



# MONTHLY REVIEW

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

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JOHN S. WOOD,  
*Chairman and Federal Reserve Agent*

C. M. STEWART,  
*Secretary and Ass't Federal Reserve Agent*

J. VION PAPIN,  
*Statistician*

FEDERAL RESERVE BANK OF ST. LOUIS

PRACTICALLY all measurements and indicators of business in the Eighth District during the past thirty days reflected marked improvement over the similar period immediately preceding and the corresponding time a year ago. Industrial production was larger in both comparisons, and distribution of commodities, both through retail and wholesale channels, was substantially larger than in 1933. Relatively the most favorable showing was made in wholesaling and jobbing lines, the total January volume, according to interests reporting to this bank, being the largest, with the exception of last May, since October, 1930. It will be recalled that the opening months of 1933 represented approximately the low point of the depression, also that since a year ago there has been a sharp advance in commodity prices. Increases in the volume of sales in January, however, are too great to be accounted for by these two factors, and indicate actual and substantial improvement. As exemplifying this, there may be cited increases this January over last in sales of boots and shoes, of 61 per cent; clothing more than 100 per cent; drugs and chemicals 28 per cent; dry goods 92 per cent; electrical supplies 100 per cent; stoves 70 per cent; furniture 47 per cent; groceries 36 per cent, and hardware 54 per cent.

The augmented volume of business has been accomplished by strengthening of confidence in the business community and among the public generally. Merchants are buying more freely and a broader variety of goods than at the same period during the preceding two or three years. Latest reports indicate that holiday trade was larger than early estimates and cut heavily into retail stocks, with the result that inventories were considerably reduced. Since the middle of January there has been a general disposition to replenish stocks and fill out assortments, also to order goods for late spring and summer, and as far ahead as fall distribution. Advance buying has been stimulated by belief in many quarters that the upturn in commodity prices may continue during later months of the year. While improvement has been most noticeable in industries

handling goods for ordinary consumption, betterment has also taken place in the heavier and more permanent lines, notably iron and steel, clay products, glass, and lumber.

The employment situation as a whole underwent no marked change as contrasted with the preceding thirty days, defections in certain groups of wage earners being offset by gains elsewhere. As a result of colder weather, activities at bituminous coal mines gained slightly in momentum, January and early February production in all fields of the district being at a higher average daily rate than in January and December last year. With but minor interruptions by cold weather, the season to date has been favorable for field work, and preparations for planting crops and general farm work has made considerable progress. This is true particularly in the cotton areas, where forward preparations are far beyond most seasons, and equaling, if not exceeding the earliest years in the past. Prices of cereals were well sustained in January, and that month was marked by a good advance in livestock prices.

Gauged by sales of department stores in the chief cities of the district, retail trade in January was 50.2 per cent less than in December, but 24.1 per cent greater than the January, 1933, volume. Combined sales of all wholesaling and jobbing firms reporting to this bank were 75 per cent greater than in December and about two-thirds larger than the January, 1933, total. The dollar value of permits issued for new construction in the five largest cities of the district in January was 11 per cent larger than in December and 178 per cent in excess of January, 1933. Construction contracts let in the Eighth District in January were 106 per cent larger than in January, 1933, and 48 per cent less than the December, 1933, total. Debits to checking accounts in January fell slightly below the preceding month, but were 5 per cent larger than in January, 1933.

According to officials of railroads operating in this district, the volume of freight traffic handled during January and the first week of February

was considerably larger than during the same period in 1933, and about even with that for the same time in 1932. With the exception of livestock, increases as contrasted with last year were recorded in all classifications, with a particularly good showing being made by merchandise and miscellaneous freight. For the country as a whole, loadings of revenue freight for the five weeks ending February 3, totaled 2,741,660 cars, against 2,410,267 cars for the corresponding period in 1933 and 2,840,694 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, handled 68,286 loads in January, against 61,258 loads in December, and 60,686 loads in January, 1933. During the first nine days of February the interchange amounted to 21,510 loads, which compares with 17,881 loads during the corresponding time in January, and 18,943 loads during the first nine days of February, 1933. Passenger traffic of the reporting roads in January increased 3.5 per cent over the same month in 1933, the first time an increase was reported over the previous year since September, 1928. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in January was 65,000 tons, which compares with 106,086 tons in December, and 81,304 tons in January last year. The decreases in both the month-to-month and yearly comparisons was due partly to the unusually low stage of water in the Mississippi River.

Generally through the district, reports relative to collections during the past thirty days reflect the steady improvement which began last summer. Wholesalers in the large centers of population report February 1 settlements relatively the largest for that month since 1931, with an increased number of customers taking advantage of discounts. Liquidation with merchants and the banks in the cotton sections was in considerable volume. Retailers in that area report that farmers are paying current bills more promptly and in many instances are reducing indebtedness of long standing. In both wholesale and retail lines, a favorable development during the past several months has been a substantial reduction in losses from weak accounts. Less than the usual seasonal betterment in collections is noted in the tobacco districts, due to the fact that the crop is being marketed more slowly than in preceding years. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

		Excellent	Good	Fair	Poor
January, 1934.....	7.0%	36.3%	53.3%	3.4%	
December, 1933.....	8.2	32.8	55.7	3.3	
January, 1933.....	1.9	9.4	54.2	34.5	

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and Bradstreet, numbered 32, involving liabilities of \$756,504, against 32 defaults in December with liabilities of \$523,615, and 121 defaults for a total of \$1,863,582 in January, 1933.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — January sales of the reporting firms were 61 per cent greater than for the same month a year ago, and more than twice as large as the December, 1933, total. Inventories reflected recent augmented production in preparation for the Easter trade, stocks on February 1 being 4 per cent and 20 per cent larger, respectively, than a year and a month earlier. In the month-to-month sales comparison the increase is seasonal but substantially greater than the average during the past several years. The January sales volume was the largest for that particular month since 1930. Improvement was noted in virtually all lines of footwear, but was most notable in styled goods and the better grades of shoes. Since the first of February the volume of orders booked indicate a measurable increase for the month as contrasted with the same period in 1933.

**Clothing** — More seasonal weather during most of January had a stimulating effect on the movement of heavyweight apparel, resulting in a more active movement through retail channels than earlier in the season, also some reordering of merchandise in that category. According to producers and distributors of work clothing, demand during the past three months has been in larger volume than at any time during the past three years. Advance buying for late spring and summer distribution was reported in substantial volume, ordering being stimulated by improved business conditions and the belief in many quarters that an advance in prices is likely. January sales of the reporting clothiers were more than double those of the same month last year and substantially larger than the December, 1933 total. Stocks on February 1 were 14 per cent and 60 per cent larger, respectively, than a month and a year earlier.

**Drugs and Chemicals** — January sales of the reporting firms were the largest for the period since 1931, the total being 28 per cent larger than a year earlier, and 8 per cent smaller than in December, 1933. Stocks on hand as of February 1 were 11.6 per cent and 16 per cent greater, respectively, than a month and a year earlier. The decrease in sales from December to January was seasonal in character,

and its extent was less than the average during the past decade. Lower temperatures in January stimulated the movement of seasonal merchandise to some extent, but the mild weather throughout the winter has resulted in a smaller than usual movement of this class of goods. Some betterment was noted in demand for heavy drugs and chemicals from the general manufacturing trade.

**Dry Goods**—Business in this classification showed considerably more than the usual seasonal betterment between December and January. Retail merchants in all parts of the district show a disposition to replenish stocks and to anticipate their requirements for late spring and summer. According to a number of important firms, purchasing during late January and the first half of this month was in larger volume than for any similar period since 1929. The trend of prices was upward, with specific advances recorded on a number of important items. Inventories decreased about 4 per cent between January 1 and February 1, and on the latest date were 55 per cent larger than a year ago, the increase being accounted for to a considerable extent by higher prices. January sales of the reporting interests were 86.5 per cent and 92 per cent larger, respectively, than a month and a year earlier.

**Electrical Supplies**—Sales of the reporting firms in January were more than double the total for the same month in 1933, and 15 per cent smaller than the December, 1933 total. The sharp gain in the yearly comparison is accounted for in part by the low level of business last January, the volume of sales for that month being the smallest during the ten years during which these records have been kept. Higher prices also figure in the increase. The decrease in the month-to-month comparison is seasonal, but considerably less than average. Stocks decreased 4 per cent between January 1 and February 1, and on the latest date were 21 per cent larger than a year ago.

**Flour**—Production at the twelve leading mills of the district in January totaled 283,052 barrels, against 250,432 barrels in December and 253,973 barrels in January, 1933. The continued strength in cash wheat had a stimulating effect on the trade, and all classes of buyers were more disposed than heretofore to cover their requirements. Operations by jobbers and the large baking interests were on a larger scale than has been the case for a number of months. There was moderate improvement in the export demand, both from Europe and the Latin-American countries. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture**—January sales of the reporting interests were approximately one-half larger than for the same month a year earlier, and 14 per cent smaller than the December, 1933, total. Stocks declined slightly between January 1 and February 1 and on the latest date were 61 per cent larger than last year. Demand for household furniture and furnishings continue the steady expansion noted during the past several months. Resumption of the liquor traffic is reflected in an active call for certain descriptions of furniture and equipment for hotels, bars, etc. Office furniture and equipment continues relatively quiet.

**Groceries**—Improvement, both as compared with a year and a month earlier, was noted in this classification. The betterment extended generally through the district, but was most notable in the south. Contrary to the usual seasonal trend, January sales of the reporting firms showed a slight increase over December, and the total was 36 per cent greater than for January, 1933. Inventories continued to increase, stocks on hand as of February 1 being 9 per cent and 29 per cent larger, respectively, than a month and a year earlier.

**Hardware**—For the ninth successive month, business in this classification in January recorded an increase over the corresponding period a year earlier, and was in the largest volume for the month since 1930. Total sales of the reporting interests in January were more than one-half larger than for the same month in 1933, and 11 per cent greater than the December, 1933, aggregate. Stocks increased 8 per cent between January 1 and February 1, and on the latter date were 23 per cent larger than a year ago. While betterment was general through the entire line, gains were most marked in goods consumed in the rural areas, and tools and implements required for public works. The trend of prices was upward, with specific advances noted on a number of commodities. Builders' hardware and tools were relatively less active than other lines.

**Iron and Steel Products**—Reversing conditions a year earlier, activities in the iron and steel industry in this area have developed marked improvement since the holiday and inventorying period. The rate of betterment has increased since the middle of January, and at the middle of February operations at mills, foundries and other ferrous metal working plants were at the highest level since last fall. While miscellaneous demands still predominate in tonnages of finished and semi-finished materials placed, requirements of the more important consumer groups were more in evidence than heretofore. Releases by the automotive industry were in larger volume than in a number of months.

This was true particularly of castings, though manufacturers and distributors of sheets, strip and other flat rolled steel reported a noticeable gain in specifications and new orders. For the first time in more than two years, business from the railroads showed real improvement. As a result of this, one large district mill resumed operations after being down since last fall, and another mill announced its intention to go into production early in April, the latter having been idle since September, 1931. Orders booked by jobbing foundries have shown steady expansion since mid-January, and business booked insure further gradual increase in operations during the next two or three months. Stove plants have also resumed production, but a slower than usual rate, attributed to hesitancy in accepting business until the industry's code has been adopted. Farm implement makers report prospects for spring and summer business the best since the beginning of the depression. Several important interests have commenced to make up stock in anticipation of demands later in the year. Warehouse and jobbing firms reported January sales and specifications considerably in excess of the preceding month, and about one-third larger than in January, 1933. In the immediate past there has been a notable pick-up in demand for tin plate and galvanized material, with the movement of galvanized sheets to the south in substantial volume. Purchasing of pig iron in January, while in fair volume, showed relatively less than the ordinary seasonal improvement, due to the unusually heavy buying and shipments in December. The movement of foundry coke during the first half of February was about 25 per cent greater than that of the corresponding period in January, and more than double the volume during the same time a year ago. Iron and steel scrap continued scarce and in active demand, with prices of certain important grades, including heavy melting steel, advancing to the highest point since the summer of 1930. Prices of finished material underwent no change worthy of note as compared with the preceding thirty days. For the country as a whole, production of pig iron in January, according to the magazine "Steel", totaled 1,222,214 tons, which compares with 1,192,136 tons in December and 568,785 tons in January, 1933. Steel ingot production in the United States in January amounted to 1,996,897 tons, against 1,819,648 tons in December, and 1,030,075 tons in January, 1933.

#### AUTOMOBILES

Combined passenger, car, truck and taxicab production in the United States in January was 161,006 against 84,152 (revised figure) in December, 1933, and 130,044 in January, 1933.

Distribution of automobiles in January, according to dealers reporting to this bank, showed a considerable decrease, both as compared with the preceding month, and the corresponding period a year earlier. The decrease in the month-to-month comparison is seasonal in character, smaller sales in January than the month before having been recorded in seven years during the past decade. Prospective purchasers were generally disposed to postpone commitments into February in order to get in on the new registration year, which in most states of the Eighth District begins on February 1. Another influence adversely affecting the January volume was the shortage of new models, occasioned by difficulties of one sort or another experienced by producers in bringing their outputs to required proportions. As evidenced by attendance and interest displayed, automobile shows held in St. Louis and other large cities of the district were the most successful in recent years. The number of orders actually booked, and prospects were reported to have considerably exceeded those of a year and two years earlier. Since the last week in January, there has been a substantial increase in deliveries by factories, and indications point to sizeable gains in February sales, in both the large cities and country. While ordering by dealers has been on a larger scale, there was relatively little change in inventories due to the fact that purchases for the most part were for delivery on sales made.

January sales of new passenger cars by the reporting dealers were 27 per cent smaller than in December, and about one-third less than in January, 1933. Stocks of new cars on February 1 were 8 per cent smaller than a month earlier and 30 per cent smaller than on February 1, 1933. As has been the case during the past several months, there was no notable change in trends in the used car market from those obtaining in new vehicles. January sales of secondhand cars were 9 per cent smaller than in December, and 18 per cent greater than in January last year. Stocks of salable secondhand cars on hand as of February 1 were slightly smaller than a month earlier and 12 per cent greater than on February 1, 1933. Sales of trucks in January decreased 15 per cent from December but were 42 per cent greater than the January, 1933 total. According to dealers reporting on that item, deferred payment sales in January constituted 50 per cent of their total sales, which compares with 48 per cent in December, and 51 per cent in January, 1933.

#### RETAIL TRADE

The condition of retail trade is reflected in the following comparative statements showing activities in the leading cities of the district:

## Department Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1934	Jan. 1934	Jan. 31, 1934	Jan. 31, 1934	January	
	comp. to	comp. to	comp. to	comp. to	1934	1933
El Dorado, Ark.....	+44.4%		+ 7.7%		.21	.16
Evansville, Ind.....	+10.4		+ 2.1		.12	.11
Fort Smith, Ark.....	+38.0		+14.1		.17	.15
Little Rock, Ark.....	+42.0		+41.2		.18	.16
Louisville, Ky.....	+ 4.2		+14.5		.19	.19
Memphis, Tenn.....	+26.5		+ 5.1		.26	.21
St. Louis, Mo.....	+24.6		+12.3		.28	.25
All Other Cities.....	+30.2		+ 0.3		.16	.13
8th F. R. District.....	+24.1		+13.5		.25	.22

## Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1934	Jan. 1934	Jan. 31, 1934	Jan. 31, 1934	January	
	comp. to	comp. to	comp. to	comp. to	1934	1933
Men's Furnishings.....	+37.7%		+33.7%		.19	.18
Boots and Shoes.....	-15.2		-15.1		.22	.21

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January was 11.1 per cent more than in December, 1933 and 178.3 per cent more than in January, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in January amounted to \$10,422,049 which compares with \$19,986,036 in December, 1933 and \$5,060,638 in January, 1933. Production of portland cement for the country as a whole in January totaled 3,779,000 barrels, against 3,526,000 barrels in December, 1933, and 2,958,000 barrels in January, 1933. Building figures for January, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	4	75	\$ 1	\$ 10	103	30	\$ 20	\$ 8
Little Rock	10	10	1	2	55	45	8	11
Louisville..	20	21	59	7	15	18	41	18
Memphis ...	120	67	163	34	86	72	47	52
St. Louis....	52	73	96	62	93	112	61	63
Jan. totals..	206	246	\$ 320	\$ 115	352	277	\$ 177	\$152
Dec. " ..	175	212	288	116	288	269	127	128
Nov. " ..	363	281	531	213	318	273	154	133

\*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 January as being 5.4 per cent more than in December and 17.8 per cent more than in January, 1933. Detailed figures follow:

	No. of Customers	Jan., 1934	Dec., 1933	Jan. 1934	Jan., 1933	Jan. 1934
		*K.W.H.	*K.W.H.	comp. to Dec. 1933	*K.W.H.	comp. to Jan. 1933
Evansville ..	40	1,806	1,443	+25.2%	1,351**	+33.7%
Little Rock..	35	1,344	1,235	+ 8.8	1,125	+19.5
Louisville ..	85	5,458	5,315	+ 2.7	4,746**	+15.0
Memphis ....	31	1,470	1,806	-18.6	1,450	+ 1.4
St. Louis.....	195**	13,496	12,561**	+ 7.4	11,345**	+19.0
Totals .....	386	23,574	22,359	+ 5.4	20,017	+17.8

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

## AGRICULTURE

Generally through the Eighth District early farm work has made excellent progress under mainly favorable weather conditions, abundant and cheap labor and a stronger financial position in most farming communities than has been enjoyed in recent

years. This is true particularly in the south, and more specifically in the typical cotton growing areas. Clearing of fields has been largely completed, and considerable plowing for the new crop accomplished. In the rice sections preparations are further advanced than is ordinarily the case at this time of year. The recent advance in grain prices, coupled with the good condition of dirt roads, served to stimulate the movement of wheat, corn and oats to terminal points. The condition of fall planted crops is in the main favorable, and there are fewer reports than in many years of winter damage. While soil conditions are for the most part good, reports from scattered sections indicate that general precipitation, preferably in the form of snows, would materially benefit things.

Fertilizers will be used to a considerably greater extent than during the past several years. According to the National Fertilizer Association, December-January, 1933-1934, fertilizer tag sales in states including the Eighth District were 106 per cent greater than for the comparable months a year earlier.

Winter Wheat—Except in limited areas, the condition of the growing wheat crop is reported favorable. The season from planting to date has been in the main auspicious for growth and development of the plant. There are scattered reports of hessian fly, but no greater than average, and no serious damage is apprehended from this cause. Snow covering has been lacking during most of the winter, but temperatures have been mild, and to date damage from winter kill is negligible.

Fruits and Vegetables—Prospects for fruits throughout the district are above average for this season. Fruit trees have come through the winter thus far with a minimum of damage from cold weather and other causes. The U. S. Department of Agriculture estimates slightly larger acreages of strawberries in states of this district than a year ago. Due to last year's small crop and higher prices, the acreage planted to potatoes this year is likely to be larger than last spring.

Live Stock—According to the annual survey of the U. S. Department of Agriculture, the aggregate number of livestock on farms in states entirely or partly within the Eighth District on January 1 was approximately 3 per cent less than at the beginning of 1933. However, owing to higher prices, the estimated value of these animals on January 1 was 5.2 per cent greater than a year earlier. The aggregate number of horses and mules, cattle, swine and sheep at the opening day of this year was 36,111,000 head, having an estimated value of \$547,894,000, which compares with 37,292,000 head, with esti-

mated value of \$520,611,000 on January 1, 1933. There was a slight increase in the number of cattle, but decreases in all other species.

For the country as a whole there was also a moderate increase in the number of cattle and a decrease in numbers of all other livestock during 1933. When the numbers of all units are converted into animal units which allow for differences in size and feed requirements of the several species, practically no change is shown in animal units. The total value of all livestock on farms in the United States as of January 1 was \$2,854,217,000, an increase of about 7 per cent over the total value on January 1, 1933. In the cases of horses and mules, sharp increases in the value per head, resulted in a total value of each of these species higher than a year ago, despite decreased numbers. The value of cattle per head was lower in 1933 than a year earlier. Both the value per head and numbers of hogs were lower than a year earlier, with a resulting value 10 per cent lower.

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

	Receipts			Shipments		
	Jan., 1934	Dec., 1933	Jan., 1933	Jan., 1934	Dec., 1933	Jan., 1933
Cattle and Calves.....	97,410	87,443	70,243	49,610	41,192	38,545
Hogs .....	317,999	260,406	218,124	184,139	128,559	141,759
Horses and Mules.....	10,592	8,296	5,763	10,936	9,151	4,815
Sheep .....	36,030	35,435	35,880	11,597	7,749	11,365

**Cotton** — With but short interruption, caused by cold weather, conditions have been favorable for field work, and preparations for the new crop have made considerable headway. Fields have been cleaned, and some plowing accomplished, more than at the same date a year and two years earlier. Features of the new crop prospects are quite general acquisition of better equipment and work animals, and heavily increased purchases of fertilizer. Throughout this district there was a general disposition to cooperate with the Agricultural Adjustment Administration's campaign for acreage reduction, which closed on February 15. As an example of what was accomplished, the State of Arkansas may be cited. According to the Agricultural Extension Service of that state, a total of 1,160,000 acres, with benefits to farmers of more than \$10,000,000, was reported signed up at the close of the campaign. Relatively heavy acreages were reported signed up in Missouri and sections of Mississippi and Tennessee which lie within the Eighth District. Under an active domestic demand and expansion in inquiries from abroad, the trend of raw cotton prices was sharply upward, a new high for the season being recorded in the second week of February. Prices of cotton fabrics advanced in sympathy with the raw staple, and increased sales were reported in most constructions. In the St. Louis market the middling

grade ranged from 10.75c to 12.10c per pound between January 15 and February 15, closing at 11.95c per pound on the latest date, which compares with 11.15c on January 15, and 5.80c on February 15, 1933. Receipts at Arkansas compresses from August 1, 1933 to February 16, 1934, totaled 951,916 bales, against 1,149,000 bales for the corresponding period a year ago. Stocks on hand as of February 16 totaled 538,620 bales, which compares with 604,114 bales on January 12, and 539,430 bales on February 17, 1933.

**Tobacco** — Sales of burley tobacco from the opening of the market season to January 27 were approximately 184,003,000 pounds at a general average of \$10.35 per cwt. Sales of the 1932 crop to January 28, 1933, totaled 287,060,000 pounds at an average of \$12.89 per cwt. The average during the first two weeks of February was approximately \$11.50 per cwt. The burley crop is moving rapidly to market. Dark tobacco in all districts, except dark fired districts, is also being rapidly marketed. As of February 1, Green River tobacco sold at a general average of \$7.90 per cwt. as compared with \$3.30 per cwt. last year. The one-sucker and air-cured dark crop has sold at a steady advance in price over the preceding season. Dark fired tobacco in Kentucky and Tennessee has not moved to market as promptly as dark tobacco in other districts. Reports as of February 2 indicated a range of from \$3.00 to \$3.50 higher per cwt. in the eastern district, and from \$1.00 to \$2.00 higher in the western districts. Producers in the dark tobacco areas are in the main satisfied with prices received. Considerable dark fired tobacco has been sold privately at barns.

### COMMODITY PRICES

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

	High	Low	Close	
			Feb. 15, 1934	Feb. 15, 1933
Wheat				
May .....per bu..	\$.92½	\$.88½	\$.89¾	\$.47¾
July .....	.91½	.86¾	.88½	.48
No. 2 red winter "	.94½	.90½	.93	\$.49½ @ .50
No. 2 hard "	.94	.89½	.91	.48½ @ .49
Corn				
*May .....	.53¾	.50¾	\$.51¾ @ .52	.25
*July .....	.54¾	.52¾	.53¾ @ .54	.27½
*Sept. ....	.57	.54¾	.55¾	.28½
*No. 2 mixed .....	.50½	.49	.49	.24¾ @ .25
*No. 2 white .....	.52	.50	.48¾ @ .51½	.24¾ @ .25¾
Oats				
No. 2 white.....	.40	.37½	.38	.17 @ .17½
Flour				
Soft patent.....per bbl.	7.10	6.50	6.50 @ 7.00	3.10 @ 3.35
Spring " .....	7.10	6.50	6.50 @ 7.00	3.75 @ 4.00
Middling cotton.....per lb.	1.210	1.075	.1195	.0580
Hogs on hoof.....per cwt.	4.85	2.00	3.35 @ 4.75	2.65 @ 3.70

\*Nominal quotations.

### FINANCIAL

Demand for credit from commercial and industrial sources in the Eighth District during the past thirty days remained sluggish. Due to almost uni-

versally good collections, mercantile and manufacturing interests have been able to a large extent to finance themselves with their own resources, and recourse upon banking connections has been relatively light. Liquidation at country banks in the south has been in considerable volume, and borrowings of those institutions from city correspondents are the smallest in a number of years. Both city and country banks increased their investments, turning chiefly to Government securities for employment of their surplus funds. Except for demands from grain handling and flour milling interests, requirements for agricultural financing were negligible. While there has been some liquidation of loans by these borrowers, their commitments continue well above the corresponding periods a year and two years earlier. Increased marketings of tobacco were reflected in a substantial reduction in loans based on that commodity.

Reserve balances of reporting member banks in the principal cities continued the upward trend of recent months, and on February 14 were 2.7 per cent and 95.5 per cent greater, respectively, than on the corresponding report dates a month and a year earlier. In the four-week period ended February 14, total loans and investments of these banks increased 6.4 per cent due entirely to enlarged portfolios of Government securities, as total loans declined 1.7 per cent and all other securities declined in the same amount. All classes of deposits increased, the total for that item at mid-February being 7.3 per cent and 18.1 per cent larger, respectively, than a month and a year earlier.

There was a further decline in borrowings of all member banks from the Federal Reserve Bank between January 19 and February 19, and the average was less than one-sixth as large as during the same period in 1933. There was little variation in the average volume of reserve credit outstanding as contrasted with the preceding thirty days.

Reflecting the slack demand for funds, the trend of interest rates was downward. This bank lowered its discount rate from 3 to 2½ per cent, effective February 8. At St. Louis banks, as of the week ended February 15, current rates of interest were as follows: Customers' prime commercial paper, 2½ to 5½ per cent; collateral loans, 4 to 5½ per cent; loans secured by warehouse receipts, 2 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 February 14, 1934, showed a decrease of 1.7 per cent as contrasted with

January 17, 1934. Deposits increased 7.3 per cent between January 17, 1934 and February 14, 1934 and on the latter date were 18.1 per cent greater than on February 15, 1933. Composite statement follows:

	*Feb. 14, 1934	*Jan. 17, 1934	*Feb. 15, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 89,531	\$ 90,188	\$100,812
All other loans and discounts.....	135,295	138,484	135,500
Total loans and discounts.....	\$224,826	\$228,672	\$236,312
Investments			
U. S. Govt. securities.....	179,613	143,820	122,704
Other securities.....	99,084	100,847	108,815
Total investments.....	\$278,697	\$244,667	\$231,519
Reserve balance with F. R. Bank..	\$ 72,225	\$ 70,352	\$ 36,950
Cash in vault.....	7,672	7,980	7,889
Deposits			
Net demand deposits.....	331,690	316,185	273,110
Time deposits.....	161,238	159,214	164,403
Government deposits.....	25,629	7,837	1,684
Total deposits.....	\$518,557	\$483,236	\$439,197
Bills payable and rediscounts with Federal Reserve Bank.....	220	230	700

\*In thousands (000 omitted).

**Federal Reserve Operations** — During January the Federal Reserve Bank of St. Louis discounted for 48 member banks against 55 in December and 196 in January, 1933. The discount rate of this bank was reduced from 3 per cent to 2½ per cent, effective February 8, 1934. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Feb. 16, 1934	*Jan. 16, 1934	*Feb. 16, 1933
Bills discounted .....	\$ 851	\$ 1,385	\$ 5,592
Bills bought .....	3,138	4,406	64,707
U. S. Securities.....	93,200	93,200	64,707
Federal Inter. Cr. Bk. Debentures.....			947
Participation in Inv. Foreign Banks.....	155	155	
Total Bills and Securities.....	\$ 97,344	\$ 99,146	\$ 71,246
Total Reserves.....	\$179,093	\$175,360	\$137,337
Total deposits.....	121,252	119,271	64,510
F. R. Notes in circulation.....	37,800	138,457	136,042
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.1%	68.0%	68.5%

\*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.

	*Jan., 1934	*Dec., 1933	*Jan., 1933	Jan. 1934 comp. to Dec. 1933	Jan. 1933
East St. Louis and Natl. Stock Yards, Ill..	\$ 17,076	\$ 17,495	\$ 16,623	— 2.4%	+ 2.7%
El Dorado, Ark.....	3,758	3,654	3,290	+ 2.8	+14.2
Evansville, Ind.....	16,218	15,558	14,344	+ 4.2	+13.1
Fort Smith, Ark.....	7,539	7,577	6,658	— 0.5	+13.2
Greenville, Miss....	3,485	3,458	2,871	+ 0.8	+21.4
Helena, Ark.....	1,470	1,654	1,145	—11.1	+28.4
Little Rock, Ark....	19,769	19,154	16,834	+ 3.2	+17.4
Louisville, Ky.....	140,122	125,683	107,373	+11.5	+30.5
Memphis, Tenn.....	96,074	105,424	88,579	— 8.9	+ 8.5
Owensboro, Ky.....	3,172	2,857	3,473	+11.0	— 8.7
Pine Bluff, Ark.....	4,132	4,494	3,943	— 8.1	+ 4.8
Quincy, Ill.....	4,839	5,081	5,101	— 4.8	— 5.1
St. Louis, Mo.....	436,020	447,680	446,957	— 2.6	— 2.4
Sedalia, Mo.....	1,628	1,443	1,647	+12.8	— 1.2
Springfield, Mo....	9,988	9,920	10,450	+ 0.7	— 4.4
**Texarkana, Ark.-Tex.....	5,915	5,585	5,364	+ 5.9	+10.3
Total .....	\$771,205	\$776,717	\$734,652	— 0.7	+ 5.0

\*In thousands (000 omitted).

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

(Compiled February 21, 1934)

## BUSINESS CONDITIONS IN THE UNITED STATES

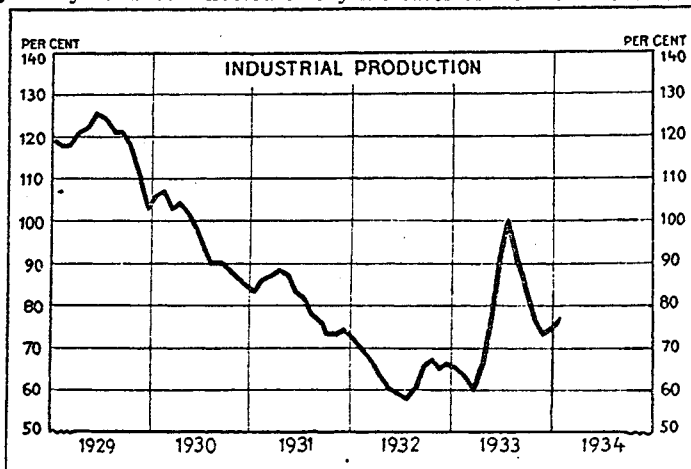
Volume of industrial production increased by more than the usual seasonal amount in January and the early part of February. The general level of wholesale commodity prices, after showing relatively little change during the last five months of 1933, advanced considerably after the turn of the year.

**PRODUCTION AND EMPLOYMENT**—Output of factories and mines, as measured by the Federal Reserve Board's seasonally adjusted index of industrial production, advanced from 75 per cent of the 1923-1925 average in December to 78 per cent in January. This compares with a recent low level of 72 per cent in November and a level of 65 per cent in January, 1933. The January advance reflected chiefly increases of more than the usual

of coal and merchandise. Sales by department stores showed the usual seasonal decline after the holiday trade.

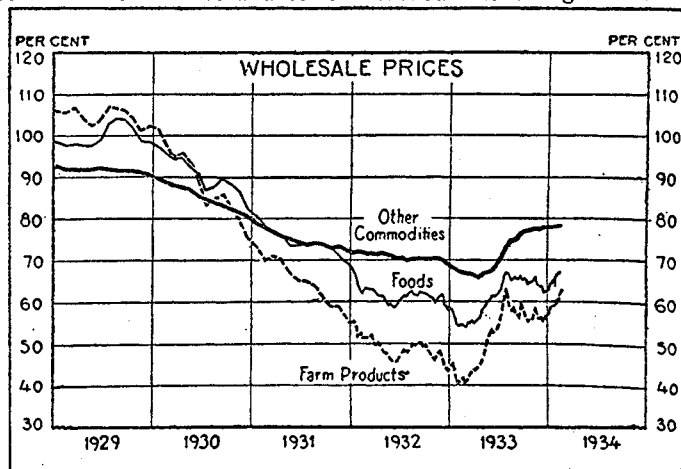
**DOLLAR EXCHANGE**—The foreign exchange value of the dollar in relation to gold currencies, which in January had fluctuated around 63 per cent of par, declined after January 1 to slightly above its new parity of 59.06 per cent.

**PRICES**—Wholesale commodity prices showed a general increase between the third week of December and the third week of February and the weekly index of the Bureau of Labor Statistics advanced from 70.4 per cent of the 1926 average to 73.7 per cent. There were substantial increases in livestock prices; wool continued to advance and cotton reached a level higher than



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure January, preliminary 78.

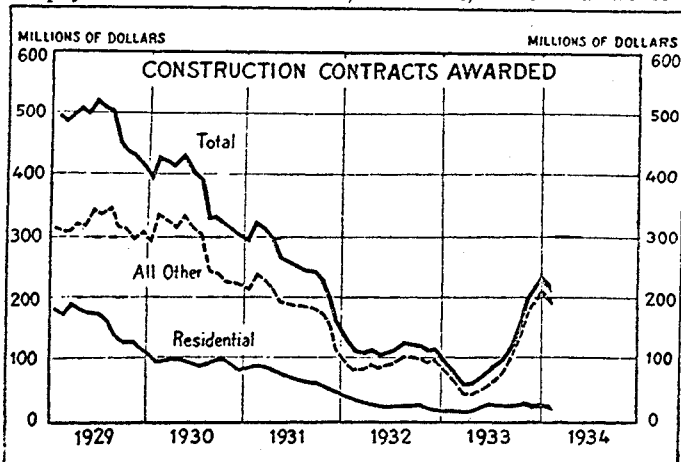
seasonal amount in the textile, meat packing, automobile and anthracite coal industries. Activity at cotton mills, which had reached an unusually high level in the summer of 1933 and had declined sharply in the latter part of the year, showed a substantial increase in January. Output of automobiles also increased by more than the usual seasonal amount, while activity in the steel industry showed little change, following a non-seasonal increase in December. In the first half of February there was a further growth in output at automobile factories and activity at steel mills showed a substantial increase. Factory payrolls, which usually decline considerably at this season, showed little change between the middle of December and the middle of January, while factory employment declined by about the usual seasonal amount. There were substantial increases in employment and payrolls in the automobile, hardware, shoe and women's



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date (1926=100.) Latest figures are for February 1934: farm products 62.1, foods 67.4, other commodities 78.7.

any other time since 1930. Scrap steel advanced to about the level prevailing in the summer of 1933.

**BANK CREDIT**—As a consequence of the reduction of January 31 of the weight of the gold dollar, together with subsequent imports of gold from abroad, the dollar amount of the country's stock of monetary gold increased from \$4,035,000,000 on January 17 to \$7,089,000,000 on February 14. About \$3,000,000,000 of this increase was reflected in a growth of the cash held by the Treasury, which includes gold bullion. Notwithstanding a further reduction in discounts for member banks and in acceptance holding of the reserve banks, member banks' reserve and balances increased moderately during this period, reflecting gold imports, return of currency from circulation, and a reduction in United States Government deposits with the reserve banks. In the middle of February these balances were more than \$900,000,000 above



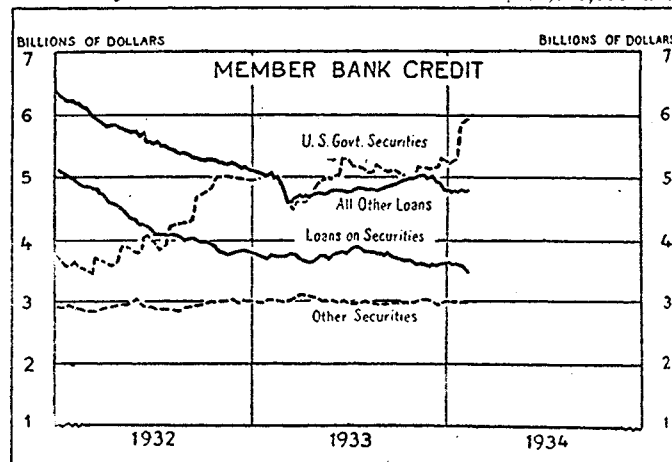
Three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figure based on data for November, December and estimate for January.

clothing industries, while decreases, partly of a seasonal character, were reported for the hosiery, tobacco, furniture and lumber industries.

Value of construction contracts, as reported by the F. W. Dodge Corporation, showed a decline in January and the first half of February, following substantial increase in the latter part of 1933.

As in other recent months, public works made up a large part of the total.

**DISTRIBUTION**—Freight traffic increased in January by more than the usual seasonal amount, reflecting larger shipments



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for February 14.

legal reserve requirements. At reporting member banks there was a growth between January 17 and February 14 of more than \$600,000,000 in holdings of United States Government securities and of more than \$500,000,000 in United States Government deposits, reflecting Treasury financing. Loans on securities, and all other loans, increased slightly and bankers' balances showed a substantial growth. Short term money rates in the open market remained at low levels. On February 2, the Federal Reserve Bank of New York reduced its discount rate from 2 per cent to 1½ per cent and during the succeeding two weeks a reduction of ½ per cent was made at the Federal Reserve Banks of Cleveland, Boston, St. Louis, Dallas, Richmond, Kansas City, Atlanta and San Francisco.