



MONTHLY REVIEW

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

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

ROLLA WELLS,
Chairman and Federal Reserve Agent

C. M. STEWART,
Assistant Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

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

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

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

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

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

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

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

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

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

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

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

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

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

MANUFACTURING AND WHOLESALING

JAN. Total circulation 273,070

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RETAIL TRADE

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

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

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

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

BUILDING

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

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

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

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

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

*In thousands (000 omitted).

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

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

AGRICULTURE

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

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

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

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

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

in many localities has been the heaviest in twenty years.

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

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

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

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

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

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

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

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

	High	Low	Close	
			Feb. 15, 1930	Feb. 15, 1929
Wheat				
May	\$1.28½	\$1.16	\$1.19	\$1.30¾
July	1.29¾	1.17	1.19½	1.33
No. 2 red winter	1.35	1.23	\$1.24 @ 1.25	1.43 @ 1.46
No. 2 hard.....	1.25	1.16¾	1.18 @ 1.18½	1.28 @ 1.28½
Corn				
May95¼	.90¾	.90¾	1.02¾
July97¾	.92¾	.93¾	1.04¾
No. 2 mixed.....	.87½	.82	.83 @ .84	.96½ @ .97½
No. 2 white.....	.89	.85	.87 @ .88	.95½ @ .98
Oats				
No. 2 white.....	.49½	.45	.46½ @ .48	.51 @ .51½
Flour				
Soft patent.....per bbl.	6.75	6.25	6.25 @ 6.50	7.00 @ 7.25
Spring patent.....	6.60	5.95	6.25 @ 6.30	6.10 @ 6.25
Middling cotton.....per lb.:	.16½	.14½	.15	.18½
Hogs on hoof.....per cwt.	11.50	8.00	9.25 @ 11.50	6.75 @ 10.40

FINANCIAL

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

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

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

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

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

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

(Compiled February 21, 1930)

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

	*Feb. 19, 1930	*Jan. 22, 1930	*Feb. 20, 1929
Number of banks reporting.....	125	125	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and			
other stocks and bonds.....	\$232,247	\$238,548	\$245,615
All other loans and discounts....	284,360	281,873	286,048
Total loans and discounts.....	\$516,607	\$520,421	\$531,663
Investments			
U. S. Government securities.....	36,301	37,440	80,041
Other securities.....	112,624	111,735	118,588
Total investments.....	\$148,925	\$149,175	\$198,629
Reserve balance with F. R. bank..	44,397	44,786	47,569
Cash in vault.....	5,760	5,804	6,591
Deposits			
Net demand deposits.....	369,811	378,227	402,334
Time deposits.....	228,574	227,358	240,181
Government deposits.....	30	243	1,102
Total deposits.....	\$598,415	\$605,828	\$643,617
Bills payable and rediscounts with			
Federal Reserve Bank.....	6,431	5,235	27,244

*In thousands (000 omitted).

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

Debits to Individual Accounts—The following table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Jan. 1930	*Dec. 1929	*Jan. 1929	Jan. 1930 Dec. 1929	comp. to Jan. 1929
East St. Louis & Natl.					
Stock Yards, Ill..	\$ 49,027	\$ 41,613	\$ 67,964	+17.8%	-27.9%
El Dorado, Ark.....	8,187	8,979	9,835	- 8.8	-16.8
Evansville, Ind.....	27,445	30,698	51,477	-10.6	-46.7
Fort Smith, Ark....	15,075	14,866	14,488	+ 1.4	+ 4.1
Greenville, Miss....	5,898	5,382	5,434	+ 9.6	+ 8.5
Helena, Ark.....	6,321	6,675	5,137	- 5.3	+23.0
Little Rock, Ark....	81,154	90,075	84,662	- 9.9	- 4.1
Louisville, Ky.....	199,021	184,018	235,280	+ 8.2	-15.4
Memphis, Tenn.....	177,420	200,507	197,065	-11.5	-10.0
Owensboro, Ky.....	9,834	7,987	9,573	+23.1	+ 2.7
Pine Bluff, Ark....	12,097	13,494	13,390	-10.4	- 9.7
Quincy, Ill.....	12,597	13,555	13,170	- 7.1	- 4.4
St. Louis, Mo.....	796,378	825,542	848,284	- 3.5	- 6.1
Sedalia, Mo.....	5,104	4,586	4,798	+11.3	+ 6.4
Springfield, Mo....	16,755	15,333	18,204	+ 9.3	- 8.0
**Texarkana,					
Ark.-Tex.....	16,196	14,618	18,403	+10.8	-12.0
Totals.....	1,438,509	\$1,477,928	\$1,597,164	- 2.7	- 9.9

*In thousands (000 omitted).

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

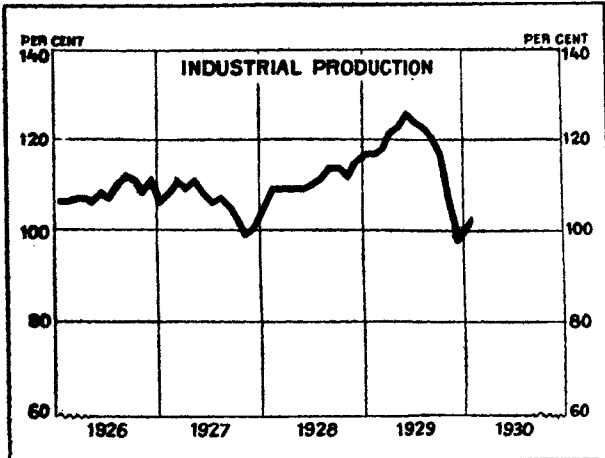
Federal Reserve Operations—During January the Federal Reserve Bank of St. Louis discounted for 196 member banks, against 205 in December, and 173 in January, 1929. The discount rate, which had been uniformly at 5 per cent since July 19, 1928, was lowered to 4½ per cent, effective February 11. Changes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

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

*In thousands (000 omitted).

BUSINESS CONDITIONS IN THE UNITED STATES

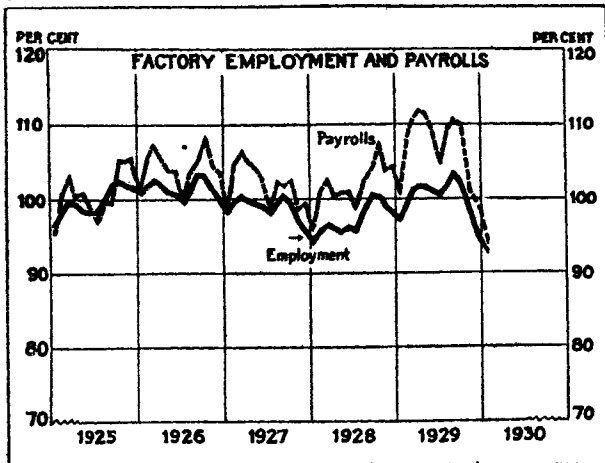
PRODUCTION—Industrial production showed an increase of about 4 per cent in January, according to the Board's index, which makes allowance for the usual seasonal variations. This increase reflected principally a larger output of automobiles, steel, cotton textiles, and shoes. Output of copper, cement, lumber, anthracite coal and flour declined and the increase in bituminous coal output was smaller than is usual for the season. In the first two weeks of February steel plants increased their rate of operation further, but continued to be less active than in the corresponding period of last year. Building contracts awarded showed little



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, January, 103.

change in January, a substantial increase in public works and utilities being in large part offset by a decrease in residential construction. In the first half of February the daily average of contracts was lower than in January.

EMPLOYMENT AND PAYROLLS—The number of wage earners employed at factories declined further between the middle of December and the middle of January, and wage payments showed a larger reduction. In automobile and steel plants there was an increase in employment in the month ending January 15, 1930, and in recent weeks further increases have been reported for these industries. There were decreases in January in the number of wage earners employed in the machinery, car building and repairing, lumber, and cement industries. During the three week



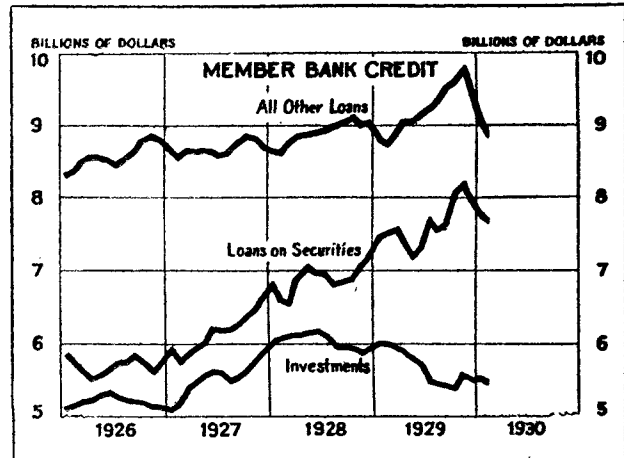
Index numbers of factory employment and payrolls, without adjustment for seasonal variations. (1923-25 average=100). Latest figures, January: Employment, 93.1; payrolls, 94.2.

period ending February 3, the Bureau of Labor Statistics, on the basis of preliminary returns, reported a slight increase in factory employment.

DISTRIBUTION—Shipments of freight were in about the same volume in January as in December. Average daily loadings of miscellaneous freight and merchandise in less than carload lots decreased slightly during the month, but by a smaller amount than is usual at this season. During the first two weeks in February there was some increase in shipments, largely seasonal in nature. Department store sales in January, according to preliminary figures

received by the Federal Reserve System, were about 2 per cent lower than in the corresponding month of last year, this difference being about the same as shown the month before.

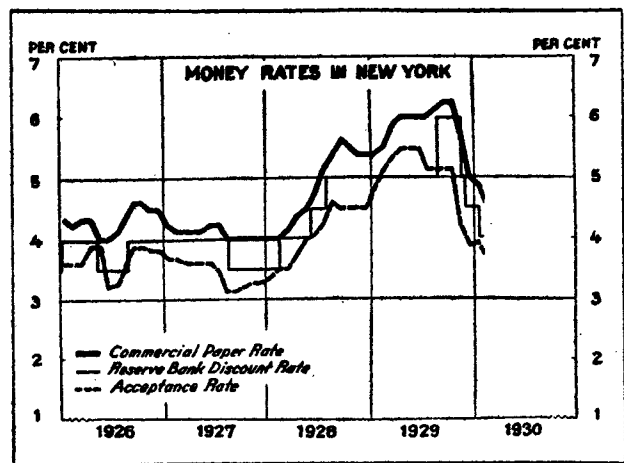
WHOLESALE PRICES—Wholesale prices of commodities in January continued to move downward. In general, fluctuations were small until the latter part of the month, when decreases occurred in the prices of grains, cotton, wool, iron and steel and petroleum. The prices of meats and livestock fluctuated over a wide range and averaged higher in January than in December. In the first half



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in February.

of February the prices of hogs, pork, and cattle increased, while the prices of wheat, cotton, pig iron, petroleum and textiles continued to decline.

BANK CREDITS—Liquidation of member bank credit in January and the early part of February was in substantially larger volume than in the corresponding period of 1929. Declines were reported in loans on securities and in all other loans, which continued to decrease in February contrary to the usual seasonal trend. There was little change in the banks' holding of investments. The volume of reserve bank credit outstanding declined by about \$140,000,000 between the middle of January and the middle of February. This decline was due in part to the reduction in member bank reserve balances which accompanied the



Monthly rates in the open market in New York: commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first twenty days in February.

decline in the banks' loans and investments; in part to the continued return flow of currency from circulation; and in part to gold imports, largely from Brazil and Japan. Money rates in the open market eased further. Rates on commercial paper declined to a range of 4½-4¾ per cent, and rates on 60-90 day bankers' acceptances declined from 4 to 3¾ and later to 3¾ per cent. Discount rates at the Federal Reserve Banks of New York, Chicago, Boston, and Kansas City were reduced from 4½ to 4 per cent, and rates at Philadelphia, Cleveland, Richmond, St. Louis, Minneapolis and Dallas from 5 to 4½ per cent.