



MONTHLY REVIEW

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

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WHILE developing some irregularity and spottiness, business in this district during the past thirty days continued generally active. Reports relative to trade and industry reflected no marked changes as compared with the preceding several months, although in some lines decreases took place in production and primary distribution. Purchasing of both raw and finished materials was conducted along more conservative and cautious lines than earlier in the year, particularly since the final week of October. Weather during the early fall was unseasonably warm, which fact was accountable in a measure for backwardness in the movement of seasonable merchandise through retail channels. Sales of department stores in the principal cities in October showed a decrease of 2.4 per cent as compared with the same month last year. Wholesalers in lines investigated report advance ordering of holiday goods below expectations, and in smaller volume than at the corresponding period in 1928. In virtually all lines there is a well defined disposition to hold production and inventories in close relation with actual market requirements.

Following several months of unusually high production at iron and steel plants, some slowing down in activities was noted at mills, foundries and other ferrous metal working establishments. Curtailment was particularly marked at malleable shops, certain gray iron foundries and other plants specializing in materials for the automotive industry. Demand for iron and steel goods for the building industry was also less active than heretofore. Recent orders placed by the railroads for freight cars and other equipment and supplies has served to partially compensate decreased requirements of other users of iron and steel. There was a rather sharp decrease in distribution of automobiles in this district in October as compared with September, but the October total of reporting dealers was slightly greater than for that month last year. The volume of building permits issued in the chief cities, and construction contracts let in the district in October, showed marked decreases as compared with that month a year earlier.

While adversely affecting sales of seasonal merchandise, the mild, open fall proved very beneficial to agriculture throughout the district. Crop prospects improved substantially from October to November, a number of the most important products showing heavier yields than estimated earlier in the year. Harvesting of late crops was carried forward under mainly ideal conditions and with minimum loss of quality and quantity. Among the crops showing improvement were corn, cotton, rice, potatoes, legumes and pasturage. The improvement in physical conditions, however, was counterbalanced to a considerable extent in its effects on farm incomes by the sharp decline in prices of leading products in late October and the first half of November. In the case of corn, wheat, oats, cotton and some other crops, the decline carried prices to new low levels for the season.

The unseasonably high temperatures which prevailed through October and early this month had a tendency to hold down purchasing of bituminous coal by domestic users. However, the volume taken by retailers and ultimate consumers was considerable, and prices developed an upward tendency, being generally somewhat higher than during the preceding month. As has been the case for some time, the situation in steaming coal, particularly screenings, was unsatisfactory. Excessive supplies of slack coal, occasioned by the larger output of prepared sizes, resulted in lower prices and a slow movement. With but few exceptions, the industries were not disposed to stock up, and purchasing by the railroads and public utilities continued below the average seasonal volume. The movement of mine-run in the Indiana, Illinois and western Kentucky fields was adversely affected by the congested conditions existing in screenings. The number of loaded cars of domestic coal in these fields, however, was substantially reduced. For the country as a whole production of soft coal during the present calendar year to November 9, approximately 265 working days, totaled 447,639,000 tons, against 417,253,000 tons for the corresponding period in 1928, and 448,422,000 tons in 1927.

Freight traffic of railroads operating in this district continued in large volume, and exceeded the aggregate of any similar period in preceding years. Merchandise and miscellaneous freight made a good showing, and there were substantial gains over last year in the movement of coal and coke and live stock. Grain and grain products, lumber and ore were moved in smaller volume than a year ago. For the country as a whole loadings of revenue freight for the first 44 weeks this year, or to November 2 totaled 45,628,611 cars, against 44,032,586 cars for the corresponding period last year and 44,676,701 cars in 1927. The St. Louis Terminal Raliway Association, which handles interchanges for 28 connecting lines, interchanged 248,586 loads in October, against 238,769 loads in September, and 243,119 loads in October, 1928. During the first nine days of November the interchange amounted to 65,732 loads, against 74,060 loads during the corresponding period in October, and 66,792 loads during the first nine days of November, 1928. Passenger traffic of the reporting roads in October decreased 2 per cent as compared with the same month in 1928. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 137,000 tons, against 90,947 tons in September, and 120,444 tons in October, 1928.

Collections generally through the district were less satisfactory than was the case during the preceding several months. Retailers in the rural sections, particularly in the south, reported a slowing down in payments, which adversely affected their settlements with wholesalers. Some slowing down in retail collections was also noted by retail merchants in the larger centers of population. Some improvement in liquidation both with merchants and banks was noted in the tobacco districts, and in the coal mining areas the average of collections was slightly better than last year. 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>
October, 1929.....	2.8%	32.4%	60.5%	4.3%
September, 1929.....	1.4	30.6	61.1	6.9
October, 1928.....	2.5	37.8	50.7	9.0

Commercial failures in the Eighth Federal Reserve District in October, according to Dun's, numbered 124, involving liabilities of \$1,881,464, against 98 failures with liabilities of \$1,762,109 in September, and 93 failures for a total of \$1,074,591 in October, 1928.

The average daily circulation in the United States in October was \$4,810,000,000 against \$4,811,000,000 in September, and \$4,836,000,000 in October, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car, truck and taxicab production in the United States in October totaled 379,942, against 415,332 in September and 397,284 in October, 1928.

According to dealers reporting to this bank, there was a rather marked decrease in distribution of automobiles in October as compared with September, but a moderate gain as compared with October last year. The decrease in the month-to-month comparison is seasonal in character, and has taken place in total sales of these dealers during the past four or five years. The gain over a year ago was confined largely to sales of dealers handling cheap priced cars. In the country, particularly through the south, sales were disappointing, and there is more of a disposition in the rural areas to recondition and use old cars rather than purchase new ones. This is ascribed partly to the decline in prices of important farm products. Dealers in the large centers of population report that prospective purchasers of medium priced and expensive cars are postponing buying in anticipation of the appearance of new models. The decline in the stock market, they say, has also had a tendency to slow down sales. Inquiries and purchases since November 1 have developed a marked decrease as contrasted with the past several months. Demand for trucks of all descriptions, but more especially the heavier varieties, was considerably less active than heretofore. The drawing to a close of the season for outdoor construction operations has had the effect of slowing down the call for trucks of large capacity. October sales of new passenger cars by 320 dealers scattered through the district were 7.5 per cent smaller than in September, and 1.6 per cent greater than in October, 1928. Due to the policy of retailers and wholesalers to hold down stocks to actual requirements, stocks of new passenger cars on hand on November 1 were only 2.5 per cent larger than on October 1 and 12.6 per cent larger than on November 1, 1928. Conditions in the used car market showed no change worthy of note as compared with the preceding month. Stocks of salable secondhand cars on November 1 were 8.4 per cent larger than a month earlier, and 18.9 per cent greater than on November 1, 1928. Sales of parts and accessories were relatively better than those of automobiles proper, October sales of the reporting dealers being 0.8 per cent smaller than in September, and 3.7 per cent larger than in October, 1928. According to dealers reporting on that item, sales of new cars on the deferred payment plan in October constituted 53.7 per cent of their total sales, against 57.5 per cent in September and 57.6 per cent in October, 1928.

Boots and Shoes — October sales of the five reporting interests were 8.6 per cent larger than for the corresponding month in 1928, and 15.0 per cent below the September total this year. Stocks on November 1 were 15.5 per cent smaller than on October 1, and 23.8 per cent less than on November 1, 1928. Demand for heavy winter footwear, particularly men's and children's lines, was reported in considerable volume. Retail stocks are for the most part of moderate size, but the movement of seasonal goods through retail channels was retarded by the warm weather in October and the first half of this month. There was no change in prices as compared with the preceding thirty days. Factory operations were slightly reduced, but were still above the average for the corresponding period during the past half decade.

Clothing — According to reporting clothiers, the movement of seasonal apparel has been below expectations, due to the unseasonably warm weather this fall. Advance sales of both men's and women's clothing for late winter and spring delivery, however, have been in considerable volume. A further decline in demand for work clothes, especially in the country, was noted. Sales of the reporting interests in October were 64.5 per cent larger than for the same month in 1928, and 199.5 per cent greater than the September total this year. The heavy increase in the month-to-month comparison is seasonable in character, though somewhat larger than in recent years.

Drugs and Chemicals — October sales of the six reporting firms were 7.6 per cent larger than for the corresponding period last year, and 1.2 per cent smaller than in September this year. Stocks on November 1 were 2.5 per cent and 18.0 per cent larger, respectively than a month and a year earlier. Advance ordering of seasonal and holiday goods were in considerable volume, but a slowing down in demand for staples and heavy drugs and chemicals for the general manufacturing trade was noted.

Dry Goods — A rather sharp slowing down in purchasing in this classification was reflected in reports of leading firms. The decline in prices of raw cotton had a tendency to hold down ordering of fabrics based on that staple. The volume of advance business continues well ahead of a year ago. October sales of the eight reporting interests were 1.1 per cent smaller than for the same month in 1928, and 14.6 per cent below the September total this year. Stocks on November 1 were 9.1 per cent smaller than a month earlier, and 16.3 per cent less than on November 1, 1928.

Electrical Supplies — October sales of the five reporting interests were 0.5 per cent smaller than for the same month in 1928, and 7.1 per cent below the

September total this year. Stocks on November 1 were 1.9 per cent larger than on October 1, and 7.7 per cent less than on November 1, 1928. In both the sales comparisons the decreases were most marked in sales of materials to the automotive industry. Some falling off in the volume of radio sales was noted, and generally the movement of seasonal goods was smaller than a year ago. There continues an active demand for pole and line hardware, and other materials used by public utilities companies. Prices showed no change worthy of note as contrasted with the preceding thirty days.

Flour — Production at the 12 leading mills of the district in October totaled 395,182 barrels against 426,244 barrels in September, and 436,365 barrels in October, 1928. Stocks of flour in St. Louis on November 1 were 1.3 per cent larger than on October 1 and 27.0 per cent smaller than on November 1, 1928. Business during the past thirty days was unsettled, and in smaller volume than a month and a year earlier. The broad and erratic fluctuations in the wheat market had a tendency to upset confidence, and large buyers were disposed to hold off. Shipping directions on flour previously purchased were fair. Export demand in October was quiet, but with the sharp drop in prices since November 1, a considerable volume of clears and low grade flour has been worked for Europe and Central America. Mill operation was at from 58 to 62 per cent of capacity.

Furniture — October sales of the 13 reporting interests were 10.6 per cent smaller than for the same month in 1928, and 5.1 per cent greater than the September total this year. Stocks on November 1 were 14.9 per cent and 16.6 per cent smaller, respectively, than thirty days and a year earlier. Purchasing by retailers is along very conservative lines, with advance orders for holiday goods smaller than at the same time last year.

Groceries — Sales of the 14 reporting firms in October were 3.8 per cent less than for the same month in 1928, and 8.8 per cent above the September total this year. Stocks on November 1 were 9.9 per cent and 0.7 per cent larger, respectively, than a month and a year earlier.

Hardware — Unseasonable weather and reduced purchasing of goods in the rural areas were mentioned as the chief influences in a reduction of October sales of the reporting firms of 3.0 per cent as compared with the same month in 1928, and 1.4 per cent under the September total this year. Stocks on November 1 were 7.5 per cent smaller than on October 1, and 2.6 per cent less than on November 1, 1928.

Iron and Steel Products — The rate of activities at mills, foundries, machine shops and other ferrous

metal plants during October averaged slightly lower than the month before, also, than in the corresponding period in 1928. Since the first of November a further recession has occurred, somewhat more marked than during September. According to the interests reporting to this bank, considerable spottiness is in evidence, and generally there has been a reduction in the volume of unfilled orders. Purchasing of raw and semi-finished materials has decreased, and the placement of new business for finished products reflects more caution and conservatism than heretofore. Demand from the automotive industry has fallen off, and plants specializing in commodities for that industry report a rather sharp shrinkage, both in new orders and specifications on materials under contract. This is true particularly of the malleable plants, and certain manufacturers of forgings. Purchasing of sheets, strips and bars by other classes of users has not been sufficient to offset the reduced takings of automobile builders. Recent orders for equipment from the railroads has in a measure compensated for the slowing up elsewhere, and ordering of a variety of materials by the car builders during the past several weeks has been in considerable volume. Demand for farm implements, stoves, wire and wire products, roofing and other commodities consumed largely in the country has been adversely affected by the drop in prices of farm products, notably cotton, corn and wheat, and since November 1 some cancellations of orders have been reported. Distribution of steel and iron goods from warehouses was irregular, and less active than earlier in the year. Less than the usual seasonal improvement was noted in tubular goods. No change worthy of mention took place in the demand for building materials as compared with the preceding month, but as contrasted with the same time last year virtually all items in this category are moving in smaller volume. While actual quotations underwent no substantial changes, the trend of prices was easier. There was a rather sharp slump in scrap iron and steel prices, heavy melting steel declining to the lowest level of the year during the second week of November. Pig iron prices remained unchanged, but the volume of buying fell to small proportions, with virtually nothing being taken for the first quarter of 1930. Continued quietness was reported in the demand from the oil industry. The movement of tin plate and galvanized material was about of the usual average seasonal volume. For the country as a whole pig iron production during October totaled 3,588,146 tons against 3,496,454 tons in September and 3,373,539 tons in October, 1928. Steel ingot production in the United States in October totaled 4,511,000 tons, against 4,263,232 tons in September, and 4,649,968 tons in October, 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	
	Oct. 1929 comp. to Oct. 1928	10 months ending Oct. 31, 1929 to same period 1928	Oct. 31, 1929 comp. to Oct. 31, 1928	Oct. 1929	Jan. 1 to October 31, 1929
Evansville	-21.4%	-4.7%	-6.1%	1.86	1.98
Little Rock.....	+1.0	-1.6	-0.9	2.00	1.87
Louisville	+1.6	0.0	-1.0	2.55	2.49
Memphis	+0.5	-2.7	-1.3	2.62	2.54
Quincy	+7.2	+9.5	+8.7	2.19	2.11
St. Louis.....	+3.9	+4.1	+0.4	3.31	3.05
Springfield, Mo. +	6.2	0.8	-3.4	1.31	1.36
8th District.....	-2.4	+2.1	-0.2	2.91	2.73
	Net sales comparison		Stocks on hand		
	Oct. 1929 comp. to Oct. 1928	Sept. 1929	Oct. 1929 comp. to Oct. 1928	Sept. 1929	Oct. 1929
Men's furnishings.....	-7.7%	+1.2%	-0.9%	+9.4%	
Boots and shoes.....	+1.0	+11.3	-2.7	+6.9	

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

	Percentage increase or decrease Oct. 1929 compared to Oct. 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-8.3%	-13.6%
Ready-to-wear accessories.....	+0.3	-6.4
Women and misses' ready-to-wear.....	-6.3	+7.6
Men's and boys' wear.....	+0.6	-3.3
Home furnishings.....	-2.8	-5.8

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in October was 46.2 per cent smaller than in September, and 63.1 per cent less than in October, 1928. According to figures compiled by the F. W. Dodge Corp., construction contracts let in the Eighth Federal District in October totaled \$25,648,808, against \$39,465,352 in September, and \$32,408,584 in October, 1928. For the country as a whole, production of portland cement in October totaled 16,731,000 barrels, against 17,223,000 barrels in September, and 17,533,000 barrels in October, 1928. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	442	628	\$ 345	\$ 283	45	73	\$ 21	\$ 23
Little Rock ..	50	54	165	175	94	60	56	37
Louisville ..	99	225	584	1,298	84	89	650	126
Memphis ...	163	360	429	1,700	212	9	167	45
St. Louis....	488	796	723	2,637	533	372	498	302
Oct. totals	1,242	2,063	\$2,246	\$6,093	968	603	\$1,392	\$533
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

*In thousands of dollars (000 omitted).

CONSUMPTION ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in October by selected industrial customers as being 3.9 per cent greater than in September, and 18.5 per cent greater than in October, 1928. The increase over last year applies to virtually all classes of consumers. Reductions as compared with September were noted in the case of the refrigeration load and current used by automotive manufacture.

Detailed figures follow:

	No. of Custom- ers	Oct., 1929 *K.W.H.	Sept., 1929 *K.W.H.	Oct. 1929 comp. to Sept. 1929	Oct., 1928 *K.W.H.	Oct. 1929 comp. to Oct. 1928
Evansville	40	1,827	1,804	+ 1.3%	1,357	+34.6%
Little Rock..	35	1,941	2,071	- 6.3	1,894	+ 2.5
Louisville	89	8,039	8,057	- 0.2	6,831	+17.7
Memphis	31	1,521	1,199	+26.9	1,884	-19.3
St. Louis.....	140	22,806	21,661	+ 5.3	18,515	+23.2
Totals.....	335	36,134	34,792	+ 3.9	30,481	+18.5

*In thousands (000 omitted).

Through a typographical error in the October issue of this report the Evansville figure was given as -51.5%, while it should have been +51.5%.

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
Sept. 1929.....	2,479,066,000	5,518,748,000	7,997,814,000
Aug. 1929.....	2,840,237,000	5,419,189,000	8,259,426,000
Sept. 1928.....	2,784,928,000	4,484,960,000	7,269,888,000

AGRICULTURE

Throughout October weather in this district was mild and unusually auspicious for agricultural operations of all descriptions. As a result, indicated yields of certain important crops on November 1 were larger than a month earlier. Freezes and killing frosts were delayed later than is ordinarily the case, and when they did come were rather beneficial than otherwise. Harvesting conditions for late crops were in the main ideal, and these products were secured with minimum losses in quantity and quality. Among the crops showing improvement from October to November were corn, cotton, white potatoes, sweet potatoes, legumes and some late vegetables and forage crops. In addition to the specific beneficial reaction on production, the favorable weather conditions permitted of generally good progress in the matter of fall farm work. Plowing and preparation of the soil advanced rapidly, and seeding of winter wheat was completed, farmers for the most part being able to get in their full intended acreage. Pastures, particularly in the south, were mainly in excellent condition, so that it was possible to carry live stock far into the season without extensive feeding of prepared rations.

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 November 1 was 104.9 per cent of the average condition on that date during the ten years, 1918-1927. This compares with 100.4 per cent on October 1, with 95.0 per cent on September 1, and 99.8 per cent on November 1, 1928. Farm labor conditions developed no changes as contrasted with the preceding thirty days, supplies being universally adequate to all needs.

Corn—Based on the November 1 condition, the Department of Agriculture estimates the output of corn in this district at 313,143,000 bushels, an increase of 12,644,000 bushels over the October 1 forecast, and comparing with 358,882,000 bushels

harvested in 1928, and a 5-year average of 377,036,000 bushels. The proportion of the crop of merchantable quality is considerably smaller this year than last. The quantity of old corn still on farms is measurably greater this fall than a year ago, but smaller than in 1927. Dry weather in October matured late corn, and substantially increased the prospective yield. The late killing frosts did no damage, but hastened ripening and curing of corn. Harvesting and husking has made good progress, and considerable housing of the crop has been accomplished.

Winter Wheat—There was no change in the forecast of wheat production in this district, the Department of Agriculture's October 1 figures standing as the final estimate. The 1929 crop is placed at 45,785,000 bushels, against 30,699,000 bushels harvested in 1928, and a 5-year average of 56,772,000 bushels. Reports relative to the new crop are almost universally optimistic. Seeding has been completed, and was carried forward under favorable conditions. In all sections of the district farmers were able to plant up to or in excess of earlier intentions and scattered reports indicate slightly heavier acreages than last fall. Warm weather and ample moisture are reflected in good growth and fine color, and the crop is in strong condition for entering its hibernation period.

Fruits and Vegetables—While late fruits and vegetables improved somewhat in late September and October, these crops in this district were generally smaller than last year or the 5-year average. Unfavorable conditions during the spring and early summer are reflected in reduced yields and inferior quality in many localities. The year has been marked by increased culture of vegetables and fruits, particularly in the south, where planting of orchards and raising of garden truck has been part of the program of crop diversification and rotation. The apple crop in states entirely or partly within the Eighth District, based on the November 1 condition, is estimated by the Department of Agriculture at 14,763,000 bushels, of which 1,802,000 barrels represent commercial crop, against 24,990,000 bushels 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. The output of pears in these states is estimated at 1,972,000 bushels, against 1,666,000 bushels in 1928, and a 5-year average of 1,628,000 bushels. Sweet potatoe prospects bettered from October to November, the estimate being for 17,150,000 bushels, a gain of 1,123,000 bushels over the October 1 forecast, and comparing with 16,078,000 bushels harvested in 1928, and a 5-year average of 18,004,000 bushels. Despite many new vineyards coming into bearing,

the output of grapes fell sharply below that of 1928, due in large measure to rot and unfavorable weather during the spraying season. The crop is estimated at 38,196 tons, against 45,607 tons in 1928, and a 5-year average of 23,301 tons. Peanuts turned out above early expectations, the estimate being for 33,560,000 bushels, against 28,040,000 bushels harvested in 1928, and a 5-year average of 31,040,000 bushels. White potatoe prospects in the district proper improved by 180,000 bushels between October 1 and November 1, the estimate on the latter date being 13,045,000 bushels, against 19,510,000 in 1928, and a 5-year average of 14,970,000 bushels.

Live Stock—Reports from virtually all sections of the district reflect unusually favorable conditions among live stock. The mild temperatures and abundant moisture have maintained pastures in good shape, and generally there is an abundance of forage and feed. The movement to market was of seasonal volume, and a further recession took place in prices of hogs and cattle. According to the Bureau of Agricultural Economics, Department of Agriculture, approximately the same number of lambs and sheep will be fed for market this fall and winter as in the same period last year. The total production of hay in the Eighth District is estimated at 8,922,000 tons, against 7,573,000 tons harvested in 1928, and a 5-year average of 18,004,000 tons.

The shipments of stocker and feeder cattle through markets into the Corn Belt states in October were relatively large, being about 5 per cent above October, 1928, and the largest for the month in five years. For the four months, July to October, inclusive, these in-shipments this year were about 8 per cent smaller than in 1928 and about 4 per cent below the 5-year average for this period. It now seems probable that the in-shipments for the last six months of 1929 while not quite as large as for this period in 1928, will be considerably above those of 1927, but below any other year since 1921. The prices of stocker and feeder cattle were fairly strong during October the average cost of such steers at three leading markets the last week of the month being a little higher than for the first week.

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

	Receipts			Shipments		
	Oct., 1929	Sept., 1929	Oct., 1928	Oct., 1929	Sept., 1929	Oct., 1928
Cattle and calves.....	144,437	160,135	162,218	99,179	100,127	110,602
Hogs	339,212	312,938	353,864	247,835	211,815	250,326
Horses and mules.....	6,486	7,635	4,161	7,993	6,497	4,773
Sheep	46,313	64,770	55,398	24,961	33,672	32,610

Cotton—Some betterment in cotton prospects in this district took place in October, the estimate of the Department of Agriculture, based on the November 1 condition, being for 3,382,000 bales, 91,000 bales greater than the October 1 estimate,

and comparing with 2,715,000 bales harvested in 1928, and a 5-year average of 2,519,000 bales. Generally ideal weather for harvesting and getting out the crop has resulted in one of the fastest moving crops on record. In Arkansas, Northern Mississippi and Missouri the crop was picked with the minimum of damage to quality and a large portion of the cotton is high in grade and color. Since the first of November conditions have been less favorable, deficient sunshine retarding opening of bolls, and rains interfering with harvesting remnants of the crop. Prices declined, and were considerably below those prevailing at the same time last year. In the St. Louis market the middling grade fluctuated from 17½c to 15¾c per pound between October 15 and November 15, and on the latter date closed at 16¼c against 17¼c on October 16, and 18¼c on November 15, 1928. Stocks of cotton in Arkansas warehouses on November 15 totaled 381,585 bales against 320,713 bales on the corresponding date in 1928.

Rice—Harvesting of rice has been completed, and was accomplished under ideal weather conditions. Prospects in Arkansas and Missouri improved somewhat between October 1 and November 1, the combined yield based on conditions on the latter date being estimated at 7,073,000 bushels, against 8,108,000 bushels harvested in 1928, and a 5-year average of 7,857,000 bushels.

Tobacco—Based on the November 1 estimate the Department of Agriculture estimates production of tobacco in the Eighth District at 285,863,000 pounds, against 243,978,000 pounds harvested in 1928, and a 5-year average of 304,306,000 pounds. Under favorable weather conditions tobacco in all districts has been thoroughly cured, and quality has been improved by the greater care exercised by growers and diligence in handling the crop. Generally the condition of the crop is considerably above the average. Late cutting, however, does not measure up in quality with the earlier harvested tobacco. The opening of all loose-leaf markets has been scheduled for the first week in December.

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

	High	Low	Close	
			Nov. 15, 1929	Nov. 15, 1928
Wheat				
Decemberper bu.	\$1.33½	\$1.10	\$1.16½	\$1.16½
May	1.44½	1.21	1.26½	1.24¾
No. 2 red winter	1.35	1.20	\$1.23 @ 1.24	\$1.44 @ 1.49
No. 2 hard.....	1.29	1.13½	1.16 @ 1.18	1.18½ @ 1.19
Corn				
Dec.93¾	.82½	.85	.85¾
May	1.02¾	.93	.94½	.90½
No. 2 mixed.....	.96	.87	.87 @ .88	.83 @ .84
No. 2 white.....	.97½	.89	.90 @ .91	.85 @ .86
Oats				
No. 2 white.....	.50½	.46	.47½ @ .48	.48 @ .49
Flour				
Soft patent.....per bbl.	6.75	6.00	6.00 @ 6.50	6.50 @ 7.25
Spring patent.....	6.55	5.75	5.85 @ 5.90	5.75 @ 5.90
Middling cotton.....per lb.	.17½	.15¾	.16¼	.18¼
Hogs on hoof.....per cwt.	9.95	7.75	8.00 @ 8.25	7.90 @ 9.05

FINANCIAL

Credit demand continued active generally throughout the district during the past thirty days. Seasonal requirements of mercantile and manufacturing interests in the chief centers of population were strongly in evidence, and while routine liquidation was in considerable volume, new borrowing closely approximated the aggregate of loans paid, with the result that loans and discounts of the reporting member banks moved upward, reaching a new high point for the year in the final week of October. Since that date, however, the curve representing this item has receded and at the middle of November dropped to a level about even with that existing in the third week of September. Deposits of these banks, which had moved sharply upward between September 18 and October 16, declined slightly during the last half of October, but regained part of the decline during the first weeks of November. Loans to member banks by the Federal Reserve Bank of St. Louis decreased considerably during the past several weeks, and in the second week of November were the smallest since the middle of June.

In the south there was the usual seasonal expansion in requirements for financing the cotton, tobacco, rice and other fall crops. Due to the unusually rapid movement of cotton from points of production and free marketing, considerable liquidation of loans based on that staple has taken place. Merchants have reduced their indebtedness with country banks, which latter in turn have substantially lowered their loans with city correspondents. Moderate liquidation is reported by grain and milling interests, but the volume of loans in this classification continues higher than a year ago, and the average for this time of year. Live stock feeding operations are still absorbing a considerable volume of credit.

While on certain classes of loans rates were slightly lower, the market continued firm, with actual quotations showing little variation as compared with the preceding thirty days. At St. Louis banks current rates were as follows: Prime commercial loans, $5\frac{3}{4}$ to $6\frac{1}{2}$ per cent; collateral loans, 6 to $7\frac{1}{2}$ per cent; loans secured by warehouse receipts, $5\frac{3}{4}$ to 7 per cent; interbank loans, 6 to $6\frac{1}{2}$ per cent and cattle loans, 6 to 7 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on Nov. 13, 1929, showed a decrease of 0.3 per cent as contrasted with

Oct. 16, 1929. Deposits decreased 0.8 per cent between Oct. 16, 1929 and Nov. 13, 1929 and on the latter date were 3.7 per cent smaller than on Nov. 14, 1928. Composite statement follows:

	*Nov. 13, 1929	*Oct. 16, 1929	*Nov. 14, 1928
Number of banks reporting.....	125	125	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$249,092	\$243,096	\$217,335
All other loans and discounts....	295,174	302,986	295,358(1)
Total loans and discounts.....	\$544,266	\$546,082	\$512,693(1)
Investments			
U. S. Government securities.....	47,294	47,311	75,556
Other securities.....	110,240	108,542	127,015
Total investments.....	\$157,534	\$155,853	\$202,571
Reserve balance with F. R. bank	46,061	45,275	47,203
Cash in vault.....	6,705	6,626	8,706
Deposits			
Net demand deposits.....	382,346	379,586	392,598
Time deposits.....	227,071	233,481	239,387
Government deposits.....	1,208	2,513	1,999
Total deposits.....	\$610,625	\$615,580	\$633,984
Bills payable and rediscounts with Federal Reserve Bank.....	34,795	31,105	33,574

*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.

	*Oct., 1929	*Sept., 1929	*Oct., 1928	Oct. 1929 Sept. 1929	comp. to Oct. 1928
East St. Louis & Natl. Stock Yards, Ill..	\$ 54,551	\$ 62,425	\$ 78,139	—12.6%	—30.2%
El Dorado, Ark.....	8,559	8,080	9,711	+ 5.9	—11.9
Evansville, Ind.....	34,683	31,743	47,478	+ 9.3	—26.9
Fort Smith, Ark....	18,276	14,944	19,371	+22.3	— 5.7
Greenville, Miss....	7,162	5,393	6,517	+32.8	+ 9.9
Helena, Ark.....	13,179	7,473	5,657	+76.4	+133.0
Little Rock, Ark....	122,391	93,281	108,403	+31.2	+12.9
Louisville, Ky.....	238,631	200,790	210,256	+18.8	+13.5
Memphis, Tenn.....	274,527	192,078	211,147	+42.9	+30.0
Owensboro, Ky.....	6,787	5,963	5,797	+13.8	—17.1
Pine Bluff, Ark.....	23,333	16,911	17,753	+38.0	+31.4
Quincy, Ill.....	15,399	13,817	13,843	+11.4	—11.2
St. Louis, Mo.....	909,858	775,420	842,350	+17.3	+ 8.0
Sedalia, Mo.....	5,019	4,785	4,748	+ 4.9	+ 5.7
Springfield, Mo....	18,490	16,972	17,398	+ 8.9	+ 6.3
**Texarkana, Ark.-Tex.....	19,918	16,428	18,215	+21.2	+ 9.3
Totals.....	\$1,770,763	\$1,466,503	\$1,616,783	+20.7	+ 9.5

*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 233 member banks, against 247 in September and 217 in October, 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:

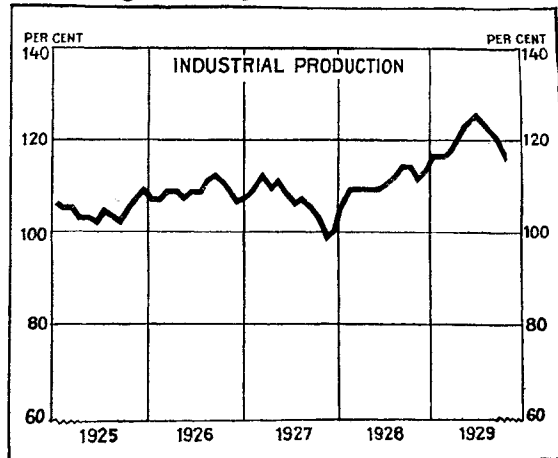
	*Nov. 22, 1929	*Oct. 22, 1929	*Nov. 22, 1928
Bills discounted.....	\$44,513	\$48,951	\$41,959
Bills bought.....	42	42	9,343
U. S. Securities.....	17,071	8,625	21,216
Total bills and securities.....	\$61,626	\$57,618	\$72,518
F. R. Notes in circulation.....	92,290	85,914	60,824
Total deposits.....	78,180	77,535	81,779
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.2%	71.1%	55.7%

*In thousands (000 omitted).

(Compiled November 22, 1929)

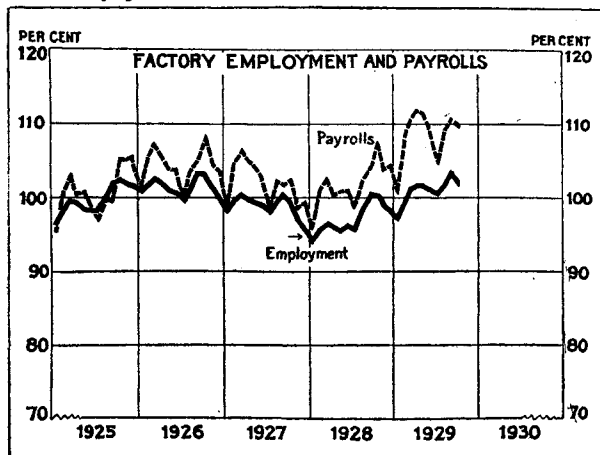
BUSINESS CONDITIONS IN THE UNITED STATES

Industrial production declined further in October, and there was also a decrease in factory employment. As compared with a year ago industrial activity continued to be at higher level and distribution of commodities to consumers was sustained. Bank credit outstanding increased rapidly in the latter part of October when securities prices declined abruptly and there was a large liquidation of brokers' loans by non-banking lenders. In the first three weeks of November the further liquidation of brokers loans was reflected in a reduction of security loans of members. Money rates declined throughout the period.



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, October, 117.

PRODUCTION—Production in basic industries, which had declined for several months from the level reached in midsummer, showed a further reduction in October. The Board's index of industrial production decreased from 121 in September to 117 in October, a level to be compared with 114 in October of last year. The decline in production reflected chiefly further decreases in output of steel and automobiles. Daily average output of leather and flour also declined, while production of cotton and wool textiles increased. Preliminary reports for the first half of November indicate further reduction in output of steel and automobiles and a decrease in cotton textiles. Total output of minerals showed little change. Production of coal increased and copper output was somewhat larger, while daily output of crude petroleum declined slightly for the month of October and was further curtailed in November. Volume of construction, as measured by building contracts awarded, changed little between September and October, and declined in the early part of November.



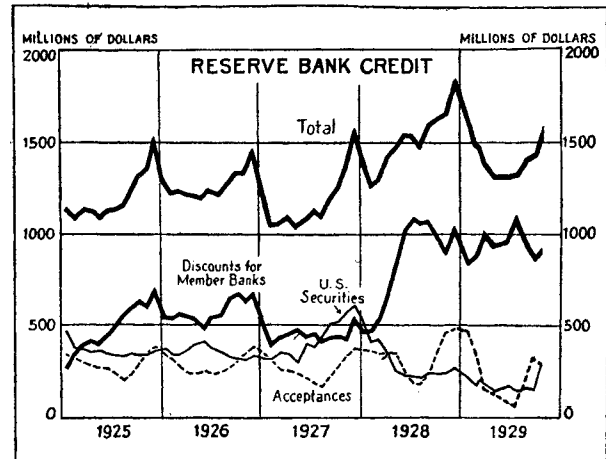
Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average=100). Latest figures, October: Employment, 102.1; Payrolls, 110.1.

DISTRIBUTION—Shipments of freight by rail decreased slightly in October and the first two weeks in November on an average daily basis. Department store sales continued as in other recent months to be approximately 3 per cent larger than a year ago.

WHOLESALE PRICES—The general level of wholesale prices showed little change during the first three weeks

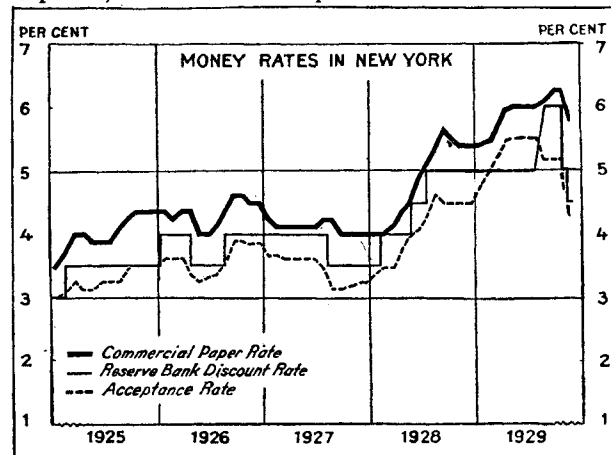
of October, but in the last week of the month declined considerably. The decline reflected chiefly price reductions of commodities with organized exchanges, which were influenced by the course of security prices. During the first three weeks of November prices for most of these commodities recovered from their lowest levels. Certain prices, particularly those of petroleum, iron and steel, and coal, showed little change during the period.

BANK CREDIT—Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30, when loans to brokers by out-



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

of-town banks and non-banking lenders were withdrawn in even larger volume, there was a liquidation of these loans. Accompanying the decline in brokers' loans during the first three weeks of November, all other loans increased and there was also a growth in the banks' investments. Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20, discounts for member banks were about \$100,000,000 larger than four weeks earlier, and holdings of United States securities \$190,000,000 larger, while the banks' portfolio of acceptances declined by \$100,000,000. Money rates in New York declined rapidly during October and the first three weeks in November. Open market rates on prime commercial paper declined from 6¼ per cent on October 22, to 5½-5¾ per cent on November 20. During the same period rates on 90 day bankers acceptances declined from 5½ per cent to 3¾ per cent. Rates on call loans were 6 per cent during most of this period, but declined to 5 per cent in the third week of



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 20 days in November.

November. Rates on time loans also declined. The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1, and to 4½ per cent, effective November 15, and the discount rates of the Federal Reserve Banks of Boston and Chicago were lowered from 5 to 4½ per cent effective November 21 and November 23.