



# MONTHLY REVIEW

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

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CONTINUING the recessionary trend of recent months, industry and trade in this district during November and early December reached the lowest levels of the year. The usual seasonal contraction in manufacturing activities, particularly in iron and steel, lumber, fire clay products, and machinery of all descriptions, was more marked than in previous years, due to slack demand occasioned by country wide depression. Distribution, while making a relatively better showing than production, also reflected the effects of the universally restricted purchasing of commodities. In virtually all merchandising lines investigated, the volume of November sales was smaller than during the preceding month and the corresponding period last year. In a large majority of instances, the November totals were below the average for that month during the past decade. Reports of retail establishments indicate relatively heavier declines in sales of goods in the luxury category than in the case of necessities and staple merchandise.

As has been the case since early in the year, manufacturers are making up few goods for which they have not actual orders or reasonably certain sales prospects. Commitments for raw materials, in turn, are in unusually small volume, with advance ordering for first quarter of the new year requirements in many important industries substantially below the average at this season. Price declines of both raw and finished materials have served to create uncertainty and emphasize the policy of caution in commitments of manufacturers and merchants. A favorable result of the curtailed manufacturing activity and conservative buying by merchants is the generally strong position of stocks. Inventories have been steadily decreasing in many important lines, and at the end of the year will have reached a point where replenishment will become necessary to meet current replacement needs.

Through the south, wholesale and retail trade has been adversely affected by the decline in prices of cotton, tobacco and rice, also by the tying up of funds as a result of recent bank failures. Depressed prices of cereals, live stock and other farm products

has served to reduce purchasing power elsewhere in the rural areas. According to the Employment Service of the Department of Labor, the surplus of workers generally through the district increased during November. Seasonal unemployment due to releases of workers through completion of harvests was considerably augmented by reduced activities at manufacturing plants and by termination of work on buildings and other construction projects. There was a moderate gain in employment in retail establishments incident to the Christmas holiday trade, also in tobacco producing sections. Considerably less than the usual seasonal pickup in employment of miners in the anthracite fields of the district was noted.

According to the group of dealers reporting to this bank, distribution of automobiles in November was the smallest for any month this year except January. Department store sales in the principal cities of the district decreased 10.0 per cent in November as compared with October, and 21.0 per cent as compared with November, 1929. The cumulative total for the year to December 1 showed a decrease of 10.0 per cent as contrasted with the same period last year. Combined sales of all wholesale and jobbing firms reporting to this bank were one-third smaller in November than during the preceding month, and one-fourth less than in November, 1929. Charges to individual checking accounts in November were about 17.0 per cent smaller than in October and 31.0 per cent less than in November, 1929. The cumulative total for the year to December 1 was smaller by approximately 17.0 per cent than for the corresponding period in 1929. There was a slight decline in the amount of savings accounts between November 3 and December 3, due mainly to withdrawal of Christmas funds.

Freight traffic of railroads operating in this district continued during November to run considerably below the volume at the same time during the preceding several years. The movement of seasonal commodities, notably coal and coke, failed to show the usual pick up, and reflecting curtailed distribution of merchandise, there were sharp declines in

the miscellaneous freight and merchandise classifications. The volume of live stock and farm products generally hauled during the month also showed unusually heavy decreases. For the country as a whole, loadings of revenue freight for the first 48 weeks this year, or to November 29, totaled 43,103,568 cars, against 49,489,591 cars for the corresponding period in 1929, and 48,072,852 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines interchanged 166,395 loads in November, against 194,613 loads in October, and 197,835 loads in November, 1929. During the first nine days of December the interchange amounted to 47,235 loads, against 54,121 loads during the corresponding period in November, and 62,935 loads during the first nine days in December, 1929. Passenger traffic of the reporting roads in November decreased 18.0 per cent as contrasted with the same month last year. Estimated tonnage of the Federal Barge Line between New Orleans and St. Louis in November was 83,000 tons, against 102,569 tons in October, and 103,478 tons in November, 1929.

Spotty and irregular conditions were reflected in reports bearing on collections during November and the first half of December. This was true of different localities and the several lines, also of individual interests in the same line. Taken as a whole, however, there was little, if any betterment as contrasted with the preceding three or four months. Wholesalers and jobbers in the large cities report that good accounts, that is, those enjoying a strong credit position, are paying promptly. In many instances such debtors are availing themselves of the prevailing low interest rates to borrow and discharge their obligations in order to obtain discounts. On the other hand, slow accounts are becoming slower and greater difficulty is experienced in obtaining settlements. Requests for extensions and longer datings are more numerous than heretofore. Liquidation in the agricultural areas is in less than the usual seasonal volume. Country merchants complain of slow payments, due in a measure to a disposition of farmers to hold their products for more favorable marketing conditions. This in turn has held down liquidations with country banks. Retailers in the large cities report a slowing down in collections, particularly noticeable in the case of goods purchased on time payment plan. 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>
November, 1930.....	.....%	10.0%	65.0%	35.0%
October, 1930.....	1.4	8.5	67.6	22.5
November, 1929.....	2.7	22.7	65.3	9.3

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's numbered 92, involving liabilities of \$3,870,162, against 118 failures with liabilities of \$3,505,807 in October, and 126 defaults for a total of \$1,773,236 in November, 1929.

The average daily circulation in the United States in November was \$4,528,000,000 against \$4,501,000,000 in October and \$4,845,000,000 in November, 1929.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — Sales of the reporting firms during November were the smallest for any month this year, and the total was about one-third less than in November, 1929, and in October this year. Inventories continued the steady decline noted in recent months, stocks on December 1 being smaller by 7.0 per cent and 5.0 per cent, respectively, than thirty days and a year earlier. Prices were lower, reductions averaging about 3.0 per cent as compared with the month before being announced by several leading interests. As contrasted with a year ago, average prices on December 1 showed a decline of about 8.0 per cent. Demand for overshoes was slow, with sales the smallest for any similar period in recent years. There was a further slight decrease in factory activities as compared with the preceding thirty days.

**Clothing** — There was the usual heavy seasonal decline in sales of the reporting clothiers from November to December, and as compared with a year ago, the November total showed a decrease of about one-fourth. Unusually mild weather tended to hold down distribution of winter apparel. While stocks of both jobbers and retailers are of moderate proportions, there is a general disposition to postpone replenishing, purchasing being held close to actual requirements.

**Drugs and Chemicals** — Marked decrease in demand for heavy drugs and chemicals and a heavy falling off in purchasing of holiday goods and sundries were responsible in large measure for a decrease in November sales of 18.0 per cent as compared with the same month in 1929, and of 10.0 per cent as compared with the October total this year. Stocks continued to decline, the aggregate on December 1 being slightly less than a month earlier, and about 11.0 per cent below that on December 1, 1929. Luxury goods are selling in considerably smaller volume than in recent years, and warm weather has adversely affected the movement of seasonal merchandise.

**Dry Goods** — The downward trend in this classification noted in recent months continued during

November and early December. Purchasing by retailers is on very conservative lines, and mainly for immediate consumption. The decline in raw cotton and uncertainty prevailing in markets for other raw materials had a tendency to restrict commitments on finished goods. There was a further reduction in inventories, stocks on December 1 being about 6.0 per cent smaller than a month earlier, and fully one-fifth smaller than on December 1, 1929. November sales of the reporting firms were approximately one-fifth and one-third smaller, respectively, than thirty days and a year earlier. Since the last week of November, reordering of holiday goods has been in considerable volume.

**Electrical Supplies** — According to the reporting firms, the movement of holiday and seasonal merchandise during the past two months has been the smallest for any similar period in a number of years. Radio sales declined heavily as compared with a year and two years ago. The outlet through the building and automotive industries continues restricted. Sales of the reporting firms in November fell 43.0 per cent below a year ago, and 16.0 per cent below the October total this year. Stocks on December 1 were 12.0 per cent larger than on the same date in 1929, and 10.0 per cent less than on November 1 this year.

**Flour** — Production at the 12 leading mills of the district in November totaled 398,617 barrels, against 426,184 barrels in October, and 395,562 barrels in November, 1929. Stocks of flour in St. Louis on December 1 showed little variation as compared either with a month or a year earlier. During the last half of November and early this month there was an increase in inquiries, and a better undertone generally through the trade. The upturn in wheat prices had a tendency to restore confidence, and specifications on old orders expanded somewhat. New sales, however, showed no material increase, and activities were confined chiefly to the domestic trade. Aside from routine transactions with Latin-American countries, export business was almost entirely absent. Throughout the period low grades and clears were in relatively better demand than high grade flours. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — November sales of the reporting firms in this classification recorded the lowest total for any month in more than six years. Ordering of holiday goods was considerably below expectations, and the general line of home furniture and furnishings was quiet. Purchasing of office furniture and equipment showed no change from the small volume of recent months. Sales of the reporting interests in November were only about one-third as large as

for the same month in 1929, and less than half as large as in October this year. Stocks showed no change worthy of note as compared with a month earlier, but were a fourth larger than a year ago.

**Groceries** — Heavily reduced demand for holiday goods and luxuries generally was cited as a contributing cause for a decrease in November sales of the reporting firms of 18.0 per cent as compared with the same month last year. As contrasted with the October total this year, November sales showed a decrease of 15.0 per cent. Stocks on December 1 were slightly smaller than a year earlier, and 10.0 per cent less than on November 1 this year.

**Hardware** — A further decline in business volume, both as compared with a month and a year ago, took place in this classification. November sales of the reporting firms were about a third smaller than for the same month in 1929, and smaller by more than one-fifth than the October total this year. Stocks on December 1 were 4 per cent and 16.0 per cent smaller respectively, than a month and a year earlier.

**Iron and Steel Products** — Activities in the iron and steel industry in this district during the past thirty days dropped to the lowest point of the present downward movement. While shipments of finished and semi-finished materials sustained a further decrease, and in November were the smallest for any month this year, unfilled orders on December 1 were measurably below those thirty days earlier. New buying and specifying on materials previously acquired by the automotive industry were below expectations, except in the case of a limited number of producers who were arranging to bring out new models. Inquires and new orders coming from the railroads were in somewhat larger volume than during the preceding month, but these activities had not progressed sufficiently far to be reflected in work at mills and foundries of this district. The outlet through the building industry continued restricted, except for certain commodities to be used in outdoor engineering projects, notably highway construction and municipal and public utility work. Demand from the general manufacturing trade failed to show betterment, and in a number of lines was less active than heretofore. Producers of sheets, plates, bars, and kindred commodities reported demand through November at a low ebb. Sheet prices for the first quarter of 1931 were announced, but failed to elicit any substantial volume of purchasing. Continued dullness obtained in the call for wire and wire products, with advance sales of fencing materials the lightest at this particular time in more than a decade. Distributors of iron and steel goods from warehouses reported buying on an absolute necessity

basis, with individual orders of unusually small size, and the total showing considerably more than the seasonal decline. Fabricators of reinforcing concrete bars reported moderate improvement during late November and early December, both in actual awards and prospects. Structural steel fabricators, however, noted no change from the quiet conditions obtaining in their line since early spring. Manufacturers of stoves and heating apparatus increased their operations slightly during November, but shipments continued substantially below the usual seasonal average. While some progress was made in price stabilization as a whole, lack of uniformity was still in evidence, particularly in the case of raw materials. Pig iron declined further to the lowest levels in many years. The price recession, however, has failed thus far to stimulate buying. Engagements for first quarter of 1931 use are negligible. Scrap iron and steel prices also receded to a new low point on the present downward movement. For the country as a whole, production of pig iron in November slumped to the lowest average daily rate since 1924. The total, 1,865,415 tons, compares with 2,165,374 tons in October and 3,182,420 tons in November, 1929. Steel ingot production in the United States in November totaled 1,806,109 tons, against 2,165,374 tons in October, and 2,796,214 tons in November, 1929.

### AUTOMOBILES

Following the seasonal trend during the past several years, sales of automobiles in this district declined in November as compared with the preceding month. The decline, according to reporting dealers, was considerably less than the average during the past decade, but this was due to the unusually small October volume, the November total being the smallest for that month since these records have been compiled. November was the ninth consecutive month in which the volume of distribution fell below that of the corresponding period a year earlier. As has been the case throughout this year, decreases reported by country dealers were relatively larger in both the monthly and yearly comparisons than was the case with interests in the larger centers of population. Reduced farm income, due to drouth, crop shortages and the depressed prices of farm products, adversely affected business in the rural areas. Unemployment and a general disposition to conservatism were in a large measure responsible for the decreased sales in the cities. Ordering of new cars from producers by the reporting dealers is confined to absolute necessities, inventories at the end of November being the smallest in more than six years. Certain distributors who ordinarily purchased in carlots, are now ordering

from two to six vehicles at a time. November sales of the reporting dealers were about one-tenth smaller than in October and 37.0 per cent less than in November, 1929. Stocks of new cars in dealers' hands on December 1 were 2.6 per cent smaller than on November 1, and one-third less than on December 1, 1929. Reports relative to the used car market reflected spotted conditions, some dealers indicating a fairly active trade, while others reported continued apathy. Due to the small number of sales of new cars and consequent light receipts on trades, dealers' stocks of secondhand vehicles on December 1 showed a slight decrease from a month earlier, and the total was approximately a fourth less than a year ago. The investment value of used car inventories on December 1 was less than half as large as on the same date in 1929. As has been the case since early in the year, business in parts and accessories was relatively much better than in automobiles proper. The explanation of this is found in a universal disposition to repair and recondition old cars rather than replace them. According to dealers reporting on that detail, sales of new cars on the deferred payment plan in November constituted about 49.0 per cent of their entire sales, against 54.0 per cent in October, and 51.2 per cent in November, 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	
	Nov. 1930 comp. to Nov. 1929	11 months ending Nov. 30, 1930 to same period 1929	Nov. 30, 1930 comp. to Nov. 30, 1929	Nov. 30, 1930 comp. to Nov. 30, 1929	Jan. 1, to 1930	Nov. 30, 1929
Evansville .....	-20.0%	— 7.9%	— 6.0%	—	1.82	2.05
Little Rock.....	-26.6	— 12.9	— 17.2	—	2.19	2.27
Louisville .....	-23.3	— 10.0	+ 7.0	—	2.53	2.88
Memphis .....	-31.5	— 14.5	— 6.2	—	2.69	2.95
Quincy .....	-25.0	— 2.6	— 4.3	—	2.33	2.41
St. Louis.....	-17.2	— 9.4	— 7.9	—	3.45	3.64
Springfield, Mo. ....	-10.0	— 8.6	— 19.0	—	1.56	1.47
8th District.....	-21.1	— 10.4	— 6.9	—	3.03	3.23

	Net sales comparison		Stocks on hand	
	Nov. 1930 comp. to Nov. 1929	Oct. 1930	Nov. 1930 comp. to Nov. 1929	Oct. 1930
Men's furnishings.....	-30.3%	— 7.9%	— 15.8%	— 4.3%
Boots and shoes.....	-14.6	— 9.1	— 14.1	— 1.9

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

	Percentage increase or decrease Nov. 1930 compared to Nov. 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-25.7%	— 11.2%
Ready-to-wear accessories.....	-22.3	— 2.5
Women and misses' ready-to-wear.....	-26.3	— 19.6
Men's and boys' wear.....	-29.1	— 8.0
Home furnishings.....	-21.0	— 7.7

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in November fell slightly below the October total, which, with the exception of January, was the smallest for the year. As compared with last year, the

November total recorded a decrease of almost one-half. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in November amounted to \$15,529,723 the smallest total since last January, and comparing with \$31,705,045 in October, and \$18,679,021 in November, 1929. Production of portland cement for the country as a whole in November totaled 11,098,000 tons, against 14,410,000 tons in October, and 14,053,000 tons in November, 1929. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits 1930	1929	*Cost 1930	1929	Permits 1930	1929	*Cost 1930	1929
Evansville	220	271	\$ 80	287	27	30	6	16
Little Rock	17	45	57	73	29	69	8	20
Louisville	58	102	176	678	29	31	72	105
Memphis	214	186	283	328	65	172	34	85
St. Louis	270	355	675	878	280	330	288	555
Nov. totals	779	959	\$1,271	\$2,244	430	632	\$ 408	\$781
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

\*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 November as being a third less than in October, and about 20.0 per cent smaller than in November, 1929. In the yearly comparison declines were shown in virtually all lines, but were particularly heavy in the case of iron and steel plants, coal mines, railway shops and furniture factories. In the month-to-month comparison considerably more than the usual seasonal decline was noted in a majority of industries. Detailed figures follow:

Custom- ers	Nov. 1930	Oct. 1930	Nov. 1930 comp. to Oct. 1930	Nov. 1929	Nov. 1930 comp. to Nov. 1929	
	*K.W.H.	*K.W.H.		*K.W.H.		
Evansville	40	1,728	1,948	-11.3%	1,424	+21.3%
Little Rock	35	1,421	2,375	-40.2	1,627	-12.7
Louisville	85	6,353	7,566	-16.0	6,409	-0.9
Memphis	31	1,868	1,816	+ 2.9	1,942	- 3.8
St. Louis	154	13,378	21,393	-37.5	19,180	-30.3
Totals....	345	24,748	35,098	-29.5	30,582	-19.1

\*In thousands (000 omitted).

## AGRICULTURE

Conditions generally through the Eighth District during the past thirty days were favorable for agricultural activities. Temperatures were mild for the season, and with an alternation of rainy and clear days, farmers were able to accomplish a considerable amount of field work, besides the ordinary routine operations. For the most part harvesting of late crops was completed under auspicious conditions, and housing and the movement of these products made good progress. Late fall and winter plowing was facilitated by needed moisture, and this work in many sections is further advanced than the average at this season. Growing grain crops for the most part made good headway, and winter wheat is entering the cold weather in a strong position.

The United States Department of Agriculture's December report, giving final estimates of production, showed only minor variations from the November 1 forecasts of the chief crops in this district. Considerable unevenness in quality is disclosed in the case of certain important productions, notably corn, tobacco, and cotton. Effects of the drouth are more apparent as final stock is taken of the year's results. The movement of cotton from producers' hands to the gins has been rapid, but due to low prices there is a disposition on the part of planters to withhold their stocks from market. The tobacco markets opened yearly in December, with offerings in about the expected volume.

Cereal prices, notably corn and wheat, advanced during late November and early this month from the extreme low level of the year, reached in the second week of November, but continued considerably below a year ago, and the average during the past decade. Cotton declined to a new low on the crop, and prices of hogs continued the recession of recent months, selling in the second week of December at the lowest level in many years. There was no change worthy of note in the status of farm labor during November, except what was due to seasonal considerations. In all sections a surplus exists, augmented by heavy releases of temporary help by completion of late harvests.

**Corn** — Except in a limited number of localities where delayed by rains, husking has made rapid progress, and cribbing is generally nearer completion than usual at this time of year. These operations have speeded up because of actual need of the grain for feeding livestock and for shipping to areas where scarcity exists. Latest husking yields tend to confirm earlier official forecasts of production, but are disclosing an usually large percentage of low grade corn. Ears are light and chaffy, and as a result of the drouth and insect infestation, mould and rot are prevalent, particularly in the case of early planted corn. A considerable portion of the arrivals at primary points is grading No. 3 and lower. Generally throughout the district prime seed corn is scarce, and farmers will be obliged to purchase supplies elsewhere for planting next year. In surplus counties, farmers are in many instances able to obtain more favorable prices locally than could be realized by shipping to primary markets.

**Winter Wheat** — Planting of the winter wheat crop has been completed, and with generally favorable weather farmers were able to carry out their full intentions relative to acreage. The growing crop has been materially benefitted by recent rains,

and except in a relatively few counties, soil conditions are good, with subsoil moisture sufficient to carry well into the winter. More extensive pasturing of wheat fields in Missouri, Illinois and Indiana was noted this fall than has been the case in more than two decades. The snow fall thus far has been light, but due to the relatively mild temperatures, that protection for the crop has not been urgently needed. Fly infestation is below average, and confined to scattered localities.

**Live Stock** — Mainly favorable weather since breaking of the drouth has proved beneficial to live stock generally through the district. Herds are for the most part in good condition for carrying through the winter. Pastures in the south were benefitted by low temperatures and rains, with the result that farmers have been able to manage with less prepared feed than seemed possible six weeks or two months earlier.

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

	Receipts		Shipments			
	Nov. 1930	Oct. 1930	Nov. 1929	Nov. 1930	Oct. 1930	Nov. 1929
Cattle and calves.....	87,891	140,285	99,098	55,956	92,541	70,288
Hogs.....	273,429	304,663	317,820	223,734	250,431	225,090
Horses and mules.....	2,208	2,167	5,865	1,847	2,360	5,675
Sheep.....	29,808	65,421	36,280	7,289	34,397	11,657

**Cotton** — According to the U. S. Department of Agriculture, prospects for cotton in states partly or entirely within the Eighth Federal Reserve District underwent a decline between November 1 and December 1. Combined yield in Missouri, Arkansas, Tennessee and Mississippi is estimated by the Department based on December 1 condition, at 2,970,000 bales, a decrease of 85,000 bales as contrasted with the November 1 forecast, and comparing with 4,085,000 bales produced in 1929 and 3,296,000 bales in 1928. The last half of November and early December were moderately favorable for harvesting the remnants of the crop, but there was little cotton left in the fields, the harvest in most sections being nearer to completion on December 1 than on any similar date since 1922. Reports relative to quality show considerable unevenness, with effects of the drouth and other disabilities during the growing season being manifest in final results. Demand for cotton developed no change worthy of mention as compared with the preceding two or three months. Prices fluctuated within a narrow range, but with the trend downward. In the second week of December the price dropped to the lowest point in fifteen years and about three cents a pound below the level shortly before the exchanges were closed at the outbreak of the World War. In the St. Louis market the middling grade ranged from 8½c to 9.35c per pound between November 17 and December 15, closing on the latter date at 8½c, against 9.35c on November 17 and 15¾c on the corresponding date

in 1929, and 19c in 1928. As has been the case since early fall, there is a disposition on the part of producers to hold their cotton for more favorable markets. Total receipts at Arkansas warehouses from August 1 to December 12 were 724,217 bales, which compares with 1,117,953 bales for the corresponding period last year. Stocks in these warehouses on December 12 totaled 376,408 bales, against 357,127 bales on November 14, and 385,027 bales a year ago.

**Tobacco** — The favorable season enabled farmers to strip and prepare large quantities of tobacco for the opening of the markets. Initial prices paid in the dark tobacco districts were disappointing, and resulted in numerous rejections of sales and holding for better prices. The more desirable grades showed relatively smaller declines than lugs and common leaf as compared with opening prices last year. Due to the drouth, less desirable quality appeared at the opening sales than was the case in 1929. The burley tobacco markets opened during the second week of December, and while much short, common tobacco was present in early deliveries, prices realized were mainly satisfactory to producers, though about \$4 per cwt. below last year's averages. To December 12, the average price at this season's sales in the several districts, as compared with the average for the entire season in 1929, were reported as follows:

	1930 (Per cwt.)	1929 (Per cwt.)
Hopkinsville Dark Fired.....	\$7.90	\$13.00
Paducah Dark Fired.....	5.93	10.00
Henderson Dark Fired.....	9.10	9.50
Burley.....	17.80	21.40
One-Sucker.....	7.50	10.50
Green River.....	8.70	10.70

**Commodity Prices** — Range of prices in the St. Louis market between November 17, 1930, and December 15, 1930, with closing quotations on the latter date and on December 16, 1929.

	Wheat	High	Low	Close	
				Dec. 15, 1930	Dec. 16, 1929
Dec. ....per bu.	\$ .75½	\$ .72		\$ .75	\$ 1.22½
May .....	" .80½	.74		.78½	1.30½
July .....	" .69½	.69		.69½	1.30
No. 2 red winter .....	" .86½	.81½	\$ .81½ @ .83½	\$ 1.32½ @ 1.33	
No. 2 hard.....	" .73	.78	.77½ @ .78	1.23	@ 1.24
Corn					
Dec. .....	" .78	.69		.71	.89½
May .....	" .82	.73½		.75	.96½
No. 2 mixed.....	" .79	.68½	.71½ @ .72½	.86½ @ .87	
No. 2 white.....	" .83	.72½	.73½ @ .74	.90	@ .90½
Oats					
No. 2 white.....	" .39½	.34	.35 @ .35½	.46½ @ .47	
Flour					
Soft patent.....per bbl.	5.00	4.30	4.70 @ 5.00	7.00	@ 7.25
Spring patent....."	4.90	4.10	4.10 @ 4.50	6.30	@ 6.35
Middling cotton.....per lb.	.0935	.08½	.08½		.15½
Hogs on hoof.....per cwt.	8.60	6.65	6.75 @ 8.35	8.00	@ 9.55

## FINANCIAL

Trends in the banking and financial situation in the Eighth District noted in the preceding issue of this review, continued in effect during the past thirty days. The general business situation was reflected in a further recession in demand for credit from commercial and industrial sources. Needs for carrying securities were also in smaller volume than heretofore, and due to the depressed prices of farm products, requirements for financing the movement and

marketing of crops were substantially smaller than at this particular season in recent years. As has been the case since early autumn, supplies of loanable funds at commercial banks were in excess of demands, and in order to employ surplus the banks increased their investment holdings.

While continuing spotty and irregular, liquidation as a whole was in considerable volume, which fact was reflected in a noticeable increase in deposits of reporting member banks from the year's low point, reached in the middle of November. Depressed prices of cotton, tobacco and rice, coupled with the disturbing effects of a number of bank failures, served to hold down the volume of business and liquidation generally through the south. Opening of the tobacco marketing season around December 1 were marked by an increased demand for funds to finance that crop, adequate preparations for meeting which, have been perfected. Settlements of loans by grain handlers and flour milling interests have been in about the usual seasonal volume. There continues a fair demand for funds for conditioning live stock for market.

Reporting member banks in the district showed a moderate decrease in loans between November 12 and December 10, and the volume was \$69,000,000 or 13 per cent less than on December 13, 1929. Deposits of these banks declined in early November, but subsequently recovered, and on December 10 reported the highest total since late August. Their investment trend continued the irregularly upward swing which started last June, and in recent months has received impetus from necessity of keeping surplus funds employed.

Borrowing of all member banks from the Federal reserve bank described an irregular curve. Following a decline in late October, there was a sharp increase in late November. Liquidation since then has brought the total bills discounted and held by the reserve bank to approximately half the volume at the corresponding period last year. Holiday requirements were reflected in the usual seasonal increase in demand for currency since the middle of November. The extent of this increase, however, was measurably smaller than in recent years.

Influenced by abundant funds and slack credit demands, interest rates showed a further slight decline, and at the middle of December reached the lowest levels in more than a decade. At St. Louis banks current rates were as follows: Prime commercial paper,  $2\frac{3}{4}$  to  $5\frac{1}{2}$  per cent; collateral loans,  $4\frac{1}{2}$  to 6 per cent; loans secured by warehouse receipts,  $3\frac{3}{4}$  to  $5\frac{3}{4}$  per cent; interbank loans,  $4\frac{1}{2}$  to 6 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on December 17, 1930, showed a decrease of 1.4 per cent as contrasted with November 19, 1930. Deposits increased 2.6 per cent between November 19, 1930 and December 17, 1930 and on the latter date were 1.5 per cent less than on December 18, 1929. Composite statement follows:

	*Dec. 17, 1930	*Nov. 19, 1930	*Dec. 18, 1929
Number of banks reporting.....	x26	†22	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$197,879	\$202,559	\$253,546
All other loans and discounts.....	279,452	281,428	285,456
Total loans and discounts.....	\$477,331	\$483,987	\$539,002
Investments			
U. S. Government securities.....	32,345	37,733	37,720
Other securities.....	130,652	124,536	110,042
Total investments.....	\$162,997	\$162,269	\$147,762
Reserve balance with F. R. bank.....	45,840	41,800	43,904
Cash in vault.....	8,567	10,838	7,468
Deposits			
Net demand deposits.....	373,868	355,029	392,053
Time deposits.....	228,834	233,269	220,110
Government deposits.....	1,193	284	892
Total deposits.....	\$603,895	\$588,582	\$613,055
Bills payable and rediscounts with			
Federal Reserve Bank.....	3,214	4,836	16,403

\*In thousands (000 omitted).

†Decrease due to consolidations. xIncrease due to substitutions for closed banks. These 26 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.

	*Nov. 1930	*Oct. 1930	*Nov. 1929	Nov. 1930 comp. to
East St. Louis & Natl.				
Stock Yards, Ill. \$	33,496	\$41,781	\$46,210	—19.8%
El Dorado, Ark.....	6,281	7,008	7,783	—10.4
Evansville, Ind.....	23,521	27,031	31,152	—13.0
Fort Smith, Ark.....	11,764	12,733	14,859	—7.6
Greenville, Miss.....	4,045	4,186	5,834	—3.4
Helena, Ark.....	3,441	5,844	7,057	—41.1
Little Rock, Ark.....	32,618	39,506	61,865	—47.3
Louisville, Ky.....	155,957	197,615	212,530	—21.1
Memphis, Tenn.....	143,640	165,740	225,161	—13.3
Owensboro, Ky.....	5,932	6,310	6,297	—6.0
Pine Bluff, Ark.....	9,043	10,650	15,172	—15.1
Quincy, Ill.....	7,843	11,673	13,667	—32.8
St. Louis, Mo.....	572,145	681,887	810,970	—16.1
Sedalia, Mo.....	3,793	4,196	4,757	—9.6
Springfield, Mo.....	14,264	18,327	16,044	—22.2
**Texarkana, Ark.-Tex.....	10,132	11,664	16,115	—13.1
Total.....	\$1,037,915	\$1,246,151	\$1,495,473	—16.7

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During November the Federal Reserve Bank of St. Louis discounted for 225 member banks against 208 in October, and 222 in November, 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:

	*Dec. 19, 1930	*Nov. 19, 1930	*Dec. 19, 1929
Bills discounted .....	\$15,238	\$15,993	\$27,907
Bills bought .....	9,485	7,160	5,953
U. S. Securities.....	24,418	14,151	25,908
Total bills and securities.....	\$49,141	\$37,304	\$59,768
F. R. Notes in circulation.....	84,323	79,846	94,479
Total deposits.....	71,526	77,615	82,070
Ratio of reserves to deposits and F. R. Note Liabilities.....	73.9%	78.5%	68.1%

\*In thousands (000 omitted).

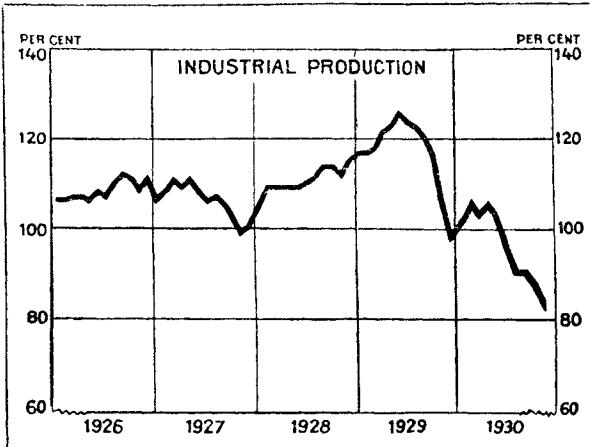
(Compiled December 23, 1930)

## BUSINESS CONDITIONS IN THE UNITED STATES

**PRODUCTION AND EMPLOYMENT**—Industrial production declined about 4 per cent in November according to the Federal Reserve Board's seasonally adjusted index. Output of iron and steel decreased further while the number of automobiles produced per working day continued at a low level. Daily average cotton consumption increased further by somewhat more than the usual seasonal amount

new low levels. From the end of October to the middle of December there were substantial decreases in prices of many other commodities, including corn, hogs, pork, hides, tin and coffee, while prices of copper and rubber fluctuated widely, declining at the end of the period.

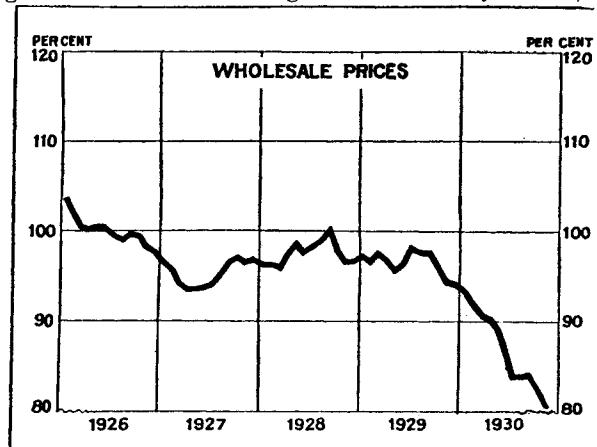
**BANK CREDIT**—Loans and investments of reporting member banks in leading cities declined by about \$250,-



Index number of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 average=100). Latest figure, November, 84.

and activity at silk mills continued to increase, while wool consumption decreased by an amount substantially larger than is usual in November.

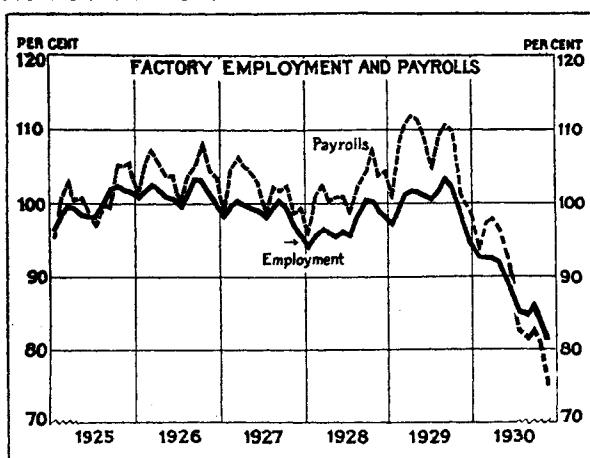
Factory employment and payrolls showed decreases in November, reflecting in part changes of a seasonal character. The number employed in the clothing, and shoe industries decreased by more than the usual amount, while employment at silk mills showed an increase contrary to the ordinary seasonal movement. In the industries producing building materials including lumber, cement, and brick, declines in employment exceeded the usual seasonal proportions. In the automobile industry employment declined further, but by an amount considerably smaller than is usual in November. Value of contracts awarded for residential build-



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, November, 80.4.

000,000 during the three week period ending December 10, reflecting a further reduction of \$69,000,000 in loans on securities, and a decline of \$196,000,000 in all other loans, offset in part by a further small increase in investments. There was also a decline in time deposits, reflecting in large part withdrawal of Christmas funds. In the following week, December 10 to December 17, changes in the figures for reporting banks reflected in part the closing of a large reporting bank in New York City. This resulted in a decline in the reported assets and liabilities of New York City banks.

Reserve bank credit outstanding increased by about \$294,000,000 during the four weeks ending December 17, and there was also an addition of \$30,000,000 to the country's stock of gold. Discounts for member banks increased by

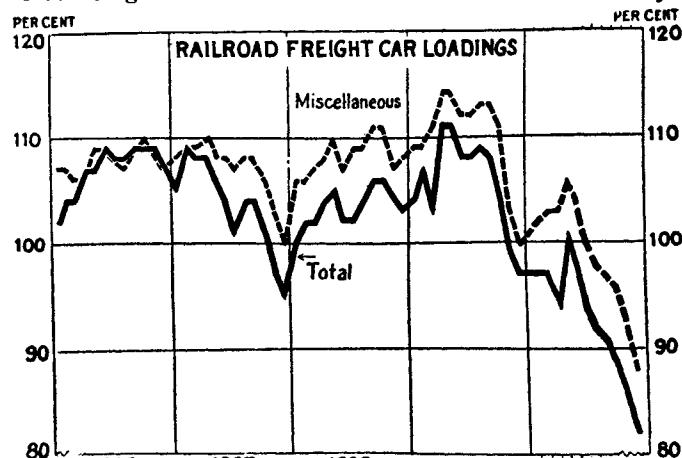


Index numbers of factory employment and payrolls, without adjustment for seasonal variations. (1923-1925 average=100). Latest figures, November: Employment, 81.1; Payrolls, 75.1.

ing and for public works and utilities, as reported by F. W. Dodge Corporation, declined in November and contracts for commercial and industrial building continued at the low levels of other recent months. In the first two weeks of December the daily average of total contracts awarded was somewhat smaller than in November.

**DISTRIBUTION**—Freight car-loadings decreased further in November by more than the ordinary seasonal amount. Expansion of department store sales from October to November was smaller than usual, following a growth in October that was larger than ordinary.

**WHOLESALE PRICES**—The general level of wholesale commodity prices declined further in November according to the Bureau of Labor Statistics and there were additional price declines in the first half of December, when several commodities, including silver and cotton, reached



Cars of revenue freight loaded as reported by the American Railway Association. Index numbers adjusted for seasonal variations (1923-1925 average=100). Latest figures, November: Total 82; miscellaneous, 88.

\$126,000,000, acceptance holdings of the reserve banks by \$74,000,000 and their holdings of United States securities, including one day treasury certificates issued in connection with December 15 fiscal operations, by \$96,000,000. The increase in reserve bank credit outstanding reflected a large growth in the demand for currency by the public and by banks, resulting in part from the currency requirements for the holiday trade, and in part from demand for cash from banks and from the public in regions where important bank failures occurred during the period. During November and the first two weeks of December money rates continued fairly steady at extremely low levels, with prime commercial paper at a range of 2 1/4-3 per cent and bankers acceptances at 1 1/2 per cent. In the third week of December there was a slight increase in rates for call and time loans on the New York stock exchange. The yields on high grade bonds increased during the latter part of the period.