



MONTHLY REVIEW

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

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

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TRADE and industry in the Eighth District during the past thirty days developed moderate improvement as contrasted with the similar period immediately preceding and continued in substantially larger volume than a year ago. In many manufacturing lines less than the usual seasonal recession took place, and in some instances was entirely absent. Wholesale trade declined in somewhat less than the usual seasonal amount from October to November, and in all lines investigated by this bank measurable increases were recorded over November last year and in a majority of instances, over the same month in 1931. As was the case during the preceding month, retail distribution was adversely affected by the unusually high temperatures prevailing during late November and the first half of December. While November retail sales were in larger volume than a year ago, the increase in dollar value was not commensurate with the advance in commodity prices during the interval.

Holiday trade was backward in getting under way, but has quickened perceptibly since the last week of November. Country retailers, particularly in the South, report buying on a considerably larger scale than a year and two years earlier, with a wider variety of merchandise being taken. In the cotton and rice areas purchasing power is the highest in a number of years, due to the advance in prices of these products, and increased employment generally is reflected in freer buying of all classes of merchandise. Employment increased moderately from October to November, and the improvement has been carried further since the first of December, due in part to large numbers employed on Civil Works Administration projects and in seasonal occupations. Production of bituminous coal in fields of the district in November increased slightly over the preceding month, but was in smaller volume than in November, 1932.

Harvesting and housing of late crops was accomplished under unusually favorable conditions and latest returns tend to confirm earlier official esti-

mates of production. Prices of the principal products, except tobacco, are sharply higher than levels obtaining a year and two years earlier. In the agricultural communities sentiment is more optimistic than has been the case in a number of years, and farmers are formulating their programs for next season with more confidence than was thought possible a few months ago. An exception to the improved prices is in the case of dairy and poultry products and livestock. Cattle and hog prices continue at the low levels of recent months, and in numerous instances, below cost of production. The movement of cotton has been in considerable volume, and producers are using the proceeds of their crops and money received from the Government in its curtailment campaign to liquidate their indebtedness. The burley tobacco markets opened during the third week of December, but due to dissatisfaction with prices, sales were temporarily suspended, and rejections of offers have been universally large.

As reflected in sales of department stores in the principal cities of the District, the volume of retail trade in November was 2.1 per cent larger than in October, and 4.6 per cent larger than in November, 1932; cumulative total for the first eleven months of this year was 6.9 per cent less than for the comparable period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 18 per cent smaller in November than in October, but 17 per cent greater than in November, 1932; for the eleven months this year the total was 14.5 per cent greater than for the same time in 1932. The dollar value of permits issued for new construction in the five largest cities of the District in November was 35 per cent less than in October and 149 per cent larger than in November 1932; the cumulative total for the first eleven months was 88 per cent greater than for the same period last year. Contracts let for new construction in the Eighth District in November were 7.9 per cent less than in October and 4.9 per cent more than in November, 1932; for the first eleven months the total was

11.3 per cent less than for the same period last year. Debits to checking accounts in November were smaller by 8.2 per cent than in October, but showed a gain of 13 per cent over the November, 1932, total; cumulative total for the first eleven months this year was 13 per cent greater than for the comparable period in 1932.

According to officials of railroads operating in this district, freight traffic declined in slightly less than the usual seasonal volume in November and early December, and continued well above the corresponding period a year ago. The mild winter to date has tended to hold down the movement of coal and coke. Some betterment was noted in loadings of merchandise and miscellaneous freight, and the movement of forest products continues substantially greater than a year and two years earlier. For the country as a whole, loadings of revenue freight for the first 48 weeks this year, or to December 2, totaled 26,890,886 cars, against 26,243,765 cars for the corresponding period in 1932, and 35,012,832 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 64,684 loads in November, which compares with 74,417 loads in October and 60,399 loads in November, 1932. During the first nine days of December the interchange amounted to 17,179 loads, against 19,954 loads during the corresponding period in November, and 17,389 loads during the first nine days of December, 1932. Passenger traffic of the reporting roads decreased 5.5 per cent in November as compared with the same month in 1932. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 98,400 tons, against 97,407 tons in October and 112,969 tons in November, 1932.

Reports relative to collections during the past thirty days reflected a continuance of the gradual improvement which has been in progress during the past three months. Almost universally, collections on new accounts are described as good to excellent, and there has been a considerable volume of payments on debts of longer standing. The latter fact is true particularly in the south, where farmers are using the proceeds of their crops and money received from the Government for acreage reduction in defraying their obligations. Wholesalers in the large centers of distribution report mainly satisfactory returns, with numerous customers taking advantage of cash discounts. Retailers in the principal cities report continued increase in the ratio of cash purchases to charge accounts. 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>
November, 1933.....	8.6%	33.6%	53.9%	3.9%
October, 1933.....	7.0	25.6	64.0	3.4
November, 1932.....	1.9	16.7	57.3	24.1

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 47 involving liabilities of \$578,883 against 42 defaults in October with liabilities of \$1,019,098, and 74 insolvencies for a total of \$2,732,421 in November, 1932.

Money in circulation in the United States on December 13 was \$5,763,000,000 which compares with \$5,654,000,000 on November 15, and an average daily circulation of \$5,699,000,000 in December, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes—November sales of the reporting firms were 17 per cent greater than for the same month in 1932 and about one-fourth smaller than the October total this year. Inventories increased 6.5 per cent between November 1 and December 1, and on the latest date were 17.5 per cent smaller than a year earlier. The decrease in the month-to-month sales comparison is seasonal in character, having invariably taken place during the past decade. Prices showed no change as contrasted with the preceding thirty days. Eighth District production in November was about 8 per cent below the October total, but approximately 18 per cent greater than in November, 1932.

Clothing—Mild weather throughout the fall and early winter has had an adverse effect on the movement of seasonal apparel. This has been reflected in an unusually small volume of reordering of both men's and women's winter clothing. Advance business for spring is reported in somewhat heavier volume than at this time a year and two years earlier. Price changes during the past thirty days were negligible, but the level is considerably higher than at this time a year ago. November sales of the reporting clothiers were 12 per cent larger than for the same month in 1932 and smaller by about one-half than the October total this year. Stocks on December 1 were 18 per cent smaller than a month earlier, but 41 per cent larger than a year ago, the increase from last December being accounted for in large part by higher prices.

Drugs and Chemicals—November sales of the reporting firms were 16 per cent larger than for the corresponding period in 1932, this being the fifth consecutive month in which the volume was in excess of a year earlier. As contrasted with the preceding month this year, the November total showed a decrease of 10 per cent. Inventories continued to

increase moderately, stocks on December 1 being 2.5 per cent larger than a month earlier, and 1.5 per cent greater than on December 1, 1932. Contrary to the general business trend this fall, sales of chemicals have been well maintained. Anticipation of higher prices has stimulated purchasing of certain commodities, and due to light advance buying in the late summer, inventories in many instances were low. Ordering of holiday goods and luxuries was on a more liberal scale than a year ago. Price revisions were few, but the trend was slightly upward.

Dry Goods—As contrasted with a year ago, November sales of the reporting firms showed an increase of 16 per cent, but the total was 4 per cent below the October total this year. Due mainly to higher prices, inventories on December 1 were 57 per cent greater than a year earlier. As compared with November 1, stocks on December 1 showed a decline of 4 per cent. The decrease in the month-to-month sales comparison is seasonal in character, but smaller than the average during the past several years. Mild weather prevailing since early fall has had a tendency to restrict purchasing of seasonal goods, notably blankets, outings, and heavy underwear. Advance buying of holiday goods was reported in somewhat larger volume than a year ago.

Electrical Supplies—Conforming with the usual seasonal trend, sales of the reporting firms in November showed a decrease of 10 per cent under the preceding month, but the total was 15 per cent greater than in November, 1932, making the seventh consecutive month in which the volume exceeded that of the corresponding period a year earlier. Stocks on December 1 were larger by 5.5 per cent and 12 per cent, respectively, than a month and a year earlier. In the yearly sales comparison increases were general through the line, an exception being building installations. Substantial increases were shown in sales of radio material and electrical household appliances.

Flour—Production at the twelve leading mills of the district in November totaled 270,303 barrels, the largest since last June, and comparing with 269,264 barrels in October and 247,208 barrels in November, 1932. Demand generally developed moderate improvement during the past thirty days as contrasted with the similar period immediately preceding. The large baking interests were purchasing somewhat more freely, and more interest was exhibited by jobbers and the wholesale grocer interests. Demand for export continued to lag. The trend of prices was lower in sympathy with the decline of cash wheat in late November. Mill operations were at from 52 to 56 per cent of capacity.

Furniture—November sales of the reporting firms were 28 per cent smaller than in October, but about one-third larger than the November total a year ago. Inventories continue to increase, stocks on December 1 being 8 per cent and 41 per cent larger, respectively, than a month and a year earlier. Demand for radio cabinets and the general run of holiday goods was brisk, and some betterment was also noted in other lines. For the first time in a number of months, betterment was noted in demand for office furniture and fixtures. There was no change in prices as compared with the preceding thirty days, but in all lines there has been a sharp advance over levels obtaining at this time last year.

Groceries—According to the reporting firms, advance sales of holiday goods were in measurably larger volume than a year and two years earlier. Seasonal goods generally showed marked improvement, with purchasing by country merchants on a larger scale than heretofore. Prices were irregular, with advances about counterbalancing declines, so that the average showed little change as compared with the preceding thirty days. November sales of the reporting firms were 12 per cent larger than for the same month in 1932, and 6 per cent less than the October total this year. Stocks on December 1 were 6 per cent smaller than a month earlier, but 8 per cent larger than on December 1, 1932.

Hardware—Business in this classification continued well over a year ago, November sales of the reporting firms being 23 per cent larger than for the same month in 1932. There was a decline, seasonal in character, of 5.5 per cent from October to November. Inventories on December 1 were larger by 13 per cent than a year ago, but 3 per cent less than on November 1 this year. Warm weather has held down the sale of seasonal merchandise, but there was an active demand for hand tools, notably axes, picks, shovels, etc., which are used in public works projects. The movement of holiday specialties was reported in somewhat larger volume than a year ago.

Iron and Steel Products—The recessionary trend in activities in the iron and steel industry in this district, which had been in effect since early fall, continued through November and the first half of December. The rate of decline, however, was less marked than heretofore, and since December 1 sentiment has strengthened perceptibly, due to improvement in the outlook for increased business early in 1934. Already definite demands for track materials have developed, and the carriers are inquiring for equipment and other commodities. Structural awards have broadened, and Govern-

ment work scheduled for the next few months is expected to substantially better the outlet for iron and steel through the construction industry. Improved sentiment for 1934 business is reflected in heavy specifications on materials contracted for, which will expire with the end of the present year. Stove and heating apparatus manufacturers have worked later into the year than is ordinarily the case, and their November orders were the largest for that month since 1930. Farm implement makers moderately increased their activities, a number of important interests having engaged in making up moderate sized inventories of their products in anticipation of spring demand. Ordering of raw materials for first quarter delivery was in relatively small volume, due chiefly to the fact that consumers generally were well supplied through purchases earlier in the year. The movement of pig iron to melters in November was slightly below that of October, but substantially larger than in November a year ago. Shipments during the first half of December were at a slightly larger daily average rate than during the preceding month. The recent decline in scrap iron and steel prices was halted in late November, incident to the purchase of substantial tonnages by steel mills, reduced offerings and a heavy drain through the export trade. Business of warehouse and jobbing interests decreased in November in slightly more than the usual seasonal amount. Makers of steel sheets and other flat rolled materials reported a noticeable decrease in new ordering during November and early December, but specifications on goods previously acquired were in sufficient volume to practically clean up outstanding contracts. For the country as a whole there was a sharp decrease in production of pig iron in November, according to the magazine "Steel." The total of 1,098,815 tons produced in November compares with 1,358,540 tons in October, and 625,753 tons in November, 1932. Steel ingot production in the United States in November totaled 1,540,882 tons, against 2,111,842 tons in October, and 1,032,221 tons in November, 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in November was 63,904, against 138,485 (revised figure) in October and 59,556 in November, 1932.

According to dealers reporting to this bank, distribution of automobiles in the Eighth District in November showed about the average seasonal decline from October, but for the sixth consecutive month the volume was substantially greater than during the corresponding period a year earlier. In

the yearly sales comparison increases were general through all classes of makes, but most pronounced in the low-priced field. Business of country dealers in the south shows marked betterment as contrasted with last year. Replacement requirements are unusually large, particularly in the rural areas. Demand for trucks of all descriptions continues active, reported sales in November being almost double those of the same month in 1932, though about one-third smaller than in October this year. Activity in parts and accessories continued the downward trend which commenced in the late summer.

November sales of new passenger cars by the reporting dealers were 60.5 per cent larger than during the same month in 1932, and 29 per cent less than the October total this year. Inventories decreased rather sharply, dealers deferring purchases until new models appear. Stocks of new passenger cars in dealers' hands on December 1 were 14 per cent smaller than a month earlier and 22 per cent greater than on December 1, 1932. The used car market reflected the general trend noted in new vehicles. November sales of secondhand cars were 12 per cent smaller than in October, but 45 per cent in excess of the November, 1932, total. Salable secondhand cars on hand on December 1 were 5 per cent and 24 per cent larger, respectively, than a month and a year earlier. Deferred payment sales in November by dealers reporting on that item constituted 44 per cent of their total sales, which compares with 46 per cent in October and 49 per cent in November, 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	
	Nov. 1933 comp. to Nov. 1932	11 months ended Nov. 30, 1933 to same period 1932	Nov. 30, 1933 comp. to Nov. 30, 1932	Jan. 1, to Nov. 30, 1933	Nov. 30, 1932
Evansville	7.3%	5.1%	2.5%	1.14	.99
Little Rock	+12.4	9.7	+13.4	1.89	1.98
Louisville	+10.3	9.9	3.2	2.64	2.24
Memphis	+11.0	7.1	+ 5.4	2.66	2.62
Quincy	+14.1	8.3	3.3	2.14	1.99
St. Louis	+ 4.9	6.0	+10.1	3.12	3.13
Springfield	+16.2	13.5	13.4	1.26	1.16
8th District	+ 4.6	6.9	+ 7.2	2.82	2.76

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Nov. 1933 comp. to Nov. 1932	11 months ended Nov. 30, 1933 to same period 1932	Nov. 30, 1933 comp. to Nov. 30, 1932	Jan. 1, to Nov. 30, 1933	Nov. 30, 1932
Men's Furnishings	+ 8.8%	4.9%	+17.4%	2.74	2.56
Boots and Shoes	11.7	13.7	18.7	2.67	2.35

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in November was 34.6 per cent less than in October,

and 149 per cent more than in November, 1932. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in November amounted to \$9,677,726 which compares with \$10,507,619 in October and \$9,228,107 in November, 1932. Production of portland cement for the country as a whole in November totaled 4,672,000 barrels against 5,037,000 barrels in October, and 6,462,000 barrels in November, 1932. Building figures for November follow:

	New Construction				Repairs, etc.			
	Permits 1933	1932	*Cost 1933	1932	Permits 1933	1932	*Cost 1933	1932
Evansville ..	101	76	\$ 11	\$ 21	34	19	\$ 8	\$ 3
Little Rock ..	10	9	1	4	56	48	8	12
Louisville ..	34	41	29	52	12	12	32	29
Memphis	107	65	210	45	93	80	41	31
St. Louis.....	111	90	280	91	123	114	65	58
Nov. totals..	363	281	\$ 531	\$ 213	318	273	\$ 154	\$133
Oct. " ..	482	456	812	1,063	466	490	243	247
Sept. " ..	488	528	475	545	666	472	460	200

*In thousands (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 November as being about 13.7 per cent less than in October and 3.7 per cent more than in November, 1932. Detailed figures follow:

	No. of Custom- ers	Nov., 1933 *K.W.H.	Oct., 1933 *K.W.H.	Nov. 1933 comp. to Oct. 1933	Nov., 1932 *K.W.H.	Nov. 1933 comp. to Nov. 1932
Evansville ...	40	1,321	1,505	-12.2%	1,376**	-3.9%
Little Rock..	35	1,332	1,547	-13.9	1,167	+14.1
Louisville ...	85	5,712	7,353	-22.3	5,302**	+7.7
Memphis	31	1,502	1,427	+5.3	1,334	+12.6
St. Louis.....	193**	15,545	17,611**	-11.7	15,331**	+1.4
Totals	384	25,412	29,443	-13.7	24,509	+3.7

*In thousands (000 omitted).

**Revised figures.

AGRICULTURE

The report of the U. S. Department of Agriculture, based on December 1 conditions, shows no marked changes in production of leading Eighth District crops as compared with the forecasts made a month earlier. Weather conditions in late November and early this month have been favorable for agricultural operations of all descriptions, and ordinary farm routine in all sections of the district is well up to schedule. Preparations for next season's crops is further advanced than usual at this time. This is true particularly in the south, where plowing of cotton and rice land has made considerable progress. Fall planted crops, notably wheat and rye, are in the main, in strong position for entering the cold weather. Threshing of rice had been completed by the first of December, and the movement to mills has been heavy. Markets in the burley tobacco districts opened in the third week of December, but offerings were light, due to unfavorable weather for preparing the leaf. Initial prices were disappointing to producers; some markets were temporarily sus-

pending, and rejections of prices offered were universally heavy. Livestock has generally maintained the high average condition which has prevailed throughout the year, but prices continued depressed, with hogs reaching the lowest levels for eleven months in mid-December.

With the exception of livestock, results from agricultural operations this season have been the most favorable in a number of years. Prices of the principal crops have been measurably higher than a year ago, and in addition to returns from products sold, raisers of wheat, cotton and corn have benefited financially through payments by the Government in furtherance of its curtailment program and stabilization loans. Universally through the district crop production loans have been almost entirely liquidated, and there has been considerable liquidation of other indebtedness by farmers.

In its December 1 report the U. S. Department of Agriculture estimates the total farm value of the 64 principal 1933 crops in states partly or entirely in the Eighth Federal Reserve district at \$767,605,000, an increase of 44.4 per cent over the preceding year and a decrease of 10 per cent under the 1931 estimate. Estimated value for the three years by states is given in the following table:

	1931	1932	1933
Indiana	\$113,807,000	\$ 64,661,000	\$ 91,918,000
Illinois	202,562,000	117,241,000	158,653,000
Missouri	131,128,000	82,655,000	121,969,000
Kentucky	92,717,000	67,902,000	94,585,000
Tennessee	88,805,000	63,413,000	101,091,000
Mississippi	99,195,000	66,637,000	101,456,000
Arkansas	107,199,000	68,651,000	97,933,000
Totals	\$855,413,000	\$531,160,000	\$767,605,000

These estimates are based on the December 1 farm price, except for some early marketed crops for which price for the marketing season is used.

Live Stock—Mild weather favored the condition of livestock generally throughout the district. Pastures have remained serviceable later into the season than usual, which is fortunate because of the shortage and relatively high prices of prepared feeds. The favorable physical condition of herds, however, is offset by continued low prices of cattle and hogs. Under liberal receipts, prices of swine in mid-December declined to the lowest point in eleven months. Reports from scattered localities are to the effect that prices realized on cattle and hogs have been below cost of producing and shipping.

Shipments of stocker and feeder cattle into the Corn Belt states in November were larger than the relatively light shipments for that month in 1932, and were relatively large in relation to total shipments for the five months, July to November. The total, however, was below the 5-year average (1928-1932) for November and the third smallest for that month in fifteen years. The year's total is the smallest for the fifteen years for which records are available.

The declining prices of stocker and feeder steers during October and November caused many raisers of such cattle in range states to seek outlets in the Corn Belt where they could have their cattle fed, on shares, in hopes of increasing net returns. While there has been some movement of such cattle to feed lots, the relatively high level of corn prices in relation to cattle prices has had the effect of limiting the Corn Belt demand for cattle to be fed, on shares.

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

	Receipts			Shipments		
	Nov., 1933	Oct., 1933	Nov., 1932	Nov., 1933	Oct., 1933	Nov., 1932
Cattle and Calves.....	100,660	140,475	85,145	47,424	69,880	53,269
Hogs	264,687	182,880	197,391	132,231	134,481	166,530
Horses and Mules.....	9,452	9,281	2,473	9,413	9,327	3,304
Sheep	41,933	49,438	44,736	7,791	10,259	7,676

Cotton—In its report, based on conditions as of December 1, the U. S. Department of Agriculture estimates the cotton crop of states partly or entirely within the Eighth District at 2,950,000 bales, a decrease of 98,000 bales under the November 1 forecast, and comparing with 3,280,000 bales produced in 1932 and 4,555,000 bales in 1931. Throughout November and early this month, weather remained auspicious for harvesting the remnant of the crop and very little cotton remains in the fields. Unusually small stocks are stored on premises of producers, and gins are completing their season's work much earlier than is ordinarily the case. Ginning returns continue to show relatively high quality. Taken as a whole the season was very favorable for production of cotton, and results obtained by planters have been better than in a number of years. Because of higher prices, participation by farmers in acreage reduction and recent efforts toward stabilization through Government loans of 10c per pound on cotton, growers in many sections are in possession of more money, and liquidation of indebtedness has been in considerable volume. Production loans for the 1933 crop have been largely paid off. Already much interest is being manifested in crop programs for 1934. Weather has been ideal for advance work, and in many important producing areas, preparations on December 1 for next year's cotton crop were further along than was the case last March, for this year's crop. Demand for raw cotton was affected by mid-season dullness, and there was a decline in the volume of sales. Withholding from the market of their stocks by planters as a result of the 10c per pound loan was another factor in the reduced volume of sales. Prices fluctuated within a narrow range and continued well above levels obtaining a year and two years ago. In the St. Louis market the middling grade ranged

from 9.50c per pound to 9.90c per pound between November 16 and December 15, closing at 9.80c on the latter date, which compares with 9.90c on November 16, and 5.45c on December 15, 1932. Receipts at Arkansas compresses from August 1 to December 8, totaled 867,129 bales, against 982,116 bales during the corresponding period last year. Stocks on hand as of December 8 were 659,008 bales, against 614,307 bales on November 10 and 741,763 bales on the corresponding date in 1932.

Tobacco—Production of all types of tobacco in the Eighth District in 1933 is estimated by the U. S. Department of Agriculture at 308,516,000 pounds, which compares with 261,218,000 pounds harvested in 1932, and a 10-year average (1923-1932) of 308,565,000 pounds. The market for the sale of the 1933 crop of burley tobacco opened at Lexington, Ky., on December 11, but due to the long spell of dry weather deliveries were relatively light; estimated at about 8,000,000 pounds, whereas normally the floors are filled to capacity with about 15,000,000 pounds. Initial sales averaged \$13.80 per 100 pounds, as compared with \$12.65 on the opening date last year. Other burley markets in the District opened on December 12, and sales generally showed declines under those at the opening in 1932. Considerable dissatisfaction was expressed by producers, sales being temporarily suspended at several markets, and rejections were universally large. Some uncertainty is felt by both growers and purchasers relative to possible action by the Government regarding prices. Plans are being formulated for curtailment of the 1934 crop.

Definite announcement of opening dates of markets in the dark tobacco districts has been delayed because only a small amount of leaf has been prepared for delivery due to dry weather.

COMMODITY PRICES

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

			Close	
			Dec. 15, 1933	Dec. 15, 1932
Wheat				
Dec.	Per bu..	\$.91½	\$.81	\$.82¾
May	"	.94½	.83½	.85
No. 2 red winter	"	.94½	.84	.86½
No. 2 hard	"	.98½	.84	.85¾
Corn				
*Dec.	"	.48½	.42½	.44½
*May	"	.55½	.49½	.51½
*July	"	.57½	.51½	.53½
No. 2 mixed	"	.48	.43	.48
No. 2 white	"	.50½	.45	.50
Oats				
No. 2 white	"	.38½	.34	.36
Flour				
Soft patent.....	per bbl.	6.80	6.00	6.20
Spring "	"	7.10	6.10	6.20
Middling cotton....	per lb.	.0990	.0950	.0980
Hogs on hoof.....	per cwt.	4.25	1.75	2.25

*Nominal quotations.

FINANCIAL

Demand for credit for industrial and commercial purposes continued extremely quiet in the Eighth District during the past thirty days, and generally the banking and financial situation showed little change as contrasted with the similar period immediately preceding. Liquidation among major mercantile and manufacturing lines in the principal cities was in large volume, reflecting generally good collections. There were also heavy payments of loans based on agricultural products, particularly in the typical cotton and rice growing areas. Grain and flour milling interests considerably reduced their commitments, due to smaller inventories and the decline in wheat prices. The total of this class of loans, however, continues measurably larger than at the corresponding period a year and two years earlier. Markets in the burley tobacco districts opened in the third week of December, but due to small offerings and dissatisfaction with prices, relatively little leaf sold, with the result that there has been scant liquidation of tobacco loans. Interest rates remained at the low levels which have obtained during the past several months.

Total loans of reporting member banks in the principal cities on December 13 were slightly greater than on November 15, but 5 per cent less than on the corresponding report date in 1932. Total deposits increased 8.2 per cent from November 15 to December 13, and on the latter date recorded a new high point for the year. Reserve balances continued to increase, and at mid-December were 25 per cent and 92 per cent greater, respectively than a month and a year earlier. Total investments showed practically no change during the four-week period.

Borrowings of all member banks from the Federal reserve bank continued in small volume between November 15 and December 15, and throughout that period were substantially less than a year ago. Total credit extended by the Federal reserve bank increased from \$95,024,000 to \$100,275,000 in the month ended December 15, the gain being due entirely to expansion in the volume of bills purchased. The seasonal demand for currency was reflected in a moderate increase in this bank's note circulation.

At St. Louis banks, as of the week ended December 15, current rates were as follows: Customers' prime commercial paper, 3 to 5½ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 2¼ 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 December 13, 1933,

showed an increase of 0.5 per cent as contrasted with November 15, 1933. Deposits increased 3.5 per cent between November 15, 1933 and December 13, 1933 and on the latter date were 5.3 per cent greater than on December 14, 1932. Composite statement follows:

	*Dec. 13, 1933	*Nov. 15, 1933	*Dec. 14, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$ 92,712	\$ 87,055	\$104,594
All other loans and discounts.....	147,465	152,000	148,535
Total loans and discounts.....	\$240,177	\$239,055	\$253,129
Investments			
U. S. Government securities.....	143,214	142,356	109,286
Other securities.....	100,892	101,687	108,890
Total investments.....	\$244,106	\$244,043	\$218,176
Reserve balance with F. R. Bank..	67,633	54,102	35,182
Cash in vault.....	10,003	8,993	6,514
Deposits			
Net demand deposits.....	313,361	289,714	279,437
Time deposits.....	156,614	158,694	181,260
Government deposits.....	20,552	25,700	4,994
Total deposits.....	\$490,527	\$474,108	\$465,691
Bills payable and rediscounts with Federal Reserve Bank.....	180	180	550

*In thousands (000 omitted).

Federal Reserve Operations—During November, the Federal Reserve Bank of St. Louis discounted for 51 member banks against 64 in October and 200 in November, 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:

	*Dec. 15, 1933	*Nov. 15, 1933	*Dec. 15, 1932
Bills discounted	\$ 1,475	\$ 1,427	\$ 8,029
Bills bought	5,440	242	
U. S. Securities.....	93,200	93,200	66,156
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	160	155	974
Total Bills and Securities.....	\$100,275	\$ 95,024	\$ 75,159
Total Reserves.....	\$171,424	\$166,082	\$ 99,560
Total deposits.....	109,738	99,184	60,043
F. R. Notes in circulation.....	144,162	142,903	102,981
Ratio of reserve to deposits and F. R. Note Liabilities.....	67.5%	68.6%	61.1%

*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 account of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Nov., 1933	*Oct., 1933	*Nov., 1932	Nov. 1933 comp. Oct. 1933	Nov. 1932
East St. Louis & Natl.					
Stock Yards, Ill..	\$ 18,420	\$ 20,230	\$ 16,342	— 8.9%	+12.7%
El Dorado, Ark.....	2,925	3,375	2,968	—13.3	+ 1.4
Evansville, Ind.....	13,373	14,124	13,785	— 5.3	+ 3.0
Fort Smith, Ark.....	7,905	8,326	6,668	— 5.1	+18.6
Greenville, Miss.....	4,050	4,063	2,641	+ 0.3	+53.4
Helena, Ark.....	2,279	2,115	1,744	+ 7.8	+30.7
Little Rock, Ark.....	18,076	18,596	16,530	+ 2.8	+ 9.4
Louisville, Ky.....	105,642	115,144	95,081	+ 8.3	+11.1
Memphis, Tenn.....	125,333	130,252	83,560	+ 3.8	+50.0
Owensboro, Ky.....	2,351	2,634	2,375	—10.7	+ 1.0
Pine Bluff, Ark.....	5,978	6,695	5,193	—10.7	+15.1
Quincy, Ill.....	4,171	5,036	4,880	—17.2	+14.5
St. Louis, Mo.....	376,550	418,292	353,915	—10.0	+ 6.4
Sedalia, Mo.....	1,141	1,300	1,154	—12.2	+ 1.1
Springfield, Mo.....	8,348	9,165	8,306	— 8.9	+ 0.5
*Texarkana, Ark.-Tex.....	5,064	5,225	4,963	— 3.1	+ 2.0
Totals	\$701,606	\$764,572	\$620,105	— 8.2	+13.1

*In thousands (000 omitted).

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

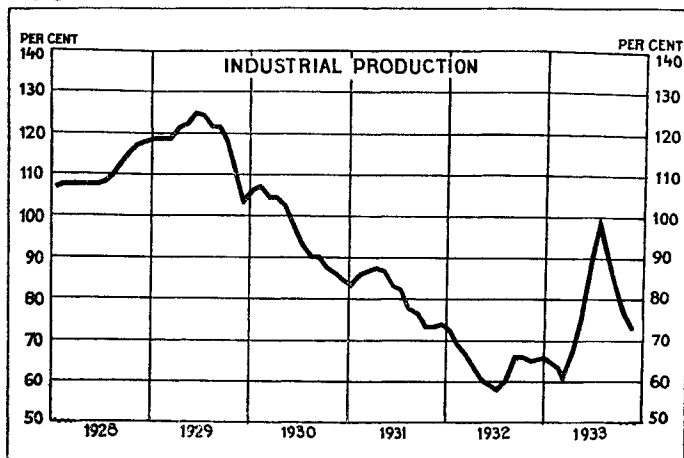
(Compiled December 23, 1933)

BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION AND EMPLOYMENT—Output of basic commodities, as measured by the Federal Reserve Board's seasonally adjusted index, was 73 for November, on the basis of the 1923-1925 average as 100, compared with 77 for October. This total for the month reflects the maintenance during November, with allowance for usual seasonal changes, of the level reached at the end of October after a continuous decline during the preceding three months. Activity at steel mills after declining from 44 per cent of capacity in the early part of October to 25 per cent in the early part of November, subsequently increased to a rate of 34 per

dise at department stores declined, contrary to seasonal tendency, while sales by variety stores showed little change.

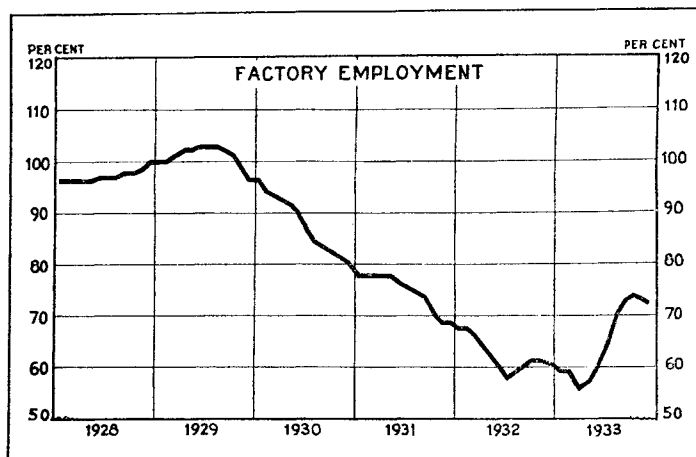
WHOLESALE PRICES—Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 70.9 per cent of the 1926 average in the first week of November to 71.7 per cent in the third week and then declined to 70.9 per cent in the week of December 9. These movements reflected chiefly changes in the prices of farm products and foods. Prices of hogs declined considerably after the middle of November, owing partly to seasonal factors.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure, November, preliminary, adjusted 73.

cent in the third week of December. Output of automobiles, which was curtailed sharply in November in preparation for new models, also increased somewhat in the early part of December. Consumption of cotton by domestic mills was in somewhat smaller volume in November than in the preceding month and activity at woolen mills decreased. At shoe factories production showed a decline larger than is usual at this season.

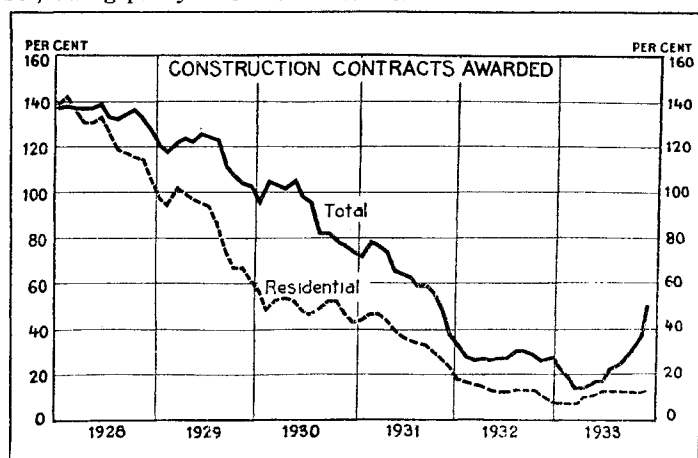
Volume of factory employment and payrolls declined from the middle of October to the middle of November by somewhat more than the usual seasonal amount. The Board's seasonally adjusted index of factory employment for November was 72, as compared with 74 in October and 57 at the low point in March.



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100). Latest figure, November, employment, adjusted, 72.4

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a further substantial increase in November. This increase, at a season when construction contracts usually decline, reflects a growth in the volume of public works.

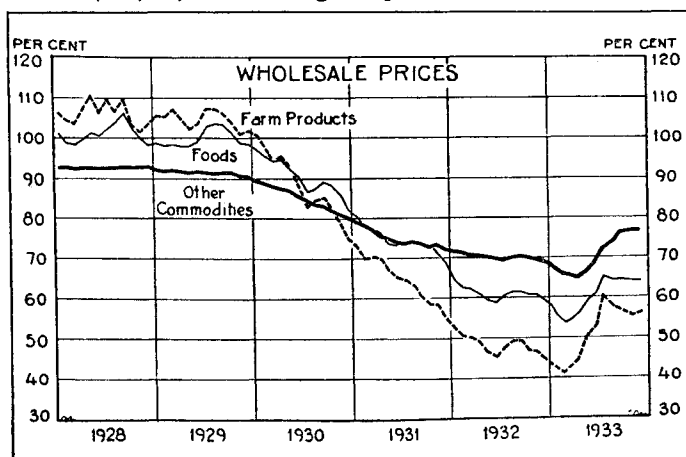
DISTRIBUTION—Shipments of commodities by rail decreased in November as compared with October by an amount somewhat smaller than is usual at this season. Sales of merchan-



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100). Latest figure, November, preliminary, total 51, residential 13.

FOREIGN EXCHANGE—The value of the dollar in the foreign exchange market advanced from a low point of 59 per cent of its gold parity on November 16 to about 64 per cent for the period from November 27 to December 20.

BANK CREDIT—Between November 15 and December 20 there was the usual seasonal increase about \$195,000,000, in the demand for currency by the public. This currency demand was met largely through the purchase of \$100,000,000 of acceptances by the Federal Reserve Banks and the issuance of additional bank notes by the national banks. Reserve balances of member banks showed little change for the period and continued to be at a level of about \$800,000,000 above legal requirements.



Indexes of the United States Bureau of Labor Statistics (1926=100). Latest figure, November, farm products 56.6, foods 54.3, other commodities 77.2.

Total loans and investments of reporting member banks in leading cities declined by \$160,000,000 between November 15 and December 13, reflecting chiefly sales of acceptances to the reserve banks and a reduction in holdings of investments other than United States Government securities. Loans on securities, chiefly to brokers in New York City, increased by \$40,000,000, while all other loans, which include holdings of acceptances, declined by \$125,000,000. Short-term money rates advanced slightly during the period.