



MONTHLY REVIEW

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

Released for Publication On and After the Morning of October 30, 1933

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FEDERAL RESERVE BANK OF ST. LOUIS

THE recessionary trends in trade and industry in the Eighth District noted during the first half of September continued through that month, and were still in evidence, though in lesser degree, during the opening weeks of October. Except in the case of a limited number of commodities affected by seasonal influences, distribution made a relatively more favorable showing than production. In distributive lines consumer goods were considerably more active than those in the category of capital industries. Retail sales increased in September over August, but in less than the usual seasonal amount, and were smaller than a year ago, while the volume of wholesale distribution in September receded sharply than in contrast with the same month in 1932, and was virtually unchanged from that of August this year. Purchasing generally was along more conservative lines than during the summer, and the movement of merchandise through retail channels was held down by unseasonably warm weather which prevailed throughout the district during September.

Of the wholesale lines investigated, drugs and chemicals, electrical supplies, furniture, groceries, and hardware reported larger sales in September than a year earlier. Boots and shoes, dry goods, clothing, and some less important classifications showed declines under the same month in 1932. Operations at iron and steel plants receded further as a whole, but in the case of certain establishments manufacturing seasonal commodities, activities were well sustained and at a substantially higher rate than a year ago. Production and shipments of stoves in September were the largest for that month since 1930, and moderate betterment was reported in actual and prospective business by makers of farm implements and special types of machinery. The melt of pig iron and scrap declined slightly from the August peak, but deliveries to users continued at the recent high levels. Production of bituminous coal in all fields of the district was considerably in excess of a year ago. The move-

ment of building materials, both at wholesale and retail declined moderately from August to September. Sales of electric current to industrial customers by public utility companies in the chief industrial centers were 5 per cent smaller than in August, but 12 per cent greater than a year ago.

Weather conditions throughout the district during September were ideal for agriculture and prospects for most crops improved. Withal, 1933 will be a year of small production as a whole, with feed crops especially much below average. Wheat, corn, oats, cotton and a number of other products declined sharply in price during September, and this downward movement was continued at a more rapid pace during the first half of October. Live stock values hovered around the extremely low levels which have prevailed in recent months.

As reflected in sales of department stores in the chief cities of the district, the volume of retail trade in September was 8.9 per cent greater than in August, but 11.4 per cent less than a year ago; cumulative total for the first nine months this year fell 9.6 per cent below that of the comparable period in 1932. Combined sales of all reporting wholesaling and jobbing firms in September were practically unchanged from August, and 12 per cent smaller than for the same time last year; the total for the first nine months was 13 per cent larger than for the like period in 1932. Dollar value of permits issued in the five largest cities for new construction in September was only about one-eighth as large as in August, and 13 per cent less than in September last year; cumulative total for the first nine months was 110 per cent in excess of that for the same period in 1932. Construction contracts let in the Eighth District in September were 131.4 per cent larger than in August, and 43.4 per cent more than in September, 1932; for the first nine months this year the cumulative total was 18.9 per cent below that for the same period a year earlier. Debits to individual accounts in September were 3.9 per cent and 1.4 per cent larger, respectively, than a month

and a year earlier; the aggregate for the first nine months this year fell 17.9 per cent below that for the comparable period in 1932.

According to officials of railroads operating in this district, freight traffic handled in September showed approximately the expected seasonal increase. Since October 1, however, the trend has been lower, though certain classifications, notably grain and grain products, miscellaneous and coal, continue to move in large volume. Total tonnage moved was considerably in excess of the corresponding period in 1932. For the country as a whole, loadings of revenue freight for the first forty weeks this year, or to October 7, totaled 1,878,102 cars, against 1,853,236 cars for the corresponding period in 1932, and 2,483,350 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 72,333 loads in September, against 75,980 loads in August and 68,343 loads in September, 1932. During the first nine days of October the interchange amounted to 21,285 loads, which compares with 20,824 loads during the same period in September, and 21,554 loads during the first nine days of October a year ago. Passenger traffic of the reporting roads in September decreased 10 per cent as compared with the same month a year earlier, but was 2.3 per cent greater than in August this year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 120,000 tons, against 114,941 tons in August and 94,958 tons in September, 1932.

Reports relative to collections reflect no marked change from the conditions which have obtained since the early summer. While spottiness is noted in certain lines, and in different localities, the trend is toward improvement as contrasted with a year and two years earlier. Wholesalers and jobbers of boots and shoes, dry goods and other lines with which October is an important settlement month, report payments well up to expectations, and in many instances in excess of those at the same time last year and in 1931. Actual losses on weak accounts were measurably smaller than during the two earlier periods. In the rural areas a disposition on the part of farmers to hold their products for higher prices has interfered with collections to some extent, but taken as a whole payments to both merchants and banks in the rural areas have been in considerable volume. About the usual seasonal improvement in collections was reported by department stores and other retail interests in the large centers of population. 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>
September, 1933.....	5.3%	30.4%	49.0%	15.3%
August, 1933.....	4.7	37.0	41.3	17.0
September, 1932.....	1.7	18.6	59.4	20.3

Commercial failures in the Eighth Federal Reserve District in September, according to Dun and Bradstreet, numbered 47, involving liabilities of \$656,537, against 45 defaults in August with liabilities of \$843,060, and 95 insolvencies for a total of \$1,427,874 in September, 1932.

Money in circulation in the United States on October 11, was \$5,673,000,000, which compares with \$5,602,000,000 on September 13, and an average daily circulation of \$5,685,000,000 in September, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes — September sales of the reporting firms showed a decrease of approximately one-fifth as compared with the same month a year ago, and represented the smallest total for any September in more than a decade. As compared with August, the September aggregate was 5 per cent greater, the increase being seasonal in character. Stocks on October 1 were 7.5 per cent smaller than a month earlier, and one-fourth less than on October 1, 1932. Factory operations receded somewhat during September, and there has been a further curtailment of output since October 1.

Clothing — Delayed buying of late fall and winter merchandise was reflected in an increase in sales of the reporting clothiers from August to September, but the total for the latter month was less than one-half as large as during the corresponding period a year ago. Uncertainty relative to prices and labor troubles at many manufacturing establishments are mentioned as the chief factors in a smaller volume of ordering for next spring than is ordinarily the case at this season.

Drugs and Chemicals — The improvement in this classification noted during the two preceding months was continued through September, sales of the reporting interests for that period being 13 per cent larger than in August, and 8 per cent greater than a year ago. In the comparison with a year ago, a considerable part of the increase is accounted for by a larger volume of heavy drugs and chemicals being purchased by the general manufacturing trade. Stocks on October 1 were 5 per cent larger than a month earlier, but 5 per cent less than on October 1, 1932.

Dry Goods — September was marked by a noticeable recession in activities in this classification. Sales of the reporting firms in that month were 18 per cent below the same period in 1932 and

6 per cent less than the August total this year. Unseasonably warm weather in September militated against the movement of seasonal goods, particularly woolen blankets, outings and kindred lines. Stocks on October 1 were 6 per cent and 70 per cent greater, respectively, than a month and a year earlier, the sharp advance in the yearly comparison being due in large measure to higher prices.

Electrical Supplies — For the fifth consecutive month, September sales of the reporting interests in this classification showed an increase over the corresponding period a year earlier. Miscellaneous products continue to predominate in sales, the outlet through the building industry showing no material change from recent quiet conditions. As compared with a year ago, considerable betterment is noted in demand for radio materials. September sales of the reporting interests were 16.5 per cent larger than for the same month in 1932, and 8 per cent less than the August total this year.

Flour — Production at the twelve leading mills of the district in September totaled 259,458 barrels, as against 202,982 barrels in August and 258,697 barrels in September, 1932. Demand continued inactive, purchasing being chiefly for immediate requirements. Carload purchasing was in considerably smaller volume than earlier in the season. The large baking interests had fairly well covered their needs, and were disposed to await developments before increasing their commitments. Following a slight advance during early September, prices during the last half of that month and early in October showed easing tendencies in sympathy with the downturn in cash wheat values. Mill operations were at from 50 to 55 per cent of capacity.

Furniture — There was an increase of approximately one-third in September sales of the reporting firms over the same month in 1932, but a decrease of 8 per cent under the August total this year. Unusually heavy purchasing in August was responsible to a large extent for the counter-to-seasonal decrease in the month-to-month comparison. During the past three months there has been a noticeable increase in demand for household furniture and furnishings, also in radio cabinets and several other special lines. Stocks on October 1 were 6 per cent and 9 per cent smaller, respectively, than a month and a year earlier.

Groceries — Moderate improvement in business in this classification was noted in September sales of the reporting interests during that month being 1 per cent larger than in August and 5 per cent greater than a year ago. Inventories increased further, stocks on October 1 being larger by 6 per

cent and 9 per cent, respectively, than a month and a year earlier. Broadening in trade in the rural areas was notable particularly in the south, where the movement of cotton to market is contributing to purchasing power. Prices were irregular, with the average of all commodities measurably higher than a year ago.

Hardware — September sales of the reporting firms were 21 per cent larger than for the same month in 1932, but 6 per cent less than in August this year. The marked gain in the yearly comparison was attributed, partly to a heavier demand for goods for distribution in the rural areas and to the higher prices prevailing at this time. Aside from repair materials, no improvement worthy of note has taken place in builders' tools and hardware. Inventories on October 1 were 4 per cent smaller than on September 1, but 11 per cent larger than on October 1, 1932.

Iron and Steel Products — Activities in the iron and steel industry in this district underwent a further slight recession during the last half of September and the first two weeks in October. The slowing down, however, was by no means universal, as operations at stove and heating apparatus plants, jobbing foundries and manufactories of other seasonal commodities were well sustained and at a measurably higher rate than a year ago. Steel mill operations receded, and purchasing of finished steel and iron products was smaller than earlier in the season. Shipments of these commodities continued at a relatively high rate, but the forwardings were at the expense of backlogs, which at the first of October were mainly smaller than a month earlier. Purchasing by the railroads failed to develop the expected betterment and there was no change worthy of note from the recent quiet conditions in oil country goods and supplies generally for the petroleum industry. The outlet through the building industry, except for commodities used in highway construction, river and levee improvement work and other outdoor engineering projects, failed to expand. Manufacturers of sheets, plates, bars and other rolled products reported a noticeable decline in the placement of new orders since the middle of September. Moderate improvement in demand for roofing, fencing and other materials used in the rural areas was noted. Distribution of iron and steel goods by warehouses and jobbers in September represented a smaller total tonnage than in either July or August, though considerably larger than in September a year ago. New business in pig iron fell off measurably, due largely to previous contracting, but shipments continued heavy. On a daily average basis, deliveries to melters in the district during the

first half of October were at a rate only slightly below September, which earlier period registered the peak of the year. For the country as a whole production of pig iron in September, according to the magazine "Steel", totaled 1,507,931 tons, the smallest since June, and comparing with 1,833,265 tons in August and 593,640 tons in September, 1932. Steel ingot production in the United States in September was 2,310,982 tons, against 2,900,611 tons in August, and 991,858 tons in September, 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in September was 196,082, against 236,480 in August and 84,141 in September, 1932.

Following the unvaried trend during the past decade, distribution of automobiles in this district during September, according to the group of dealers reporting to this bank, decreased from August to September. For the fourth consecutive month, however, the volume of sales in September was greater than for the corresponding period a year earlier. In the month-to-month comparison the decrease was somewhat greater than the average during the past ten years. This fact was attributed principally to the relatively heavy volume of sales recorded in August. As has been the case for a number of months, demand for cheap and medium priced cars was considerably better than in the high priced field. As contrasted with the same period a year ago, business of country dealers showed noticeable improvement, both with reference to actual sales and prospects. Generally throughout the rural areas replacement requirements are more in evidence than at any time in recent years. For the most part, stocks of distributors are low and they will be in a favorable position for handling the new lines when they are placed on the market. Demand for trucks receded during September, sales for that month being about on a parity with a year ago, but about one-fourth less than in August this year.

September sales of new passenger cars by the reporting dealers were 64 per cent greater than for the same month in 1932, and 15 per cent less than in August this year. Stocks of new passenger cars on dealers' floors on October 1 were 4 per cent larger than a month earlier and 9 per cent greater than a year ago. The status of the used car market showed no notable change as contrasted with the preceding thirty days. Sales in September were 18 per cent smaller than in August, and about one-fourth greater than in September, 1932. Stocks of salable secondhand cars as of October 1 were 4 per cent and 10 per cent larger, respectively, than thirty days and a year earlier. According to dealers report-

ing on that item, deferred payment sales in September constituted 42 per cent of their total, which contrasts with 44 per cent in August, and 48 per cent in September, 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		
Sept. 1933 comp. to Sept. 1932	9 months ended Sept. 30, 1933 to same period 1932	Sept. 30, 1933 comp. to Sept. 30, 1932	Jan. 1, to Sept. 30, 1933	Sept. 30, 1932	
Evansville	-5.8%	-4.4%	-7.0%	.92	.77
Little Rock....	-26.5	-15.7	+22.6	1.45	1.55
Louisville	-14.3	-10.9	-0.9	2.19	1.78
Memphis	-13.5	-11.4	+8.0	2.10	2.09
Quincy	2.1	-11.5	-7.2	1.73	1.63
St. Louis.....	9.4	-8.3	+13.2	2.57	2.55
Springfield ..	+3.2	-13.7	-18.2	1.02	.91
8th District....	-11.4	-9.6	+10.5	2.30	2.22

Retail Stores

Net sales comparison		Stocks on hand	Stock turnover		
Sept. 1933 comp. to Sept. 1932	9 months ended Sept. 30, 1933 to same period 1932	Sept. 30, 1933 comp. to Sept. 30, 1932	Jan. 1, to Sept. 30, 1933	Sept. 30, 1932	
Men's Fur-nishings	1.5%	-8.7%	+11.9%	2.19	2.00
Boots and Shoes	-22.9	-13.8	-16.4	2.24	1.94

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the third quarter of this year, of 9.7 per cent under the corresponding period in 1932, and a decrease of 8.8 per cent as compared with the quarter ended June 30, this year. Detailed figures follow:

	Sept. 30, 1933	June 30, 1933	March 31, 1933	Sept. 30, 1932	Sept. 1933 comp. to Sept. 1932
Evansville	\$ 139,549	\$ 136,219	\$ 130,563	\$ 136,083	+ 2.5%
Little Rock....	153,540	148,486	162,088	179,359	-14.4
Louisville	540,284	586,831	547,544	570,929	- 5.4
Memphis	448,329	447,551	463,886	465,178	- 3.6
St. Louis.....	2,107,190	2,396,873	2,302,362	2,400,267	-12.2
Totals	\$3,388,892	\$3,715,960	\$3,606,443	\$3,751,816	- 9.7

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in September was only about one-eighth as large as in August, and 12.8 per cent less than in September, 1932. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in September amounted to \$14,432,097, which compares with \$6,237,834 in August, and \$10,063,670 in September, 1932. Production of portland cement for the country as a whole in September totaled 5,638,000 barrels against 8,223,000 barrels in August and 8,210,000 barrels (revised figures) in September, 1932. Building figures for September follow:

	New Construction				Repairs, etc.			
	Permits 1933	Permits 1932	*Cost 1933	*Cost 1932	Permits 1933	Permits 1932	*Cost 1933	*Cost 1932
Evansville ..	150	149	\$ 26	\$ 26	47	56	\$ 10	\$ 7
Little Rock	14	13	5	7	63	56	8	8
Louisville ..	34	49	157	73	33	40	17	17
Memphis ...	142	107	39	196	127	114	71	58
St. Louis....	148	210	248	243	396	206	354	110
Sept. totals	488	528	\$ 475	\$ 545	666	472	\$ 460	\$200
Aug. "	475	437	3,877	413	522	425	261	208
July "	475	451	3,615	449	447	436	318	529

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in September as being 5 per cent smaller than in August and 12.3 per cent more than in September, 1932. Detailed figures follow:

	No. of Custom- ers	Sept., 1933 *K.W.H.	Aug., 1933 *K.W.H.	Sept. 1933 comp. to Aug. 1933	Sept., 1932 *K.W.H.	Sept. 1933 comp. to Sept. 1932
Evansville ..	40	1,656	1,875	-11.7%	1,707**	-3.0%
Little Rock..	35	1,961	2,026	-3.2	1,647**	+19.1
Louisville	85	7,337	7,420	-1.1	5,931**	+23.7
Memphis	31	1,262	1,450	-13.0	1,389	+9.1
St. Louis.....	195**	18,839	19,906**	-5.4	16,975**	+11.0
Totals	386	31,055	32,677	-5.0	27,649	+12.3

*In thousands (000 omitted).
**Revised figures.

AGRICULTURE

Weather conditions were generally favorable for agriculture throughout the Eighth District in September, and prospects for most late crops improved during that month. This betterment was carried through the first half of October, there being less damage from early frosts than usual, and moisture being more abundant and well distributed than earlier in the season. The October 1 report of the U. S. Department of Agriculture shows that the chief increases as compared with a month earlier took place in potatoes, corn, tame hay, legumes, tobacco, rice, sweet potatoes and pastures. In this district, cotton showed little change as contrasted with the preceding estimate. However, as a whole the 1933 season has been one of the most difficult for farmers in this area in recent years. The spring was too wet for early planting, which resulted in reduced acreages of oats, corn and soybeans among the major crops. Drouth in June and July cut yields of nearly all crops, though wheat in the main escaped heavy damage. Rainfall during the entire season, except in September and so far this month, was so local in character that great irregularity prevails in yields, most crops producing below average. Fruit and vegetable crops were short, though in some instances larger than the practical failure of the preceding year. In the chief corn producing sections, chinch bugs were more widely scattered than for many years, and are going into hibernation in large numbers. Difficulty has been experienced in many localities in preparation of wheat land, and seeding continued well into mid-October.

Corn — The U. S. Department of Agriculture estimates the Eighth District corn crop in its October 1 report at 288,012,000 bushels, an increase of 3,362,000 bushels over the September 1 forecast, and comparing with 380,505,000 bushels harvested in 1932, and a 10-year average (1923-1932) of 351,832,000 bushels. The crop matured rapidly under fav-

orable September weather, and at the middle of October was practically safe from frost damage. In the drier areas and sections of heavy chinch bug infestation, the corn ripened prematurely, with the result of lighter yields, and in many localities, the poorest quality in a number of years. Early husking returns indicate unusual spottiness, with yields turning out below expectations in many instances. In states entirely or partly within the Eighth District, stocks of corn on farms as of October 1 totaled 130,436,000 bushels, against 105,784,000 bushels on the same date in 1932 and 35,353,000 bushels in 1931.

Wheat — Production of all wheat in the Eighth District in 1933 is estimated at 36,048,000 bushels, as against 34,128,000 bushels in 1932, and a 10-year average of 50,538,000 bushels. Seeding has made good progress, but due to the unfavorable planting season, these operations were carried further into the year than is usually the case. Recent rains have materially benefited the growing crop, and in most sections stands and color are good. As of October 1, stocks of wheat on farms in states partly or entirely in this district were estimated at 33,216,000 bushels, against 39,732,000 bushels on the same date last year and 66,172,000 bushels in 1931.

Fruits and Vegetables — Despite the auspicious weather conditions prevailing throughout this district in September, the prospect for fruit production declined slightly. While the total tonnage of the principal varieties is above the very short production in 1932, it is much below the average in recent years. Some betterment took place in the outlook for white potatoes, but prospects for sweet potatoes declined slightly. In the district proper the yield of white potatoes is estimated by the U. S. Department of Agriculture in its October 1 report at 8,451,000 bushels, against 13,164,000 bushels in 1932 and a 10-year average of 14,453,000 bushels. In states including the Eighth District the yield of sweet potatoes is estimated at 18,166,000 bushels, against 21,435,000 bushels in 1932, and a 5-year average 1926-1930 of 15,951,000 bushels. The apple crop in these states is forecast at 13,826,000 bushels, of which 1,818,000 barrels represents commercial crop, against 7,174,000 bushels with 1,089,000 barrels commercial crop in 1932, and a 5-year average of 17,985,000 bushels of which 1,993,000 barrels were commercial crop; pears, 883,000 bushels, against 439,000 bushels in 1932 and a 5-year average of 1,645,000 bushels; peaches, 3,925,000 bushels, against 1,259,000 bushels in 1932 and a 5-year average of 1,645,000 bushels; peanuts, 39,545,000 pounds, against 43,290,000 pounds in 1932 and a 5-year average of 27,703,-

000 pounds; grapes, 33,054 tons, against 33,979 tons in 1932 and a 5-year average of 30,649 tons.

Live Stock—Recent rains have considerably improved pastures, and the condition of livestock generally through the district maintained the high condition which has prevailed in recent months. Allowing for farm stocks carried over from previous crops, the total feed grain supply is below the average of the past five years. This fact has tended to increase marketings of livestock, and in a number of localities is beginning to affect milk production. Production of milk per cow on October 1, according to the Department of Agriculture, averaged about 1 per cent lower than on the same date last year and substantially below production on any October 1 since 1925.

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

	Receipts			Shipments		
	Sept., 1933	Aug., 1933	Sept., 1932	Sept., 1933	Aug., 1933	Sept., 1932
Cattle and Calves.....	111,650	114,927	112,586	57,820	57,711	73,089
Hogs	543,720	292,906	210,265	266,344	160,089	162,304
Horses and Mules.....	6,372	4,492	2,797	6,264	4,123	2,510
Sheep	47,461	60,172	66,071	8,780	8,632	26,998

Cotton—As during the preceding month, Eighth District cotton prospects declined slightly in September. Based on the October 1 condition the U. S. Department of Agriculture estimates the crop at 2,520,000 bales, a decrease of 55,000 bales from the September 1 forecast and comparing with 2,942,000 bales produced in 1932, and a 10-year average (1923-1932) of 2,705,000 bales. During September all factors contributed to rapid harvesting. Weather was mainly clear and warm, which favored maturing of late bolls. Roads were in good condition, and with the extensive acreage eliminated by plow-up and other causes, there was abundant labor for securing the cotton on the acreage remaining. In Arkansas and Mississippi, plant pests have been more prevalent this season than since 1923. Boll weevil infestation extended well into the northern tier of counties, and leaf worms were also present in unusually large numbers. Demand for spot cotton tapered somewhat during September and the first weeks of October, resulting in a decline in prices to near the low point of the present crop. In the St. Louis market the middling grade ranged from 8.45c to 10c per pound between September 15 and October 16, closing at 8.45c on the latest date, which compares with 9.15c on September 15, and 5.7c on October 15, 1932. Receipts at Arkansas compresses from August 1 to October 13 totaled 345,363 bales, against 443,531 bales for the corresponding period in 1932. Stocks on hand as of October 13 were 346,267 bales, which compares with 248,353 bales on September 15 and 530,004 bales on October 13, 1932.

Tobacco—Prospects for tobacco in this district improved to the extent of 9,142,000 pounds between September 1 and October 1, the Government's estimate as of the latter date being 315,901,000 pounds. This compares with the short crop of 261,257,000 pounds harvested in 1932, and a 10-year average of 308,565,000 pounds. In practically all the chief producing sections, weather during the late stages of development has been favorable, and results show every indication of being well above earlier expectations. Cutting and housing of all types had been completed at the middle of October. Cool weather accompanied by light frosts in limited localities forced cutting of the outstanding portion of the crop, even though not fully matured. This, however, represents only a small part of the total crop. Reports relative to burley tobacco are in the main favorable. There are traces of houseburn, but the general character of the crop is considered better than last year. In the dark tobacco districts, the air cured crop is curing satisfactorily and gives indications of being desirable for all purposes. Special efforts are being put forth by producers in the dark fired districts, tributary to Clarksville, Springfield and Hopkinsville, to cure and fire their crops properly. Greater attention has been given to this detail than in previous years.

COMMODITY PRICES

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

	High	Low	Close	
			Oct. 16, 1933	Oct. 15, 1932
Wheat				
Dec. ....per bu..\$	.98	.70 $\frac{3}{4}$	.70 $\frac{3}{4}$	.48 $\frac{3}{4}$
May	1.02	.74 $\frac{1}{2}$	.74 $\frac{1}{2}$	.53 $\frac{3}{4}$
No. 2 red winter....	.94	.76 $\frac{1}{2}$	.76 $\frac{1}{2}$ @	.48 $\frac{1}{2}$ @
No. 2 hard " ....	.92 $\frac{1}{2}$	.74 $\frac{1}{2}$	.74 $\frac{1}{2}$ @	.48 $\frac{1}{2}$ @
Corn				
*Dec. ....	.56 $\frac{1}{4}$	.37 $\frac{1}{2}$	.37 $\frac{3}{4}$ @	.26
*May .....	.63	.43 $\frac{3}{4}$	.44 $\frac{1}{4}$ @	.30 $\frac{3}{4}$ @
*July .....	.57	.46	.46	.32
No. 2 mixed .....	.46	.37 $\frac{1}{2}$	.37 $\frac{1}{2}$ @	.24 $\frac{3}{4}$ @
No. 2 white " .....	.53 $\frac{3}{8}$	.39	.39	.26
Oats				
No. 2 white .....	.38	.29	.29	.15
Flour				
Soft patent.....per bbl.	7.00	5.75	5.75	3.50
Spring patent.....	7.00	6.15	6.60	4.25
Middling cotton.....per lb.	.10	.0845	.0845	.057
Hogs on hoof.....per cwt	5.50	3.25	3.50	4.00

FINANCIAL

In the Eighth District the past thirty days were marked by moderate expansion in demand for credit for commercial and industrial purposes, also, for financing agricultural operations. With the harvesting and movement of the cotton and tobacco crops, loans based on these commodities increased, though in the case of cotton quite liberal marketing by producers resulted in a substantial liquidation of planters' indebtedness with merchants and country banks.

In the typical tobacco areas no material reduction of loans based on that crop is expected prior to the opening of the principal markets in December. Requirements of flour milling and grain interests continues in considerable volume, and due to higher prices, are well over the aggregate at the corresponding period a year and two years earlier. Demand for funds to condition livestock for market is less in evidence than during past seasons.

The steady improvement in the banking situation, which commenced in mid-March, was continued through September and the first half of October. The total number of banks licensed in this district as of October 19 was 1,566, out of 1,875 which were in operation immediately prior to the national banking holiday. On the recent date there were 251 unlicensed banks, and 58 were in process of liquidation, merged with other banks, etc. While recent statistics of unlicensed banks are not available, the ratio of deposits tied up, to total deposits is known to be small.

Total loans of reporting member banks in the principal cities of the district increased 3.1 per cent between September 13 and October 11, the major part of the increase being in "all other loans", which largely represent commercial borrowings. Total deposits decreased slightly during the four-week period, and there was a decline of 8.2 per cent in total investments, accounted for entirely by smaller holdings of Government securities.

Borrowings of all member banks from the Federal reserve bank declined further, and this bank's holdings of discounted bills in mid-October represented the smallest total in many years. Reflecting the usual seasonal demand for currency, this bank's note circulation increased by approximately \$9,500,000 between September 18 and October 18. The total volume of reserve credit outstanding increased between these dates from \$86,973,000 to \$92,770,000, due entirely to larger holdings of Government securities. There was an increase of \$3,725,000 in member bank deposits.

The trend of interest and discount rates was decidedly lower. At St. Louis banks, as of the week ended October 15, current interest rates were as follows: Customers' prime commercial paper 3 to 5½ per cent; collateral loans 4 to 6 per cent; loans secured by warehouse receipts, 1¾ to 5½ per cent; interbank loans, 5 to 5½ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on October 11, 1933 showed an increase of 3.1 per cent as contrasted

with September 13, 1933. Deposits decreased 0.7 per cent between September 13, 1933 and October 11, 1933 and on the latter date were 1.5 per cent greater than on October 12, 1932. Composite statement follows:

	*Oct. 11, 1933	*Sept. 13, 1933	*Oct. 12, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$ 88,958	\$ 88,251	\$ 106,393
All other loans and discounts.....	148,072	141,706	166,617
Total loans and discounts.....	\$237,030	\$229,957	\$273,010
Investments			
U. S. Government securities.....	128,967	140,473	103,974
Other securities.....	102,125	101,979	109,476
Total investments.....	\$231,092	\$242,452	\$213,450
Reserve balance with F. R. Bank	49,505	53,173	30,914
Cash in vault.....	8,822	6,329	5,769
Deposits			
Net demand deposits.....	277,199	280,249	261,064
Time deposits.....	159,355	159,778	184,555
Government deposits.....	24,014	24,014	8,265
Total deposits.....	\$360,568	\$464,041	\$453,884
Bills payable and rediscounts with Federal Reserve Bank.....	570	670	1,275

*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 September the Federal Reserve Bank of St. Louis discounted for 65 member banks against 67 in August and 217 in September, 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:

	*Oct. 19, 1933	*Sept. 19, 1933	*Oct. 19, 1932
Bills discounted	\$ 1,877	\$ 3,407	\$ 8,943
Bills bought			
U. S. Securities.....	90,499	83,122	66,156
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	172	174	1,009
Total Bills and Securities.....	\$ 92,548	\$ 86,703	\$ 76,108
Total Reserves.....	\$156,765	\$152,324	\$ 93,283
Total deposits.....	92,165	90,980	56,274
F. R. Notes in circulation.....	139,793	134,380	100,873
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.6%	67.6%	59.4%

Debits to Individual Accounts — The following table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposits accounts and trust accounts of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Sept., 1933	*Aug., 1933	*Sept., 1932	Sept. 1933 comp. to Aug. 1933	Sept. 1932
East St. Louis & Natl.					
Stock Yards, Ill. \$	23,194	\$ 20,313	\$ 20,897	+14.2%	+11.0%
El Dorado, Ark.....	3,057	2,937	3,688	+ 4.1	-17.1
Evansville, Ind.....	13,849	15,005	12,914	- 7.7	+ 7.2
Fort Smith, Ark.....	7,511	6,690	7,374	+12.3	+ 1.9
Greenville, Miss....	2,927	2,148	3,120	+36.3	- 6.2
Helena, Ark.....	1,401	1,051	1,639	+33.3	-14.5
Little Rock, Ark....	19,468	16,295	17,996	+19.5	+ 8.2
Louisville, Ky.....	107,079	105,553	95,205	+ 1.4	+12.5
Memphis, Tenn.....	88,040	66,816	92,684	+31.8	- 5.0
Owensboro, Ky.....	2,494	2,268	2,283	+10.0	+ 9.2
Pine Bluff, Ark.....	5,399	3,599	5,589	+50.0	- 3.4
Quincy, Ill.....	4,890	4,944	5,369	- 1.1	- 8.9
St. Louis, Mo.....	379,600	386,800	380,467	- 1.9	- 0.2
Sedalia, Mo.....	1,295	1,227	1,420	+ 5.5	- 8.8
Springfield, Mo....	9,386	8,665	9,699	+ 8.3	- 3.2
**Texarkana,					
Ark.-Tex.....	5,098	4,897	5,179	+ 4.1	- 1.6
Totals	\$674,688	\$649,208	\$665,523	+ 3.9	+ 1.4

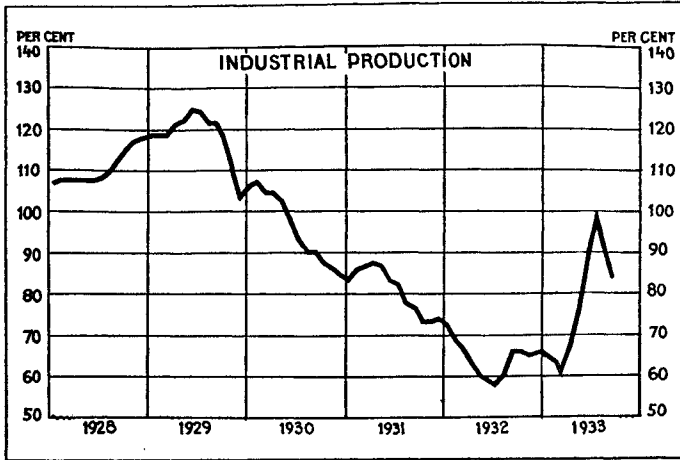
*In thousands (000 omitted).
**Includes one bank in Texarkana, Texas not in Eighth District.

(Compiled October 21, 1933)

BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION—Industrial production, as measured by the Board's seasonally adjusted index, declined from 91 per cent of the 1923-1925 average in August to 84 per cent in September. Activity decreased in most lines of industry, and particularly in those in which output had increased rapidly in earlier months; production of steel, lumber, cement, bituminous coal, and petroleum declined considerably and automobile output was reduced. Deliveries of silk to mills were small in September, while consumption of cotton and wool, although reduced during the month,

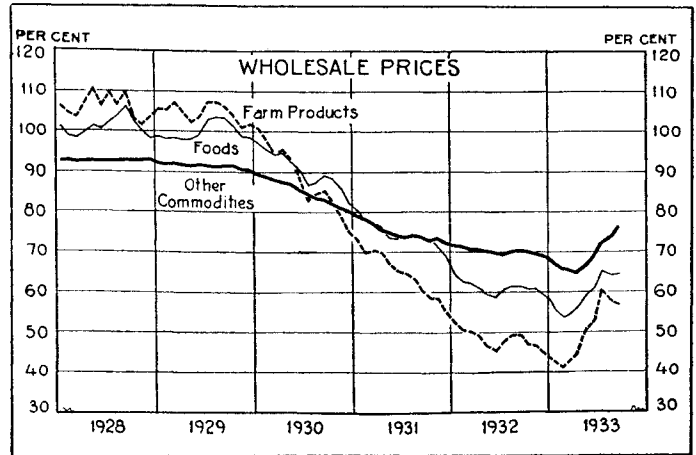
unusually large increase in sales in August. Trade reports indicate that sales volume was affected by unseasonably warm weather and by price advances. Sales of chain variety stores continued in somewhat larger volume than in 1932. On the railroads, average daily freight shipments during September increased by somewhat less than is usual in the early autumn, but were in larger volume than at any time since the latter part of 1931. In the first two weeks of October car-loadings were at a higher level than in late September.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure, September, preliminary 84.

was nevertheless larger than in other recent years at this season. Meat packing plants were more active partly because of processing of pigs under the Government's emergency marketing program; output of flour was larger than the exceptionally small volume produced in August. In the first half of October further declines in output of automobiles, bituminous coal and petroleum were reported. Steel mill activity, after increasing in the first half of October, receded in the third week.

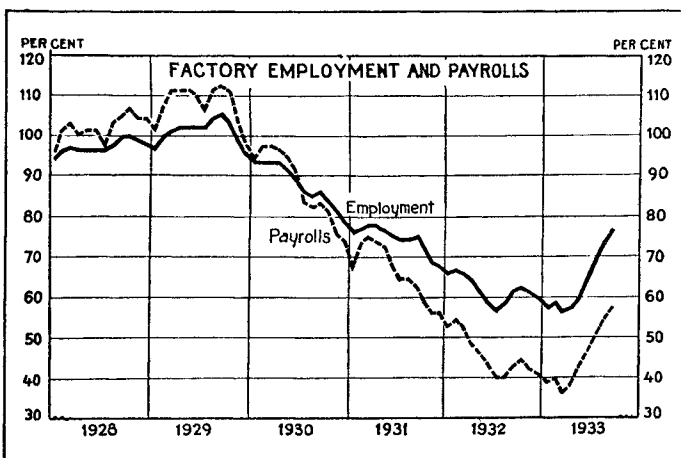
EMPLOYMENT—Employment of factory workers increased between the middle of August and the middle of September, and total earnings were larger, partly as a result of further advances in wage rates, and the expansion of operations in seasonally active industries such as canning. Employment in public utilities, railroads, stores, and mines also increased and it is estimated that about 600,000 industrial wage-earners found work during the period. Preliminary reports for the first half of October indicate some decrease in employment and a continuation of about the same volume of earnings in basic manufacturing industries.



Indexes of the United States Bureau of Labor Statistics (1926=100). Latest figures, September, farm products 57.0, foods 64.9, other commodities 76.1.

FOREIGN EXCHANGE—The value of the dollar in the foreign exchange market fluctuated around 65 per cent of its gold parity during the latter part of September and in the first half of October advanced to 71 per cent in the third week and declined to 70 per cent on October 23.

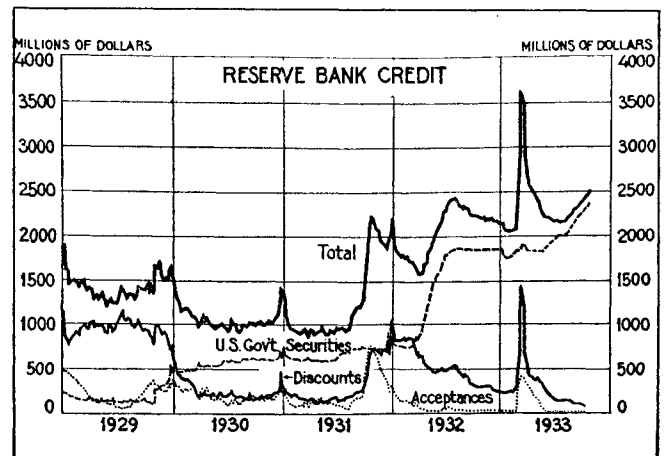
BANK CREDIT—Excess reserves of member banks increased by \$100,000,000 between September 13 and October 20, in consequence of the purchase by the Federal reserve banks of \$170,000,000 of United States Government securities during the period, offset in part by a further decline in discounts and a seasonal increase in the demand for currency. While these purchases of United States Government securities were made chiefly in New York City, member bank funds arising from these purchases were transferred to other parts of the country through expenditures in outlying areas by Federal agencies, and through payment for crops marketed. At reporting member banks in leading cities there was little change in loans and investments during this period; a decline in the volume of loans on securities was



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100). Latest figures, September, employment 76.6, payrolls 57.6.

CONSTRUCTION—Construction contracts awarded increased in September to the highest level for the year, according to reports by the F. W. Dodge Corporation, the largest volume of new awards being for public works and for other non-residential projects. In the third quarter of the year, value of construction contracts was 25 per cent of the 1923-1925 average.

DISTRIBUTION—Sales at department stores in leading cities increased less than seasonally in September, following an



Wednesday figures for 12 Federal reserve banks. Latest figures are for October 18.

offset by growth in all other loans. Money rates in the open market continued at low levels. On October 20 the Federal Reserve Bank of New York reduced its buying rate on bills from a range from 1 to 1¼ per cent for different maturities to a range from ½ to 1 per cent. The rediscount rate at New York was reduced from 2½ per cent to 2 per cent, effective October 20, and October 21, the Federal Reserve Banks of Cleveland and Chicago reduced their rediscount rates from 3 per cent to 2½ per cent.