



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 28, 1933

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Ass't Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

COMMERCE and industry in the Eighth District during the past thirty days continued the almost unbroken downward trend which has been in progress since the fall of 1929. A majority of available business indices for the month of December recorded decreases as contrasted with the preceding month, also with the corresponding period a year earlier. Excepting department stores and some other branches of retail distribution directly affected by the Christmas holiday trade, all lines of merchandising investigated by this bank, with the exception of drugs and chemicals, showed decreases from November to December, and the December volume in most cases was considerably smaller than for the same month in 1931 and the average during the past several years. At industrial plants, particularly iron and steel and others manufacturing heavier and more permanent products, operations in December fell below the low levels reached last summer, and in numerous instances were at the lowest point of the present depression. The record of production and distribution of commodities for 1932 makes an unfavorable exhibit in comparison with the preceding twelve months, also as compared with the average during the past decade.

Preliminary reports covering the first half of January reflect little change from the dull conditions obtaining during the closing weeks of 1932. This is true of both distributing and manufacturing lines. Many plants which had closed prior to the holidays for inventorying, repairs, etc., had not resumed operations at the middle of January, and their plans for again going into production are largely contingent upon current demand for their products. Where operations have been resumed, reduced schedules are the rule. There has been no deviation among merchants and ultimate consumers from the policy of purchasing for actual requirements, and this attitude is reflected in commitments for raw materials, advance ordering of which is in considerably smaller

volume than is usual at this season. The movement of seasonal goods, notably fuels, apparel, and chemicals, has been retarded by the mild winter.

Holiday trade got under way later than is ordinarily the case, and in both the large cities and country, the volume was below expectations. Reports from all sections of the district reflected demands for the cheaper grades of goods, and more than ever before, Christmas shopping embraced necessary articles rather than luxuries. Temporary increases in employment of help in connection with the holiday trade were offset by further releases at factories and in seasonal occupations. A favorable factor in the situation as a whole is the generally low state of commodity inventories. Prolonged postponement of filling requirements for goods of all descriptions has created potential demand, and in the immediate past wholesalers and manufacturers report an increased volume of inquiry, the character of which indicates urgent need for the merchandise specified.

The volume of retail trade in December, as reflected by sales of department stores in the principal cities, was 38 per cent greater than in November, but 26 per cent less than in December, 1931. For the year 1932, sales of these stores showed a decrease of 23 per cent as compared with the preceding twelve months. Combined sales of all wholesaling and jobbing firms reporting to this bank were 37 per cent smaller in December than in November, and 38 per cent less than in December, 1931; for the year aggregate sales were about one-fourth smaller than in 1931. The value of permits issued for new buildings in the five largest cities of the district in December was 46 per cent smaller than in November, and 96 per cent less than in December, 1931. Total for the year was two-thirds less than in 1931, and 89 per cent below the average during the past ten years. Construction contracts let in the Eighth District in December were 47 per cent smaller than in November, and 54 per cent less than the

December, 1931 total; for the year the aggregate was one-half less than in 1931, and 71 per cent less than the 8-year average. Debits to checking accounts in December showed an increase of 15 per cent over the preceding month, but were about one-fourth smaller than the December, 1931 total. The total for 1932 was smaller by approximately 26 per cent than in 1931. The amount of savings accounts in selected banks showed no change between December 7 and January 4, and on the latter date was slightly larger than a year ago.

The closing weeks of December were marked by a continuance of the irregular decline in freight traffic handled by railroads operating in this district which has been in progress for many months, with the result that total car loadings for 1932 receded measurably below those of the preceding several years. Since the first week in January a moderate increase in loadings of certain classifications is noted, but the volume is still considerably below the average at the same time during the past three years. Mild weather has tended to restrict the movement of fuels. For the country as a whole, loadings of revenue freight in 1932 totaled 28,194,828 cars against 37,151,249 cars in 1931 and 45,717,079 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 112,123 loads, against 109,661 loads in November, and 127,331 loads in December, 1931. In 1932 a total of 1,553,529 loads were handled, which compares with 1,976,645 loads in 1931 and 2,356,983 loads in 1930. During the first nine days of January the interchange amounted to 29,027 loads, against 42,620 loads during the corresponding period in December, and 40,199 loads during the first 9 days of January, 1932. Passenger traffic of the reporting lines decreased 26 per cent in December as contrasted with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 92,000 tons, as against 112,969 in November, and 168,021 tons in December, 1931. The total movement in 1932 amounted to 1,291,217 tons, against 1,170,319 tons in 1931, and 1,149,174 tons in 1930.

Less satisfactory conditions were reflected in reports relative to collections than during the preceding several months. Slowing down was noticeable particularly in goods of the heavier sort, notably iron and steel and the entire classification of building materials. Settlements with wholesalers in the chief distributing centers continued spotty, both with reference to the several lines and different localities. Wholesalers of dry goods, boots and shoes, hardware and groceries report payments relatively smaller than at the corresponding period a

year ago. In the tobacco growing districts, where marketing of the 1932 crop is in progress, a fair volume of liquidation of loans based on that commodity was reported. Generally through the rural areas, retail collections are slow. Since January 1 retailers in the large cities report moderate improvement as compared with December. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
December, 1932.....	2.0%	14.6%	54.6%	28.8%
November, 1932.....	1.9	16.7	57.3	24.1
December, 1931.....	2.0	21.4	56.2	20.4

Commercial failures in the Eighth Federal Reserve District in December, according to Dun's, numbered 114, involving liabilities of \$1,833,530, against 74 insolvencies in November with liabilities of \$2,732,421 and 168 defaults for a total of \$4,786,681 in December, 1931. In 1932 there were 1,467 failures with liabilities of \$45,468,555, against 1,676 failures with liabilities of \$41,037,704 in 1931, and 1,517 defaults for a total of \$48,948,234 in 1930.

The average daily circulation of the United States in December was \$5,699,000,000, against \$5,642,000,000 in November, and \$5,611,000,000 in December, 1931.

MANUFACTURING AND WHOLESALING

Boots and Shoes — Considerably more than the usual seasonal contraction took place in volume of business in the boot and shoe industry from November to December, sales for the latest month being the smallest for any single month in more than ten years. According to the reporting firms December sales were approximately 55 per cent smaller than in November and 28 per cent less than in December, 1931. Stocks on January 1 were 39 per cent larger than a month earlier, but 19 per cent less than on the opening day last year. Salesmen departed for their several territories during the first week in January, since which time moderate improvement over the December average of sales is reported. Factory operations at the middle of January showed a slight contraction as compared with thirty days earlier.

Clothing — General trends in the clothing industry during the past thirty days showed no marked changes as contrasted with the preceding several months. The sharp drop in temperatures during the last week in December had a stimulating effect on the movement of winter apparel at retail, but clearance of heavy weight clothing, both for men and women, is still considerably below the average. Ordering for spring and early summer

distribution is in smaller than the usual volume. December sales of the reporting interests decreased 39 per cent below the month before. Demand centers in the cheaper merchandise, and the trend of prices was lower.

Drugs and Chemicals—Demand for seasonal merchandise was stimulated by colder weather during the last half of December, and largely as a result of this, sales of the reporting firms in that month were 8.5 per cent larger than in November, and about 1 per cent greater than the December, 1931 total. Inventories continue to decrease, stocks on January 1 being 8 per cent and 14 per cent smaller, respectively, than a month and a year earlier. The trend of prices on staple drugs and chemicals is lower, but there has been little change on patent medicines and proprietary preparations.

Dry Goods—Following the usual seasonal trend, business in this classification decreased from November to December, sales of the reporting interests for the latest month being about one-half less than during the preceding period, and 30 per cent smaller than in December, 1931. Stocks on January 1 were 5.5 per cent larger than a month earlier, but 16 per cent smaller than a year ago. In the yearly sales comparison a considerable part of the decrease is accounted for by the decline in prices, estimated at from 15 to 20 per cent. Save in a slight improvement in advance business, the volume of which is somewhat larger than a year ago, no noticeable change has taken place during the first half of January. There is a disposition to postpone buying, and covering on a number of lines is unusually late.

Electrical Supplies—In conformity with the usual seasonal trend, sales of electrical supplies by reporting dealers in December showed a gain of 9 per cent over the preceding month, but the total was approximately 44 per cent smaller than in December, 1931. Inventories continue to recede, and on January 1 stocks were smaller by 11 per cent than on December 1, and by 24 per cent than on January 1, 1932.

Flour—Production at the twelve leading mills of the district in December was 255,011 barrels against 247,208 barrels in November, and 262,892 in December, 1931. For the year 1932, production at these mills fell 13 per cent below 1931 and 14 per cent below 1930. Inventories are small, even for this time of year, but replenishment is slow, consumers buying only enough for actual requirements.

Furniture—December sales of the reporting interests were 26 per cent smaller than in November, but only 1.4 per cent smaller than for December, 1931. Since January 1 moderate improvement

is noted, a considerable volume of orders having been booked at the annual Chicago furniture show. Retail stocks are universally light. Lack of new residential buying is holding down purchasing of household furniture. Stocks on January 1 were 29 per cent larger than a month earlier, but about one-third smaller than a year ago.

Groceries—Belated orders for holiday goods during the first half of December assisted materially in swelling volume of sales in this classification during that month. While the usual seasonal decline from November and December was in evidence, it was much smaller than the average in recent years. Generally demand still centers in staples and the cheaper descriptions of goods. December sales of the reporting firms were 1.5 per cent smaller than in November and 7 per cent less than in December, 1931. Stocks on January 1 were 9 per cent and 23 per cent smaller, respectively, than a month and a year earlier.

Hardware—The movement of seasonal goods was below average, and this in conjunction with lower prices was reflected in a decrease of 14 per cent in December sales of the reporting firms as compared with the same month in 1931, and of 19 per cent as compared with the November, 1932, total. There was a further shrinkage in inventories, stocks on hand as of January 1 being 7 per cent smaller than a month earlier, and 19 per cent less than a year ago.

Iron and Steel—The last half of December witnessed the lowest stage of operations in the iron and steel industry in this district for the entire year. Slowing down in activities at ferrous working plants occasioned by the holidays and inventorying was more pronounced than has been the case in recent years. Only slight betterment has taken place since January 1, and a number of establishments which closed in late December have not resumed operations, and their plans for doing so are indefinite and closely dependent upon current orders and specifications. Inventories of finished and semi-finished goods are universally low, and in the immediate past purchases to replenish depleted stocks have shown an increase. Due chiefly to this fact, sentiment among sellers is somewhat more optimistic than was the case thirty days ago. While still below expectation, automotive releases have improved moderately since the first of the year, and some new inquiry and small orders are reported. Ordering in volume of rails and equipment by the railroads is still absent, but the carriers have increased their buying of shop supplies, track accessories and other miscellaneous materials. Demand for sheets, plates,

strip and other rolled products during the first half of January has shown more life than during December. Buying of iron and steel scrap in extremely light, and prices at, or around the low point of the present movement. For the country as a whole production of pig iron in December, according to the magazine "Steel", amounted to 547,179 tons, against 625,753 tons in November, and 980,377 tons in December, 1931; total output for the year was 8,674,067 tons, which compares with 18,263,011 tons in 1931 and 31,441,488 tons in 1930. Steel ingot production in the United States in December totaled 844,618 tons, against 1,014,794 tons in November and 1,301,211 tons in December, 1931. In 1932 aggregate production of steel ingots was 13,095,727 tons against 25,192,715 tons in 1931.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in December was 107,403, against 59,556 in November, and 121,533 in December, 1931.

According to dealers reporting to this bank, distribution of automobiles in the Eighth District during December decreased sharply both as compared with the preceding month and a year earlier, and the December volume was the smallest for any single month in more than eight years. For the year, total sales were 38 per cent smaller than in 1931, 54 per cent less than in 1930, and approximately 52 per cent below the average during the past eight years. In the month-to-month comparison the decline was seasonal in character, and of about the same as recorded from November to December in 1931. Dealers reported practically no stimulation in demand from the Christmas trade, which in previous years had been a feature in December business. Generally prospective purchasers were disposed to postpone commitments until after the annual automobile shows and appearance of new models.

December sales of new passenger cars by the reporting dealers were 12 per cent smaller than for November, and 40 per cent less than in December, 1931. While dealers continue to purchase on an extremely conservative basis, deliveries of new models were reflected in a small increase in inventories between December 1 and January 1, but on the latest date were about one-fourth smaller than a year ago. Demand for used cars was relatively more active than for new equipment, and stocks of desirable secondhand vehicles continue light. Used car sales in December were 6 per cent smaller than in November and about 13 per cent less than in

December, 1931. Stocks of salable secondhand cars on January 1 were smaller by 4 per cent and 18 per cent, respectively, than a month and a year earlier. Sales of trucks of all descriptions in December were 15 per cent smaller than in November and 30 per cent less than in December, 1931. According to dealers reporting on that detail, sales of new cars on the deferred payment plan in December constituted 55 per cent of total sales, against 49 per cent in November and 54 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. 1932 comp. to Dec. 1931	12 months ended Dec. 31, 1932 to same period 1931	Dec. 31, 1932 comp. to Dec. 31, 1931	Dec. 31, 1932	Jan. 1, to Dec. 31, 1932	1931
Evansville	—36.9%	—33.3%	—32.2%	1.78	1.97	
Little Rock.....	—28.9	—23.4	—10.6	2.26	2.73	
Louisville	—21.1	—20.1	—21.1	2.65	2.88	
Memphis	—24.6	—21.6	—5.8	3.02	3.27	
Quincy	—29.3	—24.4	—17.2	2.31	2.66	
St. Louis.....	—26.7	—23.3	—19.4	3.63	3.90	
Springfield	—31.5	—33.1	—18.4	1.33	1.75	
8th District.....	—26.1	—22.9	—17.2	3.22	3.51	

Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Dec. 1932 comp. to Dec. 1931	12 months ended Dec. 31, 1932 to same period 1931	Dec. 31, 1932 comp. to Dec. 31, 1931	Dec. 31, 1932	Jan. 1, to Dec. 31, 1932	1931
Men's						
Furnishings	—20.2%	—26.2%	—23.0%	2.96	3.30	
Boots						
and Shoes.....	—28.1	—25.8	—16.3	2.61	2.87	

CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 18 per cent smaller than in November and 12 per cent less than in December, 1931. Detailed figures follow:

	No. of Custom- ers	Dec. 1932	Nov. 1932	Dec. 1932 comp. to Nov. 1932	Dec. 1931	Dec. 1932 comp. to Dec. 1931
		*K.W.H.	*K.W.H.	Nov. 1932	*K.W.H.	Dec. 1931
Evansville	40	1,441	1,341	+ 7.5%	1,644	—12.3%
Little Rock...	35	1,158	1,167	— 0.8	1,240**	— 6.6
Louisville	85	5,047	5,296	— 4.7	4,951**	+ 1.9
Memphis	31	1,290	1,334	— 3.3	1,399	— 7.8
St. Louis.....	194	11,305	15,566**	—27.4	13,733**	—17.7
Totals.....	385	20,241	24,704	—18.1	22,967	—11.9

*In thousands (000 omitted).

**Revised figures.

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in December were 46 per cent smaller than in November, and less by approximately 96 per cent than in December a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in December amounted to \$4,886,658 which compares with \$9,228,107 in November and \$10,570,573 in

December, 1931. Production of portland cement for the country as a whole in December totaled 4,248,000 barrels, against 6,462,000 barrels in November and 5,974,000 barrels in December, 1931. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	70	161	\$ 6	\$ 42	11	17	\$ 5	\$ 3
Little Rock ..	7	20	1	876	36	52	7	17
Louisville ..	14	34	17	1,696	15	20	15	10
Memphis ...	94	63	59	32	123	88	62	79
St. Louis.....	27	130	33	209	84	161	39	78
Dec. totals..	212	408	\$ 116	\$2,855	269	338	\$ 128	\$187
Nov. " ..	281	564	213	509	273	385	133	348
Oct. " ..	456	727	1,063	1,429	490	574	247	279

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 16.4 per cent in combined postal receipts for the final quarter of 1932 over the preceding three months, and a decrease of 4.4 per cent as contrasted with the last quarter of 1931. Detailed figures follow:

	For Quarter Ended				Dec. 1932 comp. to Dec. 1931
	Dec. 31, 1932	Sept. 30, 1932	June 30, 1932	Dec. 31, 1931	
Evansville ..	\$ 139,826	\$ 136,083	\$ 126,021	\$ 142,000	— 1.5%
Little Rock ..	179,505	179,359	142,472	182,000	— 1.4
Louisville ..	644,721	570,929	530,379	659,000	— 2.2
Memphis ...	543,380	465,178	396,273	551,000	— 1.4
St. Louis.....	2,818,143	2,400,267	2,294,185	2,993,000	— 5.8
Total.....	\$4,325,575	\$3,751,816	\$3,489,330	\$4,527,000	— 4.4

AGRICULTURE

Weather conditions in the Eighth District during the past thirty days were varied, but on the whole favorable for growing cereal crops and general farm activities. Harvesting and housing of late crops was about completed by the third week in December. Routine farm work is well up to the seasonal schedule, and in some sections, notably in the south, considerable plowing for spring crops has been accomplished. Cold weather in late December and early January was accompanied over most areas in the northern part of the district by snows, which afforded protection for fall seeded grains. Precipitation over practically the entire district has been adequate, and soil conditions are for the most part favorable, and deficiencies in stock water have been made up. Local damage from floods occurred in parts of Missouri, Arkansas and Mississippi in late December and early this month. Since the first week in January, however, the waters of the Mississippi River and its tributaries have receded, and danger from overflows of major proportions has been minimized.

While showing some improvement since the first week in January, prices of wheat, corn, oats and livestock still continue at low levels, and while weather conditions have been favorable for movement of these commodities to market, receipts have

been below expectations, due to a disposition on the part of producers to hold their stocks for higher prices. Marketing of rice and tobacco continued on a large scale, with prices showing no marked change as compared with those realized in the opening weeks of the season.

Winter Wheat—According to the U. S. Department of Agriculture, the combined areas of wheat seeded last fall in states including the Eighth District was 4,981,000 acres, which compares with actual seeding of 5,069,000 acres in the fall of 1931 and 5,630,000 acres in 1930. The December condition of the crop in all these states was below that at the corresponding time last year and the 10-year (1920-1929) average.

Corn—Except where farmers have intentionally left their corn in shock in the field, husking and cribbing had been completed by the end of December. The crop in this district is an unusually large one, and average quality high. Large quantities of corn are being fed to livestock in localities where it was produced, the low prevailing prices proving a discouragement to shipping to market. Due to the large crop and heavy carryover, stocks on farms at the middle of January were the largest for that time in many years. Production of corn in the Eighth District in 1932 was 380,505,000 bushels, which compares with 387,747,000 in 1931, and a 9-year average (1923-1931) of 342,534,000 bushels. The price of corn continued to decline in late December, and at the end of that month touched the lowest point in more than thirty-five years.

Fruits and Vegetables—Production of fruits and vegetables in states of the Eighth District in 1932 was considerably below the average, and prices realized for these products were the lowest in recent years. An exception to the low production was white potatoes, the crop of which in the Eighth District was estimated by the U. S. Department of Agriculture at 13,167,000 bushels, an increase of 658,000 bushels over the 1931 crop, and comparing with a 9-year average of 14,596,000 bushels. Scattered reports, particularly from the Ozark region, indicate larger acreages of strawberries for harvest this year than in 1932.

Live Stock—Conditions through the late fall and winter were ideal for livestock, and the condition of herds at the beginning of the new year was unusually favorable. Feed and fodder are abundant and cheap, and in practically all the principal stock raising sections, water supply is adequate to all requirements. Prices of hogs continued at, or around the lowest levels of the present depression, and the market for cattle and sheep, also continued weak.

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

	Receipts			Shipments		
	Dec. 1932	Nov. 1932	Dec. 1931	Dec. 1932	Nov. 1932	Dec. 1931
Cattle and Calves.....	65,695	85,145	83,326	38,559	53,269	51,880
Hogs	201,455	197,391	276,951	159,342	166,530	180,420
Horses and Mules.....	1,853	2,473	1,517	1,692	3,304	1,565
Sheep	43,869	44,736	39,157	12,209	7,676	8,372

The following table shows comparative receipts and shipments for the years 1932, 1931 and 1930:

	Receipts			Shipments		
	1932	1931	1930	1932	1931	1930
Cattle and Calves	1,064,438	1,170,781	1,203,138	631,826	755,140	768,842
Hogs	2,626,277	2,970,316	3,459,011	1,946,818	2,321,835	2,805,213
Horses and Mules	35,518	40,101	51,104	33,571	40,655	52,547
Sheep	710,905	660,897	583,870	197,033	220,027	212,839

Cotton—The Eighth District cotton crop in 1932 is estimated by the U. S. Department of Agriculture at 2,515,000 bales, which compares with 3,740,000 bales raised in 1931, and a 9-year average of 2,726,000 bales. Weather for picking the remnant of the crop remaining in the fields during the last half of December was unfavorable, but the amount of this was too small to materially affect the year's production figures or average quality. Some plowing for the new crop has been done, but due to low prices prevailing and prospective heavy carryover, acreage plans are very indefinite, and have been further confused by the Domestic Allotment Plan of farm relief pending in Congress. Demand for raw cotton during the past thirty days developed no noteworthy change as contrasted with the similar period immediately preceding, but prices have advanced slightly since the closing week in December. In the St. Louis market the middling grade ranged from 5.30c to 6.05c per pound between December 15 and January 15, closing at 5.75c per pound on the latter date, which compares with 5.45c per pound on December 15, and 6.25c per pound on January 15, 1932. The forwarding movement of cotton is on a heavier volume basis this season than last. Shipments from Arkansas compresses from August 1, 1932, to January 13, 1933, totaled 799,792 bales against 655,377 bales for the corresponding period last season, with receipts last season 145,451 bales greater than at the same date this year. Stocks on hand on January 13 were 651,354 bales, against 741,763 bales on December 12, and 667,822 bales on January 15, 1932.

Tobacco—Markets in both the burley and dark tobacco districts were closed December 22 for the holidays and sales were resumed on January 2. During the interim favorable weather permitted farmers to prepare stock, and offerings at the reopenings were large. A considerable percentage of the burley crop consists of colory, thin grades suitable

for cigarettes and pipe tobacco. Due to its texture and light weight, it is believed that 1932 burley production in many localities will fall short of early estimates. At the middle of January unofficial estimates indicated that about 200,000,000 pounds of burley tobacco had been sold at a general average of \$13.50 per cwt., which compares with 222,000,000 pounds, at an average of \$9.57, during the same period last year.

In the dark tobacco sections the air-cured crop is moving rapidly at relatively low averages. In the fired districts of Clarksville and Springfield, Tennessee, and Hopkinsville, Ky., sales increased, and average quality and prices were better than prior to the holiday recess. In the western district markets, sales have been below expectations, with price and quality little changed from the initial marketings of the season.

COMMODITY PRICES

Range of prices in the St. Louis market between December 15, 1932, and January 16, 1933, with closing quotations on the latter date and on January 15, 1932, follow:

			Close	
			Jan. 16, 1933	Jan. 15, 1932
Wheat				
May	per bu.	\$.51¾	\$.43½	\$.47½
July51	.43½	.47
No. 2 red winter52	.45	.49½ @ .50
No. 2 hard52	.41½	.49½ @ .50
Corn				
May27½	.25	.25½
No. 2 mixed25¾	.21½	.24 @ .24½
No. 2 white25½	.23½	.23¾ @ .24
Oats				
No. 2 white18¾	.16½	.17½ @ .17½
Flour				
Soft patent.....	per bbl.	3.35	2.90	3.10 @ 3.35
Spring "		4.00	3.65	3.75 @ 4.00
Middling cotton.....	per lb.	.0605	.0530	.0575 @ .0625
Hogs on hoof.....	per cwt.	3.65	2.00	2.10 @ 3.40

FINANCIAL

Demand for credit from all sources in the Eighth District during the past thirty days continued extremely quiet. Requirements of manufacturing and mercantile interests showed considerably more than the usual seasonal decline, and the call for funds to finance stocks, bonds and other investments by the public was in smaller volume than has been the case at this particular period in recent years. Likewise the demand for currency for holiday purposes was less in evidence than in the past. Toward the end of December there was the usual expansion in demand for funds to meet tax, interest and dividend payments. These disbursements, however, had no lasting effect on the situation as a whole, amounting as they did, largely, to a shifting of credits. The diminished volume of business in virtually all lines is reflected in a further shrinkage of acceptances outstanding, also in the volume of brokers' sales of commercial paper, as compared with a year and two years earlier.

Liquidation continued in considerable volume, but as has been the case for a number of months it was spotty in character. January collections of wholesalers and jobbers in the large distributing centers were in the main satisfactory, and permitted of a reduction by these interests of their commitments at banks. In the south, particularly in the tobacco districts where marketing of the 1932 crop is in progress, settlements were in good volume, and there was a substantial reduction in borrowings of country banks from their city correspondents. The heavy outward movement of cotton from this district during the past three months has resulted in a considerable decrease in loans based on that staple.

Total loans and investments of the reporting member banks in the principal cities increased 1.3 per cent between mid-December and January 18, the gain being due entirely to heavier investment holdings, the loan item showing a decrease of 3.5 per cent. Demand deposits increased 4.5 per cent and time deposits decreased approximately 6 per cent, resulting in a slight contraction in total deposits for the period. Heavy withdrawals of balances held with other banks were reflected in a decrease of 27 per cent in the "due from banks" item between December 21 and January 18. There was a further increase in reserve balances of these banks, the total on January 18 being approximately 18 per cent and 8.5 per cent larger, respectively, than a month and a year earlier.

Average borrowings of all member banks from the Federal reserve bank during the four weeks ended January 19 varied in minor degree only as contrasted with the similar period immediately preceding, but continued substantially below the comparable period a year ago. Reversing the usual seasonal trend, the note circulation of this bank increased sharply during the first half of January, due to the desire of banks to strengthen their cash position.

Interest rates continued at the very low levels which have prevailed in recent months. At St. Louis banks current rates were as follows: Customers commercial paper, $3\frac{3}{4}$ to $5\frac{1}{2}$ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4 to $5\frac{3}{4}$ per cent; loans secured by warehouse receipts, $3\frac{3}{4}$ to $5\frac{3}{4}$ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on January 18, 1933, showed a decrease of 3.5 per cent as contrasted with December 21, 1932. Deposits decreased 0.2 per cent

between December 21, 1932 and January 18, 1933 and on the latter date were 6.8 per cent smaller than on January 20, 1932. Composite statement follows:

	*Jan. 18, 1933	*Dec. 21, 1932	*Jan. 20, 1932
Number of banks reporting.....	24	24	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$108,685	\$110,850	\$147,756
All other loans and discounts....	156,832	164,415	229,436
Total loans and discounts.....	\$265,517	\$275,265	\$377,192
Investments			
U. S. Government securities.....	129,111	115,686	90,547
Other securities.....	119,347	116,236	118,987
Total investments.....	\$248,458	\$231,922	\$209,534
Reserve balance with F. R. Bank	43,397	36,805	39,946
Cash in vault.....	16,010	7,367	8,737
Deposits			
Net demand deposits.....	306,632	293,288	316,295
Time deposits.....	187,549	199,180	213,784
Government deposits.....	2,754	5,292	3,340
Total deposits.....	\$496,935	\$497,760	\$533,419
Bills payable and rediscounts with			
Federal Reserve Bank.....	3,490	1,175	9,669

*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. 1932	*Nov. 1932	*Dec. 1931	Dec. 1932 comp. to Nov. 1932	Dec. 1931
East St. Louis & Natl.					
Stock Yards, Ill. \$	16,637	\$ 16,342	\$ 22,810	+ 1.8%	—27.1%
El Dorado, Ark.....	3,306	2,968	4,152	+11.4	—20.4
Evansville, Ind.....	13,872	13,785	18,360	+ 0.6	—24.4
Fort Smith, Ark.....	6,711	6,668	8,939	+ 0.6	—24.9
Greenville, Miss.....	2,819	2,641	3,146	+ 6.7	—10.4
Helena, Ark.....	1,326	1,744	1,692	—24.0	—21.6
Little Rock, Ark....	17,712	16,530	26,123	+ 7.2	—32.2
Louisville, Ky.....	106,940	95,081	124,160	+12.5	—13.9
Memphis, Tenn.....	80,209	83,560	107,010	— 4.0	—25.0
Owensboro, Ky.....	2,844	2,375	4,250	+19.7	—33.1
Pine Bluff, Ark.....	4,385	5,193	6,807	—15.6	—35.6
Quincy, Ill.....	5,094	4,880	7,764	+ 4.4	—34.4
St. Louis, Mo.....	438,060	353,915	594,539	+23.8	—26.3
Sedalia, Mo.....	1,462	1,154	2,465	+26.7	—40.7
Springfield, Mo.....	8,957	8,306	12,123	+ 7.8	—26.1
**Texarkana,					
Ark-Tex.....	5,026	4,963	7,447	+ 1.3	—32.5
Totals	\$715,360	\$620,105	\$951,787	+15.4%	—24.8%

*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 197 member banks against 200 in November, and 241 in December, 1931. The discount rate remained unchanged at $3\frac{1}{2}$ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Jan. 19, 1933	*Dec. 19, 1932	*Jan. 19, 1932
Bills discounted	\$ 8,692	\$ 7,822	\$26,390
Bills bought			11,162
U. S. Securities.....	63,253	66,156	27,886
Federal Inter. Cr. Bk. Debentures.....			880
Participation in Inv. Foreign Banks.....	946	974	1,100
Total bills and securities.....	\$72,891	\$74,952	\$67,418
Total reserves.....	134,079	93,166	98,655
F. R. Notes in circulation.....	133,801	103,992	93,204
Total deposits.....	65,747	56,308	66,425
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	67.2%	58.1%	61.8%

*In thousands (000 omitted).

(Compiled January 21, 1933)

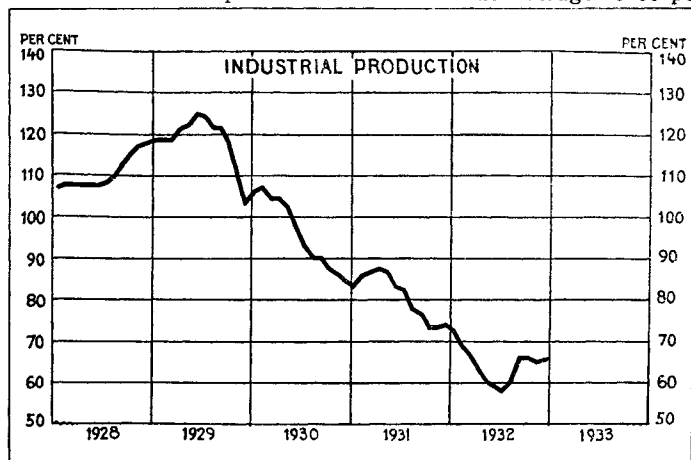
BUSINESS CONDITIONS IN THE UNITED STATES

Volume of industrial production declined in December by slightly less than the usual seasonal amount, while factory employment and payrolls showed a decrease somewhat larger than is usual at this season. The general level of wholesale commodity prices, after declining in December, showed relatively little change in the first half of January.

PRODUCTION AND EMPLOYMENT—In December the Board's seasonally adjusted index of industrial output showed an increase from 65 per cent of the 1923-1925 average to 66 per

cent, ranging, in the first eleven months, from 8 per cent for crude materials to 45 per cent for finished manufactures. Value of imports into this country during 1932 was smaller than in 1931 by 37 per cent.

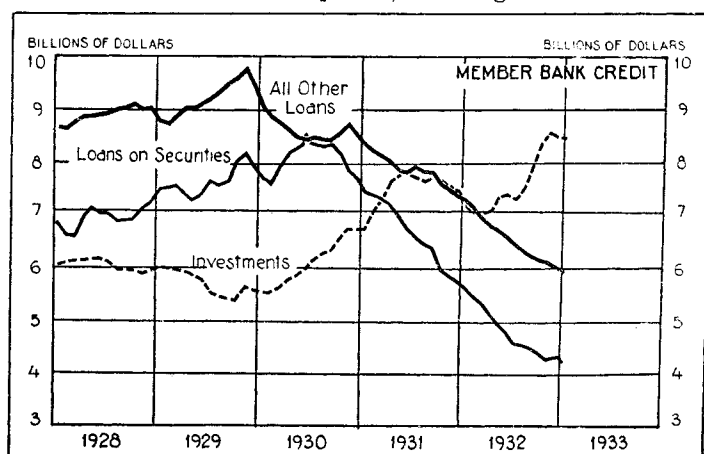
WHOLESALE PRICES—Wholesale prices of many leading commodities, including nonagricultural as well as agricultural products, declined from November to December, and the monthly index of the Bureau of Labor Statistics showed a decrease from 63.9 per cent of the 1926 average to 62.6 per cent as compared



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

cent, the level prevailing in September and October. There was a substantial increase in output of automobiles in connection with the introduction of new models, and lumber production showed a less-than-seasonal decline. In the textile industries there were decreases in output in accordance with the usual seasonal tendency. Activity at steel mills showed a substantial decline in December, followed by a seasonal increase in the first three weeks of January. Volume of employment in manufacturing industries decreased from the middle of November to the middle of December by somewhat more than the usual seasonal amount. Working forces were reduced in the clothing, leather, and building material industries, while at automobile factories there was a substantial increase in employment.

Value of construction contracts awarded as reported by the F. W. Dodge Corporation, declined by more than the usual seasonal amount in the fourth quarter, following a non-seasonal in-

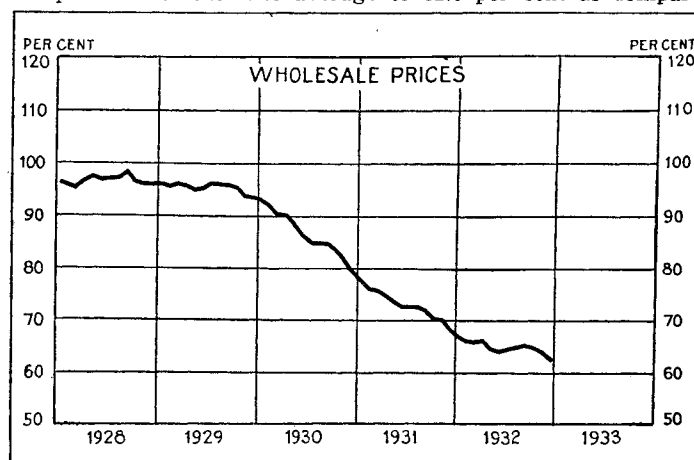


Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in January.

crease in the third quarter. Contracts awarded in the first half of January showed an increase, as measured by daily average figures, reflecting the award of large contracts in connection with construction of a bridge at New Orleans.

DISTRIBUTION—Freight traffic decreased in December by an amount somewhat smaller than is usual at this season. Sales by department stores increased by somewhat less than the usual seasonal amount and were smaller than a year ago by 23 per cent, reflecting in part a decline in prices.

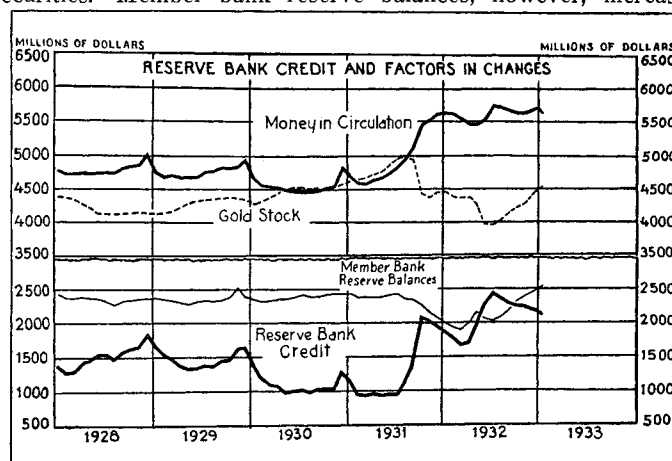
FOREIGN TRADE—Value of exports in December was smaller than in December, 1931, by about one-fourth; for the year as a whole the decline was about one-third, reflecting decreases



Index of United States Bureau of Labor Statistics. (1926=100). Latest figure December, 62.6.

with 68.6 per cent a year ago. In the first half of January, wheat prices advanced from the low levels reached at the end of December and cotton prices increased somewhat, while prices of silk, rubber, and gasoline declined considerably.

BANK CREDIT—In the four weeks from December 21 to January 18, the stock of monetary gold increased by \$80,000,000 and there was a seasonal decline of \$130,000,000 in the volume of money in circulation, a considerably smaller decline than usual, reflecting a smaller than usual increase for the holiday trade in December and some withdrawal of funds accompanying bank suspensions in the middle of January. The reserve funds arising from these two sources were absorbed in part by a reduction of member bank borrowings at the Federal reserve banks and through a decline of \$73,000,000 between January 4 and January 18 in the reserve banks' holdings of United States Government securities. Member bank reserve balances, however, increased



Monthly averages of daily figures. Latest figures are averages of first nineteen days in January.

further during the four-week period by about \$100,000,000 to a level of \$575,000,000 higher than a year ago. Excess reserves of member banks, which have been in substantial volume for several months, also increased during the period.

Volume of member bank credit continued to decline during December and the first part of January. From the middle of December to January 11, total loans and investments of reporting member banks in leading cities declined by \$165,000,000 to a level of about \$350,000,000 above the low point of last summer. The decline was entirely in the banks' loans, while investments showed relatively little change. Money rates in the open market continued at low levels.