



# MONTHLY REVIEW

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

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

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

dull, with prices on steaming coal tending downward.

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

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

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

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

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

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

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

## MANUFACTURING AND WHOLESALING

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

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

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

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

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

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

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

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

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

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

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

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

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

## AUTOMOBILES

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

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

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

### RETAIL TRADE

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

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

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

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

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

### BUILDING

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

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

\*In thousands (000 omitted).

### POSTAL RECEIPTS

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

	For Quarter Ending				Sept. 1930 comp. to Sept. 1929
	Sept. 30, 1930	June 30, 1930	Mar. 31, 1930	Sept. 30, 1929	
Evansville ....	\$ 157,000	\$ 168,000	\$ 164,000	\$ 171,000	-8.2%
Little Rock....	234,000	212,000	238,000	225,000	+4.0
Louisville.....	612,000	683,000	681,000	681,000	-10.1
Memphis.....	541,000	581,000	653,000	605,000	-10.6
St. Louis.....	964,000	3,023,000	3,049,000	2,923,000	-67.0
Totals.....	\$2,508,000	\$4,667,000	\$4,785,000	\$4,605,000	-45.5

### CONSUMPTION OF ELECTRICITY

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

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

\*In thousands (000 omitted).

## AGRICULTURE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	High	Low	Close	
			Oct. 15, 1930	Oct. 15, 1929
Wheat				
Dec. ....per bu.	\$.85¾	\$.75¼	\$.78	\$1.33¾
May .....	.92¾	.82	.83	1.43¾
No. 2 red winter .....	.92	.83	.88 @ .88½	1.32 @ 1.35
No. 2 hard.....	.86	.77½	.80 @ .80½	1.29 @ 1.29½
Corn				
Dec. ....	.88¾	.77¾	.80¾	.93½
May .....	.92	.80	.83	1.01
No. 2 mixed.....	.96½	.85	.85 @ .85½	.95 @ .96
No. 2 white.....	.98½	.89½	.92 @ .92½	.97½ @ .98
Oats				
No. 2 white.....	.40	.36½	.37½ @ .38	.48 @ .48½
Flour				
Soft patent.....per bbl.	5.00	4.50	4.50 @ 5.00	6.75 @ 7.00
Spring patent.....	5.30	4.75	4.75 @ 4.85	6.00 @ 6.20
Middling cotton.....per lb.	.985	.915	.940	.17¼
Hogs on hoof.....per cwt.	10.75	7.00	8.00 @ 10.15	8.15 @ 10.05

## FINANCIAL

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

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

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

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

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

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

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

\*In thousands (000 omitted).

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

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

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

\*In thousands (000 omitted).

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

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

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

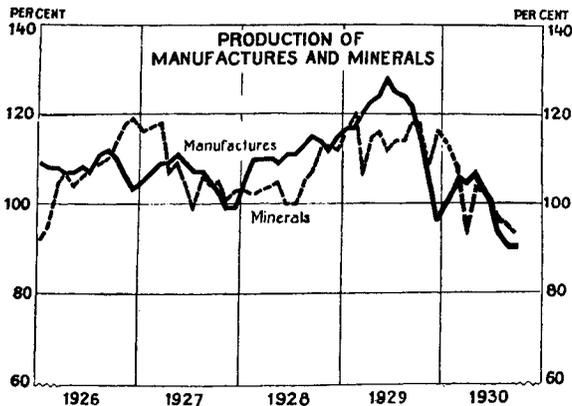
\*In thousands (000 omitted).

(Compiled October 23, 1930)

## BUSINESS CONDITIONS IN THE UNITED STATES

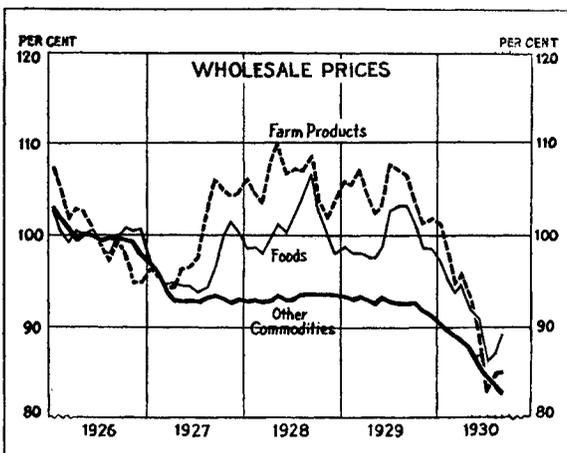
Volume of factory production increased by about the usual seasonal amount in September, while factory employment increased somewhat less than in other recent years. The general level of prices, which had advanced during August, declined during September and the first half of October. At member banks in leading cities there was a liquidation of security loans, and a considerable growth in commercial loans and in investments.

**INDUSTRIAL PRODUCTION AND EMPLOYMENT**—Output of factories increased seasonally in September, while that of mines declined. The Board's seasonally adjusted index of production in factories and mines, which had shown a substantial decrease for each of the preceding four months, declined by about one-half per cent in September. Production of iron and steel, lumber, and



Index numbers of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 average=100). Latest figures September: Manufactures, 90; Minerals, 94.

cement decreased and the output of automobiles continued to be in small volume. Activity in the textile industries including cotton, wool and silk, increased substantially, and stocks of cotton cloth were further reduced. At bituminous coal mines there was an increase in output of more than seasonal amount, output of copper was larger than in August, and there was a further increase in stocks of copper. Anthracite coal and petroleum production and shipments of iron ore declined. Employment in manufacturing establishments increased less than is usual at this season, the increase being chiefly in fruit and vegetable canning and in clothing industries, while reductions in number of employees were reported for the iron and steel, automobile, and lumber industries. Outside of factories, increased employment was reported in retail establishments and coal mines.



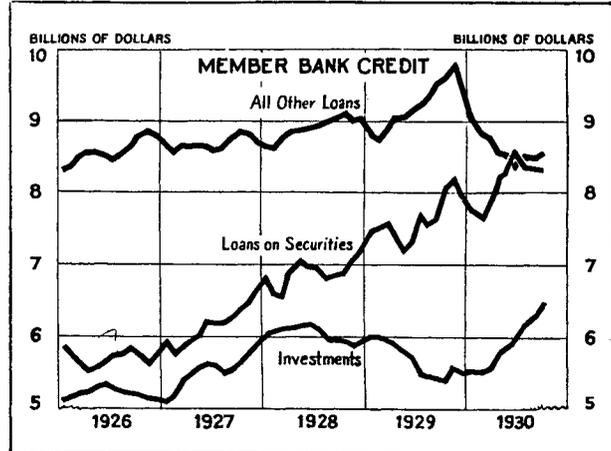
Indexes of the United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figures September: Farm Products, 85.3; Food Products, 89.2; Other Commodities, 82.8.

Residential building increased materially in September, contrary to the usual seasonal trend, while the volume of contracts for commercial building and public works and utilities decreased. Total value of building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change during the month. In the first ten days of October there was an increase in the daily average volume of contracts awarded.

Department of Agriculture estimates, based on October 1 conditions, indicate somewhat larger crops than the estimates made a month earlier for cotton, corn, oats, hay, potatoes, and tobacco.

**DISTRIBUTION**—Freight car loadings continued at low levels during September, the increases reported for most classes of freight being less than ordinarily occur in this month. Dollar volume of department stores sales increased by nearly 30 per cent, an increase about equal to the estimated seasonal growth.

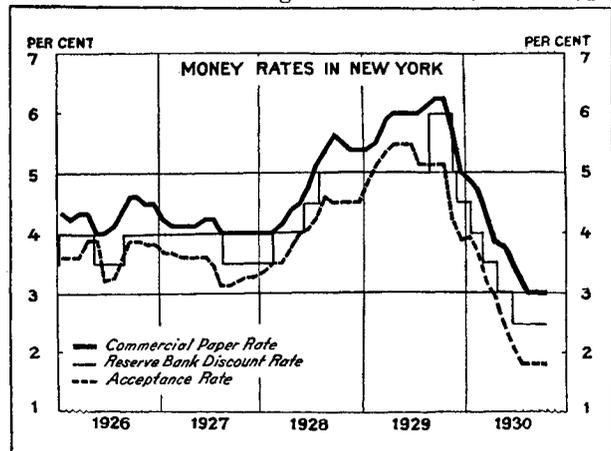
**WHOLESALE PRICES**—The index of wholesale prices on the average for the month of September as a whole, according to The Bureau of Labor Statistics, was at



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

about the same level as in July and August. The movement of prices, however, was upward in August, reflecting chiefly advances in the prices of livestock and meats, while in September the movement was downward, reflecting declines in a large number of commodities, including grains, livestock, meats, cotton, and copper. In the first half of October there were wide fluctuations in many agricultural prices, decreases in prices of nonferrous metals, and considerable increases in the prices of sugar and coffee.

**BANK CREDIT**—Security loans of reporting member banks in leading cities increased in the latter part of September, but declined rapidly early in October, the decline reflecting a large volume of liquidation in loans to brokers and dealers in securities. Commercial loans, which up to the last week in September had not shown the usual seasonal growth, increased by \$150,000,000 in the following three weeks. The banks holdings of investments continued to



Monthly rates in the open market in New York: Commercial rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 21 days in October.

increase. In response to the seasonal demand for currency, outstanding volume of reserve bank credit showed an increase of \$30,000,000 on the average between the weeks ending September 20 and October 18. Money rates in the open market continued at low levels. The yields on high grade bonds declined further until early in October when bond prices declined and there was a corresponding rise in yields.