



MONTHLY REVIEW

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

Released for Publication On and After the Morning of January 30, 1932

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Assistant Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

DECEMBER was marked by a further recession in the general level of trade and industry in the Eighth District, the closing weeks of that month witnessing the lowest point reached in the present depression. With the exception of department stores and some specialized branches of the retail distribution affected by the Christmas holiday trade, all lines of industry and merchandising investigated by this bank showed declines from November to December, and universally there were decreases as contrasted with the same period in 1930 and the average during the past several years. Similarly the record for 1931 discloses a substantial contraction in the volume of business as compared with the preceding twelve months, and the average during the past decade. The increase in volume of retail trade from November to December was somewhat greater than usual, due, however, more to the poor showing made in November than to an extraordinary demand for merchandise. As has been the case throughout the present season, the volume of distribution of a broad variety of goods was held down by the unseasonably high temperatures.

The output of manufacturers showed more than the usual seasonal contraction, particularly so in case of iron and steel, lumber, and the entire category of building materials. Distribution of automobiles decreased sharply in December as compared with November, and for the fourth consecutive month, was smaller than during the corresponding period a year earlier. There was also a decrease in production of bituminous coal, lead and zinc and other mining products. Following the advance in prices of grain and other farm products of mid-October, a reaction downward took place in November, and extended through December, eliminating a considerable part of the advantage gained. The price of pig iron declined \$1 per ton, iron and steel scrap, from \$1 to \$3 per ton, and there were downward revisions of greater or lesser degree in a number of other important raw and finished materials.

An increase in unemployment of somewhat greater than the usual seasonal proportions took place in December. In all sections of the district the surplus of farm labor is larger than at any similar period in recent years.

Since January 1 noticeable improvement has taken place in several of the most important manufacturing and wholesaling lines, among them boots and shoes, dry goods, hardware, drugs and chemicals, and groceries. While ordering is almost exclusively confined to goods for immediate or reasonably prompt delivery, the character of the buying indicates actual needs for merchandise. Manufacturers of iron and steel and other commodities of the heavier and more permanent sort report an increased volume of inquiries, and specifications on goods previously acquired are being released more freely than in December. Reports from the retail trade relative to results of special sales conducted since the holidays reflect rather spotted conditions. Failure to achieve greater success in many such sales was due partly to the incomplete assortments and the narrow variety of goods exhibited. The inventorying period developed generally small stocks in the hands of both retail and wholesale interests and manufacturers. In the immediate past there has been more evidence of a disposition to replenish and replace stocks than noted in a number of months.

As reflected in sales of department stores in the leading cities of the district, the volume of retail trade in December was 48.3 per cent greater than in November, but 12.6 per cent less than in December, 1930. For the year, sales of these stores showed a decrease of 12.7 per cent under the 1930 total. Combined sales of all wholesaling and jobbing firms reporting to this bank were 37 per cent smaller in December than November and 19 per cent less than in December, 1930; for 1931 aggregate sales of these firms fell 16 per cent below the total for the preceding twelve months. The value of permits issued for new buildings in the five largest cities

of the district in December was more than five and one-half times larger than in November, but 18 per cent less than in December, 1930; for the year the total value was approximately one-fourth smaller than in 1930, and 45 per cent under the average during the past nine years. Construction contracts let in the Eighth District in December were about twice as large as in November and 34 per cent less than in December, 1930. The total in 1931 was 42 per cent smaller than in 1930 and 48 per cent less than the average during the past seven years. Debits to checking accounts in December were one-fifth smaller than in November and 13 per cent less than in December, 1930; the total for 1931 was smaller by slightly more than one-fifth than in 1930. The amount of savings accounts in selected banks decreased slightly between December 2 and January 6, and on the latter date were 6 per cent less than on the corresponding date in 1931.

The steady decline in the volume of freight handled by railroads in this district, which began early in the fall, continued through December with the result that their total car loadings for the year fell sharply below those during the preceding several years. Since the first week of January a moderate increase in loadings was reported, but the volume was still considerably below that of the corresponding period a year and two years earlier. The unbroken mild weather tended to hold down the movement of seasonal commodities, particularly coal and coke. For the country as a whole loadings of revenue freight in 1931 totaled 37,272,371 cars, against 45,877,974 cars in 1930 and 52,872,927 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 127,313 loads in December, the smallest for any month in more than ten years, and comparing with 132,895 loads in November and 156,424 loads in December, 1930. In 1931 there were 1,976,645 loads interchanged, against 2,356,983 loads in 1930 and 2,843,203 loads in 1929. During the first nine days of January the interchange amounted to 40,199 loads, against 40,976 loads during the corresponding period in December, and 47,502 loads during the first nine days of January, 1931. Passenger traffic of the reporting roads in December decreased 38 per cent as compared with the same month in 1930. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 166,000 tons, against 86,348 tons in November, and 107,507 tons in December, 1930. Tonnage handled during 1931 totaled 1,168,296 tons, against 1,149,374 tons in 1930, and 1,292,881 tons in 1929.

Reports relative to collections reflect little change from the general status which has existed during the past several months. January settlements with wholesalers in the leading distributive centers compare favorably as a whole with the corresponding period last year, though considerable irregularity exists, and actual credit losses are large as compared with the average during the past decade. In lines dealing in merchandise for ordinary consumption, collections are much better than in the case of the heavier and more permanent classifications. In the cotton, rice and tobacco areas payments are not up to the seasonal level, due to low prices of these products and a disposition on the part of farmers to hold for more favorable markets. City retailers report payments in December backward, but note some improvement since the first of this year. Answers to 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>
December, 1931.....	2.0%	21.4%	56.2%	20.4%
November, 1931.....	0	18.5	67.5	14.0
December, 1930.....	0	12.7	63.5	23.8

Commercial failures in the Eighth Federal Reserve District in December numbered 168 involving liabilities of \$4,786,681, against 117 failures in November with liabilities of \$3,357,116, and 131 defaults for a total of \$10,609,767 in December, 1930. In 1931 there were 1,676 failures with liabilities of \$41,037,704 against 1,517 failures involving liabilities of \$48,948,234 in 1930 and 1,420 defaults for a total of \$25,432,558 in 1929.

The average daily circulation in the United States in December was \$5,611,000,000 against \$5,518,000,000 in November and \$4,823,000,000 in December, 1930.

MANUFACTURING AND WHOLESALING

Boots and Shoes — December sales of the reporting interests were 17 per cent smaller than for the same month in 1930, and 51 per cent below the November, 1931, total. For the twelve months ended December 31 aggregate sales were 9.4 per cent smaller than in 1930. Stocks on hand on January 1 were 4.6 per cent larger than a month earlier, but 13.6 per cent smaller than on January 1, 1931. The decrease in the month-to-month sales comparison is seasonal in character, and about the same as the average during the past several years. December is normally the most inactive month in the industry in this district. Since January 1 there has been a well defined pick-up in ordering. Buying is well

distributed through all lines of shoes as well as geographically. Factory operations were at approximately 75 per cent of capacity, and at a slightly higher rate than a year ago.

Clothing — Continued warm weather throughout the trade territory and uncertainty relative to prices were among the influences responsible for a decrease in December sales of the reporting firms of 62 per cent as compared with November and of 36 per cent as contrasted with December a year ago. The movement of heavyweight apparel was considerably below the seasonal average. Ordering for spring and summer consumption is backward. The trend of prices was downward.

Drugs and Chemicals — A further decline in the volume of business took place in this classification in December. Sales of the reporting firms for that month fell 8 per cent below November, and were smaller by approximately one-fifth than in December, 1930. Decreases in the yearly comparison were most pronounced in seasonal goods and heavy drugs and chemicals used by the general manufacturing trade. Inventories continue to decline, stocks on January 1 being 4 and 10 per cent smaller, respectively, than thirty days and a year earlier.

Dry Goods — December sales of the reporting firms were 14 per cent less than for the same month in 1930, and 39 per cent under the November, 1931, total. For 1931, total sales were 23.5 per cent smaller than for the preceding twelve months. Stocks increased 10 per cent between December 1 and January 1, but on the latter date were 38 per cent smaller than at the corresponding time in 1931. Since January 1 there has been a notable improvement in demand for merchandise, orders during the first half of the month running ahead of the same period last year. Business booked, however, is almost exclusively for immediate delivery.

Electrical Supplies — Contrary to the usual seasonal trend, sales of the reporting firms in December showed an increase over November, but the total was more than one-third smaller than in December, 1930. Inventories continue to decrease, stocks on January 1 being 2 per cent smaller than on December 1, and 23 per cent less than on January 1, 1931. There was no appreciable change in prices as compared with the preceding thirty days.

Flour — Production at the twelve leading mills of the district in December totaled 262,892 barrels, against 272,264 barrels in November and 327,638 barrels in December, 1930. During the last half of December business continued quiet. Following the holidays the moderate upturn in cash wheat served to stimulate trading in flour, and prices were somewhat firmer. Stocks in all positions are low. Mill

operations were at about 40 to 45 per cent of capacity.

Furniture — December sales of the reporting interests showed a decrease of 18 per cent as compared with November, and were slightly more than one-fourth smaller than in December, 1930. Stocks increased 17 per cent between December 1 and January 1, and on the latter date were 42 per cent smaller than on January 1 last year.

Groceries — The movement of holiday goods improved considerably during late December, numerous retailers filling eleventh-hour requirements. Demand for staples, canned and preserved foods, remains quiet, particularly in the rural sections. December sales of the reporting firms were 5 per cent smaller than in November, and 17 per cent less than in December, 1930. Stocks on January 1 were slightly smaller than a month earlier, and 13 per cent less than on the opening day of 1931.

Hardware — Conforming with the usual seasonal trend, sales of the reporting firms decreased 17 per cent from November to December, and the total for the latter month was about one-fifth smaller than for the corresponding period in 1930. Inventories continue to decline, stocks on January 1 being 2 per cent and 12 per cent smaller, respectively, than thirty days and a year earlier. The movement of seasonal goods, which has been backward all winter, developed no improvement, and ordering of spring and summer lines was smaller than usual at this time of year. The trend of prices was lower.

Iron and Steel Products — The usual slowing down in activities in the iron and steel industry which marks the final month of the year was considerably more pronounced in December, than has been the case in recent years. Demand for both raw and finished materials, according to interests reporting to this bank, was in small volume, and despite light shipments, there was a further contraction in unfilled orders. Contracting for first quarter of 1932 requirements was little in evidence, new business booked being mainly for immediate and well defined needs. Operations at mills and foundries during the last half of December fell to the lowest levels of the year. As was the case earlier in the season, the movement of seasonal goods, notably stoves, furnaces, tubular goods and accessories, was adversely affected by the mild weather. Purchasing by the railroads continued at the low levels which marked earlier months of the year, and demand from the automotive and building industries failed to expand. The trend of prices was lower, with a number of specific reductions in finished steel materials, notably plates, sheets and hot rolled strip. Southern pig iron for delivery in this

district was reduced \$1 per ton; scrap iron and steel prices receded to the lowest levels on the present downward movement. December business of warehouse and jobbing interests was in smaller volume than in any month during the year. Since the second week of January there has been some betterment both in sentiment and actual business. Moderate improvement has been noted in orders and specifications from the automotive industry, and scattered orders for a variety of materials from miscellaneous sources indicate that consumers are more disposed to replenish stocks than heretofore. While prices are still somewhat unsettled, efforts at stabilization have met with a fair degree of success. There was a further decrease in production of pig iron for the country as a whole in December, and for the first time since September, 1921, the output fell below 1,000,000 tons. December production of 980,377 tons compares with 1,101,820 tons in November, and 1,665,715 tons in December, 1930. Steel ingot production in the United States in December totaled 1,302,399 tons, against 1,593,684 tons in November and 1,979,547 tons in December, 1930.

AUTOMOBILES

Distribution of automobiles in this district, according to the reporting dealers, declined sharply during December, both as contrasted with the preceding month and the corresponding period in 1930, and was the smallest for any month since last January. For the year total sales were approximately one-fourth smaller than in 1930, and 28 per cent below the average for the past seven years. Declines in both the month-to-month and yearly comparisons extended quite generally to all classes of makes, but were most noticeable in the medium and high priced cars. It was reported by dealers that the Christmas trade was smaller than usual. There was still a general disposition to wait for new models and the annual automobile shows before filling requirements. Demand for trucks continues fairly active, December sales being about on a parity with the November total and 8 per cent larger than in December, 1930. Parts and accessory business was in considerable volume, due to extensive repairing and reconditioning of old cars by both owners and dealers. December sales of new passenger cars by the reporting dealers were 18 per cent smaller than in November, and about one-third smaller than the December, 1930, total. There was a slight increase in stocks of new cars in dealers hands between December 1 and January 1, and the total on the latter date was 35 per cent smaller than a year ago. Demand for used cars holds up well, and in consequence of the reduced number of vehicles

being taken in trade, stocks of salable secondhand cars decreased slightly from November to December, and on January 1 were 6 per cent smaller than on the same date in 1931. There was no change worthy of note in the tire situation as contrasted with the preceding thirty days. Deferred payment sales of automobiles by dealers reporting on that item in December constituted 54 per cent of their total sales, against 53 per cent in November and 51 per cent in December, 1931.

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	
	Dec. 1931 comp. to Dec. 1930	12 months ended Dec. 31, 1931 to same period 1930	Dec. 31, 1931 comp. to Dec. 31, 1930	Dec. 31, 1931 comp. to Dec. 31, 1930	Jan. 1, to Dec. 31, 1931	1930
Evansville	-25.1%	-22.6%	-24.0%		1.97	2.11
Little Rock.....	-12.4	-15.3	-6.7		2.74	2.64
Louisville	-15.1	-15.3	-18.3		2.88	2.91
Memphis	-15.3	-17.9	-29.2		3.27	3.05
Quincy	3.5	-17.9	-11.4		2.66	2.67
St. Louis	-11.4	-10.5	-12.9		3.90	3.95
Springfield, Mo.....	-21.1	-15.3	-6.4		1.75	1.80
8th District.....	-12.6	-12.7	-16.0		3.51	3.48

Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Dec. 1931 comp. to Dec. 1930	12 months ended Dec. 31, 1931 to same period 1930	Dec. 31, 1931 comp. to Dec. 31, 1930	Dec. 31, 1931 comp. to Dec. 31, 1930	Jan. 1, to Dec. 31, 1931	1930
Men's Furnishings	-19.1%	-10.5%	-9.5%		3.27	3.18
Boots and Shoes.....	-12.6	-19.2	-16.0		2.87	3.03

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in December was considerably greater than the record low total of November, but 18 per cent smaller than the aggregate in December, 1930. The total for 1931 was approximately one-fourth smaller than in 1930, and 45 per cent below the average during the past nine years. According to Statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District during December amounted to \$10,570,573, against \$5,996,183 in November and \$16,102,809 in December, 1930. For 1931 the total was \$186,641,992, a decrease of \$139,385,431 or 42.8 per cent as compared with 1930, and of \$174,439,245 or 48.3 per cent as compared with the average during the past seven years. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	161	162	\$ 42	\$ 58	17	31	\$ 3	\$ 15
Little Rock	20	25	876	125	52	40	17	8
Louisville ..	34	35	1,696	90	20	14	10	7
Memphis	63	71	32	102	88	156	79	73
St. Louis....	130	211	209	2,051	161	256	78	222
Dec. totals..	408	504	\$2,855	\$2,426	338	497	\$ 187	\$325
Nov. totals..	564	779	509	1,271	385	430	348	408
Oct. totals..	727	973	1,429	1,283	574	704	279	462

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 18.8 per cent in combined postal receipts for the final quarter of 1931 under the preceding three months, and a decrease of 9.6 per cent as contrasted with the last quarter of 1930. Detailed figures follow:

	For Quarter Ending			Dec. 31, 1930	Dec. 1931 comp. to Dec. 1930
	Dec. 31, 1931	Sept. 30, 1931	June 30, 1931		
Evansville	\$ 142,000	\$ 147,000	\$ 163,000	\$ 162,000	-12.3%
Little Rock.....	182,000	189,000	179,000	224,000	-18.7
Louisville	659,000	577,000	615,000	708,000	-6.9
Memphis	551,000	440,000	491,000	618,000	-10.8
St. Louis.....	2,993,000	2,459,000	2,926,000	3,294,000	-9.1
Totals	\$4,527,000	\$3,812,000	\$4,374,000	\$5,006,000	-9.6

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 12 per cent smaller than in November and 11.6 per cent less than in December, 1930. Detailed figures follow:

	No. of Customers	Dec. 1931	Nov. 1931	Dec. 1931 comp. to Nov. 1931	Dec. 1930	Dec. 1931 comp. to Dec. 1930
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	1,644	1,498	+ 9.7%	1,726	- 4.8%
Little Rock..	35	1,217	1,250	- 2.6	1,254	- 3.0
Louisville	85	5,093	5,369	- 5.1	5,723	-11.0
Memphis	31	1,399	1,472	- 5.0	1,710	-18.2
St. Louis.....	160	11,634	14,362	-19.0	13,329	-12.7
Totals	351	20,987	23,951	-12.4	23,742	-11.6

*In thousands (000 omitted).

AGRICULTURE

Continuing conditions which have obtained since early autumn, temperatures throughout the entire Eighth District during the past thirty days have been unseasonably high. The average during November and December was well above normal, and continued so through the first half of January. The effect of these conditions on agriculture has been in the main favorable. Except where excessive rains have interfered with such operations, good progress has been made in plowing and preparation of the soil for planting spring crops. There has been ample precipitation for growing crops and deficiency in soil moisture occasioned by drouth in recent years has been largely made up. Pastures, particularly, in the south, were serviceable later into the season than usual, and the mild weather was favorable for live stock. The movement to market of nearly all crops has been slow, due in large measure to low prices and a disposition on the part of farmers to hold for more favorable terms. As a result of this, and heavy production, crop reserves on farms are larger than usual at this time of year. Home grown

food supplies in virtually all sections of the district are the largest in recent years.

On the other hand, low temperatures are needed for conditioning corn and for checking unseasonably early growth in vegetation generally. Through the south excessive rains have been detrimental to cotton, causing heavy field losses and lowering quality of the unpicked staple. Considerable damage was done in Northern Mississippi by floods. In sections of Kentucky and Tennessee the movement of tobacco from farms to markets was interfered with by impassable dirt roads. Prices of a number of important agricultural products receded during late December, but partial recoveries have been made since the first week of January. Live stock prices continued at or around the lowest levels reached on the present downward movement.

Winter Wheat—Reports from the principal wheat growing areas of the district reflect a favorable position for the crop. According to preliminary estimate of the U. S. Department of Agriculture, the area seeded to wheat last fall in states entirely or partly within the Eighth District was 5,000,000 acres, a decrease of approximately 10 per cent as compared with the fall of 1930.

Corn—Total production of corn in states including the Eighth District in 1931, is estimated by the U. S. Department of Agriculture at 917,125,000 bushels, an increase of approximately 73 per cent over the short crop of 530,880,000 bushels in 1930. Due to depressed prices, however, the value of the 1931 crop is estimated at only, \$294,768,000, a decrease of \$76,010,000 or 20.5 per cent under the value of the 1930 crop. Husking made rather slow progress during December in the northern stretches of the district, due to weather conditions and less hiring of help than usual. By January 1, however, the crop had been generally husked and housed. There were numerous complaints of excessive moisture content, caused by humidity and low temperatures, and some lowering of quality was caused by moulding in cribs.

Fruits and Vegetables—Yields of fruits and vegetables in states entirely or partly within the Eighth District in 1930 were the largest in recent years, and in the case of some products, the largest on record. Returns received by producers, however, were proportionally much smaller than in former years, owing to depressed prices and lack of demand. Total output of potatoes in these states, according to the estimate of the U. S. Department of Agri-

culture, was 25,179,000 bushels, worth at December 1 farm prices \$16,792,000 against 21,769,000 bushels in 1930 with a value of \$25,366,000. The sweet potato crop amounted to 17,851,000 bushels with value of \$10,159,000, against 12,493,000 bushels in 1930, with value of \$11,358,000; apples, 34,593,000 bushels worth \$17,698,000, against 10,344,000 bushels in 1930 with value of \$13,591,000; peaches, 16,030,000 bushels with value of \$8,822,000, against 1,428,000 bushels in 1930, worth \$2,062,000, and grapes, 33,066 tons with value of \$1,239,000, against 23,579 tons in 1930 with value of \$1,108,000. The wastage of all tree fruit crops in 1931 was unusually heavy on account of overproduction and adverse marketing conditions.

Live Stock—Some slowing down in the marketing of live stock took place during the past thirty days, due to the low prices prevailing, and heavy cooler stocks of dressed meats. The condition of livestock generally in the country continues exceptionally high, being favored by the mild, open winter and abundant and cheap feed. Generally through the district, milk production in December was above the 5-year average for that month, though seasonally lower than in November.

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

	Receipts			Shipments		
	Dec. 1931	Nov. 1931	Dec. 1930	Dec. 1931	Nov. 1931	Dec. 1930
Cattle and Calves.....	83,326	88,177	99,616	51,880	58,048	64,410
Hogs	276,951	245,061	331,465	180,420	200,827	269,970
Horses and Mules.....	1,517	2,479	2,336	1,565	2,342	2,384
Sheep	39,157	41,649	35,503	8,372	8,501	9,089

Following table shows comparative receipts and shipments for the years 1931, 1930 and 1929:

	Receipts			Shipments		
	1931	1930	1929	1931	1930	1929
Cattle and Calves ..	1,170,781	1,203,138	1,223,151	755,140	768,842	784,982
Hogs	2,970,316	3,459,011	3,865,456	2,321,835	2,805,213	2,767,144
Horses and Mules ...	40,101	51,104	70,502	40,655	52,547	201,493
Sheep	660,897	583,870	534,370	220,027	212,839	212,839

Cotton—According to the U. S. Department of Agriculture, production of cotton in the Eighth District in 1931 amounted to 3,668,000 bales which, on a basis of December 1 prices, had an estimated value of \$104,538,000. This compares with 2,289,000 bales raised in 1930, for which producers received \$108,727,000. While considerable cotton still remains in the fields, very little picking was accomplished during the last three weeks of December and early in January, owing to unfavorable weather. In many sections heavy field losses were caused by excessive rains, and in Mississippi large areas of cotton lands have been inundated by floods. Due to these conditions a considerable portion of the cotton still in fields will not be picked. Mild weather generally through the season has been favorable to boll weevil survival. The general demand for cotton developed

little change but prices were slightly higher. In the St. Louis market the middling grade ranged from 5.70c to 6.25c per pound between December and January 15, closing at 6.25c on the latter date, which compares with 5.70c on December 15, and 8¾c on January 15, 1931. Receipts at Arkansas compresses from August 1, 1931 to January 15 this year totaled 1,243,956 bales, against 771,089 bales for the corresponding period a year earlier. Stocks on hand on January 15 aggregated 667,822 bales, against 691,563 bales on December 11, and 351,229 bales on the corresponding date in 1931.

Rice—Production of rice in Arkansas in 1931 totaled 9,381,000 bushels, which at December 1 farm prices, was worth \$5,722,000. In 1930 the output was 8,170,000 bushels with value of \$6,376,000.

Tobacco—Including all types, production of tobacco in states including the Eighth District in 1931, according to the U. S. Department of Agriculture, amounted to 658,978,000 pounds which was 142,019,000 pounds, or 27.5 per cent larger than the 1930 output. The total value of the crop, however, based on December 1 farm prices, was only \$59,608,000, a decrease of \$6,425,000, or approximately 10 per cent under the amount realized on the 1930 crop. The low range of prices since the opening of the market season in early December has been unsatisfactory to growers. In all districts farmers, where able to do so, are holding their stocks for higher prices. Withal the markets are abundantly supplied, and considerable tobacco has been sold. Prices received for burley tobacco prior to the January 1 recess averaged \$9.57 per cwt., against \$17.47 during the corresponding period in 1930.

Commodity Prices—Range of prices in the St. Louis market between December 15, 1931 and January 15, 1932, with closing quotations on the latter date and on January 15, 1931, follow:

	High	Low	Close	
			Jan. 15, 1932	Jan. 15, 1931
Wheat				
May	per bu. \$.57¾	\$.52¾	\$.54¾	\$.80
July	“ .56½	.51¾	“	“
No. 2 red winter ..	“ .60½	.56	\$.56 @ .56½	\$.81 @ .82
No. 2 hard	“ .59	.54	.54½ @ .55	.78 @ .79
Corn				
May	“ .42½	.38	.38¾	.72¾
July	“ .43¾	.39¾	.40¾	.73¾
No. 2 mixed	“ .39	.36½	.36½ @ .37	.69 @ .70
No. 2 white	“ .40	.37	.37½ @ .38	.70 @ .71
Oats				
No. 2 white	“ .27	.24¼	.25 @ .25½	.35 @ .35½
Flour				
Soft patent	per bbl. 4.20	3.60	3.60 @ 4.20	4.75 @ 5.00
Spring patent	“ 4.50	4.20	4.20 @ 4.50	4.25 @ 4.40
Middling cotton	per lb. .0625	.057	.0625	.08¾
Hogs on hoof	per cwt. 4.85	3.00	“	6.10 @ 8.30

FINANCIAL

Aside from factors directly affected by seasonal influences, changes in the banking and financial situation in this district were of a minor character.

Demand for credit continued in limited volume, with requirements of mercantile and manufacturing interests exhibiting somewhat more than the usual seasonal recession. There was a further contraction in the call for funds to finance stocks, bonds and other investments. Demand for agricultural purposes was less in evidence than during the preceding several months, and there was considerable liquidation by country banks with their city correspondents. Some backwardness in this respect was reported by city banks in the tobacco growing sections, where low prices and holding back their stocks by farmers tend to restrict liquidation. Commitments of grain and flour milling interests were further reduced, and represent the smallest total for this particular season in many years. There was the usual augmented demand for money incident to tax, interest and dividend disbursements, which, however, was not in sufficient volume to materially affect the situation as a whole.

Total loans and discounts of the reporting member banks decreased approximately 3 per cent between December 16 and January 13, and on the latter date were 19 per cent smaller than a year earlier. Loans on securities continued the downward trend of recent months, and there was a decrease of 2 per cent in "all other" (commercial) loans. Deposits of these banks decreased slightly between the dates mentioned, and were about 11 per cent smaller than at the same time in 1931. Investments decreased 5 per cent during the month, but continued about one-fourth greater than a year ago. Borrowings of all member banks from the Federal Reserve Bank averaged somewhat larger than during the preceding month, but were substantially smaller than during the corresponding period a year ago. The demand for currency in this district, after increasing during the holiday season, declined during the last week in December, but increased after January 1, contrary to the usual seasonal tendency.

A further slight firming tendency was shown by money rates. At St. Louis banks current quotations were as follows: Prime commercial paper, 4½ to 6 per cent; collateral loans, 4¾ to 6 per cent; loans secured by warehouse receipts, 4¾ to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 5½ to 6 per cent.

Condition of Banks—Loans and discounts of the reporting member banks on January 20, 1932 showed a decrease of 2.8 per cent as contrasted with December 23, 1931. Deposits decreased 2.7 per cent

between December 23, 1931 and January 20, 1932 and on the latter date were 11.3 per cent smaller than on January 21, 1931. Composite statement follows:

	*Jan. 20, 1932	*Dec. 23, 1931	*Jan. 21, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt., obligations and other stocks and bonds.....	\$147,756	\$147,032	\$195,233
All other loans and discounts.....	229,436	240,997	270,439
Total loans and discounts.....	\$377,192	\$388,029	\$465,672
Investments			
U. S. Government securities.....	90,547	92,419	37,196
Other securities.....	118,987	126,894	133,054
Total investments.....	\$209,534	\$219,313	\$170,250
Reserve balance with F. R. Bank	39,946	43,024	42,967
Cash in vault.....	8,737	8,124	7,129
Deposits			
Net demand deposits.....	316,295	335,339	364,610
Time deposits.....	213,784	208,246	235,996
Government deposits.....	3,340	4,723	482
Total deposits.....	\$533,419	\$548,308	\$601,088
Bills payable and rediscounts with Federal Reserve Bank.....	9,669	13,284	1,210

*In thousands (000 omitted).
These 24 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.

	*Dec., 1931	*Nov., 1931	*Dec., 1930	Dec., 1931 comp. to Nov. 1931	Dec. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	22,810	\$ 23,207	\$ 36,638	— 1.7%	—37.7%
El Dorado, Ark.....	4,152	3,942	6,009	+ 5.3	—30.9
Evansville, Ind.....	18,360	15,053	25,888	+22.0	—29.1
Fort Smith, Ark.....	8,939	8,898	11,855	+ .5	—24.6
Greenville, Miss.....	3,146	3,298	3,838	— 4.6	—18.0
Helena, Ark.....	1,692	2,912	2,417	—41.9	—30.0
Little Rock, Ark.....	26,123	22,756	32,208	+14.8	—18.9
Louisville, Ky.....	124,160	108,342	145,863	+14.6	—14.9
Memphis, Tenn.....	107,010	111,305	128,698	— 3.9	—16.9
Owensboro, Ky.....	4,250	3,950	7,055	+ 7.6	—39.8
Pine Bluff, Ark.....	6,807	7,208	7,589	— 5.6	—10.3
Quincy, Ill.....	7,764	7,042	6,978	+10.3	+11.3
St. Louis, Mo.....	594,539	457,345	649,497	+30.0	— 8.5
Sedalia, Mo.....	2,465	1,958	4,206	+25.9	—41.4
Springfield, Mo.....	12,123	11,475	14,653	+ 5.6	—17.3
**Texarkana, Ark-Tex.....	7,447	6,675	10,684	+11.6	—30.3
Totals	\$951,787	\$795,366	\$1,094,076	+19.7	—13.0

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

Federal Reserve Operations—During December the Federal Reserve Bank of St. Louis discounted for 241 member banks against 253 in November and 244 in December, 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:

	*Jan. 21, 1932	*Dec. 21, 1931	*Jan. 21, 1931
Bills discounted	\$25,769	\$29,728	\$11,207
Bills bought	10,517	6,976	4,689
U. S. Securities.....	27,886	27,351	24,151
Federal Inter. Cr. Bk. Debentures.....	880	880
Participation in Inv. Foreign Banks.....	1,100	1,103	1,259
Total bills and securities.....	\$66,152	\$66,038	\$41,306
Total reserves.....	98,438	94,920	114,404
F. R. Notes in circulation.....	92,507	87,857	81,446
Total deposits.....	64,576	65,900	69,010
Ratio of reserve to deposits and F. R. Note Liabilities.....	62.7%	61.7%	76.0%

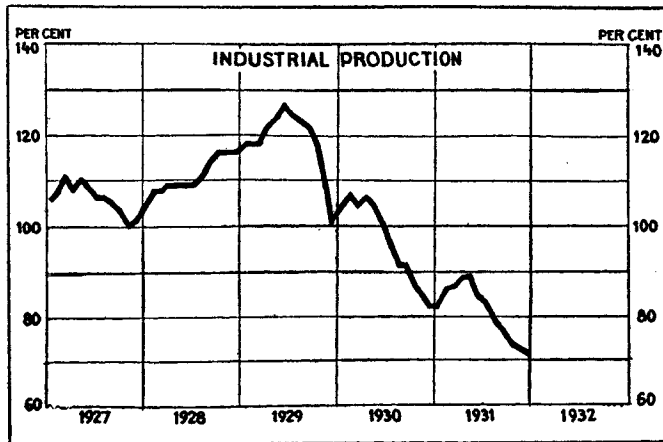
*In thousands (000 omitted).

(Compiled January 23, 1932)

BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity declined from November to December by slightly more than the usual seasonal amount, while the volume of factory employment showed about the usual decrease. Wholesale prices declined further.

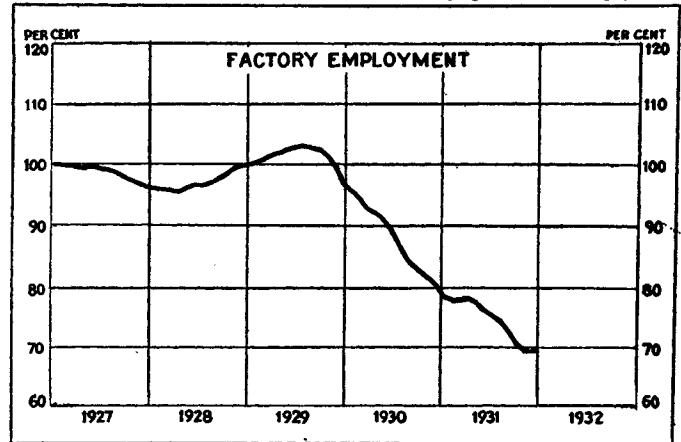
PRODUCTION AND EMPLOYMENT—Volume of industrial output decreased somewhat more than is usual in December and the Board's seasonally adjusted index declined from 72 per cent of the 1923-1925 average in November to 71 per cent in



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure December, 71.

a decline of 37 per cent from 1930 and imports a decline of 32 per cent, reflecting in part the reduction in prices.

WHOLESALE PRICES—Wholesale prices of commodities declined from 68 per cent of the 1926 average in November to 66 per cent in December, according to the Bureau of Labor Statistics, reflecting decreases in the prices of many domestic agricultural products, sugar, silk, iron and steel and petroleum products. During the first half of January prices of hogs, lard,



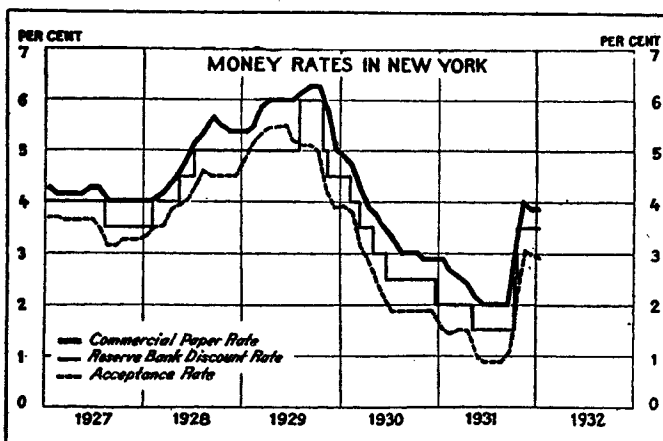
Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.) Latest figure December, 69.4.

December. Activity in the steel industry decreased from 30 to 24 per cent of capacity for the month, partly as a result of seasonal influences. In the first three weeks of January it showed a seasonal increase. Automobile output increased considerably in December from the extreme low level of the preceding month, and daily average output at shoe factories, which ordinarily declines at this season, showed little change. At textile mills production was curtailed by more than the usual seasonal amount. Number employed at factories decreased seasonally from the middle of November to the middle of December. In the automobile and shoe industries there were large increases in employment, while in the clothing industries employment declined. In most lines, however, changes were of a seasonal character. For the year 1931 as a whole the average volume of industrial production was about 16 per cent smaller than in 1930, reflecting large decreases in output of steel, automobiles, and building materials, offset in part by slight increases in production of textiles and shoes.

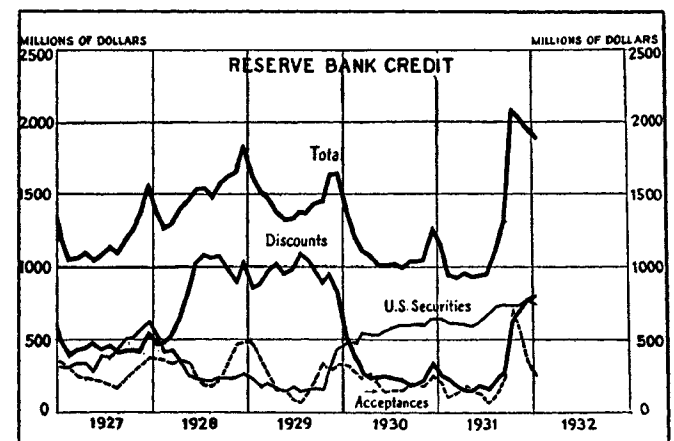
Value of building contracts awarded, as reported by the F. W. Dodge Corporation, declined considerably more than is usual

and butter declined further, while prices of cotton, silk, coffee, and copper increased.

BANK CREDIT—Reserve bank credit, which had declined from the middle of October to the middle of December and had increased in the latter part of the month, declined again in the first three weeks of January. The growth in the latter part of December reflected a somewhat more than seasonal increase in the demand for currency, partly offset by reductions in member bank reserve balances and in deposits of foreign central banks. In January the return flow of currency was considerably smaller than in other recent years, while member bank reserve balances continued to decline. Acceptance holdings of the reserve banks, which had reached a total of \$780,000,000 in October, have declined through maturing of bills held almost uninterruptedly since that time, and on January 20 totaled \$190,000,000. The banks' portfolio of United States Government securities showed some increase over the level of the early part of December and discounts for member banks increased substantially. Loans and investments of member banks in leading cities declined further during Decem-



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



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 20 days in January.

ber and the first two weeks of January, reflecting reductions in loans on securities, as well as in other loans, and in investments. In the middle of January buying rates for bankers' acceptances at the Federal reserve banks were reduced and open market rates on 90 day bills declined first from 3 to 2½ per cent and later to 2¼ per cent. Yields of high grade bonds, after advancing for a period of about four months, declined after the turn of the year, reflecting a rise in bond prices.

DISTRIBUTION—Distribution of commodities by rail declined by the usual seasonal amount in December, and department store sales increased by approximately the usual amount.

FOREIGN TRADE—Value of foreign trade continued at a low level in December. For the year as a whole exports showed