



MONTHLY REVIEW

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

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TRADE and industry in this district during the past thirty days developed recessionary tendencies. In virtually all lines investigated November sales fell below those reported for October, and in a large majority of instances the totals were below those of November, 1928. While many of the decreases shown from November to December were seasonal in character, they were larger than the average of the past several years. Slowing down in distribution of commodities was quite general, extending to the large urban centers, small towns and rural areas. Likewise, most classifications of merchandise were affected, though relatively the most marked declines were in goods in the luxury category and materials used by the building industry and certain lines of manufacture. Included in the lines showing smaller sales volume than a year earlier were boots and shoes, clothing, groceries, automobiles, hardware, millinery, stoves and certain iron and steel specialties. Small gains over last November were recorded in furniture, dry goods, electrical supplies, farm implements and men's hats.

Through the south, trade, both wholesale and retail, was adversely affected by the decline in the price of cotton, and the depressed price of wheat, corn and other farm products has served to hold down purchasing of commodities elsewhere in the rural areas. Department store sales in the principal cities, in November were smaller by 0.2 per cent than a year ago, and decreases were shown by retail jewelers and other special lines. Moderate gains were reported by five and ten-cent stores, mail order houses and some chain stores. Christmas shopping got a later start than usual, and was adversely affected by unfavorable weather. Considerable improvement in distribution of holiday goods, both at wholesale and retail, however, has developed since the first week of December.

Generally through the district, according to the Employment Service of the Department of Labor, a surplus of workers exists, most marked among unskilled labor and artisans in the building crafts.

Lumber and textile mills reduced their working forces, and fewer persons were employed in railroad shops, furniture and shoe factories, and plants manufacturing glass, clay products, iron and steel goods. There was a sharp decrease in building permits issued and contracts let for construction during November, the total dollar value of contracts being the smallest for any month since January, 1925. Debits to checking accounts in the chief cities of the district in November were smaller by 11.0 per cent than in October, but 6.1 per cent larger than in November, 1928. Decreases in both comparisons were shown in savings accounts.

Demand for anthracite coal and coke for heating purposes was materially augmented by the cold weather in late November. Industrial buying also improved slightly, due mainly to a disposition on the part of factories and public utilities to build up stocks. In the Indiana, Illinois and Kentucky fields there was a substantial reduction of loaded cars on tracks at mines and some operators reported an oversold condition on certain special grades. In these fields, where screenings had recently been in excessive supply, reduced output was accountable for their working into a much stronger position. Taken as a whole, prices were slightly lower in November than October, but were higher than at the corresponding period last year. Screenings in the western Kentucky fields advanced moderately from the extreme low point of the preceding month. In the St. Louis industrial district steaming coal was less active than heretofore, due in part to the fact that natural gas from the Louisiana fields has entered the district and has replaced coal in several important industrial plants. Internecine disagreements between rival miners' unions in the Illinois field resulted in the closing of several mines, but failed to substantially affect production. For the country as a whole production of bituminous coal during the present calendar year to December 14, approximately 295 working days, totaled 502,453,000 tons, against 471,581,000 tons for the corresponding period in 1928, and 495,592,000 tons in 1927.

As compared with recent months, freight traffic of railroads operating in the district decreased in volume, and during November the total fell below that at the corresponding period last year. Decreases were general in all classifications of freight, but most marked in grain and grain products and fuel. The decrease in the movement of grain is accounted for partly by the earlier marketing of wheat this year than in previous seasons. For the country as a whole loadings of revenue freight during the first 48 weeks this year, or to November 30, totaled 49,448,796 cars, against 48,072,852 cars for the corresponding period last year and 48,379,016 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 197,835 loads in November, against 248,586 loads in October, and 196,502 loads in November, 1928. During the first nine days of December the interchange amounted to 57,971 loads, against 65,732 loads during the corresponding period in November, and 62,935 loads during the first nine days of December, 1928. Passenger traffic of the reporting roads decreased 3 per cent in November as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 103,300 tons, which compares with 137,021 tons in October and 148,218 tons in November, 1928.

Reports relative to collections during the past thirty days reflected considerable irregularity, both in reference to the several lines and different localities. In the large centers wholesalers reported December 1 settlements in good volume, with a particularly good showing being made in the case of dry goods, boots and shoes and hardware. Apparel interests complained of slow payments and numerous requests for extensions. Through the south payments were less satisfactory than earlier in the season, due partly to the decline in cotton prices. Some improvement was noted in the coal fields, also in the tobacco and rice growing areas. City retailers reported collections backward, with the volume relatively smaller than a month and a year earlier. 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>
November, 1929.....	2.7%	22.7%	65.3%	9.3%
October, 1929.....	2.8	32.4	60.5	4.3
November, 1928.....	1.4	34.2	52.1	12.3

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's, numbered 126, involving liabilities of \$1,773,236, against 124 failures in October with liabilities of \$1,881,464, and 125 failures for a total of \$5,740,158 in November, 1928.

The average daily circulation in the United States in November was \$4,845,000,000, against \$4,810,000,000 in October, and \$4,860,000,000 in November, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car, truck and taxicab production in the United States in November totaled 217,441, against 379,942 in October, and 257,148 in November, 1928.

Distribution of automobiles in the district, according to dealers reporting to this bank, declined sharply during November, both as compared with the preceding month and the corresponding period last year. In the month-to-month comparison the decrease was seasonal, a loss from October to November having taken place in all years since 1924 with the exception of 1928, when November sales were 16.7 per cent larger than the October total. Aggregate sales of the reporting dealers in November were the smallest since last January. In both the yearly and month-to-month comparisons decreases were general through all classes of makes, though most pronounced in cars in the medium priced category. Among prospective purchasers of cheap priced passenger cars, there was a disposition to postpone commitments until the appearance of announced new models by important producers. Relatively the heaviest decreases were noted in the rural areas, which fact was ascribed partly to the recent depressed prices of important farm products, notably cotton and cereals. Dealers in the larger centers of population handling the more expensive makes report a decrease in inquiries and prospects, the volume being considerably less than at this time last year. November sales of new passenger cars by 320 dealers scattered through the district were 31.5 per cent smaller in October, and 35.1 per cent less than in November, 1928. Ordering from manufacturers by the dealers continued on conservative lines, and stocks of new cars in dealers' hands on December 1 were 4.2 per cent larger than on November 1, and 11.2 per cent greater than on December 1, 1928. Generally quiet conditions were reported in the used car market, with little change in stocks of salable vehicles on hand as compared with preceding month. The total of stocks on hand on December 1 was 6.2 per cent larger than on November 1, and 22.8 per cent greater than on December 1, 1928. Business in parts and accessories also developed recessionary tendencies, November sales of the reporting dealers being 1.7 per cent smaller than in October, and 6.2 per cent smaller than the November, 1928 total. According to dealers reporting on that detail, sales of new cars on the deferred payment plan in November were 51.2 per cent of their

total sales, against 53.7 per cent in October, and 54.3 per cent in November, 1928.

Boots and Shoes — Sales of the five reporting interests in November were the smallest for any month this year, and showed a decrease of 22.9 per cent under the same month in 1928, and of 29.7 per cent under the November total this year. Stocks on December 1 were 11.1 per cent larger than a month earlier, and 19.2 per cent smaller than on December 1, 1928. In both sales comparisons, decreases were quite general in all lines of footwear, but most marked in seasonal merchandise. The mild weather through October and early November adversely affected the movement of winter shoes through retail channels, and reordering of this class of goods was in smaller volume than usual. Specialties and childrens' lines made a relatively better showing than other classifications. Sales of overshoes were in smaller volume than a year ago. A further reduction in factory operations was noted.

Clothing — Some improvement in demand for winter apparel was reported by clothiers in the district, but the volume of distribution was still below expectations, being held down by the unseasonably high temperatures. Purchasing by retailers is along very conservative lines, and manufacturers in turn are making up little stock for which they have not booked orders. Demand for working clothes was less active than heretofore. During the past two weeks there has been a marked pick-up in ordering of women's suits and children's lines for consumption next spring. November sales of the reporting firms were 27.9 per cent smaller than for the same month last year, and 15.5 per cent below the October total this year.

Drugs and Chemicals — November sales of the six reporting interests were 2.6 per cent larger than at the corresponding period last year, and 10.3 per cent less than in October this year. Stocks on December 1 were larger by 0.2 per cent and 18.3 per cent, respectively, than thirty days and a year earlier. Sales of holiday goods were in considerable volume, and the sales' total was substantially augmented by heavy purchasing of remedial drugs and proprietary preparations. There was a rather sharp decrease reported in sales of heavy drugs and chemicals to the manufacturing trade, particularly the metal working industries.

Dry Goods — Purchasing in this classification was stimulated in a considerable degree by the cold weather in late November and holiday requirements. November sales of the eight reporting interests were 3.1 per cent larger than for the same month in 1928, and 15.0 per cent smaller than the October total this year. Stocks on December 1 were 1.7 per cent smaller than thirty days earlier, and 11.6 per cent

smaller than on December 1, 1928. In the month-to-month sales comparison the decrease is seasonal in character, though somewhat greater than the average of the past several years. Advance orders for delivery in the spring are reported in considerable volume, and immediate city business, particularly in holiday goods, was active. The decline in raw cotton prices has had a tendency to hold down buying of fabrics based on that staple.

Electrical Supplies — November sales of the reporting firms were 1.1 per cent larger than for the same month in 1928, and 6.9 per cent smaller than the October total this year. Stocks on December 1 were 2.7 per cent smaller than on the same date in 1928, and 10.2 per cent larger than on November 1 this year. Considerable unevenness was noted in the month's business, some lines making a good showing, while others recorded a decided slump. Radio sales decreased sharply, and demand from the automotive industry was in smaller volume than heretofore. Supplies and equipment for public utilities companies moved in considerable volume. There was no appreciable change in prices during the month.

Flour — Production at the 12 leading mills of the district in November totaled 400,355 barrels, against 412,118 in October, and 365,042 in November, 1928. Stocks of flour in St. Louis on December 1 were 4.7 per cent larger than on November 1, and 11.0 per cent smaller than on December 1, 1928. Business throughout the past thirty days continued dull, both in point of new orders booked and shipping directions on quantities previously purchased. Toward the end of November values were nominally higher in response to the upturn in wheat, but buyers were unwilling to follow the advance, and business was light. The sharp break in wheat early this month further tended to unsettle prices, and trading was held to a necessity basis. Mill operations were at from 55 to 60 per cent of capacity.

Furniture — November sales of the 13 reporting interests were 1.4 per cent larger than for the same month in 1928, and 27.4 per cent smaller than the October total this year. Stocks on December 1 were 5.5 per cent larger than on November 1, and 9.9 per cent less than on December 1, 1928. Manufacturers of metal furniture, particularly office equipment, report gains in both comparisons. Demand for household furniture and furnishings is less active than heretofore, but sales of holiday goods was in considerable volume. Interests specializing in the manufacture of radio cabinets report a rather sharp falling off in orders and specifications.

Groceries — Sales of the 14 reporting firms in November were 6.0 per cent smaller than for the same month in 1928, and 12.9 per cent smaller than

in October this year. Stocks on December 1 were 12.3 per cent smaller than on November 1, and 5.4 per cent smaller than on December 1, 1928. The movement of holiday goods, particularly in the rural areas, was disappointing, and in smaller volume than a year ago. Purchasing of staples was about up to the seasonal average of the past decade, and demand from the manufacturing trade continued generally fair.

Hardware — The slowing down in the building industry and absence of prolonged cold weather were mentioned as factors adversely affecting trade in this classification during the past thirty days. November sales of the 12 reporting firms were 14.7 per cent smaller than for the same time last year, and 13.2 per cent below the October total this year. Stocks on December 1 were 4.0 per cent and 6.7 per cent smaller, respectively, than thirty days and a year earlier. Winter merchandise has moved in relatively small volume, and the outlet through the building industry is narrower than at this time during the past four or five years. There was no change worthy of note in prices as contrasted with the preceding thirty days.

Iron and Steel Products — Measured by production, new orders placed and specifications on goods previously purchased, business in this classification sustained a further decrease during the past thirty days. While shipments were still in considerable volume, the movement was at the expense of unfilled orders, which with a majority of reporting interests were smaller than a month earlier. There was a general disposition on the part of all users of finished and semi-finished steel goods to hold down commitments to actual requirements, and this policy was reflected in closer and more conservative purchasing of raw materials. While some sales and inquiries for first quarter of 1930 pig iron requirements were reported, the general market was quiet, and with smaller consumption, some mills and foundries find themselves with larger reserves than anticipated for this time. Purchasing of virtually all varieties of iron and steel commodities was further restricted by desire to hold down stocks to as small volume as possible at the inventory season. Demand for materials for hardware and farm implement manufacture continued fair, and some other lines showed as great activity as heretofore, but requirements of the general manufacturing trade developed a well defined recession as contrasted with the preceding several months. Except in special instances, there was no betterment noted in purchasing by the automotive industry. The outlet through the building industry showed the usual seasonal narrowing tendencies. Fabricators of reinforcing concrete bars and other building materials reported a lack of new lettings,

and in a number of instances reduced their working forces. While a considerable volume of sheets and plates are being used in completing railroad equipment orders, manufacturers and distributors of these commodities reported reductions in backlogs and reduced production. Users of wire and wire products have exhibited little interest in future requirements, their purchases being confined almost exclusively to current needs. Manufacturers of heating apparatus continued to operate at, or close to the average rate of the preceding month. Stove and range makers reported a slowing down in orders, particularly in the rural areas of the south, where the decline in price of raw cotton has had a depressing effect on trade. Prices of finished and semi-finished materials showed no marked changes as contrasted with levels obtaining through the late fall. For the most part quotations current at the end of this year are being carried into the first quarter of 1930. The price of pig iron remained unchanged, but there was a further decline in iron and steel scrap, many important items recording a new low on the present downward movement. For the country as a whole, production of pig iron in November declined to the lowest daily rate since September, 1928. The total output for the month was 3,188,668 tons, against 3,588,146 tons in October, and 3,304,656 tons in November, 1928. Steel ingot production in the United States in November totaled 3,513,025 tons, the lowest in twenty-three months and comparing with 4,511,650 tons in October, and 4,266,835 tons in November, 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	
	Nov. 1929 comp. to Nov. 1928	11 months ending Nov. 30, 1929 to same period 1928	Nov. 30, 1929 comp. to Nov. 30, 1928	Jan. 1, to Nov. 30, 1929	Nov. 30, 1928
Evansville	-26.5%	- 7.6%	- 4.7%	2.05	2.24
Little Rock.....	- 3.4	- 1.8	- 0.8	2.29	2.16
Louisville	- 5.8	- 0.7	- 1.1	2.85	2.81
Memphis	+ 1.5	- 2.3	- 3.5	2.95	2.86
Quincy	+ 4.2	+ 9.0	+ 4.1	2.41	2.34
St. Louis.....	+ 1.4	+ 3.7	- 2.3	3.64	3.37
Springfield, Mo.	- 3.6	- 1.2	- 6.2	1.47	1.52
8th District.....	- 0.2	+ 1.8	- 2.3	3.23	3.04
	Net sales comparison		Stocks on hand		
	Nov. 1929 comp. to Nov. 1928	Oct. 1929	Nov., 1929 comp. to Nov. 1928	Oct. 1929	
Men's furnishings.....	+ 0.3%	+20.3%	-13.7%	- 1.8%	
Boots and shoes.....	- 6.9	-11.1	-11.9	+ 0.4	

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

	Percentage increase or decrease Nov., 1929 compared to Nov., 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	- 5.9%	- 9.0%
Ready-to-wear accessories.....	+ 1.1	- 7.3
Women and misses' ready-to-wear.....	- 6.8	+ 0.8
Men's and boys' wear.....	+ 0.2	- 4.9
Home furnishings.....	-14.6	- 4.5

BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in November was approximately the same as in October, but 69.7 per cent less than in November, 1928. According to figures compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in November totaled \$18,679,021, the smallest for any month since January, 1925, and comparing with \$25,648,808 in October, and \$27,301,820 in November, 1928. There was no change in building costs as compared with the preceding thirty days, material prices and wage scales remaining stationary. Production of portland cement for the country as a whole in November totaled 14,036,000 barrels, against 16,731,000 barrels in October, and 15,068,000 barrels in November, 1928. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	271	351	\$ 287	\$ 368	30	56	\$ 16	\$ 29
Little Rock	45	54	73	343	69	102	20	362
Louisville ...	102	168	678	1,395	31	50	105	88
Memphis ...	186	322	328	2,139	172	69	85	21
St. Louis	355	534	878	2,497	330	278	555	271
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
Sept. totals	1,372	1,739	4,181	5,790	934	843	1,149	960

*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 November by selected industrial customers as being 16.5 per cent less than in October, but 6.2 per cent greater than in November, 1928. In the month-to-month comparison the decrease is accounted for largely by smaller loads taken by cement plants and certain iron and steel operations. Increases over a year ago were fairly general through all lines of industry. Detailed figures follow:

	No. of Customers	Nov., 1929	Oct., 1929	Nov., 1929 comp. to Oct., 1929	Nov., 1928	Nov. 1929 comp. to Nov. 1928
		*K.W.H.	*K.W.H.	%	*K.W.H.	%
Evansville	40	1,424	1,827	-22.1%	1,274	+11.8%
Little Rock..	35	1,628	1,941	-16.1	1,982	-17.9
Louisville	87	6,611	8,039	-17.8	6,220	+ 6.3
Memphis	31	1,942	1,521	+27.7	1,983	- 2.1
St. Louis.....	142	18,551	22,806	-53.8	16,924	+ 9.6
Totals.....	335	30,156	36,134	-16.5	28,383	+ 6.2

*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
Oct. 1929.....	2,724,872,000	5,960,259,000	8,685,131,000
Sept. 1929.....	2,479,066,000	5,518,748,000	7,997,814,000
Oct. 1928.....	2,876,316,000	5,024,583,000	7,900,899,000

AGRICULTURE

Taken as a whole, weather conditions in this district during the past thirty days were unfavorable for agricultural operations. Unusually low temperatures in late November froze the soil and interfered

with progress of plowing. The intense cold was followed by a spell of unseasonably warm weather, accompanied by heavy rains, which conditions further hampered field work and the movement of farm products to terminal points. Harvesting of late crops was in numerous instances conducted under difficulties, and from a number of counties complaints have been received of lowered yield and impaired quality. Some apprehension is felt relative to fall-sown crops because of the November freezes, which found fields with relatively little snow protection.

However, the favorable conditions for outdoor work which prevailed during October and early November permitted of several weeks of intensive activities and for the most part farmers were able to plant up to full intentions. Autumn and early winter routine has in most sections been brought up to approximately the seasonal average during the past decade. Supplies of farm labor are universally adequate to requirements, with wage scales showing little variation as contrasted with a year ago. Increased use of modern harvesting machinery and other farming equipment was general through the district during the past season.

Final estimates of yields of the principal crops in the Eighth Federal Reserve District developed only minor changes from the forecasts based on the November 1 condition. Most recent advices from scattered localities reflect considerable irregularity of late cereal and vegetable crops. The movement to market of grains, notably wheat and corn, is below the volume at the corresponding period last year. In the immediate past the movement out of producers' hands has been slowed down by unfavorable weather, heavy roads and the decline in market prices.

Winter Wheat — Reports relative to the growing wheat crop reflect in the main favorable conditions. Seeding was largely completed by the second week of November, and early sown grain was up to a good stand at that time. Generally farmers were able to plant intended acreage, and in the most important wheat areas indications are for a slightly larger acreage than was put in during the fall of 1928. Almost universally fly immune dates were observed by growers in the district. The drop to zero temperatures in late November caught most fields without snow protection, and fears were entertained in some sections for the safety of the crop. Soil conditions are good, ample moisture having been supplied by recent precipitation.

Corn — Except where delayed by extreme cold or rains, husking and cribbing has made good progress. The extreme cold weather of late November

materially aided in putting corn in better condition for storing on farms. However, there have been numerous complaints of excessive moisture content, and quality of grain arriving at primary markets is in many instances grading below the average at this particular time during the past several years. A considerable part of the crop will have to be artificially dried before it is in condition for permanent storage. The question of space for holding and drying corn is an important one at the moment at terminal markets. Latest reports indicate unusually little damage from frost, but some damage to corn in the shock has resulted from the warm damp weather since the first of this month. In many of the surplus counties, farmers are holding their corn for more favorable market prices. In Missouri, Indiana and Illinois considerable corn is being fed to live stock.

Live Stock — The mild temperatures which prevailed through October and early November enabled live stock raisers in the district to carry their herds with relatively little prepared feed further into the season than is ordinarily the case. Scattered reports covering conditions to December 1 indicate generally good health among cattle and hogs. Demand for breeder cattle continued good, particularly in sections where corn and hay crops were abundant. The movement of hogs and cattle to market in November was in smaller volume than during the preceding month and the corresponding period last year. Average prices showed only minor variation as compared with the preceding thirty days. Egg production was generally below a year ago.

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

	Receipts			Shipments		
	Nov., 1929	Oct., 1929	Nov., 1928	Nov., 1929	Oct., 1929	Nov., 1928
Cattle and calves.....	99,098	144,437	104,292	70,288	99,179	57,373
Hogs	317,820	339,212	359,455	225,090	247,835	277,616
Horses and mules.....	5,865	6,486	5,856	5,676	7,993	4,768
Sheep	36,280	46,313	24,272	11,657	24,961	9,514

Cotton — According to the U. S. Department of Agriculture, prospects for cotton in states entirely or partly within the Eighth Federal Reserve District underwent a slight decline between November 1 and December 1. Combined total yield in Missouri, Tennessee, Mississippi and Arkansas, based on the December 1 condition, is estimated at 4,135,000 bales, a decrease of 35,000 bales under the November 1 estimate, and comparing with an output of 3,296,000 bales in 1928 and 2,829,000 bales in 1927. Weather during the past thirty days has been unfavorable for picking cotton, and the late harvested crop suffered in quality and color as a result. Generally, however, picking was unusually early, and relatively little cotton remained in the fields when the bad weather set in. The movement of cotton out of producers' hands has been in consider-

able volume, and more rapid than in recent years. Prices declined further, and reached a new low for the year. In the St. Louis market the middling grade dropped to 15 $\frac{3}{4}$ c per pound in the third week of December, and closed at that price on December 16, which compares with 19c on the same date in 1928. Stocks of cotton in Arkansas warehouses on December 13 totaled 383,027 bales, against 381,585 on November 15, and 325,483 bales on December 13, 1928.

Rice—Throughout November and early December farmers experienced difficulty in threshing their rice on account of continuous rains. At the first of this month there was still considerable grain in the fields, and due to excessive moisture, yield and quality of the crop has suffered deterioration. Prices remained unchanged from levels of the preceding month, but the average so far this season is from 8c to 10c per bushel higher than at the same time in 1928.

Tobacco — The season prior to the opening of the tobacco markets around December 1 was very favorable for handling and conditioning the crop. Ideal stripping weather prevailed through November and more leaf was stripped by December 1 than has been the case for a number of years. The arrival of low temperatures in late November and early this month retarded the movement from farms, and the opening of the markets found much less congested conditions than a year ago. However, the warm, damp days following the first week of December resulted in an accelerated movement and some crowding of floors. In the burley tobacco markets the first week of the selling season developed prices about \$8 per hundred pounds less than the average at the opening last season. The poorer grades brought relatively the best prices, and there has been a disposition on the part of producers to hold the better grades for higher prices. In the dark tobacco markets initial prices ranged from 50c to \$2 per hundred pounds less than was paid at the opening in 1928.

Commodity Prices — Range of prices in the St. Louis market between November 15, 1929 and December 16, 1929, with closing quotations on the latter date and on December 15, 1928.

	High	Low	Close	
			Dec. 16, 1929	Dec. 15, 1928
Wheat				
Dec. ....per bu.	\$1.31 $\frac{3}{4}$	\$1.17	\$1.22 $\frac{1}{2}$	\$1.15
May	1.40 $\frac{7}{8}$	1.27 $\frac{3}{4}$	1.30 $\frac{1}{2}$	1.21 $\frac{3}{4}$
July	1.31 $\frac{1}{2}$	1.27 $\frac{3}{4}$	1.30	1.21 $\frac{1}{2}$
No. 2 red winter ..	1.42 $\frac{1}{2}$	1.25 $\frac{1}{2}$	\$1.32 $\frac{1}{2}$ @1.33	\$1.38 @1.43
No. 2 hard.....	1.34	1.21 $\frac{1}{2}$	1.23 @1.24	1.17 @1.18 $\frac{1}{4}$
Corn				
Dec. ....	.90 $\frac{1}{2}$	.85 $\frac{1}{2}$	.89 $\frac{1}{2}$	.84 $\frac{3}{4}$
May .....	.99 $\frac{1}{2}$	.94 $\frac{3}{4}$	.96 $\frac{1}{2}$	.93 $\frac{1}{4}$
No. 2 mixed.....	.94	.84 $\frac{1}{2}$	.86 $\frac{1}{2}$ @.87	.83 @.84
No. 2 white.....	.99	.86	.90 @.90 $\frac{1}{2}$	.85 $\frac{1}{2}$ @.86
Oats				
No. 2 white.....	.49 $\frac{1}{2}$	.46	.46 $\frac{1}{2}$ @.47	.48 @.48 $\frac{1}{2}$
Flour				
Soft patent.....per bbl.	7.25	6.25	7.00 @7.25	6.50 @7.25
Spring patent.....	6.95	5.85	6.30 @6.35	5.75 @5.90
Middling cotton.....per lb.	.16 $\frac{1}{2}$	.15 $\frac{3}{4}$	.15 $\frac{3}{4}$	.19
Hogs on hoof.....per cwt.	9.60	7.75	8.00 @9.55	7.60 @8.80

FINANCIAL

Demand for credit remained active and quite diversified during the past thirty days, with liquidation generally in large volume and funds more abundant at the banks. The trend of interest rates was downward in this district as in the country as a whole. Loans to mercantile borrowers in the principal cities increased slightly as compared with the preceding month, while commitments of industrial and agricultural interests showed moderate contraction. Purchasing of commercial paper by both city and country banks was on a more extensive scale than has been the case for a number of months, and generally through the district, country financial institutions further reduced their balances with city correspondents. Borrowings of member banks from the Federal reserve bank were reduced, with the volume of bills discounted and held by the reserve bank reaching a new low point for the year in the second week of December.

Reflecting the increased volume of liquidation, deposits of the reporting member banks, which had declined irregularly since early September, turned upward during the first weeks of this month, and on December 11, were at approximately the same level as the closing report date in April. Loans and discounts of these banks decreased steadily throughout November, but have moved slightly upward since the first of this month. The rapid movement of cotton to market has resulted in extensive settlements of loans based on that staple, and in numerous instances country banks in the cotton areas are closing the year in a more liquid condition than has been the case in a number of seasons. Markets in the tobacco districts opened around December 1, and the crop is moving into consumptive channels in large volume, with consequent heavy liquidation both with merchants and banks. Similar conditions are reported in the rice sections.

Due to heavy withdrawals for holiday requirements, December 1 savings deposits fell off 1.1 per cent and 7.3 per cent, respectively as compared with a month and a year earlier.

Interest rates charged by the commercial banks were lower than during the preceding month on all classes of loans. At St. Louis banks current rates of interest were as follows: Prime commercial paper, 5 to 6 per cent; collateral loans, $5\frac{3}{4}$ to $6\frac{1}{2}$ per cent; loans secured by warehouse receipts, 6 per cent; interbank loans $5\frac{1}{2}$ 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 December 18, 1929 showed a decrease of 0.9 per cent as contrasted with

(Compiled December 23, 1929)

November 20, 1929. Deposits increased 1.2 per cent between November 20, 1929 and December 18, 1929 and on the latter date were 5.2 per cent smaller than on December 19, 1928. Composite statement follows:

	*Dec. 18, 1929	*Nov. 20, 1929	*Dec. 19, 1928
Number of banks reporting.....	†25	†25	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$253,546	\$250,515	\$216,247
All other loans and discounts....	285,456	293,370	299,621(1)
Total loans and discounts.....	\$539,002	\$543,885	\$515,868(1)
Investments			
U. S. Government securities.....	37,720	46,961	77,354
Other securities.....	110,042	109,746	134,287
Total investments.....	\$147,762	\$156,707	\$211,641
Reserve balance with F. R. bank	43,904	43,489	45,984
Cash in vault.....	7,468	6,497	9,979
Deposits			
Net demand deposits.....	392,053	378,007	409,233
Time deposits.....	220,110	226,595	230,861
Government deposits.....	892	905	6,490
Total deposits.....	\$613,055	\$605,507	\$646,584
Bills payable and rediscounts with Federal Reserve Bank.....	16,403	33,222	27,415

*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.

	*Nov., 1929	*Oct., 1929	*Nov., 1928	Nov. 1929 Oct. 1929	comp. to Nov. 1928
East St. Louis & Natl. Stock Yards, Ill..	\$ 46,210	\$ 54,551	\$ 68,035	—15.3%	—32.1%
El Dorado, Ark.....	7,783	8,559	7,438	— 9.1	+ 4.6
Evansville, Ind.....	31,152	34,683	45,818	—10.2	—32.0
Fort Smith, Ark.....	14,859	18,276	14,792	—19.7	+ 0.5
Greenville, Miss....	5,834	7,162	6,344	—18.5	— 8.0
Helena, Ark.....	7,057	13,179	5,335	—46.5	+32.3
Little Rock, Ark....	95,109	122,391	94,289	—22.3	+ 0.9
Louisville, Ky.....	212,530	238,631	199,990	—10.9	+ 6.3
Memphis, Tenn.....	225,161	274,527	198,846	—18.0	+13.2
Owensboro, Ky.....	6,297	6,787	5,936	— 7.2	+ 6.1
Pine Bluff, Ark.....	15,172	23,333	16,999	—35.0	—10.7
Quincy, Ill.....	13,667	15,399	12,689	—11.2	+ 7.7
St. Louis, Mo.....	810,970	909,858	756,560	—10.9	+ 7.2
Sedalia, Mo.....	4,757	5,019	4,299	— 5.2	+10.7
Springfield, Mo....	16,044	18,490	15,389	—13.2	+ 4.3
**Texarkana, Ark-Tex.....	16,115	19,918	15,961	—19.1	+ 1.0
Totals.....	\$1,528,717	\$1,770,763	\$1,468,720	—11.0	+ 6.1

*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 222 member banks, against 233 in October and 201 in November, 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:

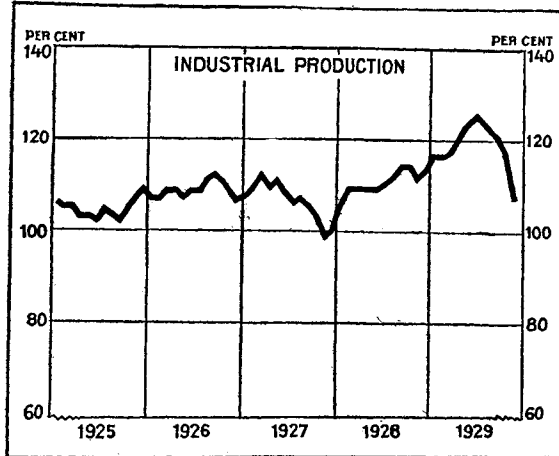
	*Dec. 20, 1929	*Nov. 20, 1929	*Dec. 20, 1928
Bills discounted.....	\$28,065	\$50,962	\$46,763
Bills bought.....	6,104	47	11,410
U. S. Securities.....	26,324	12,071	22,782
Total bills and securities.....	\$60,493	\$68,075	\$80,955
F. R. Notes in circulation.....	95,468	92,268	64,701
Total deposits.....	80,400	78,628	82,879
Ratio of reserve to deposits and F. R. Note Liabilities.....	66.8%	66.2%	51.6%

*In thousands (000 omitted).

BUSINESS CONDITIONS IN THE UNITED STATES

Industrial production declined in November for the fifth consecutive month and was below the level of last year. Retail sales at department stores continued in larger volume than a year ago. Wholesale commodity prices moved downward in November and the first half of December.

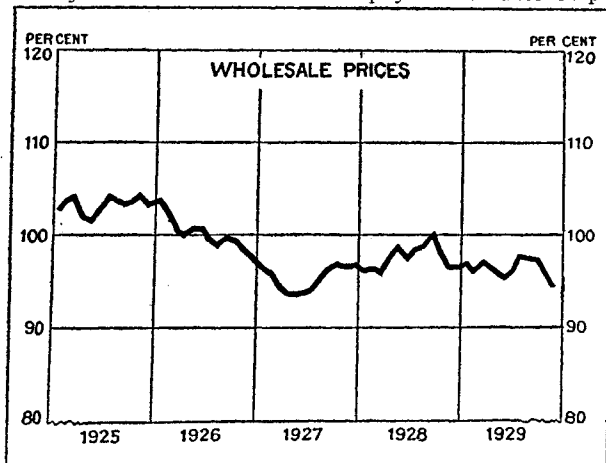
PRODUCTION AND EMPLOYMENT— Production in basic industries decreased by 9 per cent in November according to the Board's index, and was 5 per cent lower than a year ago. The decline in production, which began in mid-



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, November, 107.

summer, was restricted—prior to November—largely to industries in which the expansion during the earlier part of the year had been exceptionally rapid, particularly iron and steel, automobiles, and related industries. The same industries showed the largest reductions in November, but there were declines also in the copper, cotton and wool textiles, and shoe industries and in smaller degree in silk textiles and coal. Production of crude petroleum was also curtailed. Volume of building contracts awarded during the month continued to be considerably smaller than in the corresponding period of 1928.

Employment in factories was also reduced during November to a level slightly below a year ago and there was a somewhat larger decrease in factory payrolls. The decline in employment since midsummer, however, has been relatively smaller than that in the physical volume of pro-



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, November, 94.4.

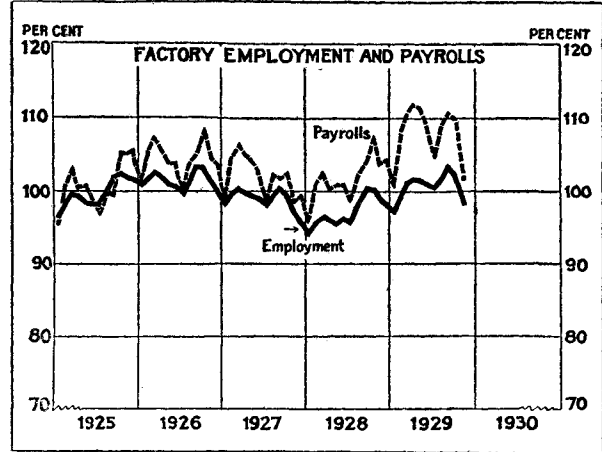
duction. Employment was in smaller volume than in November a year ago in the automobile, iron and steel, lumber, and rubber products industries, and larger in the machinery, textiles, paper and printing, leather, and chemicals industries.

DISTRIBUTION— Distribution of commodities, as measured by freight car loadings, was in smaller volume in November than in October, reflecting larger than seasonal decreases in most classes of freight. Miscellaneous freight in less than car load lots, however, which includes chiefly commodities for retail trade, showed the usual seasonal changes.

Department store sales in leading cities during the

month were about 1.0 per cent larger than last year, according to preliminary reports. Increased sales were reported in four agricultural districts—Richmond, Kansas City, Dallas and San Francisco. In certain of the larger industrial districts—Boston, New York and Cleveland, sales were

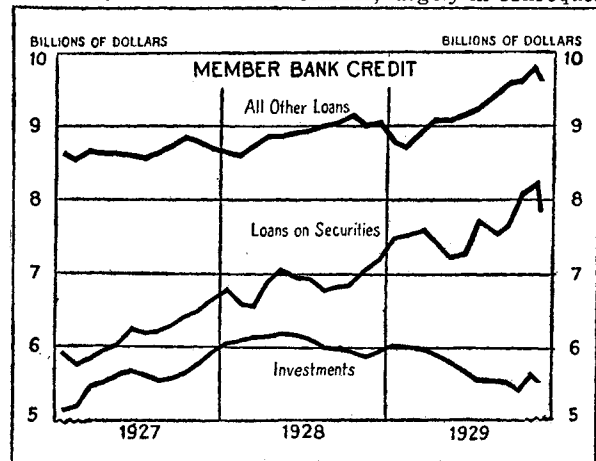
WHOLESALE PRICES— Wholesale prices were at a lower level in November than in October and continued to decline during the first half of December. The downward movement, which had previously involved principally com-



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average=100). Latest figures, November: Employment, 98.2; Payrolls, 102.0.

approximately the same as in November, 1928. Commodities with organized exchanges, became general during the latter part of the period.

BANK CREDIT— Liquidation of bank credit, which had begun early in November, continued throughout that month and the first two weeks of December, and on December 11 total loans and investments of reporting member banks were at about the same level as on October 23, prior to the increase caused by the withdrawal of funds by non-banking lenders. At member banks in New York City, loans were somewhat larger and investments considerably larger on December 11 than on October 23, while at reporting banks outside New York, loans on securities, all other loans, and investments were smaller than on that date. Reserve bank credit outstanding was also reduced during November and the first two weeks of December, largely in consequence



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in December. of reduction in balances of member banks at the reserve banks, which accompanied the liquidation of member bank credit. The decrease in reserve balances released reserve funds in more than sufficient volume to meet the export demand for gold amounting to \$65,000,000 during the period, as well as the seasonal currency requirement. Between November 6 and December 18, United States security holdings of the reserve banks increased considerably, while their holdings of acceptances declined somewhat, and there was a reduction of \$250,000,000 in the indebtedness of member banks. Money rates in the open market continued to decline and the discount rate, which had previously been reduced at five reserve banks, was lowered at the Kansas City bank, from 5 to 4½ per cent.