



# MONTHLY REVIEW

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

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FEDERAL RESERVE BANK OF ST. LOUIS

**W**HILE continuing in considerably larger volume than a year ago, general business in the Eighth District during the past thirty days developed slightly slowing tendencies. This was true particularly of the heavy industries. Distribution of commodities made a relatively better showing than production, and greater activity was noted in retail than in wholesale and jobbing lines. Of the wholesaling and jobbing lines investigated, drugs and chemicals, hardware, furniture and groceries recorded increases in August sales over both a month and a year earlier. Dry goods and electrical supplies showed a substantial increase over a year ago, but a decrease under the July total this year. Boots and shoes, an important industry in this area, recorded a smaller volume of sales in August than the preceding month and last year. In the case of dry goods and boots and shoes, the contrary-to-seasonal decrease in sales from July to August was attributable to the fact that much purchasing which is usually done in August was accomplished earlier in the year, largely in anticipation of price advances.

Activities in the iron and steel industry decreased moderately during the last half of August, and have receded further since that time. Shipments of pig iron and scrap to melters in the district during August were slightly below the July peak, but still about one-fourth larger than in August, 1932. Production of bituminous coal in all fields of the district was in excess of the August, 1932, total, also in considerably larger volume than in July this year. Production and shipments of lumber were slightly under the high rate of the two preceding months. Industrial employment and payrolls, which had been steadily increasing since the late spring, showed no marked change as contrasted with the preceding thirty days, increases in certain lines being offset by defections elsewhere. The movement of seasonal merchandise has been retarded to some extent by the unseasonably high temperatures prevailing during the first half of September. On the other hand clearance of summer goods has been

more thorough and satisfactory than during the two preceding seasons.

The September 1 report of the U. S. Department of Agriculture tended to confirm earlier estimates of Eighth District crops. Slightly higher yields than indicated a month earlier were forecast for corn, oats, hay, tobacco, rice, apples and some other less important crops, while the forecast for cotton and potatoes indicated slightly smaller outputs. Taken as a whole, the season was unfavorable for feed crops, yields of which are considerably below average. As contrasted with last year, farm incomes this season are expected to show a substantial increase, due to higher market prices for the principal products. Under mainly favorable weather conditions, harvesting of cotton has made rapid progress, but the movement out of producers hands is in measurably smaller volume than at the corresponding period last year.

Gauged by sales of department stores in the principal cities of the district, the volume of retail trade in August was 22 per cent larger than in the same month last year and 40.2 per cent greater than the July total this year; for the first eight months this year the volume fell 9.3 per cent below that of the comparable period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were smaller by 4 per cent in August than a year ago and 22 per cent below the July total this year; for the first eight months this year, the cumulative total was 18 per cent greater than for the same time in 1932. The dollar value of permits issued for new buildings in the five largest cities of the district in August was 7 per cent greater than in July and more than eight times as large as in August, 1932; the aggregate for the first eight months this year was 127 per cent in excess of that for the comparable period in 1932. Contracts let for construction in the Eighth District in August were 4 per cent larger than in July and 33.2 per cent less than in August, 1932; cumulative total for the first eight months was 28.9 per cent smaller than for

the corresponding period in 1932. Debits to checking accounts in August fell 11.6 per cent below July, but were 8.5 per cent greater than in August, 1932; the cumulative total for the first eight months this year was smaller by 20 per cent than during the same time in 1932.

Freight traffic of railroads operating in this district continued in substantially larger volume than at the corresponding time a year ago, and the decrease in passenger business was less than in preceding months. A particularly favorable showing was made in the movement of ore, forest products, coal and coke, and live stock. For the country as a whole, loadings of revenue freight for the first 35 weeks this year, or to September 2, totaled 18,885,823 cars, against 18,666,647 cars for the corresponding period in 1932 and 25,795,595 cars in 1931. The Terminal Railway Association, which handles interchanges for 28 connecting lines, under its revised system of records, reported 75,980 loads interchanged in August, against 79,492 loads in July and 62,130 loads in August, 1932. During the first nine days of September the interchange amounted to 20,824 loads against 17,981 loads in the same period in 1932. Passenger traffic of the reporting lines decreased 1.5 per cent in August as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 113,000 tons, which compares with 132,893 tons in July and 123,122 tons in August, 1932.

The general status of collections in the district during the past thirty days showed a continuance of the steady improvement which has been in effect since the late spring. While there is still some irregularity and spottiness, the average in all lines investigated reflected moderate betterment as contrasted with the preceding thirty days, and measurable improvement over the corresponding period a year and two years earlier. Payments to retail merchants in the winter wheat areas have picked up in noticeable degree since the marketing of the crop, and there has been considerable liquidation of loans with banks in these sections. Collections of retailers in the cotton districts have also showed decided improvement, a considerable part of the funds payed farmers for crop removal having been used to pay debts. Wholesalers in the large distributing centers report September settlements above expectations. Somewhat greater than the usual improvement in collections was noted by department stores in a number of centers. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
August, 1933.....	4.7%	37.0%	41.3%	17.0%
July, 1933.....	3.6	25.1	58.3	13.0
August, 1932.....	1.7	20.2	56.1	22.0

Commercial failures in the Eighth Federal Reserve District in August, according to Dun and Bradstreet, numbered 45, involving liabilities of \$843,060, as against 60 defaults in July with liabilities of \$1,091,513, and 144 insolvencies for a total of \$3,279,105 in August, 1932.

Money in circulation in the United States on September 13, was \$5,602,000,000 which compares with \$5,612,000,000 on August 16, and an average daily circulation of \$5,720,000,000 in August, 1932.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — For the first time since last March, sales in this classification during August failed to exceed the total of the corresponding month a year earlier. There was also a decrease as compared with July, which is contrary to seasonal trend, August usually being the heaviest sales month of the year. The decrease in both yearly and month-to-month comparison is due chiefly to the fact that purchasing done ordinarily later in the year was accomplished in June and July, both of which months were marked by extraordinarily heavy sales. The reporting firms reported August sales 38 per cent smaller than in July and 27 per cent less than in August, 1932. Stocks on September 1 were 14 and 23 per cent smaller, respectively than a month and a year earlier.

**Clothing** — Adverse weather conditions, uncertainty relative to prices and styles and labor troubles militated against activities in the clothing industry during August and the first half of September. Retailers were disposed to postpone commitments, and the volume of advance orders was considerably below expectations. Some improvement was noted in demand for work clothing, and the clearance of hot weather apparel was more thorough than during the preceding two or three seasons. August sales of the reporting clothiers were 15 per cent smaller than for the same month in 1932, and approximately one-half less than the July total this year.

**Drugs and Chemicals** — Business in this classification continued the steady betterment noted during the preceding three months. August sales of the reporting firms were 14 per cent greater than for the same month last year, and 7 per cent larger than in July this year. Stocks on September 1 were 6.5 per cent larger than a month earlier and 6 per cent less than a year ago. The movement of seasonal merchandise was in large volume, but some

slowing down in demand for heavy drugs and chemicals from the manufacturing trade was noted.

**Dry Goods** — Contrary to the usual seasonal trend, sales of the reporting interests in August showed a decrease of 18 per cent under the preceding month. The August total, however, was 14.5 per cent larger than a year ago. Inventories continued to increase, stocks on September 1 being 6 per cent and 61 per cent larger, respectively than a month and a year earlier. In the yearly comparison a considerable part of the increase was attributable to higher prices. Reports covering the first half of September indicate a slight decrease as contrasted with the corresponding period a year ago. Shipments of ready-to-wear garments were held down by strikes at the manufacturing plants of several of the leading firms.

**Electrical Supplies** — For the fourth consecutive month, sales of the reporting firms recorded an increase over a year earlier. Improvement was general in all lines, but most notable in radio materials, household appliances and electrical installations. The trend of prices was upward, in sympathy with the upturn in raw materials. August sales of the reporting interests were 4 per cent smaller than in July, but 41 per cent larger than in August last year. Stocks on September 1 were 5 per cent and 16 per cent smaller, respectively, than a month and a year earlier.

**Flour** — Production at the twelve leading mills of the district in August totaled 202,982 barrels, against 275,721 barrels in July and 235,734 barrels in August, 1932. Demand was largely of a routine character, there being little disposition on the part of large consumers or jobbers to stock up. The range of prices was narrow, and followed rather closely fluctuations in cash wheat. There was a moderate increase in offerings of new wheat flours, but buyers were taking only enough for current requirements. The export situation developed no change worthy of note as contrasted with the preceding thirty days. Mill operations were at from 48 to 54 per cent of capacity.

**Furniture** — August sales of the reporting firms were 89.1 per cent greater than during that month in 1932, and 62.5 per cent larger than the July total this year. Inventories were lower, September 1 stocks being reported as 8 per cent below a month earlier and 5.5 per cent less than on September 1, 1932. Demand for office furniture and equipment showed moderate betterment. The trend of prices was upward, reflecting the upturn in raw materials.

**Groceries** — For the fourth consecutive month, sales in this classification in August showed an in-

crease over the corresponding period a year earlier. Reports covering the first half of September reflect a slight falling off, both as compared with a month and a year earlier. August sales of the reporting firms were 19 per cent larger than for the same month in 1932 and 9 per cent in excess of the July total this year. Stocks on September 1 were slightly larger than a year ago, and 11 per cent greater than on August 1 this year.

**Hardware** — Further improvement was noted in this classification, August sales of the reporting interests showing an increase of 45 per cent over the same month in 1932, and 6 per cent over July this year. Stocks on September 1 were 5 per cent larger than a month earlier and 11 per cent greater than on September 1 last year. In both the month-to-month and yearly sales comparisons, improvement was general through the entire line, but most marked in goods consumed largely in the rural areas. For the first time in a number of months, sales of builders' tools and hardware were in excess of the preceding year.

**Iron and Steel Products** — The last half of August and the first two weeks of September were marked by a slowing down in activities in the iron and steel business. The August recession was seasonal in character, but less emphatic than is ordinarily the case, despite the fact that the usual slump was little in evidence during June and July. Business during August was characterized by uncertain buying and selling relationships incident to working out of the iron and steel code, also by lack of definite information relative to fourth quarter prices. There was a general disposition to purchase only necessary commodities and new orders placed were mainly small lots for prompt shipment. Specifications on goods previously acquired, however, continued in large volume, many consumers having given shipping instructions on all materials under contract. This was true particularly of raw materials. August shipments of pig iron to melters in this district continued at, or around the season's peak. The melt of pig iron and scrap in August showed little change from July, but was measurably larger than a year ago.

Automotive requirements slowed down, due largely to the fact that manufacturers were in the between-model season, and commitments were confined chiefly to materials to finish runs on present models. Purchasing by the railroads held the moderate improvement noted during the preceding thirty days, but their buying was mainly of materials for shop and repair work. The outlet for iron and steel goods through the building industry failed to ex-

pand, but inquiries and prospective projects were more numerous, indicating more activity in construction during the next few months. Demand for tin plate continued active, with district producers operating at or close to capacity. Otherwise there was a slowing tendency in sheets, plates and other rolled steel commodities. The general trend of prices was higher, with specific advances having been recorded on a number of important items, notably pig iron, tin plate, cold-rolled sheets, hot rolled strip and by-product coke. Stove and heating apparatus plants continued active during the period, save for an interruption of several days occasioned by labor adjustments. Warehouse and iron and steel jobbing interests reported August sales about on a parity with July and measurably larger than a year ago. For the country as a whole, production of pig iron in August, according to the magazine "Steel", totaled 1,833,265 tons, against 1,801,345 tons in July and 528,105 tons in August, 1932. Production of steel ingots in the United States in August amounted to 2,900,611 tons, against 2,203,810 tons in July and 846,730 tons in August, 1932.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in August was 236,480 against 233,088 in July and 90,324 in August, 1932.

Distribution of automobiles in this district during August, according to dealers reporting to this bank, recorded a substantial increase over the preceding month, also over the corresponding month a year ago. The increase in the month-to-month comparison was seasonal in character, August volume during the past decade having invariably exceeded that of July. The extent of the increase this year was considerably above the average during the ten-year period. Demand continues to center chiefly in the cheap-priced field, approximately 80 per cent of August sales being of vehicles in that category. Business of country dealers showed marked betterment in both the yearly and month-to-month comparison. This was attributed largely to higher prices for farm products, and urgent replacement requirements. In both the country and large centers of population, fewer serviceable used cars are being traded in than in preceding years, due to the fact that in many instances owners have prolonged the use of their cars to the point where they have little or no exchange value. This is particularly true in the rural areas.

August sales of new passenger cars by the reporting dealers were 78 per cent larger than in July, and about one-fourth greater than in August, 1932.

Truck sales in August were larger by about one-half than both a month and a year earlier. Stocks of new passenger cars in dealers' hands on September 1 were 12 per cent larger than on August 1, and 2 per cent less than on September 1, 1932. Demand for used cars continued active, August sales showing a slight gain over the preceding month and an increase of 22 per cent over the corresponding period a year ago. Salable second-hand cars in stock on September 1 were 6 per cent and 12 per cent larger, respectively, than a month and a year earlier. The ratio of deferred payment sales to total sales of dealers reporting on that detail in August was 44 per cent, against 48 per cent in July, and 51 per cent in August, 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
Aug. 1933 comp. to Aug. 1932	8 months ended Aug. 31, 1933 to same period 1932	Aug. 31, 1933 comp. to Aug. 31, 1932	Jan. 1, to Aug. 31, 1933 1932
Evansville ....	+40.4%	-4.2%	-14.3%
Little Rock...	+10.5	-13.9	+17.0
Louisville ....	+38.4	-10.5	-19.7
Memphis .....	+9.6	-11.1	+5.6
Quincy .....	+13.3	-12.9	-13.0
St. Louis.....	+23.4	-8.1	+3.5
Springfield ..	+25.4	-15.8	-10.4
8th District...	+22.0	-9.3	+1.4

Retail Stores			
Net sales comparison		Stocks on hand	Stock turnover
Aug. 1933 comp. to Aug. 1932	8 months ended Aug. 31, 1933 to same period 1932	Aug. 31, 1933 comp. to Aug. 31, 1932	Jan. 1, to Aug. 31, 1933 1932
Men's Furnishings .....	+39.7%	-9.6%	-4.4%
Boots and shoes .....	+11.0	-12.6	-25.8

### CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in August as being 2.5 per cent smaller than in July and 14.8 per cent more than in August, 1932. Detailed figures follow:

No. of Customers	Aug., 1933 *K.W.H.	July, 1933 *K.W.H.	Aug. 1933 comp. to July, 1933	Aug., 1932 *K.W.H.	Aug. 1933 comp. to Aug. 1932
Evansville ..	40	1,875	2,534	1,703**	+89.9%
Little Rock..	35	2,026	1,925	1,231**	+64.6
Louisville ....	85	7,420	7,706	6,139**	+20.9
Memphis .....	31	1,450	1,433	1,167	+24.3
St. Louis.....	196**	19,926	19,934**	18,254**	+9.2
Totals .....	387	32,697	33,532	28,494	+14.8

\*In thousands (000 omitted).

\*\*Revised figures.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in August was 7.2 per cent more than in July, and 838.9 per cent more than the August, 1932 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the

Eighth Federal Reserve District in August amounted to \$6,237,834, which compares with \$5,996,250 in July and \$9,340,382 in August, 1932. Production of Portland cement for the country as a whole in August totaled 8,223,000 barrels, against 8,609,000 barrels in July and 7,835,000 barrels in August, 1932. Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	134	131	\$ 34	\$ 39	66	40	\$ 9	\$ 9
Little Rock ..	14	7	8	3	79	64	13	13
Louisville ..	42	40	291	41	38	43	55	40
Memphis ...	63	89	83	50	121	79	37	30
St. Louis....	222	170	3,461	280	218	199	147	116
Aug. totals..	475	437	\$3,877	\$ 413	522	425	\$ 261	\$298
July " ..	476	451	3,615	449	447	436	318	529
June " ..	420	504	792	503	526	452	257	269

\*In thousands of dollars (000 omitted).

### AGRICULTURE

Prospects for Eighth District crops improved moderately during August, and this betterment in the case of a number of important productions continued through the first half of September. Of the principal crops, larger yields are indicated on September 1 than a month earlier for corn, oats, hay, tobacco, rice, sweet potatoes and apples. Slightly smaller yields are forecast for potatoes and cotton. Fairly general precipitation during August was beneficial to all late crops and pastures. The moisture also served to condition the soil for cultivation, and considerable progress was made in plowing and preparations for seeding winter wheat and other fall planted crops. Harvesting and threshing of grains was practically completed, and latest returns tend to confirm estimates of yields made earlier in the season. Final estimates of production of late crops are still dependent on weather from this time forward. Due to late planting of corn and a number of other feed and forage crops, it is of material importance to best results that frosts be delayed longer than average dates. Harvesting of cotton has made considerable progress. The supply of farm labor in all parts of the district, except in limited areas in the cotton and tobacco sections, continued in excess of demand. As was the case earlier in the season, farmers were operating with a minimum of hired help, which fact, coupled with other economies, has enabled them to produce this year's crops at smaller cost than in the past.

**Corn** — Based on the September 1 condition, the U. S. Department of Agriculture estimates the yield of corn in the Eighth District at 284,650,000 bushels, a gain of 14,478,000 bushels over the August 1 forecast, and comparing with 380,505,000 bushels harvested in 1932, and a 10-year average (1923-1932) of 351,832,000 bushels. Generally the crop continues to reflect the adverse effects of drouth, late planting and chinch bugs. The visita-

tion of that insect pest in many sections is the worst on record, and so concentrated that corn was being killed outright. Planting conditions as a whole were the worst in recent years, and much of the crop was put in so late as to accentuate frost hazard. August precipitation benefited the crop in many sections, but elsewhere rains were too late or scanty to help, and a considerable quantity of corn is being cut for silos.

**Winter Wheat** — No change took place during August in the estimate of winter wheat production, the indicated output in this district being 35,900,000 bushels, which compares with 33,885,000 bushels harvested in 1932, and a 10-year average of 50,163,000 bushels. Preparations for planting the new crop have made good progress, except in limited areas where drouth has rendered the soil difficult to work. Seeding is expected to be well under way during the next two weeks.

**Fruits and Vegetables** — Prospects for fruits and vegetables improved slight during August, but despite this fact, yields of all species will be considerably below the average. The tonnage, of the principal vegetables grown for canning and manufacturing are expected to be somewhat below the light supply of last year, and considerably smaller than average production during the preceding five years. Peaches, notably in Illinois and parts of the Ozark region, turned out better than early expectations. Apples are being harvested, and scattered reports indicate much poor quality fruit. The white potato crop in this district is the smallest in more than a quarter of a century, due to adverse weather from the time of planting to harvest. The yield is estimated, as of September 1, at 8,289,000 bushels, against 13,164,000 bushels in 1932, and a 10-year average of 14,453,000 bushels. The U. S. Department of Agriculture in its September 1 report estimates the apple crop in states entirely or partly within the Eighth District at 13,829,000 bushels, of which 1,806,000 barrels represent commercial crop, against 7,174,000 bushels in 1932, with 1,089,000 barrels commercial crop, and a 5-year average (1926-1930, of 17,985,000 bushels, of which 1,993,000 barrels were commercial production. In these states the peach crop is estimated at 4,126,000 bushels, against the practical failure of 1,259,000 bushels in 1932, and a 5-year average of 7,262,000 bushels; pears, 898,000 bushels against 439,000 bushels in 1932 and a 5-year average of 1,645,000 bushels; grapes, 33,356 tons against 33,979 tons in 1932 and a 5-year average of 30,659 tons; sweet potatoes, 18,203,000 bushels, against 21,435,000 bushels in 1932 and a 5-year average of 15,951,000 bushels;

peanuts, 39,450,000 pounds, against 43,290,000 pounds, in 1932 and a 5-year average of 27,703,000 pounds.

**Live Stock**—Reports from virtually all sections of the district indicate little change from the favorable conditions in livestock which have existed throughout the year. Due to scarcity and high cost of feed crops, farmers in many localities are preparing to reduce the size of their herds. According to the Department of Agriculture, feed grain production this season will be about four-fifths of the 10-year average. Pastures and hay crops showed moderate improvement in August, but the September 1 condition of pastures was the second lowest on record for that date. Tame hay production in the Eighth District is estimated by the Department at 5,006,000 tons, which compares with 4,964,000 tons in 1932, and a 10-year average of 6,991,000 tons. The production of milk continues to increase in comparison with last year.

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

	Receipts			Shipments		
	Aug., 1933	July, 1933	Aug., 1932	Aug., 1933	July, 1933	Aug., 1932
Cattle and Calves.....	114,927	94,863	120,775	57,711	46,014	78,408
Hogs .....	292,906	263,363	188,755	160,089	144,849	148,855
Horses and Mules.....	4,492	2,463	1,902	4,123	3,196	1,754
Sheep .....	60,172	81,489	65,702	8,632	15,002	12,781

**Cotton**—Eighth District cotton prospects declined slightly from August to September. In its report, based on conditions as of September 1, the U. S. Department of Agriculture estimates the district yield at 2,575,000 bales, a decrease of 78,000 bales under the August 1 forecast and comparing with 2,942,000 bales produced in 1932 and a 10-year average (1923-1932) of 2,705,000 bales. There are scattered reports of boll weevil infestation, which have become more numerous since the last week in August. In some important growing areas this pest is reported to be more prevalent than since 1923. Generally, however, the crop is in good condition and weather in the main has been favorable for growth and development of the plant. In all states of the district, the movement of the Agricultural Adjustment Administration to reduce acreage has met with general cooperation of farmers. The acreages indicated for removal, by states, are as follows:

	Acres to be removed	Acres in Cultivation July 1	Percent of Acreage in Cultivation July 1
Arkansas .....	925,000	3,642,000	24.4
Mississippi .....	925,000	3,936,000	23.5
Missouri .....	110,000	451,000	24.4
Tennessee .....	250,000	1,167,000	22.3
Totals .....	2,220,000	9,196,000	24.1

Harvesting in the southern tiers of the district has made considerable progress, and the movement

from farms, as indicated by receipts at compresses, is considerably smaller than during the corresponding period a year ago. As contrasted with the preceding thirty days, prices fluctuated in a relatively narrow range. In the St. Louis market the middling grade ranged from 8.30c to 9.30c per pound between August 16 and September 15, closing at 9.15c on the latter date, which compares with 8.30c on August 16, and 6.70c on September 15, 1932. Receipts at Arkansas compresses from August 1 to September 15 totaled 40,472 bales, against 123,775 bales during the corresponding period last year. Stocks on hand on September 15 totaled 248,353 bales against 395,609 bales on the corresponding date in 1932.

**Tobacco**—There was a further improvement in tobacco prospects in this district in August, the U. S. Department of Agriculture in its September 1 report estimating the crop at 306,759,000 pounds, an increase of 15,037,000 pounds over the August 1 forecast, and comparing with 261,257,000 pounds harvested in 1932, and a 10-year average of 308,565,000 pounds. Cutting of the crop in the burly sections has been completed, and considerable progress has been made in harvesting in the dark tobacco districts. Under influence of warm, dry weather, following August rains, curing of the leaf has been mainly satisfactory. Late planted tobacco has developed rapidly, and auspicious weather conditions since September 1 have had the effect of raising quality of the leaf. Farmers throughout the district are exerting extraordinary efforts to prevent house-burn and otherwise obtain best curing results.

## COMMODITY PRICES

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

	High	Low	Close	
			Sept. 15, 1933	Sept. 15, 1932
Wheat				
Sept. ....per bu..	\$.92	\$.82	\$.89½	\$.48½
Dec. .... " "	.96½	.85	.92½	.52½
May .....	.99½	.89½	.95½	.58
No. 2 red winter " "	.91¼	.83	\$.91 @ .91¼	\$.51½ @ .52
No. 2 hard " "	.90½	.83	\$.89 @ .89½	.51 @ .52
Corn				
*Sept. .... " "	.53½	.42½	.48 @ .48¾	.26¼
*Dec. .... " "	.59	.48½	.52½ @ .53	.29
*May .....	.63¼	.53¼	.58¾ @ .59¼	.33¾
No. 2 mixed " "	.53	.45	.48 @ .48½	.28½ @ .29
No. 2 white " "	.56½	.49	.51 @ .51½	.30 @ .30¾
Oats				
No. 2 white .....	.39	.35¼	.37 @ .37½	.18
Flour				
Soft patent.....per bbl.	7.15	6.00	6.35 @ 6.85	2.90 @ 3.25
Spring patent..... " "	7.75	6.05	6.35 @ 6.85	3.80 @ 4.00
Middling Cotton...per lb.	.0930	.0830	.0915	.067
Hogs on Hoof.....per cwt.	4.90	2.35	3.10 @ 4.90	3.10 @ 4.35

\*Nominal quotation.

## FINANCIAL

The banking and financial situation in the Eighth District during the past thirty days was marked by a slight contraction in demand for credit from

commercial and industrial sources, some broadening in requirements for financing agricultural operations and a further easing in interest and discount rates. Liquidation of mercantile and industrial loans at banks in the large cities was for the most part in larger volume than new commitments and renewals, with the result that a moderate decrease was noted in total credit granted by these institutions. In the cotton, rice and tobacco sections, deposits of country banks with their city correspondents showed the usual seasonal contraction, and there was an increase in inquiries for funds to finance the harvesting and movements of these crops. Due to higher prices for wheat, requirements of flour milling and grain elevator interests were on a considerably larger scale than at the same period during the preceding several years. There was some expansion in borrowings of canning and packing interests, purely seasonal in character.

Between August 16 and September 13, total loans of the reporting member banks in the principal cities showed only minor variation, and at \$229,957,000 on the latest date were 17 per cent smaller than a year ago; total investments decreased 2.8 per cent and were 2.9 per cent smaller on September 13 than a year earlier. Total deposits showed practically no change during the four-week period and were slightly larger than a year ago. Reserve balances of these banks on September 13 were 27.5 per cent and 60.6 per cent larger, respectively, than four weeks and a year earlier.

There was a moderate increase in borrowings of all member banks from the Federal reserve bank between August 15 and September 15, but through that period the total was uniformly lower than a year ago. A further contraction took place in the note circulation of this bank. The total volume of reserve bank credit outstanding on September 15 was 9.7 per cent and 10.2 per cent greater, respectively, than a month and a year earlier, the increase in both comparisons being occasioned mainly by expansion in holding of Government securities.

At St. Louis banks, as of the week ended September 15, current interest rates were as follows: Customers' prime commercial paper, 3 to 5 per cent; collateral loans, 4 to 5½ per cent; loans secured by warehouse receipts, 2 to 5½ per cent; interbank loans, 4½ to 6 per cent; cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on September 13, 1933 showed a decrease of 0.6 per cent as contrasted with August 16, 1933. Deposits increased 0.2 per cent

between August 16, 1933 and September 13, 1933 and on the latter date were 3.8 per cent greater than on September 14, 1932. Composite statement follows:

	*Sept. 13, 1933	*Aug. 16, 1933	*Sept. 14, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations		\$ 89,169	\$108,245
and other stocks and bonds....	\$ 88,251	142,066	168,852
All other loans and discounts....	141,706		
Total loans and discounts.....	\$229,957	\$231,235	\$277,097
Investments			
U. S. Government securities.....	140,473	151,419	99,673
Other securities.....	101,979	103,275	109,594
Total investments.....	\$242,452	\$254,694	\$209,267
Reserve balance with F. R. Bank	53,173	41,709	33,106
Cash in vault.....	6,329	6,344	6,327
Deposits			
Net demand deposits.....	280,249	277,980	263,753
Time deposits.....	159,778	160,218	181,278
Government deposits.....	24,014	24,770	2,039
Total deposits.....	\$464,041	\$462,968	\$447,070
Bills payable and rediscounts with			
Federal Reserve Bank.....	670	550	1,334

\*In thousands (000 omitted).

This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

**Federal Reserve Operations** — During August, the Federal Reserve Bank of St. Louis discounted for 67 member banks against 65 in July, and 213 in August, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Sept. 15, 1933	*Aug. 15, 1933	*Sept. 15, 1932
Bills discounted .....	\$ 3,573	\$ 2,436	\$ 11,660
Bills bought .....			
U. S. Securities.....	83,122	76,582	66,156
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks....	174	198	1,009
Total Bills and Securities.....	\$ 86,869	\$ 79,216	\$ 78,825
Total Reserves.....	\$152,627	\$154,340	\$ 93,249
Total deposits.....	92,711	85,682	59,438
F. R. Notes in circulation.....	134,334	135,341	101,219
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.2%	69.8%	58.0%

\*In thousands (000 omitted).

**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.

	*Aug., 1933	*July, 1933	*Aug., 1932	Aug., 1933 comp. to July, 1933	Aug. 1932
East St. Louis & Natl.					
Stock Yards, Ill. ....	\$ 20,313	\$ 18,706	\$ 20,638	+ 8.6%	- 1.6%
El Dorado, Ark. ....	2,937	2,925	3,964	+ 0.4	-25.9
Evansville, Ind. ....	15,005	19,459	12,956	-22.9	+15.8
Fort Smith, Ark. ....	6,690	7,247	7,022	- 7.7	- 4.7
Greenville, Miss. ....	2,148	2,347	2,191	- 8.5	- 2.0
Helena, Ark. ....	1,051	1,128	894	- 6.8	+17.6
Little Rock, Ark. ....	16,295	16,644	15,441	- 2.1	+ 5.5
Louisville, Ky. ....	105,553	120,339	97,289	-12.3	+ 8.5
Memphis, Tenn. ....	66,816	77,682	68,194	-14.0	- 2.0
Owensboro, Ky. ....	2,268	2,335	2,390	- 2.9	- 5.1
Pine Bluff, Ark. ....	3,599	4,518	3,880	-20.3	- 7.2
Quincy, Ill. ....	4,944	5,004	5,102	- 1.2	- 3.1
St. Louis, Mo. ....	386,800	439,589	343,637	-12.0	+12.6
Sedalia, Mo. ....	1,227	1,557	1,386	-21.2	-11.5
Springfield, Mo. ....	8,665	9,446	8,740	- 8.3	- 0.9
**Texarkana, Ark.-Tex. ....	4,897	5,107	4,885	- 4.1	+ 0.2
Totals .....	\$649,208	\$734,033	\$598,609	-11.6	+ 8.5

In thousands (000 omitted).

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

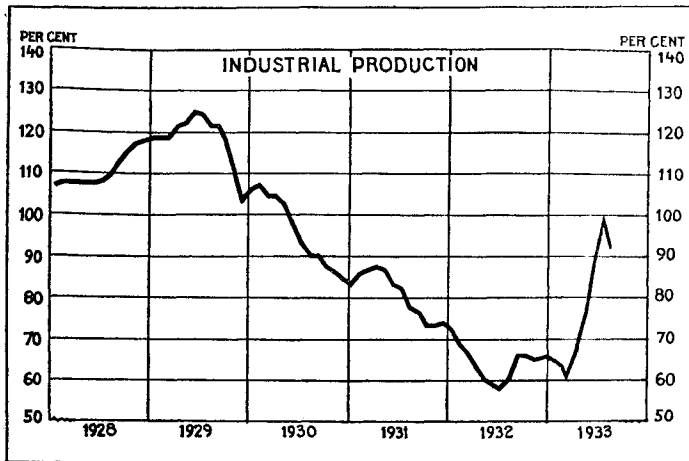
(Compiled September 22, 1933)

## BUSINESS CONDITIONS IN THE UNITED STATES

**PRODUCTION AND EMPLOYMENT**—The Federal Reserve Board's seasonally adjusted index of industrial production, which had been rising rapidly for several months, declined from 100 per cent of the 1923-1925 average in July to 92 per cent in August. The principal decreases were in the primary textile industries, in flour milling, and in output of steel ingots which declined from 59 per cent of capacity in July to 49 per cent in August. Average daily output of automobiles declined somewhat from the level of July. There were increases during the month

volume of freight shipped by rail declined slightly during August, on an average daily basis, although an increase is usual at this time of year.

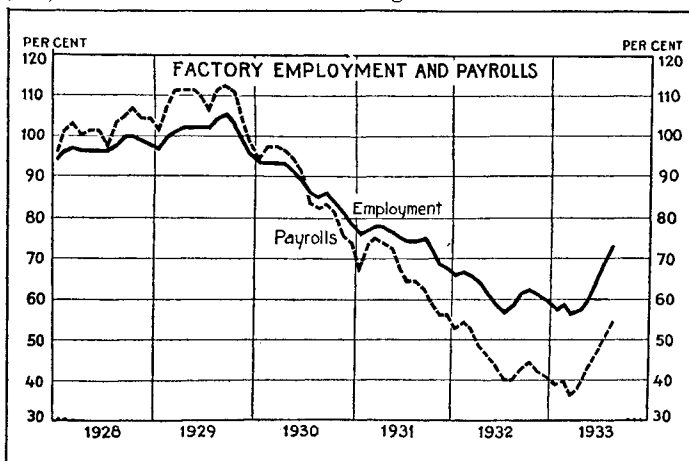
**COMMODITY PRICES**—The general average of wholesale commodity prices fluctuated within a narrow range during August and early September at a level about 17 per cent above the low point of last spring. Prices of individual commodities showed divergent movements, decreases being reported for prices of domestic agricultural products while prices of many manufactured goods, of coal, petroleum, and other industrial raw materials, increased. During the second and third weeks of September prices of commodities in organized markets advanced considerably. Retail prices of goods continued to advance.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure August, 92.

in production of petroleum, nonferrous metals, and cigarettes; output of lumber and coal increased seasonally.

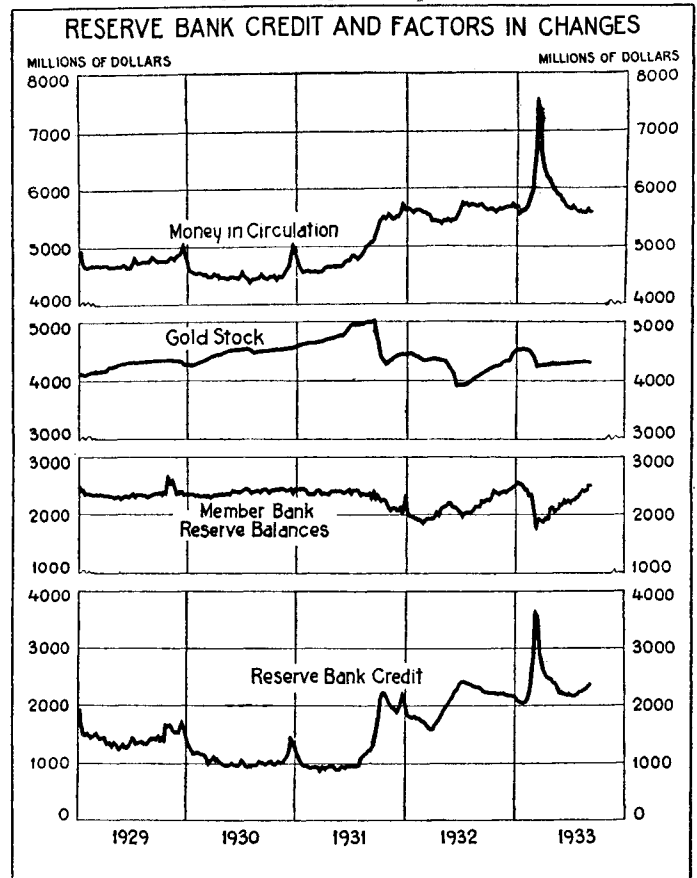
During September, reports indicate further reductions in output of steel and flour; petroleum production slackened under new restrictions, and output of lumber decreased. Increase in employment between the middle of July and the middle of August, the latest date for which figures are available, were general in most lines of industry, and there were numerous increases in wage rates and reductions in working hours. Compared with the low point of last spring there has been an estimated increase of 2,200,000 in number of industrial wage workers.



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100). Latest figures August, employment 73.4, payrolls 55.7.

Value of construction contracts awarded, as reported to the F. W. Dodge Corporation, increased in August owing to awards for public works, particularly highways and bridges; contracts for other types of construction were in smaller volume than in July. An increase of \$1,000,000,000 in gross income of farmers for the year 1933 is indicated by estimates of the United States Department of Agriculture, primarily as a result of higher prices for certain farm products, notwithstanding small crops of grains, hay, and potatoes.

**DISTRIBUTION**—Sales by department stores increased in August, and the Board's index, which is adjusted for seasonal variations, advanced from 71 to 75 per cent of the 1923-1925 average, the highest level since the spring of 1932. The recent increase in dollar sales reflects to a large extent advancing prices. The



Wednesday figures. Latest figure is for September 20.

**FOREIGN EXCHANGE**—In the foreign exchange markets the value of the dollar in terms of the French franc declined from 75 per cent of its gold parity on August 15 to 65 per cent on September 22.

**BANK CREDIT**—At member banks in 90 leading cities, there was a growth of \$200,000,000 in net demand deposits in the four weeks ending September 13, following a decline of \$800,000,000 between the middle of June and the middle of August. More than half of the recent increase reflected a return of bankers' balances to New York City banks. The banks gradually reduced their holdings of United States Government securities following an increase in the week ending August 16, when a new issue of Treasury bonds was sold, and on September 13 their holdings were in about the same volume as in early August. There was some increase in commercial loans both at member banks in New York City and in other leading cities.

Member banks balances at the reserve banks continued to increase during August and the first three weeks of September; excess reserves of member banks reached \$700,000,000. This increase reflected primarily additional purchases of Government securities by the Federal reserve banks, which have averaged \$35,000,000 a week since August 16.

Money in circulation, which usually increases at this season, has shown little change in the past month, indicating a continued return from hoards.

Money rates in the open market showed a renewed decline during August and the first half of September.