



MONTHLY REVIEW

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

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THE almost unbroken decline in industry and commerce in this district, which has been in progress since the fall of 1929, continued during December and the opening weeks of January. A majority of available series of business statistics recorded decreases in December as contrasted with the preceding month, also with the corresponding period a year earlier. Production at manufacturing plants in virtually all lines declined in more than the usual seasonal volume in December, making that month the lowest in point of total output for the year, and the lowest for any December in more than a decade. In addition to decreased activities at industrial establishments, December was marked by a heavy reduction in production of bituminous coal in all fields of the district and smaller output in lead, zinc and other mining operations. Production statistics for the year, completed by the December figures, do not make a favorable comparison with those of the preceding twelve months or the average in recent years.

In a large majority of wholesale lines investigated, December sales fell below those of the preceding month, and showed sharp declines as compared with the corresponding month in 1929. There was no noticeable deviation from the policy of purchasing only sufficient goods for immediate needs which has been in effect for a number of months past. The volume of orders for forward delivery booked by the reporting firms was the smallest for any similar period in recent years. Due chiefly to seasonal influences, distribution through retail channels made a relatively better showing than through the wholesale outlet. Christmas shopping got an unusually backward start, as evidenced by the small volume of retail business in November, but gained momentum after the first week in December, with the result that sales for December showed more than the average increase over the preceding month, though recording a substantial decrease under the December, 1929, total.

As was the case earlier in the year, trade in the large centers of population made a relatively better

showing than in the rural areas and small towns. Crop failures due to the drought last summer and fall and the depressed prices of agricultural products heavily reduced purchasing power in the country, necessitating economies and conservation of cash resources. Employment conditions in both the industrial centers and the country during December, according to the Employment Service of the Department of Labor, were less satisfactory than during the preceding month, the number of employed in this district reaching the highest total for the year. Since the first of January a moderate increase in employment has taken place, though a surplus of workers still exists in all the chief lines of industry.

Aggregate sales of department stores in the principal cities of the district in December were about one-half larger than in November, but 13.5 per cent smaller than in December, 1929. For the year 1930 sales of these stores fell 10.8 per cent below the total of the preceding twelve months. Combined sales of all wholesale and jobbing firms reporting to this bank were 28 per cent smaller than in November, and 19 per cent less than in December, 1929. According to the group of dealers supplying their statistics for publication in this report, automobile sales in December were slightly smaller than for the same month a year earlier, but 12 per cent larger than in November. Charges to checking accounts were about 5 per cent larger in December than November, but about one-fourth less than in December, 1929. Total debits for the year were smaller by 17 per cent than in 1929. The amount of savings accounts on January 7 showed small decreases as compared with thirty days and a year earlier.

The volume of freight handled by railroads operating in this district continued to decline during the closing weeks of December with the result that total car loadings for 1930 fell sharply below those of the several preceding years. During the month decreases were shown in all classifications, but were most marked in seasonal commodities, notably coal and coke, which is accounted for partly

by the unusually high temperatures prevailing through the period. The movement of grain and grain products was the smallest for any similar period in a number of years. For the country as a whole loadings of revenue freight in 1930 totaled 45,887,413 cars, against 52,827,925 cars in 1929, and 51,589,887 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 156,424 loads in December, against 166,395 loads in November, and 187,464 loads in December, 1929. During the first nine days of January the interchange amounted to 47,502 loads, against 47,235 loads during the corresponding period in December, and 53,814 loads during the first nine days of January 1930. Passenger traffic of the reporting roads decreased 24 per cent in December as compared with the same month in 1929. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 107,000 tons, against 83,408 tons in November, and 72,480 tons in December, 1929. The total tonnage in 1930 was 1,148,877 tons, against 1,293,971 tons in 1929, and 1,435,486 tons in 1928.

Generally unsatisfactory conditions were reflected in reports relative to collections during the past thirty days. In a majority of wholesale lines, payments were in relatively much smaller volume than a year ago and the average during the past decade. As has been the case since early fall, considerable irregularity and spottiness was noted, both with reference to the various lines and localities. In the typical cotton producing areas, and generally through the south backwardness in settlements was complained of both by the retail and wholesale trade. Slow collections were the rule with retail interests in the large centers of population during December, but moderate improvement has taken place since the first of January, following the holiday trade. Time payment houses and other merchants selling goods on the installment plan report no change from the unsatisfactory collection conditions obtaining in recent months. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
	%	%	%	%
December, 1930.....	12.7	63.5	23.8	
November, 1930.....	10.0	65.0	25.0	
December, 1929.....	1.4	24.3	61.4	12.9

Commercial failures in the Eighth Federal Reserve District in December, according to Dun's numbered 131, involving liabilities of \$10,609,767, against 92 failures with liabilities of \$3,870,162 in November, and 113 defaults for a total of \$4,935,058 in December 1929. In 1930 there were 1,517 failures with liabilities of \$48,948,234, against 1,420 failures

in 1929 with liabilities of \$25,432,558 and 1,300 defaults in 1928 involving liabilities of \$29,885,811.

The average daily circulation in the United States was \$4,823,000,000 against \$4,528,000,000 in November, and \$4,943,000,000 in December, 1929.

MANUFACTURING AND WHOLESALING

Boots and Shoes—There was the usual contraction in volume of business from November to December, but the magnitude of the decrease was considerably larger than the average during the past decade. Total sales of the reporting firms in December were 40 per cent smaller than in November, and 4 per cent less than in December, 1929. The decrease in the yearly comparison was the smallest recorded for any month in 1930. Salesmen were later in getting on the road this year than is ordinarily the case, and orders booked so far this month are below a year ago. In the immediate past, however, improvement has developed, and in the case of several important firms indications are that the January volume will equal that of the same month in 1930. A further reduction in prices was recorded in early January, and the average now is from 8 to 10 per cent below a year ago. Stocks on January 1 were 14 per cent larger than thirty days earlier, and 18 per cent less than on January 1, 1930.

Clothing—Continued mild weather during the last half of December and early January adversely affected sales of heavy apparel, both for men and women. Reordering of overcoats and women's coats was reported in unusually small volume, and due to lateness of the season, indications are that the carry-over will be larger than the average during the past several years. Ordering of clothing for delivery in the spring is on an extremely conservative basis, with prices playing an important part in the majority of transactions. The reporting clothiers reported the usual seasonal decline in sales from November to December, but the December total was about one half larger than for the same month in 1929.

Drugs and Chemicals—Improvement in the movement of seasonal goods in this classification was offset by continued recession in demand for staple merchandise, and December sales of the reporting interests fell 3 per cent below November and 10 per cent under the December, 1929, total. Stocks on January 1 were 8 per cent and 3 per cent smaller, respectively than thirty days and a year earlier.

Dry Goods—December sales of the reporting firms were the smallest for the year, and the smallest for that particular month since 1923. The total for December was a fourth smaller than a year earlier, and 35 per cent less than the November aggregate. The downward trend was continued during the first two weeks of January, during which period sales

were about a fourth less than at the same time in 1930. Part of the decrease in the yearly comparisons is accounted for by lower prices. Stocks on January 1 were slightly larger than a month earlier, but smaller by about one-fourth than on January 1, 1930.

Electrical Supplies—A more active movement of seasonal merchandise, particularly radio materials, was reflected in a moderate gain in sales of the reporting interests in December as compared with November. As compared with a year earlier, however, the December total showed a loss of 39 per cent. Stocks on January 1 were 4 per cent and 8 per cent smaller, respectively, than thirty days and a year earlier.

Flour—Production at the 12 leading mills of the district in December totaled 329,094 barrels, against 398,617 barrels in November, and 394,030 barrels in December, 1929. Stocks in all positions are unusually low for this time of year, but replenishment is backward, buyers confining their commitments to actual requirements. In St. Louis, stocks on January 1 were about 3.0 per cent smaller than on December 1, and 16.0 per cent smaller than on January 1, 1930.

Furniture—The usual seasonal slowing down in business in this classification was emphasized by the generally depressed conditions, and December sales of the reporting firms were the smallest for any month in recent years. Since January 1 some improvement has developed, orders booked at the Chicago furniture show having exceeded expectations. The volume of sales in December was less than half as large as for the same month in 1929, and about one-fourth less than in November. Inventories continued to recede, stocks on January 1 being 12 per cent smaller than on the same date in 1930.

Groceries—Unfavorable weather, disappointing holiday trade volume and reduced purchasing power in the rural areas were influences in a further decline in business in this classification. December sales of the reporting firms were slightly below those of the preceding month and 13 per cent less than the December, 1929, total. Inventories are the smallest at this particular time in a number of years, stocks of the reporting interests on January 1 being 8 per cent less than on December 1, and 8 per cent smaller than on January 1, 1930.

Hardware—The warm, open winter has militated against the movement of seasonal merchandise, and was accountable in part for a decline of 32 per cent in December sales of the reporting interests under the same month in 1929, and 15 per cent under the November, 1930, total. Stocks on January 1

were 9 per cent and 15 per cent smaller, respectively, than thirty days and a year earlier.

Iron and Steel Products—The usual slowing down in activities in the iron and steel industry occasioned by the holidays and inventory period was considerably more marked during the past thirty days than has been the case in recent years. Operations at mills, foundries, machine shops and other ferrous metal working plants during December receded from the low average level of November, and reached the lowest point recorded during the year. Only moderate betterment has taken place since January 1, many plants which had closed down in late December having failed to resume operations. Among all classes of consumers there was a disposition to await completion of inventorying and developments in general business conditions before making commitments. Purchasing was confined almost exclusively to an immediate requirement basis, this being true particularly of the railroads, the automotive industry and other important consumers. There was a further contraction in the outlet through the building industry, somewhat greater than could be accounted for by seasonal influences. Fabricators of structural iron and steel reduced their working forces with completion of old work and absence of new lettings. Producers and distributors of sheets, plates and other rolled steel materials report purchasing for first quarter requirements the smallest in more than a decade. In the immediate past some quickening in demand for sheets and plates has developed, coming mainly from miscellaneous users. Warm weather through December and early this month has militated against the movement of seasonal commodities, notably stoves, heating apparatus and tubular goods. Sales of these commodities during the last quarter of 1930, according to the reporting interests, were only slightly more than half as large as during the same period a year earlier. Prices of finished and semi-finished goods underwent no marked change in either direction as contrasted with the preceding thirty days. Since January 1 the price of pig iron in this district has developed a firmer tone, though no change in actual quotations has taken place. Scrap iron and steel, which closed at the low point of the year in December, remained unchanged during the first half of January. For the country as a whole, production of pig iron in December totaled 1,665,630 tons, the smallest in nine years, and comparing with 1,865,458 tons in November and 2,836,917 tons in December 1929. The year's production amounted to 31,441,403 tons, against 42,270,138 tons in 1929 and 37,831,741 tons in 1928. Production of steel ingots in the United States during December totaled 2,007,774 tons,

which compares with 2,234,482 tons in November and 2,903,279 tons in December, 1929.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in December totaled 155,601, against 135,752 in November, and 119,950 in December, 1929.

According to dealers reporting to this bank, distribution of automobiles showed a good gain in December as compared with November, but continued below a year ago. The decrease in December as compared with the same month in 1929, however, was much smaller than had been the case with earlier months in 1930. Aggregate sales of these dealers in 1930 were about one-fifth smaller than in 1929, and 8.0 per cent less than the average during the past six years. The increase in sales from November to December reversed the usual seasonal trend of recent years, and was accounted for in a large measure by the very small volume recorded in November. In both the month-to-month and yearly comparisons, a relatively better showing was made by dealers in the large centers of population than in the smaller towns and rural areas. Dealers generally through the south reported disappointing results, particularly in the typical cotton producing sections. Crop shortages and the low price of farm products are adversely affecting the volume of sales, and there is a general disposition to recondition cars to make them serviceable as long as possible. Prospective purchasers are in many instances awaiting the automobile shows and the introduction of new models announced by several important manufacturers before filling requirements. Business in repair parts and accessories continued fairly active during December, with sales about on a parity with the preceding month and a year ago. Purchasing of cars by dealers continues on a hand-to-mouth basis, and inventories at the end of the year were the smallest for any similar period in more than a half decade. December sales of new passenger cars by the reporting dealers were about one per cent smaller than for the same month in 1929, and 12.0 per cent larger than the November total. Stocks of new cars in dealers' hands on January 1 were 5.0 per cent smaller than on December 1, and only slightly more than half as large as on January 1, 1930. Special efforts made to reduce inventories of used cars resulted in a further reduction in stocks on hand, the total at the end of December being at the lowest point of the year, and about 10.0 per cent less than at the corresponding period a year earlier. A reduction in tire prices was announced by several leading makers in early January. Deferred payment

sales of dealers reporting on that detail constituted 51.0 per cent of their total sales in December, against 49.0 per cent in November and 53.9 per cent in December, 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	
	Dec. 1930 comp. to Dec. 1929	12 months ending Dec. 31, 1930 to same period 1929	Dec. 31, 1930 comp. to Dec. 31, 1929	Jan. 1, to Dec. 31, 1930	Jan. 1, to Dec. 31, 1929	
Evansville	—20.5%	—9.9%	+1.5%	2.11	2.42	
Little Rock.....	—23.6	—14.3	—17.5	2.53	2.65	
Louisville	—16.2	—10.9	+3.4	2.94	3.39	
Memphis	—25.7	—16.1	—9.9	3.11	3.46	
Quincy	—26.5	—6.0	—11.5	2.67	2.84	
St. Louis.....	8.0	—8.2	—6.5	3.98	4.18	
Springfield, Mo.....	—15.0	—9.4	—19.8	1.80	1.71	
8th District.....	—13.5	—10.8	—7.1	3.50	3.74	
	Net sales comparison		Stocks on hand		Stock turnover	
	Dec. 1930 comp. to Dec. 1929	Nov. 1930	Dec. 1929	Nov. 1930	Dec. 1929	Nov. 1930
Men's furnishings.....	—9.1%	+54.2%	—10.7%	—26.0%		
Boots and shoes.....	—19.9	+11.7	—14.6	—13.0		

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

	Percentage increase or decrease Dec. 1930 compared to Dec. 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	—22.1%	—12.8%
Ready-to-wear accessories.....	—16.9	—6.6
Women and misses' ready-to-wear.....	—16.7	—16.8
Men's and boys' wear.....	—19.2	—8.6
Home furnishings.....	—22.3	—7.0

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in December was approximately double that of November, and 7 per cent larger than in December, 1929. For 1930 the total value of permits issued in these cities was \$32,648,000, which compares with \$49,214,000 in 1929, and \$71,828,000, the average during the past eight years. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in December amounted to \$16,102,809 which compares with \$15,529,723 in November, and \$17,387,230 in December, 1929. For the year 1930 contracts let totaled \$326,027,423 against \$403,963,124 in 1929, and \$395,000,000, the average during the preceding five years. Production of portland cement for the country as a whole during December totaled 8,480,000 barrels, against 11,098,000 barrels in November, and 8,498,000 barrels in December, 1930. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits 1930	Permits 1929	*Cost 1930	*Cost 1929	Permits 1930	Permits 1929	*Cost 1930	*Cost 1929
Evansville ..	162	169	\$ 58	\$ 57	31	13	\$ 15	\$ 7
Little Rock ..	25	37	125	425	40	41	8	32
Louisville ..	35	47	90	175	14	19	7	17
Memphis	71	289	102	628	156	49	73	72
St. Louis....	211	163	2,051	988	256	219	222	363
Dec. totals	504	705	\$2,426	\$2,273	497	341	\$ 325	\$491
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

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in combined postal receipts for the final quarter of 1930 of 17 per cent over the preceding three months, but a decline of 87.1 per cent as contrasted with the last quarter of 1929. Detailed figures follow:

	For Quarter Ending				Dec. 1930 comp. to Dec. 1929
	Dec. 31, 1930	Sept. 30, 1930	June 30, 1930	Dec. 31, 1929	
Evansville	\$ 162,000	\$ 157,000	\$ 168,000	\$ 187,000	-13.4%
Little Rock.....	224,000	234,000	212,000	245,000	- 8.6
Louisville	708,000	612,000	683,000	805,000	-12.0
Memphis	618,000	541,000	581,000	788,000	-21.6
St. Louis.....	3,294,000	2,735,000	3,023,000	3,629,000	- 9.2
Totals	\$5,006,000	\$4,279,000	\$4,667,000	\$5,654,000	-87.1

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers as being 6 per cent less than in November and 7 per cent smaller than in December, 1929. Except in the case of a limited number of industries affected by seasonal influences, decreases in both comparisons were general in all lines. Detailed figures follow:

	No. of Custom- ers	Dec. 1930	Nov. 1930	Dec. 1930 comp. to Nov. 1930	Dec. 1929	Dec. 1930 comp. to Dec. 1929
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	1,726	1,728	- 0.1%	1,538	+12.2%
Little Rock..	35	1,250	1,421	-12.0	1,521	-17.8
Louisville	85	5,595	6,353	-11.9	5,723	- 2.2
Memphis	31	1,710	1,868	- 8.6	1,656	+ 3.3
St. Louis.....	155	13,049	13,386	- 2.5	14,676	-11.1
Totals	346	23,330	24,756	- 5.8	25,114	- 7.1

*In thousands (000 omitted).

AGRICULTURE

Taken as a whole weather conditions in this district during the past thirty days were favorable for agricultural activities. Temperatures during December and early January were above normal, and with clear skies, farmers were able to complete the final stages of harvesting and housing late crops. Routine farm work has for the most part been brought well up to the seasonal average, and in some sections, notably in the south, plowing for spring crops has made fair headway. As had been the case since last spring, precipitation throughout the district was greatly below normal. Lack of rainfall in many localities has retarded plowing, and in the winter wheat areas there are increasing complaints of dry soil conditions, particularly where the effects of last year's drought were most acutely felt. In some counties stock water supplies are again running low, and at the middle of January general rains and snow were needed to produce most favorable results.

While conditions were auspicious for moving farm products to market, receipts at terminal points were below expectations, due to a disposition on the part of farmers to hold their stocks for higher prices. This was true particularly of corn, oats and hay, which are being consumed in unusually large quantities where produced, or shipped direct to sections

where shortage exists. Under pressure of liquidation, cereal values declined sharply during late December. The July wheat option declined to the lowest point in more than a quarter of a century. Corn receded to the lowest level since 1923; oats since 1913 and rye since 1897. Hog prices also recorded a new low on the present recessionary movement, and further declines were sustained by cattle and sheep. Cotton fluctuated over a narrow range, only slightly above the low point of the season, which was reached at the middle of December.

Winter Wheat—Despite handicap of the severe drought of July, August and early September, farmers in this district seeded a greater acreage of wheat last fall than in the fall of 1929. According to the preliminary estimate of the U. S. Department of Agriculture, the area seeded in states entirely or partly within the Eighth District was 6,332,000 acres, an increase of about 3.0 per cent as compared with the year before. In the three leading wheat states, Illinois, Indiana and Missouri, the December condition of the crop was higher than the 10-year average (1919-1928) and about the same as at the corresponding period in 1929. While adequate snow covering was lacking in virtually all sections, there was unusually little disturbance to the crop from alternate freezing and thawing, due to the mild temperatures.

Corn—Under ideal weather conditions, husking and cribbing of corn was completed and fields are generally well cleaned up. Latest returns indicate a wide variance in quality, with much poor grain showing up as an aftermath of the prolonged drought during the growing season. In some sections there are complaints of corn moulding in cribs. Generally there is a scarcity of prime seed corn for next season's planting. Demand for corn for feeding purposes has been well sustained, and farmers with surplus stocks have been able to obtain more favorable prices by selling on the farm than shipping to primary markets. The movement to market, however, has been in fair volume, though checked to some extent in late December by the decline in prices.

Fruits and Vegetables—Yields in states of this district of fruits and vegetables and prices realized on these crops by producers in 1930 fell considerably below the preceding year and the 5-year average. An exception to the rule of smaller output was white potatoes, total production of which in 1930 was 28,459,000 bushels against 27,061,000 bushels in 1929. The total value of the 1930 crop, however, fell \$7,110,000 below that of the preceding year. Apple production in states of the district in 1930 totaled 12,935,000 bushels with value of \$17,033,000 against

14,280,000 bushels in 1929, with value of \$21,390,000. There were 13,906,000 bushels of sweet potatoes produced in these states in 1930, with value of \$12,711,000 against 17,741,000 bushels in 1929, with value of \$17,175,000.

Live Stock—The condition of live stock generally through the district at the middle of January was reported good, the open winter to that date having been conducive to health among herds. Excepting in a few scattered localities, cattle and lamb feeding is considerably smaller than a year ago, and fewer cattle and sheep are moving from stockyards to the farm. The unfavorable feed and credit situation, coupled with unprofitable results of most feeders the year before account in a large measure for smaller feeder operations this season.

The U. S. Department of Agriculture's pig survey shows an increase of 2.4 per cent in the fall pig crop of 1930 over that of the preceding year in the Corn Belt States. Combined spring and fall pig crops in the United States last year totaled about 4 per cent less than in 1929. Fall conditions were favorable, and the average number of fall pigs per litter was larger in the country as a whole and the Corn Belt states than in 1929. Increases of 9.4 per cent and 12.2 per cent, respectively, are indicated for the number of sows bred to farrow next spring.

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

	Receipts			Shipments		
	Dec. 1930	Nov. 1930	Dec. 1929	Dec. 1930	Nov. 1930	Dec. 1929
Cattle and calves.....	99,616	87,891	85,708	64,410	55,956	55,073
Hogs	331,465	273,429	317,662	269,970	223,734	234,619
Horses and mules.....	2,336	2,208	4,591	2,384	1,847	4,675
Sheep	35,503	29,808	31,319	9,089	7,289	12,680

Cotton—Production of cotton in the Eighth District in 1930, according to the Department of Agriculture, amounted to 2,531,000 bales, with value of \$120,222,500, which compares with 3,306,000 bales in 1929, with value of \$271,092,000 and an 8-year average (1923-1930) of 2,765,000 bales. The past thirty days have been favorable for harvesting the small amount of cotton left in the fields, also for preliminary work for the next crop. Relatively little plowing has been accomplished, however, and due to the low price of cotton and crop shortages last season, planting programs for this year are very indefinite. Scattered reports relative to acreage indicate generally smaller plantings than last year, but it is too early yet for any trustworthy information on acreage. Demand for cotton, both for domestic consumption and export, continued quiet, and producers are still disposed to hold their stocks for more favorable markets. Prices fluctuated over a narrow range, only slightly higher than the low point of the season, reached at the middle of December. In the St. Louis market the middling grade

ranged from 8.65c to 9c per pound between December 16 and January 15, closing at 8¾c on the latter date, which compares with 8.65c on December 16, and 16¼c on January 15, 1930. Movement from farms to market continues in small volume. Total receipts at Arkansas warehouses from August 1 to January 9 were 771,089 bales, against 1,264,000 bales for the corresponding period a year ago. Stocks in these warehouses on January 9 totaled 351,229 bales, against 376,408 bales on December 12, and 356,678 bales on the corresponding date in 1930.

Tobacco—Resumption of activities at the tobacco markets following the holidays has been marked by better demand and generally higher prices. Warehouse capacity in the burley district has been taxed to accommodate offerings, which, however, have been readily absorbed by domestic consumers at prices above those prevailing earlier in the season. Movement of the burley crop has been rapid and at the middle of January approximately 195,000,000 pounds or 70 per cent of the crop had been sold.

The air-cured and green river markets continue well supplied, with a strong, active demand for everything offered. Medium and better grades of air-cured lugs and common leaf have advanced \$1 to \$2 per hundredweight as compared with prices prior to the holidays. In the green river district some grades have doubled in price, leaf which before the holidays sold at from \$6 to \$10 now bringing from \$12 to \$18 per hundredweight. Less satisfactory conditions obtain in the fired-dark district tributary to Paducah, Ky., prices being below expectations. In the Hopkinsville, Clarksville and Springfield markets, recent sales were at slightly higher prices, due to improved quality of offerings rather than increased demand. A number of important manufacturing interests are purchasing direct from farmers, possibly with the view of obtaining higher quality tobacco than that being offered on the loose-leaf floors. At the middle of January about 30 per cent of the western district crop and 25 per cent in other dark fired sections had been sold.

Commodity Prices—Range of prices in the St. Louis market between December 15, 1930 and January 15, 1931, with closing quotations on the latter date and on January 15, 1930:

Wheat	High	Low	Close	
			Jan. 15, 1931	Jan. 15, 1930
May .....	.81	.78½	.80	\$1.27½
July .....	.69½	.60¾	.66½	1.28½
No. 2 red winter .....	.83½	.78	.81@ .82	\$1.36 @ 1.36½
No. 2 hard.....	.79	.75	.78@ .79	1.23 @ 1.23½
Corn				
May .....	.76	.66½	.72¾	.95½
July .....	.74½	.68	.73¾	.97½
No. 2 mixed.....	.71½	.62	.69@ .70	.87¾ @ .88
No. 2 white.....	.74	.64½	.70@ .71	.88½ @ .89½
Oats				
No. 2 white.....	.36	.33¾	.35@ .35½	.48 @ .48½
Flour				
Soft patent.....per bbl.	5.00	4.70	4.75@5.00	6.50 @ 6.75
Spring patent.....	4.80	4.25	4.25@4.40	6.50 @ 6.60
Middling cotton.....per lb.	.09	.0865	.08¾	.16¾
Hogs on hoof.....per cwt.	8.40	6.00	6.10@8.30	8.10 @10.00

FINANCIAL

Demand for funds generally throughout this district continued quiet during the past thirty days, and interest rates remained at low levels. Requirements of manufacturing and mercantile interests showed somewhat more than the usual seasonal decline, and the call for financing stocks, bonds and other investments by the public was in considerably smaller volume than at the corresponding period a year and two years ago. There was the usual augmented demand for funds at the end of December preparatory to meeting interest and dividend payments. These disbursements, however, had no lasting effect on the situation as a whole, amounting largely to a shifting of credits.

Liquidation by commercial and industrial borrowers was in considerable volume, but rather spotted and irregular, both with reference to the several lines and localities. Wholesalers and jobbers in the large cities reported January 1 settlements satisfactory in the main, permitting of substantial reductions in loans of these interests at the banks. Liquidation of loans by country banks with their city correspondents was up to expectations, particularly in sections where tobacco and cotton are the principal crops. A scattered demand among country banks for commercial paper and other investments has been in evidence since the first of January. Commitments of grain and flour milling interests showed little change as compared with the preceding month, but were in considerably smaller volume than at this time a year ago. Reflecting smaller credit demand, loans of the reporting member banks declined at the middle of January to the lowest point in more than three years, the total, \$469,404,000 on January 14, comparing with \$534,656,000 on the corresponding date in 1930. Deposits of these banks, which had advanced in late December to the highest point of the year, receded in early January. Their investments continued the irregularly upward trend which has been in effect since last summer. Borrowings of all member banks from the Federal reserve bank averaged lower than during the preceding thirty days, and were substantially less than at the corresponding period a year ago.

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

Condition of Banks—Loans and discounts of the reporting member banks on January 14, 1931,

(Compiled January 23, 1931)

showed a decrease of 1.7 per cent as contrasted with December 17, 1930. Deposits increased 0.7 per cent between December 17, 1930 and January 14, 1931 and on the latter date were 1.6 per cent less than on January 15, 1930. Composite statement follows:

	*Jan. 14, 1931	*Dec. 17, 1930	*Jan. 15, 1930
Number of banks reporting.....	†26	†26	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$199,726	\$197,879	\$251,016
All other loans and discounts.....	269,678	279,452	283,640
Total loans and discounts.....	\$469,404	\$477,331	\$534,656
Investments			
U. S. Government securities.....	37,190	32,345	36,388
Other securities.....	132,456	130,652	112,021
Total investments.....	\$169,646	\$162,997	\$148,409
Reserve balance with F. R. bank..	45,054	45,840	46,272
Cash in vault.....	8,163	8,567	5,759
Deposits			
Net demand deposits.....	371,121	373,868	390,761
Time deposits.....	236,441	228,834	227,105
Government deposits.....	551	1,193	270
Total deposits.....	\$608,113	\$603,895	\$618,136
Bills payable and rediscounts with			
Federal Reserve Bank.....	753	3,214	5,198

*In thousands (000 omitted).

†Increase 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.

	*Dec. 1930	*Nov. 1930	*Dec. 1929	Dec. 1930 comp. to Nov. 1930 Dec. 1929
East St. Louis & Natl.				
Stock Yards, Ill..\$	36,638	\$ 33,496	\$ 41,613	+ 9.4% —12.0%
El Dorado, Ark.....	6,009	6,281	8,979	— 4.3 —33.1
Evansville, Ind.....	25,888	23,521	30,698	+10.1 —15.7
Fort Smith, Ark.....	11,855	11,764	14,866	+ 0.8 —20.3
Greenville, Miss.....	3,838	4,045	5,382	— 5.1 —29.7
Helena, Ark.....	2,417	3,441	6,675	—29.8 —63.8
Little Rock, Ark.....	32,208	32,618	59,643	— 1.3 —46.0
Louisville, Ky.....	145,863	155,957	184,018	— 6.5 —20.7
Memphis, Tenn.....	128,698	143,640	200,507	—10.4 —35.8
Owensboro, Ky.....	7,055	5,932	7,987	+18.9 —11.7
Pine Bluff, Ark.....	7,589	9,043	13,494	—16.1 —43.8
Quincy, Ill.....	6,978	7,843	13,555	—11.0 —48.5
St. Louis, Mo.....	649,497	572,145	825,542	+13.5 —21.3
Sedalia, Mo.....	4,206	3,793	4,586	+10.9 — 8.3
Springfield, Mo.....	14,653	14,264	15,333	+ 2.7 — 4.4
**Texarkana,				
Ark.-Tex.....	10,684	10,132	14,618	+ 5.4 —26.9
Totals	\$1,094,076	\$1,037,915	\$1,447,496	+ 5.4 —24.4

*In thousands (000 omitted).

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

FEDERAL RESERVE OPERATIONS

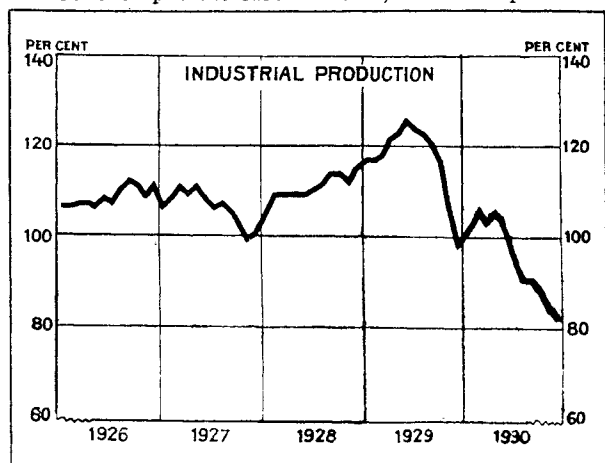
During December the Federal Reserve Bank of St. Louis discounted for 244 member banks, against 225 in November and 205 in December, 1929. The discount rate of this bank was reduced from $3\frac{1}{2}$ to 3 per cent, effective January 8. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Jan. 15, 1931	*Dec. 15, 1930	*Jan. 15, 1930
Bills discounted.....	\$12,296	\$14,249	\$16,448
Bills bought.....	6,621	9,169	12,701
U. S. Securities.....	24,151	24,418	19,266
Total bills and securities.....	\$43,068	\$47,836	\$48,445
F. R. Notes in circulation.....	82,331	84,184	90,283
Total deposits.....	71,399	71,156	81,696
Ratio of reserves to deposits			
and F. R. Note Liabilities.....	75.2%	74.6%	74.8%

*In thousands (000 omitted).

BUSINESS CONDITIONS IN THE UNITED STATES

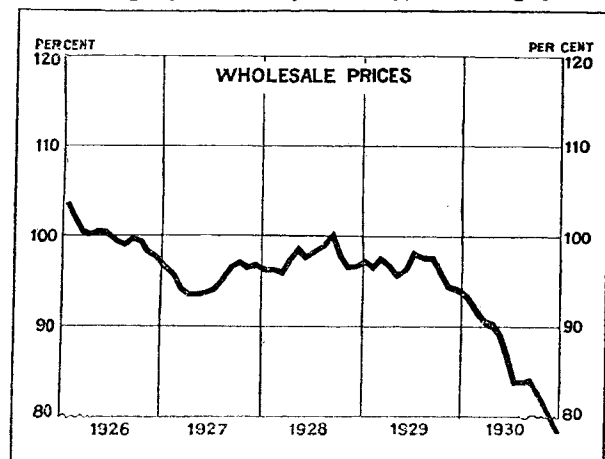
PRODUCTION—Industrial production was further reduced during December, and Federal Reserve Board's index, which makes allowance for usual seasonal changes, showed a decline of over two per cent. Output of steel and iron, textiles, petroleum, cement, and copper was substantially curtailed. Activity in meat packing plants and at anthracite mines increased in December, and in the automobile industry there was an increase in output reflecting the introduction of new models. After the turn of the year, automobile output increased further, and steel plants were



Index number of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 average=100). Latest figure, December, 82.

more active. Construction contracts awarded during December were in about the same volume as in November, according to reports of the F. W. Dodge Corporation. There were slight declines partly seasonal in nature, in contracts for residential and commercial construction, while public works and utility awards increased somewhat.

EMPLOYMENT AND WAGE PAYMENTS—Employment in manufacturing industries was reduced further by 2.5 per cent between the middle of November and the middle of December, and factory payrolls also declined. The largest reductions in working forces were in the canning, lumber, steel, and wearing apparel industries. There was little change in employment in railroad car shops, and in cotton and silk mills, while in the automobile, meatpacking and paper and printing industries working forces were increased slightly. In early January, following year-end



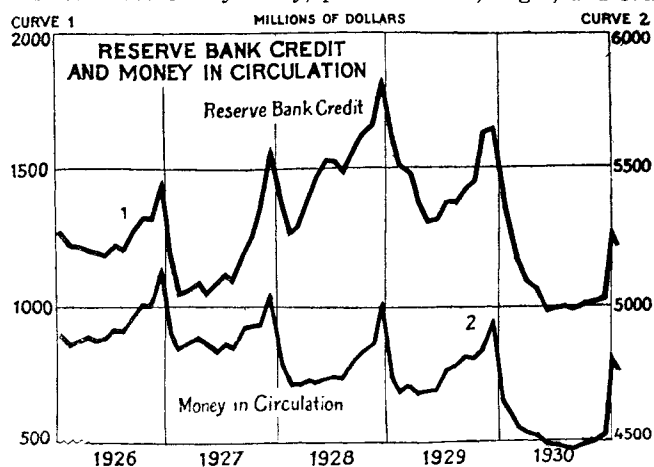
Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, December, 78.4.

inventory periods, reports indicate increased employment in certain industries, particularly automobiles, steel, and railroads.

DISTRIBUTION—Sales of department stores increased in December by slightly less than the amount which is usual for the holiday season, according to preliminary reports to the Federal reserve banks. In December, as in earlier months of the year, the volume of sales probably reflected the influence of declining retail prices. Distribution of commodities by freight showed a further decline for the month of December as a whole. Value of American exports to foreign countries was smaller in December than in November, and approximately 35 per cent below that of

December, 1929. The decrease reflecting in part the decline in wholesale prices.

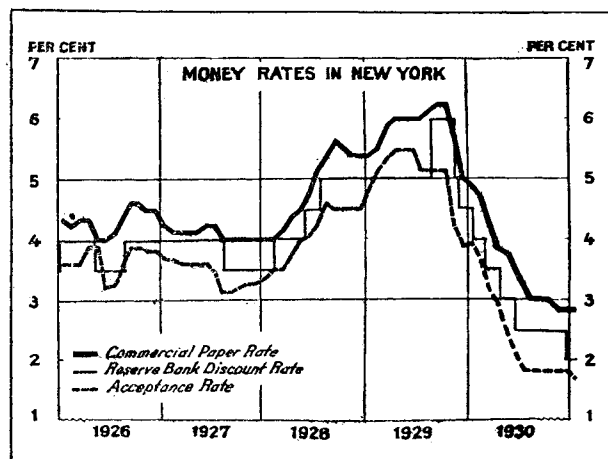
WHOLESALE PRICES—Wholesale prices of commodities declined sharply in the first half of December while in the following four weeks average fluctuations were relatively small. For the month of December as a whole, there were large decreases in prices of corn, hogs, cotton, hides, and lumber, while prices of wheat, beef, and silk averaged somewhat higher than in November. During the first two weeks in January, prices of corn, sugar, and silk



Monthly averages of daily figures. Latest figures are averages of first 19 days in January.

increased, and the price of wheat in American markets remained fairly stable. Silver prices reached new low levels.

BANK CREDIT AND MONEY RATES—Loans and investments of reporting member banks declined in the four weeks period ending January 14, reflecting liquidation of securities loans, as well as a reduction in "all other" loans and investments. Changes in the position of reserve banks in recent weeks reflected largely changes in the demand for currency. In December this demand increased more than is usual for the season owing to the withdrawal of cash by banks and by the public in districts where there were important bank failures. In the two weeks after Christmas the return flow of currency from circulation was smaller than the usual seasonal amount and the result was that money circulation, which during the larger part of 1930 had been in considerably smaller volume than in 1929, in January, 1931 was above the level of a year ago. In the follow-



Monthly rates in the open market in New York: Commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in January.

ing two weeks the return flow of currency was somewhat larger than usual, indicating a return of part of the extra currency which had been called into use in December. Money rates in the open market continued at low levels during December, and declined further in the first half of January. The discount rate at the Federal Reserve Bank of New York was reduced to two per cent on December 24, and in the following three weeks the rate at the Federal Reserve Bank of Boston was reduced to 2½ per cent and rates at the Federal Reserve Banks of Cleveland, St. Louis, Chicago, Atlanta, and San Francisco to 3 per cent.