



MONTHLY REVIEW

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

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GENERAL business in the Eighth Federal Reserve District during the past thirty days developed no marked change as contrasted with the similar period immediately preceding. While increases in volume in September over August were achieved in some wholesaling and jobbing classifications, the betterment was due entirely to seasonal influences and in most cases its extent was considerably below the average during the past decade. In all lines investigated, the volume was substantially smaller than the relatively low totals of the corresponding period a year ago. Retail distribution increased in September over August, but in less than the usual seasonal amount, and with all firms reporting to this bank the volume of September sales fell below that of a year earlier. Both wholesale and retail trade was adversely affected by the unusually high temperatures prevailing throughout the district during September. While a better clearance than anticipated was effected in warm weather goods, the movement of seasonal merchandise was decidedly backward.

Except in a limited number of industries, production failed to show the improvement which ordinarily takes place at this time of year. There was a further recession in activities at foundries, mills and other ferrous metal working plants. New business with these interests was being sparingly placed, and despite reduced shipments, the volume of unfinished orders sustained further contraction. Reflecting reduced requirements of industry and mild weather, activities at bituminous coal mines in all fields of the district continued at the low levels of recent months. Building operations failed to expand, and demand for all sorts of building materials, except those used in highway construction and other outdoor engineering projects, was quiet. The employment situation as a whole showed no notable change as compared with the preceding thirty days, increased demand for workers in certain seasonal occupations being counterbalanced by reduced requirements elsewhere.

Conditions prevailing through the district during September and early October were in the main favorable for agriculture. The U. S. Department of Agriculture's report as of October 1 confirmed the earlier prospects for heavy yields of all crops. Between September 1 and October 1 improvement took place in corn, cotton, tobacco, hay and some less important crops. Clear, warm weather in September permitted of harvesting of late crops with minimum impairment to quality. Some delay in plowing and seeding of fall cereals was occasioned by the dry soil conditions in September, but generally this work has made good progress, and in most sections is up to the seasonal schedule. Depression in prices of farm products continued, with a number of important items recording new low levels on the present downward movement and in many years. Universally a surplus of farm labor exists, with wages the lowest in fifteen years.

As indicated by sales of department stores in the principal cities of the district, the volume of retail trade in September was 21.5 per cent smaller than during the same month in 1930, but approximately one-fourth larger than in August this year; for the first nine months this year the total was smaller by 12.6 per cent than during the same period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were 23 per cent smaller in September than for the same month in 1930 and 5.5 per cent less than the August total this year; for the first nine months this year the aggregate was 15.5 per cent less than for the same period in 1930. The value of permits for new buildings in the five largest cities of the district in September was 33.6 per cent larger than in August and 42.8 per cent smaller than in September, 1930. Construction contracts let in the Eighth District in September were 28 per cent and 35 per cent smaller, respectively, than a month and a year earlier. Debits to individual accounts in September were 7 per cent greater than in August, but 24 per cent less than in September, 1930; for the first nine months this year the total was approximately one-fifth less than for the same period in 1930.

Reflecting a decrease of distribution of commodities generally, and backwardness in the movement of cotton and some other agricultural products, railroads operating in this district reported a continued shrinkage in the volume of freight handled as compared with the corresponding periods a year and two years earlier. Unusually mild weather during the early fall has served to curtail the movement of coal and coke, particularly heavy decreases being noted in this classification. For the country as a whole, loadings of revenue freight during the first 40 weeks this year, or to October 3, totaled 29,343,825 cars against 36,124,956 cars for the corresponding period in 1930, and 41,099,973 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 144,843 loads in September, against 167,311 loads in August and 186,862 loads in September, 1930. During the first nine days of October the interchange amounted to 46,993 loads, against 42,356 loads during the corresponding period in September, and 57,676 loads during the first nine days of October, 1930. Passenger traffic of the reporting roads decreased 20 per cent in September as contrasted with the same month last year. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans in September was 106,500 tons, against 104,266 tons in August, and 113,749 tons in October, 1930.

Collections as a whole during the past thirty days were somewhat less satisfactory than in the similar period immediately preceding. In the rural areas and small towns results made a relatively poorer showing than was the case in the larger centers of population. Farmers are disposed to hold their products for higher prices in numerous instances and are slow in taking up their indebtedness to retail merchants, supply houses, etc. This backwardness is reflected in delayed settlements by country retailers with wholesalers and banks. However, wholesalers of boots and shoes, dry goods and other lines with which October is an important settlement month, report payments fully up to expectations, and comparing favorably with a year ago, though actual losses from weak accounts were considerably larger than in 1930. Generally through the South liquidation has developed moderate betterment in the immediate past, but is considerably below the usual seasonal volume. Retailers in the large cities report collections spotted and irregular. Replies to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
September, 1931.....	.0%	13.8%	64.1%	22.1%
August, 1931.....	.0	19.1	59.1	21.8
September, 1930.....	0.1	16.8	57.7	25.4

Commercial failures in the Eighth Federal Reserve District in September, according to Dun's, numbered 102, involving liabilities of \$2,621,575, against 125 failures in August with liabilities of \$830,833, and 153 defaults for a total of \$4,427,593 in September, 1930.

The average daily circulation in the United States in September was \$5,133,000,000, against \$4,947,000,000 in August, and \$4,492,000,000 in September, 1930.

MANUFACTURING AND WHOLESALING

Boots and Shoes—In conformity with the usual seasonal trend, sales of footwear in this district declined in September from August. The extent of the decrease this year was somewhat greater than in recent seasons, due in part to the lower level of prices. The warm weather in September was mentioned as another contributing factor to the smaller volume of business. Orders booked since October 1 reflect a further decline, with returns from the country and small towns making a particularly poor showing. September sales of the reporting firms were about one-fourth smaller than for the same month in 1930, and 13 per cent less than the August total this year. Stocks on October 1 were smaller by 5 per cent and 3 per cent, respectively, than thirty days and a year earlier. There was a further reduction in factory operations, the average being from 60 to 65 per cent of capacity.

Clothing—The unseasonably high temperatures prevailing throughout the district during September resulted in a good clearance of summer and early fall apparel, but had a tendency to hold down the movement of seasonal goods. Ordering for future delivery was in smaller volume than at any like period in recent years, retail distributors purchasing closely and only for actual requirements. Adopting their policy to this general trend, manufacturers are carrying small inventories and are cutting goods in close relationship to orders booked. Demand for working clothes failed to expand, and in all lines demand centers chiefly in cheap-priced goods. There was no change in prices as compared with the preceding thirty days, but the average was from 10 to 15 per cent lower than a year ago. September sales of the reporting interests were about two-thirds smaller than for the same month in 1930, and 17 per cent less than the August total this year.

Drugs and Chemicals—September sales of the reporting interests were 7 per cent smaller than for the same month in 1930, but 9 per cent larger than the August total this year. The increase from August to September is seasonal in character, but this year was slightly smaller than the average during the past decade. The prolonged hot spell, extending through the first three weeks of September,

had a stimulating effect on certain lines, notably soda fountain equipment and supplies, but tended to hold down sales of other commodities. Some improvement was noted in demand for heavy drugs and chemicals for the manufacturing trade. Stocks on October 1 were 2 per cent and 12 per cent smaller, respectively, than thirty days and a year earlier.

Dry Goods — Unseasonably warm weather and uncertainty relative to prices and the reduced purchasing power in the agricultural areas were given as reasons for a further decline in business in this classification. September sales of the reporting firms were 31 per cent smaller than for the same month in 1930, and approximately 2 per cent less than the August total this year. The decrease in the month-to-month comparison is seasonal in character, having taken place every year during the past decade, except 1930, when a slight increase was recorded. Purchasing of cold weather goods of all descriptions was in considerably smaller volume than is ordinarily the case at this time of year. Advance business on October 1 was in smaller volume than on any similar date in recent years. Inventories continue downward, stocks on October 1 being 9 per cent smaller than a month earlier, and about one-third less than on October 1, 1930.

Electrical Supplies—The usual seasonal betterment in this classification failed to appear in September, and sales of the reporting interests for that month were 9 per cent below those of August, and 35 per cent less than in September, 1930. Stocks declined moderately between September 1 to October 1 and on the latter date were 14 per cent less than a year ago. Since October 1 there has been some pick-up in demand for electric heaters and other seasonal commodities.

Flour — Production at the twelve leading mills of the district in September totaled 300,000 barrels, against 311,440 barrels in August and 398,617 barrels in September, 1930. Business through the last half of September and the first week of October continued dull, with demand confined chiefly to low grade flours. The unstable condition of the cash wheat market had a tendency to disturb confidence in values, and dealers and ultimate consumers were taking only enough for immediate requirements. Beginning with the second week this month considerable betterment has developed in demand, with sales including a larger percentage of the higher grades than has been the case in some time. Little change worthy of note took place in prices as compared with the preceding month. Mill operations were at from 45 to 50 per cent of capacity.

Furniture — September sales of the reporting firms were approximately one-third smaller than for the corresponding period last year, and 6 per

cent larger than the August total this year. Inventories continued the sharp recession noted in recent months, stocks on October 1 being 24 per cent and 41 per cent smaller, respectively, than thirty days and a year earlier.

Groceries — Sales of the reporting firms in September were 4 per cent greater than during the preceding month, but 14 per cent smaller than for September, 1930. Reflecting the usual seasonal trend, inventories increased between September 1 and October 1, but on the latter date were 8 per cent smaller than a year ago. The increase from September to October amounted to 22 per cent.

Hardware — September sales of the reporting firms were 7 per cent smaller than for the same month in 1930, but 8 per cent greater than the August total this year. For the first nine months this year the sales volume was approximately 19 per cent smaller than during the same period last year. A substantial part of this decrease is accounted for by lower prices. The increase in the month-to-month comparison is seasonal in character, and compares favorably with the average during the past decade. Inventories continue to decrease, stocks on October 1 being 3 per cent smaller than on September 1, and 23 per cent less than on October 1, 1930. Sales decreases were general in all lines, but most pronounced in builders' tools and hardware, and commodities consumed chiefly in the rural areas.

Iron and Steel Products — The usual seasonal acceleration in activities in the iron and steel industry in this district failed to appear during the past thirty days. The last half of September found operations at mills, foundries, machine shops and other ferrous metal working plants at the lowest point of the present depression. Unseasonably high temperatures in September militated against expansion of operations, and a number of idle foundries which had planned to resume on part time, postponed putting these programs into effect. Since the first of October there has been slight betterment in some branches of the industry, confined chiefly to stoves, furnaces and other typically seasonal goods. Demands for finished steel products continued at the low level which characterized the two preceding months. Purchasing by the railroads failed to expand, particularly with respect to new equipment, which many of the most important iron and steel plants in this district rely chiefly upon for business. The volume of new orders coming from the automotive industry was disappointing, as was, also, specifying on materials previously engaged. Iron and steel warehouse and jobbing interests reported the volume of sales in September about on a parity with the August total, but considerably smaller

than during the corresponding month last year. Activities in the farm implement industry declined further, a number of plants having closed down for an indefinite period. Inquiry for structural steel declined, and aside from concrete bars and other items used in highway construction and other outdoor engineering projects, demand for building materials remained at the low levels of recent months. Ordering and inquiry for pig iron for fourth quarter delivery was almost entirely absent, melters following the policy of purchasing such tonnages as they require in the open market. Pig iron prices remained steady, but there was a further decline in scrap values, heavy melting steel making a new low on the present recessionary movement. For the country as a whole, production of pig iron in September was 1,164,646 tons, the smallest for any single month since September, 1921 and comparing with 1,279,205 tons in August, and 2,276,781 tons in September, 1930. Steel ingot production in the United States in September totaled 1,547,602 tons, against 1,719,462 tons in August, and 2,840,397 tons in September, 1930.

AUTOMOBILES

Following the usual seasonal trend, distribution of automobiles in this district decreased from August to September, with the decline this year somewhat greater than the average, according to dealers reporting to this bank. As contrasted with a year ago, the September volume also showed a sharp decrease. In both comparisons the decrease was distributed generally through all classes of vehicles, but was somewhat more marked in the category of cheap-priced cars. Demand for trucks continued fairly active, September sales of the reporting dealers being slightly larger than a month earlier, though considerably less than a year ago. New passenger car sales of these dealers in September were about one-fifth smaller than for the same month in 1930, and 32 per cent less than the August total this year. Almost without exception, dealers are following the policy of purchasing closely and only enough for well defined requirements, with the result that inventories continue considerably below the average at this period during the past several years. Stocks of new cars in dealers' hands on October 1 were slightly larger than a month earlier, but approximately one-third smaller than on October 1, 1930. Sales of used cars showed smaller declines in both the month-to-month and yearly comparisons, the September total being 8 and 16 per cent smaller, respectively, than thirty days and a year earlier. Stocks of salable secondhand cars in dealers' hands on October 1 were 7 per cent smaller

than on September 1, and 22 per cent less than on October 1, 1930. Business in accessories and parts continued to make a better showing than in the case of automobiles proper. In both the cities and country, owners are endeavoring to prolong the usefulness of their cars by extensive reconditioning and repairs. No change worthy of note took place in the tire situation as compared with the preceding thirty days. According to dealers reporting on that item, deferred payment sales in September constituted 47 per cent of their entire sales, against 48 per cent in August, and 52.5 per cent in September, 1930.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statements showing activities in the leading cities of the district:

	Net sales comparison		Stocks on hand	Stock turnover	
	Sept. 1931	9 months ending	Sept. 30, 1931	Jan. 1, to	Sept. 30,
	comp. to	Sept. 30, 1931 to	comp. to	1931	1930
	Sept. 1930	same period 1930	Sept. 30, 1930		
Evansville	17.5%	-22.6%	-18.6%	1.36	1.48
Little Rock.....	34.0	-14.5	-9.4	1.89	1.78
Louisville	18.5	-14.4	-23.6	1.98	2.02
Memphis	24.6	-18.6	-24.0	2.24	2.14
Quincy	33.4	-19.4	-17.3	1.84	1.91
St. Louis.....	20.2	-11.5	-7.6	2.75	2.82
Springfield, Mo.	28.3	-11.6	-10.5	1.23	1.19
8th District.....	21.5	-12.6	-12.6	2.45	2.45

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Sept. 1931	9 months ending	Sept. 30, 1931	Jan. 1, to	Sept. 30,
	comp. to	Sept. 30, 1931 to	comp. to	1931	1930
	Sept. 1930	same period 1930	Sept. 30, 1930		
Men's					
Furnishings	-16.1%	-9.7%	-10.5%	2.36	2.24
Boots					
and Shoes.....	24.2	-19.5	-12.2	2.14	2.26

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in September were 33.6 per cent larger than in August, and smaller by approximately 42.8 per cent than in September a year ago. According to statistics combined by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in September amounted to \$11,790,867 which compares with \$16,457,113 in August, and \$18,166,653 in September, 1930. Production of portland cement for the country as a whole in September totaled 12,092,000 barrels against 13,549,000 barrels in August and 16,124,000 barrels in September, 1930. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	253	291	\$ 56	\$ 489	118	79	\$ 13	\$ 27
Little Rock	32	32	92	92	112	112	42	42
Louisville ..	82	80	143	271	33	59	16	131
Memphis	123	636	130	944	138	84	25	37
St. Louis....	327	375	1,271	1,163	241	343	153	183
Sept. totals	817	1,414	1,692	2,959	642	677	249	420
Aug. totals	678	1,237	1,266	2,080	616	559	400	687
July totals	615	1,147	1,590	2,191	560	589	630	378

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease of 10.1 per cent in combined postal receipts for the third quarter of this year under the corresponding quarter in 1930, and a decrease of 12.8 per cent as compared with the quarter ending June 30 this year. Detailed figures follow:

	Sept. 30, 1931	June 30, 1931	March 31, 1931	Sept. 30, 1930	Sept. 1931 comp. to Sept. 1930
Evansville	\$ 147,000	\$ 163,000	\$ 165,000	\$ 157,000	— 6.4%
Little Rock.....	189,000	179,000	212,000	234,000	—19.2
Louisville	577,000	615,000	627,000	612,000	— 5.7
Memphis	440,000	491,000	521,000	541,000	—18.7
St. Louis.....	2,459,000	2,926,000	2,890,000	2,735,000	—10.1
Totals	\$3,812,000	\$4,374,000	\$4,415,000	\$4,279,000	—10.9

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in September as being about 9.1 per cent smaller than in August and 6.7 per cent less than in September, 1930. Detailed figures follow:

	No. of Custom- ers	Sept. 1931 *K.W.H.	Aug. 1931 *K.W.H.	Sept. 1931 comp. to Aug. 1931	Sept. 1930 *K.W.H.	Sept. 1931 comp. to Sept. 1930
Evansville	40	1,991	2,428	—18.0%	1,850	+ 7.6%
Little Rock..	35	1,888	2,087	— 9.5	2,208	—14.5
Louisville	85	6,587	7,201	— 8.5	6,882	— 4.3
Memphis	30	1,617	1,780	— 9.2	996	+62.3
St. Louis.....	163	19,572	21,309	— 8.2	21,988	—11.0
Totals	353	31,655	34,805	— 9.1	33,924	— 6.7

*In thousands (000 omitted).

AGRICULTURE

The very favorable prospects for crops in the Eighth Federal Reserve District, which have obtained since early in the present season, were well maintained during the past thirty days. Weather conditions, while not uniformly favorable, were on the whole auspicious for the maturing and harvesting of late crops, notably corn, tobacco, cotton, rice and hay. On October 1 the general average of all crops combined was somewhat higher than a month earlier. In most sections of the district early September weather was dry, with temperatures above the seasonal average. This permitted of rapid progress in garnering operations of all sorts, besides proving favorable for the movement of farm products to market with a minimum of impairment to quality. To the middle of October no frost damage occurred, and virtually all corn and cotton was past danger from that source. Lack of moisture retarded seeding of winter wheat to some extent during the first three weeks of September, but precipitation since that time has corrected this condition, and considerable progress has been made, though quite generally full planting intentions have not been carried out. At the middle of October practically the entire early rice crop had been threshed, and cutting and housing of tobacco had made rapid headway.

Counterbalancing the favorable prospect for bumper crop yields has been the continued depression in prices of all descriptions of farm products. The index of farm prices fell off three points during September and reached a new low record of 72, according to statistics released by the U. S. Department of Agriculture on October 2.

Corn— There was a further slight improvement in corn prospects in this district during September. The U. S. Department of Agriculture in its report as of October 1 places the yield at 402,867,000 bushels, an increase of 3,208,000 bushels over the September forecast, and comparing with 183,245,000 bushels harvested in 1930, and an 8-year average (1923-1930) of 342,534,000 bushels. In all the principal producing areas September weather was favorable for maturing the crop, though in some sections drying was too rapid, causing some reduction in yield and quality. For the most part, however, quality is high, with some bottom lands having the heaviest yields per acre and best grade corn produced in recent years. There are many complaints of earworm damage, and through the growing season more than the usual amount of injury was occasioned by insect pests, notably grasshoppers and chinch bugs. Husking has made good progress, with considerable cribbing reported at the middle of October.

Winter Wheat— Seeding of the new crop was delayed by dry, hot weather over a large part of the district during September. Recent rains, however, have permitted of extensive plowing and planting, though almost universally full intentions to plant have not been carried out, and total acreage for the district will be below that of a year and two years ago. The Department of Agriculture estimates total wheat production in the Eighth District in 1931 at 65,546,000 bushels, against 44,241,000 bushels in 1930, and an 8-year average of 49,921,000 bushels.

Fruits and Vegetables— The bright prospects of earlier in the season for fruits and vegetables have continued unimpaired through the early fall; except in the case of white potatoes, further improvement in condition of the principal crops took place between September 1 and October 1. The hot, dry weather during the first half of September resulted in some damage to fall gardens in certain sections, but since that time moisture has relieved the situation and substantially assisted late commercial vegetable crops. The pecan crop is the heaviest in five years, and quality is good in most sections of the district. The U. S. Department of Agriculture

estimates the apple crop in states entirely or partly within the Eighth District at 40,881,000 bushels, of which 4,402,000 barrels represent commercial crop, against the small crop of 12,935,000 bushels in 1930, with 1,666,000 barrels commercial crop, and a 5-year average of 21,349,000 bushels, of which 2,263,000 barrels were commercial crop. Owing to the size of the assured crop, coupled with low prevailing prices for both fresh fruit and cider stock, close culling and abandonment of low grade fruit has been general in all sections. In states of the district the peach crop is estimated at 16,521,000 bushels, which compares with 1,315,000 bushels in 1930, and a 5-year average of 8,495,000 bushels. A crop of 2,477 tons of grapes is forecast, against 1,008 tons in 1930 and a 5-year average of 1,729 tons; the sweet potato crop is estimated at 20,268,000 bushels, against 14,018,000 bushels in 1930 and a 5-year average of 18,188,000 bushels. In the district proper the white potato crop is forecast at 13,074,000 bushels, a decrease of 235,000 bushels from the September 1 estimate, comparing with 12,724,000 bushels harvested in 1930, and an 8-year average of 15,050,000 bushels.

Live Stock — No change worthy of note took place in the condition of live stock during the past thirty days. There were scattered reports of hog cholera, but nothing of a wide-spread or serious nature. Pastures have been improved by the recent rains, and moderate temperatures permitted of uninterrupted grazing of herds. Due to the low prices of hay and cereals, farmers in many localities have planned extensive feeding programs for the late fall and winter.

The U. S. Department of Agriculture in its October 1 report estimates the production of tame hay in this district at 6,889,000 tons, against 5,033,000 tons produced in 1930, and an 8-year average of 7,616,000 tons.

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

	Receipts			Shipments		
	Sept. 1931	Aug. 1931	Sept. 1930	Sept. 1931	Aug. 1931	Sept. 1930
Cattle and Calves.....	126,753	124,255	132,519	89,091	84,186	86,702
Hogs	205,040	190,104	238,241	157,783	152,715	191,940
Horses and Mules.....	2,349	2,358	1,567	2,888	1,740	1,477
Sheep	51,951	52,267	55,926	12,688	12,332	18,465

Cotton — The hot, fair weather of September was exceptionally favorable for the maturing and picking of the crop. Under the almost unbroken sunshine, bolls opened rapidly, in some localities more rapidly than the cotton could be picked. The high temperatures were especially beneficial in Mississippi and parts of Arkansas where the plant was rank and sappy. Due to the rapidity with which the

crop opened during the latter part of September, field loss of seed cotton is expected to be somewhat greater than usual. During the first half of October moderate temperatures prevailed, practically placing the entire district out of danger of frost damage. Due to low prices, farmers are employing as little help as possible, and as a result the harvest has been slow. A large portion of the crop is open, bolls are generally large and the staple excellent. Based on the October 1 condition, the Department of Agriculture estimates the yield of cotton in this district at 3,509,000 bales, which compares with 2,289,000 bales harvested in 1930, and an 8-year average (1923-1930) of 2,644,000 bales. Prices of raw cotton continued downward, a new low record for the season and for more than thirty years being established in early October. In the St. Louis market the middling grade ranged from 5.20c to 6.05c per pound between September 16 and October 15, closing at 5.75c on the latter date, which compares with 6.05c on September 15, and 9.40c on October 15, 1930. Stocks of cotton in Arkansas warehouses on October 16 totaled 319,836 bales, against 80,630 bales on September 11, and 232,489 bales on the corresponding date in 1930.

Tobacco — A slight betterment in prospects for tobacco in this district took place in September. Based on the October 1 condition, the U. S. Department of Agriculture estimates the total output at 409,724,000 pounds, which was about 9,000,000 pounds more than the September 1 prediction, and compares with 306,070,000 pounds harvested in 1930 and an 8-year average of 295,534,000 pounds. Weather has been in the main favorable for cutting and housing the crop, and considerable progress has been made in these operations. At the middle of October curing of the early crop was virtually completed.

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

	High	Low	Close	
			October 15, 1931	October 15, 1930
Wheat				
Dec. ....per bu..	\$.49 ³ / ₈	\$.42 ³ / ₈	\$.48	\$.78
May .....	.53 ³ / ₈	.46 ³ / ₈	.52	.83
No. 2 red winter ..	.50	.45	\$.49 ¹ / ₂ @ .50	\$.88 @ .88 ¹ / ₂
No. 2 hard.....	.49	.44	.48 @ .48 ¹ / ₂	.80 @ .80 ¹ / ₂
Corn				
Dec. ....	.38 ⁷ / ₈	.32 ³ / ₈	.34 ¹ / ₂	.80 ¹ / ₂
May .....	.42 ¹ / ₂	.36 ³ / ₈	.38 ¹ / ₂	.83
No. 2 mixed.....	.47 ¹ / ₂	.36	.38 @ .38 ¹ / ₂	.85 @ .85 ¹ / ₂
No. 2 white.....	.49	.39	.40 ¹ / ₂ @ .41	.92 @ .92 ¹ / ₂
Oats				
No. 2 white.....	.24	.21 ¹ / ₂	.21 ¹ / ₂ @ .22	.37 ¹ / ₂ @ .38
Flour				
Soft patent.....per bbl.	4.00	3.25	3.25 @ 4.00	4.50 @ 5.00
Spring patent.....	4.00	3.75	3.75 @ 4.00	4.75 @ 4.85
Middling cotton.....per lb.	.0605	.052	.0575	.940
Hogs on hoof.....per cwt.	5.90	3.60	4.00 @ 5.60	8.00 @ 10.15

FINANCIAL

The usual seasonal expansion in demand for credits by mercantile and manufacturing interests was less in evidence during the past thirty days than has been the case in recent years. Small inventories are the rule with wholesaling and jobbing concerns, and in virtually all manufacturing lines, production is being held to close relationship with orders booked. Commitments for both raw and finished goods are being cautiously made and numerous firms which are ordinarily in the market for extensive credit lines at this time of year are operating largely on their own resources.

Demand for financing the harvesting and movement of fall crops has been less urgent than at the corresponding period in a number of years. Throughout the south farmers are employing a minimum of help for picking cotton and harvesting tobacco and rice crops. Liquidation with country banks in the winter wheat areas has been in satisfactory volume as a whole, though somewhat spotty in character. There is a general disposition on the part of farmers to hold their products for more favorable markets. Demand for credit to finance livestock for market continues active, particularly in the northern tiers of the district.

Deposits of the reporting member banks continued the irregularly downward trend which started last April, and in the second week of October recorded a new low point for the year. Loans of these banks fluctuated within a narrow range, and after recording a new low for the year in the second week of October, reacted slightly upward in the third week of that month. Investments declined further, the total on October 15, \$215,538,000, comparing with \$242,000,000, the high point of the year, reached on May 28. Borrowings of all member banks from the Federal reserve bank averaged slightly higher than during the preceding thirty days.

Interest rates charged by the commercial banks advanced slightly during early October. At the St. Louis banks current rates were as follows: Prime commercial paper, 3 to 5 per cent; collateral loans, 3½ to 5½ per cent; loans secured by warehouse receipts, 4 to 5½ per cent; Inter-bank loans, 4 to 5½ per cent, and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on October 14, 1931, showed a decrease of .6 per cent as contrasted with September 16, 1931. Deposits decreased 2.4 per cent between September 16, 1931 and October 14, 1931

and on the latter date were 4.6 per cent smaller than on October 15, 1930. Composite statement follows:

	*Oct. 14, 1931	*Sept. 16, 1931	*Oct. 15, 1930
Number of banks reporting.....	†25	†25	†24
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$158,550	\$160,654	\$211,179
All other loans and discounts.....	240,461	240,786	280,359
Total loans and discounts.....	\$399,011	\$401,440	\$491,538
Investments U. S. Government securities.....	83,349	83,807	34,809
Other securities.....	132,189	138,146	126,021
Total investments.....	\$215,538	\$221,953	\$160,830
Reserve balance with F. R. bank..	42,870	41,097	45,051
Cash in vault.....	7,845	6,245	5,765
Deposits Net demand deposits.....	336,209	339,488	361,475
Time deposits.....	228,046	234,029	235,878
Government deposits.....	6,859	11,575	1,208
Total deposits.....	\$571,114	\$585,092	\$598,561
Bills payable and rediscounts with Federal Reserve Bank.....	3,879	4,778	5,020

*In thousands (000 omitted).

†Decrease due to consolidation. These banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 52.6 per cent of all member banks in this district.

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

	*Sept. 1931	*Aug. 1931	*Sept. 1930	Sept. 1931 comp. to Aug. 1931 Sept. 1930
East St. Louis & Natl. Stock Yards, Ill. \$ 27,319	\$ 27,735	\$ 27,735	\$ 38,128	— 1.5% —28.3%
El Dorado, Ark.....	4,003	4,957	6,472	—19.3 —38.1
Evansville, Ind.....	21,099	21,497	24,348	— 1.9 —13.3
Fort Smith, Ark.....	9,127	8,187	12,158	+11.5 —24.9
Greenville, Miss.....	2,372	2,185	3,425	+ 8.6 —30.7
Helena, Ark.....	1,747	1,923	3,711	— 9.2 —52.9
Little Rock, Ark.....	24,086	24,096	41,357	— 0.0 —41.8
Louisville, Ky.....	128,334	117,526	204,913	+ 9.2 —37.4
Memphis, Tenn.....	85,358	77,131	126,709	+10.7 —32.6
Owensboro, Ky.....	4,140	4,626	5,739	—10.5 —27.9
Pine Bluff, Ark.....	5,149	5,561	8,018	— 7.4 —35.8
Quincy, Ill.....	7,321	7,470	10,921	— 2.0 —33.0
St. Louis, Mo.....	531,121	492,898	617,263	+ 7.8 —14.0
Sedalia, Mo.....	3,281	3,089	4,126	+ 6.2 —20.5
Springfield, Mo.....	12,006	10,998	14,996	+ 9.2 —19.9
*Texarkana, Ark.-Tex.....	8,020	7,847	10,194	+ 2.2 —21.3
Totals.....	\$874,483	\$817,726	\$1,156,894	+ 6.9 —24.4

*In thousands (000 omitted).

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

Federal Reserve Operations — During September the Federal Reserve Bank of St. Louis discounted for 215 member banks against 191 in August and 208 in September, 1930. Effective October 22 the discount rate of this bank was increased from 2½ per cent to 3½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

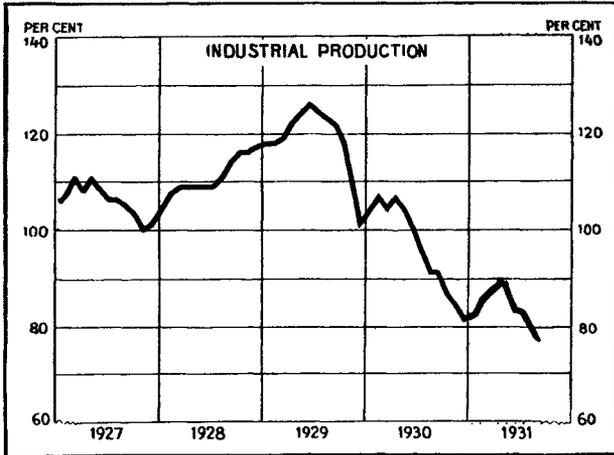
	*Oct. 14, 1931	*Sept. 14, 1931	*Sept. 14, 1930
Bills discounted.....	\$14,101	\$13,470	\$15,525
Bills bought.....	33,842	1,097	8,494
U. S. Securities.....	31,211	30,708	23,899
Federal Inter. Cr. Bk. Debentures.....	630	40	.....
Participation in Inv. Foreign Banks.....	1,103	1,124	39
Total bills and securities.....	\$80,887	\$46,439	\$47,957
F. R. Notes in circulation.....	80,185	76,382	62,996
Total deposits.....	76,806	75,677	76,118
Ratio of reserve to deposits and F. R. Note Liabilities.....	53.5%	74.7%	72.3%

*In thousands (000 omitted).

(Compiled October 22, 1931)

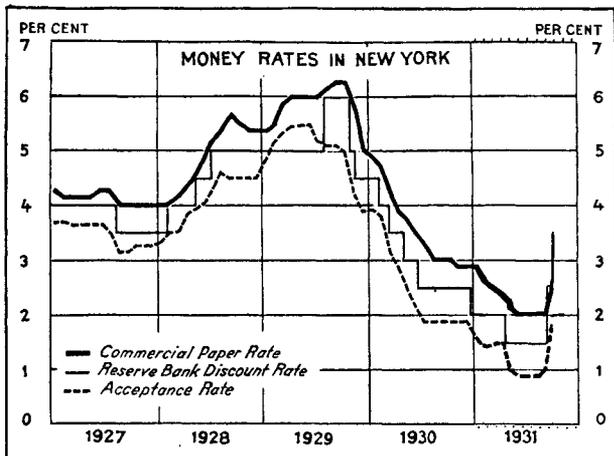
BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION AND EMPLOYMENT—Industrial production, as measured by the Board's seasonally adjusted index, declined from 79 per cent of the 1923-1925 average in August to 76 per cent in September. Activity at steel mills decreased from 31 per cent of capacity to 28 per cent; output of automobiles was reduced substantially and lumber production continued to decline. At cotton mills production increased seasonally, while activity at woolen mills and shoe factories declined contrary to the usual seasonal tendency. Output of petroleum was smaller in September than in August but the rate of output prevailing at the end of September was higher than at the end of August.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure September, 76.

The number employed at factories showed little change from the middle of August to the middle of September, a period when employment usually increases. In iron and steel mills, automobile factories and lumber mills, employment decreased further, contrary to the seasonal tendency. In the clothing and silk industries there were substantial increases in employment, partly of a seasonal character. In mills producing cotton goods, employment increased less than usual, and in woolen mills it declined from recent relatively high levels. Data on value of building contracts awarded for the period between the first of August and the middle of October, as reported by the F. W. Dodge Corporation, show a continuation of the downward movement of recent months for residential as well as for other types of construction.



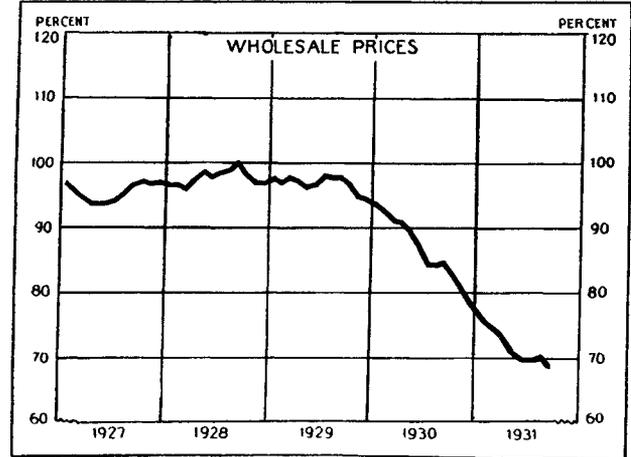
Monthly rates in the open market in New York: Commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 17 days in October.

Estimates by the Department of Agriculture, based on October 1 conditions, indicated a cotton crop of 16,284,000 bales, the largest reported, except that of 1926; a total wheat crop somewhat larger than usual, and a corn crop of 2,700,000,000 bushels, 29 per cent larger than last year, and 2 per cent smaller than the five year average.

DISTRIBUTION—Freight-car loading of merchandise and sales by department stores increased in September, but by less than the usual seasonal amount.

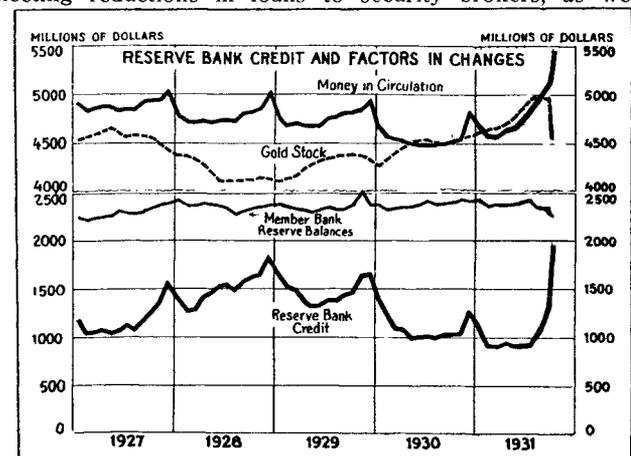
WHOLESALE PRICES—The general level of wholesale prices declined from 70.2 per cent of the 1926 average in August to 69.1 per cent in September, according to the Bureau of Labor Statistics. Decreases in the prices of live-stock, meats, hides, woolen goods, cotton and cotton goods were offset in part by increases in prices of dairy products, petroleum, and petroleum products. Further declines in the price of cotton during the first few days of October were followed by substantial increases in subsequent days.

BANK CREDIT—During the four weeks following the suspension of gold payments in England on September 20, \$600,000,000 of gold was withdrawn from this country's



Index of United States Bureau of Labor Statistics (1926=100). Latest figure September, 69.1.

monetary stock in the form of exports and earmarkings. Domestic demand for currency continued to increase, the growth for the month ending in the middle of October being about \$400,000,000. The growth in the amount of currency outstanding, however, slowed down after the first few days in October. The demands for credit, arising from gold movements and currency growth, were met by member banks through the sale of acceptances to the reserve banks and by rediscounts. Volume of reserve bank credit outstanding consequently increased between the week ending September 19 and the week ending October 17 by \$904,000,000, and on October 17 stood at \$2,169,000,000, the highest level for ten years. Gold and currency withdrawals resulted in a decrease of deposits at member banks in leading cities. Loans and investments of these banks also declined, reflecting reductions in loans to security brokers, as well



Monthly averages of daily figures. Latest figures are averages of first 17 days in October.

as sales of acceptances to the reserve banks, and sales of United States securities. During this period there was a rise in short-time money rates in the open market and in yields on high grade bonds. On October 9 the Federal Reserve Bank of New York advanced its discount rate from 1½ to 2½ per cent and on October 16 to 3½ per cent. Discount rates were also advanced at the Boston, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Dallas, and San Francisco reserve banks.