



# MONTHLY REVIEW

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

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GENERAL business in the Eighth District during the past thirty days continued the moderate improvement noted during the similar period immediately preceding. Relatively, in distribution of merchandise, goods for ordinary consumption made a more favorable showing than the more durable commodities. There was little, if any betterment in the movement of lumber, glass, certain iron and steel products and the general run of building materials. On the other hand, certain iron and steel specialties, notably stoves, heating apparatus, farm implements and household appliances, have developed improvement, both as contrasted with a month and a year earlier. Of the wholesale lines investigated by this bank, decreases in sales from August to September were, with one exception, seasonal in character. In all lines, except fire clay products and furniture, September volume exceeded that of the same month last year, the gains ranging from 1.3 per cent in the case of hardware, to 62 per cent in clothing. Likewise, retail distribution made a favorable exhibit, September sales exceeding the totals of August and of September, 1933.

Unusually mild weather in September and during the first weeks of October militated against consumption of seasonal merchandise, and in a number of lines, notably apparel, shoes, hats, etc., sales fell below expectations. However, the weather conditions, following the abundant rainfall in late August and during September, were ideal for agricultural operations of all descriptions. Planting of fall grains made progress above the seasonal schedule, and wheat and barley are generally up to good stands, with color and root growth exceptionally good. The clear, warm days were auspicious for maturing and harvesting late crops. With the exception of corn and oats, which were irreparably damaged by the spring and summer drouth, improvement was shown in practically all Eighth District crops during September, according to the U. S. Department of Agriculture's report based on conditions as of October 1. Purchasing power in the rural areas has been substantially increased by the

high prices being realized on farm products and the substantial amounts paid by the Government in rental and benefit payments to farmers cooperating in the crop reduction programs.

Retail trade in September, as reflected by department store sales in the principal cities was 31.7 per cent greater than in August and 21.6 per cent in excess of September, 1933; cumulative total for the first three quarters of the present year showed an increase of 18.5 per cent over the comparable period in 1933. Combined sales of all wholesale and jobbing firms reporting to this bank in September fell 5 per cent below the August total, but were 9 per cent in excess of the aggregate for the same month last year; cumulative total for the first nine months was 14.2 per cent greater than for the same period in 1933. The dollar value of permits let for new construction in the five largest cities of the district in September was 5.5 per cent greater than in August and 53 per cent more than in September last year; for the first nine months the total was 46 per cent below that of the corresponding period in 1933. Construction contracts let in the Eighth District in September were 7.4 per cent smaller than in August and 57.2 per cent less than the total for September last year; cumulative total for the first nine months this year was 43.0 per cent greater than for the first three-quarters of 1933. Debits to individual accounts in September were 4.3 per cent and 7 per cent greater, respectively, than a month and a year earlier, and for the first nine months the total exceeded that of the comparable period last year by 11.2 per cent.

Freight traffic of railroads operating in this district showed somewhat less than the usual seasonal increase, but the cumulative total for the first nine months this year was well in excess of the comparable periods a year and two years earlier. Relatively the best showing was made in the classifications of livestock, coal and coke, ore and miscellaneous freight. The unusually heavy volume of livestock handled is attributable in large measure to the transfer of Government purchased cattle in the drouth areas. For the country as a whole load-

ings of revenue freight for the first 40 weeks this year, or to October 6, totaled 23,940,117 cars, against 22,277,053 cars for the corresponding period in 1933, and 21,597,781 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 77,661 loads in September, against 78,733 loads in August, and 72,333 loads in September, 1933. During the first nine days of October the interchange amounted to 20,981 loads, against 22,962 loads during the corresponding period in September and 21,285 loads during the first nine days of October, 1933. Passenger traffic of the reporting lines in September increased 2.5 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 114,300 tons, against 120,131 tons in August and 119,340 tons in September, 1933.

Reports relative to collections during the past thirty days continued to reflect the satisfactory conditions which have prevailed since last spring. Best results were obtained in sections least affected by the drouth, particularly in the typical cotton producing areas. In the principal distributing centers wholesalers reported September collections relatively larger than a year ago, and October settlements to date have mainly sustained the improvement. Generally through the south liquidation with country merchants and banks has been in considerable volume. Department stores and other retail establishments in the large urban centers early October payments as making a favorable showing as contrasted with the like period in 1933. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
September, 1934.....	3.5%	40.2%	49.4%	6.9%
August, 1934.....	3.4	30.7	56.8	9.1
September, 1933.....	5.3	30.4	49.0	15.3

Commercial failures in the Eighth Federal Reserve District, according to Dun and Bradstreet, numbered 33 in September, involving liabilities of \$492,749 against 25 defaults in August with liabilities of \$336,146, and 47 insolvencies for a total of \$656,537 in September, 1933.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — September sales of the reporting firms were 8.6 per cent larger than for the same month in 1933 and 9 per cent below the August total this year. Stocks decreased 11 per cent between September 1 and October 1, and on the latest date were more than three-fourths greater than a year ago. The decrease in the month-to-month sales comparison is seasonal in character.

Since October 1 there has been a general pickup in ordering, with especially good results in the south. Prices were mainly unchanged as contrasted with the preceding month, and the same was true relative to factory operations.

**Clothing** — The mild fall to date has had a tendency to hold down the movement of seasonal apparel through retail channels, particularly men's topcoats. Ordering for spring distribution has been on a fairly liberal scale, the volume of advance business as of October 1 being slightly ahead of a year ago. Comment is made by a number of important firms that a higher grade of goods is being taken was the case at this time a year and two years earlier. September sales of the reporting clothiers were 5 per cent below the August total, but 62 per cent larger than in September, 1933. Stocks on October 1, were 17 per cent smaller than a month earlier, but 17 per cent larger than a year ago.

**Drugs and Chemicals** — Business in this classification continued the improvement noted during the preceding several months, with volume being still at higher levels than a year ago. A slowing down in purchasing of heavy chemicals and drugs by the manufacturing trade has been more than counterbalanced by increased sales in other lines. An especially favorable showing has been made in cosmetics, medicines and miscellaneous drugs. Sales of the reporting firms in September were 10 per cent larger than for the preceding month, and showed a gain of 15 per cent as compared with September last year. Inventories on October 1 were 2 per cent smaller than on September 1, and about one-fifth greater than a year ago.

**Dry Goods** — Following the usual seasonal trend, sales of the reporting firms in September decreased 9 per cent below the August total, but were 30 per cent greater than in September, 1933. Stocks on October 1 were 16 per cent smaller than on September 1, and 17 per cent larger than a year ago. The warm weather has tended to hold down sales of seasonal merchandise of all descriptions, and there has been some slowing down in orders for immediate shipment. Advance business, however, is above a year ago, and sales during the first half of October indicate an increase of about 15 per cent over the same time in 1933.

**Electrical Supplies** — For the seventeenth consecutive month, September sales in this classification showed an increase over the corresponding period a year earlier. The outlet through the building industry has failed to broaden, but sales of other products, notably household appliances, radio, refrigeration, small motors, etc., have more than

made up the reduced requirements for building installations. Sales in September of the reporting interests fell 3 per cent below the August aggregate, but were 40.6 per cent larger than in September last year. Stocks on October 1 were 10 per cent larger than a month earlier and 42 per cent greater than a year ago.

**Flour** — Production at the twelve leading mills of the district in September totaled 300,674 barrels, the largest since last January, and comparing with 248,471 barrels in August and 259,458 barrels in September, 1933. Moderate improvement in purchasing by domestic consumers was noted during late September and the first half of October. Relative stability in the price of cash wheat served as an incentive to heavier takings by the large baking and jobbing interests. Chain stores also were purchasing on a larger scale than heretofore. Prices showed little change as contrasted with the preceding two or three months. Mill operations were at approximately 56 per cent of capacity.

**Furniture** — Reversing the ordinary seasonal trend, September sales of the reporting firms fell 5.6 per cent below the August total, and were about one-third smaller than in September last year. Stocks on October 1 were 35 per cent and 8 per cent smaller respectively, than a month and a year earlier. Some improvement was noted in specialties, such as office and hospital furniture and equipment, but demand for household furniture and furnishings remains quiet.

**Groceries** — Somewhat less than the usual seasonal increase in sales from August to September was indicated by the reporting firms. The total for September was 4 per cent larger than during the preceding month and 22 per cent in excess of a year ago. Inventories increased 2 per cent between September 1 and October 1, and on the latest date were 2 per cent less than a year ago. Purchasing of canned goods was in considerable volume, being stimulated by expectations of higher prices because of short fruit and vegetable crops.

**Hardware** — Repair materials, including paints, nails and a broad assortment of other commodities, are reported as moving more actively than in a number of months. In addition purchasing in the rural areas has picked up and advance ordering for spring distribution makes a favorable exhibit. As a result of these factors and continued fair purchasing for routine requirements September sales of the reporting interests increased 4 per cent and 1 per cent, respectively, as compared with a month and a year earlier. Inventories decreased further, stocks on October 1 being 9 per cent and 4 per cent smaller,

respectively, than on September 1, and October 1 last year.

**Iron and Steel Products** — Changes in the iron and steel industry in this district during September and the first half of October were in the form of moderate improvement, mainly seasonal in character. The melt and shipments of pig iron and scrap during September showed a fair gain over the preceding month, and this betterment has been carried into October. Purchasing of pig iron during the past thirty days has been on a larger scale than since spring. Sales are mainly for prompt shipment, there being little contracting for future requirements. Stove and heating apparatus manufacturers increased their activities, and at the middle of October averaged about five days per week, as against two to three days between August 15 and September 15. Activities at farm implement plants have also increased, and orders from all sections of the territory are in considerably larger volume than thought possible under the severe drought conditions which prevailed during the summer. Makers of household appliances, including washing machines, vacuum cleaners, refrigerators, etc., report a large volume of new orders, with a number of plants working full time. Purchasing by the automotive industry is confined chiefly to materials for new models, and below the anticipated volume. Building materials continue quiet, except in the case of items for highway construction, river improvement work and other outdoor engineering projects. Iron and steel warehouse and jobbing interests report September volume slightly greater than in August. With the exception of iron and steel scrap, which declined further, prices of finished and raw materials showed no marked changes. For the country as a whole, production of pig iron in September, according to the magazine "Steel," totaled 899,075 tons, the smallest for any month since May, 1933, and comparing with 1,060,187 tons in August and 1,507,931 tons in September, 1933. Steel ingot production in the United States in September was 1,251,630 tons, against 1,363,359 tons in August, and 2,283,079 tons in September, 1933.

#### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in September, was 168,872, against 234,809 in August, and 196,082 in September, 1933.

Conforming with the seasonal trend, distribution of automobiles in this district decreased from August to September, and, according to reporting dealers, the total for the latest month fell below that of the corresponding period a year ago. The decrease in the month-to-month comparison was

somewhat greater than the average during the past decade. As was the case during the preceding several months, relatively the best showing was made by dealers handling cars of the three principal interests in the cheap priced category. Sales of trucks in September fell 8 per cent below August, but were approximately one-half greater than in September a year ago. Business in parts and accessories showed little change from the preceding month.

September sales of new passenger cars by reporting interests were 10 per cent smaller than for the same month in 1933, and about one-fourth less than the August total this year. Dealers continue to purchase on a basis of actual, or fairly certain prospective requirements, and indications are that stocks of present models will be well cleared up when new models are put out by the manufacturers. Stocks of new cars on dealers' floors on October 1 were 12 per cent smaller than a month earlier, and 28 per cent greater than a year ago. Sales of used cars in September fell 6 per cent and 11 per cent, respectively, below a month and a year ago. Stocks of salable secondhand cars increased slightly between September 1 and October 1, and on the latest date were larger by 4.5 per cent and 12 per cent, respectively, than a month and a year earlier. According to dealers reporting on that item, deferred payment sales in September constituted 50 per cent of their total sales, against 50.5 per cent in August and 42 per cent in September, 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
	Sept. 1934 comp. to Sept. 1933	9 months ended Sept. 30, 1934 to same period 1933	Sept. 30, 1934 comp. to Sept. 30, 1933	Jan. 1, to Sept. 30, 1934 1933
El Dorado, Ark.....	+53.1%	+41.4%	+ 6.5%	1.94 1.47
Evansville, Ind.....	+ 3.8	+10.4	-13.3	1.39 1.30
Fort Smith, Ark.....	+28.4	+27.3	-13.1	1.59 1.40
Little Rock, Ark.....	+47.3	+32.6	- 7.1	1.71 1.55
Louisville, Ky.....	+10.0	+ 9.0	- 9.0	2.33 2.25
Memphis, Tenn.....	+20.4	+24.3	- 1.2	2.35 2.10
St. Louis, Mo.....	+20.6	+16.8	- 8.0	2.70 2.57
Springfield, Mo.....	+20.6	+28.8	- 1.0	1.39 1.12
All Other Cities.....	+31.8	+28.0	+ 1.9	2.10 1.84
8th F. R. District.....	+21.6	+18.5	- 6.8	2.42 2.27

Percentage of collections in September to accounts and notes receivable first day of September, 1934. (Percentage of collections by cities).

El Dorado, Ark.....	34.4%	Memphis, Tenn.....	37.9%
Fort Smith, Ark.....	36.1	Springfield, Mo.....	24.5
Little Rock, Ark.....	33.9	St. Louis, Mo.....	46.5
Louisville, Ky.....	46.8	All Other Cities.....	28.5
8th F. R. District.....	42.6%		

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover
	Sept. 1934 comp. to Sept. 1933	9 months ended Sept. 30, 1934 to same period 1933	Sept. 30, 1934 comp. to Sept. 30, 1933	Jan. 1, to Sept. 30, 1934 1933
Men's Furnishings .....	+31.9%	+25.6%	+12.2%	1.71 1.78
Boots and Shoes .....	+15.6	- 3.1	- 8.0	2.23 2.11

### POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in combined postal receipts for the third quarter this year, of 1.7 per cent over the corresponding period in 1933, and a decrease of 5.9 per cent under the quarter ended June 30, 1934. Detailed figures follow:

	Sept. 30, 1934	June 30, 1934	Mar. 31, 1934	Sept. 30, 1933	Sept. 1934 comp. to Sept. 1933
Evansville .....	\$ 133,923	\$ 133,937	\$ 141,196	\$ 139,549	- 4.0%
Little Rock.....	167,554	160,085	182,751	153,540	+ 9.1
Louisville .....	560,684	598,983	605,216	540,284	+ 3.8
Memphis .....	449,545	461,360	499,219	448,329	+ 0.03
St. Louis.....	2,136,137	2,311,177	2,320,894	2,107,190	+ 1.4
Totals .....	\$3,447,843	\$3,665,542	\$3,749,276	\$3,388,892	+ 1.7%

### CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in September, as being about 13.5 per cent smaller than in August, and 7.5 per cent less than in September, 1933. Detailed figures follow:

	No. of Customers	Sept., 1934 *K.W.H.	Aug., 1934 *K.W.H.	Sept. 1934 comp. to Aug. 1934	Sept., 1933 *K.W.H.	Sept. 1934 comp. to Sept. 1933
Evansville ....	40	1,851	2,488	-25.6%	1,656	+11.8%
Little Rock....	35	1,846	2,339	-21.1	1,961	- 5.9
Louisville ....	84	6,956	7,790	-10.7	7,337	- 5.2
Memphis .....	31	1,685	1,798	- 0.3	1,262	+33.5
St. Louis.....	193**	16,428	18,829	-12.8	18,881**	-13.0
Totals .....	383	28,766	33,244	-13.5%	31,097	- 7.5%

\*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 September was 5.5 per cent greater than in August, and 53.3 per cent more than the September, 1933 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in September amounted to \$ 7,616,894 which compares with \$8,228,255 in August, and \$14,432,097 in September, 1933. Building figures for September, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	4	150	\$ 85	\$ 26	337	47	\$ 109	\$ 10
Little Rock ..	8	14	7	5	145	63	31	8
Louisville ..	40	34	340	157	63	33	21	17
Memphis ...	95	142	52	39	135	127	68	71
St. Louis....	151	148	244	248	364	396	321	354
Sept. totals	298	488	\$ 728	\$ 475	1,044	666	\$ 550	\$460
Aug. "	318	475	690	3,877	807	522	210	261
July "	281	476	481	3,615	648	447	228	318

\*In thousands of dollars (000 omitted).

### AGRICULTURE

Crop prospects as a whole in the Eighth District improved during September, and the betterment was continued through the first half of October. Abundant rains in late August and during the following month were of immense benefit to late crops, notably potatoes, hay, legumes, sorghums, apples and certain vegetables. Pastures in many sections effected record recovery, and moisture was supplied for planting winter wheat and rye, and

bringing these crops up to a good stand. Water for livestock, which in the worst affected drouth sections was practically exhausted, was replenished and the great deficiency of subsoil moisture partially restored. While the year in broad stretches of the district will be recorded as one of extremely small production, the fall season to date has wrought surprising improvement in earlier prospects. Expressed as a percentage of the 10-year (1921-1930) average, combined yield per acre of 33 important crops indicated on October 1, in states including the Eighth District, according to the U. S. Department of Agriculture, was as follows: Indiana, 81.7; Illinois, 65.7; Missouri, 46.1; Kentucky, 106.9; Tennessee, 108.3; Mississippi, 106.5, and Arkansas, 87.3. In all these states excepting Indiana and Illinois, there was improvement from September to October, ranging from 1 per cent in Missouri to 8.4 per cent in Arkansas.

Since the end of September weather generally has been mild and clear, which constituted ideal conditions for maturing and garnering late crops. Husking of corn has made considerable progress, and greater than the usual portion of the crop had been cribbed at the middle of October. The cotton, rice and tobacco harvests have proceeded with practically no interruption, and in this district prospective yields of these crops increased during September. Emergency forage crops in the main underwent betterment, and estimates of tame hay production increased somewhat, under intensive efforts of farmers to save late production because of the shortage and war-time prices being paid for hay in some sections. Pastures made an almost phenomenal recovery between September 1 and October 1; Missouri, for example rising from 18 per cent to 48 per cent of the 1922-1931 average during the period, and Illinois from 47 per cent to 68 per cent.

A total of \$57,460,366 has been added to 1933-1934 farm income in states of the Eighth District by rental and benefit payments up to September 1 to farmers cooperating in the adjustment programs of wheat, cotton, tobacco, corn and hogs, according to the Agricultural Adjustment Administration's report issued October 10. Since September 1 additional disbursements of considerable size have been made. The following table analyzes the payments by state and commodity up to September 1:

	Cotton	Wheat	Tobacco	Corn-Hogs	Totals
Ark. ....	\$14,783,697	\$ 1,945	\$ 180	\$ 231,236	\$15,017,058
Ill. ....	1,805,527	268	1,050,833	2,856,627	6,327,132
Ind. ....	1,409,467	72,246	4,845,419	2,788,559	14,521,429
Ky. ....	64,451	186,548	2,537,251	309	10,488,117
Miss. ....	14,521,429	.....	.....	.....	5,461,444
Mo. ....	2,471,770	1,131,699	49,941	6,834,707	.....
Tenn. ....	4,683,260	90,949	624,293	62,942	.....
Totals ...	\$36,524,607*	\$ 4,626,135	\$ 3,284,179	\$13,025,446	\$57,460,366

\*These figures do not include transactions in distribution of profits or advances on cotton options, either exercised or through participation in the cotton pool.

Corn—As in other sections of the country, Eighth District corn is showing disappointing yields, and much grain of inferior quality. In its report as of October 1, the U. S. Department of Agriculture estimates production in this district at 165,724,000 bushels, a decrease of 9,058,000 bushels from the September 1 forecast, and comparing with 296,955,000 bushels harvested in 1933 and an 11-year average (1923-1933) of 346,344,000 bushels. This estimate not only includes corn for grain, but the grain equivalent of corn to be utilized for forage, silage, and pasturage. In Missouri the indicated yield of 4 bushels to the acre is the lowest on record and compares with the 1933 average of 22.5 bushels, while in Illinois the crop is the smallest since 1873. Drouth accounted for the principal part of the failure, but heavy inroads were also made by chinch bugs, ear-worms and other insect pests. One of the largest acreages of corn that has ever been so utilized is being harvested for silage and fodder this year. The carry-over of old corn is universally light, and much of the sealed corn was taken out to carry livestock through the drought period, or to sell because of favorable prices.

Winter Wheat—The Government's October 1 report makes no change in Eighth District production of winter wheat, the output being placed at 44,813,000 bushels, against 38,434,000 bushels harvested in 1933, and an 11-year average (1923-1933) of 49,096,000 bushels. In a number of sections, notably in Missouri where the wheat crop for the first time on record exceeds the corn yield, farmers are holding considerable wheat for feeding livestock. A good seedbed, abundant rains at the right time and warm weather for germination and growth have served to put the crop planted this fall ahead of the usual schedule.

Fruits and Vegetables—Late fruits and vegetables were materially benefited by the late August and September rains. This was true particularly of apples, the precipitation having helped to size late varieties. White potato prospects in the district proper improved slightly between September 1 and October 1, the forecast on the latter date being for 8,983,000 bushels, against 9,107,000 bushels harvested in 1933 and an 11-year average of 13,967,000 bushels. In states entirely or partly within the Eighth District the sweet potato crop is estimated by the U. S. Department of Agriculture, on a basis of October 1 conditions, at 17,058,000 bushels, an increase of approximately 2 per cent over the September 1 forecast and comparing with 15,960,000 bushels harvested in 1933 and a 5-year (1927-1931) average of 15,873,000 bushels. In these states the apple crop is forecast at 8,676,000 bushels, of which

3,716,000 bushels represent commercial crop, against 12,784,000 bushels in 1933, with 5,044,000 bushels commercial production and a 5-year average of 15,181,000 bushels of which 6,653,000 bushels were commercial production; pears, 2,021,000 bushels, against 883,000 bushels last year and a 5-year average of 1,706,000 bushels; grapes, 34,022 tons, against 33,136 tons in 1933 and a 5-year average of 29,341 tons. Production of peanuts in these states promise to be the largest of record, 42,300,000 pounds, against 36,845,000 pounds in 1933 and a 5-year average of 27,701,000 pounds. The Agricultural Adjustment Administration estimates prices for the 1934 peanut crop above \$59 a ton for Spanish peanuts, \$56 a ton for Virginias and \$50 a ton for runners, as a result of the recently announced peanut program. All producers will benefit from these prices, and in addition producers who sign and carry out agreements to adjust the 1935 peanut acreage will receive \$8 on each ton of peanuts harvested in 1934.

**Livestock**—The past month has been marked by considerable improvement in condition of livestock in the northern stretches of the district. The betterment is attributable almost entirely to the late August and September rains, which restored deficient water supplies and greatly improved pastures. Milk production showed a marked increase over the preceding month due to greatly improved pastures. Egg production was slightly lower than last year. Eighth District hay production on October 1 was estimated at 4,219,000 tons, an increase of 469,000 tons over the September 1 forecast and comparing with 5,249,000 tons harvested in 1933 and an 11-year average (1923-1933) of 6,832,000 tons.

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

	Receipts			Shipments		
	Sept., 1934	Aug., 1934	Sept., 1933	Sept., 1934	Aug., 1934	Sept., 1933
Cattle and Calves.....	289,680	339,350	111,650	178,078	210,898	57,820
Hogs .....	220,176	170,745	543,720	115,410	125,139	266,344
Horses and Mules....	10,238	6,281	6,372	9,204	6,548	6,264
Sheep .....	68,941	52,276	47,461	18,744	18,877	8,780

**Cotton**—Eighth District cotton prospects increased during September under generally favorable weather conditions. In its report as of October 1 the U. S. Department of Agriculture estimates the yield at 1,957,000 bales, which is 156,000 bales more than the September 1 forecast, and compares with 2,554,000 bales harvested in 1933, and a 10-year average (1923-1932) of 2,705,000 bales. The crop in many sections was greatly improved by the fall rains and the clear, warm weather which followed the precipitation. The past few weeks have been auspicious for harvesting and ginning the crop. Labor has been plentiful for the harvest owing to the largely reduced acreage. During early October

prices declined slightly, but continued well ahead of the corresponding period a year and two years earlier. In the St. Louis market the middling grade ranged from 11.80c to 12.50c between September 17 and October 15, closing at 11.85c on the latter date, which compares with 12.50c on September 17 and 8.45c on October 16, 1933. Receipts at Arkansas compresses from August 1, to October 12 totaled 423,951 bales against 345,363 bales in the corresponding period a year ago. Stocks on hand as of October 12 totaled 557,11 bales, against 329,315 bales on September 14 and 392,905 bales on the corresponding date in 1933.

**Tobacco**—Prospects bettered to the extent of 4,108,000 pounds in this district during September. Based on October 1 conditions the U. S. Department of Agriculture estimate Eighth District production at 234,951,000 pounds, against 277,750,000 pounds harvested in 1933 and an 11-year average (1923-1933) of 304,854,000 pounds. The season thus far has been one of the most favorable experienced for curing tobacco. Burley leaf is curing slowly but thoroughly and in some sections stripping is in full progress. The crop gives indications of being a desirable one, especially in the case of cigarette and smoking grades. No definite date for opening the tobacco markets has been determined, but it is likely that selling will begin in late November or early December.

In the dark tobacco districts, the air-cured crop is reported curing satisfactorily; being of high quality and free of houseburn. In the dark-fired districts tributary to Clarksville, Springfield, Hopkinsville and the western district, cutting and housing is also practically completed. Late tobacco improved noticeably under favorable weather in August and September and gives every indication of high quality.

## COMMODITY PRICES

Range of prices in the St. Louis Market between September 15, 1934 and October 15, 1934, with closing quotations on the latter date, and October 16, 1933, follows:

	High	Low	Close	
			Oct. 15, 1934	Oct. 16, 1933
<b>Wheat</b>				
Dec. ....per bu..	\$1.04¾	\$.96	1.00	\$.70¾
May .....	1.05¾	.95	1.00	.74½
No. 2 red winter " "	1.04¾	.96¾	1.03	.76½ @ .76¾
No. 2 hard " "	1.12	1.03	1.08¾	.74½ @ .74¾
<b>Corn</b>				
*Dec. ....	.79¾	.72¾	.76¾	.37¾ @ .38
*May .....	.80¾	.75	.78¾ @ .78¾	.44¼ @ .44¾
*July .....	.80¾	.72¾	.79	.46 @ .46½
No. 2 mixed ....	.79½	.79¾	.79¾	.37½ @ .37¾
No. 2 white .....	.88	.83	.85¾	.39 @ .39½
<b>Oats</b>				
No. 2 white .....	.60	.53¾	.58	.29 @ .29½
<b>Flour</b>				
Soft patent.....per bbl.	7.30	6.50	6.70	@ 7.00 5.75 @ 6.25
Spring " .....	7.30	7.65	7.40	@ 7.65 6.60 @ 6.75
Middling Cotton..per lb.	.1250	.1180	.1185	@ 6.75 .0845
Hogs on hoof....per cwt.	7.40	3.00	5.85	@ 3.00 3.50 @ 4.85

\*Nominal quotations.

## FINANCIAL

Demand for credit expanded slightly in the Eighth District during the past thirty days the betterment being confined largely to the southern sections of the area. Requirements for financing the tobacco and cotton crops have expanded, but less than is ordinarily the case at this season. Some banks in the tobacco region have increased their borrowings from city correspondents. Commitments of grain and flour milling interests, though somewhat reduced from the preceding thirty days, are still substantially larger than a year and two years ago. In the principal urban centers banks report a fair volume of mercantile and industrial loans, but with liquidation of prior loans still in larger volume than new commitments and renewals. Taken as a whole available funds held by banks, both in the city and country, are considerably in excess of credit requirements.

Between September 12 and October 10, total loans of reporting member banks in the chief cities increased 3.5 per cent and on the latest date were 8.3 per cent smaller than a year ago. Total investments of these banks during the four-week period increased by 1.6 per cent and were 10.1 per cent in excess of the total on October 11, 1933. Deposits continued to move upward, and at \$548,131,000 on October 10 were 0.6 per cent and 19 per cent greater, respectively, than a month and a year earlier.

There was a fair increase in borrowings of all member banks from the Federal Reserve bank between September 17 and October 17. Industrial loans and commitments granted by this bank under Section 13b of the Federal Reserve Act, approved June 19, 1934, continue in substantial volume. As of October 17, advances amounted to \$363,000 and commitments to \$530,000, as compared with \$67,000 and \$132,000, respectively, a month earlier.

The amount of savings deposits held by selected banks as of October 3 was slightly larger than on September 5, and 16.7 per cent greater than on October 4, 1933.

Changes in interests rates were negligible, but the trend was slightly firmer. At St. Louis banks, as of the week ended October 15, current rates were as follows: Customers prime commercial paper, 2 to 5½ per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on October 10, 1934, showed an increase of 3.5 per cent as contrasted with September 12, 1934. Deposits increased 0.6 per

cent between September 12, 1934 and October 10, 1934 and on the latter date were 19.0 per cent greater than on October 11, 1933. Composite statement follows:

	*Oct. 10, 1934	*Sept. 12, 1934	*Oct. 11, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....\$ 70,905		\$ 71,473	\$ 88,958
All other loans and discounts.... 146,345		138,507	148,072
Total loans and discounts.....	\$217,250	\$209,980	\$237,030
Investments			
U. S. Govt. securities.....\$181,453		\$182,580	\$128,967
Other securities..... 116,578		114,455	102,125
Total investments.....	\$298,031	\$297,035	\$231,092
Reserve balance with F. R. Bank..\$ 86,294		\$ 84,866	\$ 49,505
Cash in vault..... 8,072		8,691	8,822
Deposits			
Net demand deposits.....\$352,816		\$349,393	\$277,199
Time deposits..... 165,560		165,807	159,355
Government deposits..... 29,755		29,770	24,014
Total deposits.....	\$548,131	\$544,970	\$460,568
Bills payable and rediscounts with Federal Reserve Bank.....			

\*In thousands (000 omitted).

The total resources of these banks comprise approximately 62.0% of all member banks in this district.

**Federal Reserve Operations** — During September, the Federal Reserve Bank of St. Louis discounted for 8 member banks against 8 in August and 65 in September, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Oct. 19, 1934	*Sept. 19, 1934	*Oct. 19, 1933
Bills discounted .....	\$ 576	\$ 352	\$ 1,877
Bills bought .....			
U. S. Securities..... 93,200		93,200	90,499
Participation in Inv. Foreign Banks.... 122		122	172
Total Bills and Securities.....	\$ 93,898	\$ 93,674	\$ 92,548
Total Reserves .....	\$203,041	\$189,230	\$156,765
Total Deposits .....	147,802	141,696	92,166
F. R. Notes in circulation..... 142,444		135,439	139,793
F. R. Bank Notes in circulation.....			4,747
Ratio of reserve to deposits and F. R. Note Liabilities..... 70.0%		68.3%	67.6%

\*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.

	*Sept., 1934	*Aug., 1934	*Sept., 1933	Sept., 1934 comp. to Aug., 1934	Sept. 1933
East St. Louis and Natl. Stock Yards, Ill..\$ 21,816	\$ 21,996	\$ 23,194		— 0.8%	— 5.9%
El Dorado, Ark..... 3,609	3,251	3,057		+11.0	+18.1
Evansville, Ind..... 15,751	16,560	13,849		— 4.9	+13.7
Fort Smith, Ark..... 7,630	6,930	7,511		+10.1	+ 1.6
Greenville, Miss.... 3,844	2,617	2,927		+46.9	+31.3
Helena, Ark..... 2,341	1,441	1,401		+62.5	+67.1
Little Rock, Ark.... 22,342	22,344	19,468			+14.8
Louisville, Ky..... 115,491	116,112	107,079		— 0.5	+ 7.9
Memphis, Tenn..... 103,037	79,601	88,040		+29.4	+17.0
Owensboro, Ky..... 3,668	3,275	2,494		+12.0	+47.1
Pine Bluff, Ark.... 6,853	4,323	5,399		+58.5	+26.9
Quincy, Ill..... 5,431	5,695	4,890		— 4.6	+11.1
St. Louis, Mo..... 392,720	390,897	379,600		+ 0.5	+ 3.5
Sedalia, Mo..... 1,541	1,576	1,295		— 2.2	+19.0
Springfield, Mo.... 10,789	10,889	9,386		— 0.9	+14.9
**Texarkana.					
Ark.-Tex..... 5,281	4,773	5,098		+10.6	+ 3.6
Totals .....	\$722,144	\$692,280	\$674,688	+ 4.3	+ 7.0

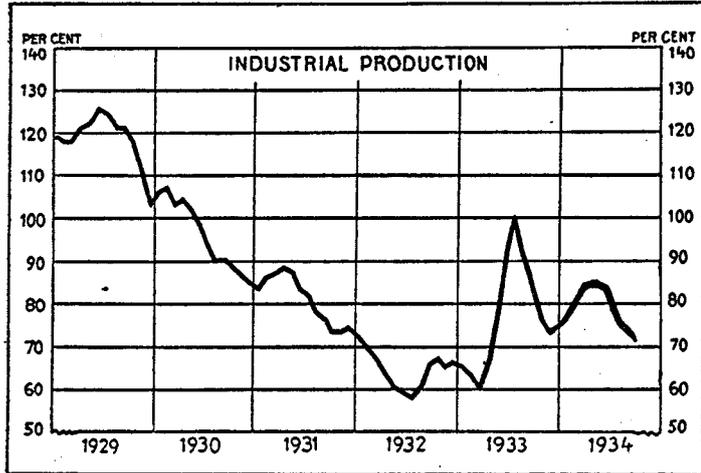
\*In thousands (000 omitted).

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

(Compiled October 22, 1934)

## BUSINESS CONDITIONS IN THE UNITED STATES

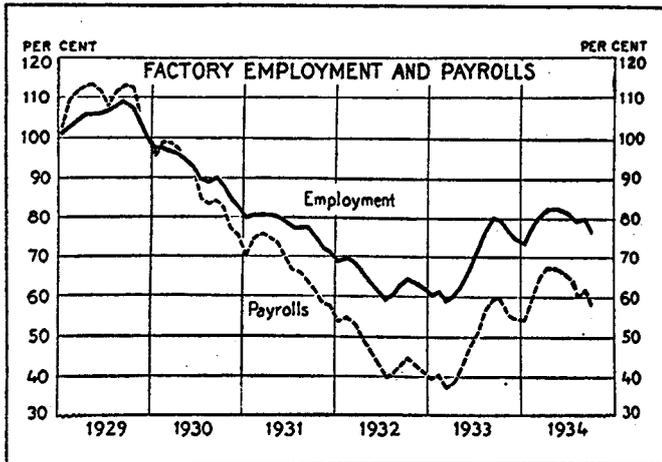
**PRODUCTION AND EMPLOYMENT**—Volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 73 per cent of the 1923-1925 average in August to 71 per cent in September. There were substantial declines in activity at cotton and woolen mills, reflecting the influence of the textile strike, and in the output of shoes, automobiles, and lumber. After the termination of the strike, textile production increased. Steel mill operations, which had declined sharply



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure September, adjusted, preliminary, 71.

during the summer, have been at a higher level in recent weeks than in the early part of September. Production of beef and lamb increased further in September, reflecting in part the disposal of animals bought in the drouth areas by the Federal Government. Wheat flour production and sugar meltings also were larger in September. Output of anthracite and bituminous coal showed a larger than seasonal increase.

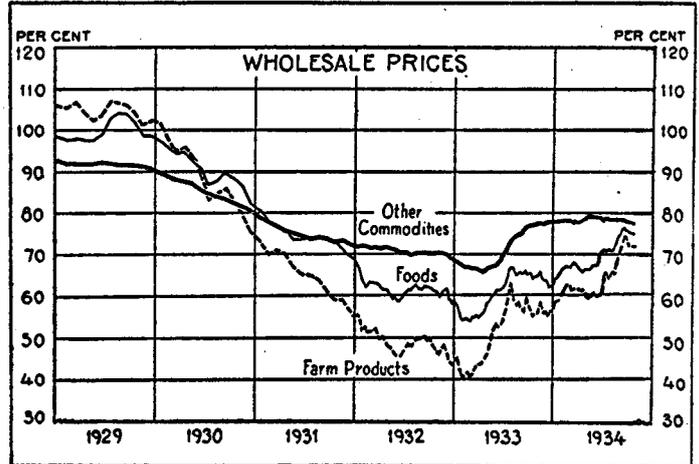
Factory employment and payrolls declined considerably in September, largely as a result of the textile strike. The number of workers employed was substantially reduced in the automobile, iron and steel, and shoe industries, as well as in the basic textile industries. There was a larger than seasonal increase in employment in clothing industries, while in the nonferrous metals, building materials, food products, and paper and printing industries, employment was sustained. Among non-manufacturing lines, employment increased seasonally from August to September; at coal mines and in retail trade. There was also a substantial increase in the number of persons provided with work by the emergency work program of the Federal Relief Administration, while employment on public works decreased somewhat.



Indexes of United States Bureau of Labor Statistics; without adjustment for seasonal variation. (1923-1925 average=100). Latest figures September, preliminary, factory employment 75.8, payrolls, preliminary 57.9.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued in about the same volume during September as in other recent months. Department of Agriculture crop report for October 1, indicated a cotton crop of 9,443,000 bales as compared with a yield of 13,047,000 bales last year. The corn crop, which averaged 2,516,000,000 bushels from 1927 to 1931, is estimated at 1,417,000,000 bushels this year. Hay and pasture conditions improved in September and weather in the first half of October was generally favorable for forage crops. The yield of white potatoes is estimated at 362,000,000 bushels, about equal to the average for 1927-1931.

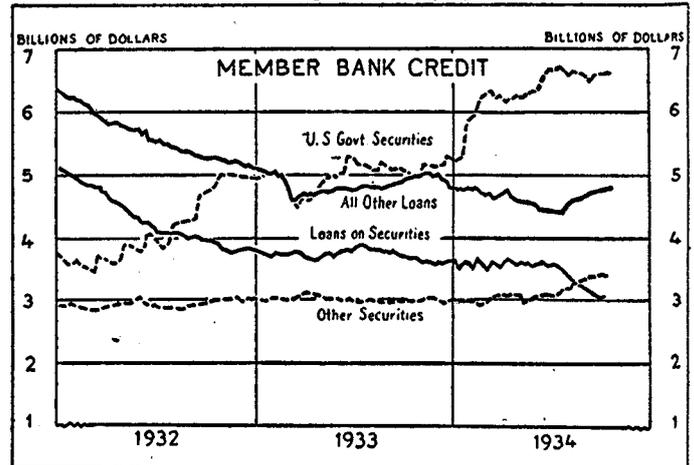
**DISTRIBUTION**—Daily average railroad freight-carloadings increased from August to September by about the usual seasonal amount, but declined slightly in the first half of October. Sales at department stores increased from August to September by somewhat less than the estimated seasonal amount, while retail sales of general merchandise in rural districts, as shown by reports of mail order houses and chain stores to the Department of Commerce, increased considerably.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100). Latest figures October 13, farm products 71.0, foods 74.8, other commodities 78.1.

**COMMODITY PRICES**—Wholesale prices of farm products and foods, which had advanced sharply in August and the first week of September, subsequently declined somewhat. The weekly index of wholesale prices of the Bureau of Labor Statistics, which had advanced, from 74 per cent of the 1926 average at the beginning of June to 78 per cent early in September, stood at 76 per cent in the second week of October. Recent declines occurred principally in those products which had increased most rapidly in preceding weeks, such as wheat, cotton, livestock, and meats. Prices of commodities other than farm products and foods have in general shown little change since last January, but within recent weeks prices of textile products and scrap steel declined slightly and gasoline prices showed a considerable decrease. The open market price of silver advanced sharply in the first half of October.

**BANK CREDIT**—Excess reserves of member banks have shown no material change during the past month and on October 17 amounted to about \$1,750,000,000. A reduction in treasury cash and deposits with the Federal Reserve banks somewhat more than offset a seasonal growth of \$57,000,000 in the volume



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for October 17.

of money in circulation and a continued growth in required reserves arising from a growth in deposits. Volume of Reserve bank credit outstanding showed little change. At reporting member banks in leading cities there was a further growth in deposits and loans and investments. Between September 19, and October 17, total deposits of the banks increased by about \$500,000,000. Commercial loans to customers and member banks' holdings of United States Government securities increased further, while security loans declined. Short-term money rates continued at low levels during September and the first three weeks of October. Yields on Government securities declined in October, following an increase in August and September.