



# MONTHLY REVIEW

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

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**T**AKEN as a whole, business and industry in this district during the past thirty days maintained the high rate of activity which has marked the preceding several months. While there was a slowing down in production in certain industries, others increased their outputs, and in a majority of distributive lines investigated September sales were in excess of the volume in the corresponding period in 1928. The movement of seasonal merchandise was held down to some extent by the warm weather during September and early this month, but despite this fact the volume of goods going into consumptive channels was in heavy volume. Wholesalers dealing in merchandise for ordinary consumption, notably dry goods and apparel, reported marked improvement in advance business. Sales for future delivery in the agricultural sections made a particularly good showing, numerous country merchants who had postponed their commitments awaiting more definite information relative to the outcome of crops, having covered their full late fall and winter requirements. However, there is still a disposition on the part of retailers in both city and country to purchase conservatively and only sufficient for well defined needs.

There was a recession in distribution of automobiles in September, both from the preceding month and a year ago, according to reporting dealers. Iron and steel plants specializing in automotive materials curtailed their operations, and reported a reduction in new orders and specifications on goods previously purchased. Demand for ferrous goods from the building industry, also, sustained a further contraction. Increased requirements of railroad equipment, farm implement, machinery and engine builders and other users of iron and steel served largely to offset the reduced demand from automotive and building industries. Wholesale distribution of boots and shoes, drugs and chemicals, hardware, dry goods, and electrical supplies in September was larger than a year ago, while a smaller volume was shown in the comparison by clothing,

furniture, groceries, and stoves. Sales of department stores in leading cities of the district in September gained 11.4 per cent over the same month in 1928, and for the first nine months this year their was an expansion of 2.8 per cent as compared with the corresponding period last year.

According to officials of railroads operating in this district, freight traffic continues in larger volume than at any similar period in past years. There was a reduction in the movement of grain and grain products as contrasted with a year ago, due to the unusually early forwarding of the wheat crop. In all other classifications, excepting forest products, increases were recorded, with an especially favorable showing being made by merchandise and miscellaneous freight. For the country as a whole, loadings of revenue freight for the first 39 weeks of this year, or to September 28, totaled 39,879,586 cars, against 38,224,762 cars for the corresponding period last year and 39,172,754 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 238,769 loads in September, which compares with 252,629 loads in August and 242,543 loads in September, 1928. During the first nine days of October the interchange amounted to 74,060 loads, against 66,515 loads during the corresponding period in September, and 73,815 loads during the first nine days of October, 1928. Passenger traffic of the reporting lines in September decreased 10 per cent as compared with the corresponding month in 1928. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 91,000 tons, against 86,135 tons in August, and 148,377 tons in September, 1928. The low stage of water in the Mississippi River was responsible for the heavy decrease in the yearly comparison.

Improvement in the bituminous coal trade, noted in the preceding issue of this report continued generally through the district during late September and early this month. Purchasing by householders was stimulated by the approach of cold weather, and a desire to take advantage of prevailing prices. The

greater activity on the part of ultimate consumers was reflected in an active movement to replenish stocks on the part of retail dealers. Contracting by yard interests was reported in considerable volume in the Illinois, Indiana and Kentucky fields. Prices of domestic sizes were strong, with further slight advances recorded by a number of mine operators. Relatively less satisfactory conditions existed in the steaming fuel situation. Due to excessive supplies of screenings, caused by the larger output of lump coal, prices weakened and difficulty was experienced in making sales. Railroads and large industrial users generally are less disposed to build up their storage stocks than in past seasons. Contracting for winter requirements by public utilities companies, municipalities and public institutions, continued, however, in considerable volume. Operations in all fields in September were at a substantially higher rate than during the same month last year. For the country as a whole production of soft coal during the present calendar year to October 5, approximately 236 working days, totaled 391,357,000 tons, against 362,213,000 tons for the corresponding period last year and 399,281,000 tons in 1927.

Reports relative to collections reflect rather spotted conditions, but the average was slightly smaller than at the corresponding period last year. Settlements with wholesale establishments in the chief distributing centers were in the main fully up to expectations, and in the case of boot and shoe firms, with which October is an important collection month, payments were the largest in recent years. Wholesalers and jobbers of dry goods, hardware and furniture, also, reported October 1 settlements in considerable volume. Increasing complaints were received of poor collections in the building material lines, particularly among the lumber and fire clay products interests. Generally through the south, where cotton, rice, tobacco and other crops are being marketed, liquidation with merchants and country banks showed the usual seasonal betterment. In the principal urban centers retailers reported improvement in September collections over those of August, and the betterment has continued through the first half of October. Replies 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>
September, 1929 .....	1.4%	30.6%	61.1%	6.9%
August, 1929 .....	1.3	30.6	55.6	12.5
September, 1928 .....	1.3	38.0	55.3	5.4

Commercial failures in the Eighth Federal Reserve District in September, according to Dun's numbered 98, involving liabilities of \$1,762,109, against 103 defaults in August with liabilities of

\$1,393,363, and 85 failures for a total of \$1,010,897 in September, 1928.

The average daily circulation in the United States in September was \$4,811,000,000 against \$4,777,000,000 in August, and \$4,804,000,000 in September, 1928.

## MANUFACTURING AND WHOLESALE

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in September totaled 415,332, against 499,740 in August, and 415,314 in September, 1928.

As was the case during the past five or six years, there was a substantial decrease in distribution of automobiles in this district between September and October, and, according to dealers reporting to this bank, a slight decline occurred in September sales as compared with the corresponding period last year. In both comparisons the decrease was fairly well distributed over all classes of vehicles, but was somewhat more marked in the medium-priced than other classes. In the rural areas pre-occupation of farmers with fall work and a desire to postpone filling requirements until more definite information relative to crop yields and prices is available, had a tendency to hold down purchasing. In a number of instances, dealers in the large centers of population reported that prospective customers were awaiting the appearance of new models before making commitments. Demand for trucks continued active, both the heavy varieties and lighter descriptions used for delivery service in the large cities. September sales of new passenger cars by 320 dealers scattered through the district were 37.2 per cent smaller than in August, and 1.4 per cent less than in September, 1928. Dealers generally are following the policy of purchasing closely and only sufficient for well defined requirements, and inventories are slightly below the average at this time during the past several years. Stocks of new passenger cars in dealers' hands on October 1 were 3.2 per cent larger than on September 1, and 8.5 per cent larger than on October 1, 1928. Salable used cars on hand on October 1 were larger by 7.3 per cent than on September 1, and 17.8 per cent greater than on October 1 last year. The condition of the used car market is considerably less satisfactory than earlier in the year. Increasing difficulty is experienced in making sales, and the number of secondhand vehicles being turned in on new car purchases has increased considerably during the past few months. Demand for used cars for the service car traffic is good, but only a limited number of types are suitable for that purpose, and as a result there has been a large accumulation of secondhand models for which there is scarcely any demand. Business in accessories and parts continued

relatively better than in automobiles proper. Special selling campaigns and requirements for reconditioning used cars were mentioned as factors in the moderate increases in September sales over those of a month and a year earlier. According to dealers reporting on that item, sales of new passenger cars on the deferred payment plan in September constituted 57.5 per cent of their total sales, against 55.0 per cent in August, and 54.8 per cent in September, 1928.

**Boots and Shoes** — September sales of the five reporting interests were 31.6 per cent larger than for the corresponding period last year, and 3.8 per cent below the record total of August this year. Stocks on hand on October 1 were 10.8 per cent smaller than on September 1, and 15.5 per cent less than on October 1, 1928. The decrease in the month-to-month sales comparison was seasonal in character, but considerably smaller than the average of the past decade. Factory production during September was at, or close to capacity, but since October 1 a slight reduction has taken place. Prices were unchanged as contrasted with the preceding thirty days, but from 5 to 6 per cent under those prevailing at this time last year.

**Clothing** — The warm weather prevailing generally through this district in September had a tendency to hold down the movement of seasonal apparel, but on the other hand resulted in a good clearance of summer and early fall goods through retail channels. Ordering for future delivery has picked up substantially since the middle of September, particularly in the South. For the most part manufacturers are carrying moderate-sized inventories of finished clothing, and are cutting goods in close relationship to orders booked. A slight improvement in demand for working clothes was noted as compared with the preceding two or three months. September sales of the reporting firms were 2.8 per cent smaller than for the same month in 1928, and 11.8 per cent under the August total this year.

**Drugs and Chemicals** — Business in this classification continued the gains of preceding months this year, sales of the reporting interests in September showing a gain over the corresponding period last year for the seventh consecutive month. Activity was noted generally through all sections of the line, but was most pronounced in drugs and chemicals for the manufacturing trade. Advance ordering of seasonal merchandise, including holiday goods, was reported in considerable volume. September sales of the eight reporting interests were 13.7 per cent greater than for the same month in 1928, and 6.6 per cent in excess of the August total this year. Stocks on hand on October 1 were 8.0 per cent and

15.1 per cent larger, respectively, than thirty days and a year earlier.

**Dry Goods** — Sales of the eight reporting interests in September were 0.9 per cent larger than during the same month in 1928, but 12.3 per cent smaller than in August this year. Stocks on October 1 were 16.0 per cent smaller than on the same date in 1928, and 9.9 per cent less than on September 1 this year. Road orders received since the middle of September have been in considerable volume, and generally future business is larger than at this time last year, two of the largest firms reporting an average gain of 26.2 per cent in their advance business at the middle of October as compared with the same time in 1928. The recent decline in raw cotton has caused some hesitation in ordering of goods based on that staple.

**Electrical Supplies** — Barring certain seasonal commodities, which lagged somewhat during the past thirty days, business in this classification was generally active, both in the immediate and future delivery sections. September sales of the reporting interests were 24.7 per cent larger than for the same month in 1928, and 19.6 per cent smaller than the August total this year. Stocks on October 1 were smaller by 5.0 per cent and 10.8 per cent respectively, than thirty days and a year earlier.

**Flour** — Production at the 12 leading mills of the district in September totaled 426,244 barrels the largest since last October, and comparing with 367,202 barrels in August, and 459,103 barrels in September, 1928. Stocks of flour in St. Louis on October 1 were 6.0 per cent smaller than on September 1, and 15.5 per cent less than on October 1, 1928. There was no change for the better from the dull conditions which prevailed during the preceding two or three months. New buying was on a hand-to-mouth basis by the domestic trade, and specifications on old contracts only fair. Aside from the routine transactions with Latin-American countries, export business was quiet, with bids from Europe mainly too far out of line to result in sales. Prices showed little change as contrasted with the preceding thirty days, the narrow fluctuations reflecting mainly day-to-day movements in the cash grain market. Mill operation was at from 62 to 65 per cent of capacity.

**Furniture** — September sales of the 13 reporting interests were 3.0 per cent smaller than for the same month in 1928, and 5.9 per cent larger than the August total this year. Stocks on October 1 were 13.8 per cent and 10.6 per cent smaller, respectively, than a year and a month earlier. Demand for household furniture is reported quiet, with retailers ordering only sufficient for immediate needs.

**Groceries**—A contraction in demand in the rural areas and unfavorable weather for the movement of seasonal merchandise were mentioned as the chief influences in a decrease in September sales of the thirteen reporting interests of 5.1 per cent under the same month in 1928, and of 0.7 per cent under the September total this year. Stocks on October 1 were 6.0 per cent and 6.9 per cent larger, respectively, than thirty days and a year earlier.

**Hardware**—As compared with the same month in 1928, September sales of the twelve reporting interests showed an increase of 3.7 per cent, and the total was 2.8 per cent larger than in August this year. Stocks on October 1 were 4.2 per cent smaller than thirty days earlier, and 1.0 per cent larger than on October 1, 1928. Improvement in both sales comparisons was general through the entire line, excepting builders' tools and hardware.

**Iron and Steel Products**—While activities in this classification were well sustained during the past thirty days, reports were less uniformly optimistic than during the preceding three or four months. Operations at some plants declined slightly, and the volume of new business booked fell below shipments, with the result that unfinished orders were reduced. Demand from the automotive industry sustained quite a marked recession, both in point of new buying and specifications on goods previously contracted for. This manifestation was particularly marked at malleable plants specializing in automobile castings, and among makers and distributors of autobody sheets and plates. In the case of the malleable establishments, the let down was due partly to temporary inactivity occasioned by changes in designs and patterns incident to the production of new models by certain automobile manufacturers. Requirements of the building industry were also smaller than earlier this year, and at the corresponding period in 1928. Fabricators of structural iron and steel reported a falling off in new lettings, and several large shops reduced their working forces. The call for materials for highway construction, municipal improvements, public utility extensions and improvements and similar activities continued at the high rate which marked earlier months this year. New buying and inquiries by the railroads developed quite marked improvement, equipment and rail lettings being in considerable volume. Track fastenings, bridge materials and shop supplies were in good demand. Continued dullness was noted in demand for the general run of oil country goods. Manufacturers and distributors of sheets reported continued activity in the call for their wares; with further slight betterment in the movement of galvanized material for roofing and siding purposes. Purchasing of pig iron was in

moderate volume, but shipments were heavy, the September movement into this district from blast furnaces being the largest on record for that particular month. Prices of pig iron remained firm, but there was a further decline in scrap iron and steel, most marked in the steel-making grades. For the country as a whole, production of pig iron in September totaled 3,482,936 tons, against 3,746,198 tons in August, and 3,063,593 tons in September, 1928. Steel ingot production in the United States in September totaled 4,510,879 tons, against 4,927,258 tons in August, and 4,147,893 tons in September, 1928.

## 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. 1929 comp. to Sept. 1928	9 months ending Sept. 30, 1929 to same period 1928	Sept. 30, 1929 comp. to Sept. 30, 1928	Jan. 1 to September 30, 1929	1928	1928
Evansville .....	-20.8%	-2.0%	-3.1%	1.66	1.74	
Little Rock.....	3.5	2.0	3.2	1.77	1.65	
Louisville .....	+ 0.9	- 0.2	+ 3.6	2.26	2.21	
Memphis .....	- 1.2	- 3.2	- 5.0	2.29	2.22	
Quincy .....	+16.1	+ 9.9	+10.4	1.96	1.89	
St. Louis.....	+17.3	+ 5.2	- 1.1	2.98	2.69	
Springfield, Mo. +	9.3	- 1.9	- 0.7	1.13	1.19	
8th District.....	+11.4	+ 2.8	- 1.4	2.60	2.41	

	Net sales comparison		Stocks on hand	
	Sept. 1929 comp. to Sept. 1928	Aug. 1929	Sept. 1929 comp. to Sept. 1928	Aug. 1929
Men's furnishings.....	1.7%	+ 3.1%	- 6.5%	+ 6.7%
Boots and shoes.....	- 6.8	+25.1	- 5.2	+10.7

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

	Percentage increase or decrease Sept., 1929 compared to Sept., 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	- 2.5%	- 8.9%
Ready-to-wear accessories.....	+ 0.6	- 2.2
Women and misses' ready-to-wear.....	- 2.6	+13.8
Men's and boys' wear.....	+ 2.3	- 6.6
Home furnishings.....	+ 1.7	- 6.7

## POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 1.9 per cent in combined postal receipts for the third quarter of this year over the corresponding quarter in 1928, and a decrease of 2.7 per cent as compared with the second quarter this year. Detailed figures follow:

	For Quarter Ending				Sept. 1929 comp. to Sept. 1928
	Sept. 30, 1929	June 30, 1929	Mar. 31, 1929	Sept. 30, 1928	
Evansville .....	\$ 171,000	\$ 161,000	\$ 163,000	\$ 173,000	- 1.2%
Little Rock.....	225,000	208,000	244,000	245,000	- 8.2
Louisville .....	681,000	695,000	724,000	661,000	+ 3.0
Memphis .....	605,000	613,000	672,000	573,000	+ 5.6
St. Louis .....	2,923,000	3,066,000	3,147,000	2,869,000	+ 1.9
Totals .....	\$4,605,000	\$4,743,000	\$4,950,000	\$4,521,000	+ 1.9

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during September was 2.6 per cent larger than in August, and 27.8 per cent smaller than in September, 1928. According to figures compiled by the F. W. Dodge Corporation, construction contracts let

in the Eighth Federal Reserve District in September totaled \$39,465,352 against \$39,224,227 in August and \$33,240,828 in September, 1928. Production of portland cement for the country as a whole in September totaled 17,223,000 barrels, against 18,585,000 barrels in August and 17,882,000 barrels in September, 1928. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	403	460	\$ 271	\$ 288	53	86	\$ 27	\$ 38
Little Rock ..	39	58	166	739	102	69	45	63
Louisville ..	151	201	1,556	1,067	76	99	127	349
Memphis ....	203	229	588	1,085	209	139	146	210
St. Louis.....	577	791	1,600	2,611	494	461	804	300
Sept. totals	1,372	1,739	\$4,181	\$5,790	934	854	\$1,149	\$960
Aug. totals	1,294	1,819	4,074	7,066	783	737	964	722
July totals	1,709	1,593	4,869	9,163	659	711	759	650

\*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 September by selected industrial customers as being 6.1 per cent smaller than in August, and 10.2 per cent greater than in September, 1928. The decrease in the month-to-month comparison was due almost entirely to reduced refrigeration load. The increase over last year was general for all classes of business. Detailed figures follow:

	No. of Customers	Sept., 1929	Aug., 1929	Sept. 1929 comp. to Aug. 1929	Sept., 1928	Sept. 1929 comp. to Sept. 1928
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	1,804	1,913	— 5.7%	1,191	— 51.5%
Little Rock..	35	2,071	2,121	— 2.4	1,778	+16.5
Louisville ...	89	8,057	8,418	— 4.3	6,313	+27.6
Memphis ....	31	1,199	1,196	+ 0.3	1,276	— 6.0
St. Louis.....	136	21,661	23,419	— 7.5	21,013	+ 3.1

Totals .....331 34,792 37,067 — 6.1 31,571 +10.2

\*In thousands (000 omitted).

### AGRICULTURE

Taken as a whole the agricultural situation in this district during the past thirty days underwent no marked change as contrasted with the similar period immediately preceding. Weather conditions were seasonable, and favorable for maturing of corn, cotton, potatoes and other late crops. The general average for all crops combined on October 1 was slightly higher than a month earlier. In most sections early September weather was a continuation of the late summer drouth, but general rains at the end of the month, and early in October relieved the dry soil situation materially. Harvest operations for all crops benefitted by the spell of dry weather, and in numerous instances both yields and quality are making a better showing than was looked for earlier in the season. To the middle of October no frost damage of consequence was reported from any locality, and a very large portion of the corn crop is past danger from that source. Cotton picking made excellent progress, and the movement from points of production has been in considerable volume. Harvesting of rice has been virtually completed, and favorable weather has per-

mitted of cutting and housing of tobacco. Except in Indiana, prospects for white potatoes declined in September.

According to the U. S. Department of Agriculture, the composite condition of all crops in states entirely or partly within the Eighth Federal Reserve District on October 1 was 100.4 per cent of the average condition on that date during the ten years, 1918-1927. This compares with 95.0 per cent on September 1, 100.8 on August 1, and 98.5 per cent on October 1, 1928. Generally through the district farmers are well up with their routine fall work. The supply of farm labor with the exception of a limited number of counties in the south, has been adequate throughout the season to all needs. Wages in the main showed little variation from the corresponding period last year.

**Corn** — The indicated yield of corn in this district, according to the October 1 report of the Department of Agriculture, is 300,449,000 bushels, an increase of 8,566,000 bushels over the September 1 forecast, and comparing with 358,882,000 bushels harvested in 1928, and a 5-year average of 377,036,000 bushels. Over virtually the entire district, late September and the first half of this month proved favorable for maturing the crop. Reports from all states, however, indicate spotted conditions. Irregularity exists in both yields and maturity in different sections, and frequently in the same localities. As a result of dry weather in the late season and unfavorable planting conditions, many fields have eared poorly and will make little better than fodder. On the other hand, the ideal weather of the past few weeks has brought up both quality and prospective yields in many sections, and ultimate results bid fair to equal the 5-year average.

**Winter Wheat** — Dry weather over a considerable part of the winter wheat area somewhat delayed seeding of the crop, but the recent rains have permitted of extensive plowing and planting, and in many of the most important wheat producing counties the delay has been largely made up. In Missouri, Illinois and Indiana considerably more wheat is going into corn stubble than for some years. Hessian fly immune dates are being generally observed by farmers in all parts of the district. Germination of early sown wheat has been substantially aided by the recent precipitation, and the plant is coming up to good stands. Total wheat production in the Eighth District is estimated at 45,785,000 bushels, against 30,966,000 bushels in 1928, and a 5-year average of 56,772,000 bushels.

**Fruits and Vegetables** — The apple crop in states of this district, which earlier in the year was

considerably below average, sustained further slight deterioration in September. An unusually heavy drop was reported in the Ozark region and elsewhere, and considerable damage was done to the crop by scab, scale and insect pests. Based on the October 1 condition, the output in states partly or entirely within the Eighth District is estimated at 15,521,000 bushels, of which 1,923,000 barrels represent commercial crop, against 24,990,000 bushels total and 2,544,000 barrels commercial crop in 1928, and a 5-year average of 24,306,000 bushels with 2,666,000 barrels commercial crop. There was little change during the month in the peach estimate, the crop in these states being estimated at 10,245,000 bushels, against 9,758,000 bushels in 1928, and a 5-year average of 7,111,000 bushels. The gains in both comparisons is due largely to the large crop produced in Illinois. Unfavorable conditions for spraying in the spring were reflected in a reduced production of grapes, the estimate being for 37,213 tons, a decrease of 8,394 tons from 1928, but a gain of about 10,000 tons over the 5-year average. White potatoe crop prospects declined in all states of the district except Indiana, in September, and on a basis of the October 1 condition, the yield in the district is estimated at 12,865,000 bushels, against 19,510,000 bushels in 1928, and a 5-year average of 14,970,000 bushels. There was a slight improvement in the outlook for sweet potatoes from September to October, the estimate in states of the district being for a total output of 16,027,000 bushels, an increase of 431,000 bushels over the September 1 estimate, and comparing with 16,078,000 bushels produced in 1928, and a 5-year average of 18,004,000 bushels.

**Live Stock** — The condition of live stock generally through the district underwent distinct improvement during the past thirty days. Pastures were helped by the precipitation in late September and early this month, and temperatures were universally moderate. Receipts of cattle sheep and hogs at slaughtering points in September were heavier than a month and a year earlier, the movement having been stimulated by the drouth in August and the first weeks of September. There was a further decline in hogs, prices in the St. Louis market falling to the lowest point in a number of months. Demand for stocker cattle was active, and breeding cows are bringing good prices at farm sales. The hay crop generally is turning out well, the total output in this district, based on the October 1 condition, being estimated at 8,922,000 tons, against 7,573,000 tons in 1928, and a 5-year average of 7,843,000 tons.

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

	Receipts			Shipments		
	Sept., 1929	Aug., 1929	Sept., 1928	Sept., 1929	Aug., 1929	Sept., 1928
Cattle and Calves.....	160,135	128,684	155,661	100,127	87,900	115,876
Hogs .....	312,938	304,136	282,932	211,815	203,633	226,896
Horses and Mules....	7,635	3,541	4,814	6,497	3,251	4,614
Sheep .....	64,770	62,370	48,040	33,672	18,037	19,029

**Cotton** — Under almost ideal weather conditions for late development and picking, the cotton crop in this district made distinct improvement during September, and scattered reports indicate a continuance of the betterment during the first half of this month. Based on the October 1 condition the output of cotton in the Eighth District is estimated by the Department of Agriculture at 3,291,000 bales, a gain of 256,000 bales over the September 1 estimate, and comparing with 2,715,000 bales harvested in 1928, and a 5-year average of 2,519,000 bales. Universally through the district harvesting has made rapid progress, and the movement to market has been in unusually large volume. Reports of damage from boll weevils and other pests have not been numerous, and generally quality of the crop is high. Conditions in the delta sections of Arkansas and Mississippi are especially good. Prices declined during the first two weeks of October, the middling grade in St. Louis closing at 17¼c per pound on October 15, which compares with 17¾c on September 16, and 18½c on October 15, 1928. Stocks of cotton in Arkansas warehouses on October 11 totaled 272,822 bales, against 227,005 bales on the corresponding date in 1928.

**Rice** — Harvesting has been conducted under ideal conditions, and per acre yields are heavy and quality good. Due to reduced acreage, however, the crop will fall considerably below the average. The October 1 estimate of the Department of Agriculture estimates the total output in this district at 6,821,000 bushels, against 8,108,000 bushels last year, and a 5-year average of 7,857,000 bushels. Early rices are selling at from 10c to 15c per bushel higher than at this time last year.

**Tobacco** — A slight betterment in prospects for tobacco in this district occurred in September, and weather since the first of this month has been favorable for development of the extreme late crop. A number of fields in which growth of the plants had been arrested by the August drouth, have benefitted by the recent rains, and with deferred frost should add substantially to the aggregate yield. Cutting and housing of the early crop has been completed under mainly favorable conditions. The output for the Eighth District is estimated at 289,423,000 pounds, against 243,987,000 pounds harvested in 1928, and a 5-year average of 304,306,000 pounds.

**Commodity Prices** — Range of prices in the St. Louis market between September 16, 1929 and

October 15, 1929, with closing quotations on the latter date and on October 15, 1928:

		High	Low	Close	
				Oct. 15, 1929	Oct. 15, 1928
Wheat					
Dec. ....per bu.	\$1.38¾	\$1.32		\$1.33¾	\$1.15¼
May .....	1.47½	1.41		1.43½	1.23
No. 2 red winter .....	1.38	1.32	\$1.32 @	1.35	\$1.45 @ 1.50
No. 2 hard.....	1.32	1.25	1.29 @	1.29½	1.14 @ 1.15
Corn					
Dec. ....	1.00¾	.93½		.93½	.79½
May .....	1.05	1.01		1.01	.85
No. 2 mixed.....	1.02½	.95	.95 @	.96	.97 @ .99
No. 2 white.....	1.04½	.98	.97½ @	.98	1.04 @ 1.05
Oats					
No. 2 white.....	.52½	.48	.48 @	.48½	.43 @ .45
Flour					
Soft patent.....per bbl.	7.00	6.75	7.00 @	6.75	6.50 @ 7.25
Spring patent.....	6.90	6.00	6.00 @	6.20	5.50 @ 5.75
Middling cotton.....per lb.	.18	.17½		.17½	.18½
Hogs on hoof.....per cwt.	11.30	7.75	8.15 @	10.05	8.75 @ 10.30

## FINANCIAL

A strong demand for credit continued generally through the district during the past thirty days, accompanied by a firmer trend in interest rates. Good liquidation of a routine and seasonal character took place with both city and country banks, but new borrowing was in excess of the volume of loans paid. Demands from the commercial interests in the principal distributing centers showed the usual seasonal increase, with requirements of several important lines being measurably larger than at the corresponding period last year or in 1927. The call for funds to finance the crop movement gained in volume, and was particularly marked in the south, where the movement of cotton to market has been rapid and in unusually large volume. Generally in the cotton, tobacco and rice areas borrowings by country banks from their city correspondents increased, though in the immediate past there has been good liquidation of loans based on cotton.

The active demand for credit was reflected in a further rise in the volume of loans and discounts of reporting member banks, a new high point for the year being reached in the first week of October. Deposits of these banks have moved upward since the end of September, and at the middle of this month were the largest since early in May. Borrowings by all member banks from the Federal reserve bank, after reaching its high point for the year early in September, turned sharply downward at the end of that month, and at the middle of October dropped to the lowest level since July.

While actual quotations underwent no notable change, rates charged by the commercial banks tended upward. At St. Louis banks current rates were as follows: Prime commercial loans, 6 to 6½ per cent; collateral loans, 6 to 8 per cent; loans secured by warehouse receipts, 6 to 7 per cent; inter-bank loans, 6 to 6¾ per cent and cattle loans, 6 to 7 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on Oct. 16, 1929, showed an increase of 1.2 per cent as contrasted with Sept.

(Compiled Oct. 22, 1929)

18, 1929. Deposits increased 4.6 per cent between Sept. 18, 1929 and Oct. 16, 1929 and on the latter date were 3.5 per cent smaller than on Oct. 17, 1928. Composite statement follows:

	*Oct. 16, 1929	*Sept. 18, 1929	*Oct. 17, 1928
Number of banks reporting.....	†25	†25	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$243,096	\$238,244	\$214,486
All other loans and discounts.....	302,986	301,209	303,889(1)
Total loans and discounts.....	\$546,082	\$539,453	\$518,375(1)
Investments			
U. S. Government securities.....	47,311	48,382	78,182
Other securities.....	108,542	108,844	127,658
Total investments.....	\$155,853	\$157,226	\$205,840
Reserve balance with F. R. bank	45,275	42,315	46,825
Cash in vault.....	6,626	6,372	7,388
Deposits			
Net demand deposits.....	379,586	360,643	392,322
Time deposits.....	233,481	224,468	240,296
Government deposits.....	2,513	3,571	5,234
Total deposits.....	\$615,580	\$588,682	\$637,852
Bills payable and rediscounts with Federal Reserve Bank.....	31,105	49,359	33,256

\*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.

(1) Figures for 1928 include acceptances of other banks and bills of exchange sold with endorsement, while figures for 1929 exclude same.

**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., 1929	*Aug., 1929	*Sept., 1928	Sept., 1929 comp. Aug. 1929	Sept. 1928
East St. Louis & Natl.					
Stock Yards, Ill..\$	62,425	\$ 83,764	\$ 79,989	-25.5%	-22.0%
El Dorado, Ark.....	8,080	8,207	8,808	- 1.5	- 8.3
Evansville, Ind.....	31,743	31,011	46,441	+ 2.4	-31.6
Fort Smith, Ark....	14,944	13,097	14,817	+14.1	+ 0.1
Greenville, Miss....	5,393	4,156	4,286	+29.8	+25.8
Helena, Ark.....	7,473	5,008	3,364	+49.2	+122.1
Little Rock, Ark..	93,281	75,715	84,145	+23.2	+10.9
Louisville, Ky.....	200,790	192,326	200,167	+ 4.4	+ 0.3
Memphis, Tenn.....	192,078	149,625	149,784	+28.4	+28.2
Owensboro, Ky.....	5,963	6,319	5,504	- 5.6	+ 8.3
Pine Bluff, Ark....	16,911	10,836	11,444	+56.1	+47.8
Quincy, Ill.....	13,817	15,282	12,653	- 9.6	+ 9.2
St. Louis, Mo.....	775,420	772,610	705,848	+ 0.4	+ 9.9
Sedalia, Mo.....	4,785	5,035	4,538	- 5.0	+ 5.4
Springfield, Mo....	16,972	17,595	17,186	- 3.5	- 1.2
*Texarkana,					
Ark.-Tex.....	16,428	15,222	16,452	+ 7.9	- 0.1
Totals.....	\$1,466,503	\$1,405,808	\$1,365,426	+ 4.3	+ 7.4

\*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 247 member banks, against 242 in August, and 229 banks in September, 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:

	*Oct. 19, 1929	*Sept. 19, 1929	*Oct. 19, 1928
Bills discounted.....	\$54,908	\$74,384	\$54,901
Bills bought.....	42	63	6,402
U. S. Securities.....	8,625		20,776
Total bills and securities.....	\$63,575	\$74,447	\$82,079
F. R. Notes in circulation.....	85,753	68,797	61,434
Total deposits.....	82,780	77,812	81,306
Ratio of reserve to deposits and F. R. Note Liabilities.....	68.5%	55.8%	49.3%

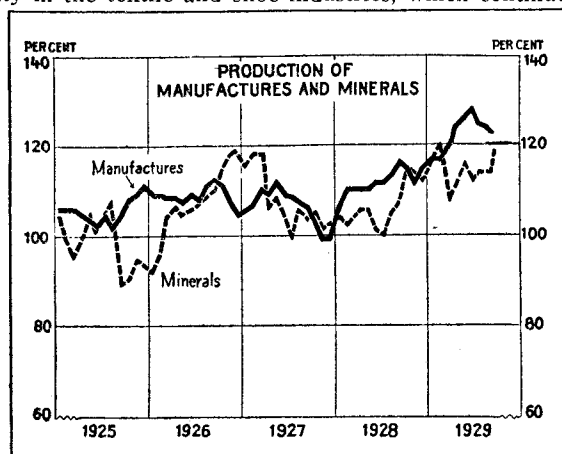
\*In thousands (000 omitted).



## BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity increased less in September than is usual at this season. Production during the month continued above the level of a year ago, and for the third quarter of the year it was at a rate approximately 10 per cent above 1928. There was a further decline in building contracts awarded. Bank loans increased between the middle of September and the middle of October, reflecting chiefly growth in loans on securities.

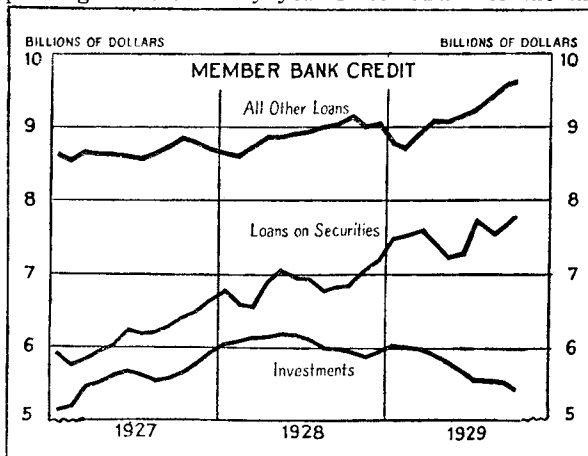
**PRODUCTION**—Output of iron and steel declined further in September. Contrary to the seasonal tendency there was a sharp decrease in output of automobiles and automobile tires and a smaller than seasonal increase in activity in the textile and shoe industries, which continued to



Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures September: Manufactures, 122; Minerals, 119.

produce at a high rate in comparison with the preceding year. Meat packing plants were more active than in August; factories increased the number of their employees during September and payrolls were also slightly larger. Output of coal showed a substantial increase from August. The average daily production of copper mined was somewhat larger. Iron ore shipments declined seasonally, and petroleum output was reduced for the first time in several months. For the first half of October reports indicated a further reduction in steel plant operations, a continued increase in production of bituminous coal, and some increase in petroleum output, following a moderate decrease during September.

Building contracts awarded in September declined seasonally from August and were substantially below the corresponding months in any year since 1924. For the third

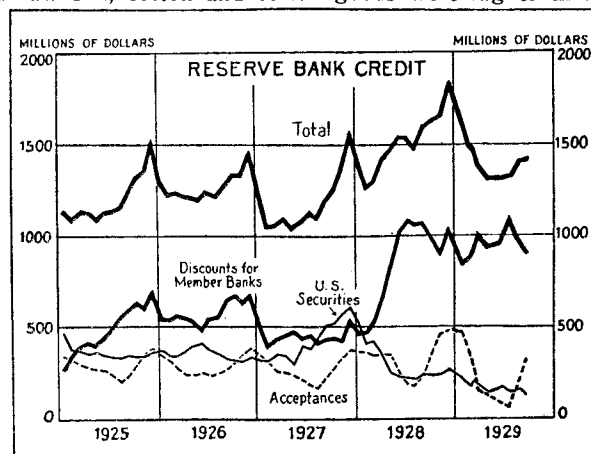


Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first three weeks in October. quarter the volume of contracts was 6 per cent less than a year ago. During the first three weeks of October contracts continued substantially below the level of last year. October estimates by the Department of Agriculture indicate a cotton crop of 14,915,000 bales, 3 per cent larger than last year; a corn crop of 2,528,000,000 bushels, 11 per cent smaller than the crop of a year ago, and 8 per cent below the 5-year average, and a total wheat crop of 792,000,000 bushels, 12 per cent below last year but only slightly under the 5-year average.

**DISTRIBUTION**—Freight car loadings increased by slightly less than the usual seasonal amount in September,

and continued to be larger than a year ago. In the first two weeks of October carloadings were smaller than in the corresponding weeks of 1928. Department store sales in leading cities increased seasonally during the month of September and were 2 per cent larger than a year ago. For the third quarter as a whole sales of the reporting stores exceeded those of the third quarter of last year by 3 per cent.

**PRICES**—Wholesale prices showed little change from August to September, according to the index of the Bureau of Labor Statistics. Prices of meats and livestock declined considerably, while prices of grains advanced. The prices of raw silk, cotton and cotton goods were higher in Sep-

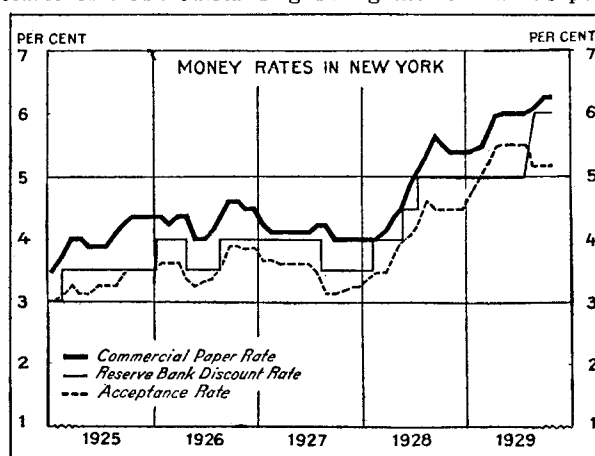


Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 19 days in October.

tember, and the price of coal increased, while prices of iron and steel products, tin, gasoline, and cement were lower. During the first three weeks of October prices declined for a considerable number of commodities, including wheat, flour, hides, steel, tin, cotton, silk, and wool.

**BANK CREDIT**—Between the middle of September and the middle of October there was a slight increase in the volume of loans and investments of member banks in leading cities. The banks loans on securities increased rapidly, while all other loans including loans for commercial and agricultural purposes, declined somewhat after reaching a seasonal peak on October 2. Security holdings of the reporting banks continued the decline, which has been almost uninterrupted for more than a year.

At the reserve banks there was little change in the volume of credit outstanding during the four weeks period



Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 23 days in October, ending October 19. Further increase in the holdings of acceptances by the Federal reserve banks was accompanied by a decline in discounts for member banks, largely at the Federal reserve bank of New York. Open market rates on bankers acceptances and on prime commercial paper were unchanged during the last half of September and the first three weeks of October. On October 23 rates on bankers' acceptances declined by one-eighth per cent to a 5 per cent level for the principal maturities. Rates on demand and time loans on securities declined during the first half of October.