



MONTHLY REVIEW

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

Released for Publication On and After the Morning of November 30, 1931

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TRADER and industry in the Eighth Federal Reserve District during October failed to better the low rate of activity prevailing during the preceding month. On the contrary, with virtually all lines investigated by this bank, there was a slowing down as contrasted with September, and as compared with the same time last year, the showing was distinctly unfavorable. In the large cities and the country purchasing of commodities was on a very conservative and cautious scale, and universally there was a disposition to conserve cash. Unseasonably high temperatures obtaining through the month tended to hold down distribution of fall and winter goods, besides causing many manufacturers to further postpone programs for increased production. This was true particularly in the heavier lines, notably iron and steel, lumber, fire clay products and all descriptions of building materials. As has been the case for many months, manufacturers were making up only limited quantities of goods for stock, confining their operations almost exclusively to materials to apply on orders actually booked or in reasonably certain prospect.

The most important constructive development in this area, has been the sharp rise in prices of wheat, corn, cotton and other important agricultural products. This change has resulted in a sharp acceleration in business of wholesalers in the large distributing centers, also in retail trade in the country and small towns. A number of large retailing and jobbing firms which furnish their statistics to this bank, report sales volume during the first half of November the largest for any similar period this year.

Agricultural prospects maintained the high promise of earlier in the year. Production of virtually all the leading crops grown in this district in 1931 will considerably exceed the average, and in the case of cotton and corn, new records for all time are indicated. Thus, while prices through the season have been low, large quantities to dispose of will partly offset the low unit return. In many sec-

tions liquidation by farmers has been in excess of expectations, and additional reduction of indebtedness is in prospect. Throughout the district, farmers are well supplied with food and feed for carrying through the winter, and conditions in the agricultural areas are considerably better than at the corresponding period a year or two years ago.

The volume of retail trade in October, as reflected in sales of department stores in leading cities, was 15.6 per cent smaller than during the same month in 1930, and approximately 3 per cent larger than in September this year; for the first ten months this year the total was 13 per cent smaller than during the same period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were one-fourth smaller in October than for the same month in 1930 and 7 per cent smaller than the September total this year; for the first ten months this year the aggregate was 16 per cent below that of the same period in 1930. The value of permits issued for new buildings in the five largest cities of the district in October was 15.5 per cent smaller than in September, and 11 per cent larger than in October, 1930. Construction contracts let in the Eighth District in October were the smallest for any month since these records have been kept; 36 per cent smaller than in September and 76 per cent less than in October, 1930. Debits to individual accounts in October exceeded the September total by 8.8 per cent, but were almost one-fourth less than in October, 1930; for the first ten months this year the aggregate was about one-fifth smaller than for the same period in 1930. Savings deposits held by selected banks decreased slightly between October 7 and November 4, and on the latter date were 6.4 per cent smaller than on the corresponding date last year.

Freight traffic of railroads operating in this district continued in considerably smaller volume than during the corresponding period a year and two years earlier. Recessions occurred in all classifications, but were most pronounced in merchandise

and miscellaneous freight and coal and coke. Due to the unusually mild weather through October and the first half of November and the low rate of operations at industrial plants, consumption of fuel was much smaller than the usual seasonal volume. For the country as a whole, loadings of revenue freight for the first 44 weeks this year, or to October 31, totaled 32,379,444 cars against 39,905,050 cars for the corresponding period in 1930 and 45,671,671 cars in 1929. The St. Louis Terminal Railway, which handles interchanges for 28 connecting lines, interchanged 152,751 loads in October, against 144,833 loads in September and 194,613 loads in October, 1930. During the first nine days of November the interchange amounted to 43,328 loads, which compares with 46,993 loads during the corresponding period in October and 54,121 loads during the first nine days of November, 1930. Passenger traffic of the reporting roads decreased 20 per cent in October as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 105,000 tons, against 106,931 tons in September and 102,569 tons in October, 1930.

Reports relative to collections reflected somewhat spotty and irregular conditions, but with the average slightly better than during the preceding thirty days and comparing favorably with the corresponding period a year ago. Throughout the south, where cotton, rice and tobacco are being harvested, liquidation showed improvement as contrasted with the month before. Planters have taken up a considerable part of their indebtedness to the Government for feed and seed loans, thereby releasing much cotton for paying other bills. The upturn in wheat prices has been reflected in a quickening in collections in the typical grain areas. Wholesalers and jobbers in the chief distributing centers report October 1 settlements fully up to expectations, with some lines showing better results than a year ago. City retailers report little change in conditions from earlier in the fall. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

		<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
October, 1931.....		0%	21.1%	56.4%	22.5%
September, 1931.....		0	13.8	64.1	22.1
October, 1930.....		1.4	8.5	67.6	22.5

Commercial failures in the Eighth Federal Reserve District in October, according to Dun's, numbered 126 involving liabilities of \$2,497,736 against 102 failures in September with liabilities of \$2,621,575, and 118 defaults for a total of \$3,505,807 in October, 1930.

The average circulation in the United States in October was \$5,478,000,000 against \$5,133,000,000 in September, and \$4,501,000,000 in October, 1930.

MANUFACTURING AND WHOLESALING

Boots and Shoes — October sales of the reporting firms were 28 per cent smaller than for the same month in 1930, and 9 per cent less than the September total this year. Inventories continue to decrease, stocks on hand November 1 being 23 per cent and 8 per cent smaller, respectively, than a month and a year earlier. The decrease in the month-to-month sales comparison is seasonal, and compares with a decrease of 15 per cent for the same period in 1930. Weather conditions have been unfavorable for the movement of seasonal goods, and another influence tending to hold down sales was the disposition on the part of retailers to await possible price reductions. Collections were reported in the main good, though the volume of actual losses from weak accounts is considerably larger than heretofore. Factory operations were reduced somewhat, averaging from 60 to 65 per cent of capacity.

Clothing — According to the reporting firms, the movement of seasonal apparel during October continued much below normal, due chiefly to the mild weather prevailing in October and during the first part of November. Sales in October showed a considerable increase over September, but the total was 17 per cent smaller than for October last year. Demand in both men's and women's lines centers largely in cheap-priced goods.

Drugs and Chemicals — October sales of the reporting interests fell 21 per cent below the same month in 1930, but increased 1 per cent over the September total this year. Stocks on November 1 were slightly larger than thirty days earlier, but 6 per cent less than on November 1 last year. Buying of seasonal merchandise was backward, due partly to the warm weather. In the immediate past, considerable betterment has taken place in advance ordering of holiday goods and remedial drugs. This has been offset, however, by the usual recession in demand for heavy chemicals and drugs by the manufacturing trade. Prices were about steady with the preceding month, advances in certain commodities being balanced by declines in others.

Dry Goods — Activities in this classification during October failed to develop improvement, sales of the reporting firms in that month showing a decline of 27 per cent under the corresponding period last year and of 1 per cent under the September volume this year. In the comparison with a year ago a considerable part of the decrease is accounted for by lower prices. Unseasonably high

temperatures held down purchasing of cold weather merchandise, notably underwear, outings and woolen blankets. Since November 1 there has been considerable pick-up in all lines, attributed partly to the upturn in certain agricultural products and to a greater disposition on the part of retailers to replenish heavily depleted stocks. Two leading firms reported sales during the first two weeks in November the heaviest for any similar period this year. Purchasing, however, continues chiefly for immediate shipment, little appreciation being noted in advance orders. Stocks continue to decrease, the total on November 1 being 13 per cent smaller than a month earlier, and about one-third smaller than on November 1, 1930.

Electrical Supplies — A moderate improvement took place in sales of the reporting firms from September to October, but the total for the latter month was one-third less than for the same period in 1930. Inventories also gained slightly between October 1 and November 1, but were 15 per cent smaller on the latter date than a year ago. In the sales comparison with last year, decreases were general in practically all lines, but most pronounced in radio materials, household appliances and automotive goods. Ordering of seasonal and holiday merchandise is in smaller than the usual volume.

Flour — Production at the twelve leading mills of the district in October totaled 305,335 barrels, against 300,676 barrels in September and 426,184 barrels in October, 1930. Considerable improvement in demand for all grades of flour developed during the last half of October, due mainly to the advance in the wheat market. The betterment has continued into November, though in the immediate past the erratic action of the grain market has had a tendency to hold down buying. For the first time in a number of months interest in future requirements was in evidence, and generally the class of buying was better than at any time this season. One favorable development, according to reporting millers, was the broader demand for high grade flours. In sympathy with the upturn in wheat, prices advanced to the highest point since last July. Mill operations were at from 50 to 55 per cent of capacity.

Furniture—October sales of the reporting firms were 44 per cent less than for same month in 1930 and 18 per cent smaller than the September total this year. Ordering by retailers through October continued on a hand-to-mouth basis, with relatively little interest being taken in holiday goods. Since November 1 there has been a fair pick-up in the line as a whole, particularly in household furniture and furnishings. There were no notable changes in prices as compared with the preceding thirty days,

but the trend is lower. Inventories continue to shrink, stocks on November 1 being only about half as large as on the same date in 1930, and 15 per cent less than on October 1 this year.

Groceries — Considerably smaller buying in the rural areas and generally lower prices were largely responsible for a decrease in October sales of the reporting firms of 21 per cent below the same month in 1930. A decrease of 8 per cent under the September total this year was shown. Stocks on November 1 were 14 per cent and 18 per cent smaller, respectively, than thirty days and a year earlier. Advance ordering of holiday goods is reported in smaller volume than at any similar period in recent years.

Hardware — Business in this classification was marked by further contraction during October, sales of the reporting firms for that month being 18 per cent smaller than for the same period in 1930, and 9 per cent less than in September this year. Inventories also declined, the November 1 totals showing a decrease of 7 per cent and 22 per cent, respectively, as contrasted with thirty days and a year earlier. In the yearly sales comparison a considerable part of the decrease was due to reduced purchasing of builders' tools and hardware, and of goods used chiefly in the rural areas. The trend of prices was slightly lower, with the average about 5 to 8 per cent below a year ago.

Iron and Steel Products — Activities at mills, foundries, machine shops and other ferrous metal working plants in this district averaged slightly lower during October than the low rate in September. During the first half of November a further slowing down was noted, largely seasonal in character and most pronounced in the steel mills. Despite the small volume of shipments of finished goods, a further contraction in unfilled orders took place. The placement of new business continues along extremely cautious and conservative lines, and covers only materials for immediate requirements. Demand from the automotive industry was below expectations, new orders being in relatively small volume and specifications on materials under contract, backward. This was true particularly in the case of malleable foundries and certain manufacturers of forgings. The mild weather prevailing all fall had a tendency to hold down purchasing of seasonal goods, besides causing postponement of planned operations by certain specialty makers. Sales of farm implement interests were reported the smallest for any similar period in recent years, and for the most part their plants were closed down or being operated on heavily reduced schedules. Ordering by the railroads continues at the low ebb of earlier months this year. Since completion of the harvests,

moderate expansion in materials for the agricultural sections has taken place, but the movement of such goods is considerably below the seasonal average. Distribution of iron and steel goods by jobbing and warehouse interests continued spotty and irregular, the only lines exhibiting activity being for use in highway construction and other outdoor engineering projects. Building materials generally remained quiet, and less than the usual seasonal improvement was noted in demand for tubular goods. Manufacturers and distributors of sheets and plates report October sales the smallest for any month since last winter. The trend of prices of finished materials generally was slightly easier, and further reductions were made in scrap iron and steel prices. Quotably pig iron was unchanged, but buying, particularly of basic iron, was hardly sufficient to fully test the market. Ordering for first quarter of 1932 has not developed, melters generally taking only what they need from month to month. For the country as a whole the average daily rate of pig iron production in October was 37,832 tons, a decrease of 2.8 per cent from the September rate. Total production in October was 1,172,871 tons, against 1,168,436 tons in September and 2,165,374 tons in October, 1930. Steel ingot production in the United States in October totaled 1,592,376 tons, against 1,547,602 tons in September and 2,692,539 tons in October, 1930.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in October totaled 80,142, against 140,566 in September, and 150,044 in October 1930.

According to dealers reporting to this bank, there was a substantial decrease in distribution of automobiles during October as contrasted with September, also a small decrease as compared with October last year. The decrease in the month-to-month comparison is seasonal in character, having invariably taken place during the past eight years. The extent of the decrease this year was somewhat larger than the average, which fact is partly attributable to a general disposition on the part of prospective purchasers to await the appearance of new models and possible price reductions. The decrease under a year ago was considerably smaller than in recent months. As has been the case since last fall, sales of dealers, in the country and small towns made a relatively less favorable showing than those in the larger centers of population. Sales of repair parts and accessories continue relatively heavier than of automobiles proper, due to the fact that owners are reconditioning their cars in order to prolong their period of serviceability. Sales of new passenger cars by the reporting dealers in

October were 14 per cent less than in September and 7 per cent smaller than the October total last year. In anticipation of new models, dealers were universally holding their purchases from factories to a minimum. Inventories receded further, stocks on hand on November 1 being 8 per cent smaller than a month earlier, and approximately one-fourth less than on November 1, 1930. Fair activity was reported in the used car market, with demand for the better class of machines, those selling at \$500 or more, showing distinct improvement. Stocks of salable new cars on hand on November 1 showed little change from a month earlier, and were about one-fourth less than on November 1 last year. Sales of trucks showed a slight decline from September to October, but a gain of 3 per cent over October, 1930. Deferred payment sales of dealers reporting on that item constituted 51 per cent of their total October sales, against 47 per cent in September, and 54 per cent in October, 1930.

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in October were 15.5 per cent smaller than in September, and larger by approximately 11 per cent than in October a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in October amounted to \$7,538,340, the smallest monthly total ever recorded and comparing with \$11,790,867 in September, and \$31,705,045 in October, 1930. Production of portland cement for the country as a whole in October totaled 10,762,000 barrels against 12,092,000 barrels in September, and 14,410,000 barrels in October, 1930. Building figures for October follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	185	299	\$ 56	121	66	80	\$ 21	\$ 42
Little Rock	13	32	2	52	63	76	11	25
Louisville ...	58	92	317	315	45	48	26	59
Memphis	163	170	591	243	133	173	104	123
St. Louis....	308	380	463	552	267	327	117	213
Oct. totals	727	973	1,429	1,283	574	704	279	462
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

*In thousands (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in October as being about 7 per cent smaller than in September and 17 per cent less than in October, 1930. Detailed figures follow:

	No. of Customers	Oct. 1931	Sept. 1931	Oct. 1931	Oct. 1930	Oct. 1931
		*K.W.H.	*K.W.H.	comp. to Sept. 1931	*K.W.H.	comp. to Oct. 1930
Evansville	40	2,040	1,991	+ 2.5%	1,984	+ 2.8%
Little Rock..	35	1,548	1,888	-18.0	2,378	-34.9
Louisville ...	85	6,319	6,587	- 4.1	7,649	-17.4
Memphis	31	2,237	1,617	+38.3	1,816	+23.2
St. Louis.....	164	17,334	19,572	-11.4	21,720	-20.2
Totals	355	29,478	31,655	- 6.9	35,547	-17.1

*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
September, 1931.....		2,220,468,000	5,335,443,000	7,555,911,000
August, 1931.....		2,458,463,000	5,164,812,000	7,623,275,000
September, 1930.....		2,274,895,000	5,516,807,000	7,791,702,000

RETAIL TRADE

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

Department Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Oct. 1931 comp. to Oct. 1930	10 months ending Oct. 31, 1931 to same period 1930	Oct. 31, 1931 comp. to Oct. 31, 1930	Jan. 1, to Oct. 31, 1931	Oct. 31, 1930
	Evansville	-18.0%	-22.2%	-17.9%	1.55
Little Rock.....	-14.5	-15.4	-16.3	2.11	2.03
Louisville	-24.2	-15.6	-19.0	2.23	2.28
Memphis	-19.1	-18.7	-24.0	2.52	2.40
Quincy	-29.2	-20.6	-19.1	2.08	2.15
St. Louis.....	-12.4	-10.7	-10.6	3.07	3.14
Springfield, Mo.....	-20.0	-22.8	-11.1	1.40	1.38
8th District.....	-15.6	-12.9	-14.5	2.74	2.75

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Oct. 1931 comp. to Oct. 1930	10 months ending Oct. 31, 1931 to same period 1930	Oct. 31, 1931 comp. to Oct. 31, 1930	Jan. 1, to Oct. 31, 1931	Oct. 31, 1930
	Men's Furnishings	- 7.6%	- 8.6%	-14.2%	2.66
Boots and Shoes.....	-17.2	-19.3	-13.3	2.38	2.51

AGRICULTURE

Through October and the first half of November weather in the Eighth Federal Reserve District was mild and generally auspicious for harvesting of late crops and agricultural operations of all descriptions. As a result the indicated heavy yields of earlier in the season were well sustained, and in the case of several important productions, prospects increased between October 1 and November 1. Freezes and killing frosts were delayed later than is ordinarily the case and it was possible for farmers to carry their live stock on pasture further into the season than usual. Harvesting conditions were ideal, particularly for cotton, tobacco and corn, and these products were secured with minimum losses in quantity and quality. Lack of rainfall in some sections was unfavorable for fall planted grains, but generally plowing and preparation of the soil advanced rapidly and seeding of winter wheat was completed, though farmers were unable in many instances to get in full intended acreage, and the total area seeded to wheat will be smaller than a year ago. Taken as a whole the output of agricultural products in this district in 1931 is one of the largest on record, and considerably in excess of the average during the past ten years.

A favorable development of the past thirty days has been the sharp advance in prices of wheat, corn, cotton and some other important farm products. After the long period of declining values, the up-

ward reaction had the effect of buoying sentiment in the farming community, besides substantially increasing farm incomes. Due to the extremely low prices earlier in the season, producers were disposed to hold as much as possible of their crops for more favorable marketing conditions. Those who were able to pursue this policy have benefitted by the recent rise in prices. Except in sections of the south where cotton picking was in progress, there continued a large surplus of farm labor in all parts of the district, the number of unemployed having increased considerably since completion of the cereal harvests.

Corn—Based on the November 1 condition, the U. S. Department of Agriculture estimates the output of corn in the Eighth District at 399,923,000 bushels, a slight decrease under the October 1 forecast, and comparing with 183,254,000 bushels harvested in 1930, and an 8-year (1923-1930) average of 342,534,000 bushels. The quality of the crop is high, with an unusually large percentage being of merchantable grades. Dry weather in October matured late corn, and nowhere was there damage from frosts. Harvesting and husking has made good progress and considerable housing of the crop has been accomplished.

Winter Wheat—Due to dry weather early in the season, seeding of wheat extended further into the fall than is ordinarily the case. In some sections planting was still being carried on during the first week of November. However, newly seeded fields are growing rapidly and are generally in good condition. The movement to market has been heavy, having been stimulated since late October by the rise in prices. Production of wheat in 1931 in this district is estimated by the Department of Agriculture 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—Latest reports tend to confirm unusually large yields of vegetables and fruits in this district in 1931. Harvesting has been practically completed, and in the case of apples, peanuts, sweet potatoes, peaches and a number of other important productions, yields are in excess of the 10-year average. The year was marked by increased cultivation of truck crops and small fruits, farmers turning to these products in order to carry out programs of diversification and departure from single crops. The apple crop in states entirely or partly within the Eighth District is 42,063,000 bushels, of which 4,494,000 barrels grade as commercial crop, against the small output of 12,935,000 bushels, with 1,666,000 barrels commercial crop in 1930, and a 5-year average of 21,349,000 bushels of which 2,263,000 barrels were commercial crop. The output of pears in these states is estimated at 2,510,000 bushels,

against 1,008,000 bushels in 1930 and a 5-year average of 1,729,000 bushels; sweet potatoes 18,588,000 bushels, against 14,018,000 bushels last year and a 5-year average of 18,188,000 bushels; peanuts, 31,730,000 bushels, against 19,950,000 bushels in 1930 and a 5-year average of 30,466,000 bushels; grapes 46,510 tons, against 33,831 tons in 1930 and a 5-year average of 32,387 tons. Gardens in many localities were benefitted by the delayed frost date and mild weather, and have proved serviceable considerably later into the season than is ordinarily the case.

Live Stock — Reports from virtually all sections of the district reflect favorable conditions among live stock. Mild weather, late pasturage and ample supplies of feed and fodder have contributed to putting herds in exceptionally fine shape for market and weathering through the winter. Prices, particularly of hogs, have been low, and there are numerous complaints of scant profits on feeding operations. Milk production has been well maintained, but a further decrease in egg production took place. Late hay crops are turning out well as a rule. The crop of turkeys is one of the best in recent years, though due to mild weather, shipments to market up to the middle of November were relatively light.

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

	Receipts			Shipments		
	Oct., 1931	Sept., 1931	Oct., 1930	Oct., 1931	Sept., 1931	Oct., 1930
Cattle and Calves.....	122,408	126,753	140,285	87,449	89,091	92,541
Hogs	238,246	205,040	304,663	189,186	157,783	250,431
Horses and Mules.....	2,741	2,349	2,167	2,867	2,888	2,360
Sheep	64,087	51,951	65,421	19,708	12,688	34,397

Cotton — Due largely to absence of damaging frosts in October, ideal harvesting conditions and minimum losses from rain and wind, cotton prospects underwent further improvement between October 1 and November 1. Based on conditions on the latter date, the Department of Agriculture estimates production in the Eighth District at 3,684,000 bales, an increase of 175,000 bales over the October 1 forecast, and comparing with 2,289,000 bales produced in 1930, and an 8-year average (1923-1930) of 2,644,000 bales. Early November weather continued fine, picking continued in many localities, and indications point to smaller field loss this season than in a number of years. The movement was somewhat slow in getting under way, but once started has been in heavy volume. Ginnings have made good progress, and reports on the portion of the crop ginned to date indicate that the average weight of bales this season is heavier than any previous year on record. Prices of raw cotton moved upward from the low point of the season, reached in the first week of October. In the St.

Louis market the middling grade ranged from 5.85c to 6.60c per pound between October 16 and November 16, closing at 6.00c on the latter date, which compares with 5.85c on October 16, and 9.35c per pound on November 17, 1930. Stocks of cotton in Arkansas warehouses on November 13 totaled 614,817 bales, which compares with 319,836 bales on October 16 and 357,127 bales on November 14, 1930.

Tobacco — Relatively little change occurred during October, the output in this district being estimated by the Department of Agriculture, based on the November 1 condition, at 407,512,000 pounds, a decrease of about 2,000,000 pounds under the October 1 forecast, and comparing with 306,070,000 pounds produced in 1930, and an 8-year average of 295,534,000 pounds. For the country as a whole the crop is estimated at 1,647,975,000 pounds. This forecast, while for a record crop, is only about 0.4 per cent larger than the production in 1930, but approximately 21.4 per cent above the average for the five years, 1925-1929. Weather has been generally favorable for curing tobacco, both in the burley and dark leaf districts. Markets for sale of the year's crop will open between December 7 and 15, and heavy initial deliveries are looked for. Efforts are being made in the burley and dark tobacco districts to organize farmers into a cooperative marketing plan for sale of the 1931 crop.

Rice — With harvesting about completed, it is evident that the rice crop in Arkansas will amount to about 9,010,000 bushels. This compares with 7,912,000 bushels produced in 1930 and a 5-year average of 8,310,000 bushels. Quality is mainly high, but prices disappointing, farmers receiving from 30 to 35 per cent less than at the same time last year.

Commodity Prices — Range of prices in the St. Louis market between October 16, 1931 and November 16, 1931, with closing quotations on the latter date and on November 17, 1930, follow:

	High	Low	Close	
			Nov. 16, 1931	Nov. 17, 1930
Wheat				
Dec.per bu..	\$.65½	\$.48½	\$.57½	\$.73¼
May70¾	.52½	.61	.75½
No. 2 red winter " " " "	.67½	.50	\$.60 @ .61½	\$.84 @ .85
No. 2 hard " " " "	.66	.47½	.59 @ .59½	.75 @ .76
Corn				
Dec. " " " "	.47½	.34½	.43¼	.71½
May52½	.38½	.47½	.76½
No. 2 mixed..... " " " "	.46½	.38	.43 @ .43½	.71 @ .72
No. 2 white..... " " " "	.47½	.39½	.43¼ @ .43½	.75 @ .76
Oats				
No. 2 white..... " " " "	.28¼	.23½	.28 @ .28¼	.34¼ @ .35
Flour				
Soft patent.....per bbl.	4.35	3.25	3.80 @ 3.85	4.30 @ 4.75
Spring patent..... " " " "	4.60	3.75	4.25 @ 4.50	4.40 @ 4.65
Middling cotton.....per lb.	.066	.0585	.06	.0935
Hogs on hoof.....per cwt.	5.60	3.75	4.00 @ 4.15	7.25 @ 8.75

FINANCIAL

The banking and financial situation in this district during the past thirty days was marked by a noticeable increase in demand for credits, com-

ing from a wider diversity of borrowers than has been the case in a number of months. Requirements of mercantile interests in the chief distributing centers were on a somewhat larger scale, due in the main to seasonal influences. There was little change in demand from manufacturing interests, however, which continued at the low levels which have obtained through the year. In the south there was the usual expansion in demand for funds for financing cotton, tobacco, rice and other fall crops. The sharp upturn in wheat prices was reflected in increased commitments by grain handlers, flour mills and kindred interests. Due to a disposition of cotton planters to hold their stocks for higher prices, liquidation of loans based on that staple has been backward, and country banks in the cotton areas have been slow in liquidating with their city correspondents. Taken as a whole, however, liquidation has been in considerable volume, comparing favorably with the corresponding period a year ago.

Between October 14 and November 10 total loans and discounts of the reporting member banks decreased slightly, and the total of \$396,537,000 on the latter date was approximately 18 per cent smaller than at the corresponding time last year. Loans on securities were sharply lower in both the month-to-month and yearly comparisons. Deposits of these banks continued to recede during October, but the curve representing this item has turned definitely upward since the first of November. Investments showed only minor variation during the month, but on November 10 were almost one-third larger than a year ago. Due in large measure to the sustained heavy demand for currency, borrowings of all member banks from the Federal reserve bank and the volume of Federal reserve notes in circulation expanded further, reaching new high levels for the year.

Interest rates moved upward during late October and early in November: At the St. Louis banks current rates were as follows: Prime commercial paper, 4 to 5½ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 4½ to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on November 10, 1931, showed a decrease of 2.2 per cent as contrasted with October 14, 1931. Deposits decreased 2.6 per cent between October 14, 1931 and November 10, 1931

and on the latter date were 7 per cent smaller than on November 12, 1930. Composite statement follows:

	*Nov. 10, 1931	*Oct. 14, 1931	*Nov. 12, 1930
Number of banks reporting.....	25	25	22
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$155,041	\$158,550	\$208,131
All other loans and discounts.....	241,496	240,461	276,701
Total loans and discounts.....	\$396,537	\$399,011	\$484,832
Investments U. S. Government securities.....	84,705	83,349	38,347
Other securities.....	131,102	132,189	127,618
Total investments.....	\$215,807	\$215,538	\$165,965
Reserve balance with F. R. bank.....	42,690	42,870	43,828
Cash in vault.....	7,870	7,845	8,040
Deposits Net demand deposits.....	330,628	336,209	362,736
Time deposits.....	223,119	228,046	235,142
Government deposits.....	2,484	6,859	406
Total deposits.....	\$556,231	\$571,114	\$598,284
Bills payable and rediscounts with Federal Reserve Bank.....	10,112	3,879	5,746

*In thousands (000 omitted).
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.

	*Oct., 1931	*Sept., 1931	*Oct., 1930	Oct., 1931 comp. to Sept. 1931	Oct. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	28,942	\$ 27,319	\$ 41,781	+ 5.9%	—30.7%
El Dorado, Ark.....	4,335	4,003	7,008	+ 8.3	—38.1
Evansville, Ind.....	25,410	21,099	27,031	+20.4	— 6.0
Fort Smith, Ark.....	10,435	9,127	12,733	+14.3	—18.0
Greenville, Miss.....	3,206	2,372	4,186	+35.2	—23.4
Helena, Ark.....	2,785	1,747	5,844	+59.4	—52.3
Little Rock, Ark.....	27,988	24,086	39,506	+16.2	—29.2
Louisville, Ky.....	126,715	128,334	197,615	— 1.3	—35.9
Memphis, Tenn.....	117,434	85,358	159,545	+37.6	—26.4
Owensboro, Ky.....	4,630	4,140	6,310	+11.8	—26.6
Pine Bluff, Ark.....	8,418	5,149	10,650	+63.5	—21.0
Quincy, Ill.....	8,348	7,321	11,673	+14.0	—28.5
St. Louis, Mo.....	557,697	531,121	681,887	+ 5.0	—18.2
Sedalia, Mo.....	3,234	3,281	4,196	— 1.4	—22.9
Springfield, Mo.....	13,341	12,006	18,327	+11.1	—27.2
**Texarkana, Ark.-Tex.....	8,203	8,020	11,664	+ 2.3	—29.7
Totals.....	\$951,121	\$874,483	\$1,239,956	+ 8.8	—23.3

*In thousands (000 omitted).

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

Federal Reserve Operations — During October the Federal Reserve Bank of St. Louis discounted for 260 member banks against 215 in September and 208 in October, 1930. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Nov. 18, 1931	*Oct. 18, 1931	*Nov. 18, 1930
Bills discounted.....	\$25,471	\$17,860	\$21,370
Bills bought.....	23,201	33,652	5,809
U. S. Securities.....	31,084	31,211	14,151
Federal Inter. Cr. Bk. Debentures.....	630	630
Participation in Inv. Foreign Banks.....	1,103	1,103	1,093
Total bills and securities.....	\$81,489	\$84,456	\$42,423
F. R. Notes in circulation.....	85,890	81,890	79,786
Total deposits.....	73,117	74,004	76,079
Ratio of reserve to deposits and F. R. Note Liabilities.....	54.6%	51.2%	77.8%

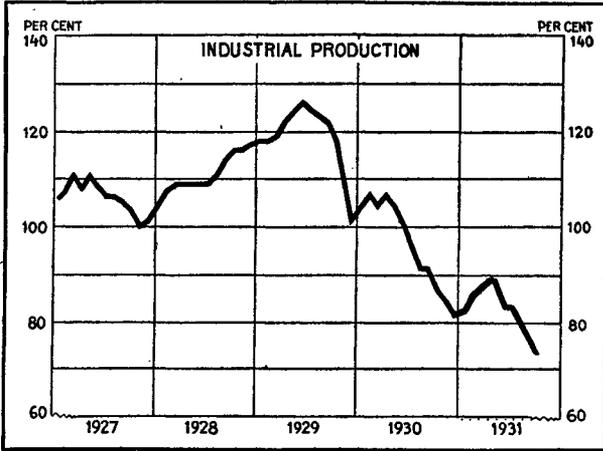
*In thousands (000 omitted).

(Compiled November 25, 1931)

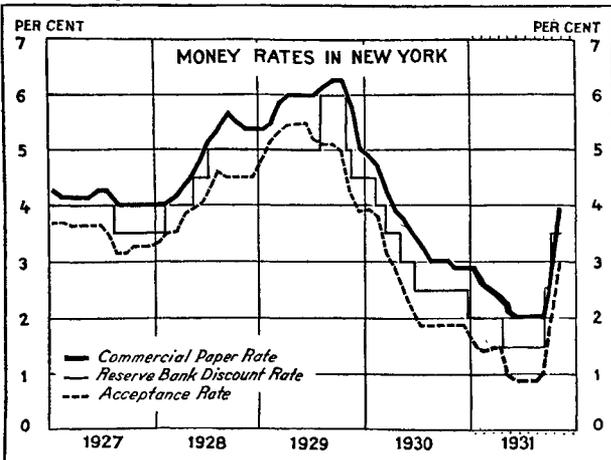
BUSINESS CONDITIONS IN THE UNITED STATES

Production and employment in manufacturing industries declined further in October, while output of minerals increased more than is usual at this season. There was a considerable decrease in the demand for reserve bank credit after the middle of October, reflecting a reduction in member bank reserve balances, and in November an inflow of gold largely from Japan. Conditions in the money market became somewhat easier.

PRODUCTION AND EMPLOYMENT—Total output of manufactures and minerals, as measured by the Board's seasonally adjusted index of industrial production,



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure October 74. declined from 76 per cent of the 1923-1925 average in September to 74 per cent in October. Output of steel remained unchanged at 28 per cent of capacity in October, although it usually shows an increase for that month; in the first half of November activity at steel mills increased somewhat. Automobile production declined sharply in October. Production of shoes and woolens decreased and cotton mill activity showed little change, although an increase is usual at this season. Output of bituminous coal increased seasonally, and there were large increases in the output of anthracite and petroleum. Volume of factory employment declined substantially from the middle of September to the middle of October. At woolen mills, where an increase in employment is usual at this season, there was a large decrease. In the automobile and shoe industries reductions in employment were considerably larger than usual, while in the canning industry the decline was wholly of a seasonal character. The silk goods and hosiery industries' employment increased by more than the usual seasonal amount.



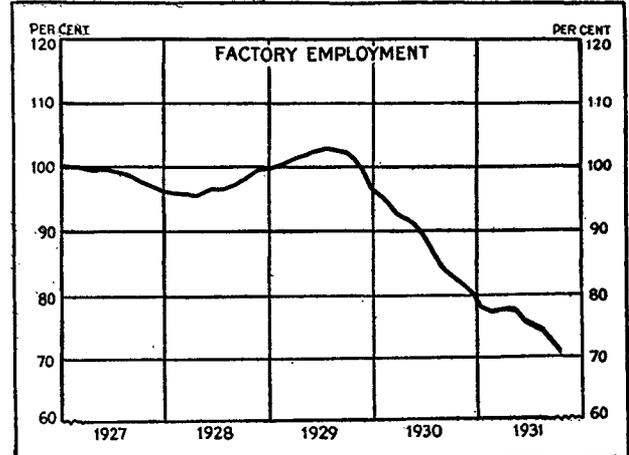
Monthly rates in the open market in New York: Commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first three weeks in November.

The November cotton crop estimate of the Department of Agriculture was 16,903,000 bales, 600,000 bales larger than the October estimate and 3,000,000 bales larger than last year, in spite of a reduction in acreage.

Data on the value of building contracts awarded in the period between September 1 and November 15, as reported by the F. W. Dodge Corporation, showed a continuation of the downward movement; in this period value of contracts was 29 per cent smaller than in the corresponding period of 1930, reflecting smaller volume of construction and somewhat lower building costs.

DISTRIBUTION—Total volume of freight-car loadings remained unchanged in October, while loadings of merchandise decreased. Department store sales increased by somewhat more than the usual seasonal amount.

WHOLESALE PRICES—The general level of wholesale prices declined from 69.1 per cent of the 1926 average in September to 68.4 per cent in October, according to the Bureau of Labor Statistics. Prices of grains, cotton, and silver after showing a rapid rise beginning early in October, declined considerably, but in the third week of November were still above their October low points. Prices of hides

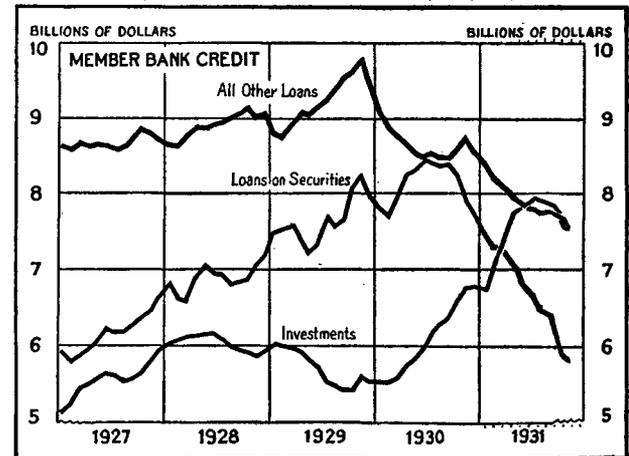


Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.) Latest figure October, 70.3.

and petroleum were also higher in the middle of November than in early October. During this period the prices of livestock and meats declined rapidly, reflecting in part developments of a seasonal character.

BANK CREDIT—Reserve bank credit, which had increased rapidly between the middle of September and the third week of October, declined by \$265,000,000 during the following four weeks. This decline reflected a large reduction in member bank and other balances at the reserve banks and also an inflow of gold, chiefly from Japan. Demand for currency, which had been on a large scale during September and the first three weeks of October, showed relatively small fluctuations after that time, and in the second week of November declined by somewhat more than the seasonal amount.

Loans and investments of member banks in leading cities continued to decline during recent weeks and on November 18, the total volume was \$500,000,000 smaller



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

than five weeks earlier. This decrease reflected substantial reductions in loans on securities and in other loans, as well as in the banks' holdings of investments. At the same time, deposits of these banks also declined with a consequent reduction in the reserve balances which they were required to hold with the reserve banks.

Money rates in the open market, which had advanced sharply during October declined somewhat early in November. Rates on prime commercial paper declined from a range of 4-4½ per cent to a range of 3¾-4 per cent, and rates on bankers' acceptances, from 3¾ to 2¾ per cent.