,959,105, against 128 failures in April with liabilities of \$4,114,163, and 107 failures for a total of \$1,215,307 in May, 1929.

The average daily circulation in the United States in May was \$4,497,000,000, against \$4,518,000,000 in April, and \$4,684,000,000 in May, 1929.

#### MANUFACTURING AND WHOLESALING

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in May totaled 417,154, against 442,630 in April, and 604,020 in May, 1929.

Following the trend of the past several years, distribution of automobiles in this district during May, according to the reporting group of dealers, showed a decrease under the preceding month. There was also a decrease in May under the same month in 1929. Since last August, every month with the exception of February has shown smaller sales of passenger cars than the corresponding period a year earlier. In both comparisons losses were general through all classes of makes, but somewhat more marked in the high and medium-priced fields than with cars in the low-priced category. Dealers report continued hesitancy on the part of prospective purchasers to fill their requirements. Inquiries and prospects are fairly numerous, but for one reason or another it is difficult to affect sales. In the case of certain makes, buyers are holding off awaiting new models and possible price concessions. Many owners contemplating renewals are dissatisfied with trade-in terms offered for their old cars and prefer to use them for a while longer rather than turn them in at prices they consider a sacrifice. This is true particularly in the agricultural areas, where to a greater extent than in recent years, farmers are reconditioning their vehicles for additional service. This policy is reflected in relatively heavy sales of parts and accessories. Demand for trucks of all descriptions was in smaller volume than at the corresponding period a year or two years ago. Sales of new passenger cars by 320 dealers scattered through the district in May were 20.7 per cent smaller than in April, and 11.2 per cent smaller than the May, 1929 total. Due chiefly to extremely conservative purchasing by dealers, stocks of new cars on hand on June 1 were 18.9 per cent smaller than on the same date in 1929, and 8.7 per cent less than

on May 1 this year. Special campaigns by dealers in both the city and country to reduce their used car inventories resulted in a substantial decrease in the number of such vehicles on hand June 1. The total reported on that date was 6.2 per cent smaller than on May 1, and 4.9 per cent larger than on June 1, 1929. May sales of parts and accessories by the reporting dealers were 1.6 per cent and 1.0 per cent smaller, respectively, than a month and a year earlier. Stimulated by the advent of the touring season, sales of tires developed moderate improvement as compared with the preceding thirty days, but continued below the same time last year. According to automobile dealers reporting on that item, the ratio of deferred payment sales to total sales in May was 52.1 per cent of total sales, against 55.9 per cent in April and 53.1 per cent in May, 1929.

**Boots and Shoes** — May sales of the five reporting firms were 24.6 per cent smaller than for the same month in 1929 and 2.7 per cent larger than the April total this year. Stocks on June 1 were 9.3 per cent smaller than on May 1, and 6.1 per cent larger than on June 1, 1929. Some improvement in both immediate and future orders booked has taken place since June 1, but advance business is still in considerably smaller volume than at the same time last year. Prices of finished goods showed no change as compared with the preceding thirty days, but averaged about 5 per cent lower than a year ago. Factory operations were at a slightly higher rate than the preceding month, there being a disposition among manufacturers to increase stocks in anticipation of heavy fall demand.

**Clothing** — The depression which has obtained in the apparel industry since early in the year continued during the past thirty days. Sales of the reporting interests in May showed a decline of 23.6 per cent as compared with the same month in 1929 and the total was also considerably smaller than in April this year. Purchasing of retailers and ultimate consumers is being held to absolute requirements. Demand for work clothes, both in the cities and rural sections, continues quiet. The trend of prices was lower.

**Drugs and Chemicals** — Sales of the six reporting interests in May were 3.3 per cent smaller than for the same month in 1929, and 0.5 per cent below the April total this year. Stocks on June 1 were larger by 14.3 per cent than on the same date in 1929 and 3.1 per cent smaller than on May 1 this year. Seasonal goods were moving in larger volume than thirty days earlier, but staples and heavy drugs and chemicals for the general manufacturing trade continued sluggish. Sales of fertilizers, insecticides and other commodities consumed in the rural areas were in smaller volume than the average at this

season during the past several years.

**Dry Goods** — May sales of the eight reporting interests were 17.8 per cent smaller than for the same month in 1929, and 1.8 per cent smaller than the April total this year. Stocks on June 1 were 1.8 per cent and 15.5 per cent smaller, respectively, than thirty days and a year earlier. In the yearly sales comparison the decline was chiefly in advance business. Since June 1, however, considerable improvement has taken place in the volume of orders for forward delivery. Retail stocks are generally small, but replenishment is along extremely conservative lines. Sales of ready-to-wear clothing are reported in good volume. The trend of prices was lower, with the average of all lines considerably below that at the same time last year.

**Electrical Supplies** — Sales of the five reporting interests in May were 4.8 per cent smaller than for the same month in 1929, and 34.7 per cent larger than the April total this year. Stocks on June 1 were 10.8 per cent and 3.0 per cent smaller, respectively, than thirty days and a year earlier. The increase in sales from April to May was due to seasonal conditions. In the yearly comparison decreases were general through all departments of the industry, but most marked in radio material and electrical installations in new buildings. Purchasing by the automotive industry was considerably smaller than at this time last year.

**Flour** — Production at the 12 leading mills of the district in May was 331,735 barrels, the smallest since August, 1928, and comparing with 352,734 barrels in April, and 388,303 barrels in May, 1929. Stocks of flour in St. Louis on June 1 were 17.2 per cent smaller than on May 1, and 13.8 per cent less than on June 1, 1929. Business during the past thirty days continued quiet and featureless. Purchasing by the domestic trade was almost exclusively on a hand-to-mouth basis, but some improvement was reported in shipping directions on flour previously acquired. Export business was confined chiefly to routine transactions with the Latin-American countries. Mill operation was at from 50 to 52 per cent of capacity. Prices were lower in sympathy with the decline in cash wheat.

**Furniture** — May sales of the 12 reporting interests were 30.9 per cent less than for the same month in 1929, and smallest for any single month in more than a half decade. The total was 9.5 per cent smaller than in April this year. Stocks on June 1 were 2.7 per cent smaller than a month earlier and 5.4 per cent smaller than on June 1, 1929. Buying by retailers and the public is on a conservative basis, and large stock orders are lacking. Sales of radio cabinets and the general run of household furniture

and furnishings were in considerably smaller volume than a year ago.

**Groceries** — Depressed prices of farm products, drouth conditions in many sections and a general disposition to purchase only for immediate needs, were factors of a further decline in the volume of business in this classification. May sales of the 14 reporting firms were 6.6 per cent smaller than for the same month in 1929, and 0.6 per cent smaller than the April total this year. The trend of prices was lower, with specific reductions on flour, sugar, coffee, potatoes and lard.

**Hardware** — There was a further decline in business in this classification. May sales of the 13 reporting interests being 19.8 per cent smaller than for the same month in 1929, and 0.1 per cent less than the April total this year. Stocks on June 1 were 0.8 per cent larger than thirty days earlier, and 15.7 per cent less than on June 1, 1929. In the yearly comparison declines were general in all lines, but most pronounced in builders' tools and hardware, and goods used extensively in the rural sections. The trend of prices was lower, and the average was measurably lower than at the corresponding time last year.

**Iron and Steel Products** — Except in the case of a limited number of commodities which were affected by particular conditions, activities in the iron and steel industry in this district continued to recede during the past thirty days. Almost universally consumers were covering only their urgent requirements. Few new projects calling for substantial tonnages of steel are being initiated, though a number of important construction enterprises, notably in connection with the oil industry, are under contemplation. Structural steel fabricators continue to complain of lack of new lettings, and with unfinished orders decreasing, some further curtailed their working forces. Automotive requirements during the past three weeks have slackened somewhat, and adversely affected specifications received by makers of castings and other metal parts. Mills and foundries in the district which specialize in railroad equipment material reported reduced backlogs and a paucity of new orders. Manufacturers of tractors and farm implements report a slowing down in activities, due partly to uncertainty relative to crop prospects in some sections and to the continued depression in the market for farm products. Moderate quickening in activities of stove and heating apparatus manufacturers was noted, but the volume of advance orders booked by these interests on June 1 was considerably below that on the corresponding date during the past several years. The outlet through the building industry for the general run of iron and steel goods is still restricted, though

heavy tonnages are going into highway construction, bridges and levee and river improvement work. Iron and steel jobbing and warehouse interests report no change worthy of note from the dull conditions which have obtained since early spring. Purchasing by the general manufacturing trade is light and on a hand-to-mouth basis, while heavy consumers are taking less than their usual seasonal quotas. Except in the case of tin plate, which is moving in about average seasonal volume, demand for sheets, plates and other rolled products continued to lag. Slack demand for finished and semi-finished ferrous commodities was reflected in softness in the raw material markets. Scrap iron and steel declined further in price, with several important commodities, notably heavy melting steel and rails for rolling, recording new lows on the present movement. Buying of pig iron was on a limited scale, with unusually little interest being manifested in supplies for the third quarter. Production of pig iron for the country as a whole during May totaled 3,239,772 tons, which compares with 3,191,119 in April, and 3,899,344 tons in May, 1929. Steel ingot production in the United States in May amounted to 4,024,778 tons, against 4,153,860 tons in April, and 5,286,339 tons in May, 1929.

## 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	
	May, 1930 comp. to May, 1929	5 months ending May 31, 1930 to same period 1929	May 31, 1930 comp. to May 31, 1929	Jan. 1, to May 31, 1930	May 31, 1929
Evansville .....	+ 6.9%	— 2.1%	+ 4.3%	.88	.98
Little Rock.....	—12.4	— 9.1	— 9.6	.97	1.02
Louisville .....	— 5.2	— 8.4	+ 4.2	1.23	1.34
Memphis .....	— 7.4	— 8.1	— 5.0	1.27	1.29
Quincy .....	+ 3.3	+ 5.3	+ 1.7	1.11	1.11
St. Louis.....	— 9.0	— 4.9	+ 1.4	1.63	1.67
Springfield, Mo. ....	— 1.9	— 8.0	—15.2	.60	.57
8th District.....	— 8.3	— 5.9	— 0.7	1.42	1.46
	Net sales comparison		Stocks on hand		
	May, 1930 comp. to May, 1929	April, 1930	May, 1930 comp. to May, 1929	April, 1930	
Men's furnishings.....	— 6.6%	—12.8%	— 1.4%	— 1.9%	
Boots and shoes.....	— 7.6	— 5.8	— 8.6	— 2.6	

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

	Percentage increase or decrease May, 1930 compared to May, 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	—10.3%	— 5.3%
Ready-to-wear accessories.....	— 6.1	— 1.2
Women and misses' ready-to-wear.....	—18.0	— 9.0
Men's and boys' wear.....	—10.7	+ 2.5
Home furnishings.....	—19.8	— 1.8

## BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in May was 8.0 per cent smaller than in April, but 23.0 per cent greater than in May, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth

Federal Reserve District in May amounted to \$32,876,399, which compares with \$28,330,977 in April and \$41,019,755 in May, 1929. Save for moderate decreases in certain steel commodities, no change worthy of note took place in the price of building materials during the past month. Production of portland cement for the country as a whole in May totaled 17,271,000 barrels, against 13,521,000 barrels in April, and 16,151,000 barrels in May, 1929. Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	277	328	\$ 113	\$ 425	24	61	\$ 18	\$ 14
Little Rock ..	47	60	71	190	121	75	78	53
Louisville ..	126	183	2,203	918	76	92	68	345
Memphis ....	386	443	1,077	801	205	67	87	17
St. Louis....	452	578	1,975	2,094	470	322	227	342
May totals	1,288	1,592	\$5,439	\$4,428	896	617	\$ 478	\$771
April totals	1,635	1,894	5,910	6,874	860	727	695	700
Mar. totals	1,031	1,786	2,409	5,242	857	693	675	708

\*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 consumers in May as being 6.8 per cent greater than in April and 4.9 per cent less than in May, 1929. Decreases from April to May were noted in loads of iron foundries, clothing, refrigerator, furniture and refractories manufacturers. Decreases under a year ago were general through all classes of users. Detailed figures follow:

	No. of Custom-ers	May, 1930 *K.W.H.	April, 1930 *K.W.H.	May, 1930 comp. to Apr. 1930	May, 1929 *K.W.H.	May, 1930 comp. to May, 1929
Evansville ....	40	1,774	1,663	+ 6.7%	1,902	- 6.7%
Little Rock..	35	1,654	1,597	+ 3.6	1,826	- 9.4
Louisville ....	85	6,240	6,097	+ 2.3	7,472	-16.5
Memphis ....	31	1,141	1,319	-13.5	1,688	-32.4
St. Louis.....	148	23,264	21,233	+ 9.6	22,924	+ 1.5
Totals.....	339	34,073	31,909	+ 6.8	35,812	- 4.9

\*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
April, 1930.....	3,272,557,000	4,687,666,000	7,960,223,000
March, 1930.....	3,259,853,000	4,904,227,000	8,164,080,000
April, 1929.....	3,279,740,000	4,594,451,000	7,874,191,000

### AGRICULTURE

Crop conditions and prospects through the Eighth Federal Reserve District are very spotted and irregular, due chiefly to inequality of rainfall and unseasonable temperatures. As a whole precipitation since the end of the winter has been inadequate, and during April and May was considerably below normal. Over a large area, including the typical grain sections, actual drouth was prevented only by scattered showers. Since the first of this month the dry spell has been relieved by good rains, but at the middle of June general precipitation was needed to produce best results for growing crops and pastures. Effects of the dry spell were most

acutely felt in Indiana, Illinois, Missouri, Tennessee and Kentucky, but in none of these states has there been substantial permanent injury, and the damage wrought could be easily repaired by adequate moisture between this and harvest.

The season to date has been one of the most auspicious in recent years for farm work, and for the most part planting and cultivation of spring crops are well ahead of the seasonal schedule. Early work was further expedited by an abundant supply of farm labor, which almost universally through the district is in excess of demand. In Missouri, for instance, the supply of farm help is estimated at 19 per cent above requirements. Fields are clean and free from grass and weeds, and in many sections farmers have given corn its second cultivation. Owing to the favorable planting season, the area of land cropped in the district this year is slightly larger than in 1929. As an offset to the favorable physical conditions prevailing is the continued depression in the markets for the principal agricultural products and live stock.

**Winter Wheat**—Prospects for this crop bettered slightly during May, and according to the U. S. Department of Agriculture's June 1 report, the estimated yield in states entirely or partly within the Eighth Federal Reserve District is 80,290,000 bushels, against 76,991,000 bushels on May 1, and comparing with 85,086,000 bushels harvested in 1929, and a 5-year average (1924-1928) of 85,017,000 bushels. The recent dry spell hastened ripening of the crop, and cutting was general in the district at the middle of June, except in the northern tiers of counties. For the country as a whole the winter wheat crop is estimated at 532,000,000 bushels, against 578,000,000 bushels harvested in 1929, and a 5-year average of 551,000,000 bushels.

**Corn**—Generally corn was planted earlier than the average during the past ten years, and in the principal producing areas has made good progress. Stands are for the most part good, and fields have been intensively cultivated, farmers in most sections having given the second plowing. Except in the extreme northern sections, seeding had been practically completed by the middle of June. There are some complaints of poor development due to inferior seed, and lack of moisture has retarded growth. In southern Illinois, Missouri, Indiana and Kentucky soaking rains were badly needed at the middle of the month. Stocks of old corn on farms are large, and prices in the third week of June dropped to the lowest level of the year.

**Fruits and Vegetables**—The detrimental effects upon fruit in the district of the extreme low temperatures last winter and frosts and freezes in March

are becoming more evident as the season advances. Permanent injury was sustained by peach trees in many sections, and the peach crop is a virtual failure. The outlook for apples and pears is from 25 to 50 per cent of a normal crop. Most recent reports indicate a heavy drop of apples, which increases in magnitude as the fruit develops. Plums and cherries yielded below the five year average, and due to winter killing, cane fruit crops were small. Production and shipments of strawberries in the district were below those for the past several seasons, but growers were compensated for the short yield by the best prices received in recent years. The outlook for grapes is for an average crop, with heavy yields indicated in localities where careful spraying and cultivation has taken place. Early potatoes have made excellent growth, except in localities affected by drouth. Commercial tomato acreage is slightly larger than last season. Generally through the district gardens did well during April and May, despite the unusually light rainfall. Based on the June 1 condition, the U. S. Department of Agriculture estimates the yield of peaches in states partly or entirely within the Eighth Federal Reserve District at 1,363,000 bushels, against 10,491,000 bushels harvested in 1929, and a 5-year average of 8,750,000 bushels. The pear crop in these states is estimated at 1,000,000 bushels against 1,972,000 bushels last year and a 5-year average of 1,681,000 bushels.

**Live Stock** — No change worthy of note took place in the condition of live stock as contrasted with the preceding thirty days. The season has been unusually auspicious for young pigs and lambs, and shipments have been on a liberal scale. Due to the dry spell, the condition of hay and pastures is below that at the same period last year. This has affected milk production, which is also less than a year ago. Egg production in May was also smaller than for the same month in 1929. Receipts of cattle, sheep and hogs at leading centers of the district were smaller in May than a month and a year earlier.

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

	Receipts			Shipments		
	May, 1930	April, 1930	May, 1929	May, 1930	April, 1930	May, 1929
Cattle and calves.....	87,466	94,484	92,695	56,956	56,114	49,199
Hogs .....	330,477	339,050	340,215	259,786	283,550	242,053
Horses and mules.....	2,041	3,498	1,731	2,002	4,206	1,740
Sheep .....	38,661	46,638	42,228	12,134	27,205	16,146

**Cotton** — Since the third week of May conditions for cultivating and replanting the crop have been favorable, and generally good progress is reported in all sections of the district. Considerable temporary damage was done by the heavy rains in early May, both in the uplands and river bottoms. Replanting necessitated by the overflows has been largely completed, and generally stands are good. At the middle of June about 75 per cent of chopping

out had been completed, and for the most part fields were well worked and free of weeds. Temperatures have been too low for rapid development, and from some sections there were complaints of poor color and infestation of lice and cut worms. Demand for cotton continued to lag, with the mills purchasing sparingly and little interest manifested by investors. Prices were lower, and in the third week of June declined to the lowest point of the season. In the St. Louis market the middling grade declined from 16c per pound on May 16, to 13c on June 16, the latter figure comparing with 18c per pound on the same date last year. Stocks of cotton in Arkansas warehouses on June 13 totaled 126,663 bales, against 155,448 bales on May 16, and 43,906 bales on the corresponding date in 1929.

**Rice** — Planting was held back to some extent by heavy rains in early May, but favorable weather in recent weeks has enabled farmers to overcome the delay, and on June 15 the crop was practically 100 per cent seeded. Fields have been generally watered, and the crop has a good stand and looks well. The market for clean rice continued strong, with stocks on hand the lowest at this particular season in more than a half decade.

**Tobacco** — Transplanting of tobacco has been unduly protracted by the long spell of dry weather. Except where affected by cut worms, stands of the earliest setting are good, but at the middle of June precipitation was urgently needed to preserve the plants. Intensive and early cultivation has served to lessen the injury from the drouth. Hardening of plants in beds may result in considerably smaller than intended acreages in some sections. Reports indicate that by June 15 there was as much dark-fired tobacco planted as last year, but the green river and one-sucker acreage is slightly smaller. About 25 per cent of the intended burley tobacco crop still remained to be planted at the middle of June. There was a fair volume of inquiry for the various grades of last year's dark-fired crop. Dealers have relatively small stocks, and with uncertainty relative to the new crop, prices are very firm.

**Commodity Prices** — Range of prices in the St. Louis market between May 15, 1930 and June 15, 1930, with closing quotations on the latter date and on June 17, 1929.

	High	Low	Close	
			June 15, 1930	June 17, 1929
Wheat				
July .....	per bu. \$1.07	\$ .94½	\$ .94¾	\$1.04½
Sept. ....	" 1.09½	.96½	.96½	1.08¾
No. 2 red winter	" 1.19	1.01	\$1.01 @	1.01½ \$1.20 @
No. 2 hard.....	" 1.06½	.95	.95 @	.96½ 1.07 @
Corn				
July .....	" .83¾	.75¼	.75¼	.93
Sept. ....	" .84	.75¼	.75¼	.92½
No. 2 mixed.....	" .85	.76½	.76½ @	.77 .90½ @
No. 2 white.....	" .86½	.81	.81 @	.81½ .94½ @
Oats				
No. 2 white.....	" .44¾	.39	.39 @	.39½ .46½ @
Flour				
Soft patent.....	per bbl. 6.50	6.00	6.00 @	6.25 6.00 @
Spring patent.....	" 5.90	5.40	5.40 @	5.60 5.70 @
Middling cotton.....	per lb. .16	.13	.13	.18
Hogs on hoof.....	per cwt. 10.45	9.00	9.10 @	10.35 9.50 @

## FINANCIAL

The demand for credit from mercantile and industrial sources in this district during the past thirty days was less active than during the similar period immediately preceding, and was in measurably smaller volume than at the corresponding period a year ago. With loanable funds generally in liberal supply, the trend of interest rates was slightly easier. Actual quotations prevailing at the commercial banks underwent no noticeable decrease, but the volume of accommodations granted at the minor figure on the several classes of loans was greater than heretofore. Routine liquidation of commercial borrowers in the larger centers was in fair volume, and more than offset the aggregate of new borrowing and renewals.

A marked increase, somewhat more pronounced than the seasonal average of the past few years, was noted in the demand for agricultural financing. Harvesting of winter wheat was in progress in the lower counties of the chief producing areas, and initial requirements for handling that crop were felt. Throughout the south demand from cotton, rice and tobacco planters was active, and despite the heavy marketing of live stock in recent months, credit requirements for conditioning cattle and hogs for market continues on a large scale. As a result of these conditions, country banks have reduced their balances with city correspondents in order to take care of local needs. In sections where berries and early fruits are important crops, demand for currency has been active.

Total loans and discounts of reporting member banks, which have decreased irregularly since January, recorded a new low for the year in the first week of June. The aggregate of security loans of these banks on June 11 showed a rather sharp recession from the mid-May figure. Total loans on June 11 were smaller by 1.7 per cent than a month earlier, and 3.3 per cent less than on June 12, 1929. There was the usual sharp upward movement in investments of reporting member banks on the first report date in June, but in the following week the total receded to a level only slightly above the average of the preceding two months. Borrowings of all member banks from the Federal reserve bank averaged higher than during the preceding thirty days, and in the first week of June were in larger volume than since January. Throughout the period, however, aggregate loans of this bank to its member banks were considerably smaller than a year ago.

Current rates at the St. Louis banks were as follows: Prime commercial loans, 4 to 5½ per cent; collateral loans, 4¾ to 6 per cent; loans secured by warehouse receipts, 4¼ to 5½ per cent; interbank loans, 4¾ to 5¾ per cent and cattle loans 5¼ to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on June 18, 1930, showed an increase of 1.1 per cent as contrasted with May 21, 1930. Deposits increased 0.7 per cent between May 21, 1930 and June 18, 1930, and on the latter date were 0.6 per cent larger than on June 19, 1929. Composite statement follows:

	*June 18, 1930	*May 21, 1930	*June 19, 1929
Number of banks reporting.....	†24	†24	†27
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$227,650	\$219,898	\$236,320
All other loans and discounts....	273,619	276,032	281,410
Total loans and discounts.....	\$501,269	\$495,930	\$517,730
Investments			
U. S. Government securities.....	37,987	61,140	59,960
Other securities.....	119,198	121,215	112,409
Total investments.....	\$157,185	\$182,355	\$172,369
Reserve balance with F. R. bank..	46,954	44,425	42,181
Cash in vault.....	5,730	5,771	6,359
Deposits			
Net demand deposits.....	374,900	366,331	366,399
Time deposits.....	225,728	232,364	227,193
Government deposits.....	2,995	602	6,694
Total deposits.....	\$603,623	\$599,297	\$600,286
Bills payable and rediscounts with			
Federal Reserve Bank.....	6,106	4,604	28,389

\*In thousands (000 omitted).

†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represents 53.1 per cent of the resources 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.

	*May, 1930	*April, 1930	*May, 1929	May, 1930 April, 1930	comp. to May, 1929
East St. Louis & Natl.					
Stock Yards, Ill..\$	45,569	\$ 46,391	\$ 70,770	— 1.8%	—35.6%
El Dorado, Ark.....	7,021	7,574	8,401	— 7.3	—16.4
Evansville, Ind.....	28,095	30,480	37,220	— 7.8	—24.5
Fort Smith, Ark....	11,630	13,043	13,234	—10.8	—12.1
Greenville, Miss....	4,127	4,259	3,687	— 3.1	+11.9
Helena, Ark.....	4,032	4,916	4,345	—18.0	— 7.2
Little Rock, Ark....	70,614	75,511	77,515	— 6.5	— 8.9
Louisville, Ky.....	190,731	177,648	213,355	+ 7.4	—10.6
Memphis, Tenn.....	140,649	143,427	155,679	— 1.9	— 9.7
Owensboro, Ky.....	6,449	6,328	6,001	+ 1.9	+ 7.5
Pine Bluff, Ark....	9,869	8,893	10,731	+11.0	— 8.0
Quincy, Ill.....	13,965	13,402	13,430	+ 4.2	+ 4.0
St. Louis, Mo.....	800,920	732,273	791,230	+ 9.4	+ 1.2
Sedalia, Mo.....	4,423	4,481	4,793	— 1.3	— 7.7
Springfield, Mo....	16,951	15,675	16,614	+ 8.1	+ 2.0
**Texarkana,					
Ark.-Tex.....	13,327	14,236	16,570	— 6.4	—19.6
Totals.....	\$1,368,372	\$1,298,537	\$1,443,575	+ 5.4	— 5.2

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During May the Federal Reserve Bank of St. Louis discounted for 215 member banks, against 213 in April and 234 in May, 1929. The discount rate remained unchanged at 4 per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*June 20, 1930	*May 20, 1930	*June 20, 1929
Bills discounted.....	\$16,784	\$13,880	\$46,829
Bills bought.....	4,584	9,402	398
U. S. Securities.....	22,643	19,268	16,625
Total bills and securities.....	\$44,011	\$42,550	\$63,852
F. R. Notes in circulation.....	72,684	76,050	56,971
Total deposits.....	76,687	78,934	80,548
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	77.3%	77.7%	60.7%

\*In thousands (000 omitted).

(Compiled June 21, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of July 31, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HE recessionary tendencies in trade and industry which have prevailed in this district in greater or lesser degree since last fall, were emphasized during the past thirty days by reduced activities due to the usual seasonal influences. Vacations and the closing down of many plants for repairs, resulted in a further decrease in factory employment, and production in a number of important lines was at the lowest rate in more than a half decade. Purchasing of commodities by merchants and the public continued along very conservative lines, there being a general disposition among all classes of buyers to take only what is needed for immediate use. Almost universally manufacturers are pursuing the policy of producing only on orders, and in lines which at this time of year ordinarily make up goods for fall and winter distribution, inventories are unusually small.

The movement of commodity prices continued downward, and in the case of wheat, corn, cotton and certain other farm products, values were at the lowest point since the beginning of the World War. This fact, coupled with uncertainty relative to the outcome of crops, served to hold down distribution of merchandise in the agricultural areas. Generally through the district unusually dry weather prevailed, resulting in serious damage to growing crops in some sections, and adversely affecting the live stock and dairying industries. Through the district as a whole, the accumulated deficiency of precipitation from March 1 to the middle of July, is the greatest in recent years. The hot, dry weather, however, has been ideal for harvesting wheat and other early grains, and effects of the drouth have been partly offset by intensive cultivation.

Except in the case of commodities used extensively in hot weather, both production and distribution was smaller than a month and a year earlier. Activities at iron and steel plants were reduced in more than the usual seasonal volume, and the volume of new orders placed was the smallest for any month this year. Purchasing by the railroads and automotive industry was at a low ebb, and no im-

provement was noted in the demand from the building and oil industries. Lumber and textile mills in the south further curtailed their operations, and reduced production of bituminous coal was the rule in all fields of the district.

The volume of retail trade in June, as reflected in sales of department stores in the principal cities of the district, was 12.7 per cent smaller than during the same month last year, and the first half of this year the volume was 7.1 per cent less than for the first six months of 1929. Combined sales of all wholesale and jobbing lines investigated showed a decrease of 23.0 per cent in June as contrasted with the same month last year. Construction contracts let in the Eighth Federal Reserve District in June were considerably larger than a month and a year earlier but building contracts let in the five largest cities showed sharp decreases in both comparisons. Debits to individual accounts in June were slightly smaller than in May, and 11.4 per cent less than in June, 1929. For the first six months this year the volume of debits shows a decrease of 10.7 per cent as compared with the first half of 1929. The amount of savings deposits showed only slight variation between June 4 and July 2, and on the latter date were smaller by 3.2 per cent than a year earlier.

Reduced commercial and industrial activities were reflected in a further curtailment of the freight traffic of railroads operating in this district, the volume continuing to run below that of a year and two years earlier. Practically all classifications of freight are affected, with reductions particularly marked in farm products and merchandise and miscellaneous freight. Loadings of revenue freight for the country as a whole during the first 27 weeks this year, or to July 5, totaled 23,999,447 cars, against 26,528,096 cars for the corresponding week in 1929, and 25,312,720 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 206,305 loads in June, against 217,226 loads in May, and 242,703 loads in June, 1929. During the first nine days of July the

interchange amounted to 53,753 loads, against 62,388 loads during the corresponding period in May, and 66,811 loads during the first nine days of June, 1929. Passenger traffic of the reporting lines decreased 15 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 139,700 tons, the largest this year, and comparing with 124,924 tons in May and 103,934 tons in June, 1929.

Collections generally throughout the district during the past thirty days developed slight recessionary tendencies. The average was somewhat below that of May, and considerably under that at the corresponding period a year ago. Wholesalers in the large centers report a greater number of delays and requests for extensions. They note, however, that due to generally small inventories held by retailers, settlements are prompter in numerous instances than might be expected under existing conditions in business. Country retailers continue to complain of slowness in collections, and attribute the backwardness partly to preoccupation of farmers with harvest and other pressing work. Large department stores and city retailers generally report an adverse effect on their collections from the absence of numerous customers on vacations. Payments on goods purchased on the installment plan are less satisfactory than earlier in the year. Questionnaires addressed to leading interests in the various lines scattered through the district elicited the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
June, 1930.....	1.0%	13.2%	62.9%	22.9%
May, 1930.....	1.0	14.0	58.5	26.5
June, 1929.....	2.9	35.1	41.8	20.2

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's numbered 104, involving liabilities of \$1,778,914, against 133 failures in May with liabilities of \$4,959,105, and 98 failures for a total of \$1,894,983 in June, 1929.

The average daily circulation of the United States in June was \$4,489,000,000, against \$4,497,000,000 in May, and \$4,687,000,000 in June, 1929.

## MANUFACTURING AND WHOLESALING

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in June totaled 335,475, against 417,154 in May, and 545,252 in June, 1929.

As has been the case during the past six years, with the exception of 1926, distribution of automobiles in this district, according to dealers reporting to this bank, declined from May to June. The June total was also considerably smaller than for the corresponding month in 1929, and the smallest for any month this year with the exception of January.

With the exception of February, every month since last August has shown a decrease in sales as contrasted with the corresponding period a year earlier. The smaller volume of distribution reflects, as in other lines, reduced employment in the large industrial centers, and the depressed price levels of the principal agricultural products. During the past thirty days the decrease in business of automobile dealers has been more marked in the small towns and country than in the urban communities. In addition to the low prices of agricultural products, farmers were intensively engaged in harvesting wheat and other field work, and were generally disposed to postpone filling their automobile requirements. Dealers in the large cities reported that there was considerably less stimulation to their business in both new cars and parts and accessories from the touring season than during the past several years. Demand for garage and shop supplies, however, was relatively greater than for automobiles proper, reflecting, according to the dealers, a general disposition on the part of owners to recondition their cars for additional service. Decreases in both the month-to-month and yearly sales comparisons, were spread generally through all classes of makes. Sales of trucks in June declined sharply as contrasted with the several preceding months and were substantially less than in June, 1929. June sales of the new passenger cars by the reporting dealers were 18.3 per cent smaller than in May, and 25.7 per cent less than in June, 1929. The policy of conservative buying by both jobbers and retailers, which has obtained since early in the year, resulted in a further slight reduction in inventories. Stocks of new cars on hand on July 1 were 12.4 per cent smaller than on the same date in 1929, and 6.2 per cent less than on June 1 this year. There was also a further decrease in salable used cars on hand, the July 1 total being 9.3 per cent smaller than on June 1, and 2.8 per cent larger than on July 1, 1929. June sales of parts and accessories of the reporting dealers were 10.0 per cent smaller than in May, and 3.6 per cent smaller than in July, 1929. Deferred payment sales of the reporting dealers in June constituted 50.2 per cent of the total sales, against 52.1 per cent in May, and 55.0 per cent in June, 1929.

**Boots and Shoes** — Sales of the five reporting interests in June were the smallest since last December, falling 30.5 per cent below the total of the same month in 1929, and 36.8 per cent below May this year. Stocks on July 1 were 27.2 per cent larger than on June 1, and 14.7 per cent greater than on July 1, 1929. In both sales comparisons, decreases were general, both with reference to the various lines and territories. Retail stocks are mainly of moderate proportions, as indicated by an unusually

large number of small-lot orders specifying immediate shipment. There was no change in prices as contrasted with the preceding thirty days, and the average is from 5 to 7 per cent below the levels obtaining a year ago. Factory operations declined about 5 per cent as compared with the preceding month, and were at from 80 to 85 per cent of capacity.

**Clothing** — Purchasing by the retail trade, particularly for future delivery, has been along extremely conservative lines. Sales of the reporting interests for fall delivery are considerably smaller in volume than a year and two years ago. Demand for working clothes, in both the city and country continues quiet. In the immediate past the movement of summer apparel through retail channels has picked up substantially resulting in a fair volume of reordering. The trend of prices was downward in virtually all lines. For the first half of 1930, sales of the reporting clothiers were approximately a fourth smaller than for the corresponding period in 1929.

**Drugs and Chemicals** — Affected by reduced requirements of the general manufacturing trade for heavy drugs and chemicals, the volume of business in this classification sustained a further decrease. June sales of the six reporting interests were 13.7 per cent smaller than for the same month in 1929, and 12.5 per cent less than the May total this year. Stocks on July 1 were 1.3 per cent smaller than thirty days earlier, and 4.9 per cent larger than on July 1, 1929. In the immediate past substantial improvement has taken place in the movement of seasonal goods, notably soda fountain supplies and certain proprietary preparations.

**Dry Goods** — Closing of the spring season in this classification showed declines in sales for the reporting firms of 10 per cent as compared with a year ago. Uncertainty relative to prices, and depression in general business adversely affected advance business, which is in smaller volume than at any corresponding period in more than a half decade. Considerable irregularity exists in the several lines, some showing marked depression, while others, notably novelties, are showing relatively good response. June sales of the eight reporting interests were 24.0 per cent smaller than for the same month in 1929, and 18.7 per cent less than in May this year. Stocks on July 1 were 11.0 per cent larger than a month earlier, but 16.2 per cent smaller than on July 1, 1929.

**Electrical Supplies** — Sales of the 6 reporting firms in June were 22.5 per cent smaller than for the same month last year and 2.4 per cent smaller than the May total this year. Stocks on July 1 were 2.4 per cent smaller than a month earlier and 7.3 per

cent larger than on July 1, 1929. There were no price changes of significance as compared with the preceding month, but the average was from 3 to 5 per cent lower than a year ago. A sharp falling off in radio materials was noted in the yearly sales comparison, and the movement of fans and other seasonal goods were in smaller volume than in 1929.

**Flour** — Production at the 12 leading mills of the district in June was 332,361 barrels, the smallest in about two years, and comparing with 332,510 barrels in May, and 360,335 barrels in June, 1929. Stocks of flour in St. Louis on July 1 were 13.1 per cent larger than on June 1, and 4.2 per cent smaller than on July 1, 1929. The decline in prices of cash wheat served in a measure to give greater stability to flour prices, and business during the last half of June was more active than for some time.

**Furniture** — Generally through the furniture industry unusual apathy exists in demand. Purchasing by ultimate consumers is at a minimum, and distributors are holding down their inventories to as low a point as possible. Production has been curtailed in marked degree, and specifications on goods previously ordered are disappointing. Sales of the 12 reporting interests in June were only about half as large as for the same month in 1929, and 18.9 per cent smaller than the May total this year. Stocks on July 1 were 3.5 per cent and 3.9 per cent smaller, respectively than a year and a month earlier.

**Groceries** — Generally smaller demands in the country, and slack buying for future delivery were mentioned as the chief influences in a decrease of 7.7 per cent in June sales of the 14 reporting interests as compared with the same month in 1929, and 7.7 per cent as contrasted with the May total this year. Stocks on hand on July 1 were 3.3 per cent and 16.3 per cent larger, respectively, than thirty days and a year earlier. The trend of prices was lower, with specific reductions on a number of important commodities.

**Hardware** — The trend of business in this classification has been downward since last fall, and for the first half of the present year, sales of the reporting interests show a decline of approximately 15 per cent as contrasted with the first six months of 1929. June sales of the 13 reporting interests were 27.9 per cent below those of the same month in 1929, and 8.1 per cent less than the May total this year. Stocks on July 1 were 1.7 per cent and 11.8 per cent lower respectively, than thirty days and a year earlier. Particularly heavy losses were noted in sales of merchandise for consumption in the rural areas and of builders' tools and hardware.

**Iron and Steel Products** — Purchasing of iron and steel by all classes of consumers continued at a low ebb during June, and during the first half of

July activities at mills, foundries and machine shops was further curtailed by the Independence Day holidays and closing down for vacations, repairs, mid-year inventorying and because of the extreme high temperatures. Despite the fact that outbound shipments of finished products were in smaller volume than during the preceding thirty days, reporting interests generally showed a reduction in unfinished business. New orders are being sparingly placed, and specifications on goods previously contracted for were considerably below expectations. Purchasing by the railroads dropped to a minimum, and was confined almost exclusively to materials for immediate use. In point of ordering of new equipment, June proved one of the lightest months this year. Demands of the automotive industry were also unusually small. Reduced operating schedules by a number of the most important producers were reflected in a slowing down in specifications on castings and other automobile parts. The outlets through the building industry failed to broaden, and except in the case of commodities going into highway construction, public utility and municipal improvements and river and levee work, materials in the building category lagged. Demand for sheets and tank plates declined further, and operations of producers of these commodities were further curtailed. Wire and wire goods continued quiet, with a lower trend in prices. Due chiefly to the depression in values of farm products, the demand for iron and steel goods used chiefly in the country was substantially below the seasonal average of the past half decade. This was true especially of farm implements, manufacturers of which reported advance business below that at the same time a year and two years ago. Smaller future orders than during the past several years were also reported by manufacturers of stoves and heating apparatus. Machinery and engine builders noted a decrease in unfinished orders, and new business being sparingly placed. The general trend of prices was lower, with specific reductions on a number of important items, among them pig iron, nails, bars and certain grades of cold rolled material. Generally finished steel prices were subject to competitive conditions, with concessions frequent on desirable business. Interest in pig iron lagged, buying for third quarter requirements being light. Prices were from 50c to \$1 per ton lower. The downward movement in scrap iron and steel prices continued unbroken, heavy melting steel and some other important items recording the lowest levels in recent years. Production of pig iron for the country as a whole in June totaled 2,932,806 tons, against 3,241,477 tons in May and 3,715,104 tons in June, 1929. Steel ingot production in the

United States in June amounted to 3,440,239 tons, against 4,024,778 tons in May and 4,903,657 tons in June, 1929.

### 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	
	June, 1930	6 months ending	June 30, 1930	Jan. 1, to	June 1, to	June 30,
	comp. to	June 30, 1930 to	comp. to	June 30,	1930	1929
	June, 1929	same period 1929	June 30, 1929	1930	1929	
Evansville .....	-17.3%	- 4.9%	+ 3.4%	1.05	1.20	
Little Rock.....	-16.9	-10.4	- 9.9	1.16	1.22	
Louisville .....	- 6.3	- 8.1	+10.1	1.46	1.61	
Memphis .....	-13.3	- 8.9	- 2.6	1.51	1.56	
Quincy .....	- 5.6	+ 3.4	+ 2.8	1.31	1.33	
St. Louis.....	-13.2	- 6.3	- 3.1	1.93	2.00	
Springfield, Mo.....	-10.0	- 8.4	-10.0	.74	.71	
8th District.....	-12.7	- 7.1	- 2.1	1.69	1.76	
	Net sales comparison		Stocks on hand			
	June, 1930 comp. to	June, 1930 comp. to	June, 1930 comp. to	June, 1930 comp. to	June, 1930 comp. to	June, 1930 comp. to
	June, 1929	May, 1930	June, 1929	May, 1929	May, 1930	May, 1930
Men's furnishings.....	-19.3%	+ 3.9%	- 1.1%	- 7.9%	- 7.9%	- 7.9%
Boots and shoes.....	-21.3	-11.3	- 6.7	- 11.7	- 11.7	- 11.7

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

	Percentage increase or decrease	
	June, 1930 compared to	June, 1929
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-22.0%	- 4.8%
Ready-to-wear accessories.....	-13.0	+ 2.2
Women and misses' ready-to-wear.....	-21.1	-10.4
Men's and boys' wear.....	-17.4	- 0.3
Home furnishings.....	-23.3	- 1.5

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was 31.9 per cent smaller than in May and 28.5 per cent less than in June, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in June amounted to \$73,076,754, which compares with \$32,876,399 in May, and \$41,847,546 in June, 1929. Production of portland cement for the country as a whole during June totaled 17,237,000 barrels, against 17,249,000 barrels in May and 16,803,000 barrels in June, 1929. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	415	381	\$ 135	\$ 713	109	54	\$ 35	\$ 18
Little Rock	31	38	116	464	99	66	71	47
Louisville ..	81	149	691	1,699	58	63	107	188
Memphis ....	237	350	1,002	530	216	58	101	16
St. Louis....	380	598	1,756	1,768	366	402	352	381
June totals	1,144	1,516	\$3,700	\$5,174	848	643	\$ 666	\$650
May totals	1,288	1,592	5,439	4,428	896	617	478	771
April totals	1,635	1,894	5,910	6,874	860	727	695	700

\*In thousands of dollars (000 omitted).

### POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in postal receipts for the second quarter of the year of 1.6 per cent as compared with the corresponding period in 1929, and

of 2.5 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ending			June 30, 1930 comp. to June 30, 1929
	June 30, 1930	Mar. 31, 1930	June 30, 1929	
Evansville .....	\$ 168,000	\$ 164,000	\$ 161,000	+4.3
Little Rock.....	212,000	238,000	208,000	+1.9
Louisville .....	683,000	681,000	695,000	-1.7
Memphis .....	581,000	653,000	613,000	-6.2
St. Louis.....	3,023,000	3,049,000	3,066,000	-1.4
Totals.....	\$4,667,000	\$4,785,000	\$4,743,000	-1.6

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in June as being 4.9 per cent greater than in May, and 0.4 per cent smaller than in June, 1929. In the yearly comparison decreases were general in all lines other than cement manufacturers. Gains shown in the monthly comparisons were confined to plants whose activities were increased by seasonal considerations. Detailed figures follow:

	No. of Custom- ers	June, 1930	May, 1930	June, 1930	June, 1929	June, 1930
		*K.W.H.	*K.W.H.	comp. to May, 1930	*K.W.H.	comp. to June, 1929
Evansville ....	40	1,628	1,774	- 8.2%	1,826	-10.9%
Little Rock..	35	2,021	1,654	+22.2	2,343	-13.7
Louisville ....	85	6,729	6,240	+ 7.8	7,596	-11.4
Memphis .....	31	1,666	1,141	+46.0	1,320	+26.2
St. Louis.....	150	23,695	23,264	+ 1.9	22,802	+ 3.9
Totals.....	341	35,739	34,073	+ 4.9	35,887	- 0.4

\*In thousands (000 omitted).

### AGRICULTURE

High temperatures and a scant supply of moisture were general through this district during the past thirty days, especially in late June and the first half of July, when the weather was the hottest experienced in a number of years. The effects of these conditions were beneficial to some crops and extremely detrimental to others. Days of sunshine and hot nights stimulated the growth and development of cotton and corn, and afforded ideal conditions for harvesting winter wheat, oats, rye and barley. In addition farmers were able to work in their fields with little interruption, and row crops are generally well cultivated and free from grass and weeds. This has served to partly offset the detrimental effects of inadequate precipitation, particularly where surface soil conditions have been unusually dry since early spring.

At the middle of July, however, general rains were badly needed, and in many sections where crops had held their own, signs of deterioration from the drouth were in evidence. In all sections of the district the condition of pastures is very low, the combined average condition in states entirely or partly within the Eighth District on July 1, being 58.0 per cent of the 10 year average on that date, as compared with 86.0 per cent on July 1, 1929. Soybean and cowpea acreages have been considerably increased with the view of supplementing low pasture conditions and poor prospective yield of hay.

The extreme high temperatures of early July, however, have considerably lowered the chances for bringing legume crops to a successful issue.

**Winter Wheat** — Based on the July 1 condition, production of wheat in the Eighth District is estimated by the U. S. Department of Agriculture at 45,651,000 bushels, against 44,676,000 bushels harvested in 1929, and a 7-year average (1923-1929) of 43,636,000 bushels. Growing conditions since early spring have been in the main favorable. Mild temperatures in June were favorable for filling heads, while the hot weather late in that month and since July 1 has hastened ripening of the grain. Harvesting and threshing has made rapid progress and early threshing returns indicate yields generally in excess of expectation, quality being mainly good, with high test weight and low moisture content. Wheat prices continued to decline, a new low for the season and for the past sixteen years being reached in the third week of July. For the country as a whole the output of winter wheat is estimated at 558,000,000 bushels, against 578,000,000 bushels harvested in 1929, and a five year average (1924-1928) of 551,000,000 bushels.

**Corn** — Due to unusually favorable weather during the planting season, the acreage planted to corn in this district was above that of a year ago. The crop got a good start, and conditions have been ideal for cultivation operations. At the first of July growth was well advanced and fields clean. Since that date extreme high temperatures have hastened development of the crop, but soaking rains are badly needed for obtaining best results. There were scattered complaints of firing and arrested growth, due to the heat and lack of moisture. Prices continued to decline, recording a new low on the 1929 crop in late June. Based on the July 1 condition, the Department of Agriculture estimates the yield of corn in the Eighth District at 358,734,000 bushels, against 312,957,000 bushels harvested in 1929, and a 7-year average (1923-1929) of 339,625,000 bushels. For the United States the 1930 corn crop is estimated at 2,802,000,000 bushels, against 2,614,000,000 bushels produced in 1929, and a 5-year average (1924-1928) of 2,700,000,000 bushels.

**Fruits and Vegetables** — Prospects for fruit and vegetable crops, which were poor earlier in the season, deteriorated further during the past thirty days. High temperatures since the last week in June, accompanied in many instances by hot winds, proved detrimental to tree fruits, and substantially lowered the outlook for commercial vegetable crops and gardens. The peach crop in states partly or entirely within this district is a virtual failure, July 1 condition indicating a yield of 1,111,000 bushels, against 7,251,000 bushels harvested last year and a

5-year average of 8,175,000 bushels. In these states the yield of apples is estimated at 12,343,000 bushels, of which 1,651,000 barrels represent commercial crop, against 14,280,000 bushels, with 1,620,000, barrels commercial crop, harvested in 1929, with a 5-year average of 23,967,000 bushels, with 2,511,000 barrels commercial crop. The pear crop in states of the district is estimated at 963,000 bushels, against 1,972,000 bushels in 1929, and a 5-year average of 1,681,000 bushels. Due to the large number of new vineyards coming into bearing, the yield of grapes is substantially larger than the 5-year average, but the estimated yield, 36,631 tons, is 1,565 tons less than produced in 1929. The sweet potatoe crop in states of the district is estimated at 14,467,000 bushels against 17,741,000 bushels harvested in 1929 and a 5-year average of 16,748,000 bushels. The white potato crop for the district proper is forecast at 14,767,000 bushels, against 13,313,000 bushels harvested in 1929, and a 7-year average of 15,731,000 bushels. The outlook for commercial tomatoes in Missouri, Arkansas and Southern Illinois has been substantially lowered by drouth conditions since the last week in June.

**Live Stock** — The hot weather and low condition of pastures has had a detrimental effect on live stock in parts of the district. In some sections it has been necessary to haul water for and supply more than the usual quota of feed to farm animals. Based on the July 1 condition, the U. S. Department of Agriculture estimates the output of tame hay in the Eighth District at 6,267,000 tons, which compares with 9,114,000 tons produced in 1929, and a 7-year average of 8,160,000 tons. There was a sharp increase in the movement of cattle and sheep to market in June as compared with a month and a year earlier, but a substantial drop in the movement of hogs in both comparisons.

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

	Receipts			Shipments		
	June 1930	May 1930	June 1929	June 1930	May 1930	June 1929
Cattle and calves.....	99,863	87,466	89,230	60,070	56,956	59,258
Hogs .....	272,100	330,477	308,173	200,619	259,786	211,731
Horses and mules.....	2,052	2,041	1,728	1,682	2,002	1,217
Sheep .....	103,601	38,661	70,917	30,991	12,134	15,633

**Cotton** — A slightly larger acreage of cotton was under cultivation in states wholly or partly within the Eighth District on July 1 this year than last, according to the U. S. Department of Agriculture. Combined acreage in Missouri, Tennessee, Mississippi and Arkansas is placed at 9,946,000 acres, against 9,654,000 acres on the corresponding date in 1929. For the country as a whole the area under cultivation on July 1 is estimated at 45,815,000 acres, which is 2.7 per cent less than the acreage on the same date in 1929. The estimate relates to acreage standing on July 1, allowance having been made for

any acreage abandoned prior to that date and for acreage replanted and in cultivation on that date. Except in the case of late plantings, the crop is holding its own in good shape. Throughout the district cultivation has been intensive, fields being unusually clean. The high temperatures of late June and early this month has held boll weevil in check and has developed tap-root which will strengthen the plant in event of drouth later in the season. Demand for old cotton continued quiet, and the trend of prices was downward, a new low for the season being reached in the third week of July. Stocks of cotton in Arkansas warehouses on July 11 totaled 111,880 bales, against 126,663 bales on June 13, and 33,120 bales on the corresponding date in 1929.

**Rice** — Based on the July 1 condition, combined production of rice in Arkansas and Missouri is estimated by the Department of Agriculture at 7,784,000 bushels, against 7,119,000 bushels harvested in 1929, and a 5-year average of 8,384,000 bushels. Dry weather has taxed pumping capacity to keep fields flooded, and some acreage abandonment is reported. Soaking rains are badly needed.

**Tobacco** — In the chief producing states of the district the area planted in tobacco this season was somewhat larger than a year ago. Based on the July 1 condition the output of all varieties of leaf in this district is estimated by the Department of Agriculture at 324,102,000 pounds against 307,662,000 pounds in 1929 and a 7-year average (1923-1929) of 288,688,000 pounds. Recently set tobacco with too little moisture has suffered severely from the drouth, and generally rains are badly needed in order to prevent a reduction in weight of the crop and poor quality.

**Commodity Prices** — Range of prices in the St. Louis market between June 15, 1930 and July 15, 1930, with closing quotations on the latter date and on July 15, 1929:

	High	Low	Close	
			July 15, 1930	July 15, 1929
Wheat				
Sept. ....per bu..	\$.98½	\$.86¼	\$.89	\$1.40½
Dec. .... " "	.99	.92½	.94¾	1.46½
No. 2 red winter " "	1.02½	.84½	\$.86 @ .87	\$1.41 @ 1.42
No. 2 hard..... " "	.98	.85	.85½ @ .86½	1.34 @ 1.37½
Corn				
Sept. .... " "	.78¼	.73	.87¼	1.04
Dec. .... " "	.71¼	.66½	.71¼	.98
No. 2 mixed..... " "	.86	.77	.85½ @ .86	1.01½ @ 1.02
No. 2 white..... " "	.87	.81	.86½ @ .87	1.03½ @ 1.04
Oats				
No. 2 white..... " "	.40½	.35	.36	.50½ @ .51
Flour				
Soft patent.....per bbl.	6.25	4.50	5.40 @ 5.80	7.00 @ 7.50
Spring patent..... " "	5.60	5.10	5.20 @ 5.30	7.75 @ 8.00
Middling cotton.....per lb.	.13¼	.119	.119	.17½
Hogs on hoof.....per cwt.	10.00	7.50	7.50 @ 9.55	10.25 @ 12.40

### FINANCIAL

Demand for credit for commercial and industrial purposes in this district during the past thirty days continued the downward trend noted during the similar period immediately preceding. Requirements of merchants and manufacturers, who at this

time ordinarily increase their commitments to purchase and prepare goods for fall distribution, were measurably smaller than in recent years. The seasonal demand for financing agriculture is making itself felt, particularly in the south, but the aggregate of such requirements is smaller than the average at this particular time during the past half decade or more. The principal reason for this is that the price of winter wheat is the lowest recorded since prior to the war, and grain dealers, and elevator and flour milling interests are able to handle a much larger volume of wheat on their own capital than is usually the case. Another factor in the curtailed demand for handling wheat is the general disposition of producers to hold their stocks for better prices.

Notwithstanding these conditions, total loans and discounts of the reporting member banks have moved sharply upward since early June, and on the second report date in July reached the highest point since April and were slightly larger than on the corresponding date last year. The increase was due entirely to the heavier aggregate of loans on securities, "all other" loans showing a decline of 3.9 per cent between June 11 and July 9. Deposits of these banks moved upward, and on July 9 reached the highest level of the year. Borrowings of all member banks from the Federal reserve bank were in slightly smaller volume than during the month before, and substantially smaller than during the corresponding period last year.

Commercial banks in the urban centers through the south report the demand from country correspondents to accommodate agricultural customers as being in considerably larger volume and earlier than last year. The poor condition of pastures and scant stocks of feed stocks has occasioned larger than usual requirements to purchase feed for farm animals in the cotton and tobacco areas. Banks specializing in live stock loans report a fair volume of liquidation, but continued active demand for conditioning cattle and hogs for market.

The lessened demand for credit and generally abundant supplies of loanable funds were reflected in a further decline in interest rates, levels on all classes of loans at the middle of July being the lowest recorded in recent years. Current rates at the St. Louis banks were as follows: Prime commercial loans, 4 to 5 per cent; collateral loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 4 to 5½ per cent; interbank loans, 5 to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on July 16, 1930 showed an increase of 2.8 per cent as contrasted

with June 18, 1930. Deposits increased 1.6 per cent between June 18, 1930 and July 16, 1930, and on the latter date were 4.3 per cent larger than on July 17, 1929. Composite statement follows:

	*July 16, 1930	*June 18, 1930	*July 17, 1929
Number of banks reporting.....	†24	†24	†25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$247,190	\$227,650	\$233,538
All other loans and discounts....	268,027	273,619	282,059
Total loans and discounts.....	\$515,217	\$501,269	\$515,597
Investments			
U. S. Government securities.....	33,499	37,987	57,691
Other securities.....	120,667	119,198	110,918
Total investments.....	\$154,166	\$157,185	\$168,629
Reserve balance with F. R. bank..	44,902	46,954	43,628
Cash in vault.....	5,594	5,730	6,890
Deposits			
Net demand deposits.....	376,354	374,900	362,315
Time deposits.....	235,153	225,728	221,589
Government deposits.....	1,925	2,995	4,345
Total deposits.....	\$613,432	\$603,623	\$588,249
Bills payable and rediscounts with			
Federal Reserve Bank.....	2,795	6,106	39,127

\*In thousands (000 omitted).  
†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources of all member banks in this district.

**Debits to Individuals 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.

	*June, 1930	*May, 1930	*June, 1929	June, 1930 May, 1930	comp. to June, 1929
East St. Louis & Natl.					
Stock Yards, Ill..\$	44,666	\$ 45,569	\$ 72,849	— 2.0%	—38.7%
El Dorado, Ark.....	6,724	7,021	6,904	+ 4.2	+ 2.6
Evansville, Ind.....	30,592	28,095	36,621	+ 8.9	+16.5
Fort Smith, Ark....	11,916	11,630	11,723	+ 2.5	+ 1.6
Greenville, Miss....	3,521	4,127	3,506	+14.7	+ 0.4
Helena, Ark.....	3,464	4,032	4,184	+14.1	+17.2
Little Rock, Ark....	64,828	70,614	69,252	+ 8.2	+ 6.4
Louisville, Ky.....	202,177	190,731	210,959	+ 6.0	+ 4.2
Memphis, Tenn.....	131,512	140,649	147,137	+ 6.5	+10.6
Owensboro, Ky.....	6,292	6,449	5,993	+ 2.4	+ 5.0
Pine Bluff, Ark....	8,823	9,869	9,280	+10.6	+ 4.9
Quincy, Ill.....	11,408	13,965	13,388	+18.3	+14.8
St. Louis, Mo.....	795,481	800,920	898,831	+ 0.7	+11.5
Sedalia, Mo.....	4,169	4,423	4,944	+ 5.7	+15.7
Springfield, Mo....	16,503	16,951	17,438	+ 2.6	+ 5.4
**Texarkana,					
Ark-Tex.....	12,966	13,327	16,690	+ 2.7	+22.3
Totals.....	\$1,355,042	\$1,368,372	\$1,529,699	+ 1.0	+11.4

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During June the Federal Reserve Bank of St. Louis discounted for 215 member banks, against 215 in May and 241 in June, 1929. The discount rate remained unchanged at 4 per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*July 23, 1930	*June 23, 1930	*July 23, 1929
Bills discounted.....	\$17,303	\$19,363	\$57,800
Bills bought.....	5,847	4,607	199
U. S. Securities.....	22,643	22,643	13,625
Total bills and securities.....	\$45,793	\$46,613	\$71,624
F. R. Notes in circulation.....	69,751	72,392	60,912
Total deposits.....	78,522	78,170	75,419
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	75.3%	75.8%	52.9%

\*In thousands (000 omitted).

(Compiled July 24, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of August 30, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HE downward trend which has marked industry and commerce in the Eighth district since last fall continued in force during the past thirty days. Except in lines directly affected by hot weather and other seasonal influences, the volume of production and distribution of commodities declined during July, and preliminary reports reflect little, if any, improvement during the first half of August. In all lines investigated by this bank, the volume of business in July was considerably below that of the corresponding period last year and the average during the past half decade. In certain manufacturing lines, notably iron and steel, lumber, fire clay products and other building materials, summer suspensions of plant activities for vacations, inventorying and repairs, were more protracted than usual. This resulted in a further increase in unemployment, partly, however, of a temporary character.

In its effect on business as a whole, the most detrimental development was the unprecedented drouth which extended to all parts of the district. Lack of moisture, accompanied by unusually high temperatures and hot winds, wrought irreparable damage to late crops, ranging from 50 per cent to complete failure. Productions most drastically affected were feed crops — corn, hay and pasturage, but all late crops, including commercial vegetables, fruits and truck gardens, were severely damaged. Heavy toll was also taken of the livestock, dairying and poultry industries. Scarcity of feed and water prevented farm animals from taking on proper weight, and in areas where the drouth was most prolonged and acute forced marketing of thin immature livestock was quite general. In virtually all sections of the district, production of milk, already sharply reduced, sustained further curtailment. A phase of the unfavorable crop season has been the marked increase in surplus farm labor. This increase during July was particularly heavy, and on August 1 the surplus in all states of the district was greater than on any similar date in recent years.

Sharp curtailment of purchasing power in the agricultural areas, resulting from smaller crop pro-

duction, is reflected in lessened demand for goods in the farming communities. Country merchants are buying with the greatest conservatism, particularly goods for distribution during the fall and winter. This policy extends as well to retailers in the larger centers of population, and in distributive channels generally there is a disposition to await developments before making commitments. Advance business of wholesalers in all lines is considerably smaller than at the corresponding period last year, and in some instances has been further decreased by cancellations. The movement of summer goods through retail channels was in the main below expectations, though in the immediate past clearances have been substantially aided by special sales and reduced prices. Competition in all manufacturing and wholesale lines is reported increasingly keen, and the trend of commodity prices through July and early August continued downward.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade in July was 12.7 per cent smaller than during the same month in 1929; for the first seven months the volume was 7.7 per cent less than for the corresponding period a year ago. Combined sales of wholesale and jobbing firms reporting to this bank were nearly one-third smaller than during the same month last year. Construction contracts let in the Eighth Federal Reserve District in July were approximately two-thirds smaller than the July aggregate, and a third less than the July, 1929, total. The value of building permits let in the principal cities of the district during July was also considerably smaller than a month and a year earlier. Debits to individual accounts in June were 9.0 per cent and 17.8 per cent, smaller, respectively, than a month and a year earlier. Total debits for the first seven months this year were 11.7 per cent smaller than for the same time in 1929. A slight decrease took place in the amount of savings deposits between July 2 and August 6, and on the latter date the total was about 2.0 per cent less than a year ago.

Officials of railroads operating in this district report a continued falling off in volume of freight

traffic, with decreases extending to virtually all classifications. Due partly to the disposition of farmers to hold their wheat and to drouthy conditions through the entire region, the movement of grain and grain products fell sharply below that of a year ago. There was also a marked decrease in the movement of merchandise and miscellaneous freight and fuel. For the country as a whole loadings of revenue freight for the first 31 weeks this year, or to August 2, totaled 27,681,372 cars, against 30,882,951 cars for the corresponding period in 1929 and 29,454,635 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 196,703 loads in July, against 206,305 loads in June and 249,282 loads in July 1929. For the first nine days of August the interchange amounted to 59,843 loads, which compares with 53,753 loads during the corresponding period in July, and 75,738 loads during the first nine days of August, 1929. Passenger traffic of the reporting roads in July decreased 13 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in July was 83,600 tons, against 140,176 tons in June and 94,141 tons in July, 1929. The decrease in tonnage from June to July was due to the unusually low stage of water in the Mississippi River.

Further recessionary tendencies, somewhat more marked than earlier in the year, were reflected in reports relative to collections during the past thirty days. Complaints of backwardness were more general than heretofore, both with reference to locations and the several lines. While some improvement developed in payments to country merchants in the winter wheat areas, poor results were general throughout the agricultural regions, particularly where drouth conditions were most acute. Wholesalers and jobbers in the large urban centers report settlements relatively smaller than at any similar period during the past five years, with an increasing number of requests for extensions. Producers of building materials and the heavier lines of goods generally report customers slow in paying their bills. Retail merchants in the large cities report spotted conditions, with the usual seasonal backwardness due to absence of debtors on vacations. Questionnaires addressed to leading interests in the various lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1930.....	0.1%	12.7%	58.6%	28.6%
June, 1930.....	1.0	13.2	62.9	22.9
July, 1929.....	1.4	25.0	57.0	16.6

Commercial failures in the Eighth Federal Reserve District in July, according to Dun's numbered 107, involving liabilities of \$2,272,170, against 104

failures in June with liabilities of \$1,778,914, and 111 defaults for a total of \$1,331,242 in July, 1929.

The average daily circulation in the United States in July was \$4,497,000,000, against \$4,489,000,000 in June, and \$4,764,000,000 in July, 1929.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — July sales of the five reporting interests showed an increase of 42.1 per cent over the preceding month, but were a third smaller than the total for July, 1929. The gain in the month-to-month comparison is seasonal in character, and compares with an increase of 62.2 per cent from June to July last year. Stocks on August 1 were larger by 13.6 per cent and 21.1 per cent, respectively, than thirty days and a year earlier. In the yearly sales comparison a considerable part of the decrease is accounted for by the smaller volume of future orders. Due to uncertainty relative to fall and winter demand and to prices, retail merchants are buying conservatively. There was a slight contraction in factory operations, the rate being at from 75 to 82 per cent of capacity.

**Clothing** — Sales of the reporting clothiers in July fell about 9.0 per cent below the total of the corresponding month last year, and for the first seven months this year showed a decrease of 28.0 per cent as contrasted with the same period in 1929. Advance orders for late fall and early winter distribution are in considerably smaller volume than a year ago, the disposition among retailers being to purchase cautiously. The movement of work clothes has been below the seasonal average. The trend of prices continue downward.

**Drugs and Chemicals** — Following the usual seasonal trend, sales of the reporting interests in July were larger than during the preceding month, but the total was approximately 10 per cent less than in July last year. Stocks on August 1 were slightly smaller than thirty days earlier, but about 6.0 per cent greater than on August 1, 1929. The extreme hot weather throughout July and early August considerably stimulated the demand for seasonal merchandise, and resulted in a fair volume of reordering. A sharp decrease as compared with last year was noted in the demand for heavy drugs and chemicals by the general manufacturing trade.

**Dry Goods** — As contrasted with a year ago, July sales of the eight reporting firms showed a decrease of more than 40.0 per cent, and the total was the smallest for any July since 1916. A small increase, seasonal in character, was recorded over the June total this year. In the yearly comparison part of the decrease in sales was accounted for by lower prices, estimated by three of the leading firms at approximately 10 per cent. Advance business was smaller than a year ago, and was reduced in

volume by cancellation of orders, occasioned by drouth conditions prevailing generally through the trade territory. Inventories are mainly of moderate size, stocks on August 1 being about a fifth smaller than on the same date in 1929.

**Electrical Supplies** — The long spell of unusually high temperatures materially assisted the movement of hot weather goods and accounted largely for an increase in July sales of the reporting firms of more than a fourth over the June volume. The July total, however, was around 5 per cent below that of the same month in 1929. In the yearly comparison smaller sales of radio materials and building installations were the chief factors in the decrease. Stocks on August 1 decreased 6.7 per cent as compared with July 1, but were 17.1 per cent larger than on August 1, 1929.

**Flour** — Production at the 12 leading mills of the district in July totaled 328,069 barrels the smallest since August, 1928, and comparing with 333,323 barrels in June and 383,805 barrels in July, 1929. Stocks of flour in St. Louis on August 1 were 19.2 per cent smaller than on July 1 and 15.5 per cent less than on August 1, 1929. During the last half of July business was quiet, but following the advance in wheat prices early in August, demand picked up markedly, and a fair volume of flour was purchased for both the domestic and export trade. Prices advanced in sympathy with the upturn in wheat. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — Sales of the 12 reporting interests in July were about a fourth larger than the June total, but more than 40.0 per cent smaller than in July, 1929. The increase from June to July was seasonal in character, but somewhat larger than the average during the past several years. The June total, incidentally, was the smallest for any single month since these records have been kept. Orders for future delivery continue sharply below those at the corresponding period last year. Stocks on August 1 were slightly smaller than thirty days and a year earlier. The trend of prices continues downward.

**Groceries** — Sales in this classification during July showed considerable improvement over the preceding month, the larger volume being attributable to seasonal considerations, also to a heavier call for canned goods and other prepared foods occasioned by the shortage of seasonable fruits and vegetables. As has been the case for a number of months, however, the June sales total was below that of the corresponding month last year. Stocks on August 1 were 7.4 per cent smaller than thirty days earlier, and 7.8 per cent larger than those on August 1, 1929.

**Hardware** — Unfavorable conditions in the agricultural areas, curtailed activities in the building

industry and depression in general business adversely affected activities in this classification. Sales of the reporting interests in July were almost a third smaller than during the same month in 1929, but showed a moderate increase as contrasted with the June total this year. Stocks on August 1 showed a reduction of about 10 per cent as compared with the same date last year, and practically no change from the total on July 1 this year.

**Iron and Steel Products** — A further reduction in activities in this district during the past thirty days was indicated in reports from virtually all sections of the iron and steel industry. Placement of new business with foundries, mills and machine shops was at the lowest point of the year. Specifications on goods previously purchased were further delayed, and in numerous instances, manufacturers have heavy stocks of castings and other finished products awaiting shipping directions. This is true particularly of shops specializing in castings for the automotive, farm implement and railroad equipment industries. Due to these conditions and the prolonged spell of extremely high temperatures, operations at many plants were sharply curtailed, and some units were down entirely for vacations, repairs, etc. No improvement whatever developed in demand from the general manufacturing trade. On the contrary, takings by the furniture, refrigerator, glass, cooperage, and several other important iron and steel consuming lines were smaller than heretofore. Demand for wire and wire products was at a low ebb, with advance ordering of fencing material the lightest in a number of years. With the exception of tin plate, which through July and the first week of August was moving in fair volume, the general run of sheets and plates was quiet. Some slight betterment in demand for galvanized sheets was noted during the last half of July. Except for items used in highway, bridge and public utility construction work, goods in the building material category continued slow. Demand for oil country goods was reported less active than at any time in the past half decade. Quoted prices of finished materials showed no marked variation, but the general trend was downward and competitive factors strongly influence the general price structure. Iron and steel warehouse interests reported declines in business as compared with a month and a year earlier. Buying of pig iron in July was the smallest for any month this year. Purchasing of iron and steel scrap was also in small volume, but during the last week in July the decline in prices, which had been in progress for more than six months, was halted. For the country as a whole production of pig iron in July was at the lowest daily rate since October, 1924, the total output of 2,528,784 tons comparing with 2,934,508 tons in June, and 3,782,511

tons in July, 1929. Steel ingot production in the United States in July totaled 2,933,399 tons, against 3,440,239 tons in June, and 4,850,583 tons in July, 1929.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in July totaled 262,363, against 335,475 in June, and 500,331 in July, 1929.

Distribution of automobiles in this district during July, according to dealers reporting to this bank, continued the steady decline which has been in effect since last January, and with the exception of January, the volume was the smallest for any month this year. During the past six years there has invariably been a decrease from June to July, but this year it was in considerably heavier volume than the average during the six-year period. Preliminary reports for the first half of August reflect little, if any, improvement over July. In the country, lowered agricultural prospects, due to the record drouth and high temperatures, caused farmers to still further postpone filling their automobile requirements. While decreases in both the month-to-month and yearly comparisons were distributed generally through all classes of makes, they were relatively larger in cheap-priced category. Garage supplies and repair parts continued in relatively better demand than parts and equipment for new cars. Less satisfactory collections than earlier in the year on cars purchased on the installment plan were reported, also an increase in the number of repossessions. July sales of new passenger cars by the reporting dealers were 30.7 per cent smaller than in June, and 36.9 per cent less than in July, 1929. There was a further reduction in inventories of new cars on dealers' floors, the total on August 1 being 16.7 per cent smaller than on the same date in 1929, and 8.2 per cent less than on July 1 this year. Sales of used cars also decreased sharply, both as contrasted with a month and a year earlier. The total number of salable secondhand cars on hand on August 1 was approximately the same as on July 1, and 3.2 per cent larger than on August 1, 1929. The investment value of used car stocks on August 1, however, was about 10.0 per cent less than on the same date a year ago. Sales of parts and accessories of the reporting dealers in June were 13.4 per cent and 18.6 per cent smaller respectively, than a month and a year earlier. According to dealers reporting on that detail, deferred payment sales in July constituted 51.3 per cent of their total sales, against 50.2 per cent in June, and 53.2 per cent in July, 1929.

### 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
	July, 1930 comp. to July 1929	7 months ending July 31, 1930 to same period 1929	July 31, 1930 comp. to July 31, 1929	Jan. 1, to July 31, 1930 1929
Evansville .....	+ 3.1%	- 4.1%	+ 0.3%	1.19 1.34
Little Rock.....	-16.1	-11.0	-13.2	1.32 1.39
Louisville.....	-11.0	- 8.4	+ 7.4	1.64 1.83
Memphis .....	-15.4	- 9.7	- 3.3	1.72 1.80
Quincy.....	- 8.2	+ 2.1	- 1.2	1.46 1.49
St. Louis.....	-12.4	- 7.0	- 2.0	2.17 2.26
Springfield, Mo.....	- 6.3	- 8.1	-13.8	.87 .83
8th District.....	-12.7	- 7.7	- 2.4	1.90 2.00

  

	Net sales comparison		Stocks on hand
	July, 1930 comp. to July, 1929	June, 1930	July, 1930 comp. to July, 1929
Men's furnishings.....	- 7.6%	-16.3%	+ 2.1%
Boots and shoes.....	-21.2	-23.0	+ 5.3

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

	Percentage increase or decrease July, 1930 compared to July, 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-18.4%	- 5.3%
Ready-to-wear accessories.....	-17.8	+ 0.1
Women and misses' ready-to-wear.....	-30.1	-23.8
Men's and boys' wear.....	-14.8	+ 1.1
Home furnishings.....	-19.2	- 2.2

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of this district report consumption of electric current by selected industrial customers in July as being 2.7 per cent greater than in June, but 1.2 per cent less than in July, 1929. Ice plants, flour mills, electric refrigerator manufacturers and beverage makers supplied the increase in the month-to-month comparison. Decreases were general in the yearly comparison, most marked in the steel, automobile, stove and cement industries. Detailed figures follow:

	No. of Custom- ers	July, 1930 *K.W.H.	June, 1930 *K.W.H.	July, 1930 comp. to June, 1930	July, 1929 *K.W.H.	July, 1930 comp. to July, 1929
	Evansville ....	40	1,901	1,628	+16.8%	1,874
Little Rock..	35	2,585	2,021	+27.9	2,134	+21.1
Louisville ....	85	7,853	6,729	+16.7	7,859	- 0.1
Memphis .....	31	1,046	1,666	-37.2	1,232	-15.1
St. Louis.....	153	23,365	23,725	- 1.5	24,093	- 3.0
Totals.....	344	36,750	35,769	+ 2.7	37,192	- 1.2

\*In thousands (000 omitted).

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in July was 40.8 per cent smaller than in June, and 55.0 per cent less than in July, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in July amounted to \$25,076,000, which compares with \$73,076,000 in June and \$39,224,227 in July, 1929. Production of portland cement in the country as a whole during July totaled 17,080,000 barrels, against 17,239,000 barrels in June, and 17,315,000 barrels in July, 1929. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits 1930	Permits 1929	*Cost 1930	*Cost 1929	Permits 1930	Permits 1929	*Cost 1930	*Cost 1929
Evansville ..	332	498	\$ 136	\$ 753	63	54	\$ 19	\$ 45
Little Rock ..	27	51	107	161	59	67	32	18
Louisville ..	95	184	349	663	62	66	65	206
Memphis ....	330	370	410	1,110	38	60	42	41
St. Louis....	363	606	1,189	2,182	367	412	220	449
July totals	1,147	1,709	\$2,191	\$4,869	589	659	\$ 378	\$759
June totals	1,144	1,516	3,700	5,174	848	643	666	650
May totals	1,288	1,592	5,439	4,428	896	617	478	771

\*In thousands of dollars (000 omitted).

## AGRICULTURE

Weather conditions throughout this district during the past three months were the most detrimental for growing crops in recent years, and in certain areas, the worse ever experienced. Due to the unprecedented drouth, accompanied by hot winds and unusually high temperatures, prospects for all unharvested crops declined sharply from July 1 to August 1, and since the latter date there has been further deterioration because of lack of rainfall and continued excessive heat. The yield of corn in the district is expected to be the smallest in nearly thirty years, with quality generally inferior. Tobacco has been damaged in the chief producing areas, and the outlook for rice, commercial vegetable crops and late fruits has been substantially cut down. Since the first of August, according to scattered reports, the cotton crop has lost in condition, particularly in Arkansas, Missouri and Tennessee, the dry, hot weather having occasioned extensive shedding and arrested growth and development of the plant.

Since the middle of July it has been necessary in extended areas to haul water for home use and stock, wells, creeks and springs, which had heretofore never been known to fail, having completely dried up. Conditions were most acute in Southern Missouri, Illinois, Tennessee, Arkansas and Kentucky. Hay and feed crops generally suffered most severely, the injury being progressive since early in the season. The condition of pastures is the lowest in many years, and in certain sections they have been entirely burned out, necessitating placing of livestock upon prepared rations or shipping it, frequently in poor condition, to market. The scarcity of feed and pasturage has also seriously interfered with the dairying industry, the yield of milk per cow averaging lower in July than during that month in more than two decades.

Generally through the district farmers were unable to accomplish much in the direction of plowing for fall seeding of wheat, and were mainly waiting for rain to put the soil in condition to cultivate. As a partial offset to unfavorable physical conditions on farms was the sharp advance in the market prices of wheat, oats and corn during the first week of August. In the case of corn, however, the benefit will be limited, as farmers for the most part will not produce enough for their own requirements, and the surplus for marketing will be small. The surplus of farm labor increased rather markedly between July and August, and universally the supply is in excess of demand. In Missouri, for instance, the State Board of Agriculture reports farm labor supply 46 per cent above demand, whereas last year the supply was 2 per cent short of demand.

**Winter Wheat**—Under generally ideal harvesting conditions, wheat prospects in this district improved slightly between July and August. Based on the August 1 condition, the U. S. Department of Agriculture estimates the yield at 48,921,000 bushels, an increase of 3,270,000 bushels over the July 1 forecast, and comparing with 44,646,000 bushels harvested in 1929 and a 7-year average (1923-1929) of 43,636,000 bushels. Threshing has been virtually completed and yields in the principal producing counties have as a rule exceeded expectations. Quality is good, and test weight unusually heavy. Prices of wheat continued to decline, and in early August reached a new low for the crop, and the lowest levels since prior to the war. In sympathy with the advance in corn, there was a sharp recovery in wheat prices in the second week of August. Generally farmers are disposed to hold their wheat for more favorable prices, and due to the short corn crop, more wheat will be fed to livestock and poultry this season than in a number of years.

**Corn**—The excessive high temperatures and prolonged drouth resulted in the most drastic reduction in corn prospects from July to August ever experienced in this region during that period. The Department of Agriculture's estimate as of August 1 placed the corn crop in the Eighth Federal Reserve District at 231,652,000 bushels, a decrease of 127,082,000 bushels under the July 1 estimate, and comparing with 321,957,000 bushels produced in 1929, and a 7-year average of 339,625,000 bushels. Since August 1 further deterioration was general throughout the district, due to continuance of the extreme hot weather and lack of moisture. Conditions range from 50 per cent of a normal crop in the more favored sections to complete failure elsewhere. Considerable corn was cut in time to save it for fodder, but many fields were too badly dried to be of use even for that purpose. Reflecting the serious crop damage, corn prices advanced sharply during the first week in August, but part of the gain was lost later in the month. The loss in corn prospects was very heavy in other sections of the country, the total crop for the United States being estimated at 2,211,823,000 bushels, a decline of nearly 600,000,000 bushels from the July 1 forecast, and comparing with 2,614,307,000 bushels harvested in 1929, and a 5-year average of 2,699,809,000 bushels.

**Fruits and Vegetables**—Dry, hot weather during July and early August reduced production prospects for vegetables and late fruits. In a number of important producing areas the commercial tomato crop is virtually a failure, and the pack of that vegetable will be sharply curtailed. Unusually low production was universal in home gardens and

truck grown for local markets. In states partly or entirely within the Eighth Federal Reserve District the yield of apples, based on the August 1 condition, is estimated by the U. S. Department of Agriculture at 10,934,000 bushels, of which 1,563,000 barrels represent commercial crop, against 14,280,000 bushels with 1,620,000 barrels commercial crop in 1929, and a 5-year average of 23,967,000 bushels, with 2,511,000 barrels commercial crop. The output of sweet potatoes in these states is estimated at 12,502,000 bushels, against 17,741,000 bushels harvested in 1929, and a 5-year average of 16,748,000 bushels. Grapes fared better than other fruit crops, and due to the large number of new vineyards coming into bearing, the year's crop will exceed the 5-year average by about 4,000 tons, but the total is 6,000 tons below that of 1929. Peaches and pears will yield heavily below the average, the former crop being almost a complete failure. Prospects for white potatoes declined during July, and for the district proper the crop is estimated at 14,708,000 bushels, against 13,313,000 bushels produced in 1929 and a 7-year average of 15,731,000 bushels.

**Live Stock** — The prolonged drouth has proved detrimental to farm animals, scant pasturage and short feed crops preventing their taking on proper weight. In numerous sections the problem of obtaining water was a serious one, and caused the expenditure of much extra labor and time on the part of farmers to meet the situation. In numerous instances cattle, hogs and sheep were shipped to market in poor condition because of inability to carry them for a longer period under the adverse conditions prevailing. According to the U. S. Department of Agriculture's survey, the number of cattle on feed on August 1 in the principal states of the district ranged from 10 to 15 per cent less than a year ago. The survey reflected the poor pastures, unfavorable prospects for corn and other feed crops and the unsatisfactory returns from fed cattle marketed in recent months.

Based on the August 1 condition, the Department of Agriculture estimates the output of tame hay in the Eighth District at 5,920,000 tons, a decrease of 347,000 tons from the July 1 forecast, and comparing with 9,114,000 tons produced in 1929, and a 7-year average of 8,160,000 tons. The condition of pastures in all states of the district was the lowest in more than a quarter of a century.

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

	Receipts			Shipments		
	July, 1930	June, 1930	July, 1929	July, 1930	June, 1930	July, 1929
Cattle and calves.....	111,569	99,863	130,186	69,166	60,070	83,131
Hogs .....	239,837	272,100	315,070	192,093	200,619	203,763
Horses and mules.....	1,262	2,052	2,908	1,629	1,682	2,956
Sheep .....	73,520	103,601	92,443	15,448	30,991	21,227

**Cotton** — In all states of this district the condition of cotton on August 1 was considerably below that on the same date last year and the ten-year average. The lowest condition was in Arkansas, where 46 per cent was registered, against 73 per cent on August 1, 1929, and a 10-year average of 72 per cent. Based on the August 1 condition, the Department of Agriculture estimates the combined yield of Arkansas, Mississippi, Tennessee and Missouri at 3,400,000 bales, about 635,000 bales less than was produced in these states last year. The reduced prospects and low condition is due to the hot weather and long drouth, which conditions continued during the first two weeks of this month. There is a general absence of boll weevil damage, but scattered reports of injury from other insect pests. Demand for old cotton was confined chiefly to a necessity basis, and prices declined to the lowest point since 1926. In the St. Louis market the middling grade fell to 10.85c per pound on August 13, which compares with 17¼c on the same date in 1929. Stocks of cotton in Arkansas warehouses on August 8 totaled 102,499 bales, against 111,880 bales thirty days earlier and 28,582 bales on the corresponding date last year.

**Rice** — Combined production in Missouri and Arkansas is estimated at 6,733,000 bushels, a decrease of 1,051,000 bushels from the July 1 estimate, and comparing with 7,119,000 bushels harvested in 1929 and a 5-year average of 8,384,000 bushels.

**Tobacco** — The crop in this district suffered severely from the drouth and long spell of excessively hot weather. The Department of Agriculture's estimate of 275,234,000 pounds, based on the August 1 condition, was a reduction of 48,068,000 pounds from the July 1 forecast. In 1929 this district produced 316,507,000 pounds, and an average of 288,688,000 pounds during the 7-year period, 1923-1929.

**Commodity Prices** — Range of prices in the St. Louis market between July 15, 1930 and August 15, 1930, with closing quotations on the latter date and on August 15, 1929:

	High	Low	Close	
			Aug. 15, 1930	Aug. 15, 1929
Wheat				
Sept. ....per bu..	\$.96¾	\$.83½	\$.89½	\$1.31¾
Dec. .... " .....	1.03	.88½	.95½	1.41½
May .... " .....	1.09	.99½	1.03½	1.50½
No. 2 red winter " .....	.97	.84½	.93 @ .94	\$1.31 @ 1.33
No. 2 hard..... " .....	.94	.82	.88 @ .89	1.28 @ 1.29
Corn				
Sept. .... " .....	1.01½	.79¾	.98	1.03
Dec. .... " .....	.98½	.70½	.94¾	.96¾
No. 2 mixed..... " .....	1.04	.84	1.00 @ 1.01	1.00½ @ 1.01
No. 2 white..... " .....	.86	1.06	1.02½ @ 1.03	1.01½ @ 1.02
Oats				
No. 2 white..... " .....	.44¾	.37	.....	.42½ @ .43½
Flour				
Soft patent.....per bbl.	5.00	4.50	4.65 @ 4.90	6.75 @ 7.00
Spring patent..... " .....	5.60	4.80	5.45 @ 5.60	6.90 @ 7.00
Middling cotton.....per lb.	.1225	.1085	.....	.1085 @ 1.17½
Hogs on hoof.....per cwt.	10.85	7.10	8.00 @ 10.85	9.15 @ 11.75

### FINANCIAL

Developments in the banking and financial situation in this district during the past thirty days followed rather closely the trends which have prevailed since the early summer. Credit requirements of commercial and industrial interests showed little, if any, expansion, and were relatively light for this time of year. Contributing causes for the lessened demand were lower commodity prices, generally reduced inventories and depression in business.

Demand for credit for agricultural purposes was unusually spotted and irregular. In the south the demand for funds from country banks is reported as being above the average at this season during the past several years. This is true particularly in the cotton areas, where feed crops are short and harvesting of the staple crop is getting under way. On the other hand, demand from grain handlers and flour milling interests are in considerably smaller volume than a year ago, due to the sharp reduction in the price of wheat and smaller stocks carried. The call for funds for financing livestock operations continued in considerable volume.

Between July 16 and August 13, total loans and discounts of the reporting member banks showed a slight increase, continuing the upturn which has been in progress since the first report date in June, when the low point for the year was reached. The total on August 13, however, was 1.8 per cent smaller than on the corresponding date in 1929. Deposits of these banks showed little variation between the middle of July and the middle of August, and investments also fluctuated within a narrow range. Borrowings of all member banks from the St. Louis reserve bank showed a moderate decrease between July 18 and August 18, and throughout that period averaged only about one fourth as large as during the corresponding period in 1929.

Influenced by ample supplies of loanable funds and slack credit demand, the trend of interest rates continued downward, new levels on the present downward movement being recorded on all classes of loans. At St. Louis banks current rates were as follows: Prime commercial loans, 3½ to 5 per cent; collateral loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 4 to 5½ per cent; interbank loans, 4¾ to 5¾ per cent and cattle loans, 5¼ to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on August 13, 1930 showed an increase of 0.6 per cent as contrasted with July 16, 1930. Deposits increased 0.6 per cent be-

tween July 16, 1930 and August 13, 1930 and on the latter date were 3.9 per cent larger than on August 14, 1929. Composite statement follows:

	*Aug. 13, 1930	*July 16, 1930	*Aug. 14, 1929
Number of banks reporting.....	†24	†24	†25
Loans and discounts (incl. rediscounts) secured by U. S. Govt. obligations and other stocks and bonds.....	\$241,689	\$247,190	\$240,591
All other loans and discounts....	276,842	268,027	287,580
Total loans and discounts.....	\$518,531	\$515,217	\$528,171
Investments			
U. S. Government securities.....	29,770	33,499	53,964
Other securities.....	124,664	120,667	111,215
Total investments.....	\$154,434	\$154,166	\$165,179
Reserve balance with F. R. Bank..	43,883	44,902	43,004
Cash in vault.....	5,771	5,594	6,735
Deposits			
Net demand deposits.....	378,323	376,354	368,238
Time deposits.....	238,116	235,153	224,647
Government deposits.....	658	1,925	1,244
Total deposits .....	\$617,097	\$613,432	\$594,129
Bills payable and rediscounts with Federal Reserve Bank.....	2,305	2,795	44,632

\*In thousands (000 omitted).

†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*July 1930	*June 1930	*July 1929	July 1930 comp. to June 1930 July 1929
East St. Louis & Natl. Stock Yards, Ill..\$	40,577	\$ 44,666	\$ 79,636	- 9.2% -49.0%
El Dorado, Ark.....	7,572	6,724	8,386	+12.6 - 9.7
Evansville, Ind.....	29,659	30,592	36,378	- 3.0 -18.5
Forth Smith, Ark.....	11,041	11,916	12,178	- 7.3 - 9.3
Greenville, Miss.....	3,824	3,521	4,404	+ 8.6 -13.2
Helena, Ark.....	3,749	3,464	5,294	+ 8.2 -29.2
Little Rock, Ark....	70,715	64,828	75,829	+ 9.1 - 6.7
Louisville, Ky.....	180,960	202,177	215,832	-10.5 -16.2
Memphis, Tenn.....	122,951	131,512	139,696	- 6.5 -12.0
Owensboro, Ky.....	6,657	6,292	6,386	+ 5.8 + 4.2
Pine Bluff, Ark.....	8,709	8,823	9,879	- 1.3 -11.8
Quincy, Ill.....	10,598	11,408	14,902	- 7.1 -28.9
St. Louis, Mo.....	704,151	795,481	853,204	-11.5 -17.5
Sedalia, Mo.....	4,081	4,169	4,889	- 2.1 -16.5
Springfield, Mo.....	14,912	16,503	16,765	- 9.6 -11.1
**Texarkana, Ark.-Tex.....	13,050	12,966	16,038	+ 0.6 -18.6
Totals.....	\$1,233,206	\$1,355,042	\$1,499,696	- 9.0 -17.8

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During July the Federal Reserve Bank of St. Louis discounted for 215 member banks, against 215 in June and 247 in July, 1929. The discount rate was reduced from 4 to 3½ per cent effective August 7. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*Aug. 22, 1930	*July 22, 1930	*Aug. 22, 1929
Bills discounted.....	\$16,827	\$16,973	\$73,232
Bills bought.....	8,403	5,761	.82
U. S. securities.....	23,899	22,643	....
Total bills and securities.....	\$49,129	\$45,377	\$73,314
F. R. Notes in circulation.....	66,977	70,000	62,038
Total deposits.....	79,095	81,800	78,287
Ratio of reserve to deposits and F. R. Note Liabilities.....	72.9%	76.1%	54.1%

\*In thousands (000 omitted).

(Compiled August 23, 1930.)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of September 30, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

**I**NFLUENCED by the usual seasonal recession in activities, unfavorable agricultural conditions and reduced purchasing power due to widespread unemployment, commerce and industry in this district during August reached the lowest point on the downward movement, which has been in progress since last fall. In all lines investigated by this bank, the volume of business continued below that of August last year and the average for that month during the past half decade. Except in a limited number of lines, directly affected by seasonal considerations, a further downward movement from July was indicated by the August statistics. There was no apparent relaxation from the policy of extreme caution and conservatism in purchasing of commodities by merchants and the public which has obtained since early this year. Manufacturers, in turn, were holding down their commitments on raw materials to a minimum, and making up but few goods for which they had not orders on their books or fairly certain sales prospects.

Lines showing seasonal improvement in sales from July to August were mainly those dealing in goods for ordinary consumption. There was no change of moment in the iron and steel and other metal industries as compared with the preceding thirty days. Demand for building materials remained at a low ebb, and reduced activities were reported by lumber, fire clay, cement, glass and plumbing supply and paint interests. Operations at textile plants were at approximately the same rate in August as in July, but considerably less than a year ago. Distribution of automobiles moved sharply upward from the low level recorded in July, but was considerably below the August average for the past five years. Since the first week of September there has been moderate improvement in orders booked by a majority of wholesale lines, and special sales conducted by retail establishments have resulted in the movement of a heavy volume of goods. Slight improvement in the bituminous coal industry was noted in August, confined chiefly to domestic grades, no change having taken place in the general industrial demand.

The unprecedented drouth and excessive hot weather prevailing in the district throughout the growing season of spring planted crops, was unbroken until the second week of August, when scattered showers afforded local relief. The precipitation was not general, and large areas received no moisture of consequence until well into September. Crops suffered further deterioration between August 1 and September 1, those most affected being cotton, corn, hay, tobacco, certain commercial vegetables and gardens. Shortage of feed and forage crops, pasture and water occasioned considerable losses in the livestock and dairying industries. Forced shipments of livestock to market were general in sections hardest hit by the drouth. These, however, have been halted by the recent rains. As a consequence of the drouth, short crops and depressed prices of many important agricultural products, farm income in the Eighth district has been heavily reduced as compared with recent years.

Measured by sales of department stores in the largest cities of the district, retail trade in August declined approximately 16.1 per cent as compared with the same month last year. For the first 8 months this year the decrease in business volume of these stores amounted to 8.7 per cent. Combined sales of all wholesale and jobbing firms reporting to the St. Louis bank in August were only a little more than half as large as during the same month last year, and considerably below the August average during the past six years. Debits to individual accounts in August were 10.0 per cent smaller than in July, and 21.0 per cent less than in August, 1929. For the first eight months the debits total showed a decrease of 12.8 per cent under the corresponding period last year. Savings about held their own in August, and on September 4, the aggregate was a shade higher than on the corresponding date in 1929.

Freight traffic of railroads operating in this district showed an increase during August as compared with the two preceding months, the improvement being seasonal in character. As compared with the corresponding month in 1929 and 1928, however, the August volume registered a considerable decline.

Due to the short crops and disposition on the part of farmers to hold their stocks for higher prices, the movement of grain and grain products fell below that of the two preceding years. For the country as a whole loadings of revenue freight for the first 35 weeks this year, or to August 30, totaled 31,433,405 cars, against 35,377,737 cars for the corresponding period in 1929 and 33,754,221 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 197,862 loads in August against 196,703 loads in July and 252,629 loads in August, 1929. During the first nine days of September the interchange amounted to 52,138 loads, against 59,843 loads during the corresponding period in July, and 66,515 loads during the first nine days of September, 1929. Passenger traffic of the reporting roads decreased 14 per cent in August as contrasted with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 69,800 tons, the smallest for any single month since February, 1926, and comparing with 84,266 tons in July and 86,135 tons in August, 1929. The poor showing made in August was due in large part to the low stage of water in the Mississippi River.

Reports relative to collections during the past thirty days reflect no improvement whatever in the slow, backward conditions which have obtained since the late spring. Generally, but more particularly in the agricultural areas, there is a disposition to conserve cash and to postpone paying bills as long as possible. Due to drouth and crop failures, country merchants in many sections are experiencing difficulty in collecting from their customers, and in turn are slow in settling with creditors. Wholesalers in the large centers report an increased number of requests for extensions. Collections of city retailers are relatively better than in the country, but are in smaller volume than a month and a year earlier. Answers to 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, 1930.....	0.1%	8.5%	52.8%	38.6%
July, 1930.....	0.1	12.7	58.6	28.6
August, 1929.....	1.3	30.6	55.6	12.5

Commercial failures in the Eighth Federal Reserve District in August, according to Dun's, numbered 112, involving liabilities of \$1,909,148, against 107 defaults with liabilities of \$2,272,170 in July and 103 failures for a total of \$1,393,363 in August, 1929.

The average daily circulation in the United States in August was \$4,476,000,000, against \$4,497,000,000 in July and \$4,777,000,000 in August, 1929.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes**—Further improvement as compared with the preceding month was reflected in August sales data of the reporting interests. The August total, however, was one-third smaller than for the same month last year. Since September 1 there has been considerable betterment in both immediate and advance orders, but volume of future business is still below the seasonal average. There was no change in prices as compared with the month before. Stocks were reduced about 6.0 per cent between August 1 and September 1, but on the latter date were 23.0 per cent larger than a year ago.

**Clothing**—As has been the case throughout the present year business in virtually all lines of the clothing industry was in considerably less than the average seasonal volume of the past decade. Sales of the reporting interests in August were only about a fourth as large as during the same month in 1929, and slightly more than two-thirds as large as the July total this year. The August total was 31.0 per cent smaller than the average for that month during the past several years, and for the first eight months this year sales are off about one-fourth as contrasted with the similar period in 1929. In both the month-to-month and yearly comparison, relatively greater decreases were noted in the rural areas and small towns than the large urban centers.

**Drugs and Chemicals**—Demand for heavy drugs and chemicals from the general manufacturing trade was at the lowest point of the year during August, and this fact was accountable in large measure for the decline in sales as compared with that a year and a month earlier. Soda fountain equipment and supplies were purchased in large volume, and the movement of other seasonal goods was active. August sales of the reporting firms were 23.0 per cent less than in that month last year, and 13.5 per cent smaller than the July total this year. Stocks on September 1 were about 10.0 per cent greater than on the same date in 1929, and showed a small increase over August 1 this year.

**Dry Goods**—Reports of leading interests in this classification showed the usual seasonal increase in sales during August as compared with the preceding month. As contrasted with the same month last year, however, the August volume showed a decrease of 45.5 per cent, and was the smallest for any August in more than eight years. Improvement over August business was noted during the first half of September, but both immediate and advance sales were still below a year ago. Price uncertainty is adversely affecting sales of goods based on cotton, and purchasing in all lines is on a

conservative scale. Inventories are mainly of moderate size and below the seasonal average. Stocks on September 1 were 12.0 and 6.0 per cent smaller, respectively, than a month and a year earlier.

**Electrical Supplies** — Heavy sales of fans and other hot weather goods during August failed to offset decreases in other lines, and total sales of the reporting firms for that month fell 28.0 per cent below the corresponding period in 1929, and 31.0 per cent below July this year. Inventories on September 1 showed little change from a year ago, but were 18.0 per cent smaller than on August 1 this year.

**Flour** — Production at the 12 leading mills of the district in August totaled 357,477 barrels, the largest since last March, and comparing with 328,069 barrels in July and 367,202 barrels in August, 1929. Stocks of flour in St. Louis on September 1 were 6.6 per cent larger than on August 1, and about a fourth smaller than on September 1, 1929. More stability was evident in the market than has been the case for a number of months. Sales for both export and domestic consumption were on a larger scale, and the jobbing trade considerably increased its takings. Prices were somewhat irregular, following closely fluctuations in cash wheat. Mill operation was at from 52 to 58 per cent of capacity.

**Furniture** — August sales of the 12 reporting interests showed an increase of 14.0 per cent over the preceding month, and were the largest since last April. The month's total, however, was less than half as large as that of the same month in 1929, and was the smallest for any August in more than half a decade. Stocks on September 1 showed little change from a month earlier, and were about 5.0 per cent larger than on September 1, 1929.

**Groceries** — A slight improvement in August sales over those of July was indicated by reports of the 12 reporting interests, but as compared with a year ago the August total showed a loss of 12.0 per cent. Stocks on September 1 showed moderate decreases as compared with thirty days and a year earlier. Since September 1 there has been a fair pickup in ordering for future shipment, with canned fruits and vegetables making a particularly favorable showing.

**Hardware** — Relief from the protracted drouth conditions has served to bolster sentiment and in the immediate past has resulted in an increased ordering of goods for consumption in the rural areas. Generally, however, there is little change in the depressed conditions existing in the hardware trade during the past several months. August sales of the reporting firms were about a third smaller than for the same month in 1929, and the smallest for that month in more than eight years. The clearance of

all descriptions of hot weather goods was disappointing. Inventories are generally small, September 1 stocks of the reporting dealers being 11.0 per cent smaller than a year earlier, and slightly less than on August 1 this year.

**Iron and Steel Products** — Conditions in the iron and steel industry developed no marked changes as compared with the preceding thirty days. Extreme conservatism obtains among all classes of buyers, and there is a disposition to await developments before making commitments. Activities at mills, foundries and machine shops during August were at a slightly lower rate than in July, and substantially below the corresponding month in 1929 and the August average during the past five years. Specifications on goods previously purchased were not in the volume expected, this being true particularly of the major iron and steel consuming lines, such as the automotive and railroad equipment industries. Virtually all interests reporting to this bank showed a further decrease in unfinished business, exceptions being producers of materials for bridge, highway and public utility construction and certain fabricators of building materials. Iron and steel warehouse interests and jobbers reported moderate betterment in the demand from the general manufacturing trade, but less than is usual at this time of year. Purchasing is confined to small lots for immediate or reasonably prompt delivery. Goods for consumption in the rural areas are moving in considerably less than the seasonal volume. Farm implement and stove manufacturers report specifications at a low level, and new orders disappointing. This condition is ascribed to reduced purchasing power resulting from the drouth. Advance ordering of wire fencing and accessories is reported the smallest in recent years. Producers and distributors of sheets and tank plates note no improvement in the demand for their commodities. New orders placed with manufacturers of machinery and engines receded to the lowest point this year. Price revisions of finished and semi-finished iron and steel commodities were narrow, but the general trend was lower, and increasingly keen competition has resulted in concessions under list quotations in order to secure business. Pig iron prices were nominally unchanged, and shipments to consumers in the district were slightly larger in August than in July, though sharply below a year ago. Due to scarcity of certain grades, prices of scrap iron and steel averaged moderately higher than during the preceding month. Production of pig iron for the country as a whole in August totaled 2,529,148 tons, against 2,638,441 tons in July and 3,746,198 tons in August, 1929. The August daily rate of 81,585 tons was the lowest

since October, 1924. Steel ingot production in the United States in August totaled 3,095,293 tons, which compares with 2,933,399 tons in July and 4,939,086 tons in August, 1929.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in August totaled 223,046, against 262,363 in July and 498,628 in August, 1929.

The steady decline in distribution of automobiles in this district, which, according to dealers reporting to this bank, had been in effect since last February was halted in August, total sales in that month showing a substantial gain over July. During the past several years there has invariably been an increase in sales of these dealers from July to August. The extent of the increase this year was slightly larger than the average of the past half decade, being exceeded only in 1927 and 1929. As has been the case each month this year, however, the August total was considerably smaller than during the corresponding month in 1929. The improvement in business from July to August was confined principally to dealers in the cities and larger towns, purchasing of passenger cars in the agricultural areas continuing at the low levels of recent months. Reduced purchasing power resulting from the drouth and crop failures has prevented farmers from filling their automobile requirements. In the cities dealers showing the largest increases were those handling makes of manufacturers which have placed new models on the market. Price reductions were also a factor stimulating sales. Demand for trucks also developed marked betterment, the volume of sales during August showing a percentage gain about equal to that of passenger cars. Vehicles for heavy hauling and contract work showed a relatively heavier gain than was the case with small trucks for city delivery service. Accessories, garage supplies and replacement parts showed improvement from July to August, with several important interests specializing in replacement parts reporting small gains over a year ago. There were further complaints of slow collections on cars sold on the installment plan. August sales of new passenger cars by the reporting dealers were 44.7 per cent larger than in July, and 39.2 per cent smaller than in August, 1929. In both city and country, dealers are ordering only sufficient cars for immediate requirements, and as a result there is a further reduction in inventories. Stocks on hand on September 1 were 15.0 per cent smaller than on the same date in 1929, and 22.0 per cent smaller than on August 1 this year. Intensive sales efforts and extensive junk-

ing operations were reflected in a substantial reduction in used car stocks. The number on hand on September 1 was 5.0 per cent smaller and the value 8.5 per cent smaller than on August 1. As compared with a year earlier, there was a decrease of 12.0 per cent in the number and of 15.0 per cent in the value of used cars on September 1. According to dealers reporting on that detail, deferred payment sales in August constituted 55.4 per cent of their total sales, against 51.3 per cent in July and 55.0 per cent in August, 1929.

### 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	
	Aug. 1930 comp. to Aug. 1929	8 months ending Aug. 31, 1930 to same period 1929	Aug. 31, 1930 comp. to Aug. 31, 1929	Jan. 1, to Aug. 31, 1930	Aug. 1929
Evansville .....	-12.4%	-5.0%	+ 5.5%	1.34	1.51
Little Rock.....	-16.0	-11.6	-12.7	1.48	1.56
Louisville.....	-15.3	-9.1	+ 1.9	1.83	2.05
Memphis .....	-16.5	-10.4	- 5.1	1.93	2.03
Quincy .....	-15.8	- 0.5	- 6.0	1.66	1.72
St. Louis.....	-16.4	- 8.1	- 3.9	2.42	2.56
Springfield, Mo.	- 5.9	- 7.8	-15.7	1.01	.96
8th District.....	-16.1	- 8.7	- 4.4	2.13	2.26
	Net sales comparison		Stocks on hand		
	Aug., 1930 comp. to Aug., 1929	July, 1930	Aug., 1930 comp. to Aug., 1929	July, 1930	
Men's furnishings.....	- 6.7%	+ 6.9%	+ 0.3%	- 1.3%	
Boots and shoes.....	-13.6	- 6.5	- 4.0	+ 10.4	

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

	Percentage increase or decrease Aug., 1930 compared to Aug., 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-20.0%	- 7.7%
Ready-to-wear accessories.....	-14.7	- 0.6
Women and misses' ready-to-wear.....	-20.2	-18.6
Men's and boys' wear.....	-11.5	- 1.5
Home furnishings.....	-36.3	- 5.2

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in August were 5 per cent smaller than in July, and less by approximately one-half than in August, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in August amounted to \$23,320,000 which compares with \$25,590,000 in July, and \$39,225,000 in August, 1929. Production of portland cement for the country as a whole in August totaled 17,821,000 barrels, against 17,078,000 barrels in July, and 18,585,000 barrels in August, 1929. Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits 1930	Permits 1929	*Cost 1930	*Cost 1929	Permits 1930	Permits 1929	*Cost 1930	*Cost 1929
Evansville ..	360	392	\$ 142	\$1,284	85	47	\$ 20	\$ 73
Little Rock ..	24	40	136	93	81	104	82	169
Louisville ..	99	150	325	647	58	63	64	75
Memphis ....	432	152	683	340	53	136	28	48
St. Louis....	322	560	794	1,710	287	433	493	599
Aug. totals	1,237	1,294	\$2,080	\$4,074	559	783	\$ 687	\$964
July totals	1,147	1,709	2,191	4,869	589	659	\$ 378	759
June totals	1,144	1,516	3,700	5,174	848	643	666	650

\*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 as being 3.1 per cent smaller than in July and 7.1 per cent less than in August a year ago. The decrease in the month-to-month comparison was due to smaller loads taken by cement plants, iron and steel interests and dairies. In the yearly comparison, decreases were general through all lines of business. Detailed figures follow:

No. of Custom- ers	Aug., 1930	July, 1930	Aug. 1930 comp. to July, 1930	Aug., 1929	Aug. 1930 comp. to Aug. 1929
	*K.W.H.	*K.W.H.		*K.W.H.	Aug. 1929
Evansville .... 40	1,848	1,901	— 2.8%	1,913	— 3.3%
Little Rock.. 35	2,312	2,585	—10.6	2,121	+ 9.0
Louisville .... 87	7,543	7,853	— 4.0	8,481	—11.1
Memphis ..... 31	1,018	1,046	— 2.7	1,196	—14.9
St. Louis.....154	22,918	23,403	— 2.1	24,659	— 7.1
Totals.....347	35,639	36,788	— 3.1	38,370	— 7.1

\*In thousands (000 omitted).

## AGRICULTURE

The past thirty days have been marked by further deterioration of crops in this district. Until the second week in August the drouth, which had prevailed through the late spring and summer, remained unbroken and there was no relief from the extreme high temperatures and hot winds which had wrought heavy damage to vegetation earlier in the season. Following the second week in August there was scattered rainfall, mainly in the form of showers, which afforded local relief, but was inadequate to promote growth of crops and restore pastures. Until the end of the second week in September, there was no section of the district of considerable size which had received sufficient precipitation to thoroughly soak the parched soil. In many counties scarcity of water for live stock and home use continued until well into this month. The lowest average spring and summer rainfall in more than two decades was recorded in Arkansas, Missouri, Southern Illinois, Indiana, Kentucky and Mississippi.

Prospects for cotton, corn, tobacco, hay and commercial vegetables and fruits declined markedly between August 1 and September 1. The condition of pastures deteriorated further, and in most sections was the lowest ever recorded by the crop reporting service at the beginning of September. In areas most acutely affected by the drouth it has been necessary to place livestock on prepared feeds, which are generally short and high in price. Unfavorable conditions for carrying their herds has resulted in farmers shipping large numbers of cattle and hogs to market which ordinarily would not have moved from farms until considerably later in the season. As was the case during the preceding month, dairying operations were seriously interfered with by the dry weather. Milk production per cow in August averaged sharply lower than in July, and

was also sharply below the average in August, 1929.

Fall plowing and preparations for seeding winter wheat, rye, alfalfa, clover and timothy have been considerably delayed by the drouth and hard baked and cracked soil in many sections, and are as a whole behind the usual seasonal schedule. Rains in the immediate past have ameliorated this situation to some extent, and throughout the district field work is being intensively pushed. Other farm work is well advanced, and as has been the case since termination of the small grain harvests, a large surplus of farm labor exists in all states of the district.

**Winter Wheat**— There was no change in the estimate of winter wheat production from the preceding month, the output in this district being estimated by the Department of Agriculture at 48,333,000 bushels, against 44,259,000 bushels in 1929, and a 7-year average (1923-1929) of 43,636,000 bushels. In states of the Eighth District farmers' intentions to sow winter wheat as of August 1 contemplated a smaller acreage than in a number of years. The total 5,869,000 acres, compares with 6,129,000 acres in August, 1929, and a 5-year average (1924-1928) of 7,060,000 acres. Unsatisfactory prices and unfavorable weather conditions were the chief influences in the decrease. Generally farmers are disposed to hold their grain for more satisfactory marketing conditions, and an unusually large quantity of wheat will be fed to livestock this season. There was a further decline in wheat prices, a new low point since 1914 being touched in the first week of September.

**Corn**— Based on the September 1 condition, the U. S. Department of Agriculture estimates the yield of corn in this district at 186,410,000 bushels, a decrease of 45,240,000 bushels under the August 1 estimate, and comparing with 312,957,000 bushels harvested in 1929, and a 7-year average of 339,625,000 bushels. Deterioration was most severe during the first nine days of August in which period the drouth was unbroken, and the highest temperatures of the season were equaled, and in some sections exceeded. Except in limited areas, notably in bottom lands, the rains since September 10 came too late to effect improvement to the crop. Low yields of both grain and stalks and the shortage of other roughages and pasture, accompanied by early cutting of corn for forage, will have the effect of greatly increasing the acreage harvested as silage and consequent decrease in acreage husked for ear corn. Due to generally poor quality of the crop, farmers in many sections are faced with a shortage of seed for next year's planting.

**Fruits and Vegetables**— Conditions throughout August and early September were unfavorable for growth and ripening of fruit and vegetable crops.

The drouth and hot weather further cut prospective yields, and considerably lowered quality. Between August 1 and September 1, the outlook for the white potatoe crop in the district declined slightly, but due to larger acreage, the output, estimated at 14,668,000 bushels, will be 1,355,000 bushels larger than in 1929, but 1,163,000 bushels below the 7-year average. No marked change in prospects for the apple crop was noted from August to September, but the crop is considerably smaller than a year ago and the 7-year average. In states entirely or partly within the Eighth District, the yield of sweet potatoes based on the September 1 condition, is estimated by the Department of Agriculture at 10,977,000 bushels, a decrease of 1,525,000 bushels from the August 1 estimate, and comparing with 17,741,000 bushels harvested in 1929, and a 5-year average of 16,748,000 bushels. The yield of peanuts in these states is estimated at little more than half that of 1929 and the 5-year average. Grape prospects declined during August, the estimated yield of 29,395 tons on September 1 comparing with 38,196 tons harvested in 1929, and a 5-year average of 28,707 tons. The increase this year over the average is due to the largely increased acreage of vineyards during the past five years. The estimated yield of pears is only about half of last year's output and the 5-year average. The peach crop was practically a complete failure. The condition of vegetable and truck crops in market, farm and home gardens declined further, and on September 1 was the lowest in recent years.

**Live Stock**—Scant supplies of water and pasturage generally through the district had a derogatory effect on the condition of livestock. Rains since the first week of September have afforded relief in some areas, but in sections most affected by the dry weather, farmers have reduced the size of the herds by shipment to market. Scattered reports of outbreaks of hog cholera were received, but nothing of a general or serious nature. The average price of hogs in August was slightly higher than in July, and cattle values were fairly well sustained.

In sections receiving rain some improvement in pastures has taken place, but generally the precipitation came too late to effect substantial betterment. Hay prospects receded during August, the September 1 estimate being for 5,547,000 tons in the Eighth District a decline of 373,000 tons from August 1, and comparing with 9,105,000 tons harvested in 1929, and a 7-year average of 8,160,000 tons.

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

	Receipts			Shipments		
	Aug., 1930	July, 1930	Aug., 1929	Aug., 1930	July, 1930	Aug., 1929
Cattle and calves.....	125,393	111,569	128,684	100,043	69,166	87,900
Hogs .....	210,960	239,837	304,136	183,084	192,093	203,633
Horses and mules.....	976	1,262	3,541	966	1,629	3,251
Sheep .....	45,110	73,520	62,370	10,782	15,448	18,037

**Cotton**—A crop of 2,568,000 bales for the Eighth Federal Reserve District is forecast by the U. S. Department of Agriculture, based on conditions as of September 1. This represents a decrease of 150,000 bales from the August 1 forecast, and compares with 3,306,000 bales harvested in 1929, and a 7-year average of 2,660,000 bales. Deterioration during August was due to heat and drouth conditions, which conditions have also caused disappointment because of small bolls and poor outturn of lint. However, the dry weather held boll weevil activity in check, and indications point to a smaller loss from weevil damage than in any year since all states in the cotton belt became infested with weevils, except 1925. Harvesting has made fair progress, which would have been greater but for the fact that owing to the low price of cotton, small farmers are employing a minimum of hired help. Consumptive demand for cotton continued dull, and prices receded further, touching the lowest level since 1915 in the second week in September. The middling grade in the St. Louis market closed at 9.85c per pound on September 15, against 10.85c on August 15, and 17.75c on September 15, 1929. Stocks of cotton in Arkansas warehouses on September 12 totaled 111,155 bales, against 102,499 bales on August 8, and 72,824 bales on the corresponding date in 1929.

**Tobacco**—Unbroken drouth conditions during early August took further toll of the tobacco crop, the reduction in indicated yield between August 1 and September 1 being about 31,000 pounds, including all types. The Department of Agriculture's estimate for the Eighth District, as of September 1, was 244,599,000 pounds, which contrasts with 316,507,000 pounds produced in 1929, and an average of 288,688,000 pounds during the 7-year period, 1923-1929. Late planted tobacco has benefitted from local showers since the second week in August and has come out well. Severe firing of early types caused much premature cutting, and the leaf affected is of inferior quality.

**Commodity Prices**—Range of prices in the St. Louis market between August 15, 1930 and September 15, 1930, with closing quotations on the latter date and on September 15, 1929:

	High	Low	Close	
			Sept. 15, 1930	Sept. 15, 1929
Wheat				
Sept. ....per bu..	\$.89½	\$.80	\$.80	\$.....
Dec. ....	.95¾	.83½	.83¾	1.37
May .....	1.02½	.90½	.90½	1.46½
No. 2 red winter.....	.95	.87	\$.88½ @	\$.89 @ 1.35
No. 2 hard.....	.90	.83	.83¾ @	\$.84 @ 1.31
Corn				
Dec. ....	.95½	.85¾	.86¾	.99¾
May .....	.98	.88¾	.88¾	.88¾
No. 2 mixed.....	1.01½	.94½	.94½ @	.95 @ 1.01
No. 2 white.....	1.04	.96½	.96½ @	.97 @ 1.03½
Oats				
No. 2 white.....	.42¾	.38½	.39 @	.39½ @ .51
Flour				
Soft patent.....per bbl.	5.00	4.50	4.50 @	5.00 @ 6.75
Spring patent.....	5.60	4.60	4.60 @	4.90 @ 6.80
Middling cotton.....per lb.	.10½	.985	.985	.985 @ .17¾
Hogs on hoof.....per cwt.	12.10	7.75	8.25 @	11.05 @ 8.50

## FINANCIAL

The banking and financial situation in this district during the past thirty days has been marked by a further slight contraction in demand for credit from commercial and industrial sources and an abundance of loanable funds in the banks, particularly in the large cities. Requirements for financing merchandise for fall and winter distribution showed less than the usual seasonal expansion, due largely to lower prices and generally smaller inventories than at any similar period during the past several years.

As was the case during the preceding thirty days, demands for financing the movement of crops and for general agricultural purposes was spotted and irregular, both with reference to the several crops and localities. Considerable liquidation of wheat loans took place, the total volume being larger than usual so early in the season. Banks specializing in grain loans report that more financing than is ordinarily the case is being done through acceptances and the Intermediate Credit Banks.

As compared with a month ago, agricultural demands in the south have gained in volume, mainly for financing the harvesting and early movement of cotton, tobacco and rice. While the movement of cotton has gotten under way, it was not in sufficient volume to result in substantial liquidation. Furthermore, there is a disposition to hold stocks for higher prices and more favorable marketing conditions. Marketing of livestock during August was on a liberal scale, especially in sections most affected by the drouth. Demand for conditioning cattle and hogs, however, continues fairly active.

Loans of the reporting member banks, which had previously moved sharply downward, turned upward in the week ending September 10. The total on the latter date, however, was 1.2 per cent smaller than on August 13, and 5.0 per cent below the corresponding date in 1929. Deposits of these banks closely followed the movement of loans, and on September 10 were a shade lower than a month earlier. Investments continued the irregularly upward trend of recent months, and on September 10 were at approximately the same level as on the corresponding date in 1929. Average borrowings of all member banks from the Federal reserve bank were slightly larger than during the preceding thirty days, but continued substantially below the corresponding period last year.

At St. Louis banks current rates were as follows: Prime commercial paper,  $3\frac{3}{4}$  to 5 per cent; collateral loans,  $4\frac{1}{2}$  to  $5\frac{3}{4}$  per cent; loans secured by warehouse receipts, 4 to  $5\frac{1}{2}$  per cent; interbank

loans,  $4\frac{1}{2}$  to  $5\frac{3}{4}$  per cent, and cattle loans,  $5\frac{1}{2}$  to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on September 17, 1930, showed an increase of 0.3 per cent as contrasted with August 20, 1930. Deposits increased 0.4 per cent between August 20, 1930 and September 17, 1930, and on the latter date were 3.9 per cent larger than on September 18, 1929. Composite statement follows:

	*Sept. 17, 1930	*Aug. 20, 1930	*Sept. 18, 1929
Number of banks reporting.....	124	124	125
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$234,556	\$232,261	\$238,244
All other loans and discounts.....	275,964	276,529	301,209
Total loans and discounts.....	\$510,520	\$508,790	\$539,453
Investments U. S. Government securities.....	33,727	32,337	48,382
Other securities.....	124,149	125,022	108,844
Total investments.....	\$157,876	\$157,359	\$157,226
Reserve balance with F. R. bank.....	44,440	44,940	42,315
Cash in vault.....	5,581	5,352	6,372
Deposits Net demand deposits.....	370,674	370,682	360,643
Time deposits.....	239,410	237,914	224,468
Government deposits.....	1,538	658	3,571
Total deposits.....	\$611,622	\$609,254	\$588,682
Bills payable and rediscounts with Federal Reserve Bank.....	5,307	3,958	49,359

\*In thousands (000 omitted).

†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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., 1930	*July, 1930	*Aug., 1929	Aug., 1930 comp. to July, 1930 Aug. 1929
East St. Louis & Natl. Stock Yards, Ill. \$	37,817	\$ 40,577	\$ 83,764	— 6.8% —54.9%
El Dorado, Ark.....	6,463	7,572	8,207	—14.6 —21.3
Evansville, Ind.....	26,203	29,659	31,011	—11.7 —15.5
Fort Smith, Ark.....	11,189	11,041	13,097	+ 1.3 —14.6
Greenville, Miss.....	3,138	3,824	4,156	—17.9 —24.5
Helena, Ark.....	3,402	3,749	5,008	— 9.3 —32.1
Little Rock, Ark.....	61,984	70,715	75,715	—12.3 —18.1
Louisville, Ky.....	176,941	180,960	192,326	— 2.2 — 8.0
Memphis, Tenn.....	112,311	122,951	149,625	— 8.7 —24.9
Owensboro, Ky.....	5,944	6,657	6,319	—10.7 — 5.9
Pine Bluff, Ark.....	6,968	8,709	10,836	—20.0 —35.7
Quincy, Ill.....	8,941	10,598	15,282	—15.6 —41.5
St. Louis, Mo.....	619,791	704,151	772,610	—12.0 —19.8
Sedalia, Mo.....	3,928	4,081	5,035	— 3.7 —22.0
Springfield, Mo.....	13,853	14,912	17,595	— 7.1 —21.3
**Texarkana, Ark.-Tex.....	11,893	13,050	15,222	— 8.9 —21.9
Totals.....	\$1,110,766	\$1,233,206	\$1,405,808	— 9.9 —21.0

\*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 220 member banks, against 215 in July and 242 in August, 1929. The discount rate remained unchanged at  $3\frac{1}{2}$  per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Sept. 19 1930	*Aug. 19, 1930	*Sept. 19, 1929
Bills discounted.....	\$18,856	\$15,814	\$74,384
Bills bought.....	10,572	8,030	63
U. S. Securities.....	23,899	23,899	.....
Total bills and securities.....	\$53,327	\$47,743	\$74,447
F. R. Notes in circulation.....	64,646	67,142	68,797
Total deposits.....	75,315	84,932	77,812
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.2%	75.2%	55.8%

\*In thousands (000 omitted).

(Compiled Sept. 23, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of October 30, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**AKEN as a whole, business in this district during the past thirty days underwent moderate improvement as contrasted with the similar period immediately preceding, which earlier period witnessed the lowest point reached thus far in the present era of depression. The betterment appeared principally in distribution, and more particularly in lines dealing in merchandise for common consumption. Seasonal influences were more in evidence than earlier in the year and constituted an important factor in the larger volume of trade. The extent of increase attributable to this cause, however, was not as great as in recent years, and in virtually all lines investigated the volume was substantially below that of the corresponding period in 1929, and the average during the past decade. Other favorable influences affecting mercantile activities were generally reduced retail stocks, more of a disposition among retail merchants, both in the cities and country, to replenish and make provision for late fall and winter requirements, definite breaking of the protracted drouth and a somewhat more optimistic attitude in the agricultural areas.

A relatively less favorable exhibit was made by manufacturing and industrial activities generally than by trade. New business placed with producers of iron and steel goods, building materials, textiles and a number of other important commodities were considerably below expectations. Despite smaller shipments of finished materials, unfilled orders at the end of September were in a majority of instances smaller in volume than a month earlier, and substantially below a year ago. Generally manufacturers are holding down outputs to actual requirements, and their purchases of raw materials are being shaped to conform with this policy. In the country harvesting and other seasonal activities resulted in some reduction in unemployment, but little change was noted in the labor situation in the chief industrial centers. During September and early October the bituminous coal industry showed improvement, due to seasonal demand for domestic grades. Demand from industrial sources continued

dull, with prices on steaming coal tending downward.

Sales of department stores in the principal cities of the district, which at this season of the year always increase, were in September nearly twice as large as in August, but 9.8 per cent smaller than in September, 1929. For the first nine months, business of these stores recorded a decrease of 8.9 per cent as compared with the same period a year ago. Combined sales of all wholesale and jobbing firms reporting to this bank were measurably larger in September than in August, but 30.0 per cent smaller than in September, 1929. Charges to individual checking accounts in September were 4.2 per cent greater than in August, but about one-fifth less than the September total last year. For the first nine months this year the total was smaller by 13.7 per cent than during the same period in 1929. The amount of savings deposits on October 1 showed only slight variation as contrasted with a month and a year earlier.

Railroads operating in the district reported a continued decline in the volume of freight traffic handled as contrasted with the corresponding periods a year and two years earlier. The usual seasonal pickup from September to October failed to materialize, due in part to peculiar conditions which have affected the movement of agricultural products. Depression in general business was reflected in a sharp decrease in the merchandise and miscellaneous freight classifications. For the country as a whole loadings of revenue freight for the first 39 weeks of this year, or to September 27, totaled 35,158,648 cars, against 39,920,026 cars for the corresponding period in 1929, and 38,224,762 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 186,862 loads in September, against 197,862 loads in August, and 283,769 loads in September, 1929. During the first nine days of October the interchange amounted to 57,676 loads, against 52,138 loads during the corresponding period in August, and 74,060 loads during the first nine days of October, 1929. Passenger traffic of the reporting lines

decreased 16.0 per cent in September as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 113,700 tons, against 70,088 tons in August and 86,135 tons in September, 1929.

The slow and backward tendencies in collections, noted during the past several months, continued in virtually all lines investigated during the past thirty days. Settlements with wholesale establishments in the principal distributing centers were for the most part disappointing. In the case of boot and shoe and dry goods interests, with whom October is an important collection month, payments were relatively smaller than for any similar period in recent years. It was noted, however, that department stores and other retail interests strong in cash and credit, were settling their bills promptly, and taking advantage of discounts. The reason for this was the low interest rates, which enabled the retailers to effect a considerable saving by borrowing money to discharge their obligations. Other lines reporting backward payments were building materials, hardware, groceries and furniture. A disposition on the part of producers in many agricultural sections to hold their stocks for higher prices has adversely affected collections of country retail merchants. This, in turn, has delayed settlements with wholesalers and country banks. Considerable irregularity and spottiness is reflected in reports of city retailers relative to their collections. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
September, 1930.....	0.1%	16.8%	57.7%	25.4%
August, 1930.....	0.1	8.5	52.8	38.6
September, 1929.....	1.4	30.6	61.1	6.9

Commercial failures in the Eighth Federal Reserve District in September, according to Dun's numbered 153, involving liabilities of \$4,427,593, against 112 defaults with liabilities of \$1,909,148 in August, and 98 failures for a total of \$1,762,109 in September, 1929.

The average daily circulation in the United States in September was \$4,492,000,000 against \$4,476,000,000 in August, and \$4,811,000,000 in September, 1929.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes**—Following the trend of recent years, sales of the reporting interests decreased in September as compared with August. Compared with a year ago, the September total showed a decrease of more than one third, and was the smallest for that particular month in more than eight

years. In the yearly comparison the unfavorable showing was due chiefly to a decline in advance orders. Lower prices were also a factor in the decrease. Stocks decreased about 13.0 per cent between September 1 and October 1, and on the latter date were approximately a fifth larger than at the same time in 1929.

**Clothing**—Belated purchasing of late fall and winter merchandise and more favorable weather conditions were reflected in a sharp increase in September sales of the reporting clothiers over those of the preceding month. The September total, however, was 8.0 per cent less than a year ago, and the smallest for that month since 1924. Ordering for delivery next spring is reported considerably smaller than the usual volume.

**Drugs and Chemicals**—Improvement generally through all lines was noted in this classification as compared with recent months. September sales of the reporting interests were 16.0 per cent larger than in August, but the total was 16.0 per cent less than in September, 1929, and the smallest for that month since 1924. Aggregate stocks on October 1 showed slight decreases as compared with thirty days and a year earlier.

**Dry Goods**—For the fourth consecutive month, September sales of the reporting firms showed an increase over the preceding thirty-day period. The September total, however, was the smallest for that particular month since 1921, and only a third as large as a year ago. Depleted retail stocks have resulted in an increase in current ordering, particularly of seasonal merchandise, but future business continues in considerably smaller volume than at the corresponding period in recent years. The general policy of curtailing inventories was reflected in decreases of 11.0 per cent and 13.0 per cent, respectively, in stocks on October 1 as compared with thirty days and a year earlier.

**Electrical Supplies**—September sales of the reporting firms were 43.0 per cent smaller than for the same month in 1929, and 24.0 per cent less than the August total this year. In the yearly comparison a considerable part of the decrease was accounted for by smaller sales of goods for new buildings. Stocks on October 1 were slightly smaller than thirty days earlier, and 11.4 per cent larger than a year ago.

**Flour**—Production at the 12 leading mills of the district in September totaled 395,330 barrels, the largest since last March, and comparing with 351,423 barrels in August, and 426,244 barrels in September, 1929. Stocks of flour in St. Louis on October 1 were 30.0 per cent larger than on September 1, and 15.0 per cent greater than on October 1, 1929. Prices declined further, chiefly in sympathy

with the downturn in wheat values. However, due to high cash premiums and lower feed prices, the decline in flour was relatively considerably less than in the case of wheat. Purchasing by dealers and ultimate consumers continued on a hand-to-mouth basis, but the volume of sales was larger than in several months, with fair quantities of low grade flours being taken for export. Mill operations were at from 55 to 60 per cent of capacity.

**Furniture** — There was an increase of about 12.0 per cent in sales of the reporting interests in September as compared with August. The September total, however, was less than half as large as for the same month in 1929, and the smallest recorded in any September since 1921. Stocks on October 1 were 18.0 per cent smaller than thirty days earlier, and 55.0 per cent less than on October 1, 1929.

**Groceries** — While continuing to run considerably below the corresponding month last year, sales of the reporting firms in September showed a gain of about 5.0 per cent over August this year. In both large cities and the country, retailers were more disposed to replenish depleted stocks, and requirements for late fall and winter were being covered more freely. Demand centered chiefly in staples, sales of fancy goods and luxuries making a relatively poor showing. The trend of prices was lower. Producers of canned goods were freer sellers at slightly reduced prices. Stocks on October 1 were a fifth larger than a month earlier, and slightly in excess of a year ago.

**Hardware** — As contrasted with a year ago, September sales of the reporting interests showed a decrease of one-third, but the total was approximately 10.0 per cent greater than in August this year. Stocks continued to decrease, and on October 1 were smaller by 4.0 and 12.5 per cent respectively, than thirty days and a year earlier.

**Iron and Steel Products** — Demand for iron and steel goods in this district during the past thirty days was as a whole slightly better than a month earlier. The improvement, however, was due almost exclusively to seasonal influences, many important commodities showing no change from the dull conditions which have obtained throughout the year. Purchasing and specifying by the general manufacturing trade showed moderately expanding tendencies. Warehouse and jobbing interests reported an increase in orders booked, and a greater diversity in goods being taken. Individual orders, however, continue of small size, and principally for immediate or reasonably prompt delivery. The approach of the fourth quarter of the year had practically no effect on the situation. Ordering of materials for consump-

tion during that period, both raw and finished, such as was usual in former years, was almost entirely lacking. Inventories as a whole are light, but there is a disposition to continue the policy of open market purchasing. The aggregate of unfilled orders of interests reporting to this bank showed no appreciable change as contrasted with the preceding month. Shipments of finished materials were in smaller than anticipated volume, due to backwardness in specifications by important consumers, notably the automotive industry, railroad equipment builders and the oil industry. Aside from the tractor division, activities in the farm implement industry were considerably below the seasonal average. Goods for use in the agricultural areas are generally in much smaller than the usual seasonal demand. Fabricators of iron and steel building materials reported a further decrease in unfinished business, and new lettings have been chiefly of small jobs. The call for materials for highway work, municipal improvements, and other outdoor engineering projects was relatively better than for commodities to be used in housing construction. Gray iron and malleable foundries, particularly those specializing in automobile castings, are in many instances still carrying heavy stocks of finished goods awaiting shipping directions. No marked changes in prices were noted, but competition continues keen, and reports of shading on desirable business were numerous. Quotation on scrap iron and steel were slightly reduced from the high point in September. Production of pig iron for the country as a whole in September totaled 2,276,781 tons, the lowest in six years and comparing with 2,525,105 tons in August and 3,496,454 tons in September, 1929. Steel ingot production in the United States aggregated 2,867,978 tons in September, against 3,095,293 tons in August and 4,527,966 tons in September, 1929.

## AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in September totaled 222,931, against 223,046 in August and 415,912 in September, 1929.

Following the seasonal trend of the past eight years, distribution of automobiles in this district during September showed a decrease as compared with August. For the seventh consecutive month, according to dealers reporting to this bank, the September total was smaller than for the corresponding period last year. In the month-to-month comparison the decrease this year was considerably larger than the average during the past half decade. As has been the case since early in the spring, the vol-

ume of business done by country dealers was relatively much smaller than that of selling agencies in the large centers of population. Reduced crop production, due to the drouth, coupled with the depressed prices of agricultural products, has had the effect of sharply reducing purchasing power of farmers, and there is a general disposition to recon-dition cars owned and make them servicable for a longer time rather than purchase new ones. This is true particularly in the south, where aggregate Sep-tember sales of the reporting dealers were the small-est for that particular month in recent years. In the large urban centers dealers report that depression in business and extensive unemployment have adversely affected their sales. In a number of instances, prospective purchasers are awaiting the fall automo-bile shows, the putting out of new models and pos-sible price reductions. Demand for trucks of all descriptions decreased rather sharply from August to September, the decline in activity being most marked in vehicles for light delivery service. Sep-tember sales of new passenger cars by the reporting dealers were 34.0 per cent smaller than in August, and 37.0 per cent below the September, 1929, total. Stocks of new cars in dealers' hands, which have for a number of months averaged smaller than a year earlier, continued to record decreases. On October 1 stocks were 13.5 per cent smaller than on the same date in 1929, and 11.0 per cent less than on Septem-ber 1 this year. There was no notable change in conditions in the used car market as contrasted with the preceding thirty days. There was a further de-crease in sales, both as compared with a month and a year earlier. Stocks of salable used cars held by dealers on October 1 were 2.5 per cent smaller than on September 1 and 10.0 per cent less than on Octo-ber 1, 1929. The ratio of new cars sold on the in-stallment plan in September by the dealers report-ing on that detail to total sales was 52.5 per cent, which compares with 55.4 per cent in August and 54.8 per cent in September, 1929.

**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	
	Sept. 1930 comp. to Sept. 1929	9 months ending Sept. 30, 1930 to same period 1929	Sept. 30, 1930 comp. to Sept. 30, 1929	Sept. 30, 1930	Jan. 1, to Sept. 30, 1930	1929
Evansville .....	-11.5%	-5.6%	-5.8%	1.48	1.66	
Little Rock.....	-6.0	-11.7	-18.8	1.71	1.77	
Louisville .....	7.2	-8.9	+ 3.1	2.05	2.29	
Memphis .....	9.0	-10.3	-9.5	2.18	2.29	
Quincy .....	0.0	-0.4	-1.4	1.91	1.96	
St. Louis.....	-10.7	-8.5	-7.7	2.82	2.98	
Springfield, Mo.....	-10.0	-8.1	-16.7	1.19	1.13	
8th District.....	-9.8	-8.9	-7.9	2.46	2.60	

  

	Net sales comparison		Stocks on hand	
	Sept. 1930 comp. to Sept. 1929	Aug. 1930	Sept. 1930 comp. to Sept. 1929	Aug. 1930
Men's furnishings.....	-15.9%	-17.1%	-11.7%	+ 7.1%
Boots and shoes.....	-14.1	+29.5	- 6.1	+ 8.3

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

	Percentage increase or decrease Sept. 1930 compared to Sept. 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-12.4%	-14.2%
Ready-to-wear accessories.....	8.8	3.2
Women and misses' ready-to-wear.....	-17.1	-23.5
Men's and boys' wear.....	-14.9	-7.1
Home furnishings.....	-14.0	-12.0

**BUILDING**

In point of dollar value, permits issued for new construction in the five largest cities of the district in September were 42.0 per cent larger than in Au-gust, and smaller by approximately one half than in September a year ago. According to statistics com-piled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in Sep-tember amounted to \$18,166,653, which compares with \$23,320,000 in August, and \$39,465,352 in Sep-tember, 1929. Production of portland cement for the country as a whole in September totaled 16,124,-000 barrels against 17,821,000 barrels in August, and 17,223,000 barrels in September, 1929. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	291	403	\$ 489	\$ 271	79	53	\$ 27	\$ 27
Little Rock	32	39	92	166	112	102	42	45
Louisville ..	80	151	271	1,556	59	76	131	127
Memphis ...	636	203	944	588	84	209	37	146
St. Louis....	375	577	1,163	1,600	343	494	183	804
Sept. totals	1,414	1,373	\$2,959	\$4,181	677	934	\$ 420	\$1,149
Aug. totals	1,237	1,294	2,080	4,074	559	783	687	964
July totals	1,147	1,709	2,191	4,869	589	659	378	759

\*In thousands (000 omitted).

**POSTAL RECEIPTS**

Returns from the five largest cities of the dis-trict show a decrease of 45.5 per cent in combined postal receipts for the third quarter of this year under the corresponding quarter in 1929, and a de-crease of 46.0 per cent as compared with the second quarter this year. Detailed figures follow:

	For Quarter Ending				Sept. 1930 comp. to Sept. 1929
	Sept. 30, 1930	June 30, 1930	Mar. 31, 1930	Sept. 30, 1929	
Evansville ....	\$ 157,000	\$ 168,000	\$ 164,000	\$ 171,000	- 8.2%
Little Rock....	234,000	212,000	212,000	225,000	+ 4.0
Louisville .....	612,000	683,000	681,000	681,000	-10.1
Memphis .....	541,000	581,000	653,000	605,000	-10.6
St. Louis.....	964,000	3,023,000	3,049,000	2,923,000	-67.0
Totals.....	\$2,508,000	\$4,667,000	\$4,785,000	\$4,605,000	-45.5

**CONSUMPTION OF ELECTRICITY**

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in Sep-tember as being about 2.0 per cent smaller than in August and less by 5.0 per cent than in September, 1929. Detailed figures follow:

	No. of Customers	Sept. 1930	Aug. 1930	Sept. 1930 comp. to Aug. 1930	Sept. 1929	Sept. 1930 comp. to Sept. 1929
		*K.W.H.	*K.W.H.	%	*K.W.H.	%
Evansville ....	40	1,850	1,848	+ 0.1%	1,804	+ 2.5%
Little Rock..	35	2,213	2,312	- 4.3	2,071	+ 6.9
Louisville ..	87	8,089	7,543	+ 7.2	8,057	+ 0.3
Memphis .....	31	996	1,018	- 2.2	1,199	-16.9
St. Louis.....	155	21,839	22,928	- 4.7	23,821	- 8.3
Totals.....	348	34,987	35,649	- 1.9	36,952	- 5.3

\*In thousands (000 omitted).

## AGRICULTURE

Moderate improvement in crop prospects and in farm conditions generally in this district took place during the past thirty days. The drouth conditions, which had prevailed earlier in the season and were accountable for widespread injury to agriculture, were mitigated by scattered rains in late September, and definitely broken by general precipitation since October 1. Aided by the moisture and mild temperatures, most unharvested crops achieved some betterment, except in areas most acutely affected by the dry spell. Emergency crops put in late to make up the deficiency in feeds occasioned by the drouth, have in the main done well. There was also a general revival in pastures, though in most sections there was not sufficient growth to substantially help out the fall feeding problems of livestock raisers. Stock water continued scarce until the end of September, and in many sections more rain is needed to provide an adequate supply during the late fall and winter. In Missouri, Indiana, Illinois and Kentucky, October condition of pastures is the lowest in more than fifteen years.

Moisture was sufficient to quite generally improve soil conditions for fall plowing and planting operations, and good progress has been made on this work. Weather has been ideal for all kinds of farm activities, and harvesting of late crops at the middle of October was further along than is ordinarily the case on that date. The outlook for production of hay, cotton, tobacco and white potatoes in this district was better on October 1 than a month ago. Some improvement also took place in the condition of certain late fruits and vegetables. The surplus of farm labor was slightly reduced, though the supply is universally in excess of demand. The trend of farm wages in Missouri and some other states was lower.

**Winter Wheat**—Wheat seeding throughout the district was rapidly nearing completion at the middle of October. Soil conditions were greatly improved by precipitation since the middle of September, and farmers took advantage of all clear days to expedite field work. While delays in some sections were caused by rains, and many farmers are deferring planting to conform with fly-free dates, larger acreages are in prospect than were indicated in August and September. More than the usual amount of seeding has been done for fall-winter pasture and early summer feed. Reports from all sections of the district indicate that more wheat is being fed, and will be fed to livestock this winter than in many years. Production of all wheat in the Eighth district is estimated by the U. S. Department of Agriculture, based on the October 1 condi-

tion, at 48,943,000 bushels, against 44,676,000 bushels harvested in 1929, and a 7-year average (1923-1929) of 43,636,000 bushels. Wheat prices declined further, and in late September reached the lowest level recorded since 1906.

**Corn**—Prospects for corn deteriorated slightly during September, the estimated yield as of October 1 in this district being 185,278,000 bushels, a decrease of 3,122,000 bushels under the September 1 estimate, and comparing with 312,957,000 bushels harvested in 1929, and a 7-year average of 339,625,000 bushels. Improvement in late planted corn in the northern counties was offset by poorer condition in the middle tier of counties, and in the south. There are numerous reports of severe damage from ear worm, chinch bugs and mould. In Missouri, and Illinois infestation from ear worm is more severe than in any recent year, particularly in the southern counties. Husking has made considerable progress, the crop as a whole having matured earlier than the average. Most recent returns indicate generally disappointing yields and inferior quality. In many fields farmers are finding corn poorly filled, wormy and rotten and making poor feed. In all states of the district, choice seed corn is scarce, and considerably more corn has been fed before cribbing than in many years.

**Fruits and Vegetables**—Under the influence of more favorable temperatures and moisture conditions, moderate improvement in fruit and vegetable prospects took place during September. However, no section of the district escaped injury from the protracted drouth, and with the exception of potatoes, yields of all fruits and vegetable crops will be considerably below these of last year, and in most instances below the average of the past decade. Digging of potatoes has made good progress and yields are large, but due to the hot weather there are numerous complaints of poor keeping quality and rotting in the ground. The yield of potatoes in this district, based on the October 1 report, is estimated at 14,940,000 bushels, against 13,313,000 bushels in 1929, and a 7-year average of 15,731,000 bushels. In states entirely or partly within the Eighth district, the estimated yield of apples is 12,338,000 bushels, of which 1,651,000 barrels represent commercial crop, against 14,280,000 bushels, with 1,620,000 barrels commercial crop in 1929, and a 5-year average of 23,967,000 bushels, with 2,511,000 barrels commercial crop. The output of grapes in these states is estimated at 32,675 tons, an increase of 3,280 tons over the September 1 forecast, and comparing with 38,196 tons in 1929, and a 5-year average of 28,707 tons. Considerable betterment in sweet potato prospects took place in September, the estimated

yield on October 1 being 13,105,000 bushels, or about 2,000,000 more than the September 1 forecast, and comparing with 17,741,000 bushels harvested in 1929, and a 5-year average of 16,748,000 bushels. Tomatoes and other commercial vegetable crops underwent improvement between September and October, and the condition of gardens on October 1 was considerably higher than thirty days earlier, though still below the average of recent years. The yield of peanuts, based on the October 1 condition, is estimated at 21,495,000 bushels, an increase of 3,600,000 bushels over September 1 forecast, but about a third smaller than last year and the 5-year average.

**Live Stock** — Breaking of the drouth materially helped the status of farm animals throughout the district. Forced marketing of hogs and cattle was halted, and in the principal stock raising areas farmers are generally in a better position to carry their herds through the winter, though strict economy in the use of feeds will be necessary in many instances. The movement of livestock to market in September was in seasonably larger volume than in August, but measurably smaller than during September last year.

Some improvement in pastures tended to help the situation, and hay prospects were better than a month earlier. The output of tame hay in the district is estimated at 5,763,000 tons, against 9,105,000 tons harvested in 1929, and a 7-year average of 8,160,000 tons.

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

	Receipts			Shipments		
	Sept., 1930	Aug., 1930	Sept., 1929	Sept., 1930	Aug., 1930	Sept., 1929
Cattle and calves.....	132,519	125,393	160,135	86,702	100,043	100,127
Hogs .....	238,241	210,960	312,938	191,940	183,084	211,815
Horses and mules.....	1,567	976	7,635	1,477	966	6,497
Sheep .....	55,926	45,110	64,770	18,465	10,782	33,672

**Cotton** — The U. S. Department of Agriculture estimates the output of cotton in the Eighth district, based on the October 1 condition, at 2,554,000 bales. This represents a decrease of 14,000 bales under the September 1 forecast, and compares with 3,306,000 bales produced in 1929, and a 7-year average of 2,660,000 bales. Fair to good progress has been made in picking the crop, but generally harvesting is slow because of the fact that farmers are hiring as little help as they can possibly get along with. There are many complaints of small bolls, due to the summer drouth, and in Arkansas and Mississippi new fruitage has been restricted in many sections by army and leaf worm activity. Influenced by lack of consumer demand and absence of investment and speculative interest, prices receded further, recording a new low for the crop and since 1915 in early October. In the St. Louis market the middling

grade ranged from 9.15c to 9.85c per pound between September 15 and October 15, closing at 9.40c on the latter date, which compared with 13½c on October 15, 1929. Farmers generally are unwilling to sell at present prices, and are holding their cotton for more favorable marketing conditions. This fact is evidenced by the scant receipts at compresses as compared with last year, and the average during the past several years. Total receipts at Arkansas compresses from August 1 to October 1 totaled 257,113 bales, against 408,987 bales for the corresponding period in 1929. Stocks on hand in Arkansas warehouses on October 10 totaled 232,489 bales, against 111,155 bales on September 12, and 237,968 bales on the corresponding date in 1929.

**Tobacco**—Quite marked improvement in tobacco prospects in all sections of the district took place during September, and since the end of that month reports indicate further betterment in the late varieties. The U. S. Department of Agriculture's estimate as of October 1 places the yield of all types in this district at 267,261,000 pounds, a gain of 22,500,000 pounds over the September 1 forecast, and comparing with 316,507,000 pounds produced in 1929, and a 7-year average of 288,688,000 pounds. Cutting has been pushed rapidly under favorable conditions for handling and housing. At the middle of October practically the entire crop of burley, air-cured, green river and fired-dark tobacco had been housed. Quality of the leaf can still be improved by favorable curing weather, and an accurate estimate of ultimate quality can not be made until the curing process is completed in November.

**Rice** — Harvesting and threshing of the crop has made good progress, and early returns tend to bear out earlier estimates both as to quality and quantity. Combined yield in Arkansas and Missouri is placed by the Department of Agriculture at 6,709,000 bushels, against 7,119,000 bushels in 1929, and the 5-year average of 8,384,000 bushels. Opening prices for the new crop average about 10 per cent below a year ago. Farmers, where possible, are holding their stocks for higher prices.

**Commodity Prices** — Range of prices in the St. Louis market between September 15, 1930 and October 15, 1930, with closing quotations on the latter date and on October 15, 1929:

	High	Low	Close	
			Oct. 15, 1930	Oct. 15, 1929
Wheat				
Dec. ....per bu.	\$.85¾	\$.75¼	\$.78	\$1.33¾
May .....	.92½	.82	.83	1.43½
No. 2 red winter “	.92	.83	.88 @ .88½	1.32 @ 1.35
No. 2 hard..... “	.86	.77½	.80 @ .80½	1.29½ @ 1.29½
Corn				
Dec. .... “	.88¾	.77¾	.80½	.93½
May .....	.92	.80	.83	1.01
No. 2 mixed..... “	.96½	.85	.85 @ .85½	.95 @ .96
No. 2 white..... “	.98½	.89½	.92 @ .92½	.97½ @ .98
Oats				
No. 2 white..... “	.40	.36½	.37½ @ .38	.48 @ .48½
Flour				
Soft patent.....per bbl.	5.00	4.50	4.50 @ 5.00	6.75 @ 7.00
Spring patent..... “	5.30	4.75	4.75 @ 4.85	6.00 @ 6.20
Middling cotton....per lb.	.985	.915	.940	.17¼
Hogs on hoof.....per cwt.	10.75	7.00	8.00 @ 10.15	8.15 @ 10.05

## FINANCIAL

As contrasted with the preceding thirty days, the banking and financial situation in this district underwent no notable changes. Depressed business conditions were reflected in a further slowing down in demand for credit from industrial and mercantile interests. Liquidation of loans by these interests was spotty in character, but in fair volume as a whole. October payments to boot and shoe, dry goods and other wholesaling lines, with which October is an important collection month were in the main satisfactory, and resulted in a considerable reduction in commitments with their banks. Loanable funds held by banks in the large centers were abundant, and customers with satisfactory balances were able to secure accommodations at the lowest rates recorded at any time in recent years.

Due to depressed prices of certain agricultural products and a disposition on the part of producers to hold for more favorable markets, liquidation by country banks to their city correspondents have been slow. This is true particularly in the south, where the movement of cotton is backward and collections of retail merchants poor. There has been a fair volume of liquidation by grain and milling interests, and total commitments of these interests are considerably smaller than at the corresponding time last year. Demand from canning, packing and live-stock industries has shown less than the usual seasonal increase.

Total loans of the reporting member banks decreased sharply between September 10 and October 8, and this movement was accompanied by a corresponding recession in deposits, which on the second report date this month reached the lowest point of the year. Investments continued the irregularly upward trend which began early in the summer, and on October 8, reached the highest level since June 18. Average borrowings of all member banks from the Federal reserve bank varied only slightly as compared with the preceding thirty days, but were uniformly considerably below the corresponding period in 1929.

At St. Louis banks current rates of interest were as follows: Prime commercial paper, 3 to 5 per cent; collateral loans,  $4\frac{1}{4}$  to  $5\frac{3}{4}$  per cent; loans secured by warehouse receipts  $3\frac{3}{4}$  to  $5\frac{1}{2}$  per cent; interbank loans, 4 to  $5\frac{1}{2}$  per cent, and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on October 15, 1930, showed a decrease of 3.7 per cent as contrasted with

September 17, 1930. Deposits decreased 2.1 per cent between September 17, 1930 and October 15, 1930 and on the latter date were 2.8 per cent less than on October 16, 1929. Composite statement follows:

	*Oct. 15, 1930	*Sept. 17, 1930	*Oct. 16, 1929
Number of banks reporting.....	†24	†24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$218,298	\$234,556	\$243,096
All other loans and discounts....	273,240	275,964	302,986
Total loans and discounts.....	\$491,538	\$510,520	\$546,082
Investments			
U. S. Government securities.....	34,809	33,727	47,311
Other securities.....	126,021	124,149	108,542
Total investments.....	\$160,830	\$157,876	\$155,853
Reserve balance with F. R. bank..	45,051	44,440	45,275
Cash in vault.....	5,765	5,581	6,626
Deposits			
Net demand deposits.....	361,475	370,674	379,586
Time deposits.....	235,878	239,410	233,481
Government deposits.....	1,208	1,538	2,513
Total deposits.....	\$598,561	\$611,622	\$615,580
Bills payable and rediscounts with			
Federal Reserve Bank.....	5,020	5,307	31,105

\*In thousands (000 omitted).

†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*Sept., 1930	*Aug., 1930	*Sept., 1929	Sept., 1930 comp. to Aug. 1930	Sept. 1929
East St. Louis & Natl.					
Stock Yards, Ill. \$	38,128	\$ 37,817	\$ 62,425	+ 0.8%	—38.9%
El Dorado, Ark.....	6,472	6,463	8,080	+ 0.1	—19.9
Evansville, Ind.....	24,348	26,203	31,743	+ 7.1	—23.3
Fort Smith, Ark....	12,158	11,189	14,944	+ 8.7	—18.6
Greenville, Miss....	3,425	3,138	5,393	+ 9.1	—36.5
Helena, Ark.....	3,711	3,402	7,473	+ 9.1	—50.3
Little Rock, Ark....	65,773	61,984	93,281	+ 6.1	—29.5
Louisville, Ky.....	204,913	176,941	200,790	+15.8	+ 2.1
Memphis, Tenn....	126,709	112,311	192,078	+12.8	—34.0
Owensboro, Ky.....	5,739	5,944	5,963	— 3.4	— 3.8
Pine Bluff, Ark....	8,018	6,968	16,911	+15.1	—52.6
Quincy, Ill.....	10,921	8,941	13,817	+22.1	—21.0
St. Louis, Mo.....	617,263	619,791	775,420	— 0.4	—20.4
Sedalia, Mo.....	4,126	3,928	4,785	+ 5.0	—13.8
Springfield, Mo....	14,996	13,853	16,972	+ 8.3	—11.6
**Texarkana,					
Ark.-Tex.....	10,194	11,893	16,428	—14.3	—37.9
Totals.....	\$1,156,894	\$1,110,766	\$1,466,503	+4.2	—21.1

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During September the Federal Reserve Bank of St. Louis discounted for 208 member banks, against 220 in August, and 247 in September, 1929. The discount rate remained unchanged at  $3\frac{1}{2}$  per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Oct. 22, 1930	*Sept. 22, 1930	*Oct. 22, 1929
Bills discounted.....	\$18,161	\$18,144	\$48,951
Bills bought.....	8,229	10,469	42
U. S. Securities.....	23,899	23,899	8,625
Total bills and securities.....	\$50,289	\$52,512	\$57,618
F. R. Notes in circulation.....	62,152	64,254	85,914
Total deposits.....	75,845	78,779	77,535
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	71.3%	70.2%	71.1%

\*In thousands (000 omitted).

(Compiled October 23, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of November 29, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

AVAILABLE statistics and data generally bearing on trade and industry in this district during the past thirty days failed to indicate improvement in the depressed conditions which obtained in recent months. Distribution of goods and activities at manufacturing establishments through October continued at relatively low levels and in a majority of instances, reports received during the first half of November reflect a further slightly downward trend. Purchasing by merchants and the public continues on an extremely conservative scale, and there is a general disposition to await developments before making commitments. Ordering for future delivery in virtually all wholesaling lines is reported considerably below the average at this particular time during the past decade. In a limited number of classifications, notably stoves, drugs and chemicals, meat packing and other prepared food products, hardware and groceries, seasonal improvement was shown in October as compared with September, but in all lines investigated the volume of business reported in October was below that of the same month in 1929, and the average during the past five years.

Activities in the iron and steel industry sustained a further moderate recession in October and early November. New business with mills, foundries and machine shops is being sparingly placed, and despite curtailed shipments, backlogs of unfinished orders declined. Manufacturers and distributors of building materials report quietness in the demand for their goods. Moderate betterment in demand for bituminous coal for domestic heating purposes was offset by smaller requirements for manufacturing and industry generally. Conditions in the agricultural areas were favorable for harvesting late crops and general fall work, and yields are turning out better than indicated earlier in the season. Prices of farm products, however, continued to decline, and wheat, cotton, hogs and some other important products, reached the lowest levels in many years. As a result of the depressed markets, farmers are disposed to hold their stocks, and in many sections are holding down their purchases of commodities to a necessity basis.

Distribution of automobiles during October, according to dealers reporting to this bank, was the smallest since last January. Sales of department stores in the principal cities of the district in October failed to show the usual seasonal pick up, the total for that month being 2.9 per cent smaller than in September, and 10.6 per cent less than in October, 1929. For the year to November 1 the total was 9.1 per cent smaller than for the same period last year. Combined sales of all wholesale and jobbing firms reporting to this bank were in considerably smaller volume than in September, and about one-third less than in October, 1929. Charges to individual checking accounts in October were 10.0 per cent larger than in September, and 27.2 per cent less than in October, 1929. The cumulative total for the year to November 1 was 15.4 per cent smaller than for the corresponding period in 1929. The amount of savings deposits showed little variation as compared with a month and a year earlier.

Reflecting the general depression in business, freight traffic of railroads operating in this district continued the decline in volume which has been in effect since last winter. As contrasted with the same period during the two preceding years, marked decreases were noted in all classifications, with merchandise and miscellaneous freight making a particularly unfavorable showing. For the country as a whole, loadings of revenue freight for the first 44 weeks this year, or to November 1, totaled 39,911,074 cars, against 45,671,671 cars for the corresponding period in 1929, and 44,032,586 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 194,613 loads in October, against 186,862 loads in September, and 197,835 loads in October, 1929. For the first nine days of November the interchange amounted to 54,121 loads, against 57,676 loads during the corresponding period in October, and 65,732 loads during the first nine days of November, 1929. Passenger traffic of the reporting roads in October decreased 18 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 103,000 tons, against

113,749 tons in September, and 137,031 tons in October, 1929.

Reports relative to collections reflected little change from the slow backward tendencies noted in recent months. Generally through the rural areas, but more particularly in the south, merchants are complaining of slow settlements, due partly to a disposition on the part of farmers to hold their products for more favorable markets. Payments to wholesalers in the large distributing centers are irregular and spotted. Retailers in a strong cash position are taking up their bills promptly, but these are not in the majority and an increasing number of requests for extensions is reported. Settlements of retailers in the large centers were in relatively smaller volume in October and early November than a month and a year earlier. Time payment houses report more difficulty in getting in their money than heretofore. Replies to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
October, 1930.....	1.4%	8.5%	67.6%	22.5%
September, 1930.....	0.1	16.8	57.7	25.4
October, 1929.....	2.8	32.4	60.5	4.3

Commercial failures in the Eighth Federal Reserve District in October, according to Dun's, numbered 118, involving liabilities of \$3,505,807, against 153 failures with liabilities of \$4,427,593 in September, and 124 defaults for a total of \$1,881,464 in October, 1929.

The average daily circulation in the United States in October was \$4,501,000,000, against \$4,492,000,000 in September and \$4,810,000,000 in October, 1929.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — Sales of the reporting firms in October showed a decrease of more than one-fourth as compared with the same month in 1929, and the total was 5.5 per cent smaller than in September this year. Stocks on November 1 were 19.2 per cent smaller than thirty days earlier and 14.1 per cent larger than on November 1, 1929. Purchasing by retailers continues on a hand-to-mouth basis, with all firms reporting an unusually large number of mail orders for small quantities. The trend of prices was lower, though specific quotations showed few changes as contrasted with the preceding thirty days. On an average, prices are from 5 to 8 per cent lower than a year ago. During September and October factory operations were at about two-thirds of full capacity, and in early November fell to 60 per cent.

**Clothing** — The movement of seasonal apparel has been curtailed by mild weather, and advance

buying remains in considerably smaller volume than in past years. Sales of men's overcoats and women's cloaks are below expectations, and the movement of work clothes is reported in smaller volume than at any similar period in more than a decade. October sales of the reporting clothiers were 81.0 per cent smaller than for the same month in 1929, and 30.0 per cent less than the September total this year.

**Drugs and Chemicals** — Following the usual seasonal trend of the past several years, October sales of the reporting firms were larger than in September, the increase amounting to about 7.0 per cent. The October total, however, was 10.0 smaller than a year ago. Heavily reduced purchasing of heavy drugs and chemicals by the general manufacturing trade and smaller sales of denatured alcohol and other seasonal merchandise accounted for the decrease in the yearly comparison. Stocks on November 1 were 1.3 per cent and 4.0 per cent smaller, respectively than thirty days and a year earlier.

**Dry Goods** — Business in this classification continued the steady declines under a year ago which have been in effect in recent months. October sales of the reporting interests were about one-fourth smaller than for that month in 1929, and 6.2 per cent less than in September this year. Lower prices were partly responsible for the decrease in the yearly comparison, but volume was also smaller in virtually all lines. Orders booked for both future and prompt shipment since November 1 indicate no improvement over the preceding two months. Stocks on November 1 were smaller by 12.6 per cent than on October 1, and by 16.7 per cent than on November 1, 1929.

**Electrical Supplies** — October sales of the reporting firms were 37.0 per cent smaller than during the same month in 1929, and slightly less than the September total this year. Stocks on November 1 were 3.0 per cent and 11.0 per cent larger, respectively, than thirty days and a year earlier. The movement of seasonal merchandise is below expectations, and advance ordering of holiday goods is in considerably smaller volume than at this period in recent years.

**Flour** — Production at the 12 leading mills of the district in October totaled 426,184 barrels, the largest for any single month since September, 1929, and comparing with 398,617 barrels in September, and 412,118 barrels in October, 1929. Stocks of flour in St. Louis on November 1 were 8.0 per cent smaller than on October 1, and about the same as on November 1 last year. The sharp declines in wheat was reflected in a lowering of prices and generally quiet trade conditions. Buying continued on a neces-

sity basis, and export demand failed to show improvement. Mill operation was at approximately 60 per cent of capacity.

**Furniture** — For the second consecutive month, sales of the reporting firms showed an increase over the preceding month, the gain in October over September being 2.6 per cent. The October total, however, was less than half as large as a year ago, and considerably below the average for that month during the past decade. Stocks on November 1 were slightly lower than a month earlier, and 23.0 per cent larger than on the corresponding date in 1929.

**Groceries** — October sales of the reporting interests were 13.0 per cent smaller than for the same month in 1929, and 2.0 per cent larger than the September total this year. Stocks on November 1 were 2.6 per cent and 5.4 per cent smaller, respectively, than thirty days and a year earlier.

**Hardware** — Depressed conditions in the rural areas and cautious buying generally had a detrimental effect on business in this classification during the past thirty days. As is usual, October sales of the reporting firms were larger than in September, but the total was more than one-fourth less than a year ago. Inventories continued to decrease, stocks on November 1 being reported as 7.8 per cent and 15.3 per cent smaller, respectively, than thirty days and a year earlier.

**Iron and Steel Products** — The moderate improvement in demand for iron and steel, noted in the preceding issue of this report, failed to continue during the past thirty days. Placement of new business by virtually all classes of consumers was on a limited scale, and covered almost exclusively commodities for immediate use. Backlogs of unfinished orders at mills, foundries and machine shops sustained a further decrease, and curtailed operating schedules were the rule. Mild weather had a tendency to hold down purchasing of seasonal goods, and as has been the case since the early summer, demand, for commodities for use in the agricultural areas was considerably below the average at this time during the past several years. Manufacturers of farm implements report sales the smallest in recent years, and the same is true of makers and distributors of stoves and ranges. The outlet through the building industry continues restricted. Fabricators were working mainly on old orders, the volume of which had substantially declined. New lettings were for the most part of small jobs, calling for relatively light tonnages. The movement of materials for outdoor engineering projects, such as highway construction, public utilities extensions and river improvements, continued heavy, ideal weather for such activities having permitted uninterrupted

work. Automotive requirements showed no improvement, and specifications on finished materials for that industry were backward. Purchasing by the railroads was on a hand-to-mouth basis. Less than the usual seasonal pick-up took place in the demand for tubular goods. Plates, sheets and rolled steel generally remained quiet, and the movement of wire and wire goods showed no improvement from the recent dullness. Distribution of iron and steel goods from warehouses was in limited volume, the October total of the reporting firms being slightly below that in September, and only a half as large as a year ago. As a whole, finished steel products in October and early November exhibited a greater tendency in the direction of price stability than was the case with pig iron and iron and steel scrap. The raw materials declined, particularly scrap, certain grades dropping to the lowest point reached in more than two decades. While inventories of raw materials are in the main light, there was unusually little buying for future requirements. Purchasing of pig iron for first quarter of 1931 was almost entirely absent. Production of pig iron for the country as a whole in October was the smallest for any month since 1924, the total, 2,165,374 tons, comparing with 2,276,374 tons in September, and 3,588,146 tons in October, 1929. Production of steel ingots in the United States in October totaled 2,720,414 tons, against 2,867,978 tons in September, and 4,534,326 tons in October, 1929.

## AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in October totaled 150,044, against 222,931 in September and 379,942 in October, 1929.

As has been uniformly the case during the past five years, distribution of automobiles in this district declined from October to November. The extent of the decrease was considerably larger than the average, however, and for the eighth consecutive month, October sales of dealers reporting to this bank were in smaller volume than during the corresponding period a year earlier. While relatively greater losses in both comparisons were shown by dealers in the country and small towns, than in the chief urban centers, decreases were general and extended to all classes of makes. Extensive unemployment depressed prices of farm products and a general disposition to conservatism were given by dealers as the chief reasons accounting for their smaller volume of sales. In turn the dealers are ordering from producers only enough cars to supply immediate requirements, with the result that inventories of new cars recorded a further reduction, and in many cases were the smallest at this time of year in

more than a half decade. October sales of the reporting dealers were a fourth smaller than in September, and only a little more than half as large as in October last year. As compared with the average October sales during the past five years, the total this year showed a decrease of about 42 per cent. Stocks of new cars in dealers' hands on November 1 were 3.4 per cent smaller than on October 1, and 14.2 per cent smaller than on November 1, 1929. Reports relative to the used car market reflected rather spotted conditions. Special selling campaigns and a desire on the part of dealers to realize cash resulted in heavy sales, in numerous instances at sharply reduced prices. Stocks of some dealers were reduced, while others reported no change or slightly larger inventories than thirty days earlier. Average saleable used car stocks on November 1 were 2.0 per cent smaller than on October 1, and 12.6 per cent less than on November 1, 1929. In both comparisons declines in value of used cars were considerably larger than in numbers. Business in parts and accessories continued to make a relatively better showing than in automobiles proper, due to unusually heavy repair and reconditioning operations. Sales in October of the reporting dealers were about on a parity with September, and 3.8 per cent smaller than in October last year. The ratio of new cars sold on time payment in October by dealers reporting on that detail was 54.0 per cent against 52.5 per cent in September, and 53.7 per cent in October, 1929.

### RETAIL TRADE

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

	Net sales comparison		Stocks on hand		Stock turnover	
	Oct. 1930 comp. to Oct. 1929	10 months ending Oct. 31, 1930 to same period 1929	Oct. 31, 1930 comp. to Oct. 31, 1929	Oct. 31, 1930 comp. to Oct. 31, 1929	Jan. 1, to Oct. 31, 1930	Jan. 1, to Oct. 31, 1929
Evansville .....	-13.1%	-6.5%	-6.5%	1.66	1.86	
Little Rock.....	-9.8	-10.8	-16.4	1.95	1.99	
Louisville .....	-3.9	-8.3	+2.6	2.32	2.58	
Memphis .....	-25.0	-12.2	-8.5	2.45	2.62	
Quincy .....	+3.1	0.0	-6.6	2.15	2.19	
St. Louis.....	-8.1	-8.5	-8.5	3.16	3.31	
Springfield, Mo.....	-10.0	-8.4	-16.8	1.38	1.31	
8th District.....	-10.6	-9.1	-8.1	2.76	2.91	

  

	Net sales comparison		Stocks on hand	
	Oct. 1930 comp. to Oct. 1929	Sept. 1930	Oct. 1930 comp. to Oct. 1929	Sept. 1930
Men's furnishings.....	-6.7%	+38.6%	-8.4%	+1.8%
Boots and shoes.....	-17.4	+5.4	-10.1	+2.3

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

	Percentage increase or decrease Oct. 1930 compared to Oct. 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-14.7%	-8.9%
Ready-to-wear accessories.....	-13.3	-4.8
Women and misses' ready-to-wear.....	-20.1	-18.7
Men's and boys' wear.....	-16.3	-10.6
Home furnishings.....	-19.5	-8.1

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in October was the smallest, with the exception of last

January, for any month in more than six years. The total was 56.6 per cent smaller than in September, and 43.0 per cent less than in October, 1929. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in October amounted to \$31,705,045, against \$18,166,653 in September, and \$25,648,808 in October, 1929. Production of portland cement for the country as a whole in October totaled 14,410,000 barrels, against 16,124,000 barrels in September, and 16,731,000 barrels in October, 1929. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	299	442	\$ 121	\$ 345	80	45	\$ 42	\$ 21
Little Rock	32	50	52	165	76	94	25	56
Louisville ..	92	99	315	584	48	84	59	650
Memphis ....	170	163	243	429	173	212	123	167
St. Louis.....	380	488	552	723	327	533	213	498
Oct. totals	973	1,242	\$1,283	\$2,246	704	968	\$ 462	\$1,392
Sept. totals	1,414	1,372	2,959	4,181	677	934	420	1,149
Aug. totals	1,237	1,294	2,080	4,074	559	783	687	964

\*In thousands (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 October as being slightly greater than in September, but 4.1 per cent smaller than in October, 1929. In the yearly comparison decreases are general through all classes of consumers. Detailed figures follow.

	No. of Customers	Oct. 1930	Sept. 1930	Oct. 1930 comp. to Sept. 1930	Oct. 1929	Oct. 1930 comp. to Oct. 1929
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	1,948	1,850	+ 5.3%	1,827	+ 6.6%
Little Rock..	35	2,375	2,213	+ 7.3	1,941	+22.4
Louisville .....	85	7,566	8,089	- 6.5	7,692	- 1.6
Memphis .....	31	1,816	996	+82.3	1,521	+19.3
St. Louis.....	153	21,369	21,831	- 2.1	23,574	- 9.4
Totals.....	344	35,074	34,979	+ 0.3	36,555	- 4.1

\*In thousands (000 omitted).

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

	By water power	By fuels	Totals
Sept. 1930.....	2,257,241,000	5,506,241,000	7,763,482,000
Aug. 1930.....	2,487,667,000	5,389,895,000	7,877,562,000
Sept. 1929.....	2,479,066,000	5,518,748,000	7,997,814,000

### AGRICULTURE

Conditions throughout the Eighth district during October and early November were in the main auspicious for crops and agricultural activities of all descriptions. Yields as a whole are turning out better than was believed possible six weeks or two months back, when practically the entire area was affected by the worst drouth experienced in recent years. Following relief from the protracted dry spell, late crops and pastures have developed favorably, and in some sections closely approximate the average for this time of year. Plantings of legumes and other emergency crops to supply the deficiency of feeds occasioned by failure of hay, corn, and other

productions in the drouth areas, have for the most part been successful, and will substantially assist in carrying livestock through the winter. A favorable feature of the season has been almost ideal weather for securing practically all field crops with a minimum of damage following maturity. Due to the lateness of frosts, unusually little injury was sustained from that cause. Of the principal late crops, corn, tobacco and white potatoes improved between October 1 and November 1, while slight deterioration took place in prospects for cotton.

Despite improvement late in the season, combined yields of all crops in the district in 1930 will be considerably below the average. On November 1 prospective crop yield in states entirely or partly within the Eighth district as a percentage of the average during ten years (1919-1928) was 75.5 per cent, which compares with 104.9 per cent on the same date in 1929 and 99.8 per cent in 1928. In addition to smaller outputs, prices of farm products continued to decline. In early November wheat receded to the lowest level in 28 years, and there were correspondingly sharp declines in other cereals. Farm labor conditions showed no changes as compared with the preceding thirty days. Wages have been on the decline since early in the year, with supply in excess of demand in practically all sections.

**Corn** — In its report as of November 1, the U. S. Department of Agriculture estimates the yield of corn in the Eighth Federal Reserve District at 185,806,000 bushels. This represents a moderate increase over the October 1 forecast, and compares with 312,957,000 bushels harvested in 1929, and a 7-year average of 339,625,000 bushels. Under favorable weather, harvesting and housing of the crop made rapid progress and is further advanced than usual at this time. Reports relative to quality reflect uneven conditions. Late plantings are turning out best, having been helped by September and October rains and the delayed frost. In the drouth areas considerable damage was done by ear worms and fungus pests. More than the average acreage was used for silage and forage, and some acreage was entirely abandoned in sections most acutely affected by the dry weather. Stocks of old corn on farms on November 1 were much below those during the preceding half decade. The corn crop for the entire country is estimated at 2,094,000,000 bushels, against 2,614,000,000 bushels harvested in 1929, and a 5-year average of 2,700,000,000 bushels.

**Winter Wheat** — No revision was made in the estimated production of wheat in the Eighth district, the Department of Agriculture placing the output for the year at 48,943,000 bushels, against 44,676,000

bushels harvested in 1929, and a 7-year average of 43,636,000 bushels. Seeding was carried further into the season than usual, and weather was auspicious for this work. The growing crop is almost universally up to a good stand, with fine color and root growth. At the middle of this month, however, general rains were much needed for fall sown grains over the northern stretches of the district. Due to short feed crops and low pasturage conditions, numerous fields of early sown wheat are being used for grazing. As was the case earlier in the season, unusually large quantities of wheat are being fed to live stock.

**Fruits and Vegetables** — Gardens and late commercial vegetable crops achieved marked improvement as a result of mild weather and moisture during October and early November. In the drouth areas all late garden products are being closely harvested and prepared for winter use. Final yields of certain fruits and vegetables are turning out slightly larger than earlier indications in some localities. White potatoe prospects were bettered in October, the district yield being estimated on November 1 at 15,684,000 bushels, an increase of 744,000 bushels over the October 1 forecast, and comparing with 13,313,000 bushels harvested in 1929, and a 7-year average of 15,731,000 bushels. The apple crop in states entirely or partly within this district is estimated at 13,073,000 bushels, of which 1,686,000 barrels represent commercial crop, against 14,280,000 bushels with 1,620,000 barrels commercial crop in 1929, and a 5-year average of 23,567,000 bushels, of which 2,511,000 barrels were commercial crop. The pear crop in these states is estimated at 1,008,000 bushels, against 1,972,000 bushels in 1929, and a 5-year average of 1,681,000 bushels. Grape prospects improved slightly between October and November, the estimate for the district based on the November 1 condition being 33,771 tons, against 38,196 tons in 1929, and a 5-year average of 28,707 tons. There was also considerable improvement in the sweet potatoe crop, the November 1 forecast being for 13,979,000 bushels, an increase of 974,000 bushels over the October 1 forecast, and comparing with 17,741,000 bushels harvested in 1929, and a 5-year average of 16,748,000 bushels.

**Live Stock** — Taken as a whole, the condition of live stock throughout the district is good, adverse influences earlier in the season considered. Improvement of pastures following the drouth helped materially, and while in many instances feed prices are higher than average and supplies less plentiful, farmers have been able to carry their herds in fair shape. Stock water was adequate for current requirements, but at the middle of November heavy

fall rains were needed to replenish depleted supplies in many localities, particularly in the northern tier of counties. Losses of farm animals from forage poisoning have been somewhat larger than usual, due to the prevalence of moulds and rots in corn this season. Heavy infestation of ear worm in corn has aggravated this condition. The low price of wheat and scarcity of other grain and forage feeds is reflected in more general feeding of wheat to live stock than in any recent year. Milk production per cow, which had declined steadily since June, showed less than the usual seasonal decrease during October.

The lamb feeding situation on November 1 was still uncertain. Available information points to a material decrease in the total number which will remain on feed for market in all areas on January 1, 1931, in comparison with January 1, 1930. This decrease may exceed 500,000 head. The number of fed lambs available to move during November and December, however, appears to be much larger than the number marketed during those months in 1929. Among the complicating factors in the feeding situation this year is the heavy direct movement of lambs into areas where feeding has never been of great importance and the uncertainty as to the time when these lambs will move to market; another is the large number of lambs being held on pastures in producing areas that may or may not be marketed, depending upon prices during the next two months.

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

	Receipts			Shipments		
	Oct. 1930	Sept. 1930	Oct. 1929	Oct. 1930	Sept. 1930	Oct. 1929
Cattle and calves.....	140,285	132,519	144,437	92,541	86,702	99,179
Hogs .....	304,663	238,241	339,212	250,431	191,940	247,835
Horses and mules.....	2,167	1,567	6,486	2,360	1,477	7,993
Sheep .....	65,421	55,926	46,313	34,397	18,467	24,961

**Cotton** — A moderate decrease in prospective yield in this district took place during October. Based on the November 1 condition, the Department of Agriculture estimates the crop at 2,436,000 bales, against 3,306,000 last year, and a 7-year average of 2,660,000 bales. Weather as a whole has been favorable for picking cotton, and the harvest is well advanced. Since the first of November conditions have been less auspicious, rains in some sections having interfered with field operations. Prices advanced slightly during the last week in October from the low point of the season reached early in that month, but reacted downward during the second week in November. In St. Louis the middling grade ranged from 9.25c to 10.25c per pound between October 17 and November 17, closing at 9.35c on the latter date, which compares with 9.25c on October 17, and 16.25c on November 15, 1929. There was still a disposition on the part of farmers to hold their cotton for more favorable markets. Total receipts at Arkansas warehouses from August 1 to November

14 were 590,335 bales as against 1,000,914 bales for the corresponding period last year. Stocks on hand in Arkansas warehouses on November 14 totaled 357,127 bales, which compares with 232,489 bales on October 10, and 381,585 bales on the corresponding date in 1929.

**Rice** — Earlier expectations are being exceeded as harvesting and threshing of the crop progresses. Combined yield in Arkansas and Missouri is estimated at 7,465,000 bushels, against 7,119,000 bushels in 1929 and a 5-year average of 8,384,000 bushels. Prices average about 10c below a year ago, and farmers are in many instances holding their stocks for more favorable markets.

**Tobacco** — Based on the November 1 condition, the Department of Agriculture estimates the tobacco crop in the Eighth district at 278,162,000 pounds, which is about 11,000,000 pounds more than the October 1 forecast, and compares with 316,507,000 pounds harvested in 1929. Remarkable improvement took place in the condition of all types of tobacco following breaking of the drouth, and since cutting and housing of the crop, weather has been mainly favorable for conditioning the leaf. While quality as a whole is considerably below the 10-year average in all states of the district, it is much higher than was thought possible a month or six weeks earlier. Opening of the loose-leaf markets is scheduled for early in December.

**Commodity Prices** — Range of prices in the St. Louis market between October 15, 1930 and November 17, 1930, with closing quotations on the latter date and on November 15, 1929:

	High	Low	Close	
			Nov. 17, 1930	Nov. 15, 1929
<b>Wheat</b>				
Dec. ....per bu..	\$.81½	\$.69½	\$.73¼	\$1.16½
May .....	.85¼	.73¾	.75½	1.26½
No. 2 red winter “	.91	.83	\$.84 @ .85	\$1.23 @ 1.24
No. 2 hard.....	.82	.72	.75 @ .76	1.16 @ 1.18
<b>Corn</b>				
Dec. ....	.81	.70½	.71½	.85
May .....	.85	.74¾	.76½	.94½
No. 2 mixed.....	.85½	.69	.71 @ .72	.87 @ .88
No. 2 white.....	.92½	.72	.75 @ .76	.90 @ .91
<b>Oats</b>				
No. 2 white.....	.39	.32½	.34½ @ .35	.47½ @ .48
<b>Flour</b>				
Soft patent.....per bbl.	5.00	4.30	4.30 @ 4.75	6.00 @ 6.50
Spring patent.....	5.30	4.40	4.40 @ 4.65	5.85 @ 5.90
Middling cotton....per lb.	.10¼	.09¼	.0935	.16¼
Hogs on hoof.....per cwt.	10.25	7.25	7.25 @ 8.75	8.00 @ 8.25

## FINANCIAL

Reflecting continued depression in industry and commerce, available supply of loanable resources for business purposes was in excess of requirements. In order to employ their surplus funds, commercial banks substantially increased their investments, the total of which in early November reached the highest point since last June. In the principal urban centers seasonal needs of mercantile and manufacturing interests were less in evidence than has been the case at this time in recent years. The call for funds for carrying securities was also in smaller volume than heretofore.

As was the case during the preceding thirty days, liquidation was spotty and irregular, both with reference to the several lines and localities. Payments of loans based on agricultural products were in less than expected volume, due to depressed markets and a disposition on the part of producers to hold their products for more remunerative prices. This was true particularly in the typical cotton and grain areas. Some increase in demand for tobacco loans was reported, and there is still an active call for financing live stock operations.

Reversing the movement of a year ago and in some other past seasons, loans of the reporting member banks have decreased sharply since the end of August. This trend is accounted for largely by smaller industrial and mercantile requirements, lower commodity prices, and heavily reduced borrowings on securities. On November 12, total loans of reporting member banks were at the low point of the year and 10 per cent less than on November 13, 1929. Following a marked decline in late September and October, deposits of these banks turned slightly upward during the first half of November. Their investments, which last year described an irregularly downward curve from June through December, have been moving steadily upward since July, and on November 13 reached the largest total since June 11.

Borrowings of all member banks from the Federal reserve bank, which had receded steadily between October 22 and November 12, moved sharply upward during the third week of November. The increase was due to heavy demands for cash by banks desiring to fortify their position in communities affected by the recent failures and suspensions of financial institutions. Throughout the past thirty days paper discounted by the Federal reserve bank was in considerably smaller volume than during the corresponding period last year and the average during the past half decade.

Interest rates charged by the commercial banks continued at, or about the low levels which have obtained since early summer. At the St. Louis banks, current rates were as follows; Prime commercial paper,  $3\frac{1}{4}$  per cent; collateral loans,  $4\frac{1}{4}$  to  $5\frac{3}{4}$  per cent; loans secured by warehouse receipts,  $3\frac{3}{4}$  to  $4\frac{1}{2}$  per cent; interbank loans, 4 to  $4\frac{1}{2}$  per cent, and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on November 19, 1930, showed a decrease of 1.5 per cent as contrasted with October 15, 1930. Deposits decreased 1.7 per cent

between October 15, 1930 and November 19, 1930 and on the latter date were 2.8 per cent less than on November 20, 1929. Composite statement follows:

	*Nov. 19, 1930	*Oct. 15, 1930	*Nov. 20, 1929
Number of banks reporting.....	†22	†24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$202,559	\$218,298	\$250,515
All other loans and discounts..	281,428	273,240	293,370
Total loans and discounts.....	\$483,987	\$491,538	\$543,885
Investments			
U. S. Government securities.....	37,733	34,809	46,961
Other securities.....	124,536	126,021	109,746
Total investments.....	\$162,269	\$160,830	\$156,707
Reserve balance with F. R. bank..	41,800	45,051	43,489
Cash in vault.....	10,838	5,765	6,497
Deposits			
Net demand deposits.....	355,029	361,475	378,007
Time deposits.....	233,269	235,878	226,595
Government deposits.....	284	1,208	905
Total deposits.....	\$588,582	\$598,561	\$605,507
Bills payable and rediscounts with Federal Reserve Bank.....	4,836	5,020	33,693

\*In thousands (000 omitted).

†Decrease due to consolidation. These 22 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*Oct. 1930	*Sept. 1930	*Oct. 1929	Oct. 1930 comp. to Sept. 1930	Oct. 1929
East St. Louis & Natl.					
Stock Yards, Ill..\$	41,781	\$ 38,128	\$ 54,551	+ 9.6%	-23.4%
El Dorado, Ark.....	7,008	6,472	8,559	+ 8.3	-18.1
Evansville, Ind.....	27,031	24,348	34,683	+11.0	-22.1
Fort Smith, Ark....	12,733	12,158	18,276	+ 4.7	-30.3
Greenville, Miss....	4,186	3,425	7,162	+22.2	-41.6
Helena, Ark.....	5,844	3,711	13,179	+57.5	-55.7
Little Rock, Ark...	39,506	41,357	63,009	- 4.5	-37.3
Louisville, Ky.....	197,615	204,913	238,631	- 3.6	-17.2
Memphis, Tenn.....	165,740	126,709	274,527	+30.8	-39.6
Owensboro, Ky....	6,310	5,739	6,787	+ 9.9	- 7.0
Pine Bluff, Ark....	10,650	8,018	23,333	+32.8	-54.4
Quincy, Ill.....	11,673	10,921	15,399	+ 6.9	-24.2
St. Louis, Mo.....	681,887	617,263	909,858	+10.5	-25.1
Sedalia, Mo.....	4,196	4,126	5,019	+ 1.7	-16.4
Springfield, Mo....	18,327	14,996	18,490	+22.2	- 0.9
**Texarkana,					
Ark-Tex.....	11,664	10,194	19,918	+14.4	-41.4
Totals.....	\$1,246,151	\$1,132,478	\$1,711,381	+10.0	-27.2

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During October the Federal Reserve Bank of St. Louis discounted for 208 member banks against 208 in September, and 233 in October, 1929. The discount rate remained unchanged at  $3\frac{1}{2}$  per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Nov. 21, 1930	*Oct. 21, 1930	*Nov. 21, 1929
Bills discounted.....	\$25,839	\$18,171	\$45,918
Bills bought.....	7,329	8,402	42
U. S. Securities.....	8,625	23,899	17,071
Total bills and securities.....	\$41,793	\$50,472	\$63,031
F. R. Notes in circulation.....	87,983	62,549	92,125
Total deposits.....	77,958	75,086	81,539
Ratio of reserve to deposits and F. R. Note Liabilities.....	77.7%	70.7%	68.6%

\*In thousands (000 omitted).

(Compiled November 22, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of December 30, 1930

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FEDERAL RESERVE BANK OF ST. LOUIS

CONTINUING the recessionary trend of recent months, industry and trade in this district during November and early December reached the lowest levels of the year. The usual seasonal contraction in manufacturing activities, particularly in iron and steel, lumber, fire clay products, and machinery of all descriptions, was more marked than in previous years, due to slack demand occasioned by country wide depression. Distribution, while making a relatively better showing than production, also reflected the effects of the universally restricted purchasing of commodities. In virtually all merchandising lines investigated, the volume of November sales was smaller than during the preceding month and the corresponding period last year. In a large majority of instances, the November totals were below the average for that month during the past decade. Reports of retail establishments indicate relatively heavier declines in sales of goods in the luxury category than in the case of necessities and staple merchandise.

As has been the case since early in the year, manufacturers are making up few goods for which they have not actual orders or reasonably certain sales prospects. Commitments for raw materials, in turn, are in unusually small volume, with advance ordering for first quarter of the new year requirements in many important industries substantially below the average at this season. Price declines of both raw and finished materials have served to create uncertainty and emphasize the policy of caution in commitments of manufacturers and merchants. A favorable result of the curtailed manufacturing activity and conservative buying by merchants is the generally strong position of stocks. Inventories have been steadily decreasing in many important lines, and at the end of the year will have reached a point where replenishment will become necessary to meet current replacement needs.

Through the south, wholesale and retail trade has been adversely affected by the decline in prices of cotton, tobacco and rice, also by the tying up of funds as a result of recent bank failures. Depressed prices of cereals, live stock and other farm products

has served to reduce purchasing power elsewhere in the rural areas. According to the Employment Service of the Department of Labor, the surplus of workers generally through the district increased during November. Seasonal unemployment due to releases of workers through completion of harvests was considerably augmented by reduced activities at manufacturing plants and by termination of work on buildings and other construction projects. There was a moderate gain in employment in retail establishments incident to the Christmas holiday trade, also in tobacco producing sections. Considerably less than the usual seasonal pickup in employment of miners in the anthracite fields of the district was noted.

According to the group of dealers reporting to this bank, distribution of automobiles in November was the smallest for any month this year except January. Department store sales in the principal cities of the district decreased 10.0 per cent in November as compared with October, and 21.0 per cent as compared with November, 1929. The cumulative total for the year to December 1 showed a decrease of 10.0 per cent as contrasted with the same period last year. Combined sales of all wholesale and jobbing firms reporting to this bank were one-third smaller in November than during the preceding month, and one-fourth less than in November, 1929. Charges to individual checking accounts in November were about 17.0 per cent smaller than in October and 31.0 per cent less than in November, 1929. The cumulative total for the year to December 1 was smaller by approximately 17.0 per cent than for the corresponding period in 1929. There was a slight decline in the amount of savings accounts between November 3 and December 3, due mainly to withdrawal of Christmas funds.

Freight traffic of railroads operating in this district continued during November to run considerably below the volume at the same time during the preceding several years. The movement of seasonal commodities, notably coal and coke, failed to show the usual pick up, and reflecting curtailed distribution of merchandise, there were sharp declines in

the miscellaneous freight and merchandise classifications. The volume of live stock and farm products generally hauled during the month also showed unusually heavy decreases. For the country as a whole, loadings of revenue freight for the first 48 weeks this year, or to November 29, totaled 43,103,568 cars, against 49,489,591 cars for the corresponding period in 1929, and 48,072,852 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines interchanged 166,395 loads in November, against 194,613 loads in October, and 197,835 loads in November, 1929. During the first nine days of December the interchange amounted to 47,235 loads, against 54,121 loads during the corresponding period in November, and 62,935 loads during the first nine days in December, 1929. Passenger traffic of the reporting roads in November decreased 18.0 per cent as contrasted with the same month last year. Estimated tonnage of the Federal Barge Line between New Orleans and St. Louis in November was 83,000 tons, against 102,569 tons in October, and 103,478 tons in November, 1929.

Spotty and irregular conditions were reflected in reports bearing on collections during November and the first half of December. This was true of different localities and the several lines, also of individual interests in the same line. Taken as a whole, however, there was little, if any betterment as contrasted with the preceding three or four months. Wholesalers and jobbers in the large cities report that good accounts, that is, those enjoying a strong credit position, are paying promptly. In many instances such debtors are availing themselves of the prevailing low interest rates to borrow and discharge their obligations in order to obtain discounts. On the other hand, slow accounts are becoming slower and greater difficulty is experienced in obtaining settlements. Requests for extensions and longer datings are more numerous than heretofore. Liquidation in the agricultural areas is in less than the usual seasonal volume. Country merchants complain of slow payments, due in a measure to a disposition of farmers to hold their products for more favorable marketing conditions. This in turn has held down liquidations with country banks. Retailers in the large cities report a slowing down in collections, particularly noticeable in the case of goods purchased on time payment plan. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
	.....%	.....%	.....%	.....%
November, 1930.....	1.4	10.0	65.0	35.0
October, 1930.....	1.4	8.5	67.6	22.5
November, 1929.....	2.7	22.7	65.3	9.3

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's numbered 92, involving liabilities of \$3,870,162, against 118 failures with liabilities of \$3,505,807 in October, and 126 defaults for a total of \$1,773,236 in November, 1929.

The average daily circulation in the United States in November was \$4,528,000,000 against \$4,501,000,000 in October and \$4,845,000,000 in November, 1929.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — Sales of the reporting firms during November were the smallest for any month this year, and the total was about one-third less than in November, 1929, and in October this year. Inventories continued the steady decline noted in recent months, stocks on December 1 being smaller by 7.0 per cent and 5.0 per cent, respectively, than thirty days and a year earlier. Prices were lower, reductions averaging about 3.0 per cent as compared with the month before being announced by several leading interests. As contrasted with a year ago, average prices on December 1 showed a decline of about 8.0 per cent. Demand for overshoes was slow, with sales the smallest for any similar period in recent years. There was a further slight decrease in factory activities as compared with the preceding thirty days.

**Clothing** — There was the usual heavy seasonal decline in sales of the reporting clothiers from November to December, and as compared with a year ago, the November total showed a decrease of about one-fourth. Unusually mild weather tended to hold down distribution of winter apparel. While stocks of both jobbers and retailers are of moderate proportions, there is a general disposition to postpone replenishing, purchasing being held close to actual requirements.

**Drugs and Chemicals** — Marked decrease in demand for heavy drugs and chemicals and a heavy falling off in purchasing of holiday goods and sundries were responsible in large measure for a decrease in November sales of 18.0 per cent as compared with the same month in 1929, and of 10.0 per cent as compared with the October total this year. Stocks continued to decline, the aggregate on December 1 being slightly less than a month earlier, and about 11.0 per cent below that on December 1, 1929. Luxury goods are selling in considerably smaller volume than in recent years, and warm weather has adversely affected the movement of seasonal merchandise.

**Dry Goods** — The downward trend in this classification noted in recent months continued during

November and early December. Purchasing by retailers is on very conservative lines, and mainly for immediate consumption. The decline in raw cotton and uncertainty prevailing in markets for other raw materials had a tendency to restrict commitments on finished goods. There was a further reduction in inventories, stocks on December 1 being about 6.0 per cent smaller than a month earlier, and fully one-fifth smaller than on December 1, 1929. November sales of the reporting firms were approximately one-fifth and one-third smaller, respectively, than thirty days and a year earlier. Since the last week of November, reordering of holiday goods has been in considerable volume.

**Electrical Supplies** — According to the reporting firms, the movement of holiday and seasonal merchandise during the past two months has been the smallest for any similar period in a number of years. Radio sales declined heavily as compared with a year and two years ago. The outlet through the building and automotive industries continues restricted. Sales of the reporting firms in November fell 43.0 per cent below a year ago, and 16.0 per cent below the October total this year. Stocks on December 1 were 12.0 per cent larger than on the same date in 1929, and 10.0 per cent less than on November 1 this year.

**Flour** — Production at the 12 leading mills of the district in November totaled 398,617 barrels, against 426,184 barrels in October, and 395,562 barrels in November, 1929. Stocks of flour in St. Louis on December 1 showed little variation as compared either with a month or a year earlier. During the last half of November and early this month there was an increase in inquiries, and a better undertone generally through the trade. The upturn in wheat prices had a tendency to restore confidence, and specifications on old orders expanded somewhat. New sales, however, showed no material increase, and activities were confined chiefly to the domestic trade. Aside from routine transactions with Latin-American countries, export business was almost entirely absent. Throughout the period low grades and clears were in relatively better demand than high grade flours. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — November sales of the reporting firms in this classification recorded the lowest total for any month in more than six years. Ordering of holiday goods was considerably below expectations, and the general line of home furniture and furnishings was quiet. Purchasing of office furniture and equipment showed no change from the small volume of recent months. Sales of the reporting interests in November were only about one-third as large as

for the same month in 1929, and less than half as large as in October this year. Stocks showed no change worthy of note as compared with a month earlier, but were a fourth larger than a year ago.

**Groceries** — Heavily reduced demand for holiday goods and luxuries generally was cited as a contributing cause for a decrease in November sales of the reporting firms of 18.0 per cent as compared with the same month last year. As contrasted with the October total this year, November sales showed a decrease of 15.0 per cent. Stocks on December 1 were slightly smaller than a year earlier, and 10.0 per cent less than on November 1 this year.

**Hardware** — A further decline in business volume, both as compared with a month and a year ago, took place in this classification. November sales of the reporting firms were about a third smaller than for the same month in 1929, and smaller by more than one-fifth than the October total this year. Stocks on December 1 were 4 per cent and 16.0 per cent smaller respectively, than a month and a year earlier.

**Iron and Steel Products** — Activities in the iron and steel industry in this district during the past thirty days dropped to the lowest point of the present downward movement. While shipments of finished and semi-finished materials sustained a further decrease, and in November were the smallest for any month this year, unfilled orders on December 1 were measurably below those thirty days earlier. New buying and specifying on materials previously acquired by the automotive industry were below expectations, except in the case of a limited number of producers who were arranging to bring out new models. Inquires and new orders coming from the railroads were in somewhat larger volume than during the preceding month, but these activities had not progressed sufficiently far to be reflected in work at mills and foundries of this district. The outlet through the building industry continued restricted, except for certain commodities to be used in outdoor engineering projects, notably highway construction and municipal and public utility work. Demand from the general manufacturing trade failed to show betterment, and in a number of lines was less active than heretofore. Producers of sheets, plates, bars, and kindred commodities reported demand through November at a low ebb. Sheet prices for the first quarter of 1931 were announced, but failed to elicit any substantial volume of purchasing. Continued dullness obtained in the call for wire and wire products, with advance sales of fencing materials the lightest at this particular time in more than a decade. Distributors of iron and steel goods from warehouses reported buying on an absolute necessity

basis, with individual orders of unusually small size, and the total showing considerably more than the seasonal decline. Fabricators of reinforcing concrete bars reported moderate improvement during late November and early December, both in actual awards and prospects. Structural steel fabricators, however, noted no change from the quiet conditions obtaining in their line since early spring. Manufacturers of stoves and heating apparatus increased their operations slightly during November, but shipments continued substantially below the usual seasonal average. While some progress was made in price stabilization as a whole, lack of uniformity was still in evidence, particularly in the case of raw materials. Pig iron declined further to the lowest levels in many years. The price recession, however, has failed thus far to stimulate buying. Engagements for first quarter of 1931 use are negligible. Scrap iron and steel prices also receded to a new low point on the present downward movement. For the country as a whole, production of pig iron in November slumped to the lowest average daily rate since 1924. The total, 1,865,415 tons, compares with 2,165,374 tons in October and 3,182,420 tons in November, 1929. Steel ingot production in the United States in November totaled 1,806,109 tons, against 2,165,374 tons in October, and 2,796,214 tons in November, 1929.

### AUTOMOBILES

Following the seasonal trend during the past several years, sales of automobiles in this district declined in November as compared with the preceding month. The decline, according to reporting dealers, was considerably less than the average during the past decade, but this was due to the unusually small October volume, the November total being the smallest for that month since these records have been compiled. November was the ninth consecutive month in which the volume of distribution fell below that of the corresponding period a year earlier. As has been the case throughout this year, decreases reported by country dealers were relatively larger in both the monthly and yearly comparisons than was the case with interests in the larger centers of population. Reduced farm income, due to drouth, crop shortages and the depressed prices of farm products, adversely affected business in the rural areas. Unemployment and a general disposition to conservatism were in a large measure responsible for the decreased sales in the cities. Ordering of new cars from producers by the reporting dealers is confined to absolute necessities, inventories at the end of November being the smallest in more than six years. Certain distributors who ordinarily purchased in carlots, are now ordering

from two to six vehicles at a time. November sales of the reporting dealers were about one-tenth smaller than in October and 37.0 per cent less than in November, 1929. Stocks of new cars in dealers' hands on December 1 were 2.6 per cent smaller than on November 1, and one-third less than on December 1, 1929. Reports relative to the used car market reflected spotted conditions, some dealers indicating a fairly active trade, while others reported continued apathy. Due to the small number of sales of new cars and consequent light receipts on trades, dealers' stocks of secondhand vehicles on December 1 showed a slight decrease from a month earlier, and the total was approximately a fourth less than a year ago. The investment value of used car inventories on December 1 was less than half as large as on the same date in 1929. As has been the case since early in the year, business in parts and accessories was relatively much better than in automobiles proper. The explanation of this is found in a universal disposition to repair and recondition old cars rather than replace them. According to dealers reporting on that detail, sales of new cars on the deferred payment plan in November constituted about 49.0 per cent of their entire sales, against 54.0 per cent in October, and 51.2 per cent in November, 1929.

### 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. 1930 comp. to Nov. 1929	11 months ending Nov. 30, 1930 to same period 1929	Nov. 30, 1930 comp. to Nov. 30, 1929	Jan. 1, to Nov. 30, 1930	Nov. 1929
Evansville .....	-20.0%	-7.9%	-6.0%	1.82	2.05
Little Rock.....	-26.6	-12.9	-17.2	2.19	2.27
Louisville .....	-23.3	-10.0	+ 7.0	2.53	2.88
Memphis .....	-31.5	-14.5	- 6.2	2.69	2.95
Quincy .....	-25.0	- 2.6	- 4.3	2.33	2.41
St. Louis.....	-17.2	- 9.4	- 7.9	3.45	3.64
Springfield, Mo.....	-10.0	- 8.6	-19.0	1.56	1.47
8th District.....	-21.1	-10.4	- 6.9	3.03	3.23

	Net sales comparison		Stocks on hand	
	Nov. 1930 comp. to Nov. 1929	Oct. 1930	Nov. 1930 comp. to Nov. 1929	Oct. 1930
Men's furnishings.....	-30.3%	- 7.9%	-15.8%	- 4.3%
Boots and shoes.....	-14.6	- 9.1	-14.1	- 1.9

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. 1930 compared to Nov. 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-25.7%	-11.2%
Ready-to-wear accessories.....	-22.3	- 2.5
Women and misses' ready-to-wear.....	-26.3	-19.6
Men's and boys' wear.....	-29.1	- 8.0
Home furnishings.....	-21.0	- 7.7

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in November fell slightly below the October total, which, with the exception of January, was the smallest for the year. As compared with last year, the

November total recorded a decrease of almost one-half. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in November amounted to \$15,529,723 the smallest total since last January, and comparing with \$31,705,045 in October, and \$18,679,021 in November, 1929. Production of portland cement for the country as a whole in November totaled 11,098,000 tons, against 14,410,000 tons in October, and 14,053,000 tons in November, 1929. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	220	271	\$ 80	\$ 287	27	30	6	\$ 16
Little Rock ..	17	45	57	73	29	69	8	20
Louisville ...	58	102	176	678	29	31	72	105
Memphis ....	214	186	283	328	65	172	34	85
St. Louis....	270	355	675	878	280	330	288	555
Nov. totals	779	959	\$1,271	\$2,244	430	632	\$ 408	\$781
Oct. totals	973	1,242	1,283	2,246	704	968	462	1,392
Sept. totals	1,414	1,372	2,959	4,181	677	934	420	1,149

\*In thousands (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 November as being a third less than in October, and about 20.0 per cent smaller than in November, 1929. In the yearly comparison declines were shown in virtually all lines, but were particularly heavy in the case of iron and steel plants, coal mines, railway shops and furniture factories. In the month-to-month comparison considerably more than the usual seasonal decline was noted in a majority of industries. Detailed figures follow:

	No. of Customers	Nov. 1930		Nov. 1929	
		*K.W.H.	*K.W.H.	*K.W.H.	*K.W.H.
Evansville ....	40	1,728	1,948	—11.3%	1,424
Little Rock...	35	1,421	2,375	—40.2	1,627
Louisville ....	85	6,353	7,566	—16.0	6,409
Memphis .....	31	1,868	1,816	+ 2.9	1,942
St. Louis.....	154	13,378	21,393	—37.5	19,180
Totals....	345	24,748	35,098	—29.5	30,582

\*In thousands (000 omitted).

### AGRICULTURE

Conditions generally through the Eighth District during the past thirty days were favorable for agricultural activities. Temperatures were mild for the season, and with an alternation of rainy and clear days, farmers were able to accomplish a considerable amount of field work, besides the ordinary routine operations. For the most part harvesting of late crops was completed under auspicious conditions, and housing and the movement of these products made good progress. Late fall and winter plowing was facilitated by needed moisture, and this work in many sections is further advanced than the average at this season. Growing grain crops for the most part made good headway, and winter wheat is entering the cold weather in a strong position.

The United States Department of Agriculture's December report, giving final estimates of production, showed only minor variations from the November 1 forecasts of the chief crops in this district. Considerable unevenness in quality is disclosed in the case of certain important productions, notably corn, tobacco, and cotton. Effects of the drouth are more apparent as final stock is taken of the year's results. The movement of cotton from producers' hands to the gins has been rapid, but due to low prices there is a disposition on the part of planters to withhold their stocks from market. The tobacco markets opened yearly in December, with offerings in about the expected volume.

Cereal prices, notably corn and wheat, advanced during late November and early this month from the extreme low level of the year, reached in the second week of November, but continued considerably below a year ago, and the average during the past decade. Cotton declined to a new low on the crop, and prices of hogs continued the recession of recent months, selling in the second week of December at the lowest level in many years. There was no change worthy of note in the status of farm labor during November, except what was due to seasonal considerations. In all sections a surplus exists, augmented by heavy releases of temporary help by completion of late harvests.

**Corn** — Except in a limited number of localities where delayed by rains, husking has made rapid progress, and cribbing is generally nearer completion than usual at this time of year. These operations have speeded up because of actual need of the grain for feeding livestock and for shipping to areas where scarcity exists. Latest husking yields tend to confirm earlier official forecasts of production, but are disclosing an usually large percentage of low grade corn. Ears are light and chaffy, and as a result of the drouth and insect infestation, mould and rot are prevalent, particularly in the case of early planted corn. A considerable portion of the arrivals at primary points is grading No. 3 and lower. Generally throughout the district prime seed corn is scarce, and farmers will be obliged to purchase supplies elsewhere for planting next year. In surplus counties, farmers are in many instances able to obtain more favorable prices locally than could be realized by shipping to primary markets.

**Winter Wheat** — Planting of the winter wheat crop has been completed, and with generally favorable weather farmers were able to carry out their full intentions relative to acreage. The growing crop has been materially benefitted by recent rains,

and except in a relatively few counties, soil conditions are good, with subsoil moisture sufficient to carry well into the winter. More extensive pasturing of wheat fields in Missouri, Illinois and Indiana was noted this fall than has been the case in more than two decades. The snow fall thus far has been light, but due to the relatively mild temperatures, that protection for the crop has not been urgently needed. Fly infestation is below average, and confined to scattered localities.

**Live Stock** — Mainly favorable weather since breaking of the drouth has proved beneficial to live stock generally through the district. Herds are for the most part in good condition for carrying through the winter. Pastures in the south were benefitted by low temperatures and rains, with the result that farmers have been able to manage with less prepared feed than seemed possible six weeks or two months earlier.

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

	Receipts			Shipments		
	Nov. 1930	Oct. 1930	Nov. 1929	Nov. 1930	Oct. 1930	Nov. 1929
Cattle and calves.....	87,891	140,285	99,098	55,956	92,541	70,288
Hogs .....	273,429	304,663	317,820	223,734	250,431	225,090
Horses and mules.....	2,208	2,167	5,865	1,847	2,360	5,675
Sheep .....	29,808	65,421	36,280	7,289	34,397	11,657

**Cotton** — According to the U. S. Department of Agriculture, prospects for cotton in states partly or entirely within the Eighth Federal Reserve District underwent a decline between November 1 and December 1. Combined yield in Missouri, Arkansas, Tennessee and Mississippi is estimated by the Department based on December 1 condition, at 2,970,000 bales, a decrease of 85,000 bales as contrasted with the November 1 forecast, and comparing with 4,085,000 bales produced in 1929 and 3,296,000 bales in 1928. The last half of November and early December were moderately favorable for harvesting the remnants of the crop, but there was little cotton left in the fields, the harvest in most sections being nearer to completion on December 1 than on any similar date since 1922. Reports relative to quality show considerable unevenness, with effects of the drouth and other disabilities during the growing season being manifest in final results. Demand for cotton developed no change worthy of mention as compared with the preceding two or three months. Prices fluctuated within a narrow range, but with the trend downward. In the second week of December the price dropped to the lowest point in fifteen years and about three cents a pound below the level shortly before the exchanges were closed at the outbreak of the World War. In the St. Louis market the middling grade ranged from 8½c to 9.35c per pound between November 17 and December 15, closing on the latter date at 8½c, against 9.35c on November 17 and 15¾c on the corresponding date

in 1929, and 19c in 1928. As has been the case since early fall, there is a disposition on the part of producers to hold their cotton for more favorable markets. Total receipts at Arkansas warehouses from August 1 to December 12 were 724,217 bales, which compares with 1,117,953 bales for the corresponding period last year. Stocks in these warehouses on December 12 totaled 376,408 bales, against 357,127 bales on November 14, and 385,027 bales a year ago.

**Tobacco** — The favorable season enabled farmers to strip and prepare large quantities of tobacco for the opening of the markets. Initial prices paid in the dark tobacco districts were disappointing, and resulted in numerous rejections of sales and holding for better prices. The more desirable grades showed relatively smaller declines than lugs and common leaf as compared with opening prices last year. Due to the drouth, less desirable quality appeared at the opening sales than was the case in 1929. The burley tobacco markets opened during the second week of December, and while much short, common tobacco was present in early deliveries, prices realized were mainly satisfactory to producers, though about \$4 per cwt. below last year's averages. To December 12, the average price at this season's sales in the several districts, as compared with the average for the entire season in 1929, were reported as follows:

	1930 (Per cwt.)	1929 (Per cwt.)
Hopkinsville Dark Fired.....	\$7.90	\$13.00
Paducah Dark Fired.....	5.93	10.00
Henderson Dark Fired.....	9.10	9.50
Burley .....	17.80	21.40
One-Sucker .....	7.50	10.50
Green River.....	8.70	10.70

**Commodity Prices** — Range of prices in the St. Louis market between November 17, 1930, and December 15, 1930, with closing quotations on the latter date and on December 16, 1929.

	High	Low	Close	
			Dec. 15, 1930	Dec. 16, 1929
Wheat				
Dec. ....per bu..	\$.75½	\$.72	\$.75	\$1.22½
May .....	.80½	.74	.78½	1.30½
July .....	.69½	.69	.69½	1.30
No. 2 red winter.....	.86½	.81½	\$.81½ @ .83½	\$1.32½ @ 1.33
No. 2 hard.....	.73	.78	.77½ @ .78	1.23 @ 1.24
Corn				
Dec. ....	.78	.69	.71	.89½
May .....	.82	.73½	.75	.96¾
No. 2 mixed.....	.79	.68½	.71½ @ .72½	.86½ @ .87
No. 2 white.....	.83	.72½	.73½ @ .74	.90 @ .90½
Oats				
No. 2 white.....	.39½	.34	.35 @ .35½	.46½ @ .47
Flour				
Soft patent.....per bbl.	5.00	4.30	4.70 @ 5.00	7.00 @ 7.25
Spring patent.....	4.90	4.10	4.10 @ 4.50	6.30 @ 6.35
Middling cotton.....per lb.	.0935	.08½	.08½	.15¾
Hogs on hoof.....per cwt.	8.60	6.65	6.75 @ 8.35	8.00 @ 9.55

**FINANCIAL**

Trends in the banking and financial situation in the Eighth District noted in the preceding issue of this review, continued in effect during the past thirty days. The general business situation was reflected in a further recession in demand for credit from commercial and industrial sources. Needs for carrying securities were also in smaller volume than heretofore, and due to the depressed prices of farm products, requirements for financing the movement and

marketing of crops were substantially smaller than at this particular season in recent years. As has been the case since early autumn, supplies of loanable funds at commercial banks were in excess of demands, and in order to employ surplus the banks increased their investment holdings.

While continuing spotty and irregular, liquidation as a whole was in considerable volume, which fact was reflected in a noticeable increase in deposits of reporting member banks from the year's low point, reached in the middle of November. Depressed prices of cotton, tobacco and rice, coupled with the disturbing effects of a number of bank failures, served to hold down the volume of business and liquidation generally through the south. Opening of the tobacco marketing season around December 1 were marked by an increased demand for funds to finance that crop, adequate preparations for meeting which, have been perfected. Settlements of loans by grain handlers and flour milling interests have been in about the usual seasonal volume. There continues a fair demand for funds for conditioning live stock for market.

Reporting member banks in the district showed a moderate decrease in loans between November 12 and December 10, and the volume was \$69,000,000 or 13 per cent less than on December 13, 1929. Deposits of these banks declined in early November, but subsequently recovered, and on December 10 reported the highest total since late August. Their investment trend continued the irregularly upward swing which started last June, and in recent months has received impetus from necessity of keeping surplus funds employed.

Borrowing of all member banks from the Federal reserve bank described an irregular curve. Following a decline in late October, there was a sharp increase in late November. Liquidation since then has brought the total bills discounted and held by the reserve bank to approximately half the volume at the corresponding period last year. Holiday requirements were reflected in the usual seasonal increase in demand for currency since the middle of November. The extent of this increase, however, was measurably smaller than in recent years.

Influenced by abundant funds and slack credit demands, interest rates showed a further slight decline, and at the middle of December reached the lowest levels in more than a decade. At St. Louis banks current rates were as follows: Prime commercial paper,  $2\frac{3}{4}$  to  $5\frac{1}{2}$  per cent; collateral loans,  $4\frac{1}{2}$  to 6 per cent; loans secured by warehouse receipts,  $3\frac{3}{4}$  to  $5\frac{3}{4}$  per cent; interbank loans,  $4\frac{1}{2}$  to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on December 17, 1930, showed a decrease of 1.4 per cent as contrasted with November 19, 1930. Deposits increased 2.6 per cent between November 19, 1930 and December 17, 1930 and on the latter date were 1.5 per cent less than on December 18, 1929. Composite statement follows:

	*Dec. 17, 1930	*Nov. 19, 1930	*Dec. 18, 1929
Number of banks reporting.....	x26	†22	25
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds....	\$197,879	\$202,559	\$253,546
All other loans and discounts....	279,452	281,428	285,456
<b>Total loans and discounts.....</b>	<b>\$477,331</b>	<b>\$483,987</b>	<b>\$539,002</b>
Investments U. S. Government securities.....	32,345	37,733	37,720
Other securities.....	130,652	124,536	110,042
<b>Total investments.....</b>	<b>\$162,997</b>	<b>\$162,269</b>	<b>\$147,762</b>
Reserve balance with F. R. bank..	45,840	41,800	43,904
Cash in vault.....	8,567	10,838	7,468
Deposits Net demand deposits.....	373,868	355,029	392,053
Time deposits.....	228,834	233,269	220,110
Government deposits.....	1,193	284	892
<b>Total deposits.....</b>	<b>\$603,895</b>	<b>\$588,582</b>	<b>\$613,055</b>
Bills payable and rediscounts with Federal Reserve Bank.....	3,214	4,836	16,403

\*In thousands (000 omitted).  
†Decrease due to consolidations. xIncrease due to substitutions for closed banks. These 26 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*Nov. 1930	*Oct. 1930	*Nov. 1929	Nov. 1930 comp. to Oct. 1930 Nov. 1929	
East St. Louis & Natl. Stock Yards, Ill..\$	33,496	\$41,781	\$ 46,210	—19.8%	—27.5%
El Dorado, Ark.....	6,281	7,008	7,783	—10.4	—19.3
Evansville, Ind.....	23,521	27,031	31,152	—13.0	—24.5
Fort Smith, Ark....	11,764	12,733	14,859	— 7.6	—20.8
Greenville, Miss....	4,045	4,186	5,834	— 3.4	—30.7
Helena, Ark.....	3,441	5,844	7,057	—41.1	—51.2
Little Rock, Ark....	32,618	39,506	61,865	—17.4	—47.3
Louisville, Ky.....	155,957	197,615	212,530	—21.1	—26.6
Memphis, Tenn.....	143,640	165,740	225,161	—13.3	—36.2
Owensboro, Ky.....	5,932	6,310	6,297	— 6.0	— 5.8
Pine Bluff, Ark....	9,043	10,650	15,172	—15.1	—40.4
Quincy, Ill.....	7,843	11,673	13,667	—32.8	—42.6
St. Louis, Mo.....	572,145	681,887	810,970	—16.1	—29.4
Sedalia, Mo.....	3,793	4,196	4,757	— 9.6	—20.3
Springfield, Mo....	14,264	18,327	16,044	—22.2	—11.1
**Texarkana, Ark.-Tex.....	10,132	11,664	16,115	—13.1	—37.1
<b>Totals.....</b>	<b>\$1,037,915</b>	<b>\$1,246,151</b>	<b>\$1,495,473</b>	<b>—16.7</b>	<b>—30.6</b>

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations**—During November the Federal Reserve Bank of St. Louis discounted for 225 member banks against 208 in October, and 222 in November, 1929. The discount rate remained unchanged at  $3\frac{1}{2}$  per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Dec. 19, 1930	*Nov. 19, 1930	*Dec. 19, 1929
Bills discounted .....	\$15,238	\$15,993	\$27,907
Bills bought .....	9,485	7,160	5,953
U. S. Securities.....	24,418	14,151	25,908
<b>Total bills and securities.....</b>	<b>\$49,141</b>	<b>\$37,304</b>	<b>\$59,768</b>
F. R. Notes in circulation.....	84,323	79,846	94,479
<b>Total deposits.....</b>	<b>71,526</b>	<b>77,615</b>	<b>82,070</b>
Ratio of reserves to deposits and F. R. Note Liabilities.....	73.9%	78.5%	68.1%

\*In thousands (000 omitted).

(Compiled December 23, 1930)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of January 30, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

THE almost unbroken decline in industry and commerce in this district, which has been in progress since the fall of 1929, continued during December and the opening weeks of January. A majority of available series of business statistics recorded decreases in December as contrasted with the preceding month, also with the corresponding period a year earlier. Production at manufacturing plants in virtually all lines declined in more than the usual seasonal volume in December, making that month the lowest in point of total output for the year, and the lowest for any December in more than a decade. In addition to decreased activities at industrial establishments, December was marked by a heavy reduction in production of bituminous coal in all fields of the district and smaller output in lead, zinc and other mining operations. Production statistics for the year, completed by the December figures, do not make a favorable comparison with those of the preceding twelve months or the average in recent years.

In a large majority of wholesale lines investigated, December sales fell below those of the preceding month, and showed sharp declines as compared with the corresponding month in 1929. There was no noticeable deviation from the policy of purchasing only sufficient goods for immediate needs which has been in effect for a number of months past. The volume of orders for forward delivery booked by the reporting firms was the smallest for any similar period in recent years. Due chiefly to seasonal influences, distribution through retail channels made a relatively better showing than through the wholesale outlet. Christmas shopping got an unusually backward start, as evidenced by the small volume of retail business in November, but gained momentum after the first week in December, with the result that sales for December showed more than the average increase over the preceding month, though recording a substantial decrease under the December, 1929, total.

As was the case earlier in the year, trade in the large centers of population made a relatively better

showing than in the rural areas and small towns. Crop failures due to the drought last summer and fall and the depressed prices of agricultural products heavily reduced purchasing power in the country, necessitating economies and conservation of cash resources. Employment conditions in both the industrial centers and the country during December, according to the Employment Service of the Department of Labor, were less satisfactory than during the preceding month, the number of employed in this district reaching the highest total for the year. Since the first of January a moderate increase in employment has taken place, though a surplus of workers still exists in all the chief lines of industry.

Aggregate sales of department stores in the principal cities of the district in December were about one-half larger than in November, but 13.5 per cent smaller than in December, 1929. For the year 1930 sales of these stores fell 10.8 per cent below the total of the preceding twelve months. Combined sales of all wholesale and jobbing firms reporting to this bank were 28 per cent smaller than in November, and 19 per cent less than in December, 1929. According to the group of dealers supplying their statistics for publication in this report, automobile sales in December were slightly smaller than for the same month a year earlier, but 12 per cent larger than in November. Charges to checking accounts were about 5 per cent larger in December than November, but about one-fourth less than in December, 1929. Total debits for the year were smaller by 17 per cent than in 1929. The amount of savings accounts on January 7 showed small decreases as compared with thirty days and a year earlier.

The volume of freight handled by railroads operating in this district continued to decline during the closing weeks of December with the result that total car loadings for 1930 fell sharply below those of the several preceding years. During the month decreases were shown in all classifications, but were most marked in seasonal commodities, notably coal and coke, which is accounted for partly

by the unusually high temperatures prevailing through the period. The movement of grain and grain products was the smallest for any similar period in a number of years. For the country as a whole loadings of revenue freight in 1930 totaled 45,887,413 cars, against 52,827,925 cars in 1929, and 51,589,887 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 156,424 loads in December, against 166,395 loads in November, and 187,464 loads in December, 1929. During the first nine days of January the interchange amounted to 47,502 loads, against 47,235 loads during the corresponding period in December, and 53,814 loads during the first nine days of January 1930. Passenger traffic of the reporting roads decreased 24 per cent in December as compared with the same month in 1929. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 107,000 tons, against 83,408 tons in November, and 72,480 tons in December, 1929. The total tonnage in 1930 was 1,148,877 tons, against 1,293,971 tons in 1929, and 1,435,486 tons in 1928.

Generally unsatisfactory conditions were reflected in reports relative to collections during the past thirty days. In a majority of wholesale lines, payments were in relatively much smaller volume than a year ago and the average during the past decade. As has been the case since early fall, considerable irregularity and spottiness was noted, both with reference to the various lines and localities. In the typical cotton producing areas, and generally through the south backwardness in settlements was complained of both by the retail and wholesale trade. Slow collections were the rule with retail interests in the large centers of population during December, but moderate improvement has taken place since the first of January, following the holiday trade. Time payment houses and other merchants selling goods on the installment plan report no change from the unsatisfactory collection conditions obtaining in recent months. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
	%	%	%	%
December, 1930.....	.....	12.7%	63.5%	23.8%
November, 1930.....	.....	10.0	65.0	25.0
December, 1929.....	1.4	24.3	61.4	12.9

Commercial failures in the Eighth Federal Reserve District in December, according to Dun's numbered 131, involving liabilities of \$10,609,767, against 92 failures with liabilities of \$3,870,162 in November, and 113 defaults for a total of \$4,935,058 in December 1929. In 1930 there were 1,517 failures with liabilities of \$48,948,234, against 1,420 failures

in 1929 with liabilities of \$25,432,558 and 1,300 defaults in 1928 involving liabilities of \$29,885,811.

The average daily circulation in the United States was \$4,823,000,000 against \$4,528,000,000 in November, and \$4,943,000,000 in December, 1929.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes**— There was the usual contraction in volume of business from November to December, but the magnitude of the decrease was considerably larger than the average during the past decade. Total sales of the reporting firms in December were 40 per cent smaller than in November, and 4 per cent less than in December, 1929. The decrease in the yearly comparison was the smallest recorded for any month in 1930. Salesmen were later in getting on the road this year than is ordinarily the case, and orders booked so far this month are below a year ago. In the immediate past, however, improvement has developed, and in the case of several important firms indications are that the January volume will equal that of the same month in 1930. A further reduction in prices was recorded in early January, and the average now is from 8 to 10 per cent below a year ago. Stocks on January 1 were 14 per cent larger than thirty days earlier, and 18 per cent less than on January 1, 1930.

**Clothing**— Continued mild weather during the last half of December and early January adversely affected sales of heavy apparel, both for men and women. Reordering of overcoats and women's coats was reported in unusually small volume, and due to lateness of the season, indications are that the carry-over will be larger than the average during the past several years. Ordering of clothing for delivery in the spring is on an extremely conservative basis, with prices playing an important part in the majority of transactions. The reporting clothiers reported the usual seasonal decline in sales from November to December, but the December total was about one half larger than for the same month in 1929.

**Drugs and Chemicals**— Improvement in the movement of seasonal goods in this classification was offset by continued recession in demand for staple merchandise, and December sales of the reporting interests fell 3 per cent below November and 10 per cent under the December, 1929, total. Stocks on January 1 were 8 per cent and 3 per cent smaller, respectively than thirty days and a year earlier.

**Dry Goods**— December sales of the reporting firms were the smallest for the year, and the smallest for that particular month since 1923. The total for December was a fourth smaller than a year earlier, and 35 per cent less than the November aggregate. The downward trend was continued during the first two weeks of January, during which period sales

were about a fourth less than at the same time in 1930. Part of the decrease in the yearly comparisons is accounted for by lower prices. Stocks on January 1 were slightly larger than a month earlier, but smaller by about one-fourth than on January 1, 1930.

**Electrical Supplies**—A more active movement of seasonal merchandise, particularly radio materials, was reflected in a moderate gain in sales of the reporting interests in December as compared with November. As compared with a year earlier, however, the December total showed a loss of 39 per cent. Stocks on January 1 were 4 per cent and 8 per cent smaller, respectively, than thirty days and a year earlier.

**Flour**—Production at the 12 leading mills of the district in December totaled 329,094 barrels, against 398,617 barrels in November, and 394,030 barrels in December, 1929. Stocks in all positions are unusually low for this time of year, but replenishment is backward, buyers confining their commitments to actual requirements. In St. Louis, stocks on January 1 were about 3.0 per cent smaller than on December 1, and 16.0 per cent smaller than on January 1, 1930.

**Furniture**—The usual seasonal slowing down in business in this classification was emphasized by the generally depressed conditions, and December sales of the reporting firms were the smallest for any month in recent years. Since January 1 some improvement has developed, orders booked at the Chicago furniture show having exceeded expectations. The volume of sales in December was less than half as large as for the same month in 1929, and about one-fourth less than in November. Inventories continued to recede, stocks on January 1 being 12 per cent smaller than on the same date in 1930.

**Groceries**—Unfavorable weather, disappointing holiday trade volume and reduced purchasing power in the rural areas were influences in a further decline in business in this classification. December sales of the reporting firms were slightly below those of the preceding month and 13 per cent less than the December, 1929, total. Inventories are the smallest at this particular time in a number of years, stocks of the reporting interests on January 1 being 8 per cent less than on December 1, and 8 per cent smaller than on January 1, 1930.

**Hardware**—The warm, open winter has militated against the movement of seasonal merchandise, and was accountable in part for a decline of 32 per cent in December sales of the reporting interests under the same month in 1929, and 15 per cent under the November, 1930, total. Stocks on January 1

were 9 per cent and 15 per cent smaller, respectively, than thirty days and a year earlier.

**Iron and Steel Products**—The usual slowing down in activities in the iron and steel industry occasioned by the holidays and inventory period was considerably more marked during the past thirty days than has been the case in recent years. Operations at mills, foundries, machine shops and other ferrous metal working plants during December receded from the low average level of November, and reached the lowest point recorded during the year. Only moderate betterment has taken place since January 1, many plants which had closed down in late December having failed to resume operations. Among all classes of consumers there was a disposition to await completion of inventorying and developments in general business conditions before making commitments. Purchasing was confined almost exclusively to an immediate requirement basis, this being true particularly of the railroads, the automotive industry and other important consumers. There was a further contraction in the outlet through the building industry, somewhat greater than could be accounted for by seasonal influences. Fabricators of structural iron and steel reduced their working forces with completion of old work and absence of new lettings. Producers and distributors of sheets, plates and other rolled steel materials report purchasing for first quarter requirements the smallest in more than a decade. In the immediate past some quickening in demand for sheets and plates has developed, coming mainly from miscellaneous users. Warm weather through December and early this month has militated against the movement of seasonal commodities, notably stoves, heating apparatus and tubular goods. Sales of these commodities during the last quarter of 1930, according to the reporting interests, were only slightly more than half as large as during the same period a year earlier. Prices of finished and semi-finished goods underwent no marked change in either direction as contrasted with the preceding thirty days. Since January 1 the price of pig iron in this district has developed a firmer tone, though no change in actual quotations has taken place. Scrap iron and steel, which closed at the low point of the year in December, remained unchanged during the first half of January. For the country as a whole, production of pig iron in December totaled 1,665,630 tons, the smallest in nine years, and comparing with 1,865,458 tons in November and 2,836,917 tons in December 1929. The year's production amounted to 31,441,403 tons, against 42,270,138 tons in 1929 and 37,831,741 tons in 1928. Production of steel ingots in the United States during December totaled 2,007,774 tons,

which compares with 2,234,482 tons in November and 2,903,279 tons in December, 1929.

**AUTOMOBILES**

Combined passenger car, truck and taxicab production in the United States in December totaled 155,601, against 135,752 in November, and 119,950 in December, 1929.

According to dealers reporting to this bank, distribution of automobiles showed a good gain in December as compared with November, but continued below a year ago. The decrease in December as compared with the same month in 1929, however, was much smaller than had been the case with earlier months in 1930. Aggregate sales of these dealers in 1930 were about one-fifth smaller than in 1929, and 8.0 per cent less than the average during the past six years. The increase in sales from November to December reversed the usual seasonal trend of recent years, and was accounted for in a large measure by the very small volume recorded in November. In both the month-to-month and yearly comparisons, a relatively better showing was made by dealers in the large centers of population than in the smaller towns and rural areas. Dealers generally through the south reported disappointing results, particularly in the typical cotton producing sections. Crop shortages and the low price of farm products are adversely affecting the volume of sales, and there is a general disposition to recondition cars to make them serviceable as long as possible. Prospective purchasers are in many instances awaiting the automobile shows and the introduction of new models announced by several important manufacturers before filling requirements. Business in repair parts and accessories continued fairly active during December, with sales about on a parity with the preceding month and a year ago. Purchasing of cars by dealers continues on a hand-to-mouth basis, and inventories at the end of the year were the smallest for any similar period in more than a half decade. December sales of new passenger cars by the reporting dealers were about one per cent smaller than for the same month in 1929, and 12.0 per cent larger than the November total. Stocks of new cars in dealers' hands on January 1 were 5.0 per cent smaller than on December 1, and only slightly more than half as large as on January 1, 1930. Special efforts made to reduce inventories of used cars resulted in a further reduction in stocks on hand, the total at the end of December being at the lowest point of the year, and about 10.0 per cent less than at the corresponding period a year earlier. A reduction in tire prices was announced by several leading makers in early January. Deferred payment

sales of dealers reporting on that detail constituted 51.0 per cent of their total sales in December, against 49.0 per cent in November and 53.9 per cent in December, 1929.

**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. 1930 comp. to Dec. 1929	12 months ending Dec. 31, 1930 to same period 1929	Dec. 31, 1930 comp. to Dec. 31, 1929	Dec. 31, 1930	Jan. 1, to Dec. 31, 1930	1930 1929
Evansville .....	-20.5%	-9.9%	+1.5%	2.11	2.42	
Little Rock.....	-23.6	-14.3	-17.5	2.53	2.65	
Louisville .....	-16.2	-10.9	+3.4	2.94	3.39	
Memphis .....	-25.7	-16.1	-9.9	3.11	3.46	
Quincy .....	-26.5	-6.0	-11.5	2.67	2.84	
St. Louis.....	8.0	-8.2	-6.5	3.98	4.18	
Springfield, Mo.....	-15.0	-9.4	-19.8	1.80	1.71	
8th District.....	-13.5	-10.8	-7.1	3.50	3.74	
	Net sales comparison		Stocks on hand			
	Dec. 1930 comp. to Dec. 1929	Nov. 1930	Nov. 1930 comp. to Dec. 1929	Nov. 1930	Nov. 1930	
Men's furnishings.....	-9.1%	+54.2%	-10.7%	-26.0%		
Boots and shoes.....	-19.9	+11.7	-14.6	-13.0		

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. 1930 compared to Dec. 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-22.1%	-12.8%
Ready-to-wear accessories.....	-16.9	-6.6
Women and misses' ready-to-wear.....	-16.7	-16.8
Men's and boys' wear.....	-19.2	-8.6
Home furnishings.....	-22.3	-7.0

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in December was approximately double that of November, and 7 per cent larger than in December, 1929. For 1930 the total value of permits issued in these cities was \$32,648,000, which compares with \$49,214,000 in 1929, and \$71,828,000, the average during the past eight years. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in December amounted to \$16,102,809 which compares with \$15,529,723 in November, and \$17,387,230 in December, 1929. For the year 1930 contracts let totaled \$326,027,423 against \$403,963,124 in 1929, and \$395,000,000, the average during the preceding five years. Production of portland cement for the country as a whole during December totaled 8,480,000 barrels, against 11,098,000 barrels in November, and 8,498,000 barrels in December, 1930. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	162	169	\$ 58	\$ 57	31	13	\$ 15	\$ 7
Little Rock	25	37	125	425	40	41	8	32
Louisville ..	35	47	90	175	14	19	7	17
Memphis ....	71	289	102	628	156	49	73	72
St. Louis....	211	163	2,051	988	256	219	222	363
Dec. totals	504	705	\$2,426	\$2,273	497	341	\$ 325	\$491
Nov. totals	779	959	1,271	2,244	430	632	408	781
Oct. totals	973	1,242	1,283	2,246	704	968	462	1,392

\*In thousands of dollars (000 omitted).

### POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in combined postal receipts for the final quarter of 1930 of 17 per cent over the preceding three months, but a decline of 87.1 per cent as contrasted with the last quarter of 1929. Detailed figures follow:

	For Quarter Ending				Dec. 1930 comp. to Dec. 1929
	Dec. 31, 1930	Sept. 30, 1930	June 30, 1930	Dec. 31, 1929	
Evansville ....	\$ 162,000	\$ 157,000	\$ 168,000	\$ 187,000	-13.4%
Little Rock....	224,000	234,000	212,000	245,000	- 8.6
Louisville .....	708,000	612,000	683,000	805,000	-12.0
Memphis .....	618,000	541,000	581,000	788,000	-21.6
St. Louis.....	3,294,000	2,735,000	3,023,000	3,629,000	- 9.2
Totals .....	\$5,006,000	\$4,279,000	\$4,667,000	\$5,654,000	-87.1

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers as being 6 per cent less than in November and 7 per cent smaller than in December, 1929. Except in the case of a limited number of industries affected by seasonal influences, decreases in both comparisons were general in all lines. Detailed figures follow:

	No. of Custom- ers	Dec. 1930	Nov. 1930	Dec. 1930	Dec. 1929	Dec. 1930
		*K.W.H.	*K.W.H.	Nov. 1930	*K.W.H.	comp. to Dec. 1929
Evansville ....	40	1,726	1,728	- 0.1%	1,538	+12.2%
Little Rock..	35	1,250	1,421	-12.0	1,521	-17.8
Louisville ....	85	5,595	6,353	-11.9	5,723	- 2.2
Memphis .....	31	1,710	1,868	- 8.6	1,656	+ 3.3
St. Louis.....	155	13,049	13,386	- 2.5	14,676	-11.1
Totals .....	346	23,330	24,756	- 5.8	25,114	- 7.1

\*In thousands (000 omitted).

### AGRICULTURE

Taken as a whole weather conditions in this district during the past thirty days were favorable for agricultural activities. Temperatures during December and early January were above normal, and with clear skies, farmers were able to complete the final stages of harvesting and housing late crops. Routine farm work has for the most part been brought well up to the seasonal average, and in some sections, notably in the south, plowing for spring crops has made fair headway. As had been the case since last spring, precipitation throughout the district was greatly below normal. Lack of rainfall in many localities has retarded plowing, and in the winter wheat areas there are increasing complaints of dry soil conditions, particularly where the effects of last year's drought were most acutely felt. In some counties stock water supplies are again running low, and at the middle of January general rains and snow were needed to produce most favorable results.

While conditions were auspicious for moving farm products to market, receipts at terminal points were below expectations, due to a disposition on the part of farmers to hold their stocks for higher prices. This was true particularly of corn, oats and hay, which are being consumed in unusually large quantities where produced, or shipped direct to sections

where shortage exists. Under pressure of liquidation, cereal values declined sharply during late December. The July wheat option declined to the lowest point in more than a quarter of a century. Corn receded to the lowest level since 1923; oats since 1913 and rye since 1897. Hog prices also recorded a new low on the present recessionary movement, and further declines were sustained by cattle and sheep. Cotton fluctuated over a narrow range, only slightly above the low point of the season, which was reached at the middle of December.

**Winter Wheat**—Despite handicap of the severe drought of July, August and early September, farmers in this district seeded a greater acreage of wheat last fall than in the fall of 1929. According to the preliminary estimate of the U. S. Department of Agriculture, the area seeded in states entirely or partly within the Eighth District was 6,332,000 acres, an increase of about 3.0 per cent as compared with the year before. In the three leading wheat states, Illinois, Indiana and Missouri, the December condition of the crop was higher than the 10-year average (1919-1928) and about the same as at the corresponding period in 1929. While adequate snow covering was lacking in virtually all sections, there was unusually little disturbance to the crop from alternate freezing and thawing, due to the mild temperatures.

**Corn**—Under ideal weather conditions, husking and cribbing of corn was completed and fields are generally well cleaned up. Latest returns indicate a wide variance in quality, with much poor grain showing up as an aftermath of the prolonged drought during the growing season. In some sections there are complaints of corn moulding in cribs. Generally there is a scarcity of prime seed corn for next season's planting. Demand for corn for feeding purposes has been well sustained, and farmers with surplus stocks have been able to obtain more favorable prices by selling on the farm than shipping to primary markets. The movement to market, however, has been in fair volume, though checked to some extent in late December by the decline in prices.

**Fruits and Vegetables**—Yields in states of this district of fruits and vegetables and prices realized on these crops by producers in 1930 fell considerably below the preceding year and the 5-year average. An exception to the rule of smaller output was white potatoes, total production of which in 1930 was 28,459,000 bushels against 27,061,000 bushels in 1929. The total value of the 1930 crop, however, fell \$7,110,000 below that of the preceding year. Apple production in states of the district in 1930 totaled 12,935,000 bushels with value of \$17,033,000 against

14,280,000 bushels in 1929, with value of \$21,390,000. There were 13,906,000 bushels of sweet potatoes produced in these states in 1930, with value of \$12,711,000 against 17,741,000 bushels in 1929, with value of \$17,175,000.

**Live Stock** — The condition of live stock generally through the district at the middle of January was reported good, the open winter to that date having been conducive to health among herds. Excepting in a few scattered localities, cattle and lamb feeding is considerably smaller than a year ago, and fewer cattle and sheep are moving from stockyards to the farm. The unfavorable feed and credit situation, coupled with unprofitable results of most feeders the year before account in a large measure for smaller feeder operations this season.

The U. S. Department of Agriculture's pig survey shows an increase of 2.4 per cent in the fall pig crop of 1930 over that of the preceding year in the Corn Belt States. Combined spring and fall pig crops in the United States last year totaled about 4 per cent less than in 1929. Fall conditions were favorable, and the average number of fall pigs per litter was larger in the country as a whole and the Corn Belt states than in 1929. Increases of 9.4 per cent and 12.2 per cent, respectively, are indicated for the number of sows bred to farrow next spring.

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

	Receipts			Shipments		
	Dec. 1930	Nov. 1930	Dec. 1929	Dec. 1930	Nov. 1930	Dec. 1929
Cattle and calves.....	99,616	87,891	85,708	64,410	55,956	55,073
Hogs .....	331,465	273,429	317,662	269,970	223,734	234,619
Horses and mules.....	2,336	2,208	4,591	2,384	1,847	4,675
Sheep .....	35,503	29,808	31,319	9,089	7,289	12,680

**Cotton** — Production of cotton in the Eighth District in 1930, according to the Department of Agriculture, amounted to 2,531,000 bales, with value of \$120,222,500, which compares with 3,306,000 bales in 1929, with value of \$271,092,000 and an 8-year average (1923-1930) of 2,765,000 bales. The past thirty days have been favorable for harvesting the small amount of cotton left in the fields, also for preliminary work for the next crop. Relatively little plowing has been accomplished, however, and due to the low price of cotton and crop shortages last season, planting programs for this year are very indefinite. Scattered reports relative to acreage indicate generally smaller plantings than last year, but it is too early yet for any trustworthy information on acreage. Demand for cotton, both for domestic consumption and export, continued quiet, and producers are still disposed to hold their stocks for more favorable markets. Prices fluctuated over a narrow range, only slightly higher than the low point of the season, reached at the middle of December. In the St. Louis market the middling grade

ranged from 8.65c to 9c per pound between December 16 and January 15, closing at 8¾c on the latter date, which compares with 8.65c on December 16, and 16¼c on January 15, 1930. Movement from farms to market continues in small volume. Total receipts at Arkansas warehouses from August 1 to January 9 were 771,089 bales, against 1,264,000 bales for the corresponding period a year ago. Stocks in these warehouses on January 9 totaled 351,229 bales, against 376,408 bales on December 12, and 356,678 bales on the corresponding date in 1930.

**Tobacco** — Resumption of activities at the tobacco markets following the holidays has been marked by better demand and generally higher prices. Warehouse capacity in the burley district has been taxed to accommodate offerings, which, however, have been readily absorbed by domestic consumers at prices above those prevailing earlier in the season. Movement of the burley crop has been rapid and at the middle of January approximately 195,000,000 pounds or 70 per cent of the crop had been sold.

The air-cured and green river markets continue well supplied, with a strong, active demand for everything offered. Medium and better grades of air-cured lugs and common leaf have advanced \$1 to \$2 per hundredweight as compared with prices prior to the holidays. In the green river district some grades have doubled in price, leaf which before the holidays sold at from \$6 to \$10 now bringing from \$12 to \$18 per hundredweight. Less satisfactory conditions obtain in the fired-dark district tributary to Paducah, Ky., prices being below expectations. In the Hopkinsville, Clarksville and Springfield markets, recent sales were at slightly higher prices, due to improved quality of offerings rather than increased demand. A number of important manufacturing interests are purchasing direct from farmers, possibly with the view of obtaining higher quality tobacco than that being offered on the loose-leaf floors. At the middle of January about 30 per cent of the western district crop and 25 per cent in other dark fired sections had been sold.

**Commodity Prices** — Range of prices in the St. Louis market between December 15, 1930 and January 15, 1931, with closing quotations on the latter date and on January 15, 1930:

	High	Low	Close	
			Jan. 15, 1931	Jan. 15, 1930
Wheat				
May .....	.81	.78½	\$ .80	\$1.27½
July .....	.69½	.60¾	.66½	1.28½
No. 2 red winter .....	.83½	.78	\$.81@ .82	\$1.36 @ 1.36½
No. 2 hard.....	.79	.75	.78@ .79	1.23 @ 1.23½
Corn				
May .....	.76	.66½	.72¾	.95½
July .....	.74½	.68	.73¾	.97½
No. 2 mixed.....	.71½	.62	.69@ .70	.87¾ @ .88
No. 2 white.....	.74	.64½	.70@ .71	.88½ @ .89½
Oats				
No. 2 white.....	.36	.33¾	.35@ .35½	.48 @ .48½
Flour				
Soft patent.....per bbl.	5.00	4.70	4.75@5.00	6.50 @ 6.75
Spring patent.....	4.80	4.25	4.25@4.40	6.50 @ 6.60
Middling cotton.....per lb.	.09	.0865	.08¾	.16¾
Hogs on hoof.....per cwt.	8.40	6.00	6.10@8.30	8.10 @10.00

## FINANCIAL

Demand for funds generally throughout this district continued quiet during the past thirty days, and interest rates remained at low levels. Requirements of manufacturing and mercantile interests showed somewhat more than the usual seasonal decline, and the call for financing stocks, bonds and other investments by the public was in considerably smaller volume than at the corresponding period a year and two years ago. There was the usual augmented demand for funds at the end of December preparatory to meeting interest and dividend payments. These disbursements, however, had no lasting effect on the situation as a whole, amounting largely to a shifting of credits.

Liquidation by commercial and industrial borrowers was in considerable volume, but rather spotted and irregular, both with reference to the several lines and localities. Wholesalers and jobbers in the large cities reported January 1 settlements satisfactory in the main, permitting of substantial reductions in loans of these interests at the banks. Liquidation of loans by country banks with their city correspondents was up to expectations, particularly in sections where tobacco and cotton are the principal crops. A scattered demand among country banks for commercial paper and other investments has been in evidence since the first of January. Commitments of grain and flour milling interests showed little change as compared with the preceding month, but were in considerably smaller volume than at this time a year ago. Reflecting smaller credit demand, loans of the reporting member banks declined at the middle of January to the lowest point in more than three years, the total, \$469,404,000 on January 14, comparing with \$534,656,000 on the corresponding date in 1930. Deposits of these banks, which had advanced in late December to the highest point of the year, receded in early January. Their investments continued the irregularly upward trend which has been in effect since last summer. Borrowings of all member banks from the Federal reserve bank averaged lower than during the preceding thirty days, and were substantially less than at the corresponding period a year ago.

At St. Louis banks current interest rates were as follows: Prime commercial paper,  $2\frac{3}{4}$  to 5 per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts,  $3\frac{1}{2}$  to  $4\frac{1}{2}$  per cent; inter-bank loans, 4 to 6 per cent and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on January 14, 1931,

(Compiled January 23, 1931)

showed a decrease of 1.7 per cent as contrasted with December 17, 1930. Deposits increased 0.7 per cent between December 17, 1930 and January 14, 1931 and on the latter date were 1.6 per cent less than on January 15, 1930. Composite statement follows:

	*Jan. 14, 1931	*Dec. 17, 1930	*Jan. 15, 1930
Number of banks reporting.....	†26	†26	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$199,726	\$197,879	\$251,016
All other loans and discounts.....	269,678	279,452	283,640
<b>Total loans and discounts.....</b>	<b>\$469,404</b>	<b>\$477,331</b>	<b>\$534,656</b>
Investments			
U. S. Government securities.....	37,190	32,345	36,388
Other securities.....	132,456	130,652	112,021
<b>Total investments.....</b>	<b>\$169,646</b>	<b>\$162,997</b>	<b>\$148,409</b>
Reserve balance with F. R. bank..	45,054	45,840	46,272
Cash in vault.....	8,163	8,567	5,759
Deposits			
Net demand deposits.....	371,121	373,868	390,761
Time deposits.....	236,441	228,834	227,105
Government deposits.....	551	1,193	270
<b>Total deposits.....</b>	<b>\$608,113</b>	<b>\$603,895</b>	<b>\$618,136</b>
Bills payable and rediscounts with			
Federal Reserve Bank.....	753	3,214	5,198
*In thousands (000 omitted).			

†Increase due to substitutions for closed banks. These 26 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources 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.

	*Dec. 1930	*Nov. 1930	*Dec. 1929	Dec. 1930 comp. to Nov. 1930	Dec. 1929
East St. Louis & Natl.					
Stock Yards, Ill. \$	36,638	\$ 33,496	\$ 41,613	+ 9.4%	—12.0%
El Dorado, Ark.....	6,009	6,281	8,979	— 4.3	—33.1
Evansville, Ind.....	25,888	23,521	30,698	+10.1	—15.7
Fort Smith, Ark.....	11,855	11,764	14,866	+ 0.8	—20.3
Greenville, Miss.....	3,838	4,045	5,382	— 5.1	—29.7
Helena, Ark.....	2,417	3,441	6,675	—29.8	—63.8
Little Rock, Ark.....	32,208	32,618	59,643	— 1.3	—46.0
Louisville, Ky.....	145,863	155,957	184,018	— 6.5	—20.7
Memphis, Tenn.....	128,698	143,640	200,507	—10.4	—35.8
Owensboro, Ky.....	7,055	5,932	7,987	+18.9	—11.7
Pine Bluff, Ark.....	7,589	9,043	13,494	—16.1	—43.8
Quincy, Ill.....	6,978	7,843	13,555	—11.0	—48.5
St. Louis, Mo.....	649,497	572,145	825,542	+13.5	—21.3
Sedalia, Mo.....	4,206	3,793	4,586	+10.9	— 8.3
Springfield, Mo.....	14,653	14,264	15,333	+ 2.7	— 4.4
**Texarkana,					
Ark.-Tex.....	10,684	10,132	14,618	+ 5.4	—26.9
<b>Totals .....</b>	<b>\$1,094,076</b>	<b>\$1,037,915</b>	<b>\$1,447,496</b>	<b>+ 5.4</b>	<b>—24.4</b>
*In thousands (000 omitted).					
**Includes one bank in Texarkana, Texas, not in Eighth District.					

## FEDERAL RESERVE OPERATIONS

During December the Federal Reserve Bank of St. Louis discounted for 244 member banks, against 225 in November and 205 in December, 1929. The discount rate of this bank was reduced from  $3\frac{1}{2}$  to 3 per cent, effective January 8. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Jan. 15, 1931	*Dec. 15, 1930	*Jan. 15, 1930
Bills discounted.....	\$12,296	\$14,249	\$16,448
Bills bought.....	6,621	9,169	12,701
U. S. Securities.....	24,151	24,418	19,266
<b>Total bills and securities.....</b>	<b>\$43,068</b>	<b>\$47,836</b>	<b>\$48,445</b>
F. R. Notes in circulation.....	82,331	84,184	90,283
<b>Total deposits.....</b>	<b>71,399</b>	<b>71,156</b>	<b>81,696</b>
Ratio of reserves to deposits			
and F. R. Note Liabilities.....	75.2%	74.6%	74.8%
*In thousands (000 omitted).			



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of February 28, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**W**HILE general business in this district during the past thirty days continued to reflect depression existing elsewhere in this country and abroad, there were concrete evidences of improvement in some quarters and sentiment was more favorable than for many months. Industry increased its pace moderately, and distribution of merchandise as a whole began to move upward. In a number of wholesaling and jobbing lines January sales were considerably larger than in December, and in some classifications the increases were greater than could be ascribed to purely seasonal considerations. While volume in virtually all lines was still substantially below a year earlier, the decreases in many instances were much less marked than those which have been recorded in recent months. In manufactured goods and some raw materials there were signs of progress in the direction of price stabilization, though a considerable degree of uncertainty and irregularity still exists. Requirements are gradually expanding, and the accumulation of replacement needs for a broad variety of commodities is making itself felt in inquiries and orders received by manufacturers and merchants.

Inventories of merchandise in hands of distributors are for the most part light, and though purchasing is still extremely cautious and conservative, actual requirements are being filled more freely than heretofore, and during the past three weeks ordering for spring and early summer consumption has developed decided betterment. This is true particularly of lines concerned with goods for ordinary consumption, such as dry goods, boots and shoes, clothing, and groceries. However, moderate improvement was also noted in both production and distribution of goods of the heavier and more permanent sort. Activities in the iron and steel industry have expanded, many mills and foundries which had been closed for inventorying and repairs, having resumed production on partial schedules. Demand for building materials, while still considerably below the average at this season, during the past decade,

showed improvement over the preceding several months. Taken as a whole, the employment situation at the middle of February was slightly better than a month earlier, though in all sections of the district there is still an unusually large surplus of both skilled and common labor. Little, if any, improvement was noted in employment among clerical help in the large centers of population.

As was the case earlier in the winter, abnormally high temperatures adversely affected the movement of all descriptions of cold weather goods into consumptive channels, and a considerable volume of merchandise in this category will be carried over. These meteorological conditions, which obtained through the first half of February, heavily cut down consumption of bituminous coal, coke and other fuels. Production of coal in all fields of the district during January was substantially below the average. The unprecedented winter drought, which remained unbroken until the first week of February, caused acute water shortages in many localities. The average stage in the Mississippi River, and its tributaries was the lowest in years, and numerous springs and creeks which had never been known to fail, dried up completely. On the other hand, the mild open winter permitted the accomplishment of a considerable amount of early farm work, and served to temper hardship and suffering in areas acutely affected by the economic depression and last year's drought.

Returns of department stores in the principal cities of the district reflected the usual heavy decrease in sales from December to January, and the total for the latter month was 6.7 per cent smaller than for the corresponding period in 1930. Combined sales of all wholesaling and jobbing firms reporting to this bank in January were about one-fifth smaller than for the same month last year, but 45.0 per cent larger than the December aggregate. The dollar value of building permits issued for new construction in the five largest cities of the district in January showed a substantial gain over December, and was about three and one-quarter times greater

than in January last year. Charges to individual checking accounts in January were 8.0 per cent larger than in December, but 16.0 per cent smaller than in January, 1930. The amount of savings accounts was practically unchanged between January 7 and February 7, and on the latter date was 4 per cent smaller than a year ago.

Freight and passenger traffic of railroads operating in this district continued smaller than at the corresponding period a year and two years earlier. Decreases occurred in all classifications, but were most marked in coal and coke, the movement of fuels being restricted by the unseasonably warm weather and general business depression. For the country as a whole, loadings of revenue freight for the first five weeks this year, or to January 31, totaled 3,490,542, cars against 4,246,552, cars for the corresponding period last year and 4,518,609, cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 173,098 loads in January, against 156,424 loads in December, and 208,059 loads in January, 1930. During the first nine days of February the interchange amounted to 71,754 loads, which compares with 47,502 loads during the corresponding period in January, and 62,703 loads during the first nine days of February, 1930. Passenger traffic of the reporting lines decreased 23.0 per cent in January as compared with the same month in 1930. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 75,300 tons, against 107,507 tons in December and 75,739 tons in January, 1930.

Reports relative to collections during the past thirty days reflect no material change in trends from the preceding several months. Manufacturers and merchants enjoying a strong credit position are taking advantage of low interest rates to borrow from their banks and discharge their obligations promptly in order to obtain cash discounts. Generally, however, payments are backward, both in the large cities and the country. Wholesalers report slow payments and increasing requests for extensions on the part of their country retail customers, particularly in the cotton areas. This, in turn, reflects backwardness of farmers in liquidating their indebtedness to retail merchants. January settlements with retail establishments in the large cities were spotty and irregular, but taken as a whole about up to expectation. Collections of time payment houses and others selling on the installment plan continue poor. Answers to 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>
January, 1931.....	.....%	10.6%	58.8%	30.6%
December, 1930.....	.....	12.7	63.5	23.8
January, 1930.....	1.4	20.3	55.4	22.9

Commercial failures in the Eighth Federal Reserve District in January, according to Dun's, numbered 243, involving liabilities of \$4,836,838 against 131 failures with liabilities of \$10,609,767, in December, and 170 defaults for a total of \$3,054,150 in January, 1930.

The average daily circulation in the United States in January was \$4,695,000,000, against \$4,823,000,000 in December and \$4,652,000,000 in January, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — January sales of the reporting firms were more than two and one-quarter times larger than in December, but 10.0 per cent smaller than the January, 1930, total. The increase in the month-to-month comparison is seasonal in character, and of about the average proportions noted during the past decade. Manufacturing activities in preparation for spring distribution were reflected in an increase in stocks of 6.0 per cent on February 1 as compared with January 1, but February 1 inventories this year were 23.0 per cent smaller than on the same date in 1930. Orders booked during the last half of January and the first two weeks in February were in considerable volume, with women's novelty shoes making a particularly favorable showing. Factories making this class of goods were operating at from 90 per cent to full capacity. Operations generally averaged about 70 per cent of capacity.

**Clothing** — While ordering for spring and early summer distribution has picked up since the last week in January, purchasing is still along extremely conservative lines, with price and style considerations important in commitments. Total January sales of the reporting clothiers were only slightly more than half as large as a year ago, and a third less than the December, 1930, total. The movement of heavyweight apparel continued backward, owing to the mild winter. Stocks of both men's and women's clothing gained slightly between January 1 and February 1, but were measurably smaller than on February 1 last year.

**Drugs and Chemicals** — The past thirty days developed considerable improvement in this classification as contrasted with the several months immediately preceding. Slightly larger requirements for heavy drugs and chemicals by the general manufacturing trade were reported, and purchasing of remedial drugs and seasonal goods generally was more active than earlier in the winter. January

sales of the reporting interests were 10.0 per cent larger than in December and 7.0 per cent less than in January, 1930. The decrease from the corresponding month last year was the smallest recorded since last May.

**Dry Goods** — Generally depleted stocks and freer purchasing on the part of retail merchants were the principal influences in producing an increase in January sales of the reporting firms of 23.0 per cent over the December total. There was a decrease, however, of about 32.0 per cent as compared with January, 1930, accounted for partly by the lower price levels this year. The decrease in prices is estimated by the several reporting firms at from 20 to 25 per cent. Visiting merchants to St. Louis and other principal distributing centers in early February were in considerable numbers, and the character of their buying reflected more hopefulness for spring and early summer business than was noted earlier in the season. Inventories of the reporting interests continue to decline, the total on February 1 being 5.4 and 31.0 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies** — January sales of the reporting interests were approximately one-third smaller than for the same month in 1930, and a fourth less than the December total. Stocks on February 1 were 11.0 per cent larger than on January 1, and 12.0 greater than on February 1, 1930. In the yearly comparison decreases were general through all lines, but most marked in radio, and line and pole hardware. Seasonal goods have moved in smaller than ordinary volume throughout the winter, being affected by the unusually high temperatures.

**Flour** — Production at the 12 leading mills of the district in January totaled 331,681 barrels, against 327,804 barrels in December, and 379,967 barrels in January, 1930. Stocks of flour in St. Louis on February 1 were one-fifth less than on January 1, and slightly less than on February 1, 1930. The volume of business continued light, with buyers taking only enough for immediate requirements. As has been the case for a number of months, clears and low grade flours were in relatively better demand than the choice descriptions. The trend of prices continued downward. Mill operations were at from 58 to 68 per cent of capacity.

**Furniture** — Orders booked in late January were above expectations, and resulted in an increase of total sales for that month, of 69.0 per cent as contrasted with December total. The increase was seasonal in character, however, and as compared with the same month in 1930, January sales of the reporting firms showed a decrease of 40.0 per cent.

Office furniture and equipment lines continue to lag, and as contrasted with a year ago, there was a noticeable shrinkage in demand for radio cabinets. Stocks on February 1 were 8.0 per cent and 17.0 per cent smaller, respectively, than thirty days and a year earlier.

**Groceries** — While buying continues on a hand-to-mouth basis, ordering generally through the entire line showed considerable improvement as contrasted with thirty days earlier. Demand for luxuries and specialties continues relatively quiet, but ordering of staple goods and necessities is in considerable volume, with advance business larger than at the same time last year. January sales of the reporting firms were 5.4 per cent larger than in December, and 11.0 per cent less than for January, 1930. Stocks on February 1 were 19.0 per cent and 6.0 per cent smaller, respectively, than thirty days and a year earlier.

**Hardware** — Demand for seasonal merchandise continued at a low ebb during January, but ordering of goods for spring and early summer distribution was somewhat more active than heretofore. Builders' hardware and tools, and the general run of goods for consumption in the rural areas showed no change from the dull conditions of recent months. January sales of the reporting firms were 4.0 per cent larger than in December, but about a third smaller than in January, 1930. Stocks continue to decline, the aggregate in hands of the reporting interests on February 1 being 8.0 per cent less than on January 1, and one-third smaller than on February 1, 1930.

**Iron and Steel Products** — Reflecting moderate improvement over the low stage of activity in December, sentiment in the iron and steel industry in this district was more optimistic than in several months. Finished and semi-finished iron and steel prices were steady to slightly firmer, despite strong pressure on the part of buyers for concessions. Southern pig iron, and iron and steel scrap, however, were easier; heavy melting steel declining to the lowest level since the beginning of the World War. Structural steel awards and inquiries continued in small volume, and were confined chiefly to scattered jobs involving small tonnages. Purchasing by the railroads failed to improve, freight car orders in January making the poorest showing in late years. Automobile requirements were also below expectations. With the exception of reinforcing concrete bars, which are being taken in fair quantities for highway construction and other engineering projects, commodities in the building material category displayed little activity. New orders and specifications for sheets, plates and other rolled materials

were somewhat larger in January than during the preceding month, but still considerably below the seasonal average. Wire and wire products, galvanized roofing, fence posts and other commodities for spring consumption in the agricultural areas showed no change from the dull conditions obtaining through the final quarter of 1930. Tin plate requirements expanded in January, a number of important consumers having covered on their requirements for spring and early summer. Failure of the general manufacturing trade to accelerate its pace, and extremely cautious buying of important industries, tended to restrict the volume of distribution through warehouse and jobbing channels. A number of stove plants and jobbing foundries, which had been idle since the Christmas holidays, resumed operations during the first week of February, but on reduced schedules. Operations at steel mills were at approximately 45 per cent of capacity. Farm implement manufacturers slightly increased their operations in January, but report shipping directions on finished goods disappointing, with dealers backward in engaging their spring requirements. Production of pig iron for the country as a whole turned slightly upward in January, following an eight-month period in unbroken decreases. The total output in January was 1,712,919 tons, against 1,665,715 tons in December, and 2,838,751 tons in January, 1930. There was also a gain in production of steel ingots in the United States, the January total of 2,483,206 tons comparing with 2,007,774 tons in December, and 3,786,319 tons in January, 1930.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in January totaled 171,903, against 155,601 in December, and 273,089 in January, 1930.

Aggregate sales during January of dealers reporting to this bank showed considerable decreases as compared with the preceding month and the corresponding period in 1930, and were the smallest for any single month in more than six years. January is invariably a month of light sales in this general area, prospective purchasers usually postponing commitments into February in order to get in on the new registration year, which begins February 1. Another factor tending to affect January sales volume was the disposition to await new models and possible price reductions incident to the February automobile shows. In St. Louis, Louisville, Memphis and Evansville the annual shows were well attended, and resulted in the booking of a large number of orders and prospects. Interest displayed in these exhibitions has served to promote considerable optimism among dealers, and the outlook for

spring and early summer business is viewed more hopefully than six weeks or two months ago. As has been the case for a year or more, the relatively greatest decreases were shown in the volume of country dealers. In the urban centers, business was unusually spotty and irregular, some dealers reporting small increases, while others showed losses as marked as any experienced since the present downward movement commenced. Inventories are universally light, dealers adhering strictly to the policy of purchasing only sufficient cars from the factories to cover actual or reasonably certain requirements. January sales of the reporting dealers were 43.0 per cent smaller than in December and 16.4 per cent smaller than in January, 1930. Stocks of new passenger cars in dealers' hands on February 1 were 3.0 per cent larger than on January 1, and about one-third smaller than on February 1, 1930. Salable used car stocks on February 1 showed little change as compared with a month earlier, but were approximately a fourth less than on February 1, 1930. Demand for repair parts, batteries, accessories, etc., continued relatively more active than automobiles proper. This is due to the general practice of reconditioning cars in order to prolong their period of usefulness. No change worthy of note took place in the tire situation as compared with the closing months of last year. Deferred payment sales of dealers reporting on that particular constituted 54.0 per cent of their total sales, against 51.0 per cent in December, and 56.2 per cent in January, 1930.

### 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	
	Jan. 1931 comp. to Jan. 1930	Jan. 31, 1931 comp. to Jan. 31, 1930	Jan. 31, 1931	Jan. 31, 1930	January 1931	January 1930
Evansville .....	-17.3%	-6.7%	13	16		
Little Rock.....	-10.8	-22.2	18	16		
Louisville .....	+ 4.3	+ 4.5	18	20		
Memphis .....	-26.6	-15.4	20	23		
Quincy .....	- 7.6	-19.7	20	18		
St. Louis.....	- 1.3	- 9.3	29	27		
Springfield, Mo.....	-10.7	-19.2	9	9		
8th District.....	- 6.7	-10.3	25	24		
	Net sales comparison		Stocks on hand			
	Jan. 1931	comp. to	Jan. 1931	comp. to	Jan. 1931	comp. to
	Jan. 1930	Dec. 1930	Jan. 1930	Dec. 1930	Jan. 1930	Dec. 1930
Men's furnishings.....	+22.1%	-27.9%	-29.0%	+ 3.8%		
Boots and shoes.....	-13.9	-26.8	-17.8	-11.9		

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January were 18.0 per cent greater than in December, and about three and one-half times larger than the unusually small total of January, 1930. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January amounted to \$13,305,792, which compares with \$16,102,809,

in December, and \$13,062,764, in January, 1930. Building costs in this district at the first of January were the lowest in a number of years. Production of portland cement for the country as a whole in January totaled 6,581,000 barrels against 8,480,000 barrels in December and 8,498,000 barrels in January, 1930. Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	165	193	\$ 51	\$ 125	28	28	\$ 12	\$ 30
Little Rock ..	24	26	79	97	35	118	11	54
Louisville ..	37	65	564	195	27	25	40	35
Memphis ....	79	134	394	295	197	124	92	83
St. Louis....	179	130	1,767	141	204	228	176	147
Jan. totals	484	548	\$2,855	\$ 853	491	523	\$ 331	\$349
Dec. totals	504	705	2,426	2,273	497	341	325	491
Nov. totals	779	959	1,271	2,244	430	632	408	781

\*In thousands of dollars (000 omitted).

**CONSUMPTION OF ELECTRICITY**

Public utilities companies in the five largest cities of the district reported consumption of electric current by selected industrial customers in January as being 2.1 per cent greater than in December, and 7.6 per cent less than in January, 1930. The increase in the month-to-month comparison was seasonal in character. The decrease as compared with a year ago was quite general through all classes of users. Detailed figures follow:

	No. of Customers	Jan. 1931	Dec. 1930	Jan. 1931 comp. to Dec. 1930	Jan. 1930	Jan. 1931 comp. to Jan. 1930
		*K.W.H.	*K.W.H.		*K.W.H.	%
Evansville ....	40	1,806	1,726	+ 4.6%	1,540	+17.2%
Little Rock..	35	1,812	1,250	+45.0	1,391	+30.3
Louisville ....	85	5,646	5,595	+ .9	6,678	-15.5
Memphis .....	31	1,686	1,710	- 1.4	1,790	- 5.8
St. Louis.....	156	12,888	13,049	- 1.2	14,411	-10.6
Totals .....	347	23,838	23,330	+ 2.1	25,810	- 7.6

\*In thousands (000 omitted).

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

	By water power	By fuels	Totals
Dec. 1930.....	2,329,412,000	5,740,421,000	8,069,833,000
Nov. 1930.....	2,172,096,000	5,499,423,000	7,671,519,000
Dec. 1929.....	2,757,827,000	5,758,637,000	8,516,464,000

**AGRICULTURE**

The unusually mild weather prevailing throughout the entire district during January and early February enabled farmers to accomplish considerable plowing and preparation for planting spring crops. Taken as a whole, this work is further advanced than in any other year to this date since 1925. At the middle of February some work had been completed as far north as the northern border of Missouri. In Arkansas and other sections of the south spring oats were being seeded, which work is not ordinarily done before early March. Dirt roads were generally in excellent shape, and conditions otherwise favorable for the movement of products from farms. Universally through the district, however, rainfall was inadequate, and in many sections apprehension was felt relative to the progress of growing crops. In parts of Illinois, Kentucky, Southern Missouri and Indiana the unprecedented

winter drought caused a serious scarcity of water for livestock and for use in homes. In many communities it was necessary to haul water, and elsewhere stringent economies were resorted to in order to conserve diminishing supplies.

In the main there were fewer reports than in many years of winter damage to growing crops. While snow protection was lacking, temperatures were high enough to obviate injury from the usual seasonal causes. Rainfall since the first week of February has afforded relief in scattered sections, but heavy precipitation is needed to secure best results. Since the beginning of the drought last summer, rainfall has been considerably below normal, some sections reporting less moisture during that period than at any time since official weather records have been kept. Prices of farm products continued the downward trend of the preceding several months, and according to the U. S. Department of Agriculture, reached the lowest average level at the end of January since 1912. A new low level on the present retrograde movement was established by hog prices in the second week of February, and corn values recorded a new low on the crop.

Reports relative to prospective acreages of spring crops vary broadly with different localities. Due to low prices during the past season and large carryover stocks, producers of certain crops are disposed to cut down their planting program. Another influence tending toward smaller acreages is the greater difficulty being encountered in financing planting operations. Supply merchants and banks are more conservative than in past seasons, which fact is expected to find reflection in curtailed planting of truck crops and decreased use of fertilizers.

**Winter Wheat** — The growing crop in this district is generally in good condition, taking into consideration the scarcity of rainfall and absence of snow covering. Due to the mild winter, protection afforded by snow has been less needed than in other years. In most sections subsoil moisture has been adequate to sustain the plant, and good top and root growth are the rule. Pasturing of wheat fields in the southern counties has been practiced to a greater extent than during many past seasons, and the ability to do this has served to relieve the pressure of feed and forage shortages. Rains since the first week of February have been of great benefit to the crop.

**Corn** — In the southern tier of counties considerable preparation for planting the 1931 corn crop has been accomplished. Scarcity of good seed corn is general particularly in the areas most affected by last year's drought. In many counties in Arkansas and Tennessee practically all corn planted will have

to be brought in from outside sources. There are increasing reports of damage to corn in cribs, caused by the unusually mild weather. Continued heavy receipts, which met only moderate demand, weakened the market for corn, and in the first week of February a new low price for the present crop was recorded. Corn consumption on farms has been greatly reduced by the open winter and use of other feeds.

**Fruits and Vegetables**—Due to the mild weather, the winter thus far has witnessed practically no damage to fruit trees in this district. In certain sections, however, apprehension is felt by orchardists of possible injury to trees, particularly young trees, from the long winter drought. Planting intentions of farmers are still very indefinite relative to truck and fruit crops. Latest reports indicate a smaller strawberry acreage in the Ozark region.

**Live Stock**—According to the annual survey of the U. S. Department of Agriculture, the number of livestock in states wholly or partly within the Eighth Federal Reserve District showed a decline of 3.0 per cent between January 1, 1930, and January 1, 1931. Due to sharply decreased prices, however, the estimated total farm value of livestock in these states on January 1 was approximately 23.0 per cent smaller than a year earlier. The aggregate number of cattle, sheep, swine, horses and mules on the first day of this year was 30,022,000 head, having an estimated total value of \$738,251,000, which compares with 30,934,000 head with value of \$1,009,641,000 on January 1, 1930. There was a slight increase in the number of cattle, but all other species declined numerically. Price declines extended to all species. For the country as a whole the total value of all live stock on January 1, 1931, was \$4,366,000,000, the lowest since 1912, and comparing with \$5,888,000,000 on January 1, 1930.

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

	Receipts			Shipments		
	Jan. 1931	Dec. 1930	Jan. 1930	Jan. 1931	Dec. 1930	Jan. 1930
Cattle and calves.....	84,616	99,616	81,977	54,165	64,410	56,360
Hogs .....	344,937	331,465	342,603	263,590	269,970	274,802
Horses and mules.....	5,487	2,336	12,011	5,886	2,384	12,329
Sheep .....	30,945	35,503	35,088	14,683	9,089	20,172

**Cotton**—Since the middle of January weather conditions have been ideal for field work. While precipitation has been light, the soil in most sections has been sufficiently moist for working, and more than the average amount of plowing at this date has been accomplished. Due to low prices, difficulty in obtaining production credits, poor condition of farm animals and the depressed economic status, enthusiasm in the new crop is not as marked as in some past seasons. It is still too early to form any definite opinion relative to acreage, but scat-

tered reports indicate reduced cotton plantings as compared with last spring, and somewhat larger acreages of feed and truck crops. Universally purchasing of fertilizers will be smaller. Under a moderately improved demand, raw cotton prices advanced, and in the second week reached the highest point since mid-December. In the St. Louis market the middling grade ranged from 8.85c to 9.70c per pound between January 16 and February 16, closing at 9.70c on the latter date, against 8.85c on January 16, and 15c on February 15, 1930. The movement from farms is still in relatively small volume. Total receipts at Arkansas warehouses from August 1, 1930, to February 13 this year totaled 792,531 bales, against 1,307,384 bales for the corresponding period last season. Stocks in these warehouses on February 13 totaled 291,280 bales, against 351,229 bales on January 9, and 291,980 bales a year ago.

**Tobacco**—The middle of February found the burley tobacco crop quite well liquidated, with only relatively small quantities in growers' hands. Prices for all grades remained at about the same average levels of the preceding several weeks. Demand was strong for all choice tobacco offered, but with the marketing season drawing to a close, common to low medium grades were irregular and generally easier. The air-cured dark crop is practically all sold, and demand through the season has absorbed all offerings at fairly firm prices. In the fired-dark districts of Kentucky and Tennessee farmers have made every effort to move their stocks to market, and despite the extremely dry weather, selling has progressed rapidly.

During the past two weeks all tobacco districts have had good rains, which served to stimulate deliveries, and a large portion of the fired-dark crop will have been marketed by March 1. Despite the generally unsatisfactory averages which have marked the 1930 crop, farmers have begun preparations for planting the new crop. In a number of localities there is a disposition to increase burley planting and to reduce the dark-fired acreage.

**Commodity Prices**—Range of prices in the St. Louis market between January 15, 1931 and February 16, 1931, with closing quotations on the latter date and on February 15, 1930.

	High	Low	Close	
			Feb. 16, 1931	Feb. 15, 1930
Wheat				
May .....	.79¾	.79½		\$1.19
July .....	.70¾	.63		1.19½
No. 2 red winter .....	.81½	.79	\$.79	@ .80 \$1.24 @ 1.25
No. 2 hard .....	.77	.74½	.76	@ .77 1.18 @ 1.18½
Corn				
May .....	.70½	.63¾		.64½ .90¾
July .....	.71½	.64½		.66 .93½
No. 2 mixed .....	.68	.59	.59	@ .60 .83 @ .84
No. 2 white .....	.69½	.61	.61	@ .62 .87 @ .88
Oats				
No. 2 white .....	.35	.33	.33¾	@ .34½ .46½ @ .48
Flour				
Soft patent.....per bbl.	5.00	4.75	4.75	@ 5.00 6.25 @ 6.50
Spring patent.....	4.40	4.10	4.10	@ 4.25 6.25 @ 6.30
Middling cotton.....per lb.	.0970	.0885		.0970 .15
Hogs on hoof.....per cwt.	8.50	5.50	5.50	@ 8.05 9.25 @ 11.50

**FINANCIAL**

Trends noted in the preceding issue of this review continued to influence developments in the banking and financial situation in this district during the past thirty days. Credit requirements of commercial and industrial interests contracted further, and banks in the large cities were in possession of considerably more funds than they were able to lend to their customers. Early February settlements with wholesale and jobbing firms were in large volume and resulted in a substantial reduction of their loans at the banks. Generally smaller inventories and lower prices, together with less buying for future requirements, have measurably lessened the aggregate volume of credit needed for financing spring trade as contrasted with recent years.

Borrowings by country banks from their city correspondents showed little change as contrasted with the preceding thirty days. Liquidation of loans at country banks continues spotted and irregular, but on the whole made fair progress. In the tobacco and rice areas, where marketing of these crops was nearing completion, settlements with both banks and merchants improved noticeably. Generally through the south the banking situation is considerably more satisfactory than during the closing months of last year. A number of the failed institutions have reopened, and plans for reorganizing and reopening others are being worked out. Through banks, the Government and other agencies, arrangements are being perfected for supplying agricultural credits in the sections affected by the drought, and the outlook in that general area is more satisfactory than in a number of months.

Between the middle of January and February, loans of the reporting member banks, both secured and commercial, continued to decline. The total of these loans on February 11, \$453,285,000, was the smallest recorded this year, and compares with \$520,170,000, on the corresponding date in 1930. Deposits, which had declined steadily through January, turned upward in February and on the second report date were at about the same levels as a year ago. Investments of these banks continued the irregularly upward swing which began early last summer. Borrowings of all member banks from the Federal reserve bank receded further, and on February 18 were the smallest since March, 1925.

Reflecting apathy in the demand for credit, and low levels, elsewhere in this country, interest rates eased further during the period. Current quotations at St. Louis banks were as follows: Prime commercial paper 2½ to 5 per cent; collateral loans, 4 to 5½ per cent; loans secured by warehouse receipts,

3 to 5 per cent; interbank loans, 4 to 5½ per cent, and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on February 18, 1931, showed a decrease of 4.0 per cent as contrasted with January 14, 1931. Deposits decreased 1.9 per cent between January 14, 1931 and February 18, 1931 and on the latter date were 0.3 per cent less than on February 19, 1930. Composite statement follows:

	*Feb. 18, 1931	*Jan. 14, 1931	*Feb. 19, 1930
Number of banks reporting.....	25	†26	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$185,546	\$199,726	\$232,247
All other loans and discounts.....	265,258	269,678	284,360
Total loans and discounts.....	\$450,804	\$469,404	\$516,607
Investments			
U. S. Government securities.....	41,787	37,190	36,301
Other securities.....	138,806	132,456	112,624
Total investments.....	\$180,593	\$169,646	\$148,925
Reserve balance with F. R. bank	45,764	45,054	44,397
Cash in vault.....	6,465	8,163	5,760
Deposits			
Net demand deposits .....	358,104	371,121	369,811
Time deposits.....	238,040	236,441	228,574
Government deposits.....	384	551	30
Total deposits.....	\$596,528	\$608,113	\$598,415
Bills payable and rediscounts with Federal Reserve Bank.....	170	753	6,431

\*In thousands (000 omitted).  
†Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources 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.

	*Jan. 1931	*Dec. 1930	*Jan. 1930	Jan. 1931 Dec. 1930	comp. to Jan. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	34,263	\$ 36,638	\$ 49,027	— 6.5%	—30.0%
El Dorado, Ark.....	6,383	6,009	8,187	+ 6.2	—22.0
Evansville, Ind.....	27,022	25,888	27,445	+ 4.4	— 1.5
Fort Smith, Ark.....	11,534	11,855	15,075	— 2.7	—23.5
Greenville, Miss.....	3,918	3,838	5,898	+ 2.1	—33.6
Little Rock, Ark.....	33,483	32,208	48,862	+ 4.0	—31.5
Louisville, Ky.....	157,104	145,863	199,021	+ 7.7	—21.1
Memphis, Tenn.....	116,247	128,698	177,420	— 9.7	—34.5
Owensboro, Ky.....	8,775	7,055	9,834	+24.4	—10.8
Pine Bluff, Ark.....	7,829	7,589	12,097	+ 3.2	—35.3
Quincy, Ill.....	7,437	6,978	12,597	+ 6.6	—41.0
St. Louis, Mo.....	725,659	649,497	796,378	+11.7	— 8.9
Sedalia, Mo.....	4,469	4,206	5,104	+ 6.3	—12.4
Springfield, Mo.....	16,627	14,653	16,755	+13.5	— 0.8
**Texarkana, Ark. Tex.....	12,789	10,684	16,196	+19.7	—21.0
Totals .....	\$1,173,539	\$1,091,659	\$1,399,896	+ 7.5	—16.2

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During January the Federal Reserve Bank of St. Louis discounted for 218 member banks against 244 in December, and 196 in January, 1930. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Feb. 19, 1931	*Jan. 19, 1931	*Feb. 19, 1930
Bills discounted .....	\$ 8,708	\$12,073	\$17,829
Bills bought .....	4,392	6,369	18,052
U. S. Securities.....	24,151	24,151	19,266
Total bills and securities.....	\$37,251	\$42,593	\$55,177
F. R. Notes in circulation.....	78,613	82,784	84,863
Total deposits.....	71,142	68,874	80,120
Ratio of reserves to deposits and F. R. Note Liabilities.....	79.2%	75.2%	71.7%

\*In thousands (000 omitted).

(Compiled February 24, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of March 28, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**I**RREGULARITY and spottiness marked the progress of general business in this district during the past thirty days. Industry as a whole maintained the gains noted in the preceding issue of this review, and adjusted for a shorter working month, February returns showed increases in a number of lines as compared with January, though still recording substantial decreases under the corresponding period in 1930, and the average during the past decade. Activities at iron and steel plants were at a somewhat higher rate than during the opening month of the year, and higher operating schedules were in effect at establishments producing some descriptions of building materials, notably cement, glass, fire clay, and quarry products. There were gains in output of shoe and apparel factories engaged in manufacturing goods for the Easter trade and seasonal merchandise. However other sections of these same industries failed to show improvement, and in some, decreases were reported. The unusually mild weather of February and early March adversely affected the bituminous coal industry, productions in all fields of the district being much under the seasonal average. Many textile mills in the south continued to operate on reduced schedules and no betterment has taken place in the dull conditions obtaining in the lumber, cottonseed and other important industries.

Distribution made a relatively less favorable showing than in the case of production, and continues to reflect extreme conservatism on the part of retail merchants and ultimate consumers. With the exception of a few classifications affected by seasonal considerations, the volume of business of wholesalers and jobbers in February was smaller than in January. In all lines investigated by this bank, February sales were below those of the corresponding month in 1930 and the average of the preceding five years. Retailers generally, but more particularly in the country and smaller centers of population, are purchasing only sufficient goods for immediate or near-by requirements. The movement of seasonal merchandise has been curtailed by the mild, open

winter, and recent special sales of such goods at considerable price concessions have met with only fair response. Since the first week in March, postponed buying for spring distribution has accelerated the movement of apparel, groceries, boots and shoes and other lines for ordinary consumption.

Sentiment in the agricultural areas has been considerably improved by general rains, which served in many areas to break the long winter drought. Weather conditions have been ideal for field work, and preparation of the soil for seeding spring crops is further advanced through the district than at any similar period in recent years. In areas acutely affected by last year's record drought, efforts of Governmental and other agencies have substantially improved the situation in regard to financing crop planting and carrying livestock until new crops are available. Farmers are formulating their spring programs with considerably more confidence than was thought possible earlier in the season. Supply of farm laborers is largely in excess of demand, due partly to workers returning to the country because of depressed conditions in the industrial centers. Employment in the district as a whole showed slight improvement as compared with the preceding thirty days, though the surplus of both skilled and common labor continues large.

Aggregate sales of department stores in the principal cities of the district in February were slightly larger than in January, but 18.5 per cent smaller than in February, 1930. Combined January and February sales were 13.0 per cent smaller than for the same period a year ago. Total February sales of all wholesale and jobbing firms reporting to this bank decreased 23.0 per cent as compared with the same month in 1930, and 8.0 per cent as compared with January this year. Contracts let for construction in the Eighth District in February represented the smallest aggregate for any single month since January, 1925, when compilation of these records began. The dollar value building permits issued for new construction in the five largest cities of the district in February was slightly greater than for

the same month in 1930, but about one-fourth less than the January total this year. Charges to individual checking accounts in February were 21.0 per cent smaller than in January, and 23.0 per cent less than in February, 1930. The amount of savings accounts on March 4 was slightly larger than on February 4, and 2.7 per cent smaller than on the corresponding date a year ago.

According to officials of railroads operating in this district, both freight and passenger traffic continued in considerably smaller volume than during the same period a year and two years ago. Decreases in both comparisons were particularly large in the case of merchandise and miscellaneous freight. The unusually mild winter and depression in industry were reflected in a sharp decline in the volume of coal and coke transported. For the country as a whole, loadings of revenue freight for the first nine weeks this year, or to February 28, totaled 6,326,222 cars, against 7,753,451 cars for the corresponding period last year, and 8,315,792 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 164,030 loads in February, against 173,098 loads in January, and 198,531 loads in February, 1930. During the first nine days of March the interchange amounted to 64,680 loads, against 51,754 loads during the corresponding period in February, and 64,274 loads during the first nine days of March, 1930. Passenger traffic of the reporting roads in February decreased 15 per cent as contrasted with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 69,400 tons, against 75,521 tons in January, and 75,157 tons in February, 1930.

Little change worthy of note has taken place in collections as compared with the preceding three or four months. Reports of retail and wholesale interests reflect considerable irregularity and unevenness. While there is a general disposition to economize and conserve cash, bills are being paid promptly where debtors are able to do so. A number of important wholesalers report settlements in relatively larger volume than a year ago, that is the ratio of receipts to receivables in February was greater than during the same month in 1930. On the other hand, nearly all wholesaling and manufacturing lines report actual losses and doubtful accounts considerably larger than the average during the past five years. Mercantile debtors with strong credit position continue to discharge their obligations promptly in order to avail themselves of cash discounts. There are increasing complaints of backwardness of payments to country retail merchants,

and collections of retailers in the large cities are less satisfactory than heretofore. Answers to 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>
February, 1931.....	%	13.1%	57.2%	29.7%
January, 1931.....		10.6	58.8	30.6
February, 1930.....	1.5	15.0	56.2	27.3

Commercial failures in the Eighth Federal Reserve District in February, according to Dun's numbered 181, involving liabilities of \$5,158,243, against 243 failures with liabilities of \$4,836,838 in January, and 102 defaults for a total of \$6,029,700 in February, 1930.

The average daily circulation in the United States in February was \$4,598,000,000, against \$4,695,000,000 in January, and \$4,556,000,000, in February, 1930.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — February sales of the reporting firms were 16.0 per cent smaller than for the same month in 1930, and 15.0 per cent smaller than the January total this year. The decrease in the month-to-month comparison is seasonal in character and of about the same extent as the average during the past five years. Due to the early Easter date and postponed purchasing, women's novelty goods are relatively more active than other lines, factories producing these goods working at capacity to fill requirements. Demand for work shoes continues subnormal, even for this season, which is ordinarily a quiet one. Hides during late February dropped to the lowest price level since 1893, but have since strengthened slightly. There was no change in the price of finished goods as compared with the preceding month, but average prices are from 5 to 8 per cent lower than a year ago. Stocks on March 1 were slightly larger than thirty days earlier, but about one-fourth smaller than on March 1, 1930.

**Clothing** — Purchasing of both men's and women's apparel continues on an extremely conservative basis, and manufacturers are making up but little stock for which they have not actual orders. Deferred purchasing of women's and children's clothing for spring wear has resulted in a considerable volume of belated orders, and operating schedules at factories were sharply increased to produce the necessary goods. The movement of heavy apparel through retail channels continued in disappointing volume through February and early March, owing to the mild weather. February sales of the reporting clothiers were approximately two-thirds smaller than for the same month in 1930, and a quarter less than the January total this year.

**Drugs and Chemicals**—Conditions in this classification showed little change as contrasted with thirty days and a year earlier. February sales of the reporting interests were slightly larger than the January total, and showed practically no change from a year ago. Advance orders of insecticides and fertilizers were in smaller volume than at any similar period in recent years, but some improvement was noted in demand for heavy chemicals and drugs from the general manufacturing trade. The trend of prices was lower.

**Dry Goods**—Purchasing for immediate requirements is on a fairly liberal scale, and retail merchants are more disposed to fill out depleted stocks and assortments than in a number of months. Since the last week in February, the movement of seasonal merchandise has shown decided improvement. February sales of the reporting firms showed an increase of 5.0 per cent over the preceding month, but were smaller by one-third than the February, 1930, total. In the yearly comparison lower prices account for a considerable part of the decrease. Stocks on March 1 were 5.4 per cent and 32.0 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies**—Decreases in sales as compared with a month and a year earlier continued in this classification during February. Declines were general in all lines of goods, but in the yearly comparison were most marked in household appliances, radio and building installations. Sales of the reporting interests in February were 9 per cent less than in January, and about one-third smaller than in February last year. Stocks on March 1 were 11.0 per cent smaller than a year earlier, and 8.0 per cent less than on February 1 this year.

**Flour**—Production at the 12 leading mills of the district in February totaled 312,635 barrels, the smallest since February, 1927, and comparing with 337,391 barrels in January and 393,212 in February, 1930. While improvement was noted in shipping directions on flour previously purchased, new ordering continued in limited volume, and almost exclusively on a necessity basis. Prices were slightly lower. Mill operations were at from 56 to 60 per cent of capacity.

**Furniture**—As compared with the preceding month, February sales of the reporting firms showed an increase of 53.0 per cent, but the total was 16.0 per cent smaller than in February, 1930. Stocks on March 1 were 5.0 per cent and 11.0 per cent smaller, respectively, than thirty days and a year earlier. With the exception of office furniture and equipment, increases were fairly general in all lines in the month-to-month comparison.

**Groceries**—Depressed economic conditions generally through the district, but more particularly in the agricultural sections, were responsible for a decrease in February sales of the reporting interests of 18.0 per cent as compared with the same month in 1930, and of 12.0 per cent as contrasted with January this year. Inventories on March 1 were slightly smaller than a month earlier, and 10.0 per cent less than on March 1, 1930.

**Hardware**—As compared with the preceding month, February sales of the reporting firms showed a small increase, but the total was almost one-third smaller than in February, 1930. Heavily reduced purchasing of goods for distribution in the rural areas was largely responsible for the decrease in the yearly comparison. The movement of builders' hardware, tools and general supplies continues in considerably less than the usual seasonal volume. Stocks increased 8.0 per cent between February 1 and March 1, but on the latter date were approximately one-fourth smaller than on March 1, 1930.

**Iron and Steel Products**—Further moderate improvement in business in this classification. While seasonal considerations were largely responsible for the betterment in some lines, the status of the industry as a whole was more favorable than at any time since last summer. The aggregate melt of pig iron in February was greater than in January, despite the fewer working days in the later month. Stimulated by the resumption of part-time operations at a number of foundries, the daily average rate of the melt during the first half of March was measurably larger than for February. Ordering of both finished and semi-finished materials continues chiefly on a necessity basis, but replacement requirements are growing in volume, and during the past several weeks have resulted in the placement of considerable business with mills and foundries. In addition to work furnished by these recent orders, activities have been increased by a disposition on the part of certain specialty manufacturers, notably stoves, heating apparatus, and farm implements, to make up stocks in anticipation of demands later in the year. Stocks of such commodities in distributors' hands are universally light, due to the policy of hand-to-mouth purchasing in recent months. Moderate quickening in the demand for iron and steel goods from the general manufacturing trade was in evidence, and was reflected in increased orders and specifications for sheets, bars, shapes, wire and a number of other standard items. Slight improvement in the movement of galvanized material was noted in early March, following a long period of dullness. Demand for tin plate has been active, with large canners ordering freely and taking cur-

rently a considerable portion of their purchased tonnage. There has been no change from the dull conditions of recent months in all descriptions of materials for the oil industry, and purchasing by the railroads is confined to absolute requirements. Specifying on castings and other materials by the automotive industry developed improvement as contrasted with the several months immediately preceding, but new orders placed were in less than expected volume. Moderate seasonal improvements was noted in commodities used chiefly in the rural areas, but the movement of such goods continues below the average at this time during the past decade. With the exception of reinforcing concrete bars and items used in highway construction and other engineering projects, building materials were quiet. Prices of pig iron and the general run of finished products were steady to firm, with considerably less cutting than heretofore. Scrap iron and steel, however, receded further in price, with a number of important grades recording new low levels on the present retrograde movement and since 1913. For the country as a whole the daily rate of pig iron production in February increased approximately 20 per cent over January. Due to its being a shorter month, however, the February total, 1,711,137, tons was 4,306 tons smaller than in January, and compared with 2,845,937 tons in February, 1930. Steel ingot production in the United States in February totaled 2,527,318 tons against 2,482,206 tons in January, and 4,078,327 tons in February, 1930.

### AUTOMOBILES

Following the unvarying trend of the past decade, distribution of automobiles in this district during February showed a substantial gain over January, and was the heaviest for any month since last April. As compared with a year earlier, however, the February volume continued the steady decreases which had been in effect continuously since February, 1930. The increase in the month-to-month comparison was due partly to the small January sales, and partly to seasonal influences, such as annual shows, the bringing out of new models and the desire of purchasers to get in on the new registration year, which in Missouri and other states of the district begins in February. Mild, open weather through February also had a favorable effect on retail distribution of passenger cars. Returns of dealers reporting to this bank indicated that demand was well distributed through all classes of makes, though relatively the largest gains were by sellers of the cheaper priced vehicles. As has been the case for a number of months, sales of dealers in the larger centers of population made a better showing than was the case with country dealers. In all classes of cars price considerations are an important factor in

effecting sales. However, dealers report that there has been good response to new models and novelties in equipment. February sales of new passenger cars by the reporting dealers were nearly four times as large as in January and 41.0 per cent smaller than in February, 1930. Due to the conservative policy in ordering from manufacturers, stocks of new cars in dealers' hands continue at a low level. On March 1, inventories were 2.0 per cent larger than on February 1 and approximately one-fourth smaller than on February 1, 1930. Conditions in the used car market were spotted, but on the whole reflected moderate improvement as contrasted with the past several months. Through sharp price reductions and other special efforts to effect sales, stocks increased only slightly from February to March, despite the large number turned in on trades for new vehicles. As compared with a year ago, stocks of secondhand cars held by the reporting dealers on March 1 showed a decrease of about 18.0 per cent. Truck sales in February were about five times as large as in January, but only half as large as in February a year ago. Business in repair parts and accessories continued active, with total volume of sales in February showing a smaller decrease as compared with a year earlier than in any month since last fall. According to dealers reporting on that item, deferred payment sales in February constituted 56.0 per cent of total sales, against 54.0 per cent in January, and 57.2 per cent in February, 1930.

### 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	
	Feb. 1931	2 months ending	Feb. 28, 1931	Jan. 1, to	Feb. 28,
	comp. to	Feb. 28, 1931 to	comp. to	Feb. 28,	1931
	Feb. 1930	same period 1930	Feb. 28, 1930	1931	1930
Evansville .....	-28.3%	-22.8%	-13.2%	26	31
Little Rock .....	-18.8	-15.0	-23.0	36	34
Louisville .....	-23.7	-15.1	-4.0	36	43
Memphis .....	-26.8	-26.7	-21.0	41	47
Quincy .....	-17.0	-12.8	-20.1	42	40
St. Louis.....	-15.8	-9.2	-5.2	58	59
Springfield, Mo....	-0.7	-5.4	-21.9	21	18
8th District.....	-18.5	-13.0	-10.1	49	51
	Net sales comparison		Stocks on hand		
	Feb. 1931 comp. to	Jan. 1931	Feb. 1931 comp. to	Jan. 1931	
	Feb. 1930		Feb. 1930		
Men's furnishings.....	-21.2%	-23.8%	-13.4%	+16.3%	
Boots and shoes.....	-34.7	-24.8	-16.7	+14.5	

### BUILDING

The dollar value of building permits for new construction issued in the five largest cities of the district in February was slightly greater than for the same month in 1930, and 24 per cent less than in January this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February amounted to \$12,508,780, which compares with \$13,305,792 in January, and \$24,501,045 in February, 1930. Production of portland cement for the country as a whole in February totaled 5,920,000 barrels, against 6,595,000 barrels in Janu-

ary and 8,162,000 barrels in February, 1930. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	183	258	\$ 77	\$ 97	36	45	\$ 12	\$ 88
Little Rock ..	17	44	25	262	49	122	27	46
Louisville ..	59	69	322	247	40	52	68	76
Memphis ....	123	312	173	874	146	63	76	20
St. Louis....	244	254	1,573	647	219	336	116	315
Feb. totals..	626	937	\$2,170	\$2,127	490	618	\$ 299	\$545
Jan. totals..	484	548	2,855	853	491	523	331	349
Dec. totals..	504	705	2,426	2,273	497	341	325	491

\*In thousands of dollars (000 omitted).

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in February by selected industrial customers as being 7.3 per cent greater than in January, but 4.5 per cent smaller than in February, 1930. The increase in February over the preceding month was due to seasonally heavier loads taken by certain classes of consumers. In the yearly comparison, decreases were distributed through virtually all consuming lines. Detailed figures follow:

	No. of Custom-ers	Feb. 1931 *K.W.H.	Jan. 1931 *K.W.H.	Feb. 1931 comp. to Jan. 1931	Feb. 1930 *K.W.H.	Feb. 1931 comp. to Feb. 1930
Evansville ....	40	1,731	1,806	- 4.2%	1,483	+16.7%
Little Rock..	35	1,308	1,812	-27.8	1,331	-11.7
Louisville ....	85	5,303	5,646	- 6.1	6,038	-12.2
Memphis ....	31	1,704	1,686	+ 1.1	1,724	- 1.2
St. Louis.....	159	15,527	12,888	+20.5	16,205	- 4.2
Totals .....	350	25,573	23,838	+ 7.3	26,781	- 4.5

\*In thousands (000 omitted).

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

	By water power	By fuels	Totals
Jan. 1931.....	2,344,186,000	5,596,911,000	7,941,097,000
Dec. 1930.....	2,359,686,000	5,746,058,000	8,105,744,000
Jan. 1930.....	2,899,855,000	5,747,518,000	8,647,373,000

### AGRICULTURE

On March 1, according to the U. S. Department of Agriculture, combined reserve stocks of the principal grain crops on farms in states entirely or partly within the Eighth District were substantially smaller than on the same date in 1930, and approximately one-third less than the 5-year average (1925-1929). The results of the Government's survey emphasize the effects of last year's record drought, for while wheat reserves on March 1 were larger than a year earlier and only slightly below the average, corn and oats, whose growing and harvesting season was during the dry period, decreased sufficiently in yield to account for the heavy losses in both comparisons. The combined reserve of corn, wheat and oats in these states on March 1 was 279,238,000 bushels, which contracts with 412,792,000 in 1930, and the 5-year average of 491,621,000 bushels.

Weather conditions during the past thirty days were unusually favorable for farm operations, the progress of growing crops and agriculture generally. Soil preparation for spring planting is considerably

further advanced than is usually the case at this time of year. Seeding of oats has been practically completed, and many fields in the southern stretches of the district are up, with the plant looking fine. Plowing and disking for corn is well ahead of the seasonal average, and some planting has been done in the south. Mild temperatures prevailed through February, permitting of almost uninterrupted field work, routine repair operations and the movement of products from farms. The drop in temperature in the second week of March, accompanied by widespread snow and rain, was a favorable development. The precipitation broke the drought in many sections, and the colder weather held back premature budding of fruit trees. Soil and subsoil conditions are generally good.

As an offset, to the generally favorable physical outlook for 1931 crops, was the continued depression in prices of all descriptions of farm products. In the St. Louis market the July wheat option declined to a new low level for the season and for many years. Corn and oats were also lower, and prices of milk, eggs, poultry, hides, live stock and other products were substantially below average levels prevailing at this season in recent years.

Due to the efforts of Governmental and other agencies, the situation with regard to financing farm operations is considerably more favorable than was the case a few months back. In the drought areas means are being supplied for purchasing seed for planting spring crops and for carrying farm animals until new crops are available. Farm labor is universally in excess of demands. Decreased industrial activities in the large cities have resulted in the return to the rural sections of many workers in recent months.

**Winter Wheat** — Reports from the principal wheat growing counties reflect unusually favorable conditions for this season of the year. Due to the mild weather, loss from winter killing has been considerably smaller than in previous years. In all sections of the district surface and subsoil moisture has been adequate, and the general precipitation during the second week of February substantially assisted these conditions. There are scattered reports of the appearance of Hessian fly, but damage from that source is not believed to be of any great extent. On March 1 stocks of wheat on farms in states partly or entirely within the Eighth District totaled 14,942,000 bushels, against 12,186,000 bushels on the same date in 1930, and a 5-year average of 11,456,000 bushels.

**Corn** — Preparations for planting the new crop were further advanced at the middle of March than at any similar period in more than a decade. In the extreme southern tier of counties of the district some

corn has been planted, and indications point to early seeding of the crop as a whole. Reserve stocks of corn on farms in states of this district on March 1 were 179,286,000 bushels, against 325,330,000 bushels on the same date in 1930, and a 5-year average of 370,474,000 bushels. Except in Illinois and Indiana, the merchantable quality of the 1930 crop was substantially below a year earlier and the 10-year average. The poor quality was caused by a large percentage of undersized and poorly filled ears incident to the drought, also to an excessive amount of moulding in the crib.

**Fruits and Vegetables**—At the middle of March practically no damage had occurred from winter weather to fruits in this district. While temperatures were high enough to develop buds on tree fruits, growth was delayed by lack of moisture. Peaches are reported quite generally uninjured by the cold snap in March, but trees have not fully recovered from freezes of the winter a year ago, and the drought last summer and fall. The outlook for apples, cherries, plums, pears, and cane fruits is good. In some sections prospects for farm strawberries are poor, plants in rows being thin as a result of dry weather after setting last summer. Scattered reports indicate serious losses of fruit trees, grape vines, and small fruits from last year's drought.

**Live Stock**—In all sections of the district, live stock came through the winter in good shape, due to ideal weather for care and feeding. Throughout the winter, water in many areas was less plentiful than for more than a quarter of a century, but this situation was generally relieved by precipitation since the end of February. Egg production has been unusually high owing to the mild, open winter. There was the usual seasonal recession in the movement of live stock from January to February, the decrease being emphasized by a disposition on the part of farmers to await better prices.

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

	Receipts			Shipments		
	Feb. 1931	Jan. 1931	Feb. 1930	Feb. 1931	Jan. 1931	Feb. 1930
Cattle and calves.....	77,694	84,616	61,548	47,610	54,165	39,760
Hogs .....	273,418	344,937	270,008	223,658	263,590	211,607
Horses and mules.....	9,140	5,487	10,823	8,646	5,886	11,940
Sheep .....	22,848	30,945	25,565	11,518	14,683	10,646

**Cotton**—Due to the unusually favorable weather conditions, more ground had been put in readiness at the middle of March for planting the new crop than has ever been known before at that date. The work has been accomplished at a cost considerably below the average in recent years, farmers operating with less than the usual quota of hired help. Reports relative to intended acreage vary

considerably, but it is still too early to gain an accurate idea as to how the total will contrast with a year ago. Recent rains have supplied abundant moisture, and soil conditions are mainly good. Under slightly more active demand, prices of raw cotton advanced moderately in late February and early March. In the St. Louis Market the middling grade ranged from 9.75c to 10.10c per pound between February 17 and March 16, closing at 10c on the latter date, against 9.80c on February 17 and 20c on March 15, 1930. Stocks of cotton on hand in Arkansas warehouses on March 13 totaled 236,016 bales, against 291,280 bales on February 13 and 249,064 bales on the corresponding date in 1930.

**Tobacco**—At the middle of March a few burley tobacco markets remained open to receive what was left to the unsold crop. Total sales for the season to March 15 amounted to 370,482,092 pounds, at an average price of \$15.57 per cwt. This includes resales, estimated at not to exceed 20,000,000 pounds, leaving 350,000,000 pounds net sales of burley out of a crop which at the middle of last August had prospects not to exceed 250,000,000 pounds.

The only other markets open were in the eastern and western areas of the dark-fired district. Early estimates were for a reduction of about 10 per cent in the eastern district, whereas sales to March 15 reflect a decrease of 20 per cent. In the western district sales are about 30 per cent short of the corresponding period last year, while early estimates were for a decrease of only 20 per cent. As of March 15 it was estimated that about 70 per cent of the dark-fired crop had been sold. District types of medium and good quality continued firm, with good to fine leaf in active demand at prices equal to the best obtained this season. Lower grades exhibited a lower price trend, but well fired heavy lugs were in good demand at steady prices. Present indications are for a full-sized acreage in the burley and dark-fired districts, but reduced plantings of other types.

**Commodity Prices**—Range of prices in the St. Louis market between February 17, 1931, and March 16, 1931, with closing quotations on the latter date and on March 17, 1930.

	High	Low	Close	
			March 16, 1931	March 17, 1930
<b>Wheat</b>				
July .....	per bu. \$ .68½	\$.60	\$.61	\$1.03¾
No. 2 red winter .....	“ .80	.79	.80	\$1.18 @ 1.18½
No. 2 hard.....	“ .77½	.75	\$.76½ @ .77	1.05 @ 1.06
<b>Corn</b>				
May .....	“ .66½	.63	.65½	.82½
July .....	“ .68	.65	.67	.82¾
No. 2 mixed.....	“ .63	.57	.60½ @ .61	.76 @ .77
No. 2 white.....	“ .64	.60	.62 @ .62½	.81 @ .81½
<b>Oats</b>				
No. 2 white.....	“ .34¾	.32¾	.33¾ @ .34	.45 @ .45½
<b>Flour</b>				
Soft patent.....per bbl.	5.65	4.75	4.90 @ 5.25	6.25 @ 6.50
Spring patent.....	“ 4.50	4.10	4.20 @ 4.50	5.50 @ 6.00
Middling cotton.....per lb.	.1010	.0975	.10	.14¾
Hogs on hoof.....per cwt.	8.40	5.50	6.35 @ 8.25	8.50 @ 10.75

### FINANCIAL

Credit demand for commercial and industrial purposes in this district during the past thirty days was slightly more active than in the similar period immediately preceding, and the call for funds to finance security transactions also expanded. Seasonal requirements of manufacturing and mercantile interests were making themselves felt, but due to lower commodity prices and generally reduced inventories, such needs were not as conspicuous as at this period during the past several years. Liquidation as a whole made satisfactory progress, though continuing spotty, both with reference to localities and the several classes of borrowers.

Preparatory to meeting local agricultural requirements, country banks in some sections, notably in the south, have reduced their balances with city correspondents. Elsewhere, however, country banks have improved their cash position and moderately increased investments. In the typical drought areas the situation for financing spring crops and live stock has been improved by loans made through the drought relief funds furnished by the Government. Additional loans to soldiers on bonus certificates have also been in considerable volume in these sections.

Loans of reporting member banks in this district declined further in late February, reaching the lowest total in recent years on the last report date of that month. Since March 1 there has been a substantial recovery, due largely to heavier loans on securities. Deposits of these banks followed closely the curve described by loans. Their investments continued the irregularity upward trend which began last summer. Borrowings of all member banks from the Federal reserve bank varied in only slight degree between February 15 and March 15, but throughout that period were uniformly lower than a year ago.

No important changes took place in money rates. Current quotations at St. Louis banks were as follows: Prime commercial paper,  $2\frac{3}{4}$  to 5 per cent; collateral loans, 4 to  $5\frac{1}{2}$  per cent; loans secured by warehouse receipts 3 to  $5\frac{1}{2}$  per cent; interbank loans, 4 to  $5\frac{1}{2}$  per cent and cattle loans 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on March 18, 1931, showed a decrease of 0.1 per cent as contrasted with February 18, 1931. Deposits increased 4.6 per cent

between February 18, 1931 and March 18, 1931 and on the latter date were 1.8 per cent larger than on March 19, 1930. Composite statement follows:

	*Mar. 18, 1931	*Feb. 18, 1931	*Mar. 19, 1930
Number of banks reporting.....	†25	†25	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$178,953	\$185,546	\$232,227
All other loans and discounts.....	271,295	265,258	284,236
Total loans and discounts.....	\$450,248	\$450,804	\$516,463
Investments			
U. S. Government securities.....	57,621	41,787	37,644
Other securities.....	136,835	138,806	116,291
Total investments.....	\$194,456	\$180,593	\$153,935
Reserve balance with F. R. bank	45,208	45,764	46,109
Cash in vault.....	6,192	6,465	5,769
Deposits			
Net demand deposits.....	368,731	358,104	378,482
Time deposits.....	238,771	238,040	230,660
Government deposits.....	16,455	384	3,534
Total deposits.....	\$623,957	\$596,528	\$612,676
Bills payable and rediscounts with Federal Reserve Bank.....		170	2,535

\*In thousands (000 omitted).

†Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources 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.

	*Feb. 1931	*Jan. 1931	*Feb. 1930	Feb. 1931 comp. to Jan. 1931	Feb. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	27,126	\$ 34,263	\$ 36,455	-20.8%	-25.6%
El Dorado, Ark.....	5,605	6,383	6,705	-12.2	-16.4
Evansville, Ind.....	20,552	27,022	23,508	-23.9	-29.6
Fort Smith, Ark.....	8,889	11,534	12,646	-22.9	-12.7
Greenville, Miss.....	4,008	3,918	5,031	+ 2.3	-20.3
Little Rock, Ark.....	26,744	33,483	42,521	-20.1	-37.1
Louisville, Ky.....	123,984	157,104	170,644	-21.1	-27.3
Memphis, Tenn.....	101,316	116,247	145,890	-12.8	-30.6
Owensboro, Ky.....	6,205	8,775	7,976	-29.3	-22.2
Pine Bluff, Ark.....	6,111	7,829	8,757	-21.9	-30.2
Quincy, Ill.....	6,602	7,437	11,309	-11.2	-41.6
St. Louis, Mo.....	536,850	725,659	641,667	-26.0	-16.3
Sedalia, Mo.....	3,381	4,469	3,855	-24.3	-12.3
Springfield, Mo.....	14,336	16,627	13,407	-13.8	+ 6.9
**Texarkana, Ark-Tex.....	9,813	12,789	12,881	-23.3	-23.8
Totals.....	\$901,522	\$1,173,539	\$1,143,252	-23.2	-21.1

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During February the Federal Reserve Bank of St. Louis discounted for 185 member banks against 218 in January and 195 in February, 1930. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Mar. 19, 1931	*Feb. 19, 1931	*Mar. 19, 1930
Bills discounted.....	\$ 7,979	\$ 8,708	\$12,341
Bills bought.....	6,618	4,392	13,656
U. S. Securities.....	23,899	24,151	19,266
Total bills and securities.....	\$38,496	\$37,251	\$45,263
F. R. Notes in circulation.....	76,712	78,613	81,381
Total deposits.....	70,915	71,142	80,665
Ratio of reserve to deposits and F. R. Note Liabilities.....	78.8%	79.2%	78.1%

\*In thousands (000 omitted).

(Compiled March 24, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of April 29, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**M**AINLY as a consequence of seasonal influences, business in this district during the past thirty days developed further moderate improvement as compared with the similar period just preceding. As compared with a year earlier and the average during the past decade, however, operations continued to show substantial decreases. As was the case earlier in the year, considerable irregularity marked the course of both trade and industry. Taken as a whole, a more favorable exhibit was made by distribution than production. All of the wholesaling and jobbing lines investigated by this bank reported gains in March sales over those of the preceding month, with several important classifications, notably boots and shoes, hardware, and groceries, showing increases somewhat larger than the average for the period. On the other hand, with but two exceptions, heavy decreases under the March totals of last year were recorded. In the case of goods for ordinary consumption, the early Easter date was an important influence in expanding the volume of March merchandise sales. Certain manufacturing lines, notably those engaged in producing seasonable goods, held the gains achieved earlier in the year, and some increased their working schedules. On the other hand, a number of industries reduced their rate of operations in late March and early April.

There was little, if any, variation noted in the policy of close and conservative purchasing of commodities, by both merchants and the public, which has obtained in recent months. Commitments for future requirements are being held within narrow limits, and the volume of advance business booked by interests reporting to this bank was smaller on April 1 than on any like date in more than a decade. The slightly downward trend in commodity prices served to emphasize the disposition to buy cautiously. Distribution of automobiles in the district during March, according to the reporting dealers, was in considerably smaller volume than a year ago, but only slightly below the February total, and reports relative to business during the first half of April indicate a total for the month about equal to last

year. The average rate of operations at iron and steel plants declined slightly during late March and early April. The estimated melt of pig iron in March was about equal to that of the preceding month.

Under favorable weather conditions, the progress of growing crops and spring farm work made good progress, and the outlook for the principal agricultural productions of the district at the middle of April was unusually auspicious. Precipitation in March and early April supplied needed moisture, and soil conditions generally are better than at any time since last spring. As compared with the preceding thirty days, little change took place in employment conditions in the large industrial centers. Opening of outdoor construction operations and farm work however, measurably reduced the number of idle common laborers generally through the district.

Sales of department stores in the principal cities in March were 20.7 per cent larger than in February, but 12.7 per cent smaller than the March, 1930 total. Combined sales of these stores for the first quarter of 1931 were smaller by 12.9 per cent than for the same period last year. Total March sales of all wholesale and jobbing firms reporting to this bank were 20.0 per cent larger than in February and 19.0 per cent less than in March last year. First quarter sales of these firms were 21.0 per cent less than for the same period in 1930. Contracts let for construction in the Eighth District in February, while slightly below the total of a year earlier, showed a substantial gain over February, and represented the largest total since last October. The dollar value of building permits let for new construction in the five largest cities in March was 14.4 per cent smaller than for the same month last year, and 5.6 per cent less than the February total this year. Charges to checking accounts in March were 12.6 per cent greater than in February, but 21.3 per cent less than in March, 1930. The amount of savings accounts increased slightly between March 4 and April 1, and on the latter date were 2.3 per cent smaller than a year ago.

While showing small weekly gains during March, traffic of railroads operating in this district continues in substantially smaller volume than a year and two years earlier. Grain and grain products, and livestock made a relatively better showing than some other classifications; the movement of miscellaneous freight and merchandise was considerably smaller in both comparisons. For the country as a whole loadings of revenue freight during the first thirteen weeks of the year, or to March 28, totaled 9,266,039 cars, against 11,269,184 cars for the corresponding period last year and 12,153,528 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 192,150 loads in March, against 164,030 loads in February, and 220,296 loads in March, 1930. During the first nine days of April the interchange amounted to 53,784 loads against 64,680 loads during the corresponding period in March, and 64,523 loads during the first nine days of April, 1930. Passenger traffic of the reporting lines decreased 14 per cent in March as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 82,500 tons, against 69,672 tons in February and 75,157 tons in March, 1930.

Reports relative to collections continue to reflect an unusual degree of unevenness, both in wholesaling and retail lines. Taken as a whole, however, the average during the past thirty days showed little variation from the similar period immediately preceding, though considerably below the same time last year. Some betterment was noted in the south, particularly in the tobacco districts, where farmers are using the proceeds of their crops to liquidate indebtedness. April settlements with wholesalers in the large distributing centers were about equal to expectations, though there is an increasing number of complaints of backward accounts and actual losses. Smaller retail merchants in the large cities and country report moderate improvement in their collections, particularly in the case of goods purchased on the installment plan. 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>
March, 1931.....	.....%	12.6%	60.1%	27.3%
February, 1931.....		13.1	57.2	29.7
March, 1930.....	1.4	14.1	59.2	25.3

Commercial failures in the Eighth Federal Reserve District in March, according to Dun's numbered 144, involving liabilities of \$2,969,521, against 181 failures in February with liabilities of \$5,158,243, and 133 defaults for a total of \$2,419,565 in March, 1930.

The average daily circulation in the United States in March was \$4,590,000,000, against \$4,598,000,000 in February, and \$4,534,000,000 in March, 1930.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes**— Stimulated by the early Easter date and generally small retail stocks, sales of the reporting firms in March showed an increase of more than one-third as contrasted with the preceding month, but the total was 13.0 per cent below that of March, 1930. Stocks continued to decrease, inventories on April 1 being 20.0 per cent and 31.0 per cent smaller, respectively, than thirty days and a year earlier. There was no change in prices as compared with the preceding month, but the average was approximately 10 per cent lower than a year ago. Demand for work shoes and the more staple lines generally continues relatively less active than for women's novelty wear and children's lines.

**Clothing**— The usual seasonal influences and early Easter date were reflected in a substantial gain in March sales of the reporting clothiers over the February total. Due to the unusually small volume of advance buying and belated ordering, some congestion was experienced in meeting demands of customers. Since April 1 some slowing down in new orders has developed, and the volume of advance business booked is below that at the same time last year. March sales of the reporting interests were 38.0 per cent larger than in February, but about one-fifth smaller than in March, 1930. The decrease from a year ago was partly due to lower prices, the decline being estimated at from 10 to 15 per cent.

**Drugs and Chemicals**— Further improvement was noted in this classification, March sales of the reporting interests showing a small increase over the same month in 1930, and an increase of about 8.0 per cent over the February total this year. Belated purchasing of seasonal commodities, notably fertilizers and insecticides, were partly responsible for the gain in the month-to-month comparison. Demand generally through all lines showed betterment. April 1 stocks showed little change from a month earlier, and were about 4.0 per cent larger than on April 1, 1930.

**Dry Goods**— While showing a gain of about 4.0 per cent over the preceding month, March sales of the reporting firms recorded a decline of more than one-fourth as contrasted with the total in March, 1930. Inventories decreased 6.0 per cent between March 1 and April 1, and on the latter date were 38.0 per cent smaller than a year earlier. As compared with the practice of preceding years, buying is distorted. Ordering by retail merchants is

limited largely to goods to replace exhausted stocks; and goods which were purchased ordinarily in one month may now be acquired at an earlier or later period, according to the exigencies of inventory, demand, prices, etc. These conditions were emphasized during the past two months, when effects of the early Easter date and other seasonal influences were strongly in evidence.

**Electrical Supplies** — Due mainly to a more active movement of seasonal commodities, March sales of the reporting firms were 8.0 per cent larger than in February, but almost one-third smaller than in March, 1930. Inventories increased slightly between March 1 and April 1, and on the latter date were approximately 6 per cent larger than a year ago. In the yearly sales comparison, decreases were general in all lines, but particularly marked in radio material, household appliances and electrical installations in new structures. Advance orders at the end of March were the smallest for that particular date in more than a decade.

**Flour** — Production at the 12 leading mills of the district in March totaled 299,439 barrels, the smallest for any month since June, 1926, and comparing with 304,656 in February and 388,661 in March, 1930. New orders booked by the mills continued in small volume, and practically all for immediate shipment. Shipping directions were reported as showing further improvement, and the tone of the market was a shade firmer. Mill operations were at from 55 to 60 per cent of capacity. Aggregate stocks in the hands of mills and dealers were the smallest for any similar period in recent years.

**Furniture** — March sales of the reporting firms were 9.0 per cent greater than in February, and 29.0 per cent less than the March, 1930, total. Inventories continue to decrease, and on April 1 were 17.0 per cent smaller than a month earlier, and more than one-third less than on April 1, 1930. Retail stocks are also light, but there is a disposition to postpone replenishing, and stock orders are lacking.

**Groceries** — The volume of business in this classification during March showed somewhat more than the usual seasonal increase over the preceding month. Sales in the rural areas, particularly in the south, showed improvement, and retailers generally were ordering more freely to replenish depleted stocks and fill out assortments. March sales of the reporting firms were 11.0 per cent larger than in February, and 14.0 per cent smaller than in March, 1930. Stocks increased about one-third between March 1 and April 1, and were 16.0 per cent smaller on the latter date than a year earlier.

**Hardware** — March sales of the reporting interests were 10.0 per cent larger than in February, but approximately one-third smaller than the March, 1930, total. In the monthly comparison, increases were general in all seasonal lines, and sales of merchandise for distribution in the farming areas showed decided improvement. Some betterment was noted in demand for paints, and builders' hardware. Stocks on April 1 were 5.0 per cent larger than thirty days earlier, and about one-fifth smaller than on April 1, 1930.

**Iron and Steel Products** — The past thirty days were marked by a moderate recession in activities in the iron and steel industry in this district. As was the case earlier in the year, however, considerable irregularity existed in the several lines, with some important branches of the industry scoring further slight gains, while others failed to hold the improvement achieved during January and February. New orders placed for finished materials were in smaller volume than during the preceding month, and purchasing of all descriptions of iron and steel goods continues on an extremely conservative scale. During March contracting for second quarter requirements of raw materials was sluggish, the disposition among all classes of consumers being to cover current needs in the open market and avoid heavy commitments for future delivery. Demand for certain building materials was stimulated by the placing of contracts for a number of large construction projects, steel mills and fabricators benefiting by this business. The outlet through the automotive and railroad industries, however, failed to show the expected broadening, and purchasing by numerous smaller consumers of finished iron and steel goods failed to show the usual seasonal improvement. Farm implement manufacturers reported new orders and shipments smaller than a month earlier, and demand generally for goods for consumption in the agricultural areas showed little, if any improvement. Producers and distributors of sheets reported a slowing down in specifications, with galvanized material particularly slow. Tubing, plates and the general run of oil country goods showed no change from the quiet conditions existing during recent months. Iron and steel warehouse and jobbing interests report business quiet, with orders booked almost exclusively carrying immediate shipping directions. Requirements of the general manufacturing trade have failed to show the usual seasonal expansion. Manufacturers of stoves and heating apparatus report advance sales the smallest for this particular period in more than two decades. Awards of structural steel and reinforcing concrete bars were in larger volume than during the preceding month, and

pending inquires indicate further improvement during the next sixty days. Prices of finished and semi-finished materials showed no change worthy of note, and quotations on pig iron remain steady. Scrap iron and steel prices receded further, with all important items reaching the lowest levels since prior to the beginning of the world war. Production of pig iron for the country as a whole in March totaled 2,028,906 tons, against 1,711,192 tons in February, and 3,252,822 tons in March, 1930. Steel ingot production in the United States in March amounted to 3,023,440 tons, against 2,527,318 tons in February, and 4,299,905 tons in March, 1930.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in March totaled 276,341, against 219,897 in February, and 401,378 in March, 1930.

According to dealers reporting to this bank, distribution of automobiles in this district during March continued in smaller volume than during the corresponding month last year and the average for that period during the past half decade. The extent of the decrease was considerably smaller than the average in recent months, and reports relative to sales during the first half of April indicate an aggregate volume closely approximating that of the same time in 1930. A small decrease was shown in March sales as contrasted with February, in which month the total was the largest since last April. Generally favorable weather throughout March had a stimulating effect on business of country dealers, many of whom reported a larger volume of sales than for any single month since last spring. In both the large cities and the country, relatively the best showing was made by dealers distributing the lower priced cars. Good response generally was reported to new models and price reductions. Business in parts and accessories was spotted, but about on a parity with the preceding month, and only slightly smaller in aggregate volume than during the same period in 1930. March sales of new passenger cars by the reporting dealers were about a fifth smaller than for the same month in 1930, and 5.2 per cent less than in February this year. Stocks of new cars in dealers' hands on April 1 were the smallest in recent years. Almost universally the distributors are ordering only cars for which they have actual orders or definite prospects. April 1 inventories were 1.5 per cent smaller than on March 1, and only slightly more than half as large as on April 1, 1930. Further moderate improvement was noted in demand for used cars, in both the urban centers and smaller communities. As compared with a year ago salable

secondhand car stocks on April 1 were smaller by about one-third, while little variation was reported from the holdings on March 1 this year. There was the usual seasonal betterment in demand for small trucks for delivery service in March, but sales of all descriptions of trucks showed small declines as compared with a year and a month earlier. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in March was 51.5 per cent, which compares with 56.0 per cent in February and 54.2 per cent in March, 1930.

### 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	
	Mar. 1931 comp. to Mar. 1930	3 months ending Mar. 31, 1931 to same period 1930	Mar. 31, 1931 comp. to Mar. 31, 1930	Jan. 1, to Mar. 31, 1931	1931	1930
Evansville .....	-27.8%	-24.7%	-19.5%	40	48	
Little Rock.....	9.5	-12.5	-22.5	62	55	
Louisville .....	-12.3	-14.1	-13.2	59	67	
Memphis .....	-24.2	-25.8	-24.6	66	73	
Quincy .....	-23.9	-16.9	-17.1	61	61	
St. Louis.....	-10.0	-9.6	-5.9	89	92	
Springfield, Mo.....	9.5	-7.0	-12.4	34	30	
8th District.....	-12.7	-12.9	-12.0	78	80	

  

	Net sales comparison		Stocks on hand	
	Mar. 1931 comp. to Mar. 1930	Feb. 1931	Mar. 1931 comp. to Mar. 1930	Feb. 1931
Men's furnishings.....	+22.8%	+42.3%	-18.9%	+6.2%
Boots and shoes.....	-21.5	+40.8	-15.9	+5.2

### BUILDING

The dollar value of building permits for new construction issued in the five largest cities of the district in March was 14.9 per cent less than for the same month in 1930, and 5.6 per cent less than in February this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March amounted to \$22,970,128 which compares with \$12,508,780 in February and \$23,705,343 in March, 1930. Production of Portland cement for the country as a whole in March totaled 8,227,000 barrels, against 5,920,000 barrels in February, and 11,225,000 barrels in March, 1930. Building figures for March follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	208	51	\$ 78	\$ 189	62	74	\$ 12	\$ 50
Little Rock	31	65	76	217	38	98	17	96
Louisville ..	86	145	748	478	50	77	72	77
Memphis ....	309	330	178	652	65	168	33	157
St. Louis....	360	440	969	873	306	440	154	295
Mar. totals..	994	1,031	\$2,049	\$2,409	521	857	\$ 288	\$675
Feb. totals..	626	937	2,170	2,127	490	618	299	545
Jan. totals..	484	548	2,855	853	491	523	331	349

\*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 first three months this year of 7.7 per cent under the corresponding period in 1930, and of 11.8 per cent under the final quarter in 1930. Detailed figures follow:

	For Quarter Ending				Mar. 1931 comp. to Mar. 1930
	Mar. 31, 1931	Dec. 31, 1930	Sept. 30, 1930	Mar. 31, 1930	
Evansville .....	\$ 165,000	\$ 162,000	\$ 157,000	\$ 164,000	+ 0.6%
Little Rock....	212,000	224,000	234,000	238,000	-10.9
Louisville .....	627,000	708,000	612,000	681,000	- 7.9
Memphis .....	521,000	618,000	541,000	653,000	-20.2
St. Louis.....	2,890,000	3,294,000	2,735,000	3,049,000	- 5.2
Totals.....	\$4,415,000	\$5,006,000	\$4,279,000	\$4,785,000	- 7.7

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in March by selected industrial customers as being 6.2 per cent greater than in February, but 8.6 per cent smaller than in March, 1930. The increase in the month-to-month comparison was rather general through all classes of consumers, and the same holds true relative to decreases in the comparison with a year ago. Detailed figures follow:

	No. of Custom- ers	Mar.	Feb.	Mar. 1931	Mar.	Mar. 1931
		1931	1931	comp. to	1930	comp. to
		*K.W.H.	*K.W.H.	Feb. 1931	*K.W.H.	Mar. 1930
Evansville ...	40	2,007	1,731	+15.9%	1,687	+19.0%
Little Rock..	35	1,280	1,308	- 2.1	1,331	- 3.8
Louisville ...	85	5,648	5,303	+ 6.5	5,834	- 3.2
Memphis .....	31	948	1,704	-44.4	1,714	-44.7
St. Louis.....	159	17,275	15,527	+11.3	19,162	- 9.8
Totals .....	350	27,158	25,573	+ 6.2	29,728	- 8.6

\*In thousands (000 omitted).

### AGRICULTURE

Intentions of farmers, in states including the Eighth Federal Reserve District, for planting the principal crops this spring, as indicated by the report of the U. S. Department of Agriculture, reflect a larger total acreage than during the preceding three years. Considerable variation in acreage is shown with reference both to localities and the several crops. Weather conditions have apparently had much influence on planting intentions, as have, also, market values. Including winter wheat planted last fall and excluding cotton, on which no estimate is made, the aggregate area in these states will be approximately 2.9 per cent greater than in 1930.

Farmers plan to plant larger acreages this year than last, of corn, oats, barley, potatoes, sweet potatoes and tobacco, and smaller acreages of rice, tame hay and peanuts. Due to the favorable planting season last fall, the acreage seeded to winter wheat was greater than that harvested in 1930 or 1929.

The following comparative table shows intended plantings in 1931 by farmers in states of this district, and the number of acres of the several crops grown for harvest in the three preceding years:

	1931	1930	1929	1928
Corn .....	29,635,000	28,815,000	27,937,000	30,024,000
Oats .....	9,517,000	8,927,000	8,389,000	9,474,000
Rice .....	173,000	173,000	157,000	174,000
Barley .....	794,000	537,000	429,000	476,000
Potatoes .....	399,000	338,000	333,000	367,000
Sweet Potatoes.....	215,000	165,000	168,000	161,000
Tobacco .....	749,000	663,000	630,000	502,000
Peanuts .....	56,000	62,000	46,000	62,000
Tame Hay.....	11,971,000	12,337,000	13,235,000	12,148,000
Winter Wheat.....	6,332,000	6,144,000	6,656,000	4,229,000
Totals .....	59,841,000	58,161,000	57,980,000	57,617,000

As pointed out by the Department of Agriculture, the statement of farmers' intentions to plant

is not a definite forecast of acreage that will actually be planted. It is an indication of what farmers had in mind at the time they made their reports, compared with the acreage grown by them a year earlier. Final acreage will be larger or smaller than these early intention reports, due to weather conditions, price changes, labor supply, and the effect of the report itself upon producers' action.

**General Farm Conditions** — Taken as a whole weather conditions during the past thirty days were favorable for field and farming activities of all descriptions and for the growth and development of growing crops. Despite retardation of field work in certain sections, occasioned by rains and low temperatures in March and early April, soil preparation and seeding of early crops are still well in advance of the usual seasonal schedule. Generally through the district, seeding of oats has been completed, and seeding of corn has made good headway. Extensive cultivation of cotton fields has been accomplished and some scattered plantings are reported. Due to the favorable season, farmers in many sections have been able to do an unusual amount of spring work with a minimum of hired help, which fact will tend to reduce ultimate cost of production.

Throughout the district soil and subsoil conditions have been substantially improved by the precipitation received since the second week in March. In the south there have been abundant rains, sufficient to considerably cut down the deficiency resulting from drought. In the northern part of the district enough moisture was received for immediate needs, both for agricultural and community purposes, but at the middle of April soaking rains were still much needed to replenish water supplies for the late spring and summer. The stage of rivers remains universally low, with many creeks and ponds completely dry.

Further marked improvement was noted in the situation with regard to financing spring farm operations. Governmental and other agencies have made considerable advances of funds to farmers in the drought areas, and in virtually all sections adequate seed and other necessary supplies for spring planting have been made available. Supply of farm laborers continues in excess of requirements, with less than the usual seasonal reduction noted in idle workers in this category.

**Winter Wheat** — Universally through this district wheat came through the winter in excellent shape, there being considerably less than the average damage due to cold weather. According to the U. S. Department of Agriculture the condition of the crop in all states of the district on April 1 was

higher than on the same date last year and the 10-year average, with the exception of Mississippi, a state of small importance in wheat culture. Based on the April 1 condition, the indicated combined yield in Illinois, Indiana and Missouri is 89,000,000 bushels, which compares with 86,317,000 bushels harvested in 1930, and a 5-year average of 75,350,000 bushels. While temperatures since plantings were favorable for plant growth, moisture was short most of the winter, preventing undue early spring development. Moisture deficiency has been relieved to a considerable extent by precipitation during March and the first half of April, though subsoil moisture is still inadequate in some areas. Abandonment of acreage is expected to be the smallest in several years.

**Corn** — In all states of the district intentions of farmers are to increase their acreage of corn this spring over the acreage grown for harvest last year. Relatively the largest increases are in the southern states, where the yield in 1930 was the smallest in many years and the carryover in this year practically nil. The increase indicated for all these states over a year ago is approximately 820,000 acres, or 3 per cent. Weather has been ideal for soil preparation and in the south seeding has made good progress. Germination was held back by the cold weather in March and early April.

**Fruits** — The cold snap toward the end of March is believed to have done little, if any damage to fruit crops in this district. High winds and cloudiness which generally accompanied the low temperatures prevented killing frosts, and reports from practically all sections of the district, but more particularly areas where commercial orchards are located, indicate very favorable prospects for tree fruits. Reports relative to intended plantings of vegetables for commercial and general purposes vary rather broadly, but with the general trend in the direction of smaller acreages than last year and the average during the past half decade. Recent rains have substantially benefited early planted gardens.

**Live Stock** — Changes in the condition of live stock during the past thirty days were seasonal in character, nothing having occurred to alter the general status as contrasted with the preceding month. The season has been unusually auspicious for the spring lamb and pig crops.

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

	Receipts			Shipments		
	Mar. 1931	Feb. 1931	Mar. 1930	Mar. 1931	Feb. 1931	Mar. 1930
Cattle and Calves.....	86,896	77,694	79,627	52,227	47,610	50,764
Hogs .....	246,731	273,418	306,178	198,500	223,658	263,597
Horses and Mules.....	10,839	9,140	16,324	9,434	8,646	13,811
Sheep .....	26,901	22,848	29,029	12,652	11,518	16,221

**Cotton** — Preparations for planting the new crop are further advanced than at any like period since 1925. Seeding was delayed in March and the first days of April by low temperatures and heavy rains in some section, but since that time perfect weather for planting has prevailed generally through the district, and excellent progress is the rule. Soil conditions are universally good, and seed and labor supplies are ample for all requirements. For the season to the middle of April, fertilizer sales are substantially below a year earlier. Reflecting a slowing in demand for both domestic consumption and export, prices of raw cotton declined during late March and early April. In the St. Louis market the middling grade ranged from 9.50c to 10c per pound between March 16 and April 15, closing at 9.35c on the latter date, which compares with 10c on March 16, and 15c on April 15, 1930. Stocks of cotton on hand in Arkansas warehouses April 10 totaled 185,154 bales against 236,016 bales on March 13, and 201,200 bales on the corresponding date in 1930.

**Tobacco** — Sales of limited quantities of last year's crop were conducted in markets of the Clarks-ville, Springfield, Hopkinsville and Paducah districts, with an upward trend in prices for choice leaf. As is usual when nearing their close, the markets were supplied chiefly with inferior grades of tobacco, on which prices were lower. Some dark-fired markets will continue well into May because of adverse weather conditions for handling stock.

Tobacco plant beds were generally sown early, but low temperatures in March delayed germination. Recent rains and warmer weather, however, have effected substantial improvement in the plants. In all sections plant beds are plentiful, and the plants mainly healthy. The open winter permitted of extensive preparation of land, and fields are in high state of cultivation.

**Commodity Prices** — Range of prices in the St. Louis market between March 16, 1931 and April 16, 1931, with closing quotations on the latter date and on April 15, 1930.

	High	Low	Close	
			April 16, 1931	April 15, 1930
Wheat				
July .....	.62½	.56¼	\$.61½	\$1.04¾
Sept. ....	.60½	.56½	.60½	1.07¾
No. 2 red winter " .....	.80½	.77	.80½ @	\$1.16½ @
No. 2 hard.....	.81½	.77	.81	1.05 @
Corn				
May .....	.65¾	.59¾	.61½	.82
July .....	.67¾	.61¾	.63¾	.84½
Sept. ....	.61¾	.59½	.61½	.....
No. 2 mixed.....	.63½	.59½	.60 @	.61 @
No. 2 white.....	.64	.60½	.63 @	.64 @
Oats				
No. 2 white.....	.34½	.32½	.33¾ @	.33¾ @
Flour				
Soft patent.....per bbl.	5.65	4.90	.....	6.25 @
Spring patent.....	4.50	4.20	4.20 @	4.50 @
Middling cotton.....per lb.	.10	.935	.935	.75 @
Hogs on hoof.....per cwt.	8.40	6.15	6.15 @	7.75 @
			8.75	@ 10.15

## FINANCIAL

Except for slight changes, traceable to seasonal considerations, the same general trends in the banking and financial situation in this district which have been in operation since early in the year persisted during the past thirty days. Demand for credit for commercial and industrial purposes continued in relatively small volume; somewhat less than the usual seasonal requirements for agriculture were in evidence, and the tendency to augment the volume of funds in investment channels was even more marked than heretofore. Liquidation of commercial loans was in considerable volume, particularly in the large cities where banks supply accommodations to the boot and shoe, dry goods and other wholesaling and jobbing lines with which April is an important settlement month. Generally light inventories and reduced operations were reflected in a considerably smaller demand from manufacturing interests than is usual at this time of year. Milling and grain interests further reduced their commitments, and because of the low price of wheat and small average flour stocks the volume of loans in this category is much below the average of recent years. Demand for credit for financing livestock operations was also below the seasonal volume.

Contrary to the usual seasonal trend, deposits of the reporting member banks moved sharply upward between March 11 and April 9, and on the latter date reached the highest point since February, 1929. Investments of these banks also moved rapidly upward, continuing the increase which started last summer. The total of this item on April 9 was \$211,465,000, the highest on record for that date, and represented an increase of 13.5 per cent and 37.0 per cent, respectively over a month and a year earlier. Total loans decreased slightly, the moderate gain in "all other loans" being offset by a decrease of approximately one-third in security loans. There was little change in the volume of borrowings by all member banks from the Federal reserve bank, but the average continued well below that for the same period last year and during the past decade.

Reflecting abundant supplies of funds, and limited credit demands, interest rates eased slightly, reaching the lowest point on the present retrograde movement on certain classes of loans. Current quotations at St. Louis banks were as follows: Prime commercial paper,  $2\frac{3}{4}$  to 6 per cent; collateral loans, 4 to  $5\frac{1}{2}$  per cent; loans secured by warehouse receipts, 3 to 5 per cent; interbank loans  $3\frac{1}{2}$  to  $5\frac{1}{2}$  per cent and cattle loans  $5\frac{1}{2}$  to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on April 8, 1931 showed

a decrease of 1.8 per cent as contrasted with March 11, 1931. Deposits increased 3.9 per cent between March 11, 1931 and April 8, 1931 and on the latter date were 4.6 per cent larger than on April 9, 1930. Composite statement follows:

	*Apr. 8, 1931	*Mar. 11, 1931	*Apr. 9, 1930
Number of banks reporting.....	†25	†25	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and by other stocks and bonds..\$177,420		\$188,401	\$230,814
All other loans and discounts... 273,741		270,869	281,647
Total loans and discounts.....	\$451,161	\$459,270	\$512,461
Investments			
U. S. Government securities..... 70,204		45,869	37,805
Other securities..... 141,261		140,490	116,524
Total investments.....	\$211,465	\$186,359	\$154,329
Reserve balance with F. R. bank.. 47,250		44,735	45,439
Cash in vault..... 6,641		6,433	5,599
Deposits			
Net demand deposits..... 385,525		378,654	380,305
Time deposits..... 247,055		239,259	231,215
Government deposits..... 9,543			2,178
Total deposits.....	\$642,123	\$617,913	\$613,698
Bills payable and rediscounts with			
Federal Reserve Bank .....			2,130

\*In thousands (000 omitted).

†Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources 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.

	*Mar. 1931	*Feb. 1931	*Mar. 1930	Mar. 1931 Feb. 1931	comp. to Mar. 1930
East St. Louis & Natl.					
Stock Yards, Ill..\$ 28,950		\$ 27,126	\$ 40,994	+ 6.7%	-29.4%
El Dorado, Ark..... 5,083		5,605	7,404	- 9.3	-31.3
Evansville, Ind..... 21,752		20,552	27,686	+ 5.8	-21.4
Fort Smith, Ark.... 9,444		8,889	13,589	+ 6.2	-30.5
Greenville, Miss... 3,550		4,008	5,249	-11.4	-32.4
Little Rock, Ark... 28,732		26,744	49,413	+ 7.4	-41.9
Louisville, Ky..... 144,099		123,984	181,365	+16.2	-20.5
Memphis, Tenn.... 109,695		101,316	162,689	+ 8.3	-32.6
Owensboro, Ky.... 5,367		6,205	7,064	-13.5	-24.0
Pine Bluff, Ark..L. 6,807		6,111	10,013	+11.4	-32.0
Quincy, Ill..... 7,753		6,602	13,453	+17.4	-42.4
St. Louis, Mo..... 616,583		536,850	736,277	+14.9	-16.3
Sedalia, Mo..... 3,642		3,381	4,587	+ 7.7	-20.6
Springfield, Mo... 14,000		14,336	15,983	- 2.3	-12.4
**Texarkana					
Ark. Tex..... 9,264		9,813	14,042	- 5.6	-34.0
Totals.....\$1,014,721		\$901,522	\$1,289,808	+12.6	-21.3

\*In thousands (000 omitted).

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

**Federal Reserve Operations**—During March the Federal Reserve Bank of St. Louis discounted for 192 member banks against 185 in February and 206 in March 1930. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Apr. 17, 1931	*Mar. 17, 1931	*Apr. 17, 1930
Bills discounted.....	\$ 7,978	\$ 8,092	\$13,791
Bills bought.....	9,635	7,303	12,139
U. S. Securities.....	23,899	24,025	19,268
Total bills and securities.....	\$41,512	\$39,420	\$45,198
F. R. Notes in circulation.....	76,450	77,298	78,808
Total deposits.....	76,865	70,966	77,446
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	78.0%	78.4%	77.3%

\*In thousands (000 omitted).

(Compiled April 23, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of May 29, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**R**EPORTS relative to general commercial and industrial conditions in this district during the past thirty days reflected rather sharp contrasts. There were a number of favorable factors tending to improve the status of business, against which were opposed certain detrimental developments calculated to slow down the upward trend which commenced in February and reached its peak in March. Taken as a whole the favorable features about balanced those of a reverse character, with the result that no striking change was noted at the end of the period as contrasted with the similar one immediately preceding. Moderate improvement in sentiment has taken place, most pronounced in the agricultural sections, where favorable weather and mainly good crop prospects obtained. In the drouth areas conditions have undergone considerable betterment, farmers in many sections having achieved substantial gains since March. There was moderate improvement in the general employment situation, due chiefly to seasonal causes and expansion in certain lines of industrial production.

As was the case in March, distribution made a relatively better showing in April than production. There was a recession in activities in iron and steel, also in some other industries producing goods of the heavier and more permanent sort. Reports covering the first half of May indicated a further slowing down in these lines. New business is being conservatively placed, and universally manufacturers are disposed to hold down their commitments on raw materials to an absolute necessity basis, and to make up only such goods as they have orders for. Distribution of automobiles declined in April, both as compared with the preceding month and a year ago. There was further curtailment in operations in the lead and zinc mining areas, due to the sharp drop in prices of these metals, and no improvement took place in the dull conditions which have existed for many months in the bituminous coal industry.

Trade activity was rather spotted and irregular; both with reference to the different lines and localities. Certain wholesaling and jobbing lines failed to

hold the gains of the preceding month, while others considerably bettered their records, and for the first time in many months reported a heavier volume of sales than during the corresponding period a year earlier. Notable among these was the boot and shoe industry, in which the reporting firms showed an increase in April sales of one-fourth over March, and of 23.0 per cent over April, 1930. Groceries, hardware, stoves, electrical supplies, meat packing, fire clay and some less important lines reported heavier sales in April than March, while declines were recorded in clothing, men's hats, drugs and chemicals, furniture, farm implements, and dry goods.

April sales of department stores in the principal cities of the district were 16.5 per cent larger than in March, but 12.7 per cent smaller than in April, 1930. Combined sales of these stores for the first four months of this year were smaller by 12.9 per cent than in the corresponding period in 1930. Total April sales of all wholesale and jobbing firms reporting to this bank were 11.5 per cent greater than in March. For the first four months this year combined sales of these firms showed a decrease of 15.6 per cent under the corresponding period in 1930. The dollar value of permits let for new construction in the five largest cities of the District during April, was more than twice as large as in March, and represented the highest total since April, 1930. Charges to checking accounts in April were slightly larger than in the preceding month, but 10.0 per cent less than in April a year ago. The amount of savings accounts increased 3.0 per cent between April 1 and May 6, and on the latter date was slightly less than a year ago.

The volume of traffic handled by railroads operating in this district continued to run below that of a year and two years earlier. The usual seasonal increase in the movement of early fruits and vegetables from the south was more than offset by decreases in other classifications. Additional declines were noted in tonnage of merchandise and miscellaneous freight

hailed. For the country as a whole loading of revenue freight during the first eighteen weeks this year, or to May 2, totaled 13,027,049 cars, against 15,830,818 cars for the corresponding period last year and 17,194,605 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 174,668 loads in April, against 192,150 loads in March and 211,707 loads in April, 1930. During the first nine days of May the interchange amounted to 53,434 loads, against 53,784 loads during the corresponding period in April and 61,545 loads during the first nine days of May, 1930. Passenger traffic of the reporting lines decreased 11.0 per cent in April as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 82,500 tons, against 82,970 tons in March, and 101,122 tons in April, 1930.

The general status of collections in the district developed no marked change as compared with the preceding thirty days. Considerable irregularity and spottiness exists, both with reference to the several lines and locations. In the agricultural areas backwardness is complained of by both merchants and the banks. However, in areas where tobacco and rice are the principal crops, payments have improved since marketing of these productions. Wholesalers in the large centers of population report May first settlements fully up to expectations. Strong accounts are meeting their bills promptly, but there is an increasing number of requests for extensions and actual losses. Unusual spottiness is reflected in reports of retail merchants in the urban centers. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
April, 1931.....	.....%	13.1%	63.1%	23.8%
March, 1931.....		12.6	60.1	27.3
April, 1930.....	1.5	12.4	63.5	22.6

Commercial failures in the Eighth Federal Reserve District in April, according to Dun's, numbered 153, involving liabilities of \$2,916,962, against 144 failures in March with liabilities of \$2,969,521 and 128 defaults for a total of \$4,114,163 in April, 1930.

The average daily circulation in the United States in April was \$4,647,000,000, against \$4,590,000,000 in March, and \$4,518,000,000 in April, 1930.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes**—For the first time since October, 1929, sales of the reporting firms in April showed a gain over the corresponding month a year earlier, and the total for April was the largest for

any month since October, 1929. The increase in April over a year ago was approximately 23.0 per cent, and as compared with March this year an increase of 25 per cent was shown. Reports covering the first half of May indicate a continuance of the activity prevailing in April, and there are prospects for the May total to exceed that of the same month in 1930. While the improvement extends to the entire line, it has been most marked in women's and children's novelty wear and in similar lines of men's shoes. In order to meet the increased demands, operations were increased sharply in April, some factories working at full capacity, while the general average was from 80 to 90 per cent. Inventories continued to decrease, stocks on hand on May 1 being 15.0 per cent smaller than thirty days earlier, and about one-third smaller than on May 1, 1930.

**Clothing**—Unfavorable weather and extreme conservatism in purchasing by both distributors and ultimate consumers militated against improvement in this classification. Advance buying is considerably below the seasonal average of the past several years, and manufacturers are not disposed to make up stock for which they have not actual orders or reasonably certain prospects. Demand for working clothes continues at the low level which has obtained for a number of months. While no substantial revisions were made in prices as compared with earlier in the season, the trend was downward. April sales of the reporting clothiers were 19.0 per cent smaller than for the same month in 1930, and more than one-third less than the March total this year.

**Drugs and Chemicals**—Sales of the reporting interests in April were 3.8 per cent smaller than during the same month in 1930, and 2.3 per cent smaller than in March this year. Stocks on May 1 were slightly smaller than thirty days earlier, and about on a parity with the aggregate on May 1 last year. Increased sales of seasonal commodities were offset by a decrease in purchasing of staple lines. Demand for heavy drugs and chemicals from the general manufacturing trade, and sales of fertilizers and insecticides continue considerably below the seasonal average.

**Dry Goods**—The upward trend noted in this classification during March was not maintained in April, sales of the reporting interests during the latter month being 11.0 per cent smaller than in March, and more than one-fourth less than the April total in 1930. In both the month-to-month and yearly comparisons, decreases in sales were relatively greater in the country and small towns than in the large centers of population. Uncertainty relative to crops and prices is tending to hold commitments of country retailers to actual requirements. Stocks in

hands of the reporting firms on May 1 were 4.0 per cent and 38.0 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies** — Seasonal influences and larger sales of electrical installations for new building and engineering projects were chiefly responsible for a continuance of the upward trend noted in electrical goods during the preceding month. April sales of the reporting interests were 17.2 per cent greater than in March, but about one-third less than in April, 1930. Stocks on May 1 were 10 per cent smaller than on the same date in 1930, and 4.5 per cent smaller than on April 1 this year. In the yearly comparison decreases were general throughout the entire line, but particularly marked in radio material, household appliances and goods for the automotive industry.

**Flour** — Production at the 12 leading mills of the district in April totaled 301,429 barrels, against 295,434 barrels in March and 352,734 barrels in April, 1930. Stocks of flour in St. Louis on May 1 were slightly larger than thirty days earlier, but 20 per cent smaller than on May 1, 1930. Demand continued quiet from all classes of buyers, and the weak feed prices and uncertain status of the wheat market had a tendency to hold down new buying. Export trade continued in small volume, and was confined largely to routine transactions with Latin-American countries. Shipping directions on flour previously purchased, however, were in good volume. Mills were engaged chiefly in grinding to fill old orders, and the rate of operations was from 55 to 60 per cent of capacity. Prices were unchanged.

**Furniture** — There was the usual seasonal decrease in volume of sales in this classification from March to April, and in all sections of the district retail dealers are purchasing cautiously and only for immediate requirements. Demand for household furniture and furnishings is slow; ordering of office equipment is at the lowest ebb in many months. April sales of the reporting firms were one-fifth smaller than in March, and nearly one-third less than in April last year. Inventories continued to decrease markedly, stocks on May 1 being 17.2 per cent smaller than thirty days earlier, and approximately one-half less than on May 1, 1930.

**Groceries** — Sales of the reporting interests in April showed a moderate increase over the preceding month, but a decline of 11.0 per cent as compared with April a year ago. Business in the rural areas has showed improvement during the past six weeks, country merchants showing more of a disposition to replenish depleted stocks. The demand for staples and necessities continues relatively much more active than in the case of luxuries. Stocks on May 1

were 14.0 per cent and 10.0 per cent smaller respectively than thirty days and a year earlier.

**Hardware** — Stimulated by generally improved demand in the rural areas, greater activity in building, and other seasonal influences, April sales of the reporting firms recorded an increase of 4.5 per cent as compared with the preceding month. A decrease of 18.0 per cent was shown in April sales as compared with the same month last year. Stocks increased slightly between April 1 and May 1, and on the latter date were 22.0 per cent smaller than a year ago.

**Iron and Steel Products** — Tapering off of seasonal requirements and absence of new demand from important consumers were reflected in a further slight recession in the iron and steel industry from the year's peak, reached in March. Users of both raw and finished materials are disposed to await developments before making commitments, and purchasing is more closely than ever on a hand-to-mouth basis. Specifications and new ordering by the automotive industry underwent no change worthy of note as compared with the preceding thirty days, while requirements of railroad equipment builders and farm implement manufacturers declined slightly. There was a moderate increase in activities among manufacturers of stoves, ranges and heating apparatus, but reports from these interests reflected a volume of business much below the average at this season during the past decade. Building construction showed no betterment, but increased contracting for highway, river and levee, and general public improvement work resulted in a heavier demand for materials used in these operations. Reinforcing concrete bars, certain descriptions of sheets, plates and bars, moved in larger volume. Structural steel awards continued in small volume, and operations of certain fabricators were curtailed further. Of the rolled steel products, tin plate made relatively the best showing, both in point of production and shipments. Wire and wire products, particularly fencing materials, developed moderate improvement. Purchasing of wire nails to replenish depleted stocks in distributors' hands served to relieve the dull conditions which have obtained in that commodity for a number of months. Requirements of the oil and bituminous coal industries for iron and steel continued at a low ebb. Warehouse and jobbing interests reported the volume of sales in April slightly below the March total, with ordering mainly of small lots for immediate delivery. Purchasing by the manufacturing trade has failed to expand and is spotty and irregular, with volume much below the seasonal average. Prices of finished and semi-finished goods and pig

iron varied little as contrasted with the preceding thirty days. Despite the keen competition in all lines, there were fewer reports than heretofore of shading under list quotations. Scrap iron and steel, however, continued the downward trend of recent months. Heavy melting steel receded to the lowest price since prior to the world war, selling in early May below \$8.00 per ton. Due to the cheapness of scrap, mills and foundries are using considerably more of it in their melting operations than at any time in the past. For the country as a whole pig iron production in April registered a small gain in daily average rate. Due to the shorter month, however, total output in April, of 2,010,534 tons, was 18,372 tons smaller than in March, and compared with 3,191,119 tons in April, 1930. Steel ingot production in the United States in April declined for the first time this year, the total of 2,722,479 tons comparing with 3,023,440 tons in March and 4,153,860 tons in April, 1930.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in April was 335,708 against 276,341 in March, and 442,630 in April, 1930.

Following the trend of the past several years, distribution of automobiles in this district during April declined under the preceding month, and, according to dealers reporting to this bank, was considerably smaller than in April, 1930, and the average for that month during the past eight years. In both the month-to-month and yearly comparisons, a large part of the decreases were ascribed to curtailed business of country dealers, particularly in the south. As has been the case since the present depression in agriculture began, farmers are reconditioning their cars in order to make them serviceable as long as possible. This has had a tendency to increase demand for replacement parts, sales of which were relatively larger than in the case of automobiles proper. Sales of trucks of all descriptions in April decreased sharply as compared with the preceding month and corresponding period in 1930. Sales of new cars by the reporting dealers in April were a fourth smaller than in March, and 35.5 per cent less than in April, 1930. Due to extreme conservatism in the matter of purchasing by dealers, stocks of new passenger cars on May 1 were the smallest for that date in more than a half decade, the total being 4.5 per cent smaller than on April 1, and approximately one-third less than on May 1 last year. The used car market continued relatively more active than that for new vehicles. Due to the smaller number of secondhand cars being turned in on trades and to intensive efforts to move stocks,

May 1 inventories decreased further, and were 6.2 per cent smaller than on April 1, and about 40.0 per cent below those on May 1, 1930. No change worthy of note took place in the tire situation as contrasted with the preceding thirty days.

According to the dealers reporting on that item, deferred payment sales in April constituted 49.2 per cent of the total sales, which compares with a ratio of 51.5 per cent in March and 55.9 per cent in April, 1930.

### 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	
	Apr. 1931	4 months ending	Apr. 30, 1931	Jan. 1, to	Apr. 30,	Apr. 30,
	comp. to	Apr. 30, 1931 to	comp. to	Apr. 30,	1931	1930
Apr. 1930	same period 1930	Apr. 30, 1930	1931	1930	1930	1930
Evansville .....	-30.7%	-26.6%	-25.3%	58	69	
Little Rock.....	7.2	-11.1	-22.5%	86	75	
Louisville .....	-14.0	-14.1	-14.2	85	94	
Memphis .....	-17.9	-23.6	-24.2	94	99	
Quincy .....	-17.3	-17.0	-18.8	86	85	
St. Louis.....	-11.6	-10.2	-7.8	1.27	1.32	
Springfield, Mo.....	5.6	-6.6	-10.3	48	43	
8th District.....	-12.7	-12.9	-13.3	1.10	1.13	

  

	Net sales comparison		Stocks on hand	
	Apr. 1931 comp. to	Mar. 1931	Apr. 1931 comp. to	Mar. 1931
	Apr. 1930	Mar. 1931	Apr. 1930	Mar. 1931
Men's furnishings.....	-18.6%	-4.7%	-10.8%	+3.9%
Boots and shoes.....	-17.0	+28.9	-15.0	+0.9

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during April reached the highest total since that month a year ago, and was more than two and one-half times larger than the aggregate for March this year. The gain over the preceding month was confined chiefly to St. Louis and Memphis, in which cities construction of several large buildings was authorized. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$17,080,749, which compares with \$22,970,128 in March, and \$28,330,977 in April, 1930. Production of portland cement for the country as a whole in April totaled 11,245,000 barrels, against 8,245,000 barrels in March, and 13,521,000 barrels in April, 1930. Building figures for April follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	232	341	\$ 407	\$ 244	62	89	\$ 11	\$ 36
Little Rock	18	61	57	120	51	117	59	134
Louisville ..	76	156	445	635	71	95	90	109
Memphis ....	170	621	162	2,678	223	69	88	71
St. Louis....	408	456	4,383	2,233	410	490	185	345
Apr. totals	904	1,635	\$5,454	\$5,910	817	860	\$ 433	\$695
Mar. totals	994	1,031	2,049	2,409	521	857	288	675
Feb. totals	626	937	2,170	2,127	490	618	299	545

\*In thousands of dollars (000 omitted).

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current during April by selected industrial customers as being 8.0 per cent larger than in March and

7.0 per cent smaller than in April, 1930. The decrease in the yearly comparison was general through all classes of consumers. The month-to-month comparison increases were mainly in industries affected by seasonal influences, notably refrigeration, beverage, flour milling and certain food production interests, while decreases were general among other consumers. Detailed figures follow:

	No. of	Apr.	Mar.	Apr. 1931	Apr.	Apr. 1931
	Custom- ers	1931 *K.W.H.	1931 *K.W.H.	comp. to Mar. 1931	1930 *K.W.H.	comp. to Apr. 1930
Evansville	40	1,998	2,007	- 0.4%	1,663	+20.1%
Little Rock	35	1,443	1,280	+12.7	1,597	- 9.6
Louisville	85	6,015	5,648	+ 6.5	5,844	+ 2.9
Memphis	31	1,166	948	+23.0	1,319	-11.6
St. Louis	160	18,698	17,275	+ 8.2	21,022	-11.1
Totals	351	29,320	27,158	+ 8.0	31,545	- 7.0

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

	By water power	By fuels	Totals
Mar. 1931	2,620,000,000	5,240,000,000	7,860,000,000
Feb. 1931	2,161,000,000	4,997,000,000	7,158,000,000
Mar. 1930	3,260,000,000	4,904,000,000	8,164,000,000

### AGRICULTURE

Though retarded to some extent by rains in April and early this month, farm work generally through this district is well in advance of normal. Spring seeding of small grains was accomplished in most instances in advance of the usual seasonal schedule, and growth and development has been satisfactory. In all sections a factor in the advanced condition of soil preparation and the planting of crops has been the unusual efforts put forth by farmers doing their own work, and an abundance of farm labor. In the drouth areas farmers are recovering lost ground, considerable gains having been made since March. Moisture has been adequate to carry along crops at their present stage of growth, and in a number of sections precipitation has been sufficient to supply all needs for some weeks to come.

Throughout the south there has been a marked increase in plantings of food and feed crops, and generally through the district more home gardens are being planted this year than at any time in the past. Pastures and meadow conditions are considerably better than a year ago, and the outlook for fruits of all sorts is the most promising than at this time in more than a decade. Practically no damage was sustained by orchards as a result of the light frosts during the last two weeks in April. Bloom on all kinds of fruits was the heaviest in a number of years. The condition of peaches is generally high, a condition of 90 per cent in Missouri on May 1, for example, comparing with 5 per cent on the same date in 1930.

**Winter Wheat** — Based on the May 1 condition, the U. S. Department of Agriculture estimates the yield of winter wheat in states entirely or partly

within the Eighth District at 102,537,000 bushels, which compares with 92,567,000 bushels harvested in 1930, and a 5-year average (1925-1929) of 83,414,000 bushels. In all these states the May 1 condition was higher than a year ago and the 10-year average. Moisture has been generally ample for carrying on the crop, and universally fields are of fine color, and stands unusually good. The cool weather of the last ten days of April and early May were beneficial rather than otherwise. Acreage abandonment as of May 1 was the lightest in many years, that for Indiana being only 0.5 per cent, Illinois 1.0 per cent and Missouri 1.5 per cent of the area seeded last fall. For the country as a whole, condition of winter wheat on May 1 was 90.3 per cent, indicating an output of 652,902,000 bushels, against 604,337,000 bushels harvested in 1930 and a 5-year average of 547,427,000 bushels. The per cent of abandonment for the entire country was 3.7 per cent.

**Corn** — With ideal late winter and early spring weather for outdoor work, preparations for the new corn crop were considerably ahead of the seasonal schedule, and planting has made rapid progress. In the south where the crop is up, stands are mainly good, with ample soil and subsoil moisture for all immediate needs. There was some interruption in the north caused by rains and cool weather, and germination has been slow, with some reseeding indicated. Generally through the drouth areas, but more particularly in the south, early indications point to increased acreages over a year ago. Corn prices receded to a new low point on the 1930 crop, also in recent years, in late April, but since that date have recovered moderately in response to a more active demand from livestock interests.

**Fruits and Vegetables** — The general condition of fruits and vegetables in this district at the middle of May was the most promising in more than a decade. The mild winter was favorable for orchards, there being a minimum of cold weather damage to trees, though in some sections injury was reported from insufficient moisture, following the drouth of last year. Practically all orchards showed unusually heavy bloom, particularly late varieties of apples. The outlook for peaches is good in both the northern and southern sections of the district. The U. S. Government report as of May 1 estimates the combined peach crop in Arkansas and Mississippi at 3,660,000 bushels, which compares with last year's practical failure with 574,000 bushels and a 5-year average of 2,897,000 bushels. In the south the early potatoe crop continues to show better than average condition for this time of year, but further north conditions are not as good, due to delayed plantings occasioned by rains and slow germination. In the

drouth areas, strawberry plants showed the effects of the prolonged drouth of last season, but prospects are still for a heavy yield of fair quality. Home gardens are mainly in good condition, and planted on a more extensive scale than in past years.

**Live Stock** — Generally the condition of live stock in this district is good, herds having been benefited by the mild, open winter, also by the improved condition of pastures incident to recent rains. In all states of the district a large crop of high quality lambs is in prospect, the reported per cent of lambs saved this year being the highest in half a decade. Reports relative to milk production reflect a slightly higher average per cow than last year. Egg production continued high, a larger percentage of hens laying in April than during that month in 1930.

The condition of tame hay and pastures developed considerable improvement from April to May, and on May 1 averaged higher than a year ago and the 5-year average. Hay stocks on farms on May 1 were the smallest for that particular date since 1925. In states of this district the May 1 total was estimated at 1,253,000 tons, against 2,843,000 tons in 1930, and a 5-year average of 2,608,000 tons.

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

	Receipts			Shipments		
	Apr. 1931	Mar. 1931	Apr. 1930	Apr. 1931	Mar. 1931	Apr. 1930
Cattle and calves.....	90,132	86,896	94,484	57,881	52,227	56,114
Hogs.....	278,046	246,731	339,050	217,685	198,500	283,550
Horses and mules.....	3,496	10,839	3,498	3,700	9,434	4,206
Sheep.....	54,753	26,901	46,638	23,078	12,652	27,205

**Cotton** — Planting of the new crop has made excellent progress, and at the middle of May had been completed in the lower tier of counties in this district. Soil conditions are ideal, but taken as a whole germination has been rather slow, due to low temperatures in late April and early May; it is slow rather than poor. Precipitation, while interfering with work to some extent, has been beneficial, and a week or two of seasonably high temperatures would go far to correct conditions and be extremely beneficial for the crop. Scattered reports of insect damage have been received, but nothing of a general or serious character. Fertilizer sales through April and early May indicated little change from earlier estimates, and point to a reduction of fully one-fourth as compared with last year. A new low for the 1930 crop was established in early May, since which time a slight upward reaction has taken place. In the St. Louis market the middling grade ranged

from 8.85c to 9.45c per pound between April 16 and May 15, closing at 8.90c per pound on the latter date, which compares with 9.45c on April 16, and 15 $\frac{3}{4}$ c on May 15, 1930. Stocks of cotton in Arkansas warehouses on May 15 totaled 138,511 bales, against 185,154 bales on April 10, and 155,448 bales on the corresponding date in 1930.

**Rice** — Under generally favorable weather conditions, farmers have advanced preparations for the new crop somewhat further than the seasonal average. Early unofficial reports indicate a slightly smaller acreage than planted in 1930. Practically all of the 1930 crop is out of the hands of producers, and stocks of clean rice are not excessive. Demand continues quiet, with prices considerably lower than a year ago.

**Tobacco** — The loose leaf dark fired markets in the Clarksville, Hopkinsville and Paducah districts continued holding small sales, but in other districts the market season was over. The quality of late offerings failed to improve, and it was apparent that the greater part of the better grades had been sold. However, prices were firm on everything offered, and an active demand existed for all choice tobacco.

Due to unseasonably cool weather, plants are relatively small and irregular in size. Damage from cutworms and other insect pests is complained of, which is usual in cool weather. However, reports from all sections indicate an abundance of plants, and with the high state of soil cultivation existing, setting should be general by the third week of May.

**Commodity Prices** — Range of prices in the St. Louis market between April 15, 1931, and May 15, 1931, with closing quotations on the latter date and on May 15, 1930:

	High	Low	Close	
			May 15, 1931	May 15, 1930
Wheat				
July.....per bu..\$	.62 $\frac{3}{4}$	.56 $\frac{3}{4}$	\$ .58 $\frac{3}{4}$	\$1.02
Sept.....	.62 $\frac{3}{4}$	.56 $\frac{3}{4}$	.58 $\frac{3}{4}$	1.05 $\frac{1}{2}$
No. 2 red winter	.82 $\frac{1}{2}$	.80	\$.80 @ .80 $\frac{1}{2}$	\$1.16 @ 1.18
No. 2 hard.....	.80 $\frac{1}{2}$	.78 $\frac{1}{2}$	\$.80 @ .80 $\frac{1}{2}$	1.03 @ 1.03 $\frac{1}{2}$
Corn				
July.....	.63 $\frac{3}{4}$	.56 $\frac{3}{4}$	.58 $\frac{1}{2}$	.80 $\frac{3}{4}$
Sept.....	.59 $\frac{1}{2}$	.54	.57	.80 $\frac{1}{2}$
No. 2 mixed.....	.61 $\frac{1}{2}$	.53 $\frac{1}{2}$	.58 @ .58 $\frac{1}{2}$	.81 @ .82
No. 2 white.....	.63 $\frac{3}{4}$	.55 $\frac{1}{2}$	.57 $\frac{1}{2}$ @ .58	.83 @ .83 $\frac{1}{2}$
Oats				
No. 2 white.....	.33 $\frac{1}{2}$	.29	.30 $\frac{1}{2}$ @ .31	.42 $\frac{1}{2}$ @ .43
Flour				
Soft patent.....per bbl.	5.50	4.90	4.90 @ 5.20	6.25 @ 6.50
Spring patent.....	4.50	4.20	4.20 @ 4.50	5.40 @ 5.50
Middling cotton.....per lb.	.945	.885	.890	.15 $\frac{3}{4}$
Hogs on hoof.....per cwt.	7.90	5.40	5.60 @ 7.00	9.00 @ 10.20

**FINANCIAL**

Demand for credit from all sources in the Eighth District continued at the low level which has obtained for the past several months. There was the

usual seasonal slowing down in borrowing by commercial and industrial interests, and liquidation by that class of borrowers was in good volume. Borrowing by farmers from the banks in this district has been smaller than usual at this season owing in part to the fact that they were able to obtain loans from governmental and other agencies. In sections where early vegetables and fruits are important crops there has been considerable liquidation of loans, both with merchants and country banks. The movement of spring lambs and wool has also been accompanied by substantial settlements with financial institutions in the rural areas. Borrowings by country banks from city correspondents thus far this season has been in relatively smaller volume than for a number of years. Flour milling and grain handlers further reduced their commitments, and loans in this category are considerably smaller than at any similar period in more than a decade. Demand for financing live stock operations is reported as fairly active.

Deposits of the reporting member banks, which recorded a new high point for the year at the middle of April, receded during the last half of that month, but have again resumed their upward course since May 1. Investments of these banks continued the sharp upward swing, which began last December, and at the middle of May were at the highest point of the year. Total loans decreased moderately, the total of \$434,462,000 on May 13 being about 2.0 per cent smaller than thirty days earlier, and 14.0 per cent less than on the corresponding date in 1930. Borrowings of all member banks from the Federal Reserve Bank fluctuated within a narrow range, but through the period the average was approximately one-half smaller than during the same time in 1930.

Reflecting the slow demand for credit and a plethora of loanable funds in commercial banks, the trend of interest rates was easier. Current quotations at St. Louis banks were as follows: Prime commercial paper, 2½ to 5 per cent; collateral loans 4½ to 5½ per cent; loans secured by warehouse receipts, 3 to 5 per cent; interbank loans, 3½ to 5½ per cent and cattle loans, 5½ to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on May 13, 1931 showed a decrease of 2.1 per cent as contrasted with April 15, 1931. Deposits decreased 1.0 per cent between April 15, 1931 and May 13, 1931 and on the

latter date were 5.0 per cent larger than on May 14, 1930. Composite statement follows:

	*May 13, 1931	*Apr. 15, 1931	*May 14, 1930
Number of banks reporting.....	125	125	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$170,343	\$176,510	\$228,317
All other loans and discounts.....	264,324	267,488	276,462
Total loans and discounts.....	\$434,667	\$443,998	\$504,779
Investments			
U. S. Government securities.....	73,682	79,702	39,388
Other securities.....	155,105	141,916	120,251
Total investments.....	\$228,787	\$221,618	\$159,639
Reserve balance with F. R. bank..	46,096	47,995	43,793
Cash in vault.....	7,039	6,293	6,146
Deposits			
Net demand deposits.....	388,142	388,922	381,585
Time deposits.....	250,852	248,620	228,917
Government deposits.....	2,632	10,544	602
Total deposits.....	\$641,626	\$648,086	\$611,104
Bills payable and rediscounts with Federal Reserve Bank.....	300	25	3,119

\*In thousands (000 omitted).  
Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources 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.

	*Apr. 1931	*Mar. 1931	*Apr. 1930	Apr. 1931 comp. Mar. 1931	Apr. 1930
East St. Louis & Natl.					
Stock Yards, Ill. \$	33,144	\$ 28,950	\$ 46,391	+14.5%	-28.6%
El Dorado, Ark.....	5,130	5,083	7,574	+ 0.9	-32.3
Evansville, Ind.....	24,603	21,752	30,480	+13.1	-19.3
Fort Smith, Ark.....	10,065	9,444	13,043	+ 6.6	-22.8
Greenville, Miss.....	3,243	3,550	4,259	- 8.6	-23.9
Helena, Ark.....	2,742	3,105	4,916	-11.7	-44.2
Little Rock, Ark..	27,393	28,732	44,009	- 4.7	-37.8
Louisville, Ky.....	141,908	144,099	177,648	- 1.5	-20.1
Memphis, Tenn.....	99,279	109,695	143,427	- 9.5	-30.8
Owensboro, Ky.....	4,944	5,367	6,328	- 7.9	-21.9
Pine Bluff, Ark.....	7,383	6,807	8,893	+ 8.5	-17.0
Quincy, Ill.....	9,893	7,753	13,402	+27.6	-26.2
St. Louis, Mo.....	627,307	616,583	732,273	+ 1.7	-14.3
Sedalia, Mo.....	3,686	3,642	4,481	+ 1.2	-17.7
Springfield, Mo.....	14,757	14,000	15,675	+ 5.4	- 5.9
**Texarkana, Ark.-Tex.....	10,145	9,264	14,236	+ 9.5	-28.7
Totals .....	\$1,025,622	\$1,017,826	\$1,267,035	+ 0.8	-19.1

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During April the Federal Reserve Bank of St. Louis discounted for 173 member banks against 192 in March and 213 in April, 1930. Effective May 9 the discount rate of this bank was reduced from 3 per cent to 2½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	*May 20, 1931	*Apr. 20, 1931	*May 20, 1930
Bills discounted.....	\$ 6,713	\$ 8,231	\$13,880
Bills bought.....	9,209	9,806	9,402
U. S. Securities.....	25,442	23,899	19,268
Total bills and securities.....	\$41,364	\$41,936	\$42,550
F. R. Notes in circulation.....	73,422	76,171	76,050
Total deposits.....	76,470	73,454	78,934
Ratio of reserve to deposits and F. R. Note Liabilities.....	77.2%	76.7%	77.7%

\*In thousands (000 omitted).

(Compiled May 22, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of June 30, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

THE trend of commerce and industry in this district during the past thirty days was slightly downward as contrasted with the two months immediately preceding. The recession both in production and distribution, however, was due in large part to seasonal considerations, and in some industries the gains recorded in March and April were fully maintained. Considerable spottiness and irregularity were in evidence, both with reference to the several lines and different localities. Taken as a whole, sentiment in practically all parts of the district underwent improvement, and there was more of a disposition to fill requirements by both merchants and the public than was the case earlier in the year. This was true particularly of commodities for ordinary consumption, the lines dealing in goods of the heavier and more permanent sort making a relatively poorer showing than those in the former category. Iron and steel, fire clay, lumber, glass and other building materials failed to maintain the pace of the preceding ninety days. Production and distribution of automobiles declined from May to June, and sales of farm implements was considerably below the seasonal average. No improvement whatever was noted in the bituminous coal industry from the dull conditions existing in recent months.

Distribution of seasonal commodities through retail channels was retarded to some extent during May by unusually cool weather. Since June 1, however, higher temperatures have substantially assisted the movement of summer goods, notably apparel, electrical supplies, beverages, outing and tourist supplies. There was a decrease from May to June in wholesale distribution of boots and shoes, groceries, men's hats, packing house products and farm implements. Increases in the same comparison were recorded in drugs and chemicals, furniture, dry goods, hardware and electrical supplies. In all wholesaling and jobbing lines investigated, the volume of May business was below that of the same month last year.

The most hopeful aspect of the situation is the generally favorable conditions of crops throughout the district. Prospects at the middle of June were for the heaviest yields obtained in a number of years. While prices of all farm products continue at low levels, the large outputs will serve to offset smaller cash returns per unit, besides giving employment to a greater number of persons and heavier tonnages to the railroads. Conditions in the drouth areas have undergone distinct betterment since the end of March.

Department store sales in the principal cities of the district in May showed a decrease of 12.5 per cent as compared with the same month last year, and for the first five months this year the volume was 12.8 per cent smaller than for the corresponding period in 1930. Combined sales of all wholesaling lines investigated showed a decrease in May of 16 per cent under the same month in 1930, and of 11 per cent under the April total this year; for the first five months this year a decrease of 15 per cent under the same period in 1930 was shown. Charges to checking accounts in May were approximately 3 per cent larger than in April, but more than one-fifth smaller than in May last year. The amount of savings accounts increased slightly between May 6 and June 3, and on the latter date were about on a parity with the corresponding time last year.

According to officials of railroads operating in this district, the volume of freight traffic handled in May was considerably smaller than during the corresponding period a year and two years earlier. The movement of early fruit and truck crops was up to expectations, but all other classifications of freight showed appreciable declines. For the country as a whole, loadings of revenue freight for the first 22 weeks this year, or to May 30, totaled 15,988,235 cars, against 19,481,593 cars for the corresponding period last year and 21,325,072 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 186,779 loads in May, against 174,668 loads

in April, and 217,226 loads in May, 1930. During the first nine days of June the interchange amounted to 55,529 loads against 53,434 loads during the corresponding period in May, and 62,388 loads during the first nine days of June, 1930. Passenger traffic of the reporting roads decreased 15 per cent in May as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 99,500 tons, against 82,465 tons in April, and 124,924 tons in May, 1930.

Reports relative to collections in the district reflect moderate improvement as a whole, though conditions are still spotty and irregular. June 1 settlements with wholesalers in the large distributing centers were in considerable volume, and compared very favorably with results a year ago. Generally through the agricultural sections, but more particularly where early fruits and vegetables are important crops, retailers report moderate betterment in payments. Good liquidation with both country banks and merchants has been the rule in the tobacco sections. Backwardness in meeting bills is complained of by merchants in the bituminous coal sections, and generally through the lead and zinc belt. Retailers in the large urban centers report little change in conditions as compared with the preceding several months. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
May, 1931.....	.0%	10.4%	76.1%	13.5%
April, 1931.....	.0	13.1	63.1	23.8
May, 1930.....	1.0	14.0	58.5	26.5

Commercial failures in the Eighth Federal Reserve District in May, according to Dun's, numbered 104 involving liabilities of \$3,148,548 against 153 failures in April with liabilities of \$2,916,962, and 133 defaults for a total of \$4,959,105 in May, 1930.

The daily average circulation of the United States in May was \$4,679,000,000, against \$4,647,000,000, in April, and \$4,497,000,000, in May, 1930.

## MANUFACTURING AND WHOLESALE

**Boots and Shoes** — The spurt of activity in the boot and shoe business noted during the two preceding months subsided to a considerable extent during May, and reversing the trend of recent years, May sales of the reporting interests registered a sharp decline under the April total. This was attributed largely to the heavy buying during March and April, many retail dealers having supplied needs during those months which they usually fill in May. May sales of the reporting interests were

12.0 per cent smaller than during the same month in 1930, and more than a fourth smaller than the April total this year. Stocks on June 1 were 5 per cent smaller than thirty days earlier, and 30 per cent less than on June 1, 1930. In both sales comparison decreases were general through the entire line, but most marked in staple lines and work shoes. Factory operations decreased slightly in May and early June.

**Clothing** — There was the usual seasonal decline in sales volume from May to June, the extent of which being somewhat heavier than the average during the past decade. As contrasted with a year ago, the May total showed a decline of approximately 40 per cent. Advance buying is backward, retailers generally being disposed to postpone filling late summer and early fall requirements. Demand for work clothes is considerably below normal, both in the cities and rural areas.

**Drugs and Chemicals** — A more active demand for seasonal commodities, notably soda fountain supplies and equipment, was largely accountable for an increase of sales of the reporting interests during May of about 1 per cent over April total. As contrasted with a year ago, however, May sales showed a decrease of about 2 per cent. A more active demand for insecticides, fertilizers and other goods consumed in the rural sections was reported, but sales of drugs and heavy chemicals to the general manufacturing trade continued below normal for this time of year. Stocks on June 1 were slightly smaller than a month earlier, and about on a parity with a year ago.

**Dry Goods** — May sales of the reporting firms were 8 per cent larger than in April, but about 18 per cent smaller than the total in May, 1930. Improvement in the month-to-month comparison was ascribed to more active buying of seasonal goods, and heavy sales of women's and children's ready-to-wear garments. More activity than in a number of months was noted in outings, neckwear and certain grades of hosiery. Dullness continues in most staple lines, particularly blankets, heavy coats, sweaters, underwear, etc. Advance business ranges from 55 to 75 per cent smaller than a year ago. Inventories on June 1 were 4 per cent and 35 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies** — The upward trend in business in this classification noted during the preceding sixty days continued through May. There was an increase in May sales of the reporting firms of 12 per cent over April, but the total was 39 per cent smaller than in May, 1930. The gain in the month-to-month comparison was due to seasonal influences, though all lines showed more activity

than earlier in the year. Heavy decreases under a year ago were noted in sales of radio materials and automobile goods. Stocks on June 1 were slightly larger than thirty days and a year earlier.

**Flour** — Production at the 12 leading mills of the district in May totaled 277,767 barrels against 301,429 barrels in April, and 332,510 barrels in May, 1930. Business throughout the period was on a very limited scale, in view of the generally adopted policy of getting along with as small stocks as possible until the new wheat crop movement set in. The continued decline in wheat prices also had a detrimental effect on purchasing. Price changes were chiefly in the form of downward adjustments to conform with the situation created by the decline in wheat. Export demand continued quiet, with bids from Europe mainly too far out of line to result in extensive workings. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — May sales of the reporting firms showed an increase over the preceding month for the first time in more than a year. Purchasing of seasonal goods and replenishment of depleted stocks by retailers substantially assisted the volume of trade. As compared with April, May sales of the reporting firms showed an increase of 12 per cent, but the total was approximately 11 per cent below that of May, 1930. Inventories continued to decrease; stocks on June 1 being 10 per cent and 53 per cent smaller, respectively than thirty days and a year earlier.

**Groceries** — A moderate slowing down in business, largely seasonal in character, was reflected in reports from interests in this line. The trend of prices continued lower, and larger consumption of fresh fruits and vegetables lessened demand for canned goods and other prepared foods. May sales of the reporting firms were 4 per cent smaller than in April, and 18 per cent less than the May total last year. Inventories on June 1 showed little change from thirty days earlier, and were about 5 per cent smaller than a year ago.

**Hardware** — Further slight improvement was noted in this classification, May sales of the reporting interests showing a gain of about 1 per cent as compared with April. As compared with May last year, a decrease of 15 per cent was recorded. There was a further decrease in inventories; stocks on June 1 being 6 per cent and 16 per cent smaller, respectively, than thirty days and a year earlier.

**Iron and Steel Products** — Reflecting seasonal influences and extreme conservatism on the part of buyers, activities in the iron and steel industry in this district during the past thirty days continued

the downward trend which has obtained in recent months. With but few minor exceptions, mills, foundries and machine shops reported a further recession in unfilled orders, the total at the end of May being the smallest in a number of years. As has been the case for the past several months, ordering of both finished and raw materials is mainly in small quantities for application on well defined requirements. Covering on third quarter needs has been little in evidence, both producers and ultimate consumers being disposed to await developments before making commitments. The principal users of iron and steel have not increased their demands, and in the case of the oil and automotive industries, purchasing was in smaller volume than during the preceding sixty days. Certain specialty makers, notably of farm implements, stoves and heating apparatus report a further curtailment in operations. Advance orders on the books of these interests are the smallest for this particular period in more than two decades. Mills and foundries specializing in railroad equipment materials report reduced backlogs and little new business being placed. With the exceptions of reinforcing concrete bars and some other items used in highway construction and other engineering projects, the general classifications of building materials continues quiet. The movement of wire and wire products, including nails, shows no betterment as contrasted with the dull conditions which have existed in recent months. Producers and distributors of steel sheets reported a moderate gain in volume of sales during late May and early June, but low prices at which the business was taken, considerably lowered profit margins. Iron and steel warehouse and jobbing interests report no change worthy of note in conditions existing earlier in the year. Buying is on a hand-to-mouth basis, and considerably less than the usual seasonal tonnage is being accounted for by the general manufacturing trade. Prices underwent no notable change as compared with the preceding thirty days, but with competition unusually keen, shading under list quotations is more frequent than heretofore. The downward trend in scrap iron and steel prices proceeded further, several of the principal grades registering new lows on the retrograde movement. The melt of pig iron in the district during May was slightly less than in April, and measurably below the total of May, 1930. After an upward trend for four consecutive months, the daily average rate of pig iron production for the country as a whole turned downward in May. Total production for May amounted to 1,995,002 tons, against 2,009,582 tons in April, and 3,241,477 tons in May, 1930. Steel ingot pro-

duction in the United States in May totaled 2,083,833 tons, against 2,275,404 tons in April, and 3,265,353 tons in May, 1930.

### AUTOMOBILES

Conforming with the trend in recent years, distribution of automobiles in this district during May, according to the reporting dealers, showed a decrease under the preceding month. The decrease, however, was smaller than the average during the past eight years, which fact is due to the sharp falling off in volume of business last May, rather than to improvement in sales this year. As compared with a year earlier, May sales were smaller by approximately 30 per cent. Reports covering the first half of June indicate little, if any improvement as contrasted with the preceding thirty days. In both the month-to-month and yearly comparison decreases were general through all classes of makes, though somewhat more pronounced in the cheap-priced and very expensive makes than in the medium-priced field. Business of dealers in the large cities continued in relatively better volume than that of distributors in the rural regions. There was a general disposition on the part of farmers to await more definite information relative to crop yields and prices before filling their automotive requirements. For the fourth consecutive month, truck sales of the reporting dealers declined in May, the total for that month being more than one-third smaller than during the same period in 1930, and 20 per cent less than April total this year. Inventories continued the steady decline of recent months, the policy of purchasing from producers only sufficient vehicles to apply on actual sales, or reasonably certain prospects, being more closely adhered to than heretofore. Sales of new passenger cars by the reporting dealers in May were 13 per cent smaller than in April, and approximately one-third less than the May, 1930 total. Stocks of new cars in dealers hands on June 1 were 6 per cent smaller than on May 1, and one-fourth smaller than on June 1 last year. Demand for used cars continued relatively more active than for new vehicles. There was a further slight decrease in salable second hand car stocks on June 1 as compared with thirty days earlier, and the total was more than one-third smaller than on June 1, 1930. No change worthy of note took place in the parts and accessory trade as compared with the preceding month. Opening of the touring season has moderately stimulated sales of tires and accessories since the final week of May.

According to dealers reporting on that item, the ratio of deferred payment sales to total sales in May was 46 per cent, which contrasts with 49.2 per cent in April, and 52.2 per cent in May, 1930.

### 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	
	May, 1931 comp. to May, 1930	5 months ending May 31, 1931 to same period 1930	May 31, 1931 comp. to May 31, 1930	Jan. 1 to May 31, 1931	1931	1930
Evansville .....	-24.4%	-26.1%	-20.3%	76	88	
Little Rock.....	-14.1	-11.8	-16.7	1.13	1.01	
Louisville .....	-20.1	-15.5	-16.4	1.10	1.20	
Memphis .....	-16.4	-22.0	-24.6	1.24	1.27	
Quincy .....	-23.8	-18.6	-16.8	1.09	1.11	
St. Louis.....	9.5	-10.1	-11.3	1.59	1.63	
Springfield, Mo.—	8.5	-7.1	-12.0	.66	.60	
8th District.....	-12.5	-12.8	-14.9	1.40	1.42	
	Net sales comparison		Stocks on hand			
	May, 1931 comp. to May, 1930	Apr. 1931	May, 1931 comp. to May, 1930	Apr. 1931		
Men's furnishings.....	-9.2%	-4.7%	-10.0%	-0.4%		
Boots and shoes.....	-13.6	6.0	-14.2	2.5		

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during May was 70 per cent less than May, 1930, and 70 per cent less than the aggregate for April this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May amounted to \$18,326,851 which compares with \$17,080,749 in April and \$32,876,399 in May, 1930. Production of portland cement for the country as a whole in May totaled 14,006,000 barrels, against 11,245,000 barrels in April, and 17,271,000 barrels in May, 1930. Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits 1931	Permits 1930	*Cost 1931	*Cost 1930	Permits 1931	Permits 1930	*Cost 1931	*Cost 1930
Evansville .....	214	277	\$ 96	\$ 113	56	24	\$ 12	\$ 18
Little Rock .....	15	47	53	71	66	121	17	78
Louisville .....	56	126	128	2,203	44	76	34	68
Memphis .....	195	386	255	1,077	208	205	133	87
St. Louis.....	383	452	1,185	1,975	352	470	217	227
May totals..	863	1,288	\$1,717	\$5,439	726	896	\$ 413	\$478
Apr. totals..	904	1,635	5,454	5,910	817	860	433	695
Mar. totals..	994	1,031	2,049	2,409	521	857	288	675

\*In thousands of dollars (000 omitted).

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current during May by selected industrial customers as being 5.9 per cent larger than in April and 8 per cent smaller than in May, 1930. Detailed figures follow:

	No. of Customers	May, 1931	Apr., 1931	May, 1931	May, 1930	May, 1931
		*K.W.H.	*K.W.H.	comp. to Apr. 1931	*K.W.H.	comp. to May, 1930
Evansville ....	40	2,125	1,998	+ 6.4%	1,774	+19.8%
Little Rock....	35	1,616	1,443	+12.0	1,668	- 3.1
Louisville ....	85	6,039	6,015	+ .4	6,085	- 1.8
Memphis .....	31	1,913	1,166	+64.2	1,141	+67.8
St. Louis.....	161	19,347	18,698	+ 3.5	23,063	-16.1
Totals .....	352	31,042	29,320	+ 5.9	33,731	- 8.0

\*In thousands (000 omitted).

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

	By water power		By fuels		Totals	
	Apr. 1931	May 1931	Apr. 1931	May 1931	Apr. 1931	May 1931
Apr. 1931.....	3,112,553,000	4,544,186,000	4,544,186,000	7,656,739,000	7,656,739,000	7,656,739,000
Mar. 1931.....	2,630,700,000	5,244,117,000	5,244,117,000	7,874,817,000	7,874,817,000	7,874,817,000
Apr. 1930.....	3,272,557,000	4,687,666,000	4,687,666,000	7,960,223,000	7,960,223,000	7,960,223,000

## AGRICULTURE

Weather during the past thirty days was in the main the most favorable experienced this season for agriculture, and taken as a whole prospects for crops in the Eighth District at the middle of June were the most promising for that date in a number of years. Temperatures during May were somewhat too low for promoting rapid growth and development of winter wheat and spring sown cereals, but warmer weather since that date, accompanied by beneficial rains have tended to markedly improve conditions, and stands are generally good. In the case of corn, cotton, tobacco, potatoes and other row crops, cultivation has been unusually intensive and has served to offset handicaps due to adverse weather conditions earlier in the season. Farm work of all descriptions has been pushed forward in all sections of the district and is further advanced than the average at this season during the past several years.

The outlook for fruits, vegetables and home gardens is particularly favorable. In Illinois, Arkansas, Missouri and Tennessee the June 1 condition of the peach crop was considerably above the 10-year average, whereas in all these states the crop last year was a virtual failure. There has been more extensive planting of home gardens this year than in more than a decade; particularly in areas most acutely affected by last year's record drouth. The acreage planted to feed crops in these sections is also larger than in past years. The outlook for hay crops is less promising than in the case of other productions, but deficiency in this respect is expected to be made up by increased planting of cowpeas, grain sorgums and other legumes. Cut worms and some other insect pests have been more numerous than usual and have caused considerable damage to tobacco seed beds, corn, potatoes and some other crops. Such damage has been local in character, however, and may be corrected by replanting.

As an offset to the generally favorable prospects for crops was the further decline in practically all agricultural products. The U. S. Department of Agriculture's index in May reached the lowest level since 1910, when the index was prepared. A considerable part of the decline was accounted for by lower prices of poultry and dairy products, meat, animals, cotton and cottonseed, fruits and vegetables. New crop wheat futures declined to the lowest point since 1895 and spot cotton recorded a new low on the crop. As has been the case since last fall, farmers are doing an unusually large amount of their work without hired help. The supply of farm labor in all states of the district is in excess of requirements. Slowing down of activities in the

large industrial centers has resulted in a return of many workers to the farms and small towns.

**Winter Wheat** — Moderate improvement took place in prospects for this crop from May to June, according to the U. S. Department of Agriculture's June 1 report. The estimated yield in states entirely or partly within the Eighth District, based on the June 1 condition, was 104,009,000 bushels, about 1,500,000 bushels more than the May 1 forecast, and comparing with 93,567,000 bushels harvested in 1930, and a 5-year average (1925-1929) of 83,414,000 bushels. Generally the condition of the crop is high, with stand and growth in many important growing areas more uniform than in any year since 1918. Harvesting was in progress in the lower tiers of counties in late May, since which time it has progressed rapidly northward. There are scattered reports of lodging, but nothing of a general or serious character. There was a further decline in wheat prices, with the new crop options selling at the lowest levels recorded since 1895.

**Corn** — Generally throughout the district corn was planted earlier than the average during the past decade, but due to low temperatures and cold rains in April and early May, germination and growth were retarded and in Missouri and other sections of the district the average condition on June 1 was slightly below that of a year ago. Warmer weather and rains since that date have substantially assisted the crop, and most recent reports reflect generally good stands with marked improvement in color. Cultivation is high as a rule, and both surface and subsoil conditions are good. Cut worms have been more in evidence than has been the case in recent years, causing irregular stands and necessitating considerable replanting. There was a sharp decline in prices of the July and September corn options, but prices of spot corn held relatively firm, responding to an active demand for old crop corn. The movement from farms was light, and bids of local dealers were in numerous instances higher than prices paid at primary markets.

**Fruits and Vegetables** — The mild winter and generally favorable conditions during the spring months are reflected in unusually favorable prospects for fruits and vegetables in all states of the district. In Missouri, Illinois and Arkansas the outlook for fruits of all descriptions is the most promising since 1922. Shipments of strawberries from the chief commercial producing areas exceeded expectations, and latest reports indicate yields of blackberries, raspberries, plums and cherries considerably above the 10-year average. The condition of apples on June 1 was markedly better than a year ago and the 10-year average. A heavy drop is reported in

the chief producing sections, but ample fruit is left on trees to insure bumper yields. Based on the June 1 condition, the peach crop in states of this district is estimated by the U. S. Department of Agriculture at 14,298,000 bushels, which compares with only 1,349,000 bushels harvested in 1930, and a 10-year average of 8,693,000 bushels. The indicated output of pears in these states is 2,415,000 bushels, against 1,008,000 bushels in 1930, and a 10-year average of 1,792,000. The condition of early and intermediate potato crops in the southern states improved slightly from May to June, and prospects are for a moderate increase in production over a year ago. Due to the high condition and additional vineyards coming into bearing, the prospects are for the largest yield of grapes ever produced in this district. In some sections considerable damage has been done to tomato plants, green corn and other plants by cut worms, necessitating extensive replanting. Gardens improved between May 1 and June 1, and are universally in better condition than a year ago.

**Live Stock** — While hay prospects and pastures have been bettered by rains and higher temperatures since June 1, the effects of last year's drouth are still in evidence. In many sections clover was badly killed out, but new seedings are generally doing well. Farmers are planning to make up the shortage of clover and timothy meadows by increased acreages of legumes. The condition of livestock is reported good, showing little change as contrasted with the preceding thirty days. Marketings of cattle, hogs and sheep continued on a large scale, despite the decline in prices to the lowest levels in recent years.

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

	Receipts			Shipments		
	May, 1931	Apr., 1931	May, 1930	May, 1931	Apr., 1931	May, 1930
Cattle and calves.....	88,702	90,132	88,366	46,944	57,881	56,956
Hogs .....	281,737	278,046	330,477	227,772	217,685	259,786
Horses and mules....	2,063	3,496	2,041	2,021	3,700	2,002
Sheep .....	84,690	54,753	38,661	26,159	23,078	12,134

**Cotton** — The first half of June has been very favorable for growth and development of the cotton crop. Backwardness in growth occasioned by cool weather in May has been largely made up, the general condition at the middle of June was about in line with the average seasonal schedule, except in the extreme northern counties. All necessary replanting has been accomplished, and in most sections chopping had been completed at the end of the second week in June. Almost universally fields are clean and soil which has not been subjected to

packing rains, is loose and thoroughly cultivated. Some complaints of damage from worms have been received, but drastic measures have been taken to control these pests. Slack demands from domestic consumers, for export, and disturbance in the stock market, were reflected in further weakness in cotton prices, a new low on the crop being recorded during the second week of June. In the St. Louis market the middling grade ranged from 7.55c to 9c per pound between May 15 and June 15, closing at 8c per pound on the latter date, which compares with 9.80c on May 15, and 13c on June 15, 1930. Stocks of cotton in Arkansas warehouses on June 12 totaled 121,645 bales, against 138,511 bales on May 15, and 126,663 bales on the corresponding date in 1930.

**Rice** — Planting of the crop in Arkansas and Missouri has been completed, and many farmers have commenced to irrigate their fields. Unofficial reports from scattered sections indicate a slight reduction in acreage as compared with a year ago. Early planted rice has attained a good stand, and the outlook is mainly favorable. Practically all rough rice in hands of farmers has been disposed of.

**Tobacco** — At the middle of May tobacco plants were backward about two weeks because of dry, cool weather. In some districts the plants that were set about the middle of May were seriously damaged, necessitating resetting in some cases several times. This setback was due to unfavorable weather and damage caused by insects and cut worms. Good rains on June 7 were reported from most all districts, enabling a general free planting during the following week. It is estimated that at the close of the second week of June the planting was practically completed in southern Kentucky and throughout the bluegrass district, with an increase in acreage of from 10 to 15 per cent above last year. In central Kentucky and counties tributary to the Ohio River not more than 60 per cent of the crop is planted due to unfavorable season, and it is believed that at this date the large acreage of burley that was indicated early in the year will not be planted. In the air-cured and one-sucker districts about 75 per cent of the intended acreage has been planted and in the Green River and Stemming districts planting is about completed, but in the Paducah district there is only about 80 per cent of the intended acreage set. In the Clarksville, Hopkinsville and Springfield sections there is also about 80 per cent of the intended acreage planted.

**Commodity Prices** — Range of prices in the St. Louis market between May 15, 1931, and June 15,

1931, with closing quotations on the latter date and on June 15, 1930:

	High	Low	Close	
			June 15, 1931	June 15, 1930
Wheat				
July .....	.58½	.53½	\$.55	\$.94¾
Sept. ....	.58½	.53½	\$.54¾	\$.96½
No. 2 red winter .....	.81	.75	\$.80 @ .81	\$1.01 @ 1.01½
No. 2 hard.....	.80½	.73	.79 @ .81	.95 @ .96½
Corn				
July .....	.58¾	.54½	.56½	.75¾
Sept. ....	.57¾	.51¾	.52	.75¾
No. 2 mixed.....	.57½	.54	.56½ @ .57	.76½ @ .77
No. 2 white.....	.59	.55½	.57½ @ .58	.81 @ .81½
Oats				
No. 2 white.....	.30	.27¾	.27¾ @ .28	.39 @ .39½
Flour				
Soft patent.....per bbl.	5.20	4.75	4.85 @ 5.20	6.00 @ 6.25
Spring patent.....	4.75	4.20	4.50 @ 4.75	5.40 @ 5.60
Middling cotton.....per lb.	.09	.0755	.08	.13
Hogs on hoof.... per cwt.	7.25	4.50	5.25 @ 7.25	9.10 @ 10.35

**FINANCIAL**

Save for a slightly more active demand for credit to finance agricultural operations, entirely seasonal in character, there were no changes worthy of note in the general trend in banking and financial conditions in this district as compared with the two preceding months. Loanable resources of the commercial banks continue at high levels, and rates on all classes of loans hovered about the low mark of the present recessionary movement. Requirements of mercantile and manufacturing interests remained in relatively small volume; if anything, were smaller than during the preceding thirty days. Liquidation among these interests was on a liberal scale in most instances in excess of new borrowings and renewals.

Due to a number of circumstances, demands for agricultural purposes are in considerably smaller volume than during many seasons in the past. Farmers in all sections are producing their crops at smaller cost than is ordinarily the case. In addition, substantial help has been afforded agriculturists by Governmental and other lending agencies. In states partly or entirely within the Eighth District, loans granted to farmers from the Drouth Relief Fund amounted to more than \$22,000,000. Aid furnished by states were also in considerable volume. In the immediate past, however, demands for moving the wheat crop have resulted in increased borrowings from city banks by their country correspondents, and the call for currency has broadened.

Loans of the reporting member banks receded further between May 13 and June 10, and on the latter date were the lowest recorded so far this year. Deposits receded sharply during May and the first week of June, but since that time have turned upward again. Borrowing of all member banks from the Federal reserve bank continued in moderate volume, with the average showing little change as contrasted with the preceding thirty days.

Current interest rates at St. Louis banks were as follows: Prime commercial paper, 2½ to 5½ per cent; collateral loans, 4½ to 5½ per cent; loans secured by warehouse receipts, 3 to 5 per cent; inter-

bank loans, 3½ to 5½ per cent and cattle loans, 5½ to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on June 17, 1931 showed a decrease of 2.7 per cent as contrasted with May 20, 1931. Deposits decreased 3.2 per cent between May 20, 1931 and June 17, 1931 and on the latter date were 2.6 per cent larger than on June 18, 1930. Composite statement follows:

	*June 17, 1931	*May 20, 1931	*June 18, 1930
Number of banks reporting.....	†25	†25	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$171,507	\$172,035	\$220,326
All other loans and discounts.....	249,214	260,555	280,943
Total loans and discounts.....	\$420,721	\$432,590	\$501,269
Investments			
U. S. Government securities.....	74,764	84,199	37,987
Other securities.....	152,470	155,821	119,198
Total investments.....	\$227,234	\$240,020	\$157,185
Reserve balance with F. R. bank.....	45,163	48,850	46,954
Cash in vault.....	6,382	6,441	5,730
Deposits			
Net demand deposits.....	375,905	388,072	374,900
Time deposits.....	237,220	250,511	225,728
Government deposits.....	6,084	1,367	2,995
Total deposits.....	\$619,209	\$639,950	\$603,623
Bills payable and rediscounts with Federal Reserve Bank.....	490	100	6,106

\*In thousands (000 omitted).  
†Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources 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.

	*May, 1931	*Apr., 1931	*May, 1930	May 1931 comp. to Apr. 1931	May 1930
East St. Louis & Natl. Stock Yards, Ill. \$	31,882	\$ 33,144	\$ 45,569	— 3.8%	—30.0%
El Dorado, Ark.....	4,987	5,130	7,021	— 2.8	—29.0
Evansville, Ind.....	24,538	24,603	28,095	— 0.1	—12.5
Fort Smith, Ark.....	9,464	10,065	11,630	— 6.0	—18.7
Greenville, Miss.....	2,932	3,243	4,127	— 9.6	—29.0
Helena, Ark.....	2,737	2,742	4,032	— 0.2	—32.1
Little Rock, Ark.....	32,927	27,393	42,585	+20.2	—22.7
Louisville, Ky.....	134,664	141,908	190,731	— 5.1	—29.4
Memphis, Tenn.....	92,935	99,279	140,649	— 6.4	—33.9
Owensboro, Ky.....	4,681	4,944	6,449	— 5.3	—27.4
Pine Bluff, Ark.....	8,349	7,383	9,869	+13.1	—15.4
Quincy, Ill.....	9,117	9,893	13,965	— 7.8	—34.7
St. Louis, Mo.....	665,903	627,307	800,920	+ 6.2	—16.9
Sedalia, Mo.....	3,565	3,686	4,423	— 3.3	—19.4
Springfield, Mo.....	14,267	14,757	16,951	— 3.3	—15.8
**Texarkana, Ark-Tex.....	9,523	10,145	13,327	— 6.1	—28.5
Totals .....	\$1,052,521	\$1,025,622	\$1,340,343	+ 2.6	—21.5

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During May the Federal Reserve Bank of St. Louis discounted for 175 member banks against 173 in April and 215 in May, 1930. The discount rate remained unchanged at 2½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	*June 19, 1931	*May 19, 1931	*June 19, 1930
Bills discounted.....	\$ 7,941	\$ 7,231	\$18,925
Bills bought.....	6,221	9,173	4,850
U. S. Securities.....	25,442	25,442	22,643
Total bills and securities.....	\$39,604	\$41,846	\$46,418
F. R. Notes in circulation.....	73,007	73,893	71,945
Total deposits.....	75,388	80,856	76,878
Ratio of reserve to deposits and F. R. Note Liabilities.....	78.3%	77.6%	75.4%

\*In thousands (000 omitted).

(Compiled June 23, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of July 31, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**B**USINESS and industry in the Eighth District during June and the first half of July showed somewhat more than the usual seasonal decline. Closing down of numerous plants for inventoring and repairs, suspension of operations at certain coal, lead, and zinc mines, and releases for vacations, with or without pay, resulted in a further decrease in employment. Production in a number of important lines, notably in the iron and steel, and building material categories, was at the lowest rate this year. Due to the extremely hot weather prevailing in the last half of June and early this month, a number of plants which ordinarily reopen shortly after the Independence Day holiday, have remained idle, and will not resume operations before the middle of August. Not all branches of industry declined, however, production of boots and shoes, textiles, beverages, certain food products and some seasonal lines showed moderate to fair increases as compared with the preceding thirty days.

Taken as a whole a more favorable showing was made in distribution than in production. The hot spell had a stimulating effect on the demand for summer goods, notably men's and women's clothes, electric fans, and all descriptions of vacation and outing supplies. A good volume of reordering in these lines was reported by wholesalers and jobbers, part of which they were unable to fill because of depleted stocks. Distribution of automobiles in the district, according to dealers reporting to this bank, recorded a good increase in June over May, though volume continued below the corresponding period a year ago. In all lines investigated, mid-year inventories were considerably below the average during the past several years, and no noticeable deviation has taken place in the policy of purchasing only for immediate requirements. Advance business of wholesalers, jobbers and manufacturers on July 1 was in smaller volume than on any similar date in recent years. The trend of commodity-prices continued downward.

Sentiment in the country, which improved markedly in May and June under impetus of splen-

did crop prospects, has been dashed considerably since July 1 by the sweeping decline in prices of wheat and other farm products. Bumper yields of wheat, corn, oats and certain fruits and vegetables are forecast in the U. S. Department of Agriculture's July 1 report. For this district the winter wheat yield is estimated at 58,360,000 bushels and a crop of about 383,000,000 bushels is predicted for corn. Initial prices paid farmers for their wheat ranged from 30c to 50c per bushel, with the higher figure having disappeared shortly after harvesting commenced. At an average of 35c per bushel the producers would realize approximately \$20,426,000. On a basis of the average winter wheat price in 1929 and 1930, which according to the Government's estimate was .854c, this year's crop would return \$48,809,000 to its raisers. Thus, from what might be expected from average experience of the two preceding years, farmers' income is cut \$29,373,000 on the item of winter wheat alone.

The volume of retail trade in June, as reflected in sales of department stores in the principal cities of the district, was 5.3 per cent smaller than during the same month last year and 6 per cent below the May total this year. For the first half of this year the volume was 11.6 per cent less than for the first six months of 1930. Combined sales of all wholesaling and jobbing lines investigated showed a decrease in June of 12 per cent as compared with the same month in 1930, and the total was 16 per cent smaller than in May this year; for the first six months this year a decrease of 14.7 per cent under the same period in 1930 was shown. Charges to checking accounts in June were 4 per cent larger than in May, but 17.6 per cent smaller than in June, 1930. The amount of savings accounts as of July 1 was a shade lower than thirty days and a year earlier.

The volume of freight handled by railroads in this district continued in considerably smaller volume than a year and two years earlier. There was a further recession in the amount of merchandise and miscellaneous freight hauled, and substantial decreases were noted in practically all other classifica-

tions, including grain and grain products. The smaller volume of livestock handled, according to officials of certain roads, reflects in a measure competition of trucks. For the country as a whole loadings of revenue freight for the first 27 weeks this year, or to July 4, totaled 19,647,863 cars, against 23,992,629 cars for the corresponding period in 1930, and 26,528,096 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 188,872 loads in June, against 186,779 loads in May and 206,305 loads in June, 1930. During the first nine days of July the interchange amounted to 48,951 cars, against 55,529 cars during the corresponding time in June and 62,388 cars during the first nine days of July, 1930. Passenger traffic of the reporting roads in June decreased 22 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 86,000 tons, against 99,901 tons in May, and 140,176 tons in June, 1930.

Reports relative to collections throughout the district during the past thirty days reflected little change from conditions existing during the past several months. Strong accounts are meeting their obligations promptly, in many instances anticipating due dates in order to take advantage of cash discounts. Creditors in less favorable cash position are not meeting their obligations so promptly, and wholesalers report an increasing number of actual losses and requests for extensions. In sections where early fruits and vegetables have been marketed, country retailers and banks have experienced improvement in collections. In the winter wheat areas, farmers are preoccupied with harvest and in numerous instances have postponed paying their bills. Spottiness in collection results are noted by retailers in the large centers. Absence of numerous creditors on vacations have adversely affected retail collections in the cities. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1931.....	.0%	16.5%	69.0%	14.5%
May, 1931.....	.0	10.4	76.1	13.5
June, 1930.....	1.0	13.2	62.9	22.9

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's numbered 133 involving liabilities of \$2,615,417, against 104 failures in May with liabilities of \$3,148,548, and 104 defaults for a total of \$1,778,914 in June, 1930.

The daily average circulation of the United States in June was \$4,750,000,000, against \$4,679,000,000 in May, and \$4,489,000,000 in June, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — June sales of the reporting firms were 10 per cent smaller than for the same month in 1930, and more than one-third less than the May total this year. Stocks on July 1 showed a gain of 45 per cent over a month earlier, but a decrease of 19 per cent as compared with July 1, 1930. The decrease in the month-to-month sales comparison was seasonal in character, having invariably taken place during the past decade. However, the extent of the decrease this year is somewhat larger than the average. Orders booked since July 1, when salesmen went out into their territories, have been in good volume, comparing favorably with a year ago. Demand has centered chiefly in misses' and children's wear, and in men's shoes in which style is a factor. Work shoes and the more staple lines of men's and women's wear were relatively quiet. Factory operations were maintained at a high rate, some plants working at full capacity, with the average about 95 per cent.

**Clothing** — Ordering of apparel for distribution next fall continued backward, but the demand for seasonal clothing developed marked improvement with the arrival of the prolonged hot spell in June and early July. Considerable reordering of lightweight suits was reported, many retailers having disposed of practically their entire stocks of such goods. Due to small inventories of jobbers and manufacturers, it was not possible to fill orders for certain lines. Sales of the reporting clothiers in June were 20 per cent smaller than in May, and about one-third less than in June last year.

**Drugs and Chemicals** — Further moderate improvement as compared with a year ago was noted in business in this classification, June sales of the reporting firms being 5 per cent greater than for the same period in 1930. As compared with May this year, the June total showed a decrease of 5.6 per cent. In response to the unusually high temperatures, demand for hot weather goods, notably soda fountain supplies and equipment developed marked improvement. Demand for heavy drugs and chemicals from the general manufacturing trade continues to lag.

**Dry Goods** — June sales of the reporting firms were 13 per cent below a year ago, and a like amount under the May total this year. Inventories during the past eighteen months have been held at unusually uniform levels, considerably less than the seasonal variation of the past being shown. Stocks on July 1 were slightly smaller than a month earlier, and about 42 per cent less than on July 1, 1930. Demand for hot weather goods was active, particularly for ready-to-wear clothing, both men's and women's.

Moderate betterment in demand for cotton fabrics was noted, but buying in quantity is restricted by uncertainty relative to prices. No improvement whatever was reported in advance buying.

**Electrical Supplies** — The spell of extreme hot weather in June had a stimulating effect on demand for seasonal merchandise, particularly fans and refrigeration materials. Sales in June of the reporting interests exceeded those of May by 45 per cent, but fell 5 per cent under the June total last year. Stocks decreased slightly between June 1 and July 1, and on the latter date were 4 per cent larger than a year earlier. Sales of radio goods continue to show sharp declines under last year.

**Flour** — Production at the 12 leading mills of the district in June totaled 210,563 barrels, the smallest for any month in more than eight years, and comparing with 277,767 barrels in May, and 333,323 barrels in June, 1930. The trend of prices was lower on all grades of flour, but due to the disturbed condition of the wheat market, buyers were not inclined to take large quantities. Purchasing continued chiefly on a hand-to-mouth basis, with business in old flours particularly light. In the immediate past indications of increased activity have appeared, with large baking establishments purchasing fair amounts of new wheat flour. Shipping directions on flour previously acquired were in fair volume. Mill operations were at from 45 to 55 per cent of capacity.

**Furniture** — June sales of the reporting interests were 21 per cent smaller than for the same month in 1930, and about one-third smaller than the May total this year. Inventories on July 1 were 6 per cent and 42 per cent smaller, respectively, than thirty days and a year earlier. In both sales comparisons decreases were general in all lines, but most marked in office equipment and furniture, radio cabinets and household furniture and furnishings. Retailers are buying on a hand-to-mouth basis, with large stock orders almost entirely absent.

**Groceries** — Business in this classification in June, according to the reporting firms, was about even with the May volume, but 8 per cent smaller than in June last year. Inventories continue to decline, stocks on July 1 being 5 per cent smaller than on June 1, and 12 per cent less than on July 1, 1930. The trend of prices continued downward.

**Hardware** — There was a slight decline in total volume of business of the reporting firms in June as contrasted with May, and a decrease of 12 per cent as compared with June, 1930. A considerable part of the decrease in the yearly comparison was accounted for by smaller sales of builders' tools and hardware, and of commodities consumed chiefly in

the rural areas. Inventories continue to decline, stocks on July 1 being 1 per cent smaller than thirty days earlier and about one-fourth less than on July 1, 1930.

**Iron and Steel Products** — Contraction of somewhat greater than the usual seasonal proportions was noted in activities in the iron and steel industry in this district during the past thirty days. Slack demand on the part of all classes of consumers, coupled with extremely high temperatures resulted in reduced operations at mills, foundries, machine shops and other ferrous metal working establishments. A number of plants, which closed for the Independence Day holiday will remain idle during the balance of this month. Activities were further affected by vacations and mid-year inventorying. Purchasing by the railroads fell to the lowest point in recent months, and interests specializing in railroad casting report a further decrease in unfilled orders. Reduced demands from the automotive industry was another factor in the lull. Specifications on finished castings have not reached expectations and new business is in small volume, prices reflecting sharp competition. The outlet for iron and steel goods through the building industry has not broadened, except in the case of a limited number of commodities going into highway construction, river improvement work and other outdoor engineering projects. Structural steel awards continued in moderate volume, and fabricators further curtailed their operations, several maintaining only skeleton forces to get out urgent orders. Manufacturers of stoves, farm implements and other goods consumed chiefly in the country, report slack demand from virtually all sections, with advance orders in smaller volume than at any similar period in late years. Iron and steel warehouse interests and jobbers experienced a slight quickening in trade during June, due chiefly to expansion in requirements of the general manufacturing trade. Sheets, plates and some descriptions of wire products moved in larger volume. Tubular goods and the general run of building materials continued quiet. Beginning of the third quarter witnessed practically no change in finished steel prices, except sheets and strip, which under the new classifications now in effect, are \$2 to \$5 per ton higher for comparable grades. June shipments of pig iron to melters in this district were about on a parity with May, though considerably smaller than in June, 1930. Purchasing of pig iron for the third quarter was little in evidence. Users generally are apparently adhering to their recent policy of purchasing tonnage in the open market as requirements develop. The downward price trend of recent months in the scrap iron and

steel market was halted in late June, and several grades advanced slightly from the low levels of the year. For the country as a whole the average daily rate of pig iron production was the lowest since January, 1922. The total output for the month was 1,637,998 tons, which compares with 1,995,001 tons in May, and 2,934,508 tons in June, 1930. Steel ingot production in the United States in June totaled 2,075,910 tons, against 2,505,485 tons in May and 3,418,535 tons in June, 1930.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in June was 249,462 against 315,115 in May, and 335,475 in June 1930.

Reversing the trend which has been usual during recent years, distribution of automobiles in this district, according to the reporting dealers, increased in June as compared with May. As has been the case for many months, however, the June total fell below that of the corresponding period a year earlier. The expansion in demand reflected in the month-to-month comparison extended to all varieties of vehicles, but was somewhat more pronounced in cheap priced cars than other descriptions. For the first time in a considerable while country dealers reported betterment in their business, both actual and prospective. In the large cities, dealers note considerable stimulation to their business, both in new passenger cars, and parts and accessories, from the touring season. Sales of tires at retail have also been favorably affected by this influence. The general tone of the market was more favorable than earlier in the season, though dealers report that there is a general disposition on the part of prospective buyers to wait for new models and possibly lower prices which may appear in the fall. June sales of the reporting dealers were 7.2 per cent larger than in May, but 7.1 per cent smaller than the June, 1930, total. Inventories continue at a low ebb, particularly in the small towns and country, dealers ordering on a strictly requirement basis. Stocks of new cars on July 1 were 4.5 per cent smaller than on June 1, and almost one-half less than on July 1 last year. Activity and decreasing stocks were reported in the used car market. The number of salable cars turned in on trades is relatively small, due in large part to the fact that many owners are driving their cars until no longer serviceable before buying new ones. On July 1 stocks of salable secondhand cars were slightly smaller than a month earlier, and approximately one-third less than on July 1, 1930. Sales of trucks in June were slightly larger than a year ago, and 10 per cent greater than in May this year. Sales of parts and accessories showed a moderate gain over May, and little change as compared

with June, 1930. According to dealers reporting on that item, deferred payment sales in June constituted 44 per cent of their total sales, which compares with 46 per cent in May and 50 per cent in June, 1930.

### 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	
	June, 1931 comp. to June, 1930	6 months ending June 30, 1931 to same period 1930	June 30, 1931 comp. to June 30 1930	June 30, 1931 comp. to June 30 1930	Jan. 1, to June 30, 1931	June 30, 1930
Evansville .....	-10.7%	-23.6%	-18.2%		.94	1.05
Little Rock.....	4.4	-10.7	-18.3		1.36	1.20
Louisville .....	-10.0	-14.6	-19.7		1.35	1.43
Memphis .....	-16.1	-21.0	-26.1		1.51	1.51
Quincy .....	-12.5	-17.6	-17.8		1.31	1.31
St. Louis.....	1.7	-8.8	-11.2		1.91	1.93
Springfield, Mo.....	-14.3	-8.5	-13.9		.80	.74
8th District.....	5.3	-11.6	-15.6		1.69	1.69

	Net sales comparison		Stocks on hand	
	June, 1931 comp. to June, 1930	May, 1931	June, 1931 comp. to June, 1930	May, 1931
Men's furnishings.....	+16.9%	+33.6%	-17.9%	-13.9%
Boots and shoes.....	9.6	4.8	-13.4	-10.2

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during June was 66.2 per cent less than in June, 1930, and 27.3 per cent less than the aggregate for May this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in June amounted to \$32,553,934 which compares with \$18,326,851 in May and \$73,076,754 in June, 1930. Production of portland cement for the country as a whole in June totaled 14,125,000 barrels, against 14,010,000 barrels in May, and 17,239,000 barrels in June, 1930. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville .....	190	415	\$ 95	\$ 135	51	109	\$ 25	\$ 35
Little Rock .....	23	31	20	116	57	99	16	71
Louisville .....	51	81	145	691	54	58	71	107
Memphis .....	132	237	136	1,002	179	216	107	101
St. Louis.....	367	380	853	1,756	315	366	116	352
June totals..	763	1,144	\$1,249	\$3,700	656	848	\$ 335	\$666
May totals..	863	1,288	1,717	5,439	726	896	413	478
Apr. totals..	904	1,635	5,454	5,910	817	860	433	695

\*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 second quarter of the year, of 6.3 per cent as compared with the corresponding period in 1930, and of .9 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ending				June, 1931 comp. to June, 1930
	June 30, 1931	Mar. 31, 1931	Dec. 31, 1930	June 30, 1930	
Evansville .....	\$ 163,000	\$ 165,000	\$ 162,000	\$ 168,000	- 3.0%
Little Rock.....	179,000	212,000	224,000	212,000	-15.6
Louisville .....	615,000	627,000	708,000	683,000	-10.0
Memphis .....	491,000	521,000	618,000	581,000	-15.5
St. Louis.....	2,926,000	2,890,000	3,294,000	3,049,000	- 3.2
Totals .....	\$4,374,000	\$4,415,000	\$5,006,000	\$4,667,000	- 6.3

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current during June by selected industrial customers as being 3.3 per cent larger than in May, and 10.1 per cent smaller than in June, 1930. Detailed figures follow:

No. of Custom- ers	June, 1931 *K.W.H.	May, 1931 *K.W.H.	June, 1931 comp. to May, 1931	June, 1930 *K.W.H.	June, 1931 comp. to June, 1930
Evansville .... 40	2,071	2,125	- 2.6%	1,653	+25.3%
Little Rock.. 35	1,934	1,616	+19.7	2,021	- 4.3
Louisville .... 85	6,244	6,039	+ 3.3	6,692	- 6.7
Memphis ..... 31	1,666	1,915	-13.0	1,858	-10.3
St. Louis.....163	20,158	19,347	+ 4.2	23,455	-14.1
Totals .....354	32,073	31,042	+ 3.3	35,679	-10.1

\*In thousands (000 omitted).

## AGRICULTURE

Following auspicious conditions through May, weather up to the middle of June was very favorable for growth and development of virtually all crops in the Eighth District. During the last half of June, however, there was an unbroken spell of extremely high temperatures, which continued until July 3 and had the effect of lowering prospects for certain crops. In many sections gardens were injured to a considerable extent, and commercial vegetables, pastures, oats and hay sustained more or less deterioration. The hot weather was needed for corn and cotton, which generally achieved good growth, and the outcome of these crops will be dependent upon weather conditions between this and harvest. The oat harvest was practically completed at the middle of July, and due to premature ripening, an unusually large amount was cut for hay. Harvesting of hay had made good progress, and much corn was laid by. As a result of the excessive heat slowing up farm work, as well as hastening ripening of grain and growth of corn, farmers in many localities were hard pushed to finish haying and corn cultivation before advent of the grain harvest. Night field work was resorted to in many instances.

Since the severe drouth of last year, rainfall has been below normal in all states of the district. Since the beginning of the recent hot spell, the water question has again become a serious handicap to farm operations in many localities. Universally creeks, ponds and rivers are low, and in some cases completely dry. For example, the Mississippi River has been lower on an average in 1931 than in any other recorded year, and some of the records extend back to 1800. In Missouri seasonal rainfall was only 77 per cent of normal, and an approximate deficiency exists elsewhere. Good, general rains are badly needed throughout the district for pastures and all late crops. Farm labor is much in excess of demand, with wage rates sharply reduced as compared with a year and two years ago.

Complaints are general relative to the prevailing market prices for farm products. New low levels on the present retrograde movement, and for many years, were recorded in late June and during the first half of July. Wheat futures receded to the lowest point on record in the third week of July, and farmers in many sections were receiving as low as 30c per bushel for their grain at the thresher. Prices of cattle and hogs also declined to new lows on the movement, and lower levels were recorded by most fruits and vegetables.

**Winter Wheat**— Production of winter wheat in the Eighth District, based on the July 1 condition, is estimated by the U. S. Department of Agriculture at 58,360,000 bushels, against 43,819,000 bushels harvested in 1930, and an 8-year average (1923-1930) of 49,921,000 bushels. The entire season, from planting to harvest, was unusually favorable for growth and development of the crop and throughout the district yields are large and quality high. Threshing has made rapid progress under auspicious weather conditions, and initial returns are confirming earlier estimates of both quantity and quality. Due to low prevailing prices, farmers, where financially able to do so, are holding their grain for a more favorable market. In Indiana and in important growing counties of other states of the district, the yield per acre is the highest on record.

**Corn**— Corn planting was completed earlier than usual this year, and conditions since have been favorable for the crop. Warm weather has promoted rapid growth, and in few previous years has the stand been more uniform. During the last half of June and in early July a spell of intense heat lowered the conditions in some localities, and generally rains are much needed to assure best results. Deficient subsoil moisture has been in a measure compensated by intensive cultivation, fields being universally clean and free from weeds. Based on the July 1 condition the yield of corn in the Eighth District is estimated by the U. S. Department of Agriculture at 382,709,000 bushels, which compares with 183,254,000 bushels harvested in 1930, and an 8-year average of 342,534,000 bushels.

**Fruits and Vegetables**— Prospects for fruits and vegetables generally through the district were more favorable on July 1, than on any similar date in a number of years. Since that time, however, gardens, certain commercial vegetable crops, and ground fruits have sustained deterioration from the long spell of excessively high temperatures which commenced in late June. The outlook for tree fruits continues good, with indications pointing to bumper apple and peach crops. The peach crop, which was

a virtual failure in states of this district last year, is estimated at 14,922,000 bushels in these states this year, which compares with 1,315,000 bushels in 1930, and a 5-year average of 8,495,000 bushels. In states of the district the apple crop is estimated at 37,626,000 bushels, of which 4,481,000 barrels represent commercial crop, against 12,935,000 bushels, with 1,660,000 barrels commercial crop, harvested in 1930, and a 5-year average of 21,349,000 bushels with 3,263,000 barrels commercial crop. The condition of grapes on July 1 was somewhat less favorable than a year ago, but due to the large number of new vineyards coming into bearing, the yield this year will considerably exceed that of 1930 and the 5-year average. The Government report estimates the output of grapes in states of the district at 42,130 tons, against 33,831 tons harvested in 1930, and a 5-year average of 32,387 tons. The sweet potato crop in these states is estimated at 18,170,000 bushels, against 14,018,000 bushels harvested in 1930, and a 5-year average of 18,188,000 bushels. In the district proper, the yield of white potatoes is estimated at 13,735,000 bushels, against 12,724,000 bushels harvested in 1930, and an 8-year average of 15,050,000 bushels. The outlook for commercial tomatoes was less favorable at the middle of July than three weeks earlier, due to lack of moisture and extremely hot weather.

**Live Stock** — Except in sections where water shortage is felt, the condition of livestock continues generally high. The movement of cattle and hogs to market has been in seasonal volume, despite the extreme low prices prevailing. The loss of horses and mules, due to the late June heat wave was the heaviest on record in Illinois, and unusually large in other sections of the district.

Pastures have been deteriorating since the middle of June, and are in need of soaking rains. Based on the July 1 condition, the Department of Agriculture estimates the output of tame hay in the Eighth District at 6,633,000 tons, against 5,033,000 tons harvested in 1930, and an 8-year average of 7,616,000 tons. Milk and egg production decreased between June 1 and July 1, and averaged slightly below a year ago.

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

	Receipts			Shipments		
	June, 1931	May, 1931	June, 1930	June, 1931	May, 1931	June, 1930
Cattle and Calves.....	94,782	88,702	99,863	55,911	46,944	60,070
Hogs .....	219,549	281,737	272,100	172,895	227,772	200,619
Horses and Mules.....	1,627	2,063	2,052	1,577	2,021	1,682
Sheep .....	124,170	84,690	103,601	53,261	26,159	30,991

**Cotton** — A moderate decrease in the acreage of cotton under cultivation in states entirely or partly within the Eighth District on July 1 this year as

compared with a year ago is indicated in the July report of the U. S. Department of Agriculture. Combined acreage in Missouri, Tennessee, Mississippi and Arkansas is placed at 9,173,000 acres, a decrease of 740,000 acres or 7.5 per cent as compared with the corresponding date in 1930. For the country as a whole the area under cultivation on July 1 was estimated at 41,491,000 acres, which is 10 per cent less than the area under cultivation on the same date in 1930. The estimate relates to acreage standing on July 1, allowance having been made for abandoned acreage prior to that date and for acreage replanted and in cultivation on that date. Generally through the district weather has been favorable for growth and development of the plant, and prospects are bright for heavy yields in all the chief producing counties. Fields have been intensively cultivated and are free from weeds and grass. A sharp reduction in the use of fertilizers as compared with a year ago is general through the district. Prices of spot cotton moved upward during the last half of June and the first week of July, but since that time have lost a considerable part of the advance. In the St. Louis market the middling grade ranged from 8c to 9.80c per pound between June 16 and July 15, closing at 8.60c per pound on the latter date, which compares with 8.30c on June 16, and 11.9c on July 15, 1930. Stocks of cotton in Arkansas warehouses on July 17 totaled 99,971 bales, against 121,645 bales on June 12, and 108,281 bales on the corresponding date a year ago.

**Tobacco** — In its July 1 report, the U. S. Department of Agriculture estimates production of all types of tobacco in the Eighth District at 360,420,000 pounds, which contrasts with 282,253,000 pounds harvested in 1930, and an 8-year average (1923-1930) of 295,534,000 pounds. At the middle of July marked differences existed between growing conditions in the several sections. In a large area of the central, southern and western sections the plant is suffering from effects of lack of rain. Where there has been precipitation, improvement has taken place and the crop is doing well. In certain localities light, local showers afforded temporary relief, but moisture was not sufficient to reach the roots of the plants. Early planted tobacco, while irregular in stand, due to insect damage and necessity for many settings, has made good progress, with a fair percentage reaching the topping stage. Later settings made a poor start, despite intensive cultivation. Taken as a whole, the crop was less healthy and thrifty looking at the middle of July than at the same time last year.

**Commodity Prices** — Range of prices in the St. Louis market between June 15, 1931, and July 15,

1931, with closing quotations on the latter date and on July 15, 1930:

			Close	
	High	Low	July 15, 1931	July 15, 1930
Wheat				
July .....	.56¾	.48	.48	.89
Sept. ....	.58¾	.49	.50	.94¾
Dec. ....	.61¾	.54	.54½	.87
No. 2 red winter ..	.80	.47	\$.48½ @ .49	\$.86 @ .87
No. 2 hard.....	.80	.46	.48 @ .48½	.85½ @ .86½
Corn				
July .....	.61¾	.54¾	.....	.....
Sept. ....	.60¾	.49	.50 @ .50¾	.87½
Dec. ....	.50¾	.44½	.44½	.71½
No. 2 mixed.....	.62	.56	.61 @ .61½	.85½ @ .86
No. 2 white.....	.65	.58	.62½ @ .63	.86½ @ .87
Oats				
No. 2 white.....	.32½	.27	.27 @ .27½	.36
Flour				
Soft patent.....per bbl..	5.55	4.25	@ 4.75	5.40 @ 5.80
Spring patent.....	4.50	4.25	@ 4.40	5.20 @ 5.30
Middling cotton.....per lb.	.980	.800	.860	.119
Hogs on hoof.....per cwt.	7.90	4.00	4.50 @ 7.90	7.50 @ 9.55

**FINANCIAL**

The banking situation in this district during the past thirty days was marked by a further decrease in demand for credit, a plethora of loanable funds in commercial banks and an easing in interest rates to the lowest levels on the present downward movement. Requirements of commercial and industrial interests were considerably below the usual seasonal volume, and many important mercantile concerns which are ordinarily large borrowers at this time of year, have surplus funds in the banks. Banks in the principal centers of population report good liquidation, with settlements exceeding new loans and renewals.

Demands upon the banks for financing agricultural operations are in smaller volume than has been the case at this season for a number of years. This is due partly to the low levels of prices of agricultural products, notably winter wheat; also, in a measure, to the fact that methods other than direct borrowing from banks are being practiced to a greater extent than heretofore. As compared with the thirty days immediately preceding, there was no notable change in the average position of country banks. Liquidation with these institutions has been spotty in character, varying considerably with locality and classes of loans.

Loans of the reporting member banks continued the downward movement which had its inception last spring, and on July 15 showed a decrease of approximately 14 million dollars as compared with June 17 and of about 105 millions from July 16, 1930. Investments decreased slightly, but on July 15 were 70 million dollars, or 45 per cent larger than on July 16, 1930. Deposits declined slightly during the period, and on July 17 were about on a parity with the corresponding date last year. Borrowings of all member banks from the Federal Reserve Bank averaged slightly higher than during the preceding thirty days, but were uniformly below the same period in 1930.

Current interest rates at the St. Louis banks were as follows: Prime commercial paper, 2 to 5 per cent; Collateral loans, 4 to 5½ per cent; loans

secured by warehouse receipts, 3 to 5 per cent; interbank loans, 3½ to 5½ per cent, and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on July 15, 1931 showed a decrease of 3.4 per cent as contrasted with June 17, 1931. Deposits decreased 0.8 per cent between June 17, 1931 and July 15, 1931 and on the latter date were 0.1 per cent larger than on July 16, 1930. Composite statement follows:

	July 15, 1931	June 17, 1931	July 16, 1930
Number of banks reporting.....	†25	†25	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$164,820	\$171,507	\$239,866
All other loans and discounts.....	241,579	249,214	275,351
Total loans and discounts.....	\$406,399	\$420,721	\$515,217
Investments			
U. S. Government securities.....	77,920	74,764	33,499
Other securities.....	145,876	152,470	120,667
Total investments.....	\$223,796	\$227,234	\$154,166
Reserve balance with F. R. bank.....	42,346	43,163	44,902
Cash in vault.....	6,292	6,382	5,594
Deposits			
Net demand deposits.....	372,830	375,905	376,354
Time deposits.....	236,697	237,220	235,153
Government deposits.....	4,635	6,084	1,925
Total deposits.....	\$614,162	\$619,209	\$613,432
Bills payable and rediscounts with Federal Reserve Bank.....	1,500	490	2,795

\*In thousands (000 omitted).  
†Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources 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:

	June, 1931	May, 1931	June, 1930	June, 1931 comp. to May 1931	June 1930
East St. Louis & Natl. Stock Yards, Ill..	\$ 30,570	\$ 31,882	\$ 44,666	— 4.1%	—31.6%
El Dorado, Ark.....	4,641	4,987	6,724	— 6.9	—31.0
Evansville, Ind.....	22,608	24,588	30,592	— 8.1	—26.1
Fort Smith, Ark.....	8,917	9,464	11,916	— 5.8	—25.2
Greenville, Miss.....	2,592	2,932	3,521	—11.6	—26.4
Helena, Ark.....	2,419	2,737	3,464	—11.6	—30.2
Little Rock, Ark.....	28,405	32,927	38,835	—13.7	—26.9
Louisville, Ky.....	135,178	134,664	202,177	+ 0.4	—33.1
Memphis, Tenn.....	96,261	92,935	131,512	+ 3.6	—26.8
Owensboro, Ky.....	4,739	4,681	6,292	+ 1.2	—24.7
Pine Bluff, Ark.....	7,076	8,349	8,823	—15.2	—19.8
Quincy, Ill.....	8,985	9,117	11,408	— 1.4	—21.2
St. Louis, Mo.....	714,075	665,903	795,481	+ 7.2	—10.2
Sedalia, Mo.....	3,395	3,565	4,169	— 4.8	—18.6
Springfield, Mo.....	15,807	14,267	16,503	+10.8	— 4.2
**Texarkana, Ark.....	9,330	9,523	12,966	— 2.0	—28.0
Totals .....	\$1,094,998	\$1,052,521	\$1,329,049	+ 4.0	—17.6

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During June the Federal Reserve Bank of St. Louis discounted for 159 member banks against 175 in May and 215 in June, 1930. The discount rate remained unchanged at 2½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	July 17, 1931	June 17, 1931	July 17, 1930
Bills discounted.....	\$ 9,650	\$ 7,216	\$16,924
Bills bought.....	2,585	5,904	6,858
U. S. Securities.....	30,475	25,442	22,643
Federal Inter. Cr. Bk. Debentures.....	200	425	.....
Total bills and securities.....	\$42,910	\$38,987	\$46,425
F. R. Notes in circulation.....	73,237	72,666	70,679
Total deposits.....	74,174	71,600	78,642
Ratio of reserve to deposits and F. R. Note Liabilities.....	76.1%	78.8%	75.3%

\*In thousands (000 omitted).

(Compiled July 20, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of August 31, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**B**USINESS in the Eighth Federal Reserve District during the past thirty days, while continuing the recessional trend of the two preceding months, developed certain hopeful features and made a more favorable showing than some earlier months this year as contrasted with the volume for the corresponding period in 1930. Industry as a whole exhibited somewhat more than the usual seasonal decline, but the decrease did not extend to all branches of manufacturing activity. A relatively good showing was made by boots and shoes, textiles, food products and some other lines, for ordinary consumption. The value of retail distribution in July decreased as compared with a year ago, but a considerable part of the decline was attributable to the lower level of prices. There was a slight decrease in July sales of wholesalers and jobbers reporting to this bank as compared with the same month in 1930, but an increase of larger than the usual size over the June total this year.

Inventories of both wholesale and retail establishments are almost universally of small size, and since the first of August there has been more of a disposition to replenish stocks and fill out assortments. The number of visiting merchants at the chief distributing centers has been large, and the character of their buying reflects actual needs for the merchandise. Ordering for late fall and winter consumption, while below the average volume at this particular time in recent years, has somewhat exceeded expectations. In the case of apparel, dry goods, furniture, boots and shoes, and hardware, the proportion of cheap goods being taken is larger than in past years. Production and distribution of commodities of the heavier and more permanent sort were again on the decline. This was true particularly of iron and steel, activities at foundries, mills and machine shops falling to the lowest point of the year.

Extreme high temperatures and lack of rainfall during the last half of July were detrimental for growing crops, but favorable for harvesting and the movement of grain. Little permanent injury, rela-

tively, was suffered as a result of the hot spell, and prospects throughout the district are for abundant crops of all descriptions. The drastic decline in prices of farm products has been discouraging to the agricultural community and will sharply cut purchasing power in the rural areas. The situation with regard to food and feed, however, is markedly better than at this time last year, and will substantially lower the cost of producing next season's crops, albeit small net gains have resulted from this year's productions.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in July was 13 per cent smaller than during the same month in 1930 and for the first seven months the volume was approximately 12 per cent less than for the corresponding period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were  $5\frac{1}{2}$  per cent smaller in July than in the same month in 1930, but  $23\frac{1}{2}$  per cent greater than the June total this year. The value of permits let for new construction in the five largest cities of the district in July was 28 per cent larger than in June, but about one-fourth smaller than in July, 1930. Construction contracts let in the Eighth District in July were 46 per cent smaller than in June, and 30 per cent less than in July, 1930. Debits to Individual accounts in July were 14 and 22 per cent smaller, respectively, than a month and a year earlier, and the total for the first seven months this year was approximately one-third smaller than for the corresponding period in 1930. The amount of savings deposits as of August 5 showed little variation as compared with a month and a year earlier.

Officials of railroads operating in this district report a continued falling off in the volume of freight traffic as contrasted with a year and two years ago. Decreases have occurred in all classifications. Due partly to a disposition of farmers to hold their wheat for higher prices, the volume of grain transported has been considerably below what

might be expected with a crop the size of the present one. Marked decreases were noted in the movement of forest products, merchandise and miscellaneous freight. For the country as a whole, loadings of revenue freight for the first 31 weeks this year, or to August 1, totaled 22,688,044 cars, against 27,675,967 cars for the corresponding period in 1930, and 30,882,951 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 171,935 loads in July, against 188,872 loads in June, and 196,703 loads in July, 1930. For the first nine days of August the interchange amounted to 42,412 loads, against 48,951 loads during the corresponding period in July, and 59,843 loads during the first nine days of August, 1930. Passenger traffic of the reporting roads decreased 24 per cent in July as compared with the same month last year. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in July was 104,700 tons, against 86,016 tons in June and 84,266 tons in July, 1930.

The record of collections during July and the first half of August reflects rather spotty and irregular conditions. Wholesalers in the large cities report some backwardness on the part of creditors, especially those located in the country and small towns in the agricultural areas. Disappointing prices realized by agriculturists for wheat and other products has served to hold down liquidation of their debts. There have been increasing requests for extensions and longer datings. Preoccupation of farmers with harvest was another influence tending to restrict payments in the country. Retailers in the large urban centers report somewhat more than the usual seasonal backwardness in paying bills. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1931.....	1.5%	16.2%	62.3%	20.0%
June, 1931.....	.0	16.5	69.0	14.5
July, 1930.....	0.1	12.7	58.6	28.6

Commercial failures in the Eighth Federal District in July, according to Dun's numbered 80, involving liabilities of \$5,298,184, against 133 failures in June, with liabilities of \$2,615,417, and 107 defaults for a total of \$2,272,170 in July, 1930.

The average daily circulation of the United States in July was \$4,836,000,000 against \$4,750,000,000 in June, and \$4,497,000,000 in July, 1930.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — July sales of the reporting firms were 7 per cent greater than for the same month in 1930, and 69 per cent larger than in June this year. The increase in the month-to-month com-

parison was seasonal in character, and compares with a gain of 42 per cent from June to July last year. Improvement in both comparisons extended pretty well through the entire line, but was most pronounced in women's and children's specialties and the better grades of men's wear. There was no change in prices as compared with the preceding thirty days, and average prices now range from 10 to 12 per cent lower than a year ago. In preparation for fall demand, manufacturing operations were speeded up, and on August 1 stocks were 15 per cent larger than a month earlier, though 18 per cent smaller than on August 1, 1930.

**Clothing** — Following the usual seasonal trend, sales of the reporting clothiers in July fell sharply below the June total. As compared with a year ago, the aggregate in July was smaller by about one-fourth. Orders placed for late fall and winter delivery are considerably below the average at this time during the past several years. The trend of prices was lower, and retailers generally are purchasing a larger proportion of cheap clothing than is ordinarily the case. This is true particularly of merchants in the country and small towns.

**Drugs and Chemicals** — With the exception of typical hot weather goods, which moved in large volume, business in this classification was quiet. August sales of the reporting interests fell 5½ per cent below the same month in 1930, and 2 per cent below the June total this year. Stocks on August 1 showed little change from thirty days earlier, and were about 3 per cent smaller than a year ago. Demand for heavy drugs and chemicals from the manufacturing trade continues in small volume, and sales of luxuries were considerably less than a year ago.

**Dry Goods** — Reversing the usual seasonal trend, the volume of sales of the reporting firms in July fell below that of June. Business since August 1 has showed a decided pick-up, being stimulated by a large influx of merchants from the country and small towns. Purchasing by these merchants has been in good volume and quite diversified, but along extremely conservative lines. Cheap priced goods have been relatively more popular than the more expensive lines. Inventories continue small, stocks on August 1 being slightly larger than a month earlier, but 40 per cent smaller than on the same date last year. July sales of the reporting firms were 22 and 10 per cent smaller, respectively, than a month and a year earlier.

**Electrical Supplies** — Due largely to heavy sales of fans and other seasonal goods, July volume of the reporting firms was 30 per cent greater than in June, but slightly under that of July, 1930. Inventories were further reduced, being smaller by 21 per cent

and 10 per cent, respectively, on August 1 than thirty days and a year earlier. Moderate improvement was reported in demand for radio material as compared with earlier in the season. The outlet through the building industry for electrical supplies continues restricted.

**Flour** — Production at the twelve leading mills of the district in July totaled 322,413 barrels, the largest since last January, and compares with 210,563 barrels in June and 328,069 barrels in July, 1930. Moderate improvement developed in business of the mills, buyers generally being more disposed than heretofore to replenish depleted stocks. Purchasing, however, continued on a hand-to-mouth basis, the disturbed condition of the wheat market having the effect of holding down commitments for distant requirements. Prices were sharply lower in sympathy with the decline in cash wheat. Mill operations were at 50 to 55 per cent of capacity.

**Furniture** — While unevenly distributed, improvement as a whole was noted in this classification. Retailers have been forced into the market by generally depleted stocks, and a fair volume of orders for late fall and winter was booked. Office equipment and furniture continues quiet, and the same is true of commodities used by hospitals and hotels. July sales of the reporting firms were 6½ per cent larger than for the same month in 1930, and about two-thirds larger than the June total this year. Inventories on August 1 were slightly more than half as large as on the same date last year, and 5 per cent larger than on July 1 this year.

**Groceries** — Some betterment in demand for groceries in the rural areas was noted, and retailers are more disposed than heretofore to replenish stocks. Purchasing, however, continues on a hand-to-mouth basis, ordering for future delivery being in smaller volume than at any similar period in more than a decade. Abundant fruit and vegetable crops throughout the district are holding down the demand for canned goods. The trend of prices continued downward, particularly commodities based on cereals. July sales of the reporting firms were 8 per cent smaller than for the same month in 1930, and 2 per cent above the June total this year. Inventories showed only minor changes as contrasted with a month and a year earlier.

**Hardware** — While still showing a decrease under the corresponding period a year earlier, the volume of business in this classification during July continued the month-to-month gains, which, with the exception of a small decrease in June under May, has been in steady progress since last January. Sales of the reporting interests in July were 3 per cent larger than in June, and 14 per cent smaller

than the July total last year. The trend of prices was lower through practically all lines, and as compared with a year ago, the average is estimated at from 8 to 10 per cent. This decline would account for a considerable part of the decrease in the year sales comparison. Stocks on August 1 were 5 per cent larger than thirty days earlier, and one-fifth smaller than on August 1, 1930.

**Iron and Steel Products** — Activities at mills, foundries, machine shops and other ferrous metal working establishments during the past thirty days receded to the lowest point of the year. The usual seasonal influences were accentuated by the general business depression and restricted buying by the principal consumers of iron and steel commodities. The placement of new business was on a limited scale, and specifications on goods previously contracted for continued in disappointing volume. Plants specializing in automotive and railroad materials report considerable stocks of castings and other finished products awaiting shipping directions. As has been the case for the past several months, requirements of the building industry were light, particularly so in the case of housing projects. Outdoor engineering work continued to account for large tonnages of special materials, notably reinforcing concrete bars, and certain descriptions of steel sheets and plates. No improvement over the recent dull conditions in business of fabricating concerns occurred. New contracts let were mainly for small jobs, and a reduced rate of operations as compared with the preceding thirty days was general. Producers and distributors of steel sheets report new orders booked in July in considerably smaller volume than during the preceding month. This was due partly to the fact that consumers purchased heavily in June in order to stock up prior to effectiveness of the advance in prices scheduled for July 1. Shipments of manufacturers of stoves, radiators and furnaces showed a decline considerably larger than the usual seasonal proportions. Farm implement makers report a slack demand for their products in all sections of the district. Dealer stocks are light, but there is little disposition to replenish, ordering being on an absolute requirement basis. Farmers are reconditioning and repairing their old equipment in order to make it serviceable for another season. There was a further decrease in the melt of pig iron from July to August, the total being the smallest for any single month in a number of years. Shipments to consumers also receded to the lowest point in recent months. Pig iron prices remained steady, but scrap iron and steel continued to decline, a number of the most important grades sinking to the lowest levels since prior to the World War. For

the country as a whole, average daily production of pig iron in July was at the lowest rate since October, 1921. The total output, 1,440,576 tons, compares with 1,637,998 tons produced in June and 2,638,441 tons in July, 1930. Production of steel ingots in the United States in July aggregated 1,876,149 tons, the smallest for any month since the present depression began, and compared with 2,075,910 tons in June and 2,922,220 tons in July last year.

### AUTOMOBILES

Following the invariable trend in recent years, distribution of automobiles in the Eighth District, according to dealers reporting to this bank, declined during July as compared with the preceding month. The decrease was considerably larger than the average during the past eight years, and as contrasted with a year ago, the July total was smaller by approximately 9 per cent. In both comparisons decreases were general with dealers in both the country and large cities, but more pronounced in the rural areas. In the winter wheat sections the decline in prices of grain to new low records has materially reduced farmers' incomes, and purchasing power in the south has been adversely affected by the low levels at which cotton and other agricultural products are selling. Due to the universal practice of owners to recondition their cars in order to prolong their period of usefulness, trade in repair parts, garage supplies and accessories was reported relatively much better than in the case of automobiles proper. Collections were less satisfactory than earlier in the year on cars purchased on time payment, and the number of repossessions was slightly larger than heretofore. According to a number of the reporting dealers, purchasing of new passenger cars has been held down by a general disposition on the part of prospective buyers to await the appearance of new models and possibly reduced prices. This is true particularly of cheap-priced cars. Demand for trucks, especially light vehicles for city delivery service, was fairly active, July sales comparing favorably with those of the preceding month and a year ago. Sales of new passenger cars by the reporting dealers in July were about one-third smaller than in June, and 9 per cent below the July total last year. Ordering by dealers from the factories continues on a very conservative basis, stocks of new cars on August 1 being 3.2 per cent smaller than on July 1, and only slightly more than half as large as on August 1, 1930. The condition of the used car market developed no notable change as contrasted with the preceding thirty days. The de-

mand holds up well, and stocks are of moderate size, the total on August 1 being about 6 per cent smaller than a month earlier, and one-third less than on August 1, 1930. Further moderate improvement was noted in the tire trade, both the retail and wholesale sections. According to dealers reporting on that detail, deferred payment sales in July constituted 48 per cent of their total sales, against 44 per cent in June, and 51.3 per cent in July last year.

### 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	
	July, 1931 comp. to July, 1930	7 months ending July 31, 1931 to same period 1930	July 31, 1931 comp. to July 31, 1930	Jan. 1, to July 31, 1931	July 31, 1930	1931
Evansville .....	-24.6%	-10.8%	-17.9%	1.07	1.19	
Little Rock.....	-11.3	-10.8	-17.6	1.54	1.37	
Louisville .....	-17.4	-14.9	-19.0	1.53	1.61	
Memphis .....	-11.3	-20.0	-34.3	1.78	1.72	
Quincy .....	-16.3	-17.5	-17.9	1.46	1.46	
St. Louis.....	-12.5	-9.2	-10.7	2.14	2.17	
Springfield, Mo.---	8.2	-8.5	-11.2	.94	.87	
8th District.....	-12.9	-11.8	-16.2	1.92	1.90	

	Net sales comparison		Stocks on hand		Stock turnover	
	July, 1931 comp. to July 1930	7 months ending July 31, 1931 to same period 1930	July 31, 1931 comp. to July 31, 1930	Jan. 1, to July 31, 1931	July 31, 1930	1931
Men's furnishings....	-24.8%	-5.9%	-13.2%	1.92	1.75	
Boots and shoes.....	-16.7	-18.4	-16.9	1.75	1.88	

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during July was 27.4 per cent less than in July, 1930, and 27.3 per cent more than the aggregate for June this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in July amounted to \$17,542,682 which compares with \$32,553,934 in June and \$25,076,000 in July, 1930. Production of portland cement for the country as a whole in July totaled 17,078,000 barrels, against 14,118,000 barrels in June, and 13,899,000 barrels in July, 1930. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	188	332	\$ 213	\$ 136	44	63	\$ 18	\$ 19
Little Rock	20	27	166	107	74	59	15	32
Louisville ..	40	95	221	349	30	62	49	65
Memphis ....	82	330	89	410	141	38	103	42
St. Louis....	285	363	901	1,189	271	367	345	220
July totals..	615	1,147	\$1,590	\$2,191	560	589	\$ 530	\$378
June totals..	763	1,144	1,249	3,700	656	848	335	666
May totals..	863	1,288	1,717	5,439	726	896	413	478

\*In thousands of dollars (000 omitted).

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current during July by selected industrial customers as being 2.1 per cent larger than in June, and 9.4

per cent smaller than in July, 1930. Detailed figures follow:

No. of Custom-ers	July, 1931 *K.W.H.	June, 1931 *K.W.H.	July, 1931 comp. to June, 1931	July, 1930 *K.W.H.	July, 1931 comp. to July, 1930
Evansville .... 40	2,472	2,071	+19.4%	1,901	+30.0%
Little Rock.. 35	2,253	1,934	+16.4	2,593	-13.1
Louisville .... 85	7,226	6,244	+15.7	7,075	+ 2.1
Memphis ..... 30	1,047	1,666	-37.2	1,736	-39.7
St. Louis.....162	19,747	20,158	- 2.0	22,850	-13.6
Totals .....352	32,745	32,073	+ 2.1	36,155	- 9.4

\*In thousands (000 omitted).

## AGRICULTURE

Taken as a whole, the outlook for crops in the Eighth District continues favorable and above the average in recent years. Weather conditions during the past thirty days were mixed, being beneficial for certain classes of operations and crops, and less beneficial to unfavorable for others. Temperatures during the last half of July and the first few days of August were extremely high, and rainfall generally lacking. These conditions resulted in some damage to growing crops, notably corn, commercial vegetables, gardens and certain fruits. On the other hand, weather was auspicious for harvesting and the movement of winter wheat, oats and hay. Since the second week in August rainfall has been more bountiful than in many months, and in some sections moisture deficiency, which had been accumulating since the drouth last year, was relieved to a considerable extent. Additional precipitation, however, is needed to completely make up the deficiency, restock streams, ponds and wells and afford adequate subsoil moisture. A feature of the present season's meteorological history has been the unusually scattered and uneven distribution of rainfall.

The wheat harvest made rapid progress, and threshing is practically completed, save where farmers have stacked their grain with the intention of holding for more favorable markets. The supply of farm labor throughout the district was more than sufficient for all requirements, with surpluses existing in many sections, particularly where the wheat harvest is over. Wages paid farm help was universally below those of a year and two years earlier. Since the middle of July there have been increasing complaints of damage to field crops from insect pests, notably chinch bugs and grasshoppers. The infestation of the latter has been the severest in a number of years, due to conditions favorable to their propagation.

**Winter Wheat**—Wheat prospects in the Eighth District improved between July 1 and August 1, the report of the U. S. Department of Agriculture based on conditions on the latter date, estimating the total output at 65,264,000 bushels, an increase of 6,940,000 bushels over the July 1

estimate, and comparing with 43,819,000 bushels harvested in 1930, and an 8-year average (1923-1930) of 49,921,000 bushels. Latest threshing returns not only tend to confirm full quantity of the official estimate, but disclose exceptionally high quality, a large percentage of the grain testing No. 1 and No. 2. In Illinois, Indiana, and sections of other states of the district, the yield per acre was the highest on record. Benefits to the producers of heavy yields, however, were largely offset by the drastic decline in prices, which brought them to the lowest levels on record, and in many instances, considerably below cost of production. Reports from all the chief wheat raising sections indicate that an unusually large amount of wheat will be fed to livestock during the coming season, and storage on farms is in greater volume than has been the case in many years. In many localities farmers have not plowed under wheat stubble, and initial preparations indicate a reduced acreage this fall.

**Corn**—Despite the extreme high temperatures and scant precipitation during the last half of July, corn did a little better than hold its own in this district. Intensive cultivation was the general rule, and this enabled the crop to stand drouth conditions much better than last year. Some upland fields were badly burned, but irreparable damage was relatively light. In the bottoms and lowlands, stands are almost universally good, and ears large and well filled. Rains since August 1 have substantially bettered prospects. There were scattered reports of damage from insect pests, mainly ear worms, grasshoppers and chinch bugs. The Department of Agriculture's August 1 report forecasts a yield of 384,445,000 bushels for the Eighth District, an increase of about 1,600,000 bushels over the July 1 estimate, as against the short crop of 183,254,000 bushels harvested in 1930, and an eight year average of 342,534,000 bushels.

**Fruits and Vegetables**—Generally through the district prospects for fruits and vegetables are for yields well above the average, and for the most part quality is high. As in the case of cereals and cotton, however, heavy production in other areas and reduced demand have resulted in prices so low as to greatly reduce profit margins, and in many instances, occasion actual losses. The hot weather in late July lowered prospects for some vegetables notably potatoes and commercial tomatoes, but rains since August 1 have repaired a considerable part of the damage. Based on the August 1 condition, the Department of Agriculture estimates the peach crop in states entirely or partly within the Eighth District at 15,333,000 bushels, against 1,315,-

000 bushels in 1930, and a 5-year average of 8,495,000 bushels. The output of apples in these states is forecast at 37,257,000 bushels, of which 4,400,000 barrels represent commercial crop, against 12,935,000 bushels with 1,660,000 barrels commercial crop in 1930, and a 5-year average of 21,349,000 bushels, of which 3,263,000 barrels were commercial crop. Sweet potato prospects improved slightly, the August 1 estimate for states of the district being 20,752,000 bushels, a gain of about 2,000,000 bushels over the July 1 estimate, and comparing with 14,018,000 bushels harvested in 1930, and a 5-year average of 18,188,000 bushels. There was also slight betterment in grape prospects, the August 1 estimate being for 43,449 tons, against 33,831 tons in 1930, and a 5-year average of 32,387 tons. Pears, which were a virtual failure last year, will produce in states of the district this season 2,448,000 bushels, which compares with a 5-year average of 1,729,000 bushels. The hot weather in July reduced white potato prospects to some extent, the yield for the district proper as of August 1 being 13,199,000 bushels, a decrease of 536,000 bushels under the July 1 forecast, and comparing with 12,724,000 bushels harvested in 1930, and a 8-year average of 15,050,000 bushels. Gardens suffered considerably from the hot, dry July weather, but have generally improved under the rains this month.

**Live Stock**—The average condition of live stock in this district during the past thirty days showed little change worthy of note as contrasted with the similar period immediately preceding. The hot, dry weather of July injured pastures and in some sections critically reduced water supplies. Since August 1 these conditions have been generally corrected by rainfall. The condition of pastures on August 1 was considerably higher than a year ago, but below the 10-year average on that date. The Department of Agriculture estimates the output of hay in the Eighth District at 6,828,000 tons, against 5,033,000 tons in 1930, and an 8-year average of 7,616,000 tons. There was a further decrease in egg and milk production between July 1 and August 1.

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

	Receipts			Shipments		
	July, 1931	June, 1931	July, 1930	July, 1931	June, 1931	July, 1930
Cattle and Calves.....	103,040	94,782	111,569	69,748	55,911	69,166
Hogs .....	170,496	219,549	239,837	136,804	172,895	192,093
Horses and Mules....	1,675	1,627	1,262	1,550	1,577	1,629
Sheep .....	67,479	124,170	73,520	17,075	53,261	15,448

**Cotton**—Based on the August 1 condition, the U. S. Department of Agriculture estimates the production of cotton in the Eighth Federal Reserve District at 3,338,000 bales, which compares with 2,289,000 bales harvested in 1930, and an 8-year average (1923-1930) of 2,644,000 bales. In all states

of the district the condition on August 1 was considerably higher than a year ago, when, it will be recalled, the crop was suffering from effects of the record drouth. For the country as a whole the yield is forecast at 15,584,000 bales, against 13,932,000 bales produced last year. Generally through this district conditions since August 1 have been favorable for growth and development of the crop, and further improvement has been the rule. Excessive moisture in some sections has resulted in growth of weeds and grass, but for the most part fields are clean and cultivation high. There are increasing reports of boll weevil infestation, but except in sections of Mississippi this menace has not become serious. In Arkansas the outlook is the most promising in a number of years. Prices of raw cotton receded to new low levels for the season and since 1915, the market being affected by the heavy prospective yields and general depression in business at home and abroad. In the St. Louis market the middling grade ranged from 6.65c to 9.25c per pound between July 16 and August 15, closing at 7c per pound on the latter date, which compares with 8.90c on July 16, and 12.25c on August 15, 1930. Stocks of cotton in Arkansas warehouses on August 14 totaled 86,195 bales, which contrasts with 99,971 bales on July 17, and 102,499 bales on the corresponding date in 1930.

**Tobacco**—With the exception of the one sucker, production of tobacco of all types in the Eighth District is expected to be larger than a year ago. Weather during the past thirty days was more favorable than earlier in the season, there being good rains generally through the territory, with temperatures seasonable. Cultivation has been pushed, and fields are clean and stands good. Prospects improved between July 1 and August 1, the Government's estimate for the Eighth District, based on August 1 conditions, being 376,377,000 pounds, against 306,070,000 pounds produced in 1930, and an 8-year average (1923-1930) of 295,534,000 pounds.

**Commodity Prices**—Range of prices in the St. Louis market between July 15, 1931 and August 15, 1931, with closing quotations on the latter date and on August 15, 1930 follow:

	High	Low	Close	
			August 15, 1931	August 15, 1930
Wheat				
July .....	.52	.45	\$.47½ @ .48½	\$.89½
Dec. ....	.56½	.49½	“ .51½	.95½
No. 2 red winter “	.50½	.45½	.49 @ .49½	\$.93 @ .94
No. 2 hard.....	.50½	.45	.49 @ .49½	.88 @ .89
Corn				
Sept. ....	.54½	.46½	.46½	.98
Dec. ....	.48¼	.38¾	.40	.94¾
No. 2 mixed.....	.59½	.49	.49 @ .49½	1.00 @ 1.01
No. 2 white.....	.63	.51½	.51 @ .51½	1.02½ @ 1.03
Oats				
No. 2 white.....	.28	.20½	.21 @ .21½	.....
Flour				
Soft patent.....per bbl.	4.75	3.75	3.75 @ 4.25	4.65 @ 4.90
Spring patent.....	4.40	4.25	4.25 @ 4.40	5.45 @ 5.60
Middling cotton.....per lb.	.0925	.0665	.07	.1085
Hogs on hoof.....per cwt.	8.40	4.00	4.25 @ 7.60	8.00 @ 10.85

## FINANCIAL

The same general trends in the banking and financial situation in this district noted in the preceding issue of this review continued more or less consistently during the past thirty days. Credit requirements from all classes of borrowers were in relatively small volume, and interest and discount rates hovered about the low levels which have obtained for the past several months. Commercial banks in all the large cities, and in many of the smaller communities, are well stocked with loanable resources, and in spite of unusually large grain and other crops, demands for agricultural financing failed to substantially change the general status. Liquidation by commercial borrowers with their banks has been on a considerable scale, and renewals and new commitments are well below the seasonal average. The return flow to city banks of money from country correspondents in the winter wheat territory has been smaller than usual, due to low prices and a disposition on the part of farmers to hold their stocks for a more favorable market. Financing of the cotton movement to date has been taken care of largely by local banks and other agencies, little recourse upon banks in the large cities for this purpose having been noted.

Loans of the reporting member banks decreased further, the total on August 12 being 1.2 per cent smaller than on July 15, and more than one-fourth less than on the corresponding date in 1930. Investments also decreased slightly between July 15 and August 12, but on the latter date the total of 221 million dollars represented an increase of 43 per cent over the same date last year. Deposits fluctuated narrowly during the period, and at the middle of August were about 4 per cent smaller than a year earlier. Borrowing of all member banks from the Federal reserve bank averaged higher than during the preceding thirty days, but continued uniformly below the corresponding period in 1930.

Current interest rates at the St. Louis banks were as follows: Prime commercial paper, 2 to 5 per cent; collateral loans, 3½ to 5½ per cent; loans secured by warehouse receipts, 3½ to 5½ per cent; interbank loans, 3½ to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on August 12, 1931 showed a decrease of .9 per cent as contrasted with July 15, 1931. Deposits decreased 3.5 per cent between July 15, 1931 and August 12, 1931 and on the

latter date were 4 per cent smaller than on August 13, 1930. Composite statement follows:

	*August 12, 1931	*July 15, 1931	*August 13, 1930
Number of banks reporting.....	†25	†25	†24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$164,046	\$164,820	\$234,365
All other loans and discounts.....	238,667	241,579	284,166
Total loans and discounts.....	\$402,713	\$406,399	\$518,531
Investments			
U. S. Government securities.....	76,192	77,920	29,770
Other securities.....	145,094	145,876	124,664
Total investments.....	\$221,286	\$223,796	\$154,434
Reserve balance with F. R. bank..	41,176	42,346	43,883
Cash in vault.....	6,237	6,292	5,771
Deposits			
Net demand deposits.....	353,612	372,830	378,323
Time deposits.....	237,509	236,697	238,116
Government deposits.....	1,499	4,635	658
Total deposits.....	\$592,620	\$614,162	\$617,097
Bills payable and rediscounts with Federal Reserve Bank.....	2,135	1,500	2,305

\*In thousands (000 omitted).

†Increase due to substitutions for closed banks. These banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources 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:

	*July, 1931	*June, 1931	*July, 1930	July, 1931 comp. to June, 1931	July, 1930
East St. Louis & Natl.					
Stock Yards, Ill. \$	28,881	\$ 30,570	\$ 40,577	— 5.5%	—28.8%
El Dorado, Ark.....	4,529	4,641	7,572	— 2.4	—40.2
Evansville, Ind.....	26,310	22,608	29,659	+16.4	—11.3
Fort Smith, Ark.....	9,350	8,917	11,041	+ 4.9	—15.3
Greenville, Miss.....	2,852	2,592	3,824	+10.0	—25.4
Helena, Ark.....	2,537	2,419	3,749	+ 4.9	—32.3
Little Rock, Ark.....	26,496	28,405	44,326	— 6.7	—40.2
Louisville, Ky.....	131,974	135,178	180,960	— 2.4	—27.1
Memphis, Tenn.....	92,027	96,261	122,951	— 4.4	—25.2
Owensboro, Ky.....	5,162	4,739	6,657	+ 8.9	—22.5
Pine Bluff, Ark.....	6,608	7,076	8,709	— 6.6	—24.1
Quincy, Ill.....	8,221	8,985	10,598	— 8.5	—22.4
St. Louis, Mo.....	565,493	714,075	704,151	—20.8	—19.7
Sedalia, Mo.....	3,441	3,395	4,081	+ 1.4	—15.7
Springfield, Mo.....	12,120	15,807	14,912	—23.3	—18.7
**Texarkana,					
Ark-Tex.....	8,957	9,330	13,050	— 4.0	—31.4
Totals .....	\$1,019,108	\$1,094,998	\$1,206,817	— 6.9	—15.6

\*In thousands (000 omitted).

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

**Federal Reserve Operations**—During July, 1931 the Federal Reserve Bank of St. Louis discounted for 187 member banks against 159 in June and 215 in July, 1930. The discount rate remained unchanged at 2½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Aug. 20, 1931	*Aug. 20, 1930	*July 20, 1931
Bills discounted.....	\$10,695	\$16,870	\$ 9,812
Bills bought.....	2,634	8,317	1,477
U. S. Securities.....	30,476	23,899	30,475
Federal Inter. Cr. Bk. Debentures.....	40	.....	200
Participation in Inv. Foreign Banks.....	1,141	38	1,033
Total bills and securities.....	\$44,986	\$49,124	\$42,977
F. R. Notes in circulation.....	73,185	66,678	73,251
Total deposits.....	74,336	80,617	69,214
Ratio of reserve to deposits and F. R. Note Liabilities.....	74.9%	73.1%	74.7%

\*In thousands (000 omitted).

(Compiled August 24, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of September 30, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**I**NFLUENCED by the usual seasonal quietness and depressed business conditions elsewhere, the trend of commercial and industrial activities in the Eighth Federal Reserve District continued downward during August. Unusually hot weather during the first three weeks of September militated against the movement of many lines of merchandise, and interfered with plans for resumption of operations at numerous manufacturing plants, with the result that signs of betterment in business which ordinarily appear at this time were less in evidence than in former years. Failure of commodity prices to advance or to exhibit a tendency to stabilize at their recent low levels, weakness in the security markets and the further decline in values of farm products combined to emphasize the cautious and conservative attitude of merchants and the general public in the matter of filling their requirements for goods. This was particularly the case with reference to future commitments, purchasing being almost universally on a hand-to-mouth basis.

Without exception, the volume of business transacted in August by lines investigated by this bank was below that of the same month in 1930, and the average during the past decade. Barring a few classifications directly affected by seasonal considerations, such as dry goods, men's hats, stoves and groceries, the August volume was smaller than in July, and where increases occurred, they were less than the average in recent years. In the comparison with a year ago, a considerable part of the decline was accounted for by the sharp decline in prices, the actual unit volume handled making a relatively much better showing than the dollar amount. Almost universally demands center on the cheaper descriptions of merchandise. Price concessions are insisted upon by ultimate consumers, and this attitude ramifies back to wholesalers and manufacturers.

The situation in iron and steel, building materials and the general run of goods of the heavier and

more permanent sort, showed no improvement during the period, August and early September witnessing the lowest point of the year in production and distribution of these commodities. Taken as a whole, the past thirty days were favorable for agriculture, and excepting cotton and several less important productions, the earlier indications of heavy yields and high quality were reiterated in the report of the U. S. Department of Agriculture based on September 1 conditions. Farm operations of all sorts have progressed well, save for some interruption in preparations for planting fall crops occasioned by the extremely high temperatures and lack of rainfall in early September.

Measured by sales of department stores in the principal cities of the district, the volume of retail trade in August was 8 per cent smaller than during the same month in 1930 and for the first eight months the volume was approximately 11 per cent less than for the corresponding period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were 19 per cent smaller in August than for the same month in 1930, and 2 per cent less than the July total this year; for the first eight months this year the total was 14 per cent smaller than for the same period in 1930. The value of permits issued for new construction in the five largest cities of the district in August was 20 per cent and 39 per cent smaller, respectively, than a month and a year earlier. Construction contracts let in the Eighth District in August were 6 per cent less than in July and 30 per cent smaller than in August, 1930. Debits to individual accounts in August were 12.5 per cent smaller than in July, and about one-fourth smaller than in August, 1930; for the year through August the total was one-fifth less than for the same period in 1930. The amount of savings accounts on September 2 was slightly lower than a month and a year earlier.

Due chiefly to backwardness in the movement of grain, cotton and fuel, freight traffic of railroads operating in this district failed to show the usual

seasonal gain during the past thirty days, and the volume continued substantially below the similar period a year and two years ago. According to officials of the roads, competition of trucks, pipe lines and other means of transportation, figures more importantly in their traffic than heretofore. For the country as a whole loadings of revenue freight for the first 35 weeks this year, or to August 29, totaled 25,658,035 cars, against 31,428,015 cars for the corresponding period last year and 35,377,737 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 167,311 loads in August, against 171,931 loads in July and 197,862 loads in August, 1930. During the first nine days of September the interchange amounted to 42,356 loads, against 42,412 loads during the corresponding period in August, and 52,183 loads during the first nine days of September, 1930. Passenger traffic of the reporting roads in August declined 30 per cent as compared with the same month in 1930. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in August was 104,000 tons, which compares with 103,444 tons in July and 84,266 tons in August, 1930.

Reports relative to collections during the past thirty days reflect little change from the unsatisfactory conditions existing during the preceding several months. Universally there is a disposition to conserve cash and to postpone paying bills as long as possible. In the case of wholesale and jobbing interests, strong customers are meeting their obligations promptly, but others are slow in settling and numerous requests for extensions are reported. Distributors of coal, pig iron, scrap iron, steel and the general run of building materials report unsatisfactory conditions, with many accounts several months overdue. Since September 1 retailers in the larger cities report improvement in collections, due partly to the return of customers from vacations. Generally through the rural areas retail collections are backward. 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, 1931.....	.0%	19.1%	59.1%	21.8%
July, 1931.....	1.5	16.2	62.3	20.0
August, 1930.....	0.1	8.5	52.8	38.6

Commercial failures in the Eighth Federal Reserve District in August, according to Dun's, numbered 125, involving liabilities of \$830,833, against 80 failures in July, with liabilities of \$5,298,184, and 112 defaults for a total of \$1,909,148 in August, 1930.

The average daily circulation in the United States in August was \$4,497,000,000, against \$4,836,000,000 in July, and \$4,476,000,000 in August, 1930

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — August sales of the reporting firms were 17 per cent smaller than for the same month in 1930, and approximately 12 per cent less than the July total this year. Stocks on September 1 were 11 per cent smaller than a year ago, and 1.3 per cent greater than on August 1 this year. Decreases in both comparisons were quite general through all lines, but most pronounced in the more staple lines of men's wear. No price changes were noted during the month, but as compared with a year ago the average is from 10 to 12 per cent lower. Factory operations were at a slightly reduced rate as compared with the preceding thirty days.

**Clothing** — Reluctance on the part of retailers to stock up heavily on goods for late fall and winter distribution was reflected in a sharp decrease in advance orders of the reporting clothiers as compared with the corresponding period during the past several years. Unseasonably warm weather and uncertainty relative to styles and prices were other influences tending to hold down the volume of sales. As compared with a month and a year earlier, August sales of the reporting firms showed a decrease of approximately 50 per cent.

**Drugs and Chemicals** — August sales of the reporting interests were 11 per cent smaller than for the same month in 1930, and .7 per cent less than the July total this year. There was the usual seasonal increase in inventories, stocks on September 1 being 7 per cent greater than thirty days earlier, but 5 per cent smaller than on September 1 last year. The movement of hot weather goods was in considerable volume, but other lines were relatively quiet.

**Dry Goods** — Following the usual seasonal trend, sales of the reporting firms increased sharply from July to August, but the volume continued substantially below that of a year ago. Buyers generally are disposed to hold off awaiting more definite adjustment of prices. This is true particularly of goods based on cotton and silk. Advance sales in virtually all lines are considerably below those at the same time last year. Inventories continue to decrease, stocks on September 1 being 1.2 per cent and 40 per cent smaller, respectively, than thirty days and a year earlier. August sales of the reporting firms were 23 per cent smaller than for the same

month in 1930, and 45 per cent greater than the July total this year.

**Electrical Supplies** — Lessened demand for all lines in this classification was reflected in a decrease in August sales of the reporting firms of 57 per cent as compared with the preceding month and of 35 per cent as compared with August a year ago. Stocks on September 1 were 23 per cent smaller than thirty days earlier and 13 per cent less than on September 1, 1930. In the yearly comparison, a considerable part of the decrease is accounted for by smaller sales of radio material, lamps and other household appliances.

**Flour** — Production at the twelve leading mills of the district in August totaled 292,459 barrels, against 322,413 barrels in July and 351,423 barrels in August, 1930. Demand for flour continued to decrease during late August, millers at the end of that month reporting the slowest conditions ever experienced in the trade. Ordinarily this is one of the most active periods of the year, but generally low consumption has resulted in mills operating at barely half of capacity. Large buyers are taking no interest in future requirements, purchasing being on a hand-to-mouth basis and centering chiefly in low grade flours. In sympathy with the decline in cash wheat, flour prices receded further, with the average at the middle of September being the lowest in recent times.

**Furniture** — The moderate improvement in this classification, noted in the two preceding issues of this report, completely disappeared during August, sales of the reporting firms during that month showing a decrease of about one-fifth as compared with July, and of more than one-fourth as compared with August, 1930. Stocks on September 1 were 12 per cent larger than thirty days earlier, but 40 per cent less than on September 1, 1930.

**Groceries** — August sales of the reporting firms were slightly higher than in July, but the total was 9 per cent smaller than for the same month a year ago. Inventories continue to decline, stocks on September 1 being .6 per cent and 6 per cent smaller, respectively than a month and a year earlier. In the yearly comparison of sales, a considerable part of the decrease was due to lower prices. Advance ordering of canned goods is reported in smaller volume than at any similar period in recent years.

**Hardware** — Sales of the reporting firms showed practically no change in August from the preceding month, but the total was approximately 6 per cent smaller than in August last year. Demand for builders' hardware and tools continues at a low ebb, and goods used mainly in the rural areas are also rela-

tively quiet. The trend of prices was lower, though no marked changes were reported as compared with the preceding thirty days. Stocks on September 1 were 6 per cent and 24 per cent smaller, respectively, than thirty days and a year earlier.

**Iron and Steel Products** — The trend of activities in the iron and steel industry in this district continued downward. August and early September witnessed the lowest average rate of operations at mills, foundries, machine shops and other ferrous working plants experienced since the present period of depression set in. Demands of the principal consuming industries, notably railroad, automotive and building, failed to expand, and purchasing by miscellaneous users was on a hand-to-mouth basis. Manufacturers of farm implements and other commodities used chiefly in the rural areas reported that new orders booked were the smallest for any similar period in more than a decade. Shipments of stoves and furnaces increased in August as compared with the preceding month, but the gain in volume was of considerably less than the usual seasonal proportions. Producers and distributors of sheets, tank plates and structural shapes reported no betterment in the demand for their commodities. Since September 1 there has been moderate improvement in specifications for automotive castings, and foundries specializing in these materials reported the placement of some new business for delivery through the fall and winter. Fabricators of structural iron and steel reported a further decrease in unfinished orders, and new business booked consisted of small jobs. Reinforcing concrete bars and other items for use in road construction, municipal work and other outdoor engineering projects continued in relatively much better demand than other classes of steel goods. Prices of finished and semi-finished iron and steel showed no change worthy of note as contrasted with the preceding thirty days. The price of pig iron also held steady, but there was a further decline in scrap iron and steel, a number of important grades, including car wheels and heavy melting steel, recording new low levels on the present retrograde movement. Purchasing of pig iron remains on immediate requirement basis, ordering for last quarter delivery having failed to develop. For the country as a whole, the average daily output of pig iron was the smallest since October, 1921. Total production in August was 1,277,242 tons, which compares with 1,462,270 tons in July and 2,525,105 tons in August, 1930. Production of steel ingots in the United States in August totaled 1,719,462 tons, against 1,876,149 tons in July and 3,060,763 tons in August, 1930.

## AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in August totaled 187,197, against 218,961 in July and 223,046 in August 1930.

As has been the case for the past eight years, sales of dealers reporting to this bank were larger in August than during the preceding month. As compared with a year ago, however, the August volume showed a sharp decrease. In the month-to-month comparison the increase extended to practically all makes of cars, but was most marked in sales of dealers handling the two principal makes of cheap priced vehicles. As has been the case for a number of months, business of distributors in the large centers of population was relatively much more active than in the small towns and country. The depressed prices of farm products and a general disposition on the part of farmers to economize and use their cash for liquidating urgent debts has resulted in further postponement in filling automobile requirements. Improvement from July to August was also shown in sales of replacement parts, accessories and general garage supplies. Activity in these lines was attributed by dealers to the unusually large amount of reconditioning and repairing of old cars by owners unable or unwilling to purchase new ones at this time. Demand for trucks, both for heavy and light service, continued active, August sales being about one-third larger than in July, and approximately the same as the August, 1930, volume. In the case of heavy trucks, the total was swelled by substantial additions to their fleets by several contractors engaged in highway construction and river improvement work. August sales of new passenger cars by the reporting dealers were 22 per cent larger than in June, but 23 per cent smaller than the August, 1930, total. Inventories continued the downward trend noted since early in the year, stocks of new cars in dealers' hands on September 1 being 7 per cent smaller than thirty days earlier, and 35 per cent less than on September 1 last year. The used car market continued active, with a further substantial reduction in stocks of salable cars on hand as compared with thirty days and a year earlier. The retail tire trade underwent further moderate betterment, being stimulated by the touring season and purchasing by automobile dealers to equip second-hand cars. Deferred payment sales of dealers reporting on that detail in August constituted 48 per cent of their total sales, against 48 per cent in July, and 55.4 per cent in August, 1930.

## 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	
	Aug. 1931 comp. to Aug. 1930	8 months ending Aug. 31, 1931 to same period 1930	Aug. 31, 1931 comp. to Aug. 31, 1930	Jan. 1, to Aug. 31, 1931	1930
Evansville .....	-18.0%	-23.2%	-22.2%	1.22	1.34
Little Rock.....	-19.2	-11.7	-17.8	1.71	1.54
Louisville .....	4.0	-13.8	-13.6	1.75	1.80
Memphis .....	-14.0	-17.9	-25.0	2.00	1.93
Quincy .....	-14.9	-17.2	-16.8	1.67	1.66
St. Louis.....	6.2	- 8.8	-10.3	2.41	2.42
Springfield, Mo.....	-11.4	- 8.9	-11.8	1.09	1.01
8th District.....	- 8.2	-11.1	-15.0	2.16	2.12
	Net sales comparison		Stocks on hand	Stock turnover	
	Aug. 1931 comp. to Aug. 1930	8 months ending Aug. 31, 1931 to same period 1930	Aug. 31, 1931 comp. to Aug. 31, 1930	Jan. 1, to Aug. 31, 1931	1930
Men's furnishings .....	-22.3%	- 7.8%	- 8.9%	1.92	2.00
Boots and shoes.....	-24.3	-19.0	+12.4	2.14	2.00

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during August was 39.1 per cent less than in August, 1930, and 20.4 per cent smaller than the aggregate for July this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in August amounted to \$16,457,113 which compares with \$17,542,682 in July and \$23,320,280 in August, 1930. Production of portland cement for the country as a whole in August totaled 13,549,000 barrels, against 13,899,000 barrels in July and 17,821,000 barrels in August, 1930. Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	197	360	\$ 146	\$ 142	52	85	\$ 15	\$ 20
Little Rock ..	24	24	23	136	48	81	19	82
Louisville ..	63	99	93	325	58	58	67	64
Memphis ....	78	432	277	683	176	53	90	28
St. Louis....	316	322	727	794	282	287	209	493
Aug. totals	678	1,237	\$1,266	\$2,080	616	559	\$ 400	\$687
July totals	615	1,147	1,590	2,191	560	589	530	378
June totals	763	1,144	1,249	3,700	656	848	335	666

\*In thousands of dollars (000 omitted).

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current during August by selected industrial customers as being 4.3 per cent larger than in July, and 3.0 per cent smaller than in August, 1930. Detailed figures follow:

	No. of Custom- ers	August, 1931	July, 1931	Aug., 1931	August, 1930	Aug. 1931
		*K.W.H.	*K.W.H.	comp. to July, 1931	*K.W.H.	comp. to Aug. 1930
Evansville ....	40	2,428	2,472	- 1.8%	1,848	+31.4%
Little Rock... 35	2,087	2,233	- 7.4	2,290	- 8.9	
Louisville ... 85	7,201	7,226	- 0.3	7,558	- 4.7	
Memphis .... 30	1,780	1,047	+70.0	1,018	+74.9	
St. Louis.....162	20,659	19,762	+ 4.5	22,499	- 8.2	
Totals .....	352	34,155	32,760	+ 4.3	35,213	- 3.0

\*In thousands (000 omitted).

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

	By water power	By fuels	Totals
	July, 1931.....	2,735,938,000	4,994,837,000
June, 1931.....	2,883,721,000	4,630,457,000	7,514,178,000
July, 1930.....	2,883,391,000	5,015,753,000	7,899,144,000

## AGRICULTURE

With the exception of cotton, crops generally in the Eighth Federal Reserve District underwent further improvement from August to September. Higher yields than in 1930 are the rule, and of the principal productions, hay and white potatoes are the only ones which are below the eight-year (1923-1930) average. Weather during August was favorable for growth and development of practically all crops. During the last half of that month many sections received the heaviest rains since prior to the record drouth of 1929, and water shortages were largely relieved, particularly in Illinois, Missouri and Kentucky. Harvesting of wheat was completed under favorable conditions, and considerable progress has been made in preparations for the new crop. For the most part the favorable prospects of earlier in the season for fruits and vegetables were maintained, and yields in the chief producing areas promise to be the largest in recent years. Unseasonably warm weather since September 1 has done some damage to corn and other crops in certain sections, but the high temperatures were beneficial for cotton and tobacco.

Generally conditions on farms are more favorable than at this time a year and two years ago. Feed and food are in abundant supply and will enable farm populations to carry through the winter comfortably, besides tending to reduce production costs of next season's crops. Prices of virtually all agricultural products continued at the depressed levels of the preceding thirty days, some establishing new low records on the downward movement. In many instances farmers are holding their grain for more favorable marketing conditions, or with the view of feeding it to livestock. The condition of livestock is universally high, and while prices are low, they still offer moderate profit margins. The supply of farm labor continued considerably in excess of demand in all states of the district.

**Corn** — Prospects for this crop improved during August, and based on the September 1 condition the U. S. Department of Agriculture estimates the output in the Eighth District at 399,659,000 bushels, an increase of 15,160,000 bushels over the August forecast, and comparing with 183,254,000 bushels harvested in 1930, and an eight-year average of 342,534,000 bushels. The extreme high temperatures since September 1 have pushed the crop along so that an unusually large percentage is virtually made and past danger from frost. The heat resulted in some damage to the crop, particularly on the high-

lands, but in the river bottoms the outlook is for heavy yields of high quality.

**Winter Wheat** — No change took place during August in the estimate of winter wheat, the indicated output in this district being 65,264,000 bushels, against 43,819,000 bushels harvested last year and an eight-year average of 49,921,000 bushels. While some delay was occasioned by hot, dry weather in August and early this month, plowing for the new crop made good headway, and seeding will be well under way during the next two weeks. Indications are for a smaller acreage than last year, the average reduction for the district being about 10 per cent.

**Fruit and Vegetables** — Marketing conditions for fruits and vegetables continued unfavorable during the past thirty days. Unusually heavy yields in this district and other parts of the country resulted in very low prices, in many instances below production and shipping costs. Harvesting of apples, peaches and grapes progressed well, and universally yields are heavy and quality high. Based on the September 1 condition, the U. S. Department of Agriculture estimates the apple crop in states entirely or partly within the Eighth District at 38,583,000 bushels, of which 4,504,000 barrels represent commercial crop, against 12,935,000 bushels, with 1,666,000 barrels commercial crop in 1930, and a 5-year average of 21,349,000 bushels, of which 2,263,000 barrels were commercial crop. The output of peaches in these states is estimated at 16,587,000 bushels, against 1,315,000 bushels in 1930, and a 5-year average of 8,495,000 bushels. Grape prospects improved moderately in August, the forecast being for 43,580 tons, against 33,831 tons in 1930, and a 5-year average of 32,387 tons. In all the principal producing areas prospects for peanuts are exceptionally good, the total yield for states of the district being 31,750,000 pounds, against 19,550,000 pounds in 1930, and a 5-year average of 30,466,000 pounds. For the district proper the yield of white potatoes is forecast at 13,209,000 bushels, against 12,742,000 bushels harvested in 1930, and an 8-year average of 15,050,000 bushels. The condition of gardens on September 1 was generally favorable, but considerable deterioration has taken place since that date, due to hot, dry weather and insect pests.

**Livestock** — The condition of livestock throughout the district continued high during the past thirty days, with favorable weather and more ample water supplies than for a number of months. Despite low prices, the movement to market was on a liberal scale. Milk production picked up during

August, and average per cow was slightly higher than last year. Egg production showed a slight seasonal decline, but held up well.

The U. S. Department of Agriculture estimates the production of tame hay in this district at 6,839,000 tons, which compares with 5,033,000 tons last year and an 8-year average of 7,616,000 tons. The condition of pastures on September 1 was higher in all states of the district than a year ago, but with the exception of Tennessee, was lower than the 10-year (1920-1929) average.

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

	Receipts			Shipments		
	Aug., 1931	July, 1931	Aug., 1930	Aug., 1931	July, 1931	Aug., 1930
Cattle and calves.....	124,255	103,040	125,393	84,186	69,748	80,043
Hogs .....	190,104	170,496	210,960	152,715	136,804	183,084
Horses and mules.....	2,358	1,675	976	1,740	1,550	966
Sheep .....	52,267	67,479	45,110	12,332	17,075	10,782

**Cotton** — The U. S. Department of Agriculture in its report as of September 1 estimates the output of cotton in the Eighth District at 3,065,000 bales. This represents a decrease of 263,000 bales from the August 1 forecast, and compares with 2,289,000 bales harvested in 1930, and an 8-year average (1923-1930) of 2,644,000 bales. The decrease from August to September occurred mainly in the Delta sections of Mississippi and Arkansas and was due to weather conditions which caused excessive growth of the plant, accompanied by poor fruiting and an increase in boll weevil activities. Since September 1 weather generally over the district has been favorable for development of the crop, and picking. Owing to peculiar circumstances, however, gathering the crop has progressed slowly. Due to low prices, farmers are unwilling to employ pickers. In addition, the foliage is unusually heavy, making fields difficult to penetrate. In the northern counties the crop is about two weeks late, but recent high temperatures have been beneficial, and picking will be in full swing by the last week in September. Demand for raw cotton continued sluggish, with consumers being disposed to mark time and await crop and general economic developments. Prices receded further, recording new lows on the movement, and in late years. In the St. Louis market the middling grade ranged from 6.05c to 6.80c per pound between August 15 and September 15, closing at 6.05c per pound on the latter date, which compares with 7c on August 15 and 9.85c on September 15, 1930. Stocks of cotton in Arkansas Warehouses on September 11 totaled 80,630 bales, against 86,185 bales on August 14, and 100,873 bales on the corresponding date in 1930.

**Rice** — The condition of the rice crop in Arkansas on September 1 was considerably higher than a year earlier, but due to smaller acreage the indicated yield of 7,650,000 bushels is 260,000 bushels smaller than in 1930, and compares with a 5-year average of 8,310,000 bushels.

**Tobacco** — Prospects for this crop improved during August, the Government's estimate of the combined yield of all types in the Eighth District, based on the September 1 condition, being 400,596,000 pounds, an increase of 24,219,000 pounds over the August 1 forecast and comparing with 306,070,000 pounds harvested in 1930, and an 8-year average of 295,534,000 pounds. Good rains during late August and the first days of September benefitted late plants but made cutting and housing of early plantings uncertain, with complaints, in some sections, of houseburn. Dry, warm weather since the first week in September has corrected the condition of leaf in barns, and was ideal for the growing crop and harvesting operations generally. Quality is mainly satisfactory to growers, and more than the usual care is being taken this season in selecting, cutting and housing the riper plants and permitting undeveloped ones to mature before harvesting.

**Commodity Prices** — Range of prices in the St. Louis market between August 15, 1931 and September 15, 1931, with closing quotations on the latter date and on September 15, 1930, follow:

	High	Low	Close	
			Sept. 15, 1931	Sept. 15, 1930
Wheat				
Sept. ....per bu..	\$.47½	\$.43	\$.46½	\$.80
Dec. ....	.52	.45½	.48½	.83½
May .....	.52½	.50¾	.52¾	.90½
No. 2 red winter	.49½	.46	\$.49 @ .49½	\$.88½ @ .89
No. 2 hard.....	.49	.43¼	.48 @ .48½	.83¾ @ .84
Corn				
Dec. ....	.39¾	.35½	.37¾	.86¼
May .....	.43¾	.41½	.42	.88¾
No. 2 mixed.....	.48½	.41	.48 @ .48½	.94½ @ .95
No. 2 white.....	.50	.43	.49 @ .49½	.96½ @ .97
Oats				
No. 2 white.....	.24	.19¾	.23½ @ .24	.39 @ .39½
Flour				
Soft patent.....per bbl.	4.15	3.25	3.25 @ 4.00	4.50 @ 5.00
Spring patent.....	4.25	3.15	3.75 @ 4.00	4.60 @ 4.90
Middling cotton.....per lb.	.068	.0605	.0605	.985
Hogs on hoof.....per cwt.	7.50	3.75	3.75 @ 6.00	8.25 @ 11.05

**FINANCIAL**

Demand for credit from commercial and industrial sources in this district during the past thirty days was marked by further slight contraction. Due chiefly to smaller inventories, lower prices and liberal cash resources, requirements of wholesaling and jobbing establishments for financing merchandise for fall and winter distribution were smaller than at any similar period in recent years. Liquidation by these interests with their banking connections were for the most part in larger volume than new commitments and renewals.

Recourse upon banks, both city and country, for financing the harvesting and movement of crops, which ordinarily at this season is subject to marked expansion, is considerably less than in former years. The principal reasons for this are that prices of farm products are at lower levels than in the past, wheat farmers are holding their grain where able to do so, and financing is being done to a large extent through acceptances and loaning agencies other than the commercial banks. Farmers are also doing an unusually large amount of their own work, thus reducing the volume of currency needed for paying hired help.

In the immediate past agricultural demands have expanded in the south, mainly for financing the harvesting and early movement of the cotton, tobacco and rice crops. There has also been some expansion in demands from the canning and packing industries, purely seasonal in character. These requirements, however, have been easily met, and were not sufficient to appreciably affect the situation as a whole. Banks specializing in livestock loans report a fair request for funds for conditioning cattle and hogs for market.

Between August 12 and September 9, total loans of the reporting member banks showed only minor variation, and at \$402,391,000 on the latter date were about one-fifth smaller than a year ago; investments decreased 3.1 per cent, but the total of \$214,433,000 represented an increase of 35.2 per cent over that on September 10, 1930. Deposits receded slightly during the period, reaching a new low point for the year in the second week of September. The volume of borrowing by all member banks from the Federal reserve bank averaged higher than during the preceding thirty days, but continued substantially below the corresponding period a year earlier. The sustained demand for currency was reflected in a steady increase in the volume of Federal reserve notes in circulation.

No change worthy of note took place in interest rates charged customers by the commercial banks. At the St. Louis banks current rates were as follows: Prime commercial paper, 2 to 5 per cent; collateral loans, 3 to 5½ per cent; loans secured by warehouse receipts, 3½ to 5½ per cent; interbank loans, 3½ to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on September 16, 1931 showed an increase of .2 per cent as contrasted with August 19, 1931. Deposits decreased 1 per cent be-

(Compiled September 23, 1931).

tween August 19, 1931 and September 16, 1931 and on the latter date were 5 per cent smaller than on September 17, 1930. Composite statement follows:

	*Sept. 16, 1931	*Aug. 19, 1931	*Sept. 17, 1930
Number of banks reporting.....	†25	†25	†24
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$160,654	\$162,229	\$227,232
All other loans and discounts.....	240,786	238,236	283,288
Total loans and discounts.....	\$401,440	\$400,465	\$510,520
Investments U. S. Government securities....	83,807	76,105	33,727
Other securities.....	138,146	144,656	124,149
Total investments.....	\$221,953	\$220,761	\$157,876
Reserve balance with F. R. bank..	41,097	42,165	44,440
Cash in vault.....	6,245	6,201	5,581
Deposits Net demand deposits.....	339,488	351,016	370,674
Time deposits.....	234,029	237,323	239,410
Government deposits.....	11,575	893	1,538
Total deposits.....	\$585,092	\$589,232	\$611,622
Bills payable and rediscounts with Federal Reserve Bank.....	4,778	2,295	5,307

\*In thousands (000 omitted).

†Increase due to substitutions for closed banks. These 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., 1931	*July, 1931	*Aug. 1930	Aug. 1931 comp. to July, 1931	Aug. 1930
East St. Louis & Natl. Stock Yards, Ill..	\$ 27,735	\$ 28,881	\$ 37,817	— 4.0%	—26.7%
El Dorado, Ark.....	4,957	4,529	6,463	+ 9.4	—23.3
Evansville, Ind.....	21,497	26,310	26,203	—18.3	—18.0
Fort Smith, Ark.....	8,187	9,350	11,189	—12.5	—26.8
Greenville, Miss.....	2,185	2,852	3,138	—23.4	—30.4
Helena, Ark.....	1,923	2,537	3,402	—24.3	—43.5
Little Rock, Ark..	24,096	26,496	37,897	— 9.1	—36.4
Louisville, Ky.....	117,526	131,974	176,941	—11.0	—33.6
Memphis, Tenn.....	77,131	92,027	112,311	—16.2	—31.3
Owensboro, Ky.....	4,626	5,162	5,944	—10.4	—21.2
Pine Bluff, Ark....	5,561	6,608	6,968	—25.9	—20.2
Quincy, Ill.....	7,470	8,221	8,941	— 9.2	—16.5
St. Louis, Mo.....	492,898	565,493	619,791	—12.8	—20.5
Sedalia, Mo.....	3,089	3,441	3,928	—10.2	—21.4
Springfield, Mo..	10,998	12,120	13,853	— 9.3	—20.6
**Texarkana, Ark.-Tex.....	7,847	8,957	11,893	—12.4	—34.1
Totals.....	\$817,726	\$934,958	\$1,086,679	—12.6	—24.7

\*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 191 member banks against 187 in July and 220 in August, 1930. The discount rate remained unchanged at 2½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Sept. 17, 1931	*Sept. 17, 1930	*Aug. 17, 1931
Bills discounted.....	\$13,871	\$17,858	\$11,758
Bills bought.....	1,106	10,350	1,752
U. S. Securities.....	30,708	23,899	30,476
Federal Inter. Cr. Bk. Debentures.....	630	.....	40
Participation in Inv. Foreign Banks.....	1,103	39	1,141
Total bills and securities.....	\$47,418	\$52,146	\$45,167
F. R. Notes in circulation.....	75,926	64,423	73,689
Total deposits.....	72,717	77,662	73,961
Ratio of reserve to deposits and F. R. Note Liabilities.....	73.5%	71.5%	74.7%

\*In thousands (000 omitted).



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of October 30, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

GENERAL business in the Eighth Federal Reserve District during the past thirty days developed no marked change as contrasted with the similar period immediately preceding. While increases in volume in September over August were achieved in some wholesaling and jobbing classifications, the betterment was due entirely to seasonal influences and in most cases its extent was considerably below the average during the past decade. In all lines investigated, the volume was substantially smaller than the relatively low totals of the corresponding period a year ago. Retail distribution increased in September over August, but in less than the usual seasonal amount, and with all firms reporting to this bank the volume of September sales fell below that of a year earlier. Both wholesale and retail trade was adversely affected by the unusually high temperatures prevailing throughout the district during September. While a better clearance than anticipated was effected in warm weather goods, the movement of seasonal merchandise was decidedly backward.

Except in a limited number of industries, production failed to show the improvement which ordinarily takes place at this time of year. There was a further recession in activities at foundries, mills and other ferrous metal working plants. New business with these interests was being sparingly placed, and despite reduced shipments, the volume of unfinished orders sustained further contraction. Reflecting reduced requirements of industry and mild weather, activities at bituminous coal mines in all fields of the district continued at the low levels of recent months. Building operations failed to expand, and demand for all sorts of building materials, except those used in highway construction and other outdoor engineering projects, was quiet. The employment situation as a whole showed no notable change as compared with the preceding thirty days, increased demand for workers in certain seasonal occupations being counterbalanced by reduced requirements elsewhere.

Conditions prevailing through the district during September and early October were in the main favorable for agriculture. The U. S. Department of Agriculture's report as of October 1 confirmed the earlier prospects for heavy yields of all crops. Between September 1 and October 1 improvement took place in corn, cotton, tobacco, hay and some less important crops. Clear, warm weather in September permitted of harvesting of late crops with minimum impairment to quality. Some delay in plowing and seeding of fall cereals was occasioned by the dry soil conditions in September, but generally this work has made good progress, and in most sections is up to the seasonal schedule. Depression in prices of farm products continued, with a number of important items recording new low levels on the present downward movement and in many years. Universally a surplus of farm labor exists, with wages the lowest in fifteen years.

As indicated by sales of department stores in the principal cities of the district, the volume of retail trade in September was 21.5 per cent smaller than during the same month in 1930, but approximately one-fourth larger than in August this year; for the first nine months this year the total was smaller by 12.6 per cent than during the same period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were 23 per cent smaller in September than for the same month in 1930 and 5.5 per cent less than the August total this year; for the first nine months this year the aggregate was 15.5 per cent less than for the same period in 1930. The value of permits for new buildings in the five largest cities of the district in September was 33.6 per cent larger than in August and 42.8 per cent smaller than in September, 1930. Construction contracts let in the Eighth District in September were 28 per cent and 35 per cent smaller, respectively, than a month and a year earlier. Debits to individual accounts in September were 7 per cent greater than in August, but 24 per cent less than in September, 1930; for the first nine months this year the total was approximately one-fifth less than for the same period in 1930.

Reflecting a decrease of distribution of commodities generally, and backwardness in the movement of cotton and some other agricultural products, railroads operating in this district reported a continued shrinkage in the volume of freight handled as compared with the corresponding periods a year and two years earlier. Unusually mild weather during the early fall has served to curtail the movement of coal and coke, particularly heavy decreases being noted in this classification. For the country as a whole, loadings of revenue freight during the first 40 weeks this year, or to October 3, totaled 29,343,825 cars against 36,124,956 cars for the corresponding period in 1930, and 41,099,973 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 144,843 loads in September, against 167,311 loads in August and 186,862 loads in September, 1930. During the first nine days of October the interchange amounted to 46,993 loads, against 42,356 loads during the corresponding period in September, and 57,676 loads during the first nine days of October, 1930. Passenger traffic of the reporting roads decreased 20 per cent in September as contrasted with the same month last year. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans in September was 106,500 tons, against 104,266 tons in August, and 113,749 tons in October, 1930.

Collections as a whole during the past thirty days were somewhat less satisfactory than in the similar period immediately preceding. In the rural areas and small towns results made a relatively poorer showing than was the case in the larger centers of population. Farmers are disposed to hold their products for higher prices in numerous instances and are slow in taking up their indebtedness to retail merchants, supply houses, etc. This backwardness is reflected in delayed settlements by country retailers with wholesalers and banks. However, wholesalers of boots and shoes, dry goods and other lines with which October is an important settlement month, report payments fully up to expectations, and comparing favorably with a year ago, though actual losses from weak accounts were considerably larger than in 1930. Generally through the South liquidation has developed moderate betterment in the immediate past, but is considerably below the usual seasonal volume. Retailers in the large cities report collections spotted and irregular. Replies to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
September, 1931.....	.0%	13.8%	64.1%	22.1%
August, 1931.....	.0	19.1	59.1	21.8
September, 1930.....	0.1	16.8	57.7	25.4

Commercial failures in the Eighth Federal Reserve District in September, according to Dun's, numbered 102, involving liabilities of \$2,621,575, against 125 failures in August with liabilities of \$830,833, and 153 defaults for a total of \$4,427,593 in September, 1930.

The average daily circulation in the United States in September was \$5,133,000,000, against \$4,947,000,000 in August, and \$4,492,000,000 in September, 1930.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes**—In conformity with the usual seasonal trend, sales of footwear in this district declined in September from August. The extent of the decrease this year was somewhat greater than in recent seasons, due in part to the lower level of prices. The warm weather in September was mentioned as another contributing factor to the smaller volume of business. Orders booked since October 1 reflect a further decline, with returns from the country and small towns making a particularly poor showing. September sales of the reporting firms were about one-fourth smaller than for the same month in 1930, and 13 per cent less than the August total this year. Stocks on October 1 were smaller by 5 per cent and 3 per cent, respectively, than thirty days and a year earlier. There was a further reduction in factory operations, the average being from 60 to 65 per cent of capacity.

**Clothing**—The unseasonably high temperatures prevailing throughout the district during September resulted in a good clearance of summer and early fall apparel, but had a tendency to hold down the movement of seasonal goods. Ordering for future delivery was in smaller volume than at any like period in recent years, retail distributors purchasing closely and only for actual requirements. Adopting their policy to this general trend, manufacturers are carrying small inventories and are cutting goods in close relationship to orders booked. Demand for working clothes failed to expand, and in all lines demand centers chiefly in cheap-priced goods. There was no change in prices as compared with the preceding thirty days, but the average was from 10 to 15 per cent lower than a year ago. September sales of the reporting interests were about two-thirds smaller than for the same month in 1930, and 17 per cent less than the August total this year.

**Drugs and Chemicals**—September sales of the reporting interests were 7 per cent smaller than for the same month in 1930, but 9 per cent larger than the August total this year. The increase from August to September is seasonal in character, but this year was slightly smaller than the average during the past decade. The prolonged hot spell, extending through the first three weeks of September,

had a stimulating effect on certain lines, notably soda fountain equipment and supplies, but tended to hold down sales of other commodities. Some improvement was noted in demand for heavy drugs and chemicals for the manufacturing trade. Stocks on October 1 were 2 per cent and 12 per cent smaller, respectively, than thirty days and a year earlier.

**Dry Goods** — Unseasonably warm weather and uncertainty relative to prices and the reduced purchasing power in the agricultural areas were given as reasons for a further decline in business in this classification. September sales of the reporting firms were 31 per cent smaller than for the same month in 1930, and approximately 2 per cent less than the August total this year. The decrease in the month-to-month comparison is seasonal in character, having taken place every year during the past decade, except 1930, when a slight increase was recorded. Purchasing of cold weather goods of all descriptions was in considerably smaller volume than is ordinarily the case at this time of year. Advance business on October 1 was in smaller volume than on any similar date in recent years. Inventories continue downward, stocks on October 1 being 9 per cent smaller than a month earlier, and about one-third less than on October 1, 1930.

**Electrical Supplies** — The usual seasonal betterment in this classification failed to appear in September, and sales of the reporting interests for that month were 9 per cent below those of August, and 35 per cent less than in September, 1930. Stocks declined moderately between September 1 to October 1 and on the latter date were 14 per cent less than a year ago. Since October 1 there has been some pick-up in demand for electric heaters and other seasonal commodities.

**Flour** — Production at the twelve leading mills of the district in September totaled 300,000 barrels, against 311,440 barrels in August and 398,617 barrels in September, 1930. Business through the last half of September and the first week of October continued dull, with demand confined chiefly to low grade flours. The unstable condition of the cash wheat market had a tendency to disturb confidence in values, and dealers and ultimate consumers were taking only enough for immediate requirements. Beginning with the second week this month considerable betterment has developed in demand, with sales including a larger percentage of the higher grades than has been the case in some time. Little change worthy of note took place in prices as compared with the preceding month. Mill operations were at from 45 to 50 per cent of capacity.

**Furniture** — September sales of the reporting firms were approximately one-third smaller than for the corresponding period last year, and 6 per

cent larger than the August total this year. Inventories continued the sharp recession noted in recent months, stocks on October 1 being 24 per cent and 41 per cent smaller, respectively, than thirty days and a year earlier.

**Groceries** — Sales of the reporting firms in September were 4 per cent greater than during the preceding month, but 14 per cent smaller than for September, 1930. Reflecting the usual seasonal trend, inventories increased between September 1 and October 1, but on the latter date were 8 per cent smaller than a year ago. The increase from September to October amounted to 22 per cent.

**Hardware** — September sales of the reporting firms were 7 per cent smaller than for the same month in 1930, but 8 per cent greater than the August total this year. For the first nine months this year the sales volume was approximately 19 per cent smaller than during the same period last year. A substantial part of this decrease is accounted for by lower prices. The increase in the month-to-month comparison is seasonal in character, and compares favorably with the average during the past decade. Inventories continue to decrease, stocks on October 1 being 3 per cent smaller than on September 1, and 23 per cent less than on October 1, 1930. Sales decreases were general in all lines, but most pronounced in builders' tools and hardware, and commodities consumed chiefly in the rural areas.

**Iron and Steel Products** — The usual seasonal acceleration in activities in the iron and steel industry in this district failed to appear during the past thirty days. The last half of September found operations at mills, foundries, machine shops and other ferrous metal working plants at the lowest point of the present depression. Unseasonably high temperatures in September militated against expansion of operations, and a number of idle foundries which had planned to resume on part time, postponed putting these programs into effect. Since the first of October there has been slight betterment in some branches of the industry, confined chiefly to stoves, furnaces and other typically seasonal goods. Demands for finished steel products continued at the low level which characterized the two preceding months. Purchasing by the railroads failed to expand, particularly with respect to new equipment, which many of the most important iron and steel plants in this district rely chiefly upon for business. The volume of new orders coming from the automotive industry was disappointing, as was, also, specifying on materials previously engaged. Iron and steel warehouse and jobbing interests reported the volume of sales in September about on a parity with the August total, but considerably smaller

than during the corresponding month last year. Activities in the farm implement industry declined further, a number of plants having closed down for an indefinite period. Inquiry for structural steel declined, and aside from concrete bars and other items used in highway construction and other outdoor engineering projects, demand for building materials remained at the low levels of recent months. Ordering and inquiry for pig iron for fourth quarter delivery was almost entirely absent, melters following the policy of purchasing such tonnages as they require in the open market. Pig iron prices remained steady, but there was a further decline in scrap values, heavy melting steel making a new low on the present recessionary movement. For the country as a whole, production of pig iron in September was 1,164,646 tons, the smallest for any single month since September, 1921 and comparing with 1,279,205 tons in August, and 2,276,781 tons in September, 1930. Steel ingot production in the United States in September totaled 1,547,602 tons, against 1,719,462 tons in August, and 2,840,397 tons in September, 1930.

### AUTOMOBILES

Following the usual seasonal trend, distribution of automobiles in this district decreased from August to September, with the decline this year somewhat greater than the average, according to dealers reporting to this bank. As contrasted with a year ago, the September volume also showed a sharp decrease. In both comparisons the decrease was distributed generally through all classes of vehicles, but was somewhat more marked in the category of cheap-priced cars. Demand for trucks continued fairly active, September sales of the reporting dealers being slightly larger than a month earlier, though considerably less than a year ago. New passenger car sales of these dealers in September were about one-fifth smaller than for the same month in 1930, and 32 per cent less than the August total this year. Almost without exception, dealers are following the policy of purchasing closely and only enough for well defined requirements, with the result that inventories continue considerably below the average at this period during the past several years. Stocks of new cars in dealers' hands on October 1 were slightly larger than a month earlier, but approximately one-third smaller than on October 1, 1930. Sales of used cars showed smaller declines in both the month-to-month and yearly comparisons, the September total being 8 and 16 per cent smaller, respectively, than thirty days and a year earlier. Stocks of salable secondhand cars in dealers' hands on October 1 were 7 per cent smaller

than on September 1, and 22 per cent less than on October 1, 1930. Business in accessories and parts continued to make a better showing than in the case of automobiles proper. In both the cities and country, owners are endeavoring to prolong the usefulness of their cars by extensive reconditioning and repairs. No change worthy of note took place in the tire situation as compared with the preceding thirty days. According to dealers reporting on that item, deferred payment sales in September constituted 47 per cent of their entire sales, against 48 per cent in August, and 52.5 per cent in September, 1930.

### 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	
	Sept. 1931	9 months ending	Sept. 30, 1931	Sept. 30, 1931	Jan. 1, to	Sept. 30,
	comp. to	Sept. 30, 1931 to	comp. to	comp. to	1931	1930
	Sept. 1930	same period 1930	Sept. 30, 1930	Sept. 30, 1930		
Evansville .....	17.5%	-22.6%	-18.6%		1.36	1.48
Little Rock.....	34.0	-14.5	-9.4		1.89	1.78
Louisville .....	18.5	-14.4	-23.6		1.98	2.02
Memphis .....	24.6	-18.6	-24.0		2.24	2.14
Quincy .....	33.4	-19.4	-17.3		1.84	1.91
St. Louis.....	20.2	-11.5	-7.6		2.75	2.82
Springfield, Mo.	28.3	-11.6	-10.5		1.23	1.19
8th District.....	21.5	-12.6	-12.6		2.45	2.45

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Sept. 1931	9 months ending	Sept. 30, 1931	Sept. 30, 1931	Jan. 1, to	Sept. 30,
	comp. to	Sept. 30, 1931 to	comp. to	comp. to	1931	1930
	Sept. 1930	same period 1930	Sept. 30, 1930	Sept. 30, 1930		
Men's						
Furnishings	-16.1%	-9.7%	-10.5%		2.36	2.24
Boots						
and Shoes.....	24.2	-19.5	-12.2		2.14	2.26

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in September were 33.6 per cent larger than in August, and smaller by approximately 42.8 per cent than in September a year ago. According to statistics combined by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in September amounted to \$11,790,867 which compares with \$16,457,113 in August, and \$18,166,653 in September, 1930. Production of portland cement for the country as a whole in September totaled 12,092,000 barrels against 13,549,000 barrels in August and 16,124,000 barrels in September, 1930. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	253	291	\$ 56	\$ 489	118	79	\$ 13	\$ 27
Little Rock	32	32	92	92	112	112	42	42
Louisville ..	82	80	143	271	33	59	16	131
Memphis ....	123	636	130	944	138	84	25	37
St. Louis....	327	375	1,271	1,163	241	343	153	183
Sept. totals	817	1,414	1,692	2,959	642	677	249	420
Aug. totals	678	1,237	1,266	2,080	616	559	400	687
July totals	615	1,147	1,590	2,191	560	589	630	378

\*In thousands of dollars (000 omitted).

### POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease of 10.1 per cent in combined postal receipts for the third quarter of this year under the corresponding quarter in 1930, and a decrease of 12.8 per cent as compared with the quarter ending June 30 this year. Detailed figures follow:

	Sept. 30, 1931	June 30, 1931	March 31, 1931	Sept. 30, 1930	Sept. 1931 comp. to Sept. 1930
Evansville .....	\$ 147,000	\$ 163,000	\$ 165,000	\$ 157,000	+ 6.4%
Little Rock.....	189,000	179,000	212,000	234,000	-19.2
Louisville ....	577,000	615,000	627,000	612,000	- 5.7
Memphis .....	440,000	491,000	521,000	541,000	-18.7
St. Louis.....	2,459,000	2,926,000	2,890,000	2,735,000	-10.1
Totals .....	\$3,812,000	\$4,374,000	\$4,415,000	\$4,279,000	-10.9

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in September as being about 9.1 per cent smaller than in August and 6.7 per cent less than in September, 1930. Detailed figures follow:

	No. of Custom- ers	Sept. 1931 *K.W.H.	Aug. 1931 *K.W.H.	Sept. 1931 comp. to Aug. 1931	Sept. 1930 *K.W.H.	Sept. 1931 comp. to Sept. 1930
Evansville ....	40	1,991	2,428	-18.0%	1,850	+ 7.6%
Little Rock..	35	1,888	2,087	- 9.5	2,208	-14.5
Louisville ....	85	6,587	7,201	- 8.5	6,882	- 4.3
Memphis .....	30	1,617	1,780	- 9.2	996	+62.3
St. Louis.....	163	19,572	21,309	- 8.2	21,988	-11.0
Totals .....	353	31,655	34,805	- 9.1	33,924	- 6.7

\*In thousands (000 omitted).

### AGRICULTURE

The very favorable prospects for crops in the Eighth Federal Reserve District, which have obtained since early in the present season, were well maintained during the past thirty days. Weather conditions, while not uniformly favorable, were on the whole auspicious for the maturing and harvesting of late crops, notably corn, tobacco, cotton, rice and hay. On October 1 the general average of all crops combined was somewhat higher than a month earlier. In most sections of the district early September weather was dry, with temperatures above the seasonal average. This permitted of rapid progress in garnering operations of all sorts, besides proving favorable for the movement of farm products to market with a minimum of impairment to quality. To the middle of October no frost damage occurred, and virtually all corn and cotton was past danger from that source. Lack of moisture retarded seeding of winter wheat to some extent during the first three weeks of September, but precipitation since that time has corrected this condition, and considerable progress has been made, though quite generally full planting intentions have not been carried out. At the middle of October practically the entire early rice crop had been threshed, and cutting and housing of tobacco had made rapid headway.

Counterbalancing the favorable prospect for bumper crop yields has been the continued depression in prices of all descriptions of farm products. The index of farm prices fell off three points during September and reached a new low record of 72, according to statistics released by the U. S. Department of Agriculture on October 2.

**Corn**— There was a further slight improvement in corn prospects in this district during September. The U. S. Department of Agriculture in its report as of October 1 places the yield at 402,867,000 bushels, an increase of 3,208,000 bushels over the September forecast, and comparing with 183,245,000 bushels harvested in 1930, and an 8-year average (1923-1930) of 342,534,000 bushels. In all the principal producing areas September weather was favorable for maturing the crop, though in some sections drying was too rapid, causing some reduction in yield and quality. For the most part, however, quality is high, with some bottom lands having the heaviest yields per acre and best grade corn produced in recent years. There are many complaints of earworm damage, and through the growing season more than the usual amount of injury was occasioned by insect pests, notably grasshoppers and chinch bugs. Husking has made good progress, with considerable cribbing reported at the middle of October.

**Winter Wheat**— Seeding of the new crop was delayed by dry, hot weather over a large part of the district during September. Recent rains, however, have permitted of extensive plowing and planting, though almost universally full intentions to plant have not been carried out, and total acreage for the district will be below that of a year and two years ago. The Department of Agriculture estimates total wheat production in the Eighth District in 1931 at 65,546,000 bushels, against 44,241,000 bushels in 1930, and an 8-year average of 49,921,000 bushels.

**Fruits and Vegetables**— The bright prospects of earlier in the season for fruits and vegetables have continued unimpaired through the early fall; except in the case of white potatoes, further improvement in condition of the principal crops took place between September 1 and October 1. The hot, dry weather during the first half of September resulted in some damage to fall gardens in certain sections, but since that time moisture has relieved the situation and substantially assisted late commercial vegetable crops. The pecan crop is the heaviest in five years, and quality is good in most sections of the district. The U. S. Department of Agriculture

estimates the apple crop in states entirely or partly within the Eighth District at 40,881,000 bushels, of which 4,402,000 barrels represent commercial crop, against the small crop of 12,935,000 bushels in 1930, with 1,666,000 barrels commercial crop, and a 5-year average of 21,349,000 bushels, of which 2,263,000 barrels were commercial crop. Owing to the size of the assured crop, coupled with low prevailing prices for both fresh fruit and cider stock, close culling and abandonment of low grade fruit has been general in all sections. In states of the district the peach crop is estimated at 16,521,000 bushels, which compares with 1,315,000 bushels in 1930, and a 5-year average of 8,495,000 bushels. A crop of 2,477 tons of grapes is forecast, against 1,008 tons in 1930 and a 5-year average of 1,729 tons; the sweet potato crop is estimated at 20,268,000 bushels, against 14,018,000 bushels in 1930 and a 5-year average of 18,188,000 bushels. In the district proper the white potato crop is forecast at 13,074,000 bushels, a decrease of 235,000 bushels from the September 1 estimate, comparing with 12,724,000 bushels harvested in 1930, and an 8-year average of 15,050,000 bushels.

**Live Stock** — No change worthy of note took place in the condition of live stock during the past thirty days. There were scattered reports of hog cholera, but nothing of a wide-spread or serious nature. Pastures have been improved by the recent rains, and moderate temperatures permitted of uninterrupted grazing of herds. Due to the low prices of hay and cereals, farmers in many localities have planned extensive feeding programs for the late fall and winter.

The U. S. Department of Agriculture in its October 1 report estimates the production of tame hay in this district at 6,889,000 tons, against 5,033,000 tons produced in 1930, and an 8-year average of 7,616,000 tons.

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

	Receipts			Shipments		
	Sept. 1931	Aug. 1931	Sept. 1930	Sept. 1931	Aug. 1931	Sept. 1930
Cattle and Calves.....	126,753	124,255	132,519	89,091	84,186	86,702
Hogs .....	205,040	190,104	238,241	157,783	152,715	191,940
Horses and Mules.....	2,349	2,358	1,567	2,888	1,740	1,477
Sheep .....	51,951	52,267	55,926	12,688	12,332	18,465

**Cotton** — The hot, fair weather of September was exceptionally favorable for the maturing and picking of the crop. Under the almost unbroken sunshine, bolls opened rapidly, in some localities more rapidly than the cotton could be picked. The high temperatures were especially beneficial in Mississippi and parts of Arkansas where the plant was rank and sappy. Due to the rapidity with which the

crop opened during the latter part of September, field loss of seed cotton is expected to be somewhat greater than usual. During the first half of October moderate temperatures prevailed, practically placing the entire district out of danger of frost damage. Due to low prices, farmers are employing as little help as possible, and as a result the harvest has been slow. A large portion of the crop is open, bolls are generally large and the staple excellent. Based on the October 1 condition, the Department of Agriculture estimates the yield of cotton in this district at 3,509,000 bales, which compares with 2,289,000 bales harvested in 1930, and an 8-year average (1923-1930) of 2,644,000 bales. Prices of raw cotton continued downward, a new low record for the season and for more than thirty years being established in early October. In the St. Louis market the middling grade ranged from 5.20c to 6.05c per pound between September 16 and October 15, closing at 5.75c on the latter date, which compares with 6.05c on September 15, and 9.40c on October 15, 1930. Stocks of cotton in Arkansas warehouses on October 16 totaled 319,836 bales, against 80,630 bales on September 11, and 232,489 bales on the corresponding date in 1930.

**Tobacco** — A slight betterment in prospects for tobacco in this district took place in September. Based on the October 1 condition, the U. S. Department of Agriculture estimates the total output at 409,724,000 pounds, which was about 9,000,000 pounds more than the September 1 prediction, and compares with 306,070,000 pounds harvested in 1930 and an 8-year average of 295,534,000 pounds. Weather has been in the main favorable for cutting and housing the crop, and considerable progress has been made in these operations. At the middle of October curing of the early crop was virtually completed.

**Commodity Prices** — Range of prices in the St. Louis market between September 15, 1931 and October 15, 1931, with closing quotations on the latter date and on October 15, 1930, follow:

	High	Low	Close	
			October 15, 1931	October 15, 1930
Wheat				
Dec. ....per bu..	\$.49 <sup>3</sup> / <sub>4</sub>	\$.42 <sup>3</sup> / <sub>4</sub>	\$.48	\$.78
May .....	.53 <sup>3</sup> / <sub>4</sub>	.46 <sup>3</sup> / <sub>4</sub>	.52	.83
No. 2 red winter ..	.50	.45	\$.49 <sup>1</sup> / <sub>2</sub> @	\$.88 @
No. 2 hard.....	.49	.44	.48 @	.48 <sup>1</sup> / <sub>2</sub> .80 @
Corn				
Dec. ....	.38 <sup>3</sup> / <sub>4</sub>	.32 <sup>3</sup> / <sub>4</sub>	.34 <sup>1</sup> / <sub>2</sub>	.80 <sup>1</sup> / <sub>2</sub>
May .....	.42 <sup>1</sup> / <sub>2</sub>	.36 <sup>3</sup> / <sub>4</sub>	.38 <sup>1</sup> / <sub>2</sub>	.83
No. 2 mixed.....	.47 <sup>1</sup> / <sub>2</sub>	.36	.38 @	.38 <sup>1</sup> / <sub>2</sub> .85 @
No. 2 white.....	.49	.39	.40 <sup>1</sup> / <sub>2</sub> @	.41 .92 @
Oats				
No. 2 white.....	.24	.21 <sup>1</sup> / <sub>2</sub>	.21 <sup>1</sup> / <sub>2</sub> @	.22 .37 <sup>1</sup> / <sub>2</sub> @
Flour				
Soft patent.....per bbl.	4.00	3.25	3.25 @	4.00 4.50 @
Spring patent.....	4.00	3.75	3.75 @	4.00 4.75 @
Middling cotton.....per lb.	.0605	.052	.0575	.940
Hogs on hoof.....per cwt.	5.90	3.60	4.00 @	5.60 8.00 @

**FINANCIAL**

The usual seasonal expansion in demand for credits by mercantile and manufacturing interests was less in evidence during the past thirty days than has been the case in recent years. Small inventories are the rule with wholesaling and jobbing concerns, and in virtually all manufacturing lines, production is being held to close relationship with orders booked. Commitments for both raw and finished goods are being cautiously made and numerous firms which are ordinarily in the market for extensive credit lines at this time of year are operating largely on their own resources.

Demand for financing the harvesting and movement of fall crops has been less urgent than at the corresponding period in a number of years. Throughout the south farmers are employing a minimum of help for picking cotton and harvesting tobacco and rice crops. Liquidation with country banks in the winter wheat areas has been in satisfactory volume as a whole, though somewhat spotty in character. There is a general disposition on the part of farmers to hold their products for more favorable markets. Demand for credit to finance livestock for market continues active, particularly in the northern tiers of the district.

Deposits of the reporting member banks continued the irregularly downward trend which started last April, and in the second week of October recorded a new low point for the year. Loans of these banks fluctuated within a narrow range, and after recording a new low for the year in the second week of October, reacted slightly upward in the third week of that month. Investments declined further, the total on October 15, \$215,538,000, comparing with \$242,000,000, the high point of the year, reached on May 28. Borrowings of all member banks from the Federal reserve bank averaged slightly higher than during the preceding thirty days.

Interest rates charged by the commercial banks advanced slightly during early October. At the St. Louis banks current rates were as follows: Prime commercial paper, 3 to 5 per cent; collateral loans, 3½ to 5½ per cent; loans secured by warehouse receipts, 4 to 5½ per cent; Inter-bank loans, 4 to 5½ per cent, and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on October 14, 1931, showed a decrease of .6 per cent as contrasted with September 16, 1931. Deposits decreased 2.4 per cent between September 16, 1931 and October 14, 1931

and on the latter date were 4.6 per cent smaller than on October 15, 1930. Composite statement follows:

	*Oct. 14, 1931	*Sept. 16, 1931	*Oct. 15, 1930
Number of banks reporting.....	†25	†25	†24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$158,550	\$160,654	\$211,179
All other loans and discounts....	240,461	240,786	280,359
Total loans and discounts.....	\$399,011	\$401,440	\$491,538
Investments			
U. S. Government securities.....	83,349	83,807	34,809
Other securities.....	132,189	138,146	126,021
Total investments.....	\$215,538	\$221,953	\$160,830
Reserve balance with F. R. bank..	42,870	41,097	45,051
Cash in vault.....	7,845	6,245	5,765
Deposits			
Net demand deposits.....	336,209	339,488	361,475
Time deposits.....	228,046	234,029	235,878
Government deposits.....	6,859	11,575	1,208
Total deposits.....	\$571,114	\$585,092	\$598,561
Bills payable and rediscounts with Federal Reserve Bank.....	3,879	4,778	5,020

\*In thousands (000 omitted).  
†Decrease due to consolidation. These 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.

	*Sept. 1931	*Aug. 1931	*Sept. 1930	Sept. 1931 comp. to Aug. 1931	Sept. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	27,319	\$ 27,735	\$ 38,128	— 1.5%	—28.3%
El Dorado, Ark.....	4,003	4,957	6,472	—19.3	—38.1
Evansville, Ind.....	21,099	21,497	24,348	— 1.9	—13.3
Fort Smith, Ark....	9,127	8,187	12,158	+11.5	—24.9
Greenville, Miss....	2,372	2,185	3,425	+ 8.6	—30.7
Helena, Ark.....	1,747	1,923	3,711	— 9.2	—52.9
Little Rock, Ark....	24,086	24,096	41,357	— 0.0	—41.8
Louisville, Ky.....	128,334	117,526	204,913	+ 9.2	—37.4
Memphis, Tenn.....	85,358	77,131	126,709	+10.7	—32.6
Owensboro, Ky.....	4,140	4,626	5,739	—10.5	—27.9
Pine Bluff, Ark....	5,149	5,561	8,018	— 7.4	—35.8
Quincy, Ill.....	7,321	7,470	10,921	— 2.0	—33.0
St. Louis, Mo.....	531,121	492,898	617,263	+ 7.8	—14.0
Sedalia, Mo.....	3,281	3,089	4,126	+ 6.2	—20.5
Springfield, Mo....	12,006	10,998	14,996	+ 9.2	—19.9
*Texarkana, Ark.-Tex.....	8,020	7,847	10,194	+ 2.2	—21.3
Totals.....	\$874,483	\$817,726	\$1,156,894	+ 6.9	—24.4

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During September the Federal Reserve Bank of St. Louis discounted for 215 member banks against 191 in August and 208 in September, 1930. Effective October 22 the discount rate of this bank was increased from 2½ per cent to 3½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Oct. 14, 1931	*Sept. 14, 1931	*Sept. 14, 1930
Bills discounted.....	\$14,101	\$13,470	\$15,525
Bills bought.....	33,842	1,097	8,494
U. S. Securities.....	31,211	30,708	23,899
Federal Inter. Cr. Bk. Debentures.....	630	40	.....
Participation in Inv. Foreign Banks.....	1,103	1,124	39
Total bills and securities.....	\$80,887	\$46,439	\$47,957
F. R. Notes in circulation.....	80,185	76,382	62,996
Total deposits.....	76,806	75,677	76,118
Ratio of reserve to deposits and F. R. Note Liabilities.....	53.5%	74.7%	72.3%

\*In thousands (000 omitted).

(Compiled October 22, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of November 30, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**RADE and industry in the Eighth Federal Reserve District during October failed to better the low rate of activity prevailing during the preceding month. On the contrary, with virtually all lines investigated by this bank, there was a slowing down as contrasted with September, and as compared with the same time last year, the showing was distinctly unfavorable. In the large cities and the country purchasing of commodities was on a very conservative and cautious scale, and universally there was a disposition to conserve cash. Unseasonably high temperatures obtaining through the month tended to hold down distribution of fall and winter goods, besides causing many manufacturers to further postpone programs for increased production. This was true particularly in the heavier lines, notably iron and steel, lumber, fire clay products and all descriptions of building materials. As has been the case for many months, manufacturers were making up only limited quantities of goods for stock, confining their operations almost exclusively to materials to apply on orders actually booked or in reasonably certain prospect.

The most important constructive development in this area, has been the sharp rise in prices of wheat, corn, cotton and other important agricultural products. This change has resulted in a sharp acceleration in business of wholesalers in the large distributing centers, also in retail trade in the country and small towns. A number of large retailing and jobbing firms which furnish their statistics to this bank, report sales volume during the first half of November the largest for any similar period this year.

Agricultural prospects maintained the high promise of earlier in the year. Production of virtually all the leading crops grown in this district in 1931 will considerably exceed the average, and in the case of cotton and corn, new records for all time are indicated. Thus, while prices through the season have been low, large quantities to dispose of will partly offset the low unit return. In many sec-

tions liquidation by farmers has been in excess of expectations, and additional reduction of indebtedness is in prospect. Throughout the district, farmers are well supplied with food and feed for carrying through the winter, and conditions in the agricultural areas are considerably better than at the corresponding period a year or two years ago.

The volume of retail trade in October, as reflected in sales of department stores in leading cities, was 15.6 per cent smaller than during the same month in 1930, and approximately 3 per cent larger than in September this year; for the first ten months this year the total was 13 per cent smaller than during the same period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were one-fourth smaller in October than for the same month in 1930 and 7 per cent smaller than the September total this year; for the first ten months this year the aggregate was 16 per cent below that of the same period in 1930. The value of permits issued for new buildings in the five largest cities of the district in October was 15.5 per cent smaller than in September, and 11 per cent larger than in October, 1930. Construction contracts let in the Eighth District in October were the smallest for any month since these records have been kept; 36 per cent smaller than in September and 76 per cent less than in October, 1930. Debits to individual accounts in October exceeded the September total by 8.8 per cent, but were almost one-fourth less than in October, 1930; for the first ten months this year the aggregate was about one-fifth smaller than for the same period in 1930. Savings deposits held by selected banks decreased slightly between October 7 and November 4, and on the latter date were 6.4 per cent smaller than on the corresponding date last year.

Freight traffic of railroads operating in this district continued in considerably smaller volume than during the corresponding period a year and two years earlier. Recessions occurred in all classifications, but were most pronounced in merchandise

and miscellaneous freight and coal and coke. Due to the unusually mild weather through October and the first half of November and the low rate of operations at industrial plants, consumption of fuel was much smaller than the usual seasonal volume. For the country as a whole, loadings of revenue freight for the first 44 weeks this year, or to October 31, totaled 32,379,444 cars against 39,905,050 cars for the corresponding period in 1930 and 45,671,671 cars in 1929. The St. Louis Terminal Railway, which handles interchanges for 28 connecting lines, interchanged 152,751 loads in October, against 144,833 loads in September and 194,613 loads in October, 1930. During the first nine days of November the interchange amounted to 43,328 loads, which compares with 46,993 loads during the corresponding period in October and 54,121 loads during the first nine days of November, 1930. Passenger traffic of the reporting roads decreased 20 per cent in October as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 105,000 tons, against 106,931 tons in September and 102,569 tons in October, 1930.

Reports relative to collections reflected somewhat spotty and irregular conditions, but with the average slightly better than during the preceding thirty days and comparing favorably with the corresponding period a year ago. Throughout the south, where cotton, rice and tobacco are being harvested, liquidation showed improvement as contrasted with the month before. Planters have taken up a considerable part of their indebtedness to the Government for feed and seed loans, thereby releasing much cotton for paying other bills. The upturn in wheat prices has been reflected in a quickening in collections in the typical grain areas. Wholesalers and jobbers in the chief distributing centers report October 1 settlements fully up to expectations, with some lines showing better results than a year ago. City retailers report little change in conditions from earlier in the fall. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

		Excellent	Good	Fair	Poor
October, 1931.....		0%	21.1%	56.4%	22.5%
September, 1931.....		0	13.8	64.1	22.1
October, 1930.....		1.4	8.5	67.6	22.5

Commercial failures in the Eighth Federal Reserve District in October, according to Dun's, numbered 126 involving liabilities of \$2,497,736 against 102 failures in September with liabilities of \$2,621,575, and 118 defaults for a total of \$3,505,807 in October, 1930.

The average circulation in the United States in October was \$5,478,000,000 against \$5,133,000,000 in September, and \$4,501,000,000 in October, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — October sales of the reporting firms were 28 per cent smaller than for the same month in 1930, and 9 per cent less than the September total this year. Inventories continue to decrease, stocks on hand November 1 being 23 per cent and 8 per cent smaller, respectively, than a month and a year earlier. The decrease in the month-to-month sales comparison is seasonal, and compares with a decrease of 15 per cent for the same period in 1930. Weather conditions have been unfavorable for the movement of seasonal goods, and another influence tending to hold down sales was the disposition on the part of retailers to await possible price reductions. Collections were reported in the main good, though the volume of actual losses from weak accounts is considerably larger than heretofore. Factory operations were reduced somewhat, averaging from 60 to 65 per cent of capacity.

**Clothing** — According to the reporting firms, the movement of seasonal apparel during October continued much below normal, due chiefly to the mild weather prevailing in October and during the first part of November. Sales in October showed a considerable increase over September, but the total was 17 per cent smaller than for October last year. Demand in both men's and women's lines centers largely in cheap-priced goods.

**Drugs and Chemicals** — October sales of the reporting interests fell 21 per cent below the same month in 1930, but increased 1 per cent over the September total this year. Stocks on November 1 were slightly larger than thirty days earlier, but 6 per cent less than on November 1 last year. Buying of seasonal merchandise was backward, due partly to the warm weather. In the immediate past, considerable betterment has taken place in advance ordering of holiday goods and remedial drugs. This has been offset, however, by the usual recession in demand for heavy chemicals and drugs by the manufacturing trade. Prices were about steady with the preceding month, advances in certain commodities being balanced by declines in others.

**Dry Goods** — Activities in this classification during October failed to develop improvement, sales of the reporting firms in that month showing a decline of 27 per cent under the corresponding period last year and of 1 per cent under the September volume this year. In the comparison with a year ago a considerable part of the decrease is accounted for by lower prices. Unseasonably high

temperatures held down purchasing of cold weather merchandise, notably underwear, outings and woolen blankets. Since November 1 there has been considerable pick-up in all lines, attributed partly to the upturn in certain agricultural products and to a greater disposition on the part of retailers to replenish heavily depleted stocks. Two leading firms reported sales during the first two weeks in November the heaviest for any similar period this year. Purchasing, however, continues chiefly for immediate shipment, little appreciation being noted in advance orders. Stocks continue to decrease, the total on November 1 being 13 per cent smaller than a month earlier, and about one-third smaller than on November 1, 1930.

**Electrical Supplies** — A moderate improvement took place in sales of the reporting firms from September to October, but the total for the latter month was one-third less than for the same period in 1930. Inventories also gained slightly between October 1 and November 1, but were 15 per cent smaller on the latter date than a year ago. In the sales comparison with last year, decreases were general in practically all lines, but most pronounced in radio materials, household appliances and automotive goods. Ordering of seasonal and holiday merchandise is in smaller than the usual volume.

**Flour** — Production at the twelve leading mills of the district in October totaled 305,335 barrels, against 300,676 barrels in September and 426,184 barrels in October, 1930. Considerable improvement in demand for all grades of flour developed during the last half of October, due mainly to the advance in the wheat market. The betterment has continued into November, though in the immediate past the erratic action of the grain market has had a tendency to hold down buying. For the first time in a number of months interest in future requirements was in evidence, and generally the class of buying was better than at any time this season. One favorable development, according to reporting millers, was the broader demand for high grade flours. In sympathy with the upturn in wheat, prices advanced to the highest point since last July. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture**—October sales of the reporting firms were 44 per cent less than for same month in 1930 and 18 per cent smaller than the September total this year. Ordering by retailers through October continued on a hand-to-mouth basis, with relatively little interest being taken in holiday goods. Since November 1 there has been a fair pick-up in the line as a whole, particularly in household furniture and furnishings. There were no notable changes in prices as compared with the preceding thirty days,

but the trend is lower. Inventories continue to shrink, stocks on November 1 being only about half as large as on the same date in 1930, and 15 per cent less than on October 1 this year.

**Groceries** — Considerably smaller buying in the rural areas and generally lower prices were largely responsible for a decrease in October sales of the reporting firms of 21 per cent below the same month in 1930. A decrease of 8 per cent under the September total this year was shown. Stocks on November 1 were 14 per cent and 18 per cent smaller, respectively, than thirty days and a year earlier. Advance ordering of holiday goods is reported in smaller volume than at any similar period in recent years.

**Hardware** — Business in this classification was marked by further contraction during October, sales of the reporting firms for that month being 18 per cent smaller than for the same period in 1930, and 9 per cent less than in September this year. Inventories also declined, the November 1 totals showing a decrease of 7 per cent and 22 per cent, respectively, as contrasted with thirty days and a year earlier. In the yearly sales comparison a considerable part of the decrease was due to reduced purchasing of builders' tools and hardware, and of goods used chiefly in the rural areas. The trend of prices was slightly lower, with the average about 5 to 8 per cent below a year ago.

**Iron and Steel Products** — Activities at mills, foundries, machine shops and other ferrous metal working plants in this district averaged slightly lower during October than the low rate in September. During the first half of November a further slowing down was noted, largely seasonal in character and most pronounced in the steel mills. Despite the small volume of shipments of finished goods, a further contraction in unfilled orders took place. The placement of new business continues along extremely cautious and conservative lines, and covers only materials for immediate requirements. Demand from the automotive industry was below expectations, new orders being in relatively small volume and specifications on materials under contract, backward. This was true particularly in the case of malleable foundries and certain manufacturers of forgings. The mild weather prevailing all fall had a tendency to hold down purchasing of seasonal goods, besides causing postponement of planned operations by certain specialty makers. Sales of farm implement interests were reported the smallest for any similar period in recent years, and for the most part their plants were closed down or being operated on heavily reduced schedules. Ordering by the railroads continues at the low ebb of earlier months this year. Since completion of the harvests,

moderate expansion in materials for the agricultural sections has taken place, but the movement of such goods is considerably below the seasonal average. Distribution of iron and steel goods by jobbing and warehouse interests continued spotty and irregular, the only lines exhibiting activity being for use in highway construction and other outdoor engineering projects. Building materials generally remained quiet, and less than the usual seasonal improvement was noted in demand for tubular goods. Manufacturers and distributors of sheets and plates report October sales the smallest for any month since last winter. The trend of prices of finished materials generally was slightly easier, and further reductions were made in scrap iron and steel prices. Quotably pig iron was unchanged, but buying, particularly of basic iron, was hardly sufficient to fully test the market. Ordering for first quarter of 1932 has not developed, melters generally taking only what they need from month to month. For the country as a whole the average daily rate of pig iron production in October was 37,832 tons, a decrease of 2.8 per cent from the September rate. Total production in October was 1,172,871 tons, against 1,168,436 tons in September and 2,165,374 tons in October, 1930. Steel ingot production in the United States in October totaled 1,592,376 tons, against 1,547,602 tons in September and 2,692,539 tons in October, 1930.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in October totaled 80,142, against 140,566 in September, and 150,044 in October 1930.

According to dealers reporting to this bank, there was a substantial decrease in distribution of automobiles during October as contrasted with September, also a small decrease as compared with October last year. The decrease in the month-to-month comparison is seasonal in character, having invariably taken place during the past eight years. The extent of the decrease this year was somewhat larger than the average, which fact is partly attributable to a general disposition on the part of prospective purchasers to await the appearance of new models and possible price reductions. The decrease under a year ago was considerably smaller than in recent months. As has been the case since last fall, sales of dealers, in the country and small towns made a relatively less favorable showing than those in the larger centers of population. Sales of repair parts and accessories continue relatively heavier than of automobiles proper, due to the fact that owners are reconditioning their cars in order to prolong their period of serviceability. Sales of new passenger cars by the reporting dealers in

October were 14 per cent less than in September and 7 per cent smaller than the October total last year. In anticipation of new models, dealers were universally holding their purchases from factories to a minimum. Inventories receded further, stocks on hand on November 1 being 8 per cent smaller than a month earlier, and approximately one-fourth less than on November 1, 1930. Fair activity was reported in the used car market, with demand for the better class of machines, those selling at \$500 or more, showing distinct improvement. Stocks of salable new cars on hand on November 1 showed little change from a month earlier, and were about one-fourth less than on November 1 last year. Sales of trucks showed a slight decline from September to October, but a gain of 3 per cent over October, 1930. Deferred payment sales of dealers reporting on that item constituted 51 per cent of their total October sales, against 47 per cent in September, and 54 per cent in October, 1930.

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in October were 15.5 per cent smaller than in September, and larger by approximately 11 per cent than in October a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in October amounted to \$7,538,340, the smallest monthly total ever recorded and comparing with \$11,790,867 in September, and \$31,705,045 in October, 1930. Production of portland cement for the country as a whole in October totaled 10,762,000 barrels against 12,092,000 barrels in September, and 14,410,000 barrels in October, 1930. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	185	299	\$ 56	121	66	80	\$ 21	\$ 42
Little Rock ..	13	32	2	52	63	76	11	25
Louisville ..	58	92	317	315	45	48	26	59
Memphis ....	163	170	591	243	133	173	104	123
St. Louis....	308	380	463	552	267	327	117	213
Oct. totals	727	973	1,429	1,283	574	704	279	462
Sept. totals	817	1,414	1,692	2,959	642	677	249	420
Aug. totals	678	1,237	1,266	2,080	616	559	400	687

\*In thousands (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 October as being about 7 per cent smaller than in September and 17 per cent less than in October, 1930. Detailed figures follow:

	No. of Customers	Oct. 1931	Sept. 1931	Oct. 1931	Oct. 1930	Oct. 1931
		*K.W.H.	*K.W.H.	comp. to Sept. 1931	*K.W.H.	comp. to Oct. 1930
Evansville ....	40	2,040	1,991	+ 2.5%	1,984	+ 2.8%
Little Rock..	35	1,548	1,888	-18.0	2,378	-34.9
Louisville ...	85	6,319	6,587	- 4.1	7,649	-17.4
Memphis ....	31	2,237	1,617	+38.3	1,816	+23.2
St. Louis.....	164	17,334	19,572	-11.4	21,720	-20.2
Totals .....	355	29,478	31,655	- 6.9	35,547	-17.1

\*In thousands (000 omitted).

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

	By water power	By fuels	Totals
September, 1931.....	2,220,468,000	5,335,443,000	7,555,911,000
August, 1931.....	2,458,463,000	5,164,812,000	7,623,275,000
September, 1930.....	2,274,895,000	5,516,807,000	7,791,702,000

### 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	
	Oct. 1931 comp. to Oct. 1930	10 months ending Oct. 31, 1931 to same period 1930	Oct. 31, 1931 comp. to Oct. 31, 1930	Jan. 1, to Oct. 31, 1931	1930
Evansville .....	-18.0%	-22.2%	-17.9%	1.55	1.66
Little Rock.....	-14.5	-15.4	-16.3	2.11	2.03
Louisville .....	-24.2	-15.6	-19.0	2.23	2.28
Memphis .....	-19.1	-18.7	-24.0	2.52	2.40
Quincy .....	-29.2	-20.6	-19.1	2.08	2.15
St. Louis.....	-12.4	-10.7	-10.6	3.07	3.14
Springfield, Mo.....	-20.0	-22.8	-11.1	1.40	1.38
8th District.....	-15.6	-12.9	-14.5	2.74	2.75

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Oct. 1931 comp. to Oct. 1930	10 months ending Oct. 31, 1931 to same period 1930	Oct. 31, 1931 comp. to Oct. 31, 1930	Jan. 1, to Oct. 31, 1931	1930
Men's Furnishings	-7.6%	-8.6%	-14.2%	2.66	2.52
Boots and Shoes.....	-17.2	-19.3	-13.3	2.38	2.51

### AGRICULTURE

Through October and the first half of November weather in the Eighth Federal Reserve District was mild and generally auspicious for harvesting of late crops and agricultural operations of all descriptions. As a result the indicated heavy yields of earlier in the season were well sustained, and in the case of several important productions, prospects increased between October 1 and November 1. Freezes and killing frosts were delayed later than is ordinarily the case and it was possible for farmers to carry their live stock on pasture further into the season than usual. Harvesting conditions were ideal, particularly for cotton, tobacco and corn, and these products were secured with minimum losses in quantity and quality. Lack of rainfall in some sections was unfavorable for fall planted grains, but generally plowing and preparation of the soil advanced rapidly and seeding of winter wheat was completed, though farmers were unable in many instances to get in full intended acreage, and the total area seeded to wheat will be smaller than a year ago. Taken as a whole the output of agricultural products in this district in 1931 is one of the largest on record, and considerably in excess of the average during the past ten years.

A favorable development of the past thirty days has been the sharp advance in prices of wheat, corn, cotton and some other important farm products. After the long period of declining values, the up-

ward reaction had the effect of buoying sentiment in the farming community, besides substantially increasing farm incomes. Due to the extremely low prices earlier in the season, producers were disposed to hold as much as possible of their crops for more favorable marketing conditions. Those who were able to pursue this policy have benefitted by the recent rise in prices. Except in sections of the south where cotton picking was in progress, there continued a large surplus of farm labor in all parts of the district, the number of unemployed having increased considerably since completion of the cereal harvests.

**Corn**—Based on the November 1 condition, the U. S. Department of Agriculture estimates the output of corn in the Eighth District at 399,923,000 bushels, a slight decrease under the October 1 forecast, and comparing with 183,254,000 bushels harvested in 1930, and an 8-year (1923-1930) average of 342,534,000 bushels. The quality of the crop is high, with an unusually large percentage being of merchantable grades. Dry weather in October matured late corn, and nowhere was there damage from frosts. Harvesting and husking has made good progress and considerable housing of the crop has been accomplished.

**Winter Wheat**—Due to dry weather early in the season, seeding of wheat extended further into the fall than is ordinarily the case. In some sections planting was still being carried on during the first week of November. However, newly seeded fields are growing rapidly and are generally in good condition. The movement to market has been heavy, having been stimulated since late October by the rise in prices. Production of wheat in 1931 in this district is estimated by the Department of Agriculture at 65,546,000 bushels, against 44,241,000 bushels in 1930, and an 8-year average of 49,921,000 bushels.

**Fruits and Vegetables**—Latest reports tend to confirm unusually large yields of vegetables and fruits in this district in 1931. Harvesting has been practically completed, and in the case of apples, peanuts, sweet potatoes, peaches and a number of other important productions, yields are in excess of the 10-year average. The year was marked by increased cultivation of truck crops and small fruits, farmers turning to these products in order to carry out programs of diversification and departure from single crops. The apple crop in states entirely or partly within the Eighth District is 42,063,000 bushels, of which 4,494,000 barrels grade as commercial crop, against the small output of 12,935,000 bushels, with 1,666,000 barrels commercial crop in 1930, and a 5-year average of 21,349,000 bushels of which 2,263,000 barrels were commercial crop. The output of pears in these states is estimated at 2,510,000 bushels,

against 1,008,000 bushels in 1930 and a 5-year average of 1,729,000 bushels; sweet potatoes 18,588,000 bushels, against 14,018,000 bushels last year and a 5-year average of 18,188,000 bushels; peanuts, 31,730,000 bushels, against 19,950,000 bushels in 1930 and a 5-year average of 30,466,000 bushels; grapes 46,510 tons, against 33,831 tons in 1930 and a 5-year average of 32,387 tons. Gardens in many localities were benefitted by the delayed frost date and mild weather, and have proved serviceable considerably later into the season than is ordinarily the case.

**Live Stock** — Reports from virtually all sections of the district reflect favorable conditions among live stock. Mild weather, late pasturage and ample supplies of feed and fodder have contributed to putting herds in exceptionally fine shape for market and weathering through the winter. Prices, particularly of hogs, have been low, and there are numerous complaints of scant profits on feeding operations. Milk production has been well maintained, but a further decrease in egg production took place. Late hay crops are turning out well as a rule. The crop of turkeys is one of the best in recent years, though due to mild weather, shipments to market up to the middle of November were relatively light.

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

	Receipts			Shipments		
	Oct., 1931	Sept., 1931	Oct., 1930	Oct., 1931	Sept., 1931	Oct., 1930
Cattle and Calves.....	122,408	126,753	140,285	87,449	89,091	92,541
Hogs .....	238,246	205,040	304,663	189,186	157,783	250,431
Horses and Mules.....	2,741	2,349	2,167	2,867	2,888	2,360
Sheep .....	64,087	51,951	65,421	19,708	12,688	34,397

**Cotton** — Due largely to absence of damaging frosts in October, ideal harvesting conditions and minimum losses from rain and wind, cotton prospects underwent further improvement between October 1 and November 1. Based on conditions on the latter date, the Department of Agriculture estimates production in the Eighth District at 3,684,000 bales, an increase of 175,000 bales over the October 1 forecast, and comparing with 2,289,000 bales produced in 1930, and an 8-year average (1923-1930) of 2,644,000 bales. Early November weather continued fine, picking continued in many localities, and indications point to smaller field loss this season than in a number of years. The movement was somewhat slow in getting under way, but once started has been in heavy volume. Ginnings have made good progress, and reports on the portion of the crop ginned to date indicate that the average weight of bales this season is heavier than any previous year on record. Prices of raw cotton moved upward from the low point of the season, reached in the first week of October. In the St.

Louis market the middling grade ranged from 5.85c to 6.60c per pound between October 16 and November 16, closing at 6.00c on the latter date, which compares with 5.85c on October 16, and 9.35c per pound on November 17, 1930. Stocks of cotton in Arkansas warehouses on November 13 totaled 614,817 bales, which compares with 319,836 bales on October 16 and 357,127 bales on November 14, 1930.

**Tobacco** — Relatively little change occurred during October, the output in this district being estimated by the Department of Agriculture, based on the November 1 condition, at 407,512,000 pounds, a decrease of about 2,000,000 pounds under the October 1 forecast, and comparing with 306,070,000 pounds produced in 1930, and an 8-year average of 295,534,000 pounds. For the country as a whole the crop is estimated at 1,647,975,000 pounds. This forecast, while for a record crop, is only about 0.4 per cent larger than the production in 1930, but approximately 21.4 per cent above the average for the five years, 1925-1929. Weather has been generally favorable for curing tobacco, both in the burley and dark leaf districts. Markets for sale of the year's crop will open between December 7 and 15, and heavy initial deliveries are looked for. Efforts are being made in the burley and dark tobacco districts to organize farmers into a cooperative marketing plan for sale of the 1931 crop.

**Rice** — With harvesting about completed, it is evident that the rice crop in Arkansas will amount to about 9,010,000 bushels. This compares with 7,912,000 bushels produced in 1930 and a 5-year average of 8,310,000 bushels. Quality is mainly high, but prices disappointing, farmers receiving from 30 to 35 per cent less than at the same time last year.

**Commodity Prices** — Range of prices in the St. Louis market between October 16, 1931 and November 16, 1931, with closing quotations on the latter date and on November 17, 1930, follow:

	High	Low	Close	
			Nov. 16, 1931	Nov. 17, 1930
Wheat				
Dec. ....per bu..	\$.65½	\$.48½	\$.57½	\$.73¼
May .....	.70¾	.52½	.61	.75½
No. 2 red winter ..	.67½	.50	\$.60 @ .61½	\$.84 @ .85
No. 2 hard .....	.66	.47½	\$.59 @ .59½	.75 @ .76
Corn				
Dec. ....	.47¾	.34½	.43¼	.71½
May .....	.52¾	.38½	.47½	.76¾
No. 2 mixed.....	.46½	.38	.43 @ .43½	.71 @ .72
No. 2 white.....	.47½	.39½	.43¼ @ .43½	.75 @ .76
Oats				
No. 2 white.....	.28¼	.23½	.28 @ .28¼	.34½ @ .35
Flour				
Soft patent.....per bbl.	4.35	3.25	3.80 @ 3.85	4.30 @ 4.75
Spring patent.....	4.60	3.75	4.25 @ 4.50	4.40 @ 4.65
Middling cotton.....per lb.	.066	.0585	.06	.0935
Hogs on hoof.....per cwt.	5.60	3.75	4.00 @ 4.15	7.25 @ 8.75

## FINANCIAL

The banking and financial situation in this district during the past thirty days was marked by a noticeable increase in demand for credits, com-

ing from a wider diversity of borrowers than has been the case in a number of months. Requirements of mercantile interests in the chief distributing centers were on a somewhat larger scale, due in the main to seasonal influences. There was little change in demand from manufacturing interests, however, which continued at the low levels which have obtained through the year. In the south there was the usual expansion in demand for funds for financing cotton, tobacco, rice and other fall crops. The sharp upturn in wheat prices was reflected in increased commitments by grain handlers, flour mills and kindred interests. Due to a disposition of cotton planters to hold their stocks for higher prices, liquidation of loans based on that staple has been backward, and country banks in the cotton areas have been slow in liquidating with their city correspondents. Taken as a whole, however, liquidation has been in considerable volume, comparing favorably with the corresponding period a year ago.

Between October 14 and November 10 total loans and discounts of the reporting member banks decreased slightly, and the total of \$396,537,000 on the latter date was approximately 18 per cent smaller than at the corresponding time last year. Loans on securities were sharply lower in both the month-to-month and yearly comparisons. Deposits of these banks continued to recede during October, but the curve representing this item has turned definitely upward since the first of November. Investments showed only minor variation during the month, but on November 10 were almost one-third larger than a year ago. Due in large measure to the sustained heavy demand for currency, borrowings of all member banks from the Federal reserve bank and the volume of Federal reserve notes in circulation expanded further, reaching new high levels for the year.

Interest rates moved upward during late October and early in November: At the St. Louis banks current rates were as follows: Prime commercial paper, 4 to 5½ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 4½ to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on November 10, 1931, showed a decrease of 2.2 per cent as contrasted with October 14, 1931. Deposits decreased 2.6 per cent between October 14, 1931 and November 10, 1931

and on the latter date were 7 per cent smaller than on November 12, 1930. Composite statement follows:

	*Nov. 10, 1931	*Oct. 14, 1931	*Nov. 12, 1930
Number of banks reporting.....	25	25	22
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$155,041	\$158,550	\$208,131
All other loans and discounts.....	241,496	240,461	276,701
<b>Total loans and discounts.....</b>	<b>\$396,537</b>	<b>\$399,011</b>	<b>\$484,832</b>
Investments			
U. S. Government securities.....	84,705	83,349	38,347
Other securities.....	131,102	132,189	127,618
<b>Total investments.....</b>	<b>\$215,807</b>	<b>\$215,538</b>	<b>\$165,965</b>
Reserve balance with F. R. bank..	42,690	42,870	43,828
Cash in vault.....	7,870	7,845	8,040
Deposits			
Net demand deposits.....	330,628	336,209	362,736
Time deposits.....	223,119	228,046	235,142
Government deposits.....	2,484	6,859	406
<b>Total deposits.....</b>	<b>\$556,231</b>	<b>\$571,114</b>	<b>\$598,284</b>
Bills payable and rediscounts with			
Federal Reserve Bank.....	10,112	3,879	5,746

\*In thousands (000 omitted).

These 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.

	*Oct., 1931	*Sept., 1931	*Oct., 1930	Oct., 1931 comp. to Sept. 1931	Oct. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	28,942	\$ 27,319	\$ 41,781	+ 5.9%	-30.7%
El Dorado, Ark.....	4,335	4,003	7,008	+ 8.3	-38.1
Evansville, Ind.....	25,410	21,099	27,031	+20.4	- 6.0
Fort Smith, Ark.....	10,435	9,127	12,733	+14.3	-18.0
Greenville, Miss.....	3,206	2,372	4,186	+35.2	-23.4
Helena, Ark.....	2,785	1,747	5,844	+59.4	-52.3
Little Rock, Ark.....	27,988	24,086	39,506	+16.2	-29.2
Louisville, Ky.....	126,715	128,334	197,615	- 1.3	-35.9
Memphis, Tenn.....	117,434	85,358	159,545	+37.6	-26.4
Owensboro, Ky.....	4,630	4,140	6,310	+11.8	-26.6
Pine Bluff, Ark.....	8,418	5,149	10,650	+63.5	-21.0
Quincy, Ill.....	8,348	7,321	11,673	+14.0	-28.5
St. Louis, Mo.....	557,697	531,121	681,887	+ 5.0	-18.2
Sedalia, Mo.....	3,234	3,281	4,196	+ 1.4	-22.9
Springfield, Mo.....	13,341	12,006	18,327	+11.1	-27.2
**Texarkana, Ark.-Tex.....	8,203	8,020	11,664	+ 2.3	-29.7
<b>Totals.....</b>	<b>\$951,121</b>	<b>\$874,483</b>	<b>\$1,239,956</b>	<b>+ 8.8</b>	<b>-23.3</b>

\*In thousands (000 omitted).

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

**Federal Reserve Operations**—During October the Federal Reserve Bank of St. Louis discounted for 260 member banks against 215 in September and 208 in October, 1930. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Nov. 18, 1931	*Oct. 18, 1931	*Nov. 18, 1930
Bills discounted.....	\$25,471	\$17,860	\$21,370
Bills bought.....	23,201	33,652	5,809
U. S. Securities.....	31,084	31,211	14,151
Federal Inter. Cr. Bk. Debentures.....	630	630	.....
Participation in Inv. Foreign Banks.....	1,103	1,103	1,093
<b>Total bills and securities.....</b>	<b>\$81,489</b>	<b>\$84,456</b>	<b>\$42,423</b>
F. R. Notes in circulation.....	85,890	81,890	79,786
<b>Total deposits.....</b>	<b>73,117</b>	<b>74,004</b>	<b>76,079</b>
Ratio of reserve to deposits and F. R. Note Liabilities.....	54.6%	51.2%	77.8%

\*In thousands (000 omitted).

(Compiled November 25, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of December 30, 1931

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FEDERAL RESERVE BANK OF ST. LOUIS

**E**XTRME conservatism in purchasing of commodities by the general public, merchants and other groups of consumers was reflected in a further recession in trade and industrial activities in the Eighth Federal Reserve District during the past thirty days. With the single exception of dry goods, all wholesaling and jobbing lines investigated by this bank showed a smaller volume of dollar sales in November than for the preceding month, and without exception decreases were recorded as compared with November, 1930, and the average for the month during the past eight years. Relatively a better exhibit was made by distribution than production, the rate of operations at manufacturing plants as a whole being slightly below that of the preceding month, and considerably less than during the corresponding period last year. In the chief industrial centers the reduced rate of manufacturing activity was reflected in a further increase of the number of idle workers during November and early December, offset partly, however, by a gain in clerical employment at retail establishments incident to the holiday trade.

The trend of commodity values continued downward, with a number of important classifications reaching new lows on the present retrograde movement. This served to emphasize caution in the matter of purchasing, particularly of raw materials for future requirements. Producers and distributors of pig iron, finished iron and steel products, non-ferrous metals, lumber, and a number of other important commodities report ordering for first quarter of the new year in smaller volume than any similar period in recent times. The same attitude prevails in lines for ordinary consumption, purchasing being confined largely to only enough merchandise for immediate or nearby requirements. This policy has resulted in generally small inventories, both in the hands of manufacturers and merchants. While as compared with last year average sales volume has declined heavily, the lower range of prices prevailing now accounts for a considerable

part of the decrease. It thus becomes evident that the unit volume of distribution makes a much more favorable showing than the dollar volume, also that large quantities of merchandise continue to flow through distributive channels.

As has been the case since early fall, the unusually high temperatures prevailing throughout this region have seriously interfered with the movement of seasonal merchandise, particularly fuel, heavy wearing apparel and heating apparatus. November production of bituminous coal in fields of the district was substantially below the average for that month during the past decade. Christmas holiday shopping got a later start than usual, and during November and the first week of December failed to gain the expected momentum. In both the large centers of population and smaller communities, demand centers chiefly in cheap-priced merchandise. Since the first week of December considerable improvement has developed in purchasing of holiday goods, a number of important interests reporting volume comparing favorably with a year ago.

The report of the U. S. Department of Agriculture as of December 1 showed no marked change in general conditions as contrasted with a month previous. Earlier forecasts of heavy yields and high quality of the principal crops of this district are confirmed in the bulletin. As an offset to large outputs, however, has been the further decline in market prices of farm products. A large part of the advance in prices of cereals achieved in November was lost during the first half of December. In the immediate past prices of cattle, sheep and hogs have fallen to the lowest point of the season and for a number of years. Opening of the tobacco markets in early December developed prices considerably below those recorded at initial sales last year. Several of the markets were temporarily closed because of unwillingness of farmers to accept prices offered. There was an advance from the low point of the season in rice prices, and the position in this cereal is favorable, due to marketing methods and demand.

Reversing the usual seasonal trend, the volume of retail trade in November, as reflected in sales of department stores in leading cities of the district, was 4 per cent smaller than in October. The November total fell 10.4 per cent below that of a year ago, and for the first eleven months this year a decrease of 12.7 per cent was shown as compared with the same period in 1930. Combined sales during November of all wholesaling and jobbing firms reporting to this bank were 4.6 per cent smaller than in the preceding month, and approximately 8 per cent less than for the same month in 1930; for the first eleven months this year the aggregate was 15.6 per cent below that for the same period in 1930. The value of permits issued for new buildings in the five largest cities of the district in November was 64 per cent and 60 per cent smaller, respectively, than a month and a year earlier. Construction contracts let in the Eighth District in November were one-fifth smaller than the low October total, and 61 per cent less than in November, 1930. Debits to checking accounts in November fell 16 per cent below October, and 22 per cent below the November, 1930, total; for the first eleven months this year the aggregate was 21 per cent smaller than for the same period in 1930. The amount of savings accounts held by selected banks decreased slightly between November 4 and December 2, and on the latter date was about 5 per cent smaller than on December 3, 1930.

According to officials of railroads operating in this region, freight traffic handled continued the downward trend of recent months, and the November total fell substantially below that of the corresponding period in 1930 and 1929. There was a particularly heavy decrease in merchandise and miscellaneous freight. As was the case during the preceding month, the movement of coal, coke and other fuels was held down by the unusually mild weather and was in considerably less than the seasonal volume. For the country as a whole, loadings, of revenue freight for the first 48 weeks this year, or to November 28, totaled 34,999,149 cars, against 43,096,392 cars for the corresponding period in 1930 and 49,489,591 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 132,895 loads in November, against 144,833 loads in October, and 166,395 loads in November, 1930. During the first nine days of December the interchange amounted to 40,976 loads, which compares with 46,993 loads during the same period in November and 47,235 loads during the first nine days of December last year. Passenger traffic of the reporting lines in November decreased 26 per cent as compared with

the same month in 1930. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 86,400 tons, against 104,873 tons in October, and 83,000 tons in November, 1930.

Little change in the general trend, noted during the past several months, was reflected in reports relative to collections. Considerable irregularity and spottiness exists, both with reference to the several lines and different localities. For the most part wholesalers in the chief distributing centers reported early December settlements in considerable volume, a number of important interests indicating better results than a year ago. The relatively small inventories of retail merchants and the policy of hand-to-mouth buying lend themselves to prompt defraying of bills. In the clothing line there were complaints of backwardness, and the same was true of building materials and some of the other heavier classifications. Country retailers report moderate betterment in collections as contrasted with earlier in the season. There has been considerable liquidation in the tobacco and rice areas, also in parts of the typical cotton sections, though the disposition of producers to hold their stocks for higher prices is still holding down payments as a whole in the country. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
November, 1931.....	0%	18.5%	67.5%	14.0%
October, 1931.....	0	21.1	56.4	22.5
November, 1930.....	0	10.0	65.0	35.0

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's numbered 117, involving liabilities of \$3,357,116, against 126 failures in October with liabilities of \$2,497,736, and 92 defaults for a total of \$3,870,162 in November, 1930.

The average daily circulation in the United States in November, was \$5,518,000,000 against \$5,478,000,000 in October and \$4,528,000,000 in November, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — November sales of the reporting firms showed a gain of 2.8 per cent over the corresponding month in 1930, but a decrease of approximately 3 per cent under the October total this year. There was a further shrinkage in inventories, stocks on December 1 being 5.5 per cent and 6 per cent smaller, respectively, than thirty days and a year earlier. Since December 1 some falling off in orders has taken place, which, however, is seasonal in character, November and December being normally the quietest months of the year in this line.

Effective December 1 a decrease in prices of from 5 to 7 per cent was announced by several of the leading interests. This reduction was made in order to pass along to customers the advantage of lower raw material values. Factory operations were at about 70 per cent of capacity.

**Clothing**—The steady recession in volume which has characterized the apparel business throughout the year, continued during the past thirty days. Unseasonable weather has adversely affected the movement of winter clothing, and in both men's and women's wear demand centers chiefly in cheap-priced merchandise. Demand for working clothes was almost at a standstill. Manufacturers report advance ordering for spring wear below the small volume at the corresponding period a year ago. Sales of the reporting firms in November were 21 per cent smaller than during the preceding month and about one-fifth less than in November, 1930.

**Drugs and Chemicals**—Purchasing of seasonal goods in this classification was considerably below the average in recent years. This, coupled with the usual seasonal recession in requirements of heavy drugs and chemicals by the general manufacturing trade, was reflected in a decrease in November sales of the reporting firms of 12.5 per cent as compared with the preceding month, and of 18 per cent as compared with November, 1930. Inventories increased 3 per cent between November 1 and December 1, but on the latter date were approximately 2.5 per cent smaller than a year earlier.

**Dry Goods**—November sales of the reporting firms in this classification were 2.2 per cent larger than for the preceding month, but 5.2 per cent smaller than in November, 1930. The steady decline in inventories which has been in operation throughout the year, continued in November, stocks on December 1 being 12 per cent and 40 per cent smaller, respectively, than thirty days and a year earlier. Demand for seasonal goods, notably blankets, outings, woolens, and heavy underwear was held to a minimum by the mild weather. Ordering of goods based on cotton was restricted by uncertainty of prices of that staple. Advance sales of holiday goods were light, though in the immediate past some reordering to supply eleventh hour demand has been reported.

**Electrical Supplies**—Purchasing of holiday and seasonal goods, according to the reporting firms, has been smaller during the past two months than during any similar period in recent years. Curtailed activities in the building industry and conservative buying by public utilities companies and the automotive industry were additional influences making

for reduced sales volume. The trend of prices was easier, notably on commodities based on copper, lead and zinc. A considerable shrinkage as compared with a year ago was noted in radio materials. November sales of the reporting firms were 37 per cent smaller than for the same month in 1930, and 15 per cent below the October total this year. Inventories increased slightly between November 1 and December 1, but on the latter date were 19 per cent smaller than a year ago.

**Flour**—Production at the twelve leading mills of the district in November totaled 272,264 barrels, the smallest, with the exception of last June, for any month since 1926, and comparing with 305,335 barrels in October, and 389,804 barrels in November, 1930. Demand generally continued slow, particularly for the better grades of flours, which are discriminated against in favor of cheaper and less desirable descriptions. Dealers and the large baking interests continue to purchase on a hand-to-mouth basis, and in all quarters there is a disposition to hold down inventories as low as possible. Prices were lowered early in December in adjustment with the decline in cash wheat values. Mill operations were at from 40 to 45 per cent of capacity.

**Furniture**—November sales of the reporting interests were 16 per cent smaller than for the same month in 1930, and about one-third less than the October total this year. Stocks decreased slightly between November 1 and December 1, and on the latter date were only about one-half as large as a year ago. Demand for radio cabinets and the general run of holiday goods was in smaller volume than in a number of years.

**Groceries**—A further recession in business in this classification was noted, November sales of the reporting firms being 11.2 per cent smaller than during the preceding month, and 15.2 per cent less than the November total last year. Demand centers chiefly in staple lines, purchasing of luxuries and holiday goods being relatively light. In the rural areas sales of canned goods, packinghouse products and similar commodities are considerably below the seasonal volume, due partly to the unusually large amount of canning and preserving done in homes during the year. Abundant and cheap supplies of fresh fruit and vegetables have also contributed to a lessened demand for canned goods.

**Hardware**—Depressed prices of farm products, the decline in building activity, and unseasonably warm weather were mentioned as the chief causes for a further shrinkage in the volume of business in this classification. Sales of winter goods, notably sports equipment, hunting supplies and heating apparatus have been in considerably smaller than the

usual volume. The movement of holiday specialties has been below the average of recent years, particularly the more expensive articles. Sales of the reporting firms in November were one-fifth smaller than for the same month in 1930, and 22 per cent less than the October total this year. Stocks on December 1 were 2 per cent larger than a month earlier, and 18 per cent smaller than on December 1, 1930.

**Iron and Steel Products** — The downward trend in activities in the iron and steel industry in this district, which has been in progress since last spring, continued uninterrupted during the past thirty days. In point of production and shipments by mills, foundries and other ferrous metal working plants, November represented the lowest month of the downward movement. Since December 1 the usual seasonal influences, including inventory retrenchments, have further slowed down the rate of operations. Quietness in a number of lines, notably stoves, furnaces, heating apparatus, tubular goods and roofing materials, has been accentuated by the mild, open fall and winter. Purchasers of all classes of materials are still following the hand-to-mouth policy, despite universally small stocks. Specifications on goods previously acquired are spotty and in the main below expectations. This is true particularly of releases by the automotive industry. Steel mills report a further shrinkage in unfinished orders, while jobbing foundries were operating at the lowest average rate in many months. Certain specialty makers, including farm implement and heating apparatus, which had planned to resume operations early in December, have further postponed putting these programs into effect. Aside from tinplate, fair tonnages of which have been taken for 1932 requirements, demand for sheets and plates was at the low point of the season. No change has taken place in the dull conditions obtaining earlier in the year in wire and wire products; bars, strip, and kindred materials. Fabricators of iron and steel structural materials report a lack of new business, and a further reduction in working forces. Ordering of raw materials for first quarter of 1932 requirements is in unusually small volume, particularly in the case of pig iron, scrap iron, and steel. Nominally the price of pig iron remained unchanged, but quantities, particularly of basic iron, changing hands were too small to afford a real test of the price structure. Scrap prices declined further, with a number of important grades recording new lows on the movement. For the country as a whole the daily average rate of pig iron production in November was the lowest since 1921. Total output amounted to 1,101,820 tons, against 1,172,781 tons in October and

1,865,458 tons in November, 1930. Steel ingot production in the United States in November totaled 1,593,684 tons, against 1,592,376 tons in October, and 2,212,220 tons in November, 1930.

## AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in November totaled 68,867, against 80,142 in October and 129,437 in November, 1930.

In accord with the seasonal trend, distribution of automobiles in this district during November, according to dealers reporting to this bank, declined as compared with the preceding month. For the eleventh consecutive month this year, the November total fell below that of the corresponding month a year earlier. The decline in the month-to-month comparison was slightly smaller than the average, due chiefly to the small volume recorded in October. Aggregate sales of the reporting dealers in November were the smallest since last January. While decreases in both the month-to-month and yearly comparisons were spread generally through all classes of makes, they were most pronounced in cheap-priced cars. This fact was ascribed by dealers partly to the fact that prospective purchasers are putting off buying until expected new models of the two leading makers are placed on the market. Despite the relatively small volume of business transacted, sentiment was somewhat more optimistic than heretofore. This change in attitude was based mainly on expectations of heavy sales of the new models which will be offered by manufacturers shortly after the first of next year. These new models offer many striking improvements and prices, which, it is believed, will attract purchasers. Since December 1 special efforts and inducements have been made by dealers to dispose of stocks of 1931 models, resulting in the movement of a considerable number of such vehicles. November sales of new passenger cars by the reporting dealers were 11 per cent smaller than in October, and approximately 9 per cent less than the November total last year. Due to the extremely conservative attitude of dealers in ordering from the factories, inventories of new cars on hand decreased to the lowest point in recent years. Stocks on hand on December 1 were 6 per cent smaller than a month earlier, and about one-fourth smaller than on the same date in 1930. Little change took place in the used car market as contrasted with the preceding thirty days. November sales were 2 per cent less than in October and 12 per cent smaller than in November, 1931. Stocks of salable secondhand cars on December 1 were 3 per cent larger than a month earlier and 12

per cent less than on December 1, 1930. Demand for trucks of all descriptions held fairly well, November sales being 25 per cent larger than in October, but 40 per cent below November last year. Business in parts and accessories was in slightly smaller volume than during the preceding month. The unit volume of tire sales showed a moderate increase over the preceding thirty days, being stimulated by price reductions made by a number of the leading manufacturers. Deferred payment sales of dealers reporting on that item constituted 53 per cent of the total November sales, against 51 per cent in October, and 49 per cent in November, 1930.

### 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	
	Nov. 1931	11 months ended	Nov. 30, 1931	Jan. 1 to	
	comp. to	Nov. 30, 1931 to	comp. to	Nov. 30,	
Nov. 1930	same period 1930	Nov. 30, 1930	1931	1930	
Evansville .....	-23.6%	-22.2%	-18.3%	1.70	1.82
Little Rock.....	-18.8	-15.7	-25.6	2.38	2.28
Louisville .....	-13.1	-15.4	-20.6	2.46	2.50
Memphis .....	-15.6	-18.4	-27.1	2.80	2.64
Quincy .....	9.8	-19.7	-21.9	2.28	2.33
St. Louis.....	7.3	-10.4	-12.9	3.38	3.42
Springfield, Mo.....	-27.6	-14.4	-6.0	1.54	1.56
8th District.....	-10.4	-12.7	-17.4	3.03	3.01

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Nov. 1931	11 months ended	Nov. 30, 1931	Jan. 1 to	
	comp. to	Nov. 30, 1931 to	comp. to	Nov. 30,	
Nov. 1930	same period 1930	Nov. 30, 1930	1931	1930	
Men's					
Furnishings	-16.5%	-9.3%	-8.6%	2.86	2.75
Boots					
and Shoes.....	-25.9	-19.8	-13.2	2.58	2.74

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in November were 64.4 per cent smaller than in October, and smaller by approximately 60 per cent than in November a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in November amounted to \$5,996,183, which compares with \$7,538,340 in October, and \$15,529,723 in November, 1930. Production of portland cement for the country as a whole in November totaled 8,161,000 barrels against 10,762,000 barrels in October, and 11,098,000 barrels in November, 1930. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	134	220	\$ 33	\$ 80	46	27	\$ 72	\$ 6
Little Rock	17	17	23	57	41	29	8	8
Louisville ..	33	58	52	176	33	29	49	72
Memphis ....	176	214	91	283	54	65	74	34
St. Louis....	204	270	310	675	211	280	145	288
Nov. totals	564	779	\$ 509	\$1,271	385	430	\$ 348	\$408
Oct. totals	727	973	1,429	1,283	574	704	279	462
Sept. totals	817	1,414	1,692	2,959	642	677	249	420

\*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 November as being about 17 per cent smaller than in October and 4.3 per cent less than in November, 1930. Detailed figures follow:

	No. of Customers	Nov. 1931	Oct. 1931	Nov. 1931	Nov. 1930	Nov. 1931
		*K.W.H.	*K.W.H.	comp. to Oct. 1931	*K.W.H.	comp. to Nov. 1930
Evansville ....	40	1,498	2,040	-26.6%	1,728	-13.3%
Little Rock..	35	1,249	1,548	-19.3	1,428	-12.5
Louisville ...	85	5,369	6,319	-15.0	6,479	-17.1
Memphis .....	31	1,472	2,237	-34.2	1,868	-21.2
St. Louis.....	164	14,788	17,334	-14.7	13,968	+ 5.9
Totals .....	355	24,376	29,478	-17.3	25,471	-4.3

\*In thousands (000 omitted).

### AGRICULTURE

Weather was variable and less favorable for agricultural operations than during the preceding thirty days, and in some sections farm work was interfered with by heavy rains. Due to the unusually auspicious conditions for outdoor work during October and early November, however, autumn and early winter routine has been brought well up to the seasonal average of the past several years. While heavy roads and muddy fields in many localities have occasioned some delay, the general movement of farm products to market has been in considerable volume. There is still a disposition on the part of farmers to hold their grain stocks for higher prices, and this policy has become more in evidence since the recent decline in values, following the upturn in November. The tobacco markets opened in early December with liberal offerings on hand, but prices so low that farmers in some sections forced suspension for one week. When selling was resumed, bids of purchasers were even lower than those made at the opening of the season.

The December 1 report of the U. S. Department of Agriculture confirmed the earlier forecasts for heavy yields of all the principal crops in this district. The extraordinarily large production will serve to partly offset the low prices prevailing, and taken as a whole, conditions in the agricultural areas at this time are somewhat more favorable than a year and two years ago. Conditions in the live stock market were adverse to producers. Due to the continued mild weather, the business depression and generally reduced buying power, prices of cattle, hogs and lambs declined to new low levels on the present retrograde movement. Heavy shipments from the country since December 1 created supplies too large for current requirements, with resultant sharp decreases in prices. In view of the drop in values and heavy refrigerator stocks of meat, commission men and officials of live stock exchanges are urging farmers and stockmen to curtail their shipments until the situation clears.

**Corn**— Except where temporarily delayed by rain, husking and cribbing of corn has been pushed forward rapidly throughout the district, and as a whole these operations are more nearly completed than at the same time last year. Almost universally, husking returns are confirming earlier estimates of quantity and quality. A considerable portion of the corn arriving at primary centers is grading high, more than the usual amount being No. 1 and No. 2.

**Winter Wheat**— The condition of the growing crop is generally favorable in all sections of the district. Continued high temperatures, with ample precipitation have resulted in good root and top growth, and the plant is in excellent condition for entering the cold weather. Seeding was carried further into the season than is ordinarily the case, but while farmers were for the most part able to carry out their full planting intentions, indications point to smaller acreage than last year, particularly in the most important wheat producing counties.

**Live Stock**— Due to the mild, open winter, abundance of feed and good pasturage, the condition of livestock generally through the district maintained the high condition noted during the preceding several months.

Shipments of stocker and feeder cattle, inspected at livestock markets, into the eleven Corn Belt states in November were slightly larger than in the same month last year, but a little smaller than the November average for the preceding five years. This is in contrast to the decrease of 11 per cent in shipments in October and 17 per cent in September this year compared with the same months in 1930. Prices of such cattle advanced during November, which is contrary to the usual trend at this time of year. Since December 1 a recession in prices has taken place. Total shipments for the five months, July to November, inclusive, into the Corn Belt states were practically the same in 1931 as in 1930, but were below any other year since 1920 except 1927. The states of the Eighth District where the largest increases over last year took place were Indiana, Illinois and Missouri.

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

	Receipts			Shipments		
	Nov. 1931	Oct. 1931	Nov. 1930	Nov. 1931	Oct. 1931	Nov. 1930
Cattle and Calves.....	88,177	122,408	87,891	58,048	87,449	55,356
Hogs .....	245,061	238,246	273,429	200,827	189,186	223,734
Horses and Mules.....	2,479	2,741	2,208	2,342	2,867	1,847
Sheep .....	41,649	64,087	29,808	8,501	19,708	7,289

**Cotton**— According to the U. S. Department of Agriculture there was practically no variation in cotton prospects in states included in the Eighth District between November 1 and December 1. Combined total yield in Arkansas, Mississippi, Missouri and Tennessee, based on the December 1 condition, is estimated at 4,455,000 bales, which com-

pares with 2,866,000 bales produced in 1930 and 4,085,000 bales in 1929. Almost universally the grade is high and staple excellent. The first half of November witnessed a continuance of the favorable harvesting conditions which obtained in October. The last weeks of November were wet and less favorable, but rarely in the past has there been a more auspicious picking season than in 1931. The quantity stored on farm premises is in considerably larger volume than is ordinarily the case. Taken as a whole the 1931 crop season was extraordinarily favorable for the production of cotton. The one drawback has been the extremely low prices which have prevailed since the marketing season began. During the past thirty days there was a slight advance from the low point reached in early October, but the average continued much below that for the same period in a number of years. In the St. Louis market the middling grade ranged from 5.40c per pound between November 16 and December 15, closing at 5.70c on the latter date, which compares with 6c on November 16 and 8½c on December 15, 1930. Despite the holding movement, the movement of cotton to date is well in excess of a year ago. Receipts at Arkansas compresses from August 1 to December 11 totaled 1,079,820 bales, against 699,878 bales for the corresponding period last year. Stocks on hand as of December 11 were 691,563 bales, against 616,817 bales on November 13, and only 375,454 bales on the corresponding date in 1930.

**Tobacco**— Weather during the last half of November was favorable for working tobacco, and stripping progressed rapidly. Liberal offerings were received at the various markets when they opened in early December. Initial prices were disappointing to producers, and considerably lower than a year ago. The average price at the opening at Owensboro was \$4.61 as compared with \$8.47 per 100 pounds at the opening last year. Following the opening in the Green River district, all sales were rejected and selling suspended for a time. Upon resumption of operations, prices were even lower than those obtained when the markets opened. The loose leaf markets for sale of burley tobacco opened on December 7, with the floors heavily stocked. Prices here were also lower than last year, and the same conditions prevailed as at the opening of the Green River dark tobacco markets. The average price of burley ranged from \$9 to \$13, per cwt., about \$3 less than last year. There were many reports of common tobacco selling for scarcely enough to defray warehouse charges.

**Commodity Prices**— Range of prices in the St. Louis market between November 16, 1931 and December 15, 1931, with closing quotations on the latter date and on December 15, 1930, follow:

	High	Low	Close	
			Dec. 16, 1931	Dec. 15, 1930
Wheat				
Dec. ....per bu..	\$.59 3/4	\$.50 3/4	\$.54 1/2	\$.75
May .....	.63 1/2	.52 3/4	.56 1/2	.78 3/4
July .....	.55 1/2	.49 1/2	.55 1/2	.69 1/2
No. 2 red winter .....	.63	.55 1/2	\$.57 1/2 @ .58 1/2	\$.81 1/2 @ .83 1/2
No. 2 hard .....	.61	.53	.55 1/2 @ .56 1/2	.77 1/2 @ .78
Corn				
Dec. ....	.45 3/4	.35	.38 1/2	.71
May .....	.50	.39 1/2	.41 3/4	.75
July .....	.42 1/2	.40 1/2	.42 1/2	.....
No. 2 mixed .....	.45 1/2	.34 1/2	.37 1/2 @ .38 1/2	.71 1/2 @ .72 1/2
No. 2 white .....	.46	.36 1/2	.38 1/2 @ .39 1/2	.73 1/2 @ .74
Oats				
No. 2 white .....	.29 1/2	.25	.26 @ .26 1/2	.35 @ .35 1/2
Flour				
Soft patent.....per bbl.	4.35	3.60	3.60 @ 4.20	4.70 @ 5.00
Spring patent.....	4.60	4.20	4.20 @ 4.50	4.10 @ 4.50
Middling cotton.....per lb.	.06	.054	.057	.08 1/2
Hogs on hoof.....per cwt.	5.15	3.50	3.50 @ 4.25	6.75 @ 8.35

**FINANCIAL**

The general demand for credit in this district during the past thirty days was somewhat less active than in the similar period immediately preceding. Requirements of mercantile and manufacturing interests were below the usual seasonal volume. Liquidation at financial institutions in the large centers was relatively more satisfactory than with country banks. The disposition to hold farm products for more favorable markets has tended to retard settlements with banks in the smaller towns. This is true particularly in sections where cotton, tobacco and rice are important crops. Grain and milling interests further reduced their commitments during November and the first half of December. Demand for currency continued active, being stimulated by the holiday trade. Acceptance financing by banks was light in November, and sales of commercial paper also declined.

A slight decrease in loans and discounts of reporting member banks took place between November 10 and December 9, and the total of \$392,363,000 on the latter date was approximately 18 per cent smaller than at the corresponding time last year. Loans on securities increased slightly in the month-to-month comparison, but were 41 per cent smaller than a year ago. The sharply downward trend in deposits of these banks, which began at the middle of last April, reached its low point in late October, and since that date there has been a definite upward turn. Investments increased slightly during the month, and continued substantially larger than a year ago. Borrowings of all member banks from the Federal reserve bank averaged somewhat higher than during the preceding thirty days, and were in considerably larger volume than during the corresponding period in 1930.

Interest rates fluctuated in a narrow range, and quotably showed no marked variation from the preceding month. At St. Louis banks current rates were as follows: Prime commercial paper, 4 1/2 to 6 per cent; collateral loans, 4 1/2 to 6 per cent; loans secured by warehouse receipts, 4 1/2 to 6 per cent; interbank loans 5 to 6 per cent and cattle loans, 5 1/2 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on December 16, 1931, showed a decrease of 1.8 per cent as contrasted with November 18, 1931. Deposits decreased .2 per cent between November 18, 1931 and December 16, 1931, and on the latter date were 7.7 per cent smaller than on December 17, 1930. Composite statement follows:

	*Dec. 16, 1931	*Nov. 18, 1931	*Dec. 17, 1930
Number of banks reporting.....	25	25	26
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$155,202	\$156,699	\$197,879
All other loans and discounts.....	235,578	241,363	279,452
Total loans and discounts.....	\$390,780	\$398,062	\$477,331
Investments			
U. S. Government securities.....	93,837	86,475	32,345
Other securities.....	129,920	129,405	130,652
Total investments.....	\$223,757	\$215,880	\$162,997
Reserve balance with F. R. Bank	42,290	44,974	45,840
Cash in vault.....	7,218	7,644	8,567
Deposits			
Net demand deposits.....	341,528	333,052	373,868
Time deposits.....	208,125	222,611	228,834
Government deposits.....	7,496	2,484	1,193
Total deposits.....	\$557,149	\$558,147	\$603,895
Bills payable and rediscounts with Federal Reserve Bank.....	10,823	11,006	3,214

\*In thousands (000 omitted). These 25 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.

	*Nov., 1931	*Oct., 1931	*Nov., 1930	Nov., 1931 comp. to Oct. 1931	Nov. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	23,207	\$ 28,942	\$ 33,496	-19.2%	-30.7%
El Dorado, Ark.....	3,942	4,335	6,281	-9.1	-37.2
Evansville, Ind.....	15,053	25,410	23,521	-40.8	-36.0
Fort Smith, Ark.....	8,898	10,435	11,764	-14.7	-24.4
Greenville, Miss.....	3,298	3,206	4,045	+ 2.9	-18.5
Helena, Ark.....	2,912	2,785	3,441	+ 4.6	-15.4
Little Rock, Ark.....	22,756	27,988	32,618	-18.7	-30.2
Louisville, Ky.....	108,342	126,715	155,957	-14.5	-30.5
Memphis, Tenn.....	111,305	117,434	129,003	- 5.2	-13.7
Owensboro, Ky.....	3,950	4,630	5,932	-14.7	-33.4
Pine Bluff, Ark.....	7,208	8,418	9,043	-14.4	-20.3
Quincy, Ill.....	7,042	8,348	7,843	-15.6	-10.2
St. Louis, Mo.....	457,345	557,697	572,145	-18.0	-20.1
Sedalia, Mo.....	1,958	3,234	3,793	-39.5	-48.4
Springfield, Mo.....	11,475	13,341	14,264	-14.0	-19.6
**Texarkana, Ark-Tex.....	6,675	8,203	10,132	-18.6	-34.1
Totals .....	\$795,366	\$951,121	\$1,023,278	-16.4	-22.3

\*In thousands (000 omitted). \*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During November the Federal Reserve Bank of St. Louis discounted for 253 member banks against 260 in October and 225 in November, 1930. The discount rate remained unchanged at 3 1/2 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Dec. 17, 1931	*Nov. 17, 1931	*Dec. 17, 1930
Bills discounted.....	\$27,833	\$24,780	\$15,205
Bills bought.....	10,258	24,371	8,513
U. S. Securities.....	27,351	31,084	24,418
Federal Inter. Cr. Bk. Debentures.....	880	630	.....
Participation in Inv. Foreign Banks.....	1,103	1,103	1,295
Total bills and securities.....	\$67,425	\$81,968	\$49,431
Total reserves.....	96,068	86,914	114,410
F. R. Notes in circulation.....	86,921	86,127	83,560
Total deposits.....	68,600	74,027	71,474
Ratio of reserve to deposits and F. R. Note Liabilities.....	61.8%	54.3%	73.8%

\*In thousands (000 omitted).

(Compiled December 29, 1931)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of January 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**D**ECEMBER was marked by a further recession in the general level of trade and industry in the Eighth District, the closing weeks of that month witnessing the lowest point reached in the present depression. With the exception of department stores and some specialized branches of the retail distribution affected by the Christmas holiday trade, all lines of industry and merchandising investigated by this bank showed declines from November to December, and universally there were decreases as contrasted with the same period in 1930 and the average during the past several years. Similarly the record for 1931 discloses a substantial contraction in the volume of business as compared with the preceding twelve months, and the average during the past decade. The increase in volume of retail trade from November to December was somewhat greater than usual, due, however, more to the poor showing made in November than to an extraordinary demand for merchandise. As has been the case throughout the present season, the volume of distribution of a broad variety of goods was held down by the unseasonably high temperatures.

The output of manufacturers showed more than the usual seasonal contraction, particularly so in case of iron and steel, lumber, and the entire category of building materials. Distribution of automobiles decreased sharply in December as compared with November, and for the fourth consecutive month, was smaller than during the corresponding period a year earlier. There was also a decrease in production of bituminous coal, lead and zinc and other mining products. Following the advance in prices of grain and other farm products of mid-October, a reaction downward took place in November, and extended through December, eliminating a considerable part of the advantage gained. The price of pig iron declined \$1 per ton, iron and steel scrap, from \$1 to \$3 per ton, and there were downward revisions of greater or lesser degree in a number of other important raw and finished materials.

An increase in unemployment of somewhat greater than the usual seasonal proportions took place in December. In all sections of the district the surplus of farm labor is larger than at any similar period in recent years.

Since January 1 noticeable improvement has taken place in several of the most important manufacturing and wholesaling lines, among them boots and shoes, dry goods, hardware, drugs and chemicals, and groceries. While ordering is almost exclusively confined to goods for immediate or reasonably prompt delivery, the character of the buying indicates actual needs for merchandise. Manufacturers of iron and steel and other commodities of the heavier and more permanent sort report an increased volume of inquiries, and specifications on goods previously acquired are being released more freely than in December. Reports from the retail trade relative to results of special sales conducted since the holidays reflect rather spotted conditions. Failure to achieve greater success in many such sales was due partly to the incomplete assortments and the narrow variety of goods exhibited. The inventorying period developed generally small stocks in the hands of both retail and wholesale interests and manufacturers. In the immediate past there has been more evidence of a disposition to replenish and replace stocks than noted in a number of months.

As reflected in sales of department stores in the leading cities of the district, the volume of retail trade in December was 48.3 per cent greater than in November, but 12.6 per cent less than in December, 1930. For the year, sales of these stores showed a decrease of 12.7 per cent under the 1930 total. Combined sales of all wholesaling and jobbing firms reporting to this bank were 37 per cent smaller in December than November and 19 per cent less than in December, 1930; for 1931 aggregate sales of these firms fell 16 per cent below the total for the preceding twelve months. The value of permits issued for new buildings in the five largest cities

of the district in December was more than five and one-half times larger than in November, but 18 per cent less than in December, 1930; for the year the total value was approximately one-fourth smaller than in 1930, and 45 per cent under the average during the past nine years. Construction contracts let in the Eighth District in December were about twice as large as in November and 34 per cent less than in December, 1930. The total in 1931 was 42 per cent smaller than in 1930 and 48 per cent less than the average during the past seven years. Debits to checking accounts in December were one-fifth smaller than in November and 13 per cent less than in December, 1930; the total for 1931 was smaller by slightly more than one-fifth than in 1930. The amount of savings accounts in selected banks decreased slightly between December 2 and January 6, and on the latter date were 6 per cent less than on the corresponding date in 1931.

The steady decline in the volume of freight handled by railroads in this district, which began early in the fall, continued through December with the result that their total car loadings for the year fell sharply below those during the preceding several years. Since the first week of January a moderate increase in loadings was reported, but the volume was still considerably below that of the corresponding period a year and two years earlier. The unbroken mild weather tended to hold down the movement of seasonal commodities, particularly coal and coke. For the country as a whole loadings of revenue freight in 1931 totaled 37,272,371 cars, against 45,877,974 cars in 1930 and 52,872,927 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 127,313 loads in December, the smallest for any month in more than ten years, and comparing with 132,895 loads in November and 156,424 loads in December, 1930. In 1931 there were 1,976,645 loads interchanged, against 2,356,983 loads in 1930 and 2,843,203 loads in 1929. During the first nine days of January the interchange amounted to 40,199 loads, against 40,976 loads during the corresponding period in December, and 47,502 loads during the first nine days of January, 1931. Passenger traffic of the reporting roads in December decreased 38 per cent as compared with the same month in 1930. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 166,000 tons, against 86,348 tons in November, and 107,507 tons in December, 1930. Tonnage handled during 1931 totaled 1,168,296 tons, against 1,149,374 tons in 1930, and 1,292,881 tons in 1929.

Reports relative to collections reflect little change from the general status which has existed during the past several months. January settlements with wholesalers in the leading distributive centers compare favorably as a whole with the corresponding period last year, though considerable irregularity exists, and actual credit losses are large as compared with the average during the past decade. In lines dealing in merchandise for ordinary consumption, collections are much better than in the case of the heavier and more permanent classifications. In the cotton, rice and tobacco areas payments are not up to the seasonal level, due to low prices of these products and a disposition on the part of farmers to hold for more favorable markets. City retailers report payments in December backward, but note some improvement since the first of this year. Answers to questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
December, 1931.....	2.0%	21.4%	56.2%	20.4%
November, 1931.....	0	18.5	67.5	14.0
December, 1930.....	0	12.7	63.5	23.8

Commercial failures in the Eighth Federal Reserve District in December numbered 168 involving liabilities of \$4,786,681, against 117 failures in November with liabilities of \$3,357,116, and 131 defaults for a total of \$10,609,767 in December, 1930. In 1931 there were 1,676 failures with liabilities of \$41,037,704 against 1,517 failures involving liabilities of \$48,948,234 in 1930 and 1,420 defaults for a total of \$25,432,558 in 1929.

The average daily circulation in the United States in December was \$5,611,000,000 against \$5,518,000,000 in November and \$4,823,000,000 in December, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes**—December sales of the reporting interests were 17 per cent smaller than for the same month in 1930, and 51 per cent below the November, 1931, total. For the twelve months ended December 31 aggregate sales were 9.4 per cent smaller than in 1930. Stocks on hand on January 1 were 4.6 per cent larger than a month earlier, but 13.6 per cent smaller than on January 1, 1931. The decrease in the month-to-month sales comparison is seasonal in character, and about the same as the average during the past several years. December is normally the most inactive month in the industry in this district. Since January 1 there has been a well defined pick-up in ordering. Buying is well

distributed through all lines of shoes as well as geographically. Factory operations were at approximately 75 per cent of capacity, and at a slightly higher rate than a year ago.

**Clothing** — Continued warm weather throughout the trade territory and uncertainty relative to prices were among the influences responsible for a decrease in December sales of the reporting firms of 62 per cent as compared with November and of 36 per cent as contrasted with December a year ago. The movement of heavyweight apparel was considerably below the seasonal average. Ordering for spring and summer consumption is backward. The trend of prices was downward.

**Drugs and Chemicals** — A further decline in the volume of business took place in this classification in December. Sales of the reporting firms for that month fell 8 per cent below November, and were smaller by approximately one-fifth than in December, 1930. Decreases in the yearly comparison were most pronounced in seasonal goods and heavy drugs and chemicals used by the general manufacturing trade. Inventories continue to decline, stocks on January 1 being 4 and 10 per cent smaller, respectively, than thirty days and a year earlier.

**Dry Goods** — December sales of the reporting firms were 14 per cent less than for the same month in 1930, and 39 per cent under the November, 1931, total. For 1931, total sales were 23.5 per cent smaller than for the preceding twelve months. Stocks increased 10 per cent between December 1 and January 1, but on the latter date were 38 per cent smaller than at the corresponding time in 1931. Since January 1 there has been a notable improvement in demand for merchandise, orders during the first half of the month running ahead of the same period last year. Business booked, however, is almost exclusively for immediate delivery.

**Electrical Supplies** — Contrary to the usual seasonal trend, sales of the reporting firms in December showed an increase over November, but the total was more than one-third smaller than in December, 1930. Inventories continue to decrease, stocks on January 1 being 2 per cent smaller than on December 1, and 23 per cent less than on January 1, 1931. There was no appreciable change in prices as compared with the preceding thirty days.

**Flour** — Production at the twelve leading mills of the district in December totaled 262,892 barrels, against 272,264 barrels in November and 327,638 barrels in December, 1930. During the last half of December business continued quiet. Following the holidays the moderate upturn in cash wheat served to stimulate trading in flour, and prices were somewhat firmer. Stocks in all positions are low. Mill

operations were at about 40 to 45 per cent of capacity.

**Furniture** — December sales of the reporting interests showed a decrease of 18 per cent as compared with November, and were slightly more than one-fourth smaller than in December, 1930. Stocks increased 17 per cent between December 1 and January 1, and on the latter date were 42 per cent smaller than on January 1 last year.

**Groceries** — The movement of holiday goods improved considerably during late December, numerous retailers filling eleventh-hour requirements. Demand for staples, canned and preserved foods, remains quiet, particularly in the rural sections. December sales of the reporting firms were 5 per cent smaller than in November, and 17 per cent less than in December, 1930. Stocks on January 1 were slightly smaller than a month earlier, and 13 per cent less than on the opening day of 1931.

**Hardware** — Conforming with the usual seasonal trend, sales of the reporting firms decreased 17 per cent from November to December, and the total for the latter month was about one-fifth smaller than for the corresponding period in 1930. Inventories continue to decline, stocks on January 1 being 2 per cent and 12 per cent smaller, respectively, than thirty days and a year earlier. The movement of seasonal goods, which has been backward all winter, developed no improvement, and ordering of spring and summer lines was smaller than usual at this time of year. The trend of prices was lower.

**Iron and Steel Products** — The usual slowing down in activities in the iron and steel industry which marks the final month of the year was considerably more pronounced in December, than has been the case in recent years. Demand for both raw and finished materials, according to interests reporting to this bank, was in small volume, and despite light shipments, there was a further contraction in unfilled orders. Contracting for first quarter of 1932 requirements was little in evidence, new business booked being mainly for immediate and well defined needs. Operations at mills and foundries during the last half of December fell to the lowest levels of the year. As was the case earlier in the season, the movement of seasonal goods, notably stoves, furnaces, tubular goods and accessories, was adversely affected by the mild weather. Purchasing by the railroads continued at the low levels which marked earlier months of the year, and demand from the automotive and building industries failed to expand. The trend of prices was lower, with a number of specific reductions in finished steel materials, notably plates, sheets and hot rolled strip. Southern pig iron for delivery in this

district was reduced \$1 per ton; scrap iron and steel prices receded to the lowest levels on the present downward movement. December business of warehouse and jobbing interests was in smaller volume than in any month during the year. Since the second week of January there has been some betterment both in sentiment and actual business. Moderate improvement has been noted in orders and specifications from the automotive industry, and scattered orders for a variety of materials from miscellaneous sources indicate that consumers are more disposed to replenish stocks than heretofore. While prices are still somewhat unsettled, efforts at stabilization have met with a fair degree of success. There was a further decrease in production of pig iron for the country as a whole in December, and for the first time since September, 1921, the output fell below 1,000,000 tons. December production of 980,377 tons compares with 1,101,820 tons in November, and 1,665,715 tons in December, 1930. Steel ingot production in the United States in December totaled 1,302,399 tons, against 1,593,684 tons in November and 1,979,547 tons in December, 1930.

### AUTOMOBILES

Distribution of automobiles in this district, according to the reporting dealers, declined sharply during December, both as contrasted with the preceding month and the corresponding period in 1930, and was the smallest for any month since last January. For the year total sales were approximately one-fourth smaller than in 1930, and 28 per cent below the average for the past seven years. Declines in both the month-to-month and yearly comparisons extended quite generally to all classes of makes, but were most noticeable in the medium and high priced cars. It was reported by dealers that the Christmas trade was smaller than usual. There was still a general disposition to wait for new models and the annual automobile shows before filling requirements. Demand for trucks continues fairly active, December sales being about on a parity with the November total and 8 per cent larger than in December, 1930. Parts and accessory business was in considerable volume, due to extensive repairing and reconditioning of old cars by both owners and dealers. December sales of new passenger cars by the reporting dealers were 18 per cent smaller than in November, and about one-third smaller than the December, 1930, total. There was a slight increase in stocks of new cars in dealers hands between December 1 and January 1, and the total on the latter date was 35 per cent smaller than a year ago. Demand for used cars holds up well, and in consequence of the reduced number of vehicles

being taken in trade, stocks of salable secondhand cars decreased slightly from November to December, and on January 1 were 6 per cent smaller than on the same date in 1931. There was no change worthy of note in the tire situation as contrasted with the preceding thirty days. Deferred payment sales of automobiles by dealers reporting on that item in December constituted 54 per cent of their total sales, against 53 per cent in November and 51 per cent in December, 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	
	Dec. 1931 comp. to Dec. 1930	12 months ended Dec. 31, 1931 to same period 1930	Dec. 31, 1931 comp. to Dec. 31, 1930	Dec. 31, 1931	Jan. 1, to Dec. 31, 1931	1930
Evansville .....	-25.1%	-22.6%	-24.0%	1.97	2.11	
Little Rock.....	-12.4	-15.3	6.7	2.74	2.64	
Louisville .....	-15.1	-15.3	-18.3	2.88	2.91	
Memphis .....	-15.3	-17.9	-29.2	3.27	3.05	
Quincy .....	3.5	-17.9	-11.4	2.66	2.67	
St. Louis .....	-11.4	-10.5	-12.9	3.90	3.95	
Springfield, Mo.....	-21.1	-15.3	6.4	1.75	1.80	
8th District.....	-12.6	-12.7	-16.0	3.51	3.48	

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Dec. 1931 comp. to Dec. 1930	12 months ended Dec. 31, 1931 to same period 1930	Dec. 31, 1931 comp. to Dec. 31, 1930	Jan. 1, to Dec. 31, 1931	1930	
Men's Furnishings	-19.1%	-10.5%	9.5%	3.27	3.18	
Boots and Shoes.....	-12.6	-19.2	-16.0	2.87	3.03	

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in December was considerably greater than the record low total of November, but 18 per cent smaller than the aggregate in December, 1930. The total for 1931 was approximately one-fourth smaller than in 1930, and 45 per cent below the average during the past nine years. According to Statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District during December amounted to \$10,570,573, against \$5,996,183 in November and \$16,102,809 in December, 1930. For 1931 the total was \$186,641,992, a decrease of \$139,385,431 or 42.8 per cent as compared with 1930, and of \$174,439,245 or 48.3 per cent as compared with the average during the past seven years. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	161	162	\$ 42	\$ 58	17	31	\$ 3	\$ 15
Little Rock	20	25	876	125	52	40	17	8
Louisville ..	34	35	1,696	90	20	14	10	7
Memphis ....	63	71	32	102	88	156	79	73
St. Louis....	130	211	209	2,051	161	256	78	222
Dec. totals..	408	504	\$2,855	\$2,426	338	497	\$ 187	\$325
Nov. totals..	564	779	509	1,271	385	430	348	408
Oct. totals..	727	973	1,429	1,283	574	704	279	462

\*In thousands of dollars (000 omitted).

## POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 18.8 per cent in combined postal receipts for the final quarter of 1931 under the preceding three months, and a decrease of 9.6 per cent as contrasted with the last quarter of 1930. Detailed figures follow:

	For Quarter Ending			Dec. 31, 1930	Dec. 1931 comp. to Dec. 1930
	Dec. 31, 1931	Sept. 30, 1931	June 30, 1931		
Evansville .....	\$ 142,000	\$ 147,000	\$ 163,000	\$ 162,000	-12.3%
Little Rock.....	182,000	189,000	179,000	224,000	-18.7
Louisville .....	659,000	577,000	615,000	708,000	-6.9
Memphis .....	551,000	440,000	491,000	618,000	-10.8
St. Louis.....	2,993,000	2,459,000	2,926,000	3,294,000	-9.1
Totals .....	\$4,527,000	\$3,812,000	\$4,374,000	\$5,006,000	- 9.6

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 12 per cent smaller than in November and 11.6 per cent less than in December, 1930. Detailed figures follow:

	No. of Customers	Dec. 1931	Nov. 1931	Dec. 1931 comp. to Nov. 1931	Dec. 1930	Dec. 1931 comp. to Dec. 1930
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	1,644	1,498	+ 9.7%	1,726	- 4.8%
Little Rock..	35	1,217	1,250	- 2.6	1,254	- 3.0
Louisville ...	85	5,093	5,369	- 5.1	5,723	-11.0
Memphis .....	31	1,399	1,472	- 5.0	1,710	-18.2
St. Louis.....	160	11,634	14,362	-19.0	13,329	-12.7
Totals .....	351	20,987	23,951	-12.4	23,742	-11.6

\*In thousands (000 omitted).

## AGRICULTURE

Continuing conditions which have obtained since early autumn, temperatures throughout the entire Eighth District during the past thirty days have been unseasonably high. The average during November and December was well above normal, and continued so through the first half of January. The effect of these conditions on agriculture has been in the main favorable. Except where excessive rains have interfered with such operations, good progress has been made in plowing and preparation of the soil for planting spring crops. There has been ample precipitation for growing crops and deficiency in soil moisture occasioned by drouth in recent years has been largely made up. Pastures, particularly, in the south, were serviceable later into the season than usual, and the mild weather was favorable for live stock. The movement to market of nearly all crops has been slow, due in large measure to low prices and a disposition on the part of farmers to hold for more favorable terms. As a result of this, and heavy production, crop reserves on farms are larger than usual at this time of year. Home grown

food supplies in virtually all sections of the district are the largest in recent years.

On the other hand, low temperatures are needed for conditioning corn and for checking unseasonably early growth in vegetation generally. Through the south excessive rains have been detrimental to cotton, causing heavy field losses and lowering quality of the unpicked staple. Considerable damage was done in Northern Mississippi by floods. In sections of Kentucky and Tennessee the movement of tobacco from farms to markets was interfered with by impassable dirt roads. Prices of a number of important agricultural products receded during late December, but partial recoveries have been made since the first week of January. Live stock prices continued at or around the lowest levels reached on the present downward movement.

**Winter Wheat**—Reports from the principal wheat growing areas of the district reflect a favorable position for the crop. According to preliminary estimate of the U. S. Department of Agriculture, the area seeded to wheat last fall in states entirely or partly within the Eighth District was 5,000,000 acres, a decrease of approximately 10 per cent as compared with the fall of 1930.

**Corn**—Total production of corn in states including the Eighth District in 1931, is estimated by the U. S. Department of Agriculture at 917,125,000 bushels, an increase of approximately 73 per cent over the short crop of 530,880,000 bushels in 1930. Due to depressed prices, however, the value of the 1931 crop is estimated at only, \$294,768,000, a decrease of \$76,010,000 or 20.5 per cent under the value of the 1930 crop. Husking made rather slow progress during December in the northern stretches of the district, due to weather conditions and less hiring of help than usual. By January 1, however, the crop had been generally husked and housed. There were numerous complaints of excessive moisture content, caused by humidity and low temperatures, and some lowering of quality was caused by moulding in cribs.

**Fruits and Vegetables**—Yields of fruits and vegetables in states entirely or partly within the Eighth District in 1930 were the largest in recent years, and in the case of some products, the largest on record. Returns received by producers, however, were proportionally much smaller than in former years, owing to depressed prices and lack of demand. Total output of potatoes in these states, according to the estimate of the U. S. Department of Agri-

culture, was 25,179,000 bushels, worth at December 1 farm prices \$16,792,000 against 21,769,000 bushels in 1930 with a value of \$25,366,000. The sweet potato crop amounted to 17,851,000 bushels with value of \$10,159,000, against 12,493,000 bushels in 1930, with value of \$11,358,000; apples, 34,593,000 bushels worth \$17,698,000, against 10,344,000 bushels in 1930 with value of \$13,591,000; peaches, 16,030,000 bushels with value of \$8,822,000, against 1,428,000 bushels in 1930, worth \$2,062,000, and grapes, 33,066 tons with value of \$1,239,000, against 23,579 tons in 1930 with value of \$1,108,000. The wastage of all tree fruit crops in 1931 was unusually heavy on account of overproduction and adverse marketing conditions.

**Live Stock** — Some slowing down in the marketing of live stock took place during the past thirty days, due to the low prices prevailing, and heavy cooler stocks of dressed meats. The condition of livestock generally in the country continues exceptionally high, being favored by the mild, open winter and abundant and cheap feed. Generally through the district, milk production in December was above the 5-year average for that month, though seasonally lower than in November.

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

	Receipts			Shipments		
	Dec. 1931	Nov. 1931	Dec. 1930	Dec. 1931	Nov. 1931	Dec. 1930
Cattle and Calves.....	83,326	88,177	99,616	51,880	58,048	64,410
Hogs .....	276,951	245,061	331,465	180,420	200,827	269,970
Horses and Mules.....	1,517	2,479	2,336	1,565	2,342	2,384
Sheep .....	39,157	41,649	35,503	8,372	8,501	9,089

Following table shows comparative receipts and shipments for the years 1931, 1930 and 1929:

	Receipts			Shipments		
	1931	1930	1929	1931	1930	1929
Cattle and Calves ..	1,170,781	1,203,138	1,223,151	755,140	768,842	784,982
Hogs .....	2,970,316	3,459,011	3,865,456	2,321,835	2,805,213	2,767,144
Horses and Mules ...	40,101	51,104	70,502	40,655	52,547	201,493
Sheep .....	660,897	583,870	534,370	220,027	212,839	212,839

**Cotton** — According to the U. S. Department of Agriculture, production of cotton in the Eighth District in 1931 amounted to 3,668,000 bales which, on a basis of December 1 prices, had an estimated value of \$104,538,000. This compares with 2,289,000 bales raised in 1930, for which producers received \$108,727,000. While considerable cotton still remains in the fields, very little picking was accomplished during the last three weeks of December and early in January, owing to unfavorable weather. In many sections heavy field losses were caused by excessive rains, and in Mississippi large areas of cotton lands have been inundated by floods. Due to these conditions a considerable portion of the cotton still in fields will not be picked. Mild weather generally through the season has been favorable to boll weevil survival. The general demand for cotton developed

little change but prices were slightly higher. In the St. Louis market the middling grade ranged from 5.70c to 6.25c per pound between December and January 15, closing at 6.25c on the latter date, which compares with 5.70c on December 15, and 8¾c on January 15, 1931. Receipts at Arkansas compresses from August 1, 1931 to January 15 this year totaled 1,243,956 bales, against 771,089 bales for the corresponding period a year earlier. Stocks on hand on January 15 aggregated 667,822 bales, against 691,563 bales on December 11, and 351,229 bales on the corresponding date in 1931.

**Rice** — Production of rice in Arkansas in 1931 totaled 9,381,000 bushels, which at December 1 farm prices, was worth \$5,722,000. In 1930 the output was 8,170,000 bushels with value of \$6,376,000.

**Tobacco** — Including all types, production of tobacco in states including the Eighth District in 1931, according to the U. S. Department of Agriculture, amounted to 658,978,000 pounds which was 142,019,000 pounds, or 27.5 per cent larger than the 1930 output. The total value of the crop, however, based on December 1 farm prices, was only \$59,608,000, a decrease of \$6,425,000, or approximately 10 per cent under the amount realized on the 1930 crop. The low range of prices since the opening of the market season in early December has been unsatisfactory to growers. In all districts farmers, where able to do so, are holding their stocks for higher prices. Withal the markets are abundantly supplied, and considerable tobacco has been sold. Prices received for burley tobacco prior to the January 1 recess averaged \$9.57 per cwt., against \$17.47 during the corresponding period in 1930.

**Commodity Prices** — Range of prices in the St. Louis market between December 15, 1931 and January 15, 1932, with closing quotations on the latter date and on January 15, 1931, follow:

	High	Low	Close	
			Jan. 15, 1932	Jan. 15, 1931
Wheat				
May .....	per bu. \$ .57¾	\$ .52¾	\$ .54¾	\$ .80
July .....	“ .56½	.51¾	.....	.66½
No. 2 red winter “	.60½	.56	\$ .56 @ .56½	\$ .81 @ .82
No. 2 hard “	.59	.54	.54½ @ .55	.78 @ .79
Corn				
May .....	“ .42½	.38	.38¾	.72¾
July .....	“ .43½	.39¾	.40¾	.73¾
No. 2 mixed.....	“ .39	.36½	.36½ @ .37	.69 @ .70
No. 2 white.....	“ .40	.37	.37½ @ .38	.70 @ .71
Oats				
No. 2 white.....	“ .27	.24¼	.25 @ .25½	.35 @ .35½
Flour				
Soft patent.....	per bbl. 4.20	3.60	3.60 @ 4.20	4.75 @ 5.00
Spring patent.....	“ 4.50	4.20	4.20 @ 4.50	4.25 @ 4.40
Middling cotton.....	per lb. .0625	.057	.....	.70 @ .08¾
Hogs on hoof.....	per cwt. 4.85	3.00	.....	6.10 @ 8.30

## FINANCIAL

Aside from factors directly affected by seasonal influences, changes in the banking and financial situation in this district were of a minor character.

Demand for credit continued in limited volume, with requirements of mercantile and manufacturing interests exhibiting somewhat more than the usual seasonal recession. There was a further contraction in the call for funds to finance stocks, bonds and other investments. Demand for agricultural purposes was less in evidence than during the preceding several months, and there was considerable liquidation by country banks with their city correspondents. Some backwardness in this respect was reported by city banks in the tobacco growing sections, where low prices and holding back their stocks by farmers tend to restrict liquidation. Commitments of grain and flour milling interests were further reduced, and represent the smallest total for this particular season in many years. There was the usual augmented demand for money incident to tax, interest and dividend disbursements, which, however, was not in sufficient volume to materially affect the situation as a whole.

Total loans and discounts of the reporting member banks decreased approximately 3 per cent between December 16 and January 13, and on the latter date were 19 per cent smaller than a year earlier. Loans on securities continued the downward trend of recent months, and there was a decrease of 2 per cent in "all other" (commercial) loans. Deposits of these banks decreased slightly between the dates mentioned, and were about 11 per cent smaller than at the same time in 1931. Investments decreased 5 per cent during the month, but continued about one-fourth greater than a year ago. Borrowings of all member banks from the Federal Reserve Bank averaged somewhat larger than during the preceding month, but were substantially smaller than during the corresponding period a year ago. The demand for currency in this district, after increasing during the holiday season, declined during the last week in December, but increased after January 1, contrary to the usual seasonal tendency.

A further slight firming tendency was shown by money rates. At St. Louis banks current quotations were as follows: Prime commercial paper, 4½ to 6 per cent; collateral loans, 4¾ to 6 per cent; loans secured by warehouse receipts, 4¾ to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 5½ to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on January 20, 1932 showed a decrease of 2.8 per cent as contrasted with December 23, 1931. Deposits decreased 2.7 per cent

between December 23, 1931 and January 20, 1932 and on the latter date were 11.3 per cent smaller than on January 21, 1931. Composite statement follows:

	*Jan. 20, 1932	*Dec. 23, 1931	*Jan. 21, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt., obligations and other stocks and bonds.....	\$147,756	\$147,032	\$195,233
All other loans and discounts.....	229,436	240,997	270,439
Total loans and discounts.....	\$377,192	\$388,029	\$465,672
Investments			
U. S. Government securities.....	90,547	92,419	37,196
Other securities.....	118,987	126,894	133,054
Total investments.....	\$209,534	\$219,313	\$170,250
Reserve balance with F. R. Bank	39,946	43,024	42,967
Cash in vault.....	8,737	8,124	7,129
Deposits			
Net demand deposits.....	316,295	335,339	364,610
Time deposits.....	213,784	208,246	235,996
Government deposits.....	3,340	4,723	482
Total deposits.....	\$533,419	\$548,308	\$601,088
Bills payable and rediscounts with Federal Reserve Bank.....	9,669	13,284	1,210

\*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.

	*Dec., 1931	*Nov., 1931	*Dec., 1930	Dec., 1931 comp. to Nov. 1931	Dec. 1930 to Comp. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	22,810	\$ 23,207	\$ 36,638	— 1.7%	—37.7%
El Dorado, Ark.....	4,152	3,942	6,009	+ 5.3	—30.9
Evansville, Ind.....	18,360	15,053	25,888	+22.0	—29.1
Fort Smith, Ark.....	8,939	8,898	11,855	+ 5	—24.6
Greenville, Miss.....	3,146	3,298	3,838	— 4.6	—18.0
Helena, Ark.....	1,692	2,912	2,417	—41.9	—30.0
Little Rock, Ark.....	26,123	22,756	32,208	+14.8	—18.9
Louisville, Ky.....	124,160	108,342	145,863	+14.6	—14.9
Memphis, Tenn.....	107,010	111,305	128,698	— 3.9	—16.9
Owensboro, Ky.....	4,250	3,950	7,055	+ 7.6	—39.8
Pine Bluff, Ark.....	6,807	7,208	7,589	— 5.6	—10.3
Quincy, Ill.....	7,764	7,042	6,978	+10.3	+11.3
St. Louis, Mo.....	594,539	457,345	649,497	+30.0	— 8.5
Sedalia, Mo.....	2,465	1,958	4,206	+25.9	—41.4
Springfield, Mo.....	12,123	11,475	14,653	+ 5.6	—17.3
**Texarkana, Ark-Tex.....	7,447	6,675	10,684	+11.6	—30.3
Totals .....	\$951,787	\$795,366	\$1,094,076	+19.7	—13.0

\*In thousands (000 omitted).

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

**Federal Reserve Operations**—During December the Federal Reserve Bank of St. Louis discounted for 241 member banks against 253 in November and 244 in December, 1930. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Jan. 21, 1932	*Dec. 21, 1931	*Jan. 21, 1931
Bills discounted .....	\$25,769	\$29,728	\$11,207
Bills bought .....	10,517	6,976	4,689
U. S. Securities.....	27,886	27,351	24,151
Federal Inter. Cr. Bk. Debentures.....	880	880	.....
Participation in Inv. Foreign Banks.....	1,100	1,103	1,259
Total bills and securities.....	\$66,152	\$66,038	\$41,306
Total reserves.....	98,438	94,920	114,404
F. R. Notes in circulation.....	92,507	87,857	81,446
Total deposits.....	64,576	65,900	69,010
Ratio of reserve to deposits and F. R. Note Liabilities.....	62.7%	61.7%	76.0%

\*In thousands (000 omitted).

(Compiled January 23, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of February 29, 1932

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**W**HILE trade and industry in the Eighth District continued at levels considerably below other years, January and the first half of February developed moderately, expanding tendencies in many lines and marked improvement in sentiment among the business community as a whole. Following the holiday and inventorying period, wholesale distribution showed a substantial increase, with lines handling goods for ordinary consumption, such as dry goods, boots and shoes, clothing and some food products, reporting the volume of unit sales in excess of the corresponding period a year ago. Steadily increasing replacement demands for a broad variety of commodities are making themselves felt, and have been reflected in a considerable volume of reordering by retail merchants, both in the large urban centers and the country. While purchasing is still almost exclusively for immediate or reasonably prompt delivery, the average size of orders is larger than heretofore and there is more of a disposition to replenish stocks and fill out assortments.

Production at manufacturing plants as a whole increased slightly during January over the low level of December, and the improvement was maintained through the first half of February. In the iron and steel industry conditions are still spotted and irregular, with railroads, automobile manufacturers, the petroleum industry and other important consumers buying sparingly. Miscellaneous users of ferrous products, however, have increased their demands sufficiently to warrant the higher operating schedules at many foundries and mills. A number of manufacturing establishments, which for many months have been producing only enough goods to apply on actual orders, have started making up stock in anticipation of demands looked for later in the year. In a large majority of lines investigated by this bank, stocks of both consumer goods and raw materials on February 1 were substantially smaller than a year earlier, also less than the average on that date during the past decade.

As has been the case since early last fall, unusually mild weather hampered distribution of seasonal merchandise. Heavily reduced consumption of bituminous coal was reflected in curtailed operations of mines in all fields of the district. Distribution of coke, oil and other fuels was also in considerably smaller volume than in past seasons. Activities at lead and zinc mines receded further, reflecting slack demand and low prices for these metals. Operations at lumber mills, quarries, cement and glass plants, and railroad shops showed little change from the low levels of the preceding thirty days. Weather conditions were in the main favorable for agriculture, though excessive rains interfered with preparations for spring crops in many sections. In parts of the south, notably in Kentucky and northern Mississippi, rivers overflowed their banks, causing serious flood conditions. Recent rains have aggravated the situation, and apprehension is felt for floods of major proportions in the valleys of the Mississippi River and its tributaries.

The volume of retail trade in January, as reflected by department store sales in leading cities of the district, was approximately one-half smaller than in December, and 17 per cent less than in January, 1931. Combined sales of all wholesaling and jobbing establishments reporting to this bank in January were about one-fourth less than for the same month last year, but more than 33 per cent larger than the December, 1931, total. The dollar value of building permits issued for new construction in the five largest cities of the district in January showed heavy declines as compared with the preceding month and the same period a year ago. Construction contracts let during January in the Eighth District declined 87 per cent, and 87 per cent, respectively as compared with a month and a year earlier. Charges to individual checking accounts in January were 6 per cent smaller than in December, and 23.2 per cent less than in January, 1931. The amount of savings accounts in selected banks on February 3 was 3.2 per cent smaller than

on January 6, and 8.3 per cent less than on February 4, 1931.

Freight and passenger traffic of railroads operating in this district continued in smaller volume than at the corresponding period a year and two years earlier. Since the first of the year some improvement has taken place in the freight movement, seasonal in character and less marked than the average during the past several years. For the country as a whole, loadings of revenue freight for the first four weeks of the year, or to January 30, totaled 2,269,875 cars against 2,873,211 cars for the corresponding period in 1931 and 3,470,797 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 140,912 loads in January, against 127,313 loads in December, and 173,098 loads in January, 1931. During the first nine days of February the interchange amounted to 42,158 loads, against 40,199 loads during the same period in January, and 51,754 loads during the first nine days of February, 1931. Passenger traffic of the reporting lines decreased 30 per cent in January as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 130,400 tons, against 168,021 tons in December, and 75,512 tons in January, 1931.

While considerable irregularity and spottiness continues to exist, collections generally showed moderate improvement as compared with the preceding thirty days and compared favorably with the corresponding period a year ago. Wholesaling interests in the principal urban centers reported February 1 settlements well up to expectations. This was true particularly of boots and shoes, dry goods and hardware. Backwardness is still complained of by manufacturers and distributors of building materials, iron and steel, and other of the heavier lines of merchandise. Generally through the south moderate betterment in payments has taken place, an exception being in the tobacco areas where low prices and a disposition on the part of producers to hold for more favorable markets tend to retard liquidation. City retailers report payments fully equal to a year ago. Answers to questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
January, 1932.....	0.0%	18.2%	61.0%	20.8%
December, 1931.....	2.0	21.4	56.2	20.4
January, 1931.....	0.0	10.6	58.8	30.6

Commercial failures in the Eighth Federal Reserve District in January numbered 158 involving liabilities of \$3,918,464, against 168 failures in

December with liabilities of \$4,786,681 and 243 defaults for a total of \$4,836,838 in January, 1931.

The average daily circulation in the United States in January was \$5,645,000,000 against \$5,611,000,000 in December, and \$4,695,000,000 in January, 1931.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — January sales of the reporting firms were 27 per cent less than for the same month in 1931, and about double those of December. Stocks on February 1 were about 9 per cent larger than a month earlier, but 11 per cent smaller than on February 1 last year. The increase in the month-to-month sales comparison is seasonal in character, December being normally a month of light sales. Since the middle of January there has been a notable quickening in business, with unit sales showing an increase over the same period a year ago. Due to reduced prices, however, the dollar volume continues smaller than in 1931. The demand for women's and children's fancy shoes is relatively much better than for work shoes and other staple lines. Collections are reported generally good, with charge-offs for actual losses smaller than at the same time last year. Factory operations were at from 80 to 85 per cent of capacity.

**Clothing** — Ordering of apparel for spring and early summer distribution continues to lag, the volume being considerably smaller than the average at this time during the past few years. Demand continues to center mainly in cheap priced garments, and while retail stocks are small, replenishment is along extremely conservative lines. Due to the warm weather throughout the winter, the clearance of heavyweight clothing was incomplete, and the carryover of such merchandise is larger than in past years. January sales of the reporting clothiers were 2 per cent larger than in December, but about 3 per cent smaller than in January, 1931.

**Drugs and Chemicals** — The past thirty days failed to develop any expansion in the volume of business in this classification. Continued mild weather held down the movement of seasonal goods to a minimum, and requirements of the general manufacturing trade are still light. Purchasing by retailers in both the cities and country is only for immediate and well defined wants. The trend of prices was slightly lower. Sales of the reporting firms in January were 8 per cent smaller than in the preceding month, and 32 per cent less than in January, 1931. Stocks on February 1 were 4 per cent and 16 per cent smaller, respectively, than thirty days and a year earlier.

**Dry Goods** — The unit volume of goods being sold in this classification is running somewhat larger than a year ago, but due to drastic reductions in prices, dollar sales of the reporting firms in January were about one-fifth smaller than during the same month last year. As compared with December, the January total showed an increase of 14 per cent. Inventories continue to decline, stocks on hand February 1 being slightly smaller than thirty days earlier, and 35 per cent less than on February 1, 1931. Advance orders on books of the reporting interests are smaller than at any similar period in recent times.

**Electrical Supplies** — There was the usual seasonal decline in sales in this classification from December to January, and the total for the latter month, according to the reporting firms, was about 32 per cent less as compared with January, 1931. Inventories continue to recede, stocks on hand February 1 being 18 per cent and 23.5 per cent smaller, respectively, than thirty days and a year earlier. In the yearly sales comparison decreases were general in all lines of the industry, but particularly noticeable in radio material, pole and line hardware, and electrical installations. Sales of electrical heaters and other seasonal commodities represented the smallest total in a number of years.

**Flour** — Production at the twelve leading mills of the district in January totaled 255,134 barrels, against 262,892 barrels in December and 337,391 barrels in January, 1931. There was no change in the situation as contrasted with recent months, business being confined within narrow limits. Large baking concerns are holding their purchases to absolute requirements, no attempt to anticipate future needs being made. Consumption of bread and other bakery products, according to the reporting interests, is considerably smaller than in recent years. Prices showed little variation, but demand centers chiefly in cheap flours, price rather than quality receiving first consideration. Mill operations decreased slightly and were from 40 to 45 per cent of capacity.

**Furniture** — January sales of the reporting firms were about one-third larger than in December, but 19 per cent less than in January, 1931. Stocks increased 6 per cent between January 31 and February 1, and on the latter date were 37 per cent smaller than a year ago. The increase in the month-to-month sales comparison is seasonal in character, and of about the average size as during the past ten years. Prices showed no change during the month, but are considerably lower than at the corresponding time last year. Demand for office furniture and equipment continues quiet.

**Groceries** — Unfavorable weather, with floods in sections of the south prevented salesmen from completely covering their sales territories and were factors in causing a decrease in January sales of the reporting firms of 6 per cent as compared with December, and 27 per cent as compared with January, 1931. Generally demand for canned goods is retarded by unseasonable weather, competition of low priced fresh stock, and the substantial volume of home canning and preserving last year. The trend of prices continues downward, with a number of commodities recording new low levels on the present retrograde movement. Stocks on February 1 were 15 per cent and 22 per cent lower, respectively, than thirty days and a year earlier.

**Hardware** — The demand for seasonal merchandise was retarded during January by the unusually high temperatures. This was true particularly of goods consumed chiefly in the rural areas. Some improvement in sales generally has been noted since the middle of January, but a number of important lines, including builders' tools and hardware, continue sluggish. January sales of the reporting firms were 2.3 per cent larger than in December, but 22 per cent less than in January last year. Lower prices and conservative purchasing policies have resulted in a further decrease in inventories, stocks on February 1 being 13 per cent and 17 per cent smaller, respectively, than a month and a year earlier.

**Iron and Steel Products** — As contrasted with the low rate of activity in December, moderate improvement developed in the iron and steel industry in this district during the second and third weeks of January. While the pace slowed somewhat during the final week of January and early this month, the general average has continued slightly above that of December. The betterment centers chiefly in freer specifications on goods previously acquired, new orders being still in limited volume. This is true particularly with reference to the most important groups of consumers, notably the automotive, railroad, building and oil industries. Purchasing by the railroads continues on an absolute necessity basis, with the usual seasonal demand for track and general repair materials being less in evidence than in former years. Thus far, ordering of equipment has failed to develop, and mills and foundries specializing in locomotive and car materials have either been shut down, or operating on reduced schedules. In the immediate past releases of automobile castings and other materials have increased to some extent, but the volume is below what had been looked for at this time. Due to the unusually mild winter, demand for tubular goods, roofing materials and other

seasonal commodities has been in unusually small volume. The low stage of construction activities is reflected in a reduced movement of all descriptions of building materials. Fabricators of structural iron and steel report a further reduction in unfilled orders, and a number of plants have closed. Producers and distributors of steel sheets report January sales considerably above the December total, but with demand coming from miscellaneous users and individual orders of small size. Plates, standard structural shapes, bars and the general run of building materials continue quiet. Operations at mills averaged from 18 to 22 per cent of capacity, while the average at jobbing foundries was about 25 per cent. With few exceptions stove plants have failed to resume operations following the holiday and inventory recess. Farm implement interests and manufacturers of machine tools continue to operate on reduced schedules. The general level of prices was slightly lower, and shading under list quotations was noted on certain commodities. Pig iron and scrap were quiet, with prices the lowest on the present retrograde movement. For the country as a whole production of pig iron in January totaled 971,437 tons, against 980,377 tons in December, and 1,715,443 tons in January, 1931. Steel ingot production in the United States in January totaled 1,461,290 tons, which compares with 1,302,399 tons in December, and 2,458,698 tons in January, 1931.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in January totaled 119,344, against 121,533, in December, and 171,851 in January, 1931.

For the seventh successive month, distribution of automobiles in the Eighth District declined in January, according to dealers reporting to this bank. Total sales, which fell sharply below the January, 1931 aggregate, represented the smallest volume for any single month in more than seven years. Normally January is a month of light sales, and during the past decade has invariably shown decreases under December. This year the extent of the decrease was smaller than in 1931, due to the unusually light volume of sales in December. As in past years prospective purchasers were disposed to postpone filling their requirements until after the annual automobile shows. In St. Louis, Louisville and other cities of the district, shows were held in early February, and according to preliminary reports, were the most successful in point of attendance, inquiries and actual sales, in a number of years. Because of the widespread interest and actual and prospective business resulting from these exhi-

bitions, sentiment among dealers has undergone considerable improvement, and the outlook for trade during the spring and early summer is viewed more hopefully than was the case during the opening month of this year. This is true particularly of the large cities, conditions in the small towns and country showing relatively little change as contrasted with recent months. January sales of new passenger cars by the reporting dealers were one-fourth smaller than in December, and 27 per cent less than in January, 1931. There was a further moderate increase in stocks of new cars in dealers' hands between December 1 and January 1, and the total on the latter date was about one-third smaller than a year ago. The used car market continued fairly active, with sales in January only slightly below the December total, but 12 per cent less than in January, 1931. Stocks of salable secondhand cars showed little change from November to December, and on February 1 were 10 per cent larger than a year earlier. There was a sharp decrease in sales of trucks during January as compared with December, but the total was slightly larger than in January, 1931. Business in parts and accessories continues relatively better than in automobiles proper, due in large measure to extensive repair and reconditioning operations by individual owners and dealers. According to dealers reporting on that item, deferred payment sales in January constituted 56 per cent of their total sales, against 54 per cent in December and 54 per cent in January, 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	
	Jan. 1932 comp. to Jan. 1931	Jan. 31, 1932 comp. to Jan. 31, 1931	January, 1932	1931
Evansville .....	-32.7%	-28.3%	.12	.13
Little Rock.....	-25.7	- 3.2	.15	.19
Louisville .....	-16.6	-17.1	.19	.18
Memphis .....	-10.1	-23.3	.24	.20
Quincy .....	-19.7	- 7.1	.18	.20
St. Louis.....	-17.2	-15.9	.28	.29
Springfield, Mo.....	-28.3	- 2.9	. 7	. 9
8th District.....	-17.0	-16.2	.24	.25

#### Retail Stores

	Net Sales Comparison	Stocks on Hand	Stock Turnover	
	Jan. 1932 comp. to Jan. 1931	Jan. 31, 1932 comp. to Jan. 31, 1931	January, 1932	1931
Men's Furnishings.....	-37.2%	- 8.0%	.21	.31
Boots and Shoes.....	-28.3	-18.3	.21	.24

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January was 87 per cent smaller than in December,

and 87 per cent less than the January, 1931 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January amounted to \$4,905,453 which compares with \$10,570,573 in December, and \$13,305,792 in January, 1931. Production of portland cement for the country as a whole in January totaled 4,989,000 barrels against 5,998,000 barrels in December, and 6,595,000 barrels in January, 1931. Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	74	165	\$ 27	\$ 51	24	28	\$ 3	\$ 12
Little Rock	12	24	7	79	39	35	11	11
Louisville ..	36	37	47	564	18	27	39	40
Memphis ....	94	79	59	394	123	197	62	92
St. Louis....	132	179	220	1,767	213	204	174	176
Jan. totals..	348	484	\$ 360	\$2,855	417	491	\$ 289	\$331
Dec. totals..	408	504	2,855	2,426	338	497	187	325
Nov. totals..	564	779	509	1,271	385	430	348	408

\*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 January as being about one per cent greater than in December and 11.3 per cent less than in January, 1931. Detailed figures follow:

	No. of Customers	Jan. 1932	Dec. 1931	Jan. 1932	Jan. 1931	Jan. 1932
		*K.W.H.	*K.W.H.	comp. to Dec. 1931	*K.W.H.	comp. to Jan. 1931
Evansville ....	40	1,663	1,644	+ 1.2%	1,806	- 7.9%
Little Rock..	35	1,264	1,217	+ 3.9	1,820	-30.5
Louisville ....	85	5,124	5,093	+ 0.6	5,710	-10.3
Memphis ....	31	1,933	1,399	+38.2	1,686	+14.7
St. Louis.....	159	11,299	11,627	- 2.8	12,979	-12.9
Totals .....	350	21,283	20,980	+ 1.4	24,001	-11.3

\*In thousands (000 omitted).

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

	By water power	By fuels	Totals
December, 1931.....	2,703,252,000	5,088,007,000	7,791,259,000
November, 1931.....	2,107,376,000	5,298,015,000	7,405,391,000
December, 1930.....	2,361,862,000	5,745,952,000	8,107,814,000

### AGRICULTURE

Due to heavy rains and overflowing rivers and streams in some sections of the south, early farm work is backward. The soggy condition of the soil in many localities has prevented farmers from entering their fields, and relatively little plowing for spring crops has been accomplished. The movement of farm products to railroad terminals has been hampered to some extent by the condition of roads, and continued low prices for most products has proved a further deterrent to heavy marketing. Field preparation for planting the new cotton crop is behind the usual seasonal schedule, and weather conditions have not favored picking, with the result that con-

siderable cotton still remained to be harvested at the first of this month. Floods have done appreciable damage in Kentucky, Mississippi, Arkansas and Tennessee, with greatest injury in the valleys of the Ohio, Wabash and Mississippi rivers.

On the other hand, the unusually mild and open winter has proved very beneficial for growing crops, pastures and livestock. To date there have been fewer reports of injury to vegetation from cold weather than has been the case in more than twenty years. In some sections apprehension is felt for the safety of fruit due to the fact that buds have swelled and belated freezing weather might result in serious damage. Regional surveys of orchards, however, have disclosed no damage up to the middle of February. Universally through the district the supply of farm labor continues much in excess of demand, with wage scales appreciably lower than a year and two years ago. In some sections the demand for farms to rent is more active than during the past several years, but little change in the volume of actual transfers has taken place as contrasted with recent months.

**Winter Wheat** — The condition of the growing crop is generally good throughout the district. In some sections there are reports of excessive growth, occasioned by the unusually mild winter, and there are scattered complaints of the presence of hessian fly. The infestation, however, is local, and no more serious than in average years. Frequent rains have supplied ample moisture, and for the most part conditions of both surface and subsoil are good. The upturn in wheat prices during the past month has served to encourage producers, as well as stimulating the movement to market.

**Corn** — Relatively little plowing has been accomplished, field operations being hampered by wet weather. There are increasing complaints of corn moulding in cribs, and a considerable part of the grain arriving at primary markets is of poor quality. Scattered reports, however, indicate that abundant good seed corn will be available for planting the new crop, and extensive plans are being worked out to finance seed needs of farmers throughout the corn belt.

**Fruits and Vegetables** — Fruit trees in all sections of the district have come through the winter with a minimum of damage from cold weather or other causes. Plans for planting small fruits and truck crops are still indefinite. Indications point to slightly smaller acreages of potatoes than a year ago. Reports from the chief strawberry areas reflect little change in acreage as compared with last year.

**Live Stock**—According to the annual survey of the U. S. Department of Agriculture, the number of livestock in states entirely or partly within the Eighth Federal Reserve District showed an increase of approximately 8 per cent between January 1, 1931, and January 1, 1932. However, owing to the sharply lower prices, the estimated value of these animals on January 1 was 22 per cent less than a year earlier. The aggregate number of cattle, sheep, swine, horses and mules on the opening day this year was 34,221,000 head, having an estimated value of \$600,358,000, which compares with 31,787,000 head with value of \$769,097,000 on January 1, 1931. There was a slight decrease in the number of horses and mules during the year, but all other species increased numerically. Price declines extended to all species. For the country as a whole the total value of all live stock on January 1, 1932, was \$3,195,748,000, the lowest in more than twenty years, and comparing with \$4,450,708,000 on January 1, 1931.

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

	Receipts			Shipments		
	Jan. 1932	Dec. 1931	Jan. 1931	Jan. 1932	Dec. 1931	Jan. 1931
Cattle and Calves.....	75,298	83,326	84,616	45,227	51,880	54,165
Hogs .....	267,476	276,951	344,937	182,231	180,420	263,590
Horses and Mules.....	3,873	1,517	5,487	3,296	1,565	5,886
Sheep .....	37,050	39,157	30,945	14,806	8,372	14,683

**Cotton**—Weather has been unfavorable for field work, and relatively little plowing has been accomplished for the new crop. Present indications are that the crop will get off to a later start than usual. The excessive rains have also hampered picking of cotton remaining in the fields, of which there is a considerable amount. This portion of the crop has suffered depreciation in quality; however, much of it will be saved, provided the grade is sufficiently high to cover the costs of gathering. No concrete indications have thus far appeared upon which to estimate possible acreage. Due to abundant feed, food and seed supplies, the cost of raising the next crop should be exceptionally low. Disastrous floods have occurred in northern Mississippi, and apprehension is felt for a flood of major importance in the Mississippi Valley. The demand for cotton was fairly active and prices moderately higher. In the St. Louis market the middling grade ranged from 6.20c to 6.50c per pound between January 15 and February 15, closing at 6.50c on the latter date, which compares with 6.25c on January 15, and 9.70c on February 16, 1931. Receipts at compresses continue considerably in excess of a year ago. At Arkansas warehouses receipts from August 1, 1931, to February 12 totaled 1,346,072 bales, against 792,531 bales for the corresponding period a year

earlier. Stocks on hand on February 12 totaled 637,305 bales, against 667,822 bales on January 15, and 291,280 bales on the corresponding date in 1931.

**Tobacco**—Approximately 410,000,000 pounds of burley tobacco had been sold at the end of the first week in February at an average of about \$9 per cwt. In late deliveries, good to fine leaf was scarce, and sold higher than at any time this season. Improvement is noted in demand for good to medium grades of red tobacco, which were quiet earlier in the season. Much tobacco which had been removed from the market by producers because of unsatisfactory prices, is now being sold at higher figures. Up to February 1 about 13,000,000 pounds of Green River tobacco was sold at an average of \$3.36 per cwt. and in the one-sucker district 12,500,000 pounds were reported sold at an average of \$3.15. In the dark fired markets of Kentucky and Tennessee, average prices reported were: Clarksville, \$6.87; Springfield, \$7.87 and Hopkinsville, \$5.88. At the middle of February there were fewer plant beds prepared than in a number of years, due mainly to continued wet weather and a general disposition to curtail 1932 acreage. Usually at this date the greater part of beds is prepared and sown.

**Commodity Prices**—Range of prices in the St. Louis market between January 15, 1932 and February 15, 1932, with closing quotations on the latter date and on February 16, 1931, follow:

	High	Low	Close	
			Feb. 15, 1932	Feb. 16, 1931
Wheat				
May .....	.59	\$.56½	\$.57½	.....
July .....	.59½	.55½	.58¾	.66½
No. 2 red winter “	.59½	.55½	\$.56½ @ .57½	\$.79 @ .80
No. 2 hard “	.57½	.55	.56 @ .57	.76 @ .77
Corn				
May .....	.41½	.36	.37¾	.64½
July .....	.43	.39	.40¼	.66
No. 2 mixed.....	.37½	.34½	.34½ @ .35½	.59 @ .60
No. 2 white.....	.39½	.35	.35¾ @ .36¾	.61 @ .60
Oats				
No. 2 white.....	.26	.23½	.24¾ @ .25¼	.33¾ @ .34½
Flour				
Soft patent.....per bbl.	4.20	3.36	3.36 @ 4.20	4.75 @ 5.00
Spring patent..... “	4.50	4.20	4.20 @ 4.50	4.10 @ 4.25
Middling cotton.....per lb.	.065	.062	.065	.0970
Hogs on hoof.....per cwt.	4.45	3.00	3.10 @ 4.20	5.50 @ 8.05

## FINANCIAL

Aside from a feeling of greater confidence, traceable partly to commencement of operations by the Reconstruction Finance Corporation, a noticeable decrease in bank suspensions and general relaxation in the credit situation, there were few changes in banking and financial conditions in the Eighth District during the closing weeks of January and the first half of the present month. Demand for credit from commercial and industrial sources continued at a low ebb, and aggregated considerably less than the usual seasonal volume in recent years. Liquidation of loans at both city and country banks, while some-

what spotty and irregular, has been in considerable volume. Early February settlements with mercantile interests were also large, and permitted of substantial reductions in bank loans.

Borrowings of country banks from their city correspondents were reduced further, but some backwardness in this regard is complained of in the south, where tobacco, cotton and rice planters are disposed to hold their stocks from market on account of low prices. Generally through the south, however, the banking situation as a whole is more satisfactory than during the closing months of last year. The number of bank failures in the district has decreased in recent weeks and some failed institutions have reopened. Credit requirements for agricultural operations have been of a routine character. Due to lateness of preparations for spring crops, occasioned by heavy rains and floods, demand is smaller than at this time in other years.

There was no interruption in the downward trend of loans, investments and deposits of the commercial banks. On February 10, total loans of the reporting member banks were 2.2 per cent smaller than on January 13, and 18 per cent less than on February 11, 1931. Total investments declined 2.2 per cent and were approximately 17 per cent smaller than on February 11 last year. Deposits on February 10 showed decreases of 3.3 per cent and 13 per cent, respectively, from a month and a year earlier. Average daily borrowings of all member banks from the Federal reserve bank varied only in minor degree as compared with the preceding thirty days, but throughout the period were substantially greater than a year ago. Demand for currency continued active, and the note circulation of this bank remained at the relatively high levels which have prevailed since the closing weeks of last year.

Fluctuations in interest rates were narrow, with the average about on a parity with the preceding thirty days. At the St. Louis banks current rates were as follows: Prime commercial paper, 4½ to 6 per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 4½ to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of banks** — Loans and discounts of the reporting member banks on February 10, 1932 showed a decrease of 2.2 per cent as contrasted with January 13, 1932. Deposits decreased 3.3 per cent between January 13, 1932 and February 10, 1932

and on the latter date were 13.1 per cent smaller than on February 11, 1931. Composite statement follows:

	*Feb. 10, 1932	*Jan. 13, 1932	*Feb. 11, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$148,252	\$149,567	\$187,184
All other loans and discounts....	222,792	229,838	266,101
Total loans and discounts.....	\$371,044	\$379,405	\$453,285
Investments			
U. S. Government securities.....	88,343	90,883	41,721
Other securities.....	119,631	121,783	135,425
Total investments.....	\$207,974	\$212,666	\$177,146
Reserve balance with F. R. Bank	38,716	41,865	46,318
Cash in vault.....	7,013	7,937	6,727
Deposits			
Net demand deposits.....	310,235	322,732	364,901
Time deposits.....	209,716	214,238	236,544
Government deposits.....	2,941	3,517	384
Total deposits.....	\$522,892	\$540,487	\$601,829
Bills payable and rediscounts with Federal Reserve Bank.....	4,403	6,772	250

\*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.

	*Jan., 1932	*Dec., 1931	*Jan., 1931	Jan. 1932 comp. to Dec. 1931	Jan. 1931
East St. Louis & Natl. Stock Yards, Ill..\$	20,966	\$ 22,810	\$ 34,263	— 8.1%	—38.8%
El Dorado, Ark.....	3,966	4,152	6,383	— 4.5	—37.9
Evansville, Ind.....	23,216	18,360	27,022	+26.4	—14.1
Fort Smith, Ark.....	8,302	8,939	11,534	— 7.1	—28.0
Greenville, Miss.....	3,186	3,146	3,918	+ 1.3	—18.7
Helena, Ark.....	1,227	1,692	.....	—27.5	.....
Little Rock, Ark.....	23,320	26,123	33,483	—10.7	—30.4
Louisville, Ky.....	120,440	124,160	157,104	— 3.0	—23.3
Memphis, Tenn.....	102,478	107,010	116,247	— 4.2	—11.8
Owensboro, Ky.....	5,525	4,250	8,725	+30.0	—37.0
Pine Bluff, Ark.....	5,468	6,807	7,829	—19.7	—30.2
Quincy, Ill.....	6,576	7,764	7,437	—15.3	—11.6
St. Louis, Mo.....	550,008	594,539	725,659	— 7.5	—24.2
Sedalia, Mo.....	2,676	2,465	4,469	+ 8.6	—40.1
Springfield, Mo.....	11,208	12,123	16,627	— 7.5	—32.6
**Texarkana, Ark.-Tex.....	7,593	7,447	12,789	+ 2.0	—40.6
Totals .....	\$896,155	\$951,787	\$1,173,539	— 5.8	—23.6

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During January the Federal Reserve Bank of St. Louis discounted for 257 member banks against 241 in December and 218 in January, 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:

	*Feb. 12, 1932	*Jan. 12, 1932	*Feb. 12, 1931
Bills discounted .....	\$21,797	\$22,291	\$ 8,917
Bills bought .....	5,482	12,686	2,668
U. S. Securities.....	27,886	27,886	24,151
Federal Inter. Cr. Bk. Debentures.....	880	880	.....
Participation in Inv. Foreign Banks.....	1,100	1,100	1,179
Total bills and securities.....	\$57,145	\$64,843	\$36,915
Total reserves.....	106,908	98,273	122,460
F. R. Notes in circulation.....	92,844	90,656	79,309
Total deposits.....	68,951	65,831	77,677
Ratio of reserve to deposits and F. R. Note Liabilities.....	66.1%	62.8%	78.0%

\*In thousands (000 omitted).

(Compiled February 24, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of March 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**RENDS in business and industry in the Eighth District during the past thirty days were irregular and spotty. Moderate expansion was noted in several important industries, and in certain lines of wholesaling and jobbing, increased volume of dollar sales was reported as compared with the preceding month, and in a limited number of instances, unit volume exceeded that of a year ago. In all lines investigated, however the dollar volume of February sales fell below that of the corresponding period in 1931 and the average during the past ten years. In trade and industry as a whole gains were offset by decreases, so that the thirty day period was marked by a further slight recession in activities. As has been the case for the past several months, production and distribution of goods for ordinary consumption made a considerably better showing than commodities of the heavier and more permanent sort. Boots and shoes, dry goods, drugs and chemicals, some food products and hardware developed a moderately upward trend. Distribution of automobiles was seasonally larger in February than January. On the other hand, iron and steel, clay products, lumber, glass and the entire category of building materials showed no improvement over the dull conditions obtaining heretofore.

Retail trade in the large cities and in the country was disappointing, and failed to exhibit the usual seasonal pickup. The unusually high temperatures which had prevailed since last fall, continued through February, and served to hold down distribution of all descriptions of cold weather goods, particularly apparel and fuel. Clearances of such merchandise, even under inducements of price reductions and intensive sales effort, were incomplete and heavy carryovers were the rule. The first real cold spell of the winter came during the first half of March, too late to materially help the movement of winter merchandise. On the contrary the freezing weather had the effect of slowing down Easter shopping and interfering with preparations for planting

spring crops. Considerable damage was sustained by fruits and early truck crops from the March freezes, and apprehension is felt in some sections that the growing winter wheat crop, which was unusually far advanced for this season, has been injured.

As against the failure of actual business to expand, reports from scattered sections of the district reflect moderate improvement in sentiment, and that since March 1 business has developed a more hopeful aspect. While purchasing of goods continues on an extremely conservatively basis, there is more of a disposition than heretofore to replenish depleted stocks and fill out assortments. Inventories of consumer goods in all lines are of small proportions, and while the trend of commodity prices was still downward, the decline was at a slower rate, and in certain classifications, noticeable progress has been made in stabilizing values. Further marked improvement has taken place in the financial situation. The number of bank failures during February was much smaller than during recent months, and this record has continued during the first half of March. The rate of withdrawals of deposits from financial institutions receded, and for the first time in a number of months, there was an increase during early March in deposits of reporting member banks. An important development for this general area was the fall in the stage of the Mississippi River and practical elimination of the flood threat from that stream and its tributaries.

As reflected by department store sales in leading cities, the volume of retail trade in February was approximately 7 per cent larger than in January, and 12 per cent less than in February, 1931; for the first two months this year a decrease of 14 per cent was shown under the same time a year earlier. Combined sales of all wholesaling and jobbing firms reporting to this bank in February were 5.6 per cent larger than in January and 16.5 per cent smaller than in February, 1931; for the first two months this year

their total sales were 21 per cent smaller than for the same period a year ago. The dollar value of building permits issued for new construction in the five largest cities was more than twice as large as in January, but 61 per cent less than in February, 1931. Construction contracts let in the Eighth District in February increased 25 per cent over the record small total of January, but were 50 per cent smaller than in February, 1931. There was a decrease of 22 per cent in charges to checking accounts in February as compared with January and of the same amount as compared with February, 1931; for the first two months this year a decrease of 23 per cent was shown as compared with the same time in 1931. The amount of savings accounts held by selected banks showed little change between February 3 and March 2, and on the latter date was 11 per cent smaller than a year ago.

According to officials of railroads operating in this district, freight traffic continued in smaller volume than at the corresponding period last year and in 1930. The movement of seasonal commodities, notably fuel, was held in check by the unusually mild winter. For the country as a whole, loadings of revenue freight for the first eight weeks this year, or to February 27, totaled 4,515,200 cars, against 5,707,330 cars for the corresponding period in 1931, and 6,977,696 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 133,429 loads in February, against 140,919 loads in January, and 164,030 loads in February, 1931. During the first nine days of March the interchange amounted to 43,433 loads, against 42,158 loads during the corresponding period in February, and 64,680 loads during the first nine days of March last year. Passenger traffic of the reporting roads showed a decrease of 30 per cent in February as compared with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 112,700 tons, against 130,807 tons in January, and 69,572 tons in February, 1931.

Generally throughout the district collections reflected little change as contrasted with the two or three months immediately preceding. Considerable spottiness exists, both with reference to the several lines and localities. In the cotton areas moderate improvement was indicated, and liquidation in the tobacco sections was also in heavier volume than earlier in the year. Country merchants in some parts of the south reported that collections were hampered by interference with transportation occasioned by floods and muddy roads. Questionnaires addressed to representative interests in the several lines scat-

tered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
February, 1932.....	1.7%	18.5%	51.0%	28.8%
January, 1932.....	0.0	18.2	61.0	20.8
February, 1931.....	0.0	13.1	57.2	29.7

Commercial failures in the Eighth Federal Reserve District in February according to Dun's, numbered 148, involving liabilities of \$2,804,588, against 158 failures in January with liabilities of \$3,918,464, and 181 defaults for a total of \$5,158,243 in February, 1931.

The average daily circulation in the United States during February was \$5,627,000,000 against \$5,645,000,000 in January, and \$4,598,000,000 in February, 1931.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — February sales of the reporting firms were 8 per cent smaller than for the same month in 1931, and 7 per cent larger than the January total this year. Inventories continue to recede, stocks on March 1 being 6 per cent and 17 per cent smaller, respectively than a month and a year earlier. In point of unit volume, February sales exceeded those of a year ago, the decrease in dollar value being due to lower prices. Demand was reported satisfactory through all lines, but was particularly brisk in women's wear. Purchasing for the Easter trade was active, and in contrast with recent months, more interest was exhibited in the more expensive and higher grade shoes. Business since March 1 has maintained the pace set in February, with two important interests reporting sales during the first two weeks of March heavier than for the same period in February and a year ago. Factory operations averaged about 80 per cent of capacity, with plants turning out women's shoes operating at 100 per cent.

**Clothing** — Uncertainty relative to spring and summer requirements was reflected in extremely cautious buying of both men's and women's apparel. Distribution through retail channels during February was considerably smaller than in past years, and less than the usual stimulation from Easter demands was in evidence. As has been the case for the past several months, purchasing for work clothes was in small volume. Clearance of overcoats and other heavy apparel was disappointing, and considerable stocks are being carried over. Sales of the reporting interests in February were 63 per cent greater than for the same month in 1931, and about one-fourth larger than in January this year.

**Drugs and Chemicals** — Save where influenced by seasonal factors, conditions in the drug and chem-

ical trade showed no change as contrasted with the preceding thirty days. February sales of the reporting firms were 28 per cent smaller than for the same month in 1931, and 8 per cent greater than in January this year. Stocks on March 1 were slightly larger than a month earlier, and 13 per cent smaller than on March 1 last year. Demand for fertilizers and the general run of chemicals for the manufacturing trade continued at a low ebb.

**Dry Goods** — Marked improvement in this classification was noted during February, sales of the reporting interests during that month being 6.4 per cent larger than in January and 18 per cent smaller than a year ago. Inventories showed no change between February 1 and March 1, and on the latter date were 32 per cent smaller than a year ago. In the yearly sales comparison the loss shown was accounted for by the heavy decline in prices, the actual unit volume of goods sold being larger this year than last. Since March 1 there has been a further acceleration in business, several firms showing gains over the same period last year. Individual orders, while small, are numerous and cover a more diversified assortment of merchandise than has been the case in many months.

**Electrical Supplies** — February sales of the reporting firms were 15 per cent smaller than during the preceding month, and about 42 per cent less than in February, 1931. Inventories receded further, stocks on March 1 being 11 per cent and 24 per cent smaller, respectively than thirty days and a year earlier. Decreases in both sales comparisons were general through the entire line, but most pronounced in radio material and electrical installations in new buildings.

**Flour** — Production at the twelve leading mills of the district in February totaled 225,971 barrels, against 240,596 barrels in January and 304,656 barrels in February, 1931. Throughout February and the first half of this month there was little life to the trade, mills universally reporting slack demand and an unusually small volume of inquiries. The recent curtailment in grinding, due to large stocks on hand and small absorption, has resulted in a further reduction of forces. The trend of prices was easier. Mill operations ranged from 40 to 42 per cent of capacity.

**Furniture** — February sales of the reporting firms were 30 per cent smaller than for the same month in 1931 and 21 per cent greater than the January total this year. Stocks on March 1 were 4 per cent and 39 per cent smaller, respectively, than a month and a year earlier. Ordering of all varieties of furniture continues on a hand-to-mouth basis,

with demand for household furniture and furnishings centering chiefly in cheap priced goods.

**Groceries** — Reversing the usual seasonal trend, sales of the reporting firms decreased slightly in February as compared with January, and the February total fell 26 per cent below that of the same month last year. Stocks on March 1 were slightly higher than a month earlier, but 21 per cent smaller than a year ago. The general trend of prices continued lower, particularly on commodities based on cereals and livestock. Demand for canned goods continues slack, with indications for an unusually large carryover of the 1931 pack.

**Hardware** — Ordering of seasonal merchandise was backward during February, but has shown well defined improvement since the first of March. Goods for consumption in the rural areas are moving more freely. Demand for paints, varnishes and kindred lines is more active than earlier in the year. February sales of the reporting firms were about 1 per cent greater than in January and 22 per cent smaller than in February, 1931. Stocks on March 1 were 13 per cent larger than a month earlier, but 12 per cent less than on March 1 last year.

**Iron and Steel Products** — Purchasing by all classes of consumers continued on a limited scale throughout February and the first half of March. There was a moderate improvement in releases of finished materials by automobile manufacturers, and resumption of operations at certain railroad shops resulted in an increased movement of goods for use in these activities. The total volume of ordering by these industries, however, was considerably below expectations, with the result that business in iron and steel as a whole failed to show betterment over the low levels prevailing in December and January. Among miscellaneous users replacement requirements are accounting for liberal tonnages of a broad variety of commodities. The general run of building materials, while still quiet, showed more life than during the closing weeks of last year. Producers and distributors of sheets, plates, bars and other rolled products reported shipments in February slightly above the January volume, though still considerably below a year ago. Manufacturers of stoves, ranges and heating apparatus of other descriptions experienced no improvement in the outlet for their goods, and a number of plants were either closed, or operating only two or three days a week. Jobbing foundries are relying chiefly on miscellaneous work, but have been able to maintain operations at about the same rate as during the preceding thirty days. Machinery and engine builders report no change from the dull conditions which have obtained for the past several months. There was further curtail-

ment of operations at plants fabricating structural iron and steel. Warehouse and jobbing interests report buying by their customers on a strictly necessity basis. Owing to the low rate of industrial activities, the output of scrap iron and steel has been greatly curtailed. Despite this fact, however, prices for all the principal grades remained at, or around the lowest levels on the present downward movement. Quotably there was no change in prices of pig iron, but competition remains keen with reports of concessions under list figures on desirable business. On finished goods the low level of current demand hardly affords an actual test of values, but there were well defined signs of progress in the general stabilization movement. For the country as a whole, pig iron production in February totaled 960,550 tons, against 971,437 tons in January, and 1,711,192 tons in February, 1931. Steel ingot production in the United States in February totaled 1,459,547 tons, against 1,461,290 tons in January and 2,527,319 tons in February, 1931.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in February totaled 117,413, against 119,344 in January, and 219,897 in February, 1931.

According to dealers reporting to this bank, distribution of automobiles in the Eighth District during February showed a substantial increase over the preceding month, and was the heaviest since last June. The total, however, was below that of February last year. The increase in the month-to-month comparison is seasonal in character, January normally being the month of smallest sales volume during the year. Scattered reports since March 1 indicate a continuance of the activity which prevailed during February, sales for the first half of the month making a favorable showing as contrasted with the corresponding period last year. Business in passenger cars during February was stimulated to a considerable extent by automobile shows held in several of the large cities, also by the appearance of new models and price inducements. As has been the case for a number of months, sales of dealers in the chief urban centers were relatively larger than was the case with distributors in the country and small towns. Replacement demands in the country, however, are being strongly felt, as indicated by an increased volume of inquiries and prospects. While demand centers mainly in the cheap priced cars, February sales were fairly well balanced through all classes of makes. Business in parts and accessories was also in considerably larger volume in February than the preceding month, and only slightly below a

year ago. Sales of new passenger cars by the reporting dealers in February were approximately three and one-half times larger than in January, and 39 per cent smaller than in February, 1931. Purchasing by dealers was on a slightly more liberal scale than heretofore, with the result that stocks of new cars on March 1 were approximately 10 per cent larger than a month earlier, though still about one-fourth smaller than a year ago. Sales of used cars showed a substantial increase during February over the preceding month, but the total was 12 per cent smaller than during the same month in 1931. Stocks of salable secondhand cars on March 1 were 5 per cent larger than a month earlier, and 10 per cent larger than a year ago. Demand for trucks showed the usual seasonal betterment, February sales being about four times larger than in January, though 26 per cent smaller than in February, 1931. According to dealers reporting on that item, deferred payment sales in February constituted 52 per cent of their total sales, against 56 per cent in January and 56 per cent in February, 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	
	Feb. 1932 comp. to Feb. 1931	2 months ended Feb. 29, 1932 to same period 1931	Feb. 29, 1932 comp. to Feb. 28, 1931	Jan. 1, to Feb. 29, 1932	1931
Evansville .....	-21.4%	-27.4%	-22.5%	.25	.26
Little Rock.....	-14.4	-20.0	0.9	.32	.38
Louisville .....	-12.6	-14.6	-10.7	.37	.36
Memphis .....	-16.5	-13.4	-15.5	.46	.41
Quincy .....	-21.9	-20.9	-14.2	.37	.42
St. Louis.....	9.8	-13.5	-11.4	.57	.57
Springfield, Mo.....	-16.0	-21.4	3.9	.18	.21
8th District.....	-11.6	-14.3	-11.2	.49	.49

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1932 comp. to Feb. 1931	2 months ended Feb. 29, 1932 to same period 1931	Feb. 29, 1932 comp. to Feb. 28, 1931	Jan. 1, to Feb. 29, 1932	1931
Men's Furnishings	-20.2%	-29.8%	-13.4%	.42	.53
Boots and Shoes.....	-12.4	-21.5	-16.5	.39	.41

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in February was 134 per cent more than in January, and 61.1 per cent less than the February, 1931 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February amounted to \$6,118,904, which compares with \$4,905,453 in January and \$12,508,780 in February, 1931. Production of portland cement for the country as a whole in February totaled 3,971,000 barrels

against 5,026,000 barrels in January and 5,920,000 barrels in February, 1931. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	107	183	\$ 23	\$ 77	26	36	\$ 7	\$ 12
Little Rock	21	17	28	25	69	49	36	27
Louisville ..	35	59	23	322	41	40	114	68
Memphis ....	95	123	518	173	128	146	63	76
St. Louis....	149	244	252	1,573	222	219	180	116
Feb. totals..	407	626	\$ 844	\$2,170	486	490	\$ 400	\$299
Jan. totals..	348	484	360	2,855	417	491	289	331
Dec. totals..	408	504	2,855	2,426	338	497	187	325

\*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 February as being about 0.8 per cent smaller than in January and 17.8 per cent less than in February, 1931. Detailed figures follow:

	No. of Custom-ers	Feb. 1932 *K.W.H.	Jan. 1932 *K.W.H.	Feb. 1932 comp. to Jan. 1932	Feb. 1931 *K.W.H.	Feb. 1932 comp. to Feb. 1931
Evansville ....	40	1,523	1,663	- 8.4%	1,731	-22.0%
Little Rock..	35	1,140	1,217	- 6.3	1,314	-13.2
Louisville ....	85	5,196	5,124	+ 1.4	5,327	- 2.5
Memphis ....	31	1,389	1,933	-28.1	1,704	-18.5
St. Louis.....	157	11,810	11,297	+ 4.5	15,543	-24.0
Totals .....	348	21,058	21,234	- 0.8	25,619	-17.8

\*In thousands (000 omitted).

### AGRICULTURE

According to the U. S. Department of Agriculture, combined stocks of the principal grains on farms in states including the Eighth Federal Reserve District were substantially greater than on the same date in 1931 and the 5-year (1925-1929) average. Combined farm reserves of wheat, corn and oats in these states on March 1 totaled 606,289,000 bushels, which compares with 272,679,000 bushels a year ago, and the 5-year average of 464,102,000 bushels.

Reserve stocks of corn were especially large aggregating 470,147,000 bushels, against 180,759,000 bushels on March 1, 1931, and 370,474,000 bushels for the 5-year average. This unusually heavy carry-over by producers was caused by the mild weather throughout the winter, heavy production and holding by farmers because of low prices. In all states of the district, the percentage of the 1931 crop shipped out of the county where raised was higher than a year earlier and the 10-year average.

In states of the district the amount of wheat on farms on March 1 was 34,429,000 bushels, against 13,377,000 bushels on the same date in 1931, and the 5-year average of 11,546,000 bushels. Reserves of oats totaled 101,713,000 bushels, which compares with 74,544,000 bushels on March 1, 1931, and the 5-year average of 82,143,000 bushels.

**General Conditions** — Mild weather prevailed generally through the district during February, and

conditions as a whole were favorable for growing crops. Due to excessive moisture in many sections, however, plowing and preparations for planting of spring crops was hampered to a considerable extent. This was true particularly in the cotton raising areas, where initial work is considerably in arrears of the stage reached at the corresponding period last year. The first severe and protracted cold weather of the winter developed in early March, freezing temperatures causing a temporary halt to field work, and doing considerable damage to fruits of all descriptions and early vegetables. The extent of this damage, and also possible injury to the growing wheat crop has not been accurately determined, but due to the advanced state of development of peaches and pears in the southern stretches of the district, partial failures of these crops are considered likely. Considerable actual damage to strawberry crops in the Ozark regions has been reported. The supply of farm labor in all states of the district continues in excess of requirements, with wage scales below those of a year ago.

**Winter Wheat** — Reports relative to the growing wheat crop prior to the March freeze were almost uniformly favorable. Color was reported excellent, with both root and top growth good. There were scattering complaints of fly infestation, but nothing of a serious nature. It is too early to estimate the effects of the low temperatures, but due to advanced growth in many sections, and general lack of adequate snow protection, apprehension of damage is felt. Estimates of the U. S. Department of Agriculture and state agricultural boards indicate that feeding of wheat to live stock during the present season was practiced to a greater extent than ever before.

**Corn** — Wetness of the soil in many sections during late February interfered with preparation of corn land, and generally through the district less progress has been made than is ordinarily the case at this season. Generally, good seed is plentiful and arrangements made for financing seed requirements of farmers have proved satisfactory. Due to low prices and slack demand, the movement to market has been below the usual seasonal volume.

**Fruits and Vegetables** — Up until the end of February prospects for fruits and vegetables were exceptionally promising, due to the mild winter. The unseasonably cold weather of early March, however, reversed the outlook, and serious damage has been done to these crops. Peaches, pears, plums and cherries have sustained material injury, particularly in the south, where buds and blossoms were frozen. Heavy losses were sustained by growers of

strawberries, and early truck crops in Arkansas and Mississippi were reported to have been killed. Grapes and apples were less advanced than other varieties of fruit, and as a consequence were less seriously affected, though in a number of localities the apple crop will be considerably reduced.

**Live Stock** — Throughout the district livestock came through the winter in excellent condition, being favored by mild weather and abundant feed and water supplies. The sharp drop in temperatures since March 1 has done little damage to herds, though proving less favorable for the spring lamb crop. Indications point to heavier lamb production than last year, due to larger numbers of sheep on farms. The movement of cattle, hogs and sheep to market declined in February, being restricted by low prices, slack demand and liberal stocks of dressed meat in coolers. Milk and egg production continued at a high rate through February, but due to the extremely low prices of these products, relatively small profits were derived by their producers.

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

	Receipts			Shipments		
	Feb. 1932	Jan. 1932	Feb. 1931	Feb. 1932	Jan. 1932	Feb. 1931
Cattle and Calves.....	71,770	75,298	77,694	39,502	45,227	47,610
Hogs .....	237,181	267,476	273,418	168,303	182,231	223,658
Horses and Mules.....	5,224	3,873	9,140	4,991	3,296	8,646
Sheep .....	25,798	37,050	22,848	7,455	14,806	11,518

**Cotton** — New crop preparations, which were already backward, have been further delayed by the drop to below freezing weather during the first half of March. On the other hand, weather has been favorable for clearing up cotton remaining in fields, and the movement of this portion of the crop has kept receipts at a relatively high level. Indications generally through the district point to reduced acreages. Farmers plans are being influenced by low prices, the heavy carryover, and in many instances, difficulties attending financing. Probably the most favorable development during the past thirty days has been the passing of the flood threat in the valleys of the Mississippi River and its tributaries. The general demand for raw cotton developed no notable change as contrasted with the preceding month. The undertone of the market was fairly steady, with fluctuations narrow. In the St. Louis market the middling grade ranged from 6.50c to 6.75c between February 16 and March 15, closing at 6.50c on the latter date, which compares with 6.50c on February 16 and 10c on March 16, 1931. Receipts at Arkansas warehouses from August 1, 1931, to March 11, 1932, totaled 1,427,647 bales, against 807,502 bales for the corresponding period a year ago. Stocks on hand on March 11 totaled 588,390 bales, against 637,305

bales on February 12, and 236,019 bales on the corresponding date in 1931.

**Tobacco**—Estimated total sales of burley tobacco to February 20 were 448,090,367 pounds at an average of \$8.68 per cwt., or a total of \$38,939,053. This compares with sales to the same date in 1931 of 368,543,847 pounds, averaging \$15.62 and bringing \$57,566,549. This comparison is striking in that it shows 79,546,520 pounds more sold this year than last, whereas the dollar value this year fell \$18,627,496 short of that in 1931. All burley markets have been practically closed for the season, after disposing of the largest crop of burley tobacco ever raised and within the shortest period of time since the loose leaf floor system was inaugurated. Markets in the air-cured districts have also closed. The crop sold in these markets fell about 30 per cent short of the lowest estimate placed on it and at the lowest average price in years. The movement to market has been retarded by cold weather in the dark-fired districts. Considerable dark-fired tobacco is being withheld pending beginning of operations by the Cooperative Marketing Association.

In all tobacco districts the recent cold weather served to slow down plowing and general preparations for the new crop. Generally farmers are undertaking early work with less enthusiasm than usual, and indications point to reduced planting of all types of tobacco. Low prices to producers, large supplies of leaf, reduced consumption of tobacco products and declining exports are among the factors tending to hold down this year's acreage.

**Commodity Prices** — Range of prices in the St. Louis market between February 15, 1932, and March 15, 1932, with closing quotations on the latter date and on March 16, 1931, follow:

	High	Low	Close	
			Mar. 15, 1932	Mar. 16, 1931
Wheat				
May .....	.59½	.55	\$ .55½	.....
July .....	.61½	.56¾	.56¾	.....
Sept. ....	.62½	.59	.59	.....
Dec. ....	.65¾	.62	.62	.....
No. 2 red winter	.59½	.55	\$ .55 @ .55½	.....
No. 2 hard "	.58½	.55	.55 @ .55½	.....
Corn				
May .....	.38¾	.36	.36	.....
July .....	.41	.38¾	.38¾	.....
No. 2 mixed .....	.36½	.32	.33 @ .33½	.....
No. 2 white .....	.36	.32½	.33 @ .34	.....
Oats				
No. 2 white .....	.25½	.23	.23¼ @ .23¾	.....
Flour				
Soft patent.....per bbl.	4.20	3.40	3.40 @ 3.75	4.90 @ 5.25
Spring patent..... "	4.50	4.20	4.20 @ 4.50	4.20 @ 4.50
Middling cotton.....per lb.	.06¾	.06½	.06½	.....
Hogs on hoof.....per cwt.	4.95	3.15	3.60 @ 4.65	6.35 @ 8.25

**FINANCIAL**

While demand for credit for commercial and industrial purposes and for financing agriculture continued quiet during the past thirty days, the banking and financial situation as a whole in the Eighth District underwent further distinct improvement. As a result of recent legislative measures and re-

stored public confidence, the number of bank failures decreased markedly. A number of suspended banks reopened. The rate of withdrawals of deposits from commercial banks decreased in a considerable degree, and for the first time this year, total deposits of reporting member banks turned upward during the first two weeks in March.

Credit requirements of mercantile and manufacturing interests were in less than the usual seasonal volume, due chiefly to the decreased business activities and the fact that rapid turnover and the character of buying permits many interests to operate on their own resources. Liquidation in commercial channels, while spotty, has on the whole been in considerable volume. February and March settlements with wholesalers in the chief distributing centers were in the main satisfactory, and relatively larger than at the same period last year. Smaller agricultural demands upon the banks are ascribed to a number of reasons, among them ability to borrow from Governmental and other agencies, lateness of the season, and the general determination to produce this season's crops at smaller cost than in past years. Grain and milling interests further reduced their commitments, the total of which is measurably smaller than at this particular time for a number of years.

Loans of the reporting member banks continued to decline during late February, reaching a new low point in the final week. Since that time, however, the trend has been upward, and on March 9 the total was slightly larger than a month earlier, though about 19 per cent smaller than a year ago. Investments receded moderately, but continued substantially higher than during the corresponding period in 1931. Deposits, which had been declining steadily since last summer, reversed this trend in late February, and on March 9 showed a moderate gain over the total on February 10. As compared with the preceding thirty days there was little change in borrowings of all member banks from the Federal Reserve Bank, and the average continued substantially below the same time last year. There was little change in the volume of Federal Reserve notes outstanding as contrasted with the preceding thirty days.

Interest rates remained about steady, with prevailing quotations at the St. Louis banks as follows: Prime commercial loans, 4½ to 6 per cent; collateral loans, 5 to 6 per cent; loans secured by warehouse receipts, 5 to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on March 9, 1932,

showed a decrease of .1 per cent as contrasted with February 10, 1932. Deposits increased .1 per cent between February 10, 1932 and March 9, 1932 and on the latter date were 15.3 per cent smaller than on March 11, 1931. Composite statement follows:

	*Mar. 9, 1932	*Feb. 10, 1932	*Mar. 11, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$151,486	\$148,252	\$188,401
All other loans and discounts.....	219,068	222,792	270,869
<b>Total loans and discounts.....</b>	<b>\$370,554</b>	<b>\$371,044</b>	<b>\$459,270</b>
Investments			
U. S. Government securities.....	86,577	88,343	45,869
Other securities.....	118,857	119,631	140,490
<b>Total investments.....</b>	<b>\$205,434</b>	<b>\$207,974</b>	<b>\$186,359</b>
Reserve balance with F. R. Bank	39,548	38,716	44,735
Cash in vault.....	6,469	7,013	6,433
Deposits			
Net demand deposits.....	315,451	310,235	378,654
Time deposits.....	207,554	209,716	239,259
Government deposits.....	647	2,941	.....
<b>Total deposits.....</b>	<b>\$523,652</b>	<b>\$522,892</b>	<b>\$617,913</b>
Bills payable and rediscounts with			
Federal Reserve Bank.....	2,243	4,403	.....

\*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.

	*Feb., 1932	*Jan., 1932	*Feb., 1931	Feb. 1932 comp. to Jan. 1932	Feb. 1931
East St. Louis & Natl. Stock Yards, Ill..	\$ 18,213	\$ 20,966	\$ 27,126	-13.1%	-32.9%
El Dorado, Ark.....	3,366	3,966	5,605	-15.1	-39.9
Evansville, Ind.....	15,603	23,216	20,552	-32.8	-24.1
Fort Smith, Ark.....	6,890	8,302	8,889	-27.0	-22.5
Greenville, Miss.....	3,574	3,186	4,008	+12.2	-10.8
Helena, Ark.....	1,062	1,227	.....	-13.4	.....
Little Rock, Ark..	17,945	23,320	26,744	-23.0	-32.9
Louisville, Ky.....	106,023	120,440	123,984	-12.0	-14.5
Memphis, Tenn.....	85,405	102,478	101,316	-16.7	-15.7
Owensboro, Ky.....	3,398	5,525	6,205	-39.5	-45.2
Pine Bluff, Ark.....	4,617	5,468	6,111	-15.6	-24.4
Quincy, Ill.....	6,377	6,576	6,602	- 3.0	- 4.4
St. Louis, Mo.....	411,816	550,008	536,850	-25.1	-23.3
Sedalia, Mo.....	1,228	2,676	3,381	-54.1	-63.7
Springfield, Mo.....	8,806	11,208	14,336	-21.4	-38.6
**Texarkana, Ark-Tex.....	6,544	7,593	9,813	-13.8	-33.7
<b>Totals .....</b>	<b>\$700,867</b>	<b>\$896,155</b>	<b>\$901,522</b>	<b>-21.8</b>	<b>-22.3</b>

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations**—During February the Federal Reserve Bank of St. Louis discounted for 237 member banks against 257 in January and 185 in February, 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:

	*Mar. 18, 1932	*Feb. 18, 1932	*Mar. 18, 1931
Bills discounted .....	\$19,044	\$21,762	\$ 8,023
Bills bought .....	3,378	4,623	6,567
U. S. Securities.....	27,787	27,886	23,899
Federal Inter. Cr. Bk. Debentures.....	.....	630	.....
Participation in Inv. Foreign Banks.....	1,011	1,100	736
<b>Total bills and securities.....</b>	<b>\$51,220</b>	<b>\$56,001</b>	<b>\$39,225</b>
Total reserves.....	110,674	107,372	117,138
F. R. Notes in circulation.....	93,085	93,446	76,947
Total deposits.....	61,420	62,177	71,283
Ratio of reserve to deposits and F. R. Note Liabilities.....	71.6%	69.0%	79.0%

\*In thousands (000 omitted).

(Compiled March 23, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of April 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**A**S CONTRASTED with the similar period immediately preceding, the past thirty days were marked by noticeable improvement in distribution of merchandise in the Eighth District. Of the wholesaling and jobbing lines investigated by this bank, a large majority showed increases in March sales over those of February, and in varying degree, this betterment extended to retail channels. While a considerable part of the improvement may be accounted for by seasonal influences and purchasing deferred earlier in the year, the gains in several important classifications were larger than usual at this season, and generally there appeared an undertone of greater confidence, both among merchants and ultimate consumers. As compared with a year ago and the average for that month during the past ten years, March volume of distribution showed a considerable decrease. As has been the case since last fall, lines dealing in commodities for ordinary consumption, such as dry goods, groceries, apparel and drugs, continued to make a relatively much more favorable exhibit than those dispensing goods of the heavier and more permanent sort. In the latter lines decreases were the rule, both as compared with the volume a month and a year earlier.

The general level of industrial production during March receded slightly below that of February. There was a further curtailment of activities at iron and steel plants, the estimated melt of pig iron being at the lowest rate reached in the present depression. Reduced outputs were reported by lumber mills, wood working plants, and glass factories. Operations of the quarrying and cement industries were on a smaller scale, and measurably below those at the corresponding time a year ago. Production of bituminous coal in fields of this district was considerably smaller than during recent years, though the cold snap in March served to stimulate consumption and to reduce stocks in retail yards. The employment situation as a whole failed to show improvement. There is a heavy surplus of skilled and common labor in the building industry and virtually all manufacturing lines. The supply of farm labor is

largely in excess of demand, with wage scales continuing downward. Construction work of all descriptions was interfered with by the cold weather.

The trend of commodity prices was lower, which fact was partly responsible for a continuance of the hand-to-mouth purchasing which has obtained during the past several months. Commitments for future requirements, particularly on raw materials, were negligible. Inventories of manufactured goods were in the main smaller than during the preceding thirty days, but stocks of raw materials continue large, and above the average for this time of year. Crop prospects were lowered during March, mainly as a result of the unseasonably low temperatures. Considerable damage was done to fruit and early vegetable crops by the spring freeze.

The volume of retail trade in March, as indicated by department store sales in the principal cities, was 10.9 per cent greater than in February, and 18.7 per cent less than in March, 1931; for the first quarter this year there was a decrease of 15.9 per cent as compared with the same period in 1931. Combined sales of all wholesaling and jobbing firms reporting to this bank in March were 2 per cent larger than in February and 23.5 per cent smaller than in March, 1931; first quarter sales of these firms this year fell 22 per cent below the total for that period in 1931. The dollar value of building permits issued for new construction in the five largest cities in March was 25 per cent smaller than in February, and only about one-third as great as in March, 1931. Construction contracts let in the Eighth District in March were slightly under the February total, and 73.6 per cent smaller than in March last year; for the first quarter this year a decrease of 65 per cent was shown as compared with the same time in 1931. There was an increase in individual checking accounts of slightly more than 6 per cent in March as compared with February, but the March total was 27 per cent smaller than a year ago; for the first quarter this year a decrease of about one-fourth was noted as compared with the first three months of 1931. The amount of savings

accounts increased slightly between March 6 and April 2 and on the latter date was 11 per cent less than a year ago.

Railroads operating in the district showed a considerably smaller volume of freight traffic handled than during the same period last year and in 1930. The cold snap in March was reflected in heavier loadings of coal and coke, but this was only temporary, and failed to offset decreases in all other classifications. For the country as a whole, loadings of revenue freight for the first thirteen weeks this year, or to April 2, totaled 7,340,833 cars, against 9,372,110 cars for the corresponding period last year and 11,401,488 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 149,953 loads in March, against 133,429 loads in February, and 192,150 loads in March, 1931. During the first nine days of April the interchange amounted to 39,569 loads, against 43,433 loads during the corresponding period in March, and 53,784 loads during the first nine days of April, 1931. Passenger traffic of the reporting roads decreased 30 per cent in March as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 113,600 tons, against 112,558 tons in February, and 82,970 tons in March, 1931.

Mercantile and industrial interests report collections during the past thirty days as being somewhat less satisfactory as a whole than during the similar period immediately preceding, though comparing favorably with a year ago. Throughout March inclement weather had a tendency to hold down payments to country merchants, and preoccupation of farmers with spring work also had the effect of curtailing settlements. Generally in the south liquidation was in smaller volume, relatively, than earlier in the year. Wholesalers and jobbers in the large distributing centers, with whom April is an important settlement month, reported payments fully up to expectations. Though actual losses from weak accounts were slightly greater than last year, customers able to do so are paying their bills promptly, in many instances taking advantage of discounts. Retailers in the large cities are experiencing more difficulty than heretofore in getting in their money. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

		Excellent	Good	Fair	Poor
March, 1932.....		1.6%	14.8%	59.4%	24.2%
February, 1932.....		1.7	18.5	51.0	28.8
March, 1931.....		0.0	12.6	60.1	27.3

The average daily circulation in the United States during March was \$5,530,000,000 against \$5,627,000,000 in February, and \$4,590,000,000 in March, 1931.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — March sales of the reporting firms were 6 per cent larger than in February, but approximately 27 per cent smaller than in March, 1931. For the first quarter this year, the dollar value of sales was 9 per cent smaller than for the same period in 1931, but due to the decrease in prices, the unit volume for the first quarter this year was slightly larger than in 1931. A further decline in inventories was noted, stocks on April 1 being 18 per cent and 16 per cent smaller, respectively, than thirty days and a year earlier. A slight slowing down in orders booked has taken place since April 1, and demand for seasonal lines is less in evidence than during the past several years. Factory operations declined moderately, being at about 78 per cent of capacity.

**Clothing** — Extremely conservative buying both on the part of retailers and ultimate consumers was reflected in a further decrease in the volume of business in this classification. Sales of the reporting firms in March fell 29 per cent below the total of the preceding month, and 16 per cent below that of the same period in 1931. In the yearly comparison, decreases were general in all descriptions of apparel, but most marked in men's suits and the general line of work clothes.

**Drugs and Chemicals** — There was little change in the drug and chemical trade from the quiet conditions which have obtained during the past several months, and, according to the reporting firms, purchasing continues on a strictly necessity basis. Demand for seasonal goods, particularly fertilizers and insecticides, has been in small volume, and no expansion has taken place in requirements of the general manufacturing trade. Sales of toilet preparations are considerably below a year ago, and this is true also of remedial drugs. March sales of the reporting firms were 13 per cent larger than in February, and 23 per cent less than the March total last year. Stocks on April 1 were 1 per cent and 15 per cent smaller, respectively than a month and a year earlier.

**Dry Goods** — Unfavorable weather during March, coupled with uncertainty relative to prices and extremely conservative purchasing by retailers were reflected in a further shrinkage in the volume of business in this classification as compared with a year ago. March sales of the reporting firms were 16 per cent smaller than for the same month in 1931,

and 6.5 per cent greater than the February total this year. The increase in the month-to-month comparison is seasonal in character, and compares with a gain of 4 per cent from February to March a year ago. There was an increase in inventories of 2 per cent between March 1 and April 1, and on the latter date the aggregate was 26 per cent smaller than a year ago. Since April 1 a substantial pickup has taken place in orders booked, particularly in seasonal merchandise.

**Electrical Supplies** — The usual seasonal improvement in the electrical supply industry from February to March failed to appear this year. Sales of the reporting firms in March fell 6 per cent below the preceding month, and 46 per cent below the total of March, 1931. Inventories decreased 8 per cent between March 1 and April 1, and on the latter date were more than one-third smaller than a year ago. While decreases were general through the entire line, the heaviest declines as compared with last year took place in installations for new buildings and radio and automobile materials.

**Flour** — Production at the twelve leading mills of the district in March totaled 232,282 barrels, against 225,971 barrels in February and 295,434 barrels in March, 1932. Business during the last half of March continued in small volume, with prices declining in sympathy with the downturn in cash wheat. Since the first week in April moderate improvement has developed, with the volume of inquiry from important consumers being larger than at any time this year. Consumer stocks are for the most part of small size, and there is more of a disposition to replenish than heretofore. As has been the case for a number of months, however, demand centers chiefly in cheap and low grade flours. Mill operations were at from 42 to 45 per cent of capacity.

**Furniture** — March sales of the reporting firms were 6 per cent smaller than in February, and 41 per cent below the March, 1931, total. Stocks held by these firms on April 1 were 14 per cent smaller than a month earlier, and 37 per cent less than on March 1 last year. Ordering by retailers is on a hand-to-mouth basis, with large stock orders almost entirely lacking. The trend of prices continues downward.

**Groceries** — Buying on a larger scale in the country, where retailers are more inclined than heretofore to replenish depleted stocks, was partly responsible for an increase in March sales of the reporting firms of 15 per cent over the preceding month. As compared with last year, the March total showed a decrease of 23 per cent. In the yearly comparison, the decrease in dollar value is considerably

less than in unit volume, due to lower prices of numerous commodities. Stocks on April 1 were 16 per cent larger than a month earlier, and one-fourth smaller than on March 1, 1931.

**Hardware** — The past thirty days have been marked by considerable improvement in demand for seasonal lines of hardware, particularly items used in the rural sections. Retail stocks of country retailers are for the most part small, and there is more of a disposition than heretofore to replenish and fill out assortments. Paints, varnishes and kindred lines are showing more activity, but builders' tools and hardware continue quiet. March sales of the reporting interests were 23 per cent larger than in February, but 13 per cent smaller than for March a year ago. Stocks on April 1 were slightly smaller than a month earlier, and 17.5 per cent less than on April 1, 1931. The trend of prices continues downward.

**Iron and Steel Products** — General conditions in the iron and steel industry in this district showed little change during March and early April as contrasted with the preceding three or four months. Reflecting conservative purchasing policies of all classes of consumers, output and shipments of finished products of mills, foundries, machine shops and other ferrous working plants failed to show the usual seasonal expansion. Ordering of raw materials, notably pig iron, scrap and coke, during March for second quarter delivery was almost entirely absent. Considerable tonnages of pig iron are being carried over from the first quarter, and as has been the case for many months, melters are filling their requirements from month to month in the open market. Automobile manufacturers were still disposed to defer commitments, new orders and specifications from that source being below expectations. Except for shop materials, and other miscellaneous commodities, the railroads did not increase their buying. Producers and distributors of sheets reported shipments during March slightly larger than in February, but considerably smaller than during the same period last year. Moderate betterment took place in demand for galvanized material and tin plate, due chiefly to seasonal influences. Efforts to stabilize prices of sheets and other rolled steel commodities made further progress, though with business lacking, quotations named for the second quarter have not received an actual test. The rate of structural steel awards continued low, and there was a further curtailment of activities at plants of fabricators. Since the first of April some betterment has taken place in demand for reinforcing concrete bars, bridge materials and other items used in high-

way construction work. Wire and wire products remained sluggish, and the same was true of the entire line of tubular goods. Demand from the general manufacturing trade has not yet shown the usual seasonal expansion, and the outlet through the building industry has developed no broadening tendencies. Warehouse and jobbing interests report March sales slightly ahead of the February total, but considerably below the volume in March last year. Pig iron production for the country as a whole in March, was 967,015 tons, against 960,550 tons in February and 2,028,906 tons in March, 1931. In point of daily average this year, March production was the lowest for any month since August, 1921. Output for the first quarter this year was 2,896,932 tons, a decrease of 48 per cent as compared with the same period in 1931. Steel ingot production in the United States during March totaled 1,410,830 tons, against 1,459,547 tons in February and 2,993,590 tons in March, 1931.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in March was 118,959 against 117,413, in February and 276,341 in March, 1931.

Following the usual seasonal trend, distribution of automobiles in this district increased during March as compared with February, but, according to the reporting dealers, March sales were smaller by approximately one-third than during the same month last year. The March total was the largest for any single month since last June. In the yearly comparison the increase was smaller than the average during the past decade, due partly to the fact that one important manufacturer of cheap priced cars who is introducing new models, was not in a position to make deliveries of these vehicles during March. Intensive efforts made by two leading producers to market their cars have been reflected in a quickening of business during the first half of April; preliminary reports of sales for that period comparing favorably with a year ago. The unseasonably cold weather during March had a tendency to hold down sales, particularly of dealers in the country and small towns. Dealers generally report good response on the part of the public to new models and price reductions, and a more optimistic view is being taken of spring and early summer trade than was the case earlier in the year. March sales of new passenger cars by the reporting dealers were 3.4 per cent greater than in February, and 33 per cent smaller than the March, 1931, total. The policy of conservative purchasing by dealers, which has obtained

in recent months, continued during March. Stocks on hand April 1 were 12 per cent larger than a month earlier and about one-fourth less than a year ago. Stocks of salable secondhand cars increased 8 per cent between March 1 and April 1, and on the latter date were 4 per cent smaller than a year ago. Demand for trucks was less active than heretofore, March sales of the reporting dealers being 4 per cent and 16 per cent smaller, respectively, than a month and a year earlier. According to dealers reporting on that detail, deferred payment sales in March constituted 54 per cent of their total sales, against 52 per cent in February and 51.5 per cent in March, 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
	Mar. 1932 comp. to Mar. 1931	3 months ended Mar. 31, 1932 to same period 1931	Mar. 31, 1932 comp. to Mar. 31, 1931	Jan. 1, to Mar. 31, 1932 1931
Evansville .....	-22.4%	-25.6%	-23.1%	.40 .40
Little Rock.....	-24.1	-21.6	-3.7	.51 .62
Louisville .....	-12.0	-13.6	-13.9	.59 .58
Memphis .....	-19.7	-15.8	-13.7	.70 .66
Quincy .....	-12.8	-18.1	-12.0	.56 .61
St. Louis.....	-19.0	-15.6	-13.9	.87 .89
Springfield .....	-18.2	-20.2	-9.2	.29 .34
8th District.....	-18.7	-15.9	-13.1	.76 .77

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover
	Mar. 1932 comp. to Mar. 1931	3 months ended Mar. 31, 1932 to same period 1931	Mar. 31, 1932 comp. to Mar. 31, 1931	Jan. 1, to Mar. 31, 1932 1931
Men's Furnishings	-30.6%	-30.1%	-14.9%	.65 .83
Boots and Shoes.....	-15.0	-19.1	-15.1	.62 .64

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in March was 24.6 per cent less than in February, and 69 per cent smaller than the March, 1931 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March amounted to \$6,055,684 which compares with \$6,118,904 in February and \$22,970,128 in March, 1931. Production of portland cement for the country as a whole in March totaled 4,847,000 barrels against 3,971,000 barrels in February and 8,245,000 barrels in March, 1931. Building figures for March follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	106	208	\$ 22	\$ 78	76	62	\$ 20	\$ 12
Little Rock	10	31	2	76	69	38	12	17
Louisville ..	44	86	82	748	40	50	38	72
Memphis ....	136	309	99	178	157	65	66	33
St. Louis....	201	360	431	969	223	306	88	154
Mar. totals	497	994	\$ 636	\$ 2,049	565	521	\$ 224	\$ 288
Feb. totals	407	626	844	2,170	486	490	400	299
Jan. totals	348	484	360	2,855	417	491	289	331

\*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 first three months this year of 15.1 per cent under the corresponding period in 1931 and of 17.2 per cent under the final quarter in 1931. Detailed figures follow:

	For Quarter Ending				Mar. 1932 com. to Mar. 1931
	Mar. 31, 1932	Dec. 31, 1931	Sept. 30, 1931	Mar. 31, 1931	
Evansville .....	\$ 131,608	\$ 142,000	\$ 147,000	\$ 165,000	-20.2%
Little Rock.....	168,130	182,000	189,000	212,000	-20.7
Louisville .....	562,491	659,000	577,000	627,000	-10.3
Memphis .....	418,576	551,000	440,000	521,000	-19.7
St. Louis.....	2,466,366	2,993,000	2,459,000	2,890,000	-14.7
Totals.....	\$3,747,171	\$4,527,000	\$3,812,000	\$4,415,000	-15.1

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in March by selected industrial customers as being 4.3 per cent more than in February, but 20.1 per cent less than in March, 1931. Detailed figures follow:

	No. of Custom- ers	Mar. 1932	Feb. 1932	Mar. 1932	Mar. 1931	Mar. 1932
		*K.W.H.	*K.W.H.	comp. to Feb. 1932	*K.W.H.	comp. to Mar. 1931
Evansville ....	40	1,958	1,523	+28.6%	2,007	- 2.4%
Little Rock..	35	747	1,140	-34.5	1,285	-41.9
Louisville ....	85	5,213	5,196	+ 0.3	5,638	- 7.5
Memphis .....	31	1,441	1,389	+ 3.7	948	+52.0
St. Louis.....	158	12,601	11,806	+ 6.7	17,607	-28.4
Totals.....	349	21,960	21,054	+ 4.3	27,485	-20.1

\*In thousands (000 omitted).

### AGRICULTURE

The report of the U. S. Department of Agriculture giving planting intentions of farmers as of March 1, 1932, indicates no marked change in aggregate acreage of the principal crops in states including the Eighth District as compared with the harvested area of these crops in 1931. Smaller acreages of corn, wheat and tobacco are estimated, while increases are indicated in hay and a number of the less important productions. This is in conformity with the general program of diversification and rotation which has been in effect during the past several years. Total acreage of the chief crops, including winter wheat seeded last fall and excluding cotton, on which no estimate is made, will be 0.8 per cent less than the aggregate harvested in 1931.

The following comparative table shows intended plantings in 1932 by farmers in states of this district and the number of acres of the several crops harvested in the three preceding years:

	1932	1931	1930	1929
Corn .....	29,230,000	29,920,000	28,815,000	27,937,000
Oats .....	9,122,000	8,593,000	8,927,000	8,389,000
Rice .....	150,000	177,000	173,000	157,000
Barley .....	428,000	385,000	537,000	429,000
Potatoes .....	354,000	331,000	338,000	333,000
Sweet Potatoes.....	229,000	204,000	165,000	168,000
Tobacco .....	613,000	763,000	663,000	630,000
Peanuts .....	73,000	56,000	62,000	46,000
Tame Hay.....	10,438,000	10,150,000	12,337,000	13,235,000
Winter Wheat.....	5,000,000	5,519,000	6,144,000	6,656,000
Totals.....	55,637,000	56,098,000	58,161,000	57,980,000

**General Farm Conditions**— In the wake of one of the mildest Februaries on record, March brought

unusually low temperatures, accompanied by heavy snow storms, sleet and ice. Prior to the cold snap considerable progress had been made in field work, particularly in the northern stretches of the district, where soil preparation was somewhat in advance of the seasonal schedule. Weather in March, however, held up outdoor activities and at the end of that month all descriptions of spring work had fallen behind what is ordinarily accomplished at that date. Widespread damage was done to fruits, and in the south early vegetables were either ruined or sustained serious injury. Scattered reports indicate damage to the growing wheat crop, but such damage in this district is considerably less than in other sections. Surface and subsoil conditions were greatly benefitted by the precipitation in March, and are for the most part good.

Since the first of April more seasonable weather has developed, and conditions have been ideal for farm operations of all sorts. Much of the time lost in March has been made up, and at the middle of this month considerable progress had been made in preparations for planting corn, cotton, tobacco and other spring crops. Seeding of oats has been completed, and in some southern counties, early planted oats were reported up to a good stand. Generally through the district farmers will raise this year's crops at smaller cost than in past seasons. The amount of fertilizer to be used, as indicated by tag sales to April 1, will be the smallest in many years, and less hired help will be employed than in the past. Financing farmers' needs for seeds and other requirements are being facilitated by Governmental agencies set up for that purpose.

**Winter Wheat**—According to the U. S. Department of Agriculture, the condition of the growing crop in all states of the Eighth District on April 1 was below that of a year ago, but with the exception of Missouri and Arkansas, the April 1 condition was higher than the 10-year (1919-1928) average on that date. Based on the April 1 condition, the combined yield in states including the district is estimated at 72,200,000 bushels, against 125,743,000 bushels harvested in 1931, and the 5-year average (1924-1928) of 84,941,000 bushels. Stocks of grain on farms on April 1 in these states was estimated at 27,402,000 bushels, against 9,422,000 bushels on the same date last year and a 5-year average of 8,834,000 bushels. Acreage abandonment is expected to be somewhat greater than last year, due chiefly to injury resulting from the March freezes. There are scattered reports of hessian fly infestation, but to greater extent than in average years. Weather since April 1 has been generally favorable for growth and development of the plant.

**Corn** — Fair progress has been made in preparations for the new crop, and in the south considerable planting has been accomplished. Temperatures have been too low to favor germination of the early planted crop, and replanting has been necessary in some localities.

**Fruits and Vegetables** — The outlook for 1932 fruits and vegetables, which prior to the March freezes was the most promising in recent years, has been substantially lowered as a result of the unseasonably low temperatures. In many of the chief peach producing areas heavy damage was reported, in some instances amounting to almost complete destruction of this year's crop, though nowhere was material injury done to trees. Considerable damage was sustained by the strawberry crop in the Ozark section, and other commercial growing localities of the district. Withal, due to increased acreage, the crop is expected to be of about average size. Pears in Illinois, Missouri and Arkansas were damaged, and in some sections completely destroyed. Damage to the apple crop was relatively light, and most recent reports indicate that early estimates of the harm done, were excessive. Growers of early truck crops in Mississippi, Arkansas and Tennessee report heavy losses from the freeze. Generally throughout the district farmers plan to increase the size of their gardens, and to produce relatively more feed crops than in past years. Grapes and the general run of cane fruits escaped severe injury from the March cold snap.

**Live Stock** — Taken as a whole the condition of livestock in the district is good. There is an abundance of hay and rough feed on hand to carry herds to full grazing. Pastures are below average condition in many localities, due to close grazing during the mild winter and checking of growth by the March freeze. There were numerous reports of injury and actual losses of spring pigs from the cold weather in March. The trend of prices continued downward, hogs recording a new low on the present recessionary movement. The movement to market continued in fair volume, receipts of sheep and lambs showing somewhat greater than the usual seasonal increase from February to March.

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

	Receipts			Shipments		
	Mar. 1932	Feb. 1932	Mar. 1931	Mar. 1932	Feb. 1932	Mar. 1931
Cattle and Calves.....	82,454	71,770	86,896	44,634	39,502	52,227
Hogs .....	219,319	237,181	246,731	154,689	168,303	198,500
Horses and Mules.....	5,703	5,224	5,169	5,729	4,991	5,873
Sheep .....	36,756	25,798	26,901	10,907	7,455	12,652

**Cotton** — Since April 1 preparations for the new crop have made considerable progress, and backwardness occasioned by unfavorable weather conditions in February and March has been partly made

up. However, indications are that the start of the crop will be about two weeks late, but this handicap can be easily counterbalanced by prompt germination and auspicious conditions later on. Reports relative to acreage vary broadly, but indications are for moderately reduced plantings in all states of the district as compared with last year. Advices from all the chief producing areas are to the effect that, with smaller use of fertilizers and hired help, this year's crop will be raised at less cost than has been the case in recent times. Demand for raw cotton during the past thirty days continued quiet, and the trend of prices was lower. In the St. Louis market the middling grade ranged from 5.65c to 6.50c between March 15 and April 15, closing at 5.75c on the latter date, which compares with 6.50c on March 15, and 9.35c on April 16, 1931. Receipts at Arkansas warehouses from August 1, 1931, to April 15, 1932, totaled 1,483,702 bales, against 818,317 bales for the corresponding period a year ago. Stocks on hand April 15 totaled 501,383 bales, against 588,390 bales on March 11, and 181,568 bales on the corresponding date in 1931.

**Tobacco** — Sowing of tobacco plant beds had been about completed at the end of the first week in April, which is somewhat later than usual. Apparently little damage was done to early plantings by the March cold snap, but at the middle of this month, warm weather and sunshine were much needed to promote growth of the plants. Considerable uncertainty exists relative to acreage in the several districts, as there is a disposition to diversify crops in the burley, air-cured, Green River and fired-dark sections. Sales of burley tobacco to March 25 totaled 450,535,821 pounds at an average price of \$8.63, which compares with 372,419,511 pounds at an average of \$15.59 per pound a year ago. Most recent sales of fired-dark tobacco have been at somewhat higher prices.

**COMMODITY PRICES**

Range of prices in the St. Louis market between March 15, 1932, and April 15, 1932, with closing quotations on the latter date and on April 16, 1931, follow:

	High	Low	Close	
			April 15, 1932	April 16, 1931
Wheat				
May .....	.60¾	.50	\$ .59¾	.....
July .....	.63¾	.51¾	.61	\$.61¾
Sept. ....	.63¾	.54¾	.63¾	.60¾
Dec. ....	.66¾	.57½	.66¾	.....
No. 2 red winter	.61	.51½	\$.60 @ .60½	\$.80 @ .80½
No. 2 hard " "	.62	.52	\$.60 @ .61	\$.81 @ .81½
Corn				
May .....	.36¾	.31¾	.34¾	.61¾
July .....	.38¾	.34¾	.36¾	.63¾
No. 2 mixed	.35	.32	.34¾ @ .35	.60 @ .61
No. 2 white	.34	.31½	.34 @ .35	.63 @ .64
Oats				
No. 2 white	.24½	.23	.24 @ .24½	.33¾ @ .33½
Flour				
Soft patent.....per bbl.	3.75	3.20	3.75 @ 4.20	.....
Spring patent.....	4.50	4.20	4.20 @ 4.50	4.20 @ 4.50
Middling cotton.....per lb.	.0650	.0565	.0575	.0935
Hogs on hoof.....per cwt.	4.75	3.00	3.00 @ 4.25	6.15 @ 7.75

## FINANCIAL

The banking and financial situation in this district during the past thirty days underwent further improvement. While there was a decrease in deposits and total loans and investments of the commercial banks, a further gradual easing in the credit situation was discernible. Greater confidence was in evidence, both with city and country financial institutions. Demand for credit for mercantile and industrial purposes, as measured by loans and discounts of the commercial banks, showed a further moderate recession, but a considerable part of the shrinkage in the note portfolios of these banks was due to liquidation of loans made possible by the large volume of liquidation with wholesaling interests with which April is an important settlement month. In the rural areas Governmental and local loaning agencies are apparently taking good care of agricultural financing requirements. In the cotton and tobacco areas there was a further reduction of loans to country banks, which was reflected in a reduction of commitments of these banks with their city correspondents. The return of currency from circulation increased, indicating that the amount of hoarded money has become smaller. Bank suspensions in the district were negligible, and a number of failed banks were reopened.

Between March 16 and April 13 loans of the reporting member banks decreased, and the total on the latter date was 20 per cent smaller than a year ago. Relatively the greatest decrease was in the classification of loans on securities. Deposits, which had moved sharply upward during the first three weeks of March, declined in early April, the total at the middle of the month being 2.6 per cent less than on March 16. Investments of these banks remained fairly constant in late March, but have tended slightly downward since the first report date in April. Borrowings of all member banks from the Federal Reserve Bank averaged somewhat larger than during the preceding thirty days, and were substantially above the corresponding period a year ago.

While interest rates showed little quotable change, the trend in the immediate past has been easier. At St. Louis banks prevailing rates were as follows: Prime commercial loans, 4½ to 6 per cent; collateral loans, 4¾ to 6 per cent; loans secured by warehouse receipts, 4½ to 6 per cent; interbank loans, 5½ to 6 per cent; cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on April 13, 1932 showed a decrease of 4.7 per cent as contrasted with

March 16, 1932. Deposits decreased 2.6 per cent between March 16, 1932 and April 13, 1932 and on the latter date were 19.9 per cent smaller than on April 15, 1931. Composite statement follows:

	*April 13, 1932	*Mar. 16, 1932	*April 15, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$141,318	\$152,698	\$176,510
All other loans and discounts....	213,617	219,743	267,488
Total loans and discounts.....	\$354,935	\$372,441	\$443,998
Investments			
U. S. Government securities.....	89,073	91,314	79,702
Other securities.....	119,638	119,373	141,916
Total investments.....	\$208,711	\$210,687	\$221,618
Reserve balance with F. R. Bank	37,793	41,377	47,995
Cash in vault.....	6,548	6,299	6,293
Deposits			
Net demand deposits.....	303,922	318,674	388,922
Time deposits.....	210,102	208,143	248,620
Government deposits.....	5,344	6,435	10,544
Total deposits.....	\$519,368	\$533,252	\$648,086
Bills payable and rediscounts with			
Federal Reserve Bank.....	2,576	3,483	25

\*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.

	*Mar. 1932	*Feb. 1932	*Mar. 1931	Mar. 1932 comp. to Feb. 1932	Mar. 1931
East St. Louis & Natl.					
Stock Yards, Ill. \$	20,665	\$ 18,213	\$ 28,950	+13.5%	—28.6%
El Dorado, Ark.....	3,279	3,366	5,083	— 2.6	—35.5
Evansville, Ind.....	15,929	15,603	21,752	+ 2.1	—26.8
Fort Smith, Ark.....	7,537	6,890	9,444	+ 9.4	—20.2
Greenville, Miss....	2,988	3,574	3,550	—16.4	—15.8
Helena, Ark.....	1,200	1,062	3,105	+13.0	—61.4
Little Rock, Ark....	19,346	17,945	28,732	+ 7.8	—32.7
Louisville, Ky.....	101,464	106,023	144,099	— 4.3	—29.6
Memphis, Tenn.....	85,501	85,405	109,695	+ 0.1	—22.1
Owensboro, Ky.....	2,938	3,398	5,367	—13.5	—45.3
Pine Bluff, Ark.....	4,854	4,617	6,807	+ 5.1	—28.7
Quincy, Ill.....	6,072	6,377	7,753	— 4.8	—21.7
St. Louis, Mo.....	456,324	411,816	616,583	+10.8	—26.0
Sedalia, Mo.....	1,309	1,228	3,642	+ 6.6	—64.1
Springfield, Mo....	9,879	8,806	14,000	+12.2	—29.4
**Texarkana,					
Ark-Tex.....	5,629	6,544	9,264	—14.0	—39.2
Totals .....	\$744,914	\$700,867	\$1,017,826	+ 6.3	—26.8

\*In thousands (000 omitted.)

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

**Federal Reserve Operations**—During March the Federal Reserve Bank of St. Louis discounted for 245 member banks against 237 in February and 192 in March, 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:

	*Apr. 14, 1932	*Mar. 14, 1932	*Apr. 14, 1931
Bills discounted .....	\$16,727	\$19,103	\$ 7,725
Bills bought .....	1,134	3,639	10,064
U. S. Securities.....	30,974	27,997	23,899
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	1,011	1,011	37
Total bills and securities.....	\$49,846	\$51,750	\$41,725
Total Reserves.....	112,226	109,513	117,737
F. R. Notes in circulation.....	90,645	93,691	76,329
Total deposits.....	64,367	60,573	75,706
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	72.4%	71.0%	77.4%

\*In thousands (000 omitted).

(Compiled April 22, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of May 31, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**B**USINESS as a whole in the Eighth District failed to improve during the past thirty days, and save in a limited number of lines directly affected by seasonal influences, the volume was below that of the similar period immediately preceding and at the lowest point in recent years. In cases where April volume was larger than for March, the increases were smaller than the usual average. The first half of May, also, has shown no marked betterment, though more favorable weather has tended to stimulate retail trade, besides proving favorable for farm work and the growth and development of all crops. The output at manufacturing establishments was smaller in April than in March, and this curtailment extended to industries which ordinarily increase their production at this time of year. There has been no noticeable deviation from the policy of extreme conservatism which has obtained in purchasing by merchants and the public during the past eighteen months. The average volume of advance orders on books of wholesaling and manufacturing interests on May 1 was the smallest for that particular date in more than a decade.

The trend of commodity prices continued downward, with new lows being recorded by a number of important agricultural products, notably cotton, corn and hogs. In all wholesaling and jobbing lines investigated, April sales were substantially smaller than a year ago. Due to the sharp decline in prices during the past twelve months, however, the unit volume of merchandise moved made a considerably better showing than the dollar value. This was true particularly in the case of boots and shoes, drygoods and groceries. In lines for ordinary consumption, replacement requirements are making themselves more strongly felt, and demand for such goods is in relatively larger volume than for commodities of the heavier and more permanent sort, such as iron and steel, lumber and the entire classification of building materials.

There was little change in the employment situation as contrasted with the preceding thirty days.

Gains in the number of workers engaged in farming, highway construction and other out-door occupations were counterbalanced by increased idleness among clerical help, miners and factory workers. Throughout the agricultural areas there exists a large surplus of laborers and wage scales continued downward. Reductions in wages were general in all branches of industry, including the building crafts. Weather conditions through April and the first half of May were favorable for agriculture, and a considerable part of the backwardness in spring operations, caused by the March freezes, was recovered. In the immediate past the movement of early fruits and vegetables has picked up, and is about on a parity with a year ago.

April sales of department stores in the principal cities of the district increased 4.7 per cent over March, but were approximately 27 per cent less than in April, 1931; for the first four months this year combined sales of these stores fell 19 per cent under the same period in 1931. Aggregate sales of all wholesaling and jobbing firms reporting to this bank decreased 5 per cent in April as compared with March, and 34 per cent as compared with April, 1931; for the first four months of the year there was a decrease of one-fourth under the corresponding period in 1931. The dollar value of permits issued for new construction in the five largest cities of the district in April was 22.5 per cent less than in March, and 91 per cent less than in April, 1931; for the first four months the total was 80 per cent smaller than a year ago. Contracts let for construction in the Eighth District in April were 57 per cent greater than in March, but about one-half less than a year ago, and for the first four months this year the total was 60 per cent smaller than for the same period in 1931. There was an increase in individual checking accounts of 4 per cent in April as compared with March, but a decrease of 24 per cent under the April total last year; for the first four months this year a decrease of 24 per cent is shown as compared with

the same period in 1931. Between April 6 and May 4 there was an increase in the amount of savings accounts of 1.3 per cent, and on the latter date the total was 12 per cent smaller than a year ago.

The volume of both freight and passenger traffic handled by railroads operating in this district continued to show a heavy falling off as compared with the corresponding periods during the past several years. There was a particularly heavy decrease in the movement of bituminous coal, due chiefly to strikes in the Illinois and Indiana fields. Merchandise and miscellaneous freight failed to show the usual seasonal expansion. For the country as a whole, loadings of revenue freight for the first seventeen weeks this year, or to April 30, totaled 9,568,760 cars, against 12,402,121 cars for the corresponding period in 1931, and 15,055,063 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, handled 133,955 loads in April, against 149,953 loads in March and 174,669 loads in April, 1931. For the first nine days of May the interchange amounted to 38,323 loads, against 39,569 loads during the same time in April and 53,434 loads during the first nine days of May, 1931. Passenger traffic of the reporting lines decreased 33 per cent in April as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 98,600 tons, against 112,694 tons in March, and 82,465 tons in April, 1931.

General conditions considered, reports relative to collections during April and the first half of May reflect mainly satisfactory conditions. For the most part wholesalers and jobbers in the chief distributing centers report customers paying promptly, and show smaller actual losses from weak accounts than at the corresponding period last year. It will be recalled, however, that such losses at this time in 1931 were in unusually large volume. Country merchants' collections are being interfered with by preoccupation of farmers with spring work, also the low prices of farm products. There has been a considerable volume of liquidation in sections where early vegetables and fruits are important crops. City retailers note irregularity in settlements, with more backwardness than heretofore reported by time payment houses and others selling goods on the installment plan. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
April, 1932.....	0%	16.1%	57.1%	26.8%
March, 1932.....	1.6	14.8	59.4	24.2
April, 1931.....	0	13.1	63.1	23.8

Commercial failures in the Eighth Federal Reserve District in April, according to Dun's, numbered 151, involving liabilities of \$5,599,920, against 172 failures in March, with liabilities of \$10,180,893, and 153 defaults for a total of \$2,961,962 in April, 1931.

The average daily circulation in the United States in April was \$5,452,000,000 against \$5,531,000,000 in March and \$4,647,000,000 in April, 1931.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — April sales of the reporting firms were 6 per cent smaller than in March and 45 per cent less than in April, 1931. Stocks on May 1 were 6.3 per cent and 5.8 per cent smaller, respectively, than a year and a month earlier. The heavy decrease in the yearly sales comparison was partly due to the decline in prices, which, according to the reporting firms, was approximately 16 per cent. There was a further decline in factory operations, the average being approximately 72 per cent of capacity.

**Clothing** — Unseasonably, cool weather during April had a tendency to hold down sales of apparel of all descriptions. Advance ordering for summer distribution was in considerably smaller volume than a year ago. There was a moderate increase in demand for working clothes, but the volume was still substantially below the average at this period in recent years. The trend of prices continued downward.

**Drugs and Chemicals** — Sales of the reporting interests in April fell 25 per cent below those for the same month in 1931, and 6 per cent below the March total this year. Inventories continued to decline, stocks on May 1 being 1 per cent and 8 per cent smaller, respectively, than a month and a year earlier. Seasonal increases in certain commodities were offset by smaller distribution of others, notably fertilizers, insecticides, and heavy drugs and chemicals for the general manufacturing trade.

**Dry Goods** — Following the usual seasonal trend, sales of the reporting firms in April were 12 per cent below those of the preceding month. As compared with a year ago, April sales decreased 21 per cent. Stocks on May 1 were 5 per cent smaller than thirty days earlier, and about one-fourth less than on May 1, 1931. The sharp decline in prices was largely accountable for the decrease in April sales as contrasted with a year ago. According to two important firms, the unit volume of goods sold this April was slightly in excess of a year ago.

**Electrical Supplies** — April sales of the reporting firms showed a slight decrease as compared with the preceding month, and the total was less than

half as large as for the same month last year. Stocks on May 1 were smaller by one-fourth and one-half, respectively, than a month and a year earlier. Decreases in the yearly sales comparison were general through the entire line, but most pronounced in the case of electrical installations in new buildings and radio materials. Advance sales of electric fans were smaller than at any similar period in recent years.

**Flour** — Production at the twelve leading mills of the district in April totaled 377,465 barrels, against 232,282 in March and 301,429 barrels in April, 1931. Buyers generally were awaiting more definite news relative to the growing wheat crop before taking on additional supplies at the slightly higher prevailing prices. Consumers are still seeking low grade flours, the higher grades and patents receiving relatively little attention. There was little change in the aspect of the export trade. Bids from Europe were mainly out of line, and export transactions were confined largely to routine business with Latin-American countries. Mill operations were slightly higher than during the preceding thirty days, being from 45 to 48 per cent of capacity.

**Furniture** — April sales of the reporting interests were 39 per cent smaller than for the same month in 1931, and 17 per cent below the March total this year. Inventories continued to decline, stocks on May 1 being 10 per cent smaller than a month earlier, and one-third less than on May 1 last year. All lines were affected in the sales decreases, but heaviest declines were noted in household furniture and furnishings and office equipment. The trend of prices is downward and as compared with last year, averages close to 15 per cent lower.

**Groceries** — Reduced purchasing power in the rural areas, unemployment in the industrial centers and a general disposition to economize on the part of the public were given as the chief reasons for a decline in April sales of the reporting firms of 5 per cent under the preceding month, and of 24 per cent under the same month in 1931. Stocks continued to decline, inventories of the reporting interests on May 1 being 4 per cent and 16.5 per cent smaller, respectively, than a month and a year earlier.

**Hardware** — The reporting firms showed a slight increase in April sales as compared with March, but a decrease of 17 per cent as contrasted with April last year. Certain seasonal lines developed improvement, but the extent of this was less than in former years. Retail stocks continued light, but except in rare instances, there is little effort being made to replenish and fill out assortments. Stocks of the reporting firms on May 1 were 2 per cent larger

than a month earlier, but 17 per cent smaller than on May 1, 1931.

**Iron and Steel Products** — April and early May witnessed the lowest point in activities in the iron and steel industry in this district which has been reached in the present recessionary movement. Operations at mills, foundries, machine shops and other ferrous working establishments dropped to a small fraction of capacity. Less than 12 per cent of the openhearth furnaces were active, and jobbing foundries averaged not more than two days work per week during the period. As has been the case for the past several months, railroads, the building industry, oil fields and other important consumers of iron and steel materials were purchasing only the barest necessities. Requirements of smaller and miscellaneous users failed to expand in any noticeable degree. Manufacturers and distributors of sheets, plates and the general run of rolled materials reported new business being sparingly placed, and specifications on goods previously acquired were in disappointing volume. Specialty makers, notably of stoves, heating apparatus, farm implements and machine tools reported a further decrease in orders booked, with advance business the smallest for this particular time in more than a decade. Lettings of contracts for structural steel, reinforcing concrete bars and kindred lines were in small volume, and there were further reductions in operations and working forces by fabricating concerns. Demand for materials to be used in highway construction, river improvement work and other outdoor engineering projects, was in fair volume, but failed to show the usual seasonal expansion. The movement of tin plate was relatively more active than other flat rolled materials, but due to price uncertainty and the heavy carryover of canned products from last season, canners are backward in filling their requirements. Iron and steel warehousemen and jobbers reported the volume of business in April considerably below that of the same month in 1931, and the average during recent years. Wire and wire products, including nails and fencing materials, continue quiet, and the same is true of the general line of repair goods and finished commodities used chiefly in the rural areas. Prices of finished and semi-finished goods varied only slightly as contrasted with the preceding thirty days, and despite keen competition, reports of shading under list quotations are relatively rare. Purchasing of pig iron and scrap during April was in smaller volume than in any other month this year. A further decline in scrap prices was noted, heavy melting steel and some other grades reaching new lows on the movement.

For the country as a whole production of pig iron in April dropped to the lowest point since figures have been compiled. Total output for the month was 855,734 tons, against 961,015 tons in March and 2,009,582 tons in April, 1931. Steel ingot production in the United States in April totaled 1,239,811 tons, the smallest since July, 1921, and comparing with 1,410,830 tons in March, and 2,722,479 tons in April, 1931.

### AUTOMOBILES

Combined passenger car, truck, and taxicab production in the United States in April was 148,013 against 118,959 in March, and 335,708 in April, 1931.

In accordance with the invariable trend during the past several years, distribution of automobiles in this district during April, according to dealers reporting to this bank, showed a decline under the preceding month. This is accounted for partly by the fact that March distribution is usually stimulated by results of the automobile shows and the introduction of new models during February. The decrease in sales this year in April was considerably larger than a year ago, and the average during the past eight years. The April total also showed a heavy decline under that of the same month in 1931. In both comparisons all classes of cars were affected, but the heaviest decreases were noted in the cheap priced makes, one important producer in that classification not being on full production of its new models. Taken as a whole, the intensive efforts of certain large producers in March to market their automobiles met with disappointing results. Reduced purchasing power in the rural areas, and the disposition of the public generally to economize had a detrimental effect on the trade. Sales of new passenger cars by the reporting dealers in April were only one-half as large as in March, and approximately 55 per cent smaller than in April, 1931. Dealers continue to purchase on an extremely conservative scale, many taking only enough cars to deliver on actual orders or fairly certain prospects. As a result of this policy, inventories on May 1 were the smallest for any similar date in recent years. The number of cars on the floors of the reporting dealers on May 1 was 4 per cent smaller than a month earlier, and about one-third less than on May 1, 1931. Used car sales in April were 14 per cent smaller than in March and 32 per cent less than in April, 1931. Salable secondhand cars in stock on May 1 were 2 per cent less than a month earlier and about the same as a year ago. Service departments of the reporting dealers showed a large volume of business

during April and sales of repair parts compared favorably with a month and a year earlier. Demand for trucks of all descriptions continued the decline of the preceding three months, and in April sales were approximately one-third smaller than for the same month last year. According to dealers reporting on that item, deferred payment sales of passenger cars in April constituted 53 per cent of their total sales, which compares with 54 per cent in March and 49.2 per cent in April, 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	
	Apr. 1932	4 months ended	Apr. 30, 1932	Jan. 1, to	Apr. 30,
	comp. to	Apr. 30, 1932 to	comp. to	Apr. 30,	1932
Apr. 1931	same period 1931	Apr. 30, 1931	1932	1931	
Evansville .....	-29.0%	-26.7%	-21.9%	.56	.58
Little Rock.....	-32.2	-24.7	- 7.3	.68	.86
Louisville .....	-26.1	-17.7	-11.6	.82	.85
Memphis .....	-31.8	-20.5	-14.1	.93	.94
Quincy .....	-29.5	-21.5	-11.6	.76	.86
St. Louis.....	-25.7	-19.7	-12.2	1.19	1.27
Springfield ....	-24.1	-21.4	- 8.9	.41	.48
8th District.....	-26.9	-19.3	-12.2	1.03	1.10

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Apr. 1932	4 months ended	Apr. 30, 1932	Jan. 1, to	Apr. 30,
	comp. to	Apr. 30, 1932 to	comp. to	Apr. 30,	1932
Apr. 1931	same period 1931	Apr. 30, 1931	1932	1931	
Men's					
Furnishings .....	-36.4%	-31.8%	-14.8%	.85	1.10
Boots					
and Shoes.....	-29.3	-22.4	-14.3	.86	.94

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 22.5 per cent less than in March, and 91 per cent less than in April, 1931. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$9,502,305, which compares with \$6,055,684 in March and \$17,080,749 in April, 1931. Production of portland cement for the country as a whole in April totaled 5,478,000 barrels, against 4,847,000 barrels in March and 11,245,000 barrels in April, 1931. Building figures for April follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	129	232	\$ 27	\$ 407	108	62	\$ 26	\$ 11
Little Rock	22	18	6	57	101	51	20	59
Louisville ..	52	76	62	445	52	71	38	90
Memphis ....	124	170	92	162	148	223	83	88
St. Louis....	243	408	306	4,383	298	410	138	185
April totals	570	904	493	5,454	707	817	305	433
Mar. totals	497	994	636	2,049	565	521	224	288
Feb. totals	407	626	844	2,170	486	490	400	299

\*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 April as being 2.3 per cent greater than in March and 24 per cent less than in April, 1931. Detailed figures follow:

	No. of Customers	April, 1932 *K.W.H.	March, 1932 *K.W.H.	April, 1932 comp. to Mar. 1932	April, 1931 *K.W.H.	April, 1932 comp. to April, 1931
Evansville ....	40	1,784	1,958	- 8.9%	2,008	-11.2%
Little Rock....	35	1,063	747	+42.3	1,455	-26.9
Louisville ....	85	5,368	5,213	+ 3.0	6,022	-10.9
Memphis .....	31	1,294	1,441	-10.2	1,165	+11.1
St. Louis.....	156	12,944	12,600	+ 2.7	18,917	-31.6
Totals.....	347	22,457	21,959	+ 2.3	29,567	-24.0

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

	By water power	By fuels	Totals
March, 1932.....	3,118,287,000	4,202,630,000	7,320,917,000
February, 1932.....	2,972,069,000	4,025,168,000	6,997,237,000
March, 1931.....	2,640,081,000	5,247,632,000	7,887,713,000

### AGRICULTURE

Aside from somewhat frequent delays occasioned by rains, farm work throughout the Eighth District made good progress during April and the first half of May. Weather was for the most part cool and dry, and almost universally the tilth of the soil was favorable. Conditions have been ideal for preparing ground for corn, but planting of that cereal was backward, due to cool weather. Spring grains were planted mainly on seasonal schedule, and while germination has been slow, top growth is uniform. As a rule all plant growth is backward due to the March freezes and relatively low temperatures prevailing through April and early this month. While precipitation has been quite general over the district, further rains are needed to produce best results, particularly in areas affected by the drouths of the two preceding years. Owing to their late start, hay crops and pastures are generally below average condition for this time of year. Reserves of old hay on farms vary considerably in different localities, but as a whole are close to the average at this season during the past ten years.

Fall sown grains, which had made excellent progress during the unusually mild winter, received a severe setback and actual damage in some sections, from the freezing weather in March. The low March temperatures also wrought considerable injury to fruits and vegetables, and the outlook for tree fruits is much below that of a year ago. In Arkansas, for example, the May 1 condition of peaches was 17 per cent, against 76 per cent last year and a 5-year average (1924-1928) of 68 per cent. Similar conditions are reported in Illinois, Missouri and Tennessee.

Pears and early apples will be small crops, but about an average yield of late apples is indicated in most of the chief producing areas. Vegetables are late, but have been benefitted by higher temperatures during the past two weeks.

The supply of farm labor continued heavily in excess of demand, with the trend of wages still downward. Generally through the farming communities there is in evidence a disposition to adjust to present conditions. Farmers are making strenuous efforts to produce this season's crops at a minimum cost, and in all sections, but more particularly in the south, are endeavoring to raise everything possible for food and feed for livestock. Prices of farm products failed to improve during the past thirty days. Hogs, cotton and some other products recorded new lows on the present recessionary movement.

**Winter Wheat**—Based on the May 1 condition, the U. S. Department of Agriculture estimates the combined yield of winter wheat in states entirely or partly within the Eighth District at 71,990,000 bushels, which compares with 125,743,000 bushels harvested last year and a 5-year average (1924-1928) of 86,273,000 bushels. For the entire country the crop is estimated at 441,000,000 bushels, which is 347,000,000 bushels less than produced in 1931 and 108,000,000 bushels below the 5-year average. Favorable weather since May 1 has materially helped the crop in this area, and generally, stand and color are excellent.

**Corn**—While preparations had been largely completed for planting corn toward the end of April, relatively little acreage had actually been sown, due to cool weather and delays caused by rains. Taken as a whole, planting was estimated to have been about ten days behind schedule at the middle of May. In the south early planted corn is generally up to a good stand, with prospects favorable. Reports relative to acreage are still rather indefinite, but indications point to smaller plantings than a year ago, especially in the surplus states. Prices continued to decline, and in the first week of May reached the lowest point on the present crop, and in a number of years.

**Fruits and Vegetables**—Owing chiefly to the unseasonably cold weather in March, the output of tree fruits in this district will be considerably smaller than a year ago, and the ten-year average. In many sections the peach crop is a complete failure, and in more favored localities not above half an average crop is in prospect. Early apples and pears were severely damaged, but late apples escaped

with relatively little injury. Cherries, plums, and apricots sustained considerable damage, and will be small crops. Less injury than at first estimated was sustained by berry fruits, and in some of the largest producing sections, shipments will be larger than a year ago. Grapes for the most part came through the March freeze without injury, and prospects are for one of the largest yields on record. Potatoes were planted late in most sections, but at the middle of May were in generally favorable condition. Vegetable gardens are universally late, from one to three weeks behind the usual schedule. The movement of early truck crops was in smaller volume than at the corresponding period in 1931.

**Live Stock**— Generally the condition of herds on May 1 was fair to good, and since that date conditions throughout the district have been auspicious. Warm weather, accompanied by scattered precipitation, has helped growth of pastures, which had been checked earlier in the year by unseasonably low temperatures. The movement to market of cattle, sheep and hogs has been held down by the low prices and heavy cooler stocks of dressed meats.

Milk production per cow, according to the U. S. Department of Agriculture, was lower on May 1 than the average on that date during the past five years. While the number of milk cows on farms is larger than a year ago, milk production was lower. The reduced production is due chiefly to curtailed feeding of grain resulting from unfavorable market conditions.

Hens in farm flocks were laying fewer eggs per hundred hens on May 1 this year than last. The price of eggs during April and early May fell so low that little, or no profit was realized by their producers.

The condition of tame hay on May 1 was generally below the average on that date during the past ten years. Stocks of hay on farms in states including the Eighth District on May 1 totaled 2,403,000 tons, against 863,000 tons a year ago, and the 5-year average (1924-1928) of 2,936,000 tons.

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

	Receipts			Shipments		
	Apr. 1932	Mar. 1932	Apr. 1931	Apr. 1932	Mar. 1932	Apr. 1931
Cattle and Calves.....	84,890	82,454	90,132	45,207	44,634	57,881
Hogs .....	251,387	219,319	278,046	179,386	154,689	217,685
Horses and Mules.....	3,416	5,703	3,496	3,131	5,729	3,700
Sheep .....	58,300	36,756	54,753	17,990	10,907	23,078

**Cotton**— Planting of the new crop had been virtually completed at the middle of May, and reports generally indicated satisfactory germination and growth. Universally, moisture conditions are good, and for the most part fields are well worked and free of weeds and grass. In the southern tier of

counties chopping is well under way, and to date indications point to less replanting than in past years. Taken as a whole, the crop in this district is from eight to ten days late. Advices from virtually all sections are to the effect that this year's crop will be produced at smaller cost than in any recent year. Less fertilizer is being used, and planting and cultivating is being accomplished with a minimum of hired help. Demand for raw cotton continued quiet, with the trend of prices lower, a new low for the 1931 crop being reached in the first week of May. In the St. Louis market the middling grade ranged from 5c to 5.75c per pound between April 16 and May 16, closing at 5.25c on the latter date, which compares with 5.75c on April 16, and 8.90c on May 15, 1931. Receipts at Arkansas Warehouses from August 1, 1931, to May 13, 1932, totaled 1,498,042 bales, against 821,529 bales for the corresponding period in 1931. Stocks on hand May 13 totaled 406,220 bales, against 501,383 bales on April 15, and 138,511 bales on the corresponding date in 1931.

**Tobacco**— Due to the backwardness of the season, tobacco plants are not as far advanced as usual at this time of year. There are numerous complaints of cutworms and other insect pests destroying plants, and transplanting will probably be from two to three weeks later than the average. Very little of this work has been done, and even under favorable conditions not much can be accomplished until after June 1. In the dark-fired markets, sales have been large and low grades have been responsible for the low prices prevailing. However, throughout the season there has been an active demand for decided types of tobacco with good color. Stocks of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,373,761,000 pounds on April 1, as against 2,150,778,000 pounds a year earlier.

**COMMODITY PRICES**

Range of prices in the St. Louis market between April 15, 1932, and May 16, 1932, with closing quotations on the later date and on May 15, 1931, follow:

	High	Low	Close	
			May 16, 1932	May 15, 1931
Wheat				
May .....	.58¾	.51½	\$.53¾	.....
July .....	.61	.53	\$.55¾	\$.58¾
Sept. ....	.63¼	.56¼	\$.57¾	\$.58½
Dec. ....	.66¼	.59¾	\$.60¾	.....
No. 2 red winter	.59	.52½	\$.53½ @ .54	\$.80 @ .80½
No. 2 hard .....	.58½	.54½	\$.55½ @ .55¾	\$.80 @ .80½
Corn				
May .....	.34¼	.27½	.31	.....
July .....	.36½	.31	.32½	\$.58¾
No. 2 mixed .....	.33	.30	.32 @ .33	\$.58 @ .58½
No. 2 white .....	.32½	.30	.31½ @ .32½	\$.57½ @ .58
Oats				
No. 2 white .....	.24¼	.22	.22½ @ .22¾	\$.30½ @ .31
Flour				
Soft patent.....per bbl.	3.75	3.00	3.00 @ 3.40	4.90 @ 5.20
Spring patent.....	4.50	4.20	4.20 @ 4.50	4.20 @ 4.50
Middling Cotton.....per lb.	.0575	.05	.0525	.0890
Hogs on hoof.....per cwt.	4.20	2.25	2.40 @ 3.50	5.60 @ 7.00

**FINANCIAL**

The principal developments in the banking and financial situation in the Eighth District during the past thirty days have been a continued decline in loans and deposits of the commercial banks, a moderate increase in investments of these institutions, a further easing of the credit situation as a whole and a lower trend in interest rates. Calls on the banks for agricultural financing were less in evidence than in past years, due to the fact that farmers are producing this year's crops at smaller cost than usual and because their needs are being partly supplied by Governmental and other agencies. Generally through the district, but more particularly in the South, borrowings of country banks from their city correspondents are in smaller volume than a year ago. Withdrawals from savings accounts was at a much reduced rate, and for the first time in a number of months, the amount of such accounts held by selected banks showed an increase during April.

Loans of the reporting member banks continued the steady decline which began in the middle of March and on May 11 were approximately 6 per cent and 23 per cent smaller, respectively, than a month and a year earlier. Deposits also pursued the downward course of earlier in the year, reaching a new low point on May 11. Between April 13 and May 11, investments of these banks increased slightly, but were still 7 per cent smaller than on the corresponding date in 1931. Borrowings of all member banks from the Federal reserve bank receded rather sharply during the period, and touched a new low point for the year at the middle of May, though still at a considerably higher level than a year ago. Holdings of Government securities by the Federal reserve bank, which had been fairly constant earlier in the year, turned upward in late April, and at the middle of May represented the highest aggregate in recent years.

At St. Louis banks prevailing interest rates were as follows: Prime commercial loans 4½ to 5½ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 4½ to 5¾ per cent; interbank loans, 5 to 6 per cent; cattle loans, 5 to 7 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on May 11, 1932 showed a decrease of 5.8 per cent as contrasted with April 13, 1932. Deposits decreased 2.7 per cent be-

tween April 13, 1932 and May 11, 1932 and on the latter date were 21.3 per cent smaller than on May 13, 1931. Composite statement follows:

	*May 11, 1932	*April 13, 1932	*May 13, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations		\$141,318	\$170,343
and other stocks and bonds....\$131,346		213,617	264,324
All other loans and discounts.....	203,011		
Total loans and discounts.....	\$334,357	\$354,935	\$434,667
Investments			
U. S. Government securities.....	80,956	89,073	73,682
Other securities.....	132,309	119,638	155,105
Total investments.....	\$213,265	\$208,711	\$228,787
Reserve balance with F. R. Bank	35,851	37,793	46,096
Cash in vault.....	6,488	6,548	7,039
Deposits			
Net demand deposits.....	288,236	303,922	388,142
Time deposits.....	210,095	210,102	250,852
Government deposits.....	6,907	5,344	2,632
Total deposits.....	\$505,238	\$519,368	\$641,626
Bills payable and rediscounts with			
Federal Reserve Bank.....	1,097	2,576	300

\*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.

	*Apr. 1932	*Mar. 1932	*Apr. 1931	Apr. 1932 Mar. 1932	comp. to Apr. 1931
East St. Louis & Natl.					
Stock Yards, Ill..\$ 21,968	\$ 20,665	\$ 20,665	\$ 33,144	+ 6.3%	-33.7%
El Dorado, Ark.....	3,790	3,279	5,130	+15.6	-26.1
Evansville, Ind.....	16,861	15,929	24,603	+ 5.9	-31.5
Fort Smith, Ark....	8,199	7,537	10,065	+ 8.8	-18.5
Greenville, Miss....	2,829	2,988	3,243	- 5.3	-12.8
Helena, Ark.....	1,073	1,200	2,742	-10.6	-60.9
Little Rock, Ark..	21,717	19,346	27,393	+12.3	-20.7
Louisville, Ky.....	107,742	101,464	141,908	+ 6.2	-24.1
Memphis, Tenn.....	81,107	85,501	99,279	- 5.1	-18.3
Owensboro, Ky.....	2,724	2,938	4,944	- 7.3	-44.9
Pine Bluff, Ark....	4,925	4,854	7,383	+ 1.5	-33.3
Springfield, Ill....	6,595	6,072	9,893	+ 8.6	-33.3
St. Louis, Mo.....	477,317	456,324	627,307	+ 4.6	-23.9
Sedalia, Mo.....	1,615	1,309	3,686	+23.4	-56.2
Springfield, Mo....	10,046	9,879	14,757	+ 1.7	-31.9
**Texarkana,					
Ark.-Tex.....	6,511	5,629	10,145	+15.7	-35.8
Totals .....	\$775,019	\$744,914	\$1,025,622	+ 4.0	-24.4

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During April the Federal Reserve Bank of St. Louis discounted for 230 member banks against 245 in March and 173 in April, 1932. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*May 13, 1932	*Apr. 13, 1932	*May 13, 1931
Bills discounted .....	\$13,248	\$17,002	\$ 6,688
Bills bought .....	514	1,136	9,194
U. S. Securities.....	35,346	30,974	25,442
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	1,005	1,011	38
Total bills and securities.....	\$50,113	\$50,123	\$41,362
Total reserves.....	108,902	110,898	114,061
F. R. Notes in circulation.....	90,438	90,454	73,366
Total deposits.....	62,925	63,206	74,562
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	71.0%	72.2%	77.1%

\*In thousands (000 omitted).

(Compiled May 23, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of June 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HE past thirty days were marked by a further decline in the general level of commerce and industry in the Eighth District. With the exception of a limited number of lines, including automobiles, hardware and clothing, the volume of sales in May fell below that of April. In all lines investigated by this bank, the volume was substantially below that of the corresponding period in 1931, and the average in recent years. The recession in activities extended to wholesaling, retailing and manufacturing, but was somewhat more marked in production than distribution of merchandise. Outputs in virtually all classifications of manufactures in May fell below that of the preceding month, a number of lines which ordinarily increase their operations at this time of year failing to show the usual seasonal expansion. Because of the restricted volume of orders booked for future delivery, manufacturing interests were unwilling to make up any considerable stocks of their products. The continued lower trend in commodity prices served to further emphasize the conservative attitude of both merchants and ultimate consumers in the matter of commitments for goods of all descriptions.

During May the movement of merchandise through retail channels was retarded to some extent by cool weather. Since the first of June, however, more seasonable temperatures have materially stimulated purchasing of summer goods, notably sporting goods, apparel, electrical supplies, beverages and tourist and outing equipment. This improvement was most noticeable in the larger centers of population, trade in the rural areas being adversely affected by the continued low price level of farm products. There was a sharp decline in cereal values in early June, wheat falling to the lowest point of the year. New lows on the downward movement were recorded by corn, oats, cotton, hogs and some other less important products. Taken as a whole, agricultural prospects were less favorable on June 1 than a month earlier. Deterioration was caused by insufficient rainfall, prevalence of insect pests, and effects of the freezes in March.

No change for the better developed in the employment situation, absorption of idle workers by seasonal occupations having been more than offset by additional releases in the industrial centers. The surplus of farm help in all states of the district is greater than at any similar period in recent years. Building continued below a year ago, and the volume of permits and contracts for new construction in May was below that of the preceding month.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade in May showed a decrease of 10.4 per cent as compared with April and of 26.5 per cent as compared with May, 1931; for the first five months of this year sales fell 20.8 per cent under the same period in 1931. Aggregate sales in May of all wholesaling and jobbing firms reporting to this bank decreased 13 per cent as compared with April, and 35.4 per cent as compared with May, 1931; combined sales of these interests for the first five months this year were 27 per cent smaller than for the same period in 1931. The dollar value of permits issued for new construction in the five largest cities of the district in May was 16.6 per cent less than in April, and 76 per cent smaller than in May, 1931; for the first five months the total was 81 per cent smaller than a year ago. Contracts let for new construction in the Eighth District in May were 7.5 per cent smaller than in April, but about 52 per cent less than for the same time in 1931; for the first five months this year the total was 58 per cent smaller than for the like period in 1931. Debits to checking accounts in May were 2.4 per cent smaller than in April, and 28 per cent smaller than in May, 1931. For the first five months this year the volume of debits shows a decrease of one-fourth as compared with the same period in 1931. The amount of savings accounts in selected banks increased slightly between May 4 and June 1, and on the latter date was 12 per cent smaller than a year ago.

Distribution of merchandise by railroads operating in this district continued in considerably smaller volume than during the corresponding periods in re-

cent years. Reduced industrial activity and labor troubles in the Illinois and Indiana mining fields were reflected in heavy contraction in the movement of bituminous coal. Railroads operating in the winter wheat belt are making extraordinary preparations for prompt movement of that crop. For the country as a whole, loadings of revenue freight for the first twenty-one weeks this year, or to May 28, totaled 11,656,516 cars, against 15,360,905 cars for the corresponding period in 1931, and 18,705,838 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, handled 131,695 loads in May, against 133,955 loads in April and 186,779 loads in May, 1931. During the first nine days of June the interchange amounted to 38,507 loads, against 38,323 loads during the corresponding period in May and 188,872 loads during the first nine days of June, 1931. Passenger traffic of the reporting lines decreased 40 per cent in May as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 111,200 tons, which compares with 98,789 tons in April and 99,901 tons in May, 1931.

Little change has taken place in collections as contrasted with the preceding two or three months. According to wholesaling and jobbing interests in the principal distributing centers, strong accounts are paying up promptly, many taking advantage of discounts. On the other hand customers less well fortified with cash are backward in their settlements, and there are numerous requests for extensions and longer datings. Retail merchants in the rural areas report payments as a whole slow, but expansion in their cash business. In the large urban centers considerable spottiness and irregularity are reflected in retail collections. In sections where early fruits and vegetables are important crops liquidation has been in larger volume. Backwardness in collections is reported rather general in the bituminous coal sections. Replies to questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
May, 1932.....	1.8%	11.5%	59.9%	26.8%
April, 1932.....	0	16.1	57.1	26.8
May, 1931.....	0	13.1	63.1	23.8

Commercial failures in the Eighth Federal District in May, according to Dun's, numbered 128 involving liabilities of \$8,062,615 against 151 failures in April with liabilities of \$5,599,920, and 104 defaults for a total of \$3,148,548 in May, 1931.

The average daily circulation in the United States in May was \$5,456,000,000 against \$5,452,000,000 in April and \$4,679,000,000 in May, 1931.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — May sales of the reporting firms were 43 per cent smaller than for the same month in 1931, and 23 per cent less than the April total this year. Stocks on June 1 were 12.5 per cent and 14 per cent smaller, respectively, than a month and a year earlier. In both the month-to-month and yearly sales comparisons, declines were general through all descriptions of footwear, but most pronounced in men's staple lines and children's shoes. Advance ordering of sport shoes was in considerably smaller volume than at this time in preceding years. There was no change in prices as contrasted with the preceding thirty days, but the average price of finished goods was approximately 16 per cent lower than a year ago. There was a further slight reduction in factory operations, the average being about 70 per cent of capacity.

**Clothing** — More favorable weather conditions and purchasing of goods which are ordinarily acquired earlier in the year were reflected in a fair increase in May sales of the reporting interests over the April total. As compared with a year ago, however, the May volume showed a decrease of 27 per cent. As has been the case for a number of months, demand centers chiefly in cheap priced apparel, both in the case of men's and women's wear. Prices were mainly unchanged as compared with the preceding thirty days, but about one-fifth lower than at the corresponding period in 1931.

**Drugs and Chemicals** — The decline in business volume in this classification noted in recent months continued during May and early June. May sales of the reporting firms fell 30 per cent below the same month in 1931, and 9.9 per cent below the April total this year. Inventories were again lower, stocks on June 1 being smaller by 3 per cent than a month earlier and by 9 per cent than on June 1, 1931. Increases in sales of soda fountain equipment and supplies and other seasonal merchandise were offset by decreases in other lines. The trend of prices was slightly lower.

**Dry Goods** — Following the usual seasonal trend, May sales of the reporting firms showed a gain of 2.6 per cent over the preceding month, but the total was approximately one-fourth smaller than in May, 1931. Orders booked during the first half of June indicate a total for the month slightly below that of May, and 20 per cent under June last year. Stocks on June 1 were 9 per cent and 29 per cent

smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies** — Seasonal goods have been purchased in considerably less than the usual volume, and buying generally is confined to absolute requirements. Advance sales of fans, according to two important interests, were the smallest for the corresponding period in more than ten years. Total May sales of the reporting firms were one-half smaller than a year ago, and 4 per cent less than in April this year. Stocks on June 1 were 57 per cent smaller than on the same date in 1931, and 8 per cent less than on May 1 this year.

**Flour** — Production at the twelve leading mills of the district in May totaled 262,230 barrels, against 377,465 barrels in April and 277,767 barrels in May, 1931. Stocks of flour in St. Louis on June 1 were 5 per cent smaller than on May 1, and 16 per cent greater than on June 1, 1931. There was no change from the dull conditions which have obtained in the trade for the past several months. Buying is on a necessity basis, and demand centers in low grades of flour. Prices were lower in sympathy with the decline in cash wheat values. Mill operations were slightly lower than the preceding thirty days, being from 40 to 45 per cent of capacity.

**Furniture** — May sales of the reporting firms were one-third smaller than for the same month in 1931, and slightly below the April total this year. Inventories continue to contract, stocks on June 1 being 10 per cent and 34 per cent smaller, respectively, than a month and a year earlier. Retail stocks are unusually light, but there is little disposition to replenish.

**Groceries** — There was a further recession in business in this classification, May sales of the reporting firms being 4 per cent smaller than in April, and 23 per cent below the May, 1931, total. Inventories receded again, stocks on June 1 being 8 per cent and 22 per cent smaller, respectively, than a month and a year earlier. Price changes during the past thirty days were seasonal in character, and affected mainly country produce. As compared with a year ago the average of prices is from 12 to 15 per cent lower.

**Hardware** — Demand for seasonal merchandise developed moderate betterment from April to May, with the result that May sales of the reporting firms showed an increase of 2.4 per cent over the the preceding month. The May total, however, fell 15 per cent below that of the same month in 1931. Stocks on June 1 were 7 per cent larger than on May 1, and about the same amount smaller than on June 1, 1931. The trend of prices was slightly lower.

**Iron and Steel Products** — Activities in the iron and steel industry in this district during May and the first half of June declined to the lowest point of the year. The usual slowing down, caused by seasonal influences, was accentuated by quietness in general business and continued limited purchasing by leading consumer groups, notably railroads and the automotive and building industries. While manufacturers of automobiles have increased assembly operations, they have not placed orders for additional materials in the volume which had been expected. However, since June 1 there has been some improvement in specifications on castings and other metal parts previously contracted for. Demand for miscellaneous commodities from smaller consumers, which earlier in the year had proved of substantial assistance to the industry as a whole, developed noticeable contraction. Users are universally buying conservatively, and only for immediate requirements. This applies to both finished and raw materials. Despite the near approach to the third quarter, only limited interest is being taken in supplies for that period. Purchasing of pig iron during May and early June was in negligible volume, and almost exclusively for prompt delivery. The outlet through the building industry showed further narrowing tendencies. Few new projects calling for large tonnages of steel were initiated, though a number of enterprises, notably in connection with governmental and municipal programs, are under contemplation and expected to take definite form in the near future. Fabricators of structural steel and reinforcing concrete bars report a fair number of small lettings, mainly for bridge and highway work, but the end of May witnessed a further decrease in the volume of their unfilled orders. Manufacturers and distributors of sheets, plates and other flat rolled products reported May business in slightly large volume than during the preceding month, but considerably smaller than in May, 1931. Demand for farm implements, wire fencing, roofing and other materials, used chiefly in the rural areas showed no improvement as contrasted with the past several months. Reflecting the low stage of building activities, makers of heating apparatus experienced a further recession in demand for their goods. Activities at stove foundries increased slightly, as is usual at this time of year when stock is being made up for fall and winter distribution. While the trend was slightly lower, prices as a whole underwent no marked changes as compared with the preceding thirty days. Scrap iron and steel declined, heavy melting steel selling at the lowest figure on the present downward movement. For the country as a whole production of pig

iron in May dropped to the lowest point of the present century; the total output, 783,769 tons, comparing with 855,734 tons in April and 1,995,001 tons in May, 1931. Production of steel ingots in the United States in May totaled 1,107,424 tons, against 1,239,811 tons in April and 2,505,485 tons in May, 1931.

### AUTOMOBILES

Combined passenger car, truck, and taxicab production in the United States in May was 185,149, against 148,013 in April and 315,115 in May, 1931.

Reversing the trend of recent years, distribution of automobiles in this district during May, according to reporting dealers, showed a substantial increase over the preceding month. This increase was due largely to peculiar conditions in the low-price field, one leading producer in that classification not being in a position to make deliveries on its new models during April. For the fifth consecutive month this year, May sales fell substantially below those of the corresponding period a year ago. Reports covering the first half of June indicate a continuance of the improvement noted in May, sales volume comparing favorably to the same period in 1931. In the yearly sales comparison decreases were general through all classes of makes, but most marked in the case of the more expensive vehicles. Preoccupation of farmers with crops and further lowering of prices of farm products served to hold down business of dealers in the rural areas and small towns. Sales of new passenger cars by the reporting dealers in May were 22 per cent larger than in April and 38 per cent less than in May, 1931. As has been the case throughout the year, buying by dealers is on an extremely conservative scale, and inventories continue of small proportions. Stocks in dealers' hands on June 1 were 2 per cent larger than a month earlier, but approximately 30 per cent smaller than on June 1, 1931. More seasonable weather and approach of the vacation season had a favorable effect on the used car market, sales of the reporting dealers in May showing a gain of 8 per cent over April and of 5 per cent over May a year ago. Stocks of salable secondhand cars on June 1 were 10 per cent larger than a month earlier and about even with a year ago. Demand for trucks developed considerable improvement in May, sales for that month being 52 per cent larger than in April, but 14 per cent smaller than in May, 1931. Trade in parts and accessories continued active, sales of the reporting dealers in May showing a slight gain over the April total and comparing favorably with the corresponding period last year. Ac-

ording to dealers reporting on that detail, deferred payment sales of passenger cars in May constituted 51.5 per cent of their total sales, which compares with 53 per cent in April, and 46 per cent in May, 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	
	May, 1932 comp. to May, 1931	5 months ended May 31, 1932 to same period 1931	May 31, 1932 comp. to May 31, 1931	Jan. 1, to May 31, 1932	May 31, 1931
Evansville .....	-31.5%	-27.8%	-21.8%	.72	.76
Little Rock.....	-34.2	-27.1	-9.5	.87	1.13
Louisville .....	-19.9	-18.2	-10.8	1.04	1.10
Memphis .....	-26.3	-21.9	-15.8	1.19	1.24
Quincy .....	-27.3	-22.8	-10.9	.95	1.09
St. Louis.....	-26.6	-20.3	-14.3	1.46	1.59
Springfield .....	-34.6	-25.0	-8.2	.53	.66
8th District.....	-26.5	-20.8	-13.7	1.28	1.40

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	May, 1932 comp. to May, 1931	5 months ended May 31, 1932 to same period 1931	May 31, 1932 comp. to May 31, 1931	Jan. 1, to May 31, 1932	May 31, 1931
Men's Furnishings	-26.3%	-30.7%	-15.9%	1.08	1.36
Boots and Shoes.....	-20.6	-22.0	-19.0	1.14	1.22

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in May was 16.6 per cent less than in April, and 76.1 per cent less than in May, 1931. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May amounted to \$8,788,497 which compares with \$9,502,305 in April, and \$18,326,851 in May, 1931. Production of portland cement for the country as a whole in May totaled 6,917,000 barrels, against 5,478,000 barrels in April and 14,010,000 barrels in May, 1931. Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	131	214	\$ 66	\$ 96	46	56	\$ 7	\$ 12
Little Rock	15	15	8	53	54	66	11	17
Louisville ..	63	56	40	128	50	44	40	34
Memphis ....	126	195	44	255	107	208	51	133
St. Louis....	198	383	253	1,185	256	352	95	217
May totals	533	863	\$ 411	\$1,717	513	726	\$ 204	\$413
Apr. totals	570	904	493	5,454	707	817	305	433
Mar. totals	497	994	636	2,049	565	521	224	288

\*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 May as being 77.7 per cent greater than in April and 14.4

per cent less than in May, 1931. Detailed figures follow:

	No. of Custom- ers	May, 1932 *K.W.H.	April, 1932 *K.W.H.	May, 1932 comp. to April, 1932	May, 1931 *K.W.H.	May, 1932 comp. to May, 1931
Evansville ....	40	2,004	1,784	+12.3%	2,125	-6.7%
Little Rock...	35	1,351	1,063	+27.1	1,934	-30.1
Louisville ....	85	5,613	5,368	+4.6	6,025	-6.8
Memphis .....	31	764	1,294	-41.0	1,915	-60.1
St. Louis.....	163	17,725	12,944	+36.9	20,073	-11.7
Totals.....	354	27,457	22,453	+77.7	32,072	-14.4

\*In thousands (000 omitted).

## AGRICULTURE

General crop conditions in the Eighth District on June 1 were somewhat lower than a month earlier, also, slightly below the average for that date. Causes contributing to the deterioration were accumulated deficiency of moisture, scanty rains during May, effects of the freezes in March and scattered damage from insect pests. Temperatures were in the main unseasonably low in the south. Almost universally precipitation during the season has been below normal, and in some sections, including certain typical grain areas, drouth was prevented only by occasional showers. On the other hand, conditions were very favorable for outdoor operations during most of May, and field work was fully up to the seasonal schedule at the end of that month. Since the last week in May growing crops and vegetation generally have been materially assisted by more abundant rainfall, though at the middle of this month additional moisture was much needed to achieve best results.

Indicated prospects for vegetables, fruits and home gardens are spotted and irregular. Tree fruit conditions are particularly uneven, ranging from a fair to poor apple crop to a near failure for pears and peaches. Pastures have benefited by recent precipitation, but during May forced feeding of live stock was necessary in parts of the northern section of the district. In all states of the district the June 1 condition of hay was considerably below the 10-year average. Planting of home gardens, both on farms and in small towns, has been on a more extensive scale this season than in recent years. Throughout the south food and feed crops are being produced in a large way, while the major crops, such as cotton, rice and tobacco, will be raised at smaller cost than in past seasons. Strawberries were a large crop this year, and under mainly favorable marketing conditions, netted fair profits to their producers.

The supply of farm labor was universally much in excess of requirements, with wage scales substantially lower than a year and two years ago. In Kentucky, for example, farmers report the supply of farm help to hire as being 113 per cent of normal, demand for such labor being 54 per cent of normal, and supply expressed as a percentage of demand

209 per cent. The demand for small farms has shown steady expansion since early this year and the return flow of former dwellers in the country from the large industrial centers continues in considerable volume. The trend of prices of farm products continued downward, with a number of important productions, notably cotton, wheat, hogs, corn and oats recording new lows on the present recessionary movement.

**Winter Wheat** — Prospects for this crop deteriorated rather markedly from May to June. Based on the U. S. Department of Agriculture's June 1 condition, the estimated yield in states partly or entirely within the Eighth District is 67,794,000 bushels, a decrease of 4,196,000 bushels under the May 1 forecast, and comparing with 125,743,000 bushels harvested in 1931, and a 5-year average (1924-1928) of 86,273,000 bushels. Quite generally the crop still shows the effect of March freezes, not only being thin, but exhibiting bare spots in many fields. Hessian fly infestation is general, in Missouri and certain counties of Illinois and Indiana being more in evidence than since 1916. Since the late summer of 1931, weather conditions have been unusually favorable for development of this insect. Rust, chinch bugs, grasshoppers and other insect pests contributed to the lowered prospects. Recent rains have tended to check deterioration. Harvesting has begun in the southern tier of counties, and is expected to progress rapidly northward, due to early ripening.

**Corn** — While temporarily delayed by dry weather in May, planting of corn has been completed generally throughout the district, and early sown grain is up to a good stand. A considerable part of the crop has been cultivated for the second time, and fields are for the most part clean and free of weeds and grass. Recent precipitation has materially benefited the crop, but at the middle of June soaking rains were badly needed to further growth and development.

**Fruits and Vegetables** — The outlook for fruits and vegetables varies considerably, both with reference to the several species and different localities. Advance of the season has brought out more markedly the damage to tree fruits from the freezing temperatures in March. As a result of the freezes the peach crop will be a virtual failure, the estimated yield in states including this district, based on the June 1 condition, being only 1,546,000 bushels, against 16,030,000 bushels last year and a 5-year average of 8,175,000 bushels. The June 1 condition of apples in all states of the district is sharply below a year ago and the 5-year average on that date. Pears will be a smaller crop than in more than a

decade, and cherries and plums are also below average. On the other hand the outlook for grapes is unusually promising, and cane fruits came through the March freeze in better condition than had been expected. The strawberry crop generally, but more particularly in commercial growing sections, turned out well, shipments from a number of counties being larger than a year ago. Potatoes have suffered from adverse conditions, and the early crop will be smaller than last year. Commercial tomato crops are mainly in good condition, with acreage smaller than in 1931. In spite of the scant rainfall, gardens made good progress in May and have been considerably improved by the more plentiful moisture since June 1.

**Live Stock** — The generally favorable condition of herds noted earlier in the season continued through May and early June. The season has been auspicious for young pigs and lambs, and despite the low level of prices, the movement to market has been in considerable volume, though under that of the corresponding period a year ago. The condition of pastures and hay crops on June 1 was below that of a year ago and the 10-year average, but betterment has taken place since that date, due to fairly general rainfall.

According to the U. S. Department of Agriculture, milk production per cow was lower on June 1 than on that date in 1931, but this was offset by a greater number of cows being milked. Production of eggs was 3 per cent smaller per hen than a year ago, with 2 to 3 per cent fewer hens in farm flocks, indicating a total production of eggs about 6 per cent less than on June 1 last year. Holdings of eggs in cold storage on June 1 were substantially smaller than a year ago and the 5-year average.

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

	Receipts			Shipments		
	May, 1932	Apr., 1932	May, 1931	May, 1932	Apr., 1932	May, 1931
Cattle and Calves.....	87,350	84,890	88,702	44,941	45,207	46,944
Hogs .....	258,880	251,387	281,737	156,807	179,386	227,772
Horses and Mules.....	1,935	3,416	2,063	1,907	3,131	2,021
Sheep .....	73,000	58,300	84,690	14,845	17,990	26,159

**Cotton** — Planting had been entirely completed at the end of May, and generally through the district the plant is up to a good stand. Chopping has made considerable progress, and was more than half accomplished by June 15. Weather conditions during May were mainly favorable, save that higher temperatures would have been more desirable. Cultivation has been unusually thorough, fields being clean, and the plant in good shape to respond to warm weather. While rainfall was scattered in

character, nowhere is there a deficiency of moisture. The crop is being made at less cost than was anticipated earlier in the season. Less money is being expended for fertilizer, and other economies are being practiced. The appearance of boll weevil is general, and in some sections more in evidence than in a number of years. There was little change in demand for raw cotton, and the trend of prices was again downward, with a new low for the crop being recorded in the second week of June. In the St. Louis market the middling grade ranged from 4.50c to 5.30c per pound between May 17 and June 15, closing at 4.85c on the latter date, which compares with 5.10c on May 17 and 8.00c on June 15, 1931. Receipts at Arkansas warehouses from August 1, 1931 to June 17, 1932, totaled 1,503,978 bales, against 823,265 bales for the corresponding period in 1931. Stocks on hand on June 17 totaled 383,958 bales, against 406,220 bales on May 13, and 117,278 bales on the corresponding date in 1931.

**Tobacco** — Weather conditions have been very unfavorable for transplanting and growth of tobacco plants. In addition, there are general complaints of damage from cutworms and other insects, to plants which have been set. In numerous instances several replantings have been necessary and stands are poor. Since the first week of June local rains have helped matters, and in some sections transplanting has been completed. Elsewhere, however, little progress has been made. Unofficial estimates as of June 10 indicate that about 75 per cent of the intended burley crop was planted; from 60 to 65 per cent of the air-cured and Green River; about 75 per cent in the Clarksville, Springfield and Hopkinsville district and from 60 to 75 per cent in the western or Paducah district. Due to weather uncertainties and other controlling factors, it is difficult to form an estimate as to acreage. Scattered reports, however, indicate a reduction under last year.

### COMMODITY PRICES

Range of prices in the St. Louis market between May 16, 1932, and June 15, 1932, with closing quotations on the latter date and June 15, 1931, follow:

	Unit	High	Low	Close	
				June 15, 1932	June 15, 1931
Wheat	per bu.				
July .....		\$.59¾	\$.48¾	\$.49¾	\$.55
Sept. ....		.61½	.50¾	.52¾	.54¾
Dec. ....		.64	.54	.55¾	.....
No. 2 red winter		.59½	.48	\$.48¾ @ .49	\$.80 @ .81
No. 2 hard		.60½	.49	.49¾ @ .50	.79 @ .81
Corn					
July .....		.33½	.27¾	.31	.56½
No. 2 mixed		.33½	.30	.31 @ .31½	.56½ @ .57
No. 2 white		.34	.30½	.31½ @ .32	.57½ @ .58
Oats					
No. 2 white		.23¼	.20¾	.21 @ .21¼	.27¾ @ .28
Flour					
Soft patent.....	per bbl.	3.50	3.25	3.25 @ 3.50	4.85 @ 5.20
Spring patent.....	"	4.50	4.00	4.20 @ 4.50	4.50 @ 4.75
Middling Cotton.....	per lb.	.0530	.0450	.0485	.08
Hogs on hoof.....	per cwt.	3.65	2.35	2.50 @ 3.65	5.25 @ 7.25

## FINANCIAL

Demand for credit from commercial and industrial sources in the Eighth District during the past thirty days reflected little change from the quiet conditions which have obtained in recent months. Requirements for financing agricultural operations, notably the harvest of winter wheat and movement of early fruits and vegetables, while showing the usual seasonal expansion, were in considerably smaller volume than in previous years. Routine liquidation at commercial banks of mercantile and industrial loans was on a liberal scale, and about balanced new loans and renewals, with the result that total loans and discounts of these institutions changed only slightly as compared with the month before. In certain sections borrowings of country banks from their city correspondents developed moderate expansion. There was a considerable volume of liquidation both with banks and merchants in areas where strawberries and other early fruits and vegetables are important crops.

Investments of the reporting member banks, which had moved sharply upward to a new high point for the year during the closing days of May and the first week of June, receded rapidly later, and on June 15 were 6.4 per cent smaller than on May 18 and 3.2 per cent below the total a year ago. Loans of these banks continued the steady downward trend which began early in the year, and on June 15 were 3.5 per cent smaller than on May 18, and about one-fifth less than a year ago. Deposits also continued downward, but at a slower pace, the total on June 15 being only 0.1 per cent below May 18, though 19 per cent less than on June 17, 1931. The volume of credit extended by the Federal Reserve Bank expanded rather broadly during the four-week period ending June 15, and on that date was \$22,559,000 greater than in mid-May. The expansion was due almost entirely to increased purchases of Government securities, holdings of which on June 15 were \$22,134,000 larger than a month earlier, and the largest on record. Borrowings of all member banks from the Reserve bank varied little through the period, but were at a considerably higher level than a year ago.

Reflecting slack demand for credit and generally ample loanable funds held, the trend of interest rates was lower. At St. Louis banks prevailing rates were as follows: Prime commercial loans, 4 to 5½ per cent; collateral loans, 4½ to 5½ per cent; loans secured by warehouse receipts, 4¼ to 5¾ per cent; interbank loans 4¼ to 5¾ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on June 15, 1932 showed a decrease of 3.6 per cent as contrasted with May 18, 1932. Deposits decreased 0.1 per cent between May 18, 1932 and June 15, 1932 and on the latter date were 19.4 per cent smaller than on June 17, 1931. Composite statement follows:

	*June 15, 1932	*May 18, 1932	*June 17, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$123,273	\$127,522	\$171,507
All other loans and discounts.....	193,216	200,788	249,214
Total loans and discounts.....	\$316,489	\$328,310	\$420,721
Investments			
U. S. Government Securities.....	90,126	101,630	74,764
Other securities.....	129,770	133,375	152,470
Total investments.....	\$219,896	\$235,005	\$227,234
Reserve balance with F. R. Bank	37,780	35,574	45,163
Cash in vault.....	6,336	6,244	6,382
Deposits			
Net demand deposits.....	288,711	284,533	375,905
Time deposits.....	200,983	208,981	237,220
Government deposits.....	9,542	6,088	6,084
Total deposits.....	\$499,236	\$499,602	\$619,209
Bills payable and rediscounts with Federal Reserve Bank.....	2,453	1,837	490

\*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.

	*May, 1932	*Apr. 1932	*May, 1931	May, 1932 comp. to Apr. 1932 May, 1931	
East St. Louis & Natl.					
Stock Yards, Ill. \$	19,844	\$ 21,968	\$ 31,882	- 9.7%	-37.8%
El Dorado, Ark.....	3,298	3,790	4,987	-13.0	-33.9
Evansville, Ind.....	16,059	16,861	24,588	- 4.8	-34.7
Fort Smith, Ark.....	6,812	8,199	9,464	-16.9	-28.0
Greenville, Miss.....	2,289	2,829	2,932	-19.1	-21.9
Helena, Ark.....	1,242	1,073	2,737	+15.6	-54.6
Little Rock, Ark.....	19,532	21,717	32,927	-10.1	-40.7
Louisville, Ky.....	102,433	107,742	134,664	- 4.9	-23.9
Memphis, Tenn.....	70,328	81,107	92,935	-13.3	-24.3
Owensboro, Ky.....	2,501	2,724	4,681	- 8.2	-46.6
Pine Bluff, Ark.....	4,562	4,925	8,349	- 7.4	-45.4
Quincy, Ill.....	6,230	6,595	9,117	- 5.5	-41.7
St. Louis, Mo.....	484,620	477,317	665,903	+ 1.5	-27.2
Sedalia, Mo.....	1,410	1,615	3,565	-12.7	-60.4
Springfield, Mo.....	10,402	10,046	14,267	+ 3.5	-27.1
**Texarkana,					
Ark.-Tex.....	5,073	6,511	9,523	-22.1	-47.7
Totals .....	\$756,635	\$775,019	\$1,052,521	- 2.4	-28.1

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During May the Federal Reserve Bank of St. Louis discounted for 226 member banks against 230 in April and 175 in May, 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:

	*June 17, 1932	*May 17, 1932	*June 17, 1931
Bills discounted .....	\$13,253	\$13,316	\$ 7,216
Bills bought .....	1,232	364	5,866
U. S. Securities.....	61,129	35,951	25,442
Federal Inter. Cr. Bk. Debentures.....	.....	.....	425
Participation in Inv. Foreign Banks.....	1,005	1,005	38
Total bills and securities.....	\$76,619	\$50,636	\$38,987
Total Reserves.....	81,882	107,661	113,642
F. R. Notes in circulation.....	91,059	90,421	72,666
Total deposits.....	60,149	60,778	71,600
Ratio of reserve to deposits and F. R. Note Liabilities.....	54.2%	71.2%	78.8%

\*In thousands (000 omitted).

(Compiled June 22, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of July 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**RADE and industry in the Eighth District during the past thirty days receded somewhat below the levels obtaining during the similar period immediately preceding. The decrease, however, was at a slower rate than has been the case in recent months, and in a number of important lines of wholesaling and jobbing, notably hardware, groceries, drugs and chemicals and electrical supplies, the volume of business transacted in June exceeded that of May, though in all lines investigated the volume remained substantially below that of the same time a year ago. Seasonal influences, such as vacations, closing down of numerous plants for inventorying and repairs, were reflected in a further decrease in activities at factories, and production in the iron and steel, bituminous coal, lumber, quarrying and a number of other important industries reached the lowest point on the present recessionary movement. Advance orders for both raw and finished materials decreased further, purchasing of all descriptions of merchandise being confined largely to immediate requirements. Manufacturers are for the most part pursuing the policy of producing only on orders, and inventories in virtually all lines are measurably smaller than at the corresponding period in recent years.

The general trend of commodity prices continued downward, and in the case of wheat, corn, oats and some other farm products, values were the lowest of the year. On the other hand cotton scored a fair advance, and there was a sharp rise in prices of hogs, cattle and sheep. Taken as a whole weather conditions during June and the first half of July were favorable for growth and development of crops. Due chiefly to smaller acreage, however, prospects are for smaller yields this year than last year of wheat, corn, oats, tobacco, rice, cotton and several of the less important crops. Results of the late spring freezes are appearing in heavily reduced fruit production as compared with last year and the five-year average. Harvesting of wheat and other fall planted cereals made rapid progress, though inter-

fered with in certain localities by heavy and frequent rains. Available threshing returns appear to bear out earlier estimates, both with reference to quality and quantity.

While the movement of seasonal merchandise has been stimulated to a considerable extent by the recent warm weather, the volume is still markedly below that for the same period in late years. Since the first of July wholesalers report a fair volume of reordering of summer goods, notably of apparel and certain lines of hardware and electrical supplies. Contrary to the usual seasonal trend, distribution of automobiles in the district, according to dealers reporting to this bank, was larger in June than in May, though remaining substantially smaller than a year ago. Except in seasonal occupations, where slight improvement was noted, the general employment situation underwent no betterment. Demand for farm help was smaller than in past seasons and in all sections the supply is heavily in excess of requirements.

The volume of retail trade in June, as reflected in sales of department stores in the chief cities of the district, was 7.7 per cent less than in May and 28.1 per cent less than in June, 1931; for the first half of this year sales fell 22.1 per cent under the first six months of 1931. Combined sales of all wholesaling and jobbing firms reporting to this bank decreased 31 per cent in June as compared with the same month in 1931, and 17 per cent as contrasted with May this year; the total for the first six months this year was 29 per cent smaller than for the first half of 1931. The dollar value of permits issued in the five largest cities of the district in June was 22 per cent greater than in May, but 60 per cent less than in June, 1931; for the first six months the total was 80 per cent smaller than a year ago. Contracts let for new construction in the Eighth district in June were 34 per cent smaller than in May, and 82 per cent smaller than in June, 1931; for the first half of this year the total was 65 per cent smaller than for the same period in 1931. Debits to check-

ing accounts in June were slightly larger than a month earlier, and 30.6 per cent smaller than in June last year; for the first six months this year a decrease of 26 per cent was shown under the same period in 1931. The amount of savings accounts in selected banks on July 6 showed a slight decrease as compared with June 1, and on the latest date was 12.4 per cent smaller than on July 1, 1931.

According to officials of railroads operating in this district, there was a moderately upward trend in the volume of freight handled during June, due principally to the seasonal movement of winter wheat and other farm products. As contrasted with the same period in recent years, however, the volume continued considerably smaller. This was true particularly of merchandise and miscellaneous freight, coal and coke. For the country as a whole, loadings of revenue freight for the first twenty-six weeks this year, or to July 2, totaled 14,112,144 cars, against 19,020,485 cars for the corresponding period in 1931 and 23,216,874 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, handled 135,115 loads in June, against 131,695 loads in May and 188,872 loads in June, 1931. During the first nine days of July the interchange amounted to 33,070 loads, which compares with 38,507 loads during the same period in June and 48,951 loads during the first nine days of July, 1931. Passenger traffic of the reporting lines decreased 40 per cent in June as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 108,000 tons, against 112,313 tons in May and 86,016 tons in June, 1931.

Reports relative to collections reflected the same general trends as noted during the past several months. In sections most affected by recession in industrial activities, settlements continued backward, and there were more requests for extensions. According to retailers in the large centers, fewer actual losses from weak accounts occurred during June than in some earlier months this year. This was attributed partly to the fact that credit is being more cautiously extended, also, to the practice of customers to purchase small lots for immediate requirements and settling as the goods are turned over from month to month. Marketing of early fruits and vegetables has resulted in improvement in collections where these products are important crops. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1932.....	0%	18.5%	61.2%	20.3%
May, 1932.....	1.8	11.5	59.9	26.8
June, 1931.....	0	16.5	69.0	14.5

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's numbered 132, involving liabilities of \$1,987,322, against 128 failures in May with liabilities of \$8,062,615, and 133 defaults for a total of \$2,615,417 in June, 1931.

The average daily circulation in the United States in June was \$5,530,000,000, against \$5,456,000,000 in May, and \$4,750,000,000 in June, 1931.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — June sales of the reporting firms were 41 per cent smaller than for the same month in 1931, and approximately one-third less than the May total this year. Stocks on July 1 were 28.5 per cent smaller than for the same date in 1931, but 21 per cent larger than on June 1 this year. The increase in inventories from May to June is seasonal in character, and due to accumulation of goods for fall distribution. Salesmen who departed for their several territories around July 1 report a more optimistic feeling, and orders sent in by them during the first half of the month have for the most part exceeded expectations. Demand for women's novelty wear is reported more active than other lines. In late June there was a reduction in prices of approximately 3 per cent, which brings the average close to 17 per cent below the corresponding period a year ago. Factory operations were stepped up slightly to about 75 per cent of capacity. Continuance of this rate will be contingent upon orders booked during the next few weeks.

**Clothing** — Ordering of apparel for distribution next fall has been unusually backward, the volume of future business on books of the reporting firms being the smallest for any similar period in a number of years. Demand for summer clothing, however, has been stimulated by the arrival of more seasonable weather, and since June 1 a fair volume of reordering of men's suits is reported. There has been no change in the dull conditions obtaining for a number of months in work clothes of all descriptions. June sales of the reporting clothiers were only about one-half as large as for the same month in 1931, and the total was also substantially smaller than in May this year.

**Drugs and Chemicals** — Due mainly to a noticeable pickup in demand for seasonal merchandise, June sales of the reporting firms recorded an increase of 7.8 per cent over the preceding month, but the total was 19.6 per cent smaller than in June, 1931. Stocks on July 1 were 1.6 per cent larger than

a month earlier, and 3.4 per cent less than on July 1, 1931. Moderate betterment in the movement of fertilizers and insecticides as compared with earlier in the year was noted. Demand for heavy drugs and chemicals from the general manufacturing trade remains slow. The trend of prices showed little change, though advances on a number of commodities affected by the recent tax law were noted.

**Dry Goods**—Business in this classification continued the steady declines which marked previous months this year, and represented the lowest dollar volume for any single month in more than a decade. As compared with a year ago, June sales of the reporting firms showed a decline of 29 per cent, and the total was 19 per cent less than in May this year. In the annual comparison a considerable part of the decrease is accounted for by the heavy decline in prices which has taken place in all lines during the past twelve months. Stocks on July 1 were slightly larger than a month earlier, but 30 per cent smaller than on July 1, 1931. Buying is almost entirely for immediate shipment. Prices during early June continued downward, but recently a firmer tone is noted, due chiefly to the upturn in raw cotton.

**Electrical Supplies**—June sales of the reporting firms reversed the usual seasonal trend, showing a gain of 6 per cent over the preceding month, but the total was slightly more than 61 per cent smaller than in June, 1931. Inventories continue to decline, stocks on July 1 being 8.5 per cent and 41 per cent smaller, respectively, than thirty days and a year earlier. Since the end of June there has been a decided improvement in demand for electric fans and other seasonal goods. The trend of prices was lower, particularly on commodities based largely on copper, lead and zinc.

**Flour** — Production at the twelve leading mills of the district in June totaled 234,864 barrels, against 262,230 barrels in May and 210,563 barrels in June, 1931. The past thirty days constituted a between-season period, and business was on a relatively small scale, and mainly on a necessity basis. Large buyers were holding off until flour ground from the new wheat crop was available. Prices were easier in sympathy with the decline in cash wheat, and touched the lowest levels recorded in recent years. Offerings of new flour were relatively light. Mill operations were at from 40 to 45 per cent of capacity.

**Furniture** — June sales of the reporting firms were 36 per cent smaller than for the same month in 1931, and about one-fifth less than the May total this year. Stocks on July 1 were 39 per cent and 3.6 per cent smaller, respectively, than a year and a month earlier. Purchasing continues on a hand-to-

mouth basis, with interest centering in cheap-priced goods. Large stock orders are almost completely lacking.

**Groceries** — Contrary to the usual seasonal trend, sales of the reporting interests in June showed a gain of 8 per cent over the previous month. As compared with June last year, however, there was a decrease of 22 per cent. Stocks increased 10 per cent between June 1 and July 1, and on the latter date were 12 per cent smaller than a year ago. Some improvement in business in the rural areas was noted, particularly in sections where the winter wheat harvest was in progress. Except on commodities affected by seasonal causes, there was no notable change in prices.

**Hardware** — June sales of the reporting firms were 4.6 per cent larger than in May, and 10.6 per cent smaller than in June, 1931. This was the most favorable showing made in this classification for a number of months. The increase in the month-to-month comparison is not seasonal in character, and the decrease as compared with a year ago was considerably smaller than the average in recent months. Stocks on July 1 were about 2 per cent smaller than a month earlier, and 6.4 per cent less than on July 1, 1931.

**Iron and Steel Products** — Production and purchasing of iron and steel commodities in this district during the past thirty days showed considerably more than the usual seasonal contraction. Activities as a whole fell measurably below the low levels reached a month earlier, with the recession affecting practically all sections of the industry. A number of plants which ordinarily close on July 4, for repairs, inventorying and vacation, suspended operations on June 30. A limited number of these establishments have resumed, some will await the accumulation of orders, while others have no definite plans for reopening. Purchasing by the railroads continues on a very limited scale, and is confined to only absolute necessities. New business placed by the automotive industry has failed to expand, and specifications on castings and other goods under contract are much below expectations. The new quarter opened with little business on order books of steel mills, and users of plates, sheets, strip and other flat rolled products are not disposed to cover their needs further ahead than a month to six weeks. The general demand for machinery and equipment continues quiet, particularly from industrial sources. Advanced business of most firms is not in sufficient volume to warrant interest in new tools. As has been the case for a number of months, demand for wire fencing, repair materials, implements and other

commodities used chiefly in the rural areas is sluggish, due to the continued low prices of all varieties of farm products. Except for materials used in highway construction, river and levee improvement work and other outdoor engineering projects, the outlet through the building industry remains narrow. There was a further reduction in working forces of fabricators of structural steel. For the country as a whole, production of pig iron in June totaled 626,651 tons, which compares with 783,769 tons in May and 1,637,998 tons in June, 1931. Steel ingot production in the United States in June was at the lowest rate since 1900, the total output of 897,275 tons comparing with 1,106,030 tons in May and 2,127,762 tons in June, 1931.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in June was 183,092 against 185,149 in May, and 249,462 in June, 1931.

Contrary to the seasonal trend in recent years, June sales of automobiles by dealers reporting to this bank exceeded those of the preceding month by a substantial margin. The increase was due in part to active purchasing of cars in the cheap-priced category, also to the new Federal tax law, which had the effect of advancing many transactions which ordinarily would have been postponed until July and August. Interest centered chiefly in the low price field, both in the large cities and in the smaller towns and country. Of the cars sold in June, 76 per cent were in that classification, against 66 per cent in May and 63 per cent in June, 1931. For the sixth consecutive month this year, June sales fell below the total of the corresponding period in 1931. According to the reporting dealers, considerably less than the usual stimulation in business resulted from the touring season. Virtually all sales were for replacement, very few persons not previously owning cars having come into the market. As had been the case earlier in the year, business in repair parts and accessories was in large volume, the June total comparing favorably with that of a year ago. Quite generally, but more particularly in the rural areas, owners are repairing their cars in order to lengthen their period of service. June sales of new passenger cars by the reporting dealers were 19 per cent greater than in May, and 31 per cent less than in June, 1931. Dealers are universally purchasing cautiously, and only enough to fill immediate requirements, with the result that inventories continue low. Stocks of new passenger cars on dealers' floors on July 1 were 3 per cent larger than a month earlier, and about 28 per cent smaller than on July 1 last

year. Demand for used cars was again active, June sales exceeding those of May by 12 per cent and showing only slight change as compared with the same month in 1931. Salable secondhand cars in stock on July 1 were 6 per cent larger than a month earlier, and 4 per cent less than a year ago. Demand for trucks of all descriptions showed a slowing down, both as compared with the preceding month and a year ago. Sales in June fell 13 per cent below the May total and 42 per cent below the same month in 1931. According to dealers reporting on that detail, deferred payment sales constituted 49 per cent of their total sales, which contrasts with 51.5 per cent in May and 44 per cent in June, 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	
	June, 1932 comp. to June, 1931	6 months ended June 30, 1932 to same period 1931	June 30, 1932 comp. to June 30, 1931	Jan. 1, to June 30, 1932	1931
Evansville .....	-37.1%	-29.5%	-23.1%	.87	.94
Little Rock.....	-33.3	-28.1	- 8.6	1.04	1.36
Louisville .....	-27.7	-20.2	- 5.1	1.23	1.35
Memphis .....	-29.8	-23.2	-12.6	1.41	1.51
Quincy .....	-31.8	-24.3	- 9.8	1.11	1.31
St. Louis.....	-27.1	-21.4	-16.2	1.74	1.91
Springfield .....	-38.7	-27.5	-12.4	.63	.80
8th District.....	-28.1	-22.1	-13.7	1.53	1.69

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	June, 1932 comp. to June, 1931	6 months ended June 30, 1932 to same period 1931	June 30, 1932 comp. to June 30, 1931	Jan. 1, to June 30, 1932	1931
Men's Furnishings .....	-32.0%	-30.9%	-11.3%	1.38	1.74
Boots and Shoes.....	-32.4	-23.9	-21.6	1.39	1.51

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was 22.4 per cent greater than in May, and 60 per cent less than in June, 1931. According to statistics compiled by the F. W. Dodge Corp., construction contracts let in the Eighth Federal Reserve District in June amounted to \$5,768,424 which compares with \$8,788,497 in May, and \$32,553,934 in June, 1931. Production of portland cement for the country as a whole in June totaled 7,921,000 barrels, against 6,913,000 barrels in May, and 14,118,000 barrels in June, 1931. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	137	190	\$ 48	\$ 95	50	51	\$ 23	\$ 25
Little Rock	12	23	8	20	57	57	23	16
Louisville ..	63	51	41	145	30	54	36	71
Memphis ....	125	132	67	136	123	179	64	107
St. Louis....	167	367	339	853	192	315	123	116
June totals..	504	763	\$ 503	\$1,249	452	656	\$ 269	\$335
May totals..	533	863	411	1,717	513	726	204	413
April totals..	570	904	493	5,454	707	817	305	433

\*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 second quarter of the year, of 20.2 per cent as compared with the corresponding period in 1931, and of 6.9 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ended			
	June 30, 1932	Mar. 31, 1932	Dec. 31, 1931	June 30, 1931
Evansville .....	\$ 126,021	\$ 131,608	\$ 142,000	\$ 163,000
Little Rock.....	142,472	168,130	182,000	179,000
Louisville .....	530,379	562,491	659,000	615,000
Memphis .....	396,273	418,576	551,000	491,000
St. Louis.....	2,294,185	2,466,366	2,993,000	2,926,000
Totals .....	\$3,489,330	\$3,747,171	\$4,527,000	\$4,374,000

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in June as being 12.4 per cent greater than in May and 6.8 per cent less than in June, 1931. Detailed figures follow:

	No. of Custom- ers	June, 1932	May, 1932	June, 1932 comp. to May, 1932	June, 1931	June, 1932 comp. to June, 1931
		*K.W.H.	*K.W.H.	%	*K.W.H.	%
Evansville ....	40	2,068	2,004	+ 3.2%	2,066	+ 0.1%
Little Rock....	35	1,714	1,351	+26.9	1,934	-11.4
Louisville ....	85	5,873	5,613	+ 4.6	6,199	- 5.3
Memphis .....	31	1,046	764	+36.9	1,858	-43.7
St. Louis.....	183	21,365	18,793	+13.7	22,333	- 4.3
Totals .....	374	32,066	28,525	+12.4	34,390	- 6.8

\*In thousands (000 omitted).

## AGRICULTURE

Taken as a whole weather conditions during the past thirty days were seasonable and auspicious for agriculture in the Eighth District. Prospects on July 1 were somewhat more favorable than a month earlier, and since that date further betterment has taken place in corn, rice, tobacco, cotton, legumes, potatoes and some other less important products. June rains substantially helped commercial vegetable crops and gardens, which at the middle of July gave promise of generally heavy yields. Excessive moisture in some sections, mainly in the south, wrought damage to crops in lowlands and river bottoms. The extent of this injury, however, was not great, and was more than counterbalanced by benefits derived from the rains by crops as a whole. Some delay was occasioned to the wheat harvest by frequent and heavy precipitation, and in some sections harvesting and threshing with combines has been impracticable, resulting in a return to reaper and binder, and regular threshing equipment.

The oat harvest was practically completed at the middle of July, and scattered reports indicate that an unusually large amount of this crop will be used for hay to avoid threshing costs. Harvesting of hay made good progress, and due to the shortness of this crop, a considerable substitute acreage will be planted to soy beans, cowpeas and sorghums. An important development during the past several

weeks has been the sharp advance in prices of hogs. In the second week of July the price at the St. Louis market was approximately two-thirds higher than the low point reached in mid-May. Cattle values also advanced, and cotton sold higher than at any time since last April. Grains, on the other hand, receded further, scoring new low records on the present downward movement. The outlook for fruits varies considerably, both with reference to the general species and localities. The supply of farm labor continues to be about double the demand, and wages show a heavy reduction as compared with last year.

**Winter Wheat** — Effects of the March freezes and other unfavorable conditions since planting last fall were reflected in further deterioration in winter wheat prospects in this district during June. Based on the U. S. Department of Agriculture's July 1 condition, total yield of winter wheat in the Eighth District is estimated at 33,476,000 bushels, which compares with 66,260,000 bushels harvested in 1931, and an 8-year average (1923-1930) of 49,921,000 bushels. Harvesting of the crop made rapid progress during the past four weeks, despite interference in certain sections by frequent and heavy rains. Due to the low price, much grain is being stacked, and will not be threshed until later in the season. Scattered reports indicate damage from chinch bugs, hessian fly and other insect pests somewhat greater than in average years. New wheat has begun to arrive at markets. Quality varies rather broadly, but the general average is high. Available threshing returns seem to bear out the most recent official estimates of quantity. A larger percentage of the 1931 wheat crop was fed to livestock than in any previous year.

**Corn** — Generally throughout the district the corn crop is in good condition. Rains in June and early July supplied abundant moisture, and almost universally fields have received necessary cultivation and free of grass and weeds. The U. S. Department of Agriculture's July report places the yield of corn in the Eighth District at 381,668,000 bushels, which compares with 383,052,000 bushels harvested in 1931, and an 8-year average of 342,534,000 bushels. For the country as a whole the 1932 crop is estimated at 2,995,850,000 bushels, which compares with 2,563,271,000 bushels harvested in 1931 and a 5-year average of 2,625,000,000 bushels. The price of corn declined to a new low point for the year during the last week of June. Since that time, however, a slight recovery has taken place, mainly in sympathy with the upturn in hog prices.

**Fruits and Vegetables** — The outlook for fruits and vegetables in the Eighth District is unusually

spotted. The recent rains have materially assisted gardens and commercial vegetable crops, which at the middle of July were in a considerably stronger position than a month or six weeks earlier. Ground fruits are mainly large crops, but tree fruits are short, particularly peaches, which were severely damaged by the late spring freezes. Of the important vegetable crops, prospects for sweet potatoes are the most promising, the U. S. Department of Agriculture in its July 1 report estimating the yield at 21,446,000 bushels, against 18,851,000 bushels last year and a 5-year average of 14,864,000 bushels. The peach crop in states of the district is estimated at only 1,132,000 bushels, against the record crop of 15,470,000 bushels in 1931, and a 5-year average of 8,175,000 bushels. The output of apples in these states is forecast at 6,786,000 bushels, against 28,642,000 bushels harvested in 1931, and a 5-year average of 23,967,000 bushels. The pear crop is small, the estimate being for 443,000 bushels, against 2,639,000 bushels in 1931, and a 5-year average of 1,681,000 bushels. The July 1 condition of grapes was exceptionally high, and indicated a yield of 32,464 tons, about 13 per cent greater than the 5-year average. The white potato crop in this district will be a large one, the estimated yield of 12,856,000 bushels comparing with 12,472,000 bushels in 1931 and an 8-year average of 15,050,000 bushels.

**Live Stock** — There was no change worthy of note in the condition of livestock generally through the district as compared with the two or three months immediately preceding. The season has been in the main auspicious for herds, and the recent sharp advance in hog and cattle prices has served to considerably raise the morale of livestock raisers. Demand for feeder cattle has improved markedly in recent weeks, as has also demand for hogs for fattening in the country.

The condition of pastures on July 1 was still below average, though having benefited considerably by the June rains. Production of tame hay in the Eighth District is estimated by the U. S. Department of Agriculture at 4,551,000 tons, against 5,458,000 tons harvested in 1931, and an 8-year average of 7,616,000 tons.

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

	Receipts			Shipments		
	June, 1932	May, 1932	June, 1931	June, 1932	May, 1932	June, 1931
Cattle and Calves.....	85,530	87,350	94,782	51,714	44,941	55,911
Hogs .....	212,815	258,880	219,549	159,111	156,807	172,895
Horses and Mules.....	917	1,935	1,627	1,138	1,907	1,577
Sheep .....	123,475	73,000	124,170	33,121	18,845	53,261

**Cotton** — According to the report of the U. S. Department of Agriculture, the area of cotton in all states of this district under cultivation on July 1 was smaller by 5.4 per cent than on the same date

in 1931. Combined acreage in Missouri, Tennessee, Mississippi and Arkansas is placed at 8,650,000 acres, against 9,140,000 acres in 1931. Aside from too much rain in Arkansas and other sections of the district, climate conditions have favored growth of cotton. Generally stands are good, and for the most part fields are clean, though in some localities grass is beginning to threaten on account of recent precipitation. Conditions since last winter have been favorable for boll weevil survival, and infestation of this pest is the worst since 1923, and actual damage has been done in many localities. Due to the low price, farmers are making relatively little effort to check the ravages of these insects. Less fertilizer is being used this season than in a number of years. Inquiries for spot cotton increased quite markedly, due chiefly to the upturn in future prices, but actual transactions were still in limited volume. In the St. Louis market the middling grade ranged from 4.75c per pound to 5.60c per pound between June 16 and July 15, closing at 5.35c per pound on the latter date, which compared with 4.50c on June 16, and 6.60c on June 15, 1931. Receipts at Arkansas warehouses from August 1, 1931 to July 8, 1932, totaled 1,505,981 bales against 825,113 bales for the corresponding period in 1931. Stocks on hand on July 8 totaled 366,692 bales, against 383,958 bales on June 17, and 103,584 bales on July 8, 1931.

**Tobacco** — The U. S. Department of Agriculture in its report as of July 1 estimates the tobacco crop in the Eighth District at 285,670,000 pounds, against 395,016,000 pounds harvested in 1931 and an 8-year average (1923-1930) of 295,534,000 pounds. Good rains and seasonable temperatures permitted completion of planting all types of tobacco. There is a noticeable reduction in acreage as compared with last year; from 15 to 20 per cent in the burley district; 15 to 20 per cent in the Clarksville, Springfield and Hopkinsville dark fired sections; 25 per cent in the air-cured Green River district; and 35 to 40 per cent in the western Paducah district.

**COMMODITY PRICES**

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

	High	Low	Close	
			July 15, 1932	July 15, 1931
Wheat				
July .....	.50 3/4	.45 1/2	.45 1/2	.48
Sept. ....	.53	.47 1/2	.47 1/2	.50
Dec. ....	.53 1/2	.50 3/4	.51	.54 1/2
No. 2 red winter .....	.50	.46 1/2	\$.46 1/2 @ .47	\$.48 1/2 @ .49
No. 2 hard .....	.51	.47	.47 @ .48	.48 @ .48 1/2
Corn				
July .....	.31	.25	.29	.56 @ .57
Sept. ....	.31	.28 3/4	.30 3/4	.50 @ .50 3/4
No. 2 mixed .....	.32	.30	.31 @ .31 1/2	.61 @ .61 1/2
No. 2 white .....	.32	.30	.31 1/2 @ .32	.62 1/2 @ .63
Oats				
No. 2 white .....	.22	.17	.17	.27 @ .27 1/2
Flour				
Soft patent.....per bbl.	3.50	2.90	2.90 @ 3.25	4.25 @ 4.75
Spring patent.....	4.50	3.85	3.85 @ 4.10	4.25 @ 4.40
Middling cotton.....per lb.	.0560	.0475	.0535	.0860
Hogs on hoof.....per cwt.	5.40	2.50	3.50 @ 4.95	4.50 @ 7.90

## FINANCIAL

There was a further recession in demand for credit from commercial and industrial sources in the Eighth District during the past thirty days, accompanied by a moderate easing in interest rates at the commercial banks. Commitments of merchants and manufacturers for purchasing and preparing goods for fall and winter distribution were measurably smaller than at the same period in late years. The demand for financing agricultural operations was also less pronounced than in past seasons, due partly to the low prices of farm products and to the fact that this year's crops are being produced with great economy and a minimum of cash outlay. About the only seasonal increase noted was on the part of flour milling and grain handling interests. Even here demand was below average, owing partly to the general disposition among producers to hold back their wheat for more favorable markets. Loans to country banks by their city correspondents were in considerably smaller volume than a year ago, and the average during the past decade.

Largely as a result of these conditions, total loans of the reporting member banks in the principal cities of the district continued to contract, and on July 13 were 2 per cent smaller than on June 15, and 23.7 per cent less than the total on July 15, 1931. Investments of these banks declined 1.4 per cent in the four-week period ending July 13, on which date the aggregate was smaller by 3.1 per cent than a year ago. Deposits also moved downward, and at 482 millions on July 13 represented a decrease of 3.4 per cent and 20 per cent, respectively, as contrasted with a month and a year earlier.

Borrowings of all member banks from the Federal reserve bank fluctuated only in minor degree, but were uniformly substantially larger than during the corresponding period last year. The total volume of reserve bank credit expanded further, but at a more moderate rate. On July 15 the total outstanding was \$7,412,000 greater than a month earlier, the increase being entirely due to larger holdings of Government securities. Reflecting a somewhat greater than seasonal expansion in demand for currency, the note circulation of this bank was increased \$8,097,000 between June 15 and July 15.

At St. Louis banks prevailing interest rates were as follows: Prime commercial loans,  $3\frac{1}{2}$  to  $5\frac{1}{2}$  per cent; collateral loans,  $4\frac{1}{4}$  to 6 per cent; loans secured by warehouse receipts,  $4\frac{1}{4}$  to  $5\frac{3}{4}$  per cent; interbank loans,  $4\frac{1}{2}$  to  $5\frac{3}{4}$  per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on July 13, 1932 showed

(Compiled July 22, 1932)

a decrease of 2.0 per cent as contrasted with June 15, 1932. Deposits decreased 3.4 per cent between June 15, 1932 and July 13, 1932 and on the latter date were 20.0 per cent smaller than on July 15, 1931. Composite statement follows:

	*July 13, 1932	*June 15, 1932	*July 15, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$117,241	\$123,273	\$164,820
All other loans and discounts.....	192,860	193,216	241,579
Total loans and discounts.....	\$310,101	\$316,489	\$406,399
Investments			
U. S. Government securities.....	88,408	90,126	77,920
Other securities.....	128,369	129,770	145,876
Total investments.....	\$216,777	\$219,896	\$223,796
Reserve balance with F. R. Bank	36,073	37,780	42,346
Cash in vault.....	6,860	6,336	6,292
Deposits			
Net demand deposits.....	279,865	288,711	361,282
Time deposits.....	199,451	200,983	236,697
Government deposits.....	3,011	9,542	4,635
Total deposits.....	\$482,327	\$499,236	\$602,614
Bills payable and rediscounts with Federal Reserve Bank.....	2,289	2,453	1,500

\*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.

	*June, 1932	*May, 1932	*June, 1931	June, 1932 comp. to May, 1932 June, 1931	
East St. Louis & Natl.					
Stock Yards, Ill. \$	20,266	\$ 19,844	\$ 30,570	+ 2.1%	—33.7%
El Dorado, Ark.....	3,422	3,298	4,641	+ 3.8	—26.3
Evansville, Ind.....	15,422	16,059	22,608	— 4.0	—31.8
Fort Smith, Ark.....	6,749	6,812	8,917	— 0.9	—24.3
Greenville, Miss.....	2,261	2,289	2,592	— 1.2	—12.8
Helena, Ark.....	1,136	1,242	2,419	— 8.5	—53.0
Little Rock, Ark.....	18,096	19,532	28,405	— 7.4	—36.3
Louisville, Ky.....	105,319	102,433	135,178	+ 2.8	—22.1
Memphis, Tenn.....	70,513	70,328	96,261	+ 0.3	—26.7
Owensboro, Ky.....	2,915	2,501	4,739	+16.6	—38.5
Pine Bluff, Ark.....	4,051	4,562	7,076	—11.2	—42.8
Quincy, Ill.....	6,027	6,230	8,985	— 3.3	—32.9
St. Louis, Mo.....	487,071	484,620	714,075	+ 0.5	—31.8
Sedalia, Mo.....	1,560	1,410	3,395	+10.6	—54.1
Springfield, Mo.....	10,161	10,402	15,807	— 2.3	—35.7
**Texarkana, Ark.-Tex.....	5,410	5,073	9,330	+ 6.6	—42.0
Totals .....	\$760,379	\$756,635	\$1,094,998	+ 0.5	—30.6

\*In thousands (000 omitted.)

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

**Federal Reserve Operations** — During June, the Federal Reserve Bank of St. Louis discounted for 215 member banks, against 226 in May and 159 in June, 1931. The discount rate remained unchanged at  $3\frac{1}{2}$  per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*July 15, 1932	*June 15, 1932	*July 15, 1931
Bills discounted .....	\$13,653	\$13,039	\$ 9,189
Bills bought .....	485	1,232	1,772
U. S. Securities.....	64,030	57,480	30,349
Federal Inter. Cr. Bk. Debentures.....			200
Participation in Inv. Foreign Banks.....	1,004	1,005	1,033
Total bills and securities.....	\$79,172	\$72,756	\$42,543
Total reserves.....	85,213	86,572	108,970
F. R. Notes in circulation.....	98,616	90,519	73,093
Total deposits.....	58,073	60,692	70,596
Ratio of reserve to deposits and F. R. Note Liabilities.....	54.4%	57.3%	75.8%

\*In thousands (000 omitted).



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of August 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**V**IRTUALLY all measurements of business activity in the Eighth District during July disclosed further recession below the low levels which prevailed during the preceding month. The volume of production and distribution of merchandise was the smallest so far reached in the present depression, output of electricity for commercial purposes declined, the value of permits for new construction in the principal cities receded, and further increase in unemployment in the industrial centers was the rule. Output of mines in all bituminous coal fields of the district showed more than the seasonal decrease, and the same was true of lead and zinc mines. In face of these unfavorable conditions, there was a decided improvement in sentiment in business circles in the large urban centers as well as agricultural communities, attributable to the rising trend in prices of certain groups of commodities, notably agricultural products, the upturn in the security markets, and further improvement in the general banking and credit situation.

Since the first of August this optimistic attitude has been emphasized by a number of actual favorable developments in commerce and industry. A number of manufacturing plants which had been closed for varying periods have resumed operations on part-time schedules, and others which had been active substantially increased their working forces. Orders booked by important wholesaling and jobbing lines showed a measurable increase during the first half of August, the volume in some instances comparing favorably with the corresponding period a year ago. Inquiries for raw materials by manufacturers have broadened, and specifications on goods previously acquired have shown moderate expansion for the first time since last spring. Retailers in both the large cities and the country report fair response to special sales of summer goods, and clearance of merchandise in that category is likely to be much more complete than was estimated earlier in the season.

The agricultural situation in the district as a whole is more favorable than at the beginning of the summer. Appreciation in prices of the leading crops, notably wheat and cotton, will, if sustained, result in a fair margin of profits to their producers in numerous instances. Recent rains have relieved drouth conditions in many sections, and have been of great benefit to corn, tobacco, pastures, hay, gardens and late commercial vegetable and fruit crops. Demand for hides has been active, with prices higher, and while cattle and hog prices declined somewhat from the high quotations of early July, a substantial part of the gain was retained. At the middle of August, indications pointed to a moderate improvement in employment conditions for the month as a whole as contrasted with its predecessor.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade in July was 31.3 per cent smaller than in June and 31.1 per cent less than in July, 1931; for the first seven months the volume fell 23.1 per cent below that for the corresponding period last year. Combined sales of all wholesaling and jobbing firms reporting to this bank decreased 44.5 per cent in July as compared with the same month in 1931, but showed a slight increase over the June total this year; aggregate sales for the first seven months this year decreased 30 per cent below the comparable period in 1931. The dollar value of permits issued for new construction in the five largest cities in July was 11 per cent smaller than in June, and 72 per cent less than in July, 1931; for the first seven months the total was 78 per cent smaller than a year ago. Contracts let for construction in the Eighth District in July were 31.5 per cent smaller than last year, and 108 per cent above the June total this year; for the first seven months a decrease of 60 per cent was shown in contrast with the same period in 1931. Debits to checking accounts in July were 11 per cent and 27 per cent smaller, respectively than a month and a year earlier, and the total for the first seven

months was 26 per cent smaller than for the like period in 1931. The amount of savings held by selected banks on August 3 was slightly greater than on July 6, but 11 per cent smaller than on August 5, 1931.

Freight traffic of railroads operating in this district, according to officials of these lines, continued substantially below that of the corresponding periods during the past several years. The movement of wheat was restricted to relatively small volume owing to a fairly general disposition on the part of farmers to hold their stocks for better prices. Labor troubles in the Illinois and Indiana fields and lack of industrial demand served to restrict the movement of bituminous coal. For the country as a whole, loadings of revenue freight for the first 30 weeks this year, or to July 30, totaled 16,045,005 cars, against 22,045,217 cars for the corresponding period in 1931, and 26,900,212 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, interchanged 143,022 loads in July, against 135,115 loads in June, and 171,935 loads in July, 1931. During the first nine days of August the interchange amounted to 31,888 loads, which compares with 33,070 loads during the corresponding period in July, and 42,412 loads during the first nine days of August, 1931. Passenger traffic of the reporting lines in July decreased 38 per cent as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in July was 105,300 tons, which compares with 108,002 tons in June and 103,444 tons in July, 1931.

Moderate improvement as a whole was reflected in reports relative to collections during the past thirty days. Considerable spottiness and irregularity still obtains, however, both with reference to the several lines and localities. In the winter wheat areas merchants and banks report a fair volume of liquidation, and the same is true in localities where early fruit and truck crops are extensively produced. Wholesalers and jobbers in the chief distributing centers report mainly satisfactory settlements, early August payments comparing favorably with those of the corresponding period last year. Actual losses from weak accounts continue large, but show a decreasing trend as contrasted with earlier months this year. Retailers in the large urban centers report the usual seasonal backwardness in collections occasioned by absence of customers on vacations. Questionnaires addressed to representative interests in the various lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1932.....	0%	18.5%	58.5%	23.0%
June, 1932.....	0	18.5	61.2	20.3
July, 1931.....	1.5	16.2	62.3	20.0

Commercial failures in the Eighth Federal Reserve District in July, according to Dun's, numbered 109, involving liabilities of \$2,093,558, against 132 failures in June with liabilities of \$1,987,322 and 80 defaults for a total of \$5,298,184 in July, 1931.

The average daily circulation in the United States in July was \$5,751,000,000, against \$5,530,000,000 in June, and \$4,836,000,000 in July, 1931.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — Sales of the reporting firms in July were 44.5 per cent larger than in June, but only one-half as large as the July, 1931, total. Stocks on August 1 were 13 per cent greater than a month earlier, but 30 per cent smaller than a year ago. Since August 1, there has been a decided pick-up in sales, the first two weeks of the month indicating a slight gain in both dollar amount and shipments over the same period in 1931. Operations have been increased, with plants producing cheap grade women's and children's wear working full time. Average operations during the first half of August were approximately 90 per cent of capacity, as compared with 80 per cent in July. While purchasing is mainly for prompt shipment, there has been a noticeable increase in future orders. There was no change in prices as compared with the preceding thirty days.

**Clothing** — In conformity with the usual seasonal trend, July sales of the reporting clothiers fell sharply below the June volume. Demand centers mainly in low priced goods, and ordering for late fall and winter delivery is considerably below the average at this time of year. In the immediate past the demand for overalls and other working clothes has improved moderately, and manufacturers have increased production. July sales of the reporting interests were 22 per cent smaller than for the preceding month, and less than half as large as in July, 1931.

**Drugs and Chemicals** — Aside from a more active demand for hot weather goods, there was no change from the dull conditions which have obtained in recent months. July sales of the reporting firms were 15 per cent smaller than in June, and 31 per cent less than the July, 1931, total. Inventories continue to decrease, stocks on August 1 being 3 per cent and 15 per cent smaller, respectively, than thirty days and a year earlier. Demand for heavy drugs and chemicals has failed to broaden, and sales of luxuries were in measurably smaller volume than a year ago.

**Dry Goods**—July proved to be the worst month experienced by the dry goods trade in more than twenty years. Sales of the reporting firms in that month fell 23 per cent below the June total, and 40 per cent below July, 1931. Moderate improvement has taken place generally through the line since August 1. The advance in raw cotton has had a stimulating effect on demand for goods based on that staple, and more activity was noted in silk, woolen and other fabrics. Purchasing is in larger quantities than heretofore, and retailers in the country are exhibiting more confidence than earlier in the year. Stocks increased slightly between July 1 and August 1, and on the latter date were 32 per cent smaller than a year ago.

**Electrical Supplies**—July sales of the reporting interests were the smallest for any single month in more than ten years, being 5.5 per cent less than in June, and 58.7 per cent under the July total in 1931. Inventories continue to decrease, stocks on August 1 being 3 per cent smaller than a month earlier and about one-third less than on August 1 last year. In both sales comparisons declines were general through the entire line, but most pronounced in electrical installations for new structures, radio materials and automotive goods. A moderately upward trend in prices has been effective since the last week of July.

**Flour** — Production at the twelve leading mills of the district in July totaled 226,630 barrels, against 234,864 barrels in June and 322,413 barrels in July, 1931. Stocks in all positions continue of moderate proportions, and distributors and ultimate consumers, notably the large baking interests, are not disposed to deviate from the policy of hand-to-mouth buying. Since the first of this month, prices have firmed slightly in sympathy with the higher trend in the cash wheat market. Offerings of new crop flour are light, and, as has been the case for many months, demand centers chiefly in the low grade and cheap flours. Mill operations were at from 40 to 45 per cent of capacity.

**Furniture** — Continued quietness prevailed in this classification, purchasing by both distributors and ultimate consumers being on an extremely conservative basis. July sales of the reporting firms were 65 per cent smaller than for the same month in 1931, and 2 per cent below the June total this year. Inventories were again lower, stocks on August 1 being 4 per cent and 44 per cent smaller, respectively, than a month and a year earlier. Demand for household furniture and furnishings has failed to expand and manufacturers and distributors of office furniture and equipment report more than the usual seasonal contraction in sales.

**Groceries** — Following the invariable trend in recent years, sales in this classification in July showed a decrease under the preceding month. The decrease this year, however, was larger than the average, and was due mainly to smaller volume of purchasing by retail distributors in the small towns and country. Advance buying of canned goods was considerably smaller than in the past. July sales of the reporting firms were 14.5 per cent smaller than in June, and 31 per cent smaller than in July, 1931. Stocks on August 1 were 12 per cent less than on July 1, and 22 per cent below a year ago.

**Hardware** — The volume of business in this classification receded to the lowest point in recent years. Sales of the reporting firms in July were 38 per cent less than for the same month in 1931, and 28 per cent below the June total this year. Stocks on August 1 were 2.3 per cent smaller than a month earlier, and 13 per cent less than on August 1 last year. Purchasing is on a hand-to-mouth basis, and while retail stocks are generally light, there is little disposition to replenish or fill out assortments. While there was still a preponderance of price declines, the increasing number of advances indicate a strengthening of the market.

**Iron and Steel Products** — Reports from virtually all sections of the iron and steel industry reflect a further reduction in activities below the low levels earlier in the summer. New business placed with foundries, mills and machine shops was light, and specifications on materials under contract continued backward. July shipments of raw materials, including pig iron and scrap, were the smallest for any month so far this year, and considerably below the volume during the corresponding period in 1931. Ordering of all varieties of finished goods by distributors and ultimate consumers was on an extremely conservative scale. Manufacturers of stoves, heating apparatus, farm implements and other specialties report advance business on the books as of August 1 the smallest for that date in recent years. Due to these conditions and the spell of hot weather in July, operations at many plants were sharply curtailed. A number of units which closed down for vacations, inventory, repairs, etc., at the end of June, either failed to reopen, or have resumed on restricted schedules. No betterment was noted in demand from the principal iron and steel consuming industries, notably railroad, automotive, and petroleum. Producers and distributors of steel sheets, plates and other rolled materials reported a slight improvement in inquiries and small-lot buying by small miscellaneous users. Jobbing foundries, also, noted slight expansion in demand for castings for miscellaneous uses, the volume of which, how-

ever, was not sufficient to increase their operations from the recent low levels of two to three heats per week. With the exception of fencing material, demand for wire and wire products continued slow. Warehouse and jobbing interests report no broadening in the demand from the general manufacturing trade, purchasing being on an absolute necessity basis. Quotably prices of raw and finished materials underwent no change worthy of note as compared with the preceding thirty days. However, on a number of commodities prices lack actual test, and there were numerous reports of shading on desirable business. Purchasing of pig iron and scrap during July and early August was negligible. For the country as a whole production of both pig iron and steel ingots in July declined to new low levels on the present recessionary movement. Output of pig iron was 570,222 tons, which compares with 626,015 tons in June, and 1,462,270 tons in July, 1931. Steel ingot production in the United States totaled 792,533 tons, against 897,275 tons in June and 1,887,580 tons in July last year.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in July was 111,139 against 183,092 in June and 218,961 in July, 1931.

In accordance with the invariable trend in recent years, distribution of automobiles in this district during July fell below the volume of the preceding month. The decrease, according to dealers reporting to this bank, was considerably larger than the average since 1924. A sharp decrease was also recorded in comparison with July last year. As has been the case for the past several months, the trend of demand is strongly in the direction of low-priced cars, approximately 80 per cent of the vehicles sold in July being in that category, as against 76 per cent in June and 70 per cent in July, 1931. Sales by dealers in the smaller towns and country were relatively smaller than those in the larger centers of population. The low price of agricultural products and a disposition on the part of farmers to await results of this year's crops had a tendency to hold down sales in the rural areas. Collections on cars sold on time payment were somewhat less satisfactory than earlier in the year, though no noticeable increase in repossessions was reported. Demand for trucks also receded in July, sales for that month being the smallest since last January. Business in parts and accessories was relatively more active than in automobiles proper, due to extensive reconditioning of old cars by both dealers and individual owners. July sales of new passenger cars by the reporting dealers were 47 per cent smaller than in June, and 46 per cent less than in July, 1931. Inven-

tories continue universally light. Stocks of new passenger cars on hand on August 1 were slightly larger than a month earlier, but about 36 per cent smaller than on August 1, 1931. Used car sales were slightly larger than a month earlier, but about 36 per cent smaller than on August 1, 1931. Used car sales were slightly smaller in July than June, and 10 per cent less than in July, 1931. Salable secondhand car stocks on August 1 were 4 per cent larger than on July 1, and 8 per cent less than on August 1 a year ago. According to dealers reporting on that detail, cars sold on the installment plan in July constituted 49 per cent of their total sales, the same ratio as in June, and comparing with 48 per cent in July, 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	
	July, 1932 comp. to July, 1931	7 months ended July 31, 1932 to same period 1931	July 31, 1932 comp. to July 31, 1931	Jan. 1, to July 31, 1932	July 31, 1931
Evansville .....	-39.3%	-30.6%	-23.6%	.97	1.07
Little Rock.....	-29.4	-28.2	-11.1	1.18	1.54
Louisville .....	-23.4	-20.5	-6.7	1.38	1.53
Memphis .....	-36.2	-24.8	-10.3	1.60	1.76
Quincy .....	-28.8	-24.8	-10.6	1.23	1.46
St. Louis.....	-30.8	-22.4	-20.8	1.95	2.14
Springfield .....	-42.2	-29.6	-15.4	.72	.94
8th District.....	-31.1	-23.1	-16.9	1.71	1.92

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	July, 1932 comp. to July, 1931	7 months ended July 31, 1932 to same period 1931	July 31, 1932 comp. to July 31, 1931	Jan. 1, to July 31, 1932	July 31, 1931
Men's Furnishings	-25.3%	-30.4%	-20.5%	1.57	1.96
Boots and Shoes.....	-41.4	-25.9	-19.7	1.57	1.75

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in July was 10.7 per cent smaller than in June, and 71.8 per cent less than in July, 1931. According to statistics compiled by the F. W. Dodge Corp., construction contracts let in the Eighth Federal Reserve District in July amounted to \$12,024,207 which compares with \$5,768,424 in June, and \$17,542,682 in July, 1931. Production of portland cement for the country as a whole in July totaled 7,659,000 barrels, against 7,921,000 barrels in June and 13,899,000 barrels in July, 1931. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	120	188	\$ 23	\$ 213	33	44	\$ 7	\$ 18
Little Rock	9	20	3	166	46	74	7	15
Louisville ..	37	40	67	221	44	30	357	49
Memphis ..	129	82	82	89	84	141	40	103
St. Louis....	156	285	274	901	229	271	116	345
July totals..	451	615	\$ 449	\$1,590	436	560	\$ 529	\$530
June totals..	504	763	503	1,249	452	656	269	335
May totals..	533	863	411	1,717	513	726	204	413

\*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 July as being 5.8 per cent smaller than in June and 15.1 per cent less than in July, 1931. Detailed figures follow:

	No. of	July,	June,	July, 1932	July,	July, 1932
	Custom- ers	1932 *K.W.H.	1932 *K.W.H.	comp. to June, 1932	1931 *K.W.H.	comp. to July, 1931
Evansville ....	40	1,781	2,068	-13.9%	2,463	-27.7%
Little Rock...	35	1,897	1,714	+10.7	2,253	+15.8
Louisville ....	84	5,810	5,873	- 1.1	7,163	-18.9
Memphis .....	31	855	1,046	-18.3	1,736	-50.7
St. Louis.....	181	19,685	21,164	- 7.0	21,760	- 9.5
Totals .....	371	30,028	31,865	- 5.8	35,375	-15.1

\*In thousands (000 omitted).

## AGRICULTURE

Crop prospects in the Eighth District showed considerable variation between July 1 and August 1, both with reference to the several productions and different localities. As a whole, however, indications point to yields below those last year and the average in recent years. Hot, dry weather in July resulted in considerable damage to corn, cotton, tobacco, potatoes and some less important crops, while excessive rains accompanied by high winds in early August further reduced prospects in many localities. On the other hand the moisture was beneficial to pastures and served to replenish streams and depleted supplies of stock water. Corn over large areas was materially helped by the precipitation, which also caused substantial betterment in tobacco, hay, home gardens and late commercial fruit and truck crops. Harvesting of small grains has been completed, but less wheat than usual has been threshed, due to the fact that farmers have stacked more grain than in former years in order to hold it for higher prices.

The most favorable development in the agricultural situation during the past thirty days was the rise in prices of a number of important products. This served to bolster sentiment in the farming community, besides substantially increasing prospects for farm income. While prices are still much below the levels of past years, the advance, after months of steady declines, is contemplated in the light of a constructive step in rehabilitating the agricultural industry. Universally crops have been produced this year at smaller cost than during recent seasons, and present price levels will in many instances yield fair profit margins. There was a substantial rise in wheat from the low point of the year, and at the middle of August cotton advanced to a new high for the year, and for the first time since September, 1929, sold above the similar period a year earlier. While hog and cattle prices declined somewhat in early August, nevertheless a substantial part of the recent gain was retained.

**Winter Wheat** — Prospects for this crop in the Eighth District underwent moderate improvement between July 1 and August 1, the report of the U. S. Department of Agriculture, based on conditions on the latter date, estimating the output at 34,292,000 bushels, an increase of 607,000 bushels over the July 1 forecast, and comparing with 66,260,000 bushels harvested in 1931, and a 9-year average (1923-1931) of 51,510,000 bushels. Weather was favorable for harvest over most of the district, and most recent threshing returns tend to bear out the official estimate, both of quantity and quality. In some areas output is above expectations, while elsewhere yields were very uneven, due to damage from hessian fly. Receipts of new wheat have been considerably smaller than a year ago, owing to the smaller crop and the disposition of farmers to hold their grain for better prices.

**Corn** — Favorable planting conditions and excellent progress in the initial growing period were offset largely by drouthy conditions in mid-July, with the result that prospects were substantially curtailed between July 1 and August 1. Scattered damage of a more or less serious character was occasioned by chinch bugs, grasshoppers and other insect pests. Rains in late July and during the first half of this month have resulted in substantial recovery, particularly in Southern Illinois, Missouri and Indiana. The U. S. Department of Agriculture's August 1 report estimates the Eighth District yield of corn at 372,673,000 bushels, a decrease of 8,995,000 bushels under the July 1 forecast, and comparing with 383,052,000 bushels harvested in 1931 and a 9-year average of 342,534,000 bushels.

**Fruits and Vegetables** — While moderate betterment in prospects for pears and grapes in the district took place in July, other fruits deteriorated further, and the outlook is for heavily reduced yields both as compared with a year ago and the average. For the most part early fruits and vegetables turned out better than had been thought possible at the beginning of the season, and prices obtained were for the most part satisfactory, general conditions considered. Gardens and commercial truck crops suffered severely from the effects of hot, dry weather in early July, but subsequent rains have done much to raise the condition of these productions. Based on the August 1 condition, the U. S. Department of Agriculture estimates the apple crop in states entirely or partly within the Eighth District at 6,362,000 bushels, of which 890,000 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 forecast at only 1,200,000 bushels,

against 15,470,000 bushels in 1931 and a 5-year average of 8,175,000 bushels; pears, 482,000 bushels, against 2,639,000 bushels in 1931, and a 5-year average of 1,691,000 bushels; grapes, 33,208 tons, against 33,721 tons in 1931, and a 5-year average of 28,707 tons. Sweet potatoes promise to be one of the largest crops on record, the estimate for states of the district being 21,254,000 bushels, against 17,851,000 bushels in 1931, and a 5-year average of 14,464,000 bushels. In the district proper the white potato crop is estimated at 12,817,000 bushels, a slight decrease under the July 1 estimate, and comparing with 12,472,000 bushels harvested in 1931, and a 9-year average of 14,596,000 bushels.

**Live Stock**— Aside from scattered reports of hog cholera, the condition of live stock throughout the district maintained the high condition which has existed for the past eighteen months. Pastures deteriorated under the extremely high temperatures and lack of moisture in mid-July, but have since responded to abundant rains. Early reports indicate increased hog feeding and less sheep feeding in the Corn Belt states than a year ago. The movement of cattle, hogs and sheep to market was in excess of a year ago, raisers being incited to market their stock by the favorable turn in prices. Demand for hides was active during July with prices higher. The U. S. Department of Agriculture estimates the Eighth District hay crop at 4,597,000 tons, against 5,458,000 tons harvested in 1931, and a 9-year average of 7,616,000 tons.

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

	Receipts			Shipments		
	July, 1932	June, 1932	July, 1931	July, 1932	June, 1932	July, 1931
Cattle and Calves.....	87,382	85,530	103,040	54,928	51,714	69,748
Hogs .....	173,991	212,815	170,496	133,728	159,111	136,804
Horses and Mules.....	1,179	917	1,675	993	1,138	1,550
Sheep .....	80,975	123,475	67,479	17,126	33,121	17,075

**Cotton**— The report of the U. S. Department of Agriculture, based on August 1 conditions, estimates the cotton crop in the Eighth District at 2,413,000 bales, which compares with 3,470,000 bales harvested in 1931 and a 9-year average (1923-1931) of 2,726,000 bales. For the country as a whole the crop is forecast at 11,306,000 bales, which if realized will be 5,790,000 bales less than produced in 1931, and 3,352,000 bales less than the average of the last five years. The crop is unusually spotty, due to varied weather conditions and boll weevil infestation. Heavy rains early in July drowned out a considerable acreage, and during the hot spell following much cotton was scalded and fields were difficult to work. In many sections boll weevils are present in larger numbers than since 1923, and recent weather conditions have been favorable to their spreading. In some sections the appearance of the plant is not healthy, and scant use of fertilizer this season is

being reflected in uneven stands. Demand for raw cotton both for domestic consumption and export has shown moderate improvement, and a favorable and encouraging development was an advance in price during the second week of August to the highest point since early last March. In the St. Louis market the middling grade ranged from 5.15c per pound to 7.05c per pound between July 16 and August 15, closing at 7.05c per pound on the latter date, which compared with 5.35c on July 15 and 7c on August 15, 1931. Receipts of cotton at Arkansas warehouses for the fiscal year ended July 30 totaled 1,509,315 bales against 826,159 bales during the preceding year; shipments totaled 1,246,888 bales against 857,361 bales the year before.

**Tobacco**— Prospects for tobacco were reduced in July, the U. S. Department of Agriculture's report based on the August 1 condition estimating the crop in the Eighth District at 284,744,000 pounds, which is 926,000 pounds less than the July forecast, and compares with 395,016,000 pounds in 1931, and a 9-year average 285,534,000 pounds. The crop generally, but more particularly burley types, suffered severely from the hot, dry weather in July. Reports from scattered sections reflect uneven growth and leaf of only fair quality. Rains since the third week in July have relieved the drouth conditions in Kentucky and Tennessee and done much to promote growth and development of the crop. The acreage is generally smaller than a year ago, due to unfavorable conditions early in the season for raising plants, also during the transplanting period. Demand for old tobacco was active and sales of common, medium and good color burley are being made at satisfactory prices. Old crop stocks in dealers' hands consist chiefly of low to medium grades, good smoking grades being relatively scarce.

### COMMODITY PRICES

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

	High	Low	Close	
			August 15, 1932	August 15, 1931
Wheat				
Dec. ....per bu..	\$.59¼	\$.50	\$.55¼	\$.51¼
May .....	.63	.56½	.60	.....
Sept. ....	.55½	.48	.51¾	\$.47¾ @ .48½
#2 red winter....	.56¾	.47	\$.54 @ .54½	.49 @ .49½
#2 hard " ....	.55½	.47	.54½ @ .55	.49 @ .49½
Corn				
Sept. ....	.31½	.29	.30	.46½
#2 mixed .....	.33½	.30	.32½ @ .33	.49 @ .49½
#2 white .....	.33½	.30½	.33 @ .33½	.51 @ .51½
Oats				
#2 white .....	.19	.17½	.16½ @ .16¾	.21 @ .21½
Flour				
Soft patent.....per bbl.	3.50	2.80	3.05 @ 3.40	3.75 @ 4.25
Spring " .....	4.50	3.60	4.25 @ 4.50	4.25 @ 4.40
Middling cotton.....per lb.	.0705	.0515	.33 @ .0705	.07
Hogs on hoof.....per cwt.	5.00	3.10	3.25 @ 4.85	4.25 @ 7.60

### FINANCIAL

Aside from moderate expansion in demand for credit, appearing since the first week in August, and a feeling of greater confidence in banking circles, the

financial situation in the Eighth District during the past thirty days showed no notable deviation from the trends prevailing since the early summer. Credit requirements of commercial and industrial interests continue smaller than usual at this time of year, due in part to reduced business volume, lower prices and universally small inventories of merchandise. Routine liquidation at the commercial banks slightly exceeded new borrowing and renewals, with the result that there was a further contraction in loans and discounts of these institutions.

Demands for funds to finance agricultural operations were also measurably below the seasonal average. This is true particularly of the cotton growing areas, where the crop is being produced with smaller cash outlay than in past years. Commitments of flour millers and grain handlers increased moderately, but the total of such loans is considerably smaller than a year ago. Generally borrowings of country banks from their city correspondents showed little change as contrasted with the preceding thirty days.

Total loans of the reporting member banks in the principal cities of the district continued the downward trend which has been in effect since the middle of last January. Between July 10 and August 13 loans declined 2.6 per cent, and on the latter date, recorded a new low for the year and a decrease of approximately one-fourth under the comparable date in 1931. Total deposits showed little variation during the four-week period, but continued considerably below a year ago. Investments increased 1.6 per cent from July 10 to August 13, and on the latter date were about on a parity with a year earlier.

There was a slight increase in the volume of credit extended by the Federal reserve bank and on August 17 the total outstanding was \$504,000 greater than on July 17. This increase was due entirely to additional acquisitions of Government securities through its participation in the Federal Reserve System's purchases, combined discounts for member banks and bills purchased showing a decrease of \$1,622,000. As compared with last year, reserve credit outstanding on August 17 was greater by \$34,501,000. A continued active demand for currency was reflected in a further expansion in this bank's note circulation, which at the middle of August registered a new high for the year and an increase of 37.8 per cent over a year ago.

Interest rates fluctuated within a narrow range, exhibiting no definite trend in either direction. At St. Louis banks current rates were as follows: Prime commercial loans, 3¾ to 5½ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 4¼ to 5¾ per cent; interbank loans, 4¾ to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on August 10, 1932 showed a decrease of 2.6 per cent as contrasted with July 13, 1932. Deposits decreased 0.5 per cent between July 13, 1932 and August 10, 1932 and on the latter date were 19.1 per cent smaller than on August 12, 1931. Composite statement follows:

	*Aug. 10, 1932	*July 13, 1932	*Aug. 12, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stock and bonds.....	\$114,453	\$117,241	\$163,046
All other loans and discounts.....	187,658	192,860	238,667
Total loans and discounts.....	\$302,111	\$310,101	\$401,713
Investments			
U. S. Government securities.....	93,675	88,408	76,192
Other securities.....	126,585	128,369	145,094
Total investments.....	\$220,260	\$216,777	\$221,286
Reserve balance with F. R. Bank.....	34,513	36,073	41,176
Cash in vault.....	6,232	6,860	6,237
Deposits			
Net demand deposits.....	274,430	279,865	353,612
Time deposits.....	201,605	199,451	237,509
Government deposits.....	3,672	3,011	1,499
Total deposits.....	\$479,707	\$482,327	\$592,620
Bills payable and rediscounts with Federal Reserve Bank.....	2,384	2,289	2,135

\*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.

	*July, 1932	*June, 1932	*July, 1931	July, 1932 comp. June, 1932	July, 1931
East St. Louis & Natl. Stock Yards, Ill..	\$ 21,362	\$ 20,266	\$ 28,881	+ 5.4%	-26.0%
El Dorado, Ark.....	3,366	3,422	4,529	- 1.6	-25.7
Evansville, Ind.....	17,084	15,422	26,310	+10.8	-35.1
Fort Smith, Ark.....	6,185	6,749	9,350	- 8.4	-33.9
Greenville, Miss....	2,044	2,261	2,852	- 9.6	-28.3
Helena, Ark.....	852	1,136	2,537	-25.0	-66.4
Little Rock, Ark....	16,326	18,096	26,496	- 9.8	-38.4
Louisville, Ky.....	106,219	105,319	131,974	+ 0.9	-19.5
Memphis, Tenn.....	65,004	70,513	92,027	- 7.8	-29.4
Owensboro, Ky.....	2,920	2,915	5,162	+ 0.2	-43.4
Pine Bluff, Ark.....	3,996	4,051	6,608	- 1.4	-39.5
Quincy, Ill.....	5,240	6,027	8,221	-13.1	-36.3
St. Louis, Mo.....	409,153	487,071	565,493	-16.0	-27.6
Sedalia, Mo.....	1,529	1,560	3,441	- 2.0	-55.6
Springfield, Mo....	9,062	10,161	12,120	-10.8	-25.2
**Texarkana, Ark-Tex.....	5,578	5,410	8,957	+ 3.1	-37.7
Totals .....	\$675,920	\$760,379	\$934,958	-11.1%	-27.7%

\*In thousands (000 omitted). \*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations**—During July the Federal Reserve Bank of St. Louis discounted for 225 member banks against 215 in June and 187 in July, 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:

	*Aug. 18, 1932	*July 18, 1932	*Aug. 18, 1931
Bills discounted .....	\$12,388	\$13,886	\$10,877
Bills bought .....	26	474	1,864
U. S. Securities.....	66,156	64,030	30,476
Federal Inter. Cr. Bk. Debentures.....			40
Participation in Inv. Foreign Banks.....	1,004	1,004	1,141
Total bills and securities.....	\$79,574	\$79,394	\$44,398
Total reserves.....	85,156	84,561	113,259
F. R. Notes in circulation.....	101,392	99,252	73,223
Total deposits.....	56,637	57,130	76,443
Ratio of reserve to deposits and F. R. Note Liabilities.....	53.9%	54.1%	75.7%

\*In thousands (000 omitted). (Compiled August 24, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of September 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HE 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	8 months ended	Aug. 31, 1932	Jan. 1, to
	comp. to	Aug. 31, 1932 to	comp. to	Aug. 31,
Aug. 1931	same period 1931	Aug. 31, 1931	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	8 months ended	Aug. 31, 1932	Jan. 1, to
	comp. to	Aug. 31, 1932 to	comp. to	Aug. 31,
Aug. 1931	same period 1931	Aug. 31, 1931	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..	.54¾	.48	\$ .48½	\$ .46½
Dec. ....	.59¼	.51¼	.52½	.48¼
May .....	.64	.57	.58	.52¾
No. 2 red winter	.57½	.51½	\$.51½ @ .52	\$.49 @ .49½
No. 2 hard	.55½	.50	.51 @ .52	.48 @ .48½
Corn				
Sept. ....	.30½	.25¾	.26¼	.....
Dec. ....	.32	.28½	.29	.37¾
No. 2 mixed	.32¾	.28½	.28½ @ .29	.48 @ .48½
No. 2 white	.31½	.29	.30 @ .30½	.49 @ .49½
Oats				
No. 2 white	.19½	.17	.18	.23½ @ .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)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of ~~November 00,~~ 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HE improvement in general business in the Eighth District, which became noticeable in late July and continued in increasing measure during August, was extended through the first three weeks of September. Since that time the pace has slackened perceptibly, and while a considerable part of the gains in both trade and industry has been held and the general level is still well above the low point of the spring and early summer, some hesitancy has developed during the first half of October, with certain lines failing to show seasonal betterment. Taken as a whole, September proved to be the most satisfactory month experienced so far this year in distributive lines, both wholesale and retail. Increases in sales volume over August were larger than could be accounted for by seasonal influences, and for the first time since April, 1931, combined sales of all wholesaling and jobbing lines investigated by this bank showed an increase in September over the corresponding period a year earlier. There were also moderate increases in production in a number of manufacturing lines, some of which had had a record of steady declines during the preceding eighteen months.

Due to importance of agriculture in this district, the factor of dominating influence in the progress of business, both in point of morale and volume transacted, has been the price of farm products. The advance in hog values in late June, which was followed by a sharp rise in cotton, wheat and some other commodities in July and August, was reflected in a marked acceleration in buying of merchandise and restoration of confidence in the business community and the public generally. Failure of these advances to hold, coupled with declines in prices of corn, oats, potatoes and some less important products to new record lows for the season in many years had the effect of substantially reducing purchasing power in the agricultural areas, of reversing the feeling of optimism and of reinstating the policy of ultra conservatism in commitments for merchandise of all descriptions.

Warm weather during September and most of the first half of October tended to hold down dis-

tribution of seasonal goods, both at wholesale and retail. On the other hand these conditions were favorable for completing the harvest of late crops, which operations were in the main accomplished with a minimum loss of quality and quantity. According to the report of the U. S. Department of Agriculture, based on October 1 conditions, yields of the principal crops of the district fully carried out estimates made earlier in the season. The employment situation underwent slight improvement in September as contrasted with the two preceding months, with betterment most noticeable in the large industrial centers and the bituminous coal fields. The supply of farm labor continues considerably in excess of requirements, with wage scales on October 1 the lowest since the beginning of the present century.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade during September was 49.1 per cent greater than in August and 15.7 per cent smaller than September, 1931; for the first three quarters of this year cumulative sales were 22.7 per cent smaller than for the comparable period in 1931. Combined sales of all wholesaling and jobbing interests reporting to this bank in August showed an increase of 8.5 per cent over the preceding month, and of 1.1 per cent over the September total last year; for the year to September 30, aggregate sales were 24.6 per cent smaller than for the first nine months of 1931. The dollar value of permits issued for new construction in the five largest cities of the district in September was 32 per cent larger than in August, but more than two-thirds less than in September, 1931; for the first nine months the total was 23 per cent smaller than for the corresponding period last year. Contracts let for construction in the Eighth Federal Reserve District in September were 7.7 per cent larger than in August, and 14.6 per cent less than the September total last year; for the first nine months this year the aggregate fell 55.4 per cent below that for the same period in 1931. Debits to checking accounts increased 11 per cent in September over the preceding month, but declined 24 per cent under

September, 1931; the total for the first nine months this year was 26 per cent smaller than for the like period last year.

While continuing much below the volume at the corresponding period during the past several years, freight traffic of railroads operating in this district has shown decided expansion during recent weeks. The showing made by miscellaneous freight, merchandise in less-than-car-lots and coal has been particularly favorable. The movement of livestock continued light. For the country as a whole, loadings of revenue freight for the first 39 weeks this year, or to October 1, totaled 20,976,758 cars, against 28,721,707 cars for the comparable period in 1931, and 35,349,201 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 120,261 loads in September, against 143,022 loads in August, and 144,843 loads in September, 1931. During the first nine days of October the interchange amounted to 40,871 loads, which compares with 33,075 loads during the same period in September, and 46,993 loads during the first nine days of October last year. Passenger traffic of the reporting roads decreased 33 per cent in September as compared with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 95,500 tons, against 99,822 tons in August, and 106,931 tons in September, 1931.

Taken as a whole, collections during the past thirty days showed slight improvement over the similar period immediately preceding, and quite marked betterments as compared with the corresponding time last year. Generally through the south settlements with both merchants and banks were in increased volume, and resumption of operations at a number of mines was reflected in better payments in bituminous coal fields. In the northern tiers of the district, where wheat and corn are the chief crops, farmers are disposed to hold their stocks for higher prices, and backwardness in collections has resulted in many sections. Wholesalers in the chief distributing centers are for the most part getting in their money promptly. This is true particularly of boots and shoes, dry goods and other lines with which October is an important settlement month. Spottiness still characterizes collections of retailers in the large urban centers, with increasing complaints of backwardness by firms which do an extensive installment payment business. Replies to questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
September, 1932.....	1.7%	18.6%	59.4%	20.3%
August, 1932.....	1.7	20.2	56.1	22.0
September, 1931.....	0	13.8	64.1	22.1

Commercial failures in the Eighth District in September, according to Dun's, numbered 95, involving liabilities of \$1,427,874, against 144 failures in August, with liabilities of \$3,279,105, and 102 defaults for a total of \$2,621,575 in September, 1931.

The average daily circulation of the United States in September was \$5,685,000,000 against \$5,720,000,000 in August, and \$5,133,000,000 in September, 1931.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes**—Following the seasonal precedent, sales of footwear declined in September from August. The extent of the decline, according to the reporting firms, was only 3.3 per cent, which is considerably below the average. As compared with a year ago, September sales showed a gain of approximately 12 per cent. This was the first month since last November that sales have exceeded those of the corresponding period a year earlier. During the first half of October there has been a slight falling off as compared with September, but the volume of pairs and dollar amount has exceeded that of the same period in 1931. Inventories continue to decline, stocks on October 1 being 6 per cent and 47 per cent smaller, respectively, than a month and a year earlier.

**Clothing**—September sales of the reporting firms increased slightly over the same month last year, but showed little change from the August total this year. Purchasing of late fall and winter apparel, which had been postponed earlier in the season, was in considerable volume, and some reordering for underestimated requirements was reported. Demand for work clothes, while somewhat more active than earlier in the year, continues on a moderate scale. In all lines interest centers chiefly in cheap priced merchandise.

**Drugs and Chemicals**—September sales of the reporting firms were 18 per cent larger than in August, and 7 per cent smaller than the September, 1931, total. Stocks increased 4.4 per cent between September 1 and October 1, and on the latter date were 8.5 per cent smaller than a year ago. The sales comparison in September with a year earlier was the most favorable in this year, decreases in preceding months having ranged from 14 to 39 per cent. Moderate improvement was noted in demand for heavy drugs and chemicals from the general manufacturing trade, particularly the textile and leather industries.

**Dry Goods**—For the first time in thirty-four months, the volume of business done in this classification in September exceeded that of the corresponding month during the preceding year. Sales of the reporting firms showed an increase in September of 20 per cent over that month in 1931, and of 32 per

cent over the August total this year. Improvement in both comparisons extended pretty well throughout the entire line, but was most marked in piece goods. The recent decline in cotton has had a tendency to slow down buying, and sales since October 1 have been in noticeably smaller volume than during the first half of September. Stocks on October 1 were 4 per cent smaller than a month earlier, and about 31 per cent less than on October 1, 1931.

**Electrical Supplies** — September sales of the reporting firms increased 6 per cent over the August total, which contrasts with a decline of 7 per cent from July to August. As compared with a year ago, September volume showed a decrease of almost one-half. Inventories increased slightly between September 1 and October 1, and on the latest date were 35 per cent smaller than a year ago.

**Flour** — Production at the twelve leading mills of the district in September totaled 258,697 barrels, the largest since last May and comparing with 257,699 barrels in August and 305,335 barrels in September, 1931. Improvement in the general demand noted in late August and the first half of September has failed to hold, due chiefly to the recession in values of cash wheat and uncertainty on the part of buyers relative to the future of the market. Consumption is adversely affected by the general business depression, and quietness in export demand. Millers' report bids from Europe mainly out of line with current prices, and export business confined largely to routine transactions with Latin-American countries. Purchasing by the large baking interests was on a hand-to-mouth basis, and jobbers are not disposed to augment their stocks. Mill operations were at less than half of capacity.

**Furniture** — Marked improvement over recent months was noted in the volume of business in this classification, September sales of the reporting firms showing an increase of 34 per cent over August, and a decrease of only 11.6 per cent under the September total in 1931. Stocks on October 1 were 2 per cent and 25 per cent smaller, respectively, than thirty days and a year earlier. In the month-to-month sales comparison a considerable part of the increase was in household furniture and furnishings.

**Groceries** — September sales of the reporting firms showed an increase of 9 per cent over August, but a decrease of 22 per cent under the September total a year ago. Stocks on October 1 were 1.4 per cent larger than a month earlier, and 35 per cent smaller than on October 1, 1931. Since October 1 a slowing down in business has been noted, particularly in the south, where the decline in cotton prices had a deterrent effect on buying. Due to extensive canning and preserving operations by individuals throughout the season, demand for these commodi-

ties in the rural areas is considerably below the average at this time of year.

**Hardware** — Improvement noted in this classification during August was extended further during September. Since October 1, however, slowing down has been reported from all parts of the district. Prices showed no change worthy of note as compared with the preceding thirty days. September sales of the reporting interests were 13 per cent larger than in August, and 27 per cent smaller than in September, 1931. Inventories continue to decrease, stocks on October 1 being 3.5 per cent and 12 per cent smaller, respectively, than a month and a year earlier.

**Iron and Steel** — Changes in the iron and steel industry in this district during September and early October were in the form of moderate improvement. The betterment by no means extended to all branches of the industry, but the recessionary trends of earlier in the year were halted and a forward movement was noted in some important lines. Production and shipments of seasonal commodities, notably stoves, furnaces, radiators, tubing and certain repair materials, was in considerable volume. The demand for plates, sheets, strip and other rolled products developed slightly broadening tendencies. Purchasing of finished materials by the general manufacturing trade was more active than earlier in the year, though still much below the average at the same period in the past. Requirements of the petroleum industry expanded moderately. Considerable tonnages of a variety of commodities were accounted for by highway construction, river and levee improvements and municipal projects. Public works predominated, also, in operations of fabricators of structural iron and steel, the lettering of a number of sizeable contracts having permitted of an increase of working forces at certain plants. Iron and steel warehouse and jobbing interests reported September sales and specifications the largest since last spring. The movement of galvanized sheets maintained the improvement noted in August, with purchasing in the rural sections of the south and southwest relatively better than in the northern tiers of the district. Purchasing by the railroads continues on a hand-to-mouth basis, and is confined chiefly to repair materials and other necessities. Specifications on finished goods by automobile builders were below what had been anticipated for this time. Aside of items for outdoor engineering projects, goods in the building material category continued quiet. The latest decline in wheat, corn, cotton and other major crops was reflected in a further contraction in the outlet of goods used in the agricultural sections. Prices of both raw and finished materials showed no marked change as contrasted with the preceding

thirty days. Pig iron was unchanged, and the recent strength in scrap iron and steel was maintained, with slight further advances in some grades. September shipments of pig iron to district consumers represented the largest total for any month so far this year, but new ordering continued at a minimum. For the country as a whole pig iron production in September recorded the first gain since last February, the output of 593,640 tons comparing with 528,105 tons in August and 1,168,346 tons in September, 1931. Steel ingot production in the United States in September totaled 975,061 tons, against 832,402 tons in August, and 1,545,411 tons in September, 1931.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in September was 84,141, against 90,324 in August and 140,566 in September, 1931.

Following the seasonal trend, distribution of automobiles in this district decreased from August to September, and for the ninth consecutive month this year, according to the reporting dealers, sales were below those of the comparable period in 1931. The decrease in the month-to-month comparison, however, was considerably smaller than the average during the past decade. In the comparison with a year ago, September sales decreased 22 per cent, which contrasts with the decrease of 42 per cent in August. For the first time in a number of months, business of dealers distributing medium and high priced cars was relatively better than that of those handling the cheaper makes. Of the total sales of new passenger cars in September, approximately 70 per cent were cheap-priced cars, against 82 per cent in August, 80 per cent in July and 81 per cent in September, 1931. In the small towns and country decreases in both yearly and month-to-month comparisons were more marked than in the large cities. Preoccupation of farmers with harvest and the depressed levels of agricultural products militated against filling of requirements. Demand for trucks was reported fairly active, particularly for heavy service. Sales of trucks of all descriptions in September were 7 per cent greater than in August, but only slightly more than one-half as large as in September, 1931.

September sales of new passenger cars by the reporting dealers were 7 per cent smaller than in August and 22 per cent below the September total a year ago. Universally the policy of close and conservative purchasing is being observed by distributors, and inventories continue light. Stocks of new cars on October 1 were 6 per cent smaller than a month earlier and 43 per cent less than on October

1, 1931. Conditions in the used car market underwent no change worthy of note as contrasted with the preceding thirty days. September sales were 12 per cent and 26 per cent smaller, respectively than a month and a year earlier. Stocks of salable second-hand cars on hand on October 1 were 3.5 per cent smaller than on September 1, and 18 per cent less than on October 1, 1931. Replacement buying by both dealers and the public was reflected in moderate betterment in demand for tires. Business in replacement parts and accessories was slightly less active than during the preceding month. According to dealers reporting on that item, deferred payment sales in September constituted 48 per cent of their total sales, against 51 per cent in August, and 47 per cent in September, 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	
	Sept. 1932 comp. to Sept. 1931	9 months ended Sept. 30, 1932 to same period 1931	Sept. 30, 1932 comp. to Sept. 30, 1931	Sept. 30, 1932 comp. to Sept. 30, 1931	Jan. 1, to Sept. 30, 1932	Jan. 1, to Sept. 30, 1931
Evansville .....	-28.0%	-31.9%	-30.4%		1.23	1.36
Little Rock.....	+ 0.8	-24.4	-14.5		1.55	1.89
Louisville .....	- 8.6	-19.8	-12.9		1.79	1.98
Memphis .....	- 2.1	-22.5	-12.8		2.09	2.24
Quincy .....	-10.4	-23.6	-19.7		1.63	1.86
St. Louis.....	-19.6	-22.7	-25.4		2.55	2.75
Springfield .....	-36.8	-32.8	-12.7		.91	1.23
8th District.....	-15.7	-22.7	-21.3		2.24	2.45

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Sept. 1932 comp. to Sept. 1931	9 months ended Sept. 30, 1932 to same period 1931	Sept. 30, 1932 comp. to Sept. 30, 1931	Sept. 30, 1932 comp. to Sept. 30, 1931	Jan. 1, to Sept. 30, 1932	Jan. 1, to Sept. 30, 1931
Men's Furnishings .....	-22.1%	-29.5%	-28.3%		2.00	2.39
Roots and Shoes.....	-14.2	-25.6	-21.4		1.94	2.14

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in September was 32 per cent larger than in August, and 67.8 per cent less than in September, 1931. According to statistics compiled by the F. W. Dodge Corporation construction contracts let in the Eighth District in September amounted to \$10,063,670 which compares with \$9,340,382 in August and \$11,790,867 in September, 1931. Production of portland cement for the country as a whole in September totaled 8,189,000 barrels, against 7,835,000 barrels in August and 12,092,000 barrels in September, 1931. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	149	253	\$ 26	\$ 56	56	118	\$ 7	\$ 13
Little Rock ..	13	32	7	92	56	112	8	42
Louisville ..	49	82	73	143	40	33	17	16
Memphis ..	107	123	196	130	114	138	58	25
St. Louis....	210	327	243	1,271	206	241	110	153
Sept. totals..	528	817	\$ 545	\$1,692	472	642	\$ 200	\$249
Aug. " ..	437	678	413	1,266	425	616	208	400
July " ..	451	615	449	1,590	436	560	529	630

\*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 September as being 7.3 per cent smaller than in August and 19.9 per cent less than in September, 1931. Detailed figures follow:

	No. of Custom- ers	Sept., 1932 *K.W.H.	Aug., 1932 *K.W.H.	Sept. 1932 comp. to Aug. 1932	Sept., 1931 *K.W.H.	Sept. 1932 comp. to Sept. 1931
Evansville	40	1,672	1,701	- 1.7%	1,991	-16.0%
Little Rock	35	1,061	1,901	-44.2	1,888	-43.8
Louisville	85	5,911	6,117	- 3.4	6,524	- 9.4
Memphis	31	1,389	1,167	+19.0	1,617	-14.1
St. Louis	189	16,841	18,094	- 6.9	21,512	-21.7
Totals	380	26,874	28,980	- 7.3	33,532	-19.9

\*In thousands (000 omitted).

## AGRICULTURE

The condition of crops in the Eighth District during September varied in minor degree only as contrasted with the preceding month. Weather was in the main favorable for maturing and harvesting late crops, and these were secured with a minimum of loss in quantity and quality. Expressed as a percentage of the 10-year average (1919-1928), combined yield per acre of 33 important crops indicated on October 1, 1932, in states of the district, according to the U. S. Department of Agriculture, was as follows: Indiana, 102.6; Illinois, 107.1; Missouri, 96.6; Kentucky, 95.1; Tennessee, 91.2; Mississippi, 84.3 and Arkansas, 92.7. Improvement from August to September was indicated in all states except Tennessee and Missouri, the decline in the former being .8 per cent and in the latter 1.3 per cent. For the most part fall vegetables turned out well, and yields of some fruits appear to be somewhat larger than estimates earlier in the season indicated. However, as a whole the fruit crop in this area was the smallest in recent years, particularly tree fruits south of the Missouri River.

Soil preparation and seeding of fall cereals was delayed to some extent by dry weather over a considerable part of the principal winter wheat areas. Since the middle of September, however, needed moisture has been supplied by fairly general rains and seeding operations have made good progress. In the northern tiers of the district, farm work is quite generally up to the usual seasonal schedule. Available supplies of farm labor continue greatly in excess of requirements, with wages sharply below a year and two years ago. A typical example is in Missouri, where the average rate per month with board is \$18.55, against \$25.75 for October, 1931, and without board, \$26.00 this year against \$34.90 in 1931. These scales are the lowest since 1902, and much of the hiring for farm work is only for a few days at a time.

**Corn**—The season from planting to harvest was unusually auspicious for corn, and indications are for one of the largest yields ever produced in this district. Practically the entire crop had matured before the frosts in October, and from the chief growing sections reports indicate quality above average. Silo filling was mainly completed by the end of September, and somewhat more than the ordinary amount of corn was cut for fodder. September and early October weather was favorable for drying and curing corn, which was essential to check mould development and ear-worm damage. Based on the October 1 condition, the U. S. Department of Agriculture estimates the yield of corn in the Eighth District at 378,283,000 bushels, a slight decrease under the September 1 forecast, and comparing with 383,052,000 bushels harvested in 1931, and a 9-year average (1923-1931) of 342,534,000 bushels. The heavy indicated yield coupled with liberal sales of old corn served to sharply lower prices. On October 15 No. 2 mixed corn sold in the St. Louis market at 25c per bushel. After planting, cultivation, harvest, husking and transportation costs, this figure leaves scant returns for the producer.

**Winter Wheat**—No change worthy of note took place in Eighth District prospects for this crop in September. The Government's October 1 report estimates the output at 34,292,000 bushels, as against 66,260,000 bushels harvested in 1931, and a 9-year average of 51,510,000 bushels. In sections affected by the late summer drouth, seeding was delayed, and full planting intentions will not be realized. However, mainly favorable conditions have attended seeding operations, and a large part of the crop has been put in after hessian fly immune dates.

**Fruits and Vegetables**—Prospects for the apple crop in this district changed little during September. Completion of the harvest of late apples confirmed the low estimates of production made earlier in the season. The output in states including the Eighth District is estimated by the U. S. Department of Agriculture in its October 1 report at 6,737,000 bushels, of which 969,000 barrels represent commercial crop, against 28,642,000 bushels, with 3,527,000 barrels commercial crop in 1931, and a 5-year average (1924-28) of 23,967,000 bushels, of which 2,511,000 barrels were commercial crop. Peaches in the district were a virtual failure, the yield being estimated at only 1,248,000 bushels, against 14,470,000 bushels in 1931, and a 5-year average of 8,175,000 bushels. An exception to the generally small fruit yield was grapes, the estimated production of 34,028 tons in states of the district being the largest on record, and comparing with 33,721 tons in 1931, and a 5-year average of 28,000 tons. Production of pea-

nuts in these states also made a new high record, the output being estimated at 36,035,000 pounds, against 29,940,000 pounds in 1931 and a 5-year average of 30,220,000 pounds. As a rule all late vegetables were abundant crops, and fall gardens, due to deferred frosts and adequate moisture, have in most localities been above average. The sweet potato crop in states of the district is forecast at 20,529,000 bushels, which is 15 per cent greater than a year ago, and 38 per cent above the 5-year average. In the district proper the yield of white potatoes is placed at 13,377,000 bushels, which compares with 12,472,000 bushels produced in 1931, and a 9-year average of 14,596,000 bushels. Potatoes at the end of September were the cheapest in more than a quarter of a century.

**Live Stock** — Aside from scattered reports of losses of hogs from cholera, the satisfactory conditions obtaining in livestock throughout the present year were generally sustained during September and the first half of October. The unfavorable factor in the livestock industry is the extremely low market prices for all meat animals. Due to plentiful and cheap corn and other feeds, farmers plan to considerably increase feeding operations this fall and winter.

In all states of the district the condition of pastures on October 1 was below the 10-year average, and with the exception of Tennessee and Mississippi, below the October 1 condition last year. Prospects for tame hay in the district declined slightly from August to September, the October 1 estimate being for 4,891,000 tons, against 5,458,000 tons in 1931, and the 9-year average of 7,616,000 tons. Milk production per cow continued low, owing to the poor condition of pastures. An exception to the general decline in farm product prices was eggs, which on October 1 were selling at the highest price of the year.

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

	Receipts			Shipments		
	Sept., 1932	Aug., 1932	Sept., 1931	Sept., 1932	Aug., 1932	Sept., 1931
Cattle and Calves.....	112,586	120,775	126,753	73,089	78,408	89,091
Hogs .....	210,265	188,755	205,040	162,304	148,855	157,783
Horses and Mules.....	2,797	1,902	2,349	2,510	1,754	2,888
Sheep .....	66,071	65,702	51,951	26,998	12,781	12,688

**Tobacco** — There was a further slight decrease in prospects for the Eighth District tobacco crop in September, the estimate as of October 1 by the Government being 278,501,000 pounds, a drop of 6,180,000 pounds under the September 1 forecast, and comparing with 395,016,000 pounds raised in 1931, and a 9-year average of 285,534,000 pounds. The sharp decrease under a year ago was due to a reduction in acreage, unfavorable weather at the time plants were set, and lack of moisture during the growing season. Conditions in late September

and early this month have not been favorable for cutting, housing and curing late cut leaf. Early cuttings of burley types are generally of good color and quality, with a large part suitable for smoking. In the one-sucker and Green River districts indications point to a crop of superior quality to that of last year.

**Cotton** — Under stimulus of favorable weather for maturing the crop during September, particularly in the first three weeks of that month, prospects improved, and based on the October 1 condition, the U. S. Department of Agriculture estimates the output in this district at 2,237,000 bales, an increase of 52,000 bales over the September 1 forecast, and comparing with 3,470,000 bales harvested in 1931, and a 9-year average (1923-1931) of 2,726,000 bales. In all states harvesting made good headway, owing to the early maturity and large proportion of opened bolls. In some sections picking progressed slower than might have been expected for the reason that growers are hiring little help, and harvesting their cotton with labor available on their own farms. The decline in prices, which began in the second week of September, continued irregularly into October and following publication of the October 1 estimate of production, values receded to the lowest point since early August and more than \$14.50 per bale under high point touched toward the end of August. In the St. Louis market the middling grade ranged from 5.70c to 6.85c per pound between September 15 and October 15, closing at 5.70c per pound on the latter date, which compared with 6.70c on September 16 and 5.75c on October 15, 1931. The movement to market has been at a more rapid rate than a year ago. Receipts at Arkansas compresses from August 1 to October 14 totaled 443,531 bales, as against 355,259 bales during the comparable period in 1931. Stocks on hand as of October 14 totaled 573,735 bales, against 395,609 bales on September 16, and 319,836 bales on the corresponding date a year ago.

**COMMODITY PRICES**

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

	High	Low	Close	
			Oct. 15, 1932	Oct. 15, 1931
Wheat				
Dec. ....per bu.	.55½	.48	\$ .48¾	\$ .48
May .....	.60¾	.53¼	.53¾	.52
July .....	.55¼	.54¾	.54¾	
No. 2 red winter	.54½	.48½	\$.48½ @ .49	\$.49½ @ .50
No. 2 hard	.54½	.49	.48½ @ .49	.48 @ .48½
Corn				
Dec. ....	.29	.25½	.26	.34½
No. 2 mixed	.29	.25	.24¾ @ .25	.38 @ .38½
No. 2 white	.30	.26	.26 @ .26½	.40½ @ .41
Oats				
No. 2 white	.18¾	.15	.15 @ .15¼	.21½ @ .22
Flour				
Soft patent.....per bbl.	3.70	2.90	@ 3.50	3.25 @ 4.00
Spring patent.....	4.50	3.75	@ 4.25	3.75 @ 4.00
Middling cotton.....per lb.	.065	.057	.057	.0575
Hogs on hoof.....per cwt.	4.45	2.60	2.75 @ 4.00	4.00 @ 5.60

**FINANCIAL**

The past thirty days were marked by further strengthening of the general banking and financial situation in the Eighth District. While slack demand for credit to finance commercial and industrial operations was reflected in a further decrease in loans and discounts of commercial banks, deposits increased moderately. Growth in confidence in the financial situation was reflected in less hoarding than in a number of months, and the emergence of a considerable volume of currency tied up by that practice. Liquidation at both city and country banks was in considerable volume, with September settlements in the cotton areas making a particularly favorable showing. October payments in boot and shoe, dry goods, and other wholesaling lines with which this is an important collection month, were for the most part satisfactory, and permitted of substantial reduction of commitments with banks in the chief distributing centers. As was the case earlier in the season, demands for financing the harvest and movement of crops were less than in past years. This was also true of grain handling and flour milling interests.

Total loans of reporting member banks in the district on October 12 decreased 1.2 per cent from September 14, and on the latest date were at the lowest point of the year and approximately one-fourth smaller than on the comparable date in 1931. This decline was counterbalanced by an increase of 1.7 per cent in investments, due chiefly to expansion in holdings of Government securities. Total deposits of \$489,986,000 on October 12 represented an increase of 1.5 per cent over mid-September, but a decrease of 14.2 per cent under a year ago.

The use of reserve bank credit by all member banks continued to decline, and on September 14 was in smaller volume than at any time this year. Entirely as a result of this, total volume of reserve bank credit outstanding decreased 19 per cent between September 14 and October 14, and on the latter date was 37.5 per cent less than a year ago. Reflecting a continued active demand for currency, largely seasonal in character, the note circulation of this bank remained at the relatively high levels of the preceding three months.

The amount of savings deposits held in selected banks increased 1.7 per cent from September 7 to October 5, and on the latter date was 7.6 per cent smaller than a year ago.

The trend of interest and discount rates was easier. At St. Louis banks current quotations were as follows: Customers' commercial loans, 4 to 5½ per cent; collateral loans, 4½ to 5¾ per cent; inter-bank loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 4½ to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on October 12, 1932 showed a decrease of 1.2 per cent as contrasted with September 14, 1932. Deposits increased 1.5 per cent between September 14, 1932 and October 12, 1932 and on the latter date were 14.2 per cent smaller than on October 14, 1931. Composite statement follows:

	*Oct. 12, 1932	*Sept. 14, 1932	*Oct. 14, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$111,335	\$113,256	\$158,550
All other loans and discounts.....	184,971	186,635	240,461
Total loans and discounts.....	\$296,306	\$299,891	\$399,011
Investments U. S. Government securities.....	107,719	102,857	83,349
Other securities.....	118,917	119,946	132,189
Total investments.....	\$226,636	\$222,803	\$215,538
Reserve balance with F. R. Bank	33,128	35,544	42,870
Cash in vault.....	6,363	6,969	7,845
Deposits Net demand deposits.....	277,951	281,267	336,209
Time deposits.....	203,301	199,547	228,046
Government deposits.....	8,734	2,130	6,859
Total deosits.....	\$489,986	\$482,944	\$571,114
Bills payable and rediscounts with Federal Reserve Bank.....	1,475	1,564	3,879

\*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.

	*Sept., 1932	*Aug., 1932	*Sept., 1931	Sept. 1932 comp. to Aug. 1932	Sept. 1931
East St. Louis & Natl. Stock Yards, Ill. \$	20,897	\$ 20,638	\$ 27,319	+ 1.3%	-23.5%
El Dorado, Ark.....	3,688	3,964	4,003	- 7.0	- 7.9
Evansville, Ind.....	12,914	12,956	21,099	- 0.3	-38.8
Fort Smith, Ark.....	7,374	7,022	9,127	+ 5.0	-19.2
Greenville, Miss.....	3,120	2,191	2,372	+42.4	+31.5
Helena, Ark.....	1,639	894	1,747	+83.3	- 6.2
Little Rock, Ark.....	17,996	15,441	24,086	+16.5	- 6.3
Louisville, Ky.....	95,205	97,289	128,334	- 2.1	-25.8
Memphis, Tenn.....	92,684	68,194	85,358	+35.9	+ 8.6
Owensboro, Ky.....	2,283	2,390	4,140	- 4.5	-44.9
Pine Bluff, Ark.....	5,589	3,880	5,149	+44.0	+ 8.5
Quincy, Ill.....	5,369	5,102	7,321	+ 5.2	-26.7
St. Louis, Mo.....	380,467	343,637	531,121	+ 10.7	-28.4
Sedalia, Mo.....	1,420	1,386	3,281	+ 2.5	-56.7
Springfield, Mo.....	9,699	8,740	12,006	+11.0	-19.2
**Texarkana, Ark.-Tex.....	5,179	4,885	8,020	+ 6.0	-35.4
Total .....	\$665,523	\$598,609	\$874,483	+11.2	-23.9

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During September the Federal Reserve Bank of St. Louis discounted for 217 member banks against 213 in August, and 215 in September, 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:

	*Oct. 14, 1932	*Sept. 14, 1932	*Oct. 14, 1931
Bills discounted .....	\$ 8,816	\$10,896	\$14,101
Bills bought .....	.....	.....	33,842
U. S. Securities.....	66,156	66,156	31,211
Federal Inter. Cr. Bk. Debentures	.....	.....	630
Participation in Inv. Foreign Banks.....	1,009	1,009	1,103
Total bills and securities.....	\$75,981	\$78,061	\$80,887
Total reserves.....	89,756	87,964	84,045
F. R. Notes in circulation.....	101,029	100,948	80,185
Total deposits.....	56,824	57,640	76,806
Ratio of reserve to deposits and F. R. Note Liabilities.....	56.9%	55.5%	53.5%

\*In thousands (000 omitted).



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of November 30, 1932

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FEDERAL RESERVE BANK OF ST. LOUIS

THE usual indicators of trade and industry in the Eighth District during the past thirty days reflected spotty and irregular conditions, with changes as compared with the similar period immediately preceding being mainly in the direction of lessened activity. The slowing down in a number of lines investigated was traceable to seasonal influences and was no greater than that which occurred in past years. Elsewhere, however, curtailment was too marked to be ascribed solely to seasonal considerations. In merchandising lines, particularly in the case of seasonal commodities, the volume of business was held down by unusually high temperatures obtaining through all of October and the first week of November. Another deterrent to trade was the further recession in the level of commodity prices, both of agricultural products and manufactured goods. Besides reducing purchasing power in the rural areas, the lower prices had the effect of disturbing confidence among merchants and ultimate consumers, and emphasizing the policy of caution and conservatism which for months has characterized the filling of commodity requirements.

The volume of retail trade in October declined below that of the preceding month and a year ago. In all wholesaling and jobbing lines investigated sales were smaller than for the same month in 1931, and with the exception of furniture and hardware, were less than the September totals this year. In the comparison with a year ago, however, the adverse spread was narrower than was the case during the spring and summer months. In the iron and steel industry activities in October were at a slightly reduced rate as contrasted with September. The pickup in business of manufacturers of stoves, heating apparatus and other seasonal goods failed to offset smaller production and shipments at other ferrous working plants. Moderate betterment was noted in production of lumber at southern mills, and October output of bituminous coal mines showed a substantial gain over the preceding month,

and was only 8 per cent below October a year ago. September production this year fell 19 per cent below that of the same month in 1931.

Agricultural prospects in the district were assisted by favorable weather throughout October for harvesting late crops and farm work generally. The report of the U. S. Department of Agriculture, based on November 1 conditions, showed betterment in prospects for cotton, potatoes and corn as contrasted with the October 1 forecast, and little change in earlier indications for other crops. Prices of wheat and corn declined to new low levels for the season, and since records have been kept. There were also further declines in prices of livestock and other farm products. The employment situation in October underwent no marked change as compared with the preceding month, accretions to the number of workers in certain industries and seasonal occupations being offset by reductions in the country incident to completion of harvests.

The volume of retail trade, as reflected by sales of department stores in principal cities of the district was 5.3 per cent less than in September, and 22.6 per cent smaller than in October, 1931; for the first ten months this year cumulative sales were 22.7 per cent smaller than for the corresponding period in 1931. Combined sales of all wholesaling and jobbing interests reporting to this bank in October decreased 17 per cent under September and 11.7 per cent under October, 1931; cumulative sales of these firms for the first ten months this year were about one-fourth less than for the comparable period last year. The dollar value of permits issued for new construction in the five largest cities of the district in October was almost double that of the preceding month, but 26 per cent smaller than in October last year; for the first ten months the total was 73.4 per cent less than for the comparable period in 1931. Construction contracts let in the Eighth District in October were 27 per cent and 3 per cent smaller, respectively, than a month and a year earl-

ier, and the cumulative total for the first ten months was 53 per cent less than a year ago. Debits to checking accounts increased 1.8 per cent in October over the preceding month, but were 26.7 per cent smaller than a year ago; for the first ten months the total fell 26 per cent below the same period in 1931. The amount of savings accounts in selected banks increased slightly between October 5 and November 2, and on the latter date were 3.6 per cent smaller than a year ago.

Freight traffic of railroads operating in this district showed somewhat larger than the ordinary seasonal increase during September and the first half of October. Since that time, however, the trend has been downward with reductions extending to practically all classifications of freight. The low rate of industrial activities and unusually mild fall weather were reflected in a marked contraction in the movement of coal and coke as contrasted with the same period in recent years. For the country as a whole loadings of revenue freight for the first 43 weeks this year, or to October 29, totaled 23,512,787 cars, against 31,757,157 cars for the corresponding period in 1931, and 39,129,295 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 133,036 loads in October, against 120,261 loads in September, and 152,751 loads in October, 1931. During the first nine days of November the interchange amounted to 35,189 loads, against 40,871 loads during the same period in October, and 43,328 loads during the first nine days of November, 1931. Passenger traffic of the reporting lines in October decreased 37 per cent as compared with the same month in 1931. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in October was 108,700 tons, against 94,958 tons in September, and 104,893 tons in October, 1931.

Reports relative to collections reflect no marked change from conditions which have prevailed during the preceding two months. Considerable spottiness is noted, both with reference to different localities and the several lines. Generally throughout the agricultural areas a disposition on the part of farmers to hold their products for more favorable markets is reflected in backward payments. Withal, collections on current accounts showed moderate improvement during October, with a fair volume of liquidation on older indebtedness. Wholesalers and jobbers in the main distributing centers report November 1 settlements fully up to expectations, and in numerous instances comparing favorably with a year ago. City retailers still complain of unevenness in their collections, but gains in the volume of sales for cash. Answers to questionnaires

addressed to representative interests in the various lines scattered through the district showed the following results:

		<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
October, 1932.....		1.6%	17.9%	61.4%	19.1%
September, 1932.....		1.7	18.6	59.4	20.3
October, 1931.....		0	21.1	56.4	22.5

Commercial failures in the Eighth Federal Reserve District in October, according to Dun's numbered 82, involving liabilities of \$1,648,236, against 95 insolvencies in September with liabilities of \$1,427,874, and 126 defaults for a total of \$2,497,736 in October, 1931.

The average daily circulation of the United States in October was \$5,643,000,000 against \$5,685,000,000 in September, and \$5,478,000,000 in October, 1931.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — October sales of the reporting firms were 7.6 per cent smaller than for the same month in 1931, and 30 per cent below the September total this year. Inventories continue to recede, stocks on November 1 being 16 per cent and 43 per cent smaller, respectively, than a month and a year earlier. The decrease in the month-to-month sales comparison is seasonal in character, though somewhat greater than the average in recent years. Moderate betterment is noted in demand for the cheaper grades of men's shoes, and in all lines interest centers in the lower priced merchandise. Retail stocks are generally small, and ordering is chiefly on a hand-to-mouth basis. Factory operations were at from 60 to 70 per cent of capacity, or slightly heavier than at the same time last year.

**Clothing** — Demand for heavy apparel was held down during October by unseasonably warm weather and sales of the reporting clothiers in that month showed a decrease of 7.5 per cent under the preceding month and the total was only about half as large as for the same month in 1931. Ordering for spring distribution is reported smaller than at any similar season in more than ten years. Since November 1 moderate betterment has taken place in heavy-weight clothing, particularly in men's topcoats. A continued slight improvement is reported in demand for work clothes.

**Drugs and Chemicals** — The improvement in this classification noted in September failed to hold, sales of the reporting firms in October showing a decline of about one-fifth under the same period in 1931, and of 12.5 per cent under the September total this year. Stocks increased 1.5 per cent between October 1 and November 1, and on the latter date were 5.6 per cent smaller than a year ago. Seasonal goods were quiet, being affected by the unusually

high temperatures prevailing through October. There was no change from recent dull conditions existing in luxury goods, and demand for heavy drugs and chemicals from the general manufacturing trade has contracted since late September.

**Dry Goods**—October sales of the reporting firms showed a decrease of 18 per cent under the preceding month and of 0.6 per cent under the October total last year. This contrasts with gains in September sales of 32 per cent and 19.7 per cent, respectively, over a month and a year earlier. The decline in prices of cotton and other farm products was reflected in a falling off in purchasing in the country. In the sales comparison with a year ago, the decrease in October was accounted for entirely by lower prices, the unit volume being substantially larger than in 1931. There was a moderate increase in stocks between October 1 and November 1, but the total on the latest date was 19 per cent smaller than a year ago.

**Electrical Supplies**—For the third consecutive month October sales of reporting firms were larger than the month before. The October total, however, was less than half as large as that for the same period a year ago. There was a further decline in inventories, stocks on November 1 being 2 per cent and 49 per cent smaller, respectively, than a month and a year earlier. Increases in the month-to-month comparison were fairly general through the entire line, but most pronounced in radio material, demand for such goods having been stimulated by the presidential campaigns. Sales of electric heaters and other seasonal items have picked up since November 1.

**Flour**—Production at the twelve leading mills of the district in October totaled 237,466 barrels, against 258,697 barrels in September, and 272,264 barrels in October, 1931. Demand continues slow, and as has been the case for a number of months, centers almost exclusively in low grades and clears. Considerable quantities of these descriptions are being purchased by relief agencies. There has been no broadening in the bakery trade, purchasing being on a necessity basis. This policy in buying has been emphasized by the recent decline in wheat prices. Export demand in this general area is at the lowest ebb of the present depression. Prices declined to new lows on the movement, being affected by the drop in cash wheat. Production was at from 50 to 55 per cent of capacity.

**Furniture**—For the first time in eighteen months, October sales of the reporting firms in this classification showed an increase over the corresponding period a year earlier. As compared with the same month in 1931, October sales increased 7 per cent,

but as compared with September this year a decrease of 1.5 per cent was reported. Sales to country retailers were in larger volume than earlier in the year, and generally there was more of a disposition than heretofore to build up stocks and fill out assortments. Stocks on November 1 were 2 per cent smaller than on October 1, and 13 per cent less than on November 1 last year.

**Groceries**—October sales of the reporting firms were 7 per cent smaller than in September, and 15 per cent less than in October last year. Stocks on November 1 were larger by 10 per cent than a month earlier, but 11.5 per cent smaller than on November 1, 1931. In both sales comparisons, relatively heaviest decreases were in the country. Demand for canned goods is very light, and purchasing generally centers in staples and the cheaper grades of merchandise. The trend of prices continued downward.

**Hardware**—Continuing the improvement noted during the preceding sixty days, October sales of the reporting firms were 2 per cent greater than in September. The total, however, was 18 per cent smaller than in October, 1931. Belated ordering of seasonal merchandise was reported quite general, particularly in the south. Some interest in holiday goods has appeared, but less than during preceding years. The trend of prices continued downward, but at a slower rate than earlier in the year, and on a number of important items stability has been attained. Stocks on November 1 were 3.4 per cent and 8.6 per cent smaller, respectively than a month and a year earlier.

**Iron and Steel**—Improvement in the iron and steel industry in this district noted during September and the first half of October has not been continued during the past thirty days. The volume of new business placed since the third week in October has declined somewhat as contrasted with the daily average during the preceding month or six weeks. There has been no broadening in purchasing by the railroads, and the outlet through the building industry, except for a limited number of commodities, has failed to expand. Specifying on goods previously ordered by automobile manufacturers, while in slightly heavier volume, is still much below what had been looked for at this time. New orders from that source continue at a minimum. The momentum supplied through purchasing by smaller consuming groups, which was the basis of betterment during the early fall, has to a considerable extent spent itself. Mills, foundries and machine shops report a contraction in unfinished business, with the total volume on their books on November 1 measurably smaller than a year ago. Distributors of iron and steel goods from store reported a decrease in incoming business dur-

ing the last half of October, but the total volume for that month was about equal to September, and approximately 12 per cent less than in October, 1931. Jobbing foundries continue to pick up a fair volume of miscellaneous work, several of the leading concerns reporting October bookings in excess of the preceding month. Pig iron prices were unchanged, but the trend of scrap values was lower. For the country as a whole, production of pig iron in October was 644,648 tons, an increase of 51,008 tons over the September output, and comparing with 1,172,781 tons in October, 1931. Steel ingot production in the United States in October totaled 1,068,550 tons, against 975,061 tons in September, and 1,590,180 tons in October, 1931.

### AUTOMOBILES

Combined passenger car, taxicab and truck production in the United States in October was 48,934, the smallest in recent years, and comparing with 84,141 in September and 80,142 in October, 1931.

As has been invariably the case during the past eight years, distribution of automobiles by the group of dealers reporting to this bank decreased from September to October. The extent of the decrease this year was somewhat larger than the average, and for the thirty-second consecutive month the volume was smaller than during the corresponding period a year earlier. As has been the case throughout the season, decreases in both the yearly and month-to-month comparisons were more apparent among dealers in the country and small towns than with distributors in the larger centers of population. The more favorable showing made by distributors of the more expensive and medium priced cars in September continued in October. Of the total sales made in October, approximately 65 per cent were in the low priced field, which compares with 70 per cent in September, 82 per cent in August, 81 per cent in July and 82 per cent in October, 1931. The policy of extremely close and conservative buying by dealers has become even more pronounced than heretofore, resulting in a further reduction in stocks. The inventory position of distributors is generally strong, so that they are in good condition to handle expected new models.

October sales of new passenger cars by the reporting dealers were about one-fourth smaller than in September and 32 per cent less than in October, 1931. Stocks of new cars on November 1 were 8.5 per cent smaller than on October 1, and 46 per cent less than on November 1 last year. Good used cars continue scarce, and demand is fairly active, as is reflected in a decrease of only 7 per cent in October sales under the preceding month, which contrasts

with a decrease of 12 per cent from August to September. Stocks of salable secondhand cars on November 1 were smaller by 5 per cent and 20 per cent, respectively, than a month and a year earlier. Sales of trucks in October showed an increase of 20 per cent over September, but a decrease of 16 per cent under the October total last year. According to dealers reporting on that detail, the ratio of deferred payment sales to total sales in October was 51 per cent, which compares with 48 per cent in September, and 51 per cent in October, 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	
	Oct. 1932 comp. to Oct. 1931	10 months ended Oct. 31, 1932 to same period 1931	Oct. 31, 1932 comp. to Oct. 31, 1931	Jan. 1, to Oct. 31, 1932	Oct. 31, 1931	1931
Evansville .....	-37.3%	-32.5%	-32.1%	1.39	1.55	
Little Rock.....	-16.9	-23.5	-7.7	1.76	2.11	
Louisville .....	-19.4	-19.8	-18.7	2.03	2.23	
Memphis .....	-9.0	-21.0	-10.6	2.38	2.52	
Quincy .....	-22.2	-23.4	-14.3	1.82	2.08	
St. Louis.....	-25.9	-23.1	-22.1	2.85	3.07	
Springfield .....	-36.8	-33.3	-16.7	1.04	1.40	
8th District.....	-22.6	-22.7	-18.9	2.52	2.74	

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Oct. 1932 comp. to Oct. 1931	10 months ended Oct. 31, 1932 to same period 1931	Oct. 31, 1932 comp. to Oct. 31, 1931	Jan. 1, to Oct. 31, 1932	Oct. 31, 1931	1931
Men's Furnishings	-18.9%	-28.2%	-25.7%	2.32	2.69	
Boots and Shoes.....	-25.5	-25.6	-20.0	2.17	2.38	

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in October were 95 per cent larger than in September, and smaller by approximately 26 per cent than in October a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in October amounted to \$7,303,430 which compares with \$10,063,670 in September and \$7,538,340 in October, 1931. Production of portland cement for the country as a whole in October totaled 7,939,000 barrels, against 8,210,000 barrels in September and 10,762,000 barrels in October, 1931. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	129	185	\$ 33	\$ 56	49	66	\$ 7	\$ 21
Little Rock	8	13	10	2	78	63	17	11
Louisville ..	42	58	742	317	34	45	34	26
Memphis ...	82	163	63	591	123	133	51	104
St. Louis....	195	308	215	463	206	267	138	117
Oct. totals..	456	727	\$1,063	\$1,429	490	574	\$ 247	\$279
Sept. " ..	528	817	545	1,692	472	642	200	249
Aug. " ..	437	678	413	1,266	425	616	208	400

\*In thousands (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 October as being about 1.5 per cent smaller than in September and 14.7 per cent less than in October, 1931. Detailed figures follow:

	No. of Custom- ers	Oct. 1932 *K.W.H.	Sept. 1932 *K.W.H.	Oct. 1932 comp. to Sept. 1932	Oct. 1931 *K.W.H.	Oct. 1932 comp. to Oct. 1931
Evansville ....	40	1,759	1,672	+ 5.2%	2,040	-13.8%
Little Rock...	35	1,263	1,061	+19.0	1,548	-18.4
Louisville ....	85	5,806	5,911	- 1.2	6,279	- 7.5
Memphis .....	31	1,374	1,389	- 1.1	2,237	-38.6
St. Louis.....	188	16,280	16,841	- 3.3	18,945	-14.1
Totals .....	379	26,482	26,874	- 1.5	31,049	-14.7

\*In thousands (000 omitted).

## AGRICULTURE

Weather during October and the first part of November in the Eighth District was mild and generally favorable for all descriptions of agricultural operations, including harvesting, housing and moving late crops. Reflecting these conditions, indicated yields of earlier in the season were sustained, and in the case of several important productions, prospects were increased between October 1 and November 1. Killing frosts and freezes occurred later in the season than is ordinarily the case, with the result that little, if any damage was done to corn and cotton, and in many sections farmers were able to carry their livestock on pasture further into the year than usual, and to use relatively little prepared feed. Throughout the lower tiers of the district gathering of corn was completed, and even in the most northern counties a large percentage of the crop has been harvested and housed. Fall plowing has made good progress, and for the most part farms are entering the dormant season in good condition. Stock water, which in numerous localities had been short during the late summer and early fall, was abundantly supplied by liberal precipitation in October and early this month. The rains were also beneficial to pastures and late corn and apples.

An offset to the generally favorable physical conditions existing in the rural areas has been the further decline in prices of many important products. Wheat and corn declined to new lows for the season, and since records of prices of these commodities have been compiled. There was a further drop in hog and cattle values to new low levels on the downward movement, and cotton lost the major part of its summer advance. Other products were also affected by the recessionary movement. As a result of these declines, incomes of farmers have been further reduced, and purchasing power in the rural sections is the lowest in a number of years.

**Corn**—Based on the November 1 condition, Eighth District production of corn is estimated by the U. S. Department of Agriculture at 380,395,000 bushels, an increase of 2,110,000 bushels over the October 1 forecast, and comparing with 383,052,000

bushels harvested in 1931, and a 9-year average (1923-1931) of 342,534,000 bushels. In the chief producing counties crops matured early and under mainly favorable conditions and husking returns are disclosing yields of greater size and higher quality than had been expected. The average yield per acre is high, in Illinois averaging the largest for any year since records were started in 1866. November 1 carryover of old corn is unusually large, which combined with the new crop production makes the supply one of the greatest in recent years. Harvesting is well along, and completed in most localities.

**Winter Wheat**—Owing to dry conditions over most of the states from September to the middle of October, seeding of wheat has been extended over a longer period than is ordinarily the case. Germination was slow and top growth scanty until rains during the last half of October. Since that time general improvement has been the rule, and for the most part the plant is entering the cold weather in good shape. Quite generally farmers report that the dry weather prevented seeding acreage up to full intentions. Chinch bugs have also been a deterrent. The Eighth District wheat crop is estimated by the U. S. Department of Agriculture at 34,292,000 bushels, against 66,260,000 bushels harvested in 1931, and a 9-year average of 51,510,000 bushels.

**Fruits and Vegetables**—Tree fruits, particularly apples, peaches and pears, were all short crops this year in the Eighth District. Harvesting has been completed, and reports based on the November 1 condition show no notable changes in general results as compared with the October 1 forecast. October rains slightly improved apple prospects, the indicated crop on November 1 being about 3.5 per cent above the October 1 estimate. Total production in states including the Eighth District is placed at 6,942,000 bushels, of which 1,026,000 barrels represent commercial crop, against 28,642,000 bushels, with 3,527,000 barrels commercial crop in 1931, and a 5-year average (1924-1928) of 23,967,000 bushels, of which 2,511,000 barrels were commercial crop. In these states the peach crop was the smallest in late years, only 1,248,000 bushels, against 14,470,000 bushels in 1931, and a 5-year average of 8,175,000 bushels. At 33,979 tons, the estimated yield of grapes is 0.8 per cent larger than last year and 18 per cent above the 5-year average. The sweet potato crop improved from October to November, and at 20,654,000 bushels the indicated yield exceeds that of 1931 by 15 per cent and the 5-year average by 39 per cent. Peanuts are also a bumper crop, the yield being estimated at 35,028,000 pounds, against

29,940,000 pounds in 1931, and a 5-year average of 30,220,000 pounds. In the district proper the white potato crop is forecast at 13,413,000 bushels, which compares with 12,472,000 bushels produced in 1931, and a 9-year average of 14,596,000 bushels. Mild weather made farm gardens serviceable considerably later in the year than usual, and a number of lesser commercial vegetable crops showed larger indicated yields on November 1 than a month earlier.

**Live Stock** — From virtually all sections of the district reports reflect favorable conditions among livestock. Water shortages in certain areas have been corrected by recent rains. Mild weather and ample supplies of cheap feed and fodder have contributed to putting herds in exceptionally good condition for market and carrying through the winter. Quite generally farmers are confining their feeding operations to home produced feeds. Milk production continued at a low average, due to scant pastures in many localities and to less intensive feeding. Egg production was also below that at the same period last year. Somewhat greater than the usual seasonal advance took place in the price of eggs, but poultry of all descriptions is lower than at any like season in recent years.

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

	Receipts			Shipments		
	Oct. 1932	Sept. 1932	Oct. 1931	Oct. 1932	Sept. 1932	Oct. 1931
Cattle and Calves.....	105,563	112,586	122,408	62,258	73,089	87,449
Hogs .....	207,362	210,265	238,246	175,532	162,304	189,186
Horses and Mules.....	4,246	2,797	2,741	3,126	2,510	2,867
Sheep .....	55,173	66,071	64,087	21,119	26,998	19,708

**Cotton** — Very favorable weather for maturing and harvesting the crop was reflected in a moderate increase in prospects for the Eighth District cotton crop. Rains have caused some lowering of grades to cotton late in the fields, but loss in yield from this cause has been relatively light. Almost universally the crop matured early, and ginning thus far reflect much less loss from boll weevils and other causes than had been looked for earlier in the season. In its report based on November 1 conditions the U. S. Department of Agriculture estimates the output in this district at 2,328,000 bales, an increase of 145,000 bales over the October 1 indications and comparing with 3,740,000 bales harvested in 1931, and a 9-year average of 2,726,000 bales. Since the first of November the trend of prices has been moderately upward from the low point reached in October. In St. Louis market the middling grade ranged from 5.50c to 6.15c per pound between October 15 and November 15, closing at 5.85c on the latter date, which compared to 5.70c per pound on October 15 and 6.0c on November 16, 1931. The movement of the crop continued heavy, and considerably earlier than a year ago. Receipts at Arkan-

sas compresses from August 1 to November 11 totaled 787,008 bales as against 830,857 bales during the comparable period in 1931. Stocks on hand as of November 11 totaled 758,031 bales, against 573,735 bales on October 14 and 514,817 bales on the corresponding date a year ago.

**Tobacco** — Very little change took place in prospects for the tobacco crop in this district during October. The U. S. Department of Agriculture's November 1 report forecasts a crop of 275,855,000 pounds, which compares with 395,016,000 pounds harvested in 1931, and a 9-year average of 285,534,000 pounds. Since cutting and housing of all types of leaf, weather conditions have been mainly favorable for curing. As of November 15 the burley crop had been cured and seasoned and stripping had begun in a limited way. Reports generally indicate that this type of tobacco is superior to that of last year, with smoking quality high. Burley markets are expected to open about December 5.

Stripping in the air-cured and Green River districts continues, and reports reflect a higher quality and more suitability to general purposes than a year ago. The fired dark crop is reported to have been thoroughly fired and farmers have endeavored to cure it better than in preceding years. Markets in the eastern fired district are expected to open on December 7 and five days later in the western district.

## COMMODITY PRICES

Range of prices in the St. Louis market between October 15, 1932 and November 15, 1932 with closing quotations on the latter date and on November 16, 1931 follow:

	High	Low	Close	
			Nov. 15, 1932	Nov. 16, 1931
Wheat				
Dec. ....per bu..	\$.49	\$.42	\$.45½	\$.57½
May .....	.54	.46¾	.50¾	.61
July .....	.54½	.48	.51	.....
No. 2 red winter	.50¾	.47	\$.50¾ @	\$.60 @ .61½
No. 2 hard " "	.49	.45¾	.49 @	.49¾ @ .59½
Corn				
Dec. ....	.26½	.23¾	.26	.43¾
May .....	.31¾	.31½	.31¾	.47½
No. 2 mixed .....	.25½	.23¾	.25	.43 @ .43½
No. 2 white .....	.28½	.25	.27 @ .28½	.43¾ @ .43¾
Oats				
No. 2 white .....	.18	.16	.17¾ @	.18 .28 @ .28¾
Flour				
Soft patent.....per bbl.	3.50	2.60	2.65 @ 2.95	3.80 @ 3.85
Spring patent.....	4.50	3.75	4.25 @ 4.50	4.25 @ 4.50
Middling cotton.....per lb	.0615	.0550	.0585	.0600
Hogs on hoof.....per cwt.	3.90	2.15	2.25 @ 3.35	4.00 @ 4.15

## FINANCIAL

Demand for bank credit from all sources in the Eighth District during the past thirty days continued in moderate volume. Requirements of mercantile and manufacturing interests in the chief centers were less in evidence than usual at this time of year, and liquidation at the commercial banks was considerably in excess of the total of new borrowings and renewals. Taken as a whole, the condition of banks, both in the cities and country, continued the steady improvement which began in early fall. Throughout the south and in the grain areas

liquidation of loans based on present crops was in fair volume, and in a number of instances, older indebtedness was reduced. Deposits increased moderately and there was further evidence of lessened hoarding and a return to circulation of money so accumulated. The policy of farmers to hold their products for more remunerative prices, which has existed through the present season, was reflected in backward collections and requests for extensions in certain localities. Harvesting and housing of the tobacco crop has been about completed, and markets for that product will open early in December, subsequent to which time a considerable volume of funds should be released for meeting bank and other obligations.

Contraction in recourse upon their resources was reflected in the movement of total loans and discounts of reporting member banks in the principal cities. This item, between October 12 and November 9, decreased 3.5 per cent to a new low point for the year, and 28 per cent below November 10, 1931. There was a small increase in investments, accounted for mainly by heavier holdings of Government securities. Between these dates net demand deposits recorded an increase of 2.2 per cent and time deposits a gain of 0.2 per cent; total deposits increased 1 per cent, but were still approximately 11 per cent below the corresponding period a year ago. During the four-week period there were further additions to reserve funds of these banks, due partly to additional issues of bank notes and return flow of currency.

Borrowings of all member banks from the Federal reserve bank showed little change from the preceding thirty days, and throughout the period continued substantially smaller than a year ago. The total volume of reserve credit outstanding decreased slightly between October 15 and November 15, the reduction being due entirely to smaller discounting for member banks, holdings of Government securities and bills purchased remaining unchanged. Member bank deposits increased \$2,493,000, and the note circulation continued the gains of recent weeks, recording a new high point for the year at the middle of November.

Interest rates were quotably unchanged, recent low levels for all classes of loans remaining in effect. At St. Louis banks the prevailing rates during the week ended November 15 were as follows: Customers' commercial paper, 4 to 6 per cent; collateral loans, 4 to 6 per cent; interbank loans 4 to 6 per cent; loans secured by warehouse receipts, 4 to 5½ per cent and cattle loans, 5½ to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on November 9, 1932

showed a decrease of 3.5 per cent as contrasted with October 12, 1932. Deposits increased 1.0 per cent between October 12, 1932 and November 9, 1932 and on the latter date were 11.0 per cent smaller than on November 10, 1931. Composite statement follows:

	*Nov. 9, 1932	*Oct. 12, 1932	*Nov. 10, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$106,668	\$111,335	\$155,041
All other loans and discounts....	179,264	184,971	241,496
Total loans and discounts.....	\$285,932	\$296,306	\$396,537
Investments			
U. S. Government securities.....	112,331	107,719	84,705
Other securities.....	114,807	118,917	131,102
Total investments.....	\$227,138	\$226,636	\$215,807
Reserve balance with F. R. Bank	41,035	33,128	42,690
Cash in vault.....	7,206	6,363	7,870
Deposits			
Net demand deposits.....	283,985	277,951	330,628
Time deposits.....	203,662	203,301	223,119
Government deposits.....	7,361	8,734	2,484
Total deposits.....	\$495,008	\$489,986	\$556,231
Bills payable and rediscounts with Federal Reserve Bank.....	1,490	1,475	10,112
*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.

	*Oct. 1932	*Sept. 1932	*Oct. 1931	Oct. 1932 comp. to Sept. 1932	Oct. 1931
East St. Louis & Natl.					
Stock Yards, Ill..\$	18,570	\$ 20,897	\$ 28,942	-11.1%	-35.8%
El Dorado, Ark.....	3,704	3,688	4,335	+ 0.4	-14.6
Evansville, Ind.....	13,119	12,914	25,410	+ 1.6	-48.4
Fort Smith, Ark.....	7,713	7,374	10,435	+ 4.6	-26.1
Greenville, Miss....	2,925	3,120	3,206	- 6.2	- 8.8
Helena, Ark.....	1,839	1,639	2,785	+12.2	-34.0
Little Rock, Ark....	18,643	17,996	27,988	+ 3.6	-33.4
Louisville, Ky.....	103,470	95,205	126,715	+ 8.7	-18.3
Memphis, Tenn.....	102,861	92,684	117,434	+11.0	-12.4
Owensboro, Ky.....	2,473	2,283	4,630	+ 8.3	-46.6
Pine Bluff, Ark.....	5,428	5,589	8,418	- 2.9	-35.5
Quincy, Ill.....	5,506	5,369	8,348	+ 2.6	-34.0
St. Louis, Mo.....	394,700	380,467	557,697	+ 3.7	-29.2
Sedalia, Mo.....	1,493	1,420	3,234	+ 5.1	-53.8
Springfield, Mo....	9,511	9,699	13,341	- 1.9	-28.7
**Texarkana,					
Ark.-Tex.....	5,362	5,179	8,203	+ 3.5	-34.6
Totals .....	\$697,317	\$665,523	\$951,121	+ 4.8%	-26.7%
*In thousands (000 omitted).					

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

**Federal Reserve Operations** — During October, the Federal Reserve Bank of St. Louis discounted for 208 member banks against 217 in September, and 260 in October, 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:

	*Nov. 17, 1932	*Oct. 17, 1932	*Nov. 17, 1931
Bills discounted .....	\$ 8,798	\$ 8,792	\$24,780
Bills bought .....			24,371
U. S. Securities.....	66,156	66,156	31,084
Federal Inter. Cr. Bk. Debentures.....			630
Participation in Inv. Foreign Banks.....	1,008	1,009	1,103
Total bills and securities.....	\$75,962	\$75,957	\$81,968
Total Reserves.....	96,696	88,037	86,914
F. R. Notes in circulation.....	101,685	101,417	86,127
Total deposits.....	62,903	54,979	74,027
Ratio of reserve to deposits and F. R. Note Liabilities.....	58.7%	56.3%	54.3%
*In thousands (000 omitted).			

(Compiled Nov. 23, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of December 31, 1932

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Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

**T**RADER and industry in the Eighth District during the past thirty days developed further recessionary trends, and during late November and the first weeks of December activities in a number of important classifications reached the lowest point of the year. In all wholesaling and jobbing lines investigated by this bank, the volume of November sales fell below that of the preceding month, and with the exception of furniture, which registered a moderate gain, the volume was measurably below that reported in November last year. As compared with a year ago decreases were most marked in the heavier industries, including iron and steel, glass, lumber, and the entire category of building materials. The movement of seasonal merchandise was considerably below the usual volume at this time of year. Purchasing of raw materials was on a very limited scale, being affected by slackness in demand for finished goods, and a general desire on the part of manufacturers to hold down stocks against the inventorying period. The continued decline in commodity prices was a further influence tending to restrict commitments, particularly for goods to be used in future operations. In all quarters ordering was confined to materials to fill immediate and well defined requirements.

In the south both wholesale and retail trade was adversely affected by the decline in prices of cotton and rice, while low market levels of cereals, live stock and other farm products served to greatly reduce purchasing power elsewhere in the agricultural sections. Christmas shopping got under way later than usual, and reports covering the first half of December indicate a considerably narrower outlet through this channel than during the past several years. As has been the case throughout the year, demand for merchandise centers chiefly in necessities and the cheaper classes of goods. Distribution of automobiles in November decreased sharply as compared with the preceding month and a year ago, and the total sales of dealers reporting to this bank were the smallest for any single month in more than

ten years. More than the usual seasonal contraction in operations at iron foundries and steel mills took place in late November and early this month. Numerous stove plants closed down and there was further curtailment at plants of farm implement manufacturers and other specialty makers.

As compared with the preceding thirty days the only changes in the agricultural situation were of a seasonal character. The U. S. Department of Agriculture's report as of December 1 in the main confirms forecasts of yields of the chief crops made earlier in the season. For the most part reports relative to fall planted cereals reflect favorable conditions. Heavy snows over the principal winter wheat areas afforded ample covering and protection for that crop. No improvement took place in the employment situation as a whole. Incident to the holiday trade, retail establishments augmented their forces, and there were gains in employment in the tobacco district where the new crop is being marketed. The increased number of workers in these occupations, however, was more than offset by decreased employment among other groups of wage-earners.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in November was 1.8 per cent smaller than in October, and 20.8 per cent less than in November, 1931; for the first eleven months this year cumulative sales were 22.5 per cent smaller than for the comparable period in 1931. Combined sales of all wholesaling and jobbing interests reporting to this bank in November showed a decrease of 15 per cent under October and of 18 per cent under the November, 1931, total; for the eleven months this year cumulative sales of these firms were approximately one-fourth less 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 November was 80 per cent smaller than in October and 58 per cent less than in November, 1931; for the first eleven months the total was 76 per cent smaller than for the comparable period last year. Construc-

tion contracts let in the Eighth District in November were 26.4 per cent larger than a month earlier, and 53.9 per cent more than in November, 1931; for the first eleven months this year the cumulative total was 49.4 per cent smaller than a year ago. Debits to checking accounts in November showed a decrease of 11 per cent and 22 per cent, respectively, as compared with a month and a year earlier, and for the eleven months this year the total was one-fourth less than for the comparable period in 1931.

Officials of railroads operating in this district report a decrease in freight traffic during November and early December of somewhat larger than the usual seasonal proportions. The low stage of demand for industrial fuel is reflected in an unusually small movement of coal and coke. Heavy decreases as contrasted with the same time in recent years was noted in loadings of grain and grain products. For the country as a whole loadings of revenue freight for the first 48 weeks this year, or to December 3, totaled 26,255,457 cars, against 35,012,832 cars for the corresponding period in 1931 and 43,107,709 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 109,611 loads in November, which compares with 133,066 loads in October, and 132,895 loads in November, 1931. During the first nine days of December the interchange amounted to 42,620 loads, against 35,189 loads during the same period in November, and 40,976 loads during the first nine days of December, 1931. Passenger traffic of the reporting lines in November decreased 37 per cent as compared with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 112,300 tons, as against 109,442 tons actually handled in October and 86,348 tons in November, 1931.

The same general trends which have been noted since early fall were reflected in reports relative to collections during the past thirty days. Considerable spottiness exists, both in the large cities and rural sections. Universally collections on new accounts are reported fair to good, but backwardness is still noted on debts of long standing. November 1 settlements with wholesalers in the large distributing centers were well up to expectations, in a number of instances being ahead of the same period last year. In the tobacco districts, where markets for the 1932 crop have opened, there has been considerable liquidation, and slight improvement in collections in the rice areas is noted. As contrasted with last spring and summer, there has been substantial improvement in payments in the bituminous coal sections. Due to a closer credit policy of merchants generally, the ratio of cash sales to credit

sales has increased markedly in recent months. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
November, 1932.....	1.9%	16.7%	57.3%	24.1%
October, 1932.....	1.6	17.9	61.4	19.1
November, 1931.....	0	18.5	67.5	14.0

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's, numbered 74 involving liabilities of \$2,732,421 against 82 insolvencies in October with liabilities of \$1,648,236 and 117 defaults for a total of \$3,357,116 in November, 1931.

The average daily circulation of the United States in November was \$5,642,000,000 against \$5,643,000,000 in October, and \$5,518,000,000 in November, 1931.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — November sales of the reporting firms were approximately 18 per cent smaller than in October, and 22 per cent less than in November, 1931. Stocks increased slightly more than 4 per cent between November 1 and December 1 and on the latter date were 37 per cent smaller than a year ago. In both sales comparisons decreases were general through all lines of footwear, but most marked in seasonal merchandise. The mild fall tended to hold down the movement of the heavier lines through retail channels. Since December 1 there has been considerable improvement in the call for winter footwear, reflected in numerous small orders from retailers throughout the trade territory. Prices were unchanged as compared with the preceding thirty days.

**Clothing** — Contrary to the usual seasonal trend, sales of the reporting clothiers in November showed a substantial gain over the preceding month, but the total was approximately 11 per cent smaller than in November, 1931. The increase in the month-to-month comparison was due largely to postponed buying earlier in the fall. More seasonable weather during the past several weeks has stimulated the movement of winter apparel through retail channels, and has resulted in a fair volume of reordering of heavyweight goods. Purchasing for spring and early summer distribution is reported in considerably smaller volume than at this period in recent years.

**Drugs and Chemicals** — Throughout November the demand for seasonal goods was measurably below the usual volume, and the same was true of ordering of holiday goods. Demand centered chiefly in staples and necessitous medicinal preparations and pharmaceuticals, sales of cosmetics and other luxury goods continuing at the relatively low levels of earl-

ier in the year. The outlet for heavy drugs and chemicals through the general manufacturing trade showed further contraction during November and early December. November sales of the reporting firms were 7 per cent smaller than in October, and 15 per cent less than in November last year. Stocks on December 1 were 2 per cent and 15 per cent smaller, respectively than a month and a year earlier.

**Dry Goods** — Following increases during the two preceding months, November sales of the reporting firms decreased 17 per cent under October, and 19 per cent under the November, 1931 total. In November, 1931, sales were approximately 2 per cent greater than for the preceding month, and 5 per cent less than in November, 1930. Purchasing of goods based on cotton was held in check by the decline in price of that staple. Advance ordering of all descriptions of goods is in considerably less than the ordinary seasonal volume. The movement of holiday goods in October and the first half of November, was unusually light, but since that time belated orders have considerably accelerated clearance of merchandise in this category. Inventories continue to decline, stocks on December 1 being 6 per cent and 13 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies** — There was a slight decline in sales of the reporting firms in November as compared with the preceding month, but as compared with a year ago, the November total showed a decrease of more than 44 per cent. Inventories continue to decline, stocks on December 1 being 3 per cent smaller than a month earlier, and 39 per cent smaller than a year ago. Ordering of holiday goods, particularly radio materials, was reported in smaller volume than in a number of years. Demand from the automotive and building industries has failed to expand and at the end of November reached the lowest point of the season.

**Flour** — Production at the twelve leading mills of the district in November totaled 247,208 barrels, against 237,466 barrels in October, and 272,264 barrels in November, 1931. There was no change in the dull conditions which have obtained since early last summer. Purchasing by the large baking interests continues on a hand-to-mouth basis, and in all quarters efforts are being made to hold down inventories to the lowest possible levels. Prices declined further, and in the first week of December reached the lowest point on the present downward movement. The decline reflected the lower prices of cash wheat. According to certain mills, the holiday trade

had a moderately stimulating effect on choice flours, but demand still centers mainly in the cheaper grades. Export demand continues at a minimum. Production was at from 45 to 50 per cent of capacity.

**Furniture** — For the second consecutive month, sales of reporting firms in this classification in November showed a gain over the corresponding period a year earlier. The increase was ascribed to heavier sales of holiday goods and seasonal merchandise and a general disposition on the part of retailers to replenish depleted stocks. Moderate improvement in demand for radio cabinets was noted and in the country and small towns, ordering of household furniture and furnishings was on a somewhat larger scale than earlier in the year. November sales of the reporting interests were 7.6 per cent larger than a year ago, and 31.9 per cent smaller than the October total this year. A further decrease in inventories was reported, stocks on December 1 being 4 per cent smaller than on November 1, and 19 per cent smaller than on December 1, 1931.

**Groceries** — According to the reporting firms November sales fell 5 per cent below the preceding month, and 11 per cent below the November total last year. Purchasing is confined almost exclusively to absolute requirements, and as has been the case throughout the year, demand centers mainly in staples and the cheaper grades of merchandise. Sales of holiday goods, particularly in the rural areas were disappointing, and in considerably smaller volume than a year ago. The trend of prices was lower, with specific reductions recorded on flour, coffee, packing-house products and a number of less important commodities.

**Hardware** — Following the unvaried precedent of the past decade, sales of the reporting firms decreased in November under the preceding month. The total dollar value of November transactions was 17 per cent smaller than in October, and 12 per cent less than in November, 1931. There was a further decline in inventories, stocks on December 1 being 5 per cent and 15 per cent smaller, respectively, than a month and a year earlier. Sales of holiday and sporting goods and seasonal merchandise generally in November were below the average for that month in recent years. Since December 1, however, the sharp drop in temperatures has stimulated demand for cold weather goods, and retailers have placed a considerable volume of rush orders for such commodities.

**Iron and Steel Products** — Affected the usual seasonal influences and general lack of demand, activities in the iron and steel industry in this district

sustained a further decline during the past thirty days. While shipments of finished products were light, unfilled orders of a majority of interests reporting to this bank were measurably smaller at the end of November than a month earlier. Since December 1 the rate of operations has receded still further, reaching the lowest point of the year and of the present depression. All classes of steel users were disposed to await developments before making commitments, and new buying was confined chiefly to small tonnages to supply immediate and urgent requirements. Increased business from the automotive industry, which had been looked for at this time, failed to materialize in the volume expected. With the exception of companies working on new models, specifications were disappointing and new orders almost entirely absent. Purchasing by the railroads and oil industry remained at the low levels which have characterized recent months. Producers of steel sheets, plates, strip and other rolled commodities reported a progressively decreasing demand through November and the first half of December. These interests announced their prices for the first quarter of 1932, which are substantially the same as current quotations, but report poor response, either in the form of inquiry or actual orders. Certain specialty makers, including manufacturers of farm implements and industrial machinery, which had planned to commence small scale production in early December, have further postponed putting their programs into effect. Following increased activity in October and the first half of November, stove foundries and manufacturers of heating apparatus have reduced their operations to about the rate of mid-September. Reflecting further contraction in the outlet through the building industry, fabricators of iron and steel structural material have reduced their working forces, a number of plants having closed down. The movement of iron and steel commodities from warehouses showed more than the seasonal decline. No betterment appeared in demand from the general manufacturing trade, and call for fencing, roofing and other materials used largely in the rural areas was the smallest experienced in recent years, November shipments of pig iron to melters in the district represented the smallest month's total since last January, and since December 1 a further contraction in the movement is noted. Ordering of pig iron for first quarter of 1933 requirements has failed to develop in volume. Demand for scrap iron and steel is extremely quiet, with prices lower on all the principal grades. According to figures compiled by "Steel", production of pig iron for the country as a whole in November, totaled 625,663 tons, which compares with 644,648 tons in October, and 1,101,820 tons in November,

1931. Steel ingot production in the United States in November totaled 1,014,794 tons, against 1,068,550 tons in October, and 1,591,644 tons in November, 1931.

## AUTOMOBILES

Distribution of automobiles in the Eighth District, according to dealers reporting to this bank, showed a sharp decrease in November, both as compared with the preceding month and a year ago. The decrease in the month-to-month comparison was seasonal in character, such a decrease having occurred each year since compiling of these records was commenced, except in 1928, when November sales were 17 per cent larger than the October total. The extent of the decrease this year was greater than the average, and incidentally the total was the smallest for any single month in more than ten years.

November sales of new passenger cars by the reporting dealers were 29 per cent smaller than in October, and 44 per cent below the November, 1931, total. Reflecting extremely close and conservative buying by distributors, inventories decreased further, stocks on December 1 being 6 per cent smaller than on November 1, and about one-third smaller than on December 1, 1931. Demand for used cars was relatively more active than for new equipment, November sales being only 9 per cent under the preceding month and 14 per cent smaller than in November last year. Stocks of salable secondhand cars continue small, the total on December 1 being about 3 per cent and 22 per cent smaller, respectively, than thirty days and a year earlier. According to dealers reporting on that detail, deferred payment sales in November constituted 49 per cent of their total sales, which compares with 51 per cent in October, and 53 per cent in November, 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	
	Nov. 1932 comp. to Nov. 1931	11 months ended Nov. 30, 1932 to same period 1931	Nov. 30, 1932 comp. to Nov. 30, 1931	1932	Jan. 1, to Nov. 30, 1931
Evansville .....	-35.2%	-32.8%	-34.7%	1.53	1.70
Little Rock.....	-19.7	-23.1	- 8.4	1.98	2.37
Louisville .....	-22.8	-20.0	-17.4	2.25	2.46
Memphis .....	-22.4	-21.1	-10.0	2.62	2.80
Quincy .....	-25.3	-23.6	-10.6	1.99	2.28
St. Louis.....	-19.9	-22.8	-19.6	3.16	3.38
Springfield .....	-32.9	-33.3	-19.2	1.16	1.54
8th District.....	-20.8	-22.5	-17.2	2.79	3.03

### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Nov. 1932 comp. to Nov. 1931	11 months ended Nov. 30, 1932 to same period 1931	Nov. 30, 1932 comp. to Nov. 30, 1931	1932	Jan. 1, to Nov. 30, 1931
Men's Furnishings	-12.6%	-27.0%	-25.2%	2.56	2.90
Boots and Shoes.....	-26.0	-25.6	-19.5	2.35	2.58

## BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in November were 80 per cent smaller than in October, and smaller by approximately 58 per cent than in November a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in November amounted to \$9,228,107 which compares with \$7,303,430 in October and \$5,996,183 in November, 1931. Production of portland cement for the country as a whole in November totaled 6,462,000 barrels, against 7,939,000 barrels in October and 8,161,000 barrels in November, 1931. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville	76	134	\$ 21	\$ 33	19	46	\$ 3	\$ 72
Little Rock	9	17	4	23	48	41	12	8
Louisville	41	33	52	52	12	33	29	49
Memphis	65	176	45	91	80	54	31	74
St. Louis	90	204	91	310	114	211	58	145
Nov. totals	281	564	\$ 213	\$ 509	273	385	\$ 133	\$ 348
Oct. "	456	727	1,063	1,429	490	574	247	279
Sept. "	528	817	545	1,692	472	642	200	249

\*In thousands of dollars (000 omitted).

## CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in November as being about 7.3 per cent smaller than in October and 4.5 per cent less than in November, 1931. Detailed figures follow:

	No. of Customers	Nov. 1932	Oct. 1932	Nov. 1932	Nov. 1931	Nov. 1932
		*K.W.H.	*K.W.H.	comp. to Oct. 1932	*K.W.H.	comp. to Nov. 1931
Evansville	40	1,341	1,759	-23.8%	1,498	-10.5%
Little Rock	35	1,167	1,272**	-8.3	1,261**	-7.5
Louisville	85	5,296	5,806	-8.8	5,306	-0.2
Memphis	31	1,334	1,374	-2.9	1,472	-9.4
St. Louis	191	15,511	16,390**	-5.4	16,266**	-4.6
Totals	382	24,649	26,601	-7.3	25,803	-4.5

\*In thousands (000 omitted).

\*\*Revised figures.

## AGRICULTURE

Taken as a whole, conditions through the Eighth Federal Reserve District during the past thirty days were favorable for agriculture. Clear weather with reasonable temperatures during most of November were auspicious for completing the harvest of late crops and the housing and moving of these products. Ordinary winter farm routine in practically all sections of the district is up to schedule and the condition of livestock has maintained the high average which has existed during the year. Late fall and winter plowing was facilitated by needed moisture, and in both the northern and southern states is generally further advanced than the average at this season. Fall planted cereal crops for the most part made good headway, and winter wheat in the principal areas is entering the cold weather in a strong position. Cold weather in

early September was accompanied by heavy snow which afforded ample protection for this crop. The end of the season for harvesting cotton was favorable, and this crop was secured with a minimum of injury to quality and quantity. Tobacco markets opened in late November and early this month with fairly liberal offerings, and early reports indicate high average quality. Prices were irregular, but with averages showing a slight advance as contrasted with initial sales a year ago.

In most instances, the December 1 report of the U. S. Department of Agriculture confirmed earlier forecasts for crop yields in this district. The decline in prices, which has been in effect for many months, continued during November; new low levels for the season, and in recent years being recorded in a number of the most important products. Due to the recession in values and lack of demand, there is a general disposition on the part of farmers to hold their stocks for more favorable marketing conditions. No change worthy of note took place in the status of farm labor as compared with the preceding month. In all sections supplies considerably exceed demand, and wage scales are the lowest since the beginning of the present century. While farm incomes are small, supplies of foods and feeds are generally abundant.

**Winter Wheat** — Reports generally relative to the growing crop reflect favorable conditions. Owing to unfavorable weather during the seeding period, planting operations were extended over a longer time than usual, and in some sections full acreage intentions of farmers were not carried out. Due to this cause and the low price of wheat, indications point to slightly smaller acreage than a year ago. Rains in November supplied needed moisture, and the plant made good progress; for the most part the crop is entering the dormant season in strong position. The sharp drop in temperatures in early December was accompanied by general snows, which afforded ample protection to the crop. While moisture deficiency has not been entirely made up in some localities, soil conditions are mainly good.

**Corn** — Final estimates of the yield of corn in the Eighth District tend to confirm forecasts earlier in the season. Husking returns from practically all the surplus counties indicate a crop of unusually high quality. A considerable amount of new crop corn arriving at primary markets is grading No. 2 and 3 or higher. Due to the record low prices, farmers are disposed to hold their stocks for more favorable markets. Since December 1 the price has dropped to the lowest levels since records have been kept by the grain exchanges.

**Live Stock** — Little change worthy of note has taken place in the condition of livestock during the past thirty days as contrasted with the similar period immediately preceding. In all sections the early fall was favorably for herds, and with ample fodder and feed, all kinds of farm animals are entering the cold weather in good condition. Due to the low range of prices and liberal stocks of dressed meats in coolers, the movement of cattle and hogs to market in November was smaller than a month and a year earlier. Milk production continued below average, and production of eggs was below that at the corresponding period last year.

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

	Receipts			Shipments		
	Nov. 1932	Oct. 1932	Nov. 1931	Nov. 1932	Oct. 1932	Nov. 1931
Cattle and Calves.....	85,145	105,563	88,177	53,269	62,258	58,048
Hogs .....	197,391	207,362	245,061	166,530	175,532	200,827
Horses and Mules.....	2,473	4,246	2,479	3,304	3,126	2,342
Sheep .....	44,736	55,173	41,649	7,676	21,119	8,501

**Cotton** — Prospects for the cotton crop in states including the Eighth District showed a further increase between November 1 and December 1. According to the U. S. Department of Agriculture's report, based on December 1 conditions, the yield in these states is placed at 3,145,000 bales, an increase of 240,000 bales over the November 1 forecast, and comparing with 4,551,000 bales harvested in 1931 and 2,866,000 bales in 1930. Taking into consideration the limited use of fertilizer and heavy boll weevil infestation, the crop is turning out surprisingly well. The season was unusually favorable for the competition of picking and ginning, and relatively little low grade cotton has appeared on the market. Since the last week of November weather has been unfavorable and has delayed ginning and lowered quality of the crop still to be harvested. Very little cotton remains in the fields, however, hardly enough to substantially alter general average quality of the crop. Prices continued weak, a new low for the present season being recorded in early December. In the St. Louis market the middling grade ranged from 5.25c to 5.85c per pound between November 15 and December 15, closing at 5.45c per pound on the latter date, which compared with 5.85c on November 15 and 5.70c on December 16, 1931. The movement of the crop continued in large volume, receipts at Arkansas compresses from August 1 to December 12 totaled 982,116 bales, against 1,079,820 bales for the corresponding period a year ago. Stocks on hand as of December 12 totaled 741,763 bales, which compares with 691,563 bales a year ago, and 758,031 bales on November 11 this year.

**Tobacco** — Dry, cold weather has seriously interfered with the preparation of tobacco for market. However, deliveries of burley to the Lexington market for opening sales were large. The average price of initial sales was \$12.66 per hundred pounds, as compared with an average of \$11.75 for the opening sales last year. On December 13, about 23,000,000 pounds of burley had been sold at the several markets at an average of \$13, or about \$2 higher than during the same period last year. Sales in the dark tobacco districts in the Green River and stemming section were at about the same prices as last year, with an average price of \$4.12. In the one-sucker districts sales were at an average price of \$5.63, a shade higher than a year ago.

The dark-fired markets at Clarksville and Springfield, Tenn., and Hopkinsville, Ky., opened with small offerings, due to unfavorable weather conditions. Prices were measurably higher than at the opening last year. The advance was most noticeable in lugs, which are from \$1 to \$2 per hundred pounds higher than in 1931, and common to medium leaf, which averaged \$2 to \$3 higher. Prices realized at opening sales in the western district have been less favorable. Due to inauspicious weather for preparing stock for market in all districts, indications point to smaller offerings of tobacco prior to December 31 than in a number of years.

## COMMODITY PRICES

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

	High	Low	Close	
			Dec. 15, 1932	Dec. 15, 1931
Wheat				
Dec. ....per bu..	\$.46½	\$.42½	\$.46½	\$.54½
May .....	.50¾	.46¾	.47¾	.56½
July .....	.50¾	.48	.48¾	.55½
No. 2 red winter	.49¾	.47	\$.47 @ .47½	\$.57½ @ .58½
No. 2 hard	.49	.46½	.46½ @ .47½	.55½ @ .56½
Corn				
Dec. ....	.25	.22	.22¼	.38½
May .....	.31¼	.26¾	.26¾	.41¾
No. 2 mixed	.26½	.22½	.22¼ @ .23¾	.37½ @ .38½
No. 2 white	.28¾	.24¾	.24¾ @ .26	.38½ @ .39½
Oats				
No. 2 white	.18	.17	.17 @ .17¼	.26 @ .26½
Flour				
Soft patent.....per bbl.	3.15	2.50	2.50 @ 3.15	3.60 @ 4.20
Spring patent.....	3.90	3.65	3.65 @ 3.90	4.20 @ 4.50
Middling cotton....per lb.	.0585	.0525	.0545	.0570
Hogs on hoof.....per cwt.	3.75	2.00	2.15 @ 2.35	3.50 @ 4.25

## FINANCIAL

There were no important changes in the financial and banking situation in the Eighth District during the past thirty days from the trends noted earlier in the fall. Demand for credit from commercial and industrial sources continued extremely light, and requirements for financing agricultural operations, which have been relatively small throughout the year, underwent further seasonal contraction. Liquidation generally was in considerable volume, both at country banks and with finan-

cial institutions in the large urban centers. Country banks further reduced their loans with city correspondents, and total volume of such loans is smaller than at any time during the past two years. Despite the fact that cotton planters are still disposed to hold their stocks for more favorable markets, there was a substantial reduction of loans based on that staple. Since the opening of the tobacco markets for the 1932 crop around December 1, there has been a fair volume of liquidation of tobacco loans. Sales of commercial paper declined further, and the volume of financing through acceptances was light.

Reflecting the restricted demand for credit, loans and discounts of reporting member banks in the principal cities continued the steady downward movement which began last May. Between November 16 and December 14 this item decreased about 3 per cent and on the latest date recorded a new low for the year and a decrease for more than 29 per cent below the level at the corresponding time a year ago. Total deposits increased slightly during the four-week period, the gain being due to the larger volume of demand deposits held, time deposits showing a decrease of 1.5 per cent. Total investments on December 14 at \$230,973,000 represented an increase of about 1 per cent over November 16, and of 3.2 per cent over the comparable date last year.

Borrowings of all member banks from the St. Louis reserve bank fluctuated in minor degree only between November 16 and December 16, and throughout that period averaged approximately two-thirds less than during the same interval in 1931. Total volume of reserve credit outstanding on December 16 was practically the same as a month earlier. Reflecting the usual seasonal demand for currency, the circulation of this bank showed a substantial increase, and at the middle of December reached the highest point since 1921.

Reversing the usual seasonal upward trend, money rates were either unchanged or lower as compared with recent weeks. At St. Louis banks prevailing rates were as follows: Customers' commercial paper, 4 to 5¾ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4 to 5¾ per cent; loans secured by warehouse receipts, 4 to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on December 14, 1932 showed a decrease of 2.9 per cent as contrasted with November 16, 1932. Deposits increased 1.1 per cent between November 16, 1932 and December 14, 1932

and on the latter date were 10.1 per cent smaller than on December 16, 1931. Composite statement follows:

	*Dec. 14, 1932	*Nov. 16, 1932	*Dec. 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....	\$109,660	\$106,116	\$155,202
All other loans and discounts....	166,291	178,015	235,578
Total loans and discounts.....	\$275,951	\$284,131	\$390,780
Investments			
U. S. Government securities.....	112,543	113,698	93,837
Other securities.....	118,430	115,125	129,920
Total investments.....	\$230,973	\$228,823	\$223,757
Reserve balance with F. R. Bank	37,524	39,452	42,290
Cash in vault.....	7,130	6,245	7,218
Deposits			
Net demand deposits.....	295,823	285,248	341,528
Time deposits.....	199,848	202,932	208,125
Government deposits.....	5,275	7,083	7,496
Total deposits.....	\$500,946	\$495,263	\$557,149
Bills payable and rediscounts with Federal Reserve Bank.....	865	1,095	10,823

\*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.

	*Nov. 1932	*Oct. 1932	*Nov. 1931	Nov. 1932 comp. to Oct. 1932	Nov. 1931
East St. Louis & Natl. Stock Yards, Ill..	\$ 16,342	\$ 18,570	\$ 23,207	—12.0%	—29.6%
El Dorado, Ark.....	2,968	3,704	3,942	—19.9	—24.7
Evansville, Ind.....	13,785	13,119	15,053	+ 5.1	— 8.4
Fort Smith, Ark.....	6,668	7,713	8,898	—13.5	—25.1
Greenville, Miss....	2,641	2,925	3,298	— 9.7	—19.9
Helena, Ark.....	1,744	1,839	2,912	— 5.2	—40.1
Little Rock, Ark....	16,530	18,643	22,756	—11.3	—27.4
Louisville, Ky.....	95,081	103,470	108,342	— 8.1	—12.2
Memphis, Tenn.....	83,560	102,861	111,305	—18.8	—24.9
Owensboro, Ark....	2,375	2,473	3,950	— 4.0	—39.9
Pine Bluff, Ark....	5,193	5,428	7,208	— 4.3	—28.0
Quincy, Ill.....	4,880	5,506	7,042	—11.4	—30.7
St. Louis, Mo.....	353,915	394,700	457,345	—10.3	—22.6
Sedalia, Mo.....	1,154	1,493	1,958	—22.7	—41.1
Springfield, Mo....	8,306	9,511	11,475	—12.7	—27.6
**Texarkana, Ark.-Tex.....	4,963	5,362	6,675	— 7.4	—25.6
Totals .....	\$620,105	\$697,317	\$795,366	—11.1%	—22.0%

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During November, the Federal Reserve Bank of St. Louis discounted for 200 member banks against 208 in October, and 253 in November, 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:

	*Dec. 16, 1932	*Nov. 16, 1932	*Dec. 16, 1931
Bills discounted .....	\$ 8,258	\$ 8,849	\$26,879
Bills bought .....			10,451
U. S. Securities.....	66,156	66,156	27,351
Federal Inter. Cr. Bk. Debentures.....			880
Participation in Inv. Foreign Banks.....	974	1,008	1,103
Total bills and securities.....	\$75,388	\$76,013	\$66,664
Total reserves.....	94,531	97,547	95,963
F. R. Notes in circulation.....	103,555	101,882	86,589
Total deposits.....	58,690	62,515	67,880
Ratio of reserve to deposits and F. R. Note Liabilities.....	58.3%	59.3%	62.1%

\*In thousands (000 omitted).

(Complied Dec. 22, 1932)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of January 28, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

COMMERCE and industry in the Eighth District during the past thirty days continued the almost unbroken downward trend which has been in progress since the fall of 1929. A majority of available business indices for the month of December recorded decreases as contrasted with the preceding month, also with the corresponding period a year earlier. Excepting department stores and some other branches of retail distribution directly affected by the Christmas holiday trade, all lines of merchandising investigated by this bank, with the exception of drugs and chemicals, showed decreases from November to December, and the December volume in most cases was considerably smaller than for the same month in 1931 and the average during the past several years. At industrial plants, particularly iron and steel and others manufacturing heavier and more permanent products, operations in December fell below the low levels reached last summer, and in numerous instances were at the lowest point of the present depression. The record of production and distribution of commodities for 1932 makes an unfavorable exhibit in comparison with the preceding twelve months, also as compared with the average during the past decade.

Preliminary reports covering the first half of January reflect little change from the dull conditions obtaining during the closing weeks of 1932. This is true of both distributing and manufacturing lines. Many plants which had closed prior to the holidays for inventorying, repairs, etc., had not resumed operations at the middle of January, and their plans for again going into production are largely contingent upon current demand for their products. Where operations have been resumed, reduced schedules are the rule. There has been no deviation among merchants and ultimate consumers from the policy of purchasing for actual requirements, and this attitude is reflected in commitments for raw materials, advance ordering of which is in considerably smaller

volume than is usual at this season. The movement of seasonal goods, notably fuels, apparel, and chemicals, has been retarded by the mild winter.

Holiday trade got under way later than is ordinarily the case, and in both the large cities and country, the volume was below expectations. Reports from all sections of the district reflected demands for the cheaper grades of goods, and more than ever before, Christmas shopping embraced necessary articles rather than luxuries. Temporary increases in employment of help in connection with the holiday trade were offset by further releases at factories and in seasonal occupations. A favorable factor in the situation as a whole is the generally low state of commodity inventories. Prolonged postponement of filling requirements for goods of all descriptions has created potential demand, and in the immediate past wholesalers and manufacturers report an increased volume of inquiry, the character of which indicates urgent need for the merchandise specified.

The volume of retail trade in December, as reflected by sales of department stores in the principal cities, was 38 per cent greater than in November, but 26 per cent less than in December, 1931. For the year 1932, sales of these stores showed a decrease of 23 per cent as compared with the preceding twelve months. Combined sales of all wholesaling and jobbing firms reporting to this bank were 37 per cent smaller in December than in November, and 38 per cent less than in December, 1931; for the year aggregate sales were about one-fourth smaller than in 1931. The value of permits issued for new buildings in the five largest cities of the district in December was 46 per cent smaller than in November, and 96 per cent less than in December, 1931. Total for the year was two-thirds less than in 1931, and 89 per cent below the average during the past ten years. Construction contracts let in the Eighth District in December were 47 per cent smaller than in November, and 54 per cent less than the

December, 1931 total; for the year the aggregate was one-half less than in 1931, and 71 per cent less than the 8-year average. Debits to checking accounts in December showed an increase of 15 per cent over the preceding month, but were about one-fourth smaller than the December, 1931 total. The total for 1932 was smaller by approximately 26 per cent than in 1931. The amount of savings accounts in selected banks showed no change between December 7 and January 4, and on the latter date was slightly larger than a year ago.

The closing weeks of December were marked by a continuance of the irregular decline in freight traffic handled by railroads operating in this district which has been in progress for many months, with the result that total car loadings for 1932 receded measurably below those of the preceding several years. Since the first week in January a moderate increase in loadings of certain classifications is noted, but the volume is still considerably below the average at the same time during the past three years. Mild weather has tended to restrict the movement of fuels. For the country as a whole, loadings of revenue freight in 1932 totaled 28,194,828 cars against 37,151,249 cars in 1931 and 45,717,079 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 112,123 loads, against 109,661 loads in November, and 127,331 loads in December, 1931. In 1932 a total of 1,553,529 loads were handled, which compares with 1,976,645 loads in 1931 and 2,356,983 loads in 1930. During the first nine days of January the interchange amounted to 29,027 loads, against 42,620 loads during the corresponding period in December, and 40,199 loads during the first 9 days of January, 1932. Passenger traffic of the reporting lines decreased 26 per cent in December as contrasted with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 92,000 tons, as against 112,969 in November, and 168,021 tons in December, 1931. The total movement in 1932 amounted to 1,291,217 tons, against 1,170,319 tons in 1931, and 1,149,174 tons in 1930.

Less satisfactory conditions were reflected in reports relative to collections than during the preceding several months. Slowing down was noticeable particularly in goods of the heavier sort, notably iron and steel and the entire classification of building materials. Settlements with wholesalers in the chief distributing centers continued spotty, both with reference to the several lines and different localities. Wholesalers of dry goods, boots and shoes, hardware and groceries report payments relatively smaller than at the corresponding period a

year ago. In the tobacco growing districts, where marketing of the 1932 crop is in progress, a fair volume of liquidation of loans based on that commodity was reported. Generally through the rural areas, retail collections are slow. Since January 1 retailers in the large cities report moderate improvement as compared with December. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
December, 1932.....	2.0%	14.6%	54.6%	28.8%
November, 1932.....	1.9	16.7	57.3	24.1
December, 1931.....	2.0	21.4	56.2	20.4

Commercial failures in the Eighth Federal Reserve District in December, according to Dun's, numbered 114, involving liabilities of \$1,833,530, against 74 insolvencies in November with liabilities of \$2,732,421 and 168 defaults for a total of \$4,786,681 in December, 1931. In 1932 there were 1,467 failures with liabilities of \$45,468,555, against 1,676 failures with liabilities of \$41,037,704 in 1931, and 1,517 defaults for a total of \$48,948,234 in 1930.

The average daily circulation of the United States in December was \$5,699,000,000, against \$5,642,000,000 in November, and \$5,611,000,000 in December, 1931.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — Considerably more than the usual seasonal contraction took place in volume of business in the boot and shoe industry from November to December, sales for the latest month being the smallest for any single month in more than ten years. According to the reporting firms December sales were approximately 55 per cent smaller than in November and 28 per cent less than in December, 1931. Stocks on January 1 were 39 per cent larger than a month earlier, but 19 per cent less than on the opening day last year. Salesmen departed for their several territories during the first week in January, since which time moderate improvement over the December average of sales is reported. Factory operations at the middle of January showed a slight contraction as compared with thirty days earlier.

**Clothing** — General trends in the clothing industry during the past thirty days showed no marked changes as contrasted with the preceding several months. The sharp drop in temperatures during the last week in December had a stimulating effect on the movement of winter apparel at retail, but clearance of heavy weight clothing, both for men and women, is still considerably below the average. Ordering for spring and early summer

distribution is in smaller than the usual volume. December sales of the reporting interests decreased 39 per cent below the month before. Demand centers in the cheaper merchandise, and the trend of prices was lower.

**Drugs and Chemicals**—Demand for seasonal merchandise was stimulated by colder weather during the last half of December, and largely as a result of this, sales of the reporting firms in that month were 8.5 per cent larger than in November, and about 1 per cent greater than the December, 1931 total. Inventories continue to decrease, stocks on January 1 being 8 per cent and 14 per cent smaller, respectively, than a month and a year earlier. The trend of prices on staple drugs and chemicals is lower, but there has been little change on patent medicines and proprietary preparations.

**Dry Goods**—Following the usual seasonal trend, business in this classification decreased from November to December, sales of the reporting interests for the latest month being about one-half less than during the preceding period, and 30 per cent smaller than in December, 1931. Stocks on January 1 were 5.5 per cent larger than a month earlier, but 16 per cent smaller than a year ago. In the yearly sales comparison a considerable part of the decrease is accounted for by the decline in prices, estimated at from 15 to 20 per cent. Save in a slight improvement in advance business, the volume of which is somewhat larger than a year ago, no noticeable change has taken place during the first half of January. There is a disposition to postpone buying, and covering on a number of lines is unusually late.

**Electrical Supplies**—In conformity with the usual seasonal trend, sales of electrical supplies by reporting dealers in December showed a gain of 9 per cent over the preceding month, but the total was approximately 44 per cent smaller than in December, 1931. Inventories continue to recede, and on January 1 stocks were smaller by 11 per cent than on December 1, and by 24 per cent than on January 1, 1932.

**Flour**—Production at the twelve leading mills of the district in December was 255,011 barrels against 247,208 barrels in November, and 262,892 in December, 1931. For the year 1932, production at these mills fell 13 per cent below 1931 and 14 per cent below 1930. Inventories are small, even for this time of year, but replenishment is slow, consumers buying only enough for actual requirements.

**Furniture**—December sales of the reporting interests were 26 per cent smaller than in November, but only 1.4 per cent smaller than for December, 1931. Since January 1 moderate improvement

is noted, a considerable volume of orders having been booked at the annual Chicago furniture show. Retail stocks are universally light. Lack of new residential buying is holding down purchasing of household furniture. Stocks on January 1 were 29 per cent larger than a month earlier, but about one-third smaller than a year ago.

**Groceries**—Belated orders for holiday goods during the first half of December assisted materially in swelling volume of sales in this classification during that month. While the usual seasonal decline from November and December was in evidence, it was much smaller than the average in recent years. Generally demand still centers in staples and the cheaper descriptions of goods. December sales of the reporting firms were 1.5 per cent smaller than in November and 7 per cent less than in December, 1931. Stocks on January 1 were 9 per cent and 23 per cent smaller, respectively, than a month and a year earlier.

**Hardware**—The movement of seasonal goods was below average, and this in conjunction with lower prices was reflected in a decrease of 14 per cent in December sales of the reporting firms as compared with the same month in 1931, and of 19 per cent as compared with the November, 1932, total. There was a further shrinkage in inventories, stocks on hand as of January 1 being 7 per cent smaller than a month earlier, and 19 per cent less than a year ago.

**Iron and Steel**—The last half of December witnessed the lowest stage of operations in the iron and steel industry in this district for the entire year. Slowing down in activities at ferrous working plants occasioned by the holidays and inventorying was more pronounced than has been the case in recent years. Only slight betterment has taken place since January 1, and a number of establishments which closed in late December have not resumed operations, and their plans for doing so are indefinite and closely dependent upon current orders and specifications. Inventories of finished and semi-finished goods are universally low, and in the immediate past purchases to replenish depleted stocks have shown an increase. Due chiefly to this fact, sentiment among sellers is somewhat more optimistic than was the case thirty days ago. While still below expectation, automotive releases have improved moderately since the first of the year, and some new inquiry and small orders are reported. Ordering in volume of rails and equipment by the railroads is still absent, but the carriers have increased their buying of shop supplies, track accessories and other miscellaneous materials. Demand for sheets, plates,

strip and other rolled products during the first half of January has shown more life than during December. Buying of iron and steel scrap in extremely light, and prices at, or around the low point of the present movement. For the country as a whole production of pig iron in December, according to the magazine "Steel", amounted to 547,179 tons, against 625,753 tons in November, and 980,377 tons in December, 1931; total output for the year was 8,674,067 tons, which compares with 18,263,011 tons in 1931 and 31,441,488 tons in 1930. Steel ingot production in the United States in December totaled 844,618 tons, against 1,014,794 tons in November and 1,301,211 tons in December, 1931. In 1932 aggregate production of steel ingots was 13,095,727 tons against 25,192,715 tons in 1931.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in December was 107,403, against 59,556 in November, and 121,533 in December, 1931.

According to dealers reporting to this bank, distribution of automobiles in the Eighth District during December decreased sharply both as compared with the preceding month and a year earlier, and the December volume was the smallest for any single month in more than eight years. For the year, total sales were 38 per cent smaller than in 1931, 54 per cent less than in 1930, and approximately 52 per cent below the average during the past eight years. In the month-to-month comparison the decline was seasonal in character, and of about the same as recorded from November to December in 1931. Dealers reported practically no stimulation in demand from the Christmas trade, which in previous years had been a feature in December business. Generally prospective purchasers were disposed to postpone commitments until after the annual automobile shows and appearance of new models.

December sales of new passenger cars by the reporting dealers were 12 per cent smaller than for November, and 40 per cent less than in December, 1931. While dealers continue to purchase on an extremely conservative basis, deliveries of new models were reflected in a small increase in inventories between December 1 and January 1, but on the latest date were about one-fourth smaller than a year ago. Demand for used cars was relatively more active than for new equipment, and stocks of desirable secondhand vehicles continue light. Used car sales in December were 6 per cent smaller than in November and about 13 per cent less than in

December, 1931. Stocks of salable secondhand cars on January 1 were smaller by 4 per cent and 18 per cent, respectively, than a month and a year earlier. Sales of trucks of all descriptions in December were 15 per cent smaller than in November and 30 per cent less than in December, 1931. According to dealers reporting on that detail, sales of new cars on the deferred payment plan in December constituted 55 per cent of total sales, against 49 per cent in November and 54 per cent in December, 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	
	Dec. 1932	12 months ended	Dec. 31, 1932	Jan. 1, to	Dec. 31,
	comp. to	Dec. 31, 1932 to	comp. to	Dec. 31,	1932 1931
	Dec. 1931	same period 1931	Dec. 31, 1931		
Evansville .....	-36.9%	-33.3%	-32.2%	1.78	1.97
Little Rock.....	-28.9	-23.4	-10.6	2.26	2.73
Louisville .....	-21.1	-20.1	-21.1	2.65	2.88
Memphis .....	-24.6	-21.6	-5.8	3.02	3.27
Quincy .....	-29.3	-24.4	-17.2	2.31	2.66
St. Louis.....	-26.7	-23.3	-19.4	3.63	3.90
Springfield .....	-31.5	-33.1	-18.4	1.33	1.75
8th District.....	-26.1	-22.9	-17.2	3.22	3.51

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Dec. 1932	12 months ended	Dec. 31, 1932	Jan. 1, to	Dec. 31,
	comp. to	Dec. 31, 1932 to	comp. to	Dec. 31,	1932 1931
	Dec. 1931	same period 1931	Dec. 31, 1931		
Men's					
Furnishings .....	-20.2%	-26.2%	-23.0%	2.96	3.30
Boots					
and Shoes.....	-28.1	-25.8	-16.3	2.61	2.87

### CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 18 per cent smaller than in November and 12 per cent less than in December, 1931. Detailed figures follow:

	No. of Customers	Dec. 1932	Nov. 1932	Dec. 1932	Dec. 1931	Dec. 1932
		*K.W.H.	*K.W.H.	comp. to Nov. 1932	*K.W.H.	comp. to Dec. 1931
Evansville ....	40	1,441	1,341	+ 7.5%	1,644	-12.3%
Little Rock...	35	1,158	1,167	- 0.8	1,240**	- 6.6
Louisville ....	85	5,047	5,296	- 4.7	4,951**	+ 1.9
Memphis .....	31	1,290	1,334	- 3.3	1,399	- 7.8
St. Louis.....	194	11,305	15,566**	-27.4	13,733**	-17.7
Totals.....	385	20,241	24,704	-18.1	22,967	-11.9

\*In thousands (000 omitted).  
\*\*Revised figures.

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in December were 46 per cent smaller than in November, and less by approximately 96 per cent than in December a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in December amounted to \$4,886,658 which compares with \$9,228,107 in November and \$10,570,573 in

December, 1931. Production of portland cement for the country as a whole in December totaled 4,248,000 barrels, against 6,462,000 barrels in November and 5,974,000 barrels in December, 1931. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	70	161	\$ 6	\$ 42	11	17	\$ 5	\$ 3
Little Rock ..	7	20	1	876	36	52	7	17
Louisville ..	14	34	17	1,696	15	20	15	10
Memphis ...	94	63	59	32	123	88	62	79
St. Louis.....	27	130	33	209	84	161	39	78
Dec totals..	212	408	\$ 116	\$2,855	269	338	\$ 128	\$187
Nov. " ..	281	564	213	509	273	385	133	348
Oct. " ..	456	727	1,063	1,429	490	574	247	279

\*In thousands of dollars (000 omitted).

## POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 16.4 per cent in combined postal receipts for the final quarter of 1932 over the preceding three months, and a decrease of 4.4 per cent as contrasted with the last quarter of 1931. Detailed figures follow:

	For Quarter Ended				Dec. 1932 comp. to Dec. 1931
	Dec. 31, 1932	Sept. 30, 1932	June 30, 1932	Dec. 31, 1931	
Evansville ..	\$ 139,826	\$ 136,083	\$ 126,021	\$ 142,000	— 1.5%
Little Rock ..	179,505	179,359	142,472	182,000	— 1.4
Louisville ..	644,721	570,929	530,379	659,000	— 2.2
Memphis ...	543,380	465,178	396,273	551,000	— 1.4
St. Louis....	2,818,143	2,400,267	2,294,185	2,993,000	— 5.8
Total.....	\$4,325,575	\$3,751,816	\$3,489,330	\$4,527,000	— 4.4

## AGRICULTURE

Weather conditions in the Eighth District during the past thirty days were varied, but on the whole favorable for growing cereal crops and general farm activities. Harvesting and housing of late crops was about completed by the third week in December. Routine farm work is well up to the seasonal schedule, and in some sections, notably in the south, considerable plowing for spring crops has been accomplished. Cold weather in late December and early January was accompanied over most areas in the northern part of the district by snows, which afforded protection for fall seeded grains. Precipitation over practically the entire district has been adequate, and soil conditions are for the most part favorable, and deficiencies in stock water have been made up. Local damage from floods occurred in parts of Missouri, Arkansas and Mississippi in late December and early this month. Since the first week in January, however, the waters of the Mississippi River and its tributaries have receded, and danger from overflows of major proportions has been minimized.

While showing some improvement since the first week in January, prices of wheat, corn, oats and livestock still continue at low levels, and while weather conditions have been favorable for movement of these commodities to market, receipts have

been below expectations, due to a disposition on the part of producers to hold their stocks for higher prices. Marketing of rice and tobacco continued on a large scale, with prices showing no marked change as compared with those realized in the opening weeks of the season.

**Winter Wheat**—According to the U. S. Department of Agriculture, the combined areas of wheat seeded last fall in states including the Eighth District was 4,981,000 acres, which compares with actual seeding of 5,069,000 acres in the fall of 1931 and 5,630,000 acres in 1930. The December condition of the crop in all these states was below that at the corresponding time last year and the 10-year (1920-1929) average.

**Corn**—Except where farmers have intentionally left their corn in shock in the field, husking and cribbing had been completed by the end of December. The crop in this district is an unusually large one, and average quality high. Large quantities of corn are being fed to livestock in localities where it was produced, the low prevailing prices proving a discouragement to shipping to market. Due to the large crop and heavy carryover, stocks on farms at the middle of January were the largest for that time in many years. Production of corn in the Eighth District in 1932 was 380,505,000 bushels, which compares with 387,747,000 in 1931, and a 9-year average (1923-1931) of 342,534,000 bushels. The price of corn continued to decline in late December, and at the end of that month touched the lowest point in more than thirty-five years.

**Fruits and Vegetables**—Production of fruits and vegetables in states of the Eighth District in 1932 was considerably below the average, and prices realized for these products were the lowest in recent years. An exception to the low production was white potatoes, the crop of which in the Eighth District was estimated by the U. S. Department of Agriculture at 13,167,000 bushels, an increase of 658,000 bushels over the 1931 crop, and comparing with a 9-year average of 14,596,000 bushels. Scattered reports, particularly from the Ozark region, indicate larger acreages of strawberries for harvest this year than in 1932.

**Live Stock**—Conditions through the late fall and winter were ideal for livestock, and the condition of herds at the beginning of the new year was unusually favorable. Feed and fodder are abundant and cheap, and in practically all the principal stock raising sections, water supply is adequate to all requirements. Prices of hogs continued at, or around the lowest levels of the present depression, and the market for cattle and sheep, also continued weak.

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

	Receipts			Shipments		
	Dec. 1932	Nov. 1932	Dec. 1931	Dec. 1932	Nov. 1932	Dec. 1931
Cattle and Calves.....	65,695	85,145	83,326	38,559	53,269	51,880
Hogs .....	201,455	197,391	276,951	159,342	166,530	180,420
Horses and Mules.....	1,853	2,473	1,517	1,692	3,304	1,565
Sheep .....	43,869	44,736	39,157	12,209	7,676	8,372

The following table shows comparative receipts and shipments for the years 1932, 1931 and 1930:

	Receipts			Shipments		
	1932	1931	1930	1932	1931	1930
Cattle and Calves .....	1,064,438	1,170,781	1,203,138	631,826	755,140	768,842
Hogs .....	2,626,277	2,970,316	3,459,011	1,946,818	2,321,835	2,805,213
Horses and Mules .....	35,518	40,101	51,104	33,571	40,655	52,547
Sheep .....	710,905	660,897	583,870	197,033	220,027	212,839

**Cotton** — The Eighth District cotton crop in 1932 is estimated by the U. S. Department of Agriculture at 2,515,000 bales, which compares with 3,740,000 bales raised in 1931, and a 9-year average of 2,726,000 bales. Weather for picking the remnant of the crop remaining in the fields during the last half of December was unfavorable, but the amount of this was too small to materially affect the year's production figures or average quality. Some plowing for the new crop has been done, but due to low prices prevailing and prospective heavy carryover, acreage plans are very indefinite, and have been further confused by the Domestic Allotment Plan of farm relief pending in Congress. Demand for raw cotton during the past thirty days developed no noteworthy change as contrasted with the similar period immediately preceding, but prices have advanced slightly since the closing week in December. In the St. Louis market the middling grade ranged from 5.30c to 6.05c per pound between December 15 and January 15, closing at 5.75c per pound on the latter date, which compares with 5.45c per pound on December 15, and 6.25c per pound on January 15, 1932. The forwarding movement of cotton is on a heavier volume basis this season than last. Shipments from Arkansas compresses from August 1, 1932, to January 13, 1933, totaled 799,792 bales against 655,377 bales for the corresponding period last season, with receipts last season 145,451 bales greater than at the same date this year. Stocks on hand on January 13 were 651,354 bales, against 741,763 bales on December 12, and 667,822 bales on January 15, 1932.

**Tobacco** — Markets in both the burley and dark tobacco districts were closed December 22 for the holidays and sales were resumed on January 2. During the interim favorable weather permitted farmers to prepare stock, and offerings at the reopenings were large. A considerable percentage of the burley crop consists of colory, thin grades suitable

for cigarettes and pipe tobacco. Due to its texture and light weight, it is believed that 1932 burley production in many localities will fall short of early estimates. At the middle of January unofficial estimates indicated that about 200,000,000 pounds of burley tobacco had been sold at a general average of \$13.50 per cwt., which compares with 222,000,000 pounds, at an average of \$9.57, during the same period last year.

In the dark tobacco sections the air-cured crop is moving rapidly at relatively low averages. In the fired districts of Clarksville and Springfield, Tennessee, and Hopkinsville, Ky., sales increased, and average quality and prices were better than prior to the holiday recess. In the western district markets, sales have been below expectations, with price and quality little changed from the initial marketings of the season.

### COMMODITY PRICES

Range of prices in the St. Louis market between December 15, 1932, and January 16, 1933, with closing quotations on the latter date and on January 15, 1932, follow:

	High	Low	Close	
			Jan. 16, 1933	Jan. 15, 1932
Wheat				
May .....	.51 3/4	.43 1/2	\$ .47 1/2	\$ .54 1/4
July .....	.51	.43 5/8	.47	.53 3/4
No. 2 red winter .....	.52	.45	\$.49 1/2 @ .50	\$.56 @ .56 1/2
No. 2 hard .....	.52	.41 1/2	\$.49 1/2 @ .50	\$.54 1/2 @ .55
Corn				
May .....	.27 1/2	.25	.25 1/2	.38 3/4
No. 2 mixed .....	.25 3/4	.21 1/2	.24 @ .24 1/2	.36 1/2 @ .37
No. 2 white .....	.25 1/2	.23 1/2	.23 3/4 @ .24	.37 1/2 @ .38
Oats				
No. 2 white .....	.18 1/4	.16 1/2	.17 1/4 @ .17 1/2	.25 @ .25 1/2
Flour				
Soft patent.....per bbl.	3.35	2.90	3.10 @ 3.35	3.60 @ 4.20
Spring " .....	4.00	3.65	3.75 @ 4.00	4.20 @ 4.50
Middling cotton.....per lb.	.0605	.0530	.0575	.0625
Hogs on hoof.....per cwt.	3.65	2.00	2.10 @ 3.40	3.10 @ 4.25

### FINANCIAL

Demand for credit from all sources in the Eighth District during the past thirty days continued extremely quiet. Requirements of manufacturing and mercantile interests showed considerably more than the usual seasonal decline, and the call for funds to finance stocks, bonds and other investments by the public was in smaller volume than has been the case at this particular period in recent years. Likewise the demand for currency for holiday purposes was less in evidence than in the past. Toward the end of December there was the usual expansion in demand for funds to meet tax, interest and dividend payments. These disbursements, however, had no lasting effect on the situation as a whole, amounting as they did, largely, to a shifting of credits. The diminished volume of business in virtually all lines is reflected in a further shrinkage of acceptances outstanding, also in the volume of brokers' sales of commercial paper, as compared with a year and two years earlier.

Liquidation continued in considerable volume, but as has been the case for a number of months it was spotty in character. January collections of wholesalers and jobbers in the large distributing centers were in the main satisfactory, and permitted of a reduction by these interests of their commitments at banks. In the south, particularly in the tobacco districts where marketing of the 1932 crop is in progress, settlements were in good volume, and there was a substantial reduction in borrowings of country banks from their city correspondents. The heavy outward movement of cotton from this district during the past three months has resulted in a considerable decrease in loans based on that staple.

Total loans and investments of the reporting member banks in the principal cities increased 1.3 per cent between mid-December and January 18, the gain being due entirely to heavier investment holdings, the loan item showing a decrease of 3.5 per cent. Demand deposits increased 4.5 per cent and time deposits decreased approximately 6 per cent, resulting in a slight contraction in total deposits for the period. Heavy withdrawals of balances held with other banks were reflected in a decrease of 27 per cent in the "due from banks" item between December 21 and January 18. There was a further increase in reserve balances of these banks, the total on January 18 being approximately 18 per cent and 8.5 per cent larger, respectively, than a month and a year earlier.

Average borrowings of all member banks from the Federal reserve bank during the four weeks ended January 19 varied in minor degree only as contrasted with the similar period immediately preceding, but continued substantially below the comparable period a year ago. Reversing the usual seasonal trend, the note circulation of this bank increased sharply during the first half of January, due to the desire of banks to strengthen their cash position.

Interest rates continued at the very low levels which have prevailed in recent months. At St. Louis banks current rates were as follows: Customers commercial paper, 3¾ to 5½ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4 to 5¾ per cent; loans secured by warehouse receipts, 3¾ to 5¾ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on January 18, 1933, showed a decrease of 3.5 per cent as contrasted with December 21, 1932. Deposits decreased 0.2 per cent

between December 21, 1932 and January 18, 1933 and on the latter date were 6.8 per cent smaller than on January 20, 1932. Composite statement follows:

	*Jan. 18, 1933	*Dec. 21, 1932	*Jan. 20, 1932
Number of banks reporting.....	24	24	24
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$108,685	\$110,850	\$147,756
All other loans and discounts....	156,832	164,415	229,436
Total loans and discounts.....	\$265,517	\$275,265	\$377,192
Investments U. S. Government securities.....	129,111	115,686	90,547
Other securities.....	119,347	116,236	118,987
Total investments.....	\$248,458	\$231,922	\$209,534
Reserve balance with F. R. Bank	43,397	36,805	39,946
Cash in vault.....	16,010	7,367	8,737
Deposits Net demand deposits.....	306,632	293,288	316,295
Time deposits.....	187,549	199,180	213,784
Government deposits.....	2,754	5,292	3,340
Total deposits.....	\$496,935	\$497,760	\$533,419
Bills payable and rediscounts with Federal Reserve Bank.....	3,490	1,175	9,669

\*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.

	*Dec. 1932	*Nov. 1932	*Dec. 1931	Dec. 1932 comp. to Nov. 1932	Dec. 1931
East St. Louis & Natl. Stock Yards, Ill. \$	16,637	\$ 16,342	\$ 22,810	+ 1.8%	-27.1%
El Dorado, Ark.....	3,306	2,968	4,152	+11.4	-20.4
Evansville, Ind.....	13,872	13,785	18,360	+ 0.6	-24.4
Fort Smith, Ark.....	6,711	6,668	8,939	+ 0.6	-24.9
Greenville, Miss.....	2,819	2,641	3,146	+ 6.7	-10.4
Helena, Ark.....	1,326	1,744	1,692	-24.0	-21.6
Little Rock, Ark...	17,712	16,530	26,123	+ 7.2	-32.2
Louisville, Ky.....	106,940	95,081	124,160	+12.5	-13.9
Memphis, Tenn.....	80,209	83,560	107,010	- 4.0	-25.0
Owensboro, Ky.....	2,844	2,375	4,250	+19.7	-33.1
Pine Bluff, Ark.....	4,385	5,193	6,807	-15.6	-35.6
Quincy, Ill.....	5,094	4,880	7,764	+ 4.4	-34.4
St. Louis, Mo.....	438,060	353,915	594,539	+23.8	-26.3
Sedalia, Mo.....	1,462	1,154	2,465	+26.7	-40.7
Springfield, Mo.....	8,957	8,306	12,123	+ 7.8	-26.1
**Texarkana, Ark-Tex.....	5,026	4,963	7,447	+ 1.3	-32.5
Totals .....	\$715,360	\$620,105	\$951,787	+15.4%	-24.8%

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During December, the Federal Reserve Bank of St. Louis discounted for 197 member banks against 200 in November, and 241 in December, 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:

	*Jan. 19, 1933	*Dec. 19, 1932	*Jan. 19, 1932
Bills discounted .....	\$ 8,692	\$ 7,822	\$26,390
Bills bought .....			11,162
U. S. Securities.....	63,253	66,156	27,886
Federal Inter. Cr. Bk. Debentures.....			880
Participation in Inv. Foreign Banks.....	946	974	1,100
Total bills and securities.....	\$72,891	\$74,952	\$67,418
Total reserves.....	134,079	93,166	98,655
F. R. Notes in circulation.....	133,801	103,992	93,204
Total deposits.....	65,747	56,308	66,425
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.2%	58.1%	61.8%

\*In thousands (000 omitted).

(Compiled January 21, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of February 28, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

WITH the exception of a limited number of lines, mainly those affected by seasonal influences, commerce and industry in the Eighth District during January continued the recessionary trends which marked the closing months of last year. The rate of the downward movement, however, was less marked than in the last quarter of 1932, and in a number of instances there appeared fairly definite indications of stabilization, both with reference to volume of business transacted and prices. Distribution was handicapped by the unusually mild weather which prevailed throughout the month. In many sections, including the St. Louis area the mean temperature in January was the lowest in more than half a century. This had a tendency to hold down the movement into consumptive channels of all descriptions of seasonal merchandise, but more particularly apparel, fuel, and drugs and chemicals. Decreases in sales volume extended to wholesaling and retailing lines, and in the case of the latter were measurably larger than the average in recent years. With the exception of boots and shoes, hardware and dry goods, all wholesaling classifications showed decreases from December to January, and in all lines the totals were smaller than in January, 1932.

Since the last week in January, earlier conditions were reversed in a sharp drop in temperatures, extending to the most southern tiers of the district and bringing the first protracted cold weather of the winter. Some damage to early truck crops and fruit trees in the south and to the growing wheat crop was occasioned by the cold snap, but on the whole the seasonal weather was beneficial to business. There has been a noticeable pick-up in ordering of merchandise and production and shipments of bituminous coal in all the fields of the district. Another benefit from the freezes has been heavy mortality among hibernating boll weevils in the cotton sections. On the other hand, the extreme cold weather served to increase hardships of the needy unemployed, and applications for assistance made to

the relief agencies were more numerous than heretofore. The employment situation as a whole showed no improvement as contrasted with the preceding thirty days. In the large cities the number of idle workers was increased by releases of clerical help following the holidays.

Manufacturing activities in all lines, especially iron and steel and building materials generally, were considerably below the same time a year ago. A number of plants, including stove, heating apparatus and implement, which closed down for the holiday and inventorying period, are either still idle or have resumed on sharply reduced schedules. While inventories of finished goods are universally light, there is a disposition on the part of merchants to replenish with extreme caution, and in turn manufacturers are making up but little stock for which they have not actual or prospective orders.

As reflected in sales of department stores in leading cities of the district, volume of retail trade in January was 53 per cent smaller than in December and 23.5 per cent less than in January, 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 46.5 per cent larger in January than in December, but 12 per cent smaller than in January, last year. The value of permits issued for new construction in the five largest cities in January was slightly smaller than in December and about 68 per cent less than in January, 1932. Construction contracts let in the Eighth District in January were 3.6 per cent larger than in December and 3.2 per cent more than in January last year. Debits to checking accounts in January showed an increase of approximately 3 per cent over December, but a decrease of 18 per cent under January, 1932.

The volume of freight and passenger traffic handled by railroads operating in this district continued substantially smaller than in the corresponding periods a year and two years earlier. Since the first week in February the sharp drop in temperatures has been reflected in a heavier movement of coal and coke, and moderate improvement has taken

place in some other classifications. For the country as a whole loadings of revenue freight for the first four weeks this year, or to January 28, totaled 1,910,496 cars, against 2,266,771 cars for the comparable period in 1932 and 2,873,211 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines interchanged 111,834 loads in January, against 112,123 loads in December, and 140,912 loads in January, 1932. During the first nine days of February the interchange amounted to 36,361 loads, which compares with 29,027 loads during the corresponding period in January, and 42,158 loads during the first nine days of February, 1932. Passenger traffic of the reporting roads decreased 25 per cent in January as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 81,300 tons, against 93,766 tons in December and 130,807 tons in January, 1932.

Collections generally through the district in January and the first half of February were spotty and irregular, with the average measurably below the preceding several months and a year ago. Wholesalers and jobbers in the principal distributing centers report payments on current accounts are being made promptly, but liquidation of older indebtedness is backward, and requests for extensions are numerous. Similarly, strong accounts are paying their bills when due, with some taking advantage of discounts, but no improvements has taken place in collections from weaker debtors. Retail collections have been noticeably affected by the considerable volume of funds tied up in suspended banks in different sections of the district. Liquidation with both merchants and banks in the tobacco sections have improved since the opening of the markets for the 1932 crop in December. As has been the case for a number of months, collections for manufacturers and distributors of the heavier lines of merchandise are relatively less satisfactory than in the industries dealing in goods for ordinary consumption. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
January, 1933.....	1.9%	9.4%	54.2%	34.5%
December, 1932.....	2.0	14.6	54.6	28.8
January, 1932.....	0.0	18.2	61.0	20.8

Commercial failures in the Eighth Federal Reserve District in January, according to Dun's, numbered 121 involving liabilities of \$1,865,582 against 114 insolvencies in December with liabilities of \$1,833,530 and 158 defaults for a total of \$3,918,464 in January, 1932.

The average daily circulation of the United States in January was \$5,631,000,000, against \$5,699,000,000 in December, and \$5,645,000,000 in January, 1932.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — January sales of the reporting firms were 10 per cent smaller than for the same month last year, but approximately one and one-half times larger than the December, 1932, total. Stocks on February 1 were about one-fourth larger than a month earlier, but 12 per cent smaller than a year ago. The increase in the month-to-month sales comparison is seasonal in character, December being normally a month of small sales volume. The increase this year was somewhat larger than the average during the past decade. Since February 1 there has been a general improvement in orders received, with the movement of heavy footwear more active than earlier in the season. Retailers are universally carrying small stocks, and a large part of orders arriving bear immediate shipment specifications. Factory operations were slightly heavier than during the preceding thirty days.

**Clothing** — Unusually mild weather in November and December militated against the movement of heavyweight apparel, both at wholesale and retail, and the clearance of such merchandise at the end of January was below expectations. The drop in temperatures early this month served to stimulate demand for seasonal merchandise, and brought in a fair volume of reordering. Purchasing of clothing for spring and early summer distribution is backward, particularly in the south. Sales of the reporting clothiers in January were 5 per cent larger than for the same month last year, but 26 per cent below the December, 1932, total.

**Drugs and Chemicals** — January sales of the reporting interests were 13 per cent smaller than in December, and 3 per cent below the January, 1932, total. There was a slight increase in inventories between January 1 and February 1, but on the latest date the aggregate was 10 per cent smaller than a year earlier. Since the last week in January there has been a noticeable pick-up in demand for seasonal goods, notably anti-freeze mixtures, denatured alcohol and remedial drugs. Requirements for heavy drugs and chemicals of the general manufacturing trade continue light. Advance ordering of fertilizers is in slightly larger volume than at the same period a year ago.

**Dry Goods** — Business in this classification showed the usual seasonal betterment from December to January, and the extent of the increase was somewhat greater than the average. This fact, how-

ever, was due to the extremely small sales total recorded in December, as the January volume was the smallest for that month in more than ten years. Since February 1 there has been a noticeable improvement in orders, due partly to filling of requirements postponed from January and to stimulation felt in certain lines from the cold weather. Stocks of retailers continues small, but replenishment is hesitant because of uncertainty relative to prices and the future of general business. January sales of the reporting interests were 34 per cent larger than in December, but 18 per cent smaller than in January, 1932. Stocks on February 1 were about 3 per cent greater than a month earlier, but 13 per cent less than a year ago.

**Electrical Supplies**—Continued quietness in demand for electrical supplies of all descriptions is reflected in a decrease in January sales of the reporting firms of 43 per cent as compared with December and of 39 per cent as compared with January, 1932. There was a slight increase in inventories between January 1, and February 1, but the aggregate on the latest date was approximately 42 per cent smaller than a year ago. While decreases in both the month-to-month and yearly sales comparisons were general in all lines, they were most pronounced in electrical installations for new buildings, household appliances and radio material.

**Flour**—Production at the 12 leading mills of the district in January totaled 253,973 barrels, the smallest since last October, and comparing with 261,298 barrels in December and 240,596 barrels in January, 1932. Demand from all sources continued quiet, with purchasing on a hand-to-mouth basis. The large baking interests have not increased their commitments and stocks of distributors are unusually small. Foreign demand has failed to broaden, and exports were confined to routine transactions with Latin-American countries. Prices in early February were a shade higher than thirty days earlier, due to the advance in cash wheat. Mill operations were at from 40 to 45 per cent of capacity.

**Furniture**—January sales of the reporting firms were 5 per cent smaller than in December and 27 per cent less than in January, 1932. Stocks on February 1 were 6 per cent larger than a month earlier, but only one-half as large as on February 1 last year. The decline in sales of household furniture and furnishings continued the almost unbroken downward tendency which has been in effect for the past eighteen months. There was no change in prices as contrasted with the preceding month, but in practically all lines values are substantially lower than a year ago.

**Groceries**—Depressed prices for farm products tend to hold down purchasing in the country, while unemployment adversely affects business in large industrial centers. Retailers are buying from hand-to-mouth and demand generally centers in the cheaper grades of goods. Sales of the reporting interests in January were 6 per cent smaller than during the preceding month, and 8 per cent below the January, 1932, total. Stocks on February 1 were slightly smaller than a month earlier, and 21 per cent less than on February 1, 1932.

**Hardware**—Unusually mild weather through January had a tendency to retard the movement of seasonal goods, but noticeable betterment has taken place in demand for such merchandise with the lower temperatures since February 1. Generally the outlet for hardware through the building industry has failed to broaden, sales of builders' tools and hardware being the smallest for this particular period in a number of years. January sales of the reporting firms were 5.5 per cent larger than in December, but 11 per cent smaller than in January, 1932. Stocks decreased slightly between January 1 and February 1, and on the latest date were 6 per cent larger than a year ago.

**Iron and Steel Products**—Only moderate improvement from the holiday low was noted in the iron and steel industry during January, and as compared with a year ago, both production and distribution registered a substantial decrease. Since the first of February, however, miscellaneous and scattered demands have resulted in the placement of a fair volume of new business and a decided pickup in specifications on materials previously contracted for. The betterment has been most pronounced in orders received by jobbing foundries, a number of plants having increased their working schedules. Shipments of pig iron to melters in the district during the first half of February were at a slightly heavier daily average rate than during January. Important users of iron and steel, notably the automotive, implement, railroad and building industries, have not increased their purchasing, but in the immediate past inquiries from these sources have been numerous. Demand for sheets, plates and other rolled steel items is confined chiefly to immediate requirements. Wire and wire products continue to lag, with advance ordering of wire mesh for spring delivery being almost entirely absent. Cannery and other users of tin plate are backward in placing contracts for their first half requirements, due to uncertainty relative to general business and unsettled prices. The trend of sheet prices, particularly galvanized, is lower, and this weakness has affected

strip, bars and shafting. For the most part heavy finished steel quotations are firm, but due to the easier tone elsewhere, purchasers of these materials are disposed to caution. A great majority of the stove and heating apparatus plants were still down at the middle of February, and this was true also of farm implement manufactories. Distribution through warehouse and jobbing interests has been restricted by slack demand from the general manufacturing trade and unusually close buying by the more important consuming industries. Quotably pig iron prices were unchanged and scrap iron and steel prices were steady at the low levels reached at the end of last year. For the country as a whole, production of pig iron in January, according to the magazine "Steel", totaled 568,785 tons, against 547,179 tons in December and 971,437 tons in January, 1932. Steel ingot production in the United States in January was 1,006,297 tons, which compares with 844,618 in December and 1,459,450 tons in January, 1932.

### AUTOMOBILES

Contrary to the usual seasonal trend, distribution of automobiles in the Eighth District, according to dealers reporting to this bank, showed a substantial gain over December, while in comparison with a year earlier, the January volume showed the smallest decrease for any month since last February. In this general area, January is usually a month of light sales, mainly for the reason that prospective purchasers postpone buying until February in order to get in on the new license year, which begins February 1. Another influence which tends to hold down January sales volume, the disposition to await new models and possible price concessions incident to the annual automobile shows. Business of dealers handling the lower priced cars was relatively better than that of interests selling the medium priced and more expensive makes. Similarly sales of distributors in the large urban centers were relatively larger than those in the country and small towns. Demand for replacement parts and accessories was less active than heretofore, but moderate improvement was noted in retail sales of tires in January compared with a month and a year earlier.

January sales of new passenger cars by the reporting dealers were 20 per cent larger than in December, and 4 per cent less than in January, 1932.

Inventories of new passenger cars increased slightly between January 1 and February 1, reflecting largely heavier factory shipments of new models. However, dealer-purchasing is still along conservative lines, and stocks on February 1 were approximately 30 per cent smaller than a year ago. Demand for used cars continued active, with supplies of desirable vehicles relatively light. Sales of secondhand cars in January were 7 per cent larger than in December, and 6 per cent less than in January, 1932. Stocks of salable secondhand cars increased slightly between January 1 and February 1, and on the latest date were 22 per cent smaller than a year earlier. Sales of trucks of all descriptions in January showed a slight decrease under the preceding month, and the total was 22 per cent smaller than a year ago. The ratio of deferred payment sales to total new car sales in January was 51 per cent, against 55 per cent in December, and 56 per cent in January, 1932.

### 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	
	Jan. 1933 comp. to Jan. 1932	Jan. 31, 1933 comp. to Jan. 31, 1932	Jan. 1933	Jan. 31, 1933	January, 1933	1932
Evansville .....	-31.2%	-32.2%	.12	.12	.12	.12
Little Rock.....	-16.1	-29.9	.16	.15	.16	.15
Louisville .....	-25.2	-32.7	.19	.18	.19	.18
Memphis .....	-20.0	-11.4	.21	.24	.21	.24
Quincy .....	-31.1	-15.4	.15	.18	.15	.18
St. Louis.....	-24.4	-15.2	.26	.28	.26	.28
Springfield, Mo.....	-12.6	-17.9	.07	.07	.07	.07
8th District.....	-23.5	-18.5	.23	.24	.23	.24

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1933 comp. to Jan. 1932	Jan. 31, 1933 comp. to Jan. 31, 1932	Jan. 1933	Jan. 31, 1933	January, 1933	1932
Men's furnishings.....	-28.1%	-27.6%	.21	.21	.21	.21
Boots and shoes.....	-15.2	-25.0	.22	.21	.22	.21

### CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in January as being 1.7 per cent smaller than in December and 15.1 per cent less than in January, 1932. Detailed figures follow:

	No. of Custom- ers	Jan. 1933	Dec. 1932	Jan. 1933	Jan. 1932	Jan. 1933
		*K.W.H.	*K.W.H.	comp. to Dec. 1932	*K.W.H.	comp. to Jan. 1932
Evansville ...	40	1,321	1,441	- 8.3%	1,663	-20.6%
Little Rock...	35	1,125	1,158	- 2.8	1,264	-11.0
Louisville ...	85	4,739	5,047	- 6.1	4,986**	- 5.0
Memphis .....	31	1,450	1,290	+12.4	1,933	-25.0
St. Louis.....	196	11,295	11,343**	- .4	13,619**	-17.1
Totals .....	387	19,930	20,279	- 1.7	23,465	-15.1

\*In thousands (000 omitted).  
\*\*Revised figures.

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in January were 0.9 per cent less than in December, and approximately 68 per cent smaller than in January a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in January amounted to \$5,060,638, which compares with \$4,886,658, in December and \$4,905,453, in January, 1932. Production of portland cement for the country as a whole in January totaled 2,958,000 barrels, against 4,248,000 barrels in December and revised figure of 5,026,000 barrels in January, 1932. Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	75	74	\$ 10	\$ 27	30	24	\$ 8	\$ 3
Little Rock ..	10	12	2	7	45	39	11	11
Louisville ..	21	36	7	47	18	18	18	39
Memphis ...	67	94	34	59	72	123	52	62
St. Louis....	73	132	62	220	112	213	63	174
Jan. totals..	246	348	\$ 115	\$ 360	277	417	\$ 152	\$289
Dec. " ..	212	408	116	2,855	269	338	128	187
Nov. " ..	281	564	213	509	273	385	133	348

\*In thousands of dollars (000 omitted).

### AGRICULTURE

Unusually high temperatures which prevailed through the Eighth District in the late fall and winter to the end of January have been in the main favorable for agriculture. Certain areas including St. Louis and vicinity, had the mildest January this year in more than half a century, the mean temperature being 43.6 degrees, the highest since 1880. Rain-fall over most of the district was about normal for the time of year, though in some sections precipitation was excessive, resulting in more or less serious local flood damage. While snow protection for fall sown cereals was lacking in December and January, relatively little damage resulted because of the high temperatures. Universally soil conditions are good, particularly with reference to subsoil, which over considerable areas has finally made up deficiency of moisture occasioned by successive years of drouth. Since the last week in January, earlier weather conditions were reversed by the sharp drop in temperatures, extending well into the southmost tiers of the district. Scattered reports reflect damage to growing crops and livestock from freezing, but it is still too early to estimate what the ultimate effects on cereal crops will be.

Reports relative to prospective acreages of spring crops vary broadly in different localities. Due to extremely low prices of farm products during the past several years and large carryover stocks, pro-

ducers of certain crops are disposed to cut down their planting programs. On the other hand, numerous agriculturists plan to produce as heavily as possible in order to offset depressed prices with larger quantities to market. Farmers generally possess plenty of food and feed, and will be able to produce this year's crops with a relatively small cash outlay. Farm wages declined steadily during 1932, and current scales are the lowest since 1899. As during the past two years, it is expected that employment of outside help will be unusually light, with most of the work being performed by farmers and their families.

**Live Stock**—According to the annual survey of the U. S. Department of Agriculture, the aggregate number of livestock on farms in states including the Eighth District on January 1 was approximately 6.5 per cent larger than at the beginning of 1932. However, owing to lower prices the estimated value of these animals on January 1 was 9 per cent less than a year earlier. The aggregate number of cattle, sheep, swine, horses and mules on the opening day this year was 36,772,000 head, having an estimated value of \$548,628,000, which compares with 35,542,000 head, with value of \$603,072,000, on January 1, 1932. There was a slight decline in the number of horses and mules, and sheep, but a substantial increase in cattle, and swine. Price declines extended to all species.

For the country as a whole there was also an increase in cattle and hogs and a decrease in the number of horses, mules and sheep. The number of milk cows increased, but there was a decrease in the number of yearling heifers being kept for milk cows. Total livestock units on January 1, 1933, were 1.8 per cent larger than on the same date in 1932, and about 7 per cent larger than on January 1, 1927, the low point of recent years. Total value of all livestock and of each species declined. In most cases the decreases were due to a sharp drop in value per head. Total value of livestock on United States farms as of January 1 was \$2,661,985,000 compared with \$3,195,532,000 on January 1, 1932 and \$5,994,970,000 on January 1, 1930.

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

	Receipts			Shipments		
	Jan. 1933	Dec. 1932	Jan. 1932	Jan. 1933	Dec. 1932	Jan. 1932
Cattle and Calves.....	70,243	65,695	75,298	38,545	38,559	45,227
Hogs .....	218,124	201,455	267,476	141,759	159,342	182,231
Horses and Mules.....	5,763	1,853	3,873	4,815	1,692	3,296
Sheep .....	35,880	43,869	37,050	11,365	12,209	14,806

**Fruits and Vegetables**—There are scattered reports of injury to fruit trees caused by the sub-zero temperatures during the first half of February. No

comprehensive survey of orchards has been made, however, and the extent of this damage can not be determined at this time. January intention reports reveal a continuation of the shift in potato acreage that has been developing the past two years in increased plantings within trucking distance of the consuming markets and for home use. Growers in a number of commercial producing areas indicate more uncertainty regarding the acreage they will plant in the coming season, but in general there are distinct tendencies toward curtailment in the shipping areas farthest from the markets, and maintenance of expansion in acreage nearer the markets. Due to the heavy production and consequent low prices of sweet potatoes in 1931 and 1932, farmers in many localities are planning to reduce their acreage this season. Intentions to increase strawberry production this season are quite general through the district, but more particularly in the Ozark region. Acreage of tomatoes planted for commercial purposes this year are expected to be smaller than last season.

**Cotton** — Preparation for the new crop made some progress under favorable weather conditions prior to the cold snap early this month. Since that time little has been done, field work having been brought to a standstill. Reports so far received reflect no intention to plant smaller acreage than a year ago. Applications for production loans from the Government have been numerous, and in the chief cotton raising states of this district, except Arkansas, January fertilizer tag sales were larger than a year ago. While interfering with field operations, the recent sub-zero weather is looked upon as favorable in that it will result in heavy boll weevil mortality. Demand for raw cotton continued quiet, with buyers continuing to confine their purchases to small lots for immediate use. Prices fluctuated within a narrow range, and showed no definite trend. In the St. Louis market the middling grade ranged from 5.65c to 5.95c between January 16 and February 15, closing at 5.80c on the latter date, which compares with 5.75c on January 16, and 6.50c on February 15, 1932.

Receipts at Arkansas compresses from August 1, 1932 to February 10, 1933 totaled 1,141,213 bales, against 1,346,072 bales during the corresponding period a year earlier. Stocks on February 10 were 563,257 bales, which compares with 651,354 bales on January 13, and 637,305 bales on the corresponding date in 1932.

**Tobacco** — The recent intensely cold weather, together with the small quantity of burley leaf re-

maining unsold, has resulted in a sharp reduction in the volume of tobacco sales. As of February 10 it was estimated that total burley sales amounted to approximately 315,000,000 pounds, at an average of about \$12.60 per cwt. for the season, as compared with about \$9 per cwt. last year and \$15.62 per cwt. in 1931. Decided types of bright tobacco showed but little decline, whereas common grades were cheaper than any time this season. Many of the burley markets had closed at the middle of February. In the dark tobacco districts, the green river and stemming types were reduced in quantity and while prices continue low, there was some improvement during the latter part of January. Due to cold weather, sales were also reduced in the dark-fired areas, and several markets suspended operations. A large part of the crop is bulked down and ready to strip and deliver, and it is expected that the movement to market will be rapid with the return of favorable weather. Just before the cold snap there was more medium to good tobacco sold than usual, with prices ranging higher than earlier in the season.

### COMMODITY PRICES

Range of prices in the St. Louis market between January 16, 1933 and February 15, 1933 with closing quotations on the latter date, and on February 15, 1932, follow:

	High	Low	Close	
			Feb. 15, 1933	Feb. 15, 1932
<b>Wheat</b>				
May .....per bu...	.48½	.46¼	\$ .47¾	\$ .57¾
July .....	.48¾	.46¾	.48	.58¾
No. 2 red winter .....	.50½	.48½	\$ .49½ @ .50	\$ .56½ @ .57
No. 2 hard .....	.51	.48	.48½ @ .49	.56 @ .57
<b>Corn</b>				
May .....	.26½	.25	.25	.37¾
No. 2 mixed .....	.25	.21¾	.24½ @ .25	.34½ @ .35½
No. 2 white .....	.26	.23¼	.24½ @ .25¼	.35¾ @ .36¾
<b>Oats</b>				
No. 2 white .....	.18	.16¾	.17 @ .17½	.24¾ @ .25¾
<b>Flour</b>				
Soft patent.....per bbl.	3.35	3.10	3.10 @ 3.35	3.36 @ 4.20
Spring patent.....	4.00	3.75	3.75 @ 4.00	4.20 @ 4.50
Middling cotton.....per lb.	.0595	.0565	.0580	.0650
Hogs on hoof.....per cwt.	4.05	2.00	2.65 @ 3.70	3.10 @ 4.20

### FINANCIAL

Reflecting the low stage of activity in general business, demand for credit from all classes of commercial and industrial borrowers in the Eighth District continued the steady decline of recent months. Mercantile interests are carrying unusually small inventories and for the most part manufacturers are making up only goods for which they have actual orders or definite prospects of selling. February settlements with closing and jobbing interests were in large volume and permitted of substantial reductions of commitments with their banks. New loans

and extensions at the commercial banks were considerably smaller than loans paid, with the result that total loans of these institutions declined to the lowest point in recent years. There was a further reduction in borrowings of country banks from their city correspondents, particularly in the south, where further progress was reported in liquidation of loans based on tobacco, cotton and rice. Requirements of grain elevator and milling interests are smaller than usual at this season, and aside from a fair demand for funds to finance livestock operations, recourse on the banks for agricultural purposes has been negligible. Liquidation of loans made by loose leaf tobacco warehouses at the opening of the marketing season had been practically completed at the middle of February.

Between January 18 and February 15 total loans and investments of reporting member banks in the principal cities decreased 2.2 per cent, and on the latest date were 12.6 per cent smaller than on the corresponding date in 1932. Demand deposits decreased 5.6 per cent and time deposits 2.6 per cent, resulting in a decrease 4.6 per cent in total deposits. Total investments, which have been moving sharply downward since the second week of January, reached the lowest point since last June, on February 15. Following a sharp decrease during the preceding four-week period, the amount due from other banks increased approximately 4 per cent, and the total as of February 15 was still 97.7 per cent larger than a year ago. Total reserve balances decreased 9.4 per cent.

The total volume of reserve bank credit outstanding at this bank on February 17 was approximately 4 per cent smaller than a month earlier, but about 37 per cent greater than a year ago. Following a sharp advance in mid-January, the circulation of this bank subsequently decreased to \$136,592,000 and on February 1 was \$5,110,000 less than a month earlier, but \$43,212,000 greater than on February 17, 1932.

Quotably interest rates showed no change from the low levels obtaining during the preceding thirty days. At St. Louis banks current rates were as follows: Customers commercial paper, 3¾ to 5½ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4 to 5¾ per cent; loans secured by warehouse receipts, 3¾ to 5¾ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on February 15, 1933 showed a decrease of 2.6 per cent as contrasted with January 18, 1933. Deposits decreased 4.6 per cent

between January 18, 1933 and February 15, 1933 and on the latter date were 7.9 per cent smaller than on February 17, 1932. Composite statement follows:

	*Feb. 15, 1933	*Jan. 18, 1933	*Feb. 17, 1932
Number of banks reporting.....	24	24	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$105,729	\$108,685	\$141,748
All other loans and discounts.....	152,772	156,832	222,394
Total loans and discounts.....	\$258,501	\$265,517	\$364,142
Investments			
U. S. Government securities.....	126,010	129,111	92,058
Other securities.....	118,170	119,347	119,249
Total investments.....	\$244,180	\$248,458	\$211,307
Reserve balance with F. R. Bank	39,305	43,397	36,504
Cash in vault.....	8,521	16,010	6,722
Deposits			
Net demand deposits.....	289,464	306,632	303,163
Time deposits.....	182,600	187,549	209,197
Government deposits.....	1,800	2,754	2,408
Total deposits.....	\$473,864	\$496,935	\$514,768
Bills payable and rediscounts with Federal Reserve Bank.....	1,539	3,490	5,585

\*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.

	*Jan. 1933	*Dec. 1932	*Jan. 1932	Jan. 1933 comp. to Dec. 1932	Jan. 1932
East St. Louis & Natl.					
Stock Yards, Ill.....	16,623	\$ 16,637	\$ 20,966	- 0.1%	-20.7%
El Dorado, Ark.....	3,290	3,306	3,966	+ 0.5	-17.0
Evansville, Ind.....	14,344	13,872	23,216	+ 3.4	-38.2
Fort Smith, Ark.....	6,658	6,711	8,302	+ 0.8	-19.8
Greenville, Miss.....	2,871	2,819	3,186	+ 1.8	- 9.9
Helena, Ark.....	1,145	1,326	1,227	-13.7	- 6.7
Little Rock, Ark.....	16,834	17,712	23,320	+ 5.0	-27.8
Louisville, Ky.....	107,373	106,940	120,440	+ 0.4	-10.8
Memphis, Tenn.....	88,579	80,209	102,478	+10.4	-13.6
Owensboro, Ky.....	3,473	2,844	5,525	+22.1	-37.1
Pine Bluff, Ark.....	3,943	4,385	5,468	+10.1	-27.9
Quincy, Ill.....	5,101	5,094	6,576	+ 0.1	-22.4
St. Louis, Mo.....	446,957	438,060	550,008	+ 2.0	-18.7
Sedalia, Mo.....	1,647	1,462	2,676	+12.7	-38.5
Springfield, Mo.....	10,450	8,957	11,208	+16.7	- 6.8
**Texarkana, Ark.-Tex.....	5,364	5,026	7,593	+ 6.7	-29.4
Totals .....	\$734,652	\$715,360	\$896,155	+ 2.7	-18.0

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During January, the Federal Reserve Bank of St. Louis discounted for 196 member banks against 197 in December, and 257 in January, 1932. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Feb. 17, 1933	*Jan. 17, 1933	*Feb. 17, 1932
Bills discounted .....	\$ 5,364	\$ 9,556	\$22,610
Bills bought .....			4,823
U. S. Securities.....	65,832	64,620	27,886
Federal Inter. Cr. Bk. Debentures.....			880
Participation in Inv. Foreign Banks.....	947	946	1,100
Total bills and securities.....	\$72,143	\$75,122	\$57,299
Total reserves.....	137,485	145,043	194,693
F. R. Notes in circulation.....	136,592	141,702	93,380
Total deposits.....	64,814	70,951	60,935
Ratio of reserve to deposits and F. R. Note Liabilities.....	68.3%	68.2%	67.8%

\*In thousands (000 omitted).

(Compiled February 23, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of March 31, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

**I**N COMMON with other sections of the country, commerce and industry in the Eighth District during the past thirty days were dominated by the financial situation. The usual instrumentalities for transacting business were seriously disrupted by the bank holidays beginning with Michigan in mid-February and culminating in the National Banking Holiday of the week of March 6. The ordinary indices and measurements for gauging business activity were rendered temporarily ineffectual by the unprecedented monetary conditions. Considerable difficulty was experienced in gathering statistics and information covering February operations in manufacturing and trade, and during the first half of March, these difficulties were greatly intensified by uncertainties attending the bank suspensions. With the gradual reopening of financial institutions on March 13 and subsequent resumption of trading on the principal security and commodity exchanges of the country, the situation as a whole was substantially improved and continued betterment has been in progress since, with the result that in the third week of this month banking, transportation, communications and other business facilities were functioning generally throughout the district at a rate closely approximating that obtaining prior to the crisis.

During February both commerce and industry continued the recessionary trends noted in January and the closing months of 1932. Existing unfavorable factors were emphasized by the disturbed banking status, and there was a tendency on the part of merchants and the public to conserve cash and practice extreme caution in the matter of commitments for commodities. In virtually all wholesaling and jobbing lines investigated by this bank, aggregate February sales fell below the same period a year ago. With the exception of dry goods, electrical supplies, apparel and several less important classifications affected by seasonal considerations, the volume was also below that of January this year. Retail trade failed to show the usual pickup from January to February, and special efforts in the

form of reduction sales and intensive advertising campaigns met with only indifferent success. There was a moderate increase in production at iron and steel mills and foundries, but a number of plants which had resumed operations in February closed down again with the declaration of the bank moratorium. Production in all the bituminous coal fields of the district was below that of a year ago.

During the first part of March business was virtually at a standstill, except those branches dealing with necessities of everyday existence. With the medium of exchange through checks eliminated, and cash difficult to obtain, transactions between commercial firms were temporarily halted and purchasing by the public was greatly restricted. The prompt and efficient measures taken for opening banks, and resumption of activities by these institutions served to materially bolster confidence in the business community and with the public at large. Another factor tending to substantially assist business has been the sharp upturn in commodity prices and security values with the reopening of the exchanges. In the immediate past there has been more of a disposition to cover on requirements for a broad variety of goods than has been evidenced for many months. This is true particularly of basic raw materials, notably pig iron, nonferrous metals, textile fibers, and fuel. With exception of wheat, which sustained considerable damage from the February freezes, agricultural prospects are favorable throughout the district, and farmers are planning their spring planting programs with more confidence than was thought possible a few months back.

The volume of retail trade in February, as reflected in sales of department stores in leading cities of the district, was 2.4 per cent smaller than in January, and 30.2 per cent less than in February, 1932; aggregate sales for the first two months this year were 26.9 per cent smaller than for the same period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 6.5 per cent smaller than in January, and about one-fifth less than in February, 1932; for the first two months

the total fell 17 per cent below the same time a year ago. The value of permits for new buildings in the five largest cities in February was about 16 per cent greater than in January but 84 per cent less than a year ago; the cumulative total for the first two months was approximately 79 per cent smaller than a year ago. Construction contracts let in the Eighth District in February were 49 per cent smaller than in January and 58 per cent less than in February, 1932; for the first two months the total was 30.6 per cent smaller than a year ago. Debits to checking accounts in February were about one-fourth smaller than in January and one-fifth less than a year ago; for the first two months the total fell 19 per cent below the comparable period in 1932.

According to officials of railroads operating in this district, the movement of both freight and passenger traffic during February showed somewhat more than the usual seasonal recession. Mild weather tended to hold down loadings of coal and coke and the movement of farm products, including livestock, was considerably smaller than during the same month a year and two years earlier. During the first two weeks of March there was a sharp falling off in all descriptions of freight handled and passenger traffic declined to the lowest levels in late years. More freight than is ordinarily the case was handled by trucks. This was particularly noticeable in the movement to market of livestock, poultry and some other farm products. For the country as a whole, loadings of revenue freight for the first nine weeks this year, or to March 4, totaled 4,346,304 cars, against 5,069,471 cars, for the comparable period in 1932 and 6,430,545 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 112,484 loads in February, against 111,834 loads in January and 133,429 loads in February, 1932. During the first nine days of March the interchange amounted to 34,183 loads, against 36,361 loads during the corresponding period in February, and 43,433 loads during the first nine days of March, 1932. Passenger traffic of the reporting lines in February decreased 27 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 73,000 tons, which compares with 81,304 tons in January and 112,558 tons in February, 1932.

Taken as a whole, reports relative to collections during the past thirty days reflect more favorable results than might have been looked for under existing banking conditions. February 1 payments to wholesalers in the principal distributing centers

made a relatively favorable comparison with the corresponding period last year. In the tobacco districts liquidation with both banks and merchants during the last half of February were in considerable volume. With suspension of the ordinary banking facilities incident to the nation-wide moratorium debtors were unable to secure cash for settlements, so that it was impossible to estimate what was the status of collections. Reports from both wholesale and retail merchants, however, indicate that the delay is temporary only, and that postponed payments by customers will be made with restoration of normal banking operations. Indicated losses through weak accounts in February were smaller than a year ago. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
February, 1933.....	0%	7.4%	52.9%	39.7%
January, 1933.....	1.9	9.4	54.2	34.5
February, 1932.....	1.7	18.5	51.0	28.8

Commercial failures in the Eighth Federal Reserve District in February, according to Dun's numbered 103 involving liabilities of \$2,708,637, against 121 defaults in January with liabilities of \$1,865,582 and 148 insolvencies for a total of \$2,804,588 in February, 1932.

The average daily circulation of the United States in February was \$5,892,000,000 against \$5,631,000,000 in January, and \$5,627,000,000 in February, 1932.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes**—February sales of the reporting firms were 28 per cent smaller than for the same month last year, and 15 per cent less than the January total this year. Stocks on March 1 were smaller by 12 per cent and 18 per cent, respectively, than a month and a year earlier. The decline in the month-to-month sales comparison is seasonal in character, and no larger than the average during the past several years. New business booked during the first two weeks in March was negligible, owing to the bank holiday, but since resumption of banking operations there has been a large volume of orders for prompt shipment. Factory operations showed little change as contrasted with the preceding thirty days.

**Clothing** — Purchasing of apparel of all descriptions continued on a conservative scale, but with retail stocks universally small, ordering for absolute requirements represented a sizeable aggregate. The volume of buying for distribution during the spring and early summer was slightly ahead of the same period last year. Demand for work clothes showed

no change from the dull condition of recent months. February sales of the reporting clothiers were 28 per cent greater than for the preceding month, and 8 per cent larger than in February last year.

**Drugs and Chemicals** — Continued quietness in demand for heavy chemicals and drugs from the general manufacturing trade, and reduced requirements for seasonal goods were factors in a decrease of February sales of 4 per cent below the preceding month and of 14.5 per cent under the February, 1932, total. Inventories were again lower, stocks on March 1 being 1 per cent and 11 per cent smaller, respectively, than a month and a year earlier.

**Dry Goods** — Following the usual seasonal trend, February sales of the reporting interests were 7 per cent greater than for the preceding month, but the total was 17 per cent smaller than in February last year. A considerable part of the decrease in the yearly comparison was due to the decrease in prices of virtually all commodities handled. There was an increase of 4 per cent in inventories between February 1 and March 1, but on the latest date the total was 10 per cent smaller than a year ago. Due to the closing of the principal exchanges during the bank holiday, prices were somewhat uncertain, but with the resumption of trading the trend of all textile values has been upward.

**Electrical Supplies** — Improvement in demand from public utilities companies and certain sections of the construction industry was reflected in an increase in February sales of the reporting firms of 19 per cent over the preceding month. The total, however, was one-fourth smaller than in February, 1932. Stocks on March 1 showed no change from a month earlier, and were 41 per cent smaller than a year ago.

**Flour** — Production at the 12 leading mills in February totaled 352,291 barrels, against 253,973 barrels in January and 225,971 barrels in February, 1932. Moderate improvement in demand was noted during the closing weeks of February, but during the first half of March trading was seriously hampered by interference with grain markets resulting from the banking moratorium. Millers were unwilling to make large commitments because of inability to hedge their cash grain purchases in the future market. Consumers, particularly the larger buyers, were willing to buy, and the undertone of the market was firm. The feeling of strength was emphasized by the higher cash wheat prices at the reopening of the grain markets on March 13. Inquiries from Latin-American markets were in slightly

larger volume than heretofore. Mill operations were at from 42 to 45 per cent of capacity.

**Furniture** — February sales of the reporting firms were approximately 40 per cent larger than during the preceding month, but 17 per cent smaller than in February a year ago. Inventories continue to recede, stocks on March 1 being smaller by 10.5 per cent and 32.5 per cent, respectively, than a month and a year earlier. The increase in the month-to-month comparison was seasonal in character, but slightly greater than the average during the past several years. No change in prices was noted as contrasted with the preceding thirty days.

**Groceries** — As compared with other lines, business in this classification made a relatively favorable showing. Seasonal demands and more of a disposition on the part of retailers to build up stocks were reflected in fairly active purchasing during the first three weeks of the month. During the last week, however, banking disturbances served to halt buying to a considerable extent, with the result that total February sales of the reporting interests were 7 per cent smaller than in January, and 9 per cent less than in February, 1932. The decrease in the yearly comparison was accounted for largely by lower prices. Stocks on March 1 were 2 per cent and 3 per cent smaller, respectively, than a month and a year earlier.

**Hardware** — As compared with the preceding month, February sales of the reporting firms showed a decrease of 7 per cent, and the total was 16.5 per cent less than in February, 1932. There was a slight increase in inventories between February 1 and March 1, and on the latest date stocks on hand were 14 per cent smaller than a year ago. Due to unusually mild weather throughout the winter, purchasing of seasonal goods was considerably smaller than during the past several years.

**Iron and Steel Products** — During the closing weeks of February there was quite a noticeable quickening in activities in the iron and steel industry in this district. Inquiries for a broad variety of products were in larger volume than for a number of months, and new ordering of finished and raw materials showed distinct improvement. The nature of both inquiry and new buying indicated actual need for the goods involved and that long postponed requirements were being, or about to be filled. Another favorable symptom was the further progress in the direction of stabilization of prices on certain important products, notably plates, sheets and other rolled items. Demand for castings was more active, as reflected by increased schedules at

jobbing foundries and at plants of certain specialty manufacturers. The movement of pig iron and metallurgical coke during the last half of February was at a higher average daily rate than during the preceding six weeks. Improvement extended as well to distributors, business of iron and steel warehouse jobbing interests having shown steady betterment from the first week of February. Restrictions placed on all business activities by the banking disturbances had a particularly detrimental effect on the iron and steel industry. Due to fears relative to securing funds to pay wages, transportation and other charges, virtually all foundries in the district closed down when the bank holiday was declared, and steel mills either suspended operations or heavily lowered their working schedules. There was no change worthy of note in requirements of the automotive industry, but railroads were purchasing on a somewhat more liberal scale than heretofore, mainly, however, to fill immediate needs. Plans for resumption of operations at a number of stove and heating apparatus and farm implement plants were further delayed by the banking situation, but are expected to be put into effect early in April. Despite recent disabilities, sentiment generally in the industry is more hopeful than in many months. This attitude is based chiefly on universally scant inventories and the belief that replenishment can no longer be put off. Pig iron prices were steady to firm, and the same was true of iron and steel scrap. Production of pig iron for the country as a whole in February recorded another daily average gain, but due to the shorter month, the total, of 553,067 tons, according to the magazine "Steel," was 15,718 tons less than in January, and compared with 960,550 tons in February, 1932. Production of steel ingots in the United States in February totaled 1,065,080 tons, against 1,006,297 tons in January, and 1,457,710 tons in February, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in February totaled 106,814, against 130,114 in January, and 117,413 in February, 1932.

Following the unvarying trend of the past ten or twelve years, distribution of automobiles in this district during February showed a substantial increase over the preceding month, according to the group of dealers reporting to this bank. In point of number of new passenger cars sold, the February total was the largest since last June. As compared with a year earlier, however, the February volume continued the steady decreases which have been in effect in recent months. The increase in the month-

to-month comparison was due partly to the very small January volume and to the usual seasonal influences, such as introduction of new models and the desire of purchasers to get in on the new registration year, which in Missouri and some other states begins in February. Demand was well distributed through all classes of makes, but a particularly favorable showing was made by medium-priced vehicles. February sales of the reporting dealers were 32 per cent less than a year ago, but about three and one-half times larger than the January total. Dealer buying is still on a conservative scale, which fact is reflected in generally small inventories. Sales of used cars also increased in February over January, but showed a decrease of about 9 per cent under February last year. Stocks of salable secondhand cars increased slightly from February 1 to March 1, but on the latest date were still about one-fourth smaller than a year ago. Sales of trucks of all descriptions in February were about 50 per cent greater than in the preceding month, but less than half as large as in February, 1932. According to dealers reporting on that item, deferred payment sales in February constituted 46 per cent of total sales, against 51 per cent in January and 52 per cent in February, 1932.

### 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	
	Feb. 1933 comp. to Feb. 1932	2 months ended Feb. 28, 1933 to same period 1932	Feb. 28, 1933 comp. to Feb. 28, 1932	Jan. 1, to Feb. 28, 1933	Feb. 28, 1932
Evansville .....	-39.7%	-35.5%	-34.6%	.24	.25
Little Rock.....	-30.0	-23.7	-15.9	.30	.32
Louisville .....	-30.2	-27.8	-31.6	.37	.36
Memphis .....	-24.2	-22.1	-20.7	.41	.46
Quincy .....	-29.2	-30.1	-15.2	.31	.37
St. Louis.....	-31.1	-27.9	-19.2	.50	.57
Springfield .....	-37.4	-27.4	-24.4	.16	.18
8th District.....	-30.2	-26.9	-21.0	.44	.49

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1933 comp. to Feb. 1932	2 months ended Feb. 28, 1933 to same period 1932	Feb. 28, 1933 comp. to Feb. 28, 1932	Jan. 1, to Feb. 28, 1933	Feb. 28, 1932
Men's Fur- nishings..	-26.9%	-27.5%	-24.1%	.40	.41
Boots and Shoes .....	-28.3	-21.5	-26.2	.39	.39

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in February as being 3.7 per cent larger than in January and 10.4 per cent less than in February, 1932. Detailed figures follow:

	No. of Custom- ers	Feb. 1933	Jan. 1933	Feb. 1933	Feb. 1933	Feb. 1933
		*K.W.H.	*K.W.H.	comp. to Jan. 1933	*K.W.H.	comp. to Feb. 1932
Evansville ...	40	1,313	1,321	- 0.6%	1,523	-13.8%
Little Rock...	35	1,092	1,125	- 2.9	1,141**	- 4.3
Louisville ....	85	5,626	4,739	+18.7	5,119**	+ 9.9
Memphis .....	31	1,343	1,450	- 7.4	1,389	- 3.3
St. Louis.....	195	11,288	11,287**	+ .01	13,876**	-18.7
Totals .....	386	20,662	19,922	+ 3.7	23,048	-10.4

\*In thousands (000 omitted).  
\*\*Revised figures.

### BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in February were 15.7 per cent more than in January, and less by approximately 84 per cent than in February a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in February amounted to \$2,590,446 which compares with \$5,060,638 in January and \$6,118,908 in February, 1932. Production of portland cement for the country as a whole in February totaled 2,772,000 barrels, against 2,958,000 barrels in January and 3,971,000 barrels in February, 1932. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	92	107	\$ 14	\$ 23	31	26	\$ 11	\$ 7
Little Rock	4	21	1	28	32	69	14	36
Louisville ..	14	35	17	23	25	41	16	114
Memphis ...	55	95	27	518	74	128	39	63
St. Louis....	63	149	74	252	107	222	49	180
Feb. totals..	228	407	\$ 133	\$ 844	269	486	\$ 129	\$400
Jan. " ..	246	348	115	360	277	417	152	289
Dec. " ..	212	408	116	2,855	269	338	128	187

\*In thousands of dollars (000 omitted).

### AGRICULTURE

Weather conditions in the Eighth District during the past thirty days were variable and on the whole less favorable for agricultural activities and crops than during the same period in recent years. The extremely low temperatures in early February temporarily halted plowing and preparations of the soil for spring planting except in the southmost tiers of the district. Considerable work had been performed prior to the cold snap, however, and intensive efforts since the return to milder weather, following the third week in February, permitted of schedules being brought close to the seasonal average at the middle of March. Scattered reports reflect damage in greater or lesser degree to early truck crops, strawberries and peaches, and rather widespread injury to the growing winter wheat crop from the February freezes. The sub-zero temperatures also caused considerable mortality among early lamb and pig crops. Precipitation has been general and in ample volume for all purposes, and soil conditions in virtually all localities are better than at this season during the past several years. Relative to prospective acreages of spring planted

crops more uncertainty exists than in the past, due to the changed factors tending to influence farmers' intentions.

The movement to market and general distribution of farm products was seriously interfered with by the banking holidays. The grain, cotton and other exchanges of the country were temporarily closed due to difficulties encountered as a result of suspension of banking operations. Just prior to March 3, when the grain exchanges closed, there was an upward movement in prices of wheat, and on March 13, when dealing in cash grain was resumed on a limited scale, No. 2 hard winter wheat advanced to the highest point since last May. With the opening of future trading on March 16, all wheat options advanced sharply, and there were also advances in prices of corn, oats and other cereals.

**Winter Wheat** — Reports from the principal growing areas of the district reflect more than the usual amount of winter killing, and in certain important counties abandonment of acreage is expected to be heavy. Unfavorable conditions during the planting season have resulted in uneven stands, and during the extreme cold weather in February snow covering was lacking over most of Indiana, Illinois and Missouri. There are scattered reports of the appearance of Hessian fly, but so far as can be learned expected damage from this source is no greater than the average during the past decade.

**Corn** — Wet weather and the low temperatures during early February interfered to a considerable extent with preparations of corn land, and generally less progress has been made in clearing and plowing than is usual at this season. Generally seed is abundant and of good quality, but farmers' intentions to plant corn have been influenced by current low prices and the heavy carry-over from last year. In many instances producers estimate that they can purchase their requirements at present prices for less money than it would take to raise a new crop. Stocks of corn in farmers' hands on March 1 in states of this district represent one of the largest totals ever recorded for that date.

**Fruits and Vegetables** — Reports from certain sections where peaches are grown on a commercial scale indicate that serious damage was sustained by trees from the zero weather in February, and prospects are for yields no larger than realized in the practical failure last year. Relatively little damage was done to apples, except the earliest varieties. Cane fruits are believed to have escaped serious damage, but strawberry plants in some localities were badly hurt by the freeze. Preliminary reports indicate generally larger strawberry acreages than last year, particularly in the Ozark region. On the

basis of March indications, the Mississippi strawberry yield is estimated by the U. S. Department of Agriculture to be about 35 per cent greater than last year.

**Live Stock** — The early lamb crop in the principal early lambing states, as a whole, is about 8 per cent smaller than in 1932, according to reports received by the U. S. Department of Agriculture as of March 1. The condition of early lambs average somewhat better than on March 1, 1932. Regarding certain states of this district the report comments as follows:

Tennessee: The lamb crop was somewhat larger than last year and condition of lambs is good to excellent. A larger number than usual will be ready for the early market. Feed supplies are plentiful and grazing ample. Kentucky: The lamb crop will be larger than last year and the proportion for May shipment is expected to be greater. While the winter was fairly favorable as a whole, the severe cold spell in February caused rather heavy losses. Pastures at the end of February were only fair, but seasonal warm weather has improved them since that time. Missouri: The early lamb crop is expected to be somewhat smaller than last year, due to death losses in February.

The condition of cattle and hogs on March 1 was for the most part favorable, but due to slack demand and low prices, the movement to market was in smaller volume than a month and a year earlier. There was a rather sharp advance in live-stock and meat prices during early March, occasioned mainly by curtailment of supplies incident to the banking disturbances. Demand for stocker and feeder cattle was only moderately active, farmers experiencing difficulty in financing purchases. Milk production per cow on March 1, as reported by the Department of Agriculture was the lowest for that date since 1925.

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

	Receipts			Shipments		
	Feb. 1933	Jan. 1933	Feb. 1932	Feb. 1933	Jan. 1933	Feb. 1932
Cattle and Calves.....	66,347	70,243	71,770	37,618	38,545	39,502
Hogs .....	196,933	218,124	237,181	123,435	141,759	168,303
Horses and Mules.....	5,090	5,763	5,224	5,465	4,815	4,991
Sheep .....	34,078	35,880	25,798	11,072	11,365	7,455

**Cotton** — Crop preparations generally are backward in the Eighth District, due chiefly to unfavorable weather. Heavy rainfall has prevented farmers from entering their fields in many sections, but as planting does not ordinarily become general until the middle of April, with an average share of seasonable weather, there is ample time left for thorough preparation and early start. Prospective acreage, already uncertain, has been further complicated by the banking situation and the probable part

in financing planters which will be assumed by the Federal Government and other agencies. Government loans are being made with acreage restrictions, which fact may result in smaller plantings than a year ago. With the exchanges closed during the bank holidays, trading in cotton in this country during that period was practically at a standstill. Demand which had accumulated during the moratorium, coupled with the rise in other commodities, was reflected in an advance to the highest point since last October on both spot cotton and futures. In the St. Louis market the middling grade ranged from 5.65c to 6.50c per pound between February 16 and March 16, closing at 6.50c on the latter date, which compares with 5.80c on February 15, and 6.50c on March 15, 1932.

Receipts at Arkansas compresses from August 1, 1932, to March 10, 1933, totaled 1,170,710 bales, which compares with 1,427,647 bales during the comparable period a year earlier. Stocks on March 10 were 501,140 bales, against 563,257 bales on February 10 and 588,390 bales on the corresponding date last year.

**Tobacco** — Markets in the burley tobacco districts had closed for the season at the middle of March with the exception of Lexington, Ky. Eliminating sales of old tobacco and resales of the 1932 crop, it is estimated that about 300,000,000 pounds of the latest crop of burley were sold at an average price of \$12.40 per cwt., which compares with an average of \$8.65 in 1932 and \$15.59 in 1931. The air-cured markets have also closed. In the Owensboro, Ky., market, prices averaged about \$3.38 and the Henderson sales, \$5.53. In the one-sucker district average price for the season was approximately \$5. As of March 3, approximately half of the fire-dark crop had been sold, with an average price of \$6.50 in the eastern district and \$4.10 in the western district. By mutual agreement between warehousing buyers and the marketing associations, all sales were suspended in the dark-fired districts during the week of March 6. Some progress has been made in preparation of plant beds for this year's crop. While the Bureau of Agricultural Economics finds that "most of the factors affecting the outlook for tobacco in 1933 are adverse," the relatively high prices obtained for the last crop are influencing farmers' intentions to plant and indications point to a larger acreage this year than last, particularly in the burley districts.

### COMMODITY PRICES

Range of prices in the St. Louis market between February 15, 1933, and March 16, 1933, with closing quotations on the latter date, and on March 15, 1932, follow:

	High	Low	Close	
			March 16, 1933	March 15, 1932
Wheat				
May .....per bu..	.53¾	.46¾	\$.53¾	\$.55¾
July .....	.53¾	.47¼	.53¾	.56¾
No. 2 red winter ..	.58½	.48½	\$.57½ @ .58½	\$.55 @ .55½
No. 2 hard ..	.57½	.55	.56½ @ .57½	.55 @ .55½
Corn				
May .....	.27¼	.23¼	.27¼	.36
No. 2 mixed .....	.28	.21½	.27 @ .28	.33 @ .33½
No. 2 white .....	.28½	.23¾	.27½ @ .28½	.33 @ .34
Oats				
No. 2 white .....	.20½	.16	.20 @ .20½	.23¼ @ .23¾
Flour				
Soft patent.....per bbl.	3.60	3.00	3.50 @ 3.60	3.40 @ 3.75
Spring patent.....	4.80	3.75	4.50 @ 4.75	4.20 @ 4.50
Middling cotton.....per lb.	.0650	.0565	.0650	.0650
Hogs on hoof.....per cwt.	4.45	2.60	2.65 @ 3.90	3.60 @ 4.65

**FINANCIAL**

Gradual resumption of banking operations following the moratorium of the week of March 6 disclosed practical cessation of heavy withdrawals and other practices which caused the nationwide suspension. By the third week of March many banks in the district had reopened, and those in the large cities, with aid of the Federal reserve bank, were supplying funds to their correspondents. Generally there were indications of greater confidence than has been the case in many months. Demand for credit for commercial and industrial purposes which, during early February was the lowest point since last summer, has shown considerable improvement in the immediate past. Borrowing by the grain and flour milling interests has increased, and the call for financing purchases of raw materials was better than heretofore. Reflecting the heavy demands for currency and broadening in general credit requirements, interests rates have shown a decided advance.

Average borrowings of all member banks from the Federal reserve bank between February 17 and March 17 were considerably larger than in the similar period immediately preceding, but still well under the corresponding time last year. As a result of heavily increased demand for currency the circulation of this bank increased sharply, and at the middle of March reached the highest total ever recorded. At the writing of this report, the amount in circulation was declining. The total volume of Federal reserve credit outstanding on March 17 was 22 per cent greater than a month earlier, and about 44 per cent larger than on the same date last year. In the month-to-month comparison the increase was due largely to heavier holdings of purchased bills.

At St. Louis banks current interest rates were as follows: Customers commercial paper, 5 to 6 per cent; collateral loans 4½ to 6 per cent; inter-bank loans, 5 to 6 per cent; loans secured by warehouse receipts, 5 to 6 per cent and cattle loans, 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on March 15, 1933 showed a decrease of 0.3 per cent as contrasted

with February 15, 1933. Deposits decreased 3.7 per cent between February 15, 1933 and March 15, 1933, and on the latter date were 14.5 per cent smaller than on March 16, 1932. Composite statement follows:

	*Mar. 15, 1933	*Feb. 15, 1933	*Mar. 16, 1932
Number of banks reporting.....	24	24	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$105,877	\$105,729	\$152,698
All other loans and discounts....	151,876	152,772	219,743
Total loans and discounts.....	\$257,753	\$258,501	\$372,441
Investments			
U. S. Government securities.....	116,552	126,010	91,314
Other securities.....	117,117	118,170	119,373
Total investments.....	\$233,669	\$244,180	\$210,687
Reserve balance with F. R. Bank	49,933	39,305	41,377
Cash in vault.....	15,590	8,521	6,299
Deposits			
Net demand deposits.....	279,649	289,464	318,674
Time deposits.....	172,138	182,600	208,143
Government deposits.....	4,309	1,800	6,435
Total deposits.....	\$456,096	\$473,864	\$533,252
Bills payable and rediscounts with			
Federal Reserve Bank.....	6,564	1,539	3,483

\*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.

	*Feb. 1933	*Jan. 1933	*Feb. 1932	Feb. 1933 comp. to Jan. 1933	Feb. 1932
East St. Louis & Natl.					
Stock Yards, Ill..\$	14,391	\$ 16,623	\$ 18,213	—13.4%	—21.0%
El Dorado, Ark....	3,093	3,290	3,366	— 6.0	— 8.1
Evansville, Ind....	12,280	14,344	15,603	—14.4	—21.3
Fort Smith, Ark....	6,039	6,658	6,890	— 9.3	—12.4
Greenville, Miss....	2,732	2,871	3,574	— 4.8	—23.6
Helena, Ark.....	913	1,145	1,062	—20.3	—14.0
Little Rock, Ark...\$	13,914	16,834	17,945	—17.3	—22.5
Louisville, Ky.....	100,810	107,373	106,023	— 6.1	— 4.9
Memphis, Tenn....	60,633	88,579	85,405	—31.5	—29.0
Owensboro, Ky....	2,836	3,473	3,398	—18.3	—16.5
Pine Bluff, Ark....	3,434	3,943	4,617	—12.9	—25.6
Quincy, Ill.....	3,603	5,101	6,377	—29.4	—43.5
St. Louis, Mo.....	320,316	446,957	411,816	—28.3	—22.2
Sedalia, Mo.....	1,182	1,647	1,228	—28.2	— 3.7
Springfield, Mo....	7,576	10,450	8,806	—27.5	—14.0
**Texarkana, Ark.-Tex.....	4,657	5,364	6,544	—13.2	—28.8
Totals .....	\$558,409	\$734,652	\$700,867	—24.0	—20.3

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

**Federal Reserve Operations** — During February, the Federal Reserve Bank of St. Louis discounted for 150 member banks against 196 in January and 237 in February, 1932. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Mar. 17 1933	*Feb. 17, 1933	*Mar. 17, 1932
Bills discounted .....	\$11,082	\$ 5,364	\$19,394
Bills bought .....	15,246	.....	3,512
U. S. Securities.....	65,832	65,832	27,787
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks.....	812	947	1,011
Total bills and securities.....	\$92,972	\$72,143	\$51,704
Total reserves.....	159,673	137,485	107,833
F. R. Notes in circulation.....	168,078	136,592	92,950
Total deposits.....	80,508	64,814	60,257
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	64.2%	68.3%	70.4%
Memorandum—Rediscounts for Other			
F. R. Banks.....	350	.....	.....

\*In thousands (000 omitted).

(Compiled March 21, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of April 29, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HOUGH spottiness and irregularity have characterized industry and commerce in the Eighth District during the past thirty days, there are numerous evidences of improvement and progress following the disabilities imposed by the national banking holiday in early March. The most notable factor in the improvement has been the rapidity with which financial institutions were reopened and banking facilities restored. The immediate effect of this was general restoration of confidence and the release of a large volume of business which had been held up by suspension of banking operations. Seasonal expansion in demand for merchandise in many important lines, while not as marked as in preceding years, has made itself felt, and generally merchants are more disposed to replenish inventories than has been the case in many months. In mercantile lines the full extent of the improvement is not adequately reflected in March statistics, much of the betterment having taken place in the final week of that month and during the first half of April. This is true particularly of classifications of goods for ordinary consumption, such as apparel, dry goods, boots and shoes and food products.

Of the wholesaling and jobbing lines investigated by this bank, March sales were, in a majority of instances, larger than during February, though still measurably below the volume a year ago. A less favorable showing was made in retail distribution, due to a number of causes, among which were very unfavorable weather, effects of the banking disturbances and lateness of the Easter date. In the rural areas, lateness of the planting season and in many sections, serious flood conditions, tended to restrict the volume of trade. Generally through the district agriculture is from ten days to two weeks behind the seasonal schedule, heavy and continuous rains having delayed preparation of the soil and seeding of spring crops. Improvement in prices of cereals and some other farm products took place, with the movement to market in considerable volume. There was no betterment, however, in prices of livestock and packinghouse products.

The general level of industrial production during March declined slightly below that of February, but since April 1 the trend has been upward. A number of foundries, machine shops and other ferrous metal working plants which closed down during the banking holiday have resumed operations, and others are planning to go into production during the first half of May. In anticipation of price advances, purchasing of pig iron, iron and steel scrap and other raw materials during March and early April was in considerable volume, a number of important users having covered on their full second quarter requirements. Output of bituminous coal in fields of this district declined slightly in March as compared with February, and total production was substantially less than in March, 1932. There was also a substantial curtailment of production in the lead and zinc fields in March, both as contrasted with the preceding month and a year ago. Defections in the number of employed workers, caused by reduced mining operations and closing of certain industrial plants, was in a measure counterbalanced by employment due directly or indirectly to resumption of brewing operations, with the result that the employment situation as a whole in the district showed no marked change as contrasted with the preceding thirty days.

As reflected in sales of department stores in the principal cities of the district, retail trade in March was 13 per cent greater than in February, and 28 per cent less than in March, 1932; for the first quarter this year there was a decrease of 27 per cent as compared with the same period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 21 per cent greater in March than February, but 13 per cent smaller than the March, 1932, total; cumulative sales for the first three months this year were 16 per cent less than for the first quarter of 1932. The dollar value of building contracts let for new construction in the five largest cities in March was about one-half greater than in February, but 69 per cent smaller

than in March, 1932; for the first quarter this year the total was three-fourths smaller than for the comparable period a year ago. Construction contracts let in the Eighth District in March were 89 per cent larger than in February and 19 per cent less than in March, 1932; for the first quarter this year there was a decrease of 27 per cent as compared with the same time in 1932.

Following the sharp decrease in freight traffic handled by railroads operating in this district during the first half of March, there has been a well defined upward trend, but the volume continues below that of the corresponding period last year and in 1931. A decrease during March in loadings of livestock, larger than would be indicated by receipts at leading district markets, is attributed to the unusually large numbers of cattle and hogs transported by trucks. For the country as a whole, loadings of revenue freight for the first 13 weeks this year, or to April 1, totaled 6,204,267 cars, against 7,335,790 cars for the corresponding period in 1932, and 9,372,110 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 116,049 loads in March, against 112,484 loads in February and 149,953 loads in March, 1932. During the first nine days of April the interchange amounted to 36,358 loads, which compares with 34,183 loads during the corresponding period in March, and 39,569 loads during the first nine days of April, 1932. Passenger traffic of the reporting roads decreased 27 per cent in March as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 77,400 tons, against 72,051 tons in February and 112,694 tons in March, 1932.

Reports relative to collections during the past thirty days reflect the disturbing effects of the banking holiday. Returns during March were extremely irregular, due to hampered instrumentalities of exchange. It was not before the final week in March that it was possible to estimate what percentage of even routine and regular payments had been made. Since the first of April more normal conditions have been restored, and wholesalers in the large distributing centers report payments well up to expectations, general circumstances considered. This was true particularly of producers and distributors of boots and shoes and dry goods, with which April is an important settlement month. Retail collections are still backward, due partly to the tying up of funds in banks which have not reopened. There has been a further increase in the ratio of cash transactions

to total sales in a majority of retail lines. Liquidation with merchants and banks in the tobacco areas has been in considerable volume since the end of February. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
March, 1933.....	.0%	10.7%	52.5%	36.8%
February 1933.....	.0	7.4	52.9	39.7
March, 1932.....	1.6	14.8	59.4	24.2

Commercial failures in the Eighth Federal Reserve District in March, according to Dun's numbered 111 involving liabilities of \$2,696,132, against 103 defaults in February with liabilities of \$2,708,637, and 172 insolvencies involving a total of \$10,180,893 in March, 1932.

Money in circulation as of March 29, was \$6,353,000,000 which compares with an average daily circulation in February of \$5,892,000,000 and of \$5,530,000,000 in March, 1932.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — March sales of the reporting firms were 35 per cent greater than in February, and 9 per cent less than in March, 1932. Stocks on April 1 showed a decrease of 22 per cent both as compared with a month and a year earlier. The increase in the month-to-month sales comparison was seasonal in character, but less than a year ago, due to lateness of the Easter date and banking disturbances. Since April 1 there has been a moderate recession in production, but general betterment in sales, as compared with the preceding month.

**Clothing** — The usual seasonal influences, coupled with lateness of Easter, were reflected in a substantial increase in March sales of the reporting clothiers as compared with the preceding month. There was also a good increase as compared with the March, 1932 volume. Some cancellation of orders occurred incident to the banking holiday. In both men's and women's apparel interest still centers in the cheaper descriptions. Ordering for summer distribution is reported backward.

**Drugs and Chemicals** — Sales of the reporting firms in March showed an increase of 10.5 per cent over the preceding month, but a decrease of 16 per cent under the March total last year. Inventories continue to shrink, stocks on April 1 being 5 per cent and 14 per cent smaller, respectively, than a month and a year earlier. The gain in the month-to-month comparison was seasonal in character, but somewhat larger than average, due to belated filling of requirements for fertilizer, insecticides and kindred lines.

**Dry Goods**—Reversing the usual seasonal trend, sales of the reporting firms in March showed a slight decline under February and the total fell 23 per cent below that of March, 1932. Stocks on April 1 were 15 per cent smaller than on the same date last year, and 4 per cent less than on March 1 this year. Retailers are still purchasing chiefly on a necessity basis, and while their stocks are universally light, there is little disposition to replenish. A considerable volume of goods ordered for the Easter trade, notably ready-to-wear garments, were canceled. Prices showed no notable changes as contrasted with the preceding thirty days, but the trend of cotton fabrics was firmer.

**Electrical Supplies** — Conforming to the usual seasonal trend, March sales of the reporting firms increased 17 per cent over the February total, and were 5 per cent smaller than a year ago. Stocks increased 18.5 per cent between March 1 and April 1, and on the latest date were 38 per cent smaller than a year earlier. In the month-to-month sales comparison part of the increase was accounted for by heavier sales of radio material.

**Flour** — Production at the 12 leading mills of the district in March totaled 306,680 barrels, against 252,291 barrels in February and 232,282 barrels in March, 1932. Throughout March new business booked by mills was in small volume. All classes of buyers were dealing on a hand-to-mouth basis, and carload orders were almost entirely absent. Since April 1 there has been a fair recovery in demand, particularly from the large bakery trade. Following the upturn in cash wheat, prices of flour advanced in early April. Mill operations were at from 45 to 50 per cent of capacity.

**Furniture** — March sales of the reporting firms were 18 per cent smaller than for the same month in 1932, and 7 per cent less than the February total this year. Stocks increased 13 per cent between March 1 and April 1, and on the latest date were 11 per cent smaller than a year ago. Some cancellations of orders were reported as a result of the banking holiday. Moderate improvement in demand for radio cabinets is reported.

**Groceries** — Somewhat more than the usual seasonal betterment took place in this classification from February to March, sales of the reporting interests during the latest month being 15 per cent greater than in February. The total, however, was 14 per cent smaller than in March, 1932. Inventories decreased further, stocks on April 1 being 7 per cent and 13 per cent smaller, respectively, than a month and a year earlier. Lateness of the season had been reflected in reduced purchasing in the rural areas.

**Hardware** — Sales of the reporting firms in March increased 16 per cent over the February total, but were about one-fifth smaller than in March, 1932. Stocks on April 1 were larger by 2 per cent than a month earlier, and 4 per cent less than a year ago. Unfavorable weather has held down the movement of seasonal goods, and generally merchandise for distribution in the rural areas continues to lag.

**Iron and Steel Products** — Foundries, mills, machine shops and other ferrous metal working plants which closed during the banking holiday have been gradually resuming operations. During the first half of April activities in the iron and steel industry in this district have been at approximately the same rate as during February. There has been a moderately broadening tendency in consumption in certain quarters, and orders and specifications which were postponed during the holiday are arriving in considerable volume. Indications are that shipments of finished materials in April will reach the largest total for any month since last fall. Purchasing of raw materials, notably pig iron and iron and steel scrap, has been on a noticeably larger scale than heretofore. A number of industries have entirely covered their iron and scrap requirements for the balance of the second quarter, and in some instances contracts have been placed for third quarter delivery. The price of pig iron has advanced 50c to \$1 per ton, and certain grades of scrap are \$1 to \$1.50 per ton above the low point touched in late January. Distributors of iron and steel goods from store report improvement in their business, with heavier buying from the general manufacturing trade. Demand for building materials continues quiet. Purchasing by the railroads is still on a bare necessity basis, and the outlet through the automotive industry has failed to broaden to the extent expected. Manufacturers of sheets, plates, strip and other rolled steel commodities report a fair pickup in orders and shipments since the last week in March. Expansion in brewery requirements and seasonal manufacturing of refrigerators and other household equipment has stimulated the movement of galvanized and other descriptions of sheets. Structural steel awards continue at a low level, and unfinished orders have decreased, with the result that fabricating plants were operating at only about 14 per cent of capacity. Steel mill operations since April 1 have been at approximately 15 per cent of capacity. A majority of stove foundries have resumed activities on part-time schedules. Advance ordering of farm implements is in smaller volume than at this time in a number of years. Production of pig iron for the country as a whole in March,

according to the magazine "Steel," totaled 542,013 tons, against 553,067 tons in February and 967,015 tons in March, 1932. Steel ingot production in the United States in March totaled 885,913 tons, which compares with 1,066,339 tons in February and 1,403,723 tons in March, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in March totaled 118,592, against 106,825 in February and 118,959 in March, 1932.

Distribution of automobiles in this district during March showed a fair increase over the preceding month, but, according to the reporting dealers, the March total was smaller by nearly one-third than a year ago. The March volume, incidentally, was the largest for any month since last June. Business generally, but more particularly in the country, was hampered by unfavorable weather conditions, and this is true, also, of the first half of April. In the yearly sales comparison, decreases were distributed quite generally through all classes of makes, but were particularly noticeable in the medium-priced classification. A large part of the increase in the month-to-month comparison was accounted for by cars in the cheap price field. Dealers in Illinois reported some stimulation in business from a desire on the part of purchasers to secure cars before the effective date of the state sales tax, April 1. Demand for trucks was more active, due in part to resumption of brewing. Replacement parts and accessories continued quiet, with March sales below a month and a year earlier. Moderate improvement in demand for tires was reported by several dealers.

Sales of new passenger cars by the reporting dealers in March were 4.4 per cent larger than in February, and 31 per cent smaller than a year ago. Dealers are still purchasing conservatively and inventories continue light, stocks on April 1 being 6 per cent smaller than a month earlier, and about one-third less than a year ago. Sales of used cars in March were slightly larger than in February and 18 per cent less than in March, 1932. Stocks of salable secondhand cars on April 1 decreased 4 per cent and 28 per cent, respectively, as contrasted with a month and a year earlier. According to dealers reporting on that item, deferred payment sales in March constituted 52 per cent of their total sales, against 46 per cent in February and 54 per cent in March, 1932.

### 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	
	Mar. 1933	3 months ended	Mar. 31, 1933	Jan. 1, to	Mar. 31,
	comp. to	Mar. 31, 1933 to	comp. to	Mar. 31,	1932
	Mar. 1932	same period 1932	Mar. 31, 1932	1933	1932
Evansville .....	34.0%	30.1%	25.9%	.22	.25
Little Rock.....	42.8	30.4	24.4	.44	.51
Louisville .....	30.8	28.9	30.1	.59	.58
Memphis .....	27.7	24.1	22.0	.63	.70
Quincy .....	23.4	27.7	22.1	.50	.56
St. Louis.....	26.9	27.5	22.1	.78	.87
Springfield .....	32.7	29.5	26.7	.26	.29
8th District.....	28.4	27.4	23.4	.69	.76

### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Mar. 1933	3 months ended	Mar. 31, 1933	Jan. 1, to	Mar. 31,
	comp. to	Mar. 31, 1933 to	comp. to	Mar. 31,	1932
	Mar. 1932	same period 1932	Mar. 31, 1932	1933	1932
Men's Fur-nishings .....	38.2%	31.4%	22.7%	.59	.65
Boots and Shoes .....	34.3	26.5	26.2	.60	.62

### POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the first three months this year of 3.8 per cent under the corresponding period in 1932 and of 19.6 per cent under the final quarter in 1932. Detailed figures follow:

	For Quarter Ended				Mar. 1933 comp. to Mar. 1932
	Mar. 31, 1933	Dec. 31, 1932	Sept. 30, 1932	Mar. 31, 1932	
Evansville .....	\$ 130,563	\$ 139,826	\$ 136,083	\$ 131,608	8%
Little Rock.....	162,088	179,505	179,359	168,130	3.6
Louisville .....	547,544	644,721	570,929	562,491	2.7
Memphis .....	463,886	543,380	465,178	418,376	10.8
St. Louis.....	2,302,362	2,818,143	2,400,267	2,466,366	6.6
Total.....	\$3,606,443	\$4,325,575	\$3,751,816	\$3,747,171	3.8

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in March was 48 per cent more than in February, and 69 per cent less than the March, 1932 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March amounted to \$4,890,487 which compares with \$2,590,446 in February and \$6,055,684 in March, 1932. Production of portland cement for the country as a whole in March totaled 3,684,000 barrels against 2,777,000 barrels (revised figure) in February, and 4,847,000 in March, 1932. Building figures for March follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	120	106	\$ 15	\$ 22	40	76	\$ 11	\$ 20
Little Rock ..	7	10	2	2	16	69	5	12
Louisville ..	22	44	18	82	25	40	13	38
Memphis .....	101	136	55	99	100	157	38	66
St. Louis.....	97	201	107	431	189	223	102	88
Mar. totals..	347	497	\$ 197	\$ 636	370	565	\$ 169	\$224
Feb. "	228	407	133	844	269	486	129	400
Jan. "	246	348	115	360	277	417	152	289

\*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 March as being 12 per cent larger than in February and 6

per cent less than in March, 1932. Detailed figures follow:

	No. of Custom- ers	Mar. 1933 *K.W.H.	Feb. 1933 *K.W.H.	Mar. 1933 comp. to Feb. 1933	Mar. 1932 *K.W.H.	Mar. 1933 comp. to Mar. 1932
Evansville ....	40	1,449	1,313	+10.4%	1,959**	-26.0%
Little Rock...	35	1,084	1,092	— .7	1,132**	— 4.2
Louisville ....	85	5,334	5,626	— 5.2	5,293**	+ .8
Memphis .....	31	1,102	1,343	-17.9	1,441	-23.5
St. Louis.....	198	14,223	11,326**	+25.6	14,835**	- 4.1
Total.....	389	23,192	20,700	+12.0	24,660	- 6.0

\*In thousands (000 omitted).

\*\*Revised figures.

### AGRICULTURE

Unusually mixed weather conditions have prevailed throughout the season in the Eighth District. The winter was decidedly milder than normal, though punctuated with extremely cold spells of relatively short duration. March was slightly warmer than average, with rainfall somewhat above normal for that month. During the first half of April, temperatures about conformed with the average, but precipitation was heavier than average. As a result of heavy rains in the late winter, flood conditions of considerable severity occurred in the valleys of the Ohio and Wabash rivers during February and March, and later the rise of the Mississippi River and its tributaries further south caused overflows and flood damage in Arkansas, Mississippi and Tennessee. Thousands of acres of farm lands were covered with water and numerous families driven from their homes. At the middle of April the flood threat was still present. These conditions will be bettered or become more acute as influenced by the volume of rainfall during the next few weeks.

Generally through the district the growing season is opening with the ground well stocked with moisture, but due to the frequent, and in many instances heavy precipitation, preparation for and planting of spring grain crops, commercial vegetables and farm gardens is from ten days to two weeks behind the seasonal schedule. Farmers are taking advantage of all favorable weather for working their fields, and in some sections planting has made fair progress. Cotton planting is backward, and conditions in the tobacco district during the early season were inauspicious for preparation of plant beds. The supply of farm labor is universally much in excess of demand, with the trend of farm wages still downward and at the lowest levels since 1902. Cash rents for farm land also continue downward, but in most states of the district fewer farms are being let for cash, both renters and owners favoring share cropping.

**Winter Wheat** — According to the report of the U. S. Department of Agriculture as of April 1, estimated production of wheat in states including the Eighth District is 69,291,000 bushels, which compares with 65,244,000 bushels harvested in 1932, and

the 5-year average (1926-1930) of 80,629,000 bushels. This showing is considerably more favorable than that made by the country as a whole, total production for all states being forecast at 334,087,000 bushels, against 462,151,000 bushels in 1932 and a 5-year average of 589,436,000 bushels. This estimate does not take into account abandonment of acreage. Evidences of winter damage in this district are much less in evidence than in other sections of the wheat belt. While rather late planting and dry fall conditions caused the plant to enter the cold weather with short top growth, favorable soil conditions later served in a measure to offset this handicap, and general improvement has been the rule since the last week in March. Stocks of wheat on farms in states of this district on April 1 were estimated at 13,267,000 bushels, against 22,894,000 bushels on the same date last year and 8,734,000 bushels on April 1, 1931. Influenced by unfavorable reports relative to the growing crop, wheat prices advanced sharply during late February and throughout March, and in the second week of April sold in the St. Louis market at the highest point since November, 1931.

**Corn** — In all states of the Eighth District intentions of farmers are to plant smaller acreages of corn this spring than were grown for harvest last year. In these states the intended acreage, according to the U. S. Department of Agriculture, is 28,147,000 acres, against 29,907,000 acres harvested in 1932. Preparations for planting are generally backward. The Government's annual survey of farm reserves estimates the amount of corn on farms in states including the Eighth District on April 1 at 431,209,000 bushels, the largest for this date on record, and comparing with 406,103,000 bushels a year earlier, and 182,015,000 bushels on April 1, 1931. Slow marketing, due to depressed economic conditions and low prices, is largely accountable for the liberal farm reserves of corn. Merchantable quality of the 1932 crop was generally high.

**Fruits and Vegetables** — While considerable damage was done to the peach crop in this district by the heavy February freeze, amounting in some sections to virtual failure, the condition as a whole on April 1, was higher than a year ago, and total yield is likely to turn out larger than was thought possible in early March. The crop, however, will be substantially below average. Prospects for other species of tree fruits vary according to locality, but are on the whole favorable. Plums, apples, cherries and pears showed no serious damage at the middle of April, and the outlook for cane fruits, except in limited areas, is more favorable than a year ago. The condition of early potatoes in Mississippi and

Arkansas on April 1 was slightly higher than last year. Intentions to plant potatoes in this district, according to the survey of the U. S. Department of Agriculture, show no change from actual plantings last season. Early strawberries have turned out a large crop, and with heavier acreages and favorable growing conditions, the total output this year is expected to considerably exceed that of 1932.

**Live Stock** — Despite the handicap of the banking holiday, the movement of livestock to markets in this district during March was larger than in February, and compared favorably with the total of March last year. Except in areas where excessive rains and floods have resulted in disease and actual losses among herds, the condition of livestock has maintained the high conditions which have obtained since last fall. Following an advance in the first week of March, hog prices receded, and at the middle of April had declined to the levels of Mid-February.

In its report on the early lamb situation as of April 1, the U. S. Department of Agriculture says that in the Corn Belt States moisture conditions are favorable for good pastures later, but warm weather is needed. Some tendency toward early lambing is noted, and heavier marketings in May and June are indicated. In Missouri the early lamb crop is reported as smaller than last year but in good condition.

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

	Receipts			Shipments		
	Mar. 1933	Feb. 1933	Mar. 1932	Mar. 1933	Feb. 1933	Mar. 1932
Cattle and Calves.....	67,729	66,347	82,454	33,985	37,618	44,634
Hogs .....	224,256	196,933	219,319	136,994	123,435	154,689
Horses and Mules.....	5,031	5,090	5,703	5,398	5,465	5,729
Sheep .....	36,011	34,078	36,756	10,474	11,072	10,907

**Cotton** — Heavy and frequent precipitation, accompanied in certain sections by serious flood conditions, has delayed preparations for planting the new crop, and it is quite definite that planting as a whole will be late. Some seeding has been done in the southmost counties of the district, but the amount at the middle of April was much smaller than the average in recent seasons. Advices from practically all the principal producing areas are to the effect that farmers are planning to produce this year's crop with a minimum of cash outlay. Less fertilizer, hired help and new equipment will be employed than in past seasons. Demand for cotton showed no marked change as contrasted with the preceding thirty days. The price trend, however, was upward. In the St. Louis market the middling grade ranged from 5.95c to 6.95c per pound between March 17 and April 20, closing at 6.95c on the latter date, which compares with 6.20c

on March 17, and 5.75c on April 15, 1932. Receipts at Arkansas compresses from August 1, 1932, to April 14, 1933, totaled 1,203,745 bales, which compares with 1,483,702 bales during the comparable period a year earlier. Stocks on April 14 totaled 426,278 bales, against 501,140 bales on March 10, and 501,383 bales on the corresponding date a year ago.

**Tobacco** — According to the U. S. Department of Agriculture's survey, intentions of farmers in States of the Eighth District are to plant 675,000 acres of tobacco this year, as against 588,700 acres grown for harvest in 1932. Indications are for heaviest increases in planting of burley tobacco, and there will be some increase in the one-sucker crop. No material increase is likely in the air-cured Green River and dark fired districts. Tobacco beds were sown in due time, but low temperatures and continuous rains have retarded germination. Plants are small, and slow in coming up, with indications that they will reach the setting stage about ten days late. Barring unusually unfavorable conditions, however, there will be ample plants for all requirements.

Practically all loose leaf tobacco markets have been closed for the season, except those in the dark fired districts, where sales in late March were heavy, with prices for a number of grades higher. In the preceding issue of this review, average prices in the Henderson, Ky., market were given as \$5.35 per cwt., whereas the correct figure should have been \$3.11.

### COMMODITY PRICES

Range of prices in the St. Louis market between March 16, 1933 and April 15, 1933, with closing quotations on the latter date, and on April 15, 1932, follow:

	High	Low	Close	
			April 15, 1933	April 15, 1932
<b>Wheat</b>				
May .....per bu..	\$.62¾	\$.50¾	\$.62¾	\$.59¾
July .....	“.63½	“.50¾	“.63½	“.61
Sept. ....	“.64	“.55½	“.64	“.63¾
No. 2 red winter	“.67	“.54½	\$.66 @ .67	\$.60 @ .60½
No. 2 hard .....	“.65	“.54½	\$.64 @ .65	\$.60 @ .61
<b>Corn</b>				
May .....	“.33½	“.26¾	“.32	“.34¾
No. 2 mixed .....	“.34½	“.26	“.33½ @ .34½	“.34½ @ .35
No. 2 white .....	“.38	“.28½	“.37 @ .38	“.34 @ .35
<b>Oats</b>				
No. 2 white .....	“.22¾	“.18¾	“.22 @ .22¾	“.24 @ .24½
<b>Flour</b>				
Soft patent.....per bbl.	3.90	3.00	3.75 @ 3.90	3.75 @ 4.20
Spring .....	4.80	1.90	2.25 @ 4.50	4.20 @ 4.50
Middling Cotton.....per lb.	.0645	.0595	*.0645	.0575
Hogs on hoof.....per cwt.	4.20	2.75	2.75 @ 3.75	3.00 @ 4.25

\*Close, as of April 13, 1933.

### FINANCIAL

Eighth District banking and financial conditions underwent further improvement during the past thirty days. The betterment was reflected in an increase in deposits of commercial banks, a reduction in borrowings of member banks from the reserve bank, discontinuance of heavy withdrawals

of currency and a return flow of money to financial institutions. Easing of the credit strain was manifest in lower interest rates at the commercial banks for practically all classes of accommodations. Liquidation of current indebtedness at both city and country banks was in considerable volume. In the large distributing centers, April 1 settlements exceeded expectations, and permitted mercantile and industrial interests to substantially reduce their commitments at the banks. The general demand for credit, while much below the usual seasonal volume, has shown moderately expanding tendencies since the first week in April. Due to lateness of the planting season, requirements for agricultural purposes are less in evidence than is ordinarily the case at this time of year.

The restoration of banking facilities, following the national banking holiday, is reflected in the statistics of reopened banks. As of April 19, there were 1,591 member and nonmember banks in this district licensed to do business, out of a total of 1,875 in operation prior to the holiday. Of the reopened banks, 324 were member banks and 1,267 nonmember banks. All of these banks, except 163, were operating without restrictions other than those imposed on all banks by Executive Order of March 10, 1933.

Average borrowings of all member banks from the Federal reserve bank between March 19 and April 19 were in considerably smaller volume than in the similar period immediately preceding, also than the same time a year ago. The sharply decreased demand for currency was reflected in the circulation of this bank which decreased from 166 million dollars on March 19 to 150 million dollars on April 19. The total amount of Federal reserve credit outstanding on April 19 was 12.4 per cent smaller than a month earlier, and 66.5 per cent greater than on the corresponding date last year. The decrease in the month-to-month comparison is accounted for by the smaller volume of bills discounted and purchased, while the increase in the yearly comparison is due to heavier holdings of United States securities.

At the St. Louis banks current interest rates as of the week ended April 15 were as follows: Customers' commercial paper, 4½ to 5¾ per cent; collateral loans, 4½ to 6 per cent; interbank loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 4½ to 5¾ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on April 12, 1933 show an increase of 0.08 per cent as contrasted with

March 15, 1933. Deposits increased 0.2 per cent between March 15, 1933 and April 12, 1933 and on the latter date were 12.0 per cent smaller than on April 13, 1932. Composite statement follows:

	*Apr. 12, 1933	*Mar. 15, 1933	*Apr. 13, 1932
Number of banks reporting.....	24	24	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$102,482	\$105,877	\$141,318
All other loans and discounts.....	155,467	151,876	213,617
Total loans and discounts.....	\$257,949	\$257,753	\$354,935
Investments			
U. S. Government securities.....	120,613	116,552	89,073
Other securities.....	113,920	117,117	119,638
Total investments.....	\$234,533	\$233,669	\$208,711
Reserve balance with F. R. Bank	46,039	49,933	37,793
Cash in vault.....	7,568	15,590	6,548
Deposits			
Net demand deposits.....	278,345	279,649	303,922
Time deposits.....	174,385	172,138	210,102
Government deposits.....	4,301	4,309	5,344
Total deposits.....	\$457,031	\$456,096	\$519,368
Bills payable and rediscounts with Federal Reserve Bank.....	442	6,564	2,576

\*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.

	Week ended *Apr. 12, 1933	Week ended *Apr. 5, 1933	Week ended *Apr. 13, 1932	Apr. 12, 1933 comp. to	
				Apr. 5, 1933	Apr. 13, 1932
East St. Louis & Natl.					
Stock Yards, Ill. \$	3,551	3,495	4,961	+ 1.6%	-28.4%
El Dorado, Ark.....	596	754	749	-21.0	-20.4
Evansville, Ind.....	2,876	3,153	4,339	- 8.8	-33.7
Fort Smith, Ark.....	1,558	643	1,767	+142.3	-11.8
Greenville, Miss.....	477	672	655	-29.0	-27.2
Helena, Ark.....	244	213	247	+14.6	- 1.2
Little Rock, Ark.....	2,634	2,909	5,473	- 9.5	-51.9
Louisville, Ky.....	20,752	24,078	23,745	-13.8	-12.6
Memphis, Tenn.....	13,368	15,447	17,434	-13.5	-23.3
Owensboro, Ky.....	508	658	652	-22.8	-22.1
St. Louis, Mo.....	75,500	87,700	104,600	-13.9	-27.8
Sedalia, Mo.....	293	315	334	- 7.0	-12.3
Springfield, Mo.....	1,922	2,304	2,271	-16.6	-15.4
**Texarkana, Ark.-Tex.....	924	900	1,470	+ 2.7	-37.1
Totals	\$125,203	\$143,241	\$168,697	-12.6	-25.8

\*In thousands (000 omitted.)

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

**Federal Reserve Operations** — During March the Federal Reserve Bank of St. Louis discounted for 164 member banks against 150 in February and 245 in March, 1932. The discount rate of this bank remained unchanged at 3½ per cent for advances under provisions of Sections 13 and 13(a) of the Act. Changes in the principal assets and liabilities appear in the following table:

	*Apr. 14, 1933	*Mar. 14, 1933	*Apr. 14, 1932
Bills discounted	\$ 4,246	\$ 13,916	\$ 16,727
Bills bought	10,378	16,692	1,134
U. S. Securities	65,832	65,832	30,974
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	210	812	1,011
Total Bills and Securities.....	\$ 80,666	\$ 97,252	\$ 49,846
Total Reserves.....	\$149,117	\$158,472	\$112,226
F. R. Notes in circulation.....	150,494	175,320	90,645
Total deposits.....	75,648	77,027	64,367
Ratio of reserve to deposits and F. R. Note Liabilities.....	65.9%	62.8%	72.4%
Memorandum—Rediscounts for Other F. R. Banks.....		5,500	

\*In thousands (000 omitted).

(Compiled April 22, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of May 31, 1933

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Secretary and Ass't Federal Reserve Agent

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HE expansion in commercial and industrial activity in the Eight District, which began almost immediately after the national banking holiday in March, continued on a considerably broader scale during the past thirty days. The improvement extended both to sentiment in the business community and actual volume of transactions. For the first time in many months merchants and manufacturers showed a disposition to cover on future requirements, the chief incentives for this attitude being the sharp advance in commodity prices and increased demands from the general public. Despite the buying movement, however, inventories of merchandise in numerous lines are still much below those at the corresponding time a year ago, and during the past several years. The number of visiting merchants in the principal distributing centers during April and the first half of May was large, and the character of their purchasing reflected more confidence and greater actual need for the goods than has been the case in more than two years. According to wholesalers and jobbers in a number of important lines, buying has been more diversified than heretofore, and in many instances the volume of advance orders booked as of May 1 was considerably larger than a year and two years earlier.

Taken as a whole the volume of production at manufacturing establishments was measurably larger in April than in March, and compared favorably with April a year ago. Quite notable increases took place in the iron and steel industry, textiles, glass, lumber, boots and shoes, and beverages. Definite information relative to employment during May is not yet available, but reports received by this bank indicate marked improvement in practically all lines over the low levels of March, and moderate gains over April. While increases in employment is usual at this time of year, the betterment is too marked to be accounted for by seasonal influences. Lateness of the spring and excessive rains have held back agricultural operations. In general, farm work and planting of crops is from two weeks to a month behind the seasonal schedule. For this

reason employment in the rural areas makes a relatively poorer showing than in the industrial centers.

The trend of commodity prices continued sharply upward, with new high levels for the year being recorded on a number of important agricultural products, notably grains, cotton and hogs. The U. S. Department of Agriculture's report, based on conditions as of May 1, forecasts a winter wheat crop for States of this district about 6 per cent larger than was harvested a year ago, but about 14 per cent smaller than the 5-year (1926-1930) average. For the country as a whole, indications are for a crop approximately 27 per cent smaller than a year ago and 43 per cent below the 5-year average. Planting of tobacco, corn, cotton and other spring crops is unusually late, and at the middle of May, fields generally throughout the district were too wet for working, and additional delay was inevitable. Prospects for fruits, vegetables and other miscellaneous crops are somewhat spotty and irregular, but in the main favorable, with the outcome largely dependent on weather conditions to harvest.

Retail trade in April, as reflected by sales of department stores in the principal cities of this district, was 27.4 per cent greater than in March; 12.9 per cent less than in April, 1932; for the first four months this year there was a decrease of 23.4 per cent as compared with same period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were 10 per cent greater in April than in March, and 2 per cent larger than in April, 1932; total cumulative sales for the first four months this year were 11 per cent less than for the comparable period in 1932. The dollar value of building permits let for new construction in the five largest cities of the district in April was 40.6 per cent more than in March and 44 per cent less than the April, 1932, total; for the first four months of 1933 the total was 70 per cent smaller than in the comparable period in 1932. Construction contracts let in the Eighth District in April were 33 per cent less than in March and 66 per cent less than in April, 1932; for the first four months this year there was a decrease of 40 per cent as compared with the same period in 1932.

According to officials of railroads operating in this district, freight traffic handled during the past several weeks shows an irregular, but definitely upward trend. The volume continues smaller than a year and two years earlier, but the extent of the decrease is considerably narrower than has been the case in recent months. Improvement in the business of certain roads is attributed partly to the movement of beer and brewery supplies, but the general movement of merchandise and miscellaneous freight is heavier, and a particularly favorable showing is being made by grain and grain products. For the country as a whole, loadings of revenue freight for the first 18 weeks this year, or to May 6, totaled 8,738,243 cars, against 10,098,914 cars during the corresponding period in 1932, and 13,147,861 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 120,673 loads in April, against 116,049 loads in March, and 133,955 loads in April, 1932. During the first nine days of May the interchange amounted to 40,188 loads, against 36,356 loads during the corresponding period in April, and 38,323 loads during the first nine days of May, 1932. Passenger traffic of the reporting roads decreased 25 per cent in April as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 81,600 tons, which compares with 79,499 tons in March, and 98,789 tons in April, 1932.

While reflecting spottiness and irregularity, reports relative to collections during the past thirty days indicate quite general improvement over the similar period immediately preceding. Further improvement in the banking situation and reopening of additional financial institutions in this district and other sections of the country permitted the settlement of numerous accounts which had been tied up since the national banking holiday. In the chief centers of distribution, wholesalers and jobbers reported May 1 settlements above expectations as a rule, and comparing favorably with a year ago. In sections where early fruits and vegetables are important crops, a considerable volume of liquidation took place, both with banks and merchants. Generally through the rural areas, recent advances in prices of farm products have served to stimulate collections. Retailers in the large cities report some backwardness in paying bills, there still being a disposition to conserve cash. 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>
April, 1933.....	3.5%	15.8%	63.2%	17.5%
March, 1933.....	.0	10.7	52.5	36.8
April, 1932.....	.0	16.1	57.1	26.8

Commercial failures in the Eighth Federal Reserve District in April, according to Dun's numbered 68, involving liabilities of \$996,043, against 111 defaults in March with liabilities of \$2,696,132, and 151 insolvencies for a total of \$5,599,920 in April, 1932.

Money in circulation on April 26 was \$5,994,000,000 which compares with \$6,353,000,000 on March 29, and an average daily circulation of \$5,452,000,000 in April, 1932.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — April sales of the reporting firms were 12 per cent greater than for the same month in 1932, and 15.6 per cent in excess of the March total this year. Stocks on May 1 were larger by 24 per cent and 36 per cent, respectively, than a month and a year earlier. The increase in the month-to-month sales comparison was contrary to the usual seasonal trend and compares with a decrease from March to April last year of 4 per cent. Retailers generally are replenishing their depleted stocks, in some instances in anticipation of higher prices, but for the most part in response to actual needs. Further improvement has taken place this month, two important interests reporting orders booked during the second week in May the largest for any single week since 1927. The trend of prices is higher in sympathy with the advance in leather and hides. Factory operations were at from 90 to 95 per cent of capacity.

**Clothing** — The late spring and weeks of unfavorable weather has resulted in a backward movement of seasonal apparel. Purchasing for late spring and summer consumption, however, is in considerable volume. Manufacturers of certain lines of women's and children's clothing report advance ordering in slightly larger volume than at the same time last year. Demand for work clothing has developed decided improvement during the past thirty days. April sales of the reporting interests were 12 per cent smaller than a year ago, and 31 per cent less than in March this year.

**Drugs and Chemicals** — As compared with a year ago, April sales of the reporting firms decreased 13 per cent, and the total was 2.5 per cent smaller than in March this year. The decrease in the month-to-month comparison is seasonal in character, but considerably smaller than the average during the past five years. Demand for heavy drugs and chemicals from the general manufacturing trade

shows steady expansion, and some improvement is noted in sales of fertilizer materials and insecticides. Stocks increased slightly between April 1 and May 1, and on the latest date were 12 per cent smaller than a year ago.

**Dry Goods** — April sales of the reporting firms were 5 per cent less than for the same month in 1932, and 9 per cent larger than in March this year. Inventories continued to decrease, stocks on May 1 being 4 per cent and 13 per cent smaller, respectively, than thirty days and a year earlier. Steady improvement in all sections of this classification has been noted since the middle of March. The upturn in textile prices has incited retailers to cover their prospective requirements. Goods based largely on cotton are more active than in a number of months. Marked betterment is noted in sales of ready-to-wear items.

**Electrical Supplies** — Aside from moderate improvement in demand for radio material and some other seasonal specialties, little change from recent dull conditions was noted in the electrical supply industry. Prices on a number of commodities were higher, chiefly in response to the advance in copper and lead. April sales of the reporting interests showed a decline of 17 per cent as compared with the same month in 1932, and of 11 per cent as compared with March this year. Stocks on May 1 were 3 per cent smaller than a month earlier, and 18 per cent less than on May 1, 1932.

**Flour** — Production at the twelve leading mills of the district in April totaled 274,572 barrels against 360,680 barrels in March and 377,465 barrels in April, 1932. The market during the past thirty days was active and higher, the advance being due to the upturn in the cash wheat. Numerous buyers who had postponed filling their requirements earlier in the season endeavored to cover when the rise started. Offerings decreased noticeably, most mills being disposed to avoid large commitments for future delivery pending more definite knowledge relative to the action of wheat. Mill operations increased during the last half of April, and at the middle of May were at from 50 to 55 per cent of capacity.

**Furniture** — For the first time in a number of months, April sales of the reporting firms showed an increase over the corresponding period a year earlier. The April total was 7 per cent larger than in March and 5 per cent greater than in April, 1932. Inventories continued to decline, stocks on May 1 being 3 per cent and 10 per cent smaller, respectively, than thirty days and a year earlier.

**Groceries**—Sales of the reporting firms in April showed an increase of 2 per cent as compared with the preceding month, but the total was 7 per cent smaller than in April, 1932. In the yearly comparison the decrease is due in large part to lower prices. Business in the rural areas was held back by the late spring and unfavorable weather, especially in sections affected by the floods. Demand still centers in staples and the cheaper classes of goods. Stocks on May 1 were 3 per cent larger than a month earlier, and about one-fifth smaller than on May 1 last year.

**Hardware** — April sales of the reporting firms were 10.5 per cent less than for the same month in 1932, and 5.6 per cent larger than the March total this year. Stocks on May 1 were 9 per cent greater than on April 1, and 10 per cent less than on May 1 a year ago. The trend of prices was upward, with specific advances reported on a number of important lines. The movement of seasonal goods is backward, particularly commodities used principally in the rural areas.

**Iron and Steel Products** — The past thirty days have been marked by decided improvement in the iron and steel industry in this district. While practically all sections of the industry participated in the betterment, relatively the greatest activity and price strength was in raw materials. The melt of pig iron showed gradual expanding tendencies, and incident to the upturn in prices, there was a general disposition on the part of users to cover on their requirements for the balance of the present quarter. Scrap iron and steel advanced sharply in price under reduced offerings and a generally active demand. Heavy melting steel in the first half of May advanced to the highest point reached since the spring of 1931, and correspondingly broad gains were recorded in some other important grades. Miscellaneous demands continued to predominate in finished and semi-finished steel, but increased buying and freer specifying of goods previously acquired was noted in the larger consuming industries, notably railroad and automotive. Manufacturers of sheets, plates, strip and other flat rolled materials reported steady expansion in the demand for their products with April shipments the largest for any month this year. Brewery requirements continue to expand, with cooperage supplies more active than in many months. Stove and heating apparatus manufacturers increased their operations as compared with the preceding thirty days. No change was noted in the dull conditions in the farm-implementation industry which have obtained in recent

months. Operations at steel mills in the district were stepped up in late April and at the middle of May were at approximately 25 per cent of capacity, as compared with 15 per cent on April 1. Production of pig iron for the country as a whole in April was at the highest daily average rate since last November, according to the magazine "Steel". The total output was 623,097 tons, against 542,013 tons in March and 855,734 tons in April, 1932. Steel ingot production in the United States in April totaled 1,334,797 tons, which compares with 885,913 tons in March, and 1,233,603 tons in April, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in April totaled 181,029, against 114,592 in March and 148,013 in April, 1932.

Reversing the usual seasonal trend, distribution of automobiles in this district in April, according to dealers reporting to this bank, showed an increase over the preceding month. The April volume was the largest for any month since last March, and for the first time since February, 1930, showed an increase over the corresponding month a year earlier. In both the monthly and yearly sales comparisons, increases were accounted for largely by cars in the cheap priced field. Demand for trucks of all descriptions continued active, being stimulated by requirements incidental to the resumption of brewing operations. Truck sales of the reporting distributors in April were larger by 72 per cent and 53 per cent, respectively, than a month and a year earlier. Business in parts and accessories showed no notable change from the preceding month, and was in slightly greater volume than a year ago.

April sales of new passenger cars by the reporting dealers were approximately three-fourths larger than in March and one-fourth greater than in April, 1932. In response to the betterment in demand, dealers were purchasing somewhat more freely from manufacturers, which fact was reflected in an increase in stocks on May 1 of 12 per cent as compared with a month earlier, and of 4 per cent as compared with a year ago. The used car market was also active, April sales showing increases of 18 per cent and 9 per cent, respectively, over a month and a year earlier. Inventories of salable secondhand cars increased 10 per cent between April 1 and May 1, and on the latter date were 22 per cent smaller than a year ago. The ratio of deferred payment sales to total sales of dealers reporting on that item was 48 per cent in April, against 52 per cent in March and 53 per cent in April, 1932.

### 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	
	Apr. 1933 comp. to Apr. 1932	4 months ended Apr. 30, 1933 to same period 1932	Apr. 30, 1933 comp. to Apr. 30, 1932	Apr. 30, 1933 comp. to Apr. 30, 1932	Jan. 1, to Apr. 30, 1933	Apr. 30, 1932
Evansville .....	-24.8%	-28.4%	-24.9%		.34	.36
Little Rock..	-16.6	-26.8	-24.1		.63	.68
Louisville .....	-12.2	-24.1	-31.4		.88	.81
Memphis .....	-13.5	-21.4	-21.2		.87	.93
Quincy .....	-15.1	-24.3	-19.7		.70	.76
St. Louis.....	-12.4	-23.3	-23.8		1.14	1.19
Springfield .....	-25.1	-28.2	-30.1		.38	.41
8th District....	-12.9	-23.4	-24.5		1.00	1.03

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Apr. 1933 comp. to Apr. 1932	4 months ended Apr. 30, 1933 to same period 1932	Apr. 30, 1933 comp. to Apr. 30, 1932	Apr. 30, 1933 comp. to Apr. 30, 1932	Jan. 1, to Apr. 30, 1933	Apr. 30, 1932
Men's Fur-nishings .....	+18.2%	-19.1%	-25.4%		.92	.85
Boots and Shoes .....	8.9	-21.3	-28.4		.90	.86

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 40.6 per cent more than in March, and 43.8 per cent less than the April, 1932, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$3,265,850 which compares with \$4,890,487 in March and \$9,502,305 in April, 1932. Production of portland cement for the country as a whole in April totaled 4,183,000 barrels against 3,684,000 barrels in March, and 5,478,000 barrels in April, 1932. Building figures for April follow:

	New Construction Permits				Repairs, etc. Permits			
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	118	129	\$ 9	\$ 27	365	108	\$ 42	\$ 26
Little Rock ..	11	22	1	6	28	101	64	20
Louisville ..	43	52	34	62	62	52	90	38
Memphis .....	114	124	79	92	134	148	55	83
St. Louis....	113	243	154	306	191	298	177	138
April totals	399	570	\$ 277	\$ 493	780	707	\$ 428	\$ 305
March "	347	497	197	636	370	565	169	224
Feb. "	228	407	133	844	269	486	129	400

\*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 April as being 3.2 per cent greater than in March and 2.9 per cent less than in April, 1932. Detailed figures follow:

	No. of Customers	April, 1933	March, 1933	April, 1933	April, 1932	April, 1933
		*K.W.H.	*K.W.H.	comp. to Mar. 1933	*K.W.H.	comp. to April, 1932
Evansville ....	40	1,530	1,449	+ 5.6%	1,784	-14.2%
Little Rock...	35	1,280	1,084	+18.1	1,182**	+ 8.3
Louisville ....	85	5,318	5,334	- 0.3	5,311**	+ 0.1
Memphis .....	31	1,257	1,102	+14.1	1,294	- 2.9
St. Louis.....	196**	14,535	14,212**	+ 2.3	15,076**	- 3.6
Totals ..	387	23,920	23,181	+ 3.2	24,647	- 2.9

\*In thousands (000 omitted).  
\*\*Revised figures.

## AGRICULTURE

**Farm Income** — According to preliminary estimates made by the U. S. Department of Agriculture, the farm value, gross income and cash income from farm production in 1932 in states entirely or partly within the Eighth Federal Reserve District were the smallest in a number of years. Actual outputs of principal crops and numbers of livestock compared favorably with the average of recent years, the reduction in income being due to the extremely low prices prevailing on all agricultural products.

In its report the Department states that cash income relates to the value of quantities actually sold off the farm of the state where produced. Gross income is the cash income, plus the value of products consumed in the farm household on the farm where the commodities were produced.

Farm value relates to the evaluation of the total outturn of the given commodity, irrespective of use, whether sold, consumed by farm family or consumed in the production of further farm products on the farm where grown.

The farm value, gross and net income are credited to the year in which the commodities were produced, evaluated at prices received during the marketing season for the particular crop. For livestock production, farm value and gross and net income are computed on a calendar-year basis, evaluated at average prices for the calendar year.

The following comparative tables give gross and cash income on 78 principal crops and 13 livestock items in states including the Eighth District for the year 1931 and 1932, also the 4-year (1929-1932) average:

### CROPS

(In thousands of dollars 000 omitted)

	1931		1932		4-yr. av. (1929-1932)	
	Gross	Cash	Gross	Cash	Gross	Cash
Indiana ...	\$ 57,452	\$ 47,164	\$ 36,189	\$ 27,218	\$ 63,790	\$ 52,359
Illinois ...	107,463	94,693	65,469	54,434	130,490	116,998
Missouri ..	54,031	37,066	41,327	26,559	61,425	43,251
Kentucky ..	68,357	47,180	60,990	42,972	79,691	58,800
Tennessee ..	67,281	45,427	52,627	35,374	81,963	58,980
Mississippi ..	88,923	69,521	66,805	50,773	124,432	104,247
Arkansas ..	86,950	73,002	63,580	52,310	101,350	86,885
Totals ..	\$530,457	\$414,053	\$386,987	\$289,640	\$643,144	\$521,521

### LIVESTOCK

(In thousands of dollars 000 omitted)

	1931		1932		4-yr. av. (1929-1932)	
	Gross	Cash	Gross	Cash	Gross	Cash
Indiana ...	\$152,620	\$129,651	\$112,901	\$ 95,805	\$183,614	\$157,189
Illinois ...	236,366	203,345	175,267	149,665	281,917	243,270
Missouri ..	187,497	156,411	140,727	117,458	227,567	191,048
Kentucky ..	72,070	43,619	54,980	32,862	86,878	55,336
Tennessee ..	61,404	35,316	46,606	26,854	74,094	44,277
Mississippi ..	38,848	18,284	29,923	13,752	45,268	21,750
Arkansas ..	36,906	15,857	29,647	13,394	44,896	21,211
Totals ..	\$785,711	\$602,483	\$590,051	\$449,790	\$944,236	\$734,083

**General Conditions** — Throughout the Eighth District weather during the past thirty days was

distinctly unfavorable for agriculture, and as a result there was a further delay in farm work and a lowering of prospects for some crops. The principal handicap was excessive moisture and next in order was unseasonably low temperatures. Flood conditions of more or less seriousness prevailed in the lowlands bordering the Mississippi River and its tributaries, and at the middle of May the rivers were still rising and floods of major proportions threatened. Soil preparations and seeding of spring crops are generally from two to four weeks late, and due to the muddy condition of fields the delay is likely to be still further protracted, even under most favorable conditions. In many localities early seeded crops have been flooded out and will have to be replanted. In addition, numerous sections were visited by wind, rain and hail storms of unusual violence which wrought considerable damage to farm property and crops. In Illinois, Missouri, Indiana and parts of other states of the district, the progress of field work is the most backward since 1927, the year of the great flood in the Mississippi Valley.

As an offset to the unfavorable conditions on farms and the backward season there has been a sharp advance in practically all classes of farm products. The upturn was led by cotton and grains, both important crops in this district. From the low point in April, wheat advanced approximately 25c per bushel, corn 10c per bushel, oats 7c per bushel and cotton more than 2c per pound. There were also gains in the prices of millfeeds, flour, dairy products, poultry and eggs, wool, hides and calfskins. Advances in livestock prices, except hogs, have been relatively smaller than in other commodities. The upturn in values was due to a number of causes, among them changes in foreign exchange, lowered crop prospects, and purchasing by processors on prospects of inflation.

**Winter Wheat** — There was little change in prospects for the winter wheat crop in states of the Eighth District during April. According to the report of the U. S. Department of Agriculture, based on conditions as of May 1, total indicated yield in these states is 69,059,000 bushels, a decrease of 0.3 per cent under the April 1 forecast, and comparing with 65,244,000 bushels harvested in 1932, and a 5-year average (1926-1930) of 80,629,000 bushels. Acreage abandonment as of May 1, was greater for all states of the district than average, and with the exception of Missouri and Kentucky, was slightly larger than a year ago. As contrasted with the country as a whole, this district makes a relatively

favorable showing, both in point of abandonment and total indicated yield. In Indiana, Illinois, Missouri, Kentucky and Tennessee abandonment ranges from 3.5 per cent to 7 per cent, whereas for the country at large the percentage of acreage abandoned is estimated at 32.2 per cent of the area sown last fall, the highest ever recorded. Except where damaged by floods, the crop is generally making good progress.

**Corn** — Planting has been seriously delayed by excessive precipitation and cool weather, and in many important growing areas, at the middle of May, practically no preparation for seeding has been accomplished. In the southern stretches of the district considerable acreage has been seeded, but relatively little cultivation has been possible. Generally through the district corn will be planted over a wider variation of dates than in many years. Delay in the seeding of corn will increase uncertainty relative to the full maturity of the crop, and in many sections will result in a revision of acreage plans.

**Fruits and Vegetables** — The U. S. Department of Agriculture's May 1 report estimates the peach crop in Mississippi and Arkansas at 1,092,000 bushels, which compares with the practical failure of 473,000 bushels in 1932, and the 5-year average (1926-1930) of 2,337,000 bushels. Quality and quantity of strawberries was lowered by the unusually heavy rains of April and the first half of May. The outlook for apples, peaches and other tree fruits in the northern sections of the district is generally promising. Planting of gardens and commercial vegetable crops is backward.

**Livestock** — Except in areas directly affected by floods, the condition of livestock continues generally high throughout the district. Hay reserves on farms in states of this district as of May 1 totaled 1,893,000 tons, against 2,462,000 tons last year and a 5-year average of 1,901,000 tons. The condition of pastures on May 1 was about the same as a year earlier, though below the 5-year average. Milk production per cow as of May 1 averaged 18 per cent higher than on April 1 but 2 per cent below a year ago and 8 per cent under the 6-year average.

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

	Receipts			Shipments		
	April, 1933	Mar., 1933	April, 1932	April, 1933	Mar., 1933	April, 1932
Cattle and Calves.....	79,239	67,729	84,890	36,903	33,985	45,207
Hogs .....	256,616	224,256	251,387	155,769	136,994	179,386
Horses and Mules.....	6,238	5,031	3,416	5,493	5,398	3,131
Sheep .....	57,075	36,011	58,300	11,938	10,474	17,990

**Cotton** — Almost continuous rains and unseasonably low temperatures since the middle of April

have greatly interfered with soil preparation and planting, and generally the crop is from two to three weeks late. In sections where cotton is up, the cool weather has adversely affected the plant and germination is slow. In Arkansas, Mississippi and Southern Missouri local damage was done to the crop by severe storms, and many farms along the waterways have been flooded. Reports quite generally indicate intentions to plant a larger acreage than a year ago and to use more fertilizer than in 1932, though considerably less than in 1931. Large operating units are apparently practically unchanged, while small units show some increase in acreage, and much increase in numbers. The trend of prices was sharply upward, with consumers more disposed to fill their requirements than in a number of months. In the St. Louis market the middling grade ranged from 6.25c to 8.55c per pound between April 16 and May 15, closing at 8.30c on the latest date, which compares with 6.45c on April 15, and 5.25c on May 16, 1932. Receipts at Arkansas compresses from August 1, 1932, to May 12, 1933, totaled 1,238,450 bales, against 1,498,042 bales during the comparable period a year ago. Stocks on hand on May 12 totaled 379,098 bales, against 426,278 bales on April 14, and 406,220 bales on the corresponding date last year.

**Tobacco** — Reports from practically all sections of the tobacco areas of this district, reflect backward progress with the new crop, due to extremely unfavorable weather. Plants are poor to fair and are behind the usual seasonal development. In many sections plant beds were completely destroyed by excessive rains, and elsewhere serious damage has been done by insect and fungus pests. Withal, indications point to sufficient plants to insure setting normal crop. It is not likely that transplanting will be general before the last week in May or early in June.

### COMMODITY PRICES

Range of prices in the St. Louis market between April 15, 1933 and May 15, 1933, with closing quotations on the latter date, and on May 16, 1932 follow:

	High	Low	Close	
			May 15, 1933	May 16, 1932
Wheat				
May .....	.75¾	.61¾	\$.74	\$.53¾
July .....	.75¾	.61¾	.73¾	.55¾
Sept. ....	.76¾	.63¾	.74½	.57¾
No. 2 red winter	.83½	.67	\$.82 @ .82½	.53½ @ .54
No. 2 hard ..	.79	.65	.77 @ .78	.55½ @ .55¾
Corn				
May .....	.45¼	.31½	.44¾	.31
No. 2 mixed ..	.46	.33½	.45¾ @ .46	.32 @ .33
No. 2 white ..	.48¼	.36¾	.47½ @ .48¼	.31½ @ .32½
Oats				
No. 2 white ..	.27½	.22¾	.27¼ @ .27½	.22½ @ .22¾
Flour				
Soft patent.....per bbl.	5.00	3.75	4.65 @ 5.00	3.00 @ 3.40
Spring .....	5.60	2.25	3.25 @ 5.25	4.20 @ 4.50
Middling cotton.....per lb.	.0855	.0625	.0830	.0525
Hogs on hoof.....per cwt.	5.00	2.25	3.00 @ 5.00	2.40 @ 3.50

### FINANCIAL

In the Eighth District during the past thirty days banking and financial conditions improved further, betterment being manifested in the form of a continued return flow of currency, a moderate increase in deposits at commercial banks, reduced borrowings of member banks from the Federal reserve bank, a considerable volume of liquidation at both city and country banks, maintenance of relatively high reserves and an easing tendency in money rates. Additional banks were opened for business, the total as of May 18 being 1,653, an increase of 62 as compared with a month earlier. Prior to the banking holiday there were 1,875 member and nonmember banks operating in the district.

Demand for credit for commercial and industrial purposes showed moderately broadening tendencies, and there was also an increase in requirements for financing transactions in stocks and bonds. Reflecting the sharp advance in wheat prices, there was an appreciable increase in commitments of flour milling and grain elevator interests. Due to lateness of the season and assistance from Governmental and other lending agencies, recourse on the banks to finance agricultural operations was in less than the usual seasonal volume.

Borrowings of all member banks from the Federal reserve bank averaged considerably smaller between April 17 and May 17 than during the like period immediately preceding, also less than a year ago. The return flow of currency was reflected in a decrease in the circulation of this bank from 150 million dollars to 147 million dollars between the dates mentioned. The total volume of Federal reserve credit outstanding on May 17 was 11 per cent smaller than a month earlier, but approximately 40 per cent greater than on the corresponding date in 1932. The decrease in the month-to-month comparison was due entirely to the smaller volume of discounted bills, and bills purchased, holdings of Government securities remaining stationary.

At the St. Louis banks current interest rates as of the week ended May 15 were as follows: Customers commercial paper, 4½ to 5½ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 4¼ to 5¾ per cent and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on May 10, 1933, showed a decrease of 0.2 per cent as contrasted with May 3, 1933. Deposits decreased 0.4 per cent between May 3, 1933, and May 10, 1933, and on the latter date

were 10.4 per cent smaller than on May 11, 1932. Composite statement follows:

	*May 10, 1933	*May 3, 1933	*May 11, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....\$ 91,887		\$ 91,860	\$126,059
All other loans and discounts..... 127,746		128,275	184,139
Total loans and discounts.....\$219,633		\$220,135	\$310,198
Investments			
U. S. Government securities..... 124,233		123,562	78,868
Other securities..... 100,477		101,313	121,789
Total investments.....\$224,710		\$224,875	\$200,657
Reserve balance with F. R. Bank 39,510		41,380	33,455
Cash in vault..... 8,286		8,066	5,850
Deposits			
Net demand deposits..... 261,359		262,088	270,860
Time deposits..... 157,158		158,034	191,170
Government deposits..... 1,761		1,958	6,809
Total deposits.....\$420,278		\$422,080	\$468,839
Bills payable and rediscounts with			
Federal Reserve Bank.....			982

\*In thousands (000 omitted).  
This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

**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.

	Week ended *May 10, 1933	Week ended *May 3, 1933	Week ended *May 11, 1932	May 10, 1933 comp. to	
				May 3, 1933	May 11, 1932
East St. Louis & Natl.					
Stock Yards, Ill..\$ 4,292	\$ 4,430	\$ 4,632	— 3.1%	— 7.3	
El Dorado, Ark..... 569	732	706	—22.3	—19.4	
Evansville Ind..... 3,239	3,344	4,353	— 3.1	—25.6	
Fort Smith, Ark..... 1,417	1,395	1,442	+ 1.6	— 1.7	
Greenville, Miss..... 780	694	578	+12.4	+34.9	
Helena, Ark..... 296	253	279	+17.0	+ 6.1	
Little Rock, Ark..... 4,897	3,869	4,630	+26.6	+ 5.8	
Louisville, Ky..... 20,964	22,470	23,011	— 6.7	— 8.9	
Memphis, Tenn..... 16,518	20,203	15,302	—18.2	+ 7.9	
Owensboro, Ky..... 448	457	628	— 2.0	—28.7	
Pine Bluff, Ark..... 1,377	1,060	1,322	+29.9	+ 4.2	
Quincy, Ill..... 1,150	1,550	1,514	—25.8	—24.0	
St. Louis, Mo..... 81,500	90,600	89,000	—10.0	— 8.4	
Sedalia Mo..... 311	299	334	+ 4.0	— 6.9	
Springfield, Mo..... 2,047	2,170	2,398	— 5.7	—14.6	
**Texarkana,					
Ark.-Tex..... 866	1,126	1,416	—23.1	—38.8	
Totals .....	\$140,671	\$154,652	\$151,545	— 9.0	— 7.2

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During April, the Federal Reserve Bank of St. Louis discounted for 160 member banks against 164 in March, and 173 in April, 1932. The discount rate of this bank remained unchanged at 3½ per cent for advances under provisions of Sections 13 and 13(a) of the Act. Changes in the principal assets and liabilities appear in the following table:

	*May 17, 1933	*April 17, 1933	*May 17, 1932
Bills discounted .....	\$ 2,953	\$ 4,201	\$ 13,316
Bills bought .....	2,322	9,740	364
U. S. Securities.....	65,832	65,832	35,951
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	210	210	1,005
Total bills and Securities.....\$ 71,317		\$ 79,983	\$ 50,636
**Total Reserves.....\$164,164		\$157,875	\$111,487
F. R. Notes in circulation..... 146,914		150,351	90,421
Total deposits..... 76,483		77,128	60,778
Ratio of reserves to deposits			
and F. R. Note Liabilities..... 73.5%		69.4%	73.7%

\*In thousands (000 omitted).

\*\*Includes total gold reserves and all other cash.

(Compiled May 23, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of June 30, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

**P**RACTICALLY all indicators of business in the Eighth District during the past thirty days reflected a continuance of the improvement which began in mid-March and extended through April and the first half of May. In many important lines the rate of betterment was more rapid than during the preceding thirty days. For the first time since 1929 the total volume of trade and industry in May exceeded that of the corresponding period a year earlier. The expansion in physical volume was accompanied by a further strengthening in sentiment in the business community and with the public at large. Purchasing of commodities was more diversified and on a larger scale, both merchants and ultimate consumers being more disposed than heretofore to fill long deferred requirements. A notable feature in the month's transactions was the substantial gains in advance orders booked in many important lines. Total of advance business on books of reporting wholesalers and manufacturers as of June 1 was the largest recorded in more than two years. Increased purchasing generally reflected anticipation of future needs and possibly higher prices, also, catching up on goods which ordinarily should have been acquired earlier in the year.

Distribution of merchandise through retail channels was retarded to some extent by unfavorable weather in May, but despite this handicap a large volume was disposed of. Since the first of June warmer weather has stimulated demand for seasonal goods, and reports covering the first two weeks of this month indicate a larger total than in the comparable period a year ago. A fair volume of reordering of summer goods by retailers is reported, notably apparel, electrical supplies, beverages, and tourist and outing supplies. In all wholesaling and jobbing lines investigated by this bank, May sales exceeded those of the preceding month and the May aggregate in 1932. Especially large gains in both comparisons were noted in boots and shoes, hardware, clothing, dry goods, furniture, electrical supplies, and groceries. Operations at iron and steel plants continued to move upward, the

rate at the middle of June being approximately 30 per cent of estimated capacity, against 25 per cent in May and 15 per cent on April 1.

The employment situation underwent further improvement, being affected by increased activities at manufacturing plants and the absorption of many workers in seasonal occupations. For the first time since the depression commenced, there were scattered wage advances, in some instances affecting large groups of workers. Through the first week of June the trend of commodity prices continued upward, with new high levels on the movement recorded by a number of important items. Agricultural products reflected considerable strength, all the principal products of this district being sharply higher than at the corresponding period a year ago. Crop conditions as of June 1 were spotted, both with reference to the several productions and locality. Planting of all spring crops, particularly corn and tobacco, is later than usual, due to excessive rainfall in May. Since June 1, however, more seasonable weather has permitted of intensive field work, and at the middle of the month much of the delayed planting and cultivation had been accomplished.

As indicated by sales of department stores in the principal cities of the district, retail trade in May was slightly smaller than in April and 3.2 per cent less than in May, 1932; for the first five months this year the volume was 17.6 per cent smaller than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were 59 per cent larger in May than in April and 81 per cent greater than in May, 1932; cumulative sales for these firms for the year to June 1 were 5.6 per cent in excess of the aggregate for the same period last year. The dollar value of building permits issued for new construction in the five largest cities of the district in May was 12 per cent more than in April, but about one-fourth smaller than in May, 1932; the cumulative total for the first five months this year was smaller by 62 per cent than for the same period in 1932. Construction

contracts let in the Eighth District in May were 154 per cent greater than in April and 5.6 per cent smaller than in May, 1932; for the first five months this year there was a decrease of 31.9 per cent as compared with the similar period in 1932. Debits to individual accounts in May were about one-fifth greater than in April, and the cumulative total for the year to June 1 was only 6.4 per cent smaller than for the first five months of 1932, the most favorable comparison in more than two years.

Freight traffic of railroads operating in this district continued the irregularly upward trend noted during the preceding thirty days, and for the first time in many months showed an increase over the corresponding period a year earlier, though still considerably below the volume in 1931 and 1930. The movement of grain, livestock and other farm products was stimulated by the upturn in commodity prices. According to officials of the roads, stabilization of bituminous coal shipments has been an important factor in their business, as has, also, freight contributed directly and indirectly by the brewing industry. For the country as a whole, loadings of revenue freight for the 22 weeks this year, or to June 3, totaled 10,850,499 cars, against 12,100,463 cars during the comparable period in 1932, and 16,121,989 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 137,659 loads in May, which compares with 120,673 loads in April and 131,695 loads in May, 1932. During the first nine days of June the interchange amounted to 42,852 loads, against 40,188 loads during the corresponding period in May, and 38,507 loads during the first nine days of June, 1932. Passenger traffic of the reporting roads decreased 25 per cent in May as contrasted with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 112,000 tons which compares with 82,440 tons in April and 112,323 tons in May, 1932.

Reports relative to collections during the past thirty days reflect the same general trends as have been in effect since the end of March. Spottiness still exists, both with reference to the several lines and different locations, but on the whole steady improvement has taken place. In the south where early fruits and truck crops are important productions a considerable volume of liquidation has taken place, and generally through the cotton areas the rate of payments has quickened. Jobbers and wholesalers in the large centers of distribution report June settlements fully up to expectations, and relatively

much better than a year ago. Some backwardness in collections in the rural areas was noted, farmers being preoccupied with spring work, and in sections affected by the floods, settlements were slow. The reopening of additional banks has released funds which have been used to a considerable extent in meeting debts. 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>
May, 1933.....	3.5%	14.6%	64.4%	17.5%
April, 1933.....	3.5	15.8	63.2	17.5
May, 1932.....	1.8	11.5	59.9	26.8

Commercial failures in the Eighth Federal Reserve District in May, according to Dun's, numbered 59, involving liabilities of \$1,414,285, against 68 defaults in April with liabilities of \$996,043, and 128 insolvencies for a total of \$8,062,615 in May, 1932.

Money in circulation on June 14, was \$5,723,000,000 which compares with \$5,852,000,000 on May 17, and an average daily circulation of \$5,456,000,000 in May, 1932.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes**—The sharp expansion in the boot and shoe industry was reflected in an increase in May sales of 80 per cent over the preceding month and of 162 per cent over the May total a year ago. The month's business was the largest recorded since September, 1929. The increase from April to May is seasonal in character, but considerably greater than the average during the past decade. Inventories continue to decrease, stocks on June 1 being more than one-third smaller than a year ago and approximately 17 per cent smaller than a month earlier. The trend of prices was upward in sympathy with the advance in raw materials. Factory operations were at from 95 to 98 per cent of capacity.

**Clothing**—Marked improvement in all branches of the clothing industry has taken place during the past sixty days. May sales of the reporting firms were more than three times as large as in April and one and one-half times greater than the total in May, 1932. Purchasing for fall distribution was reported in considerably larger volume than at the corresponding time last year. Some reordering of summer apparel is noted since the first week in June. Demand for work clothes has picked up since the first week in May, both in the country and large industrial centers. The trend of prices was upward.

**Drugs and Chemicals** — Betterment in practically all lines in this classification took place during the past thirty days, with improvement particularly marked in demand for heavy drugs and chemicals from the general manufacturing trade. Sales of fertilizers and insecticides expanded, and were the best for this particular period since 1930. The rise in temperatures since the final week in May has had a stimulating effect on sales of soda fountain supplies and other seasonal merchandise. The trend of prices was upward, with specific advances being recorded on a number of important commodities. May sales of the reporting firms were 5.4 per cent larger than for the same month in 1932, and 9 per cent greater than the April total this year. Inventories continued to decrease, stocks on June 1 being 5 per cent and 14 per cent smaller, respectively, than a month and a year earlier.

**Dry Goods** — Affected by rapid advances in prices of both raw materials and finished goods, demand for merchandise in this classification gained further momentum during May and the first half of June. May sales of the reporting firms were 16 per cent greater than for the same month in 1932, and approximately one-fourth larger than the April total this year. For the first time in a number of months inventories showed an increase, stocks on June 1 being 17 per cent and 11 per cent larger, respectively, than a month and a year earlier. Reports covering the first half of June reflect increases of from 15 to 25 per cent, in sales volume over the comparable period last year. A substantial gain in the volume of advance orders, both as compared with a month and a year ago, was reported by several of the larger firms.

**Electrical Supplies** — May was marked by an increase in business in this classification, both as compared with the preceding month and a year ago. Demand for seasonal goods picked up during the last half of the month, and has been accelerated by the warm weather since the first of June. Sales of fans, household appliances and radio material were in considerably larger volume than last year. Notable expansion has taken place in demand for small motors for a variety of needs, and for electrical refrigeration. No improvement was noted in the building outlet for electrical supplies. May sales of the reporting firms were 12 per cent greater than for the same month in 1932, and 29 per cent larger than in April this year. Stocks on June 1 were 3 per cent smaller than on May 1, and 28 per cent less than on June 1 a year ago.

**Flour** — Production at the twelve leading mills of the district in May totaled 287,567 barrels, against 274,572 barrels in April, and 262,230 barrels in May, 1932. More activity was noted than during the preceding thirty days, large consumers being more disposed to cover on their distant requirements than has been the case earlier in the year. As is usual at this season, many buyers were holding off awaiting developments in the new wheat crop. export inquiry was somewhat broader than during the preceding month, but bids from abroad were mainly below the views of the millers, and relatively little flour was worked for foreign shipment. Mill operations were at from 50 to 55 per cent of capacity. Stocks in all positions are light.

**Furniture** — For the second consecutive month, the volume of business in this classification during May, according to the reporting firms, exceeded that of the corresponding period a year earlier. Retailers, including department stores, were ordering more freely, and there was generally more of a disposition than heretofore to replenish depleted stocks and fill deferred requirements. May sales of the reporting interests were 47.9 per cent larger than for the same month in 1932, and 32 per cent greater than in April this year. Stocks on June 1 were 4 per cent smaller than on May 1, and 3 per cent less than on June 1, 1932.

**Groceries** — May sales of the reporting firms were 15.6 per cent larger than in the preceding month and 12.3 per cent greater than in May, 1932. This is the first time since February, 1930, that any single month's sales were in larger volume than a year earlier. Stocks increased 7 per cent between May 1 and June 1, and on the latest date were 11 per cent smaller than a year ago. While increases took place in practically all commodities, improvement was most marked in staples. There was the usual falling off in demand for canned goods incident to the movement of early fruits and vegetables. The trend of prices continued upward, specific advances being recorded on flour, sugar, packinghouse products and certain prepared cereal foods.

**Hardware** — For the first time since September, 1929, sales of the reporting firms in May were larger than the corresponding period a year earlier, the increase amounting to slightly over 9 per cent. The May total was also about one-fourth larger than that of the preceding month. Stocks on June 1 were 4.5 per cent greater than a month earlier, and 12 per cent less than on June 1, 1932. The increase in the month-to-month sales comparison is seasonal in

during the past several years. Retailers in both the city and country are more disposed than heretofore character, but measurably larger than the average to replenish stocks. Business of country merchants has been helped materially by the upturn in prices of farm products.

**Iron and Steel Products** — Activities in the iron and steel industry in this district during May and the first half of June continued the broadening tendencies which commenced in March. Less than the usual slowing down, due to seasonal causes, was noted since the beginning of June, and in some sections of the industry was entirely absent. The trend of prices continued upward, with specific advances being recorded on a number of commodities, among them ferromanganese, sheets, nuts, bands, wire rope and certain descriptions of tubular goods. Consumers generally are inclined to anticipate a further strengthening in the price structure and are covering on distant requirements more freely than has been the case in many months. This is true particularly of raw materials, but applies also to finished and semi-finished products. Moderate betterment in orders and prospects was reported by machinery and machine tool interests, a considerable part of the improvement being due to brewery requirements. Farm implement makers reported no change in the quiet condition which have prevailed in their industry for many months. Stove manufacturers increased their operations, as is usual at this time of year. At the middle of June operations at steel mills were at approximately 30 per cent of capacity, as compared with 25 per cent in May and 15 per cent on April 1. For the country as a whole, production of pig iron in May, according to the magazine "Steel", was 906,725 tons, the highest since March, 1932, and comparing with 623,606 tons (revised figure) in April, and 783,769 tons, in May, 1932. Steel ingot production in the United States in May totaled 2,001,991 tons, against 1,362,856 tons in April, and 1,125,243 tons in May, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in May totaled 218,171, against 180,667 (revised figure) in April and 185,149 in May, 1932.

Following the usual seasonal trend, distribution of automobiles in this district during May, according to dealers reporting to the bank, decreased under the preceding month. The May total also showed a slight decrease under the corresponding period a year ago. In the month-to-month comparison the decrease is due in part to the fact that

spring purchasing was to a considerable extent postponed in March by the banking holiday and overlapped into April. The upturn in commodity and security prices, coupled with improvement in general business and public confidence has had a stimulating effect upon the automotive industry. Replacement purchasing still dominates in current sales, but dealers report a larger volume of inquiry from persons not previously owning cars than heretofore. As has been the case for the past several months, interest centers chiefly in vehicles in the lowest-price field, but increased business was reported by a number of dealers handling the medium-priced and more expensive makes. As is usually the case, the near approach of the touring season was marked by greater activity in parts and accessories, May sales of which were larger than in the preceding month and a year ago. General improvement was noted in the tire situation. Prices have advanced sharply since the extreme low point at the end of March and demand is more active than in a number of months.

May sales of new passenger cars by the reporting dealers were 4 per cent smaller than for the same month in 1932, and about one-third less than the April total this year. Sales of trucks in May were 11 per cent smaller than last year, and about one-third less than in April. The used car market continued active, with the volume of sales in May, 4 per cent greater than in April, and 10 per cent less than a year ago. Purchasing by dealers from the factories expanded further, but is still on a conservative scale. On June 1 inventories showed little change from the preceding month, and were 8 per cent smaller than a year ago. Salable secondhand cars in stock on June 1 showed an increase of 6 per cent over May 1, and a decrease of 18 per cent under June 1, 1932. According to dealers reporting on that item, deferred payment sales in May constituted 49 per cent of their total sales, against 48 per cent in April, and 51.5 per cent in May, 1932.

### 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
	May, 1933 comp. to May, 1932	5 months ended May 31, 1933 to same period 1932	May 31, 1933 comp. to May 31, 1932	Jan. 1, to May 31, 1933 1932
Evansville	+13.9%	-19.9%	-25.4%	.47 .45
Little Rock	2.8	-21.4	-19.8	.87 .87
Louisville	2.4	-19.4	-34.4	1.19 1.03
Memphis	8.2	-18.4	-16.3	1.17 1.19
Quincy	14.0	-22.2	-21.1	.91 .95
St. Louis	1.8	-16.7	-15.2	1.44 1.46
Springfield	20.3	-26.3	-30.5	.52 .53
8th District	3.2	-17.6	-18.8	1.28 1.27

**Retail Stores**

	Net sales comparison		Stocks on hand	Stock turnover	
	May, 1933 comp. to May, 1932	5 months ended May 31, 1933 to same period 1932	May 31, 1933 comp. to May 31, 1932	Jan. 1, to May 31, 1933	1932
Men's Fur- nishings .....	+ 0.6%	-14.9%	-24.1%	1.22	1.08
Boots and Shoes .....	-11.4	-18.9	-29.9	1.24	1.14

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in May was 11.6 per cent more than in April, and 24.8 per cent less than the May, 1932, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May amounted to \$8,296,191 which compares with \$3,265,850 in April and \$8,788,497 in May, 1932. Production of portland cement for the country as a whole in May totaled 6,266,000 barrels against 4,183,000 barrels in April and 6,913,000 barrels in May, 1932. Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	134	131	\$ 26	\$ 66	190	46	\$ 22	\$ 7
Little Rock ..	9	15	3	8	59	54	9	11
Louisville ..	53	63	49	40	32	50	101	40
Memphis ...	82	126	50	44	136	107	72	51
St. Louis....	153	198	181	253	247	256	117	95
May totals	431	533	\$ 309	\$ 411	664	513	\$ 321	\$204
April "	399	570	277	493	780	707	428	305
March "	347	497	197	636	370	565	169	224

\*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 May as being 12.7 per cent greater than in April and 7.2 per cent less than in May, 1932. Detailed figures follow:

	No. of Custom- ers	May, 1933	April, 1933	May, 1933 comp. to April, 1933	May, 1932	May, 1933 comp. to May, 1932
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	2,101	1,530	+37.3%	2,004	+ 4.8%
Little Rock...	35	1,586	1,280	+23.9	1,359**	+16.7
Louisville ....	85	6,974	5,318	+31.1	5,708**	+22.2
Memphis .....	31	1,516	1,257	+20.6	1,083**	+40.0
St. Louis.....	195**	14,809	14,551**	+ 1.8	18,920**	-21.7
Totals .....	386	26,986	23,936**	+12.7	29,074**	- 7.2

\*In thousands (000 omitted).

\*\*Revised figures.

**AGRICULTURE**

Generally through the Eighth District, weather during May and the first half of June was unfavorable for the planting, growth and development of crops. Excessive rainfall, low temperatures and lack of sunshine in May set back farm operations from ten days to three weeks behind the usual seasonal schedule. Serious delays in planting corn, cotton, tobacco and other late spring sown crops were encountered, and in many sections soil was still unplowed at the middle of June. Extensive acreages bordering rivers and creeks were inundated and

crops planted on this land were destroyed. In the main the season to date has been favorable for propagation of fungus and insect pests, infestation in some areas being the worst experienced in recent years. On the other hand the heavy precipitation in May was beneficial to hay crops and pastures, which are for the most part in excellent condition. The June 1 condition of hay in all the principal producing states of the district was above the ten-year average. Prospects for fruits and vegetables vary broadly, both with reference to the several species and locality. The strawberry crop was a large one, and due to extensive cooperative marketing, and improved distributive methods, results were in the main satisfactory.

Farm prices in this district have shown marked improvement during the past two months. This is true of practically all products, but has been particularly notable in the case of grains, livestock, cotton and hides. Since the first week in June weather has turned warm and clear, and farmers have been taking full advantage of these conditions to bring their work up to schedule. Due to the long and heavy rains, however, much soil is packed and difficult to work. Farm labor employment showed a moderate increase over the preceding thirty days, but universally there is still a considerable excess supply. Farmers are inclined to use as little hired help as possible in producing 1933 crops. In all states of the district there has been a steady increase in the rural populations. Farm land, particularly along the highways, shows a moderately upward trend in values.

**Winter Wheat**—While for the country as a whole, June 1 indications were for the smallest winter wheat crop since 1904, in states of this district indications were for a larger output than last year, though still considerably below the 5-year (1926-1930 average). In its report as of June 1, the U. S. Department of Agriculture estimates the crop in states entirely or partly within the Eighth District at 68,178,000 bushels, a decrease of 880,000 bushels under the May 1 forecast, and comparing with 65,244,000 bushels harvested in 1932 and a 5-year average of 80,629,000 bushels. The report comments on the abnormally hot and dry weather since June 1 which caught the crop in a critical stage of development, a large part being either in the milk or dough stages. This has resulted in considerable damage from scald and premature ripening. The crop Reporting Board has not attempted to evaluate the effect of weather since June 1, the report dealing strictly with conditions as of that date.

**Corn** — Generally throughout the district average planting of corn this season will be the latest in more than a quarter of a century. This condition is due to excessive rainfall, which not only delayed planting but retarded preparation of the soil. Cultivation to the middle of June had been on an exceptionally limited scale, and where planting was possible, grass and weeds have made considerable headway. According to the Illinois Cooperative Reporting Service, at the end of the first week in June only about 70 per cent of corn planting in that state had been completed, whereas 97 per cent is usually seeded at that date. The extreme heat wave since June 1 has resulted in a heavy loss of horses and hampered plowing operations. These conditions are typical of other northern states of the district. In Indiana about one-half of the crop had been planted on June 1. Lateness of the planting indicates that yields are likely to be below average, even with favorable conditions to harvest.

**Fruits and Vegetables** — Prospects for peaches are generally more favorable than earlier in the season. The indicated yield based on June 1 conditions for states including the Eighth District is 4,213,000 bushels, which compares with the practical failure of 1,259,000 bushels last year and a 5-year average (1926-1930) of 7,262,000 bushels. Prospects for apples are extremely irregular.

**Live Stock** — Generally throughout the district the condition of livestock is high, though the extreme high temperatures since June 1 have resulted in reported lowering of condition in some areas. In the main the spring lamb crop verified earlier estimates, and shipments have been heavy, being stimulated by more favorable prices. Milk production continued to closely approximate that at the corresponding period a year earlier, notwithstanding improvement in pastures during May and increases in prices of dairy products during the past three months. The increase in numbers of cows continues to be offset by low production per cow. The dairy situation as a whole has been substantially helped by the increase in the price of butterfat. Of the total number of hens on farms on June 1, 50 per cent were laying, compared with 48 per cent a year ago. There was an increase of about 10 per cent in the number of chicks hatched this year over the number per farm in 1932.

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

	Receipts			Shipments		
	May, 1933	April, 1933	May, 1932	May, 1933	April, 1933	May, 1932
Cattle and Calves.....	92,448	79,239	87,350	41,411	36,903	44,941
Hogs .....	301,011	256,616	258,880	172,029	155,769	156,807
Horses and Mules.....	3,492	6,238	1,935	3,830	5,493	1,907
Sheep .....	57,760	57,075	73,000	6,916	11,938	14,845

**Cotton** — Planting and development of the new crop has been retarded by adverse weather, and in some sections considerable acreage was destroyed by overflows of rivers and creeks. With the more auspicious weather conditions since the third week in May, farmers have been able to work intensively and recover part of the ground lost earlier in the season. Replanting has been accomplished on an extensive scale in sections where the high water has subsided. Due to the sharp advance in prices, farmers are endeavoring to put in as much cotton as possible, and increases over the area sown last year are indicated in Arkansas, Mississippi and Missouri. At the middle of June fields were mainly clean, exceptions being where the soil is baked and cloddy, and in some areas where moisture has prevented cultivation. Boll weevils are reported in large numbers, but it is too early yet for clear indications as to probable damage from this cause. Demand for cotton continued active and extended to almost all grades and lengths of staple. Prices advanced sharply, reaching the highest level since July, 1931. In the St. Louis market the middling grade ranged from 7.90c to 9c per pound between May 15 and June 15, closing at 8.50c on the latter date, which compares with 8.31c on May 15 and 4.85c on June 15, 1932. Receipts of cotton at Arkansas warehouses from August 1, 1932 to June 9, 1933, totaled 1,269,380 bales against 1,503,333 bales during the comparable period a year ago. Stocks on hand as of June 9 were 323,046 bales, against 379,098 bales on June 12, and 387,625 bales on the corresponding date a year ago.

**COMMODITY PRICES**

Range of prices in the St. Louis market between May 15, 1933 and June 15, 1933, with closing quotations on the latter date and June 15, 1932, follow:

	High	Low	Close	
			June 15, 1933	June 15, 1932
Wheat				
July .....	.78	.68½	.75	.49¾
Sept. ....	.80¼	.71½	.76½	.52¼
No. 2 red winter " " .....	.83	.74½	.75 @	.75½ \$ .48¾ @ .49
No. 2 hard " " .....	.78¾	.71	.75 @	.75½ .49¾ @ .50
Corn				
July .....	.46	.44	.44½ @	.45 .31
No. 2 mixed " " .....	.46	.41	.40 @	.41 .31 @ .31½
No. 2 white " " .....	.48¼	.44	.45½ @	.45½ .31½ @ .32
Oats				
No. 2 white .....	.29½	.24¾	.29 @	.29½ .21 @ .21¼
Flour				
Soft patent.....per bbl.	5.00	3.00	3.00 @	4.50 3.25 @ 3.50
Spring patent..... " "	5.60	3.25	4.35 @	5.40 4.20 @ 4.50
Middling cotton.....per lb.	.0900	.0790		.0850 .0485
Hogs on hoof.....per cwt.	5.10	2.50	2.50 @	4.60 2.50 @ 3.65

**FINANCIAL**

The improvement in the banking and financial situation in the Eighth District, which began in late March, was continued during the past thirty days. There was a moderate increase in deposits and

reserve balances of the commercial banks, and liquidation with both city and country banks was in considerable volume. Between May 18 and June 19 there were 80 additional banks open for business, the total number on the latter date being 1,733. Just prior to the banking holiday in March there were 1,875 member and nonmember banks operating in the district.

In view of the improved business conditions, less than the expected expansion in demand for credit from mercantile and industrial interests was in evidence. This was due partly to the fact that commercial and manufacturing concerns are still using their own cash resources for current needs, in numerous instances disposing of their Government securities and other investments and using the proceeds in their business. There was a further broadening in commitments of grain elevator and flour milling interests, reflecting the upturn in cash wheat values and increased inventories. The demand for financing agricultural operations continues much below the seasonal average during past years.

Deposits of the reporting member banks in the principal cities declined sharply to a new low level for the year in the final week of May, but recovered all the loss in the first two weeks of June and on June 14 were 3.2 per cent greater than on May 17. A similar movement took place in the total investments of these banks. Total loans receded slightly during the 4-week period, and on June 14 were smaller by more than one-fourth than a year ago.

There was little change in borrowings of all member banks from the reserve bank between May 17 and June 17, and throughout the period the average was considerably smaller than a year ago. The total volume of Federal reserve credit outstanding on June 17 was approximately 3.5 per cent greater than a month earlier, the increase being occasioned by an expansion in holdings of Government securities.

The trend of rates was slightly firmer. At St. Louis banks as of the week ended June 15, current interest rates were as follows: Customers' commercial paper, 4½ to 4¾ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4¾ to 5¾ per cent; loans secured by warehouse receipts, 4 to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on June 14, 1933 showed a decrease of 0.4 per cent as contrasted with May 17, 1933. Deposits increased 2.3 per cent be-

tween May 17, 1933 and June 14, 1933 and on the latter date were 7.3 per cent smaller than on June 15, 1932. Composite statement follows:

	*June 14, 1933	*May 17, 1933	*June 15, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 87,671	\$ 89,466	\$118,191
All other loans and discounts....	127,277	126,317	174,806
<b>Total loans and discounts.....</b>	<b>\$214,948</b>	<b>\$215,783</b>	<b>\$292,997</b>
Investments			
U. S. Government securities.....	126,159	123,206	87,292
Other securities.....	101,308	101,408	119,221
<b>Total investments.....</b>	<b>\$227,467</b>	<b>\$224,614</b>	<b>\$206,513</b>
Reserve balance with F. R. Bank	39,151	37,597	35,251
Cash in vault.....	7,996	8,451	5,691
Deposits			
Net demand deposits.....	271,058	261,187	270,979
Time deposits.....	156,769	156,746	182,693
Government deposits.....	1,206	1,655	9,242
<b>Total deposits.....</b>	<b>\$429,033</b>	<b>\$419,588</b>	<b>\$462,914</b>
Bills payable and rediscounts with Federal Reserve Bank.....	325	.....	1,763

\*In thousands (000 omitted).

This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

**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.

	*May, 1933	*April, 1933	*May, 1932	May, 1933 comp. to Apr. 1933	May, 1932
East St. Louis & Natl. Stock Yards, Ill..	\$ 19,800	\$ 15,607	\$ 19,844	+26.9%	— 0.2%
El Dorado, Ark.....	2,622	2,848	3,298	— 7.9	—20.5
Evansville, Ind.....	14,201	12,624	16,059	+12.5	—11.6
Fort Smith, Ark.....	6,157	5,941	6,812	+ 3.6	— 9.6
Greenville, Miss.....	2,567	2,189	2,289	+17.3	+12.1
Helena, Ark.....	1,181	1,131	1,242	+ 4.4	— 4.9
Little Rock, Ark.....	18,357	12,737	19,532	+44.1	— 6.0
Louisville, Ky.....	98,669	92,172	102,433	+ 7.0	— 3.7
Memphis, Tenn.....	73,411	64,844	70,328	+13.2	+ 4.4
Owensboro, Ky.....	2,034	2,156	2,501	— 5.7	—18.7
Pine Bluff, Ark.....	‡ 4,535	.....	‡ 4,562	.....	— 0.6
Quincy, Ill.....	‡ 5,324	.....	‡ 6,230	.....	—14.5
St. Louis, Mo.....	442,800	357,666	484,620	+23.8	— 8.6
Sedalia, Mo.....	1,393	1,256	1,410	+10.9	— 1.2
Springfield, Mo.....	9,671	8,456	10,402	+14.4	— 7.0
**Texarkana, Ark.-Tex.....	5,023	4,185	5,073	+20.0	— 1.0
<b>Totals .....</b>	<b>\$697,886</b>	<b>\$583,812</b>	<b>\$745,843</b>	<b>+19.5%</b>	<b>— 6.4%</b>

\*In thousands (000 omitted).

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

‡Not included in totals.

**Federal Reserve Operations** — During May, the Federal Reserve Bank of St. Louis discounted for 150 member banks against 160 in April and 226 in May, 1932. The discount rate of this bank was reduced from 3½ to 3 per cent, effective June 8, 1933. Changes in the principal assets and liabilities of this institution appear in the following table:

	*June 16, 1933	*May 16, 1933	*June 16, 1932
Bills discounted .....	\$ 2,423	\$ 2,966	\$ 13,109
Bills bought .....	82	2,890	1,232
U. S. Securities.....	70,730	65,832	61,129
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks..	203	210	1,005
<b>Total Bills and Securities.....</b>	<b>\$ 73,438</b>	<b>\$ 71,898</b>	<b>\$ 76,475</b>
**Total Reserves.....	\$164,602	\$163,478	\$ 81,847
Total deposits.....	84,855	77,833	57,363
F. R. Notes in circulation.....	142,469	147,082	90,694
Ratio of reserve to deposits and F. R. Note Liabilities.....	72.4%	72.7%	55.3%

\*In thousands (000 omitted).

\*\*Includes total gold reserves and all other cash.

(Compiled June 23, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of July 31, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

**C**ONTINUING the notable improvement of the two preceding months, commerce and industry in the Eighth Federal Reserve District moved forward with increased momentum during June and the first half of July. In virtually all lines investigated by this bank, substantial gains were recorded in production and distribution of commodities. The increases in many important classifications reversed the ordinary seasonal trends. Despite one of the hottest Junes on record in this general region, there was no slowing down in activities at iron and steel plants, lumber mills, glass and fire clay manufacturing and in some other industries which suspend or heavily curtail operations at this time of year. At the middle of July the rate at iron and steel working plants was at approximately 35 per cent of capacity, as compared with 30 per cent a month earlier and 25 per cent in May. Estimated melt of pig iron and steel scrap in June was 8 per cent greater than in May and 14 per cent larger than in June, 1932.

Production of bituminous coal in all fields of the district increased in June over May and was in substantially larger volume than in June last year. Reflecting a sharply increased demand for staves and other descriptions of lumber, additional lumber mills in the south resumed operations, some after an idleness of more than two years. Activities in the building industry and the movement of building materials generally exhibited noticeable betterment from May to June. In practically all reporting industries, both employment and payrolls expanded further and were the largest since last summer.

Excepting drugs and chemicals, which showed practically no change, all wholesaling and jobbing lines investigated reported substantial gains in June sales over the same month in 1932. June volume also exceeded that of the preceding month in all groups but boots and shoes, apparel and furniture. In these three lines decreases from May to June were due to unusually large sales in May, which, in turn, were partly accounted for by commitments deferred from earlier months in the year. While the

June hot spell had a stimulating effect in the movement of seasonable merchandise through retail channels, wholesale trade made a relatively better showing than ultimate distribution. Except in the case of beverages, summer apparel, certain electrical supplies and other typically seasonal lines, available retail statistics for June do not reflect marked expansion, either as contrasted with the preceding month or the corresponding period a year ago.

In the agricultural situation in this district, the principal development was the record high temperatures and drought in June, which resulted in serious damage to growing crops. Prospects for yields of the principal productions, except winter wheat, deteriorated sharply between June 1 and July 1, according to the U. S. Department of Agriculture's report as of the latter date. The clear, dry weather of June was favorable for harvesting and threshing wheat, and the movement of new grain to market has been in considerable volume. Adverse effects of the short crops on farm incomes is offset by the marked appreciation in values during June and the first half of July, particularly in the case of wheat, corn, oats and cotton. During that period in the St. Louis market, No. 2 red winter wheat advanced from 74c to \$1.18 per bushel; No. 2 white corn from 45c to 66½c per bushel; No. 2 white oats from 28¾c to 48c per bushel, and middling cotton from 8.55c to 11.40c per pound. On July 16, 1932, No. 2 red winter wheat closed at 47c per bushel, No. 2 white corn at 32c per bushel, No. 2 white oats at 17c per bushel, and middling cotton at 5.35c per pound. Prices of live stock failed to advance with other farm products, and in early July were below those of a year ago.

Retail trade in June, as reflected in sales of department stores in the principal cities of the district, showed practically no change from the same month in 1932 and a decrease of 6 per cent below the May total this year, the decline in the month-to-month comparison being of about the usual seasonal size; for the first half of 1933, the volume was 15 per cent smaller than during the comparable period in

1932. Combined sales of all wholesaling and jobbing firms reporting were 55 per cent greater in June than a year earlier, and for the first six months this year the total was 12 per cent larger than for the first half of 1932. The dollar value of building permits issued for new construction in the five largest cities of the district in June was 156 per cent greater than in May, and 57 per cent in excess of June last year; for the first half of 1933 the aggregate was 44 per cent less than the comparable period last year. Construction contracts let in the Eighth District in June were 2.5 per cent less than in May and 40.2 per cent more than the June, 1932 aggregate; cumulative total for the first six months this year was 39.5 per cent less than in the first half of 1932. Debits to checking accounts in June were slightly smaller than a year ago, but 7.3 per cent greater than the May total this year; cumulative total for the first half of 1933 showed a decrease of 28 per cent under the first six months of 1932.

According to officials of railroads operating in this district, the recent gains in the volume of freight traffic handled were carried further and at a sharply accelerated pace through June and the first half of July. For the country as a whole loadings of revenue freight for the first 26 weeks this year, or to July 1, totaled 13,241,718 cars, against 14,107,820 cars for the corresponding period in 1932 and 19,020,485 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 148,366 loads in June, the largest number since March, 1932, and comparing with 136,659 loads in May and 135,115 loads in June, 1932. During the first nine days of July the interchange amounted to 40,960 loads, against 42,852 loads during the corresponding period in June, and 33,070 loads during the first nine days of July, 1932. Passenger traffic of the reporting roads in June decreased 16 per cent under the same month last year, the smallest decline recorded for any month in more than two years. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in June was 109,000 tons, against 113,029 tons in May, and 108,002 tons in June, 1932.

Considerable improvement as compared with earlier months this year was reflected in reports relative to collections. Jobbing and wholesaling interests in the principal distributing centers report early July settlements above expectations, with more of their customers taking advantage of cash discounts than has been the case in a number of months. Retailers in the large cities report steady betterment in collections as a whole. Questionnaires

addressed to representative interests in the various lines scattered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
June, 1933.....	3.7%	25.9%	59.3%	11.1%
May, 1933.....	3.5	14.6	64.4	17.5
June, 1932.....	.0	18.5	61.2	20.3

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's, numbered 60, involving liabilities of \$1,049,752, against 59 defaults in May with liabilities of \$1,414,285 and 132 insolvencies for a total of \$1,987,322 in June, 1932.

Money in circulation in the United States on July 12 was \$5,667,000,000, which compares with \$5,723,000,000 on June 14, and an average daily circulation of \$5,530,000,000 in June, 1932.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — June sales of the reporting interests were more than twice as large as for the same month in 1932 and the heaviest for any June since 1929. The total showed a decrease of 47 per cent under that of the preceding month this year. Stocks on July 1 were 29 per cent greater than a month earlier, and one-fourth smaller than on July 1, 1932. The decrease in the month-to-month comparison is seasonal in character, but somewhat larger than the average in recent years, due chiefly to the exceptionally heavy volume of business done in May. An increase in prices amounting to approximately 6 per cent became effective in the second week in July. Factory operations were at from 98 per cent to 100 per cent of capacity.

**Clothing** — As contrasted with a year ago, June sales of the reporting firms showed an increase of 3.5 per cent, and the total was approximately 79 per cent below that of May this year. Orders of apparel for fall delivery as of July 1 were in considerably larger volume than a year ago. Steady improvement is reported in demand for work clothes. The trend of prices was upward in sympathy with the upturn in cotton, wool and other fabrics.

**Drugs and Chemicals** — Further improvement was noted in this classification, June sales being 3 per cent larger than in May, and only slightly below the total of a year ago. Stocks on July were smaller by 2 per cent and 17 per cent, respectively, than a month and a year earlier. Moderate expansion in purchasing of heavy drugs and chemicals by the general manufacturing trade was noted, and the movement of seasonal goods was stimulated by the warm weather in June and early July.

**Dry Goods** — Improvement in business in this classification, noted during the three months immediately preceding, continued during June and the first half of July. Contrary to the seasonal trend, June sales of the reporting interests showed an increase of 5.4 per cent as compared with May, and the total was 50 per cent greater than in June, 1932. Inventories increased 30 per cent from June 1 to July 1, and on the latest date were 45 per cent greater than a year ago. Retailers generally were disposed to cover their requirements in anticipation of higher prices.

**Electrical Supplies** — Demand for virtually all lines of electrical supplies has undergone marked betterment during the past two months. The extreme hot weather of June assisted the movement of seasonal merchandise, resulted in a fair volume of reordering of fans and other specialties. Refrigeration, radio and automotive requirements have expanded, and sales of pole and line hardware were the largest in a number of months. June sales of the reporting interests were 47 per cent larger than in June, 1932, and 39 per cent greater than in May this year. Stocks on July 1 were 3 per cent larger than a month earlier, and 19 per cent less than a year ago.

**Flour** — Production at the twelve leading mills of the district in June totaled 261,346 barrels, against 287,567 barrels in May and 234,864 barrels in June, 1932. Greater activity in the flour industry as a whole was noted during the past thirty days than for more than two years. In anticipation of higher prices incident to the processing tax, retailers were endeavoring to get in supplies; purchasing by wholesalers and jobbers was also on a large scale. Prices were sharply higher, due both to the short wheat crop and the processing tax. This tax, which went into effect on July 8, amounts to approximately \$1.35 per barrel on flour for domestic consumption.

**Furniture** — Sales of the reporting firms in June were 89 per cent larger than for the same month in 1932, and showed a slight decline, seasonal in character, under the May aggregate this year. Stocks on July 1 were 20 and 18 per cent smaller, respectively than a month and a year earlier. For the first time in many months, retailers were ordering to build up depleted stocks and assortments. The trend of prices was upward.

**Groceries** — Reversing the seasonal trend, sales of the reporting firms in June increased 8 per cent over the May total, and were 15 per cent greater than in June, 1932. Inventories continued to recede, stocks on July 1 being 1 per cent smaller than a

month earlier and 12 per cent smaller than a year ago. In both the month-to-month and yearly sales comparisons increases were relatively greater in the rural areas and small towns than in the large centers of population. The trend of prices was upward, with specific advances recorded on flour, sugar, potatoes and several other important commodities.

**Hardware** — June sales of the reporting firms showed an increase of 14 per cent over May, and of 21 per cent over the June, 1932, total. Stocks on July 1 were 9 per cent larger than a month earlier and 2 per cent smaller than on July 1, 1932. Improvement was noted in practically all lines, with builders' tools and hardware moving in larger volume than for many months. Prices were very firm, with advances recorded on some lines.

**Iron and Steel Products** — In practically all sections of the iron and steel industry further expansion in activities took place during the past thirty days. As have been the case in the present recovery started, miscellaneous requirements accounted for the major portion of tonnage placed, but there was also well defined betterment in purchasing by the principal consuming industries. In the immediate past there has been some slowing down in new ordering, but this was expected because of seasonal influences and the fact that requirements were largely covered in the heavy buying movement of May and June. At the first of June, backlogs of a majority of the reporting interests were the largest this year, and in some instances greater than at any time since 1931. Specifications against contracts made previous to the recent price advances are in large volume, and in the case of a number of important mills and foundries, will assure the present rate of operations through August and part of September. Warehouse and jobbing interests report June business the largest so far this year, and slightly in excess of the same month in 1932. Stove and heating apparatus manufacturers expanded their operations, both in response to actual orders for their products and for the purpose of making up stock. Releases by the automotive industry during June were in excess of the preceding month. Makers of sheets, plates and other flat rolled materials report a substantial gain in new orders and specifications on material previously acquired. In the case of heavy materials, specifications were accelerated by the fact that August 1 was set by producers as the deadline on preferential prices. The general trend of prices continued upward, with specific advances recorded on a number of important commodities, notably pig iron, wire products, steel pipe, heavy melting steel and other grades of iron and

steel scrap. Purchasing of pig iron continued at the high rate of the preceding thirty days, and several blast furnace interests purveying to this district report sales during the first six months this year considerably in excess of the entire 1932 total. For the country as a whole, production of pig iron in June, according to the magazine "Steel", totaled 1,264,953 tons, the largest since August, 1931, and comparing with 892,326 tons in May and 626,015 tons in June, 1932. Steel ingot production in the United States in June was 2,597,517 tons, against 2,001,991 tons in May and 912,757 tons in June, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in June was 253,322 against 218,171 in May, and 183,092 in June, 1932.

Distribution of automobiles in the Eighth District during June, according to dealers reporting to this bank, showed a substantial increase over the preceding month, also over the total of June, 1932. In both comparisons increases were general through all classes of makes, but most pronounced in the field of cheap-priced vehicles. For the first time in many months, country dealers reported a decided improvement in business, both with respect to actual sales and prospects. Appreciation in values of farm products, notably cereals and cotton, has served to improve sentiment and purchasing power in the rural areas. Due to depressed conditions in agriculture during the past three years, farmers have been obliged to make their old automobiles serve, with the result that extensive replacement requirements have developed, particularly in the cotton and grain areas. Demand for trucks of all descriptions also showed betterment in June as contrasted with a month and a year earlier.

June sales of new passenger cars by the reporting dealers were 11 per cent larger than for the same month in 1932, and 39 per cent greater than the May total this year. Truck sales in June were 7 per cent and 10 per cent larger, respectively than a month and a year earlier. Purchasing by dealers from factories was on a larger scale than earlier in the year, as indicated by an increase in stocks on hand of 6 per cent between June 1 and July 1. The total on the latest date, however, was still 12 per cent smaller than a year ago. Used car sales continued to expand, the June total being 12 per cent greater than in May and only about 7 per cent smaller than a year ago. Stocks of salable secondhand cars on July 1, were 12 per cent larger than a month earlier, and 15 per cent less than on July 1, 1932. According to dealers reporting on that item, deferred payment sales in June

constituted 44 per cent of their total sales, against 49 per cent in May and 49 per cent in June, 1932.

### 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	
	June, 1933 comp. to June, 1932	6 months ended June 30, 1933 to same period 1932	June 30, 1933 comp. to June 30, 1932	Jan. 1, to June 30, 1933	June 30, 1932
Evansville ....	+31.3%	-11.1%	-21.1%	.63	.55
Little Rock....	7.5	-19.3	-14.1	1.05	1.04
Louisville ....	6.3	-17.4	-35.5	1.47	1.22
Memphis .....	1.8	-15.8	-19.2	1.43	1.41
Quincy .....	+ 7.5	-17.7	-20.3	1.13	1.11
St. Louis.....	+ 0.6	-14.0	- 9.4	1.75	1.74
Springfield ...	2.9	-22.7	-25.2	.65	.63
8th District....	0.8	-15.0	-15.6	1.57	1.52

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	June, 1933 comp. to June, 1932	6 months ended June 30, 1933 to same period 1932	June 30, 1933 comp. to June 30, 1932	Jan. 1, to June 30, 1933	June 30, 1932
Men's Furnishings .....	-12.2%	-14.3%	-16.3%	1.54	1.37
Boots and Shoes .....	5.3	-16.7	-29.5	1.56	1.39

### POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in combined postal receipts for the second quarter of the year, of 6.5 per cent as compared with the corresponding period in 1932 and an increase of 3 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ended				June 1933
	June 30, 1933	Mar. 31, 1933	Dec. 31, 1932	June 30, 1932	comp. to June, 1932
Evansville .....	\$ 136,219	\$ 130,563	\$ 139,826	\$ 126,021	+ 8.1%
Little Rock.....	148,486	162,088	179,505	142,472	+ 4.2
Louisville .....	586,831	547,544	644,721	530,379	+10.7
Memphis .....	447,551	463,886	543,380	396,273	+12.9
St. Louis.....	2,396,873	2,302,362	2,818,143	2,294,185	+ 4.5
Totals .....	\$3,715,960	\$3,606,443	\$4,325,575	\$3,489,330	+ 6.5%

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was 156.3 per cent more than in May, and 57.5 per cent more than the June, 1932 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in June amounted to \$8,084,927, which compares with \$8,296,191 in May and \$5,768,424 in June, 1932. Production of portland cement for the country as a whole in June totaled 7,804,000 barrels against 6,262,000 barrels (revised figures) in May, and 7,921,000 barrels in June, 1932. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	103	137	\$ 19	\$ 48	87	50	\$ 17	\$ 23
Little Rock ..	12	12	3	8	56	57	10	23
Louisville ..	47	63	160	41	48	30	84	36
Memphis ...	86	125	111	67	124	123	28	64
St. Louis....	172	167	499	339	211	192	118	123
June totals..	420	504	\$ 792	\$ 503	526	452	\$ 257	\$269
May " ..	431	533	309	411	664	513	321	204
April " ..	399	570	277	493	780	707	428	305

\*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 June as being 10.6 per cent greater than in May and 8.3 per cent less than in June, 1932. Detailed figures follow:

	No. of Custom- ers	June,	May,	June, 1933	June,	June, 1933
		1933	1933	comp. to	1932	comp. to
		*K.W.H.	*K.W.H.	May, 1933	*K.W.H.	June, 1932
Evansville ....	40	2,400	2,101	+14.2%	2,068	+16.1%
Little Rock...	35	1,858	1,586	+17.2	1,742**	+ 6.7
Louisville ....	85	7,603	6,974	+ 9.0	5,960**	+27.6
Memphis .....	31	1,511	1,516	- 0.3	1,046	+44.5
St. Louis.....	194**	16,412	14,741**	+11.3	21,679**	-24.3
Totals .....	385	29,784	26,918	+10.6	32,495	- 8.3

\*In thousands (000 omitted).

\*\*Revised figures.

## AGRICULTURE

As has been the case generally throughout the United States, the first half of 1933 has been less auspicious for crop production in the Eighth District than the corresponding portion of any crop season in late years. Acreage planted has been reduced and unusually low yields are indicated, with quality much below average in the case of a number of important productions. The reduction in acreage and low prospective yields are due to a number of causes, including financial difficulties and low market prices at the time of planting, the loss of a considerable part of the acreage of winter wheat seeded last fall, heavy rains which interfered with planting and cultivation during May and an almost unprecedented June drouth. Generally through this district rainfall in June was less than one-third of normal, and in some sections not even showers fell during that month. Following as it did the unusually wet May, the June drouth and record heat had the effect of packing and hardening the soil to an extent which made it extremely difficult to work. Due to these conditions many crops suffered severely during June, and according to the July 1 report of the Department of Agriculture, new low condition records as of that date were shown by oats, barley, rye, potatoes, sweet potatoes, tobacco, peanuts and certain vegetable crops.

Since July 1 the drouth has been partly relieved by fairly general rains throughout the district. The precipitation was beneficial to pastures and hay crops, and in many sections saved the growing corn crop, which was in an extremely critical condition. However, at the middle of July more moisture was badly needed and the issue in large areas was still in doubt and dependent on favorable weather conditions until harvest. The effect of reduced yields and unfavorable conditions was offset to a large extent in the matter of farm incomes by the further sharp advance in prices of agricultural products, notably

grains and cotton. Wheat and oats prices soared to the highest levels since the spring of 1930 and corn was higher than at any time since the summer of 1931. In the second week of July the price of cotton was more than twice as high as the corresponding period a year ago. There was also a substantial appreciation in values of rice, tobacco and a number of other important district productions.

**Winter Wheat** — Prospects for winter wheat in this district are relatively much better than in other sections of the belt, for while the indicated yield is about one-fourth below the 10-year (1923-1932) average, it is larger than a year ago. In its July 1 report the U. S. Department of Agriculture forecasts a yield in the Eighth District, of 36,189,000 bushels, against 33,885,000 bushels harvested in 1932, and a 10-year average of 50,163,000 bushels. Threshing has made rapid progress, and had been about completed in the third week of July. The movement to market was of considerable size, farmers being anxious to take advantage of the high prices. Quality varies broadly, and much light shriveled grain is showing as a result of the June drouth. Stocks of old wheat on farms in states of the Eighth District as of July 1 totaled 4,957,000 bushels, against 11,171,000 bushels a year earlier and a 5-year average of 2,685,000 bushels.

**Corn** — Indicated corn production in the Eighth District as of July 1 was 283,157,000 bushels, which compares with 380,505,000 bushels harvested last year and a 10-year average of 351,832,000 bushels. The situation varies widely, due to the unusually poor season for planting and early growth. Effects of the drouth and high temperatures are in evidence, and the crop not only needs abundant rains, but an ideal season and delayed frost to produce even a fair yield. Stocks of corn on farms in states of the district as of July 1 totaled 251,153,000 bushels against 240,493,000 bushels a year ago, and a 5-year average of 87,674,000 bushels.

**Oats** — According to the U. S. Department of Agriculture's July 1 report the indicated yield of oats in the Eighth District is 30,904,000 bushels, the smallest in recent years, and comparing with 47,062,000 bushels harvested in 1932, and a 10-year average of 55,269,000 bushels.

**Fruits and Vegetables** — The outlook for fruits and vegetables in the Eighth District is unusually poor. The results of unfavorable conditions earlier in the season were accentuated by the record high temperatures and drouth in June. Tree fruits have not filled as they should have, and the drop of apples, particularly late varieties, has been heavy.

Recent rains have benefited such commercial vegetable crops and home gardens as were not irreparably injured by the June drouth. In states partly or entirely within the Eighth District, production of sweet potatoes is estimated by the U. S. Department of Agriculture in its July 1 report at 15,600,000 bushels, against 21,435,000 bushels in 1932 and a 5-year average of 15,951,000 bushels; apples 12,793,000 bushels, against 7,174,000 bushels in 1932 and a 5-year average of 17,985,000 bushels; peaches, 4,057,000 bushels, against virtual failure of 1,259,000 bushels in 1932, and a 5-year average of 7,262,000 bushels; grapes, 31,019 tons, against 33,979 tons in 1932, and a 5-year average of 30,649 tons. In the district proper the white potato crop is estimated at 8,921,000 bushels against 13,164,000 bushels harvested in 1932 and a 10-year average of 14,453,000 bushels. Prospects for all cane fruits deteriorated sharply during June.

**Live Stock** — The condition of livestock generally through the district in early July was somewhat less favorable than a month earlier, due chiefly to the extremely hot weather and lack of moisture. Heavy mortality among farm horses as a result of the June heat wave was reported in many localities. The condition of pastures deteriorated, and in certain areas there was a scarcity of stock water. Based on the July 1 condition, the U. S. Department of Agriculture estimates production of tame hay in the Eighth District at 4,936,000 tons, against 4,964,000 tons in 1932 and a 10-year average of 6,991,000 tons.

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

	Receipts			Shipments		
	June, 1933	May, 1933	June, 1932	June, 1933	May, 1933	June, 1932
Cattle and Calves.....	92,315	92,448	85,530	43,938	31,411	51,804
Hogs .....	322,562	301,011	212,815	160,735	172,029	159,111
Horses and Mules.....	3,056	3,492	917	2,677	3,830	1,138
Sheep .....	121,940	57,760	123,475	35,584	6,916	33,121

**Cotton** — In its initial cotton report for the season, as of July 1, the U. S. Department of Agriculture estimates the area under cultivation in states including the Eighth District at 9,196,000 acres against 8,824,000 acres on July 1, 1932. This estimate does not take into account any reduction of acreage that may be made by farmers under the cotton program of the Agricultural Adjustment Administration. Any such reduction will be announced in the future. The condition of the growing crop in this district is generally high, particularly early planted cotton. The plant is healthy, with excellent tap root and fields are mainly clean. Demand for cotton was active, prices continued sharply upward. In the second week of July reached the highest point since June, 1930. In the St. Louis

market the middling grade ranged from 8.55c to 11.40c between June 16 and July 17, closing at 11.40c on the latter date, which compares with 8.75c on June 16, and 5.35c on July 15, 1932. Receipts of cotton at Arkansas warehouses from August 1, 1932 to July 14, 1933, totaled 1,294,564 bales, against 1,506,654 bales during the comparable period a year ago. Stocks on hand on July 14 were 276,041 bales, against 314,143 bales on June 16, and 358,015 bales on the corresponding date in 1932.

**Tobacco** — Based on the July 1 condition, the U. S. Department of Agriculture estimates the Eighth District tobacco crop at 278,685,000 pounds, against 261,257,000 pounds secured in 1932, and a 10-year average of 308,565,000 pounds. The planting season was unfavorable and the crop was held back by the hot, dry June. Rains since July 1 have greatly benefited the crop, especially the early planting which had made some headway before the June drought. Cultivation has been generally thorough, and at the middle of July fields were in better condition than at any time since planting. Considerable resetting of plants followed the recent rains, but apprehension is felt that the late setting may not attain full size and ripen before frost.

### COMMODITY PRICES

Range of prices in the St. Louis market between June 15, 1933 and July 17, 1933, with closing quotations on the latter date, and July 15, 1932, follow:

	High	Low	Close	
			July 17, 1933	July 15, 1932
Wheat				
July .....	\$1.15	\$.72½	\$1.15	\$.45½
Sept. ....	1.19¾	.74½	1.18¾	.47½
Dec. ....	1.22¾	.82½	1.21½	.51
No. 2 red winter " .....	1.18	.74	\$1.16 @ 1.18	\$.46½ @ .47
No. 2 hard " .....	1.15½	.74	1.15 @ 1.15½	.47 @ .48
Corn				
July .....	.66½	.44½	.66½	.29
No. 2 mixed .....	.63½	.41	.63 @ .63½	.31 @ .31½
No. 2 white .....	.66½	.45	.66 @ .66½	.31½ @ .32
Oats				
No. 2 white .....	.48	.28¾	.47½ @ .48	.17
Flour				
Soft patent.....per bbl.	8.25	5.00	5.00 @ 8.25	2.90 @ 3.25
Spring " .....	8.80	7.00	7.00 @ 8.80	3.85 @ 4.10
Middling Cotton.....per lb.	.1140	.0855	.1140	.0535
Hogs on hoof.....per cwt.	5.00	2.25	2.75 @ 4.75	3.50 @ 4.95

### FINANCIAL

The banking situation in the Eighth District during the past thirty days was marked by noticeable expansion in demand for credit from commercial and industrial sources, also, by a heavier call for funds to finance agricultural operations. Reflecting the improvement in general business, merchants and manufacturers augmented their borrowings to take care of purchases of goods for fall distribution. Banks in the large centers reported a heavy volume of routine liquidation by mercantile customers, but the amount of new loans and renewals was considerably in excess of loans paid. These banks consider-

ably reduced their balances with eastern correspondents, both as a result of the provision of the Banking Act of 1933, which prohibits payment of interest on demand deposits, and to accommodate demands in their own territory.

The seasonal increase in demand for funds to finance the winter wheat crop was more in evidence than has been the case in recent years, due to the sharp rise in grain values during June and the first half of July. Borrowings of grain elevator and flour milling interests were in considerably larger volume than at this time last year or in 1931. In the cotton areas there has been a substantial volume of liquidation with both banks and merchants.

Between June 19 and July 19, there were 21 additional banks open for business in this district, bringing the total to 1,754. Just prior to the banking holiday in March there were 1,875 member and nonmember banks operating in the district.

Total loans for the reporting member banks in the principal cities increased 6.3 per cent between June 14 and July 12, but on the latter date were about one-fifth smaller than a year earlier. Investments increased 6.2 per cent during the four-week period, and at its close were 18.6 per cent larger than a year ago. Both demand and time deposits increased moderately, and for the first time since June, 1931, total deposits showed an increase over the corresponding period a year earlier.

There was a further recession in borrowing of all member banks from the reserve bank bills discounted being reduced from \$3,038,000 on June 19 to \$2,108,000 on July 19, the total on the latest date comparing with \$13,575,000 a year earlier. The volume of reserve bank credit outstanding on July 19 was approximately 3.5 per cent larger than on the same date in June, the increase being accounted for by additions to this bank's holdings of Government securities. Federal reserve notes in circulation continued to decline.

At St. Louis banks, as of the week ending July 15, current rates were as follows: Customers' prime commercial paper, 4 to 5½ per cent; collateral loans 4 to 6 per cent; interbank loans, 4½ to 5½ per cent; loans secured by warehouse receipts, 4½ to 6 per cent, and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on July 12, 1933 showed an increase of 6.3 per cent as contrasted with June 14, 1933. Deposits increased 5.4 per cent between June 14, 1933 and July 12, 1933 and on the

latter date were 1.1 per cent greater than on July 13, 1932. Composite statement follows:

	*July 12, 1933	*June 14, 1933	*July 13, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....\$	91,894	\$ 87,671	\$112,190
All other loans and discounts....	136,686	127,277	174,602
Total loans and discounts.....	\$228,580	\$214,948	\$286,792
Investments			
U. S. Government securities.....	140,057	126,159	85,750
Other securities.....	101,428	101,308	117,851
Total investments.....	\$241,485	\$227,467	\$203,601
Reserve balance with F. R. Bank	45,384	39,151	33,443
Cash in vault.....	6,714	7,996	6,193
Deposits			
Net demand deposits.....	279,690	271,058	262,938
Time deposits.....	160,568	156,769	181,335
Government deposits.....	11,730	1,206	2,867
Total deposits.....	\$451,988	\$429,033	\$447,140
Bills payable and rediscounts with Federal Reserve Bank.....	200	325	1,739

\*In thousands (000 omitted).

This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

**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.

	*June, 1933	*May, 1933	*June, 1932	June, 1933 comp. to May, 1933	June, 1932
East St. Louis & Natl.					
Stock Yards, Ill....	20,569	\$ 19,800	\$ 20,266	+ 3.9%	+ 1.5%
El Dorado, Ark....	2,612	2,622	3,422	— 0.4	—23.7
Evansville, Ind....	15,765	14,201	15,422	+11.0	+ 2.2
Fort Smith, Ark....	6,673	6,157	6,749	+ 8.4	+ 1.1
Greenville, Miss....	2,608	2,567	2,261	+ 1.6	+15.3
Helena, Ark.....	1,116	1,181	1,136	— 5.5	— 1.8
Little Rock, Ark....	16,477	18,357	18,096	—10.2	— 8.9
Louisville, Ky.....	117,556	98,669	105,319	+19.1	+11.6
Memphis, Tenn.....	76,969	73,411	70,513	+ 4.8	+ 9.2
Owensboro, Ky....	2,171	2,034	2,915	+ 6.7	—25.5
Pine Bluff, Ark....	4,747	4,535	4,051	+ 4.7	+17.2
Quincy, Ill.....	5,225	5,324	6,027	— 1.9	—13.3
St. Louis, Mo.....	469,203	442,800	487,071	+ 6.0	— 3.7
Sedalia, Mo.....	1,410	1,393	1,560	+ 1.2	— 9.6
Springfield, Mo....	9,900	9,671	10,161	+ 2.4	— 2.6
**Texarkana, Ark.-Tex.....	6,056	5,023	5,410	+20.6	+11.9
Totals .....	\$759,057	\$707,745	\$760,379	+ 7.3%	— 0.2%

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During June, the Federal Reserve Bank of St. Louis discounted for 127 member banks against 150 in May and 215 in June, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*July 14, 1933	*June 14, 1933	*July 14, 1932
Bills discounted .....	\$ 2,219	\$ 2,719	\$ 13,222
Bills bought .....	82	82	485
U. S. Securities.....	74,557	70,730	64,030
Federal Inter. Cr. Bk. Debentures.....	207	203	1,004
Participation in Inv. Foreign Banks.....			
Total Bills and Securities.....	\$ 76,983	\$ 73,734	\$ 78,741
Total Reserves.....	\$167,466	\$161,070	\$ 86,750
Total deposits.....	92,791	79,609	56,567
F. R. Notes in circulation.....	139,294	142,465	97,824
Ratio of reserve to deposits and F. R. Note Liabilities.....	72.2%	72.5%	56.2%

\*In thousands (000 omitted).

(Compiled July 20, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of August, 31 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

**M**OST of the measurements of business activity in the Eighth District during July indicated a continuance of the renaissance which began after the banking holiday in March and carried through the spring and early summer. In many instances improvement shown was contrary to seasonal trends, and in lines which usually show an increase during the period, the extent of the gains was greater than in recent years, in some cases the greatest since 1929. In the several divisions of business, relatively the best exhibit was made by wholesaling and jobbing, the volume of sales being substantially larger, than during the previous month and a year ago. Activities in the iron and steel industry were well sustained. The melt of pig iron and scrap at foundries and mills was slightly heavier than in June, which was contrary to precedent, and deliveries of raw materials, notably pig iron and coke, were the largest for any single month in more than two years. Production and shipments of lumber were in substantially larger volume than a year ago, and output of bituminous coal at mines in all fields of the district was in excess of that of the preceding month, also of July, 1932. The showing made by retail distribution was relatively less favorable than in wholesale lines. There was a fair gain as contrasted with July last year, but the seasonal decrease from June was larger than had been anticipated.

Since the last week in July there has been a perceptible slowing down, both in trade and industry. This manifestation is due to several causes, among them seasonal factors, uncertainty as to conditions which will arise from working out codes under the National Recovery Administration, and the fact that much purchasing which usually takes place at this time was accomplished earlier in the year. The marketing season, beginning the first week in August, attracted a large number of merchants to the chief distributing centers, but their purchasing was on a more conservative basis than a month and two months earlier.

Further improvement in the employment situation as a whole was noted, and sentiment with the business community and general public continues in the main optimistic. In addition to increased volume in many lines during the past sixty days, comment volunteered by reporting interests indicates a more satisfactory situation with reference to profits than has obtained in more than eighteen months. Agricultural conditions changed in minor degree only between July 1 and August 1. With the exception of winter wheat, virtually all crops in the district, according to the U. S. Department of Agriculture, show prospects for yields below average. Feed and food crops are generally short, but considerable betterment has taken place since the last week in July, due to more moderate temperatures and rainfall. Plans for removal of cotton acreage under the Agricultural Adjustment Act have been successfully put into effect in states of this district.

As reflected by sales of department stores in the principal cities of the district, retail trade in July was 5.9 per cent larger than in the same month last year, but 25.9 per cent less than in June this year; for the first seven months this year the volume fell 13 per cent below the comparable period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank increased 29.6 per cent and 100.9 per cent in July, respectively, over a month and a year earlier; cumulative total for the first seven months this year was 21.9 per cent greater than for the same time in 1932. The dollar value of permits for new construction in the five largest cities of the district in July was 356 per cent greater than in June, and 705 per cent in excess of July, 1932; the aggregate for the first seven months was 47 per cent larger than for the same period in 1932. Contracts let for construction in the Eighth District in July were only half as large as in July, 1932, and 25 per cent smaller than the June total; cumulative total for the first seven months was 28 per cent below that for the comparable period in 1932. Debits to checking accounts in July were 3.3

per cent smaller than in June, but 8.6 per cent larger than in July, 1932; cumulative total for the first seven months was 23 per cent less than a year ago.

Movement of freight on railroads operating in this district continued the steady expansion of recent months and was in substantially larger volume than a year ago. Increases were recorded in practically all classifications, but were particularly noticeable in grain and grain products, coal, coke, forest products and ore. For the country as a whole, loadings of revenue freight for the first thirty-one weeks this year, or to August 5, totaled 16,329,569 cars, against 16,537,150 cars for the corresponding period in 1932, and 22,779,947 cars in 1931. Under its revised system of records, the St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, interchanged 79,492 loads in July, against 64,279 loads in July, 1932. Passenger traffic of the reporting lines decreased 13 per cent as compared with the same month a year ago, the smallest decrease in this comparison reported in more than two years. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans in July was 134,000 tons, against 109,855 tons in June and 96,643 tons in July, 1932.

Reports relative to collections during the past thirty days reflected the same general trends as noted since the business revival commenced in March and April. Quite generally through the winter wheat areas improvement has taken place, both with country banks and merchants. Farmers for the most part were disposed to market their grain, and apply a large portion of the proceeds to defraying their indebtedness. Betterment is also reported in the south. Wholesalers and jobbers in the large cities report August 1 payments in relatively larger volume than a year or two years earlier. A favorable development during the past two months has been a noticeable reduction in losses from weak accounts. Collections of retailers in the large cities show some improvement as contrasted with earlier months, but as is usual at this season, some backwardness is noted, due to absence of customers on vacations. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1933.....	3.6%	25.1%	58.3%	13.0%
June, 1933.....	3.7	25.9	59.3	11.1
July, 1932.....	0	18.5	58.5	23.0

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

bered 60, involving liabilities of \$1,091,513 against 60 defaults in June with liabilities of \$1,049,752, and 109 insolvencies for a total of \$2,093,558 in July, 1932.

Money in circulation in the United States on August 16, was \$5,612,000,000 which compares with \$5,667,000,000 on July 12, and an average daily circulation of \$5,751,000,000 in July, 1932.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — July sales of the reporting firms showed an increase of 108 per cent over the same month in 1932, and of 43 per cent over the June total this year. The July volume was the largest for any similar month since 1929. Inventories on August 1 were 7 per cent greater than a month earlier and 32 per cent less than a year ago. In both comparisons increases were general through all lines of footwear, but particularly notable in the case of work shoes and men's heavy lines. Prices were steady at the advance recorded in early June. Production continued at a high rate, with a number of factories operating at full capacity.

**Clothing** — Following the seasonal trend, July sales of the reporting firms fell below the June volume, but the total was more than twice as large as in July a year ago. In the yearly comparison a considerable part of the increase was in advance ordering for late fall and winter delivery. According to a number of leading firms, the volume of advance business as of August 1 was the largest on that date since 1930. Further expansion in demand for working clothes is noted, both in the rural areas and larger centers of population. Due to the spell of warm weather in June and part of July, clearance of summer apparel was more thorough than had been anticipated. Special retail sales in late July and the first half of August have met with good response.

**Drugs and Chemicals** — An active demand for all varieties of hot weather goods and further expansion in requirements of manufacturers for heavy drugs and chemicals were largely responsible for an increase in July sales of the reporting firms of .5 per cent over the preceding month and of 18 per cent over the July total last year. Inventories increased moderately between July 1 and August 1, and on the latest date were 12 per cent smaller than a year ago.

**Dry Goods** — July sales of the reporting firms were 194 per cent larger than for the same month last year, and represented the largest total for that particular month since 1929. As compared with the preceding month the July total showed an increase of approximately 50 per cent. Inventories continue

to increase, stocks on August 1 being 4 per cent and 46 per cent larger, respectively, than a month and a year earlier. Improvement in both sales comparisons extended to practically all sections of the trade territory, but was especially noticeable in the south and winter wheat areas. Since the first week in August there has been some slowing down in spot buying, but shipments of goods previously ordered continued at a high rate.

**Electrical Supplies** — July sales of the reporting interests were 15 per cent smaller than for the preceding month, but more than one-third greater than in July, 1932. Stocks on August 1 were 4.5 per cent and 46 per cent larger, respectively, than a month and a year earlier. Seasonal merchandise continues to move in considerable volume, and as compared with last year there was noticeable improvement in demand for line and pole hardware and electrical installations for buildings. Automotive requirements receded slightly as compared with the preceding two months.

**Flour** — Production at the twelve leading mills of the district in July totaled 239,227 barrels, against 261,346 barrels in June and 235,734 barrels in July, 1932. Coincident with the sharp drop in wheat values during the third week in July, flour prices declined more than \$1 per barrel. Part of this loss was subsequently regained, but trading was less active and buyers were disposed to await more definite information relative to the wheat crop before making extensive commitments. Offerings of new wheat flour have increased in the immediate past, but are still below average for this time of year. Export demand showed little change as contrasted with the preceding thirty days. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — For the fourth consecutive month, the volume of business in this classification in July showed a substantial gain over the corresponding period a year earlier. Sales of the reporting interests in July were the largest for any single month since the summer of 1931, the total being 134 per cent greater than in July, 1932, and 21 per cent larger than in June this year. Stocks on August 1 were 13.5 per cent larger than a month earlier, and slightly in excess of the same date in 1932. Country retailers are purchasing more freely, and in numerous instances are replenishing stocks and filling out assortments. Moderate betterment was reported in demand for office furniture and equipment.

**Groceries** — Contrary to the seasonal trend, sales of the reporting firms in July declined 7 per cent from the June total. The decrease is attributed to unusually heavy buying in the earlier month. As

compared with a year ago, July sales registered an increase of 24 per cent. Stocks increased 6 per cent between July 1 and August 1, and on the latest date were 8 per cent smaller than a year ago. Prices as a whole trended upward, but there were some reductions, notably eggs, poultry, flour and other products based on wheat. Canned goods and a number of miscellaneous items were higher than thirty days ago.

**Hardware** — Marked improvement as compared with a year ago was again shown in the July sales' record of reporting hardware firms. Betterment extended through virtually the entire line, an exception being builders' tools and hardware. Demand for goods used principally in the rural areas was more active than in many months. There was also a heavy movement of jars, cans and other preserving equipment. Retailers are more disposed to build up their stocks and to order for future requirements than was the case earlier in the year. The trend of prices continued upward, with specific advances recorded on a number of important commodities. July sales of the reporting interests were 58 per cent greater than for the same month in 1932, and 6 per cent less than the June total this year. Stocks on August 1 were about 2 per cent larger than a month and a year earlier.

**Iron and Steel Products** — The general improvement achieved in the iron and steel industry in this district since March was well sustained during July and the first days of August. In some lines the betterment was carried further forward, chiefly in the direction of heavier shipments and freer specifications on previously acquired commodities. Since the first week of August, however, there has been a slowing down, due to hot weather and other seasonal causes, also to uncertainties occasioned by lack of understanding of the full effects which may be expected from working out of the blanket code of the National Recovery Administration. Immediate requirements for a broad variety of materials were fully covered in the recent buying movement, and consumers are now disposed to await clarification of the situation as a whole before making additional commitments. Foundries and mills still have substantial backlogs, in numerous instances large enough to insure the present rate of operations through the balance of the present quarter. Automotive requirements were at relatively high levels, and for the first time in many months purchasing by the railroads showed well defined improvement. Materials for repair shops and track maintenance were purchased in larger volume than heretofore, and greater interest was manifested in new equip-

ment. July car orders placed by the carriers numbered 306, which contrasts with 25 for the same month last year. Contrary to the seasonal trend, activities at stove and heating apparatus plants increased in July over June, and were at a considerably higher rate than a year ago. Miscellaneous demands for plates, shapes, bars and other rolled materials continue to account for heavy tonnages. The movement of tin plate was well sustained, with the leading district producer operating at full capacity. A strong feature of the situation as a whole has been the heavy buying and movement of raw materials. While July usually marks one of the low spots of the year in deliveries of pig iron to melters in this area, the total for that month was the largest this year. The movement of scrap iron and coke was also in larger than seasonal volume. Except for a continued heavy demand for items going into highway construction, river and levee improvements and other outdoor engineering work, there was little change in building material conditions from the dull status of recent months. Farm implement manufacturers also failed to noticeably increase their activities. The trend of prices continues upward, both for raw and finished materials. Scrap iron and steel advanced further to new high levels on the present movement, and certain cold finished steel items, tie plates, steel bars and coke were marked up. For the country as a whole, production of pig iron in July, according to the magazine "Steel", totaled 1,801,345, the largest since May, 1931, and comparing with 1,264,953 in June and 570,222 in July, 1932. Production of steel ingots in the United States in July totaled 3,203,810 tons, against 2,597,517 tons in June, and 806,722 tons in July, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in July was 233,088 against 253,322 in June, and 111,139 in July, 1932.

Following the unvarying trend during the past decade, distribution of automobiles in this district, according to the group of reporting dealers, declined from June to July, the extent of the decrease being close to the average during the ten-year period. The July total, however, was considerably larger than for the same month in 1932. As has been the case during recent months, demand centered chiefly in vehicles in the low priced field, but dealers handling medium priced and expensive cars also report marked betterment in business, both actual and prospective. Distributors in the south report an expansion in sales and inquiries, largely as a result of the advance in cotton prices and payments ex-

pected by farmers for acreage removed under the Agricultural Adjustment Act. Sentiment in the winter wheat areas is also more favorable than at any time during the past three years. Demand for trucks of all descriptions, but more particularly vehicles for light service, has been stimulated by improvement in general business conditions. The month's total sales of trucks was swelled by the purchasing of fleets by several business concerns and by one district state for use of its highway department.

July sales of new passenger cars by reporting dealers were 79 per cent greater than for the same month in 1932, and 14 per cent less than in June this year. Truck sales in June were about one-third larger than for the same month in 1932, and 10 per cent less than the June total this year. Stocks of new cars on dealers' floors as of August 1 were 8 per cent larger than a month earlier, and 10 per cent smaller than a year ago. In line with new cars, used car sales in July receded below the preceding month, but were approximately 15 per cent larger than for the same month in 1932. Stocks of salable second-hand cars on August 1 were 18 per cent larger than on July 1, and 8 per cent smaller than on August 1, 1932. The ratio of deferred payment sales to total sales of dealers reporting on that item was 48 per cent in July, against 44 per cent in June and 49 per cent in July, 1932.

### 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	
	July, 1933 comp. to July, 1932	7 months ended July 31, 1933 to same period 1932	July 31, 1933 comp. to July 31, 1932	July 31, 1933	Jan. 1, to July 31, 1933	1932
Evansville .....	+15.2%	-9.4%	-16.9%	.73	.62	
Little Rock..	+1.2	-17.1	+5.5	1.18	1.18	
Louisville .....	-2.1	-15.8	-32.6	1.69	1.37	
Memphis .....	+5.9	-13.5	-11.6	1.66	1.60	
Quincy .....	-4.5	-16.4	-16.6	1.26	1.23	
St. Louis.....	+8.0	-11.9	-3.6	1.97	1.94	
Springfield ..	-2.0	-20.3	-23.3	.76	.72	
8th District...	+5.9	-13.0	-8.6	1.78	1.70	

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	July, 1933 comp. to July, 1932	7 months ended July 31, 1933 to same period 1932	July 31, 1933 comp. to July 31, 1932	Jan. 1, to July 31, 1933	1932	
Men's Fur- nishings .....	-16.3%	-14.5%	-4.2%	1.71	1.57	
Boots and Shoes .....	+7.2	-14.5	-30.2	1.82	1.57	

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in July was 356 per cent greater than in June, and 705.1 per cent more than the July, 1932 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth

Federal Reserve District in July amounted to \$5,996,250 which compares with \$8,084,927 in June and \$12,024,207 in July, 1932. Production of portland cement for the country as a whole in July totaled 8,609,000 barrels, against 7,804,000 barrels in June, and 7,659,000 barrels in July, 1932. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	145	120	\$ 27	\$ 23	62	33	\$ 18	\$ 7
Little Rock ..	17	9	8	3	54	46	11	9
Louisville ..	42	37	70	67	49	44	102	357
Memphis ...	86	129	74	82	89	84	69	40
St. Louis....	188	156	3,436	274	193	229	118	116
July totals..	476	451	\$3,615	\$ 449	447	436	\$ 318	\$529
June " ....	420	504	792	503	526	452	257	269
May " ....	431	533	309	411	664	513	321	204

\*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 July as being 12.4 per cent greater than in June, and 8.9 per cent more than in July, 1932. Detailed figures follow:

	No. of Customers	July, 1933 *K.W.H.	June, 1933 *K.W.H.	July, 1933 comp. to June, 1933	July, 1932 *K.W.H.	July, 1933 comp. to July, 1932
Evansville ..	40	2,534	2,400	+ 5.6%	1,781	+42.3%
Little Rock..	35	1,925	1,858	+ 3.6	1,909**	+ .8
Louisville ...	84	7,706	7,603	+ 1.4	5,892**	+30.8
Memphis .....	31	1,433	1,511	- 5.2	855	+67.6
St. Louis.....	195**	19,904	16,430**	+21.1	20,326**	- 2.1
Totals .....	385	33,502	29,802**	+12.4	30,763**	+ 8.9

\*In thousands (000 omitted).

\*\*Revised figures.

### AGRICULTURE

Crop prospects as a whole in the Eighth District underwent no marked change between July 1 and August 1, indicated yields of some products showing moderate improvement, while slight deterioration occurred in others. All crops considered, production will be smaller than a year ago and the ten-year average. The season from planting, to the first of August has been in the main unfavorable; May, with its excessive rainfall, and the record drouth and high temperatures of June, being particularly harmful to crop development and farm operations of all descriptions. Precipitation in July was scattered, being excessive in certain localities and inadequate over extensive areas. Conditions during the period embracing the last week of July and the first half of August were the most favorable experienced, and resulted in considerable improvement to pastures and certain late crops, notably corn and legumes. Generally there is a shortage of feed crops, and the hot weather of June reduced prospects for fruits and vegetables. Threshing of small grains has been almost completed with practically no weather damage. Of crops in this category, winter wheat is the only one with yield and quality near average. In Illinois, which is typical of other

states of the district, the production outlook for oats and barley combined is only 50 per cent of the average and with the carryover added, the indicated total falls 28 per cent below the average production. The indicated yield of white potatoes is the smallest in recent years, and while slightly larger than the small crop of last year, the tobacco crop is considerably below the ten year average.

**Corn** — Based on the August 1 condition, the U. S. Department of Agriculture estimates Eighth District production of corn at 269,902,000 bushels, a decrease of 13,255,000 bushels as compared with the July 1 forecast, and comparing with 380,505,000 bushels harvested in 1932 and a 10-year average (1923-1932) of 351,932,000 bushels. The reduced prospects from July to August were due chiefly to hot, dry weather and further damage from chinch bugs. Conditions are extremely irregular, varying greatly even between adjoining townships. Early planted corn is poor in many sections, but has been improved by lower temperatures and rainfall since the third week in July. Late plantings will require ample moisture and a late warm fall to produce even fair results.

**Winter Wheat** — Little change occurred in winter wheat prospects between July 1 and August 1, the Department of Agriculture's estimate as of the latter date being 35,900,000 bushels for the Eighth District, against 33,885,000 bushels harvested in 1932, and a 10-year average of 50,163,000 bushels. The crop was secured under mainly ideal conditions, threshing being accomplished with little or no weather damage. Early threshing returns indicate considerable grain of high quality. The initial movement to market was in large volume, farmers being anxious to take advantage of the high prices. Since the sharp decline in the third week of July, however, the movement has slowed down, and many producers who are able to do so are holding their grain for higher prices.

**Fruits and Vegetables** — While better than the very low production of last year, fruit prospects in this district are considerably below average. The high temperatures of June and early July resulted in a heavy drop of apples, and further lowering of the condition of peaches and other tree fruits. Practically all varieties of vegetables suffered a severe set-back from hot weather and lack of rains. Garden crops suffered in practically all areas, and supplies have been reduced to a low point. Truck crops grown for market in areas affected by the drouth show a notable reduction in prospects and yield. In the Eighth District the white potato crop is estimated at 8,435,000 bushels, which compares with

13,164,000 bushels produced in 1932, and a 10-year average of 14,453,000 bushels. In states entirely or partly within the district, the apple crop is estimated at 12,923,000 bushels, with 1,673,000 barrels commercial crop, against 7,174,000 bushels in 1932 of which 1,089,000 barrels were commercial crop, and a 5-year average of 17,978,000 bushels of which 1,993,000 barrels represented commercial crop. Production of sweet potatoes in these states is estimated at 17,105,000 bushels, against 21,435,000 bushels in 1932, and a 5-year average of 15,959,000 bushels; peaches 3,957,000 bushels, against 1,259,000 bushels in 1932 and a 5-year average of 7,262,000 bushels; pears, 837,000 bushels, against 439,000 bushels in 1932, and a 5-year average of 1,645,000 bushels; grapes 31,629 tons, against 33,979 tons in 1932, and a 5-year average of 30,649 tons.

**Live Stock** — Scattered reports indicate more than usual mortality among swine and sheep due to the extreme hot weather of June and early July, but otherwise the condition of livestock generally through the district maintained the high condition noted earlier in the year. Condition of pastures during July was very low, and the hay crop will be a light one. The August 1 estimate of the tame hay crop in the Eighth District by the Department of Agriculture is for 4,994,000 tons, about the same as produced in 1932, but about 2,000,000 tons below the 10-year average.

Due to the low condition of pastures, production of milk averaged considerably lower than a year ago. The number of hens per farm was somewhat less than on August 1 a year ago, but the percentage of hens laying was slightly higher.

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

	Receipts			Shipments		
	July, 1933	June, 1933	July, 1932	July, 1933	June, 1933	July, 1932
Cattle and Calves.....	94,863	92,315	87,382	46,014	43,938	54,928
Hogs .....	263,363	322,562	173,991	144,849	160,735	133,728
Horses and mules.....	2,463	3,056	1,179	3,196	2,677	993
Sheep .....	81,469	121,940	80,975	15,002	35,584	17,126

**Cotton** — The first estimate of the size of the cotton crop this year made by the U. S. Department of Agriculture in its report based on conditions as of August 1 places the yield in the Eighth District at 2,653,000 bales, this figure making allowance for reduction in acreage under the Agricultural Adjustment Act. In 1932 there were 2,942,000 bales harvested in the district, and average production during the ten years 1923-1932 was 2,705,000 bales. The condition of the crop is generally good, with prospects in Arkansas and Missouri particularly favorable. Weather since August 1 has been auspicious for growth and development of the plant, and damage from boll weevils, actual or potential, is not

extensive. From the high point of the year, reached in the third week of July, prices have reacted sharply downward. In the St. Louis market the middling grade ranged from 8.50c to 11.50c per pound between July 18 and August 15, closing at 8.50c per pound on the latter date, which compares with 11.50c on July 18, and 7.05c on August 15, 1932. Receipts of cotton at Arkansas warehouses for the fiscal year ended July 28, totaled 1,303,759 bales, against 1,509,315 bales a year earlier; shipments of 1,421,122 bales compared with 1,246,888 bales in the preceding year. Stocks on hand at compresses totaled 259,646 bales, against 347,144 bales on the same date last year.

**COMMODITY PRICES**

Range of prices in the St. Louis market between July 17, 1933 and August 15, 1933, with closing quotations on the latter date, and August 15, 1932, follow:

	High	Low	Close	
			Aug. 15, 1933	Aug. 15, 1932
Wheat				
Sept. ....per bu..	\$1.18½	\$.92	\$.92	\$.51¾
Dec. ....	1.21¾	.96	.96¾	.55¾
May ....	1.09	.99¾	.99¾	.60
No. 2 red winter	1.17	.88	\$.81 @ .88	\$.54 @ .54½
No. 2 hard	1.12½	.85½	\$.89 @ .89½	.54½ @ .55
Corn				
*Sept. ....	.69½	.49¾	.49¾	.30
*Dec. ....	.74	.54¾	.54¾	.32¾
*May ....	.76¼	.60¾	.60¾	.36½
*No. 2 mixed	.61½	.47	.48 @ .48¾	.32½ @ .33
No. 2 white	.63½	.50	.52 @ .53	.33 @ .33½
Oats				
No. 2 white	.46½	.25½	.33½ @ .34	.16½ @ .16¾
Flour				
Soft patent.....per bbl.	8.85	4.00	4.45 @ 6.35	3.05 @ 3.40
Spring " .....	8.80	5.75	4.85 @ 7.70	4.25 @ 4.50
Middling cotton.....per lb.	.1150	.0850	.0850	.0705
Hogs on hoof.....per cwt.	5.00	2.50	2.50 @ 4.55	3.25 @ 4.85

**Tobacco** — Prospects for tobacco in this district improved slightly in July in response to more seasonable weather and fairly general rainfall. The U. S. Department of Agriculture estimates the Eighth District crop at 291,722,000 pounds as of August 1, an increase of about 13,000,000 pounds over July 1 forecast, and comparing with 261,257,000 pounds harvested in 1932, and a 10-year average (1923-1932) of 308,565,000 pounds. The August 1 estimate makes no allowance for possible acreage to be removed under the Agricultural Adjustment Act. Liberal precipitation early in August resulted in great benefit to the crop in the burley belt, coming at a time when it was beginning to suffer heat and drouth. In limited areas there are reports of damage from excessive moisture. Recent rains also helped conditions in the green river and stemming district. In the Clarksville and Springfield fired district the crop has made notable progress, fully 50 per cent of the plants having topped. In the dark fired eastern district reports indicate a crop of about 15 per cent smaller than in 1932. No sales of burley of any consequence were reported, but sales of dark fired, both old and new crop, are being made.

## FINANCIAL

Aside from a further moderate expansion in demand for credit to finance commercial and industrial transactions, the banking and financial situation in the Eighth District showed no marked deviation from the trends prevailing during the preceding thirty days. Taken as a whole, mercantile and industrial requirements are in smaller than the usual seasonal volume, and less than would seem to be indicated by improvement in business since the late spring. Reflecting generally good collections, liquidation at commercial banks, both in the large centers and smaller towns, was in considerable volume. As is usual at this time of year, there was an increase in commitments of flour millers and grain elevator interests, the total volume of loans in this category being more than double that at the corresponding period a year ago. Requirements for financing general agricultural operations, however, have not shown the usual expansion. Borrowings of country banks from their city correspondents showed little change as contrasted with the preceding thirty days.

Total loans of reporting member banks in the principal cities increased slightly in the four-week period ended August 9, and on that date were 17.6 per cent smaller than on August 10, 1932. Investments increased 2.6 per cent during the four weeks, and on August 9 were nearly one-fifth larger than a year earlier. Total deposits showed a further slight gain, both as compared with the June report date, and a year ago.

The total volume of reserve bank credit outstanding on August 16 was 3.6 per cent greater than on the same date in June, and practically unchanged from a year earlier. The increase in the month-to-month comparison was accounted for mainly by expansion in holdings of Government securities. Borrowings of all member banks from the Federal reserve bank showed little change, but throughout the period were substantially smaller than a year ago. Federal reserve notes in circulation continued the steady decline of recent months, and at the middle of August reached the lowest point since last February.

At St. Louis banks, as of the week ended August 15, current interest rates were as follows: Customers' prime commercial paper, 4 to 6 per cent; collateral loans, 3½ to 6 per cent; interbank loans, 5 to 6 per cent; loans secured by warehouse receipts, 4 to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on August 9, 1933,

showed an increase of 0.6 per cent as contrasted with July 12, 1933. Deposits increased 1.2 per cent between July 12, 1933 and August 9, 1933 and on the latter date were 2.9 per cent greater than on August 10, 1932. Composite statement follows:

	*Aug. 9, 1933	*July 12, 1933	*Aug. 10, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....\$ 89,139		\$ 91,894	\$109,440
All other loans and discounts.... 140,737		136,686	169,623
Total loans and discounts.....	\$229,876	\$228,580	\$279,063
Investments			
U. S. Government securities..... 144,594		140,057	91,125
Other securities..... 103,104		101,428	116,201
Total investments.....	\$247,698	\$241,485	\$207,326
Reserve balance with F. R. Bank	45,365	45,384	32,247
Cash in vault..... 6,481		6,714	5,651
Deposits			
Net demand deposits..... 285,419		279,690	257,608
Time deposits..... 160,346		160,568	183,466
Government deposits..... 11,561		11,730	3,574
Total deposits.....	\$457,326	\$451,988	\$444,648
Bills payable and rediscounts with Federal Reserve Bank..... 40		200	1,859

\*In thousands (000 omitted).

This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

**Federal Reserve Operations** — During July, the Federal Reserve Bank of St. Louis discounted for 65 member banks against 127 in June and 225 in July, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Aug. 17, 1933	*July 17, 1933	*Aug. 17, 1932
Bills discounted .....	\$ 2,641	\$ 2,253	\$ 12,482
Bills bought .....			26
U. S. Securities..... 77,082		74,557	66,156
Federal Inter. Cr. Bk. Debentures.....			1,004
Participation in Inv. Foreign Banks.... 198		207	
Total Bills and Securities.....	\$ 79,921	\$ 77,017	\$ 79,668
Total Reserves.....	152,066	167,513	90,412
Total deposits .....	84,484	92,595	58,562
F. R. Notes in circulation..... 135,217		139,365	101,316
Ratio of reserve to deposits and F. R. Note Liabilities..... 69.2%		72.2%	56.6%

\*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.

	*July, 1933	*June, 1933	*July, 1932	July, 1933 comp. to June, 1933	July, 1932
East St. Louis & Natl.					
Stock Yards, Ill. \$ 18,706	\$ 20,569	\$ 21,362	-- 9.1%	-- 12.4%	
El Dorado, Ark. 2,925	2,612	3,366	+12.0	-- 13.1	
Evansville, Ind. 19,459	15,765	17,084	+23.4	+13.9	
Fort Smith, Ark. 7,247	6,673	6,185	+ 8.6	+17.2	
Greenville, Miss. 2,347	2,608	2,044	-10.0	+14.8	
Helena, Ark. 1,128	1,116	852	+ 1.1	+32.4	
Little Rock, Ark. 16,644	16,477	16,326	+ 1.0	+ 1.9	
Louisville, Ky. 120,339	117,556	106,219	+ 2.4	+13.3	
Memphis, Tenn. 77,682	76,969	65,004	+ 0.9	+19.5	
Owensboro, Ky. 2,335	2,171	2,920	+ 7.6	-20.0	
Pine Bluff, Ark. 4,518	4,747	3,996	- 4.8	+13.1	
Quincy, Ill. 5,004	5,225	5,240	- 4.2	- 4.5	
St. Louis, Mo. 439,589	469,203	409,153	- 6.3	+ 7.4	
Sedalia, Mo. 1,557	1,410	1,529	+10.4	+ 1.8	
Springfield, Mo. 9,446	9,900	9,062	- 4.6	+ 4.2	
**Texarkana,					
Ark.-Tex. 5,107	6,056	5,578	-15.7	- 8.4	
Totals .....	\$734,033	\$759,057	\$675,920	- 3.3	+ 8.6

\*In thousands (000 omitted).

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

(Compiled August 22, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of September 29, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

**W**HILE continuing in considerably larger volume than a year ago, general business in the Eighth District during the past thirty days developed slightly slowing tendencies. This was true particularly of the heavy industries. Distribution of commodities made a relatively better showing than production, and greater activity was noted in retail than in wholesale and jobbing lines. Of the wholesaling and jobbing lines investigated, drugs and chemicals, hardware, furniture and groceries recorded increases in August sales over both a month and a year earlier. Dry goods and electrical supplies showed a substantial increase over a year ago, but a decrease under the July total this year. Boots and shoes, an important industry in this area, recorded a smaller volume of sales in August than the preceding month and last year. In the case of dry goods and boots and shoes, the contrary-to-seasonal decrease in sales from July to August was attributable to the fact that much purchasing which is usually done in August was accomplished earlier in the year, largely in anticipation of price advances.

Activities in the iron and steel industry decreased moderately during the last half of August, and have receded further since that time. Shipments of pig iron and scrap to melters in the district during August were slightly below the July peak, but still about one-fourth larger than in August, 1932. Production of bituminous coal in all fields of the district was in excess of the August, 1932, total, also in considerably larger volume than in July this year. Production and shipments of lumber were slightly under the high rate of the two preceding months. Industrial employment and payrolls, which had been steadily increasing since the late spring, showed no marked change as contrasted with the preceding thirty days, increases in certain lines being offset by defections elsewhere. The movement of seasonal merchandise has been retarded to some extent by the unseasonably high temperatures prevailing during the first half of September. On the other hand clearance of summer goods has been

more thorough and satisfactory than during the two preceding seasons.

The September 1 report of the U. S. Department of Agriculture tended to confirm earlier estimates of Eighth District crops. Slightly higher yields than indicated a month earlier were forecast for corn, oats, hay, tobacco, rice, apples and some other less important crops, while the forecast for cotton and potatoes indicated slightly smaller outputs. Taken as a whole, the season was unfavorable for feed crops, yields of which are considerably below average. As contrasted with last year, farm incomes this season are expected to show a substantial increase, due to higher market prices for the principal products. Under mainly favorable weather conditions, harvesting of cotton has made rapid progress, but the movement out of producers hands is in measurably smaller volume than at the corresponding period last year.

Gauged by sales of department stores in the principal cities of the district, the volume of retail trade in August was 22 per cent larger than in the same month last year and 40.2 per cent greater than the July total this year; for the first eight months this year the volume fell 9.3 per cent below that of the comparable period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were smaller by 4 per cent in August than a year ago and 22 per cent below the July total this year; for the first eight months this year, the cumulative total was 18 per cent greater than for the same time in 1932. The dollar value of permits issued for new buildings in the five largest cities of the district in August was 7 per cent greater than in July and more than eight times as large as in August, 1932; the aggregate for the first eight months this year was 127 per cent in excess of that for the comparable period in 1932. Contracts let for construction in the Eighth District in August were 4 per cent larger than in July and 33.2 per cent less than in August, 1932; cumulative total for the first eight months was 28.9 per cent smaller than for

the corresponding period in 1932. Debits to checking accounts in August fell 11.6 per cent below July, but were 8.5 per cent greater than in August, 1932; the cumulative total for the first eight months this year was smaller by 20 per cent than during the same time in 1932.

Freight traffic of railroads operating in this district continued in substantially larger volume than at the corresponding time a year ago, and the decrease in passenger business was less than in preceding months. A particularly favorable showing was made in the movement of ore, forest products, coal and coke, and live stock. For the country as a whole, loadings of revenue freight for the first 35 weeks this year, or to September 2, totaled 18,885,823 cars, against 18,666,647 cars for the corresponding period in 1932 and 25,795,595 cars in 1931. The Terminal Railway Association, which handles interchanges for 28 connecting lines, under its revised system of records, reported 75,980 loads interchanged in August, against 79,492 loads in July and 62,130 loads in August, 1932. During the first nine days of September the interchange amounted to 20,824 loads against 17,981 loads in the same period in 1932. Passenger traffic of the reporting lines decreased 1.5 per cent in August as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 113,000 tons, which compares with 132,893 tons in July and 123,122 tons in August, 1932.

The general status of collections in the district during the past thirty days showed a continuance of the steady improvement which has been in effect since the late spring. While there is still some irregularity and spottiness, the average in all lines investigated reflected moderate betterment as contrasted with the preceding thirty days, and measurable improvement over the corresponding period a year and two years earlier. Payments to retail merchants in the winter wheat areas have picked up in noticeable degree since the marketing of the crop, and there has been considerable liquidation of loans with banks in these sections. Collections of retailers in the cotton districts have also showed decided improvement, a considerable part of the funds paid farmers for crop removal having been used to pay debts. Wholesalers in the large distributing centers report September settlements above expectations. Somewhat greater than the usual improvement in collections was noted by department stores in a number of centers. 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, 1933.....	4.7%	37.0%	41.3%	17.0%
July, 1933.....	3.6	25.1	58.3	13.0
August, 1932.....	1.7	20.2	56.1	22.0

Commercial failures in the Eighth Federal Reserve District in August, according to Dun and Bradstreet, numbered 45, involving liabilities of \$843,060, as against 60 defaults in July with liabilities of \$1,091,513, and 144 insolvencies for a total of \$3,279,105 in August, 1932.

Money in circulation in the United States on September 13, was \$5,602,000,000 which compares with \$5,612,000,000 on August 16, and an average daily circulation of \$5,720,000,000 in August, 1932.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — For the first time since last March, sales in this classification during August failed to exceed the total of the corresponding month a year earlier. There was also a decrease as compared with July, which is contrary to seasonal trend, August usually being the heaviest sales month of the year. The decrease in both yearly and month-to-month comparison is due chiefly to the fact that purchasing done ordinarily later in the year was accomplished in June and July, both of which months were marked by extraordinarily heavy sales. The reporting firms reported August sales 38 per cent smaller than in July and 27 per cent less than in August, 1932. Stocks on September 1 were 14 and 23 per cent smaller, respectively than a month and a year earlier.

**Clothing** — Adverse weather conditions, uncertainty relative to prices and styles and labor troubles militated against activities in the clothing industry during August and the first half of September. Retailers were disposed to postpone commitments, and the volume of advance orders was considerably below expectations. Some improvement was noted in demand for work clothing, and the clearance of hot weather apparel was more thorough than during the preceding two or three seasons. August sales of the reporting clothiers were 15 per cent smaller than for the same month in 1932, and approximately one-half less than the July total this year.

**Drugs and Chemicals** — Business in this classification continued the steady betterment noted during the preceding three months. August sales of the reporting firms were 14 per cent greater than for the same month last year, and 7 per cent larger than in July this year. Stocks on September 1 were 6.5 per cent larger than a month earlier and 6 per cent less than a year ago. The movement of seasonal merchandise was in large volume, but some

slowing down in demand for heavy drugs and chemicals from the manufacturing trade was noted.

**Dry Goods** — Contrary to the usual seasonal trend, sales of the reporting interests in August showed a decrease of 18 per cent under the preceding month. The August total, however, was 14.5 per cent larger than a year ago. Inventories continued to increase, stocks on September 1 being 6 per cent and 61 per cent larger, respectively than a month and a year earlier. In the yearly comparison a considerable part of the increase was attributable to higher prices. Reports covering the first half of September indicate a slight decrease as contrasted with the corresponding period a year ago. Shipments of ready-to-wear garments were held down by strikes at the manufacturing plants of several of the leading firms.

**Electrical Supplies** — For the fourth consecutive month, sales of the reporting firms recorded an increase over a year earlier. Improvement was general in all lines, but most notable in radio materials, household appliances and electrical installations. The trend of prices was upward, in sympathy with the upturn in raw materials. August sales of the reporting interests were 4 per cent smaller than in July, but 41 per cent larger than in August last year. Stocks on September 1 were 5 per cent and 16 per cent smaller, respectively, than a month and a year earlier.

**Flour** — Production at the twelve leading mills of the district in August totaled 202,982 barrels, against 275,721 barrels in July and 235,734 barrels in August, 1932. Demand was largely of a routine character, there being little disposition on the part of large consumers or jobbers to stock up. The range of prices was narrow, and followed rather closely fluctuations in cash wheat. There was a moderate increase in offerings of new wheat flours, but buyers were taking only enough for current requirements. The export situation developed no change worthy of note as contrasted with the preceding thirty days. Mill operations were at from 48 to 54 per cent of capacity.

**Furniture** — August sales of the reporting firms were 89.1 per cent greater than during that month in 1932, and 62.5 per cent larger than the July total this year. Inventories were lower, September 1 stocks being reported as 8 per cent below a month earlier and 5.5 per cent less than on September 1, 1932. Demand for office furniture and equipment showed moderate betterment. The trend of prices was upward, reflecting the upturn in raw materials.

**Groceries** — For the fourth consecutive month, sales in this classification in August showed an in-

crease over the corresponding period a year earlier. Reports covering the first half of September reflect a slight falling off, both as compared with a month and a year earlier. August sales of the reporting firms were 19 per cent larger than for the same month in 1932 and 9 per cent in excess of the July total this year. Stocks on September 1 were slightly larger than a year ago, and 11 per cent greater than on August 1 this year.

**Hardware** — Further improvement was noted in this classification, August sales of the reporting interests showing an increase of 45 per cent over the same month in 1932, and 6 per cent over July this year. Stocks on September 1 were 5 per cent larger than a month earlier and 11 per cent greater than on September 1 last year. In both the month-to-month and yearly sales comparisons, improvement was general through the entire line, but most marked in goods consumed largely in the rural areas. For the first time in a number of months, sales of builders' tools and hardware were in excess of the preceding year.

**Iron and Steel Products** — The last half of August and the first two weeks of September were marked by a slowing down in activities in the iron and steel business. The August recession was seasonal in character, but less emphatic than is ordinarily the case, despite the fact that the usual slump was little in evidence during June and July. Business during August was characterized by uncertain buying and selling relationships incident to working out of the iron and steel code, also by lack of definite information relative to fourth quarter prices. There was a general disposition to purchase only necessary commodities and new orders placed were mainly small lots for prompt shipment. Specifications on goods previously acquired, however, continued in large volume, many consumers having given shipping instructions on all materials under contract. This was true particularly of raw materials. August shipments of pig iron to melters in this district continued at, or around the season's peak. The melt of pig iron and scrap in August showed little change from July, but was measurably larger than a year ago.

Automotive requirements slowed down, due largely to the fact that manufacturers were in the between-model season, and commitments were confined chiefly to materials to finish runs on present models. Purchasing by the railroads held the moderate improvement noted during the preceding thirty days, but their buying was mainly of materials for shop and repair work. The outlet for iron and steel goods through the building industry failed to ex-

pand, but inquiries and prospective projects were more numerous, indicating more activity in construction during the next few months. Demand for tin plate continued active, with district producers operating at or close to capacity. Otherwise there was a slowing tendency in sheets, plates and other rolled steel commodities. The general trend of prices was higher, with specific advances having been recorded on a number of important items, notably pig iron, tin plate, cold-rolled sheets, hot rolled strip and by-product coke. Stove and heating apparatus plants continued active during the period, save for an interruption of several days occasioned by labor adjustments. Warehouse and iron and steel jobbing interests reported August sales about on a parity with July and measurably larger than a year ago. For the country as a whole, production of pig iron in August, according to the magazine "Steel", totaled 1,833,265 tons, against 1,801,345 tons in July and 528,105 tons in August, 1932. Production of steel ingots in the United States in August amounted to 2,900,611 tons, against 2,203,810 tons in July and 846,730 tons in August, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in August was 236,480 against 233,088 in July and 90,324 in August, 1932.

Distribution of automobiles in this district during August, according to dealers reporting to this bank, recorded a substantial increase over the preceding month, also over the corresponding month a year ago. The increase in the month-to-month comparison was seasonal in character, August volume during the past decade having invariably exceeded that of July. The extent of the increase this year was considerably above the average during the ten-year period. Demand continues to center chiefly in the cheap-priced field, approximately 80 per cent of August sales being of vehicles in that category. Business of country dealers showed marked betterment in both the yearly and month-to-month comparison. This was attributed largely to higher prices for farm products, and urgent replacement requirements. In both the country and large centers of population, fewer serviceable used cars are being traded in than in preceding years, due to the fact that in many instances owners have prolonged the use of their cars to the point where they have little or no exchange value. This is particularly true in the rural areas.

August sales of new passenger cars by the reporting dealers were 78 per cent larger than in July, and about one-fourth greater than in August, 1932.

Truck sales in August were larger by about one-half than both a month and a year earlier. Stocks of new passenger cars in dealers' hands on September 1 were 12 per cent larger than on August 1, and 2 per cent less than on September 1, 1932. Demand for used cars continued active, August sales showing a slight gain over the preceding month and an increase of 22 per cent over the corresponding period a year ago. Salable second-hand cars in stock on September 1 were 6 per cent and 12 per cent larger, respectively, than a month and a year earlier. The ratio of deferred payment sales to total sales of dealers reporting on that detail in August was 44 per cent, against 48 per cent in July, and 51 per cent in August, 1932.

### 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. 1933 comp. to Aug. 1932	8 months ended Aug. 31, 1933 to same period 1932	Aug. 31, 1933 comp. to Aug. 31, 1932	
Evansville ....	+40.4%	-4.2%	-14.3%	.83 .68
Little Rock..	+10.5	-13.9	+17.0	1.33 1.34
Louisville ....	+38.4	-10.5	-19.7	1.98 1.54
Memphis .....	+9.6	-11.1	+5.6	1.88 1.82
Quincy .....	+13.3	-12.9	-13.0	1.50 1.41
St. Louis.....	+23.4	-8.1	+3.5	2.27 2.19
Springfield ..	+25.4	-15.8	-10.4	.89 .81
8th District...	+22.0	-9.3	+1.4	2.04 1.92

Retail Stores				
	Net sales comparison	Stocks on hand	Stock turnover	
	Aug. 1933 comp. to Aug. 1932	8 months ended Aug. 31, 1933 to same period 1932	Aug. 31, 1933 comp. to Aug. 31, 1932	
Men's Furnishings .....	+39.7%	-9.6%	-4.4%	1.99 1.76
Boots and shoes .....	+11.0	-12.6	-25.8	2.02 1.71

### 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 2.5 per cent smaller than in July and 14.8 per cent more than in August, 1932. Detailed figures follow:

No. of Customers	Aug., 1933 *K.W.H.	July, 1933 *K.W.H.	Aug. 1933 comp. to July, 1933	Aug., 1932 *K.W.H.	Aug. 1933 comp. to Aug. 1932	
Evansville ..	40	1,875	2,534	-26.0%	1,703**	+89.9%
Little Rock..	35	2,026	1,925	+5.2	1,231**	+64.6
Louisville ....	85	7,420	7,706	-3.7	6,139**	+20.9
Memphis .....	31	1,450	1,433	+1.2	1,167	+24.3
St. Louis.....	196**	19,926	19,934**	-.1	18,254**	+9.2
Totals .....	387	32,697	33,532	-2.5	28,494	+14.8

\*In thousands (000 omitted).

\*\*Revised figures.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in August was 7.2 per cent more than in July, and 838.9 per cent more than the August, 1932 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the

Eighth Federal Reserve District in August amounted to \$6,237,834, which compares with \$5,996,250 in July and \$9,340,382 in August, 1932. Production of Portland cement for the country as a whole in August totaled 8,223,000 barrels, against 8,609,000 barrels in July and 7,835,000 barrels in August, 1932. Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	134	131	\$ 34	\$ 39	66	40	\$ 9	\$ 9
Little Rock ..	14	7	8	3	79	64	13	13
Louisville ..	42	40	291	41	38	43	55	40
Memphis ...	63	89	83	50	121	79	37	30
St. Louis....	222	170	3,461	280	218	199	147	116
Aug. totals..	475	437	\$3,877	\$ 413	522	425	\$ 261	\$298
July " ..	476	451	3,615	449	447	436	318	529
June " ..	420	504	792	503	526	452	257	269

\*In thousands of dollars (000 omitted).

### AGRICULTURE

Prospects for Eighth District crops improved moderately during August, and this betterment in the case of a number of important productions continued through the first half of September. Of the principal crops, larger yields are indicated on September 1 than a month earlier for corn, oats, hay, tobacco, rice, sweet potatoes and apples. Slightly smaller yields are forecast for potatoes and cotton. Fairly general precipitation during August was beneficial to all late crops and pastures. The moisture also served to condition the soil for cultivation, and considerable progress was made in plowing and preparations for seeding winter wheat and other fall planted crops. Harvesting and threshing of grains was practically completed, and latest returns tend to confirm estimates of yields made earlier in the season. Final estimates of production of late crops are still dependent on weather from this time forward. Due to late planting of corn and a number of other feed and forage crops, it is of material importance to best results that frosts be delayed longer than average dates. Harvesting of cotton has made considerable progress. The supply of farm labor in all parts of the district, except in limited areas in the cotton and tobacco sections, continued in excess of demand. As was the case earlier in the season, farmers were operating with a minimum of hired help, which fact, coupled with other economies, has enabled them to produce this year's crops at smaller cost than in the past.

**Corn** — Based on the September 1 condition, the U. S. Department of Agriculture estimates the yield of corn in the Eighth District at 284,650,000 bushels, a gain of 14,478,000 bushels over the August 1 forecast, and comparing with 380,505,000 bushels harvested in 1932, and a 10-year average (1923-1932) of 351,832,000 bushels. Generally the crop continues to reflect the adverse effects of drouth, late planting and chinch bugs. The visita-

tion of that insect pest in many sections is the worst on record, and so concentrated that corn was being killed outright. Planting conditions as a whole were the worst in recent years, and much of the crop was put in so late as to accentuate frost hazard. August precipitation benefited the crop in many sections, but elsewhere rains were too late or scanty to help, and a considerable quantity of corn is being cut for silos.

**Winter Wheat** — No change took place during August in the estimate of winter wheat production, the indicated output in this district being 35,900,000 bushels, which compares with 33,885,000 bushels harvested in 1932, and a 10-year average of 50,163,000 bushels. Preparations for planting the new crop have made good progress, except in limited areas where drouth has rendered the soil difficult to work. Seeding is expected to be well under way during the next two weeks.

**Fruits and Vegetables** — Prospects for fruits and vegetables improved slight during August, but despite this fact, yields of all species will be considerably below the average. The tonnage, of the principal vegetables grown for canning and manufacturing are expected to be somewhat below the light supply of last year, and considerably smaller than average production during the preceding five years. Peaches, notably in Illinois and parts of the Ozark region, turned out better than early expectations. Apples are being harvested, and scattered reports indicate much poor quality fruit. The white potato crop in this district is the smallest in more than a quarter of a century, due to adverse weather from the time of planting to harvest. The yield is estimated, as of September 1, at 8,289,000 bushels, against 13,164,000 bushels in 1932, and a 10-year average of 14,453,000 bushels. 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 13,829,000 bushels, of which 1,806,000 barrels represent commercial crop, against 7,174,000 bushels in 1932, with 1,089,000 barrels commercial crop, and a 5-year average (1926-1930, of 17,985,000 bushels, of which 1,993,000 barrels were commercial production. In these states the peach crop is estimated at 4,126,000 bushels, against the practical failure of 1,259,000 bushels in 1932, and a 5-year average of 7,262,000 bushels; pears, 898,000 bushels against 439,000 bushels in 1932 and a 5-year average of 1,645,000 bushels; grapes, 33,356 tons against 33,979 tons in 1932 and a 5-year average of 30,659 tons; sweet potatoes, 18,203,000 bushels, against 21,435,000 bushels in 1932 and a 5-year average of 15,951,000 bushels;

peanuts, 39,450,000 pounds, against 43,290,000 pounds, in 1932 and a 5-year average of 27,703,000 pounds.

**Live Stock**—Reports from virtually all sections of the district indicate little change from the favorable conditions in livestock which have existed throughout the year. Due to scarcity and high cost of feed crops, farmers in many localities are preparing to reduce the size of their herds. According to the Department of Agriculture, feed grain production this season will be about four-fifths of the 10-year average. Pastures and hay crops showed moderate improvement in August, but the September 1 condition of pastures was the second lowest on record for that date. Tame hay production in the Eighth District is estimated by the Department at 5,006,000 tons, which compares with 4,964,000 tons in 1932, and a 10-year average of 6,991,000 tons. The production of milk continues to increase in comparison with last year.

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

	Receipts			Shipments		
	Aug., 1933	July, 1933	Aug., 1932	Aug., 1933	July, 1933	Aug., 1932
Cattle and Calves.....	114,927	94,863	120,775	57,711	46,014	78,408
Hogs .....	292,906	263,363	188,755	160,089	144,849	148,855
Horses and Mules.....	4,492	2,463	1,902	4,123	3,196	1,754
Sheep .....	60,172	81,489	65,702	8,632	15,002	12,781

**Cotton**—Eighth District cotton prospects declined slightly from August to September. In its report, based on conditions as of September 1, the U. S. Department of Agriculture estimates the district yield at 2,575,000 bales, a decrease of 78,000 bales under the August 1 forecast and comparing with 2,942,000 bales produced in 1932 and a 10-year average (1923-1932) of 2,705,000 bales. There are scattered reports of boll weevil infestation, which have become more numerous since the last week in August. In some important growing areas this pest is reported to be more prevalent than since 1923. Generally, however, the crop is in good condition and weather in the main has been favorable for growth and development of the plant. In all states of the district, the movement of the Agricultural Adjustment Administration to reduce acreage has met with general cooperation of farmers. The acreages indicated for removal, by states, are as follows:

	Acres to be removed	Acres in Cultivation July 1	Percent of Acreage in Cultivation July 1
Arkansas .....	925,000	3,642,000	24.4
Mississippi .....	925,000	3,936,000	23.5
Missouri .....	110,000	451,000	24.4
Tennessee .....	250,000	1,167,000	22.3
Totals .....	2,220,000	9,196,000	24.1

Harvesting in the southern tiers of the district has made considerable progress, and the movement

from farms, as indicated by receipts at compresses, is considerably smaller than during the corresponding period a year ago. As contrasted with the preceding thirty days, prices fluctuated in a relatively narrow range. In the St. Louis market the middling grade ranged from 8.30c to 9.30c per pound between August 16 and September 15, closing at 9.15c on the latter date, which compares with 8.30c on August 16, and 6.70c on September 15, 1932. Receipts at Arkansas compresses from August 1 to September 15 totaled 40,472 bales, against 123,775 bales during the corresponding period last year. Stocks on hand on September 15 totaled 248,353 bales against 395,609 bales on the corresponding date in 1932.

**Tobacco**—There was a further improvement in tobacco prospects in this district in August, the U. S. Department of Agriculture in its September 1 report estimating the crop at 306,759,000 pounds, an increase of 15,037,000 pounds over the August 1 forecast, and comparing with 261,257,000 pounds harvested in 1932, and a 10-year average of 308,565,000 pounds. Cutting of the crop in the burly sections has been completed, and considerable progress has been made in harvesting in the dark tobacco districts. Under influence of warm, dry weather, following August rains, curing of the leaf has been mainly satisfactory. Late planted tobacco has developed rapidly, and auspicious weather conditions since September 1 have had the effect of raising quality of the leaf. Farmers throughout the district are exerting extraordinary efforts to prevent house-burn and otherwise obtain best curing results.

**COMMODITY PRICES**

Range of prices in the St. Louis market between August 15, 1933, and September 15, 1933, with closing quotations on the latter date and September 15, 1932, follow:

	High	Low	Close	
			Sept. 15, 1933	Sept. 15, 1932
Wheat				
Sept. ....per bu..	\$.92	\$.82	\$.89½	\$.48½
Dec. .... " "	.96½	.85	.92½	.52½
May .....	.99½	.89½	.95½	.58
No. 2 red winter " "	.91¼	.83	\$.91 @ .91¼	\$.51½ @ .52
No. 2 hard " "	.90½	.83	\$.89 @ .89½	\$.51 @ .52
Corn				
*Sept. .... " "	.53½	.42½	.48 @ .48¾	.26¼
*Dec. .... " "	.59	.48½	.52½ @ .53	.29
*May .....	.63¼	.53¼	.58½ @ .59¼	.33¾
No. 2 mixed .....	.53	.45	.48 @ .48½	.28½ @ .29
No. 2 white .....	.56½	.49	.51 @ .51½	.30 @ .30½
Oats				
No. 2 white .....	.39	.35¼	.37 @ .37½	.18
Flour				
Soft patent.....per bbl.	7.15	6.00	6.35 @ 6.85	2.90 @ 3.25
Spring patent..... " "	7.75	6.05	6.35 @ 6.85	3.80 @ 4.00
Middling Cotton...per lb.	.0930	.0830	.0915	.067
Hogs on Hoof.....per cwt.	4.90	2.35	3.10 @ 4.90	3.10 @ 4.35

\*Nominal quotation.

**FINANCIAL**

The banking and financial situation in the Eighth District during the past thirty days was marked by a slight contraction in demand for credit from

commercial and industrial sources, some broadening in requirements for financing agricultural operations and a further easing in interest and discount rates. Liquidation of mercantile and industrial loans at banks in the large cities was for the most part in larger volume than new commitments and renewals, with the result that a moderate decrease was noted in total credit granted by these institutions. In the cotton, rice and tobacco sections, deposits of country banks with their city correspondents showed the usual seasonal contraction, and there was an increase in inquiries for funds to finance the harvesting and movements of these crops. Due to higher prices for wheat, requirements of flour milling and grain elevator interests were on a considerably larger scale than at the same period during the preceding several years. There was some expansion in borrowings of canning and packing interests, purely seasonal in character.

Between August 16 and September 13, total loans of the reporting member banks in the principal cities showed only minor variation, and at \$229,957,000 on the latest date were 17 per cent smaller than a year ago; total investments decreased 2.8 per cent and were 2.9 per cent smaller on September 13 than a year earlier. Total deposits showed practically no change during the four-week period and were slightly larger than a year ago. Reserve balances of these banks on September 13 were 27.5 per cent and 60.6 per cent larger, respectively, than four weeks and a year earlier.

There was a moderate increase in borrowings of all member banks from the Federal reserve bank between August 15 and September 15, but through that period the total was uniformly lower than a year ago. A further contraction took place in the note circulation of this bank. The total volume of reserve bank credit outstanding on September 15 was 9.7 per cent and 10.2 per cent greater, respectively, than a month and a year earlier, the increase in both comparisons being occasioned mainly by expansion in holding of Government securities.

At St. Louis banks, as of the week ended September 15, current interest rates were as follows: Customers' prime commercial paper, 3 to 5 per cent; collateral loans, 4 to 5½ per cent; loans secured by warehouse receipts, 2 to 5½ per cent; interbank loans, 4½ to 6 per cent; cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on September 13, 1933 showed a decrease of 0.6 per cent as contrasted with August 16, 1933. Deposits increased 0.2 per cent

between August 16, 1933 and September 13, 1933 and on the latter date were 3.8 per cent greater than on September 14, 1932. Composite statement follows:

	*Sept. 13, 1933	*Aug. 16, 1933	*Sept. 14, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 88,251	\$ 89,169	\$108,245
All other loans and discounts....	141,706	142,066	168,852
Total loans and discounts.....	\$229,957	\$231,235	\$277,097
Investments			
U. S. Government securities.....	140,473	151,419	99,673
Other securities.....	101,979	103,275	109,594
Total investments.....	\$242,452	\$254,694	\$209,267
Reserve balance with F. R. Bank	53,173	41,709	33,106
Cash in vault.....	6,329	6,344	6,327
Deposits			
Net demand deposits.....	280,249	277,980	263,753
Time deposits.....	159,778	160,218	181,278
Government deposits.....	24,014	24,770	2,039
Total deposits.....	\$464,041	\$462,968	\$447,070
Bills payable and rediscounts with Federal Reserve Bank.....	670	550	1,334

\*In thousands (000 omitted).

This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

**Federal Reserve Operations**—During August, the Federal Reserve Bank of St. Louis discounted for 67 member banks against 65 in July, and 213 in August, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Sept. 15, 1933	*Aug. 15, 1933	*Sept. 15, 1932
Bills discounted .....	\$ 3,573	\$ 2,436	\$ 11,660
Bills bought .....			
U. S. Securities.....	83,122	76,582	66,156
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks....	174	198	1,009
Total Bills and Securities.....	\$ 86,869	\$ 79,216	\$ 78,825
Total Reserves.....	\$152,627	\$154,340	\$ 93,249
Total deposits.....	92,711	85,682	59,438
F. R. Notes in circulation.....	134,334	135,341	101,219
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.2%	69.8%	58.0%

\*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.

	*Aug., 1933	*July, 1933	*Aug., 1932	Aug., 1933 comp. to July, 1933	Aug. 1932
East St. Louis & Natl.					
Stock Yards, Ill.....	\$ 20,313	\$ 18,706	\$ 20,638	+ 8.6%	- 1.6%
El Dorado, Ark.....	2,937	2,925	3,964	+ 0.4	-25.9
Evansville, Ind.....	15,005	19,459	12,956	-22.9	+15.8
Fort Smith, Ark.....	6,690	7,247	7,022	- 7.7	- 4.7
Greenville, Miss.....	2,148	2,347	2,191	- 8.5	- 2.0
Helena, Ark.....	1,051	1,128	894	- 6.8	+17.6
Little Rock, Ark.....	16,295	16,644	15,441	- 2.1	+ 5.5
Louisville, Ky.....	105,553	120,339	97,289	-12.3	+ 8.5
Memphis, Tenn.....	66,816	77,682	68,194	-14.0	- 2.0
Owensboro, Ky.....	2,268	2,335	2,390	- 2.9	- 5.1
Pine Bluff, Ark.....	3,599	4,518	3,880	-20.3	- 7.2
Quincy, Ill.....	4,944	5,004	5,102	- 1.2	- 3.1
St. Louis, Mo.....	386,800	439,589	343,637	-12.0	+12.6
Sedalia, Mo.....	1,227	1,557	1,386	-21.2	-11.5
Springfield, Mo.....	8,665	9,446	8,740	- 8.3	- 0.9
**Texarkana, Ark.-Tex.....	4,897	5,107	4,885	- 4.1	+ 0.2
Totals .....	\$649,208	\$734,033	\$598,609	-11.6	+ 8.5

In thousands (000 omitted).

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

(Compiled September 22, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of October 30, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

THE recessionary trends in trade and industry in the Eighth District noted during the first half of September continued through that month, and were still in evidence, though in lesser degree, during the opening weeks of October. Except in the case of a limited number of commodities affected by seasonal influences, distribution made a relatively more favorable showing than production. In distributive lines consumer goods were considerably more active than those in the category of capital industries. Retail sales increased in September over August, but in less than the usual seasonal amount, and were smaller than a year ago, while the volume of wholesale distribution in September receded sharply than in contrast with the same month in 1932, and was virtually unchanged from that of August this year. Purchasing generally was along more conservative lines than during the summer, and the movement of merchandise through retail channels was held down by unseasonably warm weather which prevailed throughout the district during September.

Of the wholesale lines investigated, drugs and chemicals, electrical supplies, furniture, groceries, and hardware reported larger sales in September than a year earlier. Boots and shoes, dry goods, clothing, and some less important classifications showed declines under the same month in 1932. Operations at iron and steel plants receded further as a whole, but in the case of certain establishments manufacturing seasonal commodities, activities were well sustained and at a substantially higher rate than a year ago. Production and shipments of stoves in September were the largest for that month since 1930, and moderate betterment was reported in actual and prospective business by makers of farm implements and special types of machinery. The melt of pig iron and scrap declined slightly from the August peak, but deliveries to users continued at the recent high levels. Production of bituminous coal in all fields of the district was considerably in excess of a year ago. The move-

ment of building materials, both at wholesale and retail declined moderately from August to September. Sales of electric current to industrial customers by public utility companies in the chief industrial centers were 5 per cent smaller than in August, but 12 per cent greater than a year ago.

Weather conditions throughout the district during September were ideal for agriculture and prospects for most crops improved. Withal, 1933 will be a year of small production as a whole, with feed crops especially much below average. Wheat, corn, oats, cotton and a number of other products declined sharply in price during September, and this downward movement was continued at a more rapid pace during the first half of October. Live stock values hovered around the extremely low levels which have prevailed in recent months.

As reflected in sales of department stores in the chief cities of the district, the volume of retail trade in September was 8.9 per cent greater than in August, but 11.4 per cent less than a year ago; cumulative total for the first nine months this year fell 9.6 per cent below that of the comparable period in 1932. Combined sales of all reporting wholesaling and jobbing firms in September were practically unchanged from August, and 12 per cent smaller than for the same time last year; the total for the first nine months was 13 per cent larger than for the like period in 1932. Dollar value of permits issued in the five largest cities for new construction in September was only about one-eighth as large as in August, and 13 per cent less than in September last year; cumulative total for the first nine months was 110 per cent in excess of that for the same period in 1932. Construction contracts let in the Eighth District in September were 131.4 per cent larger than in August, and 43.4 per cent more than in September, 1932; for the first nine months this year the cumulative total was 18.9 per cent below that for the same period a year earlier. Debits to individual accounts in September were 3.9 per cent and 1.4 per cent larger, respectively, than a month

and a year earlier; the aggregate for the first nine months this year fell 17.9 per cent below that for the comparable period in 1932.

According to officials of railroads operating in this district, freight traffic handled in September showed approximately the expected seasonal increase. Since October 1, however, the trend has been lower, though certain classifications, notably grain and grain products, miscellaneous and coal, continue to move in large volume. Total tonnage moved was considerably in excess of the corresponding period in 1932. For the country as a whole, loadings of revenue freight for the first forty weeks this year, or to October 7, totaled 1,878,102 cars, against 1,853,236 cars for the corresponding period in 1932, and 2,483,350 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 72,333 loads in September, against 75,980 loads in August and 68,343 loads in September, 1932. During the first nine days of October the interchange amounted to 21,285 loads, which compares with 20,824 loads during the same period in September, and 21,554 loads during the first nine days of October a year ago. Passenger traffic of the reporting roads in September decreased 10 per cent as compared with the same month a year earlier, but was 2.3 per cent greater than in August this year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 120,000 tons, against 114,941 tons in August and 94,958 tons in September, 1932.

Reports relative to collections reflect no marked change from the conditions which have obtained since the early summer. While spottiness is noted in certain lines, and in different localities, the trend is toward improvement as contrasted with a year and two years earlier. Wholesalers and jobbers of boots and shoes, dry goods and other lines with which October is an important settlement month, report payments well up to expectations, and in many instances in excess of those at the same time last year and in 1931. Actual losses on weak accounts were measurably smaller than during the two earlier periods. In the rural areas a disposition on the part of farmers to hold their products for higher prices has interfered with collections to some extent, but taken as a whole payments to both merchants and banks in the rural areas have been in considerable volume. About the usual seasonal improvement in collections was reported by department stores and other retail interests in the large centers of population. 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>
September, 1933.....	5.3%	30.4%	49.0%	15.3%
August, 1933.....	4.7	37.0	41.3	17.0
September, 1932.....	1.7	18.6	59.4	20.3

Commercial failures in the Eighth Federal Reserve District in September, according to Dun and Bradstreet, numbered 47, involving liabilities of \$656,537, against 45 defaults in August with liabilities of \$843,060, and 95 insolvencies for a total of \$1,427,874 in September, 1932.

Money in circulation in the United States on October 11, was \$5,673,000,000, which compares with \$5,602,000,000 on September 13, and an average daily circulation of \$5,685,000,000 in September, 1932.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — September sales of the reporting firms showed a decrease of approximately one-fifth as compared with the same month a year ago, and represented the smallest total for any September in more than a decade. As compared with August, the September aggregate was 5 per cent greater, the increase being seasonal in character. Stocks on October 1 were 7.5 per cent smaller than a month earlier, and one-fourth less than on October 1, 1932. Factory operations receded somewhat during September, and there has been a further curtailment of output since October 1.

**Clothing** — Delayed buying of late fall and winter merchandise was reflected in an increase in sales of the reporting clothiers from August to September, but the total for the latter month was less than one-half as large as during the corresponding period a year ago. Uncertainty relative to prices and labor troubles at many manufacturing establishments are mentioned as the chief factors in a smaller volume of ordering for next spring than is ordinarily the case at this season.

**Drugs and Chemicals** — The improvement in this classification noted during the two preceding months was continued through September, sales of the reporting interests for that period being 13 per cent larger than in August, and 8 per cent greater than a year ago. In the comparison with a year ago, a considerable part of the increase is accounted for by a larger volume of heavy drugs and chemicals being purchased by the general manufacturing trade. Stocks on October 1 were 5 per cent larger than a month earlier, but 5 per cent less than on October 1, 1932.

**Dry Goods** — September was marked by a noticeable recession in activities in this classification. Sales of the reporting firms in that month were 18 per cent below the same period in 1932 and

6 per cent less than the August total this year. Unseasonably warm weather in September militated against the movement of seasonal goods, particularly woolen blankets, outings and kindred lines. Stocks on October 1 were 6 per cent and 70 per cent greater, respectively, than a month and a year earlier, the sharp advance in the yearly comparison being due in large measure to higher prices.

**Electrical Supplies** — For the fifth consecutive month, September sales of the reporting interests in this classification showed an increase over the corresponding period a year earlier. Miscellaneous products continue to predominate in sales, the outlet through the building industry showing no material change from recent quiet conditions. As compared with a year ago, considerable betterment is noted in demand for radio materials. September sales of the reporting interests were 16.5 per cent larger than for the same month in 1932, and 8 per cent less than the August total this year.

**Flour** — Production at the twelve leading mills of the district in September totaled 259,458 barrels, as against 202,982 barrels in August and 258,697 barrels in September, 1932. Demand continued inactive, purchasing being chiefly for immediate requirements. Carload purchasing was in considerably smaller volume than earlier in the season. The large baking interests had fairly well covered their needs, and were disposed to await developments before increasing their commitments. Following a slight advance during early September, prices during the last half of that month and early in October showed easing tendencies in sympathy with the downturn in cash wheat values. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — There was an increase of approximately one-third in September sales of the reporting firms over the same month in 1932, but a decrease of 8 per cent under the August total this year. Unusually heavy purchasing in August was responsible to a large extent for the counter-to-seasonal decrease in the month-to-month comparison. During the past three months there has been a noticeable increase in demand for household furniture and furnishings, also in radio cabinets and several other special lines. Stocks on October 1 were 6 per cent and 9 per cent smaller, respectively, than a month and a year earlier.

**Groceries** — Moderate improvement in business in this classification was noted in September sales of the reporting interests during that month being 1 per cent larger than in August and 5 per cent greater than a year ago. Inventories increased further, stocks on October 1 being larger by 6 per

cent and 9 per cent, respectively, than a month and a year earlier. Broadening in trade in the rural areas was notable particularly in the south, where the movement of cotton to market is contributing to purchasing power. Prices were irregular, with the average of all commodities measurably higher than a year ago.

**Hardware** — September sales of the reporting firms were 21 per cent larger than for the same month in 1932, but 6 per cent less than in August this year. The marked gain in the yearly comparison was attributed, partly to a heavier demand for goods for distribution in the rural areas and to the higher prices prevailing at this time. Aside from repair materials, no improvement worthy of note has taken place in builders' tools and hardware. Inventories on October 1 were 4 per cent smaller than on September 1, but 11 per cent larger than on October 1, 1932.

**Iron and Steel Products** — Activities in the iron and steel industry in this district underwent a further slight recession during the last half of September and the first two weeks in October. The slowing down, however, was by no means universal, as operations at stove and heating apparatus plants, jobbing foundries and manufactories of other seasonal commodities were well sustained and at a measurably higher rate than a year ago. Steel mill operations receded, and purchasing of finished steel and iron products was smaller than earlier in the season. Shipments of these commodities continued at a relatively high rate, but the forwardings were at the expense of backlogs, which at the first of October were mainly smaller than a month earlier. Purchasing by the railroads failed to develop the expected betterment and there was no change worthy of note from the recent quiet conditions in oil country goods and supplies generally for the petroleum industry. The outlet through the building industry, except for commodities used in highway construction, river and levee improvement work and other outdoor engineering projects, failed to expand. Manufacturers of sheets, plates, bars and other rolled products reported a noticeable decline in the placement of new orders since the middle of September. Moderate improvement in demand for roofing, fencing and other materials used in the rural areas was noted. Distribution of iron and steel goods by warehouses and jobbers in September represented a smaller total tonnage than in either July or August, though considerably larger than in September a year ago. New business in pig iron fell off measurably, due largely to previous contracting, but shipments continued heavy. On a daily average basis, deliveries to melters in the district during the

first half of October were at a rate only slightly below September, which earlier period registered the peak of the year. For the country as a whole production of pig iron in September, according to the magazine "Steel", totaled 1,507,931 tons, the smallest since June, and comparing with 1,833,265 tons in August and 593,640 tons in September, 1932. Steel ingot production in the United States in September was 2,310,982 tons, against 2,900,611 tons in August, and 991,858 tons in September, 1932.

**AUTOMOBILES**

Combined passenger car, truck and taxicab production in the United States in September was 196,082, against 236,480 in August and 84,141 in September, 1932.

Following the unvaried trend during the past decade, distribution of automobiles in this district during September, according to the group of dealers reporting to this bank, decreased from August to September. For the fourth consecutive month, however, the volume of sales in September was greater than for the corresponding period a year earlier. In the month-to-month comparison the decrease was somewhat greater than the average during the past ten years. This fact was attributed principally to the relatively heavy volume of sales recorded in August. As has been the case for a number of months, demand for cheap and medium priced cars was considerably better than in the high priced field. As contrasted with the same period a year ago, business of country dealers showed noticeable improvement, both with reference to actual sales and prospects. Generally throughout the rural areas replacement requirements are more in evidence than at any time in recent years. For the most part, stocks of distributors are low and they will be in a favorable position for handling the new lines when they are placed on the market. Demand for trucks receded during September, sales for that month being about on a parity with a year ago, but about one-fourth less than in August this year.

September sales of new passenger cars by the reporting dealers were 64 per cent greater than for the same month in 1932, and 15 per cent less than in August this year. Stocks of new passenger cars on dealers' floors on October 1 were 4 per cent larger than a month earlier and 9 per cent greater than a year ago. The status of the used car market showed no notable change as contrasted with the preceding thirty days. Sales in September were 18 per cent smaller than in August, and about one-fourth greater than in September, 1932. Stocks of salable secondhand cars as of October 1 were 4 per cent and 10 per cent larger, respectively, than thirty days and a year earlier. According to dealers report-

ing on that item, deferred payment sales in September constituted 42 per cent of their total, which contrasts with 44 per cent in August, and 48 per cent in September, 1932.

**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
	Sept. 1933 comp. to Sept. 1932	9 months ended Sept. 30, 1933 to same period 1932	Sept. 30, 1933 comp. to Sept. 30, 1932	Jan. 1, to Sept. 30, 1933 1932
Evansville .....	-5.8%	-4.4%	-7.0%	.92 .77
Little Rock.....	-26.5	-15.7	+22.6	1.45 1.55
Louisville .....	-14.3	-10.9	+0.9	2.19 1.78
Memphis .....	-13.5	-11.4	+8.0	2.10 2.09
Quincy .....	2.1	-11.5	+7.2	1.73 1.63
St. Louis.....	9.4	-8.3	+13.2	2.57 2.55
Springfield ..	3.2	-13.7	-18.2	1.02 .91
8th District.....	-11.4	-9.6	+10.5	2.30 2.22

**Retail Stores**

	Net sales comparison		Stocks on hand	Stock turnover
	Sept. 1933 comp. to Sept. 1932	9 months ended Sept. 30, 1933 to same period 1932	Sept. 30, 1933 comp. to Sept. 30, 1932	Jan. 1, to Sept. 30, 1933 1932
Men's Furnishings .....	1.5%	-8.7%	+11.9%	2.19 2.00
Boots and Shoes .....	-22.9	-13.8	-16.4	2.24 1.94

**POSTAL RECEIPTS**

Returns from the five largest cities of the district show a decrease in combined postal receipts for the third quarter of this year, of 9.7 per cent under the corresponding period in 1932, and a decrease of 8.8 per cent as compared with the quarter ended June 30, this year. Detailed figures follow:

	Sept. 30, 1933	June 30, 1933	March 31, 1933	Sept. 30, 1932	Sept. 1933 comp. to Sept. 1932
Evansville .....	\$ 139,549	\$ 136,219	\$ 130,563	\$ 136,083	+ 2.5%
Little Rock.....	153,540	148,486	162,088	179,359	-14.4
Louisville .....	540,284	586,831	547,544	570,929	- 5.4
Memphis .....	448,329	447,551	463,886	465,178	- 3.6
St. Louis.....	2,107,190	2,396,873	2,302,362	2,400,267	-12.2
Totals .....	\$3,388,892	\$3,715,960	\$3,606,443	\$3,751,816	- 9.7

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in September was only about one-eighth as large as in August, and 12.8 per cent less than in September, 1932. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in September amounted to \$14,432,097, which compares with \$6,237,834 in August, and \$10,063,670 in September, 1932. Production of portland cement for the country as a whole in September totaled 5,638,000 barrels against 8,223,000 barrels in August and 8,210,000 barrels (revised figures) in September, 1932. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	150	149	\$ 26	\$ 26	47	56	\$ 10	\$ 7
Little Rock ..	14	13	5	7	63	56	8	8
Louisville ..	34	49	157	73	33	40	17	17
Memphis ...	142	107	39	196	127	114	71	58
St. Louis....	148	210	248	243	396	206	354	110
Sept. totals	488	528	\$ 475	\$ 545	666	472	\$ 460	\$200
Aug. "	475	437	3,877	413	522	425	261	208
July "	475	451	3,615	449	447	436	318	259

\*In thousands of dollars (000 omitted).



000 pounds; grapes, 33,054 tons, against 33,979 tons in 1932 and a 5-year average of 30,649 tons.

**Live Stock** — Recent rains have considerably improved pastures, and the condition of livestock generally through the district maintained the high condition which has prevailed in recent months. Allowing for farm stocks carried over from previous crops, the total feed grain supply is below the average of the past five years. This fact has tended to increase marketings of livestock, and in a number of localities is beginning to affect milk production. Production of milk per cow on October 1, according to the Department of Agriculture, averaged about 1 per cent lower than on the same date last year and substantially below production on any October 1 since 1925.

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

	Receipts			Shipments		
	Sept., 1933	Aug., 1933	Sept., 1932	Sept., 1933	Aug., 1933	Sept., 1932
Cattle and Calves.....	111,650	114,927	112,586	57,820	57,711	73,089
Hogs .....	543,720	292,906	210,265	266,344	160,089	162,304
Horses and Mules.....	6,372	4,492	2,797	6,264	4,123	2,510
Sheep .....	47,461	60,172	66,071	8,780	8,632	26,998

**Cotton** — As during the preceding month, Eighth District cotton prospects declined slightly in September. Based on the October 1 condition the U. S. Department of Agriculture estimates the crop at 2,520,000 bales, a decrease of 55,000 bales from the September 1 forecast and comparing with 2,942,000 bales produced in 1932, and a 10-year average (1923-1932) of 2,705,000 bales. During September all factors contributed to rapid harvesting. Weather was mainly clear and warm, which favored maturing of late bolls. Roads were in good condition, and with the extensive acreage eliminated by plow-up and other causes, there was abundant labor for securing the cotton on the acreage remaining. In Arkansas and Mississippi, plant pests have been more prevalent this season than since 1923. Boll weevil infestation extended well into the northern tier of counties, and leaf worms were also present in unusually large numbers. Demand for spot cotton tapered somewhat during September and the first weeks of October, resulting in a decline in prices to near the low point of the present crop. In the St. Louis market the middling grade ranged from 8.45c to 10c per pound between September 15 and October 16, closing at 8.45c on the latest date, which compares with 9.15c on September 15, and 5.7c on October 15, 1932. Receipts at Arkansas compresses from August 1 to October 13 totaled 345,363 bales, against 443,531 bales for the corresponding period in 1932. Stocks on hand as of October 13 were 346,267 bales, which compares with 248,353 bales on September 15 and 530,004 bales on October 13, 1932.

**Tobacco** — Prospects for tobacco in this district improved to the extent of 9,142,000 pounds between September 1 and October 1, the Government's estimate as of the latter date being 315,901,000 pounds. This compares with the short crop of 261,257,000 pounds harvested in 1932, and a 10-year average of 308,565,000 pounds. In practically all the chief producing sections, weather during the late stages of development has been favorable, and results show every indication of being well above earlier expectations. Cutting and housing of all types had been completed at the middle of October. Cool weather accompanied by light frosts in limited localities forced cutting of the outstanding portion of the crop, even though not fully matured. This, however, represents only a small part of the total crop. Reports relative to burley tobacco are in the main favorable. There are traces of houseburn, but the general character of the crop is considered better than last year. In the dark tobacco districts, the air cured crop is curing satisfactorily and gives indications of being desirable for all purposes. Special efforts are being put forth by producers in the dark fired districts, tributary to Clarksville, Springfield and Hopkinsville, to cure and fire their crops properly. Greater attention has been given to this detail than in previous years.

**COMMODITY PRICES**

Range of prices in the St. Louis market between September 15, 1933, and October 16, 1933, with closing quotations on the latter date and October 15, 1932, follow:

	High	Low	Close	
			Oct. 16, 1933	Oct. 15, 1932
Wheat				
Dec. ....per bu..\$	.98	.70½	.70½	.48¾
May .....	1.02	.74½	.74½	.53¾
No. 2 red winter....	.94	.76½	.76½ @ .76¾	.48½ @ .49
No. 2 hard " ....	.92½	.74½	.74½ @ .74¾	.48½ @ .49
Corn				
*Dec. ....	.56¼	.37½	.37¾ @ .38	.26
*May .....	.63	.43¼	.44¼ @ .44¾	.30¾ @ .30¾
*July .....	.57	.46	.46 @ .46½	.32 @ .32½
No. 2 mixed .....	.46	.37½	.37½ @ .37¾	.24¾ @ .25
No. 2 white .....	.53¾	.39	.39 @ .39½	.26 @ .26½
Oats				
No. 2 white .....	.38	.29	.29 @ .29½	.15 @ .15¼
Flour				
Soft patent.....per bbl.	7.00	5.75	5.75 @ 6.25	2.90 @ 3.50
Spring patent.....	7.00	6.15	6.60 @ 6.75	3.75 @ 4.25
Middling cotton.....per lb.	.10	.0845	.0845	.057
Hogs on hoof.....per cwt	5.50	3.25	3.50 @ 4.85	2.75 @ 4.00

**FINANCIAL**

In the Eighth District the past thirty days were marked by moderate expansion in demand for credit for commercial and industrial purposes, also, for financing agricultural operations. With the harvesting and movement of the cotton and tobacco crops, loans based on these commodities increased, though in the case of cotton quite liberal marketing by producers resulted in a substantial liquidation of planters' indebtedness with merchants and country banks.

In the typical tobacco areas no material reduction of loans based on that crop is expected prior to the opening of the principal markets in December. Requirements of flour milling and grain interests continues in considerable volume, and due to higher prices, are well over the aggregate at the corresponding period a year and two years earlier. Demand for funds to condition livestock for market is less in evidence than during past seasons.

The steady improvement in the banking situation, which commenced in mid-March, was continued through September and the first half of October. The total number of banks licensed in this district as of October 19 was 1,566, out of 1,875 which were in operation immediately prior to the national banking holiday. On the recent date there were 251 unlicensed banks, and 58 were in process of liquidation, merged with other banks, etc. While recent statistics of unlicensed banks are not available, the ratio of deposits tied up, to total deposits is known to be small.

Total loans of reporting member banks in the principal cities of the district increased 3.1 per cent between September 13 and October 11, the major part of the increase being in "all other loans", which largely represent commercial borrowings. Total deposits decreased slightly during the four-week period, and there was a decline of 8.2 per cent in total investments, accounted for entirely by smaller holdings of Government securities.

Borrowings of all member banks from the Federal reserve bank declined further, and this bank's holdings of discounted bills in mid-October represented the smallest total in many years. Reflecting the usual seasonal demand for currency, this bank's note circulation increased by approximately \$9,500,000 between September 18 and October 18. The total volume of reserve credit outstanding increased between these dates from \$86,973,000 to \$92,770,000, due entirely to larger holdings of Government securities. There was an increase of \$3,725,000 in member bank deposits.

The trend of interest and discount rates was decidedly lower. At St. Louis banks, as of the week ended October 15, current interest rates were as follows: Customers' prime commercial paper 3 to 5½ per cent; collateral loans 4 to 6 per cent; loans secured by warehouse receipts, 1¾ to 5½ per cent; interbank loans, 5 to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on October 11, 1933 showed an increase of 3.1 per cent as contrasted

with September 13, 1933. Deposits decreased 0.7 per cent between September 13, 1933 and October 11, 1933 and on the latter date were 1.5 per cent greater than on October 12, 1932. Composite statement follows:

	*Oct. 11, 1933	*Sept. 13, 1933	*Oct. 12, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 88,958	\$ 88,251	\$106,393
All other loans and discounts....	148,072	141,706	166,617
Total loans and discounts.....	\$237,030	\$229,957	\$273,010
Investments			
U. S. Government securities.....	128,967	140,473	103,974
Other securities.....	102,125	101,979	109,476
Total investments.....	\$231,092	\$242,452	\$213,450
Reserve balance with F. R. Bank	49,505	53,173	30,914
Cash in vault.....	8,822	6,329	5,769
Deposits			
Net demand deposits.....	277,199	280,249	261,064
Time deposits.....	159,355	159,778	184,555
Government deposits.....	24,014	24,014	8,265
Total deposits.....	\$360,568	\$464,041	\$453,884
Bills payable and rediscounts with Federal Reserve Bank.....	570	670	1,275
*In thousands (000 omitted).			

This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

**Federal Reserve Operations** — During September the Federal Reserve Bank of St. Louis discounted for 65 member banks against 67 in August and 217 in September, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Oct. 19, 1933	*Sept. 19, 1933	*Oct. 19, 1932
Bills discounted .....	\$ 1,877	\$ 3,407	\$ 8,943
Bills bought .....			
U. S. Securities.....	90,499	83,122	66,156
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	172	174	1,009
Total Bills and Securities.....	\$ 92,548	\$ 86,703	\$ 76,108
Total Reserves.....	\$156,765	\$152,324	\$ 93,283
Total deposits.....	92,165	90,980	56,274
F. R. Notes in circulation.....	139,793	134,380	100,873
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.6%	67.6%	59.4%
*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 deposits 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.

	*Sept., 1933	*Aug., 1933	*Sept., 1932	Sept. 1933 comp. to Aug. 1933	Sept. 1932
East St. Louis & Natl.					
Stock Yards, Ill. \$	23,194	20,313	20,897	+14.2%	+11.0%
El Dorado, Ark.....	3,057	2,937	3,688	+ 4.1	+17.1
Evansville, Ind.....	13,849	15,005	12,914	+ 7.7	+ 7.2
Fort Smith, Ark.....	7,511	6,690	7,374	+12.3	+ 1.9
Greenville, Miss.....	2,927	2,148	3,120	+36.3	+ 6.2
Helena, Ark.....	1,401	1,051	1,639	+33.3	+14.5
Little Rock, Ark.....	19,468	16,295	17,996	+19.5	+ 8.2
Louisville, Ky.....	107,079	105,553	95,205	+ 1.4	+12.5
Memphis, Tenn.....	88,040	66,816	92,684	+31.8	+ 5.0
Owensboro, Ky.....	2,494	2,268	2,283	+10.0	+ 9.2
Pine Bluff, Ark.....	5,399	3,599	5,589	+50.0	+ 3.4
Quincy, Ill.....	4,890	4,944	5,369	+ 1.1	+ 8.9
St. Louis, Mo.....	379,600	386,800	380,467	+ 1.9	+ 0.2
Sedalia, Mo.....	1,295	1,227	1,420	+ 5.5	+ 8.8
Springfield, Mo.....	9,386	8,665	9,699	+ 8.3	+ 3.2
**Texarkana, Ark.-Tex.....	5,098	4,897	5,179	+ 4.1	+ 1.6
Totals .....	\$674,688	\$649,208	\$665,523	+ 3.9	+ 1.4
*In thousands (000 omitted).					

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

(Compiled October 21, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of November 29, 1933

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Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

**A** VAILABLE statistics and data generally bearing on business in the Eighth District during the past thirty days reflected somewhat spotty and irregular trends, but as a whole activities were well sustained and continued at a considerably higher rate than in the like period a year ago. Industrial production continued to contract during October and the first half of November, but in considerably less marked degree than was the case in August and September. As in the preceding thirty days, a relatively much better showing was made in distributive lines than in manufacturing. The volume of retail trade increased in October over both the month before and a year ago. Without exception, wholesaling and jobbing lines investigated by this bank recorded gains over October, 1932, in most instances, of substantial amounts and too large to be entirely accounted for by the higher prevailing price levels. In a number of lines the October volume exceeded that of September, and those classifications which showed declines followed the usual seasonal trend. Among the important lines showing increases in both the yearly and month-to-month comparisons were boots and shoes, clothing, dry goods, electrical supplies and furniture. Reflecting higher prices and increased volume, profits generally were on a more satisfactory basis than in many months.

The movement of seasonal merchandise was adversely affected by the unusually high temperatures which prevailed throughout the district in October and the first days of November. The warm weather also had the effect of reducing activities in certain manufacturing lines. There was a further recession in operations at iron and steel working plants, an exception being in the case of stoves, October production and shipments in that industry being the largest since the fall of 1931. Consumption of electric current by industrial establishments in the principal cities declined slightly in October from the preceding month, but was substantially greater than a year ago. Production of bituminous coal in fields of the Eighth District increased mod-

erately from September to October, but the total was measurably below that of October, 1932. The trend of lumber production continued downward, but due chiefly to heavy demands from the cooperage industry, the output was considerably larger than at this time during the past three years.

October weather was unusually favorable for harvesting of late crops and these operations were completed with a minimum of loss of quantity and quality. In the case of most important productions, earlier estimates were maintained. A constructive development in this area has been the sharp advance in prices of wheat, cotton, corn, oats and other important agricultural products. This change has resulted in a noticeable stimulation in business and substantial liquidation of indebtedness in the rural areas, particularly in the south. Another favorable effect has been to bolster sentiment in the farming community. In addition to larger returns from marketing of their crops, incomes of farmers in many sections have been augmented by receipts from the Agricultural Adjustment Administration.

Measured by sales of department stores in the principal cities of the district, retail trade in October was 5.9 per cent greater than in September and 2.5 per cent larger than in October, 1932; cumulative total for the first ten months was 8.2 per cent less than for the comparable period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 14 per cent and 21.5 per cent larger, respectively, than a month and a year earlier; for the ten months this year the total was 14 per cent in excess of that for the same time in 1932. The dollar value of permits issued for new buildings in the five largest cities in October was 71 per cent larger than in September, and 24 per cent less than in October last year; cumulative total for the first ten months this year was larger by 85 per cent than during the similar period in 1932. Construction contracts let in the Eighth district in October were 27.2 per cent less than in September and 43.9 per cent greater than in October, 1932; the cumulative total to November 1 this year was 13.2

per cent below that of the same period a year ago. Debits to individual accounts in October were larger by 13 per cent and 10 per cent respectively, than a month and a year earlier, but the cumulative total for the first ten months this year is still 15 per cent below that for the comparable period in 1932.

Freight traffic of railroads operating in this district continued above that of the corresponding period last year, but the margin of increase was narrower than at any time since last spring. Since October 1 the trend has been downward to a slightly more marked extent than is usual at this season. This was true particularly of the movement of farm products and merchandise in less-than-car-lots, while a relatively favorable showing was made by forest products, coke and miscellaneous freight. The cumulative movement of coal continued well ahead of a year ago. For the country as a whole, loadings of revenue freight for the first forty-four weeks this year, or to November 4, totaled 24,637,149 cars, against 24,094,042 cars for the corresponding period in 1932, and 32,474,205 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, interchanged 74,417 loads in October, against 72,333 loads in September and 72,992 loads in October, 1932. During the first nine days of November, the interchange amounted to 19,954 loads, which compares with 21,285 loads during the corresponding period in October, and 17,794 loads during the first nine days of November, 1932. Passenger traffic of the reporting roads in October decreased 6 per cent under the same month a year ago. The Federal Barge Line between St. Louis and New Orleans carried an estimated tonnage of 97,300 tons in October, against 119,340 tons in September, and 109,442 tons in October, 1932.

As contrasted with the preceding month, reports relative to collections reflected a moderate slowing down, but the showing was generally favorable as compared with a year earlier. In the south the volume of liquidation with both merchants and country banks was in considerable volume, particularly in the typical cotton and rice areas. In the principal centers, retailers and jobbers report November 1 settlements about up to expectations. Retailers in the large cities continue to report spottiness and irregularity in payments, with overdue accounts still extremely difficult to collect. Producers and distributors of building materials and other descriptions of heavy commodities report a continuance of the betterment in collections which began in the late summer. Conditions in the bituminous coal areas showed little change from the pre-

ceding thirty days, but were noticeably better than 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>
October, 1933.....		7.0%	25.6%	64.0%	3.4%
September, 1933.....		5.3	30.4	49.0	15.3
October, 1932.....		1.6	17.9	61.4	19.1

Commercial failures in the Eighth Federal Reserve District in October, according to Dun and Bradstreet, numbered 42 involving liabilities of \$1,019,098 against 47 defaults in September, with liabilities of \$656,537 and 82 insolvencies for a total of \$1,648,236 in October, 1932.

Money in circulation in the United States on November 18 was \$5,673,000,000 which compares with \$5,673,000,000 on October 11, and an average daily circulation of \$5,643,000,000 in October, 1932.

## WHOLESALE AND RETAILING

**Boots and Shoes** — October sales of the reporting interests were 29 per cent greater than for the same month in 1932, and about one-fifth larger than for the September total this year. Inventories continued to contract, stocks on November 1 being 6 per cent and 17 per cent smaller, respectively, than a month and a year earlier. Production receded in October, but the rate of operations since November 1 has been at a higher than seasonal rate in order to replenish depleted inventories. Due to the continued active demand, which has been accompanied by higher prices, profits are on a more satisfactory basis than during the corresponding season in the past three years. Indications are that production in this district during 1933 will be the heaviest since the peak in 1929.

**Clothing** — According to the reporting firms, movement of seasonal apparel during October was below expectations, due to the unusually warm weather. Advance sales of both men's and women's clothing for late winter and spring delivery have been in considerable volume, and well in excess of the corresponding period a year ago. Demand for work clothes shows further improvement, both in the large cities and rural areas. The trend of prices was sharply higher, several important clothiers reporting an advance of from 20 to 25 per cent from the levels prevailing three months ago. October sales of the reporting interests were about six times larger than in September, and twice as great as the October, 1932, total. The heavy increase in the month-to-month comparison is seasonal in character.

**Drugs and Chemicals** — For the fourth consecutive month, the volume of business in this classification during October showed an increase over the corresponding month a year earlier. There was a slight decrease as compared with the preceding month, but this was seasonal and somewhat less than average during the past decade. Demand for seasonal merchandise was generally active. Requirements of manufacturers for heavy drugs and chemicals was less in evidence than earlier in the season. Prices showed little change as contrasted with the preceding thirty days. October sales of the reporting firms were 20 per cent larger than for the same month in 1932, and 3 per cent smaller than in September this year.

**Dry Goods** — In counter distinction to September, sales of the reporting firms showed increases over both a month and a year earlier. The increase in the month-to-month comparison was contrary to the usual seasonal order. The volume of business during the first half of November showed an upward trend, with indications that the total for that month will exceed that of the same period in 1932. A considerable part of the increase over last year is accounted for by higher prices through practically the entire line, but more particularly in textiles. October sales of the reporting interests were 4 per cent larger than for the same month in 1932, and 6 per cent in excess of the September total this year. Stocks on November 1 were 56 per cent larger than a year earlier, but 6 per cent less than on October 1.

**Electrical Supplies**—Sales of the reporting firms in October were 10 per cent larger than in September and almost one-third greater than in October, 1932. Stocks on November 1 were 6 per cent larger than a month earlier, and practically the same as a year ago. The increase in the month-to-month sales comparison was seasonal, but its extent was somewhat greater than the average during the past five years. Demand for radio material, household appliances and miscellaneous commodities was in considerable volume, but the outlet through the building and automotive industry failed to expand.

**Flour**—Production at the twelve leading mills of the district in October totaled 269,264 barrels, the largest since last July, and comparing with 259,458 barrels in September and 237,466 barrels in October, 1932. Conditions generally in the trade showed little change as compared with the preceding thirty days. Purchasing by the large baking interests was on a somewhat freer scale than heretofore, but jobbing and general distributive interests were buying conservatively. Following the movement of cash wheat, prices advanced during the last half of October and early this month, but buyers were not dis-

posed to follow the upturn. Export demand continued disappointing, with bids from abroad mainly too low for acceptance by mills in this district. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture**—October sales of the reporting firms were 44 per cent greater than for the same month in 1932, and 3 per cent in excess of the September total this year. Inventories showed little change during October, stocks on hand as of November 1 being 3 per cent and 2 per cent larger, respectively, than a month and a year earlier. Ordering of holiday goods and radio cabinets made a favorable showing as contrasted with the same period a year and two years ago. The low ebb of residential construction is reflected in continued quietness in demand for household furniture and furnishings.

**Groceries** — Sales of the reporting interests in October declined slightly from September, but the total was 12 per cent greater than for October, 1932. Stocks increased 3 per cent between October 1 and November 1, and on the latter date were 12 per cent larger than a year ago. The trend of prices continues upward, with specific advances recorded on a number of commodities. Advance ordering of holiday goods was in less than the usual seasonal volume, though considerably larger than a year ago.

**Hardware**—Following the usual seasonal trend, sales of the reporting firms in October declined 9 per cent below the September total, but showed an increase of 8 per cent as compared with October, 1932. Inventories decreased 3 per cent between October 1 and November 1, and on the latest date were 11.5 per cent greater than a year ago. Purchasing in the rural areas, particularly in the south, shows considerable improvement as contrasted with earlier this season and a year ago. The trend of prices continues upward in sympathy with the recent advances in raw materials.

**Iron and Steel Products** — The rate of operations at ferrous metal working plants in this district receded further during the past thirty days, with contraction most pronounced at the steel mills. Requirements of the principal consumers of steel failed to expand and there was a general slowing down in specifications on materials previously acquired, while new ordering declined to the lowest level since last spring. As has been the case for the past several months, miscellaneous demands furnished the principal outlet for products of both mills and foundries. Throughout October, however, the momentum supplied to the industry by the lesser consuming groups declined gradually, and since November 1 there has been a further slowing down, except in the case of seasonal commodities. Stove and heating apparatus manufacturies have been

active later into the year than is ordinarily the case, due to belated orders for their products. Both production and shipments of stoves in October were in measurably larger volume than a year earlier. Jobbing foundries also report October volume in excess of that for the same month in 1932, though less than the two preceding months this year. Farm implement interests reported a dearth of new business, and with few exceptions were not disposed to make up stock in anticipation of future demands. Jobbing and warehouse interests reported a decrease in incoming business during the last half of October and the first two weeks of November. Purchasing is mainly in small lots for immediate requirements. Prices of finished materials showed little change worthy of note as contrasted with the preceding thirty days, save as affected by the new quantity differentials. Pig iron remained unchanged in price, but there was a sharp decline in scrap iron and steel, with purchasing practically at a standstill. Production of pig iron for the country as a whole sustained another sharp recession in October, and, according to the magazine "Steel", was at the lowest daily rate since last June. The output of 1,354,696 tons in October compared with 1,507,931 tons in September, and 644,648 tons in October, 1932. Production of steel ingots in the United States in October totaled 2,112,000 tons, against 2,311,000 tons, in September and 1,087,000 tons, in October, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in October was 138,475, against 196,082 in September and 48,934 in October, 1932.

Distribution of automobiles in the Eighth District, according to dealers reporting to this bank, declined in October as compared with September, but the volume was substantially larger than in October a year and two years earlier. The decline from September to October is seasonal in character, and, with the exception of 1925, has taken place every year during the past decade. The extent of the decrease was somewhat greater this year than average, due partly to the fact that heavier than the usual purchasing took place in September and August. Inquiries and prospects reported by numerous distributors in the small towns indicate more satisfactory business during the next two or three months than in any similar period since 1930. Demand for trucks of all descriptions continued quite active, October sales exceeding those of September by approximately 70 per cent, though the total was slightly below that of October last year.

Some falling off in demand for repair parts and accessories was noted, and sales of tires were somewhat smaller than during the two preceding months.

Sales of new passenger cars by the reporting dealers in October were 65 per cent larger than during the same month in 1932, and about one-fourth smaller than the September total this year. Stocks of new passenger cars in dealers' hands on November 1 were 7 per cent larger than a month earlier and 14 per cent greater than a year ago. Trends in the used car market followed fairly closely those noted in new vehicles. October sales were 18 per cent below the September total and 42 per cent greater than in October, 1932. Inventories of salable second hand cars on November 1 were 8 and 18 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in October was 46 per cent, against 42 per cent in September, and 51 per cent in October, 1932.

### 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	
	Oct. 1933 comp. to Oct. 1932	10 months ended Oct. 31, 1933 to same period 1932	Oct. 31, 1933 comp. to Oct. 31, 1932	Oct. 31, 1933 comp. to Oct. 31, 1932	Jan. 1, to Oct. 31, 1933	1932
Evansville	+ 7.8%	— 4.8%	— 7.7%		1.04	.89
Little Rock..	+ 8.5	—12.5	+13.0		1.66	1.76
Louisville	+ 2.0	— 9.9	— 1.2		2.44	2.03
Memphis	+ 6.5	— 9.1	+ 6.1		2.41	2.38
Quincy	+ 2.5	—10.5	— 5.7		1.94	1.82
St. Louis	+ 1.8	— 7.2	+11.9		2.82	2.83
Springfield	+ 9.7	—13.2	— 8.3		1.15	1.04
8th District..	+ 2.5	— 8.2	+ 8.7		2.55	2.49

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Oct. 1933 comp. to Oct. 1932	10 months ended Oct. 31, 1933 to same period 1932	Oct. 31, 1933 comp. to Oct. 31, 1932	Oct. 31, 1933 comp. to Oct. 31, 1932	Jan. 1, to Oct. 31, 1933	1932
Men's Furnishings	+ 8.4%	— 6.4%	+14.7%		2.52	2.32
Boots and Shoes	—13.7	—13.8	—17.9		2.48	2.17

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in October as being about 5 per cent smaller than in September and 10.6 per cent more than in October, 1932. Detailed figures follow:

	No. of Custom- ers	Oct.,	Sept.,	Oct. 1933	Oct.,	Oct. 1933
		1933	1933	comp. to	1932	comp. to
		*K.W.H.	*K.W.H.	Sept. 1933	*K.W.H.	Oct. 1932
Evansville	40	1,505	1,656	— 9.1%	1,793**	—16.1%
Little Rock..	35	1,547	1,961	—21.1	1,272**	+21.6
Louisville	85	7,353	7,337	+ .2	5,825**	+26.2
Memphis	31	1,427	1,262	+13.1	1,374	+ 3.9
St. Louis.....	195**	17,721	18,950**	— 6.5	16,453**	+ 7.7
Totals	386	29,553	31,166**	— 5.2	26,717**	+10.6

\*In thousands (000 omitted).  
\*\*Revised figures.

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in October was 71 per cent larger than in September, and 23.6 per cent less than in October, 1932. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in October amounted to \$10,507,619 which compares with \$14,432,097 in September, and \$7,303,430, in October, 1932. Production of portland cement for the country as a whole in October totaled 5,037,000 barrels against 5,638,000 barrels in September and 7,939,000 barrels in October, 1932. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	150	129	\$ 25	\$ 33	50	49	\$ 12	\$ 7
Little Rock ..	16	8	2	10	80	78	11	17
Louisville ..	29	42	177	742	25	34	71	34
Memphis ...	108	82	45	63	131	123	83	51
St. Louis....	179	195	563	215	180	206	66	138
Oct. totals..	482	456	\$ 812	\$1,063	466	490	\$ 243	\$247
Sept. " ..	488	528	475	545	666	472	460	200
Aug. " ..	475	437	3,877	413	522	425	261	208

\*In thousands (000 omitted).

## AGRICULTURE

Under very favorable weather throughout October and the first half of November, harvesting of late crops in the Eighth District was accomplished with a minimum loss of quality and quantity, and routine agricultural operations of all descriptions made good progress. During October, improvement was recorded on several of the late crops, as a result of which November 1 estimates of the U. S. Department of Agriculture indicate larger yields than a month earlier. Due to the deferred dates of killing frosts, October weather was unusually auspicious for rice, peanuts, late beans, potatoes, buckwheat, broomcorn and some other fall vegetables and fruits. Estimates for corn, tobacco and most other crops were little changed, pending the final checkup of harvested acreage. As the estimates stand at present, they indicate smaller yields and acreage harvested, as contrasted with last year. Lack of sufficient rainfall earlier in the autumn in many sections was unfavorable for fall planted grains, but in the immediate past, precipitation has been abundant and fairly widely spread, so that the earlier handicap of drouth has been overcome and growing crops are in the main entering the cold weather in a strong position.

A favorable development during the past several weeks has been the advance in prices of wheat, cotton, corn and some other important farm products. While the upturn has not brought price levels to heights satisfactory to all producers, it has served to improve sentiment generally in the rural areas, and farmers are formulating programs for next sea-

son with more enthusiasm than was thought would be the case a month or six weeks back. There is still a disposition to hold products for more favorable markets, but the movement from farms has been in seasonable volume. An exception to the price betterment has been livestock, particularly hogs, which remain at or around the low levels of recent months. Response to the Agricultural Adjustment Administration's campaign to reduce wheat acreage in states of this district is reported generally satisfactory.

**Corn**—The estimated production of corn in the Eighth District, based on the November 1 condition, is 287,772,000 bushels slightly below the October 1 forecast, and comparing with 380,505,000 bushels harvested in 1932, and a 10-year average (1923-1932) of 351,832,000 bushels. Despite the fact that the crop matured rapidly, under favorable fall weather conditions, the output will be the lightest in many years, and in certain important growing sections, the smallest on record. Reduced production is due to a number of causes, among them unfavorable planting conditions, drouth during the growing season, and the heaviest infestation of chinch bugs in recent years. A considerable part of the crop has been gathered and housed, and husking returns reflect irregularity in yield and quality. The carryover from the 1932 crop is large, and will help to tide farmers through in areas of small production this year.

**Winter Wheat**—Eight District production of all wheat in 1933 is estimated by the U. S. Department of Agriculture at 36,048,000 bushels, which compares with the short crop of 34,128,000 bushels in 1932, and a 10-year average of 50,538,000 bushels. Soil conditions have been mainly good for seeding winter wheat and the condition of the growing crop is generally favorable. Germination has been uniformly good in the principal producing sections, and the plant has made rapid growth and is in strong position for entering the cold weather. The movement of wheat to market was in considerably smaller volume than at the corresponding period a year ago.

**Fruits and Vegetables**—Latest reports tend to confirm generally small yields of fruits and vegetables in this district. In addition to curtailed production, the quality of many species is considerably below the average. Weather conditions were unfavorable, but to a large extent difficulties this year have been due to the economic condition of many fruit growers. Returns from fruit during the three preceding years were low, and producers in many areas found it impossible to finance adequate spray schedules. Resort to less effective spray materials

to effect economics allowed more than the usual opportunity for insect pests to function. This has resulted in a heavy increase in cullage and reduction in commercial crops. These conditions were true particularly of apples, total production of which in states of the Eighth District is estimated at 12,696,000 bushels, of which only 1,654,000 barrels represent commercial crop, against the practical failure in 1932 of 7,174,000 bushels, with 1,189,000 barrels commercial crop, and a 5-year average (1926-1930) of 17,985,000 bushels, with 1,993,000 barrels commercial crop. In these states the pear crop is estimated at 883,000 bushels, against 439,000 bushels in 1932 and a 5-year average of 1,645,000 bushels; grapes, 33,136 tons, against 33,979 tons last year and a 5-year average of 30,649 tons; sweet potatoes, 17,840,000 bushels, against 21,435,000 bushels in 1932 and a 5-year average of 14,951,000 bushels; peanuts, 37,345,000 pounds, against 43,290,000 pounds in 1932, and a 5-year average of 27,703,000 pounds. Production of white potatoes in the district proper is estimated at 8,558,000 bushels, against 13,164,000 bushels in 1932, and a 10-year average (1923-1932) of 14,453,000 bushels.

**Live Stock** — The condition of livestock generally through the district underwent no notable change during the past thirty days as contrasted with the similar period immediately preceding. Mild weather through October and early November, together with improvement in pastures caused by more abundant precipitation, permitted of carrying herds well into the season without extraordinary use of prepared foods. Hay crops are turning out somewhat better than expected earlier in the season.

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

	Receipts			Shipments		
	Oct., 1933	Sept., 1933	Oct., 1932	Oct., 1933	Sept., 1933	Oct., 1932
Cattle and Calves.....	140,475	111,650	105,563	69,880	57,820	62,258
Hogs .....	182,880	543,720	207,362	134,481	266,344	175,532
Horses and mules.....	9,281	6,372	4,246	9,327	6,264	3,126
Sheep .....	49,438	47,461	55,173	10,259	8,780	21,119

**Cotton** — While for the country as a whole, cotton prospects improved during October, the estimate, for the Eighth District was slightly smaller on November 1 than a month earlier. Based on the November 1 condition, the U. S. Department of Agriculture estimates the crop in this district at 2,457,000 bales, a decrease of 63,000 bales under the October 1 forecast, and comparing with 2,942,000 bales harvested in 1932, and a 10-year average (1923-1932) of 2,705,000 bales. Weather during October and early this month was ideal for field operations, and with labor plentiful, the harvest progressed without important interruption from September 1 to November 9. Killing frost occurred as of the latter date, which was about average. Practically

all the cotton had matured by that time, and the remnant of the unharvested crop is being secured. Ginning returns shows generally high quality. Despite the increased estimate for production and heavy ginnings, prices for cotton advanced. Inquiries from foreign buyers increased along with higher quotations on foreign currencies in terms of the dollar. In the St. Louis Market the middling grade ranged from 8.90c to 9.75c per pound between October 17 and November 15, closing at 9.75c on the latter date, against 9.00c on October 17, and 5.85c on November 15, 1932. Receipts at Arkansas compresses from August 1 to November 10 totaled 711,799 bales, against 787,008 bales during the corresponding period last year. Stocks on hand as of November 10 were 614,307 bales, which compares with 345,267 bales on October 13, and 758,031 bales on November 11, 1932.

**Tobacco** — Eighth District tobacco prospects declined between October 1 and November 1, the Government's estimate on the latter being 308,723,000 pounds, a decrease of 16,188,000 pounds under the October 1 forecast, and comparing with 261,257,000 pounds harvested in 1932, and a 10-year average of 308,565,000 pounds. Curing of the crop in both the burley and dark tobacco districts has proceeded satisfactorily, and early reports indicate a desirable quality of all types to be marketed this season. Due to dry, cold weather prevailing in early November, stripping has been delayed. While it is planned to open the auction markets around December 1, actual opening dates will be governed by weather conditions. Purchasing of old crop burley tobacco continues in a limited way. Unsold stocks as of November 15 were estimated to be only about one-third as large as a year earlier. Demand for all classes of dark fired tobacco continues good, with independent stocks the smallest in a number of years.

### COMMODITY PRICES

Range of prices in the St. Louis market between November 15, 1933 and October 16, 1933 with closing quotations on the latter date and November 15, 1932, follow:

	High	Low	Close	
			Nov. 15, 1933	Nov. 15, 1932
Wheat				
Dec. ....per bu..	\$.93½	\$.67½	\$.89½	\$.45¼
May .....	\$.96½	.73	.93	.50¼
July .....	\$.88½	.78	\$.87½	.51
No. 2 red winter .....	.95	.77	\$.94 @ .94½	\$.50 @ .50¾
No. 2 hard " ....	.98½	.75½	.98¼ @ .98½	.49 @ .49¾
Corn				
*Dec. ....	.50	.37½	.47½	.26
*May .....	.56½	.44	.53½ @ .54	.31¼
*July .....	.58½	.46½	.55¼ @ .55½	.....
No. 2 mixed .....	.45½	.38	.43	.25
No. 2 white .....	.50½	.40	.50½	.27 @ .28½
Oats				
No. 2 white .....	.38½	.30	.37¼	.17¾ @ .18
Flour				
Soft patent.....per bbl.	6.95	5.75	6.45 @ 6.95	2.65 @ 2.95
Spring patent.....	7.10	5.85	6.45 @ 6.95	4.25 @ 4.50
Middling cotton.....per lb.	.0975	.0890	.0975	.0585
Hogs on hoof.....per cwt.	4.70	3.00	3.60 @ 4.25	2.25 @ 3.35

\*Nominal quotations.

## FINANCIAL

Moderate improvement in demand for bank credit took place in the Eighth District during the past thirty days. The major part of the improvement was in heavier requirements of mercantile and industrial interests, particularly the former. Demand for funds for harvesting and moving fall crops showed the usual seasonal contraction, and country banks noticeably reduced their commitments with city correspondents and at the Federal reserve bank. Harvesting and housing of the tobacco crop has been completed, and markets for that product will open about December 1, subsequent to which time the release of a considerable volume of funds for meeting bank and other obligations is anticipated. The marketing of cotton has been in good volume, and has been reflected in a reduction of loans at banks in the typical areas of production. In the winter wheat sections a contraction was noted in commitments of grain elevator and flour milling interests, but the volume of loans in this category continues substantially larger than at the corresponding period a year and two years earlier. Demand for funds to condition livestock for market continues relatively light.

Except for a further substantial increase in their reserve balances, changes in the condition of reporting member banks in the principal cities between October 18 and November 15 were of small proportions. Total loans and discounts increased 1.3 per cent and there was an increase of 3.4 per cent in investments, represented mainly by larger holdings of Government securities, the volume of which at the end of the four-week period was 13.3 per cent greater than on November 16 a year ago. Net demand deposits increased 3.2 per cent, while a slight contraction was recorded in time deposits. Reserve balances at 54 million dollars as of November 15 were 14 per cent and 46.5 per cent greater, respectively, than a month and a year earlier.

The amount of savings deposits in selected banks on November 1 increased slightly as compared with October 4, but was 14 per cent smaller than on November 4, 1932.

While actual quotations showed little change from the preceding thirty days, the trend of interest and discount rates was slightly firmer. At St. Louis banks, as of the week ended November 15, current rates were as follows: Customers' prime commercial paper, 3½ to 5½ per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 1⅞ to 5½ per cent; interbank loans, 5 to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on November 15, 1933

showed an increase of 1.3 per cent as contrasted with October 18, 1933. Deposits increased 2.6 per cent between October 18, 1933 and November 15, 1933 and on the latter date were 3.2 per cent greater than on November 16, 1932. Composite statement follows:

	*Nov. 15, 1933	*Oct. 18, 1933	*Nov. 16, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 87,055	\$ 88,041	\$101,185
All other loans and discounts....	152,000	148,011	160,024
Total loans and discounts.....	\$239,055	\$236,052	\$261,209
Investments			
U. S. Government securities.....	142,356	134,604	109,929
Other securities.....	101,687	101,424	105,595
Total investments.....	\$244,043	\$236,028	\$215,524
Reserve balance with F. R. Bank..	54,102	47,433	36,933
Cash in vault.....	8,993	8,778	5,673
Deposits			
Net demand deposits.....	289,714	280,815	268,733
Time deposits.....	158,694	159,293	183,784
Government deposits.....	25,700	22,081	6,706
Total deposits.....	\$474,108	\$462,189	\$459,223
Bills payable and rediscounts with Federal Reserve Bank.....	180	535	940

\*In thousands (000 omitted).

This report covers 19 licensed banks in 4 leading cities instead of 24 banks in 5 leading cities, as heretofore.

**Federal Reserve Operations** — During October the Federal Reserve Bank of St. Louis discounted for 64 member banks against 65 in September 208 in October, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Nov. 17, 1933	*Oct. 17, 1933	*Nov. 17, 1932
Bills discounted .....	\$ 1,381	\$ 1,803	\$ 8,798
Bills bought .....	242	89,402	66,156
U. S. Securities.....	93,200	172	1,008
Federal Inter. Cr. Bk. Debentures.....	155	172	1,008
Participation in Inv. Foreign Banks.....	155	172	1,008
Total Bills and Securities.....	\$ 94,978	\$ 91,377	\$ 75,962
Total Reserves.....	\$167,126	\$157,277	\$100,408
Total deposits.....	99,841	91,167	62,902
F. R. Notes in circulation.....	143,813	139,988	101,685
Ratio of reserve to deposits and F. R. Note Liabilities.....	68.6%	68.0%	61.0%

\*In thousands (000 omitted).

**Debits to Individual Accounts** — The following table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Oct., 1933	*Sept., 1933	*Oct., 1932	Oct. 1933 Sept. 1933	comp. to Oct. 1932
East St. Louis, & Natl. Stock Yards, Ill. \$	20,230	\$ 23,194	\$ 18,570	—12.8%	+ 8.9
El Dorado, Ark.....	3,375	3,057	3,704	+10.4	— 8.9
Evansville, Ind.....	14,124	13,849	13,119	+ 2.0	+ 7.7
Fort Smith, Ark.....	8,326	7,511	7,713	+10.9	+ 7.9
Greenville, Miss.....	4,063	2,927	2,925	+38.8	+38.9
Helena, Ark.....	2,115	1,401	1,839	+51.0	+15.0
Little Rock, Ark.....	18,596	19,468	18,643	— 4.5	— 0.3
Louisville, Ky.....	115,144	107,079	103,470	+ 7.5	+11.3
Memphis, Tenn.....	130,252	88,040	102,861	+47.9	+26.6
Owensboro, Ky.....	2,634	2,494	2,473	+ 5.6	+ 6.5
Pine Bluff, Ark.....	6,695	5,399	5,428	+24.0	+23.3
Quincy, Ill.....	5,036	4,890	5,506	+ 3.0	+ 8.5
St. Louis, Mo.....	418,292	379,600	394,700	+10.2	+ 6.0
Sedalia, Mo.....	1,300	1,295	1,493	+ 0.4	—12.9
Springfield, Mo.....	9,165	9,386	9,511	— 2.4	— 3.6
**Texarkana, Ark.-Tex.....	5,225	5,098	5,362	+ 2.5	— 2.6
Totals .....	\$764,572	\$674,688	\$697,317	+13.3	+ 9.6

\*In thousands (000 omitted).

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

(Compiled November 23, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of December 30, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**RADE and industry in the Eighth District during the past thirty days developed moderate improvement as contrasted with the similar period immediately preceding and continued in substantially larger volume than a year ago. In many manufacturing lines less than the usual seasonal recession took place, and in some instances was entirely absent. Wholesale trade declined in somewhat less than the usual seasonal amount from October to November, and in all lines investigated by this bank measurable increases were recorded over November last year and in a majority of instances, over the same month in 1931. As was the case during the preceding month, retail distribution was adversely affected by the unusually high temperatures prevailing during late November and the first half of December. While November retail sales were in larger volume than a year ago, the increase in dollar value was not commensurate with the advance in commodity prices during the interval.

Holiday trade was backward in getting under way, but has quickened perceptibly since the last week of November. Country retailers, particularly in the South, report buying on a considerably larger scale than a year and two years earlier, with a wider variety of merchandise being taken. In the cotton and rice areas purchasing power is the highest in a number of years, due to the advance in prices of these products, and increased employment generally is reflected in freer buying of all classes of merchandise. Employment increased moderately from October to November, and the improvement has been carried further since the first of December, due in part to large numbers employed on Civil Works Administration projects and in seasonal occupations. Production of bituminous coal in fields of the district in November increased slightly over the preceding month, but was in smaller volume than in November, 1932.

Harvesting and housing of late crops was accomplished under unusually favorable conditions and latest returns tend to confirm earlier official esti-

mates of production. Prices of the principal products, except tobacco, are sharply higher than levels obtaining a year and two years earlier. In the agricultural communities sentiment is more optimistic than has been the case in a number of years, and farmers are formulating their programs for next season with more confidence than was thought possible a few months ago. An exception to the improved prices is in the case of dairy and poultry products and livestock. Cattle and hog prices continue at the low levels of recent months, and in numerous instances, below cost of production. The movement of cotton has been in considerable volume, and producers are using the proceeds of their crops and money received from the Government in its curtailment campaign to liquidate their indebtedness. The burley tobacco markets opened during the third week of December, but due to dissatisfaction with prices, sales were temporarily suspended, and rejections of offers have been universally large.

As reflected in sales of department stores in the principal cities of the District, the volume of retail trade in November was 2.1 per cent larger than in October, and 4.6 per cent larger than in November, 1932; cumulative total for the first eleven months of this year was 6.9 per cent less than for the comparable period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 18 per cent smaller in November than in October, but 17 per cent greater than in November, 1932; for the eleven months this year the total was 14.5 per cent greater than for the same time in 1932. The dollar value of permits issued for new construction in the five largest cities of the District in November was 35 per cent less than in October and 149 per cent larger than in November 1932; the cumulative total for the first eleven months was 88 per cent greater than for the same period last year. Contracts let for new construction in the Eighth District in November were 7.9 per cent less than in October and 4.9 per cent more than in November, 1932; for the first eleven months the total was

11.3 per cent less than for the same period last year. Debits to checking accounts in November were smaller by 8.2 per cent than in October, but showed a gain of 13 per cent over the November, 1932, total; cumulative total for the first eleven months this year was 13 per cent greater than for the comparable period in 1932.

According to officials of railroads operating in this district, freight traffic declined in slightly less than the usual seasonal volume in November and early December, and continued well above the corresponding period a year ago. The mild winter to date has tended to hold down the movement of coal and coke. Some betterment was noted in loadings of merchandise and miscellaneous freight, and the movement of forest products continues substantially greater than a year and two years earlier. For the country as a whole, loadings of revenue freight for the first 48 weeks this year, or to December 2, totaled 26,890,886 cars, against 26,243,765 cars for the corresponding period in 1932, and 35,012,832 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 64,684 loads in November, which compares with 74,417 loads in October and 60,399 loads in November, 1932. During the first nine days of December the interchange amounted to 17,179 loads, against 19,954 loads during the corresponding period in November, and 17,389 loads during the first nine days of December, 1932. Passenger traffic of the reporting roads decreased 5.5 per cent in November as compared with the same month in 1932. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 98,400 tons, against 97,407 tons in October and 112,969 tons in November, 1932.

Reports relative to collections during the past thirty days reflected a continuance of the gradual improvement which has been in progress during the past three months. Almost universally, collections on new accounts are described as good to excellent, and there has been a considerable volume of payments on debts of longer standing. The latter fact is true particularly in the south, where farmers are using the proceeds of their crops and money received from the Government for acreage reduction in defraying their obligations. Wholesalers in the large centers of distribution report mainly satisfactory returns, with numerous customers taking advantage of cash discounts. Retailers in the principal cities report continued increase in the ratio of cash purchases to charge accounts. 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>
November, 1933.....	8.6%	33.6%	53.9%	3.9%
October, 1933.....	7.0	25.6	64.0	3.4
November, 1932.....	1.9	16.7	57.3	24.1

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 47 involving liabilities of \$578,883 against 42 defaults in October with liabilities of \$1,019,098, and 74 insolvencies for a total of \$2,732,421 in November, 1932.

Money in circulation in the United States on December 13 was \$5,763,000,000 which compares with \$5,654,000,000 on November 15, and an average daily circulation of \$5,699,000,000 in December, 1932.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes**—November sales of the reporting firms were 17 per cent greater than for the same month in 1932 and about one-fourth smaller than the October total this year. Inventories increased 6.5 per cent between November 1 and December 1, and on the latest date were 17.5 per cent smaller than a year earlier. The decrease in the month-to-month sales comparison is seasonal in character, having invariably taken place during the past decade. Prices showed no change as contrasted with the preceding thirty days. Eighth District production in November was about 8 per cent below the October total, but approximately 18 per cent greater than in November, 1932.

**Clothing**—Mild weather throughout the fall and early winter has had an adverse effect on the movement of seasonal apparel. This has been reflected in an unusually small volume of reordering of both men's and women's winter clothing. Advance business for spring is reported in somewhat heavier volume than at this time a year and two years earlier. Price changes during the past thirty days were negligible, but the level is considerably higher than at this time a year ago. November sales of the reporting clothiers were 12 per cent larger than for the same month in 1932 and smaller by about one-half than the October total this year. Stocks on December 1 were 18 per cent smaller than a month earlier, but 41 per cent larger than a year ago, the increase from last December being accounted for in large part by higher prices.

**Drugs and Chemicals**—November sales of the reporting firms were 16 per cent larger than for the corresponding period in 1932, this being the fifth consecutive month in which the volume was in excess of a year earlier. As contrasted with the preceding month this year, the November total showed a decrease of 10 per cent. Inventories continued to

increase moderately, stocks on December 1 being 2.5 per cent larger than a month earlier, and 1.5 per cent greater than on December 1, 1932. Contrary to the general business trend this fall, sales of chemicals have been well maintained. Anticipation of higher prices has stimulated purchasing of certain commodities, and due to light advance buying in the late summer, inventories in many instances were low. Ordering of holiday goods and luxuries was on a more liberal scale than a year ago. Price revisions were few, but the trend was slightly upward.

**Dry Goods**—As contrasted with a year ago, November sales of the reporting firms showed an increase of 16 per cent, but the total was 4 per cent below the October total this year. Due mainly to higher prices, inventories on December 1 were 57 per cent greater than a year earlier. As compared with November 1, stocks on December 1 showed a decline of 4 per cent. The decrease in the month-to-month sales comparison is seasonal in character, but smaller than the average during the past several years. Mild weather prevailing since early fall has had a tendency to restrict purchasing of seasonal goods, notably blankets, outings, and heavy underwear. Advance buying of holiday goods was reported in somewhat larger volume than a year ago.

**Electrical Supplies**—Conforming with the usual seasonal trend, sales of the reporting firms in November showed a decrease of 10 per cent under the preceding month, but the total was 15 per cent greater than in November, 1932, making the seventh consecutive month in which the volume exceeded that of the corresponding period a year earlier. Stocks on December 1 were larger by 5.5 per cent and 12 per cent, respectively, than a month and a year earlier. In the yearly sales comparison increases were general through the line, an exception being building installations. Substantial increases were shown in sales of radio material and electrical household appliances.

**Flour**—Production at the twelve leading mills of the district in November totaled 270,303 barrels, the largest since last June, and comparing with 269,264 barrels in October and 247,208 barrels in November, 1932. Demand generally developed moderate improvement during the past thirty days as contrasted with the similar period immediately preceding. The large baking interests were purchasing somewhat more freely, and more interest was exhibited by jobbers and the wholesale grocer interests. Demand for export continued to lag. The trend of prices was lower in sympathy with the decline of cash wheat in late November. Mill operations were at from 52 to 56 per cent of capacity.

**Furniture**—November sales of the reporting firms were 28 per cent smaller than in October, but about one-third larger than the November total a year ago. Inventories continue to increase, stocks on December 1 being 8 per cent and 41 per cent larger, respectively, than a month and a year earlier. Demand for radio cabinets and the general run of holiday goods was brisk, and some betterment was also noted in other lines. For the first time in a number of months, betterment was noted in demand for office furniture and fixtures. There was no change in prices as compared with the preceding thirty days, but in all lines there has been a sharp advance over levels obtaining at this time last year.

**Groceries**—According to the reporting firms, advance sales of holiday goods were in measurably larger volume than a year and two years earlier. Seasonal goods generally showed marked improvement, with purchasing by country merchants on a larger scale than heretofore. Prices were irregular, with advances about counterbalancing declines, so that the average showed little change as compared with the preceding thirty days. November sales of the reporting firms were 12 per cent larger than for the same month in 1932, and 6 per cent less than the October total this year. Stocks on December 1 were 6 per cent smaller than a month earlier, but 8 per cent larger than on December 1, 1932.

**Hardware**—Business in this classification continued well over a year ago, November sales of the reporting firms being 23 per cent larger than for the same month in 1932. There was a decline, seasonal in character, of 5.5 per cent from October to November. Inventories on December 1 were larger by 13 per cent than a year ago, but 3 per cent less than on November 1 this year. Warm weather has held down the sale of seasonal merchandise, but there was an active demand for hand tools, notably axes, picks, shovels, etc., which are used in public works projects. The movement of holiday specialties was reported in somewhat larger volume than a year ago.

**Iron and Steel Products**—The recessionary trend in activities in the iron and steel industry in this district, which had been in effect since early fall, continued through November and the first half of December. The rate of decline, however, was less marked than heretofore, and since December 1 sentiment has strengthened perceptibly, due to improvement in the outlook for increased business early in 1934. Already definite demands for track materials have developed, and the carriers are inquiring for equipment and other commodities. Structural awards have broadened, and Govern-

ment work scheduled for the next few months is expected to substantially better the outlet for iron and steel through the construction industry. Improved sentiment for 1934 business is reflected in heavy specifications on materials contracted for, which will expire with the end of the present year. Stove and heating apparatus manufacturers have worked later into the year than is ordinarily the case, and their November orders were the largest for that month since 1930. Farm implement makers moderately increased their activities, a number of important interests having engaged in making up moderate sized inventories of their products in anticipation of spring demand. Ordering of raw materials for first quarter delivery was in relatively small volume, due chiefly to the fact that consumers generally were well supplied through purchases earlier in the year. The movement of pig iron to melters in November was slightly below that of October, but substantially larger than in November a year ago. Shipments during the first half of December were at a slightly larger daily average rate than during the preceding month. The recent decline in scrap iron and steel prices was halted in late November, incident to the purchase of substantial tonnages by steel mills, reduced offerings and a heavy drain through the export trade. Business of warehouse and jobbing interests decreased in November in slightly more than the usual seasonal amount. Makers of steel sheets and other flat rolled materials reported a noticeable decrease in new ordering during November and early December, but specifications on goods previously acquired were in sufficient volume to practically clean up outstanding contracts. For the country as a whole there was a sharp decrease in production of pig iron in November, according to the magazine "Steel." The total of 1,098,815 tons produced in November compares with 1,358,540 tons in October, and 625,753 tons in November, 1932. Steel ingot production in the United States in November totaled 1,540,882 tons, against 2,111,842 tons in October, and 1,032,221 tons in November, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in November was 63,904, against 138,485 (revised figure) in October and 59,556 in November, 1932.

According to dealers reporting to this bank, distribution of automobiles in the Eighth District in November showed about the average seasonal decline from October, but for the sixth consecutive month the volume was substantially greater than during the corresponding period a year earlier. In

the yearly sales comparison increases were general through all classes of makes, but most pronounced in the low-priced field. Business of country dealers in the south shows marked betterment as contrasted with last year. Replacement requirements are unusually large, particularly in the rural areas. Demand for trucks of all descriptions continues active, reported sales in November being almost double those of the same month in 1932, though about one-third smaller than in October this year. Activity in parts and accessories continued the downward trend which commenced in the late summer.

November sales of new passenger cars by the reporting dealers were 60.5 per cent larger than during the same month in 1932, and 29 per cent less than the October total this year. Inventories decreased rather sharply, dealers deferring purchases until new models appear. Stocks of new passenger cars in dealers' hands on December 1 were 14 per cent smaller than a month earlier and 22 per cent greater than on December 1, 1932. The used car market reflected the general trend noted in new vehicles. November sales of secondhand cars were 12 per cent smaller than in October, but 45 per cent in excess of the November, 1932, total. Salable secondhand cars on hand on December 1 were 5 per cent and 24 per cent larger, respectively, than a month and a year earlier. Deferred payment sales in November by dealers reporting on that item constituted 44 per cent of their total sales, which compares with 46 per cent in October and 49 per cent in November, 1932.

### 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	
	Nov. 1933 comp. to Nov. 1932	11 months ended Nov. 30, 1933 to same period 1932	Nov. 30, 1933 comp. to Nov. 30, 1932	Jan. 1, to Nov. 30, 1933	Nov. 30, 1932
Evansville .....	+ 7.3%	- 5.1%	- 2.5%	1.14	.99
Little Rock..	+12.4	- 9.7	+13.4	1.89	1.98
Louisville .....	+10.3	- 9.9	- 3.2	2.64	2.24
Memphis .....	+11.0	- 7.1	+ 5.4	2.66	2.62
Quincy .....	+14.1	- 8.3	- 3.3	2.14	1.99
St. Louis.....	+ 4.9	- 6.0	+10.1	3.12	3.13
Springfield ..	+16.2	-13.5	-13.4	1.26	1.16
8th District..	+ 4.6	- 6.9	+ 7.2	2.82	2.76

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Nov. 1933 comp. to Nov. 1932	11 months ended Nov. 30, 1933 to same period 1932	Nov. 30, 1933 comp. to Nov. 30, 1932	Jan. 1, to Nov. 30, 1933	Nov. 30, 1932
Men's Furnishings .....	+ 8.8%	- 4.9%	+17.4%	2.74	2.56
Boots and Shoes .....	-11.7	-13.7	-18.7	2.67	2.35

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in November was 34.6 per cent less than in October,

and 149 per cent more than in November, 1932. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in November amounted to \$9,677,726 which compares with \$10,507,619 in October and \$9,228,107 in November, 1932. Production of portland cement for the country as a whole in November totaled 4,672,000 barrels against 5,037,000 barrels in October, and 6,462,000 barrels in November, 1932. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	101	76	\$ 11	\$ 21	34	19	\$ 8	\$ 3
Little Rock ..	10	9	1	4	56	48	8	12
Louisville ..	34	41	29	52	12	12	32	29
Memphis ...	107	65	210	45	93	80	41	31
St. Louis....	111	90	280	91	123	114	65	58
Nov. totals..	363	281	\$ 531	\$ 213	318	273	\$ 154	\$133
Oct. " ..	482	456	812	1,063	466	490	243	247
Sept. " ..	488	528	475	545	666	472	460	200

\*In thousands (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 November as being about 13.7 per cent less than in October and 3.7 per cent more than in November, 1932. Detailed figures follow:

	No. of Customers	Nov., 1933	Oct., 1933	Nov. 1933 comp. to Oct. 1933	Nov., 1932	Nov. 1933 comp. to Nov. 1932
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ...	40	1,321	1,505	-12.2%	1,376**	-3.9%
Little Rock..	35	1,332	1,547	-13.9	1,167	+14.1
Louisville ...	85	5,712	7,353	-22.3	5,302**	+7.7
Memphis .....	31	1,502	1,427	+5.3	1,334	+12.6
St. Louis.....	193**	15,545	17,611**	-11.7	15,331**	+1.4
Totals .....	384	25,412	29,443	-13.7	24,509	+3.7

\*In thousands (000 omitted).  
\*\*Revised figures.

### AGRICULTURE

The report of the U. S. Department of Agriculture, based on December 1 conditions, shows no marked changes in production of leading Eighth District crops as compared with the forecasts made a month earlier. Weather conditions in late November and early this month have been favorable for agricultural operations of all descriptions, and ordinary farm routine in all sections of the district is well up to schedule. Preparations for next season's crops is further advanced than usual at this time. This is true particularly in the south, where plowing of cotton and rice land has made considerable progress. Fall planted crops, notably wheat and rye, are in the main, in strong position for entering the cold weather. Threshing of rice had been completed by the first of December, and the movement to mills has been heavy. Markets in the burley tobacco districts opened in the third week of December, but offerings were light, due to unfavorable weather for preparing the leaf. Initial prices were disappointing to producers; some markets were temporarily sus-

pending, and rejections of prices offered were universally heavy. Livestock has generally maintained the high average condition which has prevailed throughout the year, but prices continued depressed, with hogs reaching the lowest levels for eleven months in mid-December.

With the exception of livestock, results from agricultural operations this season have been the most favorable in a number of years. Prices of the principal crops have been measurably higher than a year ago, and in addition to returns from products sold, raisers of wheat, cotton and corn have benefited financially through payments by the Government in furtherance of its curtailment program and stabilization loans. Universally through the district crop production loans have been almost entirely liquidated, and there has been considerable liquidation of other indebtedness by farmers.

In its December 1 report the U. S. Department of Agriculture estimates the total farm value of the 64 principal 1933 crops in states partly or entirely in the Eighth Federal Reserve district at \$767,605,000, an increase of 44.4 per cent over the preceding year and a decrease of 10 per cent under the 1931 estimate. Estimated value for the three years by states is given in the following table:

	1931	1932	1933
Indiana .....	\$113,807,000	\$ 64,661,000	\$ 91,918,000
Illinois .....	202,562,000	117,241,000	158,653,000
Missouri .....	131,128,000	82,655,000	121,969,000
Kentucky .....	92,717,000	67,902,000	94,585,000
Tennessee .....	88,805,000	63,413,000	101,091,000
Mississippi .....	99,195,000	66,637,000	101,456,000
Arkansas .....	107,199,000	68,651,000	97,933,000
Totals .....	\$855,413,000	\$531,160,000	\$767,605,000

These estimates are based on the December 1 farm price, except for some early marketed crops for which price for the marketing season is used.

**Live Stock**—Mild weather favored the condition of livestock generally throughout the district. Pastures have remained serviceable later into the season than usual, which is fortunate because of the shortage and relatively high prices of prepared feeds. The favorable physical condition of herds, however, is offset by continued low prices of cattle and hogs. Under liberal receipts, prices of swine in mid-December declined to the lowest point in eleven months. Reports from scattered localities are to the effect that prices realized on cattle and hogs have been below cost of producing and shipping.

Shipments of stocker and feeder cattle into the Corn Belt states in November were larger than the relatively light shipments for that month in 1932, and were relatively large in relation to total shipments for the five months, July to November. The total, however, was below the 5-year average (1928-1932) for November and the third smallest for that month in fifteen years. The year's total is the smallest for the fifteen years for which records are available.

The declining prices of stocker and feeder steers during October and November caused many raisers of such cattle in range states to seek outlets in the Corn Belt where they could have their cattle fed, on shares, in hopes of increasing net returns. While there has been some movement of such cattle to feed lots, the relatively high level of corn prices in relation to cattle prices has had the effect of limiting the Corn Belt demand for cattle to be fed, on shares.

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

	Receipts			Shipments		
	Nov., 1933	Oct., 1933	Nov., 1932	Nov., 1933	Oct., 1933	Nov., 1932
Cattle and Calves.....	100,660	140,475	85,145	47,424	69,880	53,269
Hogs .....	264,687	182,880	197,391	132,231	134,481	166,530
Horses and Mules.....	9,452	9,281	2,473	9,413	9,327	3,304
Sheep .....	41,933	49,438	44,736	7,791	10,259	7,676

**Cotton** — In its report, based on conditions as of December 1, the U. S. Department of Agriculture estimates the cotton crop of states partly or entirely within the Eighth District at 2,950,000 bales, a decrease of 98,000 bales under the November 1 forecast, and comparing with 3,280,000 bales produced in 1932 and 4,555,000 bales in 1931. Throughout November and early this month, weather remained auspicious for harvesting the remnant of the crop and very little cotton remains in the fields. Unusually small stocks are stored on premises of producers, and gins are completing their season's work much earlier than is ordinarily the case. Ginning returns continue to show relatively high quality. Taken as a whole the season was very favorable for production of cotton, and results obtained by planters have been better than in a number of years. Because of higher prices, participation by farmers in acreage reduction and recent efforts toward stabilization through Government loans of 10c per pound on cotton, growers in many sections are in possession of more money, and liquidation of indebtedness has been in considerable volume. Production loans for the 1933 crop have been largely paid off. Already much interest is being manifested in crop programs for 1934. Weather has been ideal for advance work, and in many important producing areas, preparations on December 1 for next year's cotton crop were further along than was the case last March, for this year's crop. Demand for raw cotton was affected by mid-season dullness, and there was a decline in the volume of sales. Withholding from the market of their stocks by planters as a result of the 10c per pound loan was another factor in the reduced volume of sales. Prices fluctuated within a narrow range and continued well above levels obtaining a year and two years ago. In the St. Louis market the middling grade ranged

from 9.50c per pound to 9.90c per pound between November 16 and December 15, closing at 9.80c on the latter date, which compares with 9.90c on November 16, and 5.45c on December 15, 1932. Receipts at Arkansas compresses from August 1 to December 8, totaled 867,129 bales, against 982,116 bales during the corresponding period last year. Stocks on hand as of December 8 were 659,008 bales, against 614,307 bales on November 10 and 741,763 bales on the corresponding date in 1932.

**Tobacco**—Production of all types of tobacco in the Eighth District in 1933 is estimated by the U. S. Department of Agriculture at 308,516,000 pounds, which compares with 261,218,000 pounds harvested in 1932, and a 10-year average (1923-1932) of 308,565,000 pounds. The market for the sale of the 1933 crop of burley tobacco opened at Lexington, Ky., on December 11, but due to the long spell of dry weather deliveries were relatively light; estimated at about 8,000,000 pounds, whereas normally the floors are filled to capacity with about 15,000,000 pounds. Initial sales averaged \$13.80 per 100 pounds, as compared with \$12.65 on the opening date last year. Other burley markets in the District opened on December 12, and sales generally showed declines under those at the opening in 1932. Considerable dissatisfaction was expressed by producers, sales being temporarily suspended at several markets, and rejections were universally large. Some uncertainty is felt by both growers and purchasers relative to possible action by the Government regarding prices. Plans are being formulated for curtailment of the 1934 crop.

Definite announcement of opening dates of markets in the dark tobacco districts has been delayed because only a small amount of leaf has been prepared for delivery due to dry weather.

**COMMODITY PRICES**

Range of prices in the St. Louis market between December 15, 1933 and November 15, 1933 with closing quotations on the latter date and December 15, 1932, follow:

	High	Low	Close	
			Dec. 15, 1933	Dec. 15, 1932
Wheat				
Dec. ....Per bu..	\$.91½	\$.81	\$.82¾	\$.46½
May .....	\$.94½	\$.83½	\$.85	\$.47½
No. 2 red winter ..	\$.94½	\$.84	\$.86½	\$.47
No. 2 hard .....	\$.98½	\$.84	\$.85¾	\$.46½
Corn				
*Dec. ....	\$.48½	\$.42¼	\$.44½	\$.22¼
*May .....	\$.55½	\$.49½	\$.51¾	\$.26¾
*July .....	\$.57½	\$.51½	\$.53	\$.28½
No. 2 mixed .....	\$.48	\$.43	\$.48	\$.22¼
No. 2 white .....	\$.50½	\$.45	\$.50	\$.24¾
Oats				
No. 2 white .....	\$.38½	\$.34	\$.36	\$.17
Flour				
Soft patent.....per bbl.	6.80	6.00	6.20 @ 6.70	2.50 @ 3.15
Spring " .....	7.10	6.10	6.20 @ 6.70	3.65 @ 3.90
Middling cotton.....per lb.	.0990	.0950	.0980	.0545
Hogs on hoof.....per cwt.	4.25	1.75	2.25 @ 3.35	2.15 @ 2.35

\*Nominal quotations.

## FINANCIAL

Demand for credit for industrial and commercial purposes continued extremely quiet in the Eighth District during the past thirty days, and generally the banking and financial situation showed little change as contrasted with the similar period immediately preceding. Liquidation among major mercantile and manufacturing lines in the principal cities was in large volume, reflecting generally good collections. There were also heavy payments of loans based on agricultural products, particularly in the typical cotton and rice growing areas. Grain and flour milling interests considerably reduced their commitments, due to smaller inventories and the decline in wheat prices. The total of this class of loans, however, continues measurably larger than at the corresponding period a year and two years earlier. Markets in the burley tobacco districts opened in the third week of December, but due to small offerings and dissatisfaction with prices, relatively little leaf sold, with the result that there has been scant liquidation of tobacco loans. Interest rates remained at the low levels which have obtained during the past several months.

Total loans of reporting member banks in the principal cities on December 13 were slightly greater than on November 15, but 5 per cent less than on the corresponding report date in 1932. Total deposits increased 8.2 per cent from November 15 to December 13, and on the latter date recorded a new high point for the year. Reserve balances continued to increase, and at mid-December were 25 per cent and 92 per cent greater, respectively than a month and a year earlier. Total investments showed practically no change during the four-week period.

Borrowings of all member banks from the Federal reserve bank continued in small volume between November 15 and December 15, and throughout that period were substantially less than a year ago. Total credit extended by the Federal reserve bank increased from \$95,024,000 to \$100,275,000 in the month ended December 15, the gain being due entirely to expansion in the volume of bills purchased. The seasonal demand for currency was reflected in a moderate increase in this bank's note circulation.

At St. Louis banks, as of the week ended December 15, current rates were as follows: Customers' prime commercial paper, 3 to 5½ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 2¼ to 5½ per cent; interbank loans, 5 to 5½ per cent and cattle loans 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on December 13, 1933,

showed an increase of 0.5 per cent as contrasted with November 15, 1933. Deposits increased 3.5 per cent between November 15, 1933 and December 13, 1933 and on the latter date were 5.3 per cent greater than on December 14, 1932. Composite statement follows:

	*Dec. 13, 1933	*Nov. 15, 1933	*Dec. 14, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$ 92,712	\$ 87,055	\$104,594
All other loans and discounts.....	147,465	152,000	148,535
Total loans and discounts.....	\$240,177	\$239,055	\$253,129
Investments			
U. S. Government securities.....	143,214	142,356	109,286
Other securities.....	100,892	101,687	108,890
Total investments.....	\$244,106	\$244,043	\$218,176
Reserve balance with F. R. Bank..	67,633	54,102	35,182
Cash in vault.....	10,003	8,993	6,514
Deposits			
Net demand deposits.....	313,361	289,714	279,437
Time deposits.....	67,633	158,694	181,260
Government deposits.....	20,552	25,700	4,994
Total deposits.....	\$490,527	\$474,108	\$465,691
Bills payable and rediscounts with Federal Reserve Bank.....	180	180	550

\*In thousands (000 omitted).

**Federal Reserve Operations**—During November, the Federal Reserve Bank of St. Louis discounted for 51 member banks against 64 in October and 200 in November, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Dec. 15, 1933	*Nov. 15, 1933	*Dec. 15, 1932
Bills discounted .....	\$ 1,475	\$ 1,427	\$ 8,029
Bills bought .....	5,440	242	.....
U. S. Securities.....	93,200	93,200	66,156
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks.....	160	155	974
Total Bills and Securities.....	\$100,275	\$ 95,024	\$ 75,159
Total Reserves.....	\$171,424	\$166,082	\$ 99,560
Total deposits.....	109,738	99,184	60,043
F. R. Notes in circulation.....	144,162	142,903	102,981
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.5%	68.6%	61.1%

\*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 account of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Nov., 1933	*Oct., 1933	*Nov., 1932	Nov. 1933 comp. to Oct. 1933	Nov. 1932
East St. Louis & Natl.					
Stock Yards, Ill. \$	18,420	\$ 20,230	\$ 16,342	— 8.9%	+12.7%
El Dorado, Ark.....	2,925	3,375	2,968	—13.3	— 1.4
Evansville, Ind.....	13,373	14,124	13,785	— 5.3	— 3.0
Fort Smith, Ark.....	7,905	8,326	6,668	— 5.1	+18.6
Greenville, Miss.....	4,050	4,063	2,641	— 0.3	+53.4
Helena, Ark.....	2,279	2,115	1,744	+ 7.8	+30.7
Little Rock, Ark.....	18,076	18,596	16,530	— 2.8	+ 9.4
Louisville, Ky.....	105,642	115,144	95,081	— 8.3	+11.1
Memphis, Tenn.....	125,333	130,252	83,560	— 3.8	+50.0
Owensboro, Ky.....	2,351	2,634	2,375	—10.7	— 1.0
Pine Bluff, Ark.....	5,978	6,695	5,193	—10.7	+15.1
Quincy, Ill.....	4,171	5,036	4,880	—17.2	—14.5
St. Louis, Mo.....	376,550	418,292	353,915	—10.0	+ 6.4
Sedalia, Mo.....	1,141	1,300	1,154	—12.2	— 1.1
Springfield, Mo.....	8,348	9,165	8,306	— 8.9	+ 0.5
**Texarkana, Ark.-Tex.....	5,064	5,225	4,963	— 3.1	+ 2.0
Totals .....	\$701,606	\$764,572	\$620,105	— 8.2	+13.1

\*In thousands (000 omitted).

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

(Compiled December 23, 1933)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of January 31, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

**C**ONTINUING the trends noted during the similar period immediately preceding, general business and sentiment in the Eighth District during the past thirty days developed quite decided improvement. Reports relative to trade, both retail and wholesale, were on the whole the most favorable since last summer. In industry seasonal influences making for curtailment of activities were less in evidence than a year and two years earlier, and in certain lines were conspicuously absent. Resumption of activities at numerous manufacturing establishments following the holiday and inventorying period was more rapid than is ordinarily the case. The considerable inventories acquired by merchants during the summer and early fall of 1933 were heavily reduced by the holiday trade and generally freer buying of a routine sort by the public. Since January 1 there has been a well defined disposition to replenish, as reflected in orders placed with producers and the wholesale and jobbing interests. In all lines investigated by this bank except clothing, the volume of December business was in excess of that during the same period in 1932, and in a number of instances, greater than in December, 1931.

The movement of seasonal merchandise, which had been retarded by unusually mild weather in the fall and early winter, was greatly stimulated by the drop in temperatures during the last half of December. The holiday trade generally through the district, but more particularly in the south, was in considerably larger volume than a year ago. Sales of automobiles in December showed the usual decline from November, but were measurably larger than during the closing month of 1932. Consumption of electricity by industrial plants in the principal cities of the district in December was greater than for the same month during the preceding year. Activities in the iron and steel industry declined in less than the usual amount in December, and shipments of pig iron to district melters reached the highest total for that month since 1929. Production of bituminous coal in fields of the district declined slightly from November to December, and

the output for the latter month was moderately smaller than a year earlier.

Weather conditions throughout the district were unusually favorable for agriculture during the fall and early winter. Late crops were harvested and housed with a minimum loss of quantity and quality. In all sections, but more particularly in cotton areas, plowing and preparations for spring crops are considerably in advance of the usual seasonal schedule. Markets for the 1933 tobacco crops opened in late December and early this month, with generally liberal offerings. Due to dissatisfaction of producers with prices, however, sales were temporarily suspended, and the crop is slow in moving into consumptive channels. The trend of cotton prices continued upward, and at the middle of January scored a new high on the present crop. Prices of wheat, corn and oats also advanced sharply in the third week of January, practically recovering the losses sustained during December. Cattle and hogs remained at or about the low levels which have obtained in recent months.

The volume of retail trade in December, as indicated by sales of department stores in the chief cities of the district, was 15.9 per cent greater than for the same month in 1932, and 52.8 per cent larger than the November, 1933, total; cumulative total for the twelve months of 1933 was 4.1 per cent smaller than in 1932. Combined December sales of all wholesaling and jobbing firms reporting to this bank were 31 per cent smaller than in November, but 29 per cent greater than in December, 1932; cumulative sales of these firms in 1933 were larger by 18 per cent than in 1932. The dollar value of permits issued for new construction in the five largest cities of the district in December was 45.8 per cent smaller than in November and 148.3 per cent more than in December, 1932; for the year, value of permits was larger by 88.9 per cent than in 1932. Construction contracts let in the Eighth District in December exceeded those of the preceding month by 309 per cent and the total was 106.5 per cent larger than in December, 1932; for the year, the total increased 5.4 per cent over that of the pre-

ceding twelve months. Debits to checking accounts in December were 8.6 per cent and 10.7 per cent greater, respectively than a month and a year earlier; total debits for 1933 were 11.2 per cent smaller than the 1932 aggregate.

Freight traffic of railroads operating in this district, according to officials of the companies, declined in considerably less than the usual seasonal volume in late December. In some classifications the expected recession was entirely absent. As a result of the better than seasonal showing, total loadings for the year 1933 exceeded those of the preceding twelve-month period by a slight margin, though the total was still considerably below those recorded in 1931, 1930 and 1929. Mild weather prevailing through the early winter tended to restrict the movement of seasonal commodities, notably fuels. For the country as a whole, loadings of revenue freight in 1933 totaled 19,446,718 cars, against 18,518,905 cars in 1932 and 24,583,757 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 61,258 loads in December, which compares with 64,684 loads in November and 59,513 loads in December, 1932. During the first nine days of January the interchange amounted to 17,881 loads, against 17,179 loads during the corresponding period in December and 15,208 loads during the first nine days of January, 1933. In 1933 there were 828,320 loads interchanged against 816,732 loads in 1932. Passenger traffic of the reporting lines decreased 7 per cent in December as compared with the same month in 1932. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 105,700 tons, against 97,457 tons in November, and 93,766 tons in December, 1932. Tonnage handled during 1933 totaled 1,205,916 tons, which compares with 1,292,983 tons in 1932 and 1,170,319 tons in 1931.

The steady improvement in collections, noted during the past several months, continued in December and the first half of January. Particularly favorable results were reported in the south, where higher cotton and rice prices have enabled producers of these commodities to considerably reduce their indebtedness to both merchants and banks. Delays in the marketing of tobacco, occasioned by unsatisfactory prices, unusually heavy rejections and temporary suspension of sales, have tended to restrict liquidation in sections where tobacco is the principal cash crop. January settlements with wholesalers in the main distributing centers were reported generally satisfactory, and measurably larger than a year ago. Answers to questionnaires addressed to

representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
December, 1933.....	8.2%	32.8%	55.7%	3.3%
November, 1933.....	8.6	33.6	53.9	3.9
December, 1932.....	2.0	14.6	54.6	28.8

Commercial failures in the Eighth Federal Reserve District in December, according to Dun and Bradstreet, numbered 32, involving liabilities of \$523,615, against 47 defaults in November with liabilities of \$578,883, and 114 insolvencies for a total of \$1,833,530 in December, 1932. In 1933 there were 795 failures with liabilities of \$15,443,137 which compares with 1,507 failures in 1932 for a total of \$45,568,526 and 1,676 defaults with liabilities of \$41,037,704 in 1931.

Money in circulation in the United States on December 31, 1933, was \$5,804,469,600, which compares with \$5,742,492,685 on November 30, 1933, and \$5,274,941,484 on December 31, 1932.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes**—There was the usual seasonal contraction in volume of business from November to December, but the decrease was smaller than the average during the past decade. Total sales of the reporting firms in December were about one-half smaller than in November, but 28 per cent greater than for December, 1932. Stocks on January 1 were greater by 54 per cent than a month earlier, but 4 per cent smaller than on January 1, 1933. In the yearly sales comparison increases were general through the entire line, but most pronounced in better grades of footwear and specialties, including sport shoes. As compared with the preceding thirty days, there were no price changes worthy of note, but the general level averages about 15 per cent higher than a year ago, according to estimates of several leading firms. Eighth District production in December was about 5 per cent below the November total, but approximately 10 per cent greater than in December, 1932.

**Clothing**—According to the reporting clothiers, business during the past thirty days shows considerable spottiness and irregularity. Increases in volume over a year ago are shown by some firms, while others report smaller sales. The average of all firms in December was below that of a year earlier, also less than the November, 1933 total. The decrease in the month-to-month comparison is seasonal in character. Demand for work clothes was fairly well maintained and well over the same time a year and two years earlier. The movement of heavy apparel through retail channels was retarded during the early winter by unusually mild weather,

and reordering of merchandise in this category has been in smaller volume than is ordinarily the case. Stocks on January 1 were 11 per cent and 60 per cent larger, respectively, than a month and a year earlier.

**Drugs and Chemicals** — Improvement in the movement of seasonal merchandise was in large measure responsible for an increase of 25 per cent in December sales of the reporting firms over the preceding month, and of 33 per cent over the December, 1932, total. December was the sixth consecutive month in which sales exceeded those of the corresponding period a year earlier. Stocks on January 1 were 5 per cent smaller than a month earlier, and about 5 per cent greater than a year ago. Purchasing of holiday goods was reported in heavier volume than last year.

**Dry Goods** — December sales of the reporting firms were 40 per cent smaller than in November but nearly one-fourth greater than the December, 1932 total. The decline from November to December is seasonal, December being normally the month of smallest sales of the year. Inventories increased 11 per cent between December 1 and January 1, and on the latest date were 67 per cent greater than a year ago. Retail stocks generally were much reduced by the holiday trade, and since January 1 the volume of ordering has been in large volume, and covers a broader variety of merchandise than last year. The number of visiting merchants in the chief distributing centers during early January according to reporting dry goods houses was the largest since 1931.

**Electrical Supplies** — December sales of the reporting firms were the largest for any single month since 1931, being about 58 per cent larger than the same period in 1932 and 52.5 per cent greater than the November, 1933 total. Inventories decreased 12 per cent between December 1 and January 1, and on the latest date were 6 per cent larger than a year earlier. The increase in the month-to-month sales comparison is seasonal in character, but its extent was considerably greater than the average in recent years.

**Flour** — Production at the twelve leading mills of the district in December was 250,432 barrels, against 270,303 barrels in November, and 261,298 barrels in December, 1932. Moderate improvement in the general demand was noted during the first half of January, but for the most part, buyers are still operating on a conservative basis. Export inquiries were in slightly larger volume, but bids from abroad are still below views of producers in

this area. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — Sales of the reporting firms in December showed less than the usual seasonal decrease from November, and an increase of 58 per cent over the corresponding month in 1932. Incidentally the December total was the largest for the period since 1929. During each successive month since last March, the reporting group of firms has recorded an increase over the same period a year earlier. Inventories on January 1 were 8 per cent and 64 per cent larger than a month and a year earlier, the heavy gain in the yearly comparison being due in large part to higher prices, the advance being variously estimated from 20 to 30 per cent. Orders booked at the annual furniture markets at Chicago and Grand Rapids in January were generally reported to be in substantially larger volume than a year ago.

**Groceries** — Further improvement in this classification was noted, both as compared with the preceding month and a year ago. December sales of the reporting firms were 18 per cent larger than for the same month in 1932, and 5 per cent above the November, 1933 total. Stocks on January 1 were 1 per cent and 20 per cent larger, respectively, than a month and a year earlier. Belated ordering of holiday goods and a considerable volume of reordering of such merchandise helped to bolster the December sales' total.

**Hardware** — Sales of the reporting interests in December were the largest for the period since 1929, and for the eighth successive month were larger than for the corresponding period a year earlier. Reports covering the first half of January indicate a continuance of the upward trend in sales. Business was stimulated by public works projects, demand of shovels, wheelbarrows, crowbars, axes and similar commodities being greater in many instances than could be accommodated. Sales of holiday goods were in larger volume than during the two preceding years. December sales of the reporting firms were approximately one-half larger than for the same month in 1933, and only a shade below the November, 1933, total. Inventories on January 1 were 3 per cent smaller than a month earlier and 19 per cent greater than a year ago, the increase in the yearly comparison being due partly to higher prices.

**Iron and Steel Products** — The usual slowing down in activities in the iron and steel industry, which marks the final month of the year and the holiday and inventorying period, was considerably less pronounced than a year and two years earlier.

Certain phases of the industry failed to reflect the seasonal trend, notably the movement of raw and finished materials to consuming plants. This was due in large measure to the desire on the part of interests having contracts to get in the materials prior to January 1, on which date under code provisions, contracts for last quarter of 1933 expired. December movement of pig iron to melters in this area was the largest for the month since 1929, and topped the November total by a substantial margin. Shipments of metallurgical coke and scrap were also in large volume. Stove plants were active later into the season than is ordinarily the case, and several with special mail order house contracts, worked continuously except on Christmas and New Year. Jobbing foundries reported rather spotted conditions, some having sufficient miscellaneous work to keep them active on part-time schedules, while others closed down in the final week of December to remain idle until the middle of January. Iron and steel warehouses sustained a decrease in business during December under the preceding month, but a measurable gain over the corresponding period in 1932. Moderate profits were realized in 1933 by certain jobbing interests reporting to this bank, thus reversing conditions of the preceding year. Prices of raw materials were strong. Recent heavy shipments of pig iron have served to reduce furnace stocks, and a general scarcity of scrap was reflected in a sharp advance in all grades. Heavy melting steel advanced to the highest levels since last summer. Contrary to the seasonal trend, production of pig iron for the country as a whole increased in December as compared with November. Total December output of 1,192,136 tons, according to the magazine "Steel", compares with 1,083,740 tons in November and 547,179 tons in December, 1932. Production for the year 1933 amounted to 13,221,707 tons, against 8,674,067 tons in 1932 and 18,263,011 tons in 1931. Steel ingot production in the United States in December totaled 1,819,648 tons, against 1,540,882 tons in November and 861,034 tons in December, 1932. In 1933 production amounted to 22,878,571 tons against 13,322,833 tons in 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in December was 84,045, against 63,904 in November, and 107,403 in December, 1932.

December is ordinarily the month of smallest distribution of automobiles in the Eighth District, and, according to dealers reporting to this bank, the period in 1933 was no exception. The extent of

the decrease from November to December was considerably larger than the average during the past decade, due partly to heavier than ordinary sales in November and to the fact that prospective purchasers of passenger cars were inclined to await the appearance of new models early this year before filling their requirements. For the seventh successive month, however, December sales were in excess of the corresponding period a year earlier. Total sales of the reporting dealers in 1933 were 19 per cent greater than for 1932, though 40 per cent below the average sales during the past eight years. In the December sales comparison with a year ago, increases were more marked in the case of dealers handling cheap and medium-priced cars.

December sales of new passenger cars by the reporting dealers were 12 per cent greater than for the same month in 1932, but 38 per cent below the November, 1933 total. Inventories are universally light, and dealers are in good condition for handling the new models when placed on the market. Stocks of new passenger cars on dealers' floors on January 1 were 12 per cent smaller than a month earlier and about one-third smaller than on January 1, 1933. The same general trends were noted in the used car market as that for new vehicles. December sales of secondhand cars were 8 per cent smaller than in November, and 26 per cent larger than in December, 1932. Stocks of salable used cars on hand varied only slightly between December 1 and January 1, and on the latest date were 10 per cent greater than a year earlier. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in December was 48 per cent, against 44 per cent in November and 55 per cent in December, 1932.

### 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	
	Dec. 1933 comp. to Dec. 1932	12 months ended Dec. 31, 1933 to same period 1932	Dec. 31, 1933 comp. to Dec. 31, 1932	Jan. 1, to Dec. 31, 1933	1932
Evansville	+13.4%	-2.6%	-1.9%	1.34	1.15
Little Rock	+33.9	-4.7	+14.7	2.25	2.26
Louisville	+1.9	-8.3	+0.6	3.10	2.64
Memphis	+26.0	-2.9	-0.3	3.19	3.02
Quincy	+32.2	-3.3	+2.3	2.58	2.31
St. Louis	+14.1	-3.6	+10.1	3.63	3.60
Springfield	+16.5	-9.9	-13.5	1.50	1.33
8th District	+15.9	-4.1	+6.8	3.30	3.18

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Dec. 1933 comp. to Dec. 1932	12 months ended Dec. 31, 1933 to same period 1932	Dec. 31, 1933 comp. to Dec. 31, 1932	Jan. 1, to Dec. 31, 1933	1932
Men's Furnishings	+25.4%	-1.2%	+25.0%	3.22	2.97
Boots and Shoes	+0.2	-12.4	-25.9	3.01	2.61

### POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 18.8 per cent in combined postal receipts for the final quarter of 1933 over the preceding three months, and a decrease of 7 per cent as contrasted with the last quarter of 1932. Detailed figures follow:

	For Quarter Ended				Dec. 1933 comp. to Dec. 1932
	Dec. 31, 1933	Sept. 30, 1933	June 30, 1933	Dec. 31, 1932	
Evansville....	\$ 130,008	\$ 139,549	\$ 136,219	\$ 139,826	- 7.0%
Little Rock....	171,715	153,540	148,486	179,505	- 4.3
Louisville ....	617,313	540,284	586,831	644,721	- 4.3
Memphis .....	543,508	448,329	447,551	543,380	-.02
St. Louis.....	2,562,155	2,107,190	2,396,873	2,818,143	- 9.1
Totals .....	\$4,024,699	\$3,388,892	\$3,715,960	\$4,325,575	- 7.0

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 12 per cent smaller than in November and 10.4 per cent larger than in December, 1932. Detailed figures follow:

	No. of Custom- ers	Dec.,	Nov.,	Dec. 1933	Dec.,	Dec. 1933
		1933	1933	comp. to	1932	comp. to
		*K.W.H.	*K.W.H.	Nov. 1933	*K.W.H.	Dec. 1932
Evansville ...	40	1,443	1,321	+ 9.2%	1,484**	- 2.8%
Little Rock..	35	1,235	1,332	- 7.3	1,158	+ 6.6
Louisville ...	85	5,315	5,712	- 7.0	5,026**	+ 5.8
Memphis .....	31	1,806	1,502	+20.2	1,290	+40.0
St. Louis.....	196**	12,560	15,585**	-19.4	11,299**	+11.2
Totals .....	387	22,359	25,452**	-12.2	20,257**	+10.4

\*In thousands (000 omitted).  
\*\*Revised figures.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in December was 45.8 per cent less than in November, and 148.3 per cent more than in December, 1932. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in December amounted to \$19,986,036 which compares with \$9,677,726 in November and \$4,886,658 in December, 1932. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	5	70	\$ 2	\$ 6	84	11	\$ 21	\$ 5
Little Rock	8	7	1	1	33	36	6	7
Louisville ..	16	14	31	17	11	15	12	15
Memphis ...	95	94	201	59	66	123	26	62
St. Louis....	51	27	53	33	94	84	62	39
Dec. totals..	175	212	\$ 288	\$ 116	288	269	\$ 127	\$128
Nov. " ..	363	281	531	213	318	273	154	133
Oct. " ..	482	456	812	1,063	466	490	243	247

\*In thousands (000 omitted).

### AGRICULTURE

Taken as a whole the winter to date in the Eighth District has been favorable for agricultural activities and development of fall sown crops. Abnormally high temperatures prevailed during

most of December, the first really cold weather of the season being experienced in the last week of that month. Farmers were able to complete the final stages of harvesting and housing late crops under unusually auspicious conditions, and routine farm operations have been brought well up to the seasonal schedule. Considerable headway has been made in plowing for spring crops, especially in the cotton and rice areas. Precipitation during the early winter was below normal, but the deficiency has been partially made up by rains and snows since January 1. For the most part winter wheat fields in the northern stretches of the district had adequate snow protection and indications are for exceptionally light damage from winter killing.

**Winter Wheat**—The area of winter wheat seeded last fall in states of the Eighth District was 5,731,000 acres, an increase of 7.1 per cent and 8.7 per cent, respectively, over the seedings in the fall of 1932 and the fall of 1931. In the principal producing states, the December condition was equal to or higher than a year ago. Due mainly to curtailment efforts by the Agricultural Adjustment Administration, seedings last fall in the country as a whole were smaller by 4 per cent than the revised estimate of acreage seeded in the fall of 1932 and 7.2 per cent less than the revised average acreage seeded (1929-1931) for crops harvested 1930 to 1932. Wheat stocks on farms of Eighth District states as of January 1 were 8.8 per cent smaller than a year earlier and 30.8 per cent less than the 4-year (1931-1934) average. Generally through the district, wheat was sown subsequent to fly-free dates and under favorable soil conditions. Germination has been fairly uniform and made a good start during October. November weather was adversely dry and in many sections was accountable for slow growth. Mild temperatures with light rains in December improved surface soil conditions and was beneficial to growth.

**Corn**—Stocks of corn on farms in states including the Eighth District on January 1 were estimated by the U. S. Department of Agriculture at 471,393,000 bushels, a decrease of 31 per cent under a year earlier and the smallest since January 1, 1931. Weather conditions in November and December were ideal for development of the crop, and harvesting and cribbing was accomplished earlier than average. Generally through the district fields are well cleaned up. Due to the mild winter, damage from frost was unusually light, and average quality of the crop is high. In states including the Eighth District the corn crop of 1933 is estimated by the

U. S. Department of Agriculture at 689,876,000 bushels, worth at December 1 farm prices, \$275,601,000. In 1932 these states produced 968,882,000 bushels, but due to low prices, the larger output had an estimated value of only \$181,181,000.

**Live Stock**—The favorable condition of live stock generally throughout the district which marked earlier months of the year, continued through December. Prices of cattle and hogs continued at or around the low levels which have prevailed in recent months, despite which fact the movement to market was in considerable volume. Feed crops in states of the Eighth District were short and prices relatively high. All tame hay production in these states in 1933 was estimated at 10,648,000 tons, with value of \$85,423,000 which compares with 11,086,000 tons in 1932, with estimated value of \$66,297,000.

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

	Receipts			Shipments		
	Dec., 1933	Nov., 1933	Dec., 1932	Dec., 1933	Nov., 1933	Dec., 1932
Cattle and Calves.....	87,443	100,660	65,695	41,192	47,424	38,559
Hogs .....	260,406	264,687	201,455	128,559	132,231	159,342
Horses and Mules.....	8,296	9,452	1,853	9,151	9,413	1,692
Sheep .....	35,435	41,933	43,869	7,749	7,791	12,209

The following table shows comparative receipts and shipments for the years 1931, 1932, and 1933:

	Receipts			Shipments		
	1933	1932	1931	1933	1932	1931
Cattle and Calves .....	1,118,339	1,064,438	1,170,781	552,441	631,826	755,140
Hogs .....	3,327,464	2,626,277	2,970,316	1,857,274	1,946,818	2,321,835
Horses and Mules .....	69,026	35,518	40,101	69,152	33,571	40,655
Sheep .....	658,652	710,905	660,897	145,562	197,033	220,027

**Cotton**—Production of cotton in the Eighth District in 1933, is estimated by the U. S. Department of Agriculture in its December report at 2,350,000 bales, with value of \$113,270,000 the value being based on December 1 farm prices. This compares with 2,635,000 bales in 1932, with value of \$75,256,000 and 3,597,000 bales worth \$109,529,000 in 1931. In addition to the larger proceeds from sales of their cotton, producers' incomes were considerably augmented by cash received for acreage plowed up, in connection with the Agricultural Administration's campaign for crop reduction and Government loans of 10c per pound. Until the final week in December, weather conditions were auspicious for field work, and plowing and general preparations for the new crop were considerably ahead of the average seasonal schedule. Activity in the raw cotton markets which developed early this year has continued through the first three weeks of January. Inquiries from both domestic consumers and exporters have shown marked improvement. Offerings continue relatively light, despite the upturn in prices. In the St. Louis market the middling grade ranged from

9.65c to 11.15c between December 15 and January 15, closing at 11.15c on the latter date, which compares with 9.80c on December 15, and 5.75c on January 16, 1933. Receipts at Arkansas compresses from August 1, 1933, to January 12, 1934, totaled 915,683 bales, which compares with 1,078,505 bales for the corresponding period a year earlier. Stocks on hand as of January 12 were 604,114 bales, against 659,008 bales on December 8, 1933, and 651,354 bales on January 13, 1933.

**Tobacco**—Sales at burley tobacco markets were resumed on January 8, following the marketing holidays, during which interval deliveries to loose leaf warehouses were heavy. On several markets lower prices were paid than in December, and dissatisfaction among growers caused a further suspension of sales. Elsewhere, however, prices realized were as high as when the season opened. At the middle of January considerable irregularity existed in burley prices.

The market for sale of dark fired tobacco at Clarksville, Tennessee opened on December 19, with average prices higher than a year ago. The dark fired markets at Hopkinsville, Ky., and Springfield, Tennessee, opened during the first week of January, with sales at Springfield at a general average of \$12 per 100 pounds, \$5 higher than early sales last year. Hopkinsville sales were relatively light, but at prices above a year ago. The western district markets opened the same week, with small offerings and somewhat higher prices than paid at initial sales in 1933. The one sucker and Green River markets opened the second week of January. In the former, leaf sold about the same levels as last year, but rehandling grades were from \$1 to \$2 higher and lugs \$2 to \$2.50 higher than paid for the 1932 crop. The average price at Green River sales was about \$1.50 higher than the opening a year ago.

**COMMODITY PRICES**

Range of prices in the St. Louis market between December 15, 1933, and January 15, 1934, with closing quotations on the latter date and on January 16, 1933, follow:

	High	Low	Close	
			Jan. 15, 1934	Jan. 16, 1933
Wheat				
May .....	.91	.82	\$.90½	\$.47½
July .....	.89	.82¾	.89	.47
No. 2 red winter .....	.92½	.82	.92½	\$.49½ @ .50
No. 2 hard .....	.90	.81	.90	.49½ @ .50
Corn				
*May .....	.54	.47½	\$.53½ @ .53¾	.25½
*July .....	.55¾	.49½	.55½ @ .55¾	.27½
*Sept. ....	.57	.53¾	.56¾	.28¾ @ .28¾
No. 2 mixed .....	.51¾	.48	.51¾	.24 @ .24½
No. 2 white .....	.51	.45¾	.51	.23¾ @ .24
Oats				
No. 2 white .....	.40	.35¾	.39½	.17¾ @ .17½
Flour				
Soft patent.....per bbl.	7.10	6.10	6.60 @ 7.10	3.10 @ 3.35
Spring " .....	7.10	6.10	6.60 @ 7.10	3.75 @ 4.00
Middling cotton.....per lb.	.1115	.0965	.1115	.0575
Hogs on hoof.....per cwt.	3.90	1.75	2.00 @ 3.50	2.10 @ 3.40

\*Nominal quotations.

## FINANCIAL

Save where affected by seasonal influences, Eighth District financial and banking conditions underwent only minor changes during the past thirty days. Throughout December and the first week of January, demand for credit from commercial and industrial sources continued quiet, but since then moderate improvement has taken place, particularly in the large cities. The call for funds from agricultural sections was seasonally light, and country banks reported a considerable volume of liquidation; in turn these banks further reduced their loans from city correspondents and the Federal reserve bank. The usual augmented demand for funds in late December to meet interest and dividend disbursements was in evidence, but this had no effect on the situation as a whole, amounting largely to a shifting of credits. Reflecting the advance in cereal prices since mid-January, some expansion in commitments of grain handling and flour milling interests is noted.

Reserve balances of reporting member banks in the principal cities continued the increase of recent months, and in the four-week period ended January 17, reached a new high record. Otherwise changes in the condition of these banks were negligible. Between December 20 and January 17, there was a decrease of 2.2 per cent in their total investments, due to smaller holdings of Government securities. A slight decline in total deposits was recorded, occasioned entirely by withdrawals of Government funds; customers' demand deposits increasing 2.6 per cent, and demand deposits 2 per cent.

Borrowings of all member banks from the Federal reserve bank fluctuated within a narrow range between December 18 and January 18, and through that period were uniformly greatly below a year earlier. The circulation of this bank decreased seasonally during the first half of January, reflecting the return flow of currency following the holidays.

The amount of savings deposits in selected banks on January 3 was 2 per cent less than on December 6, and 15 per cent less than on January 4, 1933.

Quotably interest rates were little changed from the preceding thirty days, but since the second week in January the trend has been firmer, bankers reporting more loans made at the major figures of spreads in the several classifications than heretofore. At St. Louis banks, as of the week ended January 15, current rates were as follows: Customers prime commercial paper, 3 to 5¼ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 2¼ to 6 per cent; interbank loans, 5 to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on January 17, 1934, showed a decrease of 3.5 per cent as contrasted with December 20, 1933. Deposits decreased 0.4 per cent between December 20, 1933 and January 17, 1934 and on the latter date were 4.8 per cent greater than on January 18, 1933. Composite statement follows:

	*Jan. 17, 1934	*Dec. 20, 1933	*Jan. 18, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$ 90,188	\$ 91,359	\$103,542
All other loans and discounts....	138,484	145,597	139,196
Total loans and discounts.....	\$228,672	\$236,956	\$242,738
Investments			
U. S. Govt. securities.....	143,820	149,463	125,934
Other securities.....	100,847	100,669	109,987
Total investments.....	\$244,667	\$250,132	\$235,921
Reserve balance with F. R. Bank..	70,352	60,573	41,059
Cash in vault.....	7,980	10,704	14,554
Deposits			
Net demand deposits.....	316,185	308,207	289,161
Time deposits.....	159,214	156,115	169,261
Government deposits.....	7,837	20,648	2,635
Total deposits.....	\$483,236	\$484,970	\$461,057
Bills payable and rediscounts with			
Federal Reserve Bank.....	230	180	3,100

\*In thousands (000 omitted).

**Federal Reserve Operations**—During December, the Federal Reserve Bank of St. Louis discounted for 55 member banks against 51 in November, and 197 in December, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Jan. 18, 1934	*Dec. 18, 1933	*Jan. 18, 1933
Bills discounted .....	\$ 1,226	\$ 1,454	\$ 9,023
Bills bought .....	4,383	5,097	.....
U. S. Securities.....	93,200	93,200	63,253
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks....	155	160	946
Total Bills and Securities.....	\$ 98,964	\$ 99,911	\$ 73,222
Total Reserves.....	\$183,955	\$168,021	\$143,901
Total deposits.....	127,699	105,471	68,379
F. R. Notes in circulation.....	138,372	144,900	137,085
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	69.1%	67.1%	70.0%

\*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.

	*Dec., 1933	*Nov., 1933	*Dec., 1932	Dec. 1933 comp. to Nov. 1933	Dec. 1932
East St. Louis and Natl.					
Stock Yards, Ill..\$	17,495	\$ 18,420	\$ 16,637	— 5.0%	+ 5.2%
El Dorado, Ark.....	3,654	2,925	3,306	+24.9	+10.5
Evansville, Ind.....	15,558	13,373	13,872	+16.3	+12.2
Fort Smith, Ark.....	7,577	7,905	6,711	— 4.1	+12.9
Greenville, Miss....	3,458	4,050	2,819	—14.6	+22.7
Helena, Ark.....	1,654	2,279	1,326	—27.4	+24.7
Little Rock, Ark....	19,154	18,076	17,712	+ 6.0	+ 8.1
Louisville, Ky.....	125,683	105,642	106,940	+19.0	+17.5
Memphis, Tenn.....	105,424	125,333	80,209	—15.9	+31.4
Owensboro, Ky.....	2,857	2,351	2,844	+21.5	+ 0.5
Pine Bluff, Ark....	4,494	5,978	4,385	—24.8	+ 2.5
Quincy, Ill.....	5,081	4,171	5,094	+21.8	— 0.3
St. Louis, Mo.....	447,680	376,550	438,060	+18.9	+ 2.2
Sedalia, Mo.....	1,443	1,141	1,462	+26.5	— 1.3
Springfield, Mo....	9,920	8,348	8,957	+18.8	+10.8
**Texarkana,					
Ark. Tex .....	5,585	5,064	5,026	+10.3	+11.1
Totals .....	\$776,717	\$701,606	\$715,360	+10.7	+ 8.6

\*In thousands (000 omitted).

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

(Compiled January 22, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of February 28, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

**P**RACTICALLY all measurements and indicators of business in the Eighth District during the past thirty days reflected marked improvement over the similar period immediately preceding and the corresponding time a year ago. Industrial production was larger in both comparisons, and distribution of commodities, both through retail and wholesale channels, was substantially larger than in 1933. Relatively the most favorable showing was made in wholesaling and jobbing lines, the total January volume, according to interests reporting to this bank, being the largest, with the exception of last May, since October, 1930. It will be recalled that the opening months of 1933 represented approximately the low point of the depression, also that since a year ago there has been a sharp advance in commodity prices. Increases in the volume of sales in January, however, are too great to be accounted for by these two factors, and indicate actual and substantial improvement. As exemplifying this, there may be cited increases this January over last in sales of boots and shoes, of 61 per cent; clothing more than 100 per cent; drugs and chemicals 28 per cent; dry goods 92 per cent; electrical supplies 100 per cent; stoves 70 per cent; furniture 47 per cent; groceries 36 per cent, and hardware 54 per cent.

The augmented volume of business has been accomplished by strengthening of confidence in the business community and among the public generally. Merchants are buying more freely and a broader variety of goods than at the same period during the preceding two or three years. Latest reports indicate that holiday trade was larger than early estimates and cut heavily into retail stocks, with the result that inventories were considerably reduced. Since the middle of January there has been a general disposition to replenish stocks and fill out assortments, also to order goods for late spring and summer, and as far ahead as fall distribution. Advance buying has been stimulated by belief in many quarters that the upturn in commodity prices may continue during later months of the year. While improvement has been most noticeable in industries

handling goods for ordinary consumption, betterment has also taken place in the heavier and more permanent lines, notably iron and steel, clay products, glass, and lumber.

The employment situation as a whole underwent no marked change as contrasted with the preceding thirty days, defections in certain groups of wage earners being offset by gains elsewhere. As a result of colder weather, activities at bituminous coal mines gained slightly in momentum, January and early February production in all fields of the district being at a higher average daily rate than in January and December last year. With but minor interruptions by cold weather, the season to date has been favorable for field work, and preparations for planting crops and general farm work has made considerable progress. This is true particularly in the cotton areas, where forward preparations are far beyond most seasons, and equaling, if not exceeding the earliest years in the past. Prices of cereals were well sustained in January, and that month was marked by a good advance in livestock prices.

Gauged by sales of department stores in the chief cities of the district, retail trade in January was 50.2 per cent less than in December, but 24.1 per cent greater than the January, 1933, volume. Combined sales of all wholesaling and jobbing firms reporting to this bank were 75 per cent greater than in December and about two-thirds larger than the January, 1933, total. The dollar value of permits issued for new construction in the five largest cities of the district in January was 11 per cent larger than in December and 178 per cent in excess of January, 1933. Construction contracts let in the Eighth District in January were 106 per cent larger than in January, 1933, and 48 per cent less than the December, 1933, total. Debits to checking accounts in January fell slightly below the preceding month, but were 5 per cent larger than in January, 1933.

According to officials of railroads operating in this district, the volume of freight traffic handled during January and the first week of February

was considerably larger than during the same period in 1933, and about even with that for the same time in 1932. With the exception of livestock, increases as contrasted with last year were recorded in all classifications, with a particularly good showing being made by merchandise and miscellaneous freight. For the country as a whole, loadings of revenue freight for the five weeks ending February 3, totaled 2,741,660 cars, against 2,410,267 cars for the corresponding period in 1933 and 2,840,694 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, handled 68,286 loads in January, against 61,258 loads in December, and 60,686 loads in January, 1933. During the first nine days of February the interchange amounted to 21,510 loads, which compares with 17,881 loads during the corresponding time in January, and 18,943 loads during the first nine days of February, 1933. Passenger traffic of the reporting roads in January increased 3.5 per cent over the same month in 1933, the first time an increase was reported over the previous year since September, 1928. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in January was 65,000 tons, which compares with 106,086 tons in December, and 81,304 tons in January last year. The decreases in both the month-to-month and yearly comparisons was due partly to the unusually low stage of water in the Mississippi River.

Generally through the district, reports relative to collections during the past thirty days reflect the steady improvement which began last summer. Wholesalers in the large centers of population report February 1 settlements relatively the largest for that month since 1931, with an increased number of customers taking advantage of discounts. Liquidation with merchants and the banks in the cotton sections was in considerable volume. Retailers in that area report that farmers are paying current bills more promptly and in many instances are reducing indebtedness of long standing. In both wholesale and retail lines, a favorable development during the past several months has been a substantial reduction in losses from weak accounts. Less than the usual seasonal betterment in collections is noted in the tobacco districts, due to the fact that the crop is being marketed more slowly than in preceding years. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
January, 1934.....	7.0%	36.3%	53.3%	3.4%
December, 1933.....	8.2	32.8	55.7	3.3
January, 1933.....	1.9	9.4	54.2	34.5

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and Bradstreet, numbered 32, involving liabilities of \$756,504, against 32 defaults in December with liabilities of \$523,615, and 121 defaults for a total of \$1,863,582 in January, 1933.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — January sales of the reporting firms were 61 per cent greater than for the same month a year ago, and more than twice as large as the December, 1933, total. Inventories reflected recent augmented production in preparation for the Easter trade, stocks on February 1 being 4 per cent and 20 per cent larger, respectively, than a year and a month earlier. In the month-to-month sales comparison the increase is seasonal but substantially greater than the average during the past several years. The January sales volume was the largest for that particular month since 1930. Improvement was noted in virtually all lines of footwear, but was most notable in styled goods and the better grades of shoes. Since the first of February the volume of orders booked indicate a measurable increase for the month as contrasted with the same period in 1933.

**Clothing** — More seasonal weather during most of January had a stimulating effect on the movement of heavyweight apparel, resulting in a more active movement through retail channels than earlier in the season, also some reordering of merchandise in that category. According to producers and distributors of work clothing, demand during the past three months has been in larger volume than at any time during the past three years. Advance buying for late spring and summer distribution was reported in substantial volume, ordering being stimulated by improved business conditions and the belief in many quarters that an advance in prices is likely. January sales of the reporting clothiers were more than double those of the same month last year and substantially larger than the December, 1933 total. Stocks on February 1 were 14 per cent and 60 per cent larger, respectively, than a month and a year earlier.

**Drugs and Chemicals** — January sales of the reporting firms were the largest for the period since 1931, the total being 28 per cent larger than a year earlier, and 8 per cent smaller than in December, 1933. Stocks on hand as of February 1 were 11.6 per cent and 16 per cent greater, respectively, than a month and a year earlier. The decrease in sales from December to January was seasonal in character,

and its extent was less than the average during the past decade. Lower temperatures in January stimulated the movement of seasonal merchandise to some extent, but the mild weather throughout the winter has resulted in a smaller than usual movement of this class of goods. Some betterment was noted in demand for heavy drugs and chemicals from the general manufacturing trade.

**Dry Goods**—Business in this classification showed considerably more than the usual seasonal betterment between December and January. Retail merchants in all parts of the district show a disposition to replenish stocks and to anticipate their requirements for late spring and summer. According to a number of important firms, purchasing during late January and the first half of this month was in larger volume than for any similar period since 1929. The trend of prices was upward, with specific advances recorded on a number of important items. Inventories decreased about 4 per cent between January 1 and February 1, and on the latest date were 55 per cent larger than a year ago, the increase being accounted for to a considerable extent by higher prices. January sales of the reporting interests were 86.5 per cent and 92 per cent larger, respectively, than a month and a year earlier.

**Electrical Supplies**—Sales of the reporting firms in January were more than double the total for the same month in 1933, and 15 per cent smaller than the December, 1933 total. The sharp gain in the yearly comparison is accounted for in part by the low level of business last January, the volume of sales for that month being the smallest during the ten years during which these records have been kept. Higher prices also figure in the increase. The decrease in the month-to-month comparison is seasonal, but considerably less than average. Stocks decreased 4 per cent between January 1 and February 1, and on the latest date were 21 per cent larger than a year ago.

**Flour**—Production at the twelve leading mills of the district in January totaled 283,052 barrels, against 250,432 barrels in December and 253,973 barrels in January, 1933. The continued strength in cash wheat had a stimulating effect on the trade, and all classes of buyers were more disposed than heretofore to cover their requirements. Operations by jobbers and the large baking interests were on a larger scale than has been the case for a number of months. There was moderate improvement in the export demand, both from Europe and the Latin-American countries. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture**—January sales of the reporting interests were approximately one-half larger than for the same month a year earlier, and 14 per cent smaller than the December, 1933, total. Stocks declined slightly between January 1 and February 1 and on the latest date were 61 per cent larger than last year. Demand for household furniture and furnishings continue the steady expansion noted during the past several months. Resumption of the liquor traffic is reflected in an active call for certain descriptions of furniture and equipment for hotels, bars, etc. Office furniture and equipment continues relatively quiet.

**Groceries**—Improvement, both as compared with a year and a month earlier, was noted in this classification. The betterment extended generally through the district, but was most notable in the south. Contrary to the usual seasonal trend, January sales of the reporting firms showed a slight increase over December, and the total was 36 per cent greater than for January, 1933. Inventories continued to increase, stocks on hand as of February 1 being 9 per cent and 29 per cent larger, respectively, than a month and a year earlier.

**Hardware**—For the ninth successive month, business in this classification in January recorded an increase over the corresponding period a year earlier, and was in the largest volume for the month since 1930. Total sales of the reporting interests in January were more than one-half larger than for the same month in 1933, and 11 per cent greater than the December, 1933, aggregate. Stocks increased 8 per cent between January 1 and February 1, and on the latter date were 23 per cent larger than a year ago. While betterment was general through the entire line, gains were most marked in goods consumed in the rural areas, and tools and implements required for public works. The trend of prices was upward, with specific advances noted on a number of commodities. Builders' hardware and tools were relatively less active than other lines.

**Iron and Steel Products**—Reversing conditions a year earlier, activities in the iron and steel industry in this area have developed marked improvement since the holiday and inventorying period. The rate of betterment has increased since the middle of January, and at the middle of February operations at mills, foundries and other ferrous metal working plants were at the highest level since last fall. While miscellaneous demands still predominate in tonnages of finished and semi-finished materials placed, requirements of the more important consumer groups were more in evidence than heretofore. Releases by the automotive industry were in larger volume than in a number of months.

This was true particularly of castings, though manufacturers and distributors of sheets, strip and other flat rolled steel reported a noticeable gain in specifications and new orders. For the first time in more than two years, business from the railroads showed real improvement. As a result of this, one large district mill resumed operations after being down since last fall, and another mill announced its intention to go into production early in April, the latter having been idle since September, 1931. Orders booked by jobbing foundries have shown steady expansion since mid-January, and business booked insure further gradual increase in operations during the next two or three months. Stove plants have also resumed production, but a slower than usual rate, attributed to hesitancy in accepting business until the industry's code has been adopted. Farm implement makers report prospects for spring and summer business the best since the beginning of the depression. Several important interests have commenced to make up stock in anticipation of demands later in the year. Warehouse and jobbing firms reported January sales and specifications considerably in excess of the preceding month, and about one-third larger than in January, 1933. In the immediate past there has been a notable pick-up in demand for tin plate and galvanized material, with the movement of galvanized sheets to the south in substantial volume. Purchasing of pig iron in January, while in fair volume, showed relatively less than the ordinary seasonal improvement, due to the unusually heavy buying and shipments in December. The movement of foundry coke during the first half of February was about 25 per cent greater than that of the corresponding period in January, and more than double the volume during the same time a year ago. Iron and steel scrap continued scarce and in active demand, with prices of certain important grades, including heavy melting steel, advancing to the highest point since the summer of 1930. Prices of finished material underwent no change worthy of note as compared with the preceding thirty days. For the country as a whole, production of pig iron in January, according to the magazine "Steel", totaled 1,222,214 tons, which compares with 1,192,136 tons in December and 568,785 tons in January, 1933. Steel ingot production in the United States in January amounted to 1,996,897 tons, against 1,819,648 tons in December, and 1,030,075 tons in January, 1933.

### AUTOMOBILES

Combined passenger, car, truck and taxicab production in the United States in January was 161,006 against 84,152 (revised figure) in December, 1933, and 130,044 in January, 1933.

Distribution of automobiles in January, according to dealers reporting to this bank, showed a considerable decrease, both as compared with the preceding month, and the corresponding period a year earlier. The decrease in the month-to-month comparison is seasonal in character, smaller sales in January than the month before having been recorded in seven years during the past decade. Prospective purchasers were generally disposed to postpone commitments into February in order to get in on the new registration year, which in most states of the Eighth District begins on February 1. Another influence adversely affecting the January volume was the shortage of new models, occasioned by difficulties of one sort or another experienced by producers in bringing their outputs to required proportions. As evidenced by attendance and interest displayed, automobile shows held in St. Louis and other large cities of the district were the most successful in recent years. The number of orders actually booked, and prospects were reported to have considerably exceeded those of a year and two years earlier. Since the last week in January, there has been a substantial increase in deliveries by factories, and indications point to sizeable gains in February sales, in both the large cities and country. While ordering by dealers has been on a larger scale, there was relatively little change in inventories due to the fact that purchases for the most part were for delivery on sales made.

January sales of new passenger cars by the reporting dealers were 27 per cent smaller than in December, and about one-third less than in January, 1933. Stocks of new cars on February 1 were 8 per cent smaller than a month earlier and 30 per cent smaller than on February 1, 1933. As has been the case during the past several months, there was no notable change in trends in the used car market from those obtaining in new vehicles. January sales of secondhand cars were 9 per cent smaller than in December, and 18 per cent greater than in January last year. Stocks of salable secondhand cars on hand as of February 1 were slightly smaller than a month earlier and 12 per cent greater than on February 1, 1933. Sales of trucks in January decreased 15 per cent from December but were 42 per cent greater than the January, 1933 total. According to dealers reporting on that item, deferred payment sales in January constituted 50 per cent of their total sales, which compares with 48 per cent in December, and 51 per cent in January, 1933.

### 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	
	Jan. 1934	comp. to Jan. 1933	Jan. 31, 1934	comp. to Jan. 31, 1933	January	
					1934	1933
El Dorado, Ark.....	+44.4%		+ 7.7%		.21	.16
Evansville, Ind.....	+10.4		+ 2.1		.12	.11
Fort Smith, Ark.....	+38.0		+14.1		.17	.15
Little Rock, Ark.....	+42.0		+41.2		.18	.16
Louisville, Ky.....	+ 4.2		+14.5		.19	.19
Memphis, Tenn.....	+26.5		+ 5.1		.26	.21
St. Louis, Mo.....	+24.6		+12.3		.28	.25
All Other Cities.....	+30.2		+ 0.3		.16	.13
8th F. R. District.....	+24.1		+13.5		.25	.22

### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1934	comp. to Jan. 1933	Jan. 31, 1934	comp. to Jan. 31, 1933	January	
					1934	1933
Men's Furnishings.....	+37.7%		+33.7%		.19	.18
Boots and Shoes.....	-15.2		-15.1		.22	.21

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January was 11.1 per cent more than in December, 1933 and 178.3 per cent more than in January, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in January amounted to \$10,422,049 which compares with \$19,986,036 in December, 1933 and \$5,060,638 in January, 1933. Production of portland cement for the country as a whole in January totaled 3,779,000 barrels, against 3,526,000 barrels in December, 1933, and 2,958,000 barrels in January, 1933. Building figures for January, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	4	75	\$ 1	\$ 10	103	30	\$ 20	\$ 8
Little Rock	10	10	1	2	55	45	8	11
Louisville..	20	21	59	7	15	18	41	18
Memphis ...	120	67	163	34	86	72	47	52
St. Louis....	52	73	96	62	93	112	61	63
Jan. totals..	206	246	\$ 320	\$ 115	352	277	\$ 177	\$152
Dec. " ..	175	212	288	116	288	269	127	128
Nov. " ..	363	281	531	213	318	273	154	133

\*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 January as being 5.4 per cent more than in December and 17.8 per cent more than in January, 1933. Detailed figures follow:

	No. of Customers	Jan., 1934	Dec., 1933	Jan. 1934 comp. to Dec. 1933	Jan., 1933	Jan. 1934 comp. to Jan. 1933
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ...	40	1,806	1,443	+25.2%	1,351**	+33.7%
Little Rock...	35	1,344	1,235	+ 8.8	1,125	+19.5
Louisville ...	85	5,458	5,315	+ 2.7	4,746**	+15.0
Memphis .....	31	1,470	1,806	-18.6	1,450	+ 1.4
St. Louis.....	195**	13,496	12,561**	+ 7.4	11,345**	+19.0
Totals .....	386	23,574	22,359	+ 5.4	20,017	+17.8

\*In thousands (000 omitted).

\*\*Revised figures.

### AGRICULTURE

Generally through the Eighth District early farm work has made excellent progress under mainly favorable weather conditions, abundant and cheap labor and a stronger financial position in most farming communities than has been enjoyed in recent

years. This is true particularly in the south, and more specifically in the typical cotton growing areas. Clearing of fields has been largely completed, and considerable plowing for the new crop accomplished. In the rice sections preparations are further advanced than is ordinarily the case at this time of year. The recent advance in grain prices, coupled with the good condition of dirt roads, served to stimulate the movement of wheat, corn and oats to terminal points. The condition of fall planted crops is in the main favorable, and there are fewer reports than in many years of winter damage. While soil conditions are for the most part good, reports from scattered sections indicate that general precipitation, preferably in the form of snows, would materially benefit things.

Fertilizers will be used to a considerably greater extent than during the past several years. According to the National Fertilizer Association, December-January, 1933-1934, fertilizer tag sales in states including the Eighth District were 106 per cent greater than for the comparable months a year earlier.

Winter Wheat — Except in limited areas, the condition of the growing wheat crop is reported favorable. The season from planting to date has been in the main auspicious for growth and development of the plant. There are scattered reports of hessian fly, but no greater than average, and no serious damage is apprehended from this cause. Snow covering has been lacking during most of the winter, but temperatures have been mild, and to date damage from winter kill is negligible.

Fruits and Vegetables — Prospects for fruits throughout the district are above average for this season. Fruit trees have come through the winter thus far with a minimum of damage from cold weather and other causes. The U. S. Department of Agriculture estimates slightly larger acreages of strawberries in states of this district than a year ago. Due to last year's small crop and higher prices, the acreage planted to potatoes this year is likely to be larger than last spring.

Live Stock — According to the annual survey of the U. S. Department of Agriculture, the aggregate number of livestock on farms in states entirely or partly within the Eighth District on January 1 was approximately 3 per cent less than at the beginning of 1933. However, owing to higher prices, the estimated value of these animals on January 1 was 5.2 per cent greater than a year earlier. The aggregate number of horses and mules, cattle, swine and sheep at the opening day of this year was 36,111,000 head, having an estimated value of \$547,894,000, which compares with 37,292,000 head, with esti-

mated value of \$520,611,000 on January 1, 1933. There was a slight increase in the number of cattle, but decreases in all other species.

For the country as a whole there was also a moderate increase in the number of cattle and a decrease in numbers of all other livestock during 1933. When the numbers of all units are converted into animal units which allow for differences in size and feed requirements of the several species, practically no change is shown in animal units. The total value of all livestock on farms in the United States as of January 1 was \$2,854,217,000, an increase of about 7 per cent over the total value on January 1, 1933. In the cases of horses and mules, sharp increases in the value per head, resulted in a total value of each of these species higher than a year ago, despite decreased numbers. The value of cattle per head was lower in 1933 than a year earlier. Both the value per head and numbers of hogs were lower than a year earlier, with a resulting value 10 per cent lower.

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

	Receipts			Shipments		
	Jan., 1934	Dec., 1933	Jan., 1933	Jan., 1934	Dec., 1933	Jan., 1933
Cattle and Calves.....	97,410	87,443	70,243	49,610	41,192	38,545
Hogs .....	317,999	260,406	218,124	184,139	128,559	141,759
Horses and Mules.....	10,592	8,296	5,763	10,936	9,151	4,815
Sheep .....	36,030	35,435	35,880	11,597	7,749	11,365

**Cotton** — With but short interruption, caused by cold weather, conditions have been favorable for field work, and preparations for the new crop have made considerable headway. Fields have been cleaned, and some plowing accomplished, more than at the same date a year and two years earlier. Features of the new crop prospects are quite general acquisition of better equipment and work animals, and heavily increased purchases of fertilizer. Throughout this district there was a general disposition to cooperate with the Agricultural Adjustment Administration's campaign for acreage reduction, which closed on February 15. As an example of what was accomplished, the State of Arkansas may be cited. According to the Agricultural Extension Service of that state, a total of 1,160,000 acres, with benefits to farmers of more than \$10,000,000, was reported signed up at the close of the campaign. Relatively heavy acreages were reported signed up in Missouri and sections of Mississippi and Tennessee which lie within the Eighth District. Under an active domestic demand and expansion in inquiries from abroad, the trend of raw cotton prices was sharply upward, a new high for the season being recorded in the second week of February. Prices of cotton fabrics advanced in sympathy with the raw staple, and increased sales were reported in most constructions. In the St. Louis market the middling

grade ranged from 10.75c to 12.10c per pound between January 15 and February 15, closing at 11.95c per pound on the latest date, which compares with 11.15c on January 15, and 5.80c on February 15, 1933. Receipts at Arkansas compresses from August 1, 1933 to February 16, 1934, totaled 951,916 bales, against 1,149,000 bales for the corresponding period a year ago. Stocks on hand as of February 16 totaled 538,620 bales, which compares with 604,114 bales on January 12, and 539,430 bales on February 17, 1933.

**Tobacco** — Sales of burley tobacco from the opening of the market season to January 27 were approximately 184,003,000 pounds at a general average of \$10.35 per cwt. Sales of the 1932 crop to January 28, 1933, totaled 287,060,000 pounds at an average of \$12.89 per cwt. The average during the first two weeks of February was approximately \$11.50 per cwt. The burley crop is moving rapidly to market. Dark tobacco in all districts, except dark fired districts, is also being rapidly marketed. As of February 1, Green River tobacco sold at a general average of \$7.90 per cwt. as compared with \$3.30 per cwt. last year. The one-sucker and air-cured dark crop has sold at a steady advance in price over the preceding season. Dark fired tobacco in Kentucky and Tennessee has not moved to market as promptly as dark tobacco in other districts. Reports as of February 2 indicated a range of from \$3.00 to \$3.50 higher per cwt. in the eastern district, and from \$1.00 to \$2.00 higher in the western districts. Producers in the dark tobacco areas are in the main satisfied with prices received. Considerable dark fired tobacco has been sold privately at barns.

**COMMODITY PRICES**

Range of prices in the St. Louis market between January 15, 1934, and February 15, 1934, with closing quotations on the latter date and on February 15, 1933, follow:

	High	Low	Close	
			Feb. 15, 1934	Feb. 15, 1933
Wheat				
May .....	per bu. \$ .92½	\$.83½	\$ .89¾	\$ .47¾
July .....	“ .91½	.86¾	.83½	.48
No. 2 red winter “	“ .94½	.90½	.93	\$ .49½ @ .50
No. 2 hard “	“ .94	.89½	.91	.48½ @ .49
Corn				
*May .....	“ .53¾	.50¾	\$ .51¾ @ .52	.25
*July .....	“ .54¾	.52¾	.53¾ @ .54	.27½
*Sept. ....	“ .57	.54¾	.55¾	.28½
*No. 2 mixed .....	“ .50¾	.49	.49	.24½ @ .25
*No. 2 white .....	“ .52	.50	.48¾ @ .51½	.24¾ @ .25¾
Oats				
No. 2 white.....	“ .40	.37½	.38	.17 @ .17½
Flour				
Soft patent.....	per bbl. 7.10	6.50	6.50 @ 7.00	3.10 @ 3.35
Spring “ .....	“ 7.10	6.50	6.50 @ 7.00	3.75 @ 4.00
Middling cotton.....	per lb. .1210	.1075	.1195	.0580
Hogs on hoof.....	per cwt. 4.85	2.00	3.35 @ 4.75	2.65 @ 3.70

\*Nominal quotations.

**FINANCIAL**

Demand for credit from commercial and industrial sources in the Eighth District during the past thirty days remained sluggish. Due to almost uni-

versally good collections, mercantile and manufacturing interests have been able to a large extent to finance themselves with their own resources, and recourse upon banking connections has been relatively light. Liquidation at country banks in the south has been in considerable volume, and borrowings of those institutions from city correspondents are the smallest in a number of years. Both city and country banks increased their investments, turning chiefly to Government securities for employment of their surplus funds. Except for demands from grain handling and flour milling interests, requirements for agricultural financing were negligible. While there has been some liquidation of loans by these borrowers, their commitments continue well above the corresponding periods a year and two years earlier. Increased marketings of tobacco were reflected in a substantial reduction in loans based on that commodity.

Reserve balances of reporting member banks in the principal cities continued the upward trend of recent months, and on February 14 were 2.7 per cent and 95.5 per cent greater, respectively, than on the corresponding report dates a month and a year earlier. In the four-week period ended February 14, total loans and investments of these banks increased 6.4 per cent due entirely to enlarged portfolios of Government securities, as total loans declined 1.7 per cent and all other securities declined in the same amount. All classes of deposits increased, the total for that item at mid-February being 7.3 per cent and 18.1 per cent larger, respectively, than a month and a year earlier.

There was a further decline in borrowings of all member banks from the Federal Reserve Bank between January 19 and February 19, and the average was less than one-sixth as large as during the same period in 1933. There was little variation in the average volume of reserve credit outstanding as contrasted with the preceding thirty days.

Reflecting the slack demand for funds, the trend of interest rates was downward. This bank lowered its discount rate from 3 to 2½ per cent, effective February 8. At St. Louis banks, as of the week ended February 15, current rates of interest were as follows: Customers' prime commercial paper, 2½ to 5½ per cent; collateral loans, 4 to 5½ per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 5 to 5½ per cent and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on February 14, 1934, showed a decrease of 1.7 per cent as contrasted with

January 17, 1934. Deposits increased 7.3 per cent between January 17, 1934 and February 14, 1934 and on the latter date were 18.1 per cent greater than on February 15, 1933. Composite statement follows:

	*Feb. 14, 1934	*Jan. 17, 1934	*Feb. 15, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....\$ 89,531		\$ 90,188	\$100,812
All other loans and discounts.... 135,295		138,484	135,500
Total loans and discounts.....	\$224,826	\$228,672	\$236,312
Investments			
U. S. Govt. securities.....	179,613	143,820	122,704
Other securities.....	99,084	100,847	108,815
Total investments.....	\$278,697	\$244,667	\$231,519
Reserve balance with F. R. Bank...\$ 72,225		\$ 70,352	\$ 36,950
Cash in vault.....	7,672	7,980	7,889
Deposits			
Net demand deposits.....	331,690	316,185	273,110
Time deposits.....	161,238	159,214	164,403
Government deposits.....	25,629	7,837	1,684
Total deposits.....	\$518,557	\$483,236	\$439,197
Bills payable and rediscounts with Federal Reserve Bank.....	220	230	700

\*In thousands (000 omitted).

**Federal Reserve Operations** — During January the Federal Reserve Bank of St. Louis discounted for 48 member banks against 55 in December and 196 in January, 1933. The discount rate of this bank was reduced from 3 per cent to 2½ per cent, effective February 8, 1934. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Feb. 16, 1934	*Jan. 16, 1934	*Feb. 16, 1933
Bills discounted .....	\$ 851	\$ 1,385	\$ 5,592
Bills bought .....	3,138	4,406	.....
U. S. Securities.....	93,200	93,200	64,707
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks....	155	155	947
Total Bills and Securities.....	\$ 97,344	\$ 99,146	\$ 71,246
Total Reserves.....	\$179,093	\$175,360	\$137,337
Total deposits.....	121,252	119,271	64,510
F. R. Notes in circulation.....	37,800	138,457	136,042
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.1%	68.0%	68.5%

\*In thousands (000 omitted).

**Debits to Individual Accounts** — The following table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Jan., 1934	*Dec., 1933	*Jan., 1933	Jan. 1934 Dec. 1933	comp. to Jan. 1933
East St. Louis and Natl.					
Stock Yards, Ill...\$ 17,076	\$ 17,495	\$ 16,623	— 2.4%	— 2.4%	+ 2.7%
El Dorado, Ark.....	3,758	3,654	+ 2.8	+ 2.8	+14.2
Evansville, Ind.....	16,218	15,558	+ 4.2	+ 4.2	+13.1
Fort Smith, Ark....	7,539	7,577	— 0.5	— 0.5	+13.2
Greenville, Miss....	3,485	3,458	+ 0.8	+ 0.8	+21.4
Helena, Ark.....	1,470	1,654	—11.1	—11.1	+28.4
Little Rock, Ark....	19,769	19,154	+ 3.2	+ 3.2	+17.4
Louisville, Ky.....	140,122	125,683	+11.5	+11.5	+30.5
Memphis, Tenn.....	96,074	105,424	— 8.9	— 8.9	+ 8.5
Owensboro, Ky.....	3,172	2,857	+11.0	+11.0	— 8.7
Pine Bluff, Ark....	4,132	4,494	— 8.1	— 8.1	+ 4.8
Quincy, Ill.....	4,839	5,081	— 4.8	— 4.8	— 5.1
St. Louis, Mo.....	436,020	447,680	— 2.6	— 2.6	— 2.4
Sedalia, Mo.....	1,628	1,443	+12.8	+12.8	— 1.2
Springfield, Mo....	9,988	9,920	+ 0.7	+ 0.7	— 4.4
**Texarkana, Ark-Tex.....	5,915	5,585	+ 5.9	+ 5.9	+10.3
Total .....	\$771,205	\$776,717	\$734,652	— 0.7	+ 5.0

\*In thousands (000 omitted).

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

(Compiled February 21, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of March 30, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

INDUSTRY and trade in the Eighth District expanded further during February and the first half of March in continuation of the upward trend which had its commencement in December. The rate of progress was more rapid than during the initial stages of the upward movement, and in a number of phases of both manufacturing and distribution of commodities, increases were noted which were contrary to the seasonal trend. As contrasted with the corresponding period last year notable gains were achieved in all lines of merchandising and manufacturing investigated by this bank. While substantial betterment might be looked for in view of the low level of activities prevailing at the beginning of 1933, when business was dominated by the disturbed economic and financial conditions which culminated in the banking holiday, the extent of the increases in many instances still made an extremely favorable exhibit and indicated real progress in the direction of recovery. In addition to statistics covering manufacturing and mercantile transactions, practically all other measurements used to gauge the status of business reflected substantially improved conditions. The physical betterment was accompanied by growing optimism and confidence in the business community and the public at large.

While the upswing was most noticeable in lines of goods for ordinary consumption, such as boots and shoes, dry goods, groceries, drugs, etc., there was also decided improvement in the heavier and more permanent classifications. Activities in the iron and steel industry showed steady expansion, and at mid-March ferrous working plants in this area were at the highest rate of the current year. Manufacturers of iron and steel castings reported a substantial accretion in orders booked; stove and implement makers increased their activities and for the first time in a number of months were engaged in making up stock in anticipation of future demands. Sales and shipments of pig iron were in somewhat larger volume than during the preceding thirty days. Distribution of automobiles in February fell slightly below the same month in 1933, due mainly to delays in factory shipments, but the total

was more than double that of January. The movement of building materials, including lumber, fire clay products, glass and cement, was in excess of the volume during the corresponding period a month and a year earlier. Production of bituminous coal in fields of the district declined less than the usual seasonal amount from January to February, and was measurably larger than in February, 1933. Consumption of electrical power by industrial users in the principal cities in February was slightly larger than in January and about 12 per cent ahead of a year ago.

Agricultural operations of all descriptions made good progress. With the exception of short spells of cold weather, accompanied by heavy snows, the season has been ideal for field work, and preparation of the soil for planting spring crops is considerably in advance of a year ago, particularly in the cotton areas. Prices of grains declined somewhat in late February and the first half of March, but continued substantially higher than those prevailing at the same period during the three preceding years. The U. S. Department of Agriculture's report as of March 1 indicates that farmers in states of this district will plant smaller acreages of corn, oats and tobaccos than the three years (1931-1933) average, and a slightly larger acreage of hay. Considerably heavier plantings of legumes are indicated.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in February was 1.1 per cent less than in January and 24.2 per cent larger than in February, 1933; cumulative total for the first two months of this year was nearly one-fourth larger than for the comparable period in 1933. Combined sales of all wholesaling and jobbing firms reporting to this bank were 4 per cent larger in February than in January and 84 per cent in excess of the February total last year; for the first two months the aggregate was about three-fourths larger than for the same time in 1933. The dollar value of permits issued for new construction in the five largest cities in February was 22 per cent less than in January, but 89 per cent greater than in February, 1933; cumulative total for the first two months was 130 per cent

greater than for the like period in 1933. Dollar value of construction contracts let in the Eighth District in February fell 44 per cent below January, but was 126 per cent greater than in February, 1933; cumulative total for the two months this year was greater by 113 per cent than for the same two months a year ago. Debits to checking accounts in February dropped 8 per cent below the January total, but were more than one-fourth larger than in February, 1933. Cumulative total for the first two months exceeded that of the same period last year by 14 per cent.

Freight traffic of railroads operating in this district continued in substantially larger volume than at the corresponding time a year ago, and total tonnage handled this year to the middle of March was slightly in excess of the comparable period in 1932. Colder weather and increased industrial activity was reflected in a heavier movement of coal and coke as compared with a year and two years earlier, and the volume of miscellaneous freight handled was also appreciably larger in both comparisons. For the country as a whole, loadings of revenue freight for ten weeks ending March 10, totaled 5,702,970 cars, against 4,817,343 cars for the corresponding period in 1933 and 5,644,952 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 68,837 loads in February, against 68,286 loads in January and 58,841 loads in February, 1933. During the first nine days of March the interchange amounted to 23,012 loads, which compares with 21,510 loads during the first nine days of February, and 17,993 loads during the corresponding period in 1933. Passenger traffic of the reporting lines in February decreased 3.0 per cent under the same month in 1933. This decrease was attributed to lower fares, the actual volume of passenger traffic being larger than a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 68,000 tons, against 64,988 tons in January and 72,051 tons in February, 1933.

Reports relative to collections during the past thirty days reflect a continuance of satisfactory conditions which have obtained for the past several months. Early March settlements with wholesalers in the chief distributing centers were relatively larger than a year and two years earlier. Considerable improvement was noted in liquidation, both with banks and merchants, in the tobacco districts, and throughout the cotton sections the high rate of payments which characterized the closing months of 1933 and the opening months of this year was well sustained. Some spottiness was noted in retail collections in the large urban centers, but the average was considerably above a year ago. According

to country retailers in the south, there has been a steady increase in the ratio of cash sales to credit transactions since last fall. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
February, 1934.....	5.2%	36.0%	55.7%	3.1%
January, 1934.....	7.0	36.3	53.3	3.4
February, 1933.....	0	7.4	52.9	39.7

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 32, involving liabilities of \$289,371, against 32 defaults in January with liabilities of \$756,504 and 103 defaults for a total of \$2,708,637 in February, 1933.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — February sales of the reporting firms were slightly more than double those for the same period in 1933, and represented the largest February total since these records started, in 1924. Reversing the situation a year ago and the usual seasonal trend, the February volume increased 7 per cent over the preceding month. In the sales comparison with a year ago, increases were general in all descriptions of foot-wear, but particularly marked in merchandise acquired for the Easter trade. Reports covering the first half of March reflect a continuance of the large increase over the same period in 1933, which, however, might be expected in view of the disturbed banking and economic conditions during the earlier period. Inventories on March 1 declined 6 per cent as compared with a month earlier, and were slightly smaller than on March 1, 1933.

**Clothing** — Colder weather during the past thirty days served to stimulate the movement of heavyweight apparel, both men's and women's, and indications point to a much better clearance of such merchandise than was thought likely earlier in the season. Purchasing for late spring and early summer is reported on a somewhat more liberal scale than at the same time a year and two years earlier. Ordering of work clothing, especially in the rural areas, continues the betterment noted in recent months. February sales of the reporting clothiers were about two-thirds larger than for the same month in 1933, and 29 per cent less than the January total this year. Stocks as of March 1 were slightly smaller than a month earlier, but 52 per cent greater than on March 1 last year.

**Drugs and Chemicals** — Improvement in business in this classification over the corresponding period a year earlier, which was noted during each

of the preceding five months, was carried into February. Sales of the reporting firms for that month were 45 per cent greater than in February, 1933, and the largest for the period since 1930. A slight increase, counter to the seasonal trend, took place from January to February. Inventories increased 3 per cent between February 1 and March 1 and on the latest date were 27.5 per cent greater than a year earlier.

**Dry Goods**—Extraordinary gains were made in this classification in February, sales for that month by the reporting interests being slightly more than 100 per cent greater than a year ago, and 7 per cent in excess of the January total this year. Volume in February was the largest for that month since 1930. Stocks on March 1 were 11 per cent and 65 per cent larger, respectively, than a month and a year earlier. Purchasing for the Easter trade was above expectations, and considerably in excess of a year and two years ago. Orders booked since March 1 reflect increases over the same time in 1933 approximately as large as were recorded in February.

**Electrical Supplies**—February sales of the reporting firms were 65 per cent larger than for the same month in 1933, and incidentally the largest for that month since 1931. Following the usual seasonal trend, there was a decrease of 11.5 per cent from January to February. Inventories showed practically no change between February 1 and March 1, and on the latest date were 21 per cent greater than a year earlier. In the sales comparison with a year ago, increases were noted in practically all lines other than installations for new buildings. An especially favorable showing was made by electrical household appliances, lamps and radio material. During the past several months there has been a steady increase in demand for small motors for a broad diversity of uses.

**Flour**—Production at the twelve leading mills of the district in February totaled 252,789 barrels, against 283,052 barrels in January and 252,291 barrels in February, 1933. Stocks of flour decreased moderately between February 1 and March 1, and on the latest date were about 6 per cent greater than a year earlier. The decline in wheat values in late February and early March had a tendency to restrict advance purchasing, especially by the large jobbing interests. Favorable reports relative to the growing wheat crop also acted as a restraining influence on buying. New orders booked at mills were largely for immediate requirements and prompt shipment. There was a slightly easier tone in the market, but actual quotations showed little change as contrasted with the preceding thirty

days. Owing to the advance in grain prices and the processing tax, prices of flour at mid-March were about two-thirds higher than a year ago. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture**—February sales of the reporting firms were 37 per cent larger than for the same month in 1933, and 43 per cent above the January total this year. Stocks on March 1 were 3 per cent smaller than a month earlier, but 55 per cent larger than a year ago. The increase in the month-to-month sales comparison is of a seasonal nature, but considerably larger than the average during the past several years. Prices showed little change as contrasted with the preceding thirty days, but continue substantially higher than a year ago.

**Groceries**—More seasonable weather, coupled with a general disposition on the part of country retailers to fill out stocks and assortments were influences affecting further betterment in this classification, both as compared with a month and a year earlier. Sales of the reporting firms in February recorded a small counter to seasonal increase over January and a gain of 49 per cent over the February, 1933, total. Inventories showed practically no change from February to March, but on March 1 were 31 per cent larger than on the same date last year.

**Hardware**—February sales of the reporting firms showed a decrease of 4 per cent under the preceding month, but an increase of 59 per cent over the total in February, 1933. This was the eleventh successive month in which sales were larger than in the corresponding period a year earlier, and the volume was greater than in any February since 1930. Inventories increased 4 per cent between February 1 and March 1, and on the latter date were 26 per cent larger than a year earlier. In the yearly sales comparison a considerable part of the increase is accounted for by goods consumed chiefly in the rural areas.

**Iron and Steel Products**—With miscellaneous requirements still predominating, activities in the iron and steel industry in this district underwent further decided improvement during the past thirty days. The melt of pig iron and scrap in February, despite a shorter number of working days, increased moderately over January, and according to interests reporting to this bank, was more than one-third greater than in February last year. Sales of iron and steel commodities by jobbing and warehouse concerns also reached a higher total than during the comparable period in 1933, and in the case of three leading interests, the total for February was the largest for the month since 1931. Releases and specifications by the automotive industry on cast-

ings and rolled material were in considerable volume, and orders booked for railroad supplies of various kinds were the largest in a number of months. Operations at steel mills continued the upward trend which commenced in December. The number of active open-hearth furnaces increased 10 per cent over the preceding thirty days, and two steel companies announced intentions of resuming activities early in April. Marked betterment was reported in demand for tin plate and galvanized material, the latter being particularly noticeable in the south, where roofing and general farm repair requirements are in large volume. The seasonal demand for building materials was less in evidence than usual. Orders booked by fabricators of iron and steel construction work consisted chiefly of public works projects. Withal, operations at fabricating plants were reported on a considerably larger scale than a year and two years earlier. Sales of wire and wire products in February were almost double the volume for the same month in 1933, with the movement of barbed-wire and wire-mesh to the rural areas the largest for the period since 1930. Specialty manufacturers, including stoves, washing machines, and farm implements, reported an increase in orders, and reversing the conditions of a year ago, a number of interests are making up stock in anticipation of demands later in the season. Grey iron foundries reported an accretion to unfinished orders, and freer specifications on castings previously contracted for. The increased consumption of scrap iron and steel had the effect of further advancing prices, quotations on heavy melting steel, malleable and cast grades at mid-March being at the highest levels of the present upward movement. Prices of pig iron announced by both southern and northern blast furnaces for second quarter were unchanged from those during the first three months of the year. Purchasing of pig iron was largely on a requirement basis, but shipments continued at about the same rate as during January. For the country as a whole, production of pig iron in February, according to the magazine "Steel", totaled 1,271,935 tons, against 1,225,643 tons in January and 553,067 tons in February, 1933. Production of steel ingots in the United States in February was 2,225,000 tons, against 1,997,000 tons in January, and 1,087,000 tons in February, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in February was 235,376 against 161,086 (revised figure) in January, and 106,825 in February, 1933.

Conforming with the usual seasonal trend, distribution of automobiles in this district during

February, according to dealers reporting to this bank, was more than double that of the preceding month. The February total, however, fell slightly below that of the same month in 1933. The decrease in the comparison with a year ago was attributable to the fact that many dealers were unable to obtain cars from producers in sufficient numbers to supply their customers. This was true particularly of new models, makers of which had experienced labor, material, and other difficulties in connection with their production schedules. Deliveries by factories have steadily increased in volume during the past three weeks. As contrasted with January, improvement was general through all classes of makes, but most pronounced where new models and equipment were featured. Demand for trucks of all descriptions continues active. Dealers in the south report a more active call for light service and delivery trucks than at any time in more than three years. The market for parts and accessories showed little change as compared with the preceding thirty days, but was noticeably more active than a year earlier.

February sales of new passenger cars by the reporting dealers were 2.5 per cent smaller than for the same month in 1933, and 113 per cent greater than the January total this year. Truck sales in February were 89 and 19 per cent larger, respectively, than a month and a year earlier. Inventories increased moderately, stocks of new passenger cars on hand as of March 1 being 10.5 per cent greater than on February 1, but 19 per cent smaller than a year ago. Trends in the used car market showed little change from the past several months, February sales being slightly larger than in January, and approximately 22 per cent greater than in February, 1933. Stocks of salable secondhand cars decreased 8 per cent between February 1 and March 1, and on the latest date were 12 per cent larger than a year ago. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in February was 49 per cent, against 50 per cent in January and 46 per cent in February, 1933.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in February was 21.6 per cent less than in January and 88.7 per cent more than in February, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in February amounted to \$5,864,233 which compares with \$10,422,049 in January, and \$2,590,446 in February, 1933. Production of portland cement for the country as a whole in February totaled 4,168,000 barrels, against 3,779,000 barrels

in January, and 2,777,000 barrels in February, 1933. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	6	92	\$ 4	\$ 14	113	31	\$ 80	\$ 11
Little Rock ..	4	4	5	1	44	32	14	14
Louisville ...	18	14	64	17	16	25	88	16
Memphis ...	105	55	62	27	105	74	39	39
St. Louis....	94	63	116	74	126	107	81	49
Feb. totals..	227	228	\$ 251	\$ 133	404	269	\$ 302	\$129
Jan. " ..	206	246	320	115	352	277	177	152
Dec. " ..	175	212	288	116	288	269	127	128

\*In thousands of dollars (000 omitted).

**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	
	Feb. 1934 comp. to Feb. 1933	2 months ended Feb. 28, 1934 to same period 1933	Feb. 28, 1934 comp. to Feb. 28, 1933	Jan. 1, to Feb. 28, 1934	1933
El Dorado, Ark.....	+39.6%	+42.2%	+ 6.8%	.38	.29
Evansville, Ind.....	+27.6	+18.3	+10.1	.23	.21
Fort Smith, Ark.....	+34.6	+36.2	+14.9	.34	.29
Little Rock, Ark....	+34.8	+38.3	+30.3	.35	.32
Louisville, Ky.....	+15.7	+ 9.8	+ 8.2	.39	.38
Memphis, Tenn.....	+28.4	+27.4	+18.5	.49	.41
St. Louis, Mo.....	+22.9	+23.8	+17.2	.54	.50
Springfield, Mo....	+37.6	+33.4	+ 6.5	.25	.18
All other cities.....	+30.3	+31.3	+20.9	.39	.34
8th F. R. District	+24.2	+24.2	+17.3	.48	.43

**Retail Stores**

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1934 comp. to Feb. 1933	2 months ended Feb. 28, 1934 to same period 1933	Feb. 28, 1934 comp. to Feb. 28, 1933	Jan. 1, to Feb. 28, 1934	1933
Men's Furnishings .....	+35.7%	+36.8%	+36.5%	.35	.33
Boots and Shoes .....	-13.4	-14.4	-16.7	.40	.37

**CONSUMPTION OF ELECTRICITY**

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in February as being 1.9 per cent more than in January and 12.5 per cent more than in February, 1933. Detailed figures follow:

	No. of Custom-ers	Feb., 1934 *K.W.H.	Jan., 1934 *K.W.H.	Feb. 1934 comp. to Jan. 1934	Feb., 1933 *K.W.H.	Feb. 1934 comp. to Feb. 1933
	Evansville ...	40	1,984	1,806	+ 9.9%	1,345**
Little Rock...	35	1,191	1,344	-19.4	1,092	+ 9.1
Louisville ...	85	5,651	5,458	+ 3.5	6,236**	- 9.4
Memphis .....	31	1,534	1,470	+ 4.4	1,343**	+14.2
St. Louis.....	195**	13,651	13,496	+ 1.1	11,330**	+20.5
Totals .....	386	24,011	23,574	+ 1.9%	21,346	+12.5%

\*In thousands (000 omitted).

\*\*Revised figures.

**AGRICULTURE**

Taken as a whole, weather conditions in the Eighth District since last fall have been favorable for farming operations of all descriptions. Until late February the winter was mild and open, permitting of unusual progress toward preparation of the soil for spring planting, particularly in the south. Very low temperatures during the final weeks of February and early in March were accompanied by heavy snows, which furnished protection for fall sown crops, and materially improved soil conditions throughout the entire area. In the cotton sections the cold was sufficiently severe, according to reports of county agents, to considerably reduce boll weevil

menace, which because of the mild winter had aroused apprehensions among planters. Seeding of oats has advanced further than the average seasonal schedule, though this work was delayed in the northern counties by the late freezes and snows. Plowing and disking of corn land in Illinois, Indiana and Missouri is well advanced. Reports generally reflect more optimism among the farming community than has been the case for a number of years. The financial condition of farmers was materially strengthened by higher prices obtained for their products, and by rental and benefit payments paid by the Agricultural Adjustment Administration in its campaign for crop curtailment. Universally, but particularly in the south, farmers are formulating their spring programs with more confidence than at any time in recent years. In all states of the district farm labor is abundant.

**Winter Wheat** — Reports relative to the growing wheat crop for the most part indicate favorable conditions. Apparently little damage from winter kill resulted from the cold weather in late February and early this month. There was adequate snow protection, and surface and subsoil conditions were benefited by the moisture. Some scattered reports of injury from alternate thawing and freezing were received, but nothing of a serious nature. Quite generally through the district farmers observed fly-free dates in planting, and injury from that cause is believed to be negligible. Reflecting the generally favorable conditions, prices declined rather sharply, and in the second week of March reached the lowest levels since January. Export demand was slow and domestic milling interests were disposed to await more definite news relative to crop prospects before increasing their commitments.

**Corn** — While cold weather interfered to some extent with preparations of corn land for planting, progress in this work is considerably in advance of the seasonal schedule. This is true particularly of the south where weather conditions throughout the winter have been ideal for field work. Seed corn is abundant and of good quality. While full statistics are not available, preliminary reports indicate that the Agricultural Adjustment Administration's campaign for acreage reduction in this district has received satisfactory support.

**Fruits and Vegetables** — Reports from the principal orchard areas of the district reflect little or no damage to fruit trees from the cold weather in February and March. Prospects generally for tree fruits are favorable. Due to their stronger financial position than during the past several years, orchardists are planning for more extensive and adequate spraying and cultivation programs. According to the survey of the U. S. Department of Agriculture,

the acreage planted to strawberries in this district will be slightly larger than last season. Plantings of white potatoes in the early producing states will also be somewhat greater than a year ago.

**Live Stock**— According to reports received by the U. S. Department of Agriculture, the season has been unusually favorable for livestock. Indications are for an early spring lamb crop slightly larger than last year, with quality higher. In states of the Eighth District, ewes wintered well, and to March 1, lambs did well. In Missouri and Kentucky the lamb crop is larger than last year, while a slight reduction is indicated in Tennessee. Little change is indicated in Illinois, Indiana and Arkansas this season as contrasted with a year earlier. The Department's survey of wool production in 1933, released March 1, showed little variation in production in states of this district as compared with 1932 and 1931.

Despite higher prices, receipts of cattle, sheep and hogs decreased in somewhat more than the usual seasonal volume from January to February in the chief markets of this district.

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

	Receipts			Shipments		
	Feb., 1934	Jan., 1934	Feb., 1933	Feb., 1934	Jan., 1934	Feb., 1933
Cattle and Calves.....	81,028	97,410	66,347	36,749	49,610	37,618
Hogs .....	201,857	317,999	196,933	142,897	184,139	123,435
Horses and Mules.....	8,270	10,592	5,090	8,546	10,936	5,465
Sheep .....	27,112	36,030	34,078	7,977	11,597	11,072

**Cotton**— Some interruption of field work resulted from cold weather in late February and the first half of March, but preparations for the new crop are so well along that the setback will cause no serious delay in planting. Generally through the main cotton producing sections of the district, farming is fully two months ahead of last year and considerably in advance of the average during the past decade. These conditions are attributable to the mild winter, coupled with the fact that most growers realized enough on last year's crop to proceed with initial preparations. Intensive cultivation is the rule, many ditches having been cleaned out which had not been touched for years and much drainage work accomplished in bottom lands. Sales of fertilizer tags continue to indicate that the new crop will be one of the most heavily fertilized in recent years. According to the National Fertilizer Association, January-February sales of fertilizer tags this year were approximately 88 per cent greater than for the same months in 1933. Ordinarily sales for the two months, January and February combined, represent about 28 per cent of the full year's sales in the south. In a number of sections, the number of work animals on farms is somewhat reduced, but the quality is better and owing to reduced acreage under the Agricultural Adjustment

Administration plan, the crop can be raised comfortably with fewer horses and mules. The market for raw cotton fluctuated within a relatively narrow range during the past thirty days, but uniformly through the period values were almost double those of a year ago. In the St. Louis market the middling grade ranged from 11.50c to 12.10c per pound between February 16 and March 15, closing at 12.00c on the latter date, which compares with 12.00c on February 16 and 6.50c on March 16, 1933. Receipts at Arkansas compresses from August 1 to March 16 totaled 971,053 bales, against 1,176,079 bales for the corresponding period in 1933. Stocks on hand as of March 16 totaled 480,572 bales, as against 538,620 bales on February 16 and 483,006 bales on the corresponding date in 1933.

**Tobacco**— Burley sales on the Lexington, Ky., market since March 1 have been relatively light, and as that market is an indicator, it is estimated that the greater part of the burley crop has been sold and delivered. Total burley sales to March 10 were 386,506,012 pounds, at an average of \$10.50 per 100 pounds. Sales of dark tobacco in all producing districts have continued at higher prices. As of March 1 sales in the Green River and stemming districts were at a general average of approximately \$8.50; since that date prices have been gradually advancing as indicated by the daily average price of about \$10.00 per cwt. for the last two weeks of February. Offerings in the dark fired markets of Clarksville, Springfield, Hopkinsville and the western district were larger during the first two weeks of March than at any time since the markets opened, with a tendency to still higher prices. According to reports as of March 1, average prices for the ten days previous to that date were as follows: Hopkinsville, \$9.05; Clarksville, \$9.60 and Springfield, \$11.25, as compared with full season averages of \$8.64, \$9.27 and \$10.34, respectively.

**COMMODITY PRICES**

Range of prices in the St. Louis market between February 15, 1934, and March 15, 1934, with closing quotations on the latter date and on March 16, 1933, follow:

	High	Low	Close	
			March 15, 1934	March 16, 1933
Wheat				
May .....	.89½	.84¾	.85	.53¾
July .....	.88½	.83	.85¼	.53¾
No. 2 red winter " " .....	.93	.88	.89½ @	.57½ @
No. 2 hard " " .....	.91	.86½	.87	.56½ @
Corn				
*May .....	.52	.50	.50¾ @	.27½
*July .....	.54	.51½	.52½ @	.29½
*Sept. ....	.55¾	.54		.31
*No. 2 mixed ....	.50	.48¾	.48½ @	.27 @
*No. 2 white ....	.52	.48¾	.52	.27½ @
Oats				
No. 2 white ....	.38	.36¼	.37	.20 @
Flour				
Soft patent.....per bbl.	7.00	6.30	6.40 @ 6.90	3.50 @ 3.60
Spring " .....	7.00	6.30	6.40 @ 6.90	4.50 @ 4.75
Middling cotton....per lb.	.1210	.1150	.1200	.0650
Hogs on hoof.....per cwt.	5.00	2.00	2.30 @ 4.65	2.65 @ 3.90

\*Nominal quotations.

**FINANCIAL**

Trends in Eighth District banking and financial conditions, which have been in effect since the opening of this year, showed little variation during the past thirty days. Demand for credit from all borrowing groups receded further, and banks in both the large centers and in the country reported liquidation of loans in excess of new commitments and renewals. This was true particularly of mercantile and industrial interests, which apparently to a greater extent than heretofore are able to finance themselves with their own resources. Borrowings of country banks from their city correspondents dropped to the lowest point for this period during the past several years. Grain handling and flour milling interests have substantially reduced their commitments, but owing to the higher prices of grain, the total of loans in this category continues well in excess of the corresponding period a year and two years earlier. Marketing of tobacco gained momentum during February and early March, and was reflected in a considerable volume of liquidation of loans based on that commodity. There was also a noticeable reduction in cotton loans. Banks in sections where rice is the principal crop report the volume of outstanding loans relatively the smallest for this season in recent years.

Between February 14, and March 14, loans and investments of reporting member banks in the principal cities increased 3.7 per cent. This increase was due entirely to larger holdings of Government securities, as "all other" securities and all classes of loans declined. Deposits moved upward sharply, the total on March 14 being 4.6 per cent and 28.3 per cent greater, respectively, than a month and a year earlier. Reserve balances declined slightly from the record high of mid-February, but were still 53.7 per cent above the corresponding date last year.

Total borrowings of all member banks from the reserve bank continued to recede, the total of \$282,000 on March 17 comparing with \$831,000 and \$11,082,000 a month and a year earlier, respectively. Total outstanding credit of this bank as of March 17 declined \$2,677,000 under the same date in February.

Interest rates showed little change as contrasted with the preceding thirty days. At St. Louis banks, as of the week ended March 15, current rates were as follows: Customers' prime commercial paper, 3 to 5 per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 4½ to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on March 14, 1934, showed a decrease of 2.0 per cent as contrasted with February 14, 1934. Deposits increased 4.6 per cent between February 14, 1934 and March 14, 1934 and on the latter date were 28.3 per cent greater than on March 15, 1933. Composite statement follows:

	*Mar. 14, 1934	*Feb. 14, 1934	*Mar. 15, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....\$	86,906	\$ 89,531	\$101,281
All other loans and discounts.....	133,452	135,295	135,583
<b>Total loans and discounts.....</b>	<b>\$220,358</b>	<b>\$224,826</b>	<b>\$236,864</b>
Investments			
U. S. Govt. securities.....	204,711	179,613	113,282
Other securities.....	96,876	99,084	107,820
<b>Total investments.....</b>	<b>\$301,587</b>	<b>\$278,697</b>	<b>\$221,102</b>
Reserve balance with F. R. Bank..\$	71,620	\$ 72,225	\$ 46,612
Cash in vault.....	7,992	7,672	15,064
Deposits			
Net demand deposits.....	342,179	331,690	263,343
Time deposits.....	162,352	161,238	154,982
Government deposits.....	37,720	25,629	4,200
<b>Total deposits.....</b>	<b>\$542,251</b>	<b>\$518,557</b>	<b>\$422,525</b>
Bills payable and rediscount with			
Federal Reserve Bank.....		220	6,059

\*In thousands (000 omitted).

**Federal Reserve Operations**—During February the Federal Reserve Bank of St. Louis discounted for 29 member banks against 48 in January and 150 in February, 1933. The discount rate remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Mar. 16, 1934	*Feb. 16, 1934	*Mar. 16, 1933
Bills discounted .....	\$ 339	\$ 851	\$ 11,636
Bills bought .....	1,037	3,138	16,741
U. S. Securities.....	93,200	93,200	65,832
Participation in Inv. Foreign Banks....	128	155	812
<b>Total Bills and Securities.....</b>	<b>\$ 94,704</b>	<b>\$ 97,344</b>	<b>\$ 95,021</b>
Total Reserves.....	\$177,986	\$179,093	\$157,897
Total deposits.....	116,820	121,252	78,284
F. R. Notes in circulation.....	136,798	137,800	170,093
Ratio of reserve to deposits and F. R. Note Liabilities.....	70.2%	69.1%	63.6%

\*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.

	*Feb., 1934	*Jan., 1934	*Feb., 1933	Feb., 1934 comp. to Jan. 1934 Feb. 1933
East St. Louis and Natl.				
Stock Yards, Ill..\$	15,846	\$ 17,076	\$ 14,391	- 7.2% +10.1%
El Dorado, Ark.....	3,160	3,758	3,093	-15.9 + 2.2
Evansville, Ind.....	13,255	16,218	12,280	-18.3 + 7.9
Fort Smith, Ark.....	7,896	7,539	6,039	+ 4.7 +30.8
Greenville, Miss.....	3,289	3,485	2,732	- 5.6 +20.4
Helena, Ark.....	1,413	1,470	913	- 3.9 +54.8
Little Rock, Ark.....	18,460	19,769	13,914	- 6.6 +32.7
Louisville, Ky.....	135,004	140,122	100,810	- 3.7 +33.9
Memphis, Tenn.....	92,362	96,074	60,633	- 3.9 +52.3
Owensboro, Ky.....	3,611	3,172	2,836	+13.8 +27.3
Pine Bluff, Ark.....	5,418	4,132	3,434	+31.1 +57.8
Quincy, Ill.....	4,513	4,839	3,603	- 6.7 +25.3
St. Louis, Mo.....	387,747	436,020	320,316	-11.1 +21.1
Sedalia, Mo.....	1,235	1,628	1,182	-24.1 + 4.5
Springfield, Mo.....	8,501	9,988	7,576	-14.9 +12.2
**Texarkana, Ark.-Tex.....	4,749	5,915	4,657	-19.7 + 2.0
<b>Totals .....</b>	<b>\$706,459</b>	<b>\$771,205</b>	<b>\$558,409</b>	<b>- 8.4 +26.5</b>

\*In thousands (000 omitted).

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

(Compiled March 20, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of April 28, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

VIRTUALLY all measurements of business activity and actual statistics of the various interests reporting to this bank during March and the first half of April reflected a continuance of the upward trends in Eighth District commerce and industry, noted during earlier months this year. Distribution of merchandise through both wholesale and retail channels was larger in the aggregate than during the similar period immediately preceding, and in considerably larger volume than a year and two years earlier. Except where affected by seasonal influences, output of manufacturing plants in March was well above that of February, and reports covering early April reflect further gains. The showing made during the first quarter of the current year was the most favorable for any like period since 1931. In a majority of instances, the increased volume of business has been accompanied by broader profit margins. Quite generally through the district merchants report that a better quality and greater diversity of goods are being taken than has been the case for a number of years. This is true of both the large urban centers and the country. Increased purchasing power in the south, incident to higher prices of cotton, and other agricultural products, and rental and benefit payments to farmers from the Government's crop reduction campaign, has served to materially assist business in that general area.

Despite the cold weather, Easter trade was above expectations and accounted for the movement of a larger volume of goods of all descriptions. Wholesaling and jobbing interests reported a fair volume of reordering of merchandise to fill demands in certain lines. Taken as a whole the employment situation developed moderate betterment over the preceding thirty days. This was ascribable to increased industrial activities, and the absorption of workers in seasonal occupations. March consumption of electric power by industrial plants in the chief cities of the district showed substantial increases over a month and a year earlier. Betterment in the iron and steel industry, which started early in the year, was carried further in March and proceeded at an accelerated rate during the first half of April. Output of steel mills gained

sharply, and jobbing foundries and specialty makers reported an accretion to unfilled orders, despite continued heavy shipments of finished products. Purchases of pig iron and finished steel early in April were stimulated by the desire of consumers to fill their needs before the advance in prices, which became effective around the middle of the month.

Taken as a whole, weather conditions have been favorable for agriculture, and preparations for and seeding of spring crops is somewhat in advance of the usual seasonal schedule. In the south the open winter permitted of an unusually large amount of field work. Business of interests handling farm and garden supplies, such as seeds, hand implements, spraying materials, etc., was reported more active than at any like period since the depression started. In states of the Eighth District, sales of fertilizer tags during the first quarter of 1934, according to the National Fertilizer Association, were 129 per cent larger than for the first three months of 1933 and 69 per cent in excess of the first quarter of 1931, total. Grain prices, which had ruled fairly steady during the preceding four or five weeks, declined sharply at mid-April.

March retail trade in the Eighth District, as reflected by department store sales in the principal cities, was 38 per cent greater than in February, and 49.5 per cent in excess of the March, 1933, volume; cumulative total for the first quarter this year showed an increase of 33.4 per cent over the like period in 1933. Combined sales of all wholesaling and jobbing interests reporting to this bank in March were slightly below the preceding month, but 52 per cent larger than a year ago; first quarter sales of these firms this year were 65 per cent larger than the total for that period in 1933. The dollar value of building permits issued for new construction in the five largest cities in March was 35 and 72 per cent greater, respectively, than a month and a year earlier, and the cumulative total for the first quarter was approximately 104 per cent above that of the same period in 1933. Construction contracts let in the Eighth District in March showed an increase of 185 per cent over February and of 242 per cent over March, 1933; for the first quarter

the total was 163 per cent larger than a year ago. Debits to checking accounts in March exceeded those of February by 12.4 per cent.

According to officials of railroads operating in this district, freight traffic continues in measurably larger volume than at the corresponding period in 1933 and slightly larger than in 1932. Increases in both comparisons extend to virtually all classifications, with a particularly favorable showing being made by miscellaneous freight, forest products and fuel. The movement of coal and coke has been stimulated by the belated cold weather, also, by heavier demands from industrial users. March loadings of livestock fell below a year and two years earlier, which fact is ascribed partly to the steadily increasing number of cattle, hogs and sheep being transported by trucks. For the country as a whole, loadings of revenue freight for the first fourteen weeks this year, or to April 7, totaled 8,103,535 cars, against 6,741,356 cars for the corresponding period in 1933 and 7,881,413 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 81,391 loads in March, which compares with 68,837 loads in February, and 62,045 loads in March, 1933. During the first nine days of April the interchanges amounted to 21,418 loads, against 23,012 loads during the first nine days of March and 18,331 loads during the corresponding period in 1933. Passenger traffic of the reporting lines increased 25 per cent in March, as compared with the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 81,000 tons, against 65,978 tons in February and 79,499 tons in March, 1933.

Collections during March and early April quite generally through the district maintained the high rate of efficiency which has existed since last fall. As contrasted with a year ago, very marked betterment was noted, but it will be recollected that in the earlier period the usual instrumentalities of exchange were hampered by disabilities incident to the National Banking Holiday. Wholesalers and jobbers of boots and shoes, dry goods and other lines with which April is an important settlement month, report payments relatively the largest for that period since 1930. In all wholesaling lines investigated, reports indicate a steadily decreasing trend in losses from failures and weak accounts. Further betterment was noted in collections in the tobacco districts. Retailers in the principal urban centers report some spottiness in payments, but with average somewhat higher than during the preceding thirty days. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

		Excellent	Good	Fair	Poor
March, 1934.....		5.1%	42.3%	50.5%	2.1%
February, 1934.....		5.2	36.0	55.7	3.1
March, 1933.....		0	10.7	52.5	36.8

Commercial failures in the Eighth Federal Reserve District in March, according to Dun and Bradstreet, numbered 37, involving liabilities of \$754,076, against 32 defaults in February with liabilities of \$289,371, and 111 insolvencies involving liabilities of \$2,696,132 in March, 1933.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — March sales of the reporting interests were 15 per cent less than for the preceding month, but 28 per cent greater than the March total a year ago. Inventories decreased 20 per cent between March 1 and April 1, and on the latest date were slightly larger than a year ago. For the first quarter this year aggregate sales exceeded those of the same period in 1933 by approximately 60 per cent. Part of this increase is ascribed to higher prices. The movement of styled goods and specialties for the Easter trade was reported in larger volume than at any time since the beginning of the depression. There has been some slowing in production, seasonal in character, since the middle of March. Factory operations were 85 to 90 per cent of capacity.

**Clothing** — Advance sales of apparel for summer and early autumn distribution continue to run in considerably heavier volume than a year and two years earlier. This is true particularly in the south, where retailers are buying on a freer scale than at this particular season in a number of years. Demand for work clothing in both the large industrial centers and rural areas is in considerable volume. March sales of the reporting clothiers were 58.6 per cent larger than for the same month in 1933, and 19.1 per cent greater than the February total this year. Stocks decreased 8 per cent between March 1 and April 1, and on the latest date were about one-half larger than a year earlier.

**Drugs and Chemicals** — For the tenth successive month, March sales in this classification were in larger volume than during the corresponding period a year earlier. While betterment was noted generally through all descriptions of drugs and chemicals, relatively the most favorable showing was made in heavy materials taken by the manufacturing trade. Demand for cosmetics, toilet preparations and other luxuries was reported much more in evidence than at this time during the past several years. March sales of the reporting firms were larger by 49 per cent than for the same month in 1933, and 11 per cent in excess of the February total this year. Inventories showed little variation between March 1 and April 1, and on the latter date were 31.5 per cent larger than a year ago.

**Dry Goods** — Business ascribable to Easter requirements was the largest in a number of years, and in addition marked improvement was noted in the more stable lines as contrasted with a year and two years earlier. Unfavorable weather in March had a tendency to restrict trade in some sections of the district. Sales of the reporting firms in March showed an increase of approximately three-fourths over the same month in 1933, and a decrease of 13 per cent under the February aggregate this year. The decrease in the month-to-month comparison was seasonal, and somewhat smaller than average. Stocks on April 1 were 16 per cent and 97 per cent larger, respectively, than a month and a year earlier.

**Electrical Supplies** — March sales of the reporting firms showed an increase of 77.5 per cent over the same month in 1933, and of 34 per cent as compared with February this year. Inventories increased further, stocks on April 1 being 3 per cent greater than a month earlier and 19 per cent in excess of those on April 1, 1933. While all sections showed betterment in both sales comparisons, largest gains were reported in electric refrigeration, radio and household appliances. Installations for new buildings remain relatively quiet.

**Flour** — Production at the twelve leading mills of the district in March totaled 263,960 barrels, against 252,789 barrels in February and 306,680 barrels in March, 1933. Purchasing of all grades of flour continues largely on a requirement basis. Both dealers and consumers are disposed to await more definite information relative to prospects for the growing winter wheat crop before increasing their commitments. Prices declined at mid-April in sympathy with a sharp break in the cash wheat market. The export situation developed no change from trends noted earlier in the year. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — Business in this classification continued the steady betterment which has been in progress since last fall. March sales of the reporting interests were 15 per cent larger than in February, and 73 per cent in excess of the March, 1933, total. Stocks decreased slightly during the month, but on April 1 were larger by 60 per cent than on the same date in 1933. Demand for radio cabinets has expanded, and there is also a more active movement of household furniture and furnishings than heretofore.

**Groceries** — March sales of the reporting firms were 8 per cent larger than for the preceding month, and 32 per cent greater than in March, 1933. Inventories increased 2 per cent between March 1 and April 1, and on the latest date were 35 per cent greater than a year ago. In the yearly sales com-

parison, a considerable part of the increase is attributable to the larger volume of buying in the country, particularly, in the typically cotton areas. Quite generally the comment is made by reporting firms that a greater diversity and higher grades of merchandise is being taken than was the case a year and two years earlier.

**Hardware** — Following the seasonal trend, March sales of the reporting firms were 12 per cent larger than in February, and the total was 44 per cent in excess of that in March, 1933. Stocks on April 1 were 3 per cent and 35 per cent larger, respectively, than a month and a year earlier. Merchants in all sections of the district report an active demand for garden tools, hand implements, and the general line of commodities used in the rural areas. Moderate improvement has developed in sales of builders' tools and hardware during the past six weeks.

**Iron and Steel Products** — Activities in the iron and steel industry in this district during March and the first half of April were characterized by the steadily upward trend which has been in effect since the beginning of the year. Virtually all sections of industry in this area participated in the betterment, an exception being building materials, which have failed to respond to the usual seasonal influences. In point of output at foundries, mills, machine shops and other ferrous metal working plants, according to interests reporting to this bank, March represented the largest total for any month this year, and was substantially greater than the small aggregate of the corresponding period in 1933. The melt of pig iron and scrap exceeded that of February by a fair margin, and was more than one-half again as large as a year ago. Stimulated by price advances, subsequent to wage increases granted by many steel manufacturers, purchasing of finished and semi-finished steel during late March and the first half of April was in considerable volume, and embraced a broad variety of commodities. Commitments for second quarter requirements are reported the largest for any similar period since 1930. Ordering of raw materials, notably pig iron, and iron and steel scrap, was also on a liberal scale. Requirements of farm implement manufacturers and the automotive industry continue to expand. Business of jobbing foundries increased, with new orders reflecting chiefly miscellaneous requirements. Despite temporary interruption due to weather conditions, iron and steel warehouse and jobbing interests report March sales and deliveries the largest for the period since 1930. There has been steady improvement in demands of the general manufacturing trade, and goods for use in the rural areas are moving in relatively large volume, as con-

trusted with the three preceding years. Heavier purchasing by the railroads was reflected in a higher rate of activity at steel mills and foundries specializing in this business. In addition to the mills which recently resumed operations, an additional plant began production on part-time schedules on April 16, after having been closed since the fall of 1932. The advance in steel prices which became effective between April 12 and 15, affected a number of important commodities, including sheets, strips, billets, slabs, bars, plates, plain wire, long terns and certain tubular goods. Tin plate remained unchanged. Pig iron was advanced \$1 per ton, but due to heavier offerings, scrap prices in this area declined from the year's peak in late February. For the country as a whole, production of pig iron in March, according to the Magazine "Steel", totaled 1,625,588 tons, against 1,270,792 tons in February, and 542,013 tons in March, 1933. Steel ingot production in the United States in March aggregated 2,797,194 tons against 2,213,569 tons in February and 909,886 tons in March, 1933.

**AUTOMOBILES**

Combined passenger car, truck and taxicab production in the United States in March was 335,993, against 235,384 (revised figure) in February, and 118,609 (revised figure) in March, 1933.

According to dealers reporting to this bank, distribution of automobiles in the Eighth District in March developed marked improvement, both as compared with the preceding month and a year ago. The large increase in sales over February was attributable partly to carryover of orders against which dealers were unable to effect deliveries. In both comparisons, increases were general through all classes of makes, and well distributed geographically. Relatively the largest gains were reported by dealers in the south. As has been the case for the past several months, demand centers mainly in the cheap priced field, but decided betterment is noted in medium priced vehicles, particularly where new models and equipment are featured. Reflecting betterment in business conditions, the demand for trucks of all descriptions continues active, March sales being nearly twice as large as a year earlier and approximately 90 per cent greater than the February total this year. Business in replacement part and accessories showed little change from the preceding month, but was in measurably larger volume than in March, 1933.

March sales of new passenger cars by the reporting dealers were 86 per cent larger than for the same month in 1933, and 113 per cent in excess of the February total this year. Reflecting freer factory deliveries, inventories moved upward, stocks on April 1 being 16 per cent greater than a month

earlier and approximately 30 per cent larger than a year ago. The situation in the used car market was reported less satisfactory than that for new vehicles, due partly to seasonal influences, but more particularly to a lack of desirable cars and of makes for which demand exists. March sales of second-hand cars were 12 per cent larger than in February and about 36 per cent greater than in March, 1933. Stocks of salable secondhand cars on April 1 were 16 per cent and 10 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that item, the ratio of deferred payment sales in March to total sales was 51 per cent, against 49 per cent in February and 52 per cent in March, 1933.

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in March was 34.7 per cent more than in February, and 71.6 per cent greater than the March, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March amounted to \$16,717,591 which compares with \$5,864,233 in February and \$4,890,487 in March, 1933. Production of portland cement for the country as a whole in March totaled 5,257,000 barrels against 4,168,000 barrels in February, and 3,684,000 barrels in March, 1933. Building figures for March follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	11	120	\$ 10	\$ 15	138	40	\$ 37	\$ 11
Little Rock ..	8	7	2	2	88	16	19	5
Louisville ..	45	22	26	18	33	25	27	13
Memphis ...	178	101	73	55	128	100	63	38
St. Louis....	111	97	227	107	170	189	76	102
Mar. totals..	353	347	\$ 338	\$ 197	557	370	\$ 222	\$ 169
Feb. " ..	227	228	251	133	404	269	302	129
Jan. " ...	206	246	320	115	352	277	177	152

\*In thousands of dollars (000 omitted).

**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	
	Mar. 1934 comp. to Mar. 1933	3 months ended Mar. 31, 1934 to same period 1933	Mar. 31, 1934 comp. to Mar. 31, 1933	Mar. 31, 1934	Jan. 1, to Mar. 31, 1933	1934 1933
	El Dorado, Ark...	+69.6%	+51.9%	+6.8%	.62	.44
Evansville, Ind....	+77.9	+40.3	+17.6	.43	.33	
Fort Smith, Ark...	+56.9	+44.0	+18.1	.55	.44	
Little Rock, Ark...	+100.9	+58.7	+41.1	.57	.47	
Louisville, Ky.....	+42.3	+22.2	+7.7	.69	.61	
Memphis, Tenn....	+58.2	+37.9	+23.3	.78	.63	
Quincy, Ill.....	+60.3	+41.8	+13.9	.64	.49	
St. Louis, Mo.....	+43.4	+31.0	+22.3	.88	.78	
Springfield, Mo...	+52.8	+41.0	+5.9	.42	.29	
All Other Cities...	+68.4	+45.6	+31.4	.64	.60	
8th F. R. District+	+49.5	+33.4	+21.8	.78	.67	

**Retail Stores**

	Net sales comparison		Stocks on hand		Stock turnover	
	Mar. 1934 comp. to Mar. 1933	3 months ended Mar. 31, 1934 to same period 1933	Mar. 31, 1934 comp. to Mar. 31, 1933	Mar. 31, 1934	Jan. 1, to Mar. 31, 1933	1934 1933
	Men's Furnishings .....	+117.3%	+63.7%	+37.9%	.60	.48
Boots and Shoes .....	+39.6	+4.4	-8.5	.71	.56	

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in March as being 17.2 per cent greater than in February and 21.5 per cent more than in March, 1933. Detailed figures follow:

	No. of Customers	Mar., 1934	Feb., 1934	Mar. 1934 comp. to Feb. 1934	Mar., 1933	Mar. 1934 comp. to Mar. 1933
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	2,362	1,984	+19.1%	1,489**	+58.6%
Little Rock....	35	1,251	1,191	+ 5.0	1,084	+15.4
Louisville ....	85	6,523	5,651	+15.4	5,341**	+22.1
Memphis .....	31	1,692	1,534	+10.3	1,102	+53.5
St. Louis.....	195	16,318	13,651	+19.5	14,158**	+15.3
Totals .....	386	28,146	24,011	+17.2	23,174	+21.5

\*In thousands (000 omitted).  
\*\*Revised figures.

### POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in combined postal receipts for the first three months this year of 4 per cent over the corresponding period in 1933 and a decrease of 6.8 per cent under the final quarter in 1933. Detailed figures follow:

	For Quarter Ended			Mar. 1934 comp. to Mar. 1933
	Mar. 31, 1934	Dec. 31, 1933	Sept. 30, 1933	
Evansville .....	\$ 141,196	\$ 130,008	\$ 139,549	+ 8.1%
Little Rock.....	182,751	171,715	153,540	+12.7
Louisville .....	605,216	617,313	540,284	+10.5
Memphis .....	499,219	543,508	448,329	+ 7.6
St. Louis.....	2,320,894	2,562,155	2,107,190	+ .1
Totals .....	\$3,749,276	\$4,024,699	\$3,388,892	+ 4.0

### AGRICULTURE

The report of the U. S. Department of Agriculture relative to planting intentions as of March 1, 1934, indicates that in states entirely or partly within the Eighth District, acreages of the principal field crops will be smaller than in each of the three preceding years. As contrasted with 1933, reductions are particularly marked in the case of corn and tobacco, both of which productions are involved in the Government's curtailment program. Indicated acreages of tame hay and oats are heavier than a year ago. Sweet potatoes, white potatoes, and peanuts have indications for somewhat larger acreages, this being in conformity with the general trend to diversify and rotate crops which has been in effect in recent years. Total acreage of the chief crops, including winter wheat seeded last fall, and excluding cotton, is estimated at 4.9 per cent less than in 1933, and 10 per cent and 9.5 per cent less than the aggregate harvested in 1932 and 1931, respectively.

The following comparative table shows intended plantings in 1934 by farmers in states of this district and the number of acres of the several crops harvested in the three preceding years:

	1931	1932	1933	1934
Corn .....	29,920,000	30,609,000	28,591,000	25,494,000
Oats .....	8,593,000	8,775,000	7,809,000	7,906,000
Rice .....	177,000	163,000	153,000	150,000
Barley .....	385,000	460,000	390,000	224,000
Potatoes.....	331,000	335,000	330,000	359,000
Sweet Potatoes.....	204,000	238,000	181,000	202,000
Tobacco .....	763,000	580,000	661,000	472,000
Peanuts.....	56,000	82,000	74,000	83,000
Tame Hay.....	10,150,000	10,138,000	10,117,000	10,393,000
Winter Wheat.....	5,812,000	5,274,000	5,351,000	5,731,000
Totals .....	56,391,000	56,654,000	53,657,000	51,014,000

**General Farm Conditions** — Following one of the mildest and most open winters in recent years, late February and a considerable part of March brought freezing temperatures, accompanied by heavy precipitation in the form of snow and rain. Taken as a whole the belated cold weather was favorable for agriculture, as it tended to prevent too rapid growth and development of vegetation, and the snow and rain were of distinct benefit, especially where moisture had been deficient earlier in the season. Generally throughout the district soil conditions are favorable for final field preparations and the seeding of spring crops. Prior to the cold weather an unusual amount of work had been accomplished, both in the cotton areas and the more northerly stretches of the district.

**Winter Wheat** — In its report as of April 1, the U. S. Department of Agriculture estimated production of wheat in states including the Eighth District at 81,097,000 bushels, which compares with 71,766,000 bushels harvested in 1933, and the 5-year average (1927-1931) of 85,397,000 bushels. This estimate makes no allowance for the effect upon wheat acreage of the reopening of the wheat campaign, or for adjustments in acreage which farmers may find necessary in compliance with wheat contracts. Reports from all sections of the district indicate a relatively high condition for the crop. Unfavorable planting conditions in some areas have been offset by auspicious weather during the winter. General precipitation since the middle of March has resulted in improvement in soil conditions, and almost universally the crop has attained good growth and is healthy in color. Considerably less than the average damage from winter kill is indicated, and insect infestation is less in evidence than at this time last year. Stocks of wheat on farms in states of the district as of April 1 are estimated by the Department at 9,968,000 bushels, a decrease of 28 per cent as compared with a year ago, and 35 per cent below the average of the three preceding years.

**Corn** — Preparations for the new crop have made good headway, though some delay has been occasioned by cold weather and heavy rains since mid-March. Planting has commenced in the southern sections of the district, but the recent cold weather has held germination in check. Weather permitting, seeding operations will be general by the end of April. In its annual survey of farm reserves, the Government estimates the amount of corn on farms in states of the Eighth District as of April 1, at 269,397,000 bushels, which compares with 441,083,000 bushels in 1933, 412,283,000 bushels in 1932 and 182,467,000 bushels in 1931.

**Fruits and Vegetables**—With the exception of injury sustained by peach buds in sections of Illinois, Indiana and Missouri from the late freezes, the outlook for fruits in this district at the middle of April was mainly favorable. In the early strawberry states, Mississippi, Arkansas and Tennessee, the 1934 crop is estimated at 3,165,000 crates, an increase of 64.5 per cent over the 1933 production. No official estimate of the condition of apples has been made, but reports from county agents and orchardists in various sections of the district indicate little damage to trees during the past winter, and in the southern states bloom has been abundant and prospects are for above average yields. The April 1 condition of early potatoes is generally above that of a year ago. February and March freezes injured some early plantings, which will slightly affect yield, but the chief results will be delay in maturity.

**Live Stock**—As of April 1, according to the U. S. Department of Agriculture, there were about 12 per cent less cattle on feed for market in the Corn Belt States than on the same date in 1933, representing in numbers around 170,000 head. Compared with the number on feed on April 1, 1932, there was an increase of about 82,000 head. The decrease is general over the entire area, and is in part a reflection of the corn situation. Large quantities of the 1933 corn crop, which was 15 per cent under average in the Corn Belt, have been sealed on farms to secure Federal Loans, with the result that corn prices are relatively high as compared with cattle prices. For the first quarter of 1934, shipments of stocker and feeder cattle inspected at stockyards into the Corn Belt were 14 per cent smaller than for the same period a year earlier.

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

	Receipts			Shipments		
	Mar., 1934	Feb., 1934	Mar., 1933	Mar., 1934	Feb., 1934	Mar., 1933
Cattle and Calves.....	85,772	81,028	67,729	40,708	36,749	33,985
Hogs .....	202,216	201,857	224,256	126,977	142,897	136,994
Horses and Mules.....	6,565	8,270	5,031	6,723	8,546	5,398
Sheep .....	41,035	27,112	36,011	4,960	7,977	10,474

**Cotton**—Generally in this district, preparations for the new crop have been completed, and seeding has made considerable headway in the southern counties. While there has been some interruption to field work during the past month, earlier conditions were unusually auspicious and taken as a whole, progress of the crop is well up to the seasonal schedule. In practically all sections, reports continue to indicate much freer use of fertilizers than has been the case in recent years. Demand for raw cotton showed little change as contrasted with the preceding thirty days, and prices fluctuated within a relatively narrow range. The average,

however, continued approximately twice as high as during the corresponding period a year and two years earlier. In the St. Louis market the middling grade ranged from 11.50c to 11.95c per pound between March 16 and April 16, closing at 11.50c on the latter date, which compares with 11.90c on March 16, and 6.45c on April 13, 1933. Receipts at Arkansas compresses from August 1, 1933, to April 13, 1934, totaled 986,997 bales, against 1,203,745 bales for the corresponding period a year earlier. Stocks on hand as of April 13 were 414,022 bales against 426,278 bales on the corresponding date a year ago.

**Tobacco**—As of April 14, burley tobacco markets of the district had closed, except for minor sales in Lexington and Owensboro, Ky. The total 1933 burley crop is estimated at 385,000,000 pounds. Indications are that at the final closing of all markets, there will be less burley tobacco in farmers' hands than for any crop in recent years. This is ascribed partly to the fact that the farmers are required to show actual 1933 sales in order to secure their acreage allotment for the 1934 crop.

Late sales of dark fired tobacco in the Clarksville, Springfield and Hopkinsville markets were the largest of the season. Good to fine quality sold from \$27 to \$38.50 per cwt., the highest prices of the season. There has been a ready sale for all tobacco offered. As of April 18 it was estimated that approximately 88 per cent of the dark fired crop had been sold and delivered in the eastern district and about 90 per cent in the western district.

Tobacco plant beds were sown in late February and in the intervals of favorable weather in March. Plants are coming up and are mainly healthy, with good prospects for early development and transplanting. At the middle of April much ground had been prepared for this year's crop.

**COMMODITY PRICES**

Range of prices in the St. Louis market between March 15, 1934, and April 16, 1934, with closing quotations on the latter date and on April 15, 1933, follow:

	High	Low	Close	
			April 16, 1934	April 15, 1933
Wheat				
May .....	.85½	.77¾	.77¾	.62¼
July .....	.86½	.79	.79	.63½
*Sept. ....	.87½	.82	.82	.64
No. 2 red winter .....	.91	.83½	.83	.66
No. 2 hard .....	.88¼	.79½	.79½	.64
Corn				
*May .....	.51¾	.42¾	.42¾	.32
*July .....	.53¾	.45½	.45½	.34¾
*Sept. ....	.55½	.47¾	.47¾	.36¾
No. 2 mixed .....	.50	.47¼	.47¼	.33½
No. 2 white .....	.52	.49	.49	.37
Oats				
No. 2 white .....	.37	.29¾	.29¾	.22
Flour				
Soft patent.....per bbl.	6.90	6.10	6.10	@ 3.90
Spring .....	6.90	6.10	6.10	@ 4.50
Middling cotton.....per lb.	.1195	.1150	.1150	** .0645
Hogs on hoof.....per cwt.	4.65	2.00	2.00	@ 3.75

\*Nominal quotations.  
\*\*Close, as of April 13, 1933.

**FINANCIAL**

Except for slight changes, traceable to seasonal influences, trends in the banking and financial situation in this district during late March and the first half of April were practically identical with those during the similar period immediately preceding, and, in fact, since the first of the present year. Demands for mercantile and industrial interests continue in limited volume, while loanable resources of commercial banks in both the large cities and smaller communities increased further. There was a considerable volume of liquidation of commercial loans with banks in the chief distributing centers, particularly with institutions which supply accommodations to boot and shoe, dry goods and other wholesaling and jobbing lines with which April is an important settlement month. Less than the ordinary demand at this time of year for financing agricultural operations was in evidence. Country banks further reduced their borrowings from city correspondents and in many instances are seeking investments for their surplus funds.

Total loans and investments of reporting member banks in the principal cities decreased 5 per cent in the four-week period ended April 11, and on that date were 7.8 per cent larger than a year ago; a slight decrease in their demand deposits and an increase in time deposits resulted in a decrease of 1.8 per cent in total deposits for the period. Reserve balances continued the steady upward trend of recent months, and on the second report date in April were approximately 106 per cent greater than a year ago.

The amount of savings deposits held in selected banks as of April 4 was 2.8 per cent greater than on March 7 and 9.7 per cent in excess of total April 5, 1933. Changes in the statement of the Federal Reserve Bank of St. Louis between March 18 and April 18 were relatively unimportant. The total volume of credit extended decreased \$807,000, due to smaller rediscounts for member banks and holdings of open market paper.

Interest rates remained at or about the low levels prevailing in recent months. At St. Louis banks, as of the week ended April 15, current quotations were as follows: Customers' prime commercial paper 3 to 5½ per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 2 to 6 per cent and **cattle** loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on April 11, 1934, showed a decrease of 1.6 per cent as contrasted with

March 14, 1934. Deposits decreased 1.8 per cent between March 14, 1934 and April 11, 1934 and on the latter date were 26.1 per cent greater than on April 12, 1933. Composite statement follows:

	*Apr. 11, 1934	*Mar. 14, 1934	*Apr. 12, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....\$	81,326	\$ 86,906	\$ 98,011
All other loans and discounts....	135,445	133,452	139,518
Total loans and discounts.....	\$216,771	\$220,358	\$237,529
Investments			
U. S. Govt. securities.....	\$183,124	\$204,711	\$117,607
Other securities.....	95,949	96,876	104,668
Total investments.....	\$279,073	\$301,587	\$222,275
Reserve balance with F. R. Bank..\$	85,131	\$ 71,620	\$ 41,313
Cash in vault.....	7,627	7,992	7,088
Deposits			
Net demand deposits.....	338,690	342,179	260,197
Time deposits.....	162,977	162,352	157,964
Government deposits.....	31,086	37,720	4,200
Total deposits.....	\$532,753	\$542,251	\$422,361
Bills payable and rediscounts with			
Federal Reserve Bank.....			\$ 50

\*In thousands (000 omitted).  
The total resources of these banks comprise approximately 61.6% of all member banks in this district.

**Federal Reserve Operations**—During March the discount rate of the Federal Reserve Bank of St. Louis remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Apr. 19, 1934	*Mar. 19, 1934	*Apr. 19, 1933
Bills discounted .....	\$ 246	\$ 245	\$ 4,333
Bills bought .....	238	993	9,438
U. S. Securities.....	93,200	93,200	65,832
Participation in Inv. Foreign Banks....	128	128	210
Total Bills and Securities.....	\$ 93,812	\$ 94,566	\$ 79,813
Total Reserves .....	\$197,524	\$175,903	\$153,037
Total Deposits .....	148,876	116,097	79,105
F. R. Notes in circulation.....	134,024	136,620	149,565
F. R. Bank Notes in circulation.....	3,195	10,274	39
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	69.8%	69.6%	66.9%

\*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.

	*Mar., 1934	*Feb., 1934	*Feb., 1933	Mar., 1934 comp. to Feb. 1934	Feb. 1933
East St. Louis and Natl.					
Stock Yards, Ill..\$	17,624	\$ 15,846	\$ 14,391	+11.2%	+22.5%
El Dorado, Ark.....	3,437	3,160	3,093	+ 8.8	+11.1
Evansville, Ind.....	15,923	13,255	12,280	+20.1	+29.7
Fort Smith, Ark.....	7,906	7,896	6,039	+ 0.1	+30.9
Greenville, Miss....	3,080	3,289	2,732	— 6.4	+12.7
Helena, Ark.....	1,680	1,413	913	+18.9	+84.0
Little Rock, Ark....	21,843	18,460	13,914	+18.3	+57.0
Louisville, Ky.....	149,867	135,004	100,810	+11.0	+48.7
Memphis, Tenn.....	104,783	92,362	60,633	+13.4	+72.8
Owensboro, Ky.....	3,826	3,611	2,836	+ 6.0	+34.9
Pine Bluff, Ark.....	5,147	5,418	3,434	— 5.0	+49.9
Quincy, Ill.....	5,335	4,513	3,603	+18.2	+48.1
St. Louis, Mo.....	435,203	387,747	320,316	+12.2	+35.9
Sedalia, Mo.....	1,473	1,235	1,182	+19.3	+24.6
Springfield, Mo....	11,126	8,501	7,576	+30.9	+46.9
**Texarkana,					
Ark.-Tex.....	5,505	4,749	4,657	+15.9	+18.2
Totals .....	\$793,758	\$706,459	\$558,409	+12.4	+42.1

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

NOTE: No debit figures reported for March, 1933.

(Compiled April 23, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of May 29, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

WHILE the volume of Eighth District business continues well ahead of the corresponding period a year and two years earlier, the past thirty days have been marked by some slowing down in certain phases both of productive and distributive activities. The lagging tendencies, however, are by no means universal, as in a number of important lines there has been no recession from the recent gains, and in some instances progress recorded earlier in the year has been carried further. In the comparison with a year ago, April showed less marked increases than in earlier months, the main reason for which manifestation being that in the spring of 1933 the substantial betterment in general business conditions began to get well under way. Wholesale trade in April receded below that of the month before, which is explained by the earlier Easter date and by other seasonal influences. Reports covering the first half of May indicate some spottiness and irregularity. It is evident that merchants and the public are buying somewhat more cautiously than heretofore, and in many instances, current needs were well supplied in the earlier buying movements.

Of the wholesale lines investigated by this bank, all but electrical supplies showed decreases in sales volume from March to April, but without exception increases over a year earlier were recorded, and the total of all lines was larger than in April, 1932. Most immediately affected by the recessionary trends were lines handling goods for ordinary consumption, notably dry goods, boots and shoes, certain food products, drugs and apparel. Demand for garden supplies, including seeds, spraying materials and equipment, hand implements, etc., continues active, and the season to date for goods in this general category has been the best since the beginning of the depression. As a whole the iron and steel industry in this district made further progress, with especially large increases being reported by manufacturers of stoves, farm implements, refrigeration and household appliances. The melt of pig iron expanded further, and while there was a decline in new sales, deliveries on iron previously acquired in April reached the highest total for any month in more than two years.

Drouth conditions, which seriously injured crops in other sections of the country, were less acutely felt in this district, and in many localities precipitation has been adequate throughout the season. Taken as a whole, the Eighth District agricultural situation at the middle of May was favorable, with prospects for many crops well up to average. Whereas wheat prospects for the country as a whole decline sharply between April 1 and May 1, the estimate of the U. S. Department of Agriculture for production in states of this district was raised by 291,000 bushels during the thirty-day period. Planting of cotton, corn, rice, hay and other spring crops has made excellent progress, and recent rains have materially benefited all vegetation. Quite generally throughout the district, but more particularly in the cotton areas, farmers are planning for more extensive diversification than in any recent year. Farm income has been substantially increased by rental and benefit payments in connection with the Government's curtailment campaign, and a considerable part of these funds are being used to finance spring operations.

As indicated by sales of department stores in the principal cities of the district, retail trade in April was 7 per cent smaller than in March, and 12 per cent greater than in April, 1933; for the first four months this year the volume was 27 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in April were 11 per cent smaller than in March, but 18 per cent in excess of the April, 1933, total; for the first four months cumulative sales of these firms were larger by 51 per cent than during the same time in 1933. The dollar value of building permits issued for new construction in the five largest cities in April was 472 per cent and 369 per cent greater, respectively, than a year and a month earlier; cumulative total for the first four months this year exceeded that of the same period in 1933 by 245 per cent. Contracts let in the Eighth District in April were 63 per cent greater than in March, and 144 per cent more than the April, 1933, aggregate; for the first four months this year there was an increase of 159 per cent as compared with the similar period in 1933. Debits

to checking accounts in April fell 5 per cent below the preceding month, but were 29 per cent greater than in April last year. The cumulative total for three months this year was 19 per cent larger than for the like period in 1933.

In all classifications of freight handled, with the exception of grain and grain products, railroads operating in this district report increases during the past thirty days over the corresponding period a year ago. Falling off in the movement of grain is accounted for by the unusually heavy shipments earlier in the year, and the ordinary seasonal influences. In the number of passengers handled and revenues from this traffic, totals of several of the reporting roads were the largest in more than three years. For the country as a whole, loadings of revenue freight for the first 18 weeks this year, or to May 5, totaled 10,484,684 cars, against 8,801,977 cars for the corresponding period in 1933, and 10,098,914 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 73,693 loads in April, which compares with 81,391 loads in March, and 65,819 loads in April, 1933. During the first nine days of May the interchange amounted to 21,979 loads, against 21,418 loads during the first nine days of April, and 21,142 loads during the corresponding period a year ago. Passenger traffic of the reporting lines increased 7.5 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 91,000 tons, which compares with 81,600 tons in March and 82,440 tons in April, 1933.

Reports relative to collections during April and the first half of May reflect a continuance of the progressively favorable conditions which have obtained in recent months. In the principal centers of distribution, wholesalers and jobbers report May settlements as exceeding expectations and greatly in excess of a year ago. Scattered reports of country banks indicate considerable liquidation by agricultural borrowers, and improved collections by country merchants is the rule throughout the district, but more particularly in the south. According to manufacturers of building materials and other descriptions of heavy goods, collections during the past sixty days have shown distinct betterment over conditions prevailing earlier in the year. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
April, 1934.....	3.1%	44.3%	50.6%	2.0%
March, 1934.....	5.1	42.3	50.5	2.1
April, 1933.....	3.5	15.8	63.2	17.5

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 24, with liabilities of \$305,505, against 37 defaults in March, involving liabilities of \$754,076, and 68 failures for a total of \$996,043 in April, 1933.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — April sales of the reporting firms were 6 per cent larger than for the same month in 1933, and 4 per cent smaller than the March total this year. Inventories decreased 17.5 per cent between April 1, and May 1, and on the latest date were 4 per cent larger than a year ago. The decrease in the month-to-month comparison was seasonal in character, but smaller than the average during the past several years. Since May 1 there has been a noticeable contraction in ordering, retailers generally being disposed to await developments before increasing their commitments. There was no change in prices as contrasted with the preceding thirty days. Production decreased seasonally in April, and since the first of this month operations at a number of plants were suspended on account of labor troubles.

**Clothing** — As contrasted with a year ago, sales of the reporting clothiers in April showed an increase of 53 per cent, but a decrease of approximately the same amount as compared with the March volume this year. The decrease in the month-to-month comparison, which is greater than usual, is attributed to the heavy purchasing earlier in the year. Ordering of apparel for summer and early autumn distribution continues well in excess of a year and two years earlier. Some slowing down in demand for work clothing was noted during the last half of April and the opening weeks of May. Stocks on May 1 were 8 per cent smaller than a month earlier, and 93 per cent greater than a year ago.

**Drugs and Chemicals** — Following the seasonal trend, April sales of the reporting firms in this classification decreased 11 per cent under the preceding month. April volume, however, was 36 per cent greater than for the same month in 1933. Cool weather during April had a tendency to retard the movement of seasonal merchandise, though purchasing of insecticides, fertilizers and kindred materials extended further into the season than usual. A heavy volume of reordering of merchandise in this category was reported by a number of important firms. Some slowing down in requirements of heavy chemicals was noted in the general manufacturing trade. Stocks on May 1 were 2.4 per cent smaller than a month earlier and 24 per cent larger than on May 1, 1933.

**Dry Goods**—Some slowing down in ordering was noted in April, with further curtailment in the first two weeks of May. Retailers have apparently covered thoroughly on their immediate requirements and are purchasing somewhat more cautiously than earlier in the year. April sales of the reporting firms fell 16 per cent below the March total, but were 31.5 per cent larger than in April, 1933, and, incidentally, represented the largest total for the month since 1930. Inventories continued to increase, stocks on May 1 being 11 per cent and 130 per cent larger, respectively, than thirty days and a year earlier.

**Electrical Supplies**—Further improvement in this classification, both as compared with a month and a year earlier, was noted in April business. Reports covering the first half of May reflect a slight falling off in orders booked, but with volume still running well over the corresponding period a year ago. April sales of the reporting firms were 66 per cent greater than for the same month in 1933, and 15 per cent in excess of the March total this year. Stocks on May 1 were larger by 14 per cent and 36 per cent respectively, than a month and a year earlier.

**Flour**—Production at the twelve leading mills of the district in April totaled 224,482 barrels, the smallest since last August, and comparing with 263,960 barrels in March and 274,572 barrels in April, 1933. Except for a moderate improvement in demand through the south, where early spring farm operations are stimulating the retail outlet, trade continued quiet. Purchasing by the large milling interests and jobbers is mainly on a requirement basis. The export situation particularly with reference to Europe and the Orient, has developed no improvement. Routine business with the Latin-American countries was reported steady. After receding in late April, prices strengthened in the first weeks of May in sympathy with the upturn in cash wheat values. Mill operations were at from 45 to 50 per cent of capacity.

**Furniture**—April sales of the reporting firms were 28 per cent larger than for the same month in 1933, and 12 per cent smaller than in March this year. Stocks decreased 6 per cent between April 1 and May 1, and on the latest date were approximately one-half larger than a year ago. Further improvement was noted in demand for household furniture and furnishings. According to a number of leading establishments, profits during the past three or four months have been on a more satisfactory basis than since 1930.

**Groceries**—Business in the rural areas, particularly in the south, has shown steady improve-

ment during the past six weeks, according to grocery firms reporting to this bank. Increased sales in the country, however, have been partly offset by smaller volume in the larger centers of population, with the result that April sales decreased 11 per cent below the preceding month. The April total, however, was 14 per cent above that of the same period in 1933. Inventories decreased slightly between April 1 and May 1, and on the latest date were about one-third larger than a year earlier.

**Hardware**—Considerable spottiness was reflected in reports relative to April business by the firms furnishing their statistics to this bank. In some localities no diminution was shown in sales, while elsewhere a decided slowing down was noted. Goods for consumption in the rural areas continue to make a relatively better showing than merchandise for distribution in the urban centers. Sporting goods and outing supplies are moving in measurably heavier volume than during the preceding two or three years. Builders' tools and hardware continue slow. April sales of the reporting firms were 13 per cent smaller than in March, but 17 per cent greater than in April a year ago. Stocks on May 1 were slightly larger than a month earlier and 24 per cent greater than on May 1, 1933.

**Iron and Steel Products**—In practically all sections of the iron and steel industry in this general area, the past thirty days have been marked by a further expansion in activities. Improvement has been particularly marked in the case of specialty manufacturers, notably stoves, washing machines, tractors, farm implements and heating apparatus. Some slowing down was reported by manufacturers of machine tools and other heavy machinery. The melt of pig iron in April and the first half of May was measurably larger than in the similar period immediately preceding, and approximately 50 per cent greater than a year ago. April deliveries of pig iron to users in the district were the largest for any month since 1931, and the daily average rate since May 1 was slightly above that of the preceding month. While miscellaneous requirements continue to predominate in finished and semi-finished steel, demands from the important consuming interests, including the railroad, automotive, petroleum, and building industries were more in evidence than heretofore. Operations at district steel mills at the middle of May were at a slightly higher rate than thirty days earlier. Jobbing foundries reported a substantial accretion to new orders, and in spite of heavy shipments of castings during April, unfinished business on their books at the end of that month was in larger volume than on March 31. A favorable development in the industry as a whole

has been the almost negligible volume of cancellations. On the contrary, there was a general desire on the part of purchasers to get in all material under contract for second quarter delivery. This was ascribable partly to the fact that under the steel code, practically all second quarter tonnage, except railroad, must be delivered before July 1. Materials for distribution in the rural areas, such as wire fencing, repair goods, roofing, machine shop supplies, etc., continue to move in considerably heavier volume than at the same season during the past several years. The general run of wire and wire products and certain descriptions of tubular goods, are in better demand than earlier in the year. Demand for sheets and plates was somewhat more active, both in point of new inquiries and specifications on tonnage previously acquired. Warehouse and jobbing interests report steady improvement in volume of business, with relatively little resistance on the part of customers to the recent price advances. While still relatively quiet, building materials showed moderate improvement during April and the first weeks of May. The trend of prices of both raw and finished materials continued upward. An exception was iron and steel scrap, which during the first half of May declined rather sharply from the high levels recorded in March and April. The decline was attributable to more liberal offerings and to the fact that mills and foundries had covered their requirements pretty thoroughly in the buying movement earlier in the year. For the country as a whole production of pig iron in April, according to the magazine "Steel", totaled 1,736,217 tons, the largest since August, 1933, and comparing with 1,625,588 tons in March, and 623,606 tons in April, 1933. Production of steel ingots in the United States in April was 2,935,631 tons, against 2,797,194 tons in March, and 1,362,856 tons in April, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in April, was 360,620, against 336,013 (revised figure) in March, and 180,667 (revised figure) in April, 1933.

Conforming with the usual seasonal trend, Eighth District distribution of automobiles, according to dealers reporting to this bank, decreased during April under the preceding month. The extent of the decline, however, was considerably less than the average during the past decade, and the total was substantially larger than in April, 1933. The April volume was the largest for that month since 1931. The increase in the yearly comparison was accounted for largely by cars in the low price field, and in the medium price category where new models have been featured and intensive selling campaign conducted. Recent price advances, made

to adjust to higher material and labor costs, according to dealers handling the makes affected, have met with relatively little price resistance. As has been the case for the past several months, demand for trucks of all descriptions continued in considerable volume. Truck sales by the reporting dealers in April exceeded those of the same period in 1933 by more than one-half, though the total was about 9 per cent below that of March this year. As contrasted with earlier months this year, business in parts and accessories developed moderate betterment during the last half of April and early May.

Sales of new passenger cars by the reporting dealers in April were one-third larger than for the same month a year ago, and 1.6 per cent smaller than the March total this year. Dealers are still disposed to hold their inventories in close balance with current sales, with the result that stocks on hand as of May 1 showed only slight change as compared with April 1, but the total was still about one-fourth greater than a year ago. While moderate improvement was noted in the used car situation, the market is still handicapped by a lack of desirable cars in virtually every price field. In many instances dealers are offering higher prices for good secondhand vehicles than heretofore. Sales of used cars in April fell slightly below March and were approximately 10 per cent greater than in April, 1933. Stocks of salable secondhand cars on May 1 were 11 per cent and 15 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that item, the proportion of deferred payment sales to total sales in April was 48 per cent, against 51 per cent in March and 48 per cent in April, 1933.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 369 per cent more than in March, and 472 per cent greater than the April, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$7,983,325 which compares with \$16,717,591 in March, and \$3,265,850 in April, 1933. Production of portland cement for the country as a whole in April totaled 6,544,000 barrels, against 5,257,000 barrels in March and 4,183,000 barrels in April, 1933. Building figures for April, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	3	118	\$ 12	\$ 9	188	365	\$ 34	\$ 42
Little Rock ..	12	11	70	1	96	28	23	64
Louisville ..	38	43	320	34	73	62	116	90
Memphis ....	160	114	69	79	176	134	58	55
St. Louis....	165	113	1,114	154	228	191	92	177
April Totals	378	399	\$1,585	\$ 277	761	780	\$ 323	\$428
March " "	353	347	338	197	557	370	222	169
Feb. " "	227	228	251	133	404	269	302	129

\*In thousands of dollars (000 omitted).

**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	
	Apr. 1934 comp. to Apr. 1933	4 months ended Apr. 30, 1934 to same period 1933	Apr. 30, 1934 comp. to Apr. 30, 1933	Jan. 1, to Apr. 30, 1934	Apr. 30, 1933
El Dorado, Ark.....	+38.6%	+48.0%	+11.9%	.85	.62
Evansville, Ind.....	0.1	+26.1	+20.2	.58	.51
Fort Smith, Ark.....	+17.9	+36.0	+24.4	.72	.63
Little Rock, Ark.....	+20.6	+46.8	+42.3	.74	.68
Louisville, Ky.....	+6.9	+17.1	+8.7	.99	.91
Memphis, Tenn.....	+25.1	+34.3	+23.7	1.03	.87
Quincy, Ill.....	+27.9	+37.5	+13.2	.90	.71
St. Louis, Mo.....	+8.6	+24.0	+22.4	1.19	1.12
Springfield, Mo.....	+42.0	+41.3	+14.9	.59	.42
All Other Cities.....	+8.0	+33.1	+36.5	.87	.89
8th F. R. District.....	+11.8	+26.6	+22.6	1.06	.97

Percentage of collections in April to accounts and notes receivable first day of April, 1934. (Percentage of collections by cities.)

El Dorado, Ark.....	47.2	Memphis, Tenn.....	39.6
Fort Smith, Ark.....	36.9	Springfield, Mo.....	24.6
Little Rock, Ark.....	33.8	St. Louis, Mo.....	51.6
Louisville, Ky.....	46.5	All Other Cities.....	31.3
8th F. R. District.....	46.0		

**Retail Stores**

	Net sales comparison		Stocks on hand	Stock turnover	
	Apr. 1934 comp. to Apr. 1933	4 months ended Apr. 30, 1934 to same period 1933	Apr. 30, 1934 comp. to Apr. 30, 1933	Jan. 1, to Apr. 30, 1934	Apr. 30, 1933
Men's Furnishings .....	9.6%	+32.2%	+41.7%	.76	.74
Boots and Shoes .....	-18.4	-3.8	-2.8	.95	.85

**CONSUMPTION OF ELECTRICITY**

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in April as being 2.5 per cent greater than in March and 20.9 per cent more than in April, 1933. Detailed figures follow:

	No. of Customers	Apr., 1934	Mar., 1934	Apr. 1934 comp. to Mar. 1934	Apr., 1933	Apr. 1934 comp. to Apr. 1933
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	2,400	2,362	+1.6%	1,568**	+53.1%
Little Rock... 35		1,375	1,191**	+15.4	1,280	+7.4
Louisville .... 85		6,648	6,523	+1.9	5,320**	+25.0
Memphis .... 31		1,761	1,692	+4.1	1,257	+40.1
St. Louis.....194		16,605	16,318	+1.8	14,384**	+15.4
Totals .....	385	28,789	28,086**	+2.5%	23,809**	+20.9%

\*In thousands (000 omitted.)  
\*\*Revised figures.

**AGRICULTURE**

Taken as a whole the season from the period of winter wheat planting last fall to the middle of May in the Eighth District has been favorable for agriculture, considerably more so than in some other sections of the country. The mild, open winter permitted of an unusual amount of soil preparation, and such operations are ahead of the seasonal schedule. While the first four months of the current year have been dry, moisture in some sections being much below average, there have been scattered rains, and except in limited areas, drouth conditions have not been serious. As a result of inadequate precipitation, pastures, oats and tame hay suffered most, other crops weathering relatively well and offering fair promise of sizeable yields. For the country as a whole there was a sharp decline in the

condition of winter wheat from April 1 to May 1, whereas in states of this district prospects bettered during the thirty-day period. Rains were fairly general during the second week of May, breaking the dry spell, and proving of great benefit to pastures and the wheat and tame hay crops. Corn planting has proceeded without serious interruption, with soil in generally excellent tilth.

Generally throughout the district, but more particularly in the cotton, tobacco and wheat sections, farmers are planning to diversify to a greater extent than in former years. The formulation of such programs is ascribable in large measure to the reduction in acreage of the main crops incident to the Government's curtailment campaign. Larger feed crops will be planted than formerly, with particular stress being put upon varieties which will maintain and build up the land. Acreages of commercial fruits and vegetables are expected to be enlarged, and gardens for home use will be a more extensive and important factor than in former years. Reports from seed interests in various sections of the district indicate a considerable increase in the volume of sales over the same time a year and two years earlier, also a greater diversity in kinds of seeds purchased.

According to reports of the Agricultural Adjustment Administration, rental and benefit payments received to April 1 by farmers in states of the Eighth District in connection with the program for curtailment of cotton, wheat and tobacco crops amounted to \$30,483,451. For the country as a whole these payments totaled \$179,702,687.

**Winter Wheat**—The U. S. Department of Agriculture in its report based on conditions as of May 1, estimates 1934 production of winter wheat in states including the Eighth District at 82,388,000 bushels, an increase of 291,000 bushels over the April forecast, and comparing with 71,766,000 bushels harvested in 1933, and the 5-year average (1927-1931) of 85,397,000 bushels.

**Fruits and Vegetables**—Prospects for peaches in the southern states, according to the U. S. Department of Agriculture's May 1 report, are considerably better than a year ago. On the other hand, the crop in central and Northern-Missouri, and large sections of Illinois and Indiana is a virtual failure, due to dry weather injury last year and heavy destruction of buds and blossoms from freezing in late February and March. The combined output in Arkansas and Mississippi is estimated at 3,663,000 bushels, against 1,166,000 bushels harvested in 1933 and the 5-year average (1927-1931) of 2,559,000 bushels. Similar conditions obtain in apple prospects. Bloom has been scanty in the northern areas, but to the south conditions are generally much more

favorable. Due to favorable season and increased acreage, the strawberry crop is expected to be considerably larger than a year ago, according to reports of county agents, railroads and marketing organizations in the principal producing areas.

**Live Stock**—May hay conditions generally through the district indicate another light crop, illustrating the cumulative effects of several years of short rainfall. Pastures are also short, in some sections the lowest in twenty years. As a result of the prolonged feeding season, stocks of tame hay on farms as of May 1 in states of this district had dropped to the low aggregate of 1,322,000 tons, as against 1,937,000 tons on the same date in 1933, and a 5-year average (1927-1931) of 1,843,000 tons.

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

	Receipts			Shipments		
	Apr., 1934	Mar., 1934	Apr., 1933	Apr., 1934	Mar., 1934	Apr., 1933
Cattle and Calves.....	90,891	85,772	79,239	41,374	40,708	36,903
Hogs .....	257,196	202,216	256,616	133,380	126,977	155,769
Horses and Mules.....	6,160	6,565	6,238	5,444	6,723	5,493
Sheep .....	36,825	41,035	57,075	5,297	4,960	11,938

**Cotton**—Planting of the new crop made good progress during the last half of April and to the middle of May. The winter had been one of the most favorable in recent years for soil preparation, and with intensive cultivation, fields are unusually free of grass and weeds, and in excellent condition to face a wet spell, should one develop later in the season. Germination has been slow, owing to cool weather, and, in some sections, to lack of moisture. Dry conditions, however, have been by no means universal, as many important growing areas have received beneficial showers, with the result that the plant is up to good stands. In the most southern counties of the district, chopping has made headway. There are scattered reports of damage from cut worms, but nothing of a particularly serious character. According to the National Fertilizer Association there was a sharp drop in fertilizer tag sales in states of this district from March to April. Total sales of these states for the period from January to April, inclusive, however, were about three-fourths larger than for the corresponding period in 1933 and 58 per cent greater than in 1932. Prices of raw cotton declined sharply in late April and early May, but recovered a considerable part of the loss during the second week of the latest month. In the St. Louis market the middling grade ranged from 10.45c to 11.50c per pound between April 17 and May 15, closing at 11.20c on the latter date, which compares with 11.50c on April 17 and 8.30c on May 15, 1933. Receipts at Arkansas compresses from August 1, 1933, to May 11, 1934, totaled 1,000,116 bales, against 1,238,450 bales for the corresponding period a year earlier. Stocks on hand as

of May 11 were 347,875 bales, against 414,022 bales on April 13, and 379,089 bales on the corresponding date in 1933.

Allotment of tax-exempt cotton to Eighth District states, under provisions of the Bankhead Act is given in the following table:

	5-year average 1928-1932 in 1,000 bales	% of total U. S. 5-year average excluding Missouri	Allotment in terms of 500-lb. net weight bales
Tennessee .....	479	3.37	323,520
Mississippi .....	1,559	10.96	1,052,160
Arkansas .....	1,358	9.55	916,800
Total, exclud- ing Missouri.....			2,292,480
Missouri .....			200,000
Totals .....	3,396	23.88	2,492,480

The tax exempt production in the United States is 10,000,000 bales.

**Tobacco**—Virtually the entire burley crop has moved from farmers' hands. Records as of May 4 indicate net production of the 1933 crop was approximately 385,144,000 pounds, which sold at an average of \$10.46 per cwt., as compared with net sales of the 1932 burley crop of 320,303,000 pounds at a general average of \$12.45 per cwt. Dark fired markets were kept open later than expected, owing to interference with handling the leaf caused by unfavorable weather. On May 4 estimates indicated that 95 per cent of the entire dark crop had been sold and delivered.

As of the second week in May, reports from the chief producing areas of this district indicated that growth of plants had been retarded by lack of rainfall. Growers were obliged to resort to artificial watering to keep the plants alive, and their growth was irregular and stunted. However, recent precipitation has materially improved plant beds, and latest advices indicate that there will be enough healthy plants to assure putting in full intended acreage.

### COMMODITY PRICES

Range of prices in the St. Louis market between April 16, 1934, and May 15, 1934, with closing quotations on the latter date and on May 15, 1933, follow:

	High	Low	Close	
			May 15, 1934	May 15, 1933
Wheat				
*May .....	.87½	.70½	.86½	.74
July .....	.86½	.72	.84½	.73½
*Sept. ....	.87	.74½	.85½	.74½
No. 2 red winter ..	.88	.74½	.85½	.82 @ .82½
No. 2 hard " ..	.87½	.74½	.86½	.77 @ .78
Corn				
*May .....	.49½	.40	.46½	.44½
*July .....	.52	.43	.48½	.34½
*Sept. ....	.53½	.45	.50½ @ .50½	.36½ @ .36½
*No. 2 mixed ....	.52	.45½	.52	.45½ @ .46
*No. 2 white .....	.55½	.49	.53	.47½ @ .48½
Oats				
*No. 2 white .....	.38	.28½	.35 @ .35½	.27½ @ .27½
Flour				
Soft patent.....per bbl.	6.70	5.85	6.30 @ 6.70	4.65 @ 5.00
Spring " .....	6.60	5.85	6.30 @ 6.60	3.25 @ 5.25
Middling Cotton...per lb.	.1150	.1045	.1120	.0830
Hogs on Hoof.....per cwt.	4.00	1.50	1.75 @ 3.55	3.00 @ 5.00

\*Nominal quotations.

### FINANCIAL

The Eighth District banking and financial situation during the past thirty days has been marked

by a further recession in demand for credit from mercantile, industrial and agricultural sources, accompanied by an easier trend in interest and discount rates. Deposits of the commercial banks remained at, or around the high levels which have obtained since last February. The increase in deposits has been without corresponding augmentation in call for banking accommodations, and in order to employ their funds, the commercial banks have been obliged to further increase their investment accounts. These general conditions exist with both country banks and financial institutions in the large urban centers. Reflecting the paucity of demand for agricultural purposes, borrowings of country banks from their city correspondents and the Federal Reserve bank are at the lowest level at this particular period in recent years. Spring farm operations in the cotton areas are being financed to a large extent by rental and benefit payments received by farmers in connection with the Government's curtailment campaign.

Total loans and investments of reporting member banks in the principal cities increased slightly in the four-week period ending May 9, but on that date were 12 per cent larger than a year ago. Total deposits fluctuated irregularly, showing a small net decrease for the period, but an increase of more than one-fourth over the comparable date in 1933. Reserve balances continued to move upward, and on the second report date in May were 117 per cent larger than a year ago.

Between April 16 and May 16 there was a moderate decrease in total credit extended by the Federal Reserve bank, attributable entirely to smaller holdings of discounted paper, and bills purchased. Member bank reserve deposits increased from \$125,320,000 to \$128,415,000.

The amount of savings deposits held in selected banks on May 2 was 1 per cent greater than on April 4, and 11 per cent in excess of the total on May 3, 1933.

At St. Louis banks, as of the week ended April 15, current interest rates were as follows: Customers' prime commercial paper, 2 to 5½ per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 2 to 5½ per cent; interbank loans, 3 to 5 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on May 9, 1934, showed a decrease of 4.2 per cent as contrasted with April 11, 1934. Deposits decreased 0.6 per cent between April 11, 1934 and May 9, 1934 and on the latter

date were 26.0 per cent greater than on May 10, 1933. Composite statement follows:

	*May 9, 1934	*Apr. 11, 1934	*May 10, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds....\$ 73,615		\$ 81,326	\$ 91,887
All other loans and discounts....	135,151	135,445	127,746
Total loans and discounts.....	\$208,766	\$216,771	\$219,633
Investments U. S. Govt. securities.....\$193,991		\$183,124	\$124,233
Other securities.....	94,452	95,949	100,477
Total investments.....	\$288,443	\$279,073	\$224,710
Reserve balance with F. R. Bank..\$ 85,585		\$ 85,131	\$ 39,510
Cash in vault.....	8,049	7,627	8,286
Deposits Net demand deposits.....	340,860	338,690	261,359
Time deposits.....	163,864	162,977	157,158
Government deposits.....	24,821	31,086	1,761
Total deposits.....	\$529,545	\$532,753	\$420,278
Bills payable and rediscounts with Federal Reserve Bank.....			

\*In thousands (000 omitted).  
The total resources of these banks comprise approximately 61.6% of all member banks in this district.

**Federal Reserve Operations**—During April the Federal Reserve Bank of St. Louis discounted for 16 member banks against 21 in March, and 160 in April, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*May 17, 1934	*April 17, 1934	*May 17, 1933
Bills discounted .....	\$ 131	\$ 1,145	\$ 2,953
Bills bought .....		257	2,322
U. S. Securities .....	93,200	93,200	65,832
Participation in Inv. Foreign Banks....	121	128	210
Total Bills and Securities.....	\$ 93,452	\$ 94,730	\$ 71,317
Total Reserves.....	\$194,206	\$198,715	\$158,780
Total Deposits.....	146,511	148,039	76,483
F. R. Notes in circulation.....	134,722	145,553	146,914
F. R. Bank Notes in circulation.....	270	5,232	39
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.1%	70.3%	71.1%

**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.

	*Apr., 1934	*Mar., 1934	*Apr., 1933	Apr. 1934 comp. to Mar. 1934	Apr. 1933
East St. Louis and Natl. Stock Yards, Ill..\$ 18,833		\$ 17,624	\$ 15,607	+ 6.9%	+20.7%
El Dorado, Ark.....	3,847	3,437	2,848	+11.9	+35.1
Evansville, Ind.....	15,728	15,923	12,624	- 1.2	+24.6
Fort Smith, Ark....	7,092	7,906	5,941	-10.3	+19.4
Greenville, Miss....	2,521	3,080	2,189	-18.1	+15.2
Helena, Ark.....	1,386	1,680	1,131	-17.5	+22.5
Little Rock, Ark....	20,683	21,843	12,737	- 5.3	+62.4
Louisville, Ky.....	128,939	149,867	92,172	-14.0	+39.9
Memphis, Tenn....	93,086	104,783	64,844	-11.2	+43.6
Owensboro, Ky.....	3,006	3,826	2,156	-21.4	+39.4
Pine Bluff, Ark....	4,509	5,147	.....	-12.4	.....
Quincy, Ill.....	6,067	5,335	.....	+13.7	.....
St. Louis, Mo.....	429,966	435,203	357,666	- 1.2	+20.2
Sedalia, Mo.....	1,495	1,473	1,256	+ 1.5	+19.0
Springfield, Mo....	10,444	11,126	8,456	- 6.1	+23.5
**Texarkana, Ark.-Tex.....	5,122	5,505	4,185	- 7.0	+22.4
Totals .....	\$752,724	\$793,758	\$583,812	- 5.2	+28.9

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.  
NOTE: Debits to Individual Accounts for Pine Bluff, Ark. and Quincy, Ill. not available for April, 1933.

(Compiled May 22, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of June 30, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

**D**ESPITE the drouth conditions and the usual slowing down in activities incident to the hot weather, general business in this district was well maintained during May and the first half of June. In certain of the major industries, notably iron and steel, considerably less than the contraction which usually takes place in early summer was in evidence and at many important plants further expansion took place. Distribution of commodities through both retail and wholesale channels was on a large scale, the volume of retail trade exceeding that of a year and two years earlier. Of the wholesale jobbing lines investigated by this bank all but boots and shoes, and furniture showed gains in May over the corresponding month a year ago and increases from May to June were recorded in all classifications except electrical supplies, and stoves.

Employment conditions in the district as a whole underwent moderate improvement, being affected by the absorption of many workers in agricultural and other seasonal occupations. Scattered wage advances were announced, effecting workers in the stove industry and several other important groups. District sales of automobiles in May, according to the dealers reporting to this bank, fell slightly below April, but the total was approximately one-half larger than in May last year. The prolonged spell of high temperatures extending through May and early June had a stimulating effect on the movement of summer merchandise, particularly apparel, hats, beverages, and outing goods, and resulted in a substantial volume of reordering from wholesalers and manufacturers. Production of bituminous coal in all fields of this district in May, according to preliminary estimates of U. S. Bureau of Mines, showed an appreciable increase over the preceding month and a year ago. Industrial consumption of electricity in the principal cities in May showed considerable expansion, both as contrasted with a month and a year earlier.

Eighth District crop conditions as of June 1 were spotted, both with reference to several productions and localities. The dominating influence was dry weather, crops most adversely affected being hay,

oats, rye, barley and pastures. Of these there was already a shortage due to several years of scant rainfall. The fairly general precipitation after June 1 has served to materially help matters and reasonably good weather until harvest may bring yields to considerably higher levels than those indicated on June 1. Relatively the most favorable prospects are in the southern states, while greatest damage was wrought in the northern stretches of the district. Prices of the principal cereals advanced during early June. The higher returns, coupled with rental and benefit payments to farmers by the Government, will serve to partially offset decreased yields of certain crops.

Retail trade in May, as indicated by sales of department stores in the principal cities of the district were 11.4 per cent larger than in April and 24.4 per cent more than in May, 1933; the cumulative total for the first five months was 26.1 per cent greater than the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in May were 14 per cent less than for the same period in 1933 and 11.5 per cent greater than in April this year; for the first five months cumulative sales of these firms were 31 per cent larger than for the same time in 1933. The dollar value of building permits issued for new construction in the five largest cities in May was 68 per cent smaller than in April but 66 per cent greater than in May, last year; for the first five months this year the cumulative total exceeded that of the same period in 1933 by 192 per cent. Construction contracts let in the Eighth District were 5 per cent more than in April and 1.1 per cent greater than in May, 1933. For the first five months this year there was an increase of 104.8 per cent over that period in 1933. Debits to individual accounts in May increased 5 per cent over the preceding month and were approximately 12 per cent greater than in May, 1933; the cumulative total this year was 16.7 per cent larger than for the like period in 1933.

Traffic of railroads operating in this district continues in substantially larger volume than during the corresponding period a year and two years earlier. Gains were recorded in virtually all classifica-

tions, with a particularly good showing being made in coal and coke, ore and miscellaneous freight. During the past several weeks the movement of live stock has been stimulated by the transfer of cattle from the drouth areas. Passenger business has also shown steady improvement during the past three or four months. For the country as a whole loadings of revenue freight for the first 23 weeks this year, or to June 9, totaled 13,516,238 cars, against 11,500,184 cars for the corresponding period in 1933 and 12,602,148 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 77,849 loads in May, against 73,693 loads in April and 73,207 loads in May, 1933. During the first nine days of June the interchange amounted to 23,780 loads, which compares with 21,979 loads during the corresponding period in May and 22,398 loads during the first nine days of June, 1933. Passenger traffic of the reporting roads in May increased 8 per cent in revenue received and 34 per cent in the number of passengers handled. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in May was 108,032 tons, against 90,489 tons in April and 113,029 tons in May, 1933.

Reports relative to collections during May and the first half of June indicate a continuance of the favorable conditions obtaining since last winter. Thus far, according to merchants and bankers in sections affected by the dry spell, there has been no noticeable shrinkage in payments. Generally through the south, but more particularly in the cotton areas, settlements with both merchants and bankers have been in considerable volume. In all sections of the district, farmers are making extensive use of rental and benefit payments received from the Government to defray current expenses and reduce older indebtedness. Wholesale merchants in the main centers of distribution report customers paying up promptly for the most part, with many anticipating their bills. City retail collections, as indicated by department store reports, continue satisfactorily. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
May, 1934.....	4.3%	47.2%	43.2%	5.3%
April, 1934.....	3.1	44.3	50.6	2.0
May, 1933.....	3.5	14.6	64.4	17.5

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 22, with liabilities of \$217,670, against 24 defaults involving \$305,505 in April and 59 failures for a total of \$1,414,285 in May, 1933.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — May sales of the reporting firms were 9 per cent greater than in April, but 35 per cent under the May total a year ago. Inventories on June 1 were 20 per cent smaller than a month earlier, but slightly larger than on the same date in 1933. The heavy decrease in the yearly sales comparison was attributable to the unusually heavy volume in May, 1933. Ordering since the first of June has been in considerable volume, and indicates a measurable gain for the entire month as compared with the same period a year ago. Demand for the better grades of shoes, and sport and outing footwear is reported more active than at the same time during the past three years. Prices were unchanged as compared with the preceding thirty days.

**Clothing** — Following the usual trend, May sales of the reporting clothiers fell 12.8 per cent below the preceding month, but the total was 14 per cent greater than in May, 1933. Stocks decreased 2 per cent between May 1 and June 1, and on the latter date were about three-fourths larger than a year earlier. Purchasing for fall distribution was reported in slightly smaller volume than at this time last year. Price and style uncertainty have tended to cause hesitation on the part of retail merchants. The prolonged hot spell in May and early June was reflected in unusually heavy distribution of seasonal apparel, and resulted in a fair volume of reordering of both men's and women's suits. Some betterment was noted in sales of work clothing, particularly in the rural areas.

**Drugs and Chemicals** — Further improvement, both as contrasted with a month and a year earlier took place in this classification. Some falling off in requirements of the general manufacturing trade was noted, but this was more than offset by ordering of seasonal merchandise. Sales of soda fountain equipment and supplies were reported the heaviest for the period since 1930. Prices showed no notable change as compared with the preceding thirty days, advances being about balanced by declines. May sales of the reporting interests were 3 per cent and 30 per cent larger, respectively, than a month and a year earlier. Stocks on June 1 were 28 per cent larger than a year ago, and 3 per cent smaller than on May 1 this year.

**Dry Goods** — Business in this classification followed the customary seasonal trend, May sales of the reporting firms showing an increase of 6 per cent over the preceding month, and of 13 per cent over the May, 1933, total. Inventories increased 3 per cent between May 1 and June 1 and on the latest date were 112 per cent larger than a year ago. A

considerable volume of reordering of seasonable merchandise was reported incident to the protracted spell of unusually high temperatures in May and the first half of June. Advance buying for fall and winter was reported slightly under the volume at this time last year. At the end of May the trend of textile prices was slightly lower.

**Electrical Supplies** — May sales of the reporting firms fell 3 per cent below April, but the total was approximately three-fourths larger than for May, 1933. Stocks on June 1 were 5 per cent and 43 per cent larger, respectively, than a month and a year earlier. As has been the case for the past several months, interest centers chiefly in the lighter lines such as household appliances, small motors, fans, lamps, etc. Demand for radio material continues active.

**Flour** — Production at the twelve leading mills of the district in May totaled 244,648 barrels, against 224,482 barrels in April, and 287,567 barrels in May, 1933. Business during the past thirty days showed little change from the quiet conditions prevailing since late winter. Both large consumers and the jobbing trade are disposed to hold off awaiting more definite news relative to the growing wheat crop. Export inquiry remains quiet, with bids from abroad mainly below views of local millers. Prices advanced rather sharply early this month in sympathy with the upturn in cash wheat. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — For the first time in a number of months May sales of the reporting firms fell below those of the corresponding period a year earlier. The decrease as compared with May 1933 was 8 per cent. However, contrary to the seasonal trend, the May volume was slightly larger than in April. Inventories decreased 9 per cent between May 1 and June 1, but on the latter date were 36 per cent larger than a year ago. Through the south demand for household furniture and furnishings was reported active. Some betterment was also noted in the general demand for office supplies and equipment. Prices showed no change worthy of note as contrasted with the preceding thirty days.

**Groceries** — Further improvement has taken place in this classification both as compared with the preceding month and a year ago. May volume was larger by 10.5 per cent and 13 per cent, respectively, than a month and a year earlier. Inventories decreased slightly during May but on June 1 were approximately 23 per cent greater than on that date in 1933. While increases were general through all lines relatively the best showing was made by staples. The usual heavy demand incident to harvest-

ing the winter wheat crop was in evidence. Prices showed relatively little change.

**Hardware** — As during each preceding month this year May sales of the reporting firms showed an increase over the corresponding period in 1933. The increase as compared with last year was approximately 5 per cent, while a gain of 12 per cent was recorded in May sales over the preceding month. Inventories continued to increase, stocks on hand as of June 1 being 5 per cent larger than a month earlier and about one-fourth larger than on June 1, 1933. While drouth conditions tended to hold down demand in the rural areas, sales of merchandise for distribution in the country continued to run substantially higher than during the similar period of the preceding three years. Sales of paints and painting equipment showed a measurable gain over a year ago.

**Iron and Steel Products** — Activities in the iron and steel industry in this area were well sustained during May and the first half of June. In a number of lines less than the usual seasonal slowing down was in evidence, and in some instances was entirely absent. This fact was due partly to a desire on the part of consumers to receive delivery of materials under contract for second quarter because of anticipation of higher prices and fear of labor difficulties. Producers of rolled steel, notably sheets and strip had orders booked for all they could manufacture in June, and were unable to take additional business for that delivery. The stove industry continued to operate at a high rate, mainly on consumer orders, as relatively little merchandise was being made up for stock purposes. Through May operations of farm implement manufacturers were slightly reduced from earlier in the year, due to drouth conditions, and a further curtailment has taken place since June 1. Releases from the automotive industry of castings and other materials was on a satisfactory scale, but new orders placed were in smaller volume than heretofore. Purchasing of a variety of iron and steel goods by the railroads helped to bring up total tonnage disposed of by certain interests. Items for shop repair work and track accessories predominated in requirements of the carriers. Requirements for Government projects continued to increase and showed considerable diversity. Iron and steel jobbing and warehouse interests reported a steady volume of trade with seasonal slackening not greatly in evidence. General demand was moderately above that of the same period a year ago, with activity in sheets, including galvanized material, fairly brisk. In the immediate past there has been a noticeable recession in demand for tin plate, ascrib-

able to a smaller indicated pack of fruits and vegetables due to the drouth. Finished steel and pig iron prices have been generally extended into the third quarter, but contracts and inquiries for that delivery have been light. May shipments of pig iron to melters in this district considerably exceeded the April total, and the tonnage delivered during the first half of June indicated a larger tonnage than during the preceding month. Moderate betterment was noted in demand for building materials. Structural steel awards were fair in the aggregate, but represented mainly small projects. Prices of scrap iron and steel continued downward, and in the first week of June new lows were recorded on the principal grades. For the country as a whole production of pig iron in May, according to the magazine "Steel," was the highest since October, 1930, the total of 2,054,507 tons comparing with 1,736,217 tons in April and 892,326 tons in May, 1933. Steel ingot production in the United States in May totaled 3,396,783 tons against 2,935,631 tons in April and 2,001,991 tons in May, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in May, was 331,641, against 354,745 (revised figure) in April, and 214,832 (revised figure) in May, 1933.

May distribution of automobiles in the Eighth District, according to dealers reporting to this bank, was slightly below that of the preceding month, but approximately one-half greater than in May, 1933. The decrease in the month-to-month comparison was seasonal in character, but considerably smaller than the average in recent years. The May total, incidentally, was the largest for that particular month since 1930. As contrasted with a year ago, relatively the best results were reported by dealers in the south, particularly in the cotton areas. Demands were somewhat more diversified than in recent months, though a predominance of sales continued in the low priced field. Price reductions put into effect lately by some leading manufacturers have served to moderately stimulate purchasing of certain lines. Replacement buying still figured prominently in the month's business. Demand for trucks of all descriptions continues active, May sales exceeding those of April by 14 per cent and the total of May, 1933, by more than 158 per cent. The advent of the touring season was marked by the usual expansion in calls for parts and accessories.

May sales of new passenger cars by the reporting dealers were 2.6 per cent smaller than for the

preceding month and about one-half greater than in May, 1933. Stocks of new cars on dealers' floors on June 1 were slightly lower than a month earlier, but approximately one-half larger than on the same date a year ago. Trends in the used car market followed closely those noted in the new car trade. Demand was fairly active, but as has been the case for some time, dealers are handicapped by a lack of desirable machines. May sales of secondhand cars were 5 per cent less than in April and approximately one-third greater than in May last year. Stocks of salable secondhand vehicles on June 1 were 12 per cent and 4 per cent greater, respectively, than a month and a year earlier. According to dealers reporting on that detail, the ratio of deferred payment sales to total sales in May was 46 per cent, against 48 per cent in April and 49 per cent in May, 1933.

### 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	
	May 1934 comp. to May 1933	5 months ended May 31, 1934 to same period 1933	May 31, 1934 comp. to May 31, 1933	Jan. 1, 1934	May 31, 1933
	El Dorado, Ark.....	+28.8%	+42.9%	+ 9.9%	1.12
Evansville, Ind.....	+16.5	+23.5	+16.0	.78	.70
Fort Smith, Ark.....	+30.0	+34.5	+25.3	.93	.82
Little Rock, Ark.....	+24.6	+40.7	+38.8	.97	.93
Louisville, Ky.....	+ 8.1	+14.7	+13.0	1.31	1.24
Memphis, Tenn.....	+32.4	+33.8	+17.9	1.36	1.17
St. Louis, Mo.....	+25.6	+24.4	+21.0	1.52	1.44
Springfield, Mo.....	+38.4	+40.6	+18.1	.78	.57
All Other Cities.....	+33.7	+35.3	+17.2	1.16	1.01
8th F. R. District.....	+24.4	+26.1	+21.2	1.37	1.27

Percentage of collections in May to accounts and notes receivable first day of May, 1934. (Percentage of collections by cities.)

El Dorado, Ark.....	44.5%	Memphis, Tenn.....	41.7%
Fort Smith, Ark.....	39.9	Springfield, Mo.....	26.3
Little Rock, Ark.....	35.8	St. Louis, Mo.....	52.7
Louisville, Ky.....	49.4	All Other Cities.....	32.2
8th F. R. District.....	47.8%		

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	May 1934 comp. to May 1933	5 months ended May 31, 1934 to same period 1933	May 31, 1934 comp. to May 31, 1933	Jan. 1, 1934	May 31, 1933
	Men's Furnishings .....	+28.8%	+35.0%	+40.8%	.99
Boots and Shoes .....	+ 2.3	- 1.6	- 3.9	1.31	1.16

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in May was 67.7 per cent less than in April, and 65.7 per cent greater than the May, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May amounted to \$8,384,618 which compares with \$7,983,325 in April and \$8,296,191 in May, 1933. Production of portland cement for the country as a whole in May totaled 8,554,000 barrels, against 6,544,000 barrels

in April and 6,262,000 barrels, in May, 1933. Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	21	134	\$ 6	\$ 26	190	190	\$ 41	\$ 22
Little Rock ..	16	9	15	3	98	59	25	9
Louisville ..	13	53	88	49	90	32	140	101
Memphis ...	149	82	87	50	162	136	74	72
St. Louis....	163	153	316	181	250	247	106	117
May Totals	362	431	\$ 512	\$ 309	790	664	\$ 386	\$ 321
April "	378	399	1,585	277	761	780	323	428
March "	353	347	338	197	557	370	222	169

\*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 May as being about 8 per cent greater than in April and 16 per cent more than in May, 1933. Detailed figures follow:

	No. of Customers	May, 1934		May 1934 comp. to Apr. 1934	May, 1933	
		*K.W.H.	*K.W.H.		*K.W.H.	May 1933 comp. to May 1933
Evansville ....	40	2,690	2,400	+12.1%	2,142**	+25.6%
Little Rock... 35	35	1,627	1,375	+18.3	1,586	+ 2.6
Louisville .... 83**	83**	7,062	6,648	+ 6.2	6,980**	+ 1.2
Memphis ..... 31	31	1,758	1,761	- 0.2	1,516	+16.0
St. Louis.....195**	195**	18,056	16,605	+ 8.7	14,650**	+23.3
Totals.....384	384	31,193	28,789	+ 8.4%	26,874	+16.1%

\*In thousands (000 omitted).

\*\*Revised figures.

## AGRICULTURE

During May Eighth District crop prospects declined as a whole, but to nothing like the extent as in areas more acutely affected by the drouth. Greatest deterioration occurred in the northern tiers of the district, where lack of moisture was the dominating factor. Of the several crops those sustaining greatest damage were hay, oats, rye, barley and pastures. Generally pastures were the poorest in many years, and in some sections the June 1 condition was the lowest on record. In many sections farm and commercial truck gardens were much below average, but in this respect, as was the case with other crops, conditions were spotted, with results good where showers to fair rainfall occurred during the season, and poor elsewhere. Since early spring precipitation has been erratic and unusually local in character, but universally less than average. Weather Bureau reports at St. Louis and a number of other stations indicated that May was the driest ever recorded. Since June 1 there have been fairly general rains, which have served to assist growth of vegetation and to replenish supplies of water for livestock, which in a number of localities were extremely low.

That deterioration and poor prospects were not general is indicated in official crop reports of Arkansas and Mississippi, based on conditions as of June 1. The Arkansas report in its opening paragraph states: "Weather to date has been generally favorable for growing crops. Complaints of baked ground on the one hand, and too much rain on the other

have been few. Hence, condition figures on most crops reported are above average, though pastures are below." The Mississippi report states: "The June 1 condition of Mississippi crops were above average, with the exception of hay, pastures and apples." In sections of Missouri, Illinois and Indiana, notably in the lowlands, creek, and river bottoms, prospects are for average to slightly above average production of wheat. In these general areas, corn is up to good stands, with fields unusually well cultivated and in excellent shape to respond to rainfall.

Farmers generally throughout the district plan to make up the deficiency in hay and fodder crops by planting extensive acreages of soybeans, sorghums, cowpeas and other emergency forage crops. In order to encourage this movement, the Agricultural Adjustment Administration has removed all restrictions as to dates for planting fodder, corn and grain sorghums on general or non-contracted acreage on farms under wheat, corn-hog, or tobacco adjustment contracts.

According to the U. S. Department of Agriculture, a seasonal upturn in employment on farms was indicated in its reports covering May. On June 1 there were 227 family workers and 92 hired hands on every 100 farms, as compared with 216 family and 80 hired hands a month earlier. Spring planting of other than emergency crops largely had been completed by June 1, but farmers were busily engaged in making hay and cultivating row crops. Cotton chopping and harvesting of early vegetables, fruits and small grain crops were other tasks requiring an increase of the labor force.

**Winter Wheat** — While winter wheat prospects declined during May in states of the Eighth District, the June 1 forecast of the Department of Agriculture indicates a crop 8.6 per cent larger than was harvested in 1933. Based on the June 1 condition, production in these states is estimated at 77,919,000 bushels, a decrease of 4,469,000 bushels under the May 1 forecast, and comparing with 71,766,000 bushels harvested in 1933 and a 5-year average (1927-1931) of 85,397,000 bushels. Quite generally wheat has ripened prematurely, resulting in small grains, and harvest will be about two weeks earlier than usual. Rains since the first week of June have improved conditions in many sections. Chinch bug damage has been extensive, especially in the northern tier of counties. The winter wheat crop in the United States is estimated at 400,357,000 bushels, against 351,030,000 bushels harvested in 1933, and a 5-year average of 632,061,000 bushels.

**Corn** — Latest reports relative to the growing corn crop reflect unusually spotty and irregular con-

ditions. Relatively the best results are indicated in the more southern sections of the chief producing states of the district, with prospects in bottom lands good. Conditions as a whole have been considerably benefited by precipitation since June 1. It is likely that acreage decreased under that indicated earlier in the season, owing to dry soil conditions, fear of chinch bug damage and prospective lack of forage crops. Virtually all of the district corn crop had been planted by June 1, and as a whole seeding was much earlier than average. Universally fields are well cultivated and clean, with a large portion of the acreage in excellent position to respond to rain.

**Fruits and Vegetables** — Prospects for fruits and vegetables in the Eighth District vary widely, with best results indicated in the south. In Missouri, Illinois and Indiana the outlook for apples and peaches is unusually low, due to the February freeze, and the recent dry spell. The June 1 condition of apples in Illinois was the lowest in 23 years. In Arkansas and Mississippi, on the other hand, indicated yields are considerably larger than a year ago and the 5-year average. The strawberry crop in southern producing areas was large, and prices realized in the main satisfactory. In states of this district the peach crop, based on the June 1 condition, is estimated at 6,661,000 bushels, against 3,925,000 bushels in 1933, and the 5-year average (1927-1931) of 8,116,000 bushels. Pear production is forecast at 1,582,000 bushels, against 883,000 bushels last year and 1,706,000 bushels for the 5-year average. Grapes have suffered little from the drouth, and the outlook is generally good. The condition of early potatoes showed little change from May to June.

**Live Stock** — The June 1 condition of hay and pastures throughout the Eighth District, but more particularly in the north, was the lowest in a number of years, and in some sections, the lowest on record. There were numerous complaints of stock water shortage during May, but this condition has been partially corrected by precipitation since June 1.

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

	Receipts			Shipments		
	May, 1934	Apr., 1934	May, 1933	May, 1934	Apr., 1934	May, 1933
Cattle and Calves.....	108,869	90,891	92,448	51,848	41,374	41,411
Hogs .....	278,305	257,196	301,011	161,264	133,380	172,029
Horses and Mules.....	3,315	6,160	3,492	3,454	5,444	3,830
Sheep .....	55,853	36,825	57,760	5,788	5,297	6,916

**Cotton** — During the past thirty days weather conditions in this district were favorable for preparation and progress of the new cotton crop. Rain-

fall was adequate, but not too abundant, and almost universally fields are clean, with stands good. Chopping had been practically completed by the middle of June. Reports of the presence of boll weevils continued to show an increase but on the whole infestation has not reached an alarming stage. Abandonment and necessity of replanting has been less than in recent seasons. According to the National Fertilizer Association, May sales of the fertilizer tags in states of the Eighth District were considerably smaller than a year ago, but for the period January-May this year total sales were 57 per cent greater than for the comparable period in 1933 and 56 per cent larger than in 1932. Prices, while fluctuating in a relatively narrow range, were well sustained. In the St. Louis market the middling grade ranged from 11.10c to 11.90c per pound between May 16 and June 15, closing at 11.75c on the latter date, which compares with 11.25c on May 16 and 8.50c on June 15, 1933. The movement of old cotton continued light. Receipts at Arkansas compresses from August 1, 1933 to June 8, 1934, totaled 1,033,743 bales, against 1,269,380 bales for the corresponding period a year earlier. Stocks on hand as of June 8, totaled 328,710 bales, which compares with 347,875 bales on May 11, and 323,046 bales on the corresponding date in 1933.

**COMMODITY PRICES**

Range of prices in the St. Louis market between May 15, 1934 and June 15, 1934, with closing quotations on the latter date and on June 15, 1933, follow:

	High	Low	Close	
			June 15, 1934	June 15, 1933
Wheat				
July .....	per bu. \$1.03	\$ .86 7/8	92 7/8	.75
Sept. ....	" 1.03 3/4	.87	93 1/2	.76 3/4
*Dec. ....	" 1.02 7/8	.94 1/8	94 1/8	.79 1/2
No. 2 red winter	" 1.04	.86 1/2	.94 @ .94 1/2	.75 @ .75 1/2
No. 2 hard	" 1.03 1/2	.87 1/2	.96 3/4	.75 @ .75 1/2
Corn				
*July .....	" .66 1/2	.49 7/8	.57 1/2 @ .57 3/4	.44 1/2 @ .45
*Sept. ....	" .66 1/2	.51 3/4	.59 1/4 @ .59 3/4	.48 1/4
*Dec. ....	" .61 7/8	.57 1/8	.60 1/2	.51 1/4
No. 2 mixed	" .60	.53	.60	.40 @ .41
*No. 2 white	" .66 1/2	.53 1/2	.64	.45 1/4 @ .45 1/2
Oats				
No. 2 white	" .46	.35 1/4	.45	.29 @ .29 1/4
Flour				
Soft patent .....	per bbl. 7.20	6.30	6.40 @ 6.80	3.00 @ 4.50
Spring " .....	" 7.40	6.30	6.65 @ 7.00	4.35 @ 5.40
Middling Cotton.....	per lb. .1190	.1110	.1175	.0850
Hogs on Hoof.....	per cwt. 4.90	1.15	2.50 @ 4.80	2.50 @ 4.60

**Tobacco** — The Clarksville, Springfield and Hopkinsville dark fired tobacco markets were officially closed on June 1. However, there remains a quantity of tobacco in farmers' hands which has not been stripped and which will be marketed following the next stripping season.

During the drouth period farmers made strenuous efforts to maintain a good stand of plants by artificial watering in both bed and field. Despite

these measures many plants in fields died, requiring an unusual amount of resetting. Recent good rains over all tobacco sections of this district, except in spotted localities, have greatly improved the condition of growing tobacco and with a continuance of seasonal weather, indications are that a good early crop will be raised. It is estimated that at mid-June the setting of all intended acreage of dark tobacco types and approximately 85 per cent of burley tobacco had been completed.

### FINANCIAL

The general demand for credit from industrial and commercial sources in the Eighth District during the past thirty days reflected little change from the dull conditions which have obtained in recent months. Routine liquidation by mercantile borrowers was in considerable volume and more than offset new commitments and renewals, with the result that there was a further slight shrinkage in total loans and discounts of reporting member banks, both as compared with a month and a year earlier. Owing to the generally high efficiency of collections and the rapid turnover of commodities, merchants are able to finance themselves to a large extent with their own resources. Requirements for financing agricultural operations increased in less than the usual seasonal amount. Country banks in many localities, principally in the south, are in a liquid position and have been active purchasers of Government securities and other investments.

Between May 16 and June 13, total loans of reporting member banks in the leading cities decreased 1.8 per cent, and on the latest date were 6.7 per cent below a year ago. Total investments of these institutions increased 4 per cent and at the end of the period were approximately one-third larger than a year ago. Deposits changed only slightly but continued well above the same period in 1933. Reserve balances, which have been increasing rapidly in recent months, declined 16.4 per cent, but remained substantially greater than last year. Credit extended by the Federal Reserve bank to all member banks varied in minor degree only as contrasted with the preceding thirty days.

The amount of savings deposits held in selected banks as of June 6 was 3.3 per cent greater than on May 2, and 14.4 per cent in excess of the total on June 7, 1933.

At St. Louis banks, as of the week ended June 14, current interest rates were as follows: Customers' prime commercial paper 3 to 5½ per cent; collateral loans 4 to 6 per cent; loans secured by warehouse receipts 2½ to 6 per cent; interbank loans 3 to 6 per cent; cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on June 13, 1934, showed a decrease of 1.8 per cent as contrasted with May 16, 1934. Deposits decreased 1.6 per cent between May 16, 1934 and June 13, 1934 and on the latter date were 21.1 per cent greater than on June 14, 1933. Composite statement follows:

	*June 13, 1934	*May 16, 1934	*June 14, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 71,007	\$ 72,260	\$ 87,671
All other loans and discounts....	129,547	131,941	127,277
Total loans and discounts.....	\$200,554	\$204,201	\$214,948
Investments			
U. S. Govt. securities.....	\$200,519	\$193,371	\$126,159
Other securities.....	100,054	95,475	101,308
Total investments.....	\$300,573	\$288,846	\$227,467
Reserve balance with F. R. Bank..	\$ 70,766	\$ 84,640	\$ 39,151
Cash in vault.....	7,955	7,658	7,996
Deposits			
Net demand deposits.....	334,090	339,724	271,058
Time deposits.....	163,562	163,960	156,769
Government deposits.....	21,943	24,182	1,206
Total deposits.....	\$519,595	\$527,866	\$429,033
Bills payable and rediscounts with Federal Reserve Bank.....			
*In thousands (000 omitted).			

The total resources of these banks comprise approximately 61.6% of all member banks in this district.

**Federal Reserve Operations** — During May the Federal Reserve Bank of St. Louis discounted for 15 member banks, against 16 in April and 150 in May, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*June 19, 1934	*May 19, 1934	*June 19, 1933
Bills discounted .....	\$ 143	\$ 141	\$ 3,038
Bills bought .....			31
U. S. Securities.....	93,200	93,200	71,518
Participation in Inv. Foreign Banks....	121	121	203
Total Bills and Securities.....	\$ 93,464	\$ 93,462	\$ 74,790
Total Reserves .....	\$183,071	\$195,153	\$160,805
Total Deposits .....	138,250	147,966	81,383
F. R. Notes in circulation.....	132,448	134,389	142,567
F. R. Bank Notes in circulation.....	369	349	251
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.6%	69.1%	71.8%
*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.

	*May, 1934	*Apr., 1934	*May, 1933	May 1934 Apr. 1934	comp. to May 1933
East St. Louis and Natl. Stock Yards, Ill. ....	\$ 20,490	\$ 18,833	\$ 19,800	+ 8.8%	+ 3.5%
El Dorado, Ark. ....	3,239	3,847	2,622	-15.8	+23.5
Evansville, Ind. ....	17,412	15,728	14,201	+10.7	+22.6
Fort Smith, Ark. ....	7,009	7,092	6,157	- 1.2	+13.8
Greenville, Miss. ....	2,658	2,521	2,567	+ 5.4	+ 3.5
Helena, Ark. ....	1,140	1,386	1,181	+ 1.7	+19.4
Little Rock, Ark. ....	21,226	20,683	18,357	+ 2.6	+15.6
Louisville, Ky. ....	123,811	128,939	98,669	- 4.0	+25.5
Memphis, Tenn. ....	81,605	93,086	73,411	-12.3	+11.1
Owensboro, Ky. ....	3,382	3,006	2,034	+12.5	+66.3
Pine Bluff, Ark. ....	4,008	4,509	4,535	-11.1	-11.6
Quincy, Ill. ....	6,406	6,067	5,324	+ 5.6	+20.3
St. Louis, Mo. ....	480,227	429,966	442,800	+11.7	+ 8.5
Sedalia, Mo. ....	1,652	1,495	1,393	+10.5	+18.6
Springfield, Mo. ....	11,611	10,444	9,671	+11.2	+20.1
**Texarkana, Ark.-Tex. ....	4,712	5,122	5,023	- 8.0	- 6.2
Totals .....	\$790,858	\$752,724	\$707,745	+ 5.1	+11.7

\*In thousands (000 omitted.)

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

(Compiled June 22, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of July 31, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

**D**UE chiefly to seasonal influences, which were accentuated by the prolonged spell of extremely high temperatures, moderately recessionary trends developed in Eighth District industry and commerce during the past thirty days as contrasted with the high rate of activities earlier in the year. For the first time in a number of months there were decreases in certain lines during June and the first half of July under the corresponding period a year earlier, but it will be recalled that there was a sharp upturn in business as a whole at this particular time in 1933. On the other hand in a number of important lines in which decreases ordinarily take place from May to June, the condition was reversed this year with the recording of fair to good gains in the comparison. Of the wholesaling and jobbing lines investigated by this bank those showing decreases under a year ago were boots and shoes, clothing, dry goods, furniture, and hardware, while gains were reported in drugs and chemicals, electrical supplies, groceries, and men's hats. Sales of automobiles in June, according to reporting dealers, were slightly greater than in May, and substantially larger than in June, 1933.

Operations at iron and steel plants were well maintained through June, the average rate being only slightly below that of May. Since July 1 there has been a perceptible slowing down, both at mills and foundries. Jobbing foundries at the middle of June were averaging about three days per week, as against five days, a month earlier. June shipments of both finished and semi-finished iron and steel materials were at the highest rate of the year, which fact was attributable in large part to a desire of consumers to get in commodities under contract for second quarter delivery. Production of lumber declined somewhat, and activities were reduced at fire clay, glass and other building material manufacturing plants. Production of bituminous coal in fields of the district in June declined slightly under May, but was measurably larger than a year ago. Consumption of electricity by industrial plants in the principal cities of the district showed moderate expansion both as compared with a month and a year earlier.

While tending to restrict business in many lines, the hot weather had a distinctly stimulating effect on the movement of seasonal merchandise, notably apparel, electrical supplies, beverages, etc. Manufacturers and wholesalers reported a substantial volume of reordering of goods in this category. Taken as a whole, according to reporting firms, ordering of merchandise for future delivery is in smaller volume than at the corresponding period a year ago. There is a greater disposition to work off present inventories and to await developments than has been the case in recent months. This attitude is ascribable in a measure to the drouth and uncertainty relative to crop production and prices.

Crop conditions in this district underwent no marked changes during the past thirty days. There was a slight reduction in winter wheat prospects, but the estimated yield as of July 1 was still above that of a year ago. The outlook for the corn crop is spotted, but on the whole favorable, with average to better yields indicated in many important growing sections. Cotton has made good progress, and mid-July prospects for tobacco were more favorable than thought possible earlier in the season. Hay production will be the lowest in recent years, and the condition of pastures is the lowest on record at this time of year. This deficiency, however, is expected to be largely overcome by extensive plantings of emergency forage crops. As was the case earlier in the season, relatively the most favorable prospects for agriculture as a whole are in the southern stretches of the district.

As reflected in sales of department stores in the principal cities, volume of retail trade in June was 9.9 per cent greater than for the same month in 1933, and 17.1 per cent below the May total this year; cumulative total for the first half of 1934 was 23.2 per cent in excess of that for the comparable period a year ago. Combined June sales of all wholesaling and jobbing firms reporting to this bank were 23 per cent and 13 per cent smaller, respectively, than a month and a year earlier, and cumulative total for the first six months was 23 per cent larger than for the same time in 1933. The dollar value of permits issued for new buildings in the five largest

cities in June was 28 per cent smaller than in May and 53.5 per cent less than in June, 1933; cumulative total for the first half of this year exceeded that of the same period last year by 85 per cent. Construction contracts let in the Eighth District in June were 9.5 per cent and 13.5 per cent larger, respectively, than a month and a year earlier; total for the first six months was 82 per cent greater than for the same time in 1933. Debits to checking accounts in June were larger by 5.5 per cent than in May and by 10 per cent than in June last year; cumulative total for the first half of 1934 was 15 per cent greater than for the comparable period in 1933.

According to officials of railroads operating in this district, gains recorded earlier in the year were well maintained, and volume during the first six months of 1934 was considerably greater than for the comparable periods a year and two years earlier. The movement of livestock in recent weeks has been augmented by the transfer of cattle from the drouth areas to points in Arkansas, Tennessee and Mississippi. For the country as a whole loadings of revenue freight for the first 27 weeks this year, or to July 7, totaled 15,920,138 cars, against 13,887,810 cars for the corresponding period in 1933 and 14,523,748 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 78,468 loads in June, against 77,849 loads in May, and 79,435 loads in June, 1933. During the first nine days of July the interchange amounted to 19,993 loads, which compares with 23,780 loads during the same time in June and 21,633 loads during the first nine days of July, 1933. Passenger traffic of the reporting roads continued to expand, and in June increased 32 per cent in physical volume and 5.5 per cent in revenues received as compared with the same month a year ago. Vacation travel was reported to be the heaviest since the summer of 1930. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 99,900 tons, against 105,954 tons in May and 109,855 tons in June, 1933.

Quite generally through the district, reports relative to collections reflect satisfactory conditions. Relatively the volume of settlements was higher than a year ago, and showed marked betterment as contrasted with the similar periods in 1932 and 1931. As is usual at this time of year, collections of country retailers showed some recession, due to preoccupation of farmers with harvesting. In the larger centers retail collections were affected to some extent by the absence of customers on vacations. In the south where early fruits and vegetables are important crops, liquidation with both banks and

merchants has been in considerable volume. Some lines report backwardness in payments in areas most affected by the drouth. 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>
June, 1934.....	4.3%	38.4%	49.4%	7.9%
May, 1934.....	4.3	47.2	43.2	5.3
June, 1933.....	3.7	25.9	59.3	11.1

Commercial failures in the Eighth Federal Reserve District in June, according to Dun and Bradstreet, numbered 22, involving liabilities of \$221,277, against 22 defaults in May with liabilities of \$217,670, and 60 insolvencies for a total of \$1,049,752 in June, 1933.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — June sales of the reporting firms were about one-fourth less than for the same month in 1933, and 39 per cent below the May total this year. Inventories increased in a somewhat greater than usual seasonal amount, stocks on July 1, being 71 per cent and 33 per cent larger, respectively, than a month and a year earlier. The decrease in the month-to-month sales comparison was seasonal in character, June, with the exception of December, being ordinarily the smallest sales month of the year. There was no change in prices as contrasted with the preceding thirty days. Demand for sport shoes throughout the present season is reported the most active in a number of years. Factory operations were increased moderately, and averaged from 85 to 90 per cent of capacity.

**Clothing** — The trend of business was downward, sales of the reporting clothiers in June being 18 per cent smaller than in May, and 13 per cent below the June, 1933, volume. Since July 1 some improvement has been noted, with sales for the first half of this month being about on a parity with the corresponding period last year. The prolonged spell of hot weather has resulted in a considerable volume of reordering light weight suits, many dealers having disposed of practically their entire stocks of such goods. Advance ordering of heavyweight apparel for late fall and winter distribution is reported spotted, with total volume somewhat below that of the corresponding period in 1933. Inventories on July 1 were 2 per cent smaller than a month earlier, but more than one-half greater than a year ago.

**Drugs and Chemicals** — While sales of the reporting firms showed a decrease of 6 per cent in June as compared with the preceding month, the total was 18 per cent greater than a year ago, and

the largest for the period since 1930. Inventories remained stationary between June 1 and July 1, and on the latest date were 30 per cent larger than a year ago. About the usual seasonal recession in demand for heavy drugs and chemicals by the general manufacturing trade was in evidence. The long spell of extremely high temperatures was reflected in heavy sales of hot weather goods, notably soda fountain supplies. Sales during the season thus far, of insecticides and fertilizers were reported considerably in excess of the preceding several years.

**Dry Goods** — For the first time since last September, sales of the reporting interests in this classification in June failed to show an increase over the corresponding month a year earlier. The decrease in this instance was attributed to the unusually heavy buying earlier in the year, and to a general policy on the part of retailers to reduce present inventories before increasing their commitments. Since the first of July there has been some pickup in ordering of fall and winter merchandise. Several of the leading firms also report greater interest on the part of retailers in stocking up on goods for special sales to be held in August and September. June sales of the reporting firms were 20 per cent smaller than in May and 12 per cent below the June, 1933, total. Inventories decreased 2 per cent between June 1 and July 1, and on the latter date were 67 per cent greater than a year earlier.

**Electrical Supplies** — Further betterment in this classification was noted in June, sales of the reporting firms for that month being 5.5 per cent greater than in May, and 37 per cent in excess of the June, 1933, volume. Inventories showed little change from May to June, but on July 1 were about one-third larger than a year ago. The increase in both sales comparisons was due chiefly to heavy increases in demand for seasonal merchandise and radio material. Sales of electric fans so far this season are reported the largest in recent years.

**Flour** — Production at the twelve leading mills of the district in June totaled 229,189 barrels, against 244,648 barrels in May, and 261,346 barrels in June, 1933. As a whole, greater activity in the flour business was noted during the past thirty days than in the preceding several months. In anticipation of higher prices which may result from the poor wheat prospects, jobbers and the large baking interests were more disposed than heretofore to enlarge their commitments with the mills. Export inquiries were more numerous and bids nearer to a working basis than heretofore. Mill operations were at from 50 to 55 per cent of capacity. The trend of prices was upward, in sympathy with the upturn in cash wheat values.

**Furniture** — Conforming with the usual seasonal trend, June sales of the reporting firms decreased 15 per cent below the preceding month, and the total was 27 per cent below that of June, 1933. Inventories continued to increase, stocks on July 1 being 32 per cent and 26 per cent larger, respectively, than a month and a year earlier. In both sales comparisons decreases were general in all lines, the exceptions being radio cabinets and office equipment. No change worthy of note took place in prices as contrasted with the preceding month.

**Groceries** — June sales of the reporting firms decreased 3.4 per cent under the May volume, but showed a gain of 6 per cent over a year ago. The decrease in the month-to-month comparison is seasonal in character and somewhat smaller than the average in recent years. Geographically business was spotty, relatively the best results being achieved in the south, and the smallest volume of sales reported in the dry areas. Due to failure of fruit crops in some sections, sales of sugar for preserving and canning were below expectations. Stocks in hands of the reporting interests as of July 1 were about 3 per cent smaller than a month earlier and 12 per cent larger than a year ago.

**Hardware** — A slight increase in sales of the reporting interests from May to June was recorded, but for the first time in thirteen months the total fell below that of a year earlier, the decrease being 7 per cent. Stocks on July 1 were slightly larger than a month earlier and 13 per cent greater than on July 1, 1933. The drouth has adversely affected sales and collections in areas most severely hit.

**Iron and Steel Products** — The usual seasonal recession in activities in the iron and steel industry in this area was accentuated by the prolonged spell of extremely high temperatures. Contraction in activities in virtually all branches of the industry was in evidence, which condition reversed that at the corresponding period last year, when general expansion was the rule. Despite the present lull, however, the record in the industry for the first half of the year was the most favorable since 1930. The movement of both raw and finished materials during June was in unusually large volume, one reason for which being the desire on the part of consumers to obtain delivery of tonnages under contract for second quarter. In the case of several leading blast furnace interests, shipments of pig iron to melters in this district in June represented the largest total for any single month since 1930. Heavy buying in April and May resulted in large accumulations of stocks, and there is a reluctance to make further commitments at this time. Rather sweeping reductions have been announced in prices since July 1,

among the items affected being sheet bars, billets and slabs, enameling sheets, tin mill black sheets, iron bars and galvanized sheets. Demand for building materials continued slow, particularly structural steel. New lettings were in smaller volume than heretofore, and consisted chiefly of small projects. Operations at fabricating plants were sharply reduced as of July 15 as contrasted with the preceding thirty days. Jobbing and stove foundries also curtailed their operations, which at mid-July averaged only about three days per week. Jobbers and distributors of iron and steel goods from store report a noticeable decrease in orders since the last week in June, but the volume for that month was about equal to May, and slightly larger than in June, 1933. Releases by the automotive industry were in good volume, but new orders were smaller than heretofore. Purchasing by the railroads continues chiefly on a necessity basis. For the country as a whole, production of pig iron in June, according to the Magazine "Steel", was 1,936,897 tons, as against 2,057,471 tons (revised figure) in May, and 1,264,953 tons in June, 1933; total production for the first half of 1934 was 9,852,608 tons, against 4,444,750 tons for the same period in 1933 and 5,164,520 tons in 1932. Steel ingot production in the United States in June totaled 3,015,972 tons, against 3,352,695 tons (revised figure) in May and 2,597,517 tons in June, 1933; production for the first half of 1934 was 16,180,889 tons against 8,989,192 tons for the first six months of 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in June, was 308,051, against 331,652 (revised figure) in May, and 249,727 (revised figure) in June, 1933.

June distribution of automobiles in the Eighth District, according to reports received by this bank, increased slightly over the preceding month and registered a substantial gain as contrasted with June a year ago. While increases were fairly general through all classes of makes, improvement was most pronounced in the cheap price field, and more particularly in the case of lines which have been recently reduced in price, the makers of which have engaged in extensive sales promotion campaigns. Country dealers reported somewhat more spottiness than heretofore. Preoccupation of farmers with harvesting and drouth conditions in certain areas have tended to restrict sales. Through the south generally business was reported more uniformly satisfactory than in the more northern stretches of the district. Demand for trucks continues active, with June sales 43 per cent and 41 per cent greater, respectively (than a year and a month earlier. There

was the usual expansion in demand for parts and accessories incident to the touring season.

June sales of new passenger cars by the reporting dealers were 1.6 per cent greater than in May and 37 per cent in excess of the June, 1933, total. Inventories of new cars held by dealers on July 1 were about 6 per cent larger than a month earlier, but approximately 60 per cent larger than the very small stocks held a year ago. The used car market is still handicapped by a shortage of desirable vehicles of all descriptions, but especially in the cheap price category. June sales of secondhand cars were 3 per cent less than in May and 12 per cent greater than a year ago. Stocks of salable secondhand cars on July 1 were 4 per cent smaller than on June 1, and 6 per cent larger than a year ago. According to dealers reporting on that item, deferred payment sales in June constituted 47 per cent of their total sales, against 46 per cent in May and 44 per cent in June, 1933.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was 28.1 per cent smaller than in May, and 53.5 per cent less than the June, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve in June amounted to \$9,177,537 which compares with \$8,384,618 in May, and \$8,084,927 in June, 1933. Production of Portland cement for the country as a whole in June totaled 8,786,000 barrels, against 8,554,000 barrels in May, and 7,804,000 barrels in June, 1933. Building figures for June, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	9	103	\$ 27	\$ 19	166	87	\$ 32	\$ 17
Little Rock ..	10	12	5	3	92	56	15	10
Louisville ..	39	47	96	160	85	48	31	84
Memphis ...	118	86	68	111	113	124	50	28
St. Louis....	131	172	172	499	201	211	82	118
June Totals	307	420	\$ 368	\$ 792	657	526	\$ 210	\$ 257
May	362	431	512	309	790	664	386	321
April	378	399	1,585	277	761	780	323	428

\*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 June as being about 3.1 per cent greater than in May and 7.4 per cent more than in June, 1933. Detailed figures follow:

	No. of Customers	June, 1934	May, 1934	June 1934 comp. to May 1934	June, 1933	June 1934 comp. to June 1933
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	2,539	2,690	- 5.6%	2,421**	+ 4.9%
Little Rock...	35	1,933	1,627	+18.8	1,858	+ 4.0
Louisville ....	83	7,254	7,062	+ 2.7	7,831**	- 7.4
Memphis .....	31	1,588	1,758	- 9.7	1,511	+ 5.1
St. Louis.....	194**	18,847	18,044**	+ 4.5	16,330**	+15.4
Totals .....	383	32,161	31,181**	+ 3.1%	29,951**	+ 7.4%

\*In thousands (000 omitted).

\*\*Revised figures.

## POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the second quarter of this year, of 1.4 per cent under the corresponding period in 1933, and a decrease of 2.2 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ended			June, 1934	
	June 30, 1934	Mar. 31, 1934	Dec. 31, 1933	June 30, 1933	comp. to June, 1933
Evansville .....	\$ 133,937	\$ 141,196	\$ 130,008	\$ 136,219	- 1.7%
Little Rock.....	160,085	182,751	171,715	148,486	+ 7.8
Louisville .....	598,983	605,216	617,313	586,831	+ 2.1
Memphis .....	461,360	499,219	543,508	447,551	+ 3.1
St. Louis.....	2,311,177	2,320,894	2,562,155	2,396,873	- 3.6
Totals .....	\$3,665,542	\$3,749,276	\$4,024,699	\$3,715,960	- 1.4%

## 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
	June 1934 comp. to June 1933	6 months ended June 30, 1934 to same period 1933	June 30, 1934 comp. to June 30, 1933	Jan. 1, to June 30, 1934 1933
	El Dorado, Ark.....	+47.4%	+43.6%	+ 6.5%
Evansville, Ind.....	2.4	+17.4	+ 3.7	.97 .91
Fort Smith, Ark.....	+36.3	+34.8	+18.6	1.10 .97
Little Rock, Ark.....	+27.4	+38.3	+28.2	1.16 1.12
Louisville, Ky.....	+15.4	+14.9	+ 8.6	1.61 1.52
Memphis, Tenn.....	+11.3	+29.8	+19.2	1.61 1.43
St. Louis, Mo.....	+ 5.7	+20.9	+14.8	1.81 1.75
Springfield, Mo.....	+30.8	+38.6	+10.2	.95 .72
All Other Cities.....	+14.1	+31.0	+ 7.3	1.42 1.26
8th F. R. District.....	+ 9.9	+23.2	+15.7	1.64 1.56

Percentage of collections in June to accounts and notes receivable first day of June, 1934. (Percentage of collections by cities.)

El Dorado, Ark.....	48.8%	Memphis, Tenn.....	39.9%
Fort Smith, Ark.....	37.9	Springfield, Mo.....	25.5
Little Rock, Ark.....	33.1	St. Louis, Mo.....	51.4
Louisville, Ky.....	49.5	All Other Cities.....	31.7
8th F. R. District.....	46.4%		

### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover
	June 1934 comp. to June 1933	6 months ended June 30, 1934 to same period 1933	June 30, 1934 comp. to June 30, 1933	Jan. 1, to June 30, 1934 1933
	Men's Furnishings .....	+27.7%	+45.2%	+36.1%
Boots and Shoes .....	-13.0	- 3.7	+ 0.9	1.58 1.46

## AGRICULTURE

In the Eighth Federal Reserve District, as has been the case generally throughout the United States, the first half of 1934 has been the most unfavorable for agriculture experienced during the similar portion of any crop season in recent years. Acreage planted has been reduced and due to a number of causes unusually low yields and poor average quality are indicated over many important farming areas. Withal, prospects as a whole in this district are relatively more favorable than in other sections of the country. In the southern states, Arkansas, Mississippi and Tennessee, the outlook for production is nearer average than elsewhere, and in some localities in these states, conditions are

distinctly promising for the principal productions. In the more northern stretches, lack of rainfall and the prolonged spell of unusually high temperatures have materially reduced prospects for field crops, damaged tree fruits and lowered the condition of hay and pastures to the lowest point in a number of years. Rains in June were scattered and inadequate, though as a whole they served in limited sections to start germination of grains seeded in the dust, also to help the planting and development of extensive acreages of soybeans, cowpeas and other emergency forage crops.

The effect of reduced yields and the generally unfavorable conditions have been offset to a considerable extent in their effect on farm incomes by relatively high prices and rental and benefit payments of the Government in its curtailment campaign. Following publication of the Department of Agriculture's July 1 report, prices of all grains advanced sharply to the highest levels since last spring. Cotton at mid-July sold at the highest levels since June, 1930. Recent weeks have witnessed notable improvement in hog prices, and other lesser farm products have shared in the upward movement. Farm employment increased seasonally during June throughout the district as a whole and during the second quarter of 1934, the general level of farm wages rose 2 points, to 90 per cent of their pre-war average on July 1, according to the Crop Reporting Board. The peak work load of harvesting of fall planted grains and the second early potato crop together with continued cultivation of row crops and planting of emergency forage crops were chiefly responsible for the increase in labor employed on July 1.

**Winter Wheat**—While winter wheat prospects declined slightly in the Eighth District from May to June, the indicated yield, according to the U. S. Department of Agriculture's July 1 report, is 42,308,000 bushels, against 38,434,000 bushels harvested in 1933 and an 11-year average (1923-1933) of 49,096,000 bushels. Due to the hot, dry weather the crop matured early, and threshing had been practically completed in the third week of July. While in considerable volume, the movement to market has been relatively lighter than in some past seasons, due to a disposition of farmers to hold for higher prices. Early threshing returns have developed a broad diversity in quality ranging from shriveled grain, due to the drouth, to much grain grading No. 1. Stocks of old wheat on farms in states of this district on July 1 totaled 6,002,000 bushels, against 5,160,000 bushels a year ago and 11,543,000 bushels on July 1, 1932.

**Corn**—Indicated corn production in the Eighth District, according to the Government's condition report as of July 1, is 300,019,000 bushels, as against 296,955,000 bushels harvested in 1933, and an 11-year average of 346,344,000 bushels. The season considered, prospects in the district as a whole are surprisingly good. Scattered showers have helped germination, and while spotted in the dry sections, for the district as a whole stands are near average. In Illinois and elsewhere a first brood of chinch bugs did severe damage to the crop where infestation was heavy. Good rains during the next six weeks would do much to check this insect and otherwise benefit the crop. July 1 stocks of old corn on farms in the Eighth District totaled 143,913,000 bushels, against 257,190,000 bushels and 244,050,000 bushels, respectively, a year and two years earlier.

**Oats** — According to the U. S. Department of Agriculture's July 1 report the indicated yield of oats in the Eighth District is 22,239,000 bushels, the smallest in recent times, and comparing with 37,207,000 bushels harvested in 1933, and an 11-year average of 53,626,000 bushels. Stocks of old oats on farms in states including the district as of July 1 were estimated at 18,720,000 bushels, against 38,099,000 bushels on the same date last year.

**Cotton** — The U. S. Department of Agriculture in its initial report for the present season, as of July 1, estimates the area under cultivation in states including the Eighth District at 5,991,000 acres, a reduction of 3,002,000 acres, or 33.4 per cent under the acreage in cultivation on the same date in 1933. For the country as a whole the July 1 acreage is estimated at 28,024,000 acres, which is 68.6 per cent of the acreage a year earlier. Weather conditions in this district during the past thirty days have been satisfactory, and the crop has made good progress. Stands are mainly good, and fields well cultivated and clear of grass. Weevil activity was reported as showing some increase, but the high temperatures of June and early July served to hold this insect in check. Demand for raw cotton was fairly active, prices reaching the highest point in mid-July since June, 1930. According to the National Fertilizer Association, sales of fertilizer tags in the Eighth District for the first half of 1934 were 56 per cent larger than for the same period in 1933 and larger by the same amount than during the first six months of 1932. In the St. Louis market the middling grade ranged from 11.60c to 12.70c per pound between June 15 and July 16, closing at 12.70c on the latter date, which compares with 11.75c on June 15 and 11.40c on July 17, 1933. Receipts at Arkansas compresses from August 1, 1933, to July 20, 1934, totaled 1,046,211 bales, against 1,301,329 bales for

the comparable period a year ago. Stocks on hand as of July 20 were 287,238 bales, against 310,939 bales on June 22 and 262,499 bales on the corresponding date in 1933.

**Tobacco** — Based on the July 1 condition, the U. S. Department of Agriculture estimates tobacco production in the Eighth District at 218,544,000 pounds, which contrasts with 277,750,000 pounds harvested in 1933, and an 11-year average of 304,854,000 pounds. Local rains extending to most sections of the burley district, coupled with intensive cultivation, have resulted in generally satisfactory growth and for the most part the crop is in good condition. At mid-July burley tobacco was estimated to be further advanced than at the same time last year, and with continued favorable weather, the crop will be cut and housed earlier than average.

In the air-cured dark tobacco districts the crop is also reported further along and in better condition than at the middle of last July. In the dark fired tobacco sections tributary to Clarksville, Springfield, Hopkinsville and in the western district, the crop is well advanced, with fields thoroughly cultivated. No official estimates as to acreage are available at this time, but a considerable reduction under last year is indicated.

**COMMODITY PRICES**

Range of prices in the St. Louis market between June 15, 1934, and July 16, 1934, with closing quotations on the latter date, and July 17, 1933, follow:

	High	Low	Close	
			July 16, 1934	July 17, 1933
<b>Wheat</b>				
July .....per bu.	\$.97	\$.85¾	\$.96½	\$ 1.15
Sept. ....	.97½	.86¾	.97½	1.18¼
Dec. ....	.99½	.88½	.99½	1.21½
No. 2 red winter	.97¼	.87¼	.95½ @	1.16 @ 1.18
No. 2 hard	1.01	.88	1.01	1.15 @ 1.15½
<b>Corn</b>				
*July .....	.60¾	.54½	.60½	.66½
*Sept. ....	.62¾	.56	.61½ @	.70¾
*Dec. ....	.63½	.56¾	.63¼	.74½
*No. 2 mixed	.63¼	.59¾	.63¼	.63 @ .63½
*No. 2 white	.66	.63	.66	.66 @ .66½
<b>Oats</b>				
No. 2 white	.48	.43½	.46½	.47½ @ .48
<b>Flour</b>				
Soft patent.....per bbl.	6.85	6.15	6.50 @ 6.85	5.00 @ 8.25
Spring " .....	7.15	6.40	6.75 @ 7.15	7.00 @ 8.80
Middling Cotton..per lb.	.1270	.1160	.1270	.1140
Hogs on Hoof.....per cwt.	5.05	2.75	3.00 @ 4.90	2.75 @ 4.75

\*Nominal quotations.

**FINANCIAL**

Aside from the usual seasonal increase in requirements of grain handling and flour milling interests, demand for credit in the Eighth District during the past thirty days continued at the low levels which have marked the past several months. Liquidation at both country and city banks continued in large volume, and generally, difficulty is being experienced by the financial institutions in finding desirable and profitable outlets for their surplus funds. Thus far demands for financing the cotton

crop have been negligible. Borrowings by mercantile and manufacturing interests were further reduced. Requests for accommodations by country banks from their city correspondents were in smaller volume than at any similar period in recent years. Due to the early harvest and movement of the winter wheat crop, borrowings of the flour milling and grain elevator interests were in larger volume than at this time a year and two years earlier.

Total loans of reporting member banks in the principal cities increased 1.0 per cent between June 13 and July 11, but on the latest date were 11.4 per cent smaller than a year ago. Total investments increased 8.6 per cent during the four-week period, and at its close were 35 per cent greater than on the corresponding report date in 1933. Both demand and time deposits increased and on July 11 total deposits recorded a new high for the year. Reserve balances decreased slightly, but remained more than one-half larger than a year earlier. Borrowings of all member banks from the Federal Reserve bank continued at, or around the low levels of recent months.

Under Section 13 (b) of the Federal Reserve Act, which was added by Act of Congress approved June 19, 1934, the Federal Reserve banks are authorized to discount for banks and other financing institutions obligations of established industrial and commercial businesses and, in exceptional circumstances, to make direct loans to such businesses, having maturities of not exceeding five years, for the purpose of providing them with working capital. The following rates have been established by the Federal Reserve Bank of St. Louis under said section of the Act:

- (1) 4½ per cent on advances to banks and other financing institutions on obligations of established industrial and commercial businesses.
- (2) 5½ per cent on direct advances to established industrial and commercial businesses.
- (3) ½ per cent flat on commitments not exceeding six months on obligations of established businesses.

The amount of savings deposits held in selected banks as of July 3 was 0.7 per cent greater than on June 6, and 15.1 per cent in excess of the total on July 5, 1933.

At St. Louis banks, as of the week ended July 14, current interest rates were as follows: Customers' prime commercial paper, 2 to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 3 to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on July 11, 1934, showed an increase of 1.0 per cent as contrasted with

June 13, 1934. Deposits increased 4.4 per cent between June 13, 1934 and July 11, 1934 and on the latter date were 20.0 per cent greater than on July 12, 1933. Composite statement follows:

	* July 11, 1934	* June 16, 1934	* July 12, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$ 73,251	\$ 71,007	\$ 91,894
All other loans and discounts....	129,285	129,547	136,686
Total loans and discounts.....	\$202,536	\$200,554	\$228,580
Investments			
U. S. Govt. securities.....	\$223,920	\$200,519	\$140,057
Other securities.....	102,540	100,054	101,428
Total investments.....	\$326,460	\$300,573	\$241,485
Reserve balance with F. R. Bank..	\$ 69,907	\$ 70,766	\$ 45,384
Cash in vault.....	8,035	7,955	6,715
Deposits			
Net demand deposits.....	\$342,159	\$334,090	\$279,690
Time deposits.....	164,727	163,562	160,568
Government deposits.....	35,385	21,943	11,730
Total deposits.....	\$542,271	\$519,595	\$451,988
Bills payable and rediscounts with Federal Reserve Bank.....			

\*In thousands (000 omitted).

The total resources of these banks comprise approximately 62.0% of all member banks in this district.

**Federal Reserve Operations** — During June, the Federal Reserve Bank of St. Louis discounted for 11 member banks against 15 in May, and 127 in June, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	* July 19, 1934	* June 19, 1934	* July 19, 1933
Bills discounted .....	\$ 172	\$ 143	\$ 2,108
Bills bought .....			
U. S. Securities.....	93,200	93,200	75,107
Participation in Inv. Foreign Banks....	121	121	207
Total Bills and Securities.....	\$ 93,493	\$ 93,464	\$ 77,422
Total Reserves .....	\$173,610	\$183,071	\$165,841
Total Deposits.....	127,876	138,250	91,779
F. R. Notes in circulation.....	132,962	132,448	138,547
F. R. Bank Notes in circulation.....		369	391
Ratio of reserve to deposits and F. R. Note Liabilities.....	66.6%	67.6%	72.0%

\*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 indicated.

	* June, 1934	* May, 1934	* June, 1933	June 1934 comp. to May 1934	June 1933
East St. Louis and Natl.					
Stock Yards, Ill..	\$ 21,174	\$ 20,490	\$ 20,569	+ 3.3%	+ 2.9%
El Dorado, Ark.....	3,314	3,239	2,612	+ 2.3	+26.9
Evansville, Ind.....	18,824	17,412	15,765	+ 8.1	+19.4
Fort Smith, Ark....	7,348	7,009	6,673	+ 4.8	+10.1
Greenville, Miss....	2,531	2,658	2,608	+ 4.8	+ 3.0
Helena, Ark.....	1,603	1,410	1,116	+13.7	+43.6
Little Rock, Ark....	21,489	21,226	16,477	+ 1.2	+30.4
Louisville, Ky.....	135,913	123,811	117,556	+ 9.8	+15.6
Memphis, Tenn.....	89,751	81,605	76,969	+10.0	+16.6
Owensboro, Ky.....	3,234	3,382	2,171	+ 4.4	+49.0
Pine Bluff, Ark....	4,490	4,008	4,747	+12.0	+ 5.4
Quincy, Ill.....	5,991	6,406	5,225	+ 6.5	+14.7
St. Louis, Mo.....	500,112	480,227	469,203	+ 4.1	+ 6.6
Sedalia, Mo.....	1,729	1,652	1,410	+ 4.7	+22.6
Springfield, Mo....	11,923	11,611	9,900	+ 2.7	+20.4
**Texarkana,					
Ark.-Tex. ....	4,811	4,712	6,056	+ 2.1	+20.6
Totals .....	\$834,237	\$790,858	\$759,057	+ 5.5	+ 9.9

\*In thousands (000 omitted.)

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

(Compiled July 23, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of August 30, 1934

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**D**ROUTH conditions dominated the commercial and industrial situation to a large extent in the Eighth District during the past thirty days. Record high temperatures and continued lack of adequate rainfall served to restrict business activities as a whole, and the recessionary trends noted during the preceding thirty day period were considerably more pronounced. Many important crops sustained further deterioration from July to August, particularly in the northern tiers of the district and with few exceptions, production much below average is indicated. Withal, the volume of business as a whole continued above that of the corresponding period a year ago, and in many communities, mainly in the south, effects of the drouth were little felt and agricultural and business conditions maintained the favorable position which they held during the preceding several months. While generally through the district, the record hot weather tended to hold down business activities, it resulted in an unusually heavy movement of seasonal merchandise into consumptive channels, notably electrical supplies, apparel, beverages, etc., and the clearance of such commodities was more thorough than has been the case in a number of years.

The value of retail distribution in July decreased in a somewhat greater degree than average, but continued ahead of a year ago. Wholesale trade in July fell below the total for the same month in 1933, but registered a substantial gain over the June total this year, according to interests reporting to this bank. There was the usual slowing down in operations at iron and steel plants, and a number of establishments which closed down on July 1 for inventory and repairs have resumed operations on schedules lower than were in effect prior to suspension. This is accounted for partly by the fact that foundry and steel mill operations were conducted at unusually high levels during May and June. District distribution of automobiles in July was slightly ahead of the preceding month, and showed a substantial gain over a year ago. Production of bituminous coal in fields of the district decreased slightly under the June output, and was

measurably smaller than in July, 1933. Industrial consumption of electricity in the leading cities in July was slightly greater than a year ago, and about 5 per cent in excess of June this year.

Most affected by the drouth were feed crops — corn, hay and pasturage — commercial vegetables, fruits and truck gardens. Between July 1 and August 1, prospects for corn in this district declined 111,694,000 bushels and white potato prospects lost 1,379,000 bushels, the heaviest deterioration for any single month since these records have been kept. Indicated yields of cotton and tobacco are below last year and the 10-year average, but still sizeable crops. The condition of livestock in the most important producing areas was considerably lowered by lack of water and pasturage, and in some instances farmers were forced to ship immature animals to market in order to reduce their herds. As an offset to drouth conditions, in point of farm incomes, have been the higher prices received for the several products, also the sums received by farmers in rental and benefit payments from the Agricultural Adjustment Administration. Corn and wheat prices have moved upward, and at mid-August hog and cotton values reached the highest levels in a number of years.

Retail trade in July, as reflected by sales of department stores in the principal cities, was 3.7 per cent greater than for the same month in 1933 and 29.4 per cent less than the June total this year; cumulative total for the first seven months this year was 20.8 per cent greater than for the comparable period a year ago. Combined sales in June of all wholesaling and jobbing firms reporting to this bank were 12 per cent greater than during the preceding month, and 22 per cent below the July, 1933, total; for the first seven months the total was 15 per cent in excess of the same period in 1933. The dollar value of contracts let for new buildings in the five largest cities in July was 87 per cent less than for the same month in 1933, but 31 per cent greater than in June this year; cumulative total for the first seven months was smaller by 29 per cent than for the same time last year. Construction contracts

let in the Eighth District in July were 6 per cent and 62 per cent greater, respectively, than thirty days and a year earlier; total for the first seven months exceeded that of the same period last year by 79 per cent. Debits to checking accounts in July fell 10 per cent below June, but were 2 per cent greater than in July, 1933; the cumulative total this year shows an increase of 13 per cent over the like period in 1933.

Freight traffic of railroads operating in this district, while below that of the preceding thirty days, continued well ahead of the volume during the similar periods a year and two years earlier. The movement of fuel, ore and forest products continued in substantial volume, and a fair showing was made by miscellaneous and less-than-carload freight. Relatively the largest gains were made in loadings of livestock, this being attributable to heavy transfers of cattle from the drouth areas to points in this district. For the country as a whole, loadings of revenue freight for the first 31 weeks this year, or to August 4, totaled 18,357,926 cars, against 16,463,172 cars for the corresponding period in 1933 and 16,537,150 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 72,704 loads in July, against 78,468 loads in June and 79,648 loads in July, 1933. During the first nine days of August the interchange amounted to 22,077 loads, which compares with 19,993 loads during the corresponding period in July and 21,444 loads during the first nine days of August, 1933. Passenger traffic of the reporting lines continued the steady expansion of the past several months, and in July was 6 per cent greater than during the same month last year. Lower rates, intensive promotion efforts and the Chicago World's Fair are mentioned as the principal causes for the heavier travel. Estimated tonnage handled by the Federal Barge Line between St. Louis and New Orleans in July was 110,000 tons, which compares with 100,374 tons in June, and 132,893 tons in July, 1933.

Reports relative to collections reflect spottiness and irregularity, and generally less satisfactory results than were achieved during the preceding several months. Relatively, payments to wholesalers made a more satisfactory exhibit than was the case with the retail trade. Quite generally, but more particularly in the drouth areas, there is more of a disposition than heretofore to conserve cash. Also, crop failures due to the dry spell have prevented much liquidation expected at this time. On the other hand, wheat turned out well, and producers of the grain have sold freely at good prices, and used the proceeds to pay debts. Generally through

the south there remains the high efficiency in collections which existed earlier in the year. City retailers report delay in payments due to absence of customers on vacations. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
July, 1934.....	2.4%	30.2%	55.4%	12.0%
June, 1934.....	4.3	38.4	49.4	7.9
July, 1933.....	3.6	25.1	58.3	13.0

Commercial failures in the Eighth Federal Reserve District in July, according to Dun and Bradstreet, numbered 18, involving liabilities of \$148,738, against 22 defaults in June with liabilities of \$221,277, and 60 insolvencies for a total of \$1,091,513 in July, 1933.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — July sales of the reporting firms were 27 per cent greater than for the preceding month, but about one-third smaller than the July, 1933, total. Inventories gained in somewhat more than the usual seasonal amount, stocks on August 1 being 39 per cent and 73 per cent larger, respectively, than a month and a year earlier. The decrease in the yearly sales comparison was attributable to the unusually heavy volume in July, 1933, the total for that month being the largest for the period since 1929 and more than double the July, 1932, volume. Orders booked since August 1 indicate a volume for the entire month slightly in excess of the corresponding period last year. There were no general price revisions as compared with the preceding thirty days.

**Clothing** — While ordering is reported more conservative than heretofore, retailers, particularly in the south, are disposed to cover their full prospective requirements for late fall and winter distribution. Clearance of lightweight apparel in both the large cities and the country was more thorough than has been the case in recent seasons. Special sales by retailers in July and early August met with generally satisfactory response. Demand for work clothes showed little change as contrasted with the preceding several months. Sales of the reporting clothiers in July were 10.5 per cent larger than for the same month in 1933, and 12 per cent in excess of the June total this year. Inventories on August 1 were larger by 22 per cent and 21 per cent, respectively, than a month and a year earlier.

**Drugs and Chemicals** — Due partly to a further decrease in demand for heavy drugs and chemicals from the general manufacturing trade and adverse effects on the retail trade of the drouth and

extreme heat, sales of the reporting firms in July fell 6 per cent below the preceding month. The July total, however, was 15 per cent greater than for the same month in 1933. Stocks increased further, and on August 1 were 3 per cent and 32 per cent larger, respectively, than a month and a year earlier.

**Dry Goods**— July sales of the reporting firms fell 28 per cent below the same month in 1933, but were 19 per cent greater than in June, this year. Inventories increased slightly between July 1 and August 1, and on the latest date were about two-thirds larger than a year ago. The increase in the month-to-month sales comparison is seasonal in character and about average as compared with the past decade. A marked pickup in sales since August 1 is reported, particularly in St. Louis where the marketing season early this month attracted an unusually large number of visiting merchants. The recent upturn in prices of raw cotton has stimulated demand for fabrics based on that staple.

**Electrical Supplies**—Business in this classification holds up exceptionally well, July sales of the reporting firms showing only a slight seasonal decrease below June, and an increase of 56 per cent over the July total last year. Sales of seasonal merchandise, notably fans and refrigeration, were reported the largest in recent years. The movement of household appliances and small motors continues in considerable volume. Line and pole hardware and electrical installations for buildings, continue relatively slow. Inventories showed little change from July 1 to August 1 but were 22 per cent larger than a year ago.

**Flour**— Production at the twelve leading mills of the district in July totaled 205,240 barrels, the smallest for any month this year, and comparing with 229,189 barrels in June and 275,721 barrels (revised figure) in July, 1933. General trends in the flour trade underwent no changes as contrasted with the preceding sixty days. Purchasing is mainly along conservative lines, with the large baking interests taking only enough to carry from month to month. Offerings of new wheat flour have increased in the immediate past, but are below average for the season. Prices advanced slightly in sympathy with the upturn in cash wheat values.

**Furniture**— July sales of the reporting interests were 6 per cent larger than in June, and 22 per cent below the July, 1933 total. Stocks on August 1 were slightly larger than a month earlier and 23 per cent greater than a year ago. Demand for radio cabinets showed noticeable expansion, and in the south considerable betterment was reported in sales of household furniture and furnishings.

**Groceries**— Business in this classification is spotty and uneven, results in areas where there has been adequate moisture being good, while elsewhere buying is hesitant. Purchasing of canned goods has been stimulated by apprehension of higher prices due to the drouth. In many sections home canning and preserving has been greatly restricted this season because of poor vegetable and fruit crops. The trend of prices was upward, with specific advances recorded on a number of important commodities. July sales of the reporting firms were 4.5 per cent less than in June and 8.5 per cent above the July total last year.

**Hardware**— Sales of the reporting firms in July fell 6 per cent below the preceding month and 7 per cent below a year ago. In both comparisons the decline in volume was attributable chiefly to reduced purchasing of commodities for consumption in the rural areas. In addition to reducing the volume of business, drouth conditions have adversely affected collections. Demand for jars, cans and other preserving equipment was reported smaller than a year and two years earlier. Builders' tools and hardware continued quiet, but the movement of seasonal merchandise, notably garden hose, sprinklers and kindred commodities, was in large volume. Advance ordering as a whole was reported below the volume at this time a year ago. Inventories on August 1 were slightly smaller than a month earlier and 10.5 per cent larger than a year ago.

**Iron and Steel Products**—Virtually all sections of the iron and steel industry in the Eighth District developed recessionary trends during the past thirty days. As a whole, both new ordering and specifications on materials previously acquired fell sharply below the high rate which marked earlier months this year. July shipments of raw materials to district consumers including pig iron and scrap, fell to relatively small proportions, which fact was attributable in large measure to the unusually heavy forwardings during May and June. The extremely high temperatures had a tendency to reduce operations at mills, foundries and machine shops, and at commercial scrap storage and manufacturing yards activities were almost entirely suspended for the reason that the metal was too hot to handle. To a lesser degree similar conditions obtained at fabricating plants. Placement of new structural awards was in light volume, and backlogs of fabricators were further reduced. Makers of farm implements report a noticeable decline in inquiries for their products, traceable to the drouth, and in some instances cancellations have occurred. Jobbing foundries were operating on reduced schedules, and are dependent largely on current orders. No change

was reported in requirements of the railroad and building industries, the former purchasing only necessary commodities. Manufacturers of sheets, strip and other rolled steel products report a fair volume of shipments on old orders, but a paucity of new business. An exception to this condition was in the case of tin plate, heavy tonnages being required in connection with canning meat animals which the Government is purchasing in the drouth areas. For the country as a whole production of pig iron dropped sharply in July; total output, according to the magazine "Steel" being 1,228,544 tons, against 1,936,897 tons in June and 1,801,345 tons in July, 1933. Steel ingot production in the United States in July totaled 1,472,584 tons, which compares with 3,015,972 tons in June, and 3,168,354 tons in July, 1933.

**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	
	July 1934 comp. to July 1933	7 months ended July 31, 1934 to same period 1933	July 31, 1934 comp. to July 31, 1933	Jan. 1, to July 31, 1934	1933
El Dorado, Ark.....	+24.5%	+41.2%	+ 8.1%	1.54	1.18
Evansville, Ind.....	-14.4	+13.0	- 5.7	1.09	1.04
Fort Smith, Ark.....	+10.5	+31.9	+13.5	1.23	1.10
Little Rock, Ark.....	+14.8	+35.1	+ 6.3	1.32	1.27
Louisville, Ky.....	- 2.4	+12.8	+ 4.6	1.82	1.74
Memphis, Tenn.....	+ 9.0	+27.1	+10.7	1.84	1.66
St. Louis, Mo.....	+ 1.7	+18.7	+ 5.8	2.02	1.97
Springfield, Mo.....	+ 8.0	+34.2	+11.2	1.07	.84
All Other Cities.....	+17.4	+29.3	+ 4.6	1.60	1.42
8th F. R. District.....	+ 3.7	+20.8	+ 6.4	1.84	1.76

Percentage of collections in July to accounts and notes receivable first day of July, 1934. (Percentage of collections by cities.)

El Dorado, Ark.....	48.1%	Memphis, Tenn.....	38.2%
Fort Smith, Ark.....	33.6	Springfield, Mo.....	23.5
Little Rock, Ark.....	30.6	St. Louis, Mo.....	48.1
Louisville, Ky.....	48.2	All Other Cities.....	29.0
8th F. R. District.....	43.7%		

**Retail Stores**

	Net sales comparison		Stocks on hand	Stock turnover	
	July 1934 comp. to July 1933	7 months ended July 31, 1934 to same period 1933	July 31, 1934 comp. to July 31, 1933	Jan. 1, to July 31, 1934	1933
Men's Furnishings .....	+13.8%	+31.2%	+26.6%	1.36	1.39
Boots and Shoes .....	-10.3	- 4.5	+ 1.4	1.81	1.71

**AUTOMOBILES**

Combined passenger car, truck and taxicab production in the United States in July, was 266,575 against 308,065 (revised figure) in June, and 233,088 in July, 1933.

Reversing the usual seasonal precedent, July distribution of automobiles in the Eighth District by dealers reporting to this bank was in slightly larger volume than during the preceding month. The total was again considerably larger than that for the corresponding month a year earlier. The increase in the month-to-month comparison is attributed in large part to intensive sales campaigns being conducted by both manufacturers and dealers,

also, to the price reductions which have taken place during the last several months. In the yearly comparison, relatively the largest gains were recorded by dealers in the south and in the large centers of population. Business in the rural areas affected by the drouth was noticeably in smaller volume than in the more favored sections. Demand for repair parts and accessories was stimulated by the touring season, and was generally more active than at the same time a year ago. There was a noticeable slowing down in demand for trucks, July sales of which fell 17 per cent below the preceding month, but with the total about one-fourth greater than in July, 1933. Purchasing of trucks of all descriptions was unusually heavy in May and June of the present year.

July sales of new passenger cars by the reporting interests were 3 per cent greater than in June and 29 per cent in excess of the July, 1933, total. Dealer stocks changed only moderately between July 1 and August 1, and on the latter date were approximately one-half larger than a year ago. Trends in the used car market showed little change as contrasted with the preceding several months. Desirable secondhand vehicles continue scarce, and are readily absorbed as they appear. Sales of used cars in July fell 6 per cent below the month before and were 4.5 per cent greater than in July, 1933. Stocks of salable secondhand cars were 5 per cent and 8 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that detail, deferred payment sales in July constituted 51 per cent of their total sales, against 47 per cent in June, and 48 per cent in July, 1933.

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in July was 30.7 per cent more than in June, and 86.7 per cent less than the July, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in July amounted to \$9,738,809 which compares with \$9,177,537 in June, and \$5,996,250 in July, 1933. Production of Portland cement for the country as a whole in July totaled 8,134,000 barrels, against 8,786,000 barrels in June and 8,609,000 barrels in July, 1933. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	18	145	\$ 34	\$ 27	220	62	\$ 37	\$ 18
Little Rock	10	17	2	8	98	54	20	11
Louisville ..	39	42	219	70	46	49	27	102
Memphis ....	89	86	29	74	108	89	55	69
St. Louis....	125	188	197	3,436	176	193	89	118
July Totals	281	476	\$ 481	\$3,615	648	447	\$ 228	\$318
June "	307	420	368	792	657	526	210	257
May "	362	431	512	309	790	664	386	321

## CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in July, as being about 4.9 per cent greater than in June, and 0.9 per cent more than in July, 1933. Detailed figures follow:

	No. of Custom- ers	July, 1934 *K.W.H.	June, 1934 *K.W.H.	July 1934 comp. to June 1934	July, 1933 *K.W.H.	July 1934 comp. to July 1933
Evansville ....	40	2,357	2,539	- 7.2%	2,577**	- 8.5%
Little Rock....	35	2,125	1,933	+ 9.9	1,925	+10.4
Louisville ....	83	7,499	7,254	+ 3.4	7,953**	- 5.7
Memphis .....	31	2,032	1,588	+28.0	1,433	+41.8
St. Louis.....	194	19,737	18,869**	+ 4.6	19,824**	- 0.4
Totals .....	383	33,750	32,183	+ 4.9	33,712	+ 0.9

\*In thousands (000 omitted).

\*\*Revised figures.

## AGRICULTURE

Weather conditions in sections of the Eighth District during the past three months have been the most detrimental for agriculture ever experienced. The unprecedented drouth, accompanied by record high temperatures, resulted in general deterioration of crops from July to August, and since the beginning of the latest month prospects for many unharvested crops have lost further ground because of the continued heat and lack of adequate rainfall. The yield of corn in the district is expected to be greatly below average, and in some states, notably Missouri and Illinois, the lowest of record. The condition of pastures in the northern stretches of the district is the lowest ever recorded at this time of year, and the hay crop in many important producing areas is virtually a failure. Late fruits and vegetables have paid heavy toll to the drouth, and in certain localities, gardens have been entirely demolished by the scorching temperatures.

Since early in the season it has been necessary for farmers in extended areas to haul water for home use and livestock, wells, creeks and springs which hitherto had never been known to fail having dried up. Conditions have been most acute in Missouri, Illinois, southwest Arkansas and sections of Kentucky. In certain sections of these states, summer maturing crops are beyond help, but rains in late August and September might substantially benefit emergency forage crops, such as cowpeas, soybeans, sorghums, etc. Scarcity of feed and pasturage has necessitated shipping of livestock to market, frequently in poor condition. The dairying industry has also been adversely affected, a further decrease in milk production being reported.

A considerably less gloomy side of the district picture is presented in the south; the major part of Arkansas, Tennessee, Kentucky and Mississippi. These states have been more favored during the season in the matter of precipitation, and the outlook for agricultural production is considerably

more hopeful than to the north. In Tennessee, for instance, the composite indicated yield of 32 important crops as of August 1 averaged 106.1 per cent of the 10-year (1921-1930) average, while the United States averaged only 77 per cent. The indicated yields of cotton, rice and tobacco in the district are only moderately below those of a year ago, while hay production in some areas was sufficiently large to permit of shipments to other states. In addition to receiving the highest prices in recent years for their cotton, incomes of southern planters will be greatly augmented by rental and benefit payments under the Agricultural Adjustment Administration's curtailment program.

**Winter Wheat**— Winter wheat was harvested and threshed under ideal conditions, and the yield for the district was considerably above earlier expectations. As of August 1, the U. S. Department of Agriculture placed the Eighth District output at 44,813,000 bushels, an increase of 2,505,000 bushels over the July 1 estimate, and comparing with 38,434,000 bushels harvested in 1933, and an 11-year average of 49,096,000 bushels. Threshing had been virtually completed at the middle of August, and early returns indicate spotted conditions, both with reference to quality and yields. While much grain grades as high as No. 1, there is also considerable light grain of medium grade, due to the extreme heat and drouth during the ripening period.

**Corn**— Production of corn in the Eighth District will be the smallest in recent years, and in some states the lowest on record. Late planted corn in the uplands is a virtual failure in the northern areas of the district. On the other hand there are average prospects in many counties, notably in bottom lands along the larger rivers. Over wide areas of Missouri, Illinois and Indiana, production will be virtually nil. In Mississippi, Tennessee, and Kentucky yields are not far off from the 5-year average. Generally through the district the crop has deteriorated since August 1. The Government's report, based on conditions as of that date, place the Eighth District yield at 188,325,000 bushels, a decrease of 111,694,000 bushels from the July 1 forecast, and comparing with 296,955,000 bushels harvested in 1933, and an 11-year average (1923-1933) of 346,344,000 bushels. The decrease in prospects from July to August was the greatest for any single month since these records have been kept.

**Fruits and Vegetables**— White potato prospects in the Eighth District were cut by 1,379,000 bushels between July 1 and August 1, the Government's estimate based on conditions as of the latter date being 8,938,000 bushels, against 9,107,000 bushels harvested in 1933, and an 11-year average

of 13,967,000 bushels. Except in certain southern counties deterioration from July to August was general with all fruits and vegetables. Commercial crops of tomatoes, sweet corn, beans and cabbage were heavily reduced. In states entirely or partly within this district production of apples this year is estimated at 7,094,000 bushels of which 2,907,000 bushels represent commercial production, against 12,784,000 bushels in 1933, with 5,044,000 bushels commercial production and a 5-year average (1927-1931) of 15,181,000 bushels of which 6,653,000 bushels were commercial crop. In these states the output of sweet potatoes is estimated at 16,482,000 bushels, against 15,960,000 bushels in 1933 and a 5-year average of 15,873,000 bushels; peaches, 5,918,000 bushels, against 3,909,000 bushels in 1933 and a 5-year average of 8,116,000 bushels; pears, 1,575,000 bushels, against 883,000 bushels in 1933 and a 5-year average of 1,706,000 bushels; grapes, 31,541 tons against 33,136 tons in 1933 and 29,341 tons for the 5-year (1927-1931) average.

**Livestock** — Generally throughout the district, but more particularly in the northern sections, the condition of livestock has been adversely affected by the low condition of pastures, scarcity of water and the intense heat. Mortality among young lambs and pigs in certain localities was reported the heaviest in recent years. Milk production per cow declined, and on August 1 was the lowest for the month shown in the 10-year record. The production of eggs on August 1, according to the U. S. Department of Agriculture, was 10 per cent less than on that date a year earlier, and 20 per cent less than the August 1 average of the five years, 1927-1931.

Eighth District hay prospects decreased by 330,000 tons between July 1 and August 1, the Government's estimate based on conditions as of the latest date being 3,550,000 tons, against 5,249,000 tons raised in 1933 and an 11-year average of 6,832,000 tons.

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

	Receipts			Shipments		
	July, 1934	June, 1934	July, 1933	July, 1934	June, 1934	July, 1933
Cattle and Calves.....	215,455	113,884	94,863	110,178	52,762	46,014
Hogs .....	238,076	235,966	263,363	148,846	140,052	144,849
Horses and Mules....	4,432	3,354	2,463	4,075	3,547	3,196
Sheep .....	79,867	85,889	81,469	15,308	16,025	15,002

**Cotton** — The initial estimate of the size of the cotton crop this year made by the U. S. Department of Agriculture in its report based on conditions as of August 1 places the yield in the Eighth District at 2,049,000 bales, a reduction of 505,000 bales from the 2,554,000 bales produced in 1933, and comparing with the 10-year average (1923-1932)

of 2,705,000 bales. For the country as a whole a crop of 9,195,000 bales is estimated, against 13,047,000 bales in 1933. The general condition of the crop in this district since the date of the Government report has been generally favorable, and except in the drouth counties has held its own. Damage from boll weevils is less than estimated earlier in the season, this pest having been checked by the high temperatures. Universally the smaller acreage has permitted of intensive cultivation, fields are clean and free of grass and weeds. Harvesting has begun in the most southern counties, and early returns show much staple of high quality. Rental payments as of August 1, approved for disbursement to farmers cooperating in the Agricultural Adjustment Administration's 1934 cotton production program in states of the Eighth District totaled \$8,943,587. The trend of prices was upward, a new high on the present crop year being recorded in the second week of August. In the St. Louis market the middling grade ranged from 12.20c per pound to 13.40c per pound between July 16 and August 15, closing at 13.10c on the latter date, which compares with 12.70c on July 16 and 8.50c on August 15, 1933. Receipts at Arkansas compresses from August 1 to August 10 totaled 3,376 bales against 4,542 bales for the corresponding period a year ago. Stocks on hand as of August 10 totaled 264,842 bales, against 287,238 bales on July 20 and 244,651 bales on the corresponding date last year.

**Tobacco** — Of the fall harvested crops, tobacco has been the least affected by the drouth in this area. The U. S. Department of Agriculture's August 1 report estimates Eighth District production at 217,732,000 pounds, a decrease of 812,000 pounds from the July 1 forecast and comparing with 277,750,000 pounds harvested in 1933, and an 11-year average (1923-1933) of 304,854,000 pounds. For the United States the crop is estimated at 1,042,942,000 pounds, against 1,385,107,000 pounds harvested in 1933 and a 5-year average (1927-1931) of 1,471,000,000 pounds. The crop has made excellent progress in the western and eastern sections of Kentucky, where moisture has been adequate, and fair progress in the drier bordering counties. In the western dark district tobacco is largely topped and much of the crop in the central burley area is ready for cutting. Mid-August weather was favorable for growth and development of the burley crop. Precipitation was abundant, without washing rains. The air-cured crop is generally in good condition, with few complaints of damage from any cause. The dark fired crop is also in generally fair condition, though in the immediate past there have been some reports of fieldfire and speck.

**COMMODITY PRICES**

Range of prices in the St. Louis market between July 16, 1934, and August 15, 1934, with closing quotations on the latter date, and August 15, 1933, follow:

	High	Low	Close	
			Aug. 15, 1934	Aug. 15, 1933
Wheat				
Sept. ....per bu.	\$1.08¾	\$.95¾	.98¾	\$.92
Dec. ....	1.12½	.98½	1.01½	.96½
*May ....	1.08	1.04	1.04	.99½
No. 2 red winter	1.06¾	.97	.99	.81 @ .88
No. 2 hard	1.14½	1.01	1.05¾	.89 @ .89½
Corn				
*Sept. ....	.79¾	.61½	.75¾ @ .75¾	.49¾
*Dec. ....	.84	.63½	.78¾ @ .79	.54¾
*May ....	.88¾	.76½	.83¾	.60¾
*No. 2 mxcd	.79	.63¾	.78	.48 @ .48¾
*No. 2 white	.84½	.66	.78 @ .80	.52 @ .53
Oats				
*No. 2 white	.54	.45½	.50 @ .51	.33½ @ .34
Flour				
Soft patent.....per bbl.	7.40	6.50	6.70 @ 7.00	4.45 @ 6.35
Spring	8.30	6.75	7.85 @ 8.05	4.85 @ 7.70
Middling Cotton.....per lb.	.1340	.1220	.1310	.0850
Hogs on hoof.....per cwt.	6.15	1.50	3.00 @ 6.15	2.50 @ 4.55

\*Nominal quotations.

**FINANCIAL**

The Eighth District banking and financial situation during the past thirty days was marked by a slight increase in demand for credit by commercial and industrial borrowers, reflecting requirements for accumulating inventories for fall and winter distribution. There was also a further small increase in commitments of flour milling and grain elevator interests, caused partly by the upturn in grain values. Routine liquidation at banks in the chief cities continued on a large scale, and there was also a considerable volume of settlements with country banks in the cotton areas. Requirements for financing agricultural operations failed to exhibit the usual seasonal expansion, and were in measurably smaller volume than at the same period in recent years.

In the four-week period ended August 15, total loans of the reporting member banks in the leading cities increased 2.3 per cent, but remained 9.6 per cent below the total on the corresponding report date in 1933. The increase for the month was mainly in "loans to others" which represent for the most part borrowing by commercial and industrial interests. A decrease of 4.2 per cent in total investments was attributable to reduced portfolios of Government securities, other securities held increasing by 5 per cent. As of August 15 total reserve balances at 77 millions represented an increase of 20.6 per cent and 85.1 per cent, respectively, over a month and a year earlier. Borrowings of all member banks from the Federal Reserve bank continued at the recent low levels, and change in total volume of reserve credit outstanding was negligible.

The amount of savings deposits held by selected banks as of August 1 was slightly greater than on July 3 and 15.2 per cent larger than on August 2, 1933.

The trend of interest rates was slightly firmer than during the preceding thirty days. At St. Louis banks, as of the week ended July 15, current rates were as follows: Customers' prime commercial paper, 1½ to 6 per cent; collateral loans, 3½ to 6

per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on August 15, 1934, showed an increase of 2.3 per cent as contrasted with July 18, 1934. Deposits increased 0.2 per cent between July 18, 1934 and August 15, 1934 and on the latter date were 16.6 per cent greater than on August 16, 1933. Composite statement follows:

	*Aug. 15, 1934	*July 18, 1934	*Aug. 16, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 76,198	\$ 74,046	\$ 89,169
All other loans and discounts.....	132,788	130,311	142,066
Total loans and discounts.....	\$208,986	\$204,357	\$231,235
Investments			
U. S. Govt. securities.....	\$193,961	\$226,188	\$151,419
Other securities.....	107,133	102,047	103,275
Total investments.....	\$301,094	\$328,235	\$254,694
Reserve balance with F. R. Bank.....	\$ 77,186	\$ 64,020	\$ 41,709
Cash in vault.....	7,775	7,307	6,344
Deposits			
Net demand deposits.....	\$341,147	\$338,441	\$277,980
Time deposits.....	165,599	165,118	160,218
Government deposits.....	33,185	35,385	24,770
Total deposits.....	\$539,931	\$538,944	\$462,968
Bills payable and rediscounts with Federal Reserve Bank.....			

\*In thousands (000 omitted).

The total resources of these banks comprise approximately 62.0% of all member banks in this district.

**Federal Reserve Operations**—During July, the Federal Reserve Bank of St. Louis discounted for 7 member banks against 11 in June, and 65 in July, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Aug. 18, 1934	*July 18, 1934	*Aug. 18, 1933
Bills discounted .....	\$ 267	\$ 172	\$ 3,168
Bills bought .....			
U. S. Securities.....	93,200	93,200	77,082
Participation in Inv. Foreign Banks.....	122	121	198
Total Bills and Securities.....	\$ 93,589	\$ 93,493	\$ 80,448
Total Reserves .....	\$186,001	\$171,256	\$160,599
Total Deposits .....	139,359	125,268	93,380
F. R. Notes in circulation.....	134,379	132,935	135,303
F. R. Bank Notes in circulation.....			524
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.9%	66.3%	70.2%

\*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.

	*July, 1934	*June, 1934	*July, 1933	July, 1934 comp. to June 1934	July 1933
East St. Louis and Natl. Stock Yards, Ill.....	\$ 21,035	\$ 21,174	\$ 18,706	— 0.7%	+12.4%
El Dorado, Ark.....	3,720	3,314	2,925	+12.3	+27.2
Evansville, Ind.....	19,198	18,824	19,459	+ 2.0	— 1.3
Fort Smith, Ark.....	7,235	7,348	7,247	+ 1.5	— 0.2
Greenville, Miss.....	2,612	2,531	2,347	+ 3.2	+11.3
Helena, Ark.....	1,439	1,603	1,128	—10.2	+27.6
Little Rock, Ark.....	20,149	21,489	16,644	+ 6.2	+21.1
Louisville, Ky.....	125,841	135,913	120,339	+ 7.4	+ 4.6
Memphis, Tenn.....	87,428	89,751	77,628	+ 2.6	+12.5
Owensboro, Ky.....	3,408	3,234	2,335	+ 5.4	+46.0
Pine Bluff, Ark.....	4,404	4,490	4,518	+ 1.9	+ 2.5
Quincy, Ill.....	5,603	5,991	5,004	+ 6.5	+12.0
St. Louis, Mo.....	427,283	500,112	439,589	+14.6	+ 2.8
Sedalia, Mo.....	1,618	1,729	1,557	+ 6.4	+ 3.9
Springfield, Mo.....	11,610	11,923	9,446	+ 2.6	+22.9
**Texarkana, Ark.....	4,683	4,811	5,107	— 2.7	— 8.3
Totals .....	\$747,265	\$834,237	\$734,033	—10.4	+ 1.8

\*In thousands (000 omitted).

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

(Compiled August 22, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of September 29, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

**T**HOUGH somewhat spotty and irregular, both with reference to the several lines and geographic locations, general business in the Eighth District during the past thirty days was good. While the area has felt the effects of the record spring and summer drouth and high temperatures, serious damage has been confined only to certain sections, which by no means has been general. Distributive trade has been in large volume, particularly so in the case of merchandise for ordinary consumption. Durable goods, including iron and steel, lumber, and the general run of building materials, have made a relatively less favorable showing, though in these lines some seasonal betterment has taken place during the immediate past. The volume of wholesale and jobbing trade in August, according to interests reporting to this bank, was in excess of the same period a year ago, despite the fact that this year there was no threat of sharp price advances in the fall which was a stimulus to August buying in 1933.

Crops, taken as a whole, have turned out much better in this district than in some other extended areas of the country. In fact, in the southern states, Tennessee, Kentucky, Mississippi and parts of Arkansas the chief crops in 1934 will be of considerable size. Winter wheat output for the district exceeds that of 1933, and prices realized for that grain this year are measurably above the average of the preceding several seasons. Prospects for cotton and tobacco are not greatly below average, and certain typical southern productions, notably sweet-potatoes and peanuts, are of bumper proportions, the total exceeding both last year's output and the average. The white potato crop is relatively small; the shortage of corn, hay, all feed and forage crops is pronounced.

In the areas hardest hit by the drouth, farmers have been obliged to cut down the size of their herds to proportions which they will be able to take care of with roughage and other available feeds during the winter. In the fourth week of August the drouth was definitely broken and since that time precipitation has been general and ample for all

purposes. The moisture has wrought great benefit to growing and unharvested crops, notably pastures, late fruits, emergency forage, etc. The rains have also served to improve the morale in farming communities, and fall programs are being undertaken with considerably more optimism than was thought possible a few weeks back. As an offset to losses in the drouth areas are the advanced prices for farm products and rental and benefit payments to farmers in connection with the Agricultural Adjustment Administration's curtailment campaign.

As reflected by sales of department stores in the principal cities, retail trade was slightly larger than for the same month in 1933, and approximately 33 per cent in excess of the July total this year; cumulative total for the first eight months was larger by 18 per cent than for the comparable period in 1933. Combined sales of all wholesaling and jobbing firms reporting to this bank in August were 22 and 19 per cent greater, respectively, than a month and a year earlier; cumulative total for the year to September 1 was 15 per cent larger than the same time a year ago. The dollar value of contracts let for new construction in the five largest cities in August was 43.5 per cent larger than in July, but 82 per cent below the August total in 1933; for the first eight months the cumulative total was 55 per cent below the same period a year ago. Construction contracts let in the Eighth District in August were 15.5 per cent smaller than in July, and 31.9 per cent more than in August, 1933; cumulative total for the first eight months was 72.2 per cent greater than for the same time last year. Debits to individual accounts in August were 7.4 per cent smaller than in July and 6.6 per cent greater than in August, 1933; for the year to September 1 the cumulative total was larger by 11.8 per cent than for the like period in 1933.

According to officials of railroads in this district freight traffic during the past several weeks has failed to develop the usual seasonal upturn. Withal, volume for the year to date continues well above that of a year and two years earlier. The movement of livestock during the past two months

has been considerably heavier than a year ago, due in large measure to the transfer of cattle purchased by the Government in drouth areas. The recent upturn in grain prices has had a stimulating effect on the movement of wheat, corn and oats. For the country as a whole loadings of revenue freight for the first thirty-five weeks this year, or to September 8, totaled 21,375,046 cars, against 19,625,542 cars for the corresponding period in 1933, and 19,168,184 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, handled 78,733 loads in August, against 72,704 loads in July and 75,980 loads in August, 1933. During the first nine days of September the interchange amounted to 22,962 loads, against 22,077 loads during the corresponding period in August and 20,824 loads during the first nine days of September, 1933. Passenger traffic of the reporting lines in August was 11 per cent greater than during the same month last year. Due to lower fares the number of passengers carried showed a considerably larger gain than revenues received. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 120,500 tons, against 108,902 tons in July and 114,941 tons in August, 1933.

The general status of collections in the district during the past thirty days developed no marked change in trends observed during the similar period immediately preceding. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
August, 1934.....	3.4%	30.7%	56.8%	9.1%
July, 1934.....	2.4	30.2	55.4	12.0
August, 1933.....	4.7	37.0	41.3	17.0

Commercial failures in the Eighth Federal Reserve District in August, according to Dun and Bradstreet, numbered 25, involving liabilities of \$336,146, against 18 defaults in July with liabilities of \$148,738, and 45 insolvencies for a total of \$843,060 in August, 1933.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — August sales of the reporting firms were 16 per cent greater than in the preceding month and one-fourth larger than the August, 1933, total. Stocks on September 1 were 9 per cent less than a month earlier, but approximately 83 per cent greater than a year ago. Some hesitation in purchasing has developed among certain retailers owing to belief that prices of hides may decline, owing to the Government's drouth cattle-slaughtering program. Merchants generally, more particularly in the south are disposed to

replenish stocks in anticipation of fall and winter demands. Prices were unchanged as contrasted with the preceding thirty days. Factory operations were reduced seasonally at the end of August, but many factories which suspended operations have resumed since the middle of September.

**Clothing** — Advance purchasing in the apparel industry is reported in slightly heavier volume than at the corresponding period a year and two years earlier. Sales of work clothing have developed moderate improvement as contrasted with the preceding three or four months. Clearance of summer clothing, both men's and women's was reported generally the most thorough in recent years. August sales of the reporting clothiers were 56 per cent and 13.5 per cent greater, respectively, than a month and a year earlier. Inventories decreased 21 per cent between August 1 and September 1, but on the latest date were 23 per cent larger than a year ago.

**Drugs and Chemicals** — There was a further decrease in demand for heavy drugs and chemicals from the general manufacturing trade, but this was more than offset by sales of seasonal merchandise, with the result that August sales of the reporting firms were 10 per cent larger than for the preceding month and 28 per cent greater than in August a year ago. Inventories increased slightly from August to September and on the first of the latter month were 3 per cent and 28 per cent greater than a month and a year earlier.

**Dry Goods** — Some augmented buying was reported as a result of the textile strike, but as a whole this disturbance has had little effect on the trade. Reporting firms are for the most part well stocked, and inventories of finished fabrics at mills are also of considerable size. The number of visiting retail merchants in August at the chief distributing centers was large, and purchasing was on a liberal scale. Sales of the reporting interests in August were 55 per cent larger than during the preceding month, and 34 per cent in excess of the August total a year ago. Stocks on September 1 were slightly smaller than a month earlier, but approximately one-half larger than a year ago.

**Electrical Supplies** — August sales of the reporting firms declined 18 per cent from July to August, a somewhat greater than the usual seasonal decrease, but the total was 29 per cent larger than in August, 1933. Stocks on September 1 were larger by 4 per cent and 35 per cent than a month and a year earlier. In the yearly sales comparison increases were general throughout the entire line, but most marked in radio materials and household appliances. Demand for small motors for a variety

of purposes continue at the high levels of recent months.

**Flour** — Production at the twelve leading mills of the district in August totaled 248,471 barrels, against 205,240 barrels in July and 202,982 barrels in August, 1933. Purchasing from all sources continues on a necessity basis, there being little disposition to accumulate stocks for future use. Jobbers and the large milling interests are not inclined to follow the upturn in prices, incident to the sharp advances in cash wheat values.

**Furniture** — Further moderate betterment was noted in office furniture and equipment, also household furniture and furnishings. In spite of this, however, total sales of the reporting firms in August receded about one-third from the same month a year ago, though showing a gain of 41 per cent over the preceding month this year. Inventories gained 39.5 per cent between August 1 and September 1, and on the latest date were 2 per cent smaller than a year ago.

**Groceries** — August sales of the reporting firms were approximately 16 per cent larger, than a month and a year earlier, respectively, the gain in both comparisons being attributed in large measure to higher prices. Demand for canned goods was active, many retail merchants and householders being disposed to stock up in anticipation of higher prices later in the season. Stocks on September 1 were slightly smaller than a year earlier, but 4 per cent greater than on August 1 this year.

**Hardware** — Business in this classification was spotty, with results in the drouth areas relatively poor. Since the last week of August orders have picked up substantially, the rains serving to stimulate buying in the rural areas. August sales of the reporting firms were 4 per cent larger than in July, but 9 per cent under the August, 1933, total. Stocks showed little change as contrasted with a month and a year ago.

**Iron and Steel Products** — The last half of August and the first week of September were marked by a further general slowing down in activities in the iron and steel industry in this area. There was a general disposition on the part of consumers of both raw and finished materials to use up inventories acquired earlier in the year before making new commitments. The movement and new purchasing of pig iron during August aggregated less than in any preceding month this year. While books of blast furnaces have been opened for fourth quarter business at prices the same as prevailed in the third quarter, inquiries and sales have been on a very limited scale. Distributors of iron

and steel goods from store report August volume slightly below that of the preceding month and the corresponding period a year ago. Extreme quietness in the iron and steel scrap market has been accompanied by a decrease in prices to the lowest levels in recent months. At the middle of September, operations at district steel mills were slightly above the low point of the year, but measurably below the June, July and August average. Jobbing foundries are relying mainly on miscellaneous and stove work, and are averaging two to three days a week. Aside from the drop in scrap, there were no changes in prices of iron and steel commodities worthy of note. However, September is likely to bring the first real test of steel prices since their advance three months back, as consumers thus far have operated largely on inventories previously acquired. For the country as a whole production of pig iron in August, according to the magazine "Steel", amounted to 1,060,187 tons, the smallest since May, 1933, and comparing with 1,228,544 tons in July and 1,833,265 tons in August, 1933. Steel ingot production in the United States also dropped sharply in August, the total for that month amounting to 1,363,359 tons, against 1,472,584 tons in July and 2,863,569 tons (revised figure) in August, 1933.

### 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. 1934 comp. to Aug. 1933	8 months ended Aug. 31, 1934 to same period 1933	Aug. 31, 1934 comp. to Aug. 31, 1933	Jan. 1, to Aug. 31, 1934 1933
El Dorado, Ark....+29.3%	+39.9%	-0.2%	1.72 1.32
Evansville, Ind....-1.0	+11.3	-10.5	1.24 1.17
Fort Smith, Ark....-2.5	+27.1	-0.6	1.37 1.25
Little Rock, Ark...+3.1	+30.5	-1.3	1.48 1.42
Louisville, Ky.....-13.9	+8.8	-1.4	2.07 2.04
Memphis, Tenn....+9.7	+24.9	+1.6	2.08 1.88
St. Louis, Mo.....+1.2	+16.2	+0.8	2.31 2.27
Springfield, Mo....+5.6	+30.1	-1.4	1.21 .97
All Other Cities....+15.7	+27.4	+4.2	1.83 1.63
8th F. R. District..+0.8	+18.0	+0.3	2.10 2.02

Percentage of collections in August to accounts and notes receivable first day of August, 1934. (Percentage of collections by cities).

El Dorado, Ark.....34.8%	Memphis, Tenn.....36.8%
Fort Smith, Ark.....33.5	Springfield, Mo.....22.8
Little Rock, Ark.....29.3	St. Louis, Mo.....44.1
Louisville, Ky.....48.3	All Other Cities.....27.5
8th F. R. District.....40.7%	

#### Retail Stores

Net sales comparison		Stocks on hand	Stock turnover	
Aug. 1934 comp. to Aug. 1933	8 months ended Aug. 31, 1934 to same period 1933	Aug. 31, 1934 comp. to Aug. 31, 1933	Jan. 1, to Aug. 31, 1934 1933	
Men's Furnishings .....	-13.3%	+24.7%	+28.4%	1.50 1.61
Boots and Shoes .....	-11.7	-6.8	+4.1	1.97 1.91

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in August, was 234,809, against 266,576 (revised figure) in July and 236,480 in August, 1933.

August sales of new passenger cars by the reporting interests were 2 per cent greater than for the same month in 1933, and 15 per cent below the July total this year. Generally dealers are pursuing a conservative policy in the matter of inventories, and indications point to unusually small stocks of the present year's models at the end of the season. Stocks in dealers' hands as of September 1 were 4 per cent less than on August 1 and about 42 per cent larger than a year ago. Sales of used cars in August were also moderately in excess of a year ago but approximately 7 per cent below the July total this year. Stocks of secondhand cars on hand as of September 1 were 6 per cent smaller than a month earlier and 10 per cent greater than on September 1, 1933. According to dealers reporting on that item, deferred payment sales in August constituted 51.5 per cent of their total sales, against 51 per cent in July and 44 per cent in August, 1933.

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in August was 43.5 per cent more than in July, and 82.2 per cent less than the August, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in August amounted to \$8,228,255 which compares with \$9,738,809 in July, and \$6,237,834 in August, 1933. Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville	26	134	\$ 15	\$ 34	347	66	\$ 56	\$ 9
Little Rock	2	14	1	8	105	79	21	13
Louisville	41	42	221	291	46	38	28	55
Memphis	76	63	100	83	114	121	27	37
St. Louis	173	222	353	3,461	195	218	78	147
Aug. totals	318	475	\$ 690	\$3,877	807	522	\$ 210	\$261
July	281	476	481	3,615	648	447	228	318
June	307	420	368	792	657	526	210	257

\*In thousands of dollars (000 omitted).

**CONSUMPTION OF ELECTRICITY**

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in August, as being about 1.6 per cent smaller than in July, and 1.8 per cent more than in August, 1933. Detailed figures follow:

No. of Customers	Aug., 1934		July, 1934	Aug. 1934 comp. to July 1934	Aug., 1933		Aug. 1934 comp. to Aug. 1933
	*K.W.H.	*K.W.H.			*K.W.H.	*K.W.H.	
Evansville	40	2,488	2,357	+ 5.6%	1,921**	+29.5%	
Little Rock	35	2,339	2,125	+10.1	2,026	+15.4	
Louisville	83	7,790	7,499	+ 3.9	7,419**	+ 5.0	
Memphis	31	1,798	2,032	-11.5	1,450	+24.0	
St. Louis	193**	18,829	19,759**	- 4.7	19,832**	- 5.1	
Totals	382	33,244	33,772**	- 1.6%	32,648**	+ 1.8%	

\*In thousands (000 omitted).  
\*\*Revised figures.

**AGRICULTURE**

Crop prospects as a whole in the Eighth District deteriorated further during August, the first three weeks of that month witnessing a continuance

of the record drouth and high temperatures which had obtained over extended sections with practically no break since last May. Of the principal crops those sustaining a decline in indicated yield from July to August were corn, cotton, and oats. The reduction in corn prospects brings the indicated yield to the lowest on record for this district. Hay and tobacco prospects bettered somewhat during August, but even with this improvement the output of tame hay this year will be only about one-half the 11-year (1923-1933) average and a severe shortage of all forage and feed crops is indicated. Improvement in a number of the lesser crops, notably fruits and vegetables, took place during August, among the productions showing betterment being sweet potatoes, apples, peaches, pears and some other truck crops. Grape prospects declined slightly, and the crop is later than average.

During the last week of August the drouth was broken by general and abundant rainfall, which continued intermittently through the first three weeks of September. Although this precipitation was too late to greatly benefit corn and cotton in some localities, it resulted in improved growing conditions in areas hardest hit by the drouth. Its results were particularly favorable to sweet potatoes, late white potatoes, apples, late hay and legume crops, pastures, tobacco, onions, cabbage, and other crops still growing. In many sections these crops may still achieve considerable growth provided killing frosts are sufficiently delayed. However, most beneficial results of the rains were to be found in the case of livestock, long depleted water supplies being replenished and pastures in numerous localities being sufficiently improved to become usable. Less tangible, but of considerable importance, was the improvement in morale in counties where the drouth had produced apparently hopeless conditions.

A tabulation showing the probable distribution estimated in connection with the Agricultural Adjustment Administration, rental and benefit payments, to producers in states of the Eighth District cooperating in the 1933-1934-1935 program of wheat, cotton, corn, hogs, and tobacco, follows:

	(In thousands of dollars 000 omitted)					Totals
	Cotton 1933-34 Program	Wheat 1933-35 Program	Tobacco 1933-34 Program	Corn 1934 Program	Hogs 1934 Program	
Arkansas	\$22,339	\$ 6	\$.....	\$ 266	\$ 845	\$ 23,456
Illinois	.....	5,075	1	17,100	21,155	43,331
Indiana	.....	3,857	431	7,641	16,660	28,589
Kentucky	.....	108	509	11,571	1,170	15,168
Mississippi	23,112	.....	.....	21	50	23,183
Missouri	4,418	3,139	288	8,666	17,105	33,616
Tennessee	7,351	263	3,317	1,298	2,265	14,494
8th Dist.	\$57,328	\$12,849	\$15,608	\$36,162	\$59,890	\$181,837

Prospective crop yield combined per acre in all states of the United States of 33 important crops as of September 1, expressed as a percentage of the

10-year (1921-1930) average yield, is estimated by the Department of Agriculture at 77.5 per cent. In states of the Eighth District the percentages of the average are as follows: Indiana, 83.5; Illinois, 69.1; Missouri, 45.1; Kentucky, 103.4; Tennessee, 105.8; Mississippi, 101.9; and Arkansas, 78.9. These percentages illustrate accurately the effects of the 1934 drouth, the southern states, aside from Arkansas showing results above average, while in Missouri, Illinois and Indiana (Missouri in particular) heavily reduced production is indicated.

**Winter Wheat**—In its report based on September 1 conditions, the U. S. Department of Agriculture makes no revision in its estimate of winter wheat production in the Eighth District. The yield is estimated at 44,813,000 bushels, which compares with the short crop of 38,434,000 bushels harvested in 1933, and an 11-year average (1923-1933) of 49,096,000 bushels. Insofar as surface moisture is concerned, conditions for soil preparation and seeding winter wheat have been vastly improved over the entire district by the recent precipitation. These operations have made considerable progress, and in some important producing counties are up to the seasonal schedule. The recent upturn in prices has stimulated the movement to market, and while considerable wheat will be held for feeding livestock during the winter, farmers are generally disposed to market their grain in order to obtain cash for current needs.

**Corn**—In addition to a decrease in Eighth District corn prospects of 111,694,000 bushels from June to July, there was a further reduction of 13,543,000 bushels in August, the heaviest indicated loss for any similar period of record. The U. S. Department of Agriculture's September 1 report places the yield in this district at 174,782,000 bushels, which contrasts with 296,955,000 bushels harvested in 1933, and an eleven year average of 346,344,000 bushels. The principal cause of the virtual failure was the record spring and summer drouth, but this was augmented by heavy chinch bug infestation and depredation of ear worms. In certain important sections, notably in Missouri and Illinois production is nil. Some fields will be benefited by the belated rains in August and September, but this portion of the crop is small. Prices have advanced to the highest levels in recent years, but in practically all areas production is insufficient for home requirements, and saleable surpluses are negligible. In Missouri the September 1 condition was 9 per cent of normal, and indications are for the smallest yield on record.

**Fruits and Vegetables**—Due mainly to recent rains, prospects for fruits and vegetables and farm

gardens improved somewhat between August 1 and September 1. However, yields as a whole in this district will be below average, and in the case of a number of crops, under a year ago. The poorest prospects exist in northern stretches of the district, prospects in the south being relatively favorable. White potato prospects in the district proper decreased slightly, the September 1 estimate being 8,727,000 bushels, against 9,107,000 bushels harvested in 1933, and an 11-year average (1923-1933) of 13,967,000 bushels. Precipitation, since the third week of August has helped late vegetable crops and checked the drop and aided the fill of apples. In states partly or entirely within the Eighth District the apple crop is estimated at 7,526,000 bushels, of which 3,077,000 represents commercial crop, against 12,784,000 bushels with 5,044,000 bushels commercial crop in 1933, and a 5-year (1927-1933) average of 15,181,000 bushels of which 6,653,000 bushels were commercial production; peaches, 6,341,000 bushels, against 3,909,000 bushels in 1933 and a 5-year average of 8,116,000 bushels; sweet potatoes, 16,740,000 bushels against 15,960,000 bushels in 1933 and a 5-year average of 15,873,000 bushels; pears, 1,688,000 bushels, against 883,000 bushels in 1933 and a 5-year average of 1,706,000 bushels; grapes, 30,460 tons against 33,136 tons in 1933 and a 5-year average of 29,341 tons; peanuts, 41,800,000 pounds, against 36,845,000 pounds in 1933 and a 5-year average of 27,701,000 pounds.

**Livestock**—The total or partial failure of the corn and hay crops in many localities has had the result of heavy curtailment in herds, and farmers are planning to dispose of more cattle before cold weather. The number of dairy cattle in many instances is being cut down to a size which will permit of their being fed through the winter on roughage and other available feed. The number of cattle and hogs on feed is considerably below a year ago and the average in recent years. Recent rains have considerably improved pastures, and many which had been unserviceable for six weeks or longer are now being grazed. Milk production as a whole has shown a marked decrease, particularly in Missouri and Illinois.

Eighth District tame hay production, based on the September 1 condition, is estimated at only 3,750,000 tons, which compares with 5,249,000 tons in 1933 and an 11-year average of 6,832,000 tons.

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

	Receipts			Shipments		
	Aug., 1934	July, 1934	Aug., 1933	Aug., 1934	July, 1934	Aug., 1933
Cattle and Calves.....	339,350	215,455	114,927	210,898	110,178	57,711
Hogs .....	170,745	238,076	292,906	125,139	148,846	160,089
Horses and Mules....	6,281	4,432	4,492	6,548	4,075	4,123
Sheep .....	52,276	79,867	60,172	18,877	15,308	8,632

**Cotton** — Prospects for cotton in all states of the Eighth District declined during August, according to the U. S. Department of Agriculture in its report based on conditions as of September 1. On that date the estimated yield for the district proper was 1,801,000 bales, a decrease of 248,000 bales under the August 1 forecast and comparing with 2,554,000 bales harvested in 1933 and a 10-year average (1923-1932) of 2,705,000 bales. For the country as a whole there was an increase in prospects of 57,000 bales between August 1 and September 1, the estimate on the latest date being for 9,252,000 bales, which is 3,795,000 bales less than produced in 1933 and 5,414,000 bales less than the 5-year (1928-1932) average. Deterioration in this district was due almost entirely to drouth conditions existing during the first three weeks of August. Since that time there has been abundant moisture which has benefited that part of the crop which had not stopped blooming. The rains, however, have interfered with picking, which has become general, and dry weather is now required to get cotton out of the fields. Since September 4 the movement of cotton to manufacturing centers has been interfered with to a considerable extent by the textile strike. Instructions have been received by numerous cotton merchants to discontinue shipments until further orders. Railroad officials report that in this area the strike thus far has had no effect on the movement of cotton to and from gins to compress points. Prices of raw cotton have receded from the high point of the year, reached the third week of August, but continue substantially higher than a year ago. In the St. Louis market the middling grade ranged from 12.40c to 13.35c per pound between August 15 and September 15, closing at 12.40c on the latter date, which compares with 13.10c on August 15 and 9.15c on September 15, 1933. Stimulated by the highest prices realized in recent years, the movement of cottonseed to mills since August 1 to date was in considerably larger volume than during the comparable period in 1933. Receipts of cotton at Arkansas compresses August 1 to September 14 totaled 121,450 bales, against 40,472 bales for the corresponding period a year ago. Stocks on hand as of September 14, totaled 329,315 bales, against 264,842 bales on August 10, and 248,353 bales on the corresponding date last year. According to the National Fertilizer Association, sales of fertilizer tags in states of the Eighth District for the period January to August, inclusive, totaled 492,143 tons, against 310,376 tons during the comparable period last year and 288,444 tons in 1932. Through August 16, rental payments to cotton farmers in states of the Eighth District cooperating in the Govern-

ment's acreage adjustment program amounted to \$9,737,666.

**Tobacco** — Eighth District tobacco prospects improved in August, the September 1 estimate of the U. S. Department of Agriculture being for 230,843,000 pounds, an increase of 13,111,000 pounds over the August 1 forecast, and comparing with 277,750,000 pounds harvested in 1933 and an 11-year average (1923-1933) of 304,854,000 pounds. Reports from the burley districts are generally satisfactory; weather has been such as to permit cutting and housing the crop. Cool nights and heavy dews have retarded maturity of a considerable part of the crop. According to unofficial estimates, the early portion of the crop — representing 60 per cent of the total — had been cut and housed at mid-September. This tobacco is curing satisfactorily and indicates a good yield per acre. To date there has been no indication of houseburn or other barn damage. Harvesting of the air-cured crop is progressing slowly as farmers realize the importance of letting the leaf develop and cure before cutting and housing. In the eastern and western dark fired district, harvesting continues somewhat backward, with weather conditions about the same as in the burley areas. Due to reduced acreage there is sufficient barn room to house and cure the crop and prevent sweating and houseburn damage.

### COMMODITY PRICES

Range of prices in the St. Louis market between August 15, 1934, and September 15, 1934, with closing quotations on the latter date, and September 15, 1933, follows:

	High	Low	Close	
			Sept. 15, 1934	Sept. 15, 1933
<b>Wheat</b>				
Sept. ....per bu.	\$1.06	\$ .98½	\$ 1.02¾	\$ .89½
Dec. ....	1.08	1.00½	1.03¾	.92½
*May .....	1.08½	1.01½	1.03¾	.95½
No. 2 red winter .....	1.07	1.00	1.04	.91 @ .91½
No. 2 hard .....	1.15	1.07	1.11	.89 @ .89½
<b>Corn</b>				
*Sept. ....	.80	.73¾	.76	.48 @ .48¾
*Dec. ....	.81¾	.75¾	.76	.52¾ @ .53
*May .....	.84¾	.77¾	.77¾	.58¾ @ .59¾
*No. 2 mixed .....	.82	.79	.79	.48 @ .48½
*No. 2 white .....	.86	.79	.83	.51 @ .51½
<b>Oats</b>				
*No. 2 white .....	.60	.51	.56	.37 @ .37½
<b>Flour</b>				
Soft patent.....per bbl.	7.40	6.70	6.90 @ 7.20	6.35 @ 6.85
Spring .....	8.05	7.40	7.40 @ 7.55	6.35 @ 6.85
Middling Cotton.....per lb.	.1335	.1240	.1240	.0915
Hogs on hoof.....per cwt.	8.05	3.00	4.25 @ 7.25	3.10 @ 4.90

\*Nominal quotations.

### FINANCIAL

General trends in the banking and financial status in the Eighth District during the past thirty days showed little variation from the preceding two or three months. There was a slight improvement in demand for commercial credit, but liquidation of prior indebtedness continued on a large scale, with the result that the total loans and discounts item at mid-September was approximately the same as a month earlier. In the immediate past moderate

expansion has taken place in inquiries for funds to be used in connection with the harvesting of tobacco. Recourse upon the commercial banks for financing the cotton crop so far this season has been in measurably smaller volume than in past years. In certain sections, notably in the south, demand for funds to purchase and condition livestock for market has broadened to some extent.

Between August 15 and September 12, total loans of reporting member banks in the principal cities increased 0.5 per cent, and at \$209,980,000 on the latest date were 8.7 per cent smaller than a year ago. Total investments of these institutions during the four-week period decreased 1.3 per cent, the loss being ascribable to smaller holdings of U. S. Government securities; all other securities showing an increase of 6.8 per cent. Deposits moved upward, the total of \$544,970,000 recorded on September 12 representing a new high for the year. Reserve balances increased 9.9 per cent to \$84,866,000, only slightly under the year's peak, and 59.6 per cent above the corresponding period in 1933. There was a slight increase in borrowings of all member banks from the Federal Reserve bank between August 19 and September 19, but throughout the period the total was greatly below a year earlier.

Applications for industrial loans and commitments, under Section 13b of the Federal Reserve Act, approved June 19, 1934, have been in substantial volume. As of September 19, advances made by this bank amounted to \$192,000 and commitments to \$132,000.

The amount of savings deposits held by selected banks as of September 5 was 1.4 per cent greater than on August 1, and 16.7 per cent in excess of the total on September 6, 1933.

Interest rates remained at, or around the low levels of recent months. At St. Louis banks, as of the week ended September 15, current rates were as follows: Customers' prime commercial paper, 1½ to 6 per cent; collateral loans, 3½ to 6 per cent; loans secured by warehouse receipts 2 to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 4 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on September 12, 1934, showed an increase of 0.5 per cent as contrasted with August 15, 1934. Deposits increased 0.9 per cent between August 15, 1934 and September 12, 1934 and on the latter date were 17.4 per cent great-

er than on September 13, 1933. Composite statement follows:

	*Sept. 12, 1934	*Aug. 15, 1934	*Sept. 13, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$ 71,473	\$ 76,198	\$ 88,251
All other loans and discounts....	138,507	132,788	141,706
Total loans and discounts.....	\$209,980	\$208,986	\$229,957
Investments			
U. S. Govt. securities.....	\$182,580	\$193,961	\$140,473
Other securities.....	114,455	107,133	101,979
Total investments.....	\$297,035	\$301,094	\$242,452
Reserve balance with F. R. Bank..	\$ 84,866	\$ 77,186	\$ 53,173
Cash in vault.....	8,691	7,775	6,329
Deposits			
Net demand deposits.....	\$349,393	\$341,147	\$280,249
Time deposits.....	165,807	165,599	159,778
Government deposits.....	29,770	33,185	24,014
Total deposits.....	\$544,970	\$539,931	\$464,041
Bills payable and rediscounts with Federal Reserve Bank.....			

\*In thousands (000 omitted).

The total resources of these banks comprise approximately 62.0% of all member banks in this district.

**Federal Reserve Operations** — During August, the Federal Reserve Bank of St. Louis discounted for 8 member banks against 7 in July, and 67 in August, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Sept. 18, 1934	*Aug. 18, 1934	Sept. 18, 1933
Bills discounted .....	\$ 353	\$ 267	\$ 3,677
Bills bought .....			
U. S. Securities.....	93,200	93,200	83,122
Participation in Inv. Foreign Banks.....	122	122	174
Total Bills and Securities.....	\$ 93,675	\$ 93,589	\$ 86,973
Total Reserves.....	\$193,873	\$186,001	\$147,395
Total Deposits.....	145,410	139,359	86,362
F. R. Notes in circulation.....	135,685	134,379	134,845
F. R. Bank Notes in circulation.....			1,242
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.0%	67.9%	66.6%

\*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.

	*Aug., 1934	*July, 1934	*Aug., 1933	Aug., 1934 comp. to July 1934	Aug. 1933
East St. Louis and Natl.					
Stock Yards, Ill. \$	21,996	\$ 21,034	\$ 20,313	+ 4.6%	+ 8.3%
El Dorado, Ark.....	3,251	3,720	2,937	-12.6	+10.7
Evansville, Ind.....	16,560	19,198	15,005	-13.7	+10.4
Fort Smith, Ark.....	6,930	7,235	6,690	- 4.2	+ 3.6
Greenville, Miss.....	2,617	2,612	2,148	+ 0.2	+21.8
Helena, Ark.....	1,441	1,439	1,051	+ 0.1	+37.1
Little Rock, Ark.....	22,344	20,149	16,295	+10.9	+37.1
Louisville, Ky.....	116,112	125,841	105,553	- 7.7	+10.0
Memphis, Tenn.....	79,601	87,428	66,816	- 9.0	+19.1
Owensboro, Ky.....	3,275	3,408	2,268	- 3.1	+44.4
Pine Bluff, Ark.....	4,323	4,404	3,599	- 1.8	+20.1
Quincy, Ill.....	5,695	5,603	4,944	+ 1.6	+15.2
St. Louis, Mo.....	390,897	427,283	386,800	- 8.5	+ 1.1
Sedalia, Mo.....	1,576	1,618	1,227	- 2.6	+28.4
Springfield, Mo.....	10,889	11,610	8,665	- 6.2	+25.7
**Texarkana.					
Ark.-Tex.....	4,773	4,683	4,897	+ 1.9	- 2.5
Totals .....	\$692,280	\$747,265	\$649,208	- 7.4	+ 6.6

\*In thousands (000 omitted).

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

(Compiled Sept. 24, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of October 30, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

GENERAL business in the Eighth District during the past thirty days continued the moderate improvement noted during the similar period immediately preceding. Relatively, in distribution of merchandise, goods for ordinary consumption made a more favorable showing than the more durable commodities. There was little, if any betterment in the movement of lumber, glass, certain iron and steel products and the general run of building materials. On the other hand, certain iron and steel specialties, notably stoves, heating apparatus, farm implements and household appliances, have developed improvement, both as contrasted with a month and a year earlier. Of the wholesale lines investigated by this bank, decreases in sales from August to September were, with one exception, seasonal in character. In all lines, except fire clay products and furniture, September volume exceeded that of the same month last year, the gains ranging from 1.3 per cent in the case of hardware, to 62 per cent in clothing. Likewise, retail distribution made a favorable exhibit, September sales exceeding the totals of August and of September, 1933.

Unusually mild weather in September and during the first weeks of October militated against consumption of seasonal merchandise, and in a number of lines, notably apparel, shoes, hats, etc., sales fell below expectations. However, the weather conditions, following the abundant rainfall in late August and during September, were ideal for agricultural operations of all descriptions. Planting of fall grains made progress above the seasonal schedule, and wheat and barley are generally up to good stands, with color and root growth exceptionally good. The clear, warm days were auspicious for maturing and harvesting late crops. With the exception of corn and oats, which were irreparably damaged by the spring and summer drouth, improvement was shown in practically all Eighth District crops during September, according to the U. S. Department of Agriculture's report based on conditions as of October 1. Purchasing power in the rural areas has been substantially increased by the

high prices being realized on farm products and the substantial amounts paid by the Government in rental and benefit payments to farmers cooperating in the crop reduction programs.

Retail trade in September, as reflected by department store sales in the principal cities was 31.7 per cent greater than in August and 21.6 per cent in excess of September, 1933; cumulative total for the first three quarters of the present year showed an increase of 18.5 per cent over the comparable period in 1933. Combined sales of all wholesale and jobbing firms reporting to this bank in September fell 5 per cent below the August total, but were 9 per cent in excess of the aggregate for the same month last year; cumulative total for the first nine months was 14.2 per cent greater than for the same period in 1933. The dollar value of permits let for new construction in the five largest cities of the district in September was 5.5 per cent greater than in August and 53 per cent more than in September last year; for the first nine months the total was 46 per cent below that of the corresponding period in 1933. Construction contracts let in the Eighth District in September were 7.4 per cent smaller than in August and 57.2 per cent less than the total for September last year; cumulative total for the first nine months this year was 43.0 per cent greater than for the first three-quarters of 1933. Debits to individual accounts in September were 4.3 per cent and 7 per cent greater, respectively, than a month and a year earlier, and for the first nine months the total exceeded that of the comparable period last year by 11.2 per cent.

Freight traffic of railroads operating in this district showed somewhat less than the usual seasonal increase, but the cumulative total for the first nine months this year was well in excess of the comparable periods a year and two years earlier. Relatively the best showing was made in the classifications of livestock, coal and coke, ore and miscellaneous freight. The unusually heavy volume of livestock handled is attributable in large measure to the transfer of Government purchased cattle in the drouth areas. For the country as a whole load-

ings of revenue freight for the first 40 weeks this year, or to October 6, totaled 23,940,117 cars, against 22,277,053 cars for the corresponding period in 1933, and 21,597,781 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 77,661 loads in September, against 78,733 loads in August, and 72,333 loads in September, 1933. During the first nine days of October the interchange amounted to 20,981 loads, against 22,962 loads during the corresponding period in September and 21,285 loads during the first nine days of October, 1933. Passenger traffic of the reporting lines in September increased 2.5 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 114,300 tons, against 120,131 tons in August and 119,340 tons in September, 1933.

Reports relative to collections during the past thirty days continued to reflect the satisfactory conditions which have prevailed since last spring. Best results were obtained in sections least affected by the drouth, particularly in the typical cotton producing areas. In the principal distributing centers wholesalers reported September collections relatively larger than a year ago, and October settlements to date have mainly sustained the improvement. Generally through the south liquidation with country merchants and banks has been in considerable volume. Department stores and other retail establishments in the large urban centers early October payments as making a favorable showing as contrasted with the like period in 1933. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
September, 1934.....	3.5%	40.2%	49.4%	6.9%
August, 1934.....	3.4	30.7	56.8	9.1
September, 1933.....	5.3	30.4	49.0	15.3

Commercial failures in the Eighth Federal Reserve District, according to Dun and Bradstreet, numbered 33 in September, involving liabilities of \$492,749 against 25 defaults in August with liabilities of \$336,146, and 47 insolvencies for a total of \$656,537 in September, 1933.

### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — September sales of the reporting firms were 8.6 per cent larger than for the same month in 1933 and 9 per cent below the August total this year. Stocks decreased 11 per cent between September 1 and October 1, and on the latest date were more than three-fourths greater than a year ago. The decrease in the month-to-month sales comparison is seasonal in character.

Since October 1 there has been a general pickup in ordering, with especially good results in the south. Prices were mainly unchanged as contrasted with the preceding month, and the same was true relative to factory operations.

**Clothing** — The mild fall to date has had a tendency to hold down the movement of seasonal apparel through retail channels, particularly men's topcoats. Ordering for spring distribution has been on a fairly liberal scale, the volume of advance business as of October 1 being slightly ahead of a year ago. Comment is made by a number of important firms that a higher grade of goods is being taken was the case at this time a year and two years earlier. September sales of the reporting clothiers were 5 per cent below the August total, but 62 per cent larger than in September, 1933. Stocks on October 1, were 17 per cent smaller than a month earlier, but 17 per cent larger than a year ago.

**Drugs and Chemicals** — Business in this classification continued the improvement noted during the preceding several months, with volume being still at higher levels than a year ago. A slowing down in purchasing of heavy chemicals and drugs by the manufacturing trade has been more than counterbalanced by increased sales in other lines. An especially favorable showing has been made in cosmetics, medicines and miscellaneous drugs. Sales of the reporting firms in September were 10 per cent larger than for the preceding month, and showed a gain of 15 per cent as compared with September last year. Inventories on October 1 were 2 per cent smaller than on September 1, and about one-fifth greater than a year ago.

**Dry Goods** — Following the usual seasonal trend, sales of the reporting firms in September decreased 9 per cent below the August total, but were 30 per cent greater than in September, 1933. Stocks on October 1 were 16 per cent smaller than on September 1, and 17 per cent larger than a year ago. The warm weather has tended to hold down sales of seasonal merchandise of all descriptions, and there has been some slowing down in orders for immediate shipment. Advance business, however, is above a year ago, and sales during the first half of October indicate an increase of about 15 per cent over the same time in 1933.

**Electrical Supplies** — For the seventeenth consecutive month, September sales in this classification showed an increase over the corresponding period a year earlier. The outlet through the building industry has failed to broaden, but sales of other products, notably household appliances, radio, refrigeration, small motors, etc., have more than

made up the reduced requirements for building installations. Sales in September of the reporting interests fell 3 per cent below the August aggregate, but were 40.6 per cent larger than in September last year. Stocks on October 1 were 10 per cent larger than a month earlier and 42 per cent greater than a year ago.

**Flour** — Production at the twelve leading mills of the district in September totaled 300,674 barrels, the largest since last January, and comparing with 248,471 barrels in August and 259,458 barrels in September, 1933. Moderate improvement in purchasing by domestic consumers was noted during late September and the first half of October. Relative stability in the price of cash wheat served as an incentive to heavier takings by the large baking and jobbing interests. Chain stores also were purchasing on a larger scale than heretofore. Prices showed little change as contrasted with the preceding two or three months. Mill operations were at approximately 56 per cent of capacity.

**Furniture** — Reversing the ordinary seasonal trend, September sales of the reporting firms fell 5.6 per cent below the August total, and were about one-third smaller than in September last year. Stocks on October 1 were 35 per cent and 8 per cent smaller respectively, than a month and a year earlier. Some improvement was noted in specialties, such as office and hospital furniture and equipment, but demand for household furniture and furnishings remains quiet.

**Groceries** — Somewhat less than the usual seasonal increase in sales from August to September was indicated by the reporting firms. The total for September was 4 per cent larger than during the preceding month and 22 per cent in excess of a year ago. Inventories increased 2 per cent between September 1 and October 1, and on the latest date were 2 per cent less than a year ago. Purchasing of canned goods was in considerable volume, being stimulated by expectations of higher prices because of short fruit and vegetable crops.

**Hardware** — Repair materials, including paints, nails and a broad assortment of other commodities, are reported as moving more actively than in a number of months. In addition purchasing in the rural areas has picked up and advance ordering for spring distribution makes a favorable exhibit. As a result of these factors and continued fair purchasing for routine requirements September sales of the reporting interests increased 4 per cent and 1 per cent, respectively, as compared with a month and a year earlier. Inventories decreased further, stocks on October 1 being 9 per cent and 4 per cent smaller,

respectively, than on September 1, and October 1 last year.

**Iron and Steel Products** — Changes in the iron and steel industry in this district during September and the first half of October were in the form of moderate improvement, mainly seasonal in character. The melt and shipments of pig iron and scrap during September showed a fair gain over the preceding month, and this betterment has been carried into October. Purchasing of pig iron during the past thirty days has been on a larger scale than since spring. Sales are mainly for prompt shipment, there being little contracting for future requirements. Stove and heating apparatus manufacturers increased their activities, and at the middle of October averaged about five days per week, as against two to three days between August 15 and September 15. Activities at farm implement plants have also increased, and orders from all sections of the territory are in considerably larger volume than thought possible under the severe drought conditions which prevailed during the summer. Makers of household appliances, including washing machines, vacuum cleaners, refrigerators, etc., report a large volume of new orders, with a number of plants working full time. Purchasing by the automotive industry is confined chiefly to materials for new models, and below the anticipated volume. Building materials continue quiet, except in the case of items for highway construction, river improvement work and other outdoor engineering projects. Iron and steel warehouse and jobbing interests report September volume slightly greater than in August. With the exception of iron and steel scrap, which declined further, prices of finished and raw materials showed no marked changes. For the country as a whole, production of pig iron in September, according to the magazine "Steel," totaled 899,075 tons, the smallest for any month since May, 1933, and comparing with 1,060,187 tons in August and 1,507,931 tons in September, 1933. Steel ingot production in the United States in September was 1,251,630 tons, against 1,363,359 tons in August, and 2,283,079 tons in September, 1933.

#### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in September, was 168,872, against 234,809 in August, and 196,082 in September, 1933.

Conforming with the seasonal trend, distribution of automobiles in this district decreased from August to September, and, according to reporting dealers, the total for the latest month fell below that of the corresponding period a year ago. The decrease in the month-to-month comparison was

somewhat greater than the average during the past decade. As was the case during the preceding several months, relatively the best showing was made by dealers handling cars of the three principal interests in the cheap priced category. Sales of trucks in September fell 8 per cent below August, but were approximately one-half greater than in September a year ago. Business in parts and accessories showed little change from the preceding month.

September sales of new passenger cars by reporting interests were 10 per cent smaller than for the same month in 1933, and about one-fourth less than the August total this year. Dealers continue to purchase on a basis of actual, or fairly certain prospective requirements, and indications are that stocks of present models will be well cleared up when new models are put out by the manufacturers. Stocks of new cars on dealers' floors on October 1 were 12 per cent smaller than a month earlier, and 28 per cent greater than a year ago. Sales of used cars in September fell 6 per cent and 11 per cent, respectively, below a month and a year ago. Stocks of salable secondhand cars increased slightly between September 1 and October 1, and on the latest date were larger by 4.5 per cent and 12 per cent, respectively, than a month and a year earlier. According to dealers reporting on that item, deferred payment sales in September constituted 50 per cent of their total sales, against 50.5 per cent in August and 42 per cent in September, 1933.

**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	
	Sept. 1934 comp. to Sept. 1933	9 months ended Sept. 30, 1934 to same period 1933	Sept. 30, 1934 comp. to Sept. 30, 1933	Jan. 1, to Sept. 30, 1934	Sept. 30, 1933
El Dorado, Ark.....	+53.1%	+41.4%	+ 6.5%	1.94	1.47
Evansville, Ind.....	+ 3.8	+10.4	-13.3	1.39	1.30
Fort Smith, Ark....	+28.4	+27.3	-13.1	1.59	1.40
Little Rock, Ark....	+47.3	+32.6	- 7.1	1.71	1.55
Louisville, Ky.....	+10.0	+ 9.0	- 9.0	2.33	2.25
Memphis, Tenn.....	+20.4	+24.3	- 1.2	2.35	2.10
St. Louis, Mo.....	+20.6	+16.8	- 8.0	2.70	2.57
Springfield, Mo....	+20.6	+28.8	- 1.0	1.39	1.12
All Other Cities....	+31.8	+28.0	+ 1.9	2.10	1.84
8th F. R. District..	+21.6	+18.5	- 6.8	2.42	2.27

Percentage of collections in September to accounts and notes receivable first day of September, 1934. (Percentage of collections by cities).

El Dorado, Ark.....	34.4%	Memphis, Tenn.....	37.9%
Fort Smith, Ark.....	36.1	Springfield, Mo.....	24.5
Little Rock, Ark.....	33.9	St. Louis, Mo.....	46.5
Louisville, Ky.....	46.8	All Other Cities.....	28.5
8th F. R. District.....	42.6%		

**Retail Stores**

	Net sales comparison		Stocks on hand	Stock turnover	
	Sept. 1934 comp. to Sept. 1933	9 months ended Sept. 30, 1934 to same period 1933	Sept. 30, 1934 comp. to Sept. 30, 1933	Jan. 1, to Sept. 30, 1934	Sept. 30, 1933
<b>Men's</b>					
Furnishings .....	+31.9%	+25.6%	+12.2%	1.71	1.78
<b>Boots and Shoes</b>					
Shoes .....	+15.6	- 3.1	- 8.0	2.23	2.11

**POSTAL RECEIPTS**

Returns from the five largest cities of the district show an increase in combined postal receipts for the third quarter this year, of 1.7 per cent over the corresponding period in 1933, and a decrease of 5.9 per cent under the quarter ended June 30, 1934. Detailed figures follow:

	Sept. 30, 1934	June 30, 1934	Mar. 31, 1934	Sept. 30, 1933	Sept. 1934 comp. to Sept. 1933
Evansville .....	\$ 133,923	\$ 133,937	\$ 141,196	\$ 139,549	- 4.0%
Little Rock.....	167,554	160,085	182,751	153,540	+ 9.1
Louisville .....	560,684	598,983	605,216	540,284	+ 3.8
Memphis .....	449,545	461,360	499,219	448,329	+ 0.03
St. Louis.....	2,136,137	2,311,177	2,320,894	2,107,190	+ 1.4
<b>Totals .....</b>	<b>\$3,447,843</b>	<b>\$3,665,542</b>	<b>\$3,749,276</b>	<b>\$3,388,892</b>	<b>+ 1.7%</b>

**CONSUMPTION OF ELECTRICITY**

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in September, as being about 13.5 per cent smaller than in August, and 7.5 per cent less than in September, 1933. Detailed figures follow:

	No. of Customers	Sept., 1934	Aug., 1934	Sept. 1934 comp. to Aug. 1934	Sept., 1933	Sept. 1934 comp. to Sept. 1933
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	1,851	2,488	-25.6%	1,656	+11.8%
Little Rock... 35		1,846	2,339	-21.1	1,961	- 5.9
Louisville ... 84		6,956	7,790	-10.7	7,337	- 5.2
Memphis .... 31		1,685	1,798	- 0.3	1,262	+33.5
St. Louis.....193**		16,428	18,829	-12.8	18,881**	-13.0
<b>Totals .....</b>	<b>383</b>	<b>28,766</b>	<b>33,244</b>	<b>-13.5%</b>	<b>31,097</b>	<b>- 7.5%</b>

\*In thousands (000 omitted).  
\*\*Revised figures.

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in September was 5.5 per cent greater than in August, and 53.3 per cent more than the September, 1933 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in September amounted to \$ 7,616,894 which compares with \$8,228,255 in August, and \$14,432,097 in September, 1933. Building figures for September, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	4	150	\$ 85	\$ 26	337	47	\$ 109	\$ 10
Little Rock ..	8	14	7	5	145	63	31	8
Louisville ..	40	34	340	157	63	33	21	17
Memphis ...	95	142	52	39	135	127	68	71
St. Louis....	151	148	244	248	364	396	321	354
Sept. totals	298	488	\$ 728	\$ 475	1,044	666	\$ 550	\$460
Aug. "	318	475	690	3,877	807	522	210	261
July "	281	476	481	3,615	648	447	228	318

\*In thousands of dollars (000 omitted).

**AGRICULTURE**

Crop prospects as a whole in the Eighth District improved during September, and the betterment was continued through the first half of October. Abundant rains in late August and during the following month were of immense benefit to late crops, notably potatoes, hay, legumes, sorghums, apples and certain vegetables. Pastures in many sections effected record recovery, and moisture was supplied for planting winter wheat and rye, and

bringing these crops up to a good stand. Water for livestock, which in the worst affected drouth sections was practically exhausted, was replenished and the great deficiency of subsoil moisture partially restored. While the year in broad stretches of the district will be recorded as one of extremely small production, the fall season to date has wrought surprising improvement in earlier prospects. Expressed as a percentage of the 10-year (1921-1930) average, combined yield per acre of 33 important crops indicated on October 1, in states including the Eighth District, according to the U. S. Department of Agriculture, was as follows: Indiana, 81.7; Illinois, 65.7; Missouri, 46.1; Kentucky, 106.9; Tennessee, 108.3; Mississippi, 106.5, and Arkansas, 87.3. In all these states excepting Indiana and Illinois, there was improvement from September to October, ranging from 1 per cent in Missouri to 8.4 per cent in Arkansas.

Since the end of September weather generally has been mild and clear, which constituted ideal conditions for maturing and garnering late crops. Husking of corn has made considerable progress, and greater than the usual portion of the crop had been cribbed at the middle of October. The cotton, rice and tobacco harvests have proceeded with practically no interruption, and in this district prospective yields of these crops increased during September. Emergency forage crops in the main underwent betterment, and estimates of tame hay production increased somewhat, under intensive efforts of farmers to save late production because of the shortage and war-time prices being paid for hay in some sections. Pastures made an almost phenomenal recovery between September 1 and October 1; Missouri, for example rising from 18 per cent to 48 per cent of the 1922-1931 average during the period, and Illinois from 47 per cent to 68 per cent.

A total of \$57,460,366 has been added to 1933-1934 farm income in states of the Eighth District by rental and benefit payments up to September 1 to farmers cooperating in the adjustment programs of wheat, cotton, tobacco, corn and hogs, according to the Agricultural Adjustment Administration's report issued October 10. Since September 1 additional disbursements of considerable size have been made. The following table analyzes the payments by state and commodity up to September 1:

	Cotton	Wheat	Tobacco	Corn-Hogs	Totals
Ark. ....	\$14,783,697	\$ 1,945	\$ 180	\$ 231,236	\$15,017,058
Ill. ....	1,805,527	268	1,050,833	2,856,627	2,856,627
Ind. ....	1,409,467	72,246	4,845,419	6,327,132	6,327,132
Ky. ....	64,451	186,548	2,537,251	309	2,788,559
Miss. ....	14,521,429	.....	.....	.....	14,521,429
Mo. ....	2,471,770	1,131,699	49,941	6,834,707	10,488,117
Tenn. ....	4,683,260	90,949	624,293	62,942	5,461,444
Totals ...	\$36,524,607*	\$ 4,626,135	\$ 3,284,179	\$13,025,446	\$57,460,366

\*These figures do not include transactions in distribution of profits or advances on cotton options, either exercised or through participation in the cotton pool.

Corn—As in other sections of the country, Eighth District corn is showing disappointing yields, and much grain of inferior quality. In its report as of October 1, the U. S. Department of Agriculture estimates production in this district at 165,724,000 bushels, a decrease of 9,058,000 bushels from the September 1 forecast, and comparing with 296,955,000 bushels harvested in 1933 and an 11-year average (1923-1933) of 346,344,000 bushels. This estimate not only includes corn for grain, but the grain equivalent of corn to be utilized for forage, silage, and pasturage. In Missouri the indicated yield of 4 bushels to the acre is the lowest on record and compares with the 1933 average of 22.5 bushels, while in Illinois the crop is the smallest since 1873. Drouth accounted for the principal part of the failure, but heavy inroads were also made by chinch bugs, ear-worms and other insect pests. One of the largest acreages of corn that has ever been so utilized is being harvested for silage and fodder this year. The carry-over of old corn is universally light, and much of the sealed corn was taken out to carry livestock through the drought period, or to sell because of favorable prices.

Winter Wheat—The Government's October 1 report makes no change in Eighth District production of winter wheat, the output being placed at 44,813,000 bushels, against 38,434,000 bushels harvested in 1933, and an 11-year average (1923-1933) of 49,096,000 bushels. In a number of sections, notably in Missouri where the wheat crop for the first time on record exceeds the corn yield, farmers are holding considerable wheat for feeding livestock. A good seedbed, abundant rains at the right time and warm weather for germination and growth have served to put the crop planted this fall ahead of the usual schedule.

Fruits and Vegetables—Late fruits and vegetables were materially benefited by the late August and September rains. This was true particularly of apples, the precipitation having helped to size late varieties. White potato prospects in the district proper improved slightly between September 1 and October 1, the forecast on the latter date being for 8,983,000 bushels, against 9,107,000 bushels harvested in 1933 and an 11-year average of 13,967,000 bushels. In states entirely or partly within the Eighth District the sweet potato crop is estimated by the U. S. Department of Agriculture, on a basis of October 1 conditions, at 17,058,000 bushels, an increase of approximately 2 per cent over the September 1 forecast and comparing with 15,960,000 bushels harvested in 1933 and a 5-year (1927-1931) average of 15,873,000 bushels. In these states the apple crop is forecast at 8,676,000 bushels, of which

3,716,000 bushels represent commercial crop, against 12,784,000 bushels in 1933, with 5,044,000 bushels commercial production and a 5-year average of 15,181,000 bushels of which 6,653,000 bushels were commercial production; pears, 2,021,000 bushels, against 883,000 bushels last year and a 5-year average of 1,706,000 bushels; grapes, 34,022 tons, against 33,136 tons in 1933 and a 5-year average of 29,341 tons. Production of peanuts in these states promise to be the largest of record, 42,300,000 pounds, against 36,845,000 pounds in 1933 and a 5-year average of 27,701,000 pounds. The Agricultural Adjustment Administration estimates prices for the 1934 peanut crop above \$59 a ton for Spanish peanuts, \$56 a ton for Virginias and \$50 a ton for runners, as a result of the recently announced peanut program. All producers will benefit from these prices, and in addition producers who sign and carry out agreements to adjust the 1935 peanut acreage will receive \$8 on each ton of peanuts harvested in 1934.

**Livestock** — The past month has been marked by considerable improvement in condition of livestock in the northern stretches of the district. The betterment is attributable almost entirely to the late August and September rains, which restored deficient water supplies and greatly improved pastures. Milk production showed a marked increase over the preceding month due to greatly improved pastures. Egg production was slightly lower than last year. Eighth District hay production on October 1 was estimated at 4,219,000 tons, an increase of 469,000 tons over the September 1 forecast and comparing with 5,249,000 tons harvested in 1933 and an 11-year average (1923-1933) of 6,832,000 tons.

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

	Receipts			Shipments		
	Sept., 1934	Aug., 1934	Sept., 1933	Sept., 1934	Aug., 1934	Sept., 1933
Cattle and Calves.....	289,680	339,350	111,650	178,078	210,898	57,820
Hogs .....	220,176	170,745	543,720	115,410	125,139	266,344
Horses and Mules....	10,238	6,281	6,372	9,204	6,548	6,264
Sheep .....	68,941	52,276	47,461	18,744	18,877	8,780

**Cotton** — Eighth District cotton prospects increased during September under generally favorable weather conditions. In its report as of October 1 the U. S. Department of Agriculture estimates the yield at 1,957,000 bales, which is 156,000 bales more than the September 1 forecast, and compares with 2,554,000 bales harvested in 1933, and a 10-year average (1923-1932) of 2,705,000 bales. The crop in many sections was greatly improved by the fall rains and the clear, warm weather which followed the precipitation. The past few weeks have been auspicious for harvesting and ginning the crop. Labor has been plentiful for the harvest owing to the largely reduced acreage. During early October

prices declined slightly, but continued well ahead of the corresponding period a year and two years earlier. In the St. Louis market the middling grade ranged from 11.80c to 12.50c between September 17 and October 15, closing at 11.85c on the latter date, which compares with 12.50c on September 17 and 8.45c on October 16, 1933. Receipts at Arkansas compresses from August 1, to October 12 totaled 423,951 bales against 345,363 bales in the corresponding period a year ago. Stocks on hand as of October 12 totaled 557,11 bales, against 329,315 bales on September 14 and 392,905 bales on the corresponding date in 1933.

**Tobacco** — Prospects bettered to the extent of 4,108,000 pounds in this district during September. Based on October 1 conditions the U. S. Department of Agriculture estimate Eighth District production at 234,951,000 pounds, against 277,750,000 pounds harvested in 1933 and an 11-year average (1923-1933) of 304,854,000 pounds. The season thus far has been one of the most favorable experienced for curing tobacco. Burley leaf is curing slowly but thoroughly and in some sections stripping is in full progress. The crop gives indications of being a desirable one, especially in the case of cigarette and smoking grades. No definite date for opening the tobacco markets has been determined, but it is likely that selling will begin in late November or early December.

In the dark tobacco districts, the air-cured crop is reported curing satisfactorily; being of high quality and free of houseburn. In the dark-fired districts tributary to Clarksville, Springfield, Hopkinsville and the western district, cutting and housing is also practically completed. Late tobacco improved noticeably under favorable weather in August and September and gives every indication of high quality.

### COMMODITY PRICES

Range of prices in the St. Louis Market between September 15, 1934 and October 15, 1934, with closing quotations on the latter date, and October 16, 1933, follows:

	High	Low	Close	
			Oct. 15, 1934	Oct. 16, 1933
<b>Wheat</b>				
Dec. ....per bu..	\$1.04½	\$.96	1.00	\$.70½
May .....	1.05½	.95	1.00	.74½
No. 2 red winter " "	1.04½	.96¾	1.03	.76½ @ .76¾
No. 2 hard " "	1.12	1.03	1.08¾	.74½ @ .74¾
<b>Corn</b>				
*Dec. .... " "	.79¾	.72¾	.76¾	.37¾ @ .38
*May .....	.80¾	.75	.78½ @ .78¾	.44¼ @ .44¾
*July .....	.80¾	.72¾	.79	.46 @ .46½
No. 2 mixed .... " "	.79½	.79¾	.79¼	.37½ @ .37¾
No. 2 white .... " "	.88	.83	.85¾	.39 @ .39½
<b>Oats</b>				
No. 2 white .... " "	.60	.53¾	.58	.29 @ .29½
<b>Flour</b>				
Soft patent.....per bbl.	7.30	6.50	6.70 @ 7.00	5.75 @ 6.25
Spring " .....	7.30	7.65	7.40 @ 7.65	6.60 @ 6.75
Middling Cotton..per lb.	1.250	1.180	1.185	.0845
Hogs on hoof.....per cwt.	7.40	3.00	5.85 @ 3.00	3.50 @ 4.85

\*Nominal quotations.

**FINANCIAL**

Demand for credit expanded slightly in the Eighth District during the past thirty days the betterment being confined largely to the southern sections of the area. Requirements for financing the tobacco and cotton crops have expanded, but less than is ordinarily the case at this season. Some banks in the tobacco region have increased their borrowings from city correspondents. Commitments of grain and flour milling interests, though somewhat reduced from the preceding thirty days, are still substantially larger than a year and two years ago. In the principal urban centers banks report a fair volume of mercantile and industrial loans, but with liquidation of prior loans still in larger volume than new commitments and renewals. Taken as a whole available funds held by banks, both in the city and country, are considerably in excess of credit requirements.

Between September 12 and October 10, total loans of reporting member banks in the chief cities increased 3.5 per cent and on the latest date were 8.3 per cent smaller than a year ago. Total investments of these banks during the four-week period increased by 1.6 per cent and were 10.1 per cent in excess of the total on October 11, 1933. Deposits continued to move upward, and at \$548,131,000 on October 10 were 0.6 per cent and 19 per cent greater, respectively, than a month and a year earlier.

There was a fair increase in borrowings of all member banks from the Federal Reserve bank between September 17 and October 17. Industrial loans and commitments granted by this bank under Section 13b of the Federal Reserve Act, approved June 19, 1934, continue in substantial volume. As of October 17, advances amounted to \$363,000 and commitments to \$530,000, as compared with \$67,000 and \$132,000, respectively, a month earlier.

The amount of savings deposits held by selected banks as of October 3 was slightly larger than on September 5, and 16.7 per cent greater than on October 4, 1933.

Changes in interest rates were negligible, but the trend was slightly firmer. At St. Louis banks, as of the week ended October 15, current rates were as follows: Customers prime commercial paper, 2 to 5½ per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on October 10, 1934, showed an increase of 3.5 per cent as contrasted with September 12, 1934. Deposits increased 0.6 per

cent between September 12, 1934 and October 10, 1934 and on the latter date were 19.0 per cent greater than on October 11, 1933. Composite statement follows:

	*Oct. 10, 1934	*Sept. 12, 1934	*Oct. 11, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$ 70,905	\$ 71,473	\$ 88,958
All other loans and discounts.....	146,345	138,507	148,072
Total loans and discounts.....	\$217,250	\$209,980	\$237,030
Investments			
U. S. Govt. securities.....	\$181,453	\$182,580	\$128,967
Other securities.....	116,578	114,455	102,125
Total investments.....	\$298,031	\$297,035	\$231,092
Reserve balance with F. R. Bank..	\$ 86,294	\$ 84,866	\$ 49,505
Cash in vault.....	8,072	8,691	8,822
Deposits			
Net demand deposits.....	\$352,816	\$349,393	\$277,199
Time deposits.....	165,560	165,807	159,355
Government deposits.....	29,755	29,770	24,014
Total deposits.....	\$548,131	\$544,970	\$460,568
Bills payable and rediscounts with Federal Reserve Bank.....			

\*In thousands (000 omitted).

The total resources of these banks comprise approximately 62.0% of all member banks in this district.

**Federal Reserve Operations** — During September, the Federal Reserve Bank of St. Louis discounted for 8 member banks against 8 in August and 65 in September, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Oct. 19, 1934	*Sept. 19, 1934	*Oct. 19, 1933
Bills discounted .....	\$ 576	\$ 352	\$ 1,877
Bills bought .....			
U. S. Securities.....	93,200	93,200	90,499
Participation in Inv. Foreign Banks....	122	122	172
Total Bills and Securities.....	\$ 93,898	\$ 93,674	\$ 92,548
Total Reserves .....	\$203,041	\$189,230	\$156,765
Total Deposits .....	147,802	141,696	92,166
F. R. Notes in circulation.....	142,444	135,439	139,793
F. R. Bank Notes in circulation.....			4,747
Ratio of reserve to deposits and F. R. Note Liabilities.....	70.0%	68.3%	67.6%

\*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.

	*Sept., 1934	*Aug., 1934	*Sept., 1933	Sept., 1934 comp. to Aug., 1934	Sept. 1933
East St. Louis and Natl. Stock Yards, Ill. ....	\$ 21,816	\$ 21,996	\$ 23,194	— 0.8%	— 5.9%
El Dorado, Ark.....	3,609	3,251	3,057	+11.0	+18.1
Evansville, Ind.....	15,751	16,560	13,849	— 4.9	+13.7
Fort Smith, Ark.....	7,630	6,930	7,511	+10.1	+ 1.6
Greenville, Miss....	3,844	2,617	2,927	+46.9	+31.3
Helena, Ark.....	2,341	1,441	1,401	+62.5	+67.3
Little Rock, Ark....	22,342	22,344	19,468	.....	+14.8
Louisville, Ky.....	115,491	116,112	107,079	— 0.5	+ 7.9
Memphis, Tenn.....	103,037	79,601	88,040	+29.4	+17.0
Owensboro, Ky.....	3,668	3,275	2,494	+12.0	+47.1
Pine Bluff, Ark....	6,853	4,323	5,399	+58.5	+26.9
Quincy, Ill.....	5,431	5,695	4,890	— 4.6	+11.1
St. Louis, Mo.....	392,720	390,897	379,600	+ 0.5	+ 3.5
Sedalia, Mo.....	1,541	1,576	1,295	— 2.2	+19.0
Springfield, Mo....	10,789	10,889	9,386	— 0.9	+14.9
**Texarkana.					
Ark.-Tex.....	5,281	4,773	5,098	+10.6	+ 3.6
Totals .....	\$722,144	\$692,280	\$674,688	+ 4.3	+ 7.0

\*In thousands (000 omitted).

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

(Compiled October 22, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of November 30, 1934

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FEDERAL RESERVE BANK OF ST. LOUIS

**I**NDUSTRY and trade in the Eighth District during October and the first half of November continued the improvement noted earlier in the fall. The usual statistics and data employed in gauging conditions reflected some spotty and irregular trends, but on the whole indicated distinct betterment in actual business and sentiment as contrasted with both the similar period immediately preceding and a year ago. Demand for commodities is still in large volume, particularly consumer goods. Production of merchandise in this category was at relatively high levels, a number of lines which ordinarily curtail output at this time of year showing less than the usual contraction. With few exceptions, wholesale and jobbing lines investigated by this bank reported sales in excess of the like periods during the four preceding years. In a number of classifications October volume was greater than in September; where declines were recorded in this comparison they were mainly seasonal in character and smaller than the average during the past decade. Among the wholesale lines in this area which showed increases in both comparisons were boots and shoes, electrical supplies, hardware and stoves. The volume of retail trade was also in excess of a year ago.

These results were achieved in spite of the retarded movement of seasonal merchandise caused by the mildest autumn weather experienced in ten years. The high temperatures also had the effect of reducing activities in certain manufacturing lines. Operations at steel mills and certain grey-iron foundries decreased, and smaller outputs were reported by manufacturers of glass, lumber, fire-clay products and some other building materials. On the other hand, makers of stoves, ranges, heating apparatus and farm implements reported orders and prospects the most favorable since the fall of 1931. Production of bituminous coal in fields of this district increased measurably from September to October, and tonnage lifted was moderately in excess of that in October, 1933. Consumption of electricity by industrial users in the five largest cities during October declined slightly from Septem-

ber, but was approximately 2 per cent greater than in October last year.

While interfering to some extent with seasonal merchandising, the clear, mild October weather was ideal for agriculture. The condition of late crops developed marked improvement, and harvesting was accomplished with a minimum of loss in quantity and quality. In the case of the most important productions, notably cotton, tobacco, potatoes, forage and pastures, marked betterment was indicated between October 1 and November 1, according to the U. S. Department of Agriculture's report based on conditions as of the latest date. Prices of agricultural products were sustained at levels well above the average of the past several years, and farmers purchasing power was augmented by rental and benefit payments. In states entirely or partly within the Eighth District the amount of these benefits paid to farmers cooperating in the cotton, wheat, tobacco, and corn-hog adjustment programs of the Agricultural Adjustment Administration, up to October 1, was \$72,468,443. This amount was exclusive of payments by the Government for the removal of surplus commodities from the market.

As reflected by sales of department stores in the principal cities, retail trade in October was 6.0 per cent less than in September and 5.6 per cent greater than in October, 1933; cumulative total for the first ten months this year was 16.8 per cent larger than for the comparable period in 1933. Combined sales of all wholesaling and jobbing firms reporting to this bank in October were 2.7 per cent and 5.6 per cent greater, respectively, than a month and a year earlier; for the first ten months the total was 13.2 per cent above that of a year ago. The dollar value of contracts let for new construction in the five largest cities in October was 3.6 per cent more than in September, but 7.1 per cent less than in October, 1933; cumulative total for the first ten months fell 43 per cent below that for the same time in 1933. Construction contracts let in the Eighth District in October were 40.9 per cent greater than in September and 2.2 per cent more than the

October, 1933, total; for the first ten months the aggregate exceeded that of the like period in 1933, by 36.8 per cent. Debits to checking accounts in October were 18 per cent greater than in September and 11.4 per cent in excess of the October, 1933, total; for the cumulative total this year the aggregate was 11.2 per cent above that for the same period in 1933.

According to officials of railroads operating in this district, the volume of freight traffic decreased moderately as contrasted with the corresponding period a year ago. For the year to date, however, the volume exceeded that for the similar periods in 1933 and 1932. For the country as a whole, loadings of revenue freight for the first 44 weeks this year, or to November 3, totaled 26,452,745 cars, against 24,861,297 cars for the corresponding period in 1933, and 24,094,042 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 72,060 loads in October, against 77,661 loads in September and 74,384 loads in October, 1933. During the first nine days of November the interchange amounted to 20,391 loads, which compares with 20,981 loads during the corresponding period in October, and 19,954 loads during the first nine days of November, 1933. Passenger traffic revenue of the reporting lines in October increased 3.14 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans, in October was 100,000 tons, against 112,860 tons in September, and 97,407 tons in October, 1933.

Collections continue generally at the high levels which have characterized the past several months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

		<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
October, 1934.....	7.6%	39.2%	48.9%	4.3%	
September, 1934.....	3.5	40.2	49.4	6.9	
October, 1933.....	7.0	25.6	64.0	3.4	

Commercial failures in the Eighth Federal District in October, according to Dun and Bradstreet, numbered 36, involving liabilities of \$431,761, against 33 defaults in September with liabilities of \$492,749, and 42 insolvencies for a total of \$1,019,098 in October, 1933.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — October sales of the reporting firms were 3 per cent larger than for the same month in 1933, and 14 per cent in excess of the September total this year. Inventories decreased 10.6 per cent between October 1 and November 1, but on the latter date were 68 per cent greater than a year earlier. The increase in the month-to-month

sales comparison was contrary to the usual seasonal trend, and reflects largely expansion in demand in the rural areas, particularly in the south. While improvement was noted in all descriptions of footwear, interest centered chiefly in medium grades and working shoes. Plants producing these goods were operating on relatively high schedules.

**Clothing** — As contrasted with the same month a year ago, October sales of the reporting firms showed a decrease of 22 per cent, but the total was 9 per cent greater than in September this year. Stocks decreased approximately one-third between October 1 and November 1, but on the latest date were 3 per cent larger than a year ago. The unusually mild weather in October served to hold down distribution of heavyweight apparel through retail channels. Demand for work clothing continued the steady increase noted during the two preceding months. Ordering for spring distribution is reported backward and somewhat smaller than at the corresponding period last year.

**Drugs and Chemicals** — Largely as a result of the mild fall, with consequent slack demand for seasonal goods, October sales of the reporting interests reversed the usual seasonal trend and showed a decrease of 4 per cent under the preceding month. The total, however, was 15 per cent greater than in October, 1933. Inventories decreased slightly during October, but on November 1 were 8 per cent larger than a year earlier. Ordering of luxury and holiday goods was reported in excess of this time during the past three years. Increased sales in this category and of medicinals and proprietary preparations were offset by contracted purchasing of heavy drugs and chemicals, denatured alcohol, anti-freeze mixtures, etc.

**Dry Goods** — Sales of the reporting firms in October showed a gain of 9 per cent over the same month in 1933, but were 9.5 per cent below the September total this year. Stocks on November 1 were 12 per cent smaller than a month earlier, but 10 per cent greater than a year ago. The decrease in the month-to-month sales comparison followed the seasonal trend, and its extent was about equal to the average during the past decade. Warm weather has militated against the movement of all seasonal lines, particularly woolen blankets, outings and kindred items. Reports covering the first half of November indicate some betterment in demand for cold weather goods.

**Electrical Supplies** — Business in this classification continued the improvement which has marked previous months this year, October sales showing an increase of 2 per cent over September and of 32 per cent over the October, 1933 total. Steady expansion in the demand for small motors

for a variety of uses is reported, and the recent improvement in radio material, household appliances and certain other lines was well sustained. Inventories on November 1 were 8 per cent and 31 per cent greater, respectively, than a month and a year earlier.

**Furniture**—A further decline in activities in this classification was indicated by the reporting firms, October sales decreasing 2 per cent from September, and about one-third from October, last year. Inventories continued to recede, stocks on November 1 being 2 per cent and 15 per cent smaller, respectively, than a month and a year earlier. Ordering of holiday goods is reported generally below expectations.

**Groceries**—There was a slight falling off in business in this classification, contrary to the seasonal trend, and attributable to the unusually warm weather throughout October. Since November 1 there has been a marked pick-up in purchasing by retailers and ultimate consumers, with indications that volume for the entire month will exceed that of a year ago by sizeable margin. Ordering of holiday goods and specialties is reported in considerable volume. Prices as a whole showed little change as contrasted with the preceding thirty days, increases about counterbalancing declines. October sales of the reporting firms were 1 per cent less than in September, and 21.5 per cent greater than in October, 1933. Inventories on November 1 were larger by 7 per cent and 1.5 per cent, respectively, than a month and a year earlier.

**Hardware**—October sales of the reporting firms were the largest for any single month since September, 1933. Improvement in crop conditions following the late August and September rains had a stimulating effect on demand for commodities used in the rural areas, the movement of which assumed large proportions. Purchasing of paints and other supplies used in connection with the repair campaign, also, was a contributing factor in expanding the sales volume. October sales of the reporting firms were 3.5 per cent greater than in September, and 14 per cent in excess of the October, 1933, total. Stocks decreased 6 per cent between October 1 and November 1, and on the latest date were 7 per cent less than a year ago.

**Iron and Steel Products**—The iron and steel industry in this general area during October and the first half of November was marked by unusual spottiness. Relatively the best showing in point of melt was made by grey iron foundries, and more especially by makers of stoves, ranges and heating apparatus. Activities of farm implement manufacturers were well sustained, with a number of concerns making up stock in anticipation of calls for

their products next spring. While the stove and range interests also produced some stock for inventory, they were engaged chiefly on business actually booked. The character of their orders, coming largely from mail order houses and country distributors, indicates a revival of buying by ultimate consumers in the rural areas, especially in the south. Moderate betterment was reported by certain makers of engines and miscellaneous machinery. Jobbing foundries report spotty conditions, some showing substantial gains while others reduced their working schedules. Steel mill activities underwent little change from the low levels which have obtained since the end of last summer. Purchasing by the railroads continued on a necessity basis, and while inquiries from the automotive industry have increased in the immediate past, actual orders for castings and other finished materials were disappointing. Outlet through the building industry showed no broadening tendencies. Fabricators of structural iron and steel are dependent chiefly on public works projects. October sales of iron and steel warehouse and jobbing interests exceeded the September aggregate, but fell slightly below the October, 1933, volume. Deliveries of pig iron to melters during October exceeded the total of the preceding month, and were the largest since last summer. The downturn in scrap iron and steel prices, which had been steadily in progress since the end of July, was halted in October. For the country as a whole production of pig iron in October, according to the magazine "Steel", totaled 951,540 tons against 899,075 tons in September and 1,358,540 tons in October, 1933. Steel ingot production in the United States in October totaled 1,461,932 tons, against 1,251,630 tons in September, and 2,084,894 tons in October, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in October, was 132,488, against 168,872 in September, and 138,485 in October, 1933.

As has been invariably the case during the past decade, distribution of automobiles in this district, according to dealers reporting to this bank, declined from September to October. The extent of the decline this year, however, was considerably smaller than the average during the period covered by the reports. The October total showed a fair increase over the same month in 1933. Business was somewhat spotty, with relatively the best results shown by dealers in the rural areas and larger centers of population in the south, reversing conditions existing a year earlier. Demand continues to center chiefly in the low priced field, approximately three-fourths of the October aggregate sales being in that

category. Demand for trucks holds up well and further into the season than usual. Requirements for highway construction and other outdoor engineering projects continue in substantial volume. October sales of trucks fell slightly below a year ago, but were 2 per cent larger than in September.

Sales of new passenger cars by the reporting interests in October were 4 per cent less than for the preceding month, but 12 per cent greater than a year ago. Conservative purchasing by dealers from the manufacturers has been emphasized by the nearness of the season for new models. Stocks of new cars on dealers' floors as of November 1 were 8 per cent smaller than a month earlier, and 22 per cent larger than a year ago. Sales of used cars in October fell 4 per cent and 7 per cent, respectively, below a month and a year earlier. Stocks of salable secondhand cars held on November 1 showed little change from the month before and were 6 per cent larger than on November 1, 1933. According to dealers reporting on that item, deferred payment sales in October constituted 48 per cent of their total sales, against 50 per cent in September, and 46 per cent in October, 1933.

**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	
Oct. 1934 comp. to Oct. 1933	10 months ended Oct. 31, 1934 to same period 1933	Oct. 31, 1934 comp. to Oct. 31, 1933	Jan. 1, to Oct. 31, 1934	1933
El Dorado, Ark....	+ 6.3%	+16.2%	2.15	1.70
Evansville, Ind....	+ 9.5	+11.7	1.56	1.47
Fort Smith, Ark....	+ 3.9	+ 9.4	1.85	1.64
Little Rock, Ark....	+ 2.5	+ 0.3	1.94	1.79
Louisville, Ky....	+ 0.3	+ 4.8	2.61	2.51
Memphis, Tenn....	+12.5	+ 3.9	2.67	2.41
St. Louis, Mo....	+ 4.8	+ 5.7	2.98	2.82
Springfield, Mo....	+14.5	+ 8.0	1.59	1.29
All Other Cities....	+25.9	+ 2.0	2.39	2.06
8th F. R. District..	+ 5.6	+ 3.6	2.70	2.53

Percentage of collections in October to accounts and notes receivable first day of October, 1934.

**PERCENTAGE OF COLLECTIONS BY CITIES**

El Dorado, Ark.....	39.2%	Memphis, Tenn.....	46.1%
Fort Smith, Ark.....	42.4	Springfield, Mo.....	26.1
Little Rock, Ark.....	37.5	St. Louis, Mo.....	53.4
Louisville, Ky.....	52.3	All Other Cities.....	33.9
8th F. R. District.....	49.5%		

**Retail Stores**

Net sales comparison		Stocks on hand	Stock turnover	
Oct. 1934 comp. to Oct. 1933	10 months ended Oct. 31, 1934 to same period 1933	Oct. 31, 1934 comp. to Oct. 31, 1933	Jan. 1, to Oct. 31, 1934	1933
<b>Men's</b>				
Furnishings .....	+ 1.8%	+17.0%	1.94	2.05
Boots and Shoes .....	+ 2.2	- 7.5	2.48	2.34

**BUILDING**

The dollar value of permits issued for new construction in the five largest cities of the district in October was 3.6 per cent greater than in September and 7.1 per cent less than in October, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth

Federal Reserve District in October amounted to \$10,734,338 which compares with \$7,616,894 in September, and \$10,507,619 in October, 1933. Building figures for October, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	1	150	\$ 4	\$ 25	331	50	\$ 146	\$ 12
Little Rock ..	21	16	46	2	149	80	32	11
Louisville ..	37	29	137	177	49	25	50	71
Memphis ....	136	108	197	45	147	131	112	83
St. Louis....	195	179	370	563	193	180	88	66
Oct. totals..	390	482	\$ 754	\$ 812	869	466	\$ 428	\$ 243
Sept. "	298	488	728	475	1,044	666	550	460
Aug. "	318	475	690	3,877	807	522	210	261

\*In thousands (000 omitted).

**CONSUMPTION OF ELECTRICITY**

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in October, as being about 1.7 per cent larger than in September, and 0.7 per cent less than in October, 1933. Detailed figures follow:

	No. of Customers	Oct., 1934	Sept., 1934	Oct. 1934 comp. to Sept. 1934	Oct., 1933	Oct. 1934 comp. to Oct. 1933
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	1,590	1,851	-14.1%	1,505	+ 5.6%
Little Rock... 35		1,702	1,846	- 7.8	1,547	+10.0
Louisville ... 83**		7,047	6,956	+ 1.3	7,384	- 4.6
Memphis ..... 31		1,867	1,685	+10.8	1,427	+30.8
St. Louis.....193		17,056	16,428	+ 3.8	17,605	- 3.1
Totals ....382		29,262	28,766	+ 1.7%	29,468	- 0.7%

\*In thousands (000 omitted).

\*\*Revised figures.

**AGRICULTURE**

Generally throughout the Eighth District weather during October and the early part of November was favorable for all descriptions of agricultural operations, including harvesting, housing and moving of late crops. Reflecting these conditions, improvement in prospects, which commenced with the late August and September rains, was carried further, and final results for the district as a whole are expected to be considerably better than was thought possible earlier in the season, when extensive areas were suffering under the record spring and summer drouth. Betterment extended to food and feed crops, excepting corn, and estimates for the district's tobacco and cotton crops increased between October 1 and November 1. Lateness of the dates for killing frosts and freezes permitted of unusually late development in the case of certain fruit and vegetable crops, including white potatoes. Conditions for preparing the seed bed and planting winter wheat and other fall sown grains were almost ideal; stands and growth of wheat are in the main satisfactory. Improvement in pastures since the middle of September has been remarkable. In Missouri, for example, the condition on November 1 was 64 per cent of normal, which compares with 48 per cent on October 1, and only 18 per cent on September 1. The indicated acute shortage of feed, pasturage and forage has been measurably reduced, and in many sections the mild fall has permitted farmers to conserve supplies

for winter use by grazing their livestock further into the season than is ordinarily the case.

Rainfall has been well distributed and abundant, supplying all immediate needs for livestock water and growing crops, also, partially correcting the deficiency in subsoil moisture, caused by successive years of subnormal precipitation. Though in much of the district, the year will be one of reduced crop yields, elsewhere, notably in the south, many crops will closely approximate, and in some instances, exceed average. Expressed as a percentage of the ten-year (1921-1930) average, combined yield per acre of 33 important crops in states of the Eighth District as of November 1, according to the U. S. Department of Agriculture, was as follows: Indiana, 79.9; Illinois, 62; Missouri, 47.7; Kentucky, 104.1; Tennessee, 111.4; Mississippi, 108.8 and Arkansas, 92. For the United States the percentage was 78.7.

Rental and benefit payments in states including the Eighth Federal Reserve District paid up to October 1, to farmers cooperating in the cotton, wheat, tobacco and corn-hog adjustment programs of the Agricultural Adjustment Administration were as follows: Arkansas, \$15,368,771; Illinois, \$8,847,124; Indiana, \$10,385,217; Kentucky, \$2,995,304; Mississippi, \$14,745,384; Missouri, \$13,980,032; Tennessee, \$6,146,611; totaling \$72,468,443. The total as of October 1, represents an increase of 26.1 per cent over the \$57,460,366 paid up to September 1.

**Corn**—A notable exception to the late improvement in crop prospects was in the case of corn, the harvest of which appears more discouraging as husking progresses. Based on November 1, conditions, the U. S. Department of Agriculture estimated the Eighth District yield at 159,780,000 bushels, a decrease of 5,944,000 bushels under the October 1, forecast, and comparing with 296,955,000 bushels harvested in 1933, and an 11-year average (1923-1933) of 346,344,000 bushels. The greatly reduced yield resulted primarily from the prolonged drouth, which was supplemented by widespread damage from chinch bugs, ear-worm and other detrimental factors. An unusual number of barren stalks and chaffy or poorly filled ears are common over a large part of the most important producing sections. The crop matured prior to the first killing frost, and under favorable weather conditions, considerable progress has been made in husking and cribbing. A larger acreage than ever before in this district was cut for fodder.

**Winter Wheat**—Eighth District production of all wheat in 1934 is estimated by the U. S. Department of Agriculture at 44,855,000 bushels, against 38,556,000 bushels produced in 1933 and an 11-year average (1923-1933) of 49,448,000 bushels. Under

extremely favorable weather conditions during the fall, soil preparations and seeding of the new crop made rapid headway, and these operations were completed somewhat in advance of the usual seasonal schedule. Almost universally the plant is up to a good stand, and in strong position for entering the cold weather.

**Fruits and Vegetables**—Improvement in prospects for fruits and vegetables in this district, indicated in the U. S. Department of Agriculture's report based on conditions as of October 1, was continued during the month of October. The rains in late August and September reversed conditions in many sections, converting virtual failures to fair yields, and permitting of the planting and maturing of certain late vegetable crops. In the district proper the estimated yield of white potatoes as of November 1 was 9,499,000 bushels, an increase of 516,000 bushels over the October 1, forecast, and comparing with 9,107,000 bushels in 1933, and an 11-year average of 13,967,000 bushels. This crop escaped serious frost injury, and quality is turning out much better than was thought possible earlier in the season. Prospects for apples also bettered materially as a consequence of the moisture and mild fall. In states entirely or partly within the Eighth District the apple crop is estimated at 9,246,000 bushels, of which 3,956,000 bushels represent commercial production, against 12,784,000 bushels in 1933, of which 5,044,000 bushels were commercial crop, and a 5-year average (1927-1931) of 15,181,000 bushels, with 6,653,000 bushels commercial crop. In these states the sweet potato crop is estimated at 17,975,000 bushels, an increase of 917,000 bushels over the October 1 forecast, and comparing with 15,960,000 bushels harvested in 1933 and a 5-year average of 15,873,000 bushels; pears, 2,067,000 bushels, against the virtual failure of 883,000 bushels in 1933, and a 5-year average of 1,706,000 bushels; grapes 36,101 tons, against 33,136 tons in 1933 and a 5-year average of 29,341 tons; peanuts, 42,090,000 pounds, the largest on record, and comparing with 36,845,000 pounds in 1933 and a 5-year average of 27,701,000 pounds.

**Live Stock**—Reflecting improved pastures and the mild fall weather, the condition of herds generally through the district improved further from September to October. According to the U. S. Department of Agriculture's November 1 report, milk production per milch cow on hand was slightly above that on the same date last year. Much less grain was being fed per head, but low producers and dry cows have been drastically culled out, so that the number of milch cows on hand is probably 3 to 4 per cent below a year ago. November 1, egg production per hen was 9 per cent greater than the

small production on that date in 1933, and 2 per cent greater than the 5-year November 1, average.

While tame hay production is short, the deficiency has been partly compensated for by late forage crops. In states of the district the yield of soybeans and cowpeas picked and threshed is placed at 13,564,000 bushels, against 9,783,000 bushels in 1933 and 8,634,000 bushels for the 5-year (1927-1931) average.

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

	Receipts			Shipments		
	Oct., 1934	Sept., 1934	Oct., 1933	Oct., 1934	Sept., 1934	Oct., 1933
Cattle and Calves.....	166,746	289,680	140,475	102,061	178,078	69,880
Hogs .....	270,264	220,176	182,880	166,348	115,410	134,481
Horses and Mules.....	9,273	10,238	9,281	10,022	9,204	9,327
Sheep .....	83,011	68,941	49,438	28,417	18,744	10,259

**Cotton** — As was the case with the country as a whole, Eighth District cotton prospects improved from September to October. In its report based on conditions as of November 1 the U. S. Department of Agriculture estimates production in this district at 2,036,000 bales, an increase of 79,000 bales over the October 1 forecast, and comparing with 2,554,000 bales harvested in 1933 and a 10-year average (1923-1932) of 2,705,000 bales. Weather was unusually auspicious during October and picking and ginning progressed rapidly, with practically no losses of open cotton in the fields. Other contributing causes to the advanced harvest were early opening of bolls, an ample supply of labor, smaller acreage and balage that did not tax gin capacity. Since November 1 weather has continued favorable for picking the remnant of the crop, and little cotton remains in the fields. Killing frost occurred at a later date than usual, and practically all of the crop had matured prior to the low temperatures. Ginning returns show a large amount of high grade staple. With considerable cotton stored in compress warehouses, shipments since August 1 are measurably below those of the same period a year ago. More of the crop is going into the 12c loans by the Commodity Credit Corporation than into the market. Prices fluctuated within a relatively narrow range during October and the first half of November, but throughout the period continued well above a year and two years earlier. In the St. Louis market the middling grade ranged from 11.65c to 12.15c per pound between October 16 and November 15, closing at 12.15c on the latter date, which compared with 12c on October 16, and 9.75c on November 15, 1933. Receipts at Arkansas compresses from August 1 to November 9 totaled 637,685 bales, against 711,799 bales in the corresponding period a year ago; shipments 243,123 bales against 352,011 bales last year. Stocks on hand as of November 9 totaled 652,404 bales, against 557,111 bales on October 12, and 614,307 bales on the corresponding date in

1933. Sales of fertilizer tags in states of the Eighth District for the period January-October, inclusive, this year, according to the National Fertilizer Association, totaled 577,506 tons, against 389,399 tons and 341,801 tons, respectively, for the corresponding periods in 1933 and 1932.

**Tobacco** — Fall conditions have been exceptionally favorable for tobacco in this general area. Prospects since the end of August having bettered to the extent of more than 7,000,000 pounds. In its report as of November 1 the U. S. Department of Agriculture estimates the Eighth District yield at 238,054,000 pounds, which compares with 277,750,000 pounds harvested in 1933 and an 11-year average (1923-1933) of 304,854,000 pounds. Seasonable weather has permitted tobacco of all types to cure satisfactorily, however, since the middle of October stripping has been delayed by less auspicious meteorological conditions. Indications point to a generally high quality crop. Opening date for the burley and dark-fired markets is scheduled for December 3, and for the Green River market, November 27.

**COMMODITY PRICES**

Range of prices in the St. Louis market between October 15, 1934, and November 15, 1934, with closing quotations on the latter date and on November 15, 1933, follows:

	High	Low	Close	
			Nov. 15, 1934	Nov. 15, 1933
<b>Wheat</b>				
Dec. ....per bu.	\$1.02	\$ .94½	1.01	\$.89½
May .....	1.02	.93½	1.00½	.93
No. 2 red winter ..	1.03	.97	1.01 @ 1.01½	.94 @ .94½
No. 2 hard ..	1.08½	1.02	1.07½	.98½ @ .98½
<b>Corn</b>				
*Dec. ....	.83	.73¾	.82½ @ .82½	.47½
*May .....	.84¾	.75¾	.83¾ @ .84	.53¾ @ .54
*July .....	.83¾	.75¾	.83¾ @ .83¾	.55¾ @ .55¾
No. 2 mixed .....	.86½	.80	.86½	.43
No. 2 white .....	.93½	.86	.93½	.50½
<b>Oats</b>				
No. 2 white .....	.57¾	.55	.57½	.37¾
<b>Flour</b>				
Soft patent.....per bbl.	7.20	6.50	6.70 @ 7.00	6.45 @ 6.95
Spring .....	7.65	7.20	7.40 @ 7.65	6.45 @ 6.95
Middling Cotton.....per lb.	.1215	.1165	.1215	.0975
Hogs on hoof.....per cwt.	6.10	2.00	3.00 @ 6.10	3.60 @ 4.25

\*Nominal quotations.

**FINANCIAL**

Eighth District banking and financial conditions during the past thirty days were marked by a further moderate improvement in demand for credit from general borrowing sources. There was some increase in commitments of mercantile concerns, reflecting partly needs in connection with inventories of holiday goods. Agricultural demand also broadened to some extent, particularly in the tobacco, rice and cotton sections. Deposits of the commercial banks continued to mount, and at mid-November recorded a new high on the present upward movement. Liquidation continued on a large scale, both at city and country banks. In the case of country banks in the south a favorable development was the paying-off entirely or reduction of many loans of long standing. These institutions

for the most part continue to occupy a liquid position, which will be augmented with the marketing of tobacco. In some sections bankers report a fair demand for purchasing and conditioning livestock for market.

Reporting member banks in the principal cities showed an increase in total loans of 2.7 per cent between October 17 and November 14, but on the latter date the aggregate was still 6 per cent smaller than a year ago. Deposits increased 3.4 per cent, and at \$574,756,000 on November 14 recorded a new high for the year, an increase of more than one-fifth as contrasted with the corresponding report date in 1933. Reserve balances also scored a new record high, the mid-November total of \$101,737,000 representing an increase of 11.6 per cent and of 88 per cent, respectively, over a month and a year earlier. Investments increased moderately, due entirely to heavier holdings of U. S. Government securities. Borrowings of all member banks from the Federal Reserve bank showed little change during the four-week period, but continued measurably under the corresponding time a year ago.

The amount of savings deposits held by selected banks on November 7 was 2 per cent larger than on October 3, and 19 per cent in excess of the total on November 1, 1933.

Interest rates continued at or around the low levels of recent months. At St. Louis banks, as of the week ended November 15, current quotations were as follows: Customers' prime commercial paper, 1 to 5½ per cent; loans secured by warehouse receipts, 1¼ to 6 per cent; collateral loans, 4 to 6 per cent and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on November 14, 1934, showed an increase of 2.7 per cent as contrasted with October 17, 1934. Deposits increased 3.4 per cent between October 17, 1934 and November 14, 1934 and on the latter date were 21.2 per cent greater than on November 15, 1933. Composite statement follows:

	*Nov. 14, 1934	*Oct. 17, 1934	*Nov. 15, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 69,164	\$ 70,085	\$ 87,055
All other loans and discounts....	155,508	148,745	152,000
<b>Total loans and discounts.....</b>	<b>\$224,672</b>	<b>\$218,830</b>	<b>\$239,055</b>
Investments			
U. S. Govt. securities.....	\$189,521	\$184,515	\$142,356
Other securities.....	115,965	115,196	101,687
<b>Total investments.....</b>	<b>\$305,486</b>	<b>\$299,711</b>	<b>\$244,043</b>
Reserve balance with F. R. Bank.....	\$101,737	\$ 91,179	\$ 54,112
Cash in vault.....	8,906	7,967	8,993
Deposits			
Net demand deposits.....	\$387,373	\$365,923	\$289,714
Time deposits.....	167,266	166,410	158,694
Government deposits.....	20,117	23,315	25,700
<b>Total deposits.....</b>	<b>\$574,756</b>	<b>\$555,648</b>	<b>\$474,108</b>
Bills payable and rediscounts with Federal Reserve Bank.....			180

\*In thousands (000 omitted).

The total resources of these banks comprise approximately 62.0% of all member banks in this district.

**Federal Reserve Operations** — During October the Federal Reserve Bank of St. Louis discounted for 10 member banks against 8 in September and 64 in October, 1933. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Nov. 17, 1934	*Oct. 17, 1934	*Nov. 17, 1933
Bills discounted .....	\$ 468	\$ 591	\$ 1,381
Bills bought .....			242
U. S. Securities.....	93,200	93,200	93,200
Participation in Inv. Foreign Banks....	115	122	155
<b>Total Bills and Securities.....</b>	<b>\$ 93,783</b>	<b>\$ 93,913</b>	<b>\$ 94,978</b>
Total Reserves .....	\$213,951	\$206,813	\$167,126
Total deposits .....	158,393	151,772	99,843
F. R. Notes in circulation.....	143,961	141,594	143,813
F. R. Bank Notes in circulation.....			5,795
Ratio of reserve to deposits and F. R. Note Liabilities.....	70.8%	70.5%	68.6%

\*In thousands (000 omitted).

Discount rates charged by this bank remain unchanged as follows:

2½ per cent on advances to member banks on eligible paper and/or collateral, whether rediscounts or member bank promissory notes, under Sections 13 and 13a.

4½ per cent on advances to member banks on their promissory notes secured by ineligible paper and/or collateral, under Section 10b.

4½ per cent on advances to banks and other financing institutions on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

½ per cent flat for commitments not exceeding six months on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

5½ per cent on direct advances to established industrial or commercial businesses, for working capital, under Section 13b.

4½ per cent on direct advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.

5½ per cent on direct advances to individuals, partnerships and corporations (excluding nonmember banks) on eligible paper, under Section 13.

**Debits to Individual Accounts** — The following table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Oct., 1934	*Sept., 1934	*Oct., 1933	Oct., 1934 comp. to Sept. 1934	Oct. 1933
East St. Louis and Natl. Stock Yards, Ill. \$	21,713	\$ 21,816	\$ 20,230	— 0.5%	+ 7.3%
El Dorado, Ark.....	3,948	3,609	3,375	+ 9.4	+17.0
Evansville, Ind.....	16,857	15,751	14,124	+ 7.0	+19.4
Fort Smith, Ark.....	9,100	7,630	8,326	+19.3	+ 9.3
Greenville, Miss.....	5,257	3,844	4,063	+36.8	+29.4
Helena, Ark.....	3,207	2,341	2,115	+37.0	+51.6
Little Rock, Ark.....	27,335	22,342	18,596	+22.3	+47.0
Louisville, Ky.....	126,437	115,491	115,144	+ 9.5	+ 9.8
Memphis, Tenn.....	142,718	103,037	120,252	+38.5	+ 9.6
Owensboro, Ky.....	3,560	3,668	2,634	— 2.9	+35.2
Pine Bluff, Ark.....	8,684	6,853	6,695	+26.7	+29.7
Quincy, Ill.....	5,908	5,431	5,036	+ 8.8	+17.3
St. Louis, Mo.....	458,700	392,720	418,292	+16.8	+ 9.7
Sedalia, Mo.....	1,615	1,541	1,300	+ 4.8	+24.2
Springfield, Mo.....	11,196	10,789	9,165	+ 3.8	+22.2
**Texarkana.					
Ark-Tex.....	5,875	5,281	5,225	+11.2	+12.4
<b>Totals .....</b>	<b>\$852,110</b>	<b>\$722,144</b>	<b>\$764,572</b>	<b>+18.0</b>	<b>+11.4</b>

\*In thousands (000 omitted).

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

(Compiled November 23, 1934)



# MONTHLY REVIEW

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

Released for Publication On and After the Morning of December 31, 1934

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**W**HILE showing some rather marked contrasts, Eighth District trade and industry as a whole during November and the first half of December continued the improvement which began in the early fall. Relatively the exhibit made by distribution was more favorable than that in the production of merchandise, though in some manufacturing classification activities were at a higher rate than a year ago, and almost universally the ordinary seasonal recession was less in evidence than has been the case during the past decade. In the iron and steel industry conditions were spotty, but through the metal working industries generally, activities were well maintained. Makers of stoves, ranges, heating apparatus and certain other specialties reported the heaviest volume of production and shipments since 1930. Production of bituminous coal in fields of the district declined from October to November, but the tonnage lifted was greater than for the corresponding period in 1933. Failure of building operations to expand was reflected in a further slowing down in the output of lumber, fire clay products, glass and other materials going into construction work. Consumption of electricity by manufacturing interests in the principal industrial centers was smaller in November than in October, but measurably greater than for the same month in 1933.

Interest in merchandising centered chiefly in the retail trade, and since the first week in November there has been a notable quickening in all sections of the district, both in the large urban centers and the country. Public demand for commodities of all descriptions was considerably more active than during the two preceding seasons, and as contrasted with the two earlier periods, purchasing embraced a broader variety and higher quality of goods. The Christmas holiday trade got an earlier start than usual, and was stimulated to a considerable extent by the colder weather which prevailed in November and the first half of this month. While gift buying included for the most part necessary articles, sales of toys, confections and other goods in the luxury category, were, according to establishments reporting to this bank, the largest since the holiday season of 1930.

The wholesale trade participated in the generally expanded demand for merchandise, virtually all lines investigated by this bank showing substantial gains over a year and two years earlier. Reports covering the first half of December indicate a continuance of the increases recorded during November. Sales volume in numerous instances has been augmented by reordering, mainly of holiday and seasonal merchandise. Comment of numerous reporting firms indicates that the grade of goods being bought is higher than heretofore, and another favorable factor in the situation has been more satisfactory profits than were realized during the preceding several years. Of the lines investigated, those showing the most notable gains in November sales over a year ago were boots and shoes, clothing, drugs and chemicals, dry goods, electrical supplies, furniture, groceries, hardware, job foundries, stoves, meat-packing, and explosives.

The agricultural situation in the Eighth District as of December 1, was considerably more favorable than was thought possible earlier in the year, when a large part of the area was suffering effects of the severest spring and summer drouth on record. General precipitation in late August extended through the fall, and served to materially better conditions in the north, bringing back pastures, and permitting of the production of substitute forage crops. Frost dates were late, and harvesting of fall crops was accomplished with a minimum of loss in quality and quantity. Relatively high prices realized for farm products, coupled with rental and benefit payments received by farmers in connection with the Agricultural Adjustment Administration's curtailment campaign, materially augmented purchasing power in the rural areas, and generally through the district, farmers are formulating their programs for spring operations with more confidence than has been the case in a number of seasons. Breaking of soil and preparations generally for spring crops in the south are considerably further advanced than the usual seasonal schedule.

Retail trade in November, as reflected by sales of department stores in the leading cities, was 7.3 per cent larger than in October and 12.1 per cent greater than in November, 1933; cumulative total

for the eleven months this year was 16.3 per cent in excess of that for the comparable period in 1933. Combined sales of all wholesaling and jobbing interests reporting to this bank in November were 8 per cent smaller than in October, and 18 per cent greater than in November, 1933; for the first eleven months this year the total was 13.6 per cent greater than for the same period in 1933. The dollar value of new construction let in the five largest cities in November was 27 per cent less than in October and 4 per cent more than in November, 1933; cumulative total for the 11 months fell 41 per cent below the same time in 1933. Construction contracts let in the Eighth District in November were 21.5 per cent smaller than in October and 13 per cent below the November, 1933, total; for the first eleven months the aggregate was greater by 31 per cent than that of the like period in 1933. Debits to checking accounts in November declined 8.6 per cent as compared with October, but were 11 per cent larger than a year ago; cumulative total this year was 11 per cent greater than for the comparable period in 1933.

Officials of railroads operating in this district report somewhat less than the usual slowing down in volume of freight traffic handled during November and the first two weeks of December. The decline in loadings of grain and grain products, cotton and other farm products was to some extent offset by the well sustained movement of livestock and miscellaneous freight. For the country as a whole, loadings of revenue freight for the first 48 weeks this year, or to December 1, totaled 28,681,633 cars, against 27,132,412 cars for the corresponding period in 1933 and 26,243,765 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 64,308 loads in November, against 72,060 loads in October and 64,684 loads in November, 1933. During the first nine days of December the interchange amounted to 18,144 loads, which compares with 20,391 loads during the same period in October and 17,179 loads during the first nine days of December, 1933. Passenger traffic of the reporting lines in November showed an increase in volume of 16 per cent over the same month a year ago, but a decrease of 5 per cent in revenue received. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 98,400 tons, against 100,129 tons in October and 97,457 tons in November, 1933.

The same generally favorable results which were noted earlier in the year were reflected in reports relative to collections during November and the first half of December. Throughout the south, but more particularly in the typical cotton, rice and tobacco areas, liquidation with both merchants and

at banks was in considerable volume. Not only was current indebtedness being met, but in numerous instances loans and accounts of long standing were being paid. Wholesalers in the chief distributing centers reported early December settlements relatively larger than a year and two years earlier. Inquiries made at retail establishments, including certain department stores, indicate a further increase in the ratio of cash sales to charge accounts. 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>
November, 1934.....	3.2%	43.1%	50.5%	3.2%
October, 1934.....	7.6	39.2	48.9	4.3
November, 1933.....	8.6	33.6	53.9	3.9

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 24 involving liabilities of \$283,561, against 36 insolvencies in October with liabilities of \$431,761 and 47 defaults for a total of \$575,883 in November, 1933.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — November sales of the reporting interests declined 12.6 per cent from the preceding month, but were one-fifth greater than a year ago, and the total was the largest for the month since 1929. Stocks increased 2.5 per cent between November 1 and December 1, and on the latest date were 62 per cent larger than a year earlier. The decrease in the month-to-month sales comparison was seasonal in character, but somewhat larger than the average during the past decade. Prices showed no change as compared with the preceding thirty days, but were slightly lower on the average than a year ago. Demand for work shoes, particularly in the rural areas, was reported in measurably larger volume than during the same period in the past several years.

**Clothing** — Reversing the usual seasonal trend, sales of the reporting clothiers in November showed an increase of 8 per cent over the month before, and the total was 63.5 per cent in excess of that recorded in November, 1933. Inventories decreased 13 per cent between November 1, and December 1, and on the latter date were about on a parity with a year ago. More seasonal weather during the past several weeks had a stimulating effect on movement of winter apparel, and has resulted in a fair volume of reordering of goods in this category. Some improvement in orders for spring and early summer distribution was noted as compared with the preceding thirty days.

**Drugs and Chemicals** — Reflecting in large measure a sharply increased demand for holiday

and luxury goods, November sales of the reporting firms showed a gain of 14 per cent over the same month in 1933. As compared with October, the November volume fell 12 per cent, about in line with the usual seasonal decline. Inventories increased slightly in November, and on December 1, were 20 per cent larger than a year ago. Demand for heavy drugs and chemicals showed moderate betterment, and sales of denatured alcohol and other seasonal commodities have responded to the lower temperatures during the past several weeks.

**Dry goods** — Despite the mild fall, which militated against the movement of seasonal merchandise, sales of the reporting firms in November showed an increase of 13 per cent over the same month in 1933, and a decrease of less than 1 per cent under the October total this year. Inventories continued to decline, stocks on hand as of December 1 being 1 per cent and 14 per cent smaller, respectively, than a month and a year earlier. Sales of holiday goods were reported the largest since 1930, and during the first half of December a substantial volume of reordering from all sections of the trade territory was noted.

**Electrical Supplies** — For the twenty-third consecutive month business in this classification in November, according to the reporting interests, showed an increase over the corresponding period a year earlier. Betterment extended through virtually all lines, other than installations for new buildings. Expansion was especially noticeable in sales of household appliances, radio material, small motors and lamps. November sales of the reporting group were 8 per cent greater than in October and more than one-half larger than a year ago. Stocks on December 1 were 2 per cent and 31 per cent larger, respectively, than a month and a year earlier.

**Flour** — Production at the twelve leading mills of the district in November totaled 216,128 barrels, against 276,952 barrels in October, and 270,303 barrels in November, 1933. Moderate improvement in buying by the retail trade was noted, mainly accounted for by holiday demands. The large bakery interests are apparently covered on immediate requirements, and advance ordering was in limited volume. Prices showed no change worthy of note as contrasted with the preceding thirty days. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — November sales of the reporting firms were 13 per cent greater than for the same month in 1933, and 16 per cent below the October total this year. Inventories receded 2 per cent and 21 per cent, respectively, in November as compared with a month and a year earlier. The movement of holiday goods was reported in considerable volume, but the general run of staple materials continued quiet.

**Groceries** — Sales of the reporting interests in November, while falling 14 per cent below the preceding month, were 12.5 per cent in excess of the November, 1933 total, and the largest for the month since 1930. The movement of holiday goods exceeded expectations, and in a number of instances, a shortage of certain descriptions of merchandise prevented filling of belated orders from the retail trade. Generally throughout the south advance buying was reported in measurably larger volume than a year and two years earlier. Specialties and miscellaneous items were relatively more active than staple goods. Inventories continued to recede, stocks on December 1 being 4 per cent and 6 per cent smaller, respectively, than a month and a year earlier.

**Hardware** — November sales of the reporting firms were 10 per cent greater than for the same month in 1933, but 8.5 per cent below the October total this year. Stocks on December 1, were 2 per cent and 6 per cent smaller, respectively, than a month and a year earlier. Heavier demand for goods consumed chiefly in the rural areas and excellent response to the introduction of novelties, package goods and holiday items generally, were factors in the increase in the sales comparison with a year ago. Sales of reporting goods were reported in substantially larger volume than a year and two years earlier. There was no change from the recent dull conditions existing in builders' tools and hardware.

**Iron and Steel Products** — Taken as a whole, activities in the iron and steel industry in this area during the past thirty days developed no marked changes as contrasted with the like period immediately preceding. In certain branches the usual slowing down was in evidence, but elsewhere, particularly among specialty makers, there was no noticeable reduction in the rate of production. Melters of gray iron continued to make a relatively better showing than was the case with steel mills and malleable plants. Quite generally inventories of raw materials held by mills and foundries are of moderate proportions, heavy inroads having been made into stocks acquired during the summer. Manufacturers of stoves and ranges report the largest volume of business since 1929, and the character of their orders indicates heavier demands in the rural areas. Makers of farm implements report actual orders and prospects for next season above expectations, and a number of plants are engaged in making up stock to accommodate future demands. Moderate betterment was noted in requirements of the automotive industry. Releases of castings were somewhat freer than heretofore, and the same was true of sheets and other finished materials. As was the case early in the fall, miscellaneous demands predominated in orders

booked by mills and jobbing foundries. The outlet through the building industry showed no broadening tendencies. Distributors of iron and steel from warehouses report November volume about on a parity with that of the preceding month, and slightly greater than in November, 1933. The unusually mild fall tended to hold down the movement of seasonal items, notably tubular goods, roofing and general repair materials. Purchasing by the railroads continued at a low ebb, and was confined almost entirely to immediate and urgent requirements. November shipments of pig iron to consumers in this district continued the gradual increase which began in September, with total tonnage the largest since last June. Books for first quarter of 1935 have been opened with prices unchanged. On sheets, plates, bars and practically all other finished and semi-finished steel items, current quotations have been reaffirmed for delivery through the first three months of next year. The only price change of note was a sharp upturn in steelwork scrap, quotations advancing to the highest levels since last June. The upturn was ascribable to a shortage of supplies, and the steady drain in recent months through the export market. For the country as a whole, production of pig iron in November, according to the magazine "Steel", was 957,906 tons, against 951,353 tons (revised figure) in October and 1,083,740 tons in November, 1933. Steel ingot production in the United States in November totaled 1,589,049 tons, which compares with 1,461,932 tons in October and 1,521,189 tons in November, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in November, was 78,415, against 132,488 in October, and 61,031 (revised figure) in November, 1933.

Eighth District distribution of automobiles in November, according to dealers reporting to this bank, showed about the usual seasonal decline from October. The total, however, was the largest recorded in any November since 1930, and showed a substantial increase over the aggregate in November, 1933. In the yearly comparison the improvement extended to practically all classes of makes, but was most pronounced in the low priced field. Geographically, relatively the most favorable results were obtained by dealers in the south, particularly in sections where cotton is the principal crop. Comment by dealers reflects considerably more optimism than at the corresponding periods a year and two years earlier. This attitude is based on heavy replacement requirements, improved conditions in the rural areas and betterment in general business

throughout the district. Definite prospects for sales following the turn of the year have resulted in ordering of new models by some distributors, prior to announcement dates, in quantities greater than their quotas. Demand for trucks continues active, November sales exceeding those of a month and a year earlier by 19 per cent and 68 per cent, respectively. About the usual seasonal decrease in sales of parts and accessories from October to November was noted.

November sales of new passenger cars by the reporting interests were 15 per cent smaller than for the preceding month and 29 per cent greater than in November, 1933. Inventories of new cars on dealers' floors on December 1 were 5.5 per cent smaller than a month earlier and 15 per cent larger than on December 1 a year ago. Sales of used cars in November continued to reflect the scarcity of desirable vehicles, the total showing a decrease of 3 per cent under November, and of 6 per cent under a year ago. Stocks of salable secondhand cars on December 1 showed practically no change from November 1 and were 4 per cent larger than on December 1, 1933. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in November was 51 per cent, against 48 per cent in October and 44 per cent in November, 1933.

### 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
	Nov. 1934	11 months ended	Nov. 30, 1934	Jan. 1, to
	comp. to	Nov. 30, 1934 to	comp. to	Nov. 30,
	Nov. 1933	same period 1933	Nov. 30, 1933	1934 1933
El Dorado, Ark.....	+26.9%	+35.5%	+14.4%	2.38 1.91
Evansville, Ind.....	+ 5.4	+ 7.7	-18.1	1.73 1.60
Fort Smith, Ark.....	+16.7	+22.5	- 8.6	2.07 1.82
Little Rock, Ark.....	+12.0	+25.4	+ 0.5	2.20 2.04
Louisville, Ky.....	+16.2	+ 8.7	- 8.5	2.88 2.71
Memphis, Tenn.....	+12.0	+21.3	+ 3.4	2.94 2.66
St. Louis, Mo.....	+10.5	+14.9	- 6.6	3.33 3.12
Springfield, Mo.....	+44.0	+28.5	- 6.4	1.77 1.41
All Other Cities.....	+25.6	+27.5	+ 2.7	2.68 2.31
8th F. R. District.....	+12.1	+16.3	- 4.5	3.00 2.79

Percentage of collections in November to accounts and notes receivable first day of November, 1934.

#### PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	39.1%	Memphis, Tenn.....	44.1%
Fort Smith, Ark.....	41.1	Springfield, Mo.....	25.8
Little Rock, Ark.....	40.3	St. Louis, Mo.....	53.4
Louisville, Ky.....	51.3	All Other Cities.....	33.3
	8th F. R. District.....		49.2%

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover
	Nov. 1934	11 months ended	Nov. 30, 1934	Jan. 1, to
	comp. to	Nov. 30, 1934 to	comp. to	Nov. 30,
	Nov. 1933	same period 1933	Nov. 30, 1933	1934 1933
Men's				
Furnishings .....	+30.9%	+22.9%	+ 6.3%	2.20 2.27
Boots and				
Shoes .....	+19.9	- 0.8	-12.8	2.74 2.52

## CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in November, as being 9.7 per cent less than in October, and 3.6 per cent more than in November, 1933. Detailed figures follow:

	No. of Custom- ers	Nov.,	Oct.,	Nov. 1934 comp. to Oct. 1934	Nov.,	Nov. 1934
		1934	1934		1933	comp. to Nov. 1933
		*K.W.H.	*K.W.H.		*K.W.H.	Nov. 1933
Evansville ....	40	1,597	1,590	+ 0.6%	1,321	+20.9%
Little Rock..	35	1,441	1,702	-15.3	1,332	+ 8.2
Louisville ....	83	6,551	7,047	- 7.0	5,748	+14.0
Memphis .....	31	1,651	1,867	-11.6	1,502	+ 9.9
St. Louis.....	193	15,171	17,056	-11.1	15,582	- 2.6
Totals .....	382	26,411	29,262	- 9.7%	25,485	+ 3.6%

\*In thousands (000 omitted).

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in November was 27.1 per cent less than in October and 3.6 per cent more than in November, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in November, amounted to \$8,424,558 which compares with \$10,734,338 in October and \$9,677,726 in November, 1933. Building figures for November, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	12	101	\$ 1	\$ 11	129	34	\$ 29	\$ 8
Little Rock	13	10	3	1	118	56	23	8
Louisville ..	31	34	50	29	47	12	65	32
Memphis ...	135	107	56	210	113	93	38	41
St. Louis....	141	111	440	280	198	123	82	65
Nov. Totals	332	363	\$ 550	\$ 531	605	318	\$ 237	\$ 154
Oct. "	390	482	754	812	869	466	428	243
Sept. "	298	488	728	475	1,044	666	550	460

\*In thousands (000 omitted).

## AGRICULTURE

The U. S. Department of Agriculture's report as of December 1, giving final estimates of production, reflected only minor variations from the November 1, forecasts of the principal crops in the Eighth District. In the final summing up, effects of the record spring and summer drouth were less detrimental than had been anticipated, because of the rainfall coming in late August and continuing through the fall. Drastic shortages of feed and fodder which appeared imminent during the dry spell, were relieved to a large extent by ability of farmers to plant and bring to maturity emergency crops, notably sorghums, cowpeas, and other legumes, also by an extraordinary revival in pastures. Killing frosts and freezes which occurred later in the season than usual, permitted successful harvesting of late crops and the accomplishment of a considerable amount of field work. Breaking of ground for cotton and rice at the middle of December was much in advance of the usual seasonal schedule. Fall planted cereals for the most part made good progress, and winter wheat in the important producing areas is

in strong position for entering the cold weather. Tobacco markets opened with rather limited offerings, due to unfavorable weather for handling the leaf, but prices averaged sharply higher than at the 1933 openings, and in the immediate past conditions have been more auspicious and offerings have increased to more normal proportions.

**Livestock**—Mild weather during the fall, coupled with greatly improved pastures, favored the condition of livestock generally throughout the district. In many sections farmers were able to carry their herds later into the season than usual without use of large quantities of prepared feeds. Prices remained at the relatively high levels which obtained during the preceding thirty days. In states of this district up to November 27, the amount expended by the Agricultural Adjustment Administration for Government purchased cattle was \$8,126,452.

Shipments of stocker and feeder cattle into the Corn Belt States declined sharply in November. The feeder movement this year in November was 45 per cent below the 5-year (1929-1933) average and the smallest in 15 years. The movement from July to November was slightly less than for the same period last year and incidentally the smallest of record. Due to short supplies of and relatively high prices of grain and hay it is likely that a larger proportion of feeder cattle in all Corn Belt States will be wintered on roughage than was anticipated earlier in the season.

Shipments of lambs through inspected stockyards markets into the Corn Belt States during November showed greater than the seasonal decline. For the five years (1929-1933) the November shipments have been 41 per cent as large as the October shipments, while this year the November movement was only 27 per cent as large as in the preceding month. High prices of corn and hay have tended to discourage feedings generally. As contrasted with a year ago, operations at commercial feeding yards are likely to be small.

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

	Receipts			Shipments		
	Nov., 1934	Oct., 1934	Nov., 1933	Nov., 1934	Oct., 1934	Nov., 1933
Cattle and Calves.....	123,128	166,746	100,660	63,976	102,061	47,424
Hogs .....	292,433	270,264	264,687	170,301	166,348	132,231
Horses and Mules.....	8,304	9,273	9,452	8,553	10,022	9,413
Sheep .....	44,154	83,011	41,933	9,845	28,417	7,791

**Cotton**—In its report based on conditions as of December 1, the U. S. Department of Agriculture estimates the cotton crop in states entirely or partly within the Eighth District at 2,677,000 bales, which compares with 2,896,000 bales produced in 1933, and 3,292,000 bales in 1932. Weather throughout the harvesting period was almost ideal for pick-

ing, and the amount of cotton remaining in fields as of December 1 was virtually nil. Prior to the recent rains there was considerable preparations made for the 1935 crop, and scattered reports indicate that there will be an increased use of fertilizer; poisons will also be employed if boll weevils make their appearance. Quite generally a large acreage of cover crops was planted, most of which achieved good stands. Many important producing counties will go into the 1935 crop year with more feed stuff on hand than in any previous year. Demand for spot cotton continued generally slow. Prices moved in a narrow range, but continued sharply higher than during the corresponding period a year and two years earlier. In the St. Louis market the middling grade ranged from 12.20c to 12.65c between November 15 and December 17, closing at 12.60c on the latest date, which compared with 12.15c on November 15, and 9.80c on December 15, 1933. Receipts at Arkansas compresses from August 1 to December 14 totaled 719,964 bales, against 886,292 bales for the corresponding period last year. Stocks on hand as of December 14 totaled 633,651 bales, against 652,404 bales on November 9 and 649,459 bales on the corresponding date in 1933.

In states partly or entirely within the Eighth Federal Reserve District, payments to producers cooperating in the 1934 cotton adjustment program up to November 22, totaled \$17,256,600. Rental payments were made in two installments, the second only after compliance with the acreage contract had been established. In addition to the rental payments, cotton producers also will receive substantial amounts in "parity" payments. This disbursements will be calculated on the basis of 1c a pound on the estimated share of each farmer's average past production which enters domestic consumption. Total payments already made by states follow: Arkansas, \$7,001,433; Kentucky, \$26,802; Mississippi, \$7,233,603; Missouri, \$838,440 and Tennessee, \$2,166,322.

**Tobacco** — Dry, harsh weather has interfered seriously with the preparation of tobacco for market in all districts. The burley tobacco market opened December 3, and for the week ending December 7, only 12,801,781 pounds were sold, at an average of \$18.94 per cwt. During the same period a year ago, sales amounted to 21,355,879 pounds, at an average of \$11.99 per cwt.

The Owensboro-Green River markets opened on December 10, with a limited quantity of tobacco offered. The general average for the first week was \$9.20 as compared with the opening sales of a year ago of \$6.33. In the stemming district the average was estimated, but not confirmed, at \$7.25

as compared with \$6.00 a year ago. The opening of the one-sucker market on December 11, showed an estimated average of \$7.25 as compared with \$6.86 for the corresponding date last year.

In the dark-fired tobacco districts, the Clarksville, Tennessee, market opened on December 10 with small sales, the average being \$10.94, as compared with last year's opening sales average of \$6.68. The Springfield, Tennessee, market opened on December 11, with small sales, at an average for the week of \$14.22, as compared with the opening sales average of \$12.30 last year.

The Hopkinsville Tobacco Board of Trade decided to postpone the opening of their market from December 12, as scheduled, until after January 1. The western fired tobacco markets at Mayfield, Murray and Paducah, Kentucky, announced the opening date as December 17, but it is possible that sales in this district will be postponed until after January 1.

## COMMODITY PRICES

Range of prices in the St. Louis market between December 17, 1934, and November 15, 1934, with closing quotations on the latter date and on December 15, 1933, follows:

	High	Low	Close	
			Dec. 17, 1934	Dec. 15, 1933
Wheat				
Dec. ....per bu..	\$1.03 $\frac{3}{4}$	\$.97 $\frac{3}{4}$	\$.98 $\frac{3}{4}$	\$.82 $\frac{3}{4}$
May .....	1.05	.96 $\frac{5}{8}$	.98 $\frac{1}{2}$	.85
July .....	.98 $\frac{3}{4}$	.91 $\frac{3}{4}$	.91 $\frac{3}{4}$	.....
No. 2 red winter ..	1.06 $\frac{1}{2}$	.99	1.03 $\frac{1}{2}$	.86 $\frac{1}{2}$
No. 2 hard ..	1.09 $\frac{1}{2}$	1.04 $\frac{1}{2}$	1.06	.85 $\frac{3}{4}$
Corn				
*Dec. ....	.95 $\frac{5}{8}$	.82 $\frac{3}{4}$	.90 $\frac{1}{2}$	.44 $\frac{3}{4}$
*May .....	.93 $\frac{3}{4}$	.83 $\frac{3}{8}$	.87 $\frac{7}{8}$ @	.51 $\frac{1}{2}$ @
*July .....	.90 $\frac{1}{2}$	.82 $\frac{3}{8}$	.84 $\frac{3}{8}$ @	.53
No. 2 mixed .....	1.02	.89 $\frac{1}{2}$	.95 $\frac{1}{2}$	.48
No. 2 white .....	1.03	.97 $\frac{1}{2}$	1.03	.50
Oats				
No. 2 white .....	.61	.57 $\frac{1}{2}$	.60	.36
Flour				
Soft patent.....per bbl.	6.80	6.25	6.50 @ 6.80	6.20 @ 6.70
Spring " .....	7.90	7.30	7.20 @ 7.45	6.20 @ 6.70
Middling Cotton...per lb.	.1265	.1220	.1260	.0980
Hogs on hoof.....per cwt.	6.40	2.00	2.00 @ 6.35	2.25 @ 3.35

\*Nominal quotations.

## FINANCIAL

Statistics and general data relative to Eighth District banking and financial conditions during the past thirty days indicate no change in the trends which have obtained since early fall. A slight slowing down was noted in demand for credit by commercial and industrial interests, and in a majority of instances liquidation by these borrowers was in excess of new commitments and renewals, resulting in a slight decrease in total loans of the commercial banks. There was also a considerable volume of liquidation of loans based on agricultural products, notably cotton and wheat. While a considerable part of the cotton crop has not been sold, producers have to a large extent taken advantage of the 12c loan by the Commodity Credit Corporation,

thereby obtaining funds for current purchasing and payment of debts. In the tobacco areas liquidation has been under expectations, owing to the fact that unfavorable weather for handling the crop has held down offerings on the auction floors. A fair inquiry for funds by tobacco dealers and warehousemen has developed during the past two or three weeks. According to both city and country banks, demand for currency for holiday spending has been in large volume.

Total loans of reporting member banks in the principal cities decreased slightly between November 14 and December 12, and on the latest date were 6.9 per cent less than a year ago. Reflecting to a large extent withdrawals of savings for holiday purposes, total deposits decreased 1.2 per cent during the four-week period, but were 15.8 per cent greater than at mid-December a year ago. For the first time in a number of months, reserve balances receded 10.3 per cent, but the total remained substantially in excess of a year earlier. Borrowings of all member banks from the Federal Reserve bank continued at the low levels which have marked recent months.

The amount of savings deposits held by selected banks on December 5 was 1 per cent greater than on November 7, and 18 per cent in excess of the total on December 6, 1933.

Interest rates showed no appreciable changes as contrasted with the preceding thirty days. At St. Louis banks, as of the week ended December 15, current quotations were as follows: Customers' prime commercial paper, 1¼ to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 1¼ to 6 per cent; interbank loans, 6 per cent, and cattle loans, 5 to 6 per cent.

**Federal Reserve Operations** — During November the Federal Reserve Bank of St. Louis discounted for 8 member banks against 10 in October and 51 in November, 1933.

Changes in the principal assets and liabilities of this institution appear in the following table:

	*Dec. 20, 1934	*Nov. 20, 1934	*Dec. 20, 1933
Bills discounted .....	\$ 598	\$ 403	\$ 1,450
Bills bought .....	.....	.....	4,712
U. S. Securities.....	93,200	93,200	93,200
Participation in Inv. Foreign Banks....	115	115	160
<b>Total Bills and Securities.....</b>	<b>\$ 93,913</b>	<b>\$ 93,718</b>	<b>\$ 99,522</b>
Total Reserves .....	\$207,901	\$211,573	\$171,643
Total Deposits .....	152,139	155,991	107,278
F. R. Notes in circulation.....	144,467	143,233	145,679
F. R. Bank Notes in circulation.....	.....	.....	7,560
Ratio of reserve to deposits and F. R. Note Liabilities.....	70.1%	70.7%	67.9%

Discount rates charged by this bank remain unchanged as follows:

2¼ per cent on advances to member banks on eligible paper and/or collateral, whether rediscounts or member bank promissory notes, under Sections 13 and 13a.

4½ per cent on advances to member banks on their promissory notes secured by ineligible paper and/or collateral, under Section 10b.

4½ per cent on advances to banks and other financing institutions on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

¼ per cent flat for commitments not exceeding six months on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

5½ per cent on direct advances to established industrial or commercial businesses, for working capital, under Section 13b.

4½ per cent on direct advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.

5½ per cent on direct advances to individuals, partnerships and corporations (excluding nonmember banks) on eligible paper, under Section 13.

**Condition of Banks** — Loans and discounts of the reporting member banks on December 12, 1934, showed an increase of 1.2 per cent as contrasted with November 14, 1934. Deposits decreased 1.2 per cent between November 14, 1934 and December 12, 1934 and on the latter date were 15.8 per cent greater than on December 13, 1933. Composite statement follows:

	*Dec. 12, 1934	*Nov. 14, 1934	*Dec. 13, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 67,621	\$ 69,164	\$ 92,712
All other loans and discounts....	156,069	155,508	147,465
<b>Total loans and discounts.....</b>	<b>\$223,690</b>	<b>\$224,672</b>	<b>\$240,177</b>
Investments			
U. S. Govt. securities.....	\$194,162	\$189,521	\$143,214
Other securities.....	118,763	115,965	100,892
<b>Total investments.....</b>	<b>\$312,925</b>	<b>\$305,486</b>	<b>\$244,106</b>
Reserve balance with F. R. Bank.....	\$ 91,241	\$101,737	\$ 67,633
Cash in vault.....	8,528	8,906	10,003
Deposits			
Net demand deposits.....	\$385,951	\$387,373	\$131,361
Time deposits.....	162,134	167,266	156,614
Government deposits.....	20,060	20,117	20,552
<b>Total deposits.....</b>	<b>\$568,145</b>	<b>\$574,756</b>	<b>\$490,527</b>
Bills payable and rediscounts with Federal Reserve Bank.....	.....	.....	180

\*In thousands (000 omitted).  
The total resources of these banks comprise approximately 62.0% 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.

	*Nov., 1934	*Oct., 1934	*Nov., 1933	Nov., 1934 comp. to Oct. 1934	Nov. 1933
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 20,229	\$ 21,713	\$ 18,420	- 6.8%	+ 9.8%
El Dorado, Ark.....	3,370	3,948	2,925	-14.6	+15.2
Evansville, Ind.....	16,574	16,857	13,373	- 1.7	+23.9
Fort Smith, Ark.....	8,370	9,100	7,905	- 8.0	+ 5.9
Greenville, Miss.....	4,619	5,257	4,050	-12.1	+14.0
Helena, Ark.....	2,432	3,207	2,279	-24.2	+ 6.7
Little Rock, Ark.....	24,805	27,335	18,076	- 9.3	+37.2
Louisville, Ky.....	116,073	126,437	105,642	- 8.2	+ 9.9
Memphis, Tenn.....	116,491	142,718	125,333	-18.4	- 7.1
Owensboro, Ky.....	3,817	3,560	2,351	+ 7.2	+62.4
Pine Bluff, Ark.....	6,141	8,684	5,978	-29.3	+ 2.7
Quincy, Ill.....	5,826	5,908	4,171	- 1.4	+39.7
St. Louis, Mo.....	433,213	458,700	376,550	- 5.6	+15.0
Sedalia, Mo.....	1,557	1,615	1,141	- 3.6	+36.5
Springfield, Mo.....	10,541	11,196	8,348	- 5.9	+26.3
**Texarkana, Ark.....	5,067	5,875	5,064	-13.8	+ 0.1
<b>Totals .....</b>	<b>\$779,125</b>	<b>\$852,110</b>	<b>\$701,606</b>	<b>- 8.6</b>	<b>+11.0</b>

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

(Compiled December 20, 1934)