



MONTHLY REVIEW

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

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WITH the exception of a limited number of lines, mainly those affected by seasonal influences, commerce and industry in the Eighth District during January continued the recessionary trends which marked the closing months of last year. The rate of the downward movement, however, was less marked than in the last quarter of 1932, and in a number of instances there appeared fairly definite indications of stabilization, both with reference to volume of business transacted and prices. Distribution was handicapped by the unusually mild weather which prevailed throughout the month. In many sections, including the St. Louis area the mean temperature in January was the lowest in more than half a century. This had a tendency to hold down the movement into consumptive channels of all descriptions of seasonal merchandise, but more particularly apparel, fuel, and drugs and chemicals. Decreases in sales volume extended to wholesaling and retailing lines, and in the case of the latter were measurably larger than the average in recent years. With the exception of boots and shoes, hardware and dry goods, all wholesaling classifications showed decreases from December to January, and in all lines the totals were smaller than in January, 1932.

Since the last week in January, earlier conditions were reversed in a sharp drop in temperatures, extending to the most southern tiers of the district and bringing the first protracted cold weather of the winter. Some damage to early truck crops and fruit trees in the south and to the growing wheat crop was occasioned by the cold snap, but on the whole the seasonal weather was beneficial to business. There has been a noticeable pick-up in ordering of merchandise and production and shipments of bituminous coal in all the fields of the district. Another benefit from the freezes has been heavy mortality among hibernating boll weevils in the cotton sections. On the other hand, the extreme cold weather served to increase hardships of the needy unemployed, and applications for assistance made to

the relief agencies were more numerous than heretofore. The employment situation as a whole showed no improvement as contrasted with the preceding thirty days. In the large cities the number of idle workers was increased by releases of clerical help following the holidays.

Manufacturing activities in all lines, especially iron and steel and building materials generally, were considerably below the same time a year ago. A number of plants, including stove, heating apparatus and implement, which closed down for the holiday and inventorying period, are either still idle or have resumed on sharply reduced schedules. While inventories of finished goods are universally light, there is a disposition on the part of merchants to replenish with extreme caution, and in turn manufacturers are making up but little stock for which they have not actual or prospective orders.

As reflected in sales of department stores in leading cities of the district, volume of retail trade in January was 53 per cent smaller than in December and 23.5 per cent less than in January, 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 46.5 per cent larger in January than in December, but 12 per cent smaller than in January, last year. The value of permits issued for new construction in the five largest cities in January was slightly smaller than in December and about 68 per cent less than in January, 1932. Construction contracts let in the Eighth District in January were 3.6 per cent larger than in December and 3.2 per cent more than in January last year. Debits to checking accounts in January showed an increase of approximately 3 per cent over December, but a decrease of 18 per cent under January, 1932.

The volume of freight and passenger traffic handled by railroads operating in this district continued substantially smaller than in the corresponding periods a year and two years earlier. Since the first week in February the sharp drop in temperatures has been reflected in a heavier movement of coal and coke, and moderate improvement has taken

place in some other classifications. For the country as a whole loadings of revenue freight for the first four weeks this year, or to January 28, totaled 1,910,496 cars, against 2,266,771 cars for the comparable period in 1932 and 2,873,211 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines interchanged 111,834 loads in January, against 112,123 loads in December, and 140,912 loads in January, 1932. During the first nine days of February the interchange amounted to 36,361 loads, which compares with 29,027 loads during the corresponding period in January, and 42,158 loads during the first nine days of February, 1932. Passenger traffic of the reporting roads decreased 25 per cent in January as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 81,300 tons, against 93,766 tons in December and 130,807 tons in January, 1932.

Collections generally through the district in January and the first half of February were spotty and irregular, with the average measurably below the preceding several months and a year ago. Wholesalers and jobbers in the principal distributing centers report payments on current accounts are being made promptly, but liquidation of older indebtedness is backward, and requests for extensions are numerous. Similarly, strong accounts are paying their bills when due, with some taking advantage of discounts, but no improvements has taken place in collections from weaker debtors. Retail collections have been noticeably affected by the considerable volume of funds tied up in suspended banks in different sections of the district. Liquidation with both merchants and banks in the tobacco sections have improved since the opening of the markets for the 1932 crop in December. As has been the case for a number of months, collections for manufacturers and distributors of the heavier lines of merchandise are relatively less satisfactory than in the industries dealing in goods for ordinary consumption. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
January, 1933.....	1.9%	9.4%	54.2%	34.5%
December, 1932.....	2.0	14.6	54.6	28.8
January, 1932.....	0.0	18.2	61.0	20.8

Commercial failures in the Eighth Federal Reserve District in January, according to Dun's, numbered 121 involving liabilities of \$1,865,582 against 114 insolvencies in December with liabilities of \$1,833,530 and 158 defaults for a total of \$3,918,464 in January, 1932.

The average daily circulation of the United States in January was \$5,631,000,000, against \$5,699,000,000 in December, and \$5,645,000,000 in January, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes — January sales of the reporting firms were 10 per cent smaller than for the same month last year, but approximately one and one-half times larger than the December, 1932, total. Stocks on February 1 were about one-fourth larger than a month earlier, but 12 per cent smaller than a year ago. The increase in the month-to-month sales comparison is seasonal in character, December being normally a month of small sales volume. The increase this year was somewhat larger than the average during the past decade. Since February 1 there has been a general improvement in orders received, with the movement of heavy footwear more active than earlier in the season. Retailers are universally carrying small stocks, and a large part of orders arriving bear immediate shipment specifications. Factory operations were slightly heavier than during the preceding thirty days.

Clothing — Unusually mild weather in November and December militated against the movement of heavyweight apparel, both at wholesale and retail, and the clearance of such merchandise at the end of January was below expectations. The drop in temperatures early this month served to stimulate demand for seasonal merchandise, and brought in a fair volume of reordering. Purchasing of clothing for spring and early summer distribution is backward, particularly in the south. Sales of the reporting clothiers in January were 5 per cent larger than for the same month last year, but 26 per cent below the December, 1932, total.

Drugs and Chemicals — January sales of the reporting interests were 13 per cent smaller than in December, and 3 per cent below the January, 1932, total. There was a slight increase in inventories between January 1 and February 1, but on the latest date the aggregate was 10 per cent smaller than a year earlier. Since the last week in January there has been a noticeable pick-up in demand for seasonal goods, notably anti-freeze mixtures, denatured alcohol and remedial drugs. Requirements for heavy drugs and chemicals of the general manufacturing trade continue light. Advance ordering of fertilizers is in slightly larger volume than at the same period a year ago.

Dry Goods — Business in this classification showed the usual seasonal betterment from December to January, and the extent of the increase was somewhat greater than the average. This fact, how-

ever, was due to the extremely small sales total recorded in December, as the January volume was the smallest for that month in more than ten years. Since February 1 there has been a noticeable improvement in orders, due partly to filling of requirements postponed from January and to stimulation felt in certain lines from the cold weather. Stocks of retailers continues small, but replenishment is hesitant because of uncertainty relative to prices and the future of general business. January sales of the reporting interests were 34 per cent larger than in December, but 18 per cent smaller than in January, 1932. Stocks on February 1 were about 3 per cent greater than a month earlier, but 13 per cent less than a year ago.

Electrical Supplies—Continued quietness in demand for electrical supplies of all descriptions is reflected in a decrease in January sales of the reporting firms of 43 per cent as compared with December and of 39 per cent as compared with January, 1932. There was a slight increase in inventories between January 1, and February 1, but the aggregate on the latest date was approximately 42 per cent smaller than a year ago. While decreases in both the month-to-month and yearly sales comparisons were general in all lines, they were most pronounced in electrical installations for new buildings, household appliances and radio material.

Flour—Production at the 12 leading mills of the district in January totaled 253,973 barrels, the smallest since last October, and comparing with 261,298 barrels in December and 240,596 barrels in January, 1932. Demand from all sources continued quiet, with purchasing on a hand-to-mouth basis. The large baking interests have not increased their commitments and stocks of distributors are unusually small. Foreign demand has failed to broaden, and exports were confined to routine transactions with Latin-American countries. Prices in early February were a shade higher than thirty days earlier, due to the advance in cash wheat. Mill operations were at from 40 to 45 per cent of capacity.

Furniture—January sales of the reporting firms were 5 per cent smaller than in December and 27 per cent less than in January, 1932. Stocks on February 1 were 6 per cent larger than a month earlier, but only one-half as large as on February 1 last year. The decline in sales of household furniture and furnishings continued the almost unbroken downward tendency which has been in effect for the past eighteen months. There was no change in prices as contrasted with the preceding month, but in practically all lines values are substantially lower than a year ago.

Groceries—Depressed prices for farm products tend to hold down purchasing in the country, while unemployment adversely affects business in large industrial centers. Retailers are buying from hand-to-mouth and demand generally centers in the cheaper grades of goods. Sales of the reporting interests in January were 6 per cent smaller than during the preceding month, and 8 per cent below the January, 1932, total. Stocks on February 1 were slightly smaller than a month earlier, and 21 per cent less than on February 1, 1932.

Hardware—Unusually mild weather through January had a tendency to retard the movement of seasonal goods, but noticeable betterment has taken place in demand for such merchandise with the lower temperatures since February 1. Generally the outlet for hardware through the building industry has failed to broaden, sales of builders' tools and hardware being the smallest for this particular period in a number of years. January sales of the reporting firms were 5.5 per cent larger than in December, but 11 per cent smaller than in January, 1932. Stocks decreased slightly between January 1 and February 1, and on the latest date were 6 per cent larger than a year ago.

Iron and Steel Products—Only moderate improvement from the holiday low was noted in the iron and steel industry during January, and as compared with a year ago, both production and distribution registered a substantial decrease. Since the first of February, however, miscellaneous and scattered demands have resulted in the placement of a fair volume of new business and a decided pickup in specifications on materials previously contracted for. The betterment has been most pronounced in orders received by jobbing foundries, a number of plants having increased their working schedules. Shipments of pig iron to melters in the district during the first half of February were at a slightly heavier daily average rate than during January. Important users of iron and steel, notably the automotive, implement, railroad and building industries, have not increased their purchasing, but in the immediate past inquiries from these sources have been numerous. Demand for sheets, plates and other rolled steel items is confined chiefly to immediate requirements. Wire and wire products continue to lag, with advance ordering of wire mesh for spring delivery being almost entirely absent. Cannery and other users of tin plate are backward in placing contracts for their first half requirements, due to uncertainty relative to general business and unsettled prices. The trend of sheet prices, particularly galvanized, is lower, and this weakness has affected

strip, bars and shafting. For the most part heavy finished steel quotations are firm, but due to the easier tone elsewhere, purchasers of these materials are disposed to caution. A great majority of the stove and heating apparatus plants were still down at the middle of February, and this was true also of farm implement manufactories. Distribution through warehouse and jobbing interests has been restricted by slack demand from the general manufacturing trade and unusually close buying by the more important consuming industries. Quotably pig iron prices were unchanged and scrap iron and steel prices were steady at the low levels reached at the end of last year. For the country as a whole, production of pig iron in January, according to the magazine "Steel", totaled 568,785 tons, against 547,179 tons in December and 971,437 tons in January, 1932. Steel ingot production in the United States in January was 1,006,297 tons, which compares with 844,618 in December and 1,459,450 tons in January, 1932.

AUTOMOBILES

Contrary to the usual seasonal trend, distribution of automobiles in the Eighth District, according to dealers reporting to this bank, showed a substantial gain over December, while in comparison with a year earlier, the January volume showed the smallest decrease for any month since last February. In this general area, January is usually a month of light sales, mainly for the reason that prospective purchasers postpone buying until February in order to get in on the new license year, which begins February 1. Another influence which tends to hold down January sales volume, the disposition to await new models and possible price concessions incident to the annual automobile shows. Business of dealers handling the lower priced cars was relatively better than that of interests selling the medium priced and more expensive makes. Similarly sales of distributors in the large urban centers were relatively larger than those in the country and small towns. Demand for replacement parts and accessories was less active than heretofore, but moderate improvement was noted in retail sales of tires in January compared with a month and a year earlier.

January sales of new passenger cars by the reporting dealers were 20 per cent larger than in December, and 4 per cent less than in January, 1932.

Inventories of new passenger cars increased slightly between January 1 and February 1, reflecting largely heavier factory shipments of new models. However, dealer-purchasing is still along conservative lines, and stocks on February 1 were approximately 30 per cent smaller than a year ago. Demand for used cars continued active, with supplies of desirable vehicles relatively light. Sales of secondhand cars in January were 7 per cent larger than in December, and 6 per cent less than in January, 1932. Stocks of salable secondhand cars increased slightly between January 1 and February 1, and on the latest date were 22 per cent smaller than a year earlier. Sales of trucks of all descriptions in January showed a slight decrease under the preceding month, and the total was 22 per cent smaller than a year ago. The ratio of deferred payment sales to total new car sales in January was 51 per cent, against 55 per cent in December, and 56 per cent in January, 1932.

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	
	Jan. 1933 comp. to Jan. 1932	Jan. 31, 1933 comp. to Jan. 31, 1932	1933	1932	1933	1932
Evansville	-31.2%	-32.2%	.12	.12		
Little Rock.....	-16.1	-29.9	.16	.15		
Louisville	-25.2	-32.7	.19	.18		
Memphis	-20.0	-11.4	.21	.24		
Quincy	-31.1	-15.4	.15	.18		
St. Louis.....	-24.4	-15.2	.26	.28		
Springfield, Mo.....	-12.6	-17.9	.07	.07		
8th District.....	-23.5	-18.5	.23	.24		

Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1933 comp. to Jan. 1932	Jan. 31, 1933 comp. to Jan. 31, 1932	1933	1932	1933	1932
Men's furnishings.....	-28.1%	-27.6%	.21	.21		
Boots and shoes.....	-15.2	-25.0	.22	.21		

CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in January as being 1.7 per cent smaller than in December and 15.1 per cent less than in January, 1932. Detailed figures follow:

	No. of Custom- ers	Jan.	Dec.	Jan. 1933	Jan.	Jan. 1933
		1933 *K.W.H.	1932 *K.W.H.	comp. to Dec. 1932	1932 *K.W.H.	comp. to Jan. 1932
Evansville ...	40	1,321	1,441	- 8.3%	1,663	-20.6%
Little Rock... 35	1,125	1,158	+ 2.8	1,264	-11.0	
Louisville ... 85	4,739	5,047	- 6.1	4,986**	- 5.0	
Memphis 31	1,450	1,290	+12.4	1,933	-25.0	
St. Louis.....196	11,295	11,343**	- .4	13,619**	-17.1	
Totals	387	19,930	20,279	- 1.7	23,465	-15.1

*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 January were 0.9 per cent less than in December, and approximately 68 per cent smaller than in January a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in January amounted to \$5,060,638, which compares with \$4,886,658, in December and \$4,905,453, in January, 1932. Production of portland cement for the country as a whole in January totaled 2,958,000 barrels, against 4,248,000 barrels in December and revised figure of 5,026,000 barrels in January, 1932. Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	75	74	\$ 10	\$ 27	30	24	\$ 8	\$ 3
Little Rock ..	10	12	2	7	45	39	11	11
Louisville ..	21	36	7	47	18	18	18	39
Memphis ...	67	94	34	59	72	123	52	62
St. Louis....	73	132	62	220	112	213	63	174
Jan. totals..	246	348	\$ 115	\$ 360	277	417	\$ 152	\$ 289
Dec. " ..	212	408	116	2,855	269	338	128	187
Nov. " ..	281	564	213	509	273	385	133	348

*In thousands of dollars (000 omitted).

AGRICULTURE

Unusually high temperatures which prevailed through the Eighth District in the late fall and winter to the end of January have been in the main favorable for agriculture. Certain areas including St. Louis and vicinity, had the mildest January this year in more than half a century, the mean temperature being 43.6 degrees, the highest since 1880. Rain-fall over most of the district was about normal for the time of year, though in some sections precipitation was excessive, resulting in more or less serious local flood damage. While snow protection for fall sown cereals was lacking in December and January, relatively little damage resulted because of the high temperatures. Universally soil conditions are good, particularly with reference to subsoil, which over considerable areas has finally made up deficiency of moisture occasioned by successive years of drouth. Since the last week in January, earlier weather conditions were reversed by the sharp drop in temperatures, extending well into the southmost tiers of the district. Scattered reports reflect damage to growing crops and livestock from freezing, but it is still too early to estimate what the ultimate effects on cereal crops will be.

Reports relative to prospective acreages of spring crops vary broadly in different localities. Due to extremely low prices of farm products during the past several years and large carryover stocks, pro-

ducers of certain crops are disposed to cut down their planting programs. On the other hand, numerous agriculturists plan to produce as heavily as possible in order to offset depressed prices with larger quantities to market. Farmers generally possess plenty of food and feed, and will be able to produce this year's crops with a relatively small cash outlay. Farm wages declined steadily during 1932, and current scales are the lowest since 1899. As during the past two years, it is expected that employment of outside help will be unusually light, with most of the work being performed by farmers and their families.

Live Stock—According to the annual survey of the U. S. Department of Agriculture, the aggregate number of livestock on farms in states including the Eighth District on January 1 was approximately 6.5 per cent larger than at the beginning of 1932. However, owing to lower prices the estimated value of these animals on January 1 was 9 per cent less than a year earlier. The aggregate number of cattle, sheep, swine, horses and mules on the opening day this year was 36,772,000 head, having an estimated value of \$548,628,000, which compares with 35,542,000 head, with value of \$603,072,000, on January 1, 1932. There was a slight decline in the number of horses and mules, and sheep, but a substantial increase in cattle, and swine. Price declines extended to all species.

For the country as a whole there was also an increase in cattle and hogs and a decrease in the number of horses, mules and sheep. The number of milk cows increased, but there was a decrease in the number of yearling heifers being kept for milk cows. Total livestock units on January 1, 1933, were 1.8 per cent larger than on the same date in 1932, and about 7 per cent larger than on January 1, 1927, the low point of recent years. Total value of all livestock and of each species declined. In most cases the decreases were due to a sharp drop in value per head. Total value of livestock on United States farms as of January 1 was \$2,661,985,000 compared with \$3,195,532,000 on January 1, 1932 and \$5,994,970,000 on January 1, 1930.

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

	Receipts			Shipments		
	Jan. 1933	Dec. 1932	Jan. 1932	Jan. 1933	Dec. 1932	Jan. 1932
Cattle and Calves.....	70,243	65,695	75,298	38,545	38,559	45,227
Hogs	218,124	201,455	267,476	141,759	159,342	182,231
Horses and Mules.....	5,763	1,853	3,873	4,815	1,692	3,296
Sheep	35,880	43,869	37,050	11,365	12,209	14,806

Fruits and Vegetables—There are scattered reports of injury to fruit trees caused by the sub-zero temperatures during the first half of February. No

comprehensive survey of orchards has been made, however, and the extent of this damage can not be determined at this time. January intention reports reveal a continuation of the shift in potato acreage that has been developing the past two years in increased plantings within trucking distance of the consuming markets and for home use. Growers in a number of commercial producing areas indicate more uncertainty regarding the acreage they will plant in the coming season, but in general there are distinct tendencies toward curtailment in the shipping areas farthest from the markets, and maintenance of expansion in acreage nearer the markets. Due to the heavy production and consequent low prices of sweet potatoes in 1931 and 1932, farmers in many localities are planning to reduce their acreage this season. Intentions to increase strawberry production this season are quite general through the district, but more particularly in the Ozark region. Acreage of tomatoes planted for commercial purposes this year are expected to be smaller than last season.

Cotton—Preparation for the new crop made some progress under favorable weather conditions prior to the cold snap early this month. Since that time little has been done, field work having been brought to a standstill. Reports so far received reflect no intention to plant smaller acreage than a year ago. Applications for production loans from the Government have been numerous, and in the chief cotton raising states of this district, except Arkansas, January fertilizer tag sales were larger than a year ago. While interfering with field operations, the recent sub-zero weather is looked upon as favorable in that it will result in heavy boll weevil mortality. Demand for raw cotton continued quiet, with buyers continuing to confine their purchases to small lots for immediate use. Prices fluctuated within a narrow range, and showed no definite trend. In the St. Louis market the middling grade ranged from 5.65c to 5.95c between January 16 and February 15, closing at 5.80c on the latter date, which compares with 5.75c on January 16, and 6.50c on February 15, 1932.

Receipts at Arkansas compresses from August 1, 1932 to February 10, 1933 totaled 1,141,213 bales, against 1,346,072 bales during the corresponding period a year earlier. Stocks on February 10 were 563,257 bales, which compares with 651,354 bales on January 13, and 637,305 bales on the corresponding date in 1932.

Tobacco—The recent intensely cold weather, together with the small quantity of burley leaf re-

maining unsold, has resulted in a sharp reduction in the volume of tobacco sales. As of February 10 it was estimated that total burley sales amounted to approximately 315,000,000 pounds, at an average of about \$12.60 per cwt. for the season, as compared with about \$9 per cwt. last year and \$15.62 per cwt. in 1931. Decided types of bright tobacco showed but little decline, whereas common grades were cheaper than any time this season. Many of the burley markets had closed at the middle of February. In the dark tobacco districts, the green river and stemming types were reduced in quantity and while prices continue low, there was some improvement during the latter part of January. Due to cold weather, sales were also reduced in the dark-fired areas, and several markets suspended operations. A large part of the crop is bulked down and ready to strip and deliver, and it is expected that the movement to market will be rapid with the return of favorable weather. Just before the cold snap there was more medium to good tobacco sold than usual, with prices ranging higher than earlier in the season.

COMMODITY PRICES

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

	High	Low	Close	
			Feb. 15, 1933	Feb. 15, 1932
Wheat				
May .....per bu.	\$.48½	\$.46½	\$.47½	\$.57½
July .....	.48½	.46½	.48	.58½
No. 2 red winter " "	.50½	.48½	\$.49½ @ .50	\$.56½ @ .57
No. 2 hard " "	.51	.48	.48½ @ .49	.56 @ .57
Corn				
May .....	.26½	.25	.25	.37½
No. 2 mixed .....	.25	.21¾	.24½ @ .25	.34½ @ .35½
No. 2 white .....	.26	.23¼	.24¼ @ .25¼	.35¼ @ .36¼
Oats				
No. 2 white .....	.18	.16¾	.17 @ .17½	.24¾ @ .25¼
Flour				
Soft patent.....per bbl.	3.35	3.10	3.10 @ 3.35	3.36 @ 4.20
Spring patent.....	4.00	3.75	3.75 @ 4.00	4.20 @ 4.50
Middling cotton.....per lb.	.0595	.0565	.0580	.0650
Hogs on hoof.....per cwt.	4.05	2.00	2.65 @ 3.70	3.10 @ 4.20

FINANCIAL

Reflecting the low stage of activity in general business, demand for credit from all classes of commercial and industrial borrowers in the Eighth District continued the steady decline of recent months. Mercantile interests are carrying unusually small inventories and for the most part manufacturers are making up only goods for which they have actual orders or definite prospects of selling. February settlements with closing and jobbing interests were in large volume and permitted of substantial reductions of commitments with their banks. New loans

and extensions at the commercial banks were considerably smaller than loans paid, with the result that total loans of these institutions declined to the lowest point in recent years. There was a further reduction in borrowings of country banks from their city correspondents, particularly in the south, where further progress was reported in liquidation of loans based on tobacco, cotton and rice. Requirements of grain elevator and milling interests are smaller than usual at this season, and aside from a fair demand for funds to finance livestock operations, recourse on the banks for agricultural purposes has been negligible. Liquidation of loans made by loose leaf tobacco warehouses at the opening of the marketing season had been practically completed at the middle of February.

Between January 18 and February 15 total loans and investments of reporting member banks in the principal cities decreased 2.2 per cent, and on the latest date were 12.6 per cent smaller than on the corresponding date in 1932. Demand deposits decreased 5.6 per cent and time deposits 2.6 per cent, resulting in a decrease 4.6 per cent in total deposits. Total investments, which have been moving sharply downward since the second week of January, reached the lowest point since last June, on February 15. Following a sharp decrease during the preceding four-week period, the amount due from other banks increased approximately 4 per cent, and the total as of February 15 was still 97.7 per cent larger than a year ago. Total reserve balances decreased 9.4 per cent.

The total volume of reserve bank credit outstanding at this bank on February 17 was approximately 4 per cent smaller than a month earlier, but about 37 per cent greater than a year ago. Following a sharp advance in mid-January, the circulation of this bank subsequently decreased to \$136,592,000 and on February 1 was \$5,110,000 less than a month earlier, but \$43,212,000 greater than on February 17, 1932.

Quotably interest rates showed no change from the low levels obtaining during the preceding thirty days. 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 February 15, 1933 showed a decrease of 2.6 per cent as contrasted with January 18, 1933. Deposits decreased 4.6 per cent

between January 18, 1933 and February 15, 1933 and on the latter date were 7.9 per cent smaller than on February 17, 1932. Composite statement follows:

	*Feb. 15, 1933	*Jan. 18, 1933	*Feb. 17, 1932
Number of banks reporting.....	24	24	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$105,729	\$108,685	\$141,748
All other loans and discounts.....	152,772	156,832	222,394
Total loans and discounts.....	\$258,501	\$265,517	\$364,142
Investments			
U. S. Government securities.....	126,010	129,111	92,058
Other securities.....	118,170	119,347	119,249
Total investments.....	\$244,180	\$248,458	\$211,307
Reserve balance with F. R. Bank	39,305	43,397	36,504
Cash in vault.....	8,521	16,010	6,722
Deposits			
Net demand deposits.....	289,464	306,632	303,163
Time deposits.....	182,600	187,549	209,197
Government deposits.....	1,800	2,754	2,408
Total deposits.....	\$473,864	\$496,935	\$514,768
Bills payable and rediscounts with Federal Reserve Bank.....	1,539	3,490	5,585

*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.

	*Jan. 1933	*Dec. 1932	*Jan. 1932	Jan. 1933 Dec. 1932	comp. to Jan. 1932
East St. Louis & Natl.					
Stock Yards, Ill.....	\$ 16,623	\$ 16,637	\$ 20,966	— 0.1%	—20.7%
El Dorado, Ark.....	3,290	3,306	3,966	— 0.5	—17.0
Evansville, Ind.....	14,344	13,872	23,216	+ 3.4	—38.2
Fort Smith, Ark.....	6,658	6,711	8,302	— 0.8	—19.8
Greenville, Miss.....	2,871	2,819	3,186	+ 1.8	— 9.9
Helena, Ark.....	1,145	1,326	1,227	—13.7	— 6.7
Little Rock, Ark.....	16,834	17,712	23,320	— 5.0	—27.8
Louisville, Ky.....	107,373	106,940	120,440	+ 0.4	—10.8
Memphis, Tenn.....	88,579	80,209	102,478	+10.4	—13.6
Owensboro, Ky.....	3,473	2,844	5,525	+22.1	—37.1
Pine Bluff, Ark.....	3,943	4,385	5,468	—10.1	—27.9
Quincy, Ill.....	5,101	5,094	6,576	+ 0.1	—22.4
St. Louis, Mo.....	446,957	438,060	550,008	+ 2.0	—18.7
Sedalia, Mo.....	1,647	1,462	2,676	+12.7	—38.5
Springfield, Mo.....	10,450	8,957	11,208	+16.7	— 6.8
**Texarkana, Ark.-Tex.....	5,364	5,026	7,593	+ 6.7	—29.4
Totals	\$734,652	\$715,360	\$896,155	+ 2.7	—18.0

*In thousands (000 omitted).

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

Federal Reserve Operations — During January, the Federal Reserve Bank of St. Louis discounted for 196 member banks against 197 in December, and 257 in January, 1932. 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:

	*Feb. 17, 1933	*Jan. 17, 1933	*Feb. 17, 1932
Bills discounted	\$ 5,364	\$ 9,556	\$22,610
Bills bought			4,823
U. S. Securities.....	65,832	64,620	27,886
Federal Inter. Cr. Bk. Debentures.....			880
Participation in Inv. Foreign Banks.....	947	946	1,100
Total bills and securities.....	\$72,143	\$75,122	\$57,299
Total reserves.....	137,485	145,043	104,693
F. R. Notes in circulation.....	136,592	141,702	93,380
Total deposits.....	64,814	70,951	60,935
Ratio of reserve to deposits and F. R. Note Liabilities.....	68.3%	68.2%	67.8%

*In thousands (000 omitted).

(Compiled February 23, 1933)

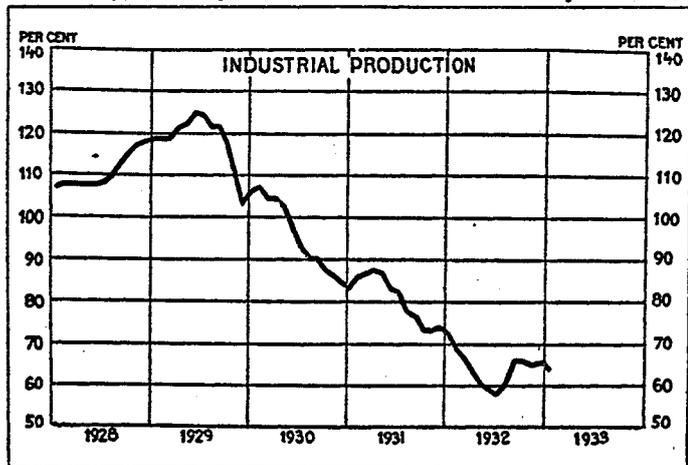
BUSINESS CONDITIONS IN THE UNITED STATES

Volume of industrial production increased in January by less than the usual seasonal amount and factory employment and pay-rolls continued to decline. Prices of commodities at wholesale, which declined further in January, showed relatively little change in the first three weeks of February.

PRODUCTION AND EMPLOYMENT—Industrial activity, as measured by the Board's index, which makes allowance for usual seasonal changes, declined from 66 per cent of the 1923-1925 average in December to 64 per cent in January, which compares with a low level of 58 per cent last July. Output of coal declined considerably, contrary to the usual seasonal tendency. Increases

WHOLESALE PRICES—The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined further from 62.6 per cent of the 1926 average in December to 61.0 per cent in January, reflecting substantial reductions in the prices of crude petroleum, gasoline, textiles and dairy and poultry products. Prevailing prices for wheat, cotton, and hogs in January and the first three weeks of February were somewhat above the low levels reached in December.

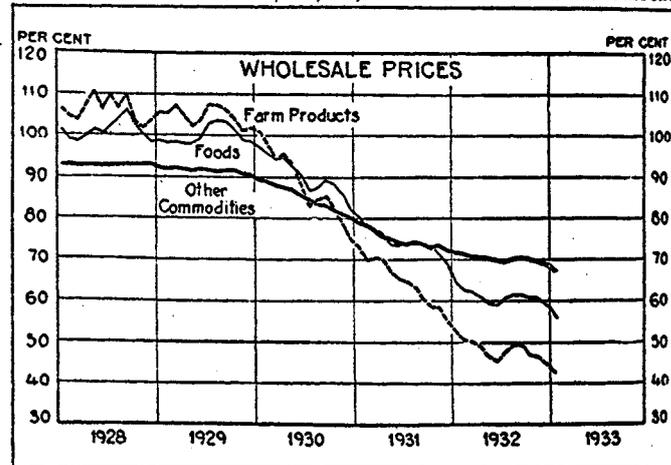
BANK CREDIT—Between January 4, and February 21, there was an increase of \$319,000,000 in the demand for currency,



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure January, preliminary 64.

in activity in the cotton and silk industries were somewhat less than seasonal in amount, and there was a slight decline in production at woolen mills. Output of shoes increased seasonally. Activity in the steel industry showed a seasonal increase during January, and little change during the first three weeks of February. Automobile production, which had increased substantially in December, showed a further slight increase in January.

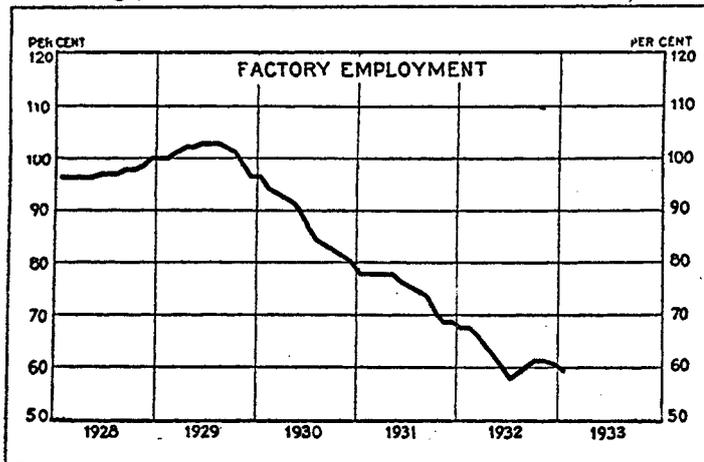
Factory employment declined between the middle of December and the middle of January by considerably more than the seasonal amount. Decreases were reported in most lines except in the cotton, wool, and silk industries, where employment showed little change, and in the automobile and shoe industries, where



Indexes of the United States Bureau of Labor Statistics (1926=100). Latest figures January, farm products 42.6, food products, 55.3, other commodities 61.1.

accompanying banking disturbances in different parts of the country, and a decrease of \$64,000,000 in the country's stock of monetary gold. These demands were met by member banks in part by the use of their balances at the reserve banks, which declined by \$243,000,000 during the period, but continued to be considerably above legal requirements. Reserve bank holdings of United States securities declined by \$88,000,000 between January 4 and February 1, but increased by \$70,000,000 during the following three weeks; their holdings of acceptances increased by \$141,000,000, and discounts for member banks increased by \$76,000,000.

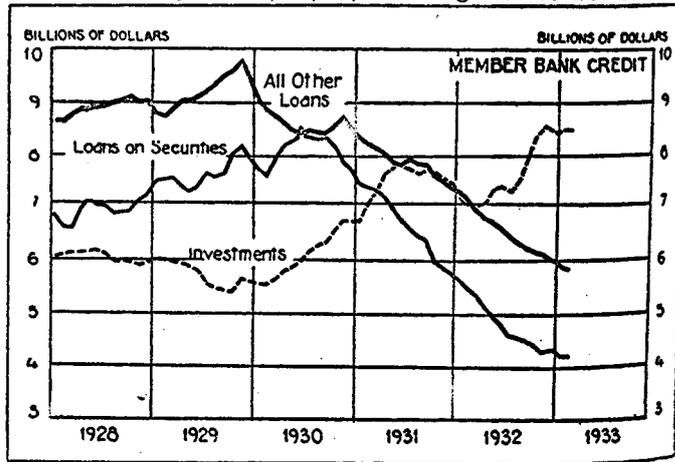
Loans and investments of reporting member banks in leading cities declined by about \$100,000,000 during the five weeks ending



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100). Latest figure January 59.4.

employment increased. Construction contracts awarded were in about the same volume in January as in December, according to the F. W. Dodge Corporation; in the first half of February the value of awards showed a decline.

DISTRIBUTION—Volume of freight traffic was somewhat smaller in January than in December reflecting a reduction in shipments of coal. Sales by department stores decreased after Christmas by more than the usual seasonal amount.



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

February 15. The banks' net demand deposits declined by \$390,000,000 reflecting largely reductions in bankers' balances, and time deposits showed a decrease of \$93,000,000 for the period.

Money rates in the open market were slightly firmer during the first half of February. Open market rates on 90-day bankers' acceptances, which had been $\frac{1}{4}$ of 1 per cent, had increased to $\frac{1}{2}$ of 1 per cent by February 20. Rates on prime commercial paper and on stock exchange loans remained unchanged. The minimum buying rate on bills at the Federal reserve banks of Boston, New York, and Chicago was reduced from 1 to $\frac{1}{2}$ of 1 per cent.