



MONTHLY REVIEW

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

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THE improvement in general business in the Eighth District, which became noticeable in late July and continued in increasing measure during August, was extended through the first three weeks of September. Since that time the pace has slackened perceptibly, and while a considerable part of the gains in both trade and industry has been held and the general level is still well above the low point of the spring and early summer, some hesitancy has developed during the first half of October, with certain lines failing to show seasonal betterment. Taken as a whole, September proved to be the most satisfactory month experienced so far this year in distributive lines, both wholesale and retail. Increases in sales volume over August were larger than could be accounted for by seasonal influences, and for the first time since April, 1931, combined sales of all wholesaling and jobbing lines investigated by this bank showed an increase in September over the corresponding period a year earlier. There were also moderate increases in production in a number of manufacturing lines, some of which had had a record of steady declines during the preceding eighteen months.

Due to importance of agriculture in this district, the factor of dominating influence in the progress of business, both in point of morale and volume transacted, has been the price of farm products. The advance in hog values in late June, which was followed by a sharp rise in cotton, wheat and some other commodities in July and August, was reflected in a marked acceleration in buying of merchandise and restoration of confidence in the business community and the public generally. Failure of these advances to hold, coupled with declines in prices of corn, oats, potatoes and some less important products to new record lows for the season in many years had the effect of substantially reducing purchasing power in the agricultural areas, of reversing the feeling of optimism and of reinstating the policy of ultra conservatism in commitments for merchandise of all descriptions.

Warm weather during September and most of the first half of October tended to hold down dis-

tribution of seasonal goods, both at wholesale and retail. On the other hand these conditions were favorable for completing the harvest of late crops, which operations were in the main accomplished with a minimum loss of quality and quantity. According to the report of the U. S. Department of Agriculture, based on October 1 conditions, yields of the principal crops of the district fully carried out estimates made earlier in the season. The employment situation underwent slight improvement in September as contrasted with the two preceding months, with betterment most noticeable in the large industrial centers and the bituminous coal fields. The supply of farm labor continues considerably in excess of requirements, with wage scales on October 1 the lowest since the beginning of the present century.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade during September was 49.1 per cent greater than in August and 15.7 per cent smaller than September, 1931; for the first three quarters of this year cumulative sales were 22.7 per cent smaller than for the comparable period in 1931. Combined sales of all wholesaling and jobbing interests reporting to this bank in August showed an increase of 8.5 per cent over the preceding month, and of 1.1 per cent over the September total last year; for the year to September 30, aggregate sales were 24.6 per cent smaller than for the first nine months of 1931. The dollar value of permits issued for new construction in the five largest cities of the district in September was 32 per cent larger than in August, but more than two-thirds less than in September, 1931; for the first nine months the total was 23 per cent smaller than for the corresponding period last year. Contracts let for construction in the Eighth Federal Reserve District in September were 7.7 per cent larger than in August, and 14.6 per cent less than the September total last year; for the first nine months this year the aggregate fell 55.4 per cent below that for the same period in 1931. Debits to checking accounts increased 11 per cent in September over the preceding month, but declined 24 per cent under

September, 1931; the total for the first nine months this year was 26 per cent smaller than for the like period last year.

While continuing much below the volume at the corresponding period during the past several years, freight traffic of railroads operating in this district has shown decided expansion during recent weeks. The showing made by miscellaneous freight, merchandise in less-than-car-lots and coal has been particularly favorable. The movement of livestock continued light. For the country as a whole, loadings of revenue freight for the first 39 weeks this year, or to October 1, totaled 20,976,758 cars, against 28,721,707 cars for the comparable period in 1931, and 35,349,201 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 120,261 loads in September, against 143,022 loads in August, and 144,843 loads in September, 1931. During the first nine days of October the interchange amounted to 40,871 loads, which compares with 33,075 loads during the same period in September, and 46,993 loads during the first nine days of October last year. Passenger traffic of the reporting roads decreased 33 per cent in September as compared with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 95,500 tons, against 99,822 tons in August, and 106,931 tons in September, 1931.

Taken as a whole, collections during the past thirty days showed slight improvement over the similar period immediately preceding, and quite marked betterments as compared with the corresponding time last year. Generally through the south settlements with both merchants and banks were in increased volume, and resumption of operations at a number of mines was reflected in better payments in bituminous coal fields. In the northern tiers of the district, where wheat and corn are the chief crops, farmers are disposed to hold their stocks for higher prices, and backwardness in collections has resulted in many sections. Wholesalers in the chief distributing centers are for the most part getting in their money promptly. This is true particularly of boots and shoes, dry goods and other lines with which October is an important settlement month. Spottiness still characterizes collections of retailers in the large urban centers, with increasing complaints of backwardness by firms which do an extensive installment payment business. Replies to questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
September, 1932.....	1.7%	18.6%	59.4%	20.3%
August, 1932.....	1.7	20.2	56.1	22.0
September, 1931.....	0	13.8	64.1	22.1

Commercial failures in the Eighth District in September, according to Dun's, numbered 95, involving liabilities of \$1,427,874, against 144 failures in August, with liabilities of \$3,279,105, and 102 defaults for a total of \$2,621,575 in September, 1931.

The average daily circulation of the United States in September was \$5,685,000,000 against \$5,720,000,000 in August, and \$5,133,000,000 in September, 1931.

MANUFACTURING AND WHOLESALING

Boots and Shoes—Following the seasonal precedent, sales of footwear declined in September from August. The extent of the decline, according to the reporting firms, was only 3.3 per cent, which is considerably below the average. As compared with a year ago, September sales showed a gain of approximately 12 per cent. This was the first month since last November that sales have exceeded those of the corresponding period a year earlier. During the first half of October there has been a slight falling off as compared with September, but the volume of pairs and dollar amount has exceeded that of the same period in 1931. Inventories continue to decline, stocks on October 1 being 6 per cent and 47 per cent smaller, respectively, than a month and a year earlier.

Clothing—September sales of the reporting firms increased slightly over the same month last year, but showed little change from the August total this year. Purchasing of late fall and winter apparel, which had been postponed earlier in the season, was in considerable volume, and some re-ordering for underestimated requirements was reported. Demand for work clothes, while somewhat more active than earlier in the year, continues on a moderate scale. In all lines interest centers chiefly in cheap priced merchandise.

Drugs and Chemicals—September sales of the reporting firms were 18 per cent larger than in August, and 7 per cent smaller than the September, 1931, total. Stocks increased 4.4 per cent between September 1 and October 1, and on the latter date were 8.5 per cent smaller than a year ago. The sales comparison in September with a year earlier was the most favorable in this year, decreases in preceding months having ranged from 14 to 39 per cent. Moderate improvement was noted in demand for heavy drugs and chemicals from the general manufacturing trade, particularly the textile and leather industries.

Dry Goods—For the first time in thirty-four months, the volume of business done in this classification in September exceeded that of the corresponding month during the preceding year. Sales of the reporting firms showed an increase in September of 20 per cent over that month in 1931, and of 32 per

cent over the August total this year. Improvement in both comparisons extended pretty well throughout the entire line, but was most marked in piece goods. The recent decline in cotton has had a tendency to slow down buying, and sales since October 1 have been in noticeably smaller volume than during the first half of September. Stocks on October 1 were 4 per cent smaller than a month earlier, and about 31 per cent less than on October 1, 1931.

Electrical Supplies — September sales of the reporting firms increased 6 per cent over the August total, which contrasts with a decline of 7 per cent from July to August. As compared with a year ago, September volume showed a decrease of almost one-half. Inventories increased slightly between September 1 and October 1, and on the latest date were 35 per cent smaller than a year ago.

Flour — Production at the twelve leading mills of the district in September totaled 258,697 barrels, the largest since last May and comparing with 257,699 barrels in August and 305,335 barrels in September, 1931. Improvement in the general demand noted in late August and the first half of September has failed to hold, due chiefly to the recession in values of cash wheat and uncertainty on the part of buyers relative to the future of the market. Consumption is adversely affected by the general business depression, and quietness in export demand. Millers' report bids from Europe mainly out of line with current prices, and export business confined largely to routine transactions with Latin-American countries. Purchasing by the large baking interests was on a hand-to-mouth basis, and jobbers are not disposed to augment their stocks. Mill operations were at less than half of capacity.

Furniture — Marked improvement over recent months was noted in the volume of business in this classification, September sales of the reporting firms showing an increase of 34 per cent over August, and a decrease of only 11.6 per cent under the September total in 1931. Stocks on October 1 were 2 per cent and 25 per cent smaller, respectively, than thirty days and a year earlier. In the month-to-month sales comparison a considerable part of the increase was in household furniture and furnishings.

Groceries — September sales of the reporting firms showed an increase of 9 per cent over August, but a decrease of 22 per cent under the September total a year ago. Stocks on October 1 were 1.4 per cent larger than a month earlier, and 35 per cent smaller than on October 1, 1931. Since October 1 a slowing down in business has been noted, particularly in the south, where the decline in cotton prices had a deterrent effect on buying. Due to extensive canning and preserving operations by individuals throughout the season, demand for these commodi-

ties in the rural areas is considerably below the average at this time of year.

Hardware — Improvement noted in this classification during August was extended further during September. Since October 1, however, slowing down has been reported from all parts of the district. Prices showed no change worthy of note as compared with the preceding thirty days. September sales of the reporting interests were 13 per cent larger than in August, and 27 per cent smaller than in September, 1931. Inventories continue to decrease, stocks on October 1 being 3.5 per cent and 12 per cent smaller, respectively, than a month and a year earlier.

Iron and Steel — Changes in the iron and steel industry in this district during September and early October were in the form of moderate improvement. The betterment by no means extended to all branches of the industry, but the recessionary trends of earlier in the year were halted and a forward movement was noted in some important lines. Production and shipments of seasonal commodities, notably stoves, furnaces, radiators, tubing and certain repair materials, was in considerable volume. The demand for plates, sheets, strip and other rolled products developed slightly broadening tendencies. Purchasing of finished materials by the general manufacturing trade was more active than earlier in the year, though still much below the average at the same period in the past. Requirements of the petroleum industry expanded moderately. Considerable tonnages of a variety of commodities were accounted for by highway construction, river and levee improvements and municipal projects. Public works predominated, also, in operations of fabricators of structural iron and steel, the lettering of a number of sizeable contracts having permitted of an increase of working forces at certain plants. Iron and steel warehouse and jobbing interests reported September sales and specifications the largest since last spring. The movement of galvanized sheets maintained the improvement noted in August, with purchasing in the rural sections of the south and southwest relatively better than in the northern tiers of the district. Purchasing by the railroads continues on a hand-to-mouth basis, and is confined chiefly to repair materials and other necessities. Specifications on finished goods by automobile builders were below what had been anticipated for this time. Aside of items for outdoor engineering projects, goods in the building material category continued quiet. The latest decline in wheat, corn, cotton and other major crops was reflected in a further contraction in the outlet of goods used in the agricultural sections. Prices of both raw and finished materials showed no marked change as contrasted with the preceding

thirty days. Pig iron was unchanged, and the recent strength in scrap iron and steel was maintained, with slight further advances in some grades. September shipments of pig iron to district consumers represented the largest total for any month so far this year, but new ordering continued at a minimum. For the country as a whole pig iron production in September recorded the first gain since last February, the output of 593,640 tons comparing with 528,105 tons in August and 1,168,346 tons in September, 1931. Steel ingot production in the United States in September totaled 975,061 tons, against 832,402 tons in August, and 1,545,411 tons in September, 1931.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in September was 84,141, against 90,324 in August and 140,566 in September, 1931.

Following the seasonal trend, distribution of automobiles in this district decreased from August to September, and for the ninth consecutive month this year, according to the reporting dealers, sales were below those of the comparable period in 1931. The decrease in the month-to-month comparison, however, was considerably smaller than the average during the past decade. In the comparison with a year ago, September sales decreased 22 per cent, which contrasts with the decrease of 42 per cent in August. For the first time in a number of months, business of dealers distributing medium and high priced cars was relatively better than that of those handling the cheaper makes. Of the total sales of new passenger cars in September, approximately 70 per cent were cheap-priced cars, against 82 per cent in August, 80 per cent in July and 81 per cent in September, 1931. In the small towns and country decreases in both yearly and month-to-month comparisons were more marked than in the large cities. Preoccupation of farmers with harvest and the depressed levels of agricultural products militated against filling of requirements. Demand for trucks was reported fairly active, particularly for heavy service. Sales of trucks of all descriptions in September were 7 per cent greater than in August, but only slightly more than one-half as large as in September, 1931.

September sales of new passenger cars by the reporting dealers were 7 per cent smaller than in August and 22 per cent below the September total a year ago. Universally the policy of close and conservative purchasing is being observed by distributors, and inventories continue light. Stocks of new cars on October 1 were 6 per cent smaller than a month earlier and 43 per cent less than on October

1, 1931. Conditions in the used car market underwent no change worthy of note as contrasted with the preceding thirty days. September sales were 12 per cent and 26 per cent smaller, respectively than a month and a year earlier. Stocks of salable second-hand cars on hand on October 1 were 3.5 per cent smaller than on September 1, and 18 per cent less than on October 1, 1931. Replacement buying by both dealers and the public was reflected in moderate betterment in demand for tires. Business in replacement parts and accessories was slightly less active than during the preceding month. According to dealers reporting on that item, deferred payment sales in September constituted 48 per cent of their total sales, against 51 per cent in August, and 47 per cent in September, 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	
	Sept. 1932 comp. to Sept. 1931	9 months ended Sept. 30, 1932 to same period 1931	Sept. 30, 1932 comp. to Sept. 30, 1931	1932	Jan. 1, to Sept. 30, 1931
Evansville	-28.0%	-31.9%	-30.4%	1.23	1.36
Little Rock.....	+ 0.8	-24.4	-14.5	1.55	1.89
Louisville	8.6	-19.8	-12.9	1.79	1.98
Memphis	2.1	-22.5	-12.8	2.09	2.24
Quincy	-10.4	-23.6	-19.7	1.63	1.86
St. Louis.....	-19.6	-22.7	-25.4	2.55	2.75
Springfield.....	-36.8	-32.8	-12.7	.91	1.23
8th District.....	-15.7	-22.7	-21.3	2.24	2.45

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Sept. 1932 comp. to Sept. 1931	9 months ended Sept. 30, 1932 to same period 1931	Sept. 30, 1932 comp. to Sept. 30, 1931	1932	Jan. 1, to Sept. 30, 1931
Men's Furnishings	-22.1%	-29.5%	-28.3%	2.00	2.39
Boots and Shoes.....	-14.2	-25.6	-21.4	1.94	2.14

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in September was 32 per cent larger than in August, and 67.8 per cent less than in September, 1931. According to statistics compiled by the F. W. Dodge Corporation construction contracts let in the Eighth District in September amounted to \$10,063,670 which compares with \$9,340,382 in August and \$11,790,867 in September, 1931. Production of portland cement for the country as a whole in September totaled 8,189,000 barrels, against 7,835,000 barrels in August and 12,092,000 barrels in September, 1931. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	149	253	\$ 26	\$ 56	56	118	\$ 7	\$ 13
Little Rock	13	32	7	92	56	112	8	42
Louisville ..	49	82	73	143	40	33	17	16
Memphis ...	107	123	196	130	114	138	58	25
St. Louis....	210	327	243	1,271	206	241	110	153
Sept. totals..	528	817	\$ 545	\$1,692	472	642	\$ 200	\$249
Aug. " ..	437	678	413	1,266	425	616	208	400
July. " ..	451	615	449	1,590	436	560	529	630

*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 September as being 7.3 per cent smaller than in August and 19.9 per cent less than in September, 1931. Detailed figures follow:

	No. of Custom- ers	Sept., 1932 *K.W.H.	Aug., 1932 *K.W.H.	Sept. 1932 comp. to Aug. 1932	Sept., 1931 *K.W.H.	Sept. 1932 comp. to Sept. 1931
Evansville	40	1,672	1,701	- 1.7%	1,991	-16.0%
Little Rock...	35	1,061	1,901	-44.2	1,888	-43.8
Louisville	85	5,911	6,117	- 3.4	6,524	- 9.4
Memphis	31	1,389	1,167	+19.0	1,617	-14.1
St. Louis.....	189	16,841	18,094	- 6.9	21,512	-21.7
Totals	380	26,874	28,980	- 7.3	33,532	-19.9

*In thousands (000 omitted).

AGRICULTURE

The condition of crops in the Eighth District during September varied in minor degree only as contrasted with the preceding month. Weather was in the main favorable for maturing and harvesting late crops, and these were secured with a minimum of loss in quantity and quality. Expressed as a percentage of the 10-year average (1919-1928), combined yield per acre of 33 important crops indicated on October 1, 1932, in states of the district, according to the U. S. Department of Agriculture, was as follows: Indiana, 102.6; Illinois, 107.1; Missouri, 96.6; Kentucky, 95.1; Tennessee, 91.2; Mississippi, 84.3 and Arkansas, 92.7. Improvement from August to September was indicated in all states except Tennessee and Missouri, the decline in the former being .8 per cent and in the latter 1.3 per cent. For the most part fall vegetables turned out well, and yields of some fruits appear to be somewhat larger than estimates earlier in the season indicated. However, as a whole the fruit crop in this area was the smallest in recent years, particularly tree fruits south of the Missouri River.

Soil preparation and seeding of fall cereals was delayed to some extent by dry weather over a considerable part of the principal winter wheat areas. Since the middle of September, however, needed moisture has been supplied by fairly general rains and seeding operations have made good progress. In the northern tiers of the district, farm work is quite generally up to the usual seasonal schedule. Available supplies of farm labor continue greatly in excess of requirements, with wages sharply below a year and two years ago. A typical example is in Missouri, where the average rate per month with board is \$18.55, against \$25.75 for October, 1931, and without board, \$26.00 this year against \$34.90 in 1931. These scales are the lowest since 1902, and much of the hiring for farm work is only for a few days at a time.

Corn—The season from planting to harvest was unusually auspicious for corn, and indications are for one of the largest yields ever produced in this district. Practically the entire crop had matured before the frosts in October, and from the chief growing sections reports indicate quality above average. Silo filling was mainly completed by the end of September, and somewhat more than the ordinary amount of corn was cut for fodder. September and early October weather was favorable for drying and curing corn, which was essential to check mould development and ear-worm damage. Based on the October 1 condition, the U. S. Department of Agriculture estimates the yield of corn in the Eighth District at 378,283,000 bushels, a slight decrease under the September 1 forecast, and comparing with 383,052,000 bushels harvested in 1931, and a 9-year average (1923-1931) of 342,534,000 bushels. The heavy indicated yield coupled with liberal sales of old corn served to sharply lower prices. On October 15 No. 2 mixed corn sold in the St. Louis market at 25c per bushel. After planting, cultivation, harvest, husking and transportation costs, this figure leaves scant returns for the producer.

Winter Wheat—No change worthy of note took place in Eighth District prospects for this crop in September. The Government's October 1 report estimates the output at 34,292,000 bushels, as against 66,260,000 bushels harvested in 1931, and a 9-year average of 51,510,000 bushels. In sections affected by the late summer drouth, seeding was delayed, and full planting intentions will not be realized. However, mainly favorable conditions have attended seeding operations, and a large part of the crop has been put in after hessian fly immune dates.

Fruits and Vegetables—Prospects for the apple crop in this district changed little during September. Completion of the harvest of late apples confirmed the low estimates of production made earlier in the season. The output in states including the Eighth District is estimated by the U. S. Department of Agriculture in its October 1 report at 6,737,000 bushels, of which 969,000 barrels represent commercial crop, against 28,642,000 bushels, with 3,527,000 barrels commercial crop in 1931, and a 5-year average (1924-28) of 23,967,000 bushels, of which 2,511,000 barrels were commercial crop. Peaches in the district were a virtual failure, the yield being estimated at only 1,248,000 bushels, against 14,470,000 bushels in 1931, and a 5-year average of 8,175,000 bushels. An exception to the generally small fruit yield was grapes, the estimated production of 34,028 tons in states of the district being the largest on record, and comparing with 33,721 tons in 1931, and a 5-year average of 28,000 tons. Production of pea-

nuts in these states also made a new high record, the output being estimated at 36,035,000 pounds, against 29,940,000 pounds in 1931 and a 5-year average of 30,220,000 pounds. As a rule all late vegetables were abundant crops, and fall gardens, due to deferred frosts and adequate moisture, have in most localities been above average. The sweet potato crop in states of the district is forecast at 20,529,000 bushels, which is 15 per cent greater than a year ago, and 38 per cent above the 5-year average. In the district proper the yield of white potatoes is placed at 13,377,000 bushels, which compares with 12,472,000 bushels produced in 1931, and a 9-year average of 14,596,000 bushels. Potatoes at the end of September were the cheapest in more than a quarter of a century.

Live Stock — Aside from scattered reports of losses of hogs from cholera, the satisfactory conditions obtaining in livestock throughout the present year were generally sustained during September and the first half of October. The unfavorable factor in the livestock industry is the extremely low market prices for all meat animals. Due to plentiful and cheap corn and other feeds, farmers plan to considerably increase feeding operations this fall and winter.

In all states of the district the condition of pastures on October 1 was below the 10-year average, and with the exception of Tennessee and Mississippi, below the October 1 condition last year. Prospects for tame hay in the district declined slightly from August to September, the October 1 estimate being for 4,891,000 tons, against 5,458,000 tons in 1931, and the 9-year average of 7,616,000 tons. Milk production per cow continued low, owing to the poor condition of pastures. An exception to the general decline in farm product prices was eggs, which on October 1 were selling at the highest price of the year.

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

	Receipts			Shipments		
	Sept., 1932	Aug., 1932	Sept., 1931	Sept., 1932	Aug., 1932	Sept., 1931
Cattle and Calves.....	112,586	120,775	126,753	73,089	78,408	89,091
Hogs	210,265	188,755	205,040	162,304	148,855	157,783
Horses and Mules.....	2,797	1,902	2,349	2,510	1,754	2,888
Sheep	66,071	65,702	51,951	26,998	12,781	12,688

Tobacco — There was a further slight decrease in prospects for the Eighth District tobacco crop in September, the estimate as of October 1 by the Government being 278,501,000 pounds, a drop of 6,180,000 pounds under the September 1 forecast, and comparing with 395,016,000 pounds raised in 1931, and a 9-year average of 285,534,000 pounds. The sharp decrease under a year ago was due to a reduction in acreage, unfavorable weather at the time plants were set, and lack of moisture during the growing season. Conditions in late September

and early this month have not been favorable for cutting, housing and curing late cut leaf. Early cuttings of burley types are generally of good color and quality, with a large part suitable for smoking. In the one-sucker and Green River districts indications point to a crop of superior quality to that of last year.

Cotton — Under stimulus of favorable weather for maturing the crop during September, particularly in the first three weeks of that month, prospects improved, and based on the October 1 condition, the U. S. Department of Agriculture estimates the output in this district at 2,237,000 bales, an increase of 52,000 bales over the September 1 forecast, and comparing with 3,470,000 bales harvested in 1931, and a 9-year average (1923-1931) of 2,726,000 bales. In all states harvesting made good headway, owing to the early maturity and large proportion of opened bolls. In some sections picking progressed slower than might have been expected for the reason that growers are hiring little help, and harvesting their cotton with labor available on their own farms. The decline in prices, which began in the second week of September, continued irregularly into October and following publication of the October 1 estimate of production, values receded to the lowest point since early August and more than \$14.50 per bale under high point touched toward the end of August. In the St. Louis market the middling grade ranged from 5.70c to 6.85c per pound between September 15 and October 15, closing at 5.70c per pound on the latter date, which compared with 6.70c on September 16 and 5.75c on October 15, 1931. The movement to market has been at a more rapid rate than a year ago. Receipts at Arkansas compresses from August 1 to October 14 totaled 443,531 bales, as against 355,259 bales during the comparable period in 1931. Stocks on hand as of October 14 totaled 573,735 bales, against 395,609 bales on September 16, and 319,836 bales on the corresponding date a year ago.

COMMODITY PRICES

Range of prices in the St. Louis market between September 15, 1932 and October 15, 1932 with closing quotations on the latter date and on October 15, 1931, follow:

	High	Low	Close	
			Oct. 15, 1932	Oct. 15, 1931
Wheat				
Dec. ....per bu.	\$.55½	\$.48	\$.48¾	\$.48
May .....	.60¾	.53¼	.53¾	.52
July .....	.55¼	.54¾	.54¾	
No. 2 red winter ..	.54½	.48½	\$.48½ @ .49	\$.49½ @ .50
No. 2 hard ..	.54½	.49	.48½ @ .49	.48 @ .48½
Corn				
Dec. ....	.29	.25½	.26	.34½
No. 2 mixed .....	.29	.25	.24¾ @ .25	.38 @ .38½
No. 2 white .....	.30	.26	.26 @ .26½	.40½ @ .41
Oats				
No. 2 white .....	.18¾	.15	.15 @ .15½	.21½ @ .22
Flour				
Soft patent.....per bbl.	3.70	2.90	2.90 @ 3.50	3.25 @ 4.00
Spring patent.....	4.50	3.75	3.75 @ 4.25	3.75 @ 4.00
Middling cotton.....per lb.	.065	.057	.057	.0575
Hogs on hoof.....per cwt.	4.45	2.60	2.75 @ 4.00	4.00 @ 5.60

FINANCIAL

The past thirty days were marked by further strengthening of the general banking and financial situation in the Eighth District. While slack demand for credit to finance commercial and industrial operations was reflected in a further decrease in loans and discounts of commercial banks, deposits increased moderately. Growth in confidence in the financial situation was reflected in less hoarding than in a number of months, and the emergence of a considerable volume of currency tied up by that practice. Liquidation at both city and country banks was in considerable volume, with September settlements in the cotton areas making a particularly favorable showing. October payments in boot and shoe, dry goods, and other wholesaling lines with which this is an important collection month, were for the most part satisfactory, and permitted of substantial reduction of commitments with banks in the chief distributing centers. As was the case earlier in the season, demands for financing the harvest and movement of crops were less than in past years. This was also true of grain handling and flour milling interests.

Total loans of reporting member banks in the district on October 12 decreased 1.2 per cent from September 14, and on the latest date were at the lowest point of the year and approximately one-fourth smaller than on the comparable date in 1931. This decline was counterbalanced by an increase of 1.7 per cent in investments, due chiefly to expansion in holdings of Government securities. Total deposits of \$489,986,000 on October 12 represented an increase of 1.5 per cent over mid-September, but a decrease of 14.2 per cent under a year ago.

The use of reserve bank credit by all member banks continued to decline, and on September 14 was in smaller volume than at any time this year. Entirely as a result of this, total volume of reserve bank credit outstanding decreased 19 per cent between September 14 and October 14, and on the latter date was 37.5 per cent less than a year ago. Reflecting a continued active demand for currency, largely seasonal in character, the note circulation of this bank remained at the relatively high levels of the preceding three months.

The amount of savings deposits held in selected banks increased 1.7 per cent from September 7 to October 5, and on the latter date was 7.6 per cent smaller than a year ago.

The trend of interest and discount rates was easier. At St. Louis banks current quotations were as follows: Customers' commercial loans, 4 to 5½ per cent; collateral loans, 4½ to 5¾ per cent; inter-bank loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 4½ to 5½ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on October 12, 1932 showed a decrease of 1.2 per cent as contrasted with September 14, 1932. Deposits increased 1.5 per cent between September 14, 1932 and October 12, 1932 and on the latter date were 14.2 per cent smaller than on October 14, 1931. Composite statement follows:

	*Oct. 12, 1932	*Sept. 14, 1932	*Oct. 14, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$111,335	\$113,256	\$158,550
All other loans and discounts.....	184,971	186,635	240,461
Total loans and discounts.....	\$296,306	\$299,891	\$399,011
Investments			
U. S. Government securities.....	107,719	102,857	83,349
Other securities.....	118,917	119,946	132,189
Total investments.....	\$226,636	\$222,803	\$215,538
Reserve balance with F. R. Bank	33,128	35,544	42,870
Cash in vault.....	6,363	6,969	7,845
Deposits			
Net demand deposits.....	277,951	281,267	336,209
Time deposits.....	203,301	199,547	228,046
Government deposits.....	8,734	2,130	6,859
Total deposits.....	\$489,986	\$482,944	\$571,114
Bills payable and rediscounts with			
Federal Reserve Bank.....	1,475	1,564	3,879

*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.

	*Sept., 1932	*Aug., 1932	*Sept., 1931	Sept. 1932 comp. to Aug. 1932	Sept. 1931
East St. Louis & Natl.					
Stock Yards, Ill. \$	20,897	\$ 20,638	\$ 27,319	+ 1.3%	—23.5%
El Dorado, Ark.....	3,688	3,964	4,003	— 7.0	— 7.9
Evansville, Ind.....	12,914	12,956	21,099	— 0.3	—38.8
Fort Smith, Ark.....	7,374	7,022	9,127	+ 5.0	—19.2
Greenville, Miss.....	3,120	2,191	2,372	+42.4	+31.5
Helena, Ark.....	1,639	894	1,747	+83.3	— 6.2
Little Rock, Ark.....	17,996	15,441	24,086	+16.5	—25.3
Louisville, Ky.....	95,205	97,289	128,334	— 2.1	—25.8
Memphis, Tenn.....	92,684	68,194	85,358	+35.9	+ 8.6
Owensboro, Ky.....	2,283	2,390	4,140	— 4.5	—44.9
Pine Bluff, Ark.....	5,582	3,880	5,149	+44.0	+ 8.5
Pineville, Ill.....	5,369	5,102	7,321	+ 5.2	—26.7
St. Louis, Mo.....	380,467	343,637	531,121	+10.7	—28.4
Sedalia, Mo.....	1,420	1,386	3,281	+ 2.5	—56.7
Springfield, Mo.....	9,699	8,740	12,006	+11.0	—19.2
**Texarkana,					
Ark.-Tex.....	5,179	4,885	8,020	+ 6.0	—35.4
Total	\$665,523	\$598,609	\$874,483	+11.2	—23.9

*In thousands (000 omitted).

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

Federal Reserve Operations — During September the Federal Reserve Bank of St. Louis discounted for 217 member banks against 213 in August, and 215 in September, 1931. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

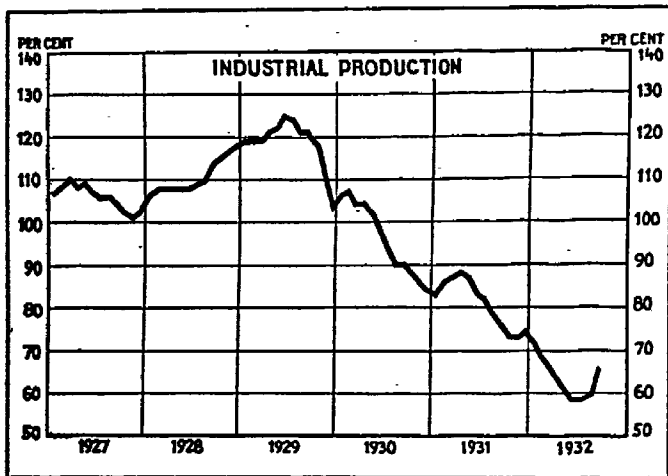
	*Oct. 14, 1932	*Sept. 14, 1932	*Oct. 14, 1931
Bills discounted	\$ 8,816	\$10,896	\$14,101
Bills bought			33,842
U. S. Securities.....	66,156	66,156	31,211
Federal Inter. Cr. Bk. Debentures.....			630
Participation in Inv. Foreign Banks.....	1,009	1,009	1,103
Total bills and securities.....	\$75,981	\$78,061	\$80,887
Total reserves.....	89,756	87,964	84,045
F. R. Notes in circulation.....	101,029	100,948	80,185
Total deposits.....	56,824	57,640	76,806
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	56.9%	55.5%	53.5%

*In thousands (000 omitted).

BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity and shipments of commodities by rail increased from August to September by considerably more than the usual seasonal amount. There was also a more than seasonal increase in the volume of factory employment and payrolls. The general level of prices, after advancing for three months, showed a decline beginning in the early part of September.

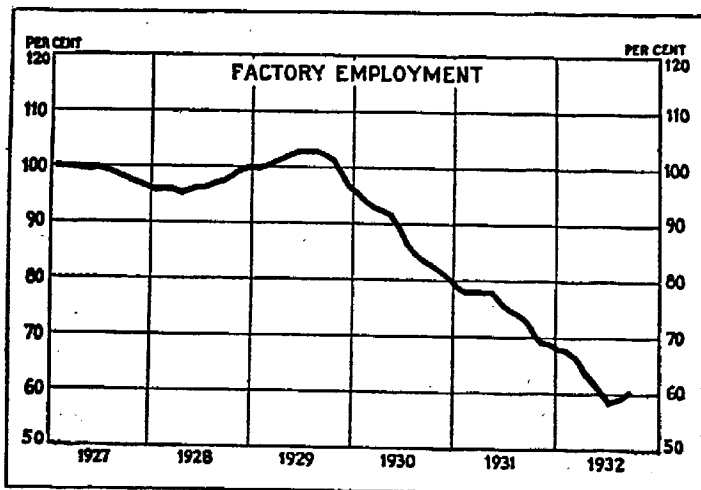
PRODUCTION AND EMPLOYMENT—Volume of industrial production, as measured by the Board's seasonally adjusted index based on the 1923-1925 average, increased from a low point of 58 in July to 60 in August and 66 in September. The advance



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure September, 66.

in September reflected chiefly large increases in activity at textile mills, shoe factories, meat packing establishments, and coal mines. In the steel industry, where activity had shown none of the usual seasonal increase in August, operations expanded considerably during September and the first three weeks of October to about 20 per cent of capacity. Daily average output of automobiles and lumber in September showed little change from recent low levels.

Factory employment increased from 58.8 per cent of the 1923-1925 average in August to 60.3 per cent in September, according to the Board's seasonally adjusted index. Considerable increases were reported in the cotton, woolen, silk, hosiery, and clothing industries, and smaller increases at car building shops, foundries, cement mills, and furniture factories. In the automobile, tire and electrical machinery industries, employment declined.

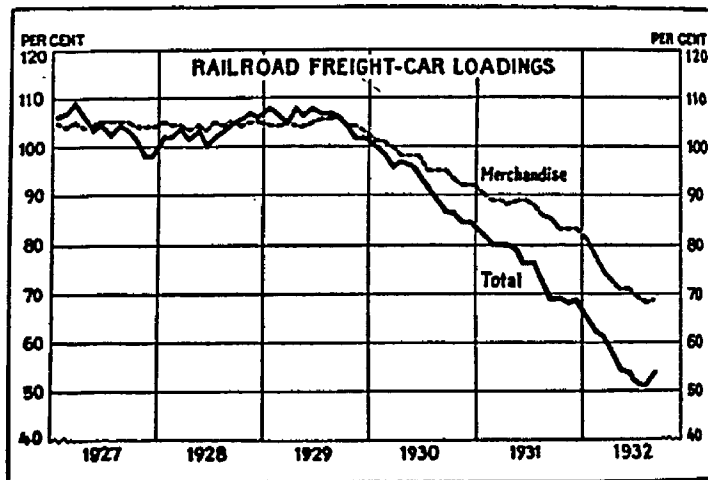


Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100). Latest figure September, 60.3.

During the three months ending with September value of building contracts awarded, as reported by the F. W. Dodge Corporation, was about the same as in the preceding three months, although awards are usually smaller in the third quarter. In the first half of October the daily average of contracts declined somewhat.

DISTRIBUTION—Volume of freight-car loadings increased by considerably more than the usual seasonal amount in September, reflecting chiefly larger shipments of coal and miscellaneous freight. Department store sales increased from the low level of August by somewhat more than the usual seasonal percentage.

WHOLESALE PRICES—Wholesale commodity prices, as measured by the monthly index of the Bureau of Labor statistics, showed little change from August to September. During August and early September there was a general advance in prices followed by a decline which continued through the first half of October, when the average was 2 per cent below the high point in early September and 1 per cent above the low point of early summer. Substantial decreases occurred after the beginning of September in the prices of many domestic agricultural commodities, including cotton, grains, and livestock, and also in prices of

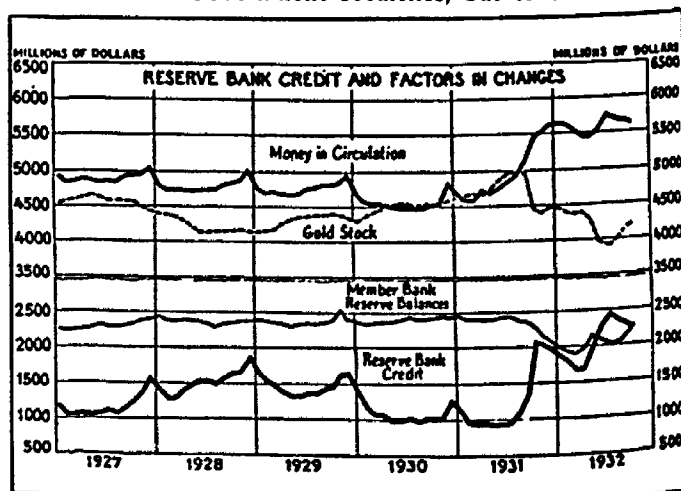


Indexes of daily average number of cars loaded; adjusted for seasonal variation. (1923-1925 average=100). Latest figures September, total 54, merchandise 69.

gasoline, nonferrous metals, and imported raw materials; while prices of wool, worsted yarns, coal, and lumber increased somewhat during this period.

BANK CREDIT—During September and the first three weeks of October there were further additions to the reserve funds of member banks, arising from increases in the country's stock of monetary gold, from an unseasonal return flow of currency, and from issues of additional national bank notes.

Member bank indebtedness to the reserve banks declined by more than \$100,000,000 from September 7 to October 19 and their reserve balances increased by \$180,000,000. During September and the first two weeks of October reporting member banks in leading cities showed a further growth in investment holdings, largely of United States Government securities, but to some extent, of



Monthly averages of daily figures. Latest figures are averages of first 22 days in October.

other investments. Loans of reporting banks declined further in September. In the early part of October loans at banks in New York City showed an increase. There was considerable growth in Government deposits and in bankers' balances during the period; time deposits also increased. Money rates in the open market declined to lower levels during the first half of October, the rate on prime commercial paper being reduced from a range of 2-2¼ to a range of 1¾-2 per cent, and the rate on 90 day bankers' acceptances from ¾ of one per cent to ½ of one per cent. Rates for call loans on stock exchange collateral declined from 2 per cent to 1 per cent.