



MONTHLY REVIEW

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

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EXTRME conservatism in purchasing of commodities by the general public, merchants and other groups of consumers was reflected in a further recession in trade and industrial activities in the Eighth Federal Reserve District during the past thirty days. With the single exception of dry goods, all wholesaling and jobbing lines investigated by this bank showed a smaller volume of dollar sales in November than for the preceding month, and without exception decreases were recorded as compared with November, 1930, and the average for the month during the past eight years. Relatively a better exhibit was made by distribution than production, the rate of operations at manufacturing plants as a whole being slightly below that of the preceding month, and considerably less than during the corresponding period last year. In the chief industrial centers the reduced rate of manufacturing activity was reflected in a further increase of the number of idle workers during November and early December, offset partly, however, by a gain in clerical employment at retail establishments incident to the holiday trade.

The trend of commodity values continued downward, with a number of important classifications reaching new lows on the present retrograde movement. This served to emphasize caution in the matter of purchasing, particularly of raw materials for future requirements. Producers and distributors of pig iron, finished iron and steel products, non-ferrous metals, lumber, and a number of other important commodities report ordering for first quarter of the new year in smaller volume than any similar period in recent times. The same attitude prevails in lines for ordinary consumption, purchasing being confined largely to only enough merchandise for immediate or nearby requirements. This policy has resulted in generally small inventories, both in the hands of manufacturers and merchants. While as compared with last year average sales volume has declined heavily, the lower range of prices prevailing now accounts for a considerable

part of the decrease. It thus becomes evident that the unit volume of distribution makes a much more favorable showing than the dollar volume, also that large quantities of merchandise continue to flow through distributive channels.

As has been the case since early fall, the unusually high temperatures prevailing throughout this region have seriously interfered with the movement of seasonal merchandise, particularly fuel, heavy wearing apparel and heating apparatus. November production of bituminous coal in fields of the district was substantially below the average for that month during the past decade. Christmas holiday shopping got a later start than usual, and during November and the first week of December failed to gain the expected momentum. In both the large centers of population and smaller communities, demand centers chiefly in cheap-priced merchandise. Since the first week of December considerable improvement has developed in purchasing of holiday goods, a number of important interests reporting volume comparing favorably with a year ago.

The report of the U. S. Department of Agriculture as of December 1 showed no marked change in general conditions as contrasted with a month previous. Earlier forecasts of heavy yields and high quality of the principal crops of this district are confirmed in the bulletin. As an offset to large outputs, however, has been the further decline in market prices of farm products. A large part of the advance in prices of cereals achieved in November was lost during the first half of December. In the immediate past prices of cattle, sheep and hogs have fallen to the lowest point of the season and for a number of years. Opening of the tobacco markets in early December developed prices considerably below those recorded at initial sales last year. Several of the markets were temporarily closed because of unwillingness of farmers to accept prices offered. There was an advance from the low point of the season in rice prices, and the position in this cereal is favorable, due to marketing methods and demand.

Reversing the usual seasonal trend, the volume of retail trade in November, as reflected in sales of department stores in leading cities of the district, was 4 per cent smaller than in October. The November total fell 10.4 per cent below that of a year ago, and for the first eleven months this year a decrease of 12.7 per cent was shown as compared with the same period in 1930. Combined sales during November of all wholesaling and jobbing firms reporting to this bank were 4.6 per cent smaller than in the preceding month, and approximately 8 per cent less than for the same month in 1930; for the first eleven months this year the aggregate was 15.6 per cent below that for the same period in 1930. The value of permits issued for new buildings in the five largest cities of the district in November was 64 per cent and 60 per cent smaller, respectively, than a month and a year earlier. Construction contracts let in the Eighth District in November were one-fifth smaller than the low October total, and 61 per cent less than in November, 1930. Debits to checking accounts in November fell 16 per cent below October, and 22 per cent below the November, 1930, total; for the first eleven months this year the aggregate was 21 per cent smaller than for the same period in 1930. The amount of savings accounts held by selected banks decreased slightly between November 4 and December 2, and on the latter date was about 5 per cent smaller than on December 3, 1930.

According to officials of railroads operating in this region, freight traffic handled continued the downward trend of recent months, and the November total fell substantially below that of the corresponding period in 1930 and 1929. There was a particularly heavy decrease in merchandise and miscellaneous freight. As was the case during the preceding month, the movement of coal, coke and other fuels was held down by the unusually mild weather and was in considerably less than the seasonal volume. For the country as a whole, loadings, of revenue freight for the first 48 weeks this year, or to November 28, totaled 34,999,149 cars, against 43,096,392 cars for the corresponding period in 1930 and 49,489,591 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 132,895 loads in November, against 144,833 loads in October, and 166,395 loads in November, 1930. During the first nine days of December the interchange amounted to 40,976 loads, which compares with 46,993 loads during the same period in November and 47,235 loads during the first nine days of December last year. Passenger traffic of the reporting lines in November decreased 26 per cent as compared with

the same month in 1930. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 86,400 tons, against 104,873 tons in October, and 83,000 tons in November, 1930.

Little change in the general trend, noted during the past several months, was reflected in reports relative to collections. Considerable irregularity and spottiness exists, both with reference to the several lines and different localities. For the most part wholesalers in the chief distributing centers reported early December settlements in considerable volume, a number of important interests indicating better results than a year ago. The relatively small inventories of retail merchants and the policy of hand-to-mouth buying lend themselves to prompt defraying of bills. In the clothing line there were complaints of backwardness, and the same was true of building materials and some of the other heavier classifications. Country retailers report moderate betterment in collections as contrasted with earlier in the season. There has been considerable liquidation in the tobacco and rice areas, also in parts of the typical cotton sections, though the disposition of producers to hold their stocks for higher prices is still holding down payments as a whole in the country. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
November, 1931.....	0%	18.5%	67.5%	14.0%
October, 1931.....	0	21.1	56.4	22.5
November, 1930.....	0	10.0	65.0	35.0

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's numbered 117, involving liabilities of \$3,357,116, against 126 failures in October with liabilities of \$2,497,736, and 92 defaults for a total of \$3,870,162 in November, 1930.

The average daily circulation in the United States in November, was \$5,518,000,000 against \$5,478,000,000 in October and \$4,528,000,000 in November, 1930.

MANUFACTURING AND WHOLESALING

Boots and Shoes—November sales of the reporting firms showed a gain of 2.8 per cent over the corresponding month in 1930, but a decrease of approximately 3 per cent under the October total this year. There was a further shrinkage in inventories, stocks on December 1 being 5.5 per cent and 6 per cent smaller, respectively, than thirty days and a year earlier. Since December 1 some falling off in orders has taken place, which, however, is seasonal in character, November and December being normally the quietest months of the year in this line.

Effective December 1 a decrease in prices of from 5 to 7 per cent was announced by several of the leading interests. This reduction was made in order to pass along to customers the advantage of lower raw material values. Factory operations were at about 70 per cent of capacity.

Clothing—The steady recession in volume which has characterized the apparel business throughout the year, continued during the past thirty days. Unseasonable weather has adversely affected the movement of winter clothing, and in both men's and women's wear demand centers chiefly in cheap-priced merchandise. Demand for working clothes was almost at a standstill. Manufacturers report advance ordering for spring wear below the small volume at the corresponding period a year ago. Sales of the reporting firms in November were 21 per cent smaller than during the preceding month and about one-fifth less than in November, 1930.

Drugs and Chemicals—Purchasing of seasonal goods in this classification was considerably below the average in recent years. This, coupled with the usual seasonal recession in requirements of heavy drugs and chemicals by the general manufacturing trade, was reflected in a decrease in November sales of the reporting firms of 12.5 per cent as compared with the preceding month, and of 18 per cent as compared with November, 1930. Inventories increased 3 per cent between November 1 and December 1, but on the latter date were approximately 2.5 per cent smaller than a year earlier.

Dry Goods—November sales of the reporting firms in this classification were 2.2 per cent larger than for the preceding month, but 5.2 per cent smaller than in November, 1930. The steady decline in inventories which has been in operation throughout the year, continued in November, stocks on December 1 being 12 per cent and 40 per cent smaller, respectively, than thirty days and a year earlier. Demand for seasonal goods, notably blankets, outings, woolens, and heavy underwear was held to a minimum by the mild weather. Ordering of goods based on cotton was restricted by uncertainty of prices of that staple. Advance sales of holiday goods were light, though in the immediate past some reordering to supply eleventh hour demand has been reported.

Electrical Supplies—Purchasing of holiday and seasonal goods, according to the reporting firms, has been smaller during the past two months than during any similar period in recent years. Curtailed activities in the building industry and conservative buying by public utilities companies and the automotive industry were additional influences making

for reduced sales volume. The trend of prices was easier, notably on commodities based on copper, lead and zinc. A considerable shrinkage as compared with a year ago was noted in radio materials. November sales of the reporting firms were 37 per cent smaller than for the same month in 1930, and 15 per cent below the October total this year. Inventories increased slightly between November 1 and December 1, but on the latter date were 19 per cent smaller than a year ago.

Flour—Production at the twelve leading mills of the district in November totaled 272,264 barrels, the smallest, with the exception of last June, for any month since 1926, and comparing with 305,335 barrels in October, and 389,804 barrels in November, 1930. Demand generally continued slow, particularly for the better grades of flours, which are discriminated against in favor of cheaper and less desirable descriptions. Dealers and the large baking interests continue to purchase on a hand-to-mouth basis, and in all quarters there is a disposition to hold down inventories as low as possible. Prices were lowered early in December in adjustment with the decline in cash wheat values. Mill operations were at from 40 to 45 per cent of capacity.

Furniture—November sales of the reporting interests were 16 per cent smaller than for the same month in 1930, and about one-third less than the October total this year. Stocks decreased slightly between November 1 and December 1, and on the latter date were only about one-half as large as a year ago. Demand for radio cabinets and the general run of holiday goods was in smaller volume than in a number of years.

Groceries—A further recession in business in this classification was noted, November sales of the reporting firms being 11.2 per cent smaller than during the preceding month, and 15.2 per cent less than the November total last year. Demand centers chiefly in staple lines, purchasing of luxuries and holiday goods being relatively light. In the rural areas sales of canned goods, packinghouse products and similar commodities are considerably below the seasonal volume, due partly to the unusually large amount of canning and preserving done in homes during the year. Abundant and cheap supplies of fresh fruit and vegetables have also contributed to a lessened demand for canned goods.

Hardware—Depressed prices of farm products, the decline in building activity, and unseasonably warm weather were mentioned as the chief causes for a further shrinkage in the volume of business in this classification. Sales of winter goods, notably sports equipment, hunting supplies and heating apparatus have been in considerably smaller than the

usual volume. The movement of holiday specialties has been below the average of recent years, particularly the more expensive articles. Sales of the reporting firms in November were one-fifth smaller than for the same month in 1930, and 22 per cent less than the October total this year. Stocks on December 1 were 2 per cent larger than a month earlier, and 18 per cent smaller than on December 1, 1930.

Iron and Steel Products — The downward trend in activities in the iron and steel industry in this district, which has been in progress since last spring, continued uninterrupted during the past thirty days. In point of production and shipments by mills, foundries and other ferrous metal working plants, November represented the lowest month of the downward movement. Since December 1 the usual seasonal influences, including inventory retrenchments, have further slowed down the rate of operations. Quietness in a number of lines, notably stoves, furnaces, heating apparatus, tubular goods and roofing materials, has been accentuated by the mild, open fall and winter. Purchasers of all classes of materials are still following the hand-to-mouth policy, despite universally small stocks. Specifications on goods previously acquired are spotty and in the main below expectations. This is true particularly of releases by the automotive industry. Steel mills report a further shrinkage in unfinished orders, while jobbing foundries were operating at the lowest average rate in many months. Certain specialty makers, including farm implement and heating apparatus, which had planned to resume operations early in December, have further postponed putting these programs into effect. Aside from tinsplate, fair tonnages of which have been taken for 1932 requirements, demand for sheets and plates was at the low point of the season. No change has taken place in the dull conditions obtaining earlier in the year in wire and wire products; bars, strip, and kindred materials. Fabricators of iron and steel structural materials report a lack of new business, and a further reduction in working forces. Ordering of raw materials for first quarter of 1932 requirements is in unusually small volume, particularly in the case of pig iron, scrap iron, and steel. Nominally the price of pig iron remained unchanged, but quantities, particularly of basic iron, changing hands were too small to afford a real test of the price structure. Scrap prices declined further, with a number of important grades recording new lows on the movement. For the country as a whole the daily average rate of pig iron production in November was the lowest since 1921. Total output amounted to 1,101,820 tons, against 1,172,781 tons in October and

1,865,458 tons in November, 1930. Steel ingot production in the United States in November totaled 1,593,684 tons, against 1,592,376 tons in October, and 2,212,220 tons in November, 1930.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in November totaled 68,867, against 80,142 in October and 129,437 in November, 1930.

In accord with the seasonal trend, distribution of automobiles in this district during November, according to dealers reporting to this bank, declined as compared with the preceding month. For the eleventh consecutive month this year, the November total fell below that of the corresponding month a year earlier. The decline in the month-to-month comparison was slightly smaller than the average, due chiefly to the small volume recorded in October. Aggregate sales of the reporting dealers in November were the smallest since last January. While decreases in both the month-to-month and yearly comparisons were spread generally through all classes of makes, they were most pronounced in cheap-priced cars. This fact was ascribed by dealers partly to the fact that prospective purchasers are putting off buying until expected new models of the two leading makers are placed on the market. Despite the relatively small volume of business transacted, sentiment was somewhat more optimistic than heretofore. This change in attitude was based mainly on expectations of heavy sales of the new models which will be offered by manufacturers shortly after the first of next year. These new models offer many striking improvements and prices, which, it is believed, will attract purchasers. Since December 1 special efforts and inducements have been made by dealers to dispose of stocks of 1931 models, resulting in the movement of a considerable number of such vehicles. November sales of new passenger cars by the reporting dealers were 11 per cent smaller than in October, and approximately 9 per cent less than the November total last year. Due to the extremely conservative attitude of dealers in ordering from the factories, inventories of new cars on hand decreased to the lowest point in recent years. Stocks on hand on December 1 were 6 per cent smaller than a month earlier, and about one-fourth smaller than on the same date in 1930. Little change took place in the used car market as contrasted with the preceding thirty days. November sales were 2 per cent less than in October and 12 per cent smaller than in November, 1931. Stocks of salable secondhand cars on December 1 were 3 per cent larger than a month earlier and 12

per cent less than on December 1, 1930. Demand for trucks of all descriptions held fairly well, November sales being 25 per cent larger than in October, but 40 per cent below November last year. Business in parts and accessories was in slightly smaller volume than during the preceding month. The unit volume of tire sales showed a moderate increase over the preceding thirty days, being stimulated by price reductions made by a number of the leading manufacturers. Deferred payment sales of dealers reporting on that item constituted 53 per cent of the total November sales, against 51 per cent in October, and 49 per cent in November, 1930.

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	
	Nov. 1931	11 months ended	Nov. 30, 1931	Jan. 1 to	
	comp. to	Nov. 30, 1931 to	comp. to	Nov. 30,	
Nov. 1930	same period 1930	Nov. 30, 1930	1931	1930	
Evansville	-23.6%	-22.2%	-18.3%	1.70	1.82
Little Rock.....	-18.8	-15.7	-25.6	2.38	2.28
Louisville	-13.1	-15.4	-20.6	2.46	2.50
Memphis	-15.6	-18.4	-27.1	2.80	2.64
Quincy	9.8	-19.7	-21.9	2.28	2.33
St. Louis.....	7.3	-10.4	-12.9	3.38	3.42
Springfield, Mo.....	-27.6	-14.4	-6.0	1.54	1.56
8th District.....	-10.4	-12.7	-17.4	3.03	3.01

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Nov. 1931	11 months ended	Nov. 30, 1931	Jan. 1 to	
	comp. to	Nov. 30, 1931 to	comp. to	Nov. 30,	
Nov. 1930	same period 1930	Nov. 30, 1930	1931	1930	
Men's					
Furnishings	-16.5%	-9.3%	-8.6%	2.86	2.75
Boots					
and Shoes.....	-25.9	-19.8	-13.2	2.58	2.74

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in November were 64.4 per cent smaller than in October, and smaller by approximately 60 per cent than in November a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in November amounted to \$5,996,183, which compares with \$7,538,340 in October, and \$15,529,723 in November, 1930. Production of portland cement for the country as a whole in November totaled 8,161,000 barrels against 10,762,000 barrels in October, and 11,098,000 barrels in November, 1930. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	134	220	\$ 33	\$ 80	46	27	\$ 72	\$ 6
Little Rock	17	17	23	57	41	29	8	8
Louisville ..	33	58	52	176	33	29	49	72
Memphis	176	214	91	283	54	65	74	34
St. Louis....	204	270	310	675	211	280	145	288
Nov. totals	564	779	\$ 509	\$1,271	385	430	\$ 348	\$408
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

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in November as being about 17 per cent smaller than in October and 4.3 per cent less than in November, 1930. Detailed figures follow:

	No. of	Nov.	Oct.	Nov. 1931	Nov.	Nov. 1931
	Custom-	1931	1931	comp. to	1930	comp. to
	ers	*K.W.H.	*K.W.H.	Oct. 1931	*K.W.H.	Nov. 1930
Evansville	40	1,498	2,040	-26.6%	1,728	-13.3%
Little Rock..	35	1,249	1,548	-19.3	1,428	-12.5
Louisville	85	5,369	6,319	-15.0	6,479	-17.1
Memphis	31	1,472	2,237	-34.2	1,868	-21.2
St. Louis.....	164	14,788	17,334	-14.7	13,968	+ 5.9
Totals	355	24,376	29,478	-17.3	25,471	- 4.3

*In thousands (000 omitted).

AGRICULTURE

Weather was variable and less favorable for agricultural operations than during the preceding thirty days, and in some sections farm work was interfered with by heavy rains. Due to the unusually auspicious conditions for outdoor work during October and early November, however, autumn and early winter routine has been brought well up to the seasonal average of the past several years. While heavy roads and muddy fields in many localities have occasioned some delay, the general movement of farm products to market has been in considerable volume. There is still a disposition on the part of farmers to hold their grain stocks for higher prices, and this policy has become more in evidence since the recent decline in values, following the upturn in November. The tobacco markets opened in early December with liberal offerings on hand, but prices so low that farmers in some sections forced suspension for one week. When selling was resumed, bids of purchasers were even lower than those made at the opening of the season.

The December 1 report of the U. S. Department of Agriculture confirmed the earlier forecasts for heavy yields of all the principal crops in this district. The extraordinarily large production will serve to partly offset the low prices prevailing, and taken as a whole, conditions in the agricultural areas at this time are somewhat more favorable than a year and two years ago. Conditions in the live stock market were adverse to producers. Due to the continued mild weather, the business depression and generally reduced buying power, prices of cattle, hogs and lambs declined to new low levels on the present retrograde movement. Heavy shipments from the country since December 1 created supplies too large for current requirements, with resultant sharp decreases in prices. In view of the drop in values and heavy refrigerator stocks of meat, commission men and officials of live stock exchanges are urging farmers and stockmen to curtail their shipments until the situation clears.

Corn— Except where temporarily delayed by rain, husking and cribbing of corn has been pushed forward rapidly throughout the district, and as a whole these operations are more nearly completed than at the same time last year. Almost universally, husking returns are confirming earlier estimates of quantity and quality. A considerable portion of the corn arriving at primary centers is grading high, more than the usual amount being No. 1 and No. 2.

Winter Wheat— The condition of the growing crop is generally favorable in all sections of the district. Continued high temperatures, with ample precipitation have resulted in good root and top growth, and the plant is in excellent condition for entering the cold weather. Seeding was carried further into the season than is ordinarily the case, but while farmers were for the most part able to carry out their full planting intentions, indications point to smaller acreage than last year, particularly in the most important wheat producing counties.

Live Stock— Due to the mild, open winter, abundance of feed and good pasturage, the condition of livestock generally through the district maintained the high condition noted during the preceding several months.

Shipments of stocker and feeder cattle, inspected at livestock markets, into the eleven Corn Belt states in November were slightly larger than in the same month last year, but a little smaller than the November average for the preceding five years. This is in contrast to the decrease of 11 per cent in shipments in October and 17 per cent in September this year compared with the same months in 1930. Prices of such cattle advanced during November, which is contrary to the usual trend at this time of year. Since December 1 a recession in prices has taken place. Total shipments for the five months, July to November, inclusive, into the Corn Belt states were practically the same in 1931 as in 1930, but were below any other year since 1920 except 1927. The states of the Eighth District where the largest increases over last year took place were Indiana, Illinois and Missouri.

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

	Receipts			Shipments		
	Nov. 1931	Oct. 1931	Nov. 1930	Nov. 1931	Oct. 1931	Nov. 1930
Cattle and Calves.....	88,177	122,408	87,891	58,048	87,449	55,256
Hogs	245,061	238,246	273,429	200,827	189,186	223,734
Horses and Mules.....	2,479	2,741	2,208	2,342	2,867	1,847
Sheep	41,649	64,087	29,808	8,501	19,708	7,289

Cotton— According to the U. S. Department of Agriculture there was practically no variation in cotton prospects in states included in the Eighth District between November 1 and December 1. Combined total yield in Arkansas, Mississippi, Missouri and Tennessee, based on the December 1 condition, is estimated at 4,455,000 bales, which com-

pares with 2,866,000 bales produced in 1930 and 4,085,000 bales in 1929. Almost universally the grade is high and staple excellent. The first half of November witnessed a continuance of the favorable harvesting conditions which obtained in October. The last weeks of November were wet and less favorable, but rarely in the past has there been a more auspicious picking season than in 1931. The quantity stored on farm premises is in considerably larger volume than is ordinarily the case. Taken as a whole the 1931 crop season was extraordinarily favorable for the production of cotton. The one drawback has been the extremely low prices which have prevailed since the marketing season began. During the past thirty days there was a slight advance from the low point reached in early October, but the average continued much below that for the same period in a number of years. In the St. Louis market the middling grade ranged from 5.40c per pound between November 16 and December 15, closing at 5.70c on the latter date, which compares with 6c on November 16 and 8½c on December 15, 1930. Despite the holding movement, the movement of cotton to date is well in excess of a year ago. Receipts at Arkansas compresses from August 1 to December 11 totaled 1,079,820 bales, against 699,878 bales for the corresponding period last year. Stocks on hand as of December 11 were 691,563 bales, against 616,817 bales on November 13, and only 375,454 bales on the corresponding date in 1930.

Tobacco— Weather during the last half of November was favorable for working tobacco, and stripping progressed rapidly. Liberal offerings were received at the various markets when they opened in early December. Initial prices were disappointing to producers, and considerably lower than a year ago. The average price at the opening at Owensboro was \$4.61 as compared with \$8.47 per 100 pounds at the opening last year. Following the opening in the Green River district, all sales were rejected and selling suspended for a time. Upon resumption of operations, prices were even lower than those obtained when the markets opened. The loose leaf markets for sale of burley tobacco opened on December 7, with the floors heavily stocked. Prices here were also lower than last year, and the same conditions prevailed as at the opening of the Green River dark tobacco markets. The average price of burley ranged from \$9 to \$13, per cwt., about \$3 less than last year. There were many reports of common tobacco selling for scarcely enough to defray warehouse charges.

Commodity Prices— Range of prices in the St. Louis market between November 16, 1931 and December 15, 1931, with closing quotations on the latter date and on December 15, 1930, follow:

	High	Low	Close	
			Dec. 16, 1931	Dec. 15, 1930
Wheat				
Dec. ....per bu..	\$.59 3/4	\$.50 7/8	\$.54 1/2	\$.75
May .....	.63 1/8	.52 3/8	.56 1/2	.78 1/2
July .....	.55 1/2	.49 1/2	.55 1/2	.69 1/2
No. 2 red winter ..	.63	.55 1/2	\$.57 1/2 @	\$.81 1/2 @
No. 2 hard ..	.61	.53	.55 1/2 @	.77 1/2 @
Corn				
Dec. ....	.45 1/2	.35	.38 1/2	.71
May .....	.50	.39 1/2	.41 3/4	.75
July .....	.42 1/2	.40 1/2	.42 1/2	.....
No. 2 mixed .....	.45 1/2	.34 1/2	.37 1/2 @	.71 1/2 @
No. 2 white .....	.46	.36 1/2	.38 1/2 @	.73 1/2 @
Oats				
No. 2 white .....	.29 1/2	.25	.26 @	.35 @
Flour				
Soft patent.....per bbl.	4.35	3.60	3.60 @ 4.20	4.70 @ 5.00
Spring patent.....	4.60	4.20	4.20 @ 4.50	4.10 @ 4.50
Middling cotton.....per lb.	.06	.054	.057	.08 1/2
Hogs on hoof.....per cwt.	5.15	3.50	3.50 @ 4.25	6.75 @ 8.35

FINANCIAL

The general demand for credit in this district during the past thirty days was somewhat less active than in the similar period immediately preceding. Requirements of mercantile and manufacturing interests were below the usual seasonal volume. Liquidation at financial institutions in the large centers was relatively more satisfactory than with country banks. The disposition to hold farm products for more favorable markets has tended to retard settlements with banks in the smaller towns. This is true particularly in sections where cotton, tobacco and rice are important crops. Grain and milling interests further reduced their commitments during November and the first half of December. Demand for currency continued active, being stimulated by the holiday trade. Acceptance financing by banks was light in November, and sales of commercial paper also declined.

A slight decrease in loans and discounts of reporting member banks took place between November 10 and December 9, and the total of \$392,363,000 on the latter date was approximately 18 per cent smaller than at the corresponding time last year. Loans on securities increased slightly in the month-to-month comparison, but were 41 per cent smaller than a year ago. The sharply downward trend in deposits of these banks, which began at the middle of last April, reached its low point in late October, and since that date there has been a definite upward turn. Investments increased slightly during the month, and continued substantially larger than a year ago. Borrowings of all member banks from the Federal reserve bank averaged somewhat higher than during the preceding thirty days, and were in considerably larger volume than during the corresponding period in 1930.

Interest rates fluctuated in a narrow range, and quotably showed no marked variation from the preceding month. At St. Louis banks current rates were as follows: Prime commercial paper, 4 1/2 to 6 per cent; collateral loans, 4 1/2 to 6 per cent; loans secured by warehouse receipts, 4 1/2 to 6 per cent; interbank loans 5 to 6 per cent and cattle loans, 5 1/2 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on December 16, 1931, showed a decrease of 1.8 per cent as contrasted with November 18, 1931. Deposits decreased .2 per cent between November 18, 1931 and December 16, 1931, and on the latter date were 7.7 per cent smaller than on December 17, 1930. Composite statement follows:

	*Dec. 16, 1931	*Nov. 18, 1931	*Dec. 17, 1930
Number of banks reporting.....	25	25	26
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$155,202	\$156,699	\$197,879
All other loans and discounts.....	235,578	241,363	279,452
Total loans and discounts.....	\$390,780	\$398,062	\$477,331
Investments			
U. S. Government securities.....	93,837	86,475	32,345
Other securities.....	129,920	129,405	130,652
Total investments.....	\$223,757	\$215,880	\$162,997
Reserve balance with F. R. Bank	42,290	44,974	45,840
Cash in vault.....	7,218	7,644	8,567
Deposits			
Net demand deposits.....	341,528	333,052	373,868
Time deposits.....	208,125	222,611	228,834
Government deposits.....	7,496	2,484	1,193
Total deposits.....	\$557,149	\$558,147	\$603,895
Bills payable and rediscounts with Federal Reserve Bank.....	10,823	11,006	3,214

*In thousands (000 omitted).
These 25 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.

	*Nov., 1931	*Oct., 1931	*Nov., 1930	Nov., 1931 comp. to Oct. 1931	Nov. 1930
East St. Louis & Natl. Stock Yards, Ill..	\$ 23,207	\$ 28,942	\$ 33,496	-19.2%	-30.7%
El Dorado, Ark.....	3,942	4,335	6,281	- 9.1	-37.2
Evansville, Ind.....	15,053	25,410	23,521	-40.8	-36.0
Fort Smith, Ark.....	8,898	10,435	11,764	-14.7	-24.4
Greenville, Miss....	3,298	3,206	4,045	+ 2.9	-18.5
Helena, Ark.....	2,912	2,785	3,441	+ 4.6	-15.4
Little Rock, Ark....	22,756	27,988	32,618	-18.7	-30.2
Louisville, Ky.....	108,342	126,715	155,957	-14.5	-30.5
Memphis, Tenn.....	111,305	117,434	129,003	- 5.2	-13.7
Owensboro, Ky.....	3,950	4,630	5,932	-14.7	-33.4
Pine Bluff, Ark.....	7,208	8,418	9,043	-14.4	-20.3
Quincy, Ill.....	7,042	8,348	7,843	-15.6	-10.2
St. Louis, Mo.....	457,345	557,697	572,145	-18.0	-20.1
Sedalia, Mo.....	1,958	3,234	3,793	-39.5	-48.4
Springfield, Mo....	11,475	13,341	14,264	-14.0	-19.6
**Texarkana, Ark-Tex.....	6,675	8,203	10,132	-18.6	-34.1
Totals	\$795,366	\$951,121	\$1,023,278	-16.4	-22.3

*In thousands (000 omitted).
**Includes one bank in Texarkana, Texas not in Eighth District.

Federal Reserve Operations — During November the Federal Reserve Bank of St. Louis discounted for 253 member banks against 260 in October and 225 in November, 1930. The discount rate remained unchanged at 3 1/2 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Dec. 17, 1931	*Nov. 17, 1931	*Dec. 17, 1930
Bills discounted.....	\$27,833	\$24,780	\$15,205
Bills bought.....	24,258	24,371	8,513
U. S. Securities.....	27,351	31,084	24,418
Federal Inter. Cr. Bk. Debentures.....	880	630	.....
Participation in Inv. Foreign Banks.....	1,103	1,103	1,295
Total bills and securities.....	\$67,425	\$81,968	\$49,431
Total reserves.....	96,068	86,914	114,410
F. R. Notes in circulation.....	86,921	86,127	83,560
Total deposits.....	68,600	74,027	71,474
Ratio of reserve to deposits and F. R. Note Liabilities.....	61.8%	54.3%	73.8%

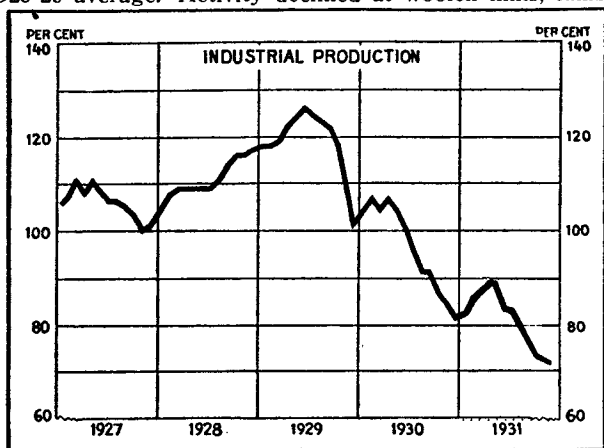
*In thousands (000 omitted).

(Compiled December 29, 1931)

BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity and factory employment declined further from October to November, reflecting in part the usual seasonal tendencies. Continued gold imports and further reduction in member bank reserve requirements during November and the first half of December were reflected in a considerable decline in the outstanding volume of reserve bank credit.

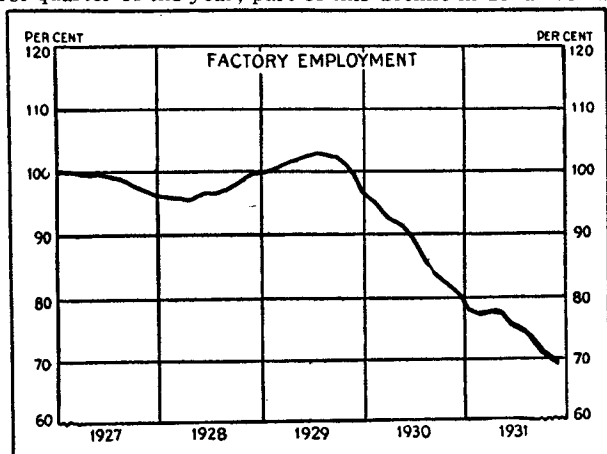
PRODUCTION AND EMPLOYMENT—In November industrial production showed a somewhat larger decrease than is usual at this season, and the Board's seasonally adjusted index declined from 73 to 72 per cent of the 1923-25 average. Activity declined at woolen mills, lumber



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure October 73, November preliminary 72.

mills, and coal mines, while daily average output at steel mills increased and volume of automobile production showed less than the usual seasonal decline from the low level of October. The November increase in steel production was followed by a considerable decline in the first three weeks of December. Output of petroleum increased further in November to a level slightly lower than that prevailing last summer, before output was sharply curtailed. Volume of employment in most manufacturing industries declined by more than the seasonal amount between the middle of October and the middle of November. Reductions were particularly large in the wearing apparel, leather, and building materials industries, while in the automobile and tire industries declines were smaller than usual at this season.

The value of building contracts awarded, as reported by the F. W. Dodge Corporation, has declined further in recent months and a preliminary estimate of the Board's seasonally adjusted index for the last quarter of 1931 is 49 per cent of the 1923-1925 average, compared with 59 for the third quarter, 65 for the second quarter, and 79 for the first quarter of the year; part of this decline in dollar volume



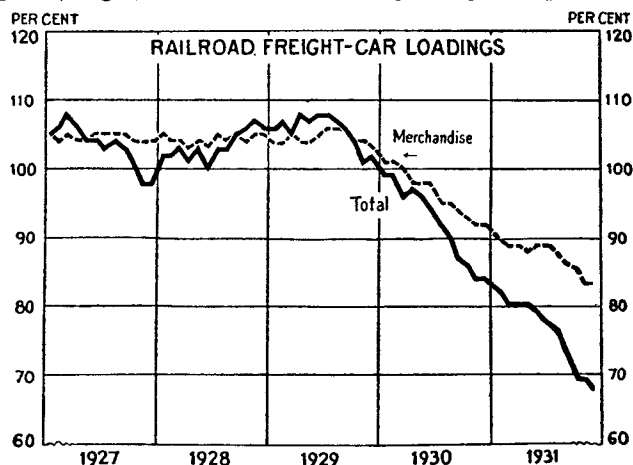
Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.) Latest figure November, 69.3.

reflects lower building costs. Production of principal crops in 1931 was about 10 per cent larger than in 1930, according to the December crop report of the Department of Agriculture, while acreage harvested was slightly smaller than a year ago. There were large increases in the crops of cotton, corn, winter wheat, apples and peaches, while the harvests of oats, barley and rye were smaller than last year; as in 1930 the hay crop was unusually small.

DISTRIBUTION—Commodity distribution continued at about the same rate in November as in October, the

volume of freight-car loadings showing a seasonal decline, while sales at department stores increased by about the usual amount for that month.

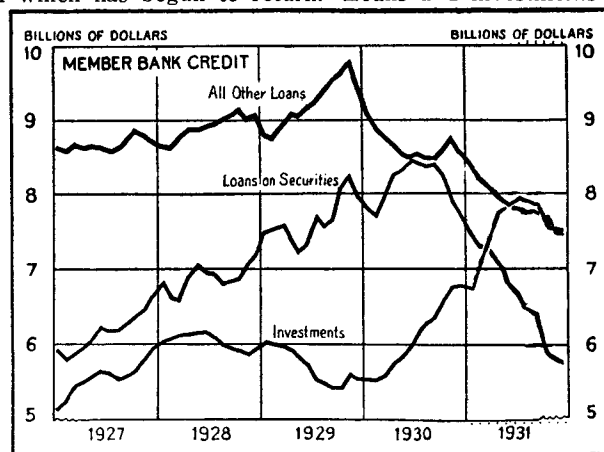
WHOLESALE—The general level of wholesale prices remained practically unchanged from October to November, according to the Bureau of Labor Statistics' index. Prices of grains, petroleum, and silver advanced, while those of livestock and dairy products showed declines, partly of a seasonal character. Between the middle of November and the middle of December there were decreases in the prices of many leading commodities, including livestock, meats, grains, sugar, silk and silver. During this period prices of



Indexes of daily average number of cars loaded; adjusted for seasonal variation. (1923-1925 average=100.) Latest figures November, total 68, miscellaneous 83.

copper and rubber showed a decline, followed by a recovery.

BANK CREDIT—Volume of reserve bank credit outstanding declined during November and the first half of December and averaged \$360,000,000 less in the week ending December 12 than at its October peak seven weeks earlier. The decrease was in large part in the banks' portfolio of acceptances, as discounts for member banks and holdings of United States Government securities showed little change for the period. The decline in total volume of reserve bank credit outstanding during the period reflected a growth of \$100,000,000 in the stock of monetary gold, largely through imports from Japan, and a continued reduction in the reserve balances of member banks, reflecting a further liquidation of member bank credit. Demand for currency declined during the last three weeks of November, and showed considerably less than the usual seasonal increase in the first half of December. After the middle of December, however, bank suspensions in new England were followed by some increased withdrawals of currency, part of which has begun to return. Loans and investments of



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in December. member banks in leading cities continued to decline and on December 9 were \$370,000,000 smaller than four weeks earlier. The decrease was equally divided between the banks' loans and their investments. Deposits of these banks, both demand and time, also showed a decrease, with a consequent reduction in required reserves. Money rates in the open market showed little change from the middle of November to the middle of December. Rates on prime commercial paper continued at 3¼ to 4 per cent, while rates on 90 day bankers' acceptances advanced from 2¾ to 3 per cent on November 25.