



MONTHLY REVIEW

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

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INDUSTRY and trade in the Eighth District during October and the first half of November continued the improvement noted earlier in the fall. The usual statistics and data employed in gauging conditions reflected some spotty and irregular trends, but on the whole indicated distinct betterment in actual business and sentiment as contrasted with both the similar period immediately preceding and a year ago. Demand for commodities is still in large volume, particularly consumer goods. Production of merchandise in this category was at relatively high levels, a number of lines which ordinarily curtail output at this time of year showing less than the usual contraction. With few exceptions, wholesale and jobbing lines investigated by this bank reported sales in excess of the like periods during the four preceding years. In a number of classifications October volume was greater than in September; where declines were recorded in this comparison they were mainly seasonal in character and smaller than the average during the past decade. Among the wholesale lines in this area which showed increases in both comparisons were boots and shoes, electrical supplies, hardware and stoves. The volume of retail trade was also in excess of a year ago.

These results were achieved in spite of the retarded movement of seasonal merchandise caused by the mildest autumn weather experienced in ten years. The high temperatures also had the effect of reducing activities in certain manufacturing lines. Operations at steel mills and certain grey-iron foundries decreased, and smaller outputs were reported by manufacturers of glass, lumber, fire-clay products and some other building materials. On the other hand, makers of stoves, ranges, heating apparatus and farm implements reported orders and prospects the most favorable since the fall of 1931. Production of bituminous coal in fields of this district increased measurably from September to October, and tonnage lifted was moderately in excess of that in October, 1933. Consumption of electricity by industrial users in the five largest cities during October declined slightly from Septem-

ber, but was approximately 2 per cent greater than in October last year.

While interfering to some extent with seasonal merchandising, the clear, mild October weather was ideal for agriculture. The condition of late crops developed marked improvement, and harvesting was accomplished with a minimum of loss in quantity and quality. In the case of the most important productions, notably cotton, tobacco, potatoes, forage and pastures, marked betterment was indicated between October 1 and November 1, according to the U. S. Department of Agriculture's report based on conditions as of the latest date. Prices of agricultural products were sustained at levels well above the average of the past several years, and farmers purchasing power was augmented by rental and benefit payments. In states entirely or partly within the Eighth District the amount of these benefits paid to farmers cooperating in the cotton, wheat, tobacco, and corn-hog adjustment programs of the Agricultural Adjustment Administration, up to October 1, was \$72,468,-443. This amount was exclusive of payments by the Government for the removal of surplus commodities from the market.

As reflected by sales of department stores in the principal cities, retail trade in October was 6.0 per cent less than in September and 5.6 per cent greater than in October, 1933; cumulative total for the first ten months this year was 16.8 per cent larger than for the comparable period in 1933. Combined sales of all wholesaling and jobbing firms reporting to this bank in October were 2.7 per cent and 5.6 per cent greater, respectively, than a month and a year earlier; for the first ten months the total was 13.2 per cent above that of a year ago. The dollar value of contracts let for new construction in the five largest cities in October was 3.6 per cent more than in September, but 7.1 per cent less than in October, 1933; cumulative total for the first ten months fell 43 per cent below that for the same time in 1933. Construction contracts let in the Eighth District in October were 40.9 per cent greater than in September and 2.2 per cent more than the

October, 1933, total; for the first ten months the aggregate exceeded that of the like period in 1933, by 36.8 per cent. Debits to checking accounts in October were 18 per cent greater than in September and 11.4 per cent in excess of the October, 1933, total; for the cumulative total this year the aggregate was 11.2 per cent above that for the same period in 1933.

According to officials of railroads operating in this district, the volume of freight traffic decreased moderately as contrasted with the corresponding period a year ago. For the year to date, however, the volume exceeded that for the similar periods in 1933 and 1932. For the country as a whole, loadings of revenue freight for the first 44 weeks this year, or to November 3, totaled 26,452,745 cars, against 24,861,297 cars for the corresponding period in 1933, and 24,094,042 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 72,060 loads in October, against 77,661 loads in September and 74,384 loads in October, 1933. During the first nine days of November the interchange amounted to 20,391 loads, which compares with 20,981 loads during the corresponding period in October, and 19,954 loads during the first nine days of November, 1933. Passenger traffic revenue of the reporting lines in October increased 3.14 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans, in October was 100,000 tons, against 112,860 tons in September, and 97,407 tons in October, 1933.

Collections continue generally at the high levels which have characterized the past several months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

		Excellent	Good	Fair	Poor
October, 1934.....	7.6%	39.2%	48.9%	4.3%	
September, 1934.....	3.5	40.2	49.4	6.9	
October, 1933.....	7.0	25.6	64.0	3.4	

Commercial failures in the Eighth Federal District in October, according to Dun and Bradstreet, numbered 36, involving liabilities of \$431,761, against 33 defaults in September with liabilities of \$492,749, and 42 insolvencies for a total of \$1,019,098 in October, 1933.

MANUFACTURING AND WHOLESALING

Boots and Shoes — October sales of the reporting firms were 3 per cent larger than for the same month in 1933, and 14 per cent in excess of the September total this year. Inventories decreased 10.6 per cent between October 1 and November 1, but on the latter date were 68 per cent greater than a year earlier. The increase in the month-to-month

sales comparison was contrary to the usual seasonal trend, and reflects largely expansion in demand in the rural areas, particularly in the south. While improvement was noted in all descriptions of footwear, interest centered chiefly in medium grades and working shoes. Plants producing these goods were operating on relatively high schedules.

Clothing — As contrasted with the same month a year ago, October sales of the reporting firms showed a decrease of 22 per cent, but the total was 9 per cent greater than in September this year. Stocks decreased approximately one-third between October 1 and November 1, but on the latest date were 3 per cent larger than a year ago. The unusually mild weather in October served to hold down distribution of heavyweight apparel through retail channels. Demand for work clothing continued the steady increase noted during the two preceding months. Ordering for spring distribution is reported backward and somewhat smaller than at the corresponding period last year.

Drugs and Chemicals — Largely as a result of the mild fall, with consequent slack demand for seasonal goods, October sales of the reporting interests reversed the usual seasonal trend and showed a decrease of 4 per cent under the preceding month. The total, however, was 15 per cent greater than in October, 1933. Inventories decreased slightly during October, but on November 1 were 8 per cent larger than a year earlier. Ordering of luxury and holiday goods was reported in excess of this time during the past three years. Increased sales in this category and of medicinals and proprietary preparations were offset by contracted purchasing of heavy drugs and chemicals, denatured alcohol, anti-freeze mixtures, etc.

Dry Goods — Sales of the reporting firms in October showed a gain of 9 per cent over the same month in 1933, but were 9.5 per cent below the September total this year. Stocks on November 1 were 12 per cent smaller than a month earlier, but 10 per cent greater than a year ago. The decrease in the month-to-month sales comparison followed the seasonal trend, and its extent was about equal to the average during the past decade. Warm weather has militated against the movement of all seasonal lines, particularly woolen blankets, outings and kindred items. Reports covering the first half of November indicate some betterment in demand for cold weather goods.

Electrical Supplies — Business in this classification continued the improvement which has marked previous months this year, October sales showing an increase of 2 per cent over September and of 32 per cent over the October, 1933 total. Steady expansion in the demand for small motors

for a variety of uses is reported, and the recent improvement in radio material, household appliances and certain other lines was well sustained. Inventories on November 1 were 8 per cent and 31 per cent greater, respectively, than a month and a year earlier.

Furniture—A further decline in activities in this classification was indicated by the reporting firms, October sales decreasing 2 per cent from September, and about one-third from October, last year. Inventories continued to recede, stocks on November 1 being 2 per cent and 15 per cent smaller, respectively, than a month and a year earlier. Ordering of holiday goods is reported generally below expectations.

Groceries—There was a slight falling off in business in this classification, contrary to the seasonal trend, and attributable to the unusually warm weather throughout October. Since November 1 there has been a marked pick-up in purchasing by retailers and ultimate consumers, with indications that volume for the entire month will exceed that of a year ago by sizeable margin. Ordering of holiday goods and specialties is reported in considerable volume. Prices as a whole showed little change as contrasted with the preceding thirty days, increases about counterbalancing declines. October sales of the reporting firms were 1 per cent less than in September, and 21.5 per cent greater than in October, 1933. Inventories on November 1 were larger by 7 per cent and 1.5 per cent, respectively, than a month and a year earlier.

Hardware—October sales of the reporting firms were the largest for any single month since September, 1933. Improvement in crop conditions following the late August and September rains had a stimulating effect on demand for commodities used in the rural areas, the movement of which assumed large proportions. Purchasing of paints and other supplies used in connection with the repair campaign, also, was a contributing factor in expanding the sales volume. October sales of the reporting firms were 3.5 per cent greater than in September, and 14 per cent in excess of the October, 1933, total. Stocks decreased 6 per cent between October 1 and November 1, and on the latest date were 7 per cent less than a year ago.

Iron and Steel Products—The iron and steel industry in this general area during October and the first half of November was marked by unusual spottiness. Relatively the best showing in point of melt was made by grey iron foundries, and more especially by makers of stoves, ranges and heating apparatus. Activities of farm implement manufacturers were well sustained, with a number of concerns making up stock in anticipation of calls for

their products next spring. While the stove and range interests also produced some stock for inventory, they were engaged chiefly on business actually booked. The character of their orders, coming largely from mail order houses and country distributors, indicates a revival of buying by ultimate consumers in the rural areas, especially in the south. Moderate betterment was reported by certain makers of engines and miscellaneous machinery. Jobbing foundries report spotty conditions, some showing substantial gains while others reduced their working schedules. Steel mill activities underwent little change from the low levels which have obtained since the end of last summer. Purchasing by the railroads continued on a necessity basis, and while inquiries from the automotive industry have increased in the immediate past, actual orders for castings and other finished materials were disappointing. Outlet through the building industry showed no broadening tendencies. Fabricators of structural iron and steel are dependent chiefly on public works projects. October sales of iron and steel warehouse and jobbing interests exceeded the September aggregate, but fell slightly below the October, 1933, volume. Deliveries of pig iron to melters during October exceeded the total of the preceding month, and were the largest since last summer. The downturn in scrap iron and steel prices, which had been steadily in progress since the end of July, was halted in October. For the country as a whole production of pig iron in October, according to the magazine "Steel", totaled 951,540 tons against 899,075 tons in September and 1,358,540 tons in October, 1933. Steel ingot production in the United States in October totaled 1,461,932 tons, against 1,251,630 tons in September, and 2,084,894 tons in October, 1933.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in October, was 132,488, against 168,872 in September, and 138,485 in October, 1933.

As has been invariably the case during the past decade, distribution of automobiles in this district, according to dealers reporting to this bank, declined from September to October. The extent of the decline this year, however, was considerably smaller than the average during the period covered by the reports. The October total showed a fair increase over the same month in 1933. Business was somewhat spotty, with relatively the best results shown by dealers in the rural areas and larger centers of population in the south, reversing conditions existing a year earlier. Demand continues to center chiefly in the low priced field, approximately three-fourths of the October aggregate sales being in that

category. Demand for trucks holds up well and further into the season than usual. Requirements for highway construction and other outdoor engineering projects continue in substantial volume. October sales of trucks fell slightly below a year ago, but were 2 per cent larger than in September.

Sales of new passenger cars by the reporting interests in October were 4 per cent less than for the preceding month, but 12 per cent greater than a year ago. Conservative purchasing by dealers from the manufacturers has been emphasized by the nearness of the season for new models. Stocks of new cars on dealers' floors as of November 1 were 8 per cent smaller than a month earlier, and 22 per cent larger than a year ago. Sales of used cars in October fell 4 per cent and 7 per cent, respectively, below a month and a year earlier. Stocks of salable secondhand cars held on November 1 showed little change from the month before and were 6 per cent larger than on November 1, 1933. According to dealers reporting on that item, deferred payment sales in October constituted 48 per cent of their total sales, against 50 per cent in September, and 46 per cent in October, 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	
	Oct. 1934 comp. to Oct. 1933	10 months ended Oct. 31, 1934 to same period 1933	Oct. 31, 1934 comp. to Oct. 31, 1933	Oct. 31, 1934 comp. to Oct. 31, 1933	Jan. 1, to Oct. 31, 1934	Jan. 1, to Oct. 31, 1933
El Dorado, Ark.....	+ 6.3%	+36.5%	+16.2%		2.15	1.70
Evansville, Ind.....	- 9.5	+ 7.9	-11.7		1.56	1.47
Fort Smith, Ark....	+ 3.9	+23.2	- 9.4		1.85	1.64
Little Rock, Ark....	+ 2.5	+27.7	+ 0.3		1.94	1.79
Louisville, Ky.....	+ 0.3	+ 7.8	- 4.8		2.61	2.51
Memphis, Tenn.....	+12.5	+22.5	+ 3.9		2.67	2.41
St. Louis, Mo.....	+ 4.8	+15.4	- 5.7		2.98	2.82
Springfield, Mo....	+14.5	+26.8	- 8.0		1.59	1.29
All Other Cities....	+25.9	+27.7	- 2.0		2.39	2.06
8th F. R. District..	+ 5.6	+16.8	- 3.6		2.70	2.53

Percentage of collections in October to accounts and notes receivable first day of October, 1934.

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	39.2%	Memphis, Tenn.....	46.1%
Fort Smith, Ark....	42.4	Springfield, Mo....	26.1
Little Rock, Ark....	37.5	St. Louis, Mo.....	53.4
Louisville, Ky.....	52.3	All Other Cities....	33.9
8th F. R. District..	49.5%		

Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Oct. 1934 comp. to Oct. 1933	10 months ended Oct. 31, 1934 to same period 1933	Oct. 31, 1934 comp. to Oct. 31, 1933	Oct. 31, 1934 comp. to Oct. 31, 1933	Jan. 1, to Oct. 31, 1934	Jan. 1, to Oct. 31, 1933
Men's Furnishings	+ 1.8%	+21.8%	+17.0%		1.94	2.05
Boots and Shoes	+ 2.2	- 2.5	- 7.5		2.48	2.34

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in October was 3.6 per cent greater than in September and 7.1 per cent less than in October, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth

Federal Reserve District in October amounted to \$10,734,338 which compares with \$7,616,894 in September, and \$10,507,619 in October, 1933. Building figures for October, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	1	150	\$ 4	\$ 25	331	50	\$ 146	\$ 12
Little Rock ..	21	16	46	2	149	80	32	11
Louisville ..	37	29	137	177	49	25	50	71
Memphis ...	136	108	197	45	147	131	112	83
St. Louis....	195	179	370	563	193	180	88	66
Oct. totals..	390	482	\$ 754	\$ 812	869	466	\$ 428	\$ 243
Sept. " ..	298	488	728	475	1,044	666	550	460
Aug. " ..	318	475	690	3,877	807	522	210	261

*In thousands (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in October, as being about 1.7 per cent larger than in September, and 0.7 per cent less than in October, 1933. Detailed figures follow:

	No. of Customers	Oct., 1934	Sept., 1934	Oct. 1934 comp. to Sept. 1934	Oct., 1933	Oct. 1934 comp. to Oct. 1933
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	1,590	1,851	-14.1%	1,505	+ 5.6%
Little Rock... 35		1,702	1,846	- 7.8	1,547	+10.0
Louisville	83**	7,047	6,956	+ 1.3	7,384	- 4.6
Memphis	31	1,867	1,685	+10.8	1,427	+30.8
St. Louis.....	193	17,056	16,428	+ 3.8	17,605	- 3.1
Totals	382	29,262	28,766	+ 1.7%	29,468	- 0.7%

*In thousands (000 omitted).

**Revised figures.

AGRICULTURE

Generally throughout the Eighth District weather during October and the early part of November was favorable for all descriptions of agricultural operations, including harvesting, housing and moving of late crops. Reflecting these conditions, improvement in prospects, which commenced with the late August and September rains, was carried further, and final results for the district as a whole are expected to be considerably better than was thought possible earlier in the season, when extensive areas were suffering under the record spring and summer drouth. Betterment extended to food and feed crops, excepting corn, and estimates for the district's tobacco and cotton crops increased between October 1 and November 1. Lateness of the dates for killing frosts and freezes permitted of unusually late development in the case of certain fruit and vegetable crops, including white potatoes. Conditions for preparing the seed bed and planting winter wheat and other fall sown grains were almost ideal; stands and growth of wheat are in the main satisfactory. Improvement in pastures since the middle of September has been remarkable. In Missouri, for example, the condition on November 1 was 64 per cent of normal, which compares with 48 per cent on October 1, and only 18 per cent on September 1. The indicated acute shortage of feed, pasturage and forage has been measurably reduced, and in many sections the mild fall has permitted farmers to conserve supplies

for winter use by grazing their livestock further into the season than is ordinarily the case.

Rainfall has been well distributed and abundant, supplying all immediate needs for livestock water and growing crops, also, partially correcting the deficiency in subsoil moisture, caused by successive years of subnormal precipitation. Though in much of the district, the year will be one of reduced crop yields, elsewhere, notably in the south, many crops will closely approximate, and in some instances, exceed average. Expressed as a percentage of the ten-year (1921-1930) average, combined yield per acre of 33 important crops in states of the Eighth District as of November 1, according to the U. S. Department of Agriculture, was as follows: Indiana, 79.9; Illinois, 62; Missouri, 47.7; Kentucky, 104.1; Tennessee, 111.4; Mississippi, 108.8 and Arkansas, 92. For the United States the percentage was 78.7.

Rental and benefit payments in states including the Eighth Federal Reserve District paid up to October 1, to farmers cooperating in the cotton, wheat, tobacco and corn-hog adjustment programs of the Agricultural Adjustment Administration were as follows: Arkansas, \$15,368,771; Illinois, \$8,847,124; Indiana, \$10,385,217; Kentucky, \$2,995,304; Mississippi, \$14,745,384; Missouri, \$13,980,032; Tennessee, \$6,146,611; totaling \$72,468,443. The total as of October 1, represents an increase of 26.1 per cent over the \$57,460,366 paid up to September 1.

Corn—A notable exception to the late improvement in crop prospects was in the case of corn, the harvest of which appears more discouraging as husking progresses. Based on November 1, conditions, the U. S. Department of Agriculture estimated the Eighth District yield at 159,780,000 bushels, a decrease of 5,944,000 bushels under the October 1, forecast, and comparing with 296,955,000 bushels harvested in 1933, and an 11-year average (1923-1933) of 346,344,000 bushels. The greatly reduced yield resulted primarily from the prolonged drouth, which was supplemented by widespread damage from chinch bugs, ear-worm and other detrimental factors. An unusual number of barren stalks and chaffy or poorly filled ears are common over a large part of the most important producing sections. The crop matured prior to the first killing frost, and under favorable weather conditions, considerable progress has been made in husking and cribbing. A larger acreage than ever before in this district was cut for fodder.

Winter Wheat—Eighth District production of all wheat in 1934 is estimated by the U. S. Department of Agriculture at 44,855,000 bushels, against 38,556,000 bushels produced in 1933 and an 11-year average (1923-1933) of 49,448,000 bushels. Under

extremely favorable weather conditions during the fall, soil preparations and seeding of the new crop made rapid headway, and these operations were completed somewhat in advance of the usual seasonal schedule. Almost universally the plant is up to a good stand, and in strong position for entering the cold weather.

Fruits and Vegetables—Improvement in prospects for fruits and vegetables in this district, indicated in the U. S. Department of Agriculture's report based on conditions as of October 1, was continued during the month of October. The rains in late August and September reversed conditions in many sections, converting virtual failures to fair yields, and permitting of the planting and maturing of certain late vegetable crops. In the district proper the estimated yield of white potatoes as of November 1 was 9,499,000 bushels, an increase of 516,000 bushels over the October 1, forecast, and comparing with 9,107,000 bushels in 1933, and an 11-year average of 13,967,000 bushels. This crop escaped serious frost injury, and quality is turning out much better than was thought possible earlier in the season. Prospects for apples also bettered materially as a consequence of the moisture and mild fall. In states entirely or partly within the Eighth District the apple crop is estimated at 9,246,000 bushels, of which 3,956,000 bushels represent commercial production, against 12,784,000 bushels in 1933, of which 5,044,000 bushels were commercial crop, and a 5-year average (1927-1931) of 15,181,000 bushels, with 6,653,000 bushels commercial crop. In these states the sweet potato crop is estimated at 17,975,000 bushels, an increase of 917,000 bushels over the October 1 forecast, and comparing with 15,960,000 bushels harvested in 1933 and a 5-year average of 15,873,000 bushels; pears, 2,067,000 bushels, against the virtual failure of 883,000 bushels in 1933, and a 5-year average of 1,706,000 bushels; grapes 36,101 tons, against 33,136 tons in 1933 and a 5-year average of 29,341 tons; peanuts, 42,090,000 pounds, the largest on record, and comparing with 36,845,000 pounds in 1933 and a 5-year average of 27,701,000 pounds.

Live Stock—Reflecting improved pastures and the mild fall weather, the condition of herds generally through the district improved further from September to October. According to the U. S. Department of Agriculture's November 1 report, milk production per milch cow on hand was slightly above that on the same date last year. Much less grain was being fed per head, but low producers and dry cows have been drastically culled out, so that the number of milch cows on hand is probably 3 to 4 per cent below a year ago. November 1, egg production per hen was 9 per cent greater than the

small production on that date in 1933, and 2 per cent greater than the 5-year November 1, average.

While tame hay production is short, the deficiency has been partly compensated for by late forage crops. In states of the district the yield of soybeans and cowpeas picked and threshed is placed at 13,564,000 bushels, against 9,783,000 bushels in 1933 and 8,634,000 bushels for the 5-year (1927-1931) average.

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

	Receipts			Shipments		
	Oct., 1934	Sept., 1934	Oct., 1933	Oct., 1934	Sept., 1934	Oct., 1933
Cattle and Calves.....	166,746	289,680	140,475	102,061	178,078	69,880
Hogs	270,264	220,176	182,880	166,348	115,410	134,481
Horses and Mules....	9,273	10,238	9,281	10,022	9,204	9,327
Sheep	83,011	68,941	49,438	28,417	18,744	10,259

Cotton — As was the case with the country as a whole, Eighth District cotton prospects improved from September to October. In its report based on conditions as of November 1 the U. S. Department of Agriculture estimates production in this district at 2,036,000 bales, an increase of 79,000 bales over the October 1 forecast, and comparing with 2,554,000 bales harvested in 1933 and a 10-year average (1923-1932) of 2,705,000 bales. Weather was unusually auspicious during October and picking and ginning progressed rapidly, with practically no losses of open cotton in the fields. Other contributing causes to the advanced harvest were early opening of bolls, an ample supply of labor, smaller acreage and balage that did not tax gin capacity. Since November 1 weather has continued favorable for picking the remnant of the crop, and little cotton remains in the fields. Killing frost occurred at a later date than usual, and practically all of the crop had matured prior to the low temperatures. Ginning returns show a large amount of high grade staple. With considerable cotton stored in compress warehouses, shipments since August 1 are measurably below those of the same period a year ago. More of the crop is going into the 12c loans by the Commodity Credit Corporation than into the market. Prices fluctuated within a relatively narrow range during October and the first half of November, but throughout the period continued well above a year and two years earlier. In the St. Louis market the middling grade ranged from 11.65c to 12.15c per pound between October 16 and November 15, closing at 12.15c on the latter date, which compared with 12c on October 16, and 9.75c on November 15, 1933. Receipts at Arkansas compresses from August 1 to November 9 totaled 637,685 bales, against 711,799 bales in the corresponding period a year ago; shipments 243,123 bales against 352,011 bales last year. Stocks on hand as of November 9 totaled 652,404 bales, against 557,111 bales on October 12, and 614,307 bales on the corresponding date in

1933. Sales of fertilizer tags in states of the Eighth District for the period January-October, inclusive, this year, according to the National Fertilizer Association, totaled 577,506 tons, against 389,399 tons and 341,801 tons, respectively, for the corresponding periods in 1933 and 1932.

Tobacco — Fall conditions have been exceptionally favorable for tobacco in this general area. Prospects since the end of August having bettered to the extent of more than 7,000,000 pounds. In its report as of November 1 the U. S. Department of Agriculture estimates the Eighth District yield at 238,054,000 pounds, which compares with 277,750,000 pounds harvested in 1933 and an 11-year average (1923-1933) of 304,854,000 pounds. Seasonable weather has permitted tobacco of all types to cure satisfactorily, however, since the middle of October stripping has been delayed by less auspicious meteorological conditions. Indications point to a generally high quality crop. Opening date for the burley and dark-fired markets is scheduled for December 3, and for the Green River market, November 27.

COMMODITY PRICES

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

	High	Low	Close	
			Nov. 15, 1934	Nov. 15, 1933
Wheat				
Dec. ....per bu..	\$1.02	\$.94½	1.01	\$.89½
May	1.02	.93½	1.00½	.93
No. 2 red winter “	1.03	.97	1.01 @ 1.01½	.94 @ .94½
No. 2 hard “	1.08½	1.02	1.07½	.98½ @ .98½
Corn				
*Dec. ....	.83	.73¾	.82½ @ .82½	.47½
*May .....	.84¾	.75¾	.83½ @ .84	.53½ @ .54
*July .....	.83¾	.75¾	.83½ @ .83½	.55¾ @ .55¾
No. 2 mixed .....	.86½	.80	.86¼	.43
No. 2 white .....	.93½	.86	.93½	.50½
Oats				
No. 2 white .....	.57¾	.55	.57½	.37¾
Flour				
Soft patent.....per bbl.	7.20	6.50	6.70 @ 7.00	6.45 @ 6.95
Spring “	7.65	7.20	7.40 @ 7.65	6.45 @ 6.95
Middling Cotton.....per lb.	.1215	.1165	.1215	.0975
Hogs on hoof.....per cwt.	6.10	2.00	3.00 @ 6.10	3.60 @ 4.25

*Nominal quotations.

FINANCIAL

Eighth District banking and financial conditions during the past thirty days were marked by a further moderate improvement in demand for credit from general borrowing sources. There was some increase in commitments of mercantile concerns, reflecting partly needs in connection with inventories of holiday goods. Agricultural demand also broadened to some extent, particularly in the tobacco, rice and cotton sections. Deposits of the commercial banks continued to mount, and at mid-November recorded a new high on the present upward movement. Liquidation continued on a large scale, both at city and country banks. In the case of country banks in the south a favorable development was the paying-off entirely or reduction of many loans of long standing. These institutions

for the most part continue to occupy a liquid position, which will be augmented with the marketing of tobacco. In some sections bankers report a fair demand for purchasing and conditioning livestock for market.

Reporting member banks in the principal cities showed an increase in total loans of 2.7 per cent between October 17 and November 14, but on the latter date the aggregate was still 6 per cent smaller than a year ago. Deposits increased 3.4 per cent, and at \$574,756,000 on November 14 recorded a new high for the year, an increase of more than one-fifth as contrasted with the corresponding report date in 1933. Reserve balances also scored a new record high, the mid-November total of \$101,737,000 representing an increase of 11.6 per cent and of 88 per cent, respectively, over a month and a year earlier. Investments increased moderately, due entirely to heavier holdings of U. S. Government securities. Borrowings of all member banks from the Federal Reserve bank showed little change during the four-week period, but continued measurably under the corresponding time a year ago.

The amount of savings deposits held by selected banks on November 7 was 2 per cent larger than on October 3, and 19 per cent in excess of the total on November 1, 1933.

Interest rates continued at or around the low levels of recent months. At St. Louis banks, as of the week ended November 15, current quotations were as follows: Customers' prime commercial paper, 1 to 5½ per cent; loans secured by warehouse receipts, 1¾ to 6 per cent; collateral loans, 4 to 6 per cent and cattle loans 5 to 6 per cent.

Condition of Banks—Loans and discounts of the reporting member banks on November 14, 1934, showed an increase of 2.7 per cent as contrasted with October 17, 1934. Deposits increased 3.4 per cent between October 17, 1934 and November 14, 1934 and on the latter date were 21.2 per cent greater than on November 15, 1933. Composite statement follows:

	*Nov. 14, 1934	*Oct. 17, 1934	*Nov. 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....	\$ 69,164	\$ 70,085	\$ 87,055
All other loans and discounts....	155,508	148,745	152,000
Total loans and discounts.....	\$224,672	\$218,830	\$239,055
Investments			
U. S. Govt. securities.....	\$189,521	\$184,515	\$142,356
Other securities.....	115,965	115,196	101,687
Total investments.....	\$305,486	\$299,711	\$244,043
Reserve balance with F. R. Bank.....	\$101,737	\$ 91,179	\$ 54,112
Cash in vault.....	8,906	7,967	8,993
Deposits			
Net demand deposits.....	\$387,373	\$365,923	\$289,714
Time deposits.....	167,266	166,410	158,694
Government deposits.....	20,117	23,315	25,700
Total deposits.....	\$574,756	\$555,648	\$474,108
Bills payable and rediscounts with Federal Reserve Bank.....			180

*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 October the Federal Reserve Bank of St. Louis discounted for 10 member banks against 8 in September and 64 in October, 1933. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Nov. 17, 1934	*Oct. 17, 1934	*Nov. 17, 1933
Bills discounted	\$ 468	\$ 591	\$ 1,381
Bills bought			242
U. S. Securities.....	93,200	93,200	93,200
Participation in Inv. Foreign Banks....	115	122	155
Total Bills and Securities.....	\$ 93,783	\$ 93,913	\$ 94,978
Total Reserves	\$213,951	\$206,813	\$167,126
Total deposits	158,393	151,772	99,843
F. R. Notes in circulation.....	143,961	141,594	143,813
F. R. Bank Notes in circulation.....			5,795
Ratio of reserve to deposits and F. R. Note Liabilities.....	70.8%	70.5%	68.6%

*In thousands (000 omitted).

Discount rates charged by this bank remain unchanged as follows:

2½ per cent on advances to member banks on eligible paper and/or collateral, whether rediscounts or member bank promissory notes, under Sections 13 and 13a.

4½ per cent on advances to member banks on their promissory notes secured by ineligible paper and/or collateral, under Section 10b.

4½ per cent on advances to banks and other financing institutions on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

½ per cent flat for commitments not exceeding six months on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

5½ per cent on direct advances to established industrial or commercial businesses, for working capital, under Section 13b.

4½ per cent on direct advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.

5½ per cent on direct advances to individuals, partnerships and corporations (excluding nonmember banks) on eligible paper, under Section 13.

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.

	*Oct., 1934	*Sept., 1934	*Oct., 1933	Oct., 1934 comp. to Sept. 1934	Oct. 1933
East St. Louis and Natl. Stock Yards, Ill. \$ 21,713	\$ 21,816	\$ 20,230	— 0.5%	+ 7.3%	
El Dorado, Ark.....	3,948	3,375	+ 9.4	+17.0	
Evansville, Ind.....	16,857	15,751	+ 7.0	+19.4	
Fort Smith, Ark.....	9,100	7,630	+19.3	+ 9.3	
Greenville, Miss.....	5,257	3,844	+36.8	+29.4	
Helena, Ark.....	3,207	2,341	+37.0	+51.6	
Little Rock, Ark.....	27,335	22,342	+22.3	+47.0	
Louisville, Ky.....	126,437	115,491	+ 9.5	+ 9.8	
Memphis, Tenn.....	142,718	103,037	+38.5	+ 9.6	
Owensboro, Ky.....	3,560	3,668	— 2.9	+35.2	
Pine Bluff, Ark.....	8,684	6,853	+26.7	+29.7	
Quincy, Ill.....	5,908	5,431	+ 8.8	+17.3	
St. Louis, Mo.....	458,700	392,720	+16.8	+ 9.7	
Sedalia, Mo.....	1,615	1,541	+ 4.8	+24.2	
Springfield, Mo.....	11,196	10,789	+ 3.8	+22.2	
**Texarkana.					
Ark-Tex.....	5,875	5,281	+11.2	+12.4	
Totals	\$852,110	\$722,144	+18.0	+11.4	

*In thousands (000 omitted).

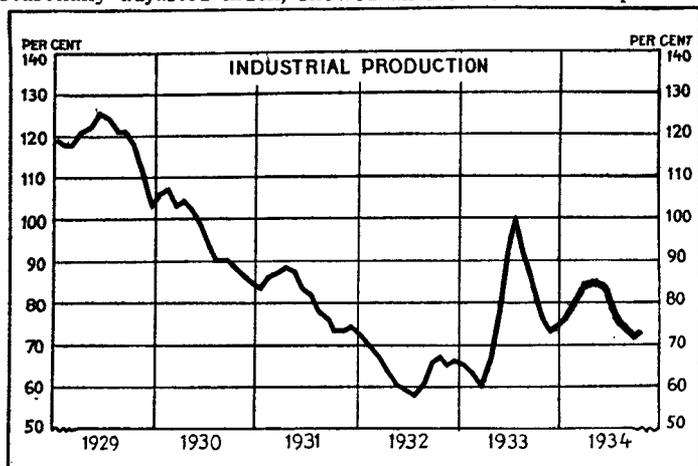
**Includes one bank in Texarkana, Texas not in Eighth District.

(Compiled November 23, 1934)

BUSINESS CONDITIONS IN THE UNITED STATES

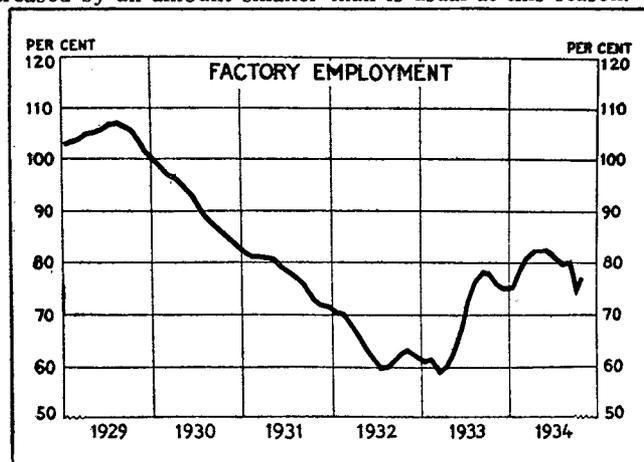
Volume of industrial production and factory employment, which usually shows little change at this season, increased in October, reflecting chiefly the resumption of activity at textile mills. Wholesale commodity prices, after declining in September and October, advanced in the first half of November.

INDUSTRIAL PRODUCTION AND EMPLOYMENT—Activity at industrial establishments, as measured by the Board's seasonally adjusted index, showed an increase from 71 per cent



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

of the 1923-1925 average in September to 73 per cent in October. Among the industries producing durable manufactures, output at steel mills increased from 23 per cent of capacity for the month of September to 25 per cent for October, while output of automobiles and lumber declined. In November activity at steel mills continued to increase and in the week ending November 24 was at about 28 per cent of capacity. Automobile production has declined further in connection with the preparation of new models. The production of non-durable manufactures in the aggregate showed a considerable growth in October, reflecting sharp increases at cotton, woolen, and silk mills, offset in part by a decline in activity at meatpacking establishments. The increase in output at textile mills after the strike in September brought output to a higher level than in August. Among the minerals, daily output of crude petroleum declined in October and that of anthracite increased by an amount smaller than is usual at this season.



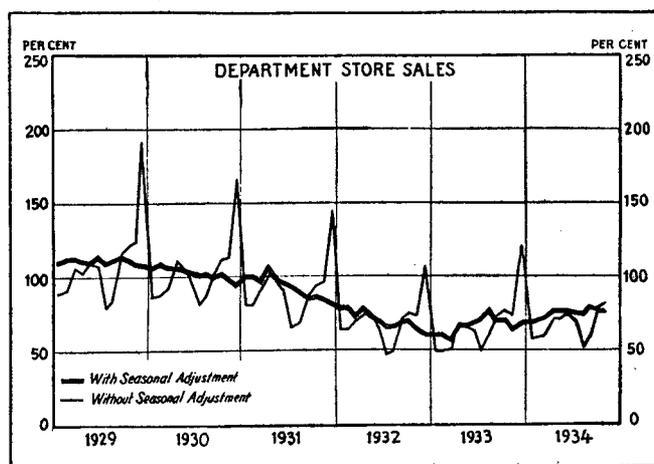
Federal Reserve Board's index of factory employment adjusted for seasonal variation. (1923-1925 average=100). Latest figure, October, preliminary 77.

Factory employment and payrolls in the country as a whole increased considerably between the middle of September and the middle of October. Sharp increases were reported at mills producing textile fabrics, while in the automobile, shoe, and canning industries there were declines of a seasonal nature.

The value of construction contracts awarded was somewhat larger in October than in any other recent month. There was an increase in residential work as well as in publicly-financed projects.

AGRICULTURE—Department of Agriculture estimates, based on November 1 conditions, indicate a cotton crop of 9,634,000 bales, 26 per cent smaller than the 1933 crop, and a corn crop of 1,372,000,000 bushels, 41 per cent smaller than last season and 45 per cent smaller than the 1927-1931 average. The tobacco crop is also considerably smaller than usual, while the white potato crop is also slightly above the five-year average.

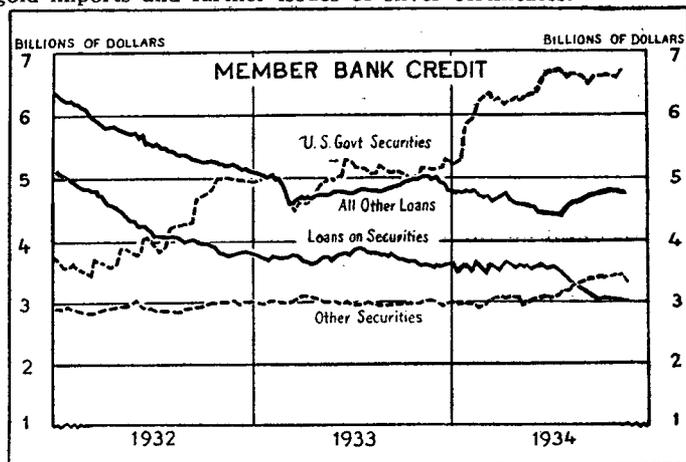
DISTRIBUTION—The number of freight cars loaded per working day decreased from September to October. Department store sales showed a seasonal increase and were at about the same level, on a seasonally adjusted basis, as in most other months since March. Rural sales of general merchandise, as reported by the Department of Commerce, increased by less than the usual seasonal amount following an unusually large increase in September.



Indexes of daily average value of sales. (1923-1925=100). Latest figures October, preliminary adjusted 75, unadjusted 82.

COMMODITY PRICES—Wholesale commodity prices, as measured by the Bureau of Labor Statistics' weekly index, declined from 77.8 per cent of the 1926 average in the week ending September 8 to 76.0 per cent in the week ending November 3 and then rose in the following two weeks to 76.7 per cent. The decline was largely in prices of farm products and foods but there were also some decreases in the prices of textiles and building materials. Increases in the first half of November were largely in the prices of farm products. The price of scrap steel also advanced, while lead and zinc declined.

BANK CREDIT—Excess reserves of member banks were about \$1,910,000,000 on November 21, showing an increase of \$150,000,000 in the preceding five weeks. The increase in reserves held was \$200,000,000, of which \$50,000,000 covered a growth in required reserves. Additions to reserves resulted mainly from gold imports and further issues of silver certificates.



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

Loans and investments of reporting member banks in leading cities declined somewhat in the four weeks ending November 14, following an increase in the previous month. Substantial declines were shown in loans on securities and in holdings of securities other than those of the United States Government. Other loans, which had increased considerably in previous months, also showed some decline, while holdings of direct obligations of the United States Government and of securities fully guaranteed by the Government increased considerably. Customers' deposits continued to increase, while Government deposits declined.

There was a further decline in open-market rates on bankers' acceptances at the end of October to an offering rate of $\frac{1}{8}$ per cent. Yields on short-term Government securities and other short-term open-market money rates showed little change.