



# MONTHLY REVIEW

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

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**T**RADER and industry in the Eighth District during the past thirty days developed further recessionary trends, and during late November and the first weeks of December activities in a number of important classifications reached the lowest point of the year. In all wholesaling and jobbing lines investigated by this bank, the volume of November sales fell below that of the preceding month, and with the exception of furniture, which registered a moderate gain, the volume was measurably below that reported in November last year. As compared with a year ago decreases were most marked in the heavier industries, including iron and steel, glass, lumber, and the entire category of building materials. The movement of seasonal merchandise was considerably below the usual volume at this time of year. Purchasing of raw materials was on a very limited scale, being affected by slackness in demand for finished goods, and a general desire on the part of manufacturers to hold down stocks against the inventorying period. The continued decline in commodity prices was a further influence tending to restrict commitments, particularly for goods to be used in future operations. In all quarters ordering was confined to materials to fill immediate and well defined requirements.

In the south both wholesale and retail trade was adversely affected by the decline in prices of cotton and rice, while low market levels of cereals, live stock and other farm products served to greatly reduce purchasing power elsewhere in the agricultural sections. Christmas shopping got under way later than usual, and reports covering the first half of December indicate a considerably narrower outlet through this channel than during the past several years. As has been the case throughout the year, demand for merchandise centers chiefly in necessities and the cheaper classes of goods. Distribution of automobiles in November decreased sharply as compared with the preceding month and a year ago, and the total sales of dealers reporting to this bank were the smallest for any single month in more than

ten years. More than the usual seasonal contraction in operations at iron foundries and steel mills took place in late November and early this month. Numerous stove plants closed down and there was further curtailment at plants of farm implement manufacturers and other specialty makers.

As compared with the preceding thirty days the only changes in the agricultural situation were of a seasonal character. The U. S. Department of Agriculture's report as of December 1 in the main confirms forecasts of yields of the chief crops made earlier in the season. For the most part reports relative to fall planted cereals reflect favorable conditions. Heavy snows over the principal winter wheat areas afforded ample covering and protection for that crop. No improvement took place in the employment situation as a whole. Incident to the holiday trade, retail establishments augmented their forces, and there were gains in employment in the tobacco district where the new crop is being marketed. The increased number of workers in these occupations, however, was more than offset by decreased employment among other groups of wage-earners.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in November was 1.8 per cent smaller than in October, and 20.8 per cent less than in November, 1931; for the first eleven months this year cumulative sales were 22.5 per cent smaller than for the comparable period in 1931. Combined sales of all wholesaling and jobbing interests reporting to this bank in November showed a decrease of 15 per cent under October and of 18 per cent under the November, 1931, total; for the eleven months this year cumulative sales of these firms were approximately one-fourth less than for the same period last year. The dollar value of permits issued for new construction in the five largest cities of the district in November was 80 per cent smaller than in October and 58 per cent less than in November, 1931; for the first eleven months the total was 76 per cent smaller than for the comparable period last year. Construc-

tion contracts let in the Eighth District in November were 26.4 per cent larger than a month earlier, and 53.9 per cent more than in November, 1931; for the first eleven months this year the cumulative total was 49.4 per cent smaller than a year ago. Debits to checking accounts in November showed a decrease of 11 per cent and 22 per cent, respectively, as compared with a month and a year earlier, and for the eleven months this year the total was one-fourth less than for the comparable period in 1931.

Officials of railroads operating in this district report a decrease in freight traffic during November and early December of somewhat larger than the usual seasonal proportions. The low stage of demand for industrial fuel is reflected in an unusually small movement of coal and coke. Heavy decreases as contrasted with the same time in recent years was noted in loadings of grain and grain products. For the country as a whole loadings of revenue freight for the first 48 weeks this year, or to December 3, totaled 26,255,457 cars, against 35,012,832 cars for the corresponding period in 1931 and 43,107,709 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 109,611 loads in November, which compares with 133,066 loads in October, and 132,895 loads in November, 1931. During the first nine days of December the interchange amounted to 42,620 loads, against 35,189 loads during the same period in November, and 40,976 loads during the first nine days of December, 1931. Passenger traffic of the reporting lines in November decreased 37 per cent as compared with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 112,300 tons, as against 109,442 tons actually handled in October and 86,348 tons in November, 1931.

The same general trends which have been noted since early fall were reflected in reports relative to collections during the past thirty days. Considerable spottiness exists, both in the large cities and rural sections. Universally collections on new accounts are reported fair to good, but backwardness is still noted on debts of long standing. November 1 settlements with wholesalers in the large distributing centers were well up to expectations, in a number of instances being ahead of the same period last year. In the tobacco districts, where markets for the 1932 crop have opened, there has been considerable liquidation, and slight improvement in collections in the rice areas is noted. As contrasted with last spring and summer, there has been substantial improvement in payments in the bituminous coal sections. Due to a closer credit policy of merchants generally, the ratio of cash sales to credit

sales has increased markedly in recent months. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
November, 1932.....	1.9%	16.7%	57.3%	24.1%
October, 1932.....	1.6	17.9	61.4	19.1
November, 1931.....	0	18.5	67.5	14.0

Commercial failures in the Eighth Federal Reserve District in November, according to Dun's, numbered 74 involving liabilities of \$2,732,421 against 82 insolvencies in October with liabilities of \$1,648,236 and 117 defaults for a total of \$3,357,-116 in November, 1931.

The average daily circulation of the United States in November was \$5,642,000,000 against \$5,643,000,000 in October, and \$5,518,000,000 in November, 1931.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — November sales of the reporting firms were approximately 18 per cent smaller than in October, and 22 per cent less than in November, 1931. Stocks increased slightly more than 4 per cent between November 1 and December 1 and on the latter date were 37 per cent smaller than a year ago. In both sales comparisons decreases were general through all lines of footwear, but most marked in seasonal merchandise. The mild fall tended to hold down the movement of the heavier lines through retail channels. Since December 1 there has been considerable improvement in the call for winter footwear, reflected in numerous small orders from retailers throughout the trade territory. Prices were unchanged as compared with the preceding thirty days.

**Clothing** — Contrary to the usual seasonal trend, sales of the reporting clothiers in November showed a substantial gain over the preceding month, but the total was approximately 11 per cent smaller than in November, 1931. The increase in the month-to-month comparison was due largely to postponed buying earlier in the fall. More seasonable weather during the past several weeks has stimulated the movement of winter apparel through retail channels, and has resulted in a fair volume of reordering of heavyweight goods. Purchasing for spring and early summer distribution is reported in considerably smaller volume than at this period in recent years.

**Drugs and Chemicals** — Throughout November the demand for seasonal goods was measurably below the usual volume, and the same was true of ordering of holiday goods. Demand centered chiefly in staples and necessitous medicinal preparations and pharmaceuticals, sales of cosmetics and other luxury goods continuing at the relatively low levels of earl-

ier in the year. The outlet for heavy drugs and chemicals through the general manufacturing trade showed further contraction during November and early December. November sales of the reporting firms were 7 per cent smaller than in October, and 15 per cent less than in November last year. Stocks on December 1 were 2 per cent and 15 per cent smaller, respectively than a month and a year earlier.

**Dry Goods** — Following increases during the two preceding months, November sales of the reporting firms decreased 17 per cent under October, and 19 per cent under the November, 1931 total. In November, 1931, sales were approximately 2 per cent greater than for the preceding month, and 5 per cent less than in November, 1930. Purchasing of goods based on cotton was held in check by the decline in price of that staple. Advance ordering of all descriptions of goods is in considerably less than the ordinary seasonal volume. The movement of holiday goods in October and the first half of November, was unusually light, but since that time belated orders have considerably accelerated clearance of merchandise in this category. Inventories continue to decline, stocks on December 1 being 6 per cent and 13 per cent smaller, respectively, than thirty days and a year earlier.

**Electrical Supplies** — There was a slight decline in sales of the reporting firms in November as compared with the preceding month, but as compared with a year ago, the November total showed a decrease of more than 44 per cent. Inventories continue to decline, stocks on December 1 being 3 per cent smaller than a month earlier, and 39 per cent smaller than a year ago. Ordering of holiday goods, particularly radio materials, was reported in smaller volume than in a number of years. Demand from the automotive and building industries has failed to expand and at the end of November reached the lowest point of the season.

**Flour** — Production at the twelve leading mills of the district in November totaled 247,208 barrels, against 237,466 barrels in October, and 272,264 barrels in November, 1931. There was no change in the dull conditions which have obtained since early last summer. Purchasing by the large baking interests continues on a hand-to-mouth basis, and in all quarters efforts are being made to hold down inventories to the lowest possible levels. Prices declined further, and in the first week of December reached the lowest point on the present downward movement. The decline reflected the lower prices of cash wheat. According to certain mills, the holiday trade

had a moderately stimulating effect on choice flours, but demand still centers mainly in the cheaper grades. Export demand continues at a minimum. Production was at from 45 to 50 per cent of capacity.

**Furniture** — For the second consecutive month, sales of reporting firms in this classification in November showed a gain over the corresponding period a year earlier. The increase was ascribed to heavier sales of holiday goods and seasonal merchandise and a general disposition on the part of retailers to replenish depleted stocks. Moderate improvement in demand for radio cabinets was noted and in the country and small towns, ordering of household furniture and furnishings was on a somewhat larger scale than earlier in the year. November sales of the reporting interests were 7.6 per cent larger than a year ago, and 31.9 per cent smaller than the October total this year. A further decrease in inventories was reported, stocks on December 1 being 4 per cent smaller than on November 1, and 19 per cent smaller than on December 1, 1931.

**Groceries** — According to the reporting firms November sales fell 5 per cent below the preceding month, and 11 per cent below the November total last year. Purchasing is confined almost exclusively to absolute requirements, and as has been the case throughout the year, demand centers mainly in staples and the cheaper grades of merchandise. Sales of holiday goods, particularly in the rural areas were disappointing, and in considerably smaller volume than a year ago. The trend of prices was lower, with specific reductions recorded on flour, coffee, packing-house products and a number of less important commodities.

**Hardware** — Following the unvaried precedent of the past decade, sales of the reporting firms decreased in November under the preceding month. The total dollar value of November transactions was 17 per cent smaller than in October, and 12 per cent less than in November, 1931. There was a further decline in inventories, stocks on December 1 being 5 per cent and 15 per cent smaller, respectively, than a month and a year earlier. Sales of holiday and sporting goods and seasonal merchandise generally in November were below the average for that month in recent years. Since December 1, however, the sharp drop in temperatures has stimulated demand for cold weather goods, and retailers have placed a considerable volume of rush orders for such commodities.

**Iron and Steel Products** — Affected the usual seasonal influences and general lack of demand, activities in the iron and steel industry in this district

sustained a further decline during the past thirty days. While shipments of finished products were light, unfilled orders of a majority of interests reporting to this bank were measurably smaller at the end of November than a month earlier. Since December 1 the rate of operations has receded still further, reaching the lowest point of the year and of the present depression. All classes of steel users were disposed to await developments before making commitments, and new buying was confined chiefly to small tonnages to supply immediate and urgent requirements. Increased business from the automotive industry, which had been looked for at this time, failed to materialize in the volume expected. With the exception of companies working on new models, specifications were disappointing and new orders almost entirely absent. Purchasing by the railroads and oil industry remained at the low levels which have characterized recent months. Producers of steel sheets, plates, strip and other rolled commodities reported a progressively decreasing demand through November and the first half of December. These interests announced their prices for the first quarter of 1932, which are substantially the same as current quotations, but report poor response, either in the form of inquiry or actual orders. Certain specialty makers, including manufacturers of farm implements and industrial machinery, which had planned to commence small scale production in early December, have further postponed putting their programs into effect. Following increased activity in October and the first half of November, stove foundries and manufacturers of heating apparatus have reduced their operations to about the rate of mid-September. Reflecting further contraction in the outlet through the building industry, fabricators of iron and steel structural material have reduced their working forces, a number of plants having closed down. The movement of iron and steel commodities from warehouses showed more than the seasonal decline. No betterment appeared in demand from the general manufacturing trade, and call for fencing, roofing and other materials used largely in the rural areas was the smallest experienced in recent years, November shipments of pig iron to melters in the district represented the smallest month's total since last January, and since December 1 a further contraction in the movement is noted. Ordering of pig iron for first quarter of 1933 requirements has failed to develop in volume. Demand for scrap iron and steel is extremely quiet, with prices lower on all the principal grades. According to figures compiled by "Steel", production of pig iron for the country as a whole in November, totaled 625,663 tons, which compares with 644,648 tons in October, and 1,101,820 tons in November,

1931. Steel ingot production in the United States in November totaled 1,014,794 tons, against 1,068,550 tons in October, and 1,591,644 tons in November, 1931.

## AUTOMOBILES

Distribution of automobiles in the Eighth District, according to dealers reporting to this bank, showed a sharp decrease in November, both as compared with the preceding month and a year ago. The decrease in the month-to-month comparison was seasonal in character, such a decrease having occurred each year since compiling of these records was commenced, except in 1928, when November sales were 17 per cent larger than the October total. The extent of the decrease this year was greater than the average, and incidentally the total was the smallest for any single month in more than ten years.

November sales of new passenger cars by the reporting dealers were 29 per cent smaller than in October, and 44 per cent below the November, 1931, total. Reflecting extremely close and conservative buying by distributors, inventories decreased further, stocks on December 1 being 6 per cent smaller than on November 1, and about one-third smaller than on December 1, 1931. Demand for used cars was relatively more active than for new equipment, November sales being only 9 per cent under the preceding month and 14 per cent smaller than in November last year. Stocks of salable secondhand cars continue small, the total on December 1 being about 3 per cent and 22 per cent smaller, respectively, than thirty days and a year earlier. According to dealers reporting on that detail, deferred payment sales in November constituted 49 per cent of their total sales, which compares with 51 per cent in October, and 53 per cent in November, 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	
	Nov. 1932 comp. to Nov. 1931	11 months ended Nov. 30, 1932 to same period 1931	Nov. 30, 1932 comp. to Nov. 30, 1931	Jan. 1, to Nov. 30, 1932	1931
Evansville .....	—35.2%	—32.8%	—34.7%	1.53	1.70
Little Rock.....	—19.7	—23.1	—8.4	1.98	2.37
Louisville .....	—22.8	—20.0	—17.4	2.25	2.46
Memphis .....	—22.4	—21.1	—10.0	2.62	2.80
Quincy .....	—25.3	—23.6	—10.6	1.99	2.28
St. Louis.....	—19.9	—22.8	—19.6	3.16	3.38
Springfield .....	—32.9	—33.3	—19.2	1.16	1.54
8th District.....	—20.8	—22.5	—17.2	2.79	3.03

### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Nov. 1932 comp. to Nov. 1931	11 months ended Nov. 30, 1932 to same period 1931	Nov. 30, 1932 comp. to Nov. 30, 1931	Jan. 1, to Nov. 30, 1932	1931
Men's Furnishings	—12.6%	—27.0%	—25.2%	2.56	2.90
Boots and Shoes....	—26.0	—25.6	—19.5	2.35	2.58

## BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in November were 80 per cent smaller than in October, and smaller by approximately 58 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 \$9,228,107 which compares with \$7,303,430 in October and \$5,996,183 in November, 1931. Production of portland cement for the country as a whole in November totaled 6,462,000 barrels, against 7,939,000 barrels in October and 8,161,000 barrels in November, 1931. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	76	134	\$ 21	\$ 33	19	46	\$ 3	\$ 72
Little Rock ..	9	17	4	23	48	41	12	8
Louisville ..	41	33	52	52	12	33	29	49
Memphis ...	65	176	45	91	80	54	31	74
St. Louis....	90	204	91	310	114	211	58	145
Nov. totals..	281	564	\$ 213	\$ 509	273	385	\$ 133	\$348
Oct. " ..	456	727	1,063	1,429	490	574	247	279
Sept. " ..	528	817	545	1,692	472	642	200	249

\*In thousands of dollars (000 omitted).

## CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in November as being about 7.3 per cent smaller than in October and 4.5 per cent less than in November, 1931. Detailed figures follow:

	No. of Custom- ers	Nov. 1932	Oct. 1932	Nov. 1932 comp. to Oct. 1932	Nov. 1931	Nov. 1932 comp. to Nov. 1931
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville .....	40	1,341	1,759	-23.8%	1,498	-10.5%
Little Rock...	35	1,167	1,272**	-8.3	1,261**	-7.5
Louisville ....	85	5,296	5,806	-8.8	5,306	-0.2
Memphis .....	31	1,334	1,374	-2.9	1,472	-9.4
St. Louis.....	191	15,511	16,390**	-5.4	16,266**	-4.6
Totals .....	382	24,649	26,601	-7.3	25,803	-4.5

\*In thousands (000 omitted).

\*\*Revised figures.

## AGRICULTURE

Taken as a whole, conditions through the Eighth Federal Reserve District during the past thirty days were favorable for agriculture. Clear weather with reasonable temperatures during most of November were auspicious for completing the harvest of late crops and the housing and moving of these products. Ordinary winter farm routine in practically all sections of the district is up to schedule and the condition of livestock has maintained the high average which has existed during the year. Late fall and winter plowing was facilitated by needed moisture, and in both the northern and southern states is generally further advanced than the average at this season. Fall planted cereal crops for the most part made good headway, and winter wheat in the principal areas is entering the cold weather in a strong position. Cold weather in

early September was accompanied by heavy snow which afforded ample protection for this crop. The end of the season for harvesting cotton was favorable, and this crop was secured with a minimum of injury to quality and quantity. Tobacco markets opened in late November and early this month with fairly liberal offerings, and early reports indicate high average quality. Prices were irregular, but with averages showing a slight advance as contrasted with initial sales a year ago.

In most instances, the December 1 report of the U. S. Department of Agriculture confirmed earlier forecasts for crop yields in this district. The decline in prices, which has been in effect for many months, continued during November; new low levels for the season, and in recent years being recorded in a number of the most important products. Due to the recession in values and lack of demand, there is a general disposition on the part of farmers to hold their stocks for more favorable marketing conditions. No change worthy of note took place in the status of farm labor as compared with the preceding month. In all sections supplies considerably exceed demand, and wage scales are the lowest since the beginning of the present century. While farm incomes are small, supplies of foods and feeds are generally abundant.

**Winter Wheat** — Reports generally relative to the growing crop reflect favorable conditions. Owing to unfavorable weather during the seeding period, planting operations were extended over a longer time than usual, and in some sections full acreage intentions of farmers were not carried out. Due to this cause and the low price of wheat, indications point to slightly smaller acreage than a year ago. Rains in November supplied needed moisture, and the plant made good progress; for the most part the crop is entering the dormant season in strong position. The sharp drop in temperatures in early December was accompanied by general snows, which afforded ample protection to the crop. While moisture deficiency has not been entirely made up in some localities, soil conditions are mainly good.

**Corn** — Final estimates of the yield of corn in the Eighth District tend to confirm forecasts earlier in the season. Husking returns from practically all the surplus counties indicate a crop of unusually high quality. A considerable amount of new crop corn arriving at primary markets is grading No. 2 and 3 or higher. Due to the record low prices, farmers are disposed to hold their stocks for more favorable markets. Since December 1 the price has dropped to the lowest levels since records have been kept by the grain exchanges.

**Live Stock** — Little change worthy of note has taken place in the condition of livestock during the past thirty days as contrasted with the similar period immediately preceding. In all sections the early fall was favorably for herds, and with ample fodder and feed, all kinds of farm animals are entering the cold weather in good condition. Due to the low range of prices and liberal stocks of dressed meats in coolers, the movement of cattle and hogs to market in November was smaller than a month and a year earlier. Milk production continued below average, and production of eggs was below that at the corresponding period last year.

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

	Receipts			Shipments		
	Nov. 1932	Oct. 1932	Nov. 1931	Nov. 1932	Oct. 1932	Nov. 1931
Cattle and Calves.....	85,145	105,563	88,177	53,269	62,258	58,048
Hogs .....	197,391	207,362	245,061	166,530	175,532	200,827
Horses and Mules.....	2,473	4,246	2,479	3,304	3,126	2,342
Sheep .....	44,736	55,173	41,649	7,676	21,119	8,501

**Cotton** — Prospects for the cotton crop in states including the Eighth District showed a further increase between November 1 and December 1. According to the U. S. Department of Agriculture's report, based on December 1 conditions, the yield in these states is placed at 3,145,000 bales, an increase of 240,000 bales over the November 1 forecast, and comparing with 4,551,000 bales harvested in 1931 and 2,866,000 bales in 1930. Taking into consideration the limited use of fertilizer and heavy boll weevil infestation, the crop is turning out surprisingly well. The season was unusually favorable for the competition of picking and ginning, and relatively little low grade cotton has appeared on the market. Since the last week of November weather has been unfavorable and has delayed ginning and lowered quality of the crop still to be harvested. Very little cotton remains in the fields, however, hardly enough to substantially alter general average quality of the crop. Prices continued weak, a new low for the present season being recorded in early December. In the St. Louis market the middling grade ranged from 5.25c to 5.85c per pound between November 15 and December 15, closing at 5.45c per pound on the latter date, which compared with 5.85c on November 15 and 5.70c on December 16, 1931. The movement of the crop continued in large volume, receipts at Arkansas compresses from August 1 to December 12 totaled 982,116 bales, against 1,079,820 bales for the corresponding period a year ago. Stocks on hand as of December 12 totaled 741,763 bales, which compares with 691,563 bales a year ago, and 758,031 bales on November 11 this year.

**Tobacco** — Dry, cold weather has seriously interfered with the preparation of tobacco for market. However, deliveries of burley to the Lexington market for opening sales were large. The average price of initial sales was \$12.66 per hundred pounds, as compared with an average of \$11.75 for the opening sales last year. On December 13, about 23,000,000 pounds of burley had been sold at the several markets at an average of \$13, or about \$2 higher than during the same period last year. Sales in the dark tobacco districts in the Green River and stemming section were at about the same prices as last year, with an average price of \$4.12. In the one-sucker districts sales were at an average price of \$5.63, a shade higher than a year ago.

The dark-fired markets at Clarksville and Springfield, Tenn., and Hopkinsville, Ky., opened with small offerings, due to unfavorable weather conditions. Prices were measurably higher than at the opening last year. The advance was most noticeable in lugs, which are from \$1 to \$2 per hundred pounds higher than in 1931, and common to medium leaf, which averaged \$2 to \$3 higher. Prices realized at opening sales in the western district have been less favorable. Due to inauspicious weather for preparing stock for market in all districts, indications point to smaller offerings of tobacco prior to December 31 than in a number of years.

## COMMODITY PRICES

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

			High			Low		Close	
								Dec. 15, 1932	Dec. 15, 1931
Wheat									
Dec.	per bu.		.46½			.42½		.46½	.54½
May			.50¾			.46¾		.47¾	.56½
July			.50¾			.48		.48¾	.55½
No. 2 red winter			.49¾		.47		.47½	.57½	.58½
No. 2 hard			.49		.46½		.47½	.55½	.56½
Corn									
Dec.			.25		.22		.22¼		.38½
May			.31¼		.26¾		.26¾		.41¾
No. 2 mixed			.26½		.22¼		.22¼	.37½	.38½
No. 2 white			.28¼		.24¾		.24¾	.38½	.39½
Oats									
No. 2 white			.18		.17		.17	.26	.26½
Flour									
Soft patent	per bbl.	3.15	2.50	2.50	@ 3.15	3.60	@ 4.20		
Spring patent		3.90	3.65	3.65	@ 3.90	4.20	@ 4.50		
Middling cotton	per lb.	.0585	.0525		.0545		.0570		
Hogs on hoof	per cwt.	3.75	2.00	2.15	@ 2.35	3.50	@ 4.25		

## FINANCIAL

There were no important changes in the financial and banking situation in the Eighth District during the past thirty days from the trends noted earlier in the fall. Demand for credit from commercial and industrial sources continued extremely light, and requirements for financing agricultural operations, which have been relatively small throughout the year, underwent further seasonal contraction. Liquidation generally was in considerable volume, both at country banks and with finan-

cial institutions in the large urban centers. Country banks further reduced their loans with city correspondents, and total volume of such loans is smaller than at any time during the past two years. Despite the fact that cotton planters are still disposed to hold their stocks for more favorable markets, there was a substantial reduction of loans based on that staple. Since the opening of the tobacco markets for the 1932 crop around December 1, there has been a fair volume of liquidation of tobacco loans. Sales of commercial paper declined further, and the volume of financing through acceptances was light.

Reflecting the restricted demand for credit, loans and discounts of reporting member banks in the principal cities continued the steady downward movement which began last May. Between November 16 and December 14 this item decreased about 3 per cent and on the latest date recorded a new low for the year and a decrease for more than 29 per cent below the level at the corresponding time a year ago. Total deposits increased slightly during the four-week period, the gain being due to the larger volume of demand deposits held, time deposits showing a decrease of 1.5 per cent. Total investments on December 14 at \$230,973,000 represented an increase of about 1 per cent over November 16, and of 3.2 per cent over the comparable date last year.

Borrowings of all member banks from the St. Louis reserve bank fluctuated in minor degree only between November 16 and December 16, and throughout that period averaged approximately two-thirds less than during the same interval in 1931. Total volume of reserve credit outstanding on December 16 was practically the same as a month earlier. Reflecting the usual seasonal demand for currency, the circulation of this bank showed a substantial increase, and at the middle of December reached the highest point since 1921.

Reversing the usual seasonal upward trend, money rates were either unchanged or lower as compared with recent weeks. At St. Louis banks prevailing rates were as follows: Customers' commercial paper, 4 to 5¾ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4 to 5¾ per cent; loans secured by warehouse receipts, 4 to 5½ per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on December 14, 1932 showed a decrease of 2.9 per cent as contrasted with November 16, 1932. Deposits increased 1.1 per cent between November 16, 1932 and December 14, 1932

and on the latter date were 10.1 per cent smaller than on December 16, 1931. Composite statement follows:

	*Dec. 14, 1932	*Nov. 16, 1932	*Dec. 16, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$109,660	\$106,116	\$155,202
All other loans and discounts....	166,291	178,015	235,578
Total loans and discounts.....	\$275,951	\$284,131	\$390,780
Investments			
U. S. Government securities.....	112,543	113,698	93,837
Other securities.....	118,430	115,125	129,920
Total investments.....	\$230,973	\$228,823	\$223,757
Reserve balance with F. R. Bank.....	37,524	39,452	42,290
Cash in vault.....	7,130	6,245	7,218
Deposits			
Net demand deposits.....	295,823	285,248	341,528
Time deposits.....	199,848	202,932	208,125
Government deposits.....	5,275	7,083	7,496
Total deposits.....	\$500,946	\$495,263	\$557,149
Bills payable and rediscounts with Federal Reserve Bank.....	865	1,095	10,823

\*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.

	*Nov. 1932	*Oct. 1932	*Nov. 1931	Nov. 1932 comp. to Oct. 1932	Nov. 1931
East St. Louis & Natl.					
Stock Yards, Ill..\$	16,342	\$ 18,570	\$ 23,207	—12.0%	—29.6%
El Dorado, Ark.....	2,968	3,704	3,942	—19.9	—24.7
Evansville, Ind.....	13,785	13,119	15,053	+ 5.1	— 8.4
Fort Smith, Ark.....	6,668	7,713	8,898	—13.5	—25.1
Greenville, Miss.....	2,641	2,925	3,298	— 9.7	—19.9
Helena, Ark.....	1,744	1,839	2,912	— 5.2	—40.1
Little Rock, Ark.....	16,530	18,643	22,756	—11.3	—27.4
Louisville, Ky.....	95,081	103,470	108,342	— 8.1	—12.2
Memphis, Tenn.....	83,560	102,861	111,305	—18.8	—24.9
Owensboro, Ky.....	2,375	2,473	3,950	— 4.0	—39.9
Pine Bluff, Ark.....	5,193	5,428	7,208	— 4.3	—28.0
Quincy, Ill.....	4,880	5,506	7,042	—11.4	—30.7
St. Louis, Mo.....	353,915	394,700	457,345	—10.3	—22.6
Sedalia, Mo.....	1,154	1,493	1,958	—22.7	—41.1
Springfield, Mo.....	8,306	9,511	11,475	—12.7	—27.6
**Texarkana, Ark.-Tex.....	4,963	5,362	6,675	— 7.4	—25.6
Totals .....	\$620,105	\$697,317	\$795,366	—11.1%	—22.0%

\*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 200 member banks against 208 in October, and 253 in November, 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:

	*Dec. 16, 1932	*Nov. 16, 1932	*Dec. 16, 1931
Bills discounted .....	\$ 8,258	\$ 8,849	\$26,879
Bills bought .....			10,451
U. S. Securities.....	66,156	66,156	27,351
Federal Inter. Cr. Bk. Debentures.....			880
Participation in Inv. Foreign Banks.....	974	1,008	1,103
Total bills and securities.....	\$75,388	\$76,013	\$66,664
Total reserves.....	94,531	97,547	95,963
F. R. Notes in circulation.....	103,555	101,882	86,589
Total deposits.....	58,690	62,515	67,880
Ratio of reserve to deposits and F. R. Note Liabilities.....	58.3%	59.3%	62.1%

\*In thousands (000 omitted).

(Complied Dec. 22, 1932)



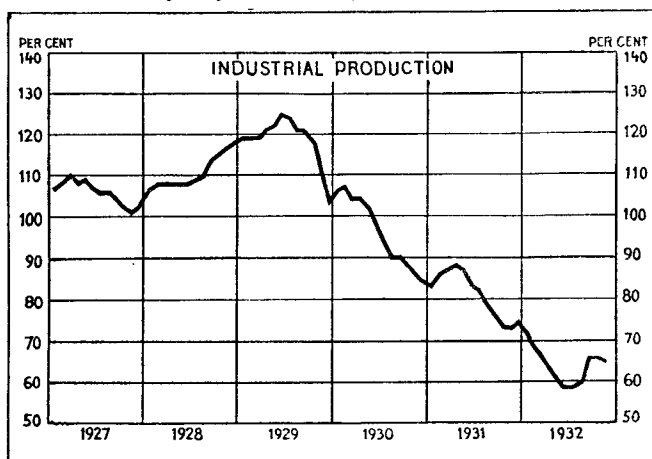
## BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity declined in November by somewhat more than the usual seasonal amount. Changes in factory employment and payrolls, reported for the middle of the month, were largely seasonal in character. Prices in wholesale commodity markets were somewhat lower, on the average, in November than in October, and declined further during the first three weeks of December.

**PRODUCTION AND EMPLOYMENT**—Production and employment volume of industrial production as measured by the Board's seasonally adjusted index, declined from 66 per cent of

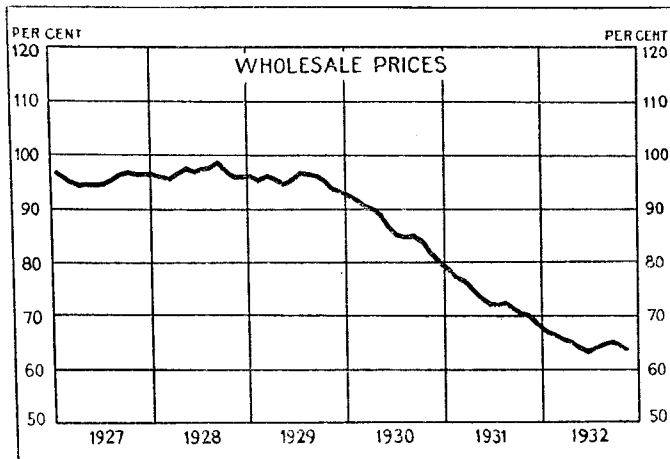
November, while the dollar volume of department store sales, which ordinarily expands at this season, showed a decline.

**WHOLESALE PRICES**—During early November the general level of wholesale commodity prices advanced somewhat, reflecting chiefly increases in prices of domestic agricultural products; in the latter part of the month, however, prices of livestock, cotton, and grains declined considerably and, during the first three weeks of December, further declines in livestock prices were reported. By the third week of December prices of textiles, copper, and silver, as well as of livestock, were substantially lower



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure November, preliminary 65.

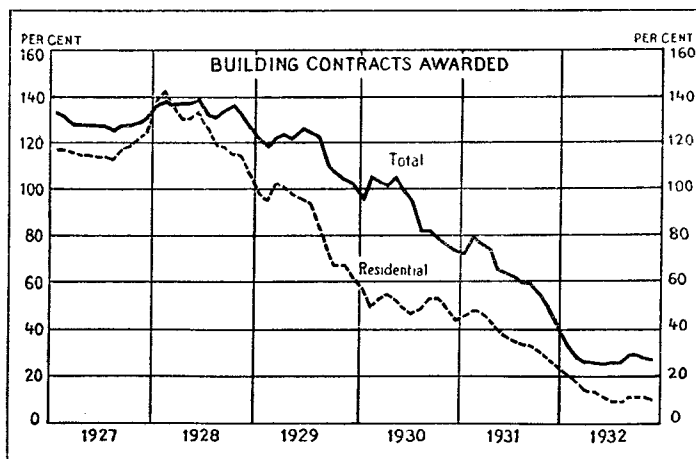
the 1923-1925 average in October to 65 per cent in November, compared with a low level of 58 per cent in July. Output at woolen mills, silk mills, and shoe factories declined in November from the relatively high levels of the autumn, while cotton mills continued active. Lumber production declined by considerably more than the usual seasonal amount. Steel production decreased during November and the first three weeks of December, while automobile output increased considerably, in connection with the introduction of new models. The number employed at factories declined somewhat from October to November, reflecting in large part developments of a seasonal character. Working forces in the woolen, silk, shoe, and canning industries were reduced, while at car-building shops, and at factories producing automobiles and agricultural implements, there were increases in employment.



Index of United States Bureau of Labor Statistics (1926=100). Latest figure November, preliminary 63.9.

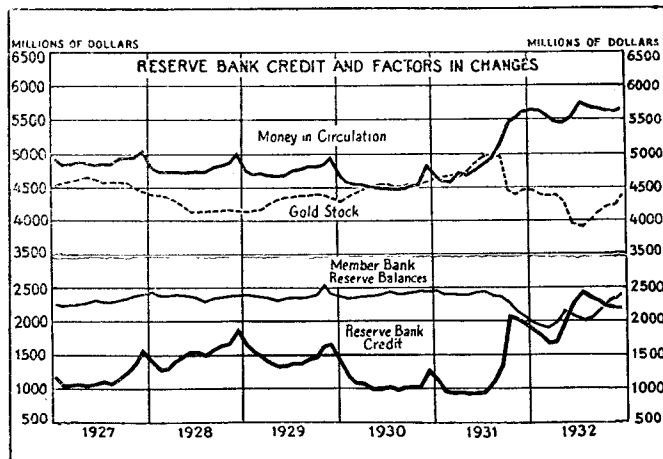
than at the middle of November and the great average of wholesale prices was at a level slightly below that prevailing before the advance which occurred last summer.

**BANK CREDIT**—During the four weeks ended December 14 there was an addition of \$85,000,000 to the country's stock of monetary gold. The funds derived from this source were utilized in meeting an increase in the demand for currency, which was smaller than usual at this season, in further reducing, by \$23,000,000, the indebtedness of member banks to the reserve banks, and in increasing by \$25,000,000 the volume of member banks reserve balances. On December 15, there was a further increase of \$95,500,000 in the stock of monetary gold in connection with the current payment by Great Britain on the war debt. This amount of gold was earmarked in London for account of the Federal



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100). Latest figures November, preliminary total 28, residential 11.

Construction contracts awarded up to December 15, as reported by the F. W. Dodge Corporation, indicate for the last three months of the year a decline from the third quarter of somewhat more than the usual seasonal amount, following a non-seasonal increase from the second to the third quarter. Estimates of the Department of Agriculture, based on December 1 reports, indicate a cotton crop of 12,727,000 bales, about 800,000 bales larger than the estimate a month earlier, but 4,400,000 bales smaller than last year's unusually large crop. Wheat, tobacco, flaxseed, and other leading cash crops are also considerably smaller than a year ago, while feed crops are substantially larger. Acreage of winter wheat planted this fall was slightly smaller than a year ago and condition of the crop on December 1, was unusually poor, according to the Department of Agriculture. Distribution of commodities by rail decreased seasonally from October to



Monthly averages of daily figures. Latest figures are averages of first twenty days in December.

Reserve Bank of New York, and an equivalent credit was given by that bank to the United States Treasury. This transaction together with other fiscal operations on December 15, resulted in a temporary addition of \$100,000,000 to the reserves of member banks, which were subsequently reduced by Christmas currency demands and an increase in Treasury deposits with the reserve banks. Loans and investments of reporting member banks declined by more than \$100,000,000 between November 16, and December 14, reflecting reductions in the banks' holdings of United States Government securities, and in loans other than security loans. Loans on securities increased, both at New York City and at other reporting member banks. Money rates in the open market declined further, rates on 90 days bankers' acceptances declining from  $\frac{1}{2}$  of 1 per cent to  $\frac{3}{8}$  of 1 per cent, and rates on prime commercial paper from a range of  $1\frac{1}{2}$ — $1\frac{3}{4}$  per cent to a range of  $1\frac{1}{4}$ — $1\frac{1}{2}$  per cent.