



MONTHLY REVIEW

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

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AVAILABLE statistics and data generally bearing on trade and industry in this district during the past thirty days failed to indicate improvement in the depressed conditions which obtained in recent months. Distribution of goods and activities at manufacturing establishments through October continued at relatively low levels and in a majority of instances, reports received during the first half of November reflect a further slightly downward trend. Purchasing by merchants and the public continues on an extremely conservative scale, and there is a general disposition to await developments before making commitments. Ordering for future delivery in virtually all wholesaling lines is reported considerably below the average at this particular time during the past decade. In a limited number of classifications, notably stoves, drugs and chemicals, meat packing and other prepared food products, hardware and groceries, seasonal improvement was shown in October as compared with September, but in all lines investigated the volume of business reported in October was below that of the same month in 1929, and the average during the past five years.

Activities in the iron and steel industry sustained a further moderate recession in October and early November. New business with mills, foundries and machine shops is being sparingly placed, and despite curtailed shipments, backlogs of unfinished orders declined. Manufacturers and distributors of building materials report quietness in the demand for their goods. Moderate betterment in demand for bituminous coal for domestic heating purposes was offset by smaller requirements for manufacturing and industry generally. Conditions in the agricultural areas were favorable for harvesting late crops and general fall work, and yields are turning out better than indicated earlier in the season. Prices of farm products, however, continued to decline, and wheat, cotton, hogs and some other important products, reached the lowest levels in many years. As a result of the depressed markets, farmers are disposed to hold their stocks, and in many sections are holding down their purchases of commodities to a necessity basis.

Distribution of automobiles during October, according to dealers reporting to this bank, was the smallest since last January. Sales of department stores in the principal cities of the district in October failed to show the usual seasonal pick up, the total for that month being 2.9 per cent smaller than in September, and 10.6 per cent less than in October, 1929. For the year to November 1 the total was 9.1 per cent smaller than for the same period last year. Combined sales of all wholesale and jobbing firms reporting to this bank were in considerably smaller volume than in September, and about one-third less than in October, 1929. Charges to individual checking accounts in October were 10.0 per cent larger than in September, and 27.2 per cent less than in October, 1929. The cumulative total for the year to November 1 was 15.4 per cent smaller than for the corresponding period in 1929. The amount of savings deposits showed little variation as compared with a month and a year earlier.

Reflecting the general depression in business, freight traffic of railroads operating in this district continued the decline in volume which has been in effect since last winter. As contrasted with the same period during the two preceding years, marked decreases were noted in all classifications, with merchandise and miscellaneous freight making a particularly unfavorable showing. For the country as a whole, loadings of revenue freight for the first 44 weeks this year, or to November 1, totaled 39,911,074 cars, against 45,671,671 cars for the corresponding period in 1929, and 44,032,586 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 194,613 loads in October, against 186,862 loads in September, and 197,835 loads in October, 1929. For the first nine days of November the interchange amounted to 54,121 loads, against 57,676 loads during the corresponding period in October, and 65,732 loads during the first nine days of November, 1929. Passenger traffic of the reporting roads in October decreased 18 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 103,000 tons, against

113,749 tons in September, and 137,031 tons in October, 1929.

Reports relative to collections reflected little change from the slow backward tendencies noted in recent months. Generally through the rural areas, but more particularly in the south, merchants are complaining of slow settlements, due partly to a disposition on the part of farmers to hold their products for more favorable markets. Payments to wholesalers in the large distributing centers are irregular and spotted. Retailers in a strong cash position are taking up their bills promptly, but these are not in the majority and an increasing number of requests for extensions is reported. Settlements of retailers in the large centers were in relatively smaller volume in October and early November than a month and a year earlier. Time payment houses report more difficulty in getting in their money than heretofore. Replies to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
October, 1930.....	1.4%	8.5%	67.6%	22.5%
September, 1930.....	0.1	16.8	57.7	25.4
October, 1929.....	2.8	32.4	60.5	4.3

Commercial failures in the Eighth Federal Reserve District in October, according to Dun's, numbered 118, involving liabilities of \$3,505,807, against 153 failures with liabilities of \$4,427,593 in September, and 124 defaults for a total of \$1,881,464 in October, 1929.

The average daily circulation in the United States in October was \$4,501,000,000, against \$4,492,000,000 in September and \$4,810,000,000 in October, 1929.

MANUFACTURING AND WHOLESALING

Boots and Shoes — Sales of the reporting firms in October showed a decrease of more than one-fourth as compared with the same month in 1929, and the total was 5.5 per cent smaller than in September this year. Stocks on November 1 were 19.2 per cent smaller than thirty days earlier and 14.1 per cent larger than on November 1, 1929. Purchasing by retailers continues on a hand-to-mouth basis, with all firms reporting an unusually large number of mail orders for small quantities. The trend of prices was lower, though specific quotations showed few changes as contrasted with the preceding thirty days. On an average, prices are from 5 to 8 per cent lower than a year ago. During September and October factory operations were at about two-thirds of full capacity, and in early November fell to 60 per cent.

Clothing — The movement of seasonal apparel has been curtailed by mild weather, and advance

buying remains in considerably smaller volume than in past years. Sales of men's overcoats and women's cloaks are below expectations, and the movement of work clothes is reported in smaller volume than at any similar period in more than a decade. October sales of the reporting clothiers were 81.0 per cent smaller than for the same month in 1929, and 30.0 per cent less than the September total this year.

Drugs and Chemicals — Following the usual seasonal trend of the past several years, October sales of the reporting firms were larger than in September, the increase amounting to about 7.0 per cent. The October total, however, was 10.0 smaller than a year ago. Heavily reduced purchasing of heavy drugs and chemicals by the general manufacturing trade and smaller sales of denatured alcohol and other seasonal merchandise accounted for the decrease in the yearly comparison. Stocks on November 1 were 1.3 per cent and 4.0 per cent smaller, respectively than thirty days and a year earlier.

Dry Goods — Business in this classification continued the steady declines under a year ago which have been in effect in recent months. October sales of the reporting interests were about one-fourth smaller than for that month in 1929, and 6.2 per cent less than in September this year. Lower prices were partly responsible for the decrease in the yearly comparison, but volume was also smaller in virtually all lines. Orders booked for both future and prompt shipment since November 1 indicate no improvement over the preceding two months. Stocks on November 1 were smaller by 12.6 per cent than on October 1, and by 16.7 per cent than on November 1, 1929.

Electrical Supplies — October sales of the reporting firms were 37.0 per cent smaller than during the same month in 1929, and slightly less than the September total this year. Stocks on November 1 were 3.0 per cent and 11.0 per cent larger, respectively, than thirty days and a year earlier. The movement of seasonal merchandise is below expectations, and advance ordering of holiday goods is in considerably smaller volume than at this period in recent years.

Flour — Production at the 12 leading mills of the district in October totaled 426,184 barrels, the largest for any single month since September, 1929, and comparing with 398,617 barrels in September, and 412,118 barrels in October, 1929. Stocks of flour in St. Louis on November 1 were 8.0 per cent smaller than on October 1, and about the same as on November 1 last year. The sharp declines in wheat was reflected in a lowering of prices and generally quiet trade conditions. Buying continued on a neces-

sity basis, and export demand failed to show improvement. Mill operation was at approximately 60 per cent of capacity.

Furniture — For the second consecutive month, sales of the reporting firms showed an increase over the preceding month, the gain in October over September being 2.6 per cent. The October total, however, was less than half as large as a year ago, and considerably below the average for that month during the past decade. Stocks on November 1 were slightly lower than a month earlier, and 23.0 per cent larger than on the corresponding date in 1929.

Groceries — October sales of the reporting interests were 13.0 per cent smaller than for the same month in 1929, and 2.0 per cent larger than the September total this year. Stocks on November 1 were 2.6 per cent and 5.4 per cent smaller, respectively, than thirty days and a year earlier.

Hardware — Depressed conditions in the rural areas and cautious buying generally had a detrimental effect on business in this classification during the past thirty days. As is usual, October sales of the reporting firms were larger than in September, but the total was more than one-fourth less than a year ago. Inventories continued to decrease, stocks on November 1 being reported as 7.8 per cent and 15.3 per cent smaller, respectively, than thirty days and a year earlier.

Iron and Steel Products — The moderate improvement in demand for iron and steel, noted in the preceding issue of this report, failed to continue during the past thirty days. Placement of new business by virtually all classes of consumers was on a limited scale, and covered almost exclusively commodities for immediate use. Backlogs of unfinished orders at mills, foundries and machine shops sustained a further decrease, and curtailed operating schedules were the rule. Mild weather had a tendency to hold down purchasing of seasonal goods, and as has been the case since the early summer, demand, for commodities for use in the agricultural areas was considerably below the average at this time during the past several years. Manufacturers of farm implements report sales the smallest in recent years, and the same is true of makers and distributors of stoves and ranges. The outlet through the building industry continues restricted. Fabricators were working mainly on old orders, the volume of which had substantially declined. New lettings were for the most part of small jobs, calling for relatively light tonnages. The movement of materials for outdoor engineering projects, such as highway construction, public utilities extensions and river improvements, continued heavy, ideal weather for such activities having permitted uninterrupted

work. Automotive requirements showed no improvement, and specifications on finished materials for that industry were backward. Purchasing by the railroads was on a hand-to-mouth basis. Less than the usual seasonal pick-up took place in the demand for tubular goods. Plates, sheets and rolled steel generally remained quiet, and the movement of wire and wire goods showed no improvement from the recent dullness. Distribution of iron and steel goods from warehouses was in limited volume, the October total of the reporting firms being slightly below that in September, and only a half as large as a year ago. As a whole, finished steel products in October and early November exhibited a greater tendency in the direction of price stability than was the case with pig iron and iron and steel scrap. The raw materials declined, particularly scrap, certain grades dropping to the lowest point reached in more than two decades. While inventories of raw materials are in the main light, there was unusually little buying for future requirements. Purchasing of pig iron for first quarter of 1931 was almost entirely absent. Production of pig iron for the country as a whole in October was the smallest for any month since 1924, the total, 2,165,374 tons, comparing with 2,276,374 tons in September, and 3,588,146 tons in October, 1929. Production of steel ingots in the United States in October totaled 2,720,414 tons, against 2,867,978 tons in September, and 4,534,326 tons in October, 1929.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in October totaled 150,044, against 222,931 in September and 379,942 in October, 1929.

As has been uniformly the case during the past five years, distribution of automobiles in this district declined from October to November. The extent of the decrease was considerably larger than the average, however, and for the eighth consecutive month, October sales of dealers reporting to this bank were in smaller volume than during the corresponding period a year earlier. While relatively greater losses in both comparisons were shown by dealers in the country and small towns, than in the chief urban centers, decreases were general and extended to all classes of makes. Extensive unemployment depressed prices of farm products and a general disposition to conservatism were given by dealers as the chief reasons accounting for their smaller volume of sales. In turn the dealers are ordering from producers only enough cars to supply immediate requirements, with the result that inventories of new cars recorded a further reduction, and in many cases were the smallest at this time of year in

more than a half decade. October sales of the reporting dealers were a fourth smaller than in September, and only a little more than half as large as in October last year. As compared with the average October sales during the past five years, the total this year showed a decrease of about 42 per cent. Stocks of new cars in dealers' hands on November 1 were 3.4 per cent smaller than on October 1, and 14.2 per cent smaller than on November 1, 1929. Reports relative to the used car market reflected rather spotted conditions. Special selling campaigns and a desire on the part of dealers to realize cash resulted in heavy sales, in numerous instances at sharply reduced prices. Stocks of some dealers were reduced, while others reported no change or slightly larger inventories than thirty days earlier. Average saleable used car stocks on November 1 were 2.0 per cent smaller than on October 1, and 12.6 per cent less than on November 1, 1929. In both comparisons declines in value of used cars were considerably larger than in numbers. Business in parts and accessories continued to make a relatively better showing than in automobiles proper, due to unusually heavy repair and reconditioning operations. Sales in October of the reporting dealers were about on a parity with September, and 3.8 per cent smaller than in October last year. The ratio of new cars sold on time payment in October by dealers reporting on that detail was 54.0 per cent against 52.5 per cent in September, and 53.7 per cent in October, 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	
	Oct. 1930	10 months ending	Oct. 31, 1930	Jan. 1, to	Oct. 31, 1930	Oct. 1929
	comp. to Oct. 1929	Oct. 31, 1930 to same period 1929	comp. to Oct. 31, 1929	Oct. 31, 1930 to Jan. 1, 1930		
Evansville	—13.1%	—6.5%	—6.5%	1.66	1.86	
Little Rock.....	—9.8	—10.8	—16.4	1.95	1.99	
Louisville	—3.9	—8.3	+ 2.6	2.32	2.58	
Memphis	—25.0	—12.2	—8.5	2.45	2.62	
Quincy	+ 3.1	0.0	—6.6	2.15	2.19	
St. Louis.....	—8.1	—8.5	—8.5	3.16	3.31	
Springfield, Mo.....	—10.0	—8.4	—16.8	1.38	1.31	
8th District.....	—10.6	—9.1	—8.1	2.76	2.91	

	Net sales comparison		Stocks on hand	
	Oct. 1930 comp. to Oct. 1929	Sept. 1930	Oct. 1930 comp. to Oct. 1929	Sept. 1930
	Oct. 1929	Sept. 1930	Oct. 1929	Sept. 1930
Men's furnishings.....	—6.7%	+38.6%	—8.4%	+ 1.8%
Boots and shoes.....	—17.4	+ 5.4	—10.1	+ 2.3

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

	Percentage increase or decrease	
	Oct. 1930 compared to Oct. 1929	Oct. 1929
	Net sales for month	Stocks on hand at end of month
Piece goods.....	—14.7%	—8.9%
Ready-to-wear accessories.....	—13.3	—4.8
Women and misses' ready-to-wear.....	—20.1	—18.7
Men's and boys' wear.....	—16.3	—10.6
Home furnishings.....	—19.5	—8.1

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in October was the smallest, with the exception of last

January, for any month in more than six years. The total was 56.6 per cent smaller than in September, and 43.0 per cent less than in October, 1929. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in October amounted to \$31,705,045, against \$18,166,653 in September, and \$25,648,808 in October, 1929. Production of portland cement for the country as a whole in October totaled 14,410,000 barrels, against 16,124,000 barrels in September, and 16,731,000 barrels in October, 1929. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	299	442	\$ 121	\$ 345	80	45	\$ 42	\$ 21
Little Rock ..	32	50	52	165	76	94	25	56
Louisville ..	92	99	315	584	48	84	59	650
Memphis	170	163	243	429	173	212	123	167
St. Louis.....	380	488	552	723	327	533	213	498
Oct. totals	973	1,242	\$1,283	\$2,246	704	968	\$ 462	\$1,392
Sept. totals	1,414	1,372	2,959	4,181	677	934	420	1,149
Aug. totals	1,237	1,294	2,080	4,074	559	783	687	964

*In thousands (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in October as being slightly greater than in September, but 4.1 per cent smaller than in October, 1929. In the yearly comparison decreases are general through all classes of consumers. Detailed figures follow.

	No. of Customers	Oct. 1930	Sept. 1930	Oct. 1930 comp. to Sept. 1930	Oct. 1929	Oct. 1930 comp. to Oct. 1929
		*K.W.H.	*K.W.H.		*K.W.H.	
		Oct. 1930	Sept. 1930		Oct. 1929	
Evansville	40	1,948	1,850	+ 5.3%	1,827	+ 6.6%
Little Rock..	35	2,375	2,213	+ 7.3	1,941	+22.4
Louisville	85	7,566	8,089	— 6.5	7,692	— 1.6
Memphis	31	1,816	996	+82.3	1,521	+19.3
St. Louis.....	153	21,369	21,831	— 2.1	23,574	— 9.4
Totals.....	344	35,074	34,979	+ 0.3	36,555	— 4.1

*In thousands (000 omitted).

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

	By water power	By fuels	Totals
	Sept. 1930.....	Sept. 1930.....	Sept. 1930.....
Sept. 1930.....	2,257,241,000	5,506,241,000	7,763,482,000
Aug. 1930.....	2,487,667,000	5,389,895,000	7,877,562,000
Sept. 1929.....	2,479,066,000	5,518,748,000	7,997,814,000

AGRICULTURE

Conditions throughout the Eighth district during October and early November were in the main auspicious for crops and agricultural activities of all descriptions. Yields as a whole are turning out better than was believed possible six weeks or two months back, when practically the entire area was affected by the worst drouth experienced in recent years. Following relief from the protracted dry spell, late crops and pastures have developed favorably, and in some sections closely approximate the average for this time of year. Plantings of legumes and other emergency crops to supply the deficiency of feeds occasioned by failure of hay, corn, and other

productions in the drouth areas, have for the most part been successful, and will substantially assist in carrying livestock through the winter. A favorable feature of the season has been almost ideal weather for securing practically all field crops with a minimum of damage following maturity. Due to the lateness of frosts, unusually little injury was sustained from that cause. Of the principal late crops, corn, tobacco and white potatoes improved between October 1 and November 1, while slight deterioration took place in prospects for cotton.

Despite improvement late in the season, combined yields of all crops in the district in 1930 will be considerably below the average. On November 1 prospective crop yield in states entirely or partly within the Eighth district as a percentage of the average during ten years (1919-1928) was 75.5 per cent, which compares with 104.9 per cent on the same date in 1929 and 99.8 per cent in 1928. In addition to smaller outputs, prices of farm products continued to decline. In early November wheat receded to the lowest level in 28 years, and there were correspondingly sharp declines in other cereals. Farm labor conditions showed no changes as compared with the preceding thirty days. Wages have been on the decline since early in the year, with supply in excess of demand in practically all sections.

Corn — In its report as of November 1, the U. S. Department of Agriculture estimates the yield of corn in the Eighth Federal Reserve District at 185,806,000 bushels. This represents a moderate increase over the October 1 forecast, and compares with 312,957,000 bushels harvested in 1929, and a 7-year average of 339,625,000 bushels. Under favorable weather, harvesting and housing of the crop made rapid progress and is further advanced than usual at this time. Reports relative to quality reflect uneven conditions. Late plantings are turning out best, having been helped by September and October rains and the delayed frost. In the drouth areas considerable damage was done by ear worms and fungus pests. More than the average acreage was used for silage and forage, and some acreage was entirely abandoned in sections most acutely affected by the dry weather. Stocks of old corn on farms on November 1 were much below those during the preceding half decade. The corn crop for the entire country is estimated at 2,094,000,000 bushels, against 2,614,000,000 bushels harvested in 1929, and a 5-year average of 2,700,000,000 bushels.

Winter Wheat — No revision was made in the estimated production of wheat in the Eighth district, the Department of Agriculture placing the output for the year at 48,943,000 bushels, against 44,676,000

bushels harvested in 1929, and a 7-year average of 43,636,000 bushels. Seeding was carried further into the season than usual, and weather was auspicious for this work. The growing crop is almost universally up to a good stand, with fine color and root growth. At the middle of this month, however, general rains were much needed for fall sown grains over the northern stretches of the district. Due to short feed crops and low pasturage conditions, numerous fields of early sown wheat are being used for grazing. As was the case earlier in the season, unusually large quantities of wheat are being fed to live stock.

Fruits and Vegetables — Gardens and late commercial vegetable crops achieved marked improvement as a result of mild weather and moisture during October and early November. In the drouth areas all late garden products are being closely harvested and prepared for winter use. Final yields of certain fruits and vegetables are turning out slightly larger than earlier indications in some localities. White potatoe prospects were bettered in October, the district yield being estimated on November 1 at 15,684,000 bushels, an increase of 744,000 bushels over the October 1 forecast, and comparing with 13,313,000 bushels harvested in 1929, and a 7-year average of 15,731,000 bushels. The apple crop in states entirely or partly within this district is estimated at 13,073,000 bushels, of which 1,686,000 barrels represent commercial crop, against 14,280,000 bushels with 1,620,000 barrels commercial crop in 1929, and a 5-year average of 23,567,000 bushels, of which 2,511,000 barrels were commercial crop. The pear crop in these states is estimated at 1,008,000 bushels, against 1,972,000 bushels in 1929, and a 5-year average of 1,681,000 bushels. Grape prospects improved slightly between October and November, the estimate for the district based on the November 1 condition being 33,771 tons, against 38,196 tons in 1929, and a 5-year average of 28,707 tons. There was also considerable improvement in the sweet potatoe crop, the November 1 forecast being for 13,979,000 bushels, an increase of 974,000 bushels over the October 1 forecast, and comparing with 17,741,000 bushels harvested in 1929, and a 5-year average of 16,748,000 bushels.

Live Stock — Taken as a whole, the condition of live stock throughout the district is good, adverse influences earlier in the season considered. Improvement of pastures following the drouth helped materially, and while in many instances feed prices are higher than average and supplies less plentiful, farmers have been able to carry their herds in fair shape. Stock water was adequate for current requirements, but at the middle of November heavy

fall rains were needed to replenish depleted supplies in many localities, particularly in the northern tier of counties. Losses of farm animals from forage poisoning have been somewhat larger than usual, due to the prevalence of moulds and rots in corn this season. Heavy infestation of ear worm in corn has aggravated this condition. The low price of wheat and scarcity of other grain and forage feeds is reflected in more general feeding of wheat to live stock than in any recent year. Milk production per cow, which had declined steadily since June, showed less than the usual seasonal decrease during October.

The lamb feeding situation on November 1 was still uncertain. Available information points to a material decrease in the total number which will remain on feed for market in all areas on January 1, 1931, in comparison with January 1, 1930. This decrease may exceed 500,000 head. The number of fed lambs available to move during November and December, however, appears to be much larger than the number marketed during those months in 1929. Among the complicating factors in the feeding situation this year is the heavy direct movement of lambs into areas where feeding has never been of great importance and the uncertainty as to the time when these lambs will move to market; another is the large number of lambs being held on pastures in producing areas that may or may not be marketed, depending upon prices during the next two months.

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

	Receipts			Shipments		
	Oct. 1930	Sept. 1930	Oct. 1929	Oct. 1930	Sept. 1930	Oct. 1929
Cattle and calves.....	140,285	132,519	144,437	92,541	86,702	99,179
Hogs	304,663	238,241	339,212	250,431	191,940	247,835
Horses and mules.....	2,167	1,567	6,486	2,360	1,477	7,993
Sheep	65,421	55,926	46,313	34,397	18,467	24,961

Cotton — A moderate decrease in prospective yield in this district took place during October. Based on the November 1 condition, the Department of Agriculture estimates the crop at 2,436,000 bales, against 3,306,000 last year, and a 7-year average of 2,660,000 bales. Weather as a whole has been favorable for picking cotton, and the harvest is well advanced. Since the first of November conditions have been less auspicious, rains in some sections having interfered with field operations. Prices advanced slightly during the last week in October from the low point of the season reached early in that month, but reacted downward during the second week in November. In St. Louis the middling grade ranged from 9.25c to 10.25c per pound between October 17 and November 17, closing at 9.35c on the latter date, which compares with 9.25c on October 17, and 16.25c on November 15, 1929. There was still a disposition on the part of farmers to hold their cotton for more favorable markets. Total receipts at Arkansas warehouses from August 1 to November

14 were 590,335 bales as against 1,000,914 bales for the corresponding period last year. Stocks on hand in Arkansas warehouses on November 14 totaled 357,127 bales, which compares with 232,489 bales on October 10, and 381,585 bales on the corresponding date in 1929.

Rice — Earlier expectations are being exceeded as harvesting and threshing of the crop progresses. Combined yield in Arkansas and Missouri is estimated at 7,465,000 bushels, against 7,119,000 bushels in 1929 and a 5-year average of 8,384,000 bushels. Prices average about 10c below a year ago, and farmers are in many instances holding their stocks for more favorable markets.

Tobacco — Based on the November 1 condition, the Department of Agriculture estimates the tobacco crop in the Eighth district at 278,162,000 pounds, which is about 11,000,000 pounds more than the October 1 forecast, and compares with 316,507,000 pounds harvested in 1929. Remarkable improvement took place in the condition of all types of tobacco following breaking of the drouth, and since cutting and housing of the crop, weather has been mainly favorable for conditioning the leaf. While quality as a whole is considerably below the 10-year average in all states of the district, it is much higher than was thought possible a month or six weeks earlier. Opening of the loose-leaf markets is scheduled for early in December.

Commodity Prices — Range of prices in the St. Louis market between October 15, 1930 and November 17, 1930, with closing quotations on the latter date and on November 15, 1929:

					Close	
					Nov. 17, 1930	Nov. 15, 1929
Wheat						
Dec.	per bu.	High	Low		\$.73½	\$1.16½
May85¼	.73½		.75½	1.26½
No. 2 red winter91	.83	\$.84 @	.85	1.24
No. 2 hard.....		.82	.72	.75 @	.76	1.18
Corn						
Dec.81	.70½		.71½	.85
May85	.74½		.76½	.94½
No. 2 mixed.....		.85½	.69	.71 @	.72	.88
No. 2 white.....		.92½	.72	.75 @	.76	.90
Oats						
No. 2 white.....		.39	.32½	.34½ @	.35	.47½ @
Flour						
Soft patent.....	per bbl.	5.00	4.30	4.30 @	4.75	6.00 @
Spring patent.....		5.30	4.40	4.40 @	4.65	5.85 @
Middling cotton.....	per lb.	.10¼	.09¼		.0935	.16¼
Hogs on hoof.....	per cwt.	10.25	7.25	7.25 @	8.75	8.00 @

FINANCIAL

Reflecting continued depression in industry and commerce, available supply of loanable resources for business purposes was in excess of requirements. In order to employ their surplus funds, commercial banks substantially increased their investments, the total of which in early November reached the highest point since last June. In the principal urban centers seasonal needs of mercantile and manufacturing interests were less in evidence than has been the case at this time in recent years. The call for funds for carrying securities was also in smaller volume than heretofore.

As was the case during the preceding thirty days, liquidation was spotty and irregular, both with reference to the several lines and localities. Payments of loans based on agricultural products were in less than expected volume, due to depressed markets and a disposition on the part of producers to hold their products for more remunerative prices. This was true particularly in the typical cotton and grain areas. Some increase in demand for tobacco loans was reported, and there is still an active call for financing live stock operations.

Reversing the movement of a year ago and in some other past seasons, loans of the reporting member banks have decreased sharply since the end of August. This trend is accounted for largely by smaller industrial and mercantile requirements, lower commodity prices, and heavily reduced borrowings on securities. On November 12, total loans of reporting member banks were at the low point of the year and 10 per cent less than on November 13, 1929. Following a marked decline in late September and October, deposits of these banks turned slightly upward during the first half of November. Their investments, which last year described an irregularly downward curve from June through December, have been moving steadily upward since July, and on November 13 reached the largest total since June 11.

Borrowings of all member banks from the Federal reserve bank, which had receded steadily between October 22 and November 12, moved sharply upward during the third week of November. The increase was due to heavy demands for cash by banks desiring to fortify their position in communities affected by the recent failures and suspensions of financial institutions. Throughout the past thirty days paper discounted by the Federal reserve bank was in considerably smaller volume than during the corresponding period last year and the average during the past half decade.

Interest rates charged by the commercial banks continued at, or about the low levels which have obtained since early summer. At the St. Louis banks, current rates were as follows; Prime commercial paper, $3\frac{1}{4}$ 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 $4\frac{1}{2}$ per cent; interbank loans, 4 to $4\frac{1}{2}$ per cent, and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on November 19, 1930, showed a decrease of 1.5 per cent as contrasted with October 15, 1930. Deposits decreased 1.7 per cent

between October 15, 1930 and November 19, 1930 and on the latter date were 2.8 per cent less than on November 20, 1929. Composite statement follows:

	*Nov. 19, 1930	*Oct. 15, 1930	*Nov. 20, 1929
Number of banks reporting.....	†22	†24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$202,559	\$218,298	\$250,515
All other loans and discounts..	281,428	273,240	293,370
Total loans and discounts.....	\$483,987	\$491,538	\$543,885
Investments			
U. S. Government securities.....	37,733	34,809	46,961
Other securities.....	124,536	126,021	109,746
Total investments.....	\$162,269	\$160,830	\$156,707
Reserve balance with F. R. bank..	41,800	45,051	43,489
Cash in vault.....	10,838	5,765	6,497
Deposits			
Net demand deposits.....	355,029	361,475	378,007
Time deposits.....	233,269	235,878	226,595
Government deposits.....	284	1,208	905
Total deposits.....	\$588,582	\$598,561	\$605,507
Bills payable and rediscounts with Federal Reserve Bank.....	4,836	5,020	33,693

*In thousands (000 omitted).

†Decrease due to consolidation. These 22 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.

	*Oct. 1930	*Sept. 1930	*Oct. 1929	Oct. 1930 comp. to Sept. 1930	Oct. 1929
East St. Louis & Natl.					
Stock Yards, Ill..	\$ 41,781	\$ 38,128	\$ 54,551	+ 9.6%	—23.4%
El Dorado, Ark.....	7,008	6,472	8,559	+ 8.3	—18.1
Evansville, Ind.....	27,031	24,348	34,683	+11.0	—22.1
Fort Smith, Ark....	12,733	12,158	18,276	+ 4.7	—30.3
Greenville, Miss....	4,186	3,425	7,162	+22.2	—41.6
Helena, Ark.....	5,844	3,711	13,179	+57.5	—55.7
Little Rock, Ark....	39,506	41,357	63,009	— 4.5	—37.3
Louisville, Ky.....	197,615	204,913	238,631	— 3.6	—17.2
Memphis, Tenn.....	165,740	126,709	274,527	+30.8	—39.6
Owensboro, Ky.....	6,310	5,739	6,787	+ 9.9	— 7.0
Pine Bluff, Ark.....	10,650	8,018	23,333	+32.8	—54.4
Quincy, Ill.....	11,673	10,921	15,399	+ 6.9	—24.2
St. Louis, Mo.....	681,887	617,263	909,858	+10.5	—25.1
Sedalia, Mo.....	4,196	4,126	5,019	+ 1.7	—16.4
Springfield, Mo....	18,327	14,996	18,490	+22.2	— 0.9
**Texarkana,					
Ark-Tex.....	11,664	10,194	19,918	+14.4	—41.4
Totals.....	\$1,246,151	\$1,132,478	\$1,711,381	+10.0	—27.2

*In thousands (000 omitted).

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

Federal Reserve Operations — During October the Federal Reserve Bank of St. Louis discounted for 208 member banks against 208 in September, and 233 in October, 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:

	*Nov. 21, 1930	*Oct. 21, 1930	*Nov. 21, 1929
Bills discounted.....	\$25,839	\$18,171	\$45,918
Bills bought.....	7,329	8,402	42
U. S. Securities.....	8,625	23,899	17,071
Total bills and securities.....	\$41,793	\$50,472	\$63,031
F. R. Notes in circulation.....	87,983	62,549	92,125
Total deposits.....	77,958	75,086	81,539
Ratio of reserve to deposits and F. R. Note Liabilities.....	77.7%	70.7%	68.6%

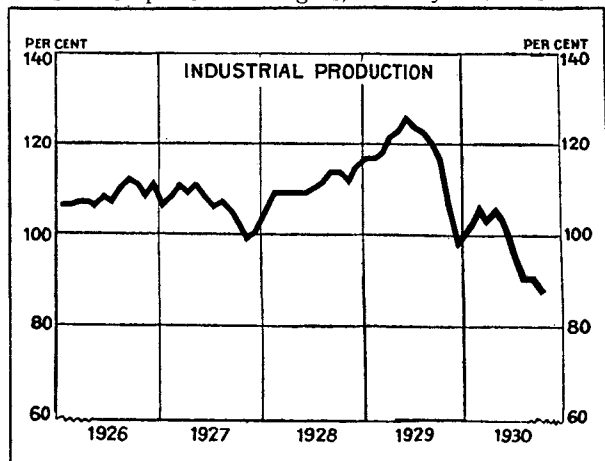
*In thousands (000 omitted).

(Compiled November 22, 1930)

BUSINESS CONDITIONS IN THE UNITED STATES

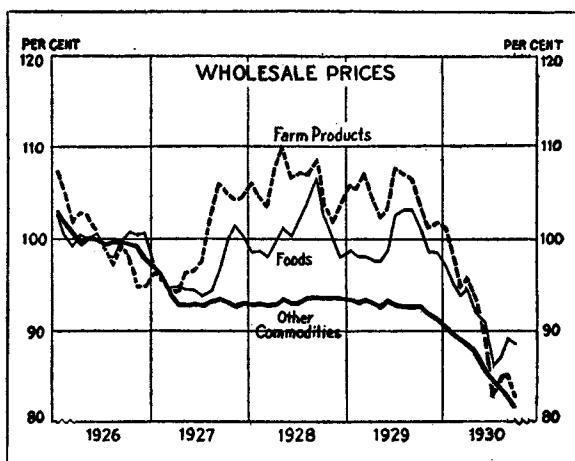
Volume of industrial production and factory employment declined in October, and there was a further downward movement of commodity prices; volume of sales by department stores increased by more than the usual seasonal amount. There was a considerable inflow of gold from South America and the Orient, and a further slight easing of money rates.

PRODUCTION AND EMPLOYMENT—Industrial production, including both factories and mines, decreased by about 3 per cent in October, according to the Federal Reserve Board's index, which makes allowance for usual seasonal changes. This decline reflected chiefly a further decrease in output of steel ingots, contrary to the usual sea-



Index number of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 average=100). Latest figure, October, 88.

sonal movement, and a larger than seasonal decline in the output of automobiles. Output in the shoe industry was also curtailed. Consumption of cotton by domestic mills showed a further increase of slightly more than the usual seasonal amount, and stocks of cotton cloth were further reduced. Increased activity was also reported for the silk industry. Output of coal was in substantially larger volume than in September, while production of copper and petroleum declined. Number of workers employed showed a decrease for the month in foundries and in the automobile, machine tool, woolen, and shoe industries, while increases were reported in number of persons employed in the production of silk goods, hosiery, and radios. Employment at coal mines increased considerably, partly in response to seasonal influences. Value of contracts for residential building, as re-

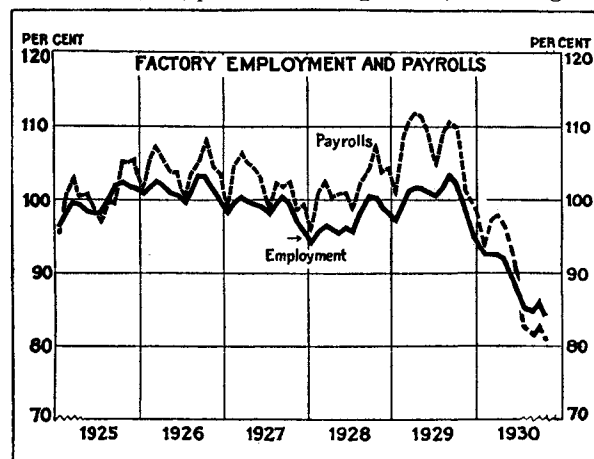


Indexes of the United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figures October: Farm Products, 82.6; Food Products, 88.6; Other Commodities, 81.5.

ported by the F. W. Dodge Corporation, which had shown a growth in September, increased further in October, but by an amount smaller than is usual for that month. Contracts for public works and utilities also increased somewhat, reflecting a larger volume of awards for pipe lines. Owing to a substantial decrease in contracts for industrial building, however, there was little change in the total value of building contracts awarded.

DISTRIBUTION—Volume of distribution of commodities by rail showed a decline from September to October. Retail trade, however, as indicated by sales of department stores, increased by considerably more than the seasonal amount, according to preliminary reports to the Federal Reserve System.

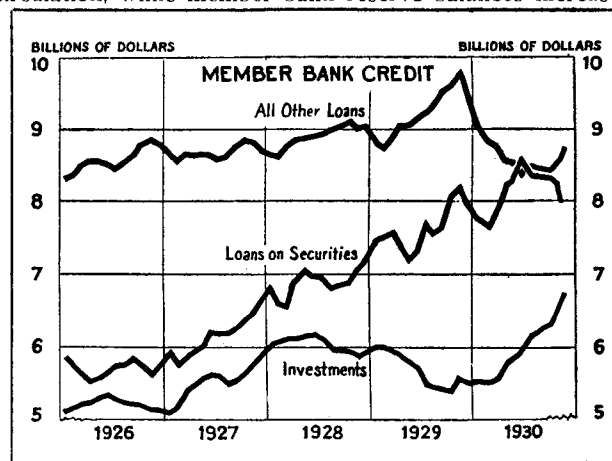
WHOLESALE PRICES—The general level of wholesale prices as measured by the Bureau of Labor Statistics' index, declined in October and the decline continued in the first half of November. Further decreases in the prices of many agricultural products, including grains, livestock and meats, were accompanied by reduction in the prices of hides, tin, petroleum and gasoline, while sugar and



Index numbers of factory employment and payrolls, without adjustment for seasonal variations. (1923-1925 average=100). Latest figures October: Employment, 84.3; Payrolls, 80.9.

copper advanced. The price of cotton rose considerably at the end of October from the low level prevailing early in the month.

BANK CREDIT—Total volume of credit at reporting member banks in leading cities showed relatively little change for the four-week period ending November 12. Loans on securities declined further by \$350,000,000, reflecting reductions in loans to brokers and dealers in securities, while all other loans increased by \$150,000,000, partly on account of purchases of acceptances by the member banks. The banks also increased their holdings of investments. The volume of reserve bank credit in use showed little change between the middle of October and the middle of November. There was a further addition of \$30,000,000 to the stock of monetary gold and a decline of \$20,000,000 in money in circulation, while member bank reserve balances increased,



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in November. no material change in the composition of the reserve bank portfolio was shown for the month.

Money rates in the open market have eased slightly since the middle of October. The rate on prime commercial paper declined from 3 per cent to a range from $2\frac{3}{4}$ to 3 per cent and there was a reduction in the rate on bankers' acceptances of the longer maturities. Long-time money rates, as measured by yields on United States Government securities, declined slightly.