



# MONTHLY REVIEW

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

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WHILE general business in this district during the past thirty days continued to reflect depression existing elsewhere in this country and abroad, there were concrete evidences of improvement in some quarters and sentiment was more favorable than for many months. Industry increased its pace moderately, and distribution of merchandise as a whole began to move upward. In a number of wholesaling and jobbing lines January sales were considerably larger than in December, and in some classifications the increases were greater than could be ascribed to purely seasonal considerations. While volume in virtually all lines was still substantially below a year earlier, the decreases in many instances were much less marked than those which have been recorded in recent months. In manufactured goods and some raw materials there were signs of progress in the direction of price stabilization, though a considerable degree of uncertainty and irregularity still exists. Requirements are gradually expanding, and the accumulation of replacement needs for a broad variety of commodities is making itself felt in inquiries and orders received by manufacturers and merchants.

Inventories of merchandise in hands of distributors are for the most part light, and though purchasing is still extremely cautious and conservative, actual requirements are being filled more freely than heretofore, and during the past three weeks ordering for spring and early summer consumption has developed decided betterment. This is true particularly of lines concerned with goods for ordinary consumption, such as dry goods, boots and shoes, clothing, and groceries. However, moderate improvement was also noted in both production and distribution of goods of the heavier and more permanent sort. Activities in the iron and steel industry have expanded, many mills and foundries which had been closed for inventorying and repairs, having resumed production on partial schedules. Demand for building materials, while still considerably below the average at this season, during the past decade,

showed improvement over the preceding several months. Taken as a whole, the employment situation at the middle of February was slightly better than a month earlier, though in all sections of the district there is still an unusually large surplus of both skilled and common labor. Little, if any, improvement was noted in employment among clerical help in the large centers of population.

As was the case earlier in the winter, abnormally high temperatures adversely affected the movement of all descriptions of cold weather goods into consumptive channels, and a considerable volume of merchandise in this category will be carried over. These meteorological conditions, which obtained through the first half of February, heavily cut down consumption of bituminous coal, coke and other fuels. Production of coal in all fields of the district during January was substantially below the average. The unprecedented winter drought, which remained unbroken until the first week of February, caused acute water shortages in many localities. The average stage in the Mississippi River, and its tributaries was the lowest in years, and numerous springs and creeks which had never been known to fail, dried up completely. On the other hand, the mild open winter permitted the accomplishment of a considerable amount of early farm work, and served to temper hardship and suffering in areas acutely affected by the economic depression and last year's drought.

Returns of department stores in the principal cities of the district reflected the usual heavy decrease in sales from December to January, and the total for the latter month was 6.7 per cent smaller than for the corresponding period in 1930. Combined sales of all wholesaling and jobbing firms reporting to this bank in January were about one-fifth smaller than for the same month last year, but 45.0 per cent larger than the December aggregate. The dollar value of building permits issued for new construction in the five largest cities of the district in January showed a substantial gain over December, and was about three and one-quarter times greater

than in January last year. Charges to individual checking accounts in January were 8.0 per cent larger than in December, but 16.0 per cent smaller than in January, 1930. The amount of savings accounts was practically unchanged between January 7 and February 7, and on the latter date was 4 per cent smaller than a year ago.

Freight and passenger traffic of railroads operating in this district continued smaller than at the corresponding period a year and two years earlier. Decreases occurred in all classifications, but were most marked in coal and coke, the movement of fuels being restricted by the unseasonably warm weather and general business depression. For the country as a whole, loadings of revenue freight for the first five weeks this year, or to January 31, totaled 3,490,542, cars against 4,246,552, cars for the corresponding period last year and 4,518,609, cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 173,098 loads in January, against 156,424 loads in December, and 208,059 loads in January, 1930. During the first nine days of February the interchange amounted to 71,754 loads, which compares with 47,502 loads during the corresponding period in January, and 62,703 loads during the first nine days of February, 1930. Passenger traffic of the reporting lines decreased 23.0 per cent in January as compared with the same month in 1930. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 75,300 tons, against 107,507 tons in December and 75,739 tons in January, 1930.

Reports relative to collections during the past thirty days reflect no material change in trends from the preceding several months. Manufacturers and merchants enjoying a strong credit position are taking advantage of low interest rates to borrow from their banks and discharge their obligations promptly in order to obtain cash discounts. Generally, however, payments are backward, both in the large cities and the country. Wholesalers report slow payments and increasing requests for extensions on the part of their country retail customers, particularly in the cotton areas. This, in turn, reflects backwardness of farmers in liquidating their indebtedness to retail merchants. January settlements with retail establishments in the large cities were spotty and irregular, but taken as a whole about up to expectation. Collections of time payment houses and others selling on the installment plan continue poor. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
January, 1931.....	.....%	10.6%	58.8%	30.6%
December, 1930.....	.....	12.7	63.5	23.8
January, 1930.....	1.4	20.3	55.4	22.9

Commercial failures in the Eighth Federal Reserve District in January, according to Dun's, numbered 243, involving liabilities of \$4,836,838 against 131 failures with liabilities of \$10,609,767, in December, and 170 defaults for a total of \$3,054,150 in January, 1930.

The average daily circulation in the United States in January was \$4,695,000,000, against \$4,823,000,000 in December and \$4,652,000,000 in January, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — January sales of the reporting firms were more than two and one-quarter times larger than in December, but 10.0 per cent smaller than the January, 1930, total. The increase in the month-to-month comparison is seasonal in character, and of about the average proportions noted during the past decade. Manufacturing activities in preparation for spring distribution were reflected in an increase in stocks of 6.0 per cent on February 1 as compared with January 1, but February 1 inventories this year were 23.0 per cent smaller than on the same date in 1930. Orders booked during the last half of January and the first two weeks in February were in considerable volume, with women's novelty shoes making a particularly favorable showing. Factories making this class of goods were operating at from 90 per cent to full capacity. Operations generally averaged about 70 per cent of capacity.

**Clothing** — While ordering for spring and early summer distribution has picked up since the last week in January, purchasing is still along extremely conservative lines, with price and style considerations important in commitments. Total January sales of the reporting clothiers were only slightly more than half as large as a year ago, and a third less than the December, 1930, total. The movement of heavyweight apparel continued backward, owing to the mild winter. Stocks of both men's and women's clothing gained slightly between January 1 and February 1, but were measurably smaller than on February 1 last year.

**Drugs and Chemicals** — The past thirty days developed considerable improvement in this classification as contrasted with the several months immediately preceding. Slightly larger requirements for heavy drugs and chemicals by the general manufacturing trade were reported, and purchasing of remedial drugs and seasonal goods generally was more active than earlier in the winter. January

sales of the reporting interests were 10.0 per cent larger than in December and 7.0 per cent less than in January, 1930. The decrease from the corresponding month last year was the smallest recorded since last May.

**Dry Goods**—Generally depleted stocks and freer purchasing on the part of retail merchants were the principal influences in producing an increase in January sales of the reporting firms of 23.0 per cent over the December total. There was a decrease, however, of about 32.0 per cent as compared with January, 1930, accounted for partly by the lower price levels this year. The decrease in prices is estimated by the several reporting firms at from 20 to 25 per cent. Visiting merchants to St. Louis and other principal distributing centers in early February were in considerable numbers, and the character of their buying reflected more hopefulness for spring and early summer business than was noted earlier in the season. Inventories of the reporting interests continue to decline, the total on February 1 being 5.4 and 31.0 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies**—January sales of the reporting interests were approximately one-third smaller than for the same month in 1930, and a fourth less than the December total. Stocks on February 1 were 11.0 per cent larger than on January 1, and 12.0 greater than on February 1, 1930. In the yearly comparison decreases were general through all lines, but most marked in radio, and line and pole hardware. Seasonal goods have moved in smaller than ordinary volume throughout the winter, being affected by the unusually high temperatures.

**Flour**—Production at the 12 leading mills of the district in January totaled 331,681 barrels, against 327,804 barrels in December, and 379,967 barrels in January, 1930. Stocks of flour in St. Louis on February 1 were one-fifth less than on January 1, and slightly less than on February 1, 1930. The volume of business continued light, with buyers taking only enough for immediate requirements. As has been the case for a number of months, clears and low grade flours were in relatively better demand than the choice descriptions. The trend of prices continued downward. Mill operations were at from 58 to 68 per cent of capacity.

**Furniture**—Orders booked in late January were above expectations, and resulted in an increase of total sales for that month, of 69.0 per cent as contrasted with December total. The increase was seasonal in character, however, and as compared with the same month in 1930, January sales of the reporting firms showed a decrease of 40.0 per cent.

Office furniture and equipment lines continue to lag, and as contrasted with a year ago, there was a noticeable shrinkage in demand for radio cabinets. Stocks on February 1 were 8.0 per cent and 17.0 per cent smaller, respectively, than thirty days and a year earlier.

**Groceries**—While buying continues on a hand-to-mouth basis, ordering generally through the entire line showed considerable improvement as contrasted with thirty days earlier. Demand for luxuries and specialties continues relatively quiet, but ordering of staple goods and necessities is in considerable volume, with advance business larger than at the same time last year. January sales of the reporting firms were 5.4 per cent larger than in December, and 11.0 per cent less than for January, 1930. Stocks on February 1 were 19.0 per cent and 6.0 per cent smaller, respectively, than thirty days and a year earlier.

**Hardware**—Demand for seasonal merchandise continued at a low ebb during January, but ordering of goods for spring and early summer distribution was somewhat more active than heretofore. Builders' hardware and tools, and the general run of goods for consumption in the rural areas showed no change from the dull conditions of recent months. January sales of the reporting firms were 4.0 per cent larger than in December, but about a third smaller than in January, 1930. Stocks continue to decline, the aggregate in hands of the reporting interests on February 1 being 8.0 per cent less than on January 1, and one-third smaller than on February 1, 1930.

**Iron and Steel Products**—Reflecting moderate improvement over the low stage of activity in December, sentiment in the iron and steel industry in this district was more optimistic than in several months. Finished and semi-finished iron and steel prices were steady to slightly firmer, despite strong pressure on the part of buyers for concessions. Southern pig iron, and iron and steel scrap, however, were easier; heavy melting steel declining to the lowest level since the beginning of the World War. Structural steel awards and inquiries continued in small volume, and were confined chiefly to scattered jobs involving small tonnages. Purchasing by the railroads failed to improve, freight car orders in January making the poorest showing in late years. Automobile requirements were also below expectations. With the exception of reinforcing concrete bars, which are being taken in fair quantities for highway construction and other engineering projects, commodities in the building material category displayed little activity. New orders and specifications for sheets, plates and other rolled materials

were somewhat larger in January than during the preceding month, but still considerably below the seasonal average. Wire and wire products, galvanized roofing, fence posts and other commodities for spring consumption in the agricultural areas showed no change from the dull conditions obtaining through the final quarter of 1930. Tin plate requirements expanded in January, a number of important consumers having covered on their requirements for spring and early summer. Failure of the general manufacturing trade to accelerate its pace, and extremely cautious buying of important industries, tended to restrict the volume of distribution through warehouse and jobbing channels. A number of stove plants and jobbing foundries, which had been idle since the Christmas holidays, resumed operations during the first week of February, but on reduced schedules. Operations at steel mills were at approximately 45 per cent of capacity. Farm implement manufacturers slightly increased their operations in January, but report shipping directions on finished goods disappointing, with dealers backward in engaging their spring requirements. Production of pig iron for the country as a whole turned slightly upward in January, following an eight-month period in unbroken decreases. The total output in January was 1,712,919 tons, against 1,665,715 tons in December, and 2,838,751 tons in January, 1930. There was also a gain in production of steel ingots in the United States, the January total of 2,483,206 tons comparing with 2,007,774 tons in December, and 3,786,319 tons in January, 1930.

## AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in January totaled 171,903, against 155,601 in December, and 273,089 in January, 1930.

Aggregate sales during January of dealers reporting to this bank showed considerable decreases as compared with the preceding month and the corresponding period in 1930, and were the smallest for any single month in more than six years. January is invariably a month of light sales in this general area, prospective purchasers usually postponing commitments into February in order to get in on the new registration year, which begins February 1. Another factor tending to affect January sales volume was the disposition to await new models and possible price reductions incident to the February automobile shows. In St. Louis, Louisville, Memphis and Evansville the annual shows were well attended, and resulted in the booking of a large number of orders and prospects. Interest displayed in these exhibitions has served to promote considerable optimism among dealers, and the outlook for

spring and early summer business is viewed more hopefully than six weeks or two months ago. As has been the case for a year or more, the relatively greatest decreases were shown in the volume of country dealers. In the urban centers, business was unusually spotty and irregular, some dealers reporting small increases, while others showed losses as marked as any experienced since the present downward movement commenced. Inventories are universally light, dealers adhering strictly to the policy of purchasing only sufficient cars from the factories to cover actual or reasonably certain requirements. January sales of the reporting dealers were 43.0 per cent smaller than in December and 16.4 per cent smaller than in January, 1930. Stocks of new passenger cars in dealers' hands on February 1 were 3.0 per cent larger than on January 1, and about one-third smaller than on February 1, 1930. Salable used car stocks on February 1 showed little change as compared with a month earlier, but were approximately a fourth less than on February 1, 1930. Demand for repair parts, batteries, accessories, etc., continued relatively more active than automobiles proper. This is due to the general practice of reconditioning cars in order to prolong their period of usefulness. No change worthy of note took place in the tire situation as compared with the closing months of last year. Deferred payment sales of dealers reporting on that particular constituted 54.0 per cent of their total sales, against 51.0 per cent in December, and 56.2 per cent in January, 1930.

## RETAIL TRADE

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

	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1931	comp. to	Jan. 31, 1931	comp. to	January, 1931	January, 1930
	Jan. 1930	Jan. 1930	Jan. 31, 1930	Jan. 31, 1930	1931	1930
Evansville .....	-17.3%		-6.7%		13	16
Little Rock.....	-10.8		-22.2		18	16
Louisville.....	4.3		+4.5		18	20
Memphis .....	-26.6		-15.4		20	23
Quincy .....	7.6		-19.7		20	18
St. Louis.....	1.3		9.3		29	27
Springfield, Mo.....	-10.7		-19.2		9	9
8th District.....	6.7		-10.3		25	24
	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1931	comp. to	Jan. 1931	comp. to	Jan. 1931	comp. to
	Jan. 1930	Dec. 1930	Jan. 1930	Dec. 1930	Jan. 1930	Dec. 1930
Men's furnishings.....	+22.1%		-27.9%		-29.0%	+3.8%
Boots and shoes.....	-13.9		-26.8		-17.8	-11.9

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January were 18.0 per cent greater than in December, and about three and one-half times larger than the unusually small total of January, 1930. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January amounted to \$13,305,792, which compares with \$16,102,809,

in December, and \$13,062,764, in January, 1930. Building costs in this district at the first of January were the lowest in a number of years. Production of portland cement for the country as a whole in January totaled 6,581,000 barrels against 8,480,000 barrels in December and 8,498,000 barrels in January, 1930. Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	165	193	\$ 51	\$ 125	28	28	\$ 12	\$ 30
Little Rock ..	24	26	79	97	35	118	11	54
Louisville ..	37	65	564	195	27	25	40	35
Memphis ....	79	134	394	295	197	124	92	83
St. Louis....	179	130	1,767	141	204	228	176	147
Jan. totals	484	548	\$2,855	\$ 853	491	523	\$ 331	\$349
Dec. totals	504	705	2,426	2,273	497	341	325	491
Nov. totals	779	959	1,271	2,244	430	632	408	781

\*In thousands of dollars (000 omitted).

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current by selected industrial customers in January as being 2.1 per cent greater than in December, and 7.6 per cent less than in January, 1930. The increase in the month-to-month comparison was seasonal in character. The decrease as compared with a year ago was quite general through all classes of users. Detailed figures follow:

	No. of Custom- ers	Jan. 1931 *K.W.H.	Dec. 1930 *K.W.H.	Jan. 1931 comp. to Dec. 1930	Jan. 1930 *K.W.H.	Jan. 1931 comp. to Jan. 1930
Evansville .....	40	1,806	1,726	+ 4.6%	1,540	+17.2%
Little Rock... 35		1,812	1,250	+45.0	1,391	+30.3
Louisville .....	85	5,646	5,595	+ .9	6,678	—15.5
Memphis .....	31	1,686	1,710	— 1.4	1,790	— 5.8
St. Louis.....	156	12,888	13,049	— 1.2	14,411	—10.6
Totals .....	347	23,838	23,330	+ 2.1	25,810	— 7.6
*In thousands (000 omitted).						

\*In thousands (000 omitted).

The following figures compiled by the U. S. 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
Dec. 1930.....	2,329,412,000	5,740,421,000	8,069,833,000
Nov. 1930.....	2,172,096,000	5,499,423,000	7,671,519,000
Dec. 1929.....	2,757,827,000	5,758,637,000	8,516,464,000

## AGRICULTURE

The unusually mild weather prevailing throughout the entire district during January and early February enabled farmers to accomplish considerable plowing and preparation for planting spring crops. Taken as a whole, this work is further advanced than in any other year to this date since 1925. At the middle of February some work had been completed as far north as the northern border of Missouri. In Arkansas and other sections of the south spring oats were being seeded, which work is not ordinarily done before early March. Dirt roads were generally in excellent shape, and conditions otherwise favorable for the movement of products from farms. Universally through the district, however, rainfall was inadequate, and in many sections apprehension was felt relative to the progress of growing crops. In parts of Illinois, Kentucky, Southern Missouri and Indiana the unprecedented

winter drought caused a serious scarcity of water for livestock and for use in homes. In many communities it was necessary to haul water, and elsewhere stringent economies were resorted to in order to conserve diminishing supplies.

In the main there were fewer reports than in many years of winter damage to growing crops. While snow protection was lacking, temperatures were high enough to obviate injury from the usual seasonal causes. Rainfall since the first week of February has afforded relief in scattered sections, but heavy precipitation is needed to secure best results. Since the beginning of the drought last summer, rainfall has been considerably below normal, some sections reporting less moisture during that period than at any time since official weather records have been kept. Prices of farm products continued the downward trend of the preceding several months, and according to the U. S. Department of Agriculture, reached the lowest average level at the end of January since 1912. A new low level on the present retrograde movement was established by hog prices in the second week of February, and corn values recorded a new low on the crop.

Reports relative to prospective acreages of spring crops vary broadly with different localities. Due to low prices during the past season and large carryover stocks, producers of certain crops are disposed to cut down their planting program. Another influence tending toward smaller acreages is the greater difficulty being encountered in financing planting operations. Supply merchants and banks are more conservative than in past seasons, which fact is expected to find reflection in curtailed planting of truck crops and decreased use of fertilizers.

**Winter Wheat** — The growing crop in this district is generally in good condition, taking into consideration the scarcity of rainfall and absence of snow covering. Due to the mild winter, protection afforded by snow has been less needed than in other years. In most sections subsoil moisture has been adequate to sustain the plant, and good top and root growth are the rule. Pasturing of wheat fields in the southern counties has been practiced to a greater extent than during many past seasons, and the ability to do this has served to relieve the pressure of feed and forage shortages. Rains since the first week of February have been of great benefit to the crop.

**Corn** — In the southern tier of counties considerable preparation for planting the 1931 corn crop has been accomplished. Scarcity of good seed corn is general particularly in the areas most affected by last year's drought. In many counties in Arkansas and Tennessee practically all corn planted will have

to be brought in from outside sources. There are increasing reports of damage to corn in cribs, caused by the unusually mild weather. Continued heavy receipts, which met only moderate demand, weakened the market for corn, and in the first week of February a new low price for the present crop was recorded. Corn consumption on farms has been greatly reduced by the open winter and use of other feeds.

**Fruits and Vegetables**—Due to the mild weather, the winter thus far has witnessed practically no damage to fruit trees in this district. In certain sections, however, apprehension is felt by orchardists of possible injury to trees, particularly young trees, from the long winter drought. Planting intentions of farmers are still very indefinite relative to truck and fruit crops. Latest reports indicate a smaller strawberry acreage in the Ozark region.

**Live Stock**—According to the annual survey of the U. S. Department of Agriculture, the number of livestock in states wholly or partly within the Eighth Federal Reserve District showed a decline of 3.0 per cent between January 1, 1930, and January 1, 1931. Due to sharply decreased prices, however, the estimated total farm value of livestock in these states on January 1 was approximately 23.0 per cent smaller than a year earlier. The aggregate number of cattle, sheep, swine, horses and mules on the first day of this year was 30,022,000 head, having an estimated total value of \$738,251,000, which compares with 30,934,000 head with value of \$1,009,641,000 on January 1, 1930. There was a slight increase in the number of cattle, but all other species declined numerically. Price declines extended to all species. For the country as a whole the total value of all live stock on January 1, 1931, was \$4,366,000,000, the lowest since 1912, and comparing with \$5,888,000,000 on January 1, 1930.

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

	Receipts			Shipments		
	Jan. 1931	Dec. 1930	Jan. 1930	Jan. 1931	Dec. 1930	Jan. 1930
Cattle and calves.....	84,616	99,616	81,977	54,165	64,410	56,360
Hogs .....	344,937	331,465	342,603	263,590	269,970	274,802
Horses and mules.....	5,487	2,336	12,011	5,886	2,384	12,329
Sheep .....	30,945	35,503	35,088	14,683	9,089	20,172

**Cotton**—Since the middle of January weather conditions have been ideal for field work. While precipitation has been light, the soil in most sections has been sufficiently moist for working, and more than the average amount of plowing at this date has been accomplished. Due to low prices, difficulty in obtaining production credits, poor condition of farm animals and the depressed economic status, enthusiasm in the new crop is not as marked as in some past seasons. It is still too early to form any definite opinion relative to acreage, but scat-

tered reports indicate reduced cotton plantings as compared with last spring, and somewhat larger acreages of feed and truck crops. Universally purchasing of fertilizers will be smaller. Under a moderately improved demand, raw cotton prices advanced, and in the second week reached the highest point since mid-December. In the St. Louis market the middling grade ranged from 8.85c to 9.70c per pound between January 16 and February 16, closing at 9.70c on the latter date, against 8.85c on January 16, and 15c on February 15, 1930. The movement from farms is still in relatively small volume. Total receipts at Arkansas warehouses from August 1, 1930, to February 13 this year totaled 792,531 bales, against 1,307,384 bales for the corresponding period last season. Stocks in these warehouses on February 13 totaled 291,280 bales, against 351,229 bales on January 9, and 291,980 bales a year ago.

**Tobacco**—The middle of February found the burley tobacco crop quite well liquidated, with only relatively small quantities in growers' hands. Prices for all grades remained at about the same average levels of the preceding several weeks. Demand was strong for all choice tobacco offered, but with the marketing season drawing to a close, common to low medium grades were irregular and generally easier. The air-cured dark crop is practically all sold, and demand through the season has absorbed all offerings at fairly firm prices. In the fired-dark districts of Kentucky and Tennessee farmers have made every effort to move their stocks to market, and despite the extremely dry weather, selling has progressed rapidly.

During the past two weeks all tobacco districts have had good rains, which served to stimulate deliveries, and a large portion of the fired-dark crop will have been marketed by March 1. Despite the generally unsatisfactory averages which have marked the 1930 crop, farmers have begun preparations for planting the new crop. In a number of localities there is a disposition to increase burley planting and to reduce the dark-fired acreage.

**Commodity Prices**—Range of prices in the St. Louis market between January 15, 1931 and February 16, 1931, with closing quotations on the latter date and on February 15, 1930.

				Close	
				Feb. 16, 1931	Feb. 15, 1930
Wheat		High	Low		
May .....	per bu.	79 3/4	79 1/2		\$1.19
July .....		70 3/4	.63		1.19 1/2
No. 2 red winter .....		.81 1/2	.79	79 @ .80	1.25
No. 2 hard .....		.77	.74 1/2	76 @ .77	1.18 1/2
Corn					
May .....		.70 3/4	.63 3/4		.90 3/4
July .....		.71 3/4	.64 3/4		.93 3/4
No. 2 mixed .....		.68	.59	.59 @ .60	.83 @ .84
No. 2 white .....		.69 1/2	.61	.61 @ .62	.87 @ .88
Oats					
No. 2 white .....		.35	.33	.33 3/4 @ .34 1/2	.46 1/2 @ .48
Flour					
Soft patent.....	per bbl.	5.00	4.75	4.75 @ 5.00	6.25 @ 6.50
Spring patent.....		4.40	4.10	4.10 @ 4.25	6.25 @ 6.30
Middling cotton.....	per lb.	.0970	.0885	.0970	.15
Hogs on hoof.....	per cwt.	8.50	5.50	5.50 @ 8.05	9.25 @ 11.50

## FINANCIAL

Trends noted in the preceding issue of this review continued to influence developments in the banking and financial situation in this district during the past thirty days. Credit requirements of commercial and industrial interests contracted further, and banks in the large cities were in possession of considerably more funds than they were able to lend to their customers. Early February settlements with wholesale and jobbing firms were in large volume and resulted in a substantial reduction of their loans at the banks. Generally smaller inventories and lower prices, together with less buying for future requirements, have measurably lessened the aggregate volume of credit needed for financing spring trade as contrasted with recent years.

Borrowings by country banks from their city correspondents showed little change as contrasted with the preceding thirty days. Liquidation of loans at country banks continues spotted and irregular, but on the whole made fair progress. In the tobacco and rice areas, where marketing of these crops was nearing completion, settlements with both banks and merchants improved noticeably. Generally through the south the banking situation is considerably more satisfactory than during the closing months of last year. A number of the failed institutions have reopened, and plans for reorganizing and reopening others are being worked out. Through banks, the Government and other agencies, arrangements are being perfected for supplying agricultural credits in the sections affected by the drought, and the outlook in that general area is more satisfactory than in a number of months.

Between the middle of January and February, loans of the reporting member banks, both secured and commercial, continued to decline. The total of these loans on February 11, \$453,285,000, was the smallest recorded this year, and compares with \$520,170,000, on the corresponding date in 1930. Deposits, which had declined steadily through January, turned upward in February and on the second report date were at about the same levels as a year ago. Investments of these banks continued the irregularly upward swing which began early last summer. Borrowings of all member banks from the Federal reserve bank receded further, and on February 18 were the smallest since March, 1925.

Reflecting apathy in the demand for credit, and low levels, elsewhere in this country, interest rates eased further during the period. Current quotations at St. Louis banks were as follows: Prime commercial paper  $2\frac{1}{2}$  to 5 per cent; collateral loans, 4 to  $5\frac{1}{2}$  per cent; loans secured by warehouse receipts,

3 to 5 per cent; interbank loans, 4 to  $5\frac{1}{2}$  per cent, and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on February 18, 1931, showed a decrease of 4.0 per cent as contrasted with January 14, 1931. Deposits decreased 1.9 per cent between January 14, 1931 and February 18, 1931 and on the latter date were 0.3 per cent less than on February 19, 1930. Composite statement follows:

	*Feb. 18, 1931	*Jan. 14, 1931	*Feb. 19, 1930
Number of banks reporting.....	25	126	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$185,546	\$199,726	\$232,247
All other loans and discounts....	265,258	269,678	284,360
Total loans and discounts.....	\$450,804	\$469,404	\$516,607
Investments			
U. S. Government securities.....	41,787	37,190	36,301
Other securities.....	138,806	132,456	112,624
Total investments.....	\$180,593	\$169,646	\$148,925
Reserve balance with F. R. bank	45,764	45,054	44,397
Cash in vault.....	6,465	8,163	5,760
Deposits			
Net demand deposits .....	358,104	371,121	369,811
Time deposits.....	238,040	236,441	228,574
Government deposits.....	384	551	30
Total deposits.....	\$596,528	\$608,113	\$598,415
Bills payable and rediscounts with			
Federal Reserve Bank.....	170	753	6,431

\*In thousands (000 omitted).

†Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources of all member banks in this district.

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

	*Jan. 1931	*Dec. 1930	*Jan. 1930	Jan. 1931 Dec. 1930	comp. to Jan. 1930
East St. Louis & Natl.					
Stock Yards, Ill. \$	34,263	\$ 36,638	\$ 49,027	— 6.5%	—30.0%
El Dorado, Ark.....	6,383	6,009	8,187	+ 6.2	—22.0
Evansville, Ind.....	27,022	25,888	27,445	+ 4.4	— 1.5
Fort Smith, Ark.....	11,534	11,855	15,075	— 2.7	—23.5
Greenville, Miss.....	3,918	3,838	5,898	+ 2.1	—33.6
Little Rock, Ark....	33,483	32,208	48,862	+ 4.0	—31.5
Louisville, Ky.....	157,104	145,863	199,021	+ 7.7	—21.1
Memphis, Tenn.....	116,247	128,698	177,420	— 9.7	—34.5
Owensboro, Ky.....	8,775	7,055	9,834	+24.4	—10.8
Pine Bluff, Ark.....	7,829	7,589	12,097	+ 3.2	—35.3
Quincy, Ill.....	7,437	6,978	12,597	+ 6.6	—41.0
St. Louis, Mo.....	725,659	649,497	796,378	+11.7	— 8.9
Sedalia, Mo.....	4,469	4,206	5,104	+ 6.3	—12.4
Springfield, Mo.....	16,627	14,653	16,755	+13.5	— 0.8
**Texarkana,					
Ark. Tex.....	12,789	10,684	16,196	+19.7	—21.0
Totals .....	\$1,173,539	\$1,091,659	\$1,399,896	+ 7.5	—16.2

\*In thousands (000 omitted).

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

**Federal Reserve Operations** — During January the Federal Reserve Bank of St. Louis discounted for 218 member banks against 244 in December, and 196 in January, 1930. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Feb. 19, 1931	*Jan. 19, 1931	*Feb. 19, 1930
Bills discounted .....	\$ 8,708	\$12,073	\$17,829
Bills bought .....	4,392	6,369	18,052
U. S. Securities.....	24,151	24,151	19,266
Total bills and securities.....	\$37,251	\$42,593	\$55,177
F. R. Notes in circulation.....	78,613	82,784	84,863
Total deposits.....	71,142	68,874	80,120
Ratio of reserves to deposits			
and F. R. Note Liabilities.....	79.2%	75.2%	71.7%

\*In thousands (000 omitted).

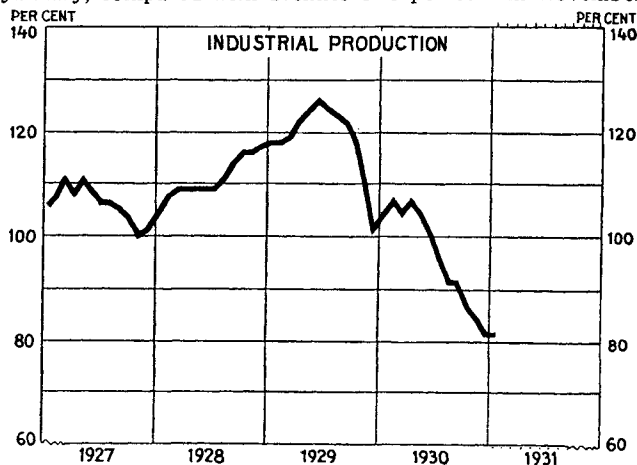
(Compiled February 24, 1931)



## BUSINESS CONDITIONS IN THE UNITED STATES

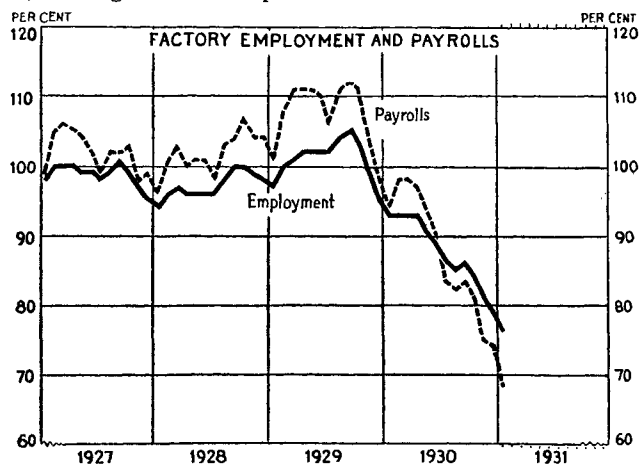
Industrial activity increased in January by slightly less than the usual seasonal amount, and factory employment and pay rolls declined. Money rates in the open market declined further from the middle of January to the middle of February.

**PRODUCTION AND EMPLOYMENT**—The Board's index of industrial production, which is adjusted for seasonal variation, showed a decrease of less than 1 per cent in January, compared with declines of 3 per cent in November



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure January, 82.

and in December. Activity in the steel industry, which was at a low level in December, increased during the following month by considerably more than the usual seasonal amount. Output of automobiles, which had shown an unusual increase in December, increased less in January than in the corresponding month of other recent years; the cotton and wool textile industries were more active in January, while the output of copper, petroleum, and coal declined. The number of wage earners employed at factories was smaller in the payroll period ending nearest the fifteenth of January than in the preceding month, reflecting in part extended year-end shutdowns. There were large declines in employment at foundries and at establishments producing hosiery, women's clothing, lumber, brick, cement and tobacco products. Employment in the men's clothing, leather, and agricultural implement industries increased some-



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.)

Latest figures January, employment 76.4, payrolls 68.4.

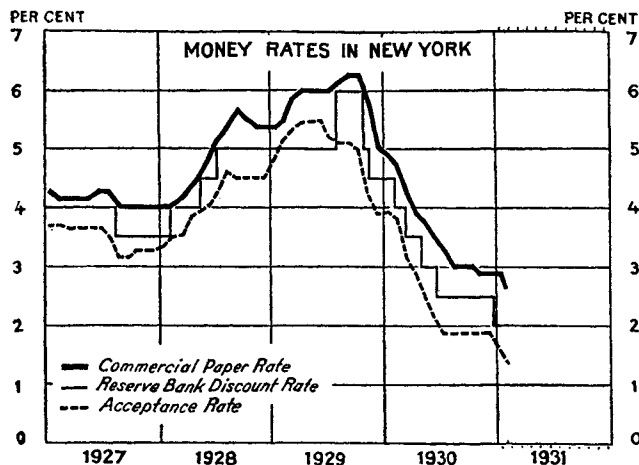
what more than usual for the season. Factory payrolls were considerably reduced in January.

Value of contracts awarded for residential building continued to decline in January, according to the F. W. Dodge Corporation, while contracts for public works and utilities increased. In the first half of February the daily average of contracts awarded for residential building increased.

**DISTRIBUTION**—Volume of freight car loadings was reduced further in January contrary to the usual seasonal tendency, reflecting decreases in shipments of coal,

merchandise, and miscellaneous freight. Department store sales, which always show a sharp reduction from December to January, declined by less than the estimated seasonal amount.

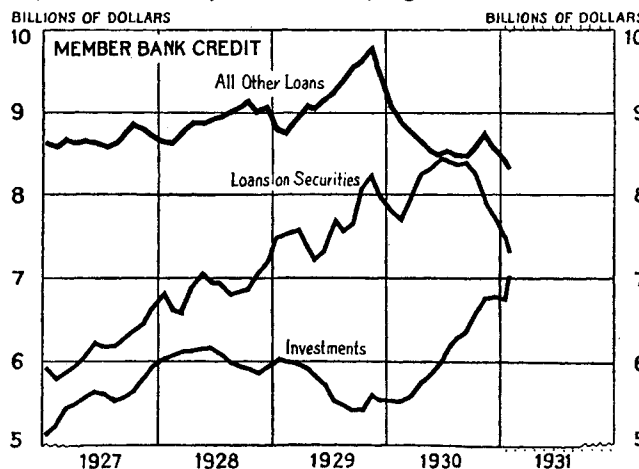
**WHOLESALE PRICES**—The general level of wholesale commodity prices declined further by 2 per cent in January, according to the Bureau of Labor Statistics. Prices of many leading agricultural products, and of copper, and silver decreased substantially, while prices of cotton and silk



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 19 days in February.

advanced. In the first half of February the price of cotton continued to rise and in the middle of the month copper also advanced, while the price of silver declined to new low levels and prices of livestock continued to decrease.

**BANK CREDIT**—Volume of credit at member banks in leading cities showed little change from January 14 to February 11, further declines of \$200,000,000 in loans on securities and of \$115,000,000 in all other loans being largely offset by an increase of \$310,000,000 in the banks' holdings of investments. In the first three weeks of February bank suspensions declined sharply and a number of banks, previously suspended, resumed operations. Volume of reserve bank credit outstanding decreased by \$175,000,000 between the weeks ending January 17 and February 14, reflecting a reduction of \$70,000,000 in member bank balances and \$80,000,000 in money in circulation, together with an increase



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

of \$25,000,000 in the stock of monetary gold. The principal reduction has been in acceptance holdings of the reserve banks.

**MONEY RATES**—Money rates in the open market continued to decline after the middle of January and by the middle of February were at new low levels. The prevailing rate on prime commercial paper declined to a range of  $2\frac{1}{2}$ — $2\frac{3}{4}$  per cent, and the rate on bankers' acceptances was reduced to  $1\frac{1}{4}$  per cent, but subsequently advanced to  $1\frac{1}{2}$  per cent.