



MONTHLY REVIEW

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

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CONTINUING the trends noted during the similar period immediately preceding, general business and sentiment in the Eighth District during the past thirty days developed quite decided improvement. Reports relative to trade, both retail and wholesale, were on the whole the most favorable since last summer. In industry seasonal influences making for curtailment of activities were less in evidence than a year and two years earlier, and in certain lines were conspicuously absent. Resumption of activities at numerous manufacturing establishments following the holiday and inventorying period was more rapid than is ordinarily the case. The considerable inventories acquired by merchants during the summer and early fall of 1933 were heavily reduced by the holiday trade and generally freer buying of a routine sort by the public. Since January 1 there has been a well defined disposition to replenish, as reflected in orders placed with producers and the wholesale and jobbing interests. In all lines investigated by this bank except clothing, the volume of December business was in excess of that during the same period in 1932, and in a number of instances, greater than in December, 1931.

The movement of seasonal merchandise, which had been retarded by unusually mild weather in the fall and early winter, was greatly stimulated by the drop in temperatures during the last half of December. The holiday trade generally through the district, but more particularly in the south, was in considerably larger volume than a year ago. Sales of automobiles in December showed the usual decline from November, but were measurably larger than during the closing month of 1932. Consumption of electricity by industrial plants in the principal cities of the district in December was greater than for the same month during the preceding year. Activities in the iron and steel industry declined in less than the usual amount in December, and shipments of pig iron to district melters reached the highest total for that month since 1929. Production of bituminous coal in fields of the district declined slightly from November to December, and

the output for the latter month was moderately smaller than a year earlier.

Weather conditions throughout the district were unusually favorable for agriculture during the fall and early winter. Late crops were harvested and housed with a minimum loss of quantity and quality. In all sections, but more particularly in cotton areas, plowing and preparations for spring crops are considerably in advance of the usual seasonal schedule. Markets for the 1933 tobacco crops opened in late December and early this month, with generally liberal offerings. Due to dissatisfaction of producers with prices, however, sales were temporarily suspended, and the crop is slow in moving into consumptive channels. The trend of cotton prices continued upward, and at the middle of January scored a new high on the present crop. Prices of wheat, corn and oats also advanced sharply in the third week of January, practically recovering the losses sustained during December. Cattle and hogs remained at or about the low levels which have obtained in recent months.

The volume of retail trade in December, as indicated by sales of department stores in the chief cities of the district, was 15.9 per cent greater than for the same month in 1932, and 52.8 per cent larger than the November, 1933, total; cumulative total for the twelve months of 1933 was 4.1 per cent smaller than in 1932. Combined December sales of all wholesaling and jobbing firms reporting to this bank were 31 per cent smaller than in November, but 29 per cent greater than in December, 1932; cumulative sales of these firms in 1933 were larger by 18 per cent than in 1932. The dollar value of permits issued for new construction in the five largest cities of the district in December was 45.8 per cent smaller than in November and 148.3 per cent more than in December, 1932; for the year, value of permits was larger by 88.9 per cent than in 1932. Construction contracts let in the Eighth District in December exceeded those of the preceding month by 309 per cent and the total was 106.5 per cent larger than in December, 1932; for the year, the total increased 5.4 per cent over that of the pre-

ceding twelve months. Debits to checking accounts in December were 8.6 per cent and 10.7 per cent greater, respectively than a month and a year earlier; total debits for 1933 were 11.2 per cent smaller than the 1932 aggregate.

Freight traffic of railroads operating in this district, according to officials of the companies, declined in considerably less than the usual seasonal volume in late December. In some classifications the expected recession was entirely absent. As a result of the better than seasonal showing, total loadings for the year 1933 exceeded those of the preceding twelve-month period by a slight margin, though the total was still considerably below those recorded in 1931, 1930 and 1929. Mild weather prevailing through the early winter tended to restrict the movement of seasonal commodities, notably fuels. For the country as a whole, loadings of revenue freight in 1933 totaled 19,446,718 cars, against 18,518,905 cars in 1932 and 24,583,757 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 61,258 loads in December, which compares with 64,684 loads in November and 59,513 loads in December, 1932. During the first nine days of January the interchange amounted to 17,881 loads, against 17,179 loads during the corresponding period in December and 15,208 loads during the first nine days of January, 1933. In 1933 there were 828,320 loads interchanged against 816,732 loads in 1932. Passenger traffic of the reporting lines decreased 7 per cent in December as compared with the same month in 1932. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 105,700 tons, against 97,457 tons in November, and 93,766 tons in December, 1932. Tonnage handled during 1933 totaled 1,205,916 tons, which compares with 1,292,983 tons in 1932 and 1,170,319 tons in 1931.

The steady improvement in collections, noted during the past several months, continued in December and the first half of January. Particularly favorable results were reported in the south, where higher cotton and rice prices have enabled producers of these commodities to considerably reduce their indebtedness to both merchants and banks. Delays in the marketing of tobacco, occasioned by unsatisfactory prices, unusually heavy rejections and temporary suspension of sales, have tended to restrict liquidation in sections where tobacco is the principal cash crop. January settlements with wholesalers in the main distributing centers were reported generally satisfactory, and measurably larger than a year ago. Answers to questionnaires addressed to

representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
December, 1933.....	8.2%	32.8%	55.7%	3.3%
November, 1933.....	8.6	33.6	53.9	3.9
December, 1932.....	2.0	14.6	54.6	28.8

Commercial failures in the Eighth Federal Reserve District in December, according to Dun and Bradstreet, numbered 32, involving liabilities of \$523,615, against 47 defaults in November with liabilities of \$578,883, and 114 insolvencies for a total of \$1,833,530 in December, 1932. In 1933 there were 795 failures with liabilities of \$15,443,137 which compares with 1,507 failures in 1932 for a total of \$45,568,526 and 1,676 defaults with liabilities of \$41,037,704 in 1931.

Money in circulation in the United States on December 31, 1933, was \$5,804,469,600, which compares with \$5,742,492,685 on November 30, 1933, and \$5,274,941,484 on December 31, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes—There was the usual seasonal contraction in volume of business from November to December, but the decrease was smaller than the average during the past decade. Total sales of the reporting firms in December were about one-half smaller than in November, but 28 per cent greater than for December, 1932. Stocks on January 1 were greater by 54 per cent than a month earlier, but 4 per cent smaller than on January 1, 1933. In the yearly sales comparison increases were general through the entire line, but most pronounced in better grades of footwear and specialties, including sport shoes. As compared with the preceding thirty days, there were no price changes worthy of note, but the general level averages about 15 per cent higher than a year ago, according to estimates of several leading firms. Eighth District production in December was about 5 per cent below the November total, but approximately 10 per cent greater than in December, 1932.

Clothing—According to the reporting clothiers, business during the past thirty days shows considerable spottiness and irregularity. Increases in volume over a year ago are shown by some firms, while others report smaller sales. The average of all firms in December was below that of a year earlier, also less than the November, 1933 total. The decrease in the month-to-month comparison is seasonal in character. Demand for work clothes was fairly well maintained and well over the same time a year and two years earlier. The movement of heavy apparel through retail channels was retarded during the early winter by unusually mild weather,

and reordering of merchandise in this category has been in smaller volume than is ordinarily the case. Stocks on January 1 were 11 per cent and 60 per cent larger, respectively, than a month and a year earlier.

Drugs and Chemicals — Improvement in the movement of seasonal merchandise was in large measure responsible for an increase of 25 per cent in December sales of the reporting firms over the preceding month, and of 33 per cent over the December, 1932, total. December was the sixth consecutive month in which sales exceeded those of the corresponding period a year earlier. Stocks on January 1 were 5 per cent smaller than a month earlier, and about 5 per cent greater than a year ago. Purchasing of holiday goods was reported in heavier volume than last year.

Dry Goods — December sales of the reporting firms were 40 per cent smaller than in November but nearly one-fourth greater than the December, 1932 total. The decline from November to December is seasonal, December being normally the month of smallest sales of the year. Inventories increased 11 per cent between December 1 and January 1, and on the latest date were 67 per cent greater than a year ago. Retail stocks generally were much reduced by the holiday trade, and since January 1 the volume of ordering has been in large volume, and covers a broader variety of merchandise than last year. The number of visiting merchants in the chief distributing centers during early January according to reporting dry goods houses was the largest since 1931.

Electrical Supplies — December sales of the reporting firms were the largest for any single month since 1931, being about 58 per cent larger than the same period in 1932 and 52.5 per cent greater than the November, 1933 total. Inventories decreased 12 per cent between December 1 and January 1, and on the latest date were 6 per cent larger than a year earlier. The increase in the month-to-month sales comparison is seasonal in character, but its extent was considerably greater than the average in recent years.

Flour — Production at the twelve leading mills of the district in December was 250,432 barrels, against 270,303 barrels in November, and 261,298 barrels in December, 1932. Moderate improvement in the general demand was noted during the first half of January, but for the most part, buyers are still operating on a conservative basis. Export inquiries were in slightly larger volume, but bids from abroad are still below views of producers in

this area. Mill operations were at from 50 to 55 per cent of capacity.

Furniture — Sales of the reporting firms in December showed less than the usual seasonal decrease from November, and an increase of 58 per cent over the corresponding month in 1932. Incidentally the December total was the largest for the period since 1929. During each successive month since last March, the reporting group of firms has recorded an increase over the same period a year earlier. Inventories on January 1 were 8 per cent and 64 per cent larger than a month and a year earlier, the heavy gain in the yearly comparison being due in large part to higher prices, the advance being variously estimated from 20 to 30 per cent. Orders booked at the annual furniture markets at Chicago and Grand Rapids in January were generally reported to be in substantially larger volume than a year ago.

Groceries — Further improvement in this classification was noted, both as compared with the preceding month and a year ago. December sales of the reporting firms were 18 per cent larger than for the same month in 1932, and 5 per cent above the November, 1933 total. Stocks on January 1 were 1 per cent and 20 per cent larger, respectively, than a month and a year earlier. Belated ordering of holiday goods and a considerable volume of reordering of such merchandise helped to bolster the December sales' total.

Hardware — Sales of the reporting interests in December were the largest for the period since 1929, and for the eighth successive month were larger than for the corresponding period a year earlier. Reports covering the first half of January indicate a continuance of the upward trend in sales. Business was stimulated by public works projects, demand of shovels, wheelbarrows, crowbars, axes and similar commodities being greater in many instances than could be accommodated. Sales of holiday goods were in larger volume than during the two preceding years. December sales of the reporting firms were approximately one-half larger than for the same month in 1933, and only a shade below the November, 1933, total. Inventories on January 1 were 3 per cent smaller than a month earlier and 19 per cent greater than a year ago, the increase in the yearly comparison being due partly to higher prices.

Iron and Steel Products — The usual slowing down in activities in the iron and steel industry, which marks the final month of the year and the holiday and inventorying period, was considerably less pronounced than a year and two years earlier.

Certain phases of the industry failed to reflect the seasonal trend, notably the movement of raw and finished materials to consuming plants. This was due in large measure to the desire on the part of interests having contracts to get in the materials prior to January 1, on which date under code provisions, contracts for last quarter of 1933 expired. December movement of pig iron to melters in this area was the largest for the month since 1929, and topped the November total by a substantial margin. Shipments of metallurgical coke and scrap were also in large volume. Stove plants were active later into the season than is ordinarily the case, and several with special mail order house contracts, worked continuously except on Christmas and New Year. Jobbing foundries reported rather spotted conditions, some having sufficient miscellaneous work to keep them active on part-time schedules, while others closed down in the final week of December to remain idle until the middle of January. Iron and steel warehouses sustained a decrease in business during December under the preceding month, but a measurable gain over the corresponding period in 1932. Moderate profits were realized in 1933 by certain jobbing interests reporting to this bank, thus reversing conditions of the preceding year. Prices of raw materials were strong. Recent heavy shipments of pig iron have served to reduce furnace stocks, and a general scarcity of scrap was reflected in a sharp advance in all grades. Heavy melting steel advanced to the highest levels since last summer. Contrary to the seasonal trend, production of pig iron for the country as a whole increased in December as compared with November. Total December output of 1,192,136 tons, according to the magazine "Steel", compares with 1,083,740 tons in November and 547,179 tons in December, 1932. Production for the year 1933 amounted to 13,221,707 tons, against 8,674,067 tons in 1932 and 18,263,011 tons in 1931. Steel ingot production in the United States in December totaled 1,819,648 tons, against 1,540,882 tons in November and 861,034 tons in December, 1932. In 1933 production amounted to 22,878,571 tons against 13,322,833 tons in 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in December was 84,045, against 63,904 in November, and 107,403 in December, 1932.

December is ordinarily the month of smallest distribution of automobiles in the Eighth District, and, according to dealers reporting to this bank, the period in 1933 was no exception. The extent of

the decrease from November to December was considerably larger than the average during the past decade, due partly to heavier than ordinary sales in November and to the fact that prospective purchasers of passenger cars were inclined to await the appearance of new models early this year before filling their requirements. For the seventh successive month, however, December sales were in excess of the corresponding period a year earlier. Total sales of the reporting dealers in 1933 were 19 per cent greater than for 1932, though 40 per cent below the average sales during the past eight years. In the December sales comparison with a year ago, increases were more marked in the case of dealers handling cheap and medium-priced cars.

December sales of new passenger cars by the reporting dealers were 12 per cent greater than for the same month in 1932, but 38 per cent below the November, 1933 total. Inventories are universally light, and dealers are in good condition for handling the new models when placed on the market. Stocks of new passenger cars on dealers' floors on January 1 were 12 per cent smaller than a month earlier and about one-third smaller than on January 1, 1933. The same general trends were noted in the used car market as that for new vehicles. December sales of secondhand cars were 8 per cent smaller than in November, and 26 per cent larger than in December, 1932. Stocks of salable used cars on hand varied only slightly between December 1 and January 1, and on the latest date were 10 per cent greater than a year earlier. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in December was 48 per cent, against 44 per cent in November and 55 per cent in December, 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	
	Dec. 1933 comp. to Dec. 1932	12 months ended Dec. 31, 1933 to same period 1932	Dec. 31, 1933 comp. to Dec. 31, 1932	Jan. 1, to Dec. 31, 1933	1932
Evansville	+13.4%	- 2.6%	- 1.9%	1.34	1.15
Little Rock..	+33.9	- 4.7	+14.7	2.25	2.26
Louisville	+ 1.9	- 8.3	- 0.6	3.10	2.64
Memphis	+26.0	- 2.9	- 0.3	3.19	3.02
Quincy	+32.2	- 3.3	+ 2.3	2.58	2.31
St. Louis.....	+14.1	- 3.6	+10.1	3.63	3.60
Springfield ..	+16.5	- 9.9	-13.5	1.50	1.33
8th District..	+15.9	- 4.1	+ 6.8	3.30	3.18

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Dec. 1933 comp. to Dec. 1932	12 months ended Dec. 31, 1933 to same period 1932	Dec. 31, 1933 comp. to Dec. 31, 1932	Jan. 1, to Dec. 31, 1933	1932
Men's Furnishings	+25.4%	- 1.2%	+25.0%	3.22	2.97
Boots and Shoes	+ 0.2	-12.4	-25.9	3.01	2.61

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 18.8 per cent in combined postal receipts for the final quarter of 1933 over the preceding three months, and a decrease of 7 per cent as contrasted with the last quarter of 1932. Detailed figures follow:

	For Quarter Ended				Dec. 1933 comp. to Dec. 1932
	Dec. 31, 1933	Sept. 30, 1933	June 30, 1933	Dec. 31, 1932	
Evansville....	\$ 130,008	\$ 139,549	\$ 136,219	\$ 139,826	— 7.0%
Little Rock....	171,715	153,540	148,486	179,505	— 4.3
Louisville	617,313	540,284	586,831	644,721	— 4.3
Memphis	543,508	448,329	447,551	543,380	— .02
St. Louis.....	2,562,155	2,107,190	2,396,873	2,818,143	— 9.1
Totals	\$4,024,699	\$3,388,892	\$3,715,960	\$4,325,575	— 7.0

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 12 per cent smaller than in November and 10.4 per cent larger than in December, 1932. Detailed figures follow:

	No. of Custom- ers	Dec.,	Nov.,	Dec. 1933	Dec.,	Dec. 1933
		1933 *K.W.H.	1933 *K.W.H.	comp. to Nov. 1933	1932 *K.W.H.	comp. to Dec. 1932
Evansville ...	40	1,443	1,321	+ 9.2%	1,484**	— 2.8%
Little Rock..	35	1,235	1,332	— 7.3	1,158	+ 6.6
Louisville ...	85	5,315	5,712	— 7.0	5,026**	+ 5.8
Memphis	31	1,806	1,502	+20.2	1,290	+40.0
St. Louis.....	196**	12,560	15,585**	—19.4	11,299**	+11.2
Totals	387	22,359	25,452**	—12.2	20,257**	+10.4

*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 December was 45.8 per cent less than in November, and 148.3 per cent more than in December, 1932. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in December amounted to \$19,986,036 which compares with \$9,677,726 in November and \$4,886,658 in December, 1932. Building figures for December follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	5	70	\$ 2	\$ 6	84	11	\$ 21	\$ 5
Little Rock	8	7	1	1	33	36	6	7
Louisville ..	16	14	31	17	11	15	12	15
Memphis ...	95	94	201	59	66	123	26	62
St. Louis....	51	27	53	33	94	84	62	39
Dec. totals..	175	212	\$ 288	\$ 116	288	269	\$ 127	\$128
Nov. " ..	363	281	531	213	318	273	154	133
Oct. " ..	482	456	812	1,063	466	490	243	247

*In thousands (000 omitted).

AGRICULTURE

Taken as a whole the winter to date in the Eighth District has been favorable for agricultural activities and development of fall sown crops. Abnormally high temperatures prevailed during

most of December, the first really cold weather of the season being experienced in the last week of that month. Farmers were able to complete the final stages of harvesting and housing late crops under unusually auspicious conditions, and routine farm operations have been brought well up to the seasonal schedule. Considerable headway has been made in plowing for spring crops, especially in the cotton and rice areas. Precipitation during the early winter was below normal, but the deficiency has been partially made up by rains and snows since January 1. For the most part winter wheat fields in the northern stretches of the district had adequate snow protection and indications are for exceptionally light damage from winter killing.

Winter Wheat—The area of winter wheat seeded last fall in states of the Eighth District was 5,731,000 acres, an increase of 7.1 per cent and 8.7 per cent, respectively, over the seedings in the fall of 1932 and the fall of 1931. In the principal producing states, the December condition was equal to or higher than a year ago. Due mainly to curtailment efforts by the Agricultural Adjustment Administration, seedings last fall in the country as a whole were smaller by 4 per cent than the revised estimate of acreage seeded in the fall of 1932 and 7.2 per cent less than the revised average acreage seeded (1929-1931) for crops harvested 1930 to 1932. Wheat stocks on farms of Eighth District states as of January 1 were 8.8 per cent smaller than a year earlier and 30.8 per cent less than the 4-year (1931-1934) average. Generally through the district, wheat was sown subsequent to fly-free dates and under favorable soil conditions. Germination has been fairly uniform and made a good start during October. November weather was adversely dry and in many sections was accountable for slow growth. Mild temperatures with light rains in December improved surface soil conditions and was beneficial to growth.

Corn—Stocks of corn on farms in states including the Eighth District on January 1 were estimated by the U. S. Department of Agriculture at 471,393,000 bushels, a decrease of 31 per cent under a year earlier and the smallest since January 1, 1931. Weather conditions in November and December were ideal for development of the crop, and harvesting and cribbing was accomplished earlier than average. Generally through the district fields are well cleaned up. Due to the mild winter, damage from frost was unusually light, and average quality of the crop is high. In states including the Eighth District the corn crop of 1933 is estimated by the

U. S. Department of Agriculture at 689,876,000 bushels, worth at December 1 farm prices, \$275,601,000. In 1932 these states produced 968,882,000 bushels, but due to low prices, the larger output had an estimated value of only \$181,181,000.

Live Stock—The favorable condition of live stock generally throughout the district which marked earlier months of the year, continued through December. Prices of cattle and hogs continued at or around the low levels which have prevailed in recent months, despite which fact the movement to market was in considerable volume. Feed crops in states of the Eighth District were short and prices relatively high. All tame hay production in these states in 1933 was estimated at 10,648,000 tons, with value of \$85,423,000 which compares with 11,086,000 tons in 1932, with estimated value of \$66,297,000.

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

	Receipts			Shipments		
	Dec., 1933	Nov., 1933	Dec., 1932	Dec., 1933	Nov., 1933	Dec., 1932
Cattle and Calves.....	87,443	100,660	65,695	41,192	47,424	38,559
Hogs	260,406	264,687	201,455	128,559	132,231	159,342
Horses and Mules.....	8,296	9,452	1,853	9,151	9,413	1,692
Sheep	35,435	41,933	43,869	7,749	7,791	12,209

The following table shows comparative receipts and shipments for the years 1931, 1932, and 1933:

	Receipts			Shipments		
	1933	1932	1931	1933	1932	1931
Cattle and Calves	1,118,339	1,064,438	1,170,781	552,441	631,826	755,140
Hogs	3,327,464	2,626,277	2,970,316	1,857,274	1,946,818	2,321,835
Horses and Mules	69,026	35,518	40,101	69,152	33,571	40,655
Sheep	658,652	710,905	660,897	145,562	197,033	220,027

Cotton—Production of cotton in the Eighth District in 1933, is estimated by the U. S. Department of Agriculture in its December report at 2,350,000 bales, with value of \$113,270,000 the value being based on December 1 farm prices. This compares with 2,635,000 bales in 1932, with value of \$75,256,000 and 3,597,000 bales worth \$109,529,000 in 1931. In addition to the larger proceeds from sales of their cotton, producers' incomes were considerably augmented by cash received for acreage plowed up, in connection with the Agricultural Administration's campaign for crop reduction and Government loans of 10c per pound. Until the final week in December, weather conditions were auspicious for field work, and plowing and general preparations for the new crop were considerably ahead of the average seasonal schedule. Activity in the raw cotton markets which developed early this year has continued through the first three weeks of January. Inquiries from both domestic consumers and exporters have shown marked improvement. Offerings continue relatively light, despite the upturn in prices. In the St. Louis market the middling grade ranged from

9.65c to 11.15c between December 15 and January 15, closing at 11.15c on the latter date, which compares with 9.80c on December 15, and 5.75c on January 16, 1933. Receipts at Arkansas compresses from August 1, 1933, to January 12, 1934, totaled 915,683 bales, which compares with 1,078,505 bales for the corresponding period a year earlier. Stocks on hand as of January 12 were 604,114 bales, against 659,008 bales on December 8, 1933, and 651,354 bales on January 13, 1933.

Tobacco—Sales at burley tobacco markets were resumed on January 8, following the marketing holidays, during which interval deliveries to loose leaf warehouses were heavy. On several markets lower prices were paid than in December, and dissatisfaction among growers caused a further suspension of sales. Elsewhere, however, prices realized were as high as when the season opened. At the middle of January considerable irregularity existed in burley prices.

The market for sale of dark fired tobacco at Clarksville, Tennessee opened on December 19, with average prices higher than a year ago. The dark fired markets at Hopkinsville, Ky., and Springfield, Tennessee, opened during the first week of January, with sales at Springfield at a general average of \$12 per 100 pounds, \$5 higher than early sales last year. Hopkinsville sales were relatively light, but at prices above a year ago. The western district markets opened the same week, with small offerings and somewhat higher prices than paid at initial sales in 1933. The one sucker and Green River markets opened the second week of January. In the former, leaf sold about the same levels as last year, but rehandling grades were from \$1 to \$2 higher and lugs \$2 to \$2.50 higher than paid for the 1932 crop. The average price at Green River sales was about \$1.50 higher than the opening a year ago.

COMMODITY PRICES

Range of prices in the St. Louis market between December 15, 1933, and January 15, 1934, with closing quotations on the latter date and on January 16, 1933, follow:

	High	Low	Close	
			Jan. 15, 1934	Jan. 16, 1933
Wheat				
May .....	.91	.82	.90¾	.47½
July .....	.89	.82¾	.89	.47
No. 2 red winter .....	.92½	.82	.92½	.49½ @ .50
No. 2 hard .....	.90	.81	.90	.49½ @ .50
Corn				
*May .....	.54	.47½	.53½ @ .53¾	.25¼
*July .....	.55¾	.49½	.55½ @ .55¾	.27½
*Sept. ....	.57	.53¾	.56¾	.28¾ @ .28¾
No. 2 mixed .....	.51¼	.48	.51¼	.24 @ .24½
No. 2 white .....	.51	.45¾	.51	.23¾ @ .24
Oats				
No. 2 white .....	.40	.35¾	.39½	.17¼ @ .17½
Flour				
Soft patent.....per bbl.	7.10	6.10	6.60 @ 7.10	3.10 @ 3.35
Spring	7.10	6.10	6.60 @ 7.10	3.75 @ 4.00
Middling cotton.....per lb.	.1115	.0965	.1115	.0575
Hogs on hoof.....per cwt.	3.90	1.75	2.00 @ 3.50	2.10 @ 3.40

*Nominal quotations.

FINANCIAL

Save where affected by seasonal influences, Eighth District financial and banking conditions underwent only minor changes during the past thirty days. Throughout December and the first week of January, demand for credit from commercial and industrial sources continued quiet, but since then moderate improvement has taken place, particularly in the large cities. The call for funds from agricultural sections was seasonally light, and country banks reported a considerable volume of liquidation; in turn these banks further reduced their loans from city correspondents and the Federal reserve bank. The usual augmented demand for funds in late December to meet interest and dividend disbursements was in evidence, but this had no effect on the situation as a whole, amounting largely to a shifting of credits. Reflecting the advance in cereal prices since mid-January, some expansion in commitments of grain handling and flour milling interests is noted.

Reserve balances of reporting member banks in the principal cities continued the increase of recent months, and in the four-week period ended January 17, reached a new high record. Otherwise changes in the condition of these banks were negligible. Between December 20 and January 17, there was a decrease of 2.2 per cent in their total investments, due to smaller holdings of Government securities. A slight decline in total deposits was recorded, occasioned entirely by withdrawals of Government funds; customers' demand deposits increasing 2.6 per cent, and demand deposits 2 per cent.

Borrowings of all member banks from the Federal reserve bank fluctuated within a narrow range between December 18 and January 18, and through that period were uniformly greatly below a year earlier. The circulation of this bank decreased seasonally during the first half of January, reflecting the return flow of currency following the holidays.

The amount of savings deposits in selected banks on January 3 was 2 per cent less than on December 6, and 15 per cent less than on January 4, 1933.

Quotably interest rates were little changed from the preceding thirty days, but since the second week in January the trend has been firmer, bankers reporting more loans made at the major figures of spreads in the several classifications than heretofore. At St. Louis banks, as of the week ended January 15, current rates were as follows: Customers prime commercial paper, 3 to 5¾ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 2¾ to 6 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 January 17, 1934, showed a decrease of 3.5 per cent as contrasted with December 20, 1933. Deposits decreased 0.4 per cent between December 20, 1933 and January 17, 1934 and on the latter date were 4.8 per cent greater than on January 18, 1933. Composite statement follows:

	*Jan. 17, 1934	*Dec. 20, 1933	*Jan. 18, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 90,188	\$ 91,359	\$103,542
All other loans and discounts.....	138,484	145,597	139,196
Total loans and discounts.....	\$228,672	\$236,956	\$242,738
Investments			
U. S. Govt. securities.....	143,820	149,463	125,934
Other securities.....	100,847	100,669	109,987
Total investments.....	\$244,667	\$250,132	\$235,921
Reserve balance with F. R. Bank..	70,352	60,573	41,059
Cash in vault.....	7,980	10,704	14,554
Deposits			
Net demand deposits.....	316,185	308,207	289,161
Time deposits.....	159,214	156,115	169,261
Government deposits.....	7,837	20,648	2,635
Total deposits.....	\$483,236	\$484,970	\$461,057
Bills payable and rediscounts with Federal Reserve Bank.....	230	180	3,100

*In thousands (000 omitted).

Federal Reserve Operations—During December, the Federal Reserve Bank of St. Louis discounted for 55 member banks against 51 in November, and 197 in December, 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:

	*Jan. 18, 1934	*Dec. 18, 1933	*Jan. 18, 1933
Bills discounted	\$ 1,226	\$ 1,454	\$ 9,023
Bills bought	4,383	5,097	.....
U. S. Securities.....	93,200	93,200	63,253
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks.....	155	160	946
Total Bills and Securities.....	\$ 98,964	\$ 99,911	\$ 73,222
Total Reserves.....	\$183,955	\$168,021	\$143,901
Total deposits.....	127,699	105,471	68,379
F. R. Notes in circulation.....	138,372	144,900	137,085
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.1%	67.1%	70.0%

*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.

	*Dec., 1933	*Nov., 1933	*Dec., 1932	Dec. 1933 comp. to Nov. 1933	Dec. 1932
East St. Louis and Natl. Stock Yards, Ill. \$	17,495	18,420	16,637	- 5.0%	+ 5.2%
El Dorado, Ark.....	3,654	2,925	3,306	+24.5	+10.5
Evansville, Ind.....	15,558	13,373	13,872	+16.3	+12.2
Fort Smith, Ark.....	7,577	7,905	6,711	- 4.1	+12.9
Greenville, Miss.....	3,458	4,050	2,819	-14.6	+22.7
Helena, Ark.....	1,654	2,279	1,326	-27.4	+24.7
Little Rock, Ark.....	19,154	18,076	17,712	+ 6.0	+ 8.1
Louisville, Ky.....	125,683	105,642	106,940	+19.0	+17.5
Memphis, Tenn.....	105,424	125,333	80,209	-15.9	+31.4
Owensboro, Ky.....	2,857	2,351	2,844	+21.5	+ 0.5
Pine Bluff, Ark.....	4,494	5,978	4,385	-24.8	+ 2.5
Quincy, Ill.....	5,081	4,171	5,094	+21.8	- 0.3
St. Louis, Mo.....	447,680	376,550	438,060	+18.9	+ 2.2
Sedalia, Mo.....	1,443	1,141	1,462	+26.5	+ 1.3
Springfield, Mo.....	9,920	8,348	8,957	+18.8	+10.8
**Texarkana, Ark.-Tex	5,585	5,064	5,026	+10.3	+11.1
Totals	\$776,717	\$701,606	\$715,360	+10.7	+ 8.6

*In thousands (000 omitted).

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

(Compiled January 22, 1934)

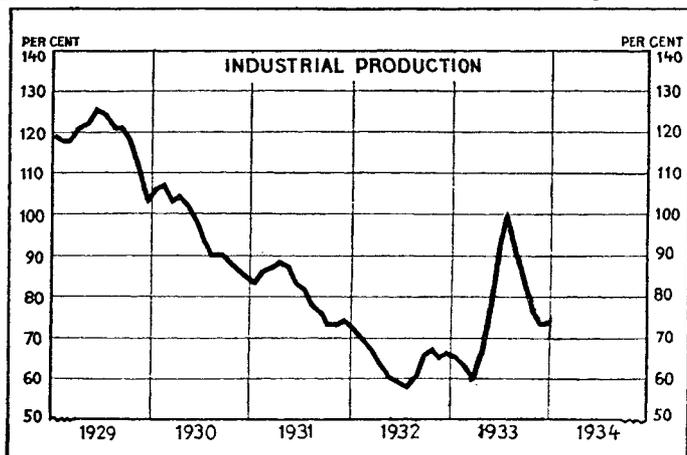
BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity, as measured by the Federal Reserve Board's seasonally adjusted index, showed an increase in December, following upon four months of decline. Factory employment declined somewhat, while employment by public agencies showed a considerable increase.

PRODUCTION AND EMPLOYMENT—The Board's index of industrial production, which is adjusted to allow for seasonal variation, advanced from 73 per cent of the 1923-1925 average in November to 74 per cent in December. For the fourth quarter of 1933 as a whole the volume of industrial output was 13

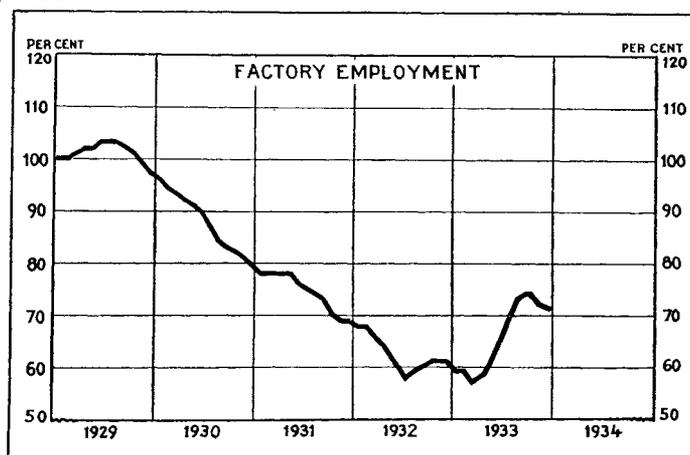
DISTRIBUTION—Freight car-loadings, particularly of miscellaneous freight, declined in December as compared with November by less than the usual seasonal amount. Dollar value of sales by department stores showed an increase slightly larger than is usual for December.

DOLLAR EXCHANGE—The foreign exchange value of the dollar, which had fluctuated around 64 per cent of parity from the end of November to January 13, declined to 62 per cent on January 17, and subsequently advanced to a range from 62 to 63 per cent.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure December, preliminary 74.

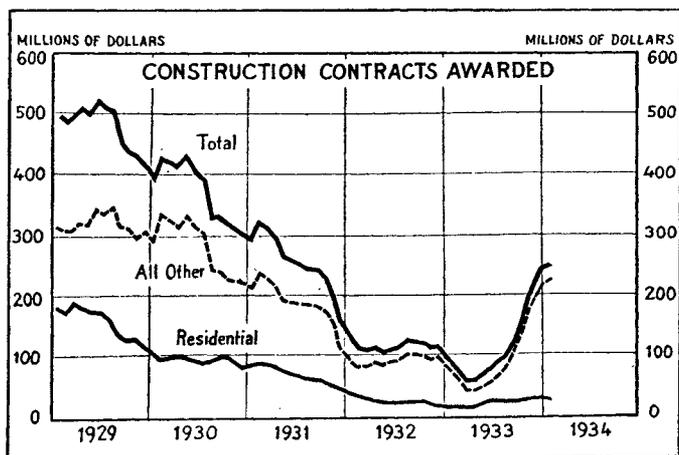
per cent larger than for the corresponding period of 1932. Activity in the steel industry, contrary to seasonal tendency, increased considerably in December and there was also an increase in the output of automobiles. Shoe production declined by an amount smaller than is usual in December. At textile mills, activity declined further by considerably more than the usual seasonal amount to about the low level of last spring. The number of employees at factories declined between the middle of November and the middle of December by somewhat more than the usual seasonal amount, reflecting chiefly reductions in working forces at cotton, woolen, and silk mills and at clothing factories. At automobile factories there was a substantial increase in employment.



Federal Reserve Board's index of factory employment with adjustment for seasonal variation (1923-1925 average=100.) Latest figure December, 71.8.

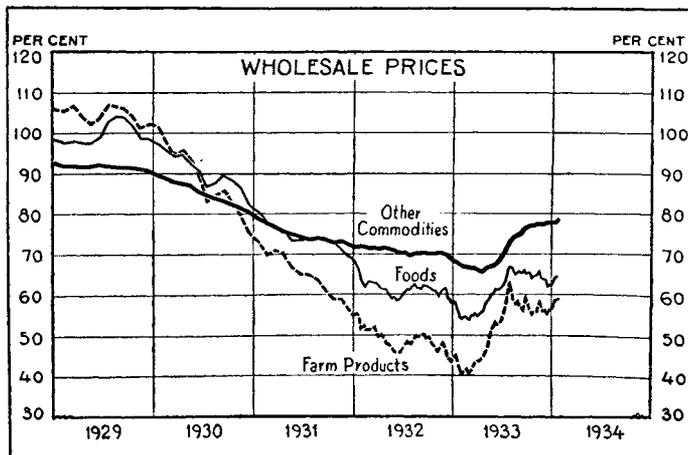
PRICES—Wholesale commodity prices, which had shown a slight decline between the middle of November and the third week of December, advanced in the following month, reflecting chiefly increases in the prices of farm products and foods. Cotton and grains showed marked increases and livestock prices also advanced somewhat.

BANK CREDIT—At the reserve banks the seasonal return of currency from circulation after the holiday demand amounted to about \$250,000,000 from the high point on December 22 to January 17. A large part of the funds arising from this inflow of currency to the reserve banks was added to the reserve balances of member banks, with the consequence that these balances increased by January 17 to \$900,000,000 in excess of legal requirements. The return flow of currency from circulation and the reduction of bal-



Three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figure based on data for November, December and estimate for January.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased further in December and the first half of January. There was a large increase in contracts awarded for public works and private construction also increased. In the fourth quarter of 1933 as a whole, construction contracts in 37 states totaled \$500,000,000 as compared with \$300,000,000 in the last quarter of 1932.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100.) Latest figures January 13 and January 20 respectively, farm products, 58.6, 59.0; foods, 64.2, 64.6; other commodities, 77.9, 78.6.

ances held by commercial banks for the United States Government were reflected in an increase of demand deposits at reporting member banks. Loans of the banks declined between December 13 and January 17, while holdings of United States Government and other securities increased. Short term money rates in the open market, which had shown a slight advance in December, declined in January to the previous level.