



# MONTHLY REVIEW

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

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**W**HILE showing some rather marked contrasts, Eighth District trade and industry as a whole during November and the first half of December continued the improvement which began in the early fall. Relatively the exhibit made by distribution was more favorable than that in the production of merchandise, though in some manufacturing classification activities were at a higher rate than a year ago, and almost universally the ordinary seasonal recession was less in evidence than has been the case during the past decade. In the iron and steel industry conditions were spotty, but through the metal working industries generally, activities were well maintained. Makers of stoves, ranges, heating apparatus and certain other specialties reported the heaviest volume of production and shipments since 1930. Production of bituminous coal in fields of the district declined from October to November, but the tonnage lifted was greater than for the corresponding period in 1933. Failure of building operations to expand was reflected in a further slowing down in the output of lumber, fire clay products, glass and other materials going into construction work. Consumption of electricity by manufacturing interests in the principal industrial centers was smaller in November than in October, but measurably greater than for the same month in 1933.

Interest in merchandising centered chiefly in the retail trade, and since the first week in November there has been a notable quickening in all sections of the district, both in the large urban centers and the country. Public demand for commodities of all descriptions was considerably more active than during the two preceding seasons, and as contrasted with the two earlier periods, purchasing embraced a broader variety and higher quality of goods. The Christmas holiday trade got an earlier start than usual, and was stimulated to a considerable extent by the colder weather which prevailed in November and the first half of this month. While gift buying included for the most part necessary articles, sales of toys, confections and other goods in the luxury category, were, according to establishments reporting to this bank, the largest since the holiday season of 1930.

The wholesale trade participated in the generally expanded demand for merchandise, virtually all lines investigated by this bank showing substantial gains over a year and two years earlier. Reports covering the first half of December indicate a continuance of the increases recorded during November. Sales volume in numerous instances has been augmented by reordering, mainly of holiday and seasonal merchandise. Comment of numerous reporting firms indicates that the grade of goods being bought is higher than heretofore, and another favorable factor in the situation has been more satisfactory profits than were realized during the preceding several years. Of the lines investigated, those showing the most notable gains in November sales over a year ago were boots and shoes, clothing, drugs and chemicals, dry goods, electrical supplies, furniture, groceries, hardware, job foundries, stoves, meat-packing, and explosives.

The agricultural situation in the Eighth District as of December 1, was considerably more favorable than was thought possible earlier in the year, when a large part of the area was suffering effects of the severest spring and summer drouth on record. General precipitation in late August extended through the fall, and served to materially better conditions in the north, bringing back pastures, and permitting of the production of substitute forage crops. Frost dates were late, and harvesting of fall crops was accomplished with a minimum of loss in quality and quantity. Relatively high prices realized for farm products, coupled with rental and benefit payments received by farmers in connection with the Agricultural Adjustment Administration's curtailment campaign, materially augmented purchasing power in the rural areas, and generally through the district, farmers are formulating their programs for spring operations with more confidence than has been the case in a number of seasons. Breaking of soil and preparations generally for spring crops in the south are considerably further advanced than the usual seasonal schedule.

Retail trade in November, as reflected by sales of department stores in the leading cities, was 7.3 per cent larger than in October and 12.1 per cent greater than in November, 1933; cumulative total

for the eleven months this year was 16.3 per cent in excess of that for the comparable period in 1933. Combined sales of all wholesaling and jobbing interests reporting to this bank in November were 8 per cent smaller than in October, and 18 per cent greater than in November, 1933; for the first eleven months this year the total was 13.6 per cent greater than for the same period in 1933. The dollar value of new construction let in the five largest cities in November was 27 per cent less than in October and 4 per cent more than in November, 1933; cumulative total for the 11 months fell 41 per cent below the same time in 1933. Construction contracts let in the Eighth District in November were 21.5 per cent smaller than in October and 13 per cent below the November, 1933, total; for the first eleven months the aggregate was greater by 31 per cent than that of the like period in 1933. Debits to checking accounts in November declined 8.6 per cent as compared with October, but were 11 per cent larger than a year ago; cumulative total this year was 11 per cent greater than for the comparable period in 1933.

Officials of railroads operating in this district report somewhat less than the usual slowing down in volume of freight traffic handled during November and the first two weeks of December. The decline in loadings of grain and grain products, cotton and other farm products was to some extent offset by the well sustained movement of livestock and miscellaneous freight. For the country as a whole, loadings of revenue freight for the first 48 weeks this year, or to December 1, totaled 28,681,633 cars, against 27,132,412 cars for the corresponding period in 1933 and 26,243,765 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 64,308 loads in November, against 72,060 loads in October and 64,684 loads in November, 1933. During the first nine days of December the interchange amounted to 18,144 loads, which compares with 20,391 loads during the same period in October and 17,179 loads during the first nine days of December, 1933. Passenger traffic of the reporting lines in November showed an increase in volume of 16 per cent over the same month a year ago, but a decrease of 5 per cent in revenue received. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 98,400 tons, against 100,129 tons in October and 97,457 tons in November, 1933.

The same generally favorable results which were noted earlier in the year were reflected in reports relative to collections during November and the first half of December. Throughout the south, but more particularly in the typical cotton, rice and tobacco areas, liquidation with both merchants and

at banks was in considerable volume. Not only was current indebtedness being met, but in numerous instances loans and accounts of long standing were being paid. Wholesalers in the chief distributing centers reported early December settlements relatively larger than a year and two years earlier. Inquiries made at retail establishments, including certain department stores, indicate a further increase in the ratio of cash sales to charge accounts. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

|                     | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> |
|---------------------|------------------|-------------|-------------|-------------|
| November, 1934..... | 3.2%             | 43.1%       | 50.5%       | 3.2%        |
| October, 1934.....  | 7.6              | 39.2        | 48.9        | 4.3         |
| November, 1933..... | 8.6              | 33.6        | 53.9        | 3.9         |

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 24 involving liabilities of \$283,561, against 36 insolvencies in October with liabilities of \$431,761 and 47 defaults for a total of \$575,883 in November, 1933.

#### MANUFACTURING AND WHOLESALING

**Boots and Shoes** — November sales of the reporting interests declined 12.6 per cent from the preceding month, but were one-fifth greater than a year ago, and the total was the largest for the month since 1929. Stocks increased 2.5 per cent between November 1 and December 1, and on the latest date were 62 per cent larger than a year earlier. The decrease in the month-to-month sales comparison was seasonal in character, but somewhat larger than the average during the past decade. Prices showed no change as compared with the preceding thirty days, but were slightly lower on the average than a year ago. Demand for work shoes, particularly in the rural areas, was reported in measurably larger volume than during the same period in the past several years.

**Clothing** — Reversing the usual seasonal trend, sales of the reporting clothiers in November showed an increase of 8 per cent over the month before, and the total was 63.5 per cent in excess of that recorded in November, 1933. Inventories decreased 13 per cent between November 1, and December 1, and on the latter date were about on a parity with a year ago. More seasonal weather during the past several weeks had a stimulating effect on movement of winter apparel, and has resulted in a fair volume of reordering of goods in this category. Some improvement in orders for spring and early summer distribution was noted as compared with the preceding thirty days.

**Drugs and Chemicals** — Reflecting in large measure a sharply increased demand for holiday

and luxury goods, November sales of the reporting firms showed a gain of 14 per cent over the same month in 1933. As compared with October, the November volume fell 12 per cent, about in line with the usual seasonal decline. Inventories increased slightly in November, and on December 1, were 20 per cent larger than a year ago. Demand for heavy drugs and chemicals showed moderate betterment, and sales of denatured alcohol and other seasonal commodities have responded to the lower temperatures during the past several weeks.

**Dry goods** — Despite the mild fall, which militated against the movement of seasonal merchandise, sales of the reporting firms in November showed an increase of 13 per cent over the same month in 1933, and a decrease of less than 1 per cent under the October total this year. Inventories continued to decline, stocks on hand as of December 1 being 1 per cent and 14 per cent smaller, respectively, than a month and a year earlier. Sales of holiday goods were reported the largest since 1930, and during the first half of December a substantial volume of reordering from all sections of the trade territory was noted.

**Electrical Supplies** — For the twenty-third consecutive month business in this classification in November, according to the reporting interests, showed an increase over the corresponding period a year earlier. Betterment extended through virtually all lines, other than installations for new buildings. Expansion was especially noticeable in sales of household appliances, radio material, small motors and lamps. November sales of the reporting group were 8 per cent greater than in October and more than one-half larger than a year ago. Stocks on December 1 were 2 per cent and 31 per cent larger, respectively, than a month and a year earlier.

**Flour** — Production at the twelve leading mills of the district in November totaled 216,128 barrels, against 276,952 barrels in October, and 270,303 barrels in November, 1933. Moderate improvement in buying by the retail trade was noted, mainly accounted for by holiday demands. The large bakery interests are apparently covered on immediate requirements, and advance ordering was in limited volume. Prices showed no change worthy of note as contrasted with the preceding thirty days. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — November sales of the reporting firms were 13 per cent greater than for the same month in 1933, and 16 per cent below the October total this year. Inventories receded 2 per cent and 21 per cent, respectively, in November as compared with a month and a year earlier. The movement of holiday goods was reported in considerable volume, but the general run of staple materials continued quiet.

**Groceries** — Sales of the reporting interests in November, while falling 14 per cent below the preceding month, were 12.5 per cent in excess of the November, 1933 total, and the largest for the month since 1930. The movement of holiday goods exceeded expectations, and in a number of instances, a shortage of certain descriptions of merchandise prevented filling of belated orders from the retail trade. Generally throughout the south advance buying was reported in measurably larger volume than a year and two years earlier. Specialties and miscellaneous items were relatively more active than staple goods. Inventories continued to recede, stocks on December 1 being 4 per cent and 6 per cent smaller, respectively, than a month and a year earlier.

**Hardware** — November sales of the reporting firms were 10 per cent greater than for the same month in 1933, but 8.5 per cent below the October total this year. Stocks on December 1, were 2 per cent and 6 per cent smaller, respectively, than a month and a year earlier. Heavier demand for goods consumed chiefly in the rural areas and excellent response to the introduction of novelties, package goods and holiday items generally, were factors in the increase in the sales comparison with a year ago. Sales of reporting goods were reported in substantially larger volume than a year and two years earlier. There was no change from the recent dull conditions existing in builders' tools and hardware.

**Iron and Steel Products** — Taken as a whole, activities in the iron and steel industry in this area during the past thirty days developed no marked changes as contrasted with the like period immediately preceding. In certain branches the usual slowing down was in evidence, but elsewhere, particularly among specialty makers, there was no noticeable reduction in the rate of production. Melters of gray iron continued to make a relatively better showing than was the case with steel mills and malleable plants. Quite generally inventories of raw materials held by mills and foundries are of moderate proportions, heavy inroads having been made into stocks acquired during the summer. Manufacturers of stoves and ranges report the largest volume of business since 1929, and the character of their orders indicates heavier demands in the rural areas. Makers of farm implements report actual orders and prospects for next season above expectations, and a number of plants are engaged in making up stock to accommodate future demands. Moderate betterment was noted in requirements of the automotive industry. Releases of castings were somewhat freer than heretofore, and the same was true of sheets and other finished materials. As was the case early in the fall, miscellaneous demands predominated in orders

booked by mills and jobbing foundries. The outlet through the building industry showed no broadening tendencies. Distributors of iron and steel from warehouses report November volume about on a parity with that of the preceding month, and slightly greater than in November, 1933. The unusually mild fall tended to hold down the movement of seasonal items, notably tubular goods, roofing and general repair materials. Purchasing by the railroads continued at a low ebb, and was confined almost entirely to immediate and urgent requirements. November shipments of pig iron to consumers in this district continued the gradual increase which began in September, with total tonnage the largest since last June. Books for first quarter of 1935 have been opened with prices unchanged. On sheets, plates, bars and practically all other finished and semi-finished steel items, current quotations have been reaffirmed for delivery through the first three months of next year. The only price change of note was a sharp upturn in steelwork scrap, quotations advancing to the highest levels since last June. The upturn was ascribable to a shortage of supplies, and the steady drain in recent months through the export market. For the country as a whole, production of pig iron in November, according to the magazine "Steel", was 957,906 tons, against 951,353 tons (revised figure) in October and 1,083,740 tons in November, 1933. Steel ingot production in the United States in November totaled 1,589,049 tons, which compares with 1,461,932 tons in October and 1,521,189 tons in November, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in November, was 78,415, against 132,488 in October, and 61,031 (revised figure) in November, 1933.

Eighth District distribution of automobiles in November, according to dealers reporting to this bank, showed about the usual seasonal decline from October. The total, however, was the largest recorded in any November since 1930, and showed a substantial increase over the aggregate in November, 1933. In the yearly comparison the improvement extended to practically all classes of makes, but was most pronounced in the low priced field. Geographically, relatively the most favorable results were obtained by dealers in the south, particularly in sections where cotton is the principal crop. Comment by dealers reflects considerably more optimism than at the corresponding periods a year and two years earlier. This attitude is based on heavy replacement requirements, improved conditions in the rural areas and betterment in general business

throughout the district. Definite prospects for sales following the turn of the year have resulted in ordering of new models by some distributors, prior to announcement dates, in quantities greater than their quotas. Demand for trucks continues active, November sales exceeding those of a month and a year earlier by 19 per cent and 68 per cent, respectively. About the usual seasonal decrease in sales of parts and accessories from October to November was noted.

November sales of new passenger cars by the reporting interests were 15 per cent smaller than for the preceding month and 29 per cent greater than in November, 1933. Inventories of new cars on dealers' floors on December 1 were 5.5 per cent smaller than a month earlier and 15 per cent larger than on December 1 a year ago. Sales of used cars in November continued to reflect the scarcity of desirable vehicles, the total showing a decrease of 3 per cent under November, and of 6 per cent under a year ago. Stocks of salable secondhand cars on December 1 showed practically no change from November 1 and were 4 per cent larger than on December 1, 1933. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in November was 51 per cent, against 48 per cent in October and 44 per cent in November, 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                |
|-------------------------|------------------------------|---|--------------------------------------|-------------------------------|
|                         | Nov. 1934 comp. to Nov. 1933 | 11 months ended Nov. 30, 1934 to same period 1933 | Nov. 30, 1934 comp. to Nov. 30, 1933 | Jan. 1, to Nov. 30, 1934 1933 |
| El Dorado, Ark.....     | +26.9%                       | +35.5%  | +14.4%                               | 2.38 1.91                     |
| Evansville, Ind.....    | + 5.4                        | + 7.7   | -18.1                                | 1.73 1.60                     |
| Fort Smith, Ark.....    | +16.7                        | +22.5   | - 8.6                                | 2.07 1.82                     |
| Little Rock, Ark.....   | +12.0                        | +25.4   | + 0.5                                | 2.20 2.04                     |
| Louisville, Ky.....     | +16.2                        | + 8.7   | - 8.5                                | 2.88 2.71                     |
| Memphis, Tenn.....      | +12.0                        | +21.3   | + 3.4                                | 2.94 2.66                     |
| St. Louis, Mo.....      | +10.5                        | +14.9   | - 6.6                                | 3.33 3.12                     |
| Springfield, Mo.....    | +44.0                        | +28.5   | - 6.4                                | 1.77 1.41                     |
| All Other Cities.....   | +25.6                        | +27.5   | + 2.7                                | 2.68 2.31                     |
| 8th F. R. District..... | +12.1                        | +16.3   | - 4.5                                | 3.00 2.79                     |

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

#### PERCENTAGE OF COLLECTIONS BY CITIES

|                         |       |                       |       |
|-------------------------|-------|-----------------------|-------|
| El Dorado, Ark.....     | 39.1% | Memphis, Tenn.....    | 44.1% |
| Fort Smith, Ark.....    | 41.1  | Springfield, Mo.....  | 25.8  |
| Little Rock, Ark.....   | 40.3  | St. Louis, Mo.....    | 53.4  |
| Louisville, Ky.....     | 51.3  | All Other Cities..... | 33.3  |
| 8th F. R. District..... |       | 49.2%                 |       |

#### Retail Stores

|                         | Net sales comparison         |   | Stocks on hand                       | Stock turnover                |
|-------------------------|------------------------------|---|--------------------------------------|-------------------------------|
|                         | Nov. 1934 comp. to Nov. 1933 | 11 months ended Nov. 30, 1934 to same period 1933 | Nov. 30, 1934 comp. to Nov. 30, 1933 | Jan. 1, to Nov. 30, 1934 1933 |
| Men's Furnishings ..... | +30.9%                       | +22.9%  | + 6.3%                               | 2.20 2.27                     |
| Boots and Shoes .....   | +19.9                        | - 0.8   | -12.8                                | 2.74 2.52                     |

## CONSUMPTION OF ELECTRICITY

Public utilities in the five largest cities of the district report consumption of electric current by selected industrial customers in November, as being 9.7 per cent less than in October, and 3.6 per cent more than in November, 1933. Detailed figures follow:

|                   | No. of Customers | Nov., 1934 | Oct., 1934 | Nov. 1934 comp. to Oct. 1934 | Nov., 1933 | Nov. 1934 comp. to Nov. 1933 |
|-------------------|------------------|------------|------------|------------------------------|------------|------------------------------|
|                   |                  | *K.W.H.    | *K.W.H.    |                              | *K.W.H.    |                              |
| Evansville .....  | 40               | 1,597      | 1,590      | + 0.6%                       | 1,321      | +20.9%                       |
| Little Rock ..... | 35               | 1,441      | 1,702      | -15.3                        | 1,332      | + 8.2                        |
| Louisville .....  | 83               | 6,551      | 7,047      | - 7.0                        | 5,748      | +14.0                        |
| Memphis .....     | 31               | 1,651      | 1,867      | -11.6                        | 1,502      | + 9.9                        |
| St. Louis.....    | 193              | 15,171     | 17,056     | -11.1                        | 15,582     | - 2.6                        |
| Totals .....      | 382              | 26,411     | 29,262     | - 9.7%                       | 25,485     | + 3.6%                       |

\*In thousands (000 omitted).

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in November was 27.1 per cent less than in October and 3.6 per cent more than in November, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in November, amounted to \$8,424,558 which compares with \$10,734,338 in October and \$9,677,726 in November, 1933. Building figures for November, follow:

|                | New construction |      |        |        | Repairs, etc. |      |        |        |
|----------------|------------------|------|--------|--------|---------------|------|--------|--------|
|                | Permits          |      | *Cost  |        | Permits       |      | *Cost  |        |
|                | 1934             | 1933 | 1934   | 1933   | 1934          | 1933 | 1934   | 1933   |
| Evansville ..  | 12               | 101  | \$ 1   | \$ 11  | 129           | 34   | \$ 29  | \$ 8   |
| Little Rock .. | 13               | 10   | 3      | 1      | 118           | 56   | 23     | 8      |
| Louisville ..  | 31               | 34   | 50     | 29     | 47            | 12   | 65     | 32     |
| Memphis ..     | 135              | 107  | 56     | 210    | 113           | 93   | 38     | 41     |
| St. Louis....  | 141              | 111  | 440    | 280    | 198           | 123  | 82     | 65     |
| Nov. Totals    | 332              | 363  | \$ 550 | \$ 531 | 605           | 318  | \$ 237 | \$ 154 |
| Oct. "         | 390              | 482  | 754    | 812    | 869           | 466  | 428    | 243    |
| Sept. "        | 298              | 488  | 728    | 475    | 1,044         | 666  | 550    | 460    |

\*In thousands (000 omitted).

## AGRICULTURE

The U. S. Department of Agriculture's report as of December 1, giving final estimates of production, reflected only minor variations from the November 1, forecasts of the principal crops in the Eighth District. In the final summing up, effects of the record spring and summer drouth were less detrimental than had been anticipated, because of the rainfall coming in late August and continuing through the fall. Drastic shortages of feed and fodder which appeared imminent during the dry spell, were relieved to a large extent by ability of farmers to plant and bring to maturity emergency crops, notably sorghums, cowpeas, and other legumes, also by an extraordinary revival in pastures. Killing frosts and freezes which occurred later in the season than usual, permitted successful harvesting of late crops and the accomplishment of a considerable amount of field work. Breaking of ground for cotton and rice at the middle of December was much in advance of the usual seasonal schedule. Fall planted cereals for the most part made good progress, and winter wheat in the important producing areas is

in strong position for entering the cold weather. Tobacco markets opened with rather limited offerings, due to unfavorable weather for handling the leaf, but prices averaged sharply higher than at the 1933 openings, and in the immediate past conditions have been more auspicious and offerings have increased to more normal proportions.

**Livestock**—Mild weather during the fall, coupled with greatly improved pastures, favored the condition of livestock generally throughout the district. In many sections farmers were able to carry their herds later into the season than usual without use of large quantities of prepared feeds. Prices remained at the relatively high levels which obtained during the preceding thirty days. In states of this district up to November 27, the amount expended by the Agricultural Adjustment Administration for Government purchased cattle was \$8,126,452.

Shipments of stocker and feeder cattle into the Corn Belt States declined sharply in November. The feeder movement this year in November was 45 per cent below the 5-year (1929-1933) average and the smallest in 15 years. The movement from July to November was slightly less than for the same period last year and incidentally the smallest of record. Due to short supplies of and relatively high prices of grain and hay it is likely that a larger proportion of feeder cattle in all Corn Belt States will be wintered on roughage than was anticipated earlier in the season.

Shipments of lambs through inspected stockyards markets into the Corn Belt States during November showed greater than the seasonal decline. For the five years (1929-1933) the November shipments have been 41 per cent as large as the October shipments, while this year the November movement was only 27 per cent as large as in the preceding month. High prices of corn and hay have tended to discourage feedings generally. As contrasted with a year ago, operations at commercial feeding yards are likely to be small.

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

|                        | Receipts   |            |            | Shipments  |            |            |
|------------------------|------------|------------|------------|------------|------------|------------|
|                        | Nov., 1934 | Oct., 1934 | Nov., 1933 | Nov., 1934 | Oct., 1934 | Nov., 1933 |
| Cattle and Calves..... | 123,128    | 166,746    | 100,660    | 63,976     | 102,061    | 47,424     |
| Hogs .....             | 292,433    | 270,264    | 264,687    | 170,301    | 166,348    | 132,231    |
| Horses and Mules.....  | 8,304      | 9,273      | 9,452      | 8,553      | 10,022     | 9,413      |
| Sheep .....            | 44,154     | 83,011     | 41,933     | 9,845      | 28,417     | 7,791      |

**Cotton**—In its report based on conditions as of December 1, the U. S. Department of Agriculture estimates the cotton crop in states entirely or partly within the Eighth District at 2,677,000 bales, which compares with 2,896,000 bales produced in 1933, and 3,292,000 bales in 1932. Weather throughout the harvesting period was almost ideal for pick-

ing, and the amount of cotton remaining in fields as of December 1 was virtually nil. Prior to the recent rains there was considerable preparations made for the 1935 crop, and scattered reports indicate that there will be an increased use of fertilizer; poisons will also be employed if boll weevils make their appearance. Quite generally a large acreage of cover crops was planted, most of which achieved good stands. Many important producing counties will go into the 1935 crop year with more feed stuff on hand than in any previous year. Demand for spot cotton continued generally slow. Prices moved in a narrow range, but continued sharply higher than during the corresponding period a year and two years earlier. In the St. Louis market the middling grade ranged from 12.20c to 12.65c between November 15 and December 17, closing at 12.60c on the latest date, which compared with 12.15c on November 15, and 9.80c on December 15, 1933. Receipts at Arkansas compresses from August 1 to December 14 totaled 719,964 bales, against 886,292 bales for the corresponding period last year. Stocks on hand as of December 14 totaled 633,651 bales, against 652,404 bales on November 9 and 649,459 bales on the corresponding date in 1933.

In states partly or entirely within the Eighth Federal Reserve District, payments to producers cooperating in the 1934 cotton adjustment program up to November 22, totaled \$17,256,600. Rental payments were made in two installments, the second only after compliance with the acreage contract had been established. In addition to the rental payments, cotton producers also will receive substantial amounts in "parity" payments. This disbursements will be calculated on the basis of 1c a pound on the estimated share of each farmer's average past production which enters domestic consumption. Total payments already made by states follow: Arkansas, \$7,001,433; Kentucky, \$26,802; Mississippi, \$7,233,603; Missouri, \$838,440 and Tennessee, \$2,166,322.

**Tobacco** — Dry, harsh weather has interfered seriously with the preparation of tobacco for market in all districts. The burley tobacco market opened December 3, and for the week ending December 7, only 12,801,781 pounds were sold, at an average of \$18.94 per cwt. During the same period a year ago, sales amounted to 21,355,879 pounds, at an average of \$11.99 per cwt.

The Owensboro-Green River markets opened on December 10, with a limited quantity of tobacco offered. The general average for the first week was \$9.20 as compared with the opening sales of a year ago of \$6.33. In the stemming district the average was estimated, but not confirmed, at \$7.25

as compared with \$6.00 a year ago. The opening of the one-sucker market on December 11, showed an estimated average of \$7.25 as compared with \$6.86 for the corresponding date last year.

In the dark-fired tobacco districts, the Clarksville, Tennessee, market opened on December 10 with small sales, the average being \$10.94, as compared with last year's opening sales average of \$6.68. The Springfield, Tennessee, market opened on December 11, with small sales, at an average for the week of \$14.22, as compared with the opening sales average of \$12.30 last year.

The Hopkinsville Tobacco Board of Trade decided to postpone the opening of their market from December 12, as scheduled, until after January 1. The western fired tobacco markets at Mayfield, Murray and Paducah, Kentucky, announced the opening date as December 17, but it is possible that sales in this district will be postponed until after January 1.

### COMMODITY PRICES

Range of prices in the St. Louis market between December 17, 1934, and November 15, 1934, with closing quotations on the latter date and on December 15, 1933, follows:

|                           | High       | Low       | Close         |               |
|---------------------------|------------|-----------|---------------|---------------|
|                           |            |           | Dec. 17, 1934 | Dec. 15, 1933 |
| Wheat                     |            |           |               |               |
| Dec. ....per bu..         | \$1.03 3/4 | \$.97 1/4 | \$.98 3/4     | \$.82 3/4     |
| May .....                 | 1.05       | .96 5/8   | .98 1/2       | .85           |
| July .....                | .98 3/4    | .91 3/4   | .91 3/4       | .....         |
| No. 2 red winter .....    | 1.06 1/2   | .99       | 1.03 1/2      | .86 1/2       |
| No. 2 hard .....          | 1.09 1/2   | 1.04 1/2  | 1.06          | .85 3/4       |
| Corn                      |            |           |               |               |
| *Dec. ....                | .95 3/4    | .82 3/4   | .90 1/2       | .44 3/4       |
| *May .....                | .93 1/4    | .83 3/4   | .87 3/4 @     | .51 3/4 @     |
| *July .....               | .90 1/2    | .82 3/4   | .84 3/4 @     | .53 @         |
| No. 2 mixed .....         | 1.02       | .89 1/2   | .95 1/2       | .48           |
| No. 2 white .....         | 1.03       | .97 1/2   | 1.03          | .50           |
| Oats                      |            |           |               |               |
| No. 2 white .....         | .61        | .57 1/2   | .60           | .36           |
| Flour                     |            |           |               |               |
| Soft patent.....per bbl.  | 6.80       | 6.25      | 6.50 @ 6.80   | 6.20 @ 6.70   |
| Spring " .....            | 7.90       | 7.30      | 7.20 @ 7.45   | 6.20 @ 6.70   |
| Middling Cotton...per lb. | 1265       | 1220      | .1260         | .0980         |
| Hogs on hoof.....per cwt. | 6.40       | 2.00      | 2.00 @ 6.35   | 2.25 @ 3.35   |

\*Nominal quotations.

### FINANCIAL

Statistics and general data relative to Eighth District banking and financial conditions during the past thirty days indicate no change in the trends which have obtained since early fall. A slight slowing down was noted in demand for credit by commercial and industrial interests, and in a majority of instances liquidation by these borrowers was in excess of new commitments and renewals, resulting in a slight decrease in total loans of the commercial banks. There was also a considerable volume of liquidation of loans based on agricultural products, notably cotton and wheat. While a considerable part of the cotton crop has not been sold, producers have to a large extent taken advantage of the 12c loan by the Commodity Credit Corporation,

thereby obtaining funds for current purchasing and payment of debts. In the tobacco areas liquidation has been under expectations, owing to the fact that unfavorable weather for handling the crop has held down offerings on the auction floors. A fair inquiry for funds by tobacco dealers and warehousemen has developed during the past two or three weeks. According to both city and country banks, demand for currency for holiday spending has been in large volume.

Total loans of reporting member banks in the principal cities decreased slightly between November 14 and December 12, and on the latest date were 6.9 per cent less than a year ago. Reflecting to a large extent withdrawals of savings for holiday purposes, total deposits decreased 1.2 per cent during the four-week period, but were 15.8 per cent greater than at mid-December a year ago. For the first time in a number of months, reserve balances receded 10.3 per cent, but the total remained substantially in excess of a year earlier. Borrowings of all member banks from the Federal Reserve bank continued at the low levels which have marked recent months.

The amount of savings deposits held by selected banks on December 5 was 1 per cent greater than on November 7, and 18 per cent in excess of the total on December 6, 1933.

Interest rates showed no appreciable changes as contrasted with the preceding thirty days. At St. Louis banks, as of the week ended December 15, current quotations were as follows: Customers' prime commercial paper, 1¼ to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 1¼ to 6 per cent; interbank loans, 6 per cent, and cattle loans, 5 to 6 per cent.

**Federal Reserve Operations** — During November the Federal Reserve Bank of St. Louis discounted for 8 member banks against 10 in October and 51 in November, 1933.

Changes in the principal assets and liabilities of this institution appear in the following table:

|   | *Dec. 20,<br>1934 | *Nov. 20,<br>1934 | *Dec. 20,<br>1933 |
|---|-------------------|-------------------|-------------------|
| Bills discounted .....  | \$ 598            | \$ 403            | \$ 1,450          |
| Bills bought .....  |                   |                   | 4,712             |
| U. S. Securities.....   | 93,200            | 93,200            | 93,200            |
| Participation in Inv. Foreign Banks....                         | 115               | 115               | 160               |
| <b>Total Bills and Securities.....</b>                          | <b>\$ 93,913</b>  | <b>\$ 93,718</b>  | <b>\$ 99,522</b>  |
| <b>Total Reserves .....</b>                                     | <b>\$207,901</b>  | <b>\$211,573</b>  | <b>\$171,643</b>  |
| <b>Total Deposits .....</b>                                     | <b>152,139</b>    | <b>155,991</b>    | <b>107,278</b>    |
| F. R. Notes in circulation.....                                 | 144,467           | 143,233           | 145,679           |
| F. R. Bank Notes in circulation.....                            |                   |                   | 7,560             |
| Ratio of reserve to deposits<br>and F. R. Note Liabilities..... | 70.1%             | 70.7%             | 67.9%             |

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.

**Condition of Banks** — Loans and discounts of the reporting member banks on December 12, 1934, showed an increase of 1.2 per cent as contrasted with November 14, 1934. Deposits decreased 1.2 per cent between November 14, 1934 and December 12, 1934 and on the latter date were 15.8 per cent greater than on December 13, 1933. Composite statement follows:

|  | *Dec. 12,<br>1934 | *Nov. 14,<br>1934 | *Dec. 13,<br>1933 |
|--|-------------------|-------------------|-------------------|
| Number of banks reporting.....                                       | 19                | 19                | 19                |
| Loans and discounts (incl. rediscounts)                              |                   |                   |                   |
| Secured by U. S. Govt. obligations<br>and other stocks and bonds.... | \$ 67,621         | \$ 69,164         | \$ 92,712         |
| All other loans and discounts....                                    | 156,069           | 155,508           | 147,465           |
| <b>Total loans and discounts.....</b>                                | <b>\$223,690</b>  | <b>\$224,672</b>  | <b>\$240,177</b>  |
| Investments  |                   |                   |                   |
| U. S. Govt. securities.....  | \$194,162         | \$189,521         | \$143,214         |
| Other securities.....  | 118,763           | 115,965           | 100,892           |
| <b>Total investments.....</b>  | <b>\$312,925</b>  | <b>\$305,486</b>  | <b>\$244,106</b>  |
| Reserve balance with F. R. Bank..                                    | \$ 91,241         | \$101,737         | \$ 67,633         |
| Cash in vault.....   | 8,528             | 8,906             | 10,003            |
| Deposits   |                   |                   |                   |
| Net demand deposits.....   | \$385,951         | \$387,373         | \$131,361         |
| Time deposits.....   | 162,134           | 167,266           | 156,614           |
| Government deposits.....   | 20,060            | 20,117            | 20,552            |
| <b>Total deposits.....</b>   | <b>\$568,145</b>  | <b>\$574,756</b>  | <b>\$490,527</b>  |
| Bills payable and rediscounts with<br>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.

**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.

|  | *Nov.,<br>1934   | *Oct.,<br>1934   | *Nov.,<br>1933   | Nov., 1934 comp. to<br>Oct. 1934 | Nov. 1933    |
|--|------------------|------------------|------------------|----------------------------------|--------------|
| East St. Louis and Natl.<br>Stock Yards, Ill. \$ | 20,229           | \$ 21,713        | \$ 18,420        | — 6.8%                           | + 9.8%       |
| El Dorado, Ark.....                              | 3,370            | 3,948            | 2,925            | —14.6                            | +15.2        |
| Evansville, Ind.....                             | 16,574           | 16,857           | 13,373           | — 1.7                            | +23.9        |
| Fort Smith, Ark.....                             | 8,370            | 9,100            | 7,905            | — 8.0                            | + 5.9        |
| Greenville, Miss....                             | 4,619            | 5,257            | 4,050            | —12.1                            | +14.0        |
| Helena, Ark.....                                 | 2,432            | 3,207            | 2,279            | —24.2                            | + 6.7        |
| Little Rock, Ark....                             | 24,805           | 27,335           | 18,076           | — 9.3                            | +37.2        |
| Louisville, Ky.....                              | 116,073          | 126,437          | 105,642          | — 8.2                            | + 9.9        |
| Memphis, Tenn.....                               | 116,491          | 142,718          | 125,333          | —18.4                            | + 7.1        |
| Owensboro, Ky.....                               | 3,817            | 3,560            | 2,351            | + 7.2                            | +62.4        |
| Pine Bluff, Ark....                              | 6,141            | 8,684            | 5,978            | —29.3                            | + 2.7        |
| Quincy, Ill.....                                 | 5,826            | 5,908            | 4,171            | — 1.4                            | +39.7        |
| St. Louis, Mo.....                               | 433,213          | 458,700          | 376,550          | — 5.6                            | +15.0        |
| Sedalia, Mo.....                                 | 1,557            | 1,615            | 1,141            | — 3.6                            | +36.5        |
| Springfield, Mo....                              | 10,541           | 11,196           | 8,348            | — 5.9                            | +26.3        |
| **Texarkana,<br>Ark.-Tex.....                    | 5,067            | 5,875            | 5,064            | —13.8                            | + 0.1        |
| <b>Totals .....</b>                              | <b>\$779,125</b> | <b>\$852,110</b> | <b>\$701,606</b> | <b>— 8.6</b>                     | <b>+11.0</b> |

\*In thousands (000 omitted).

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

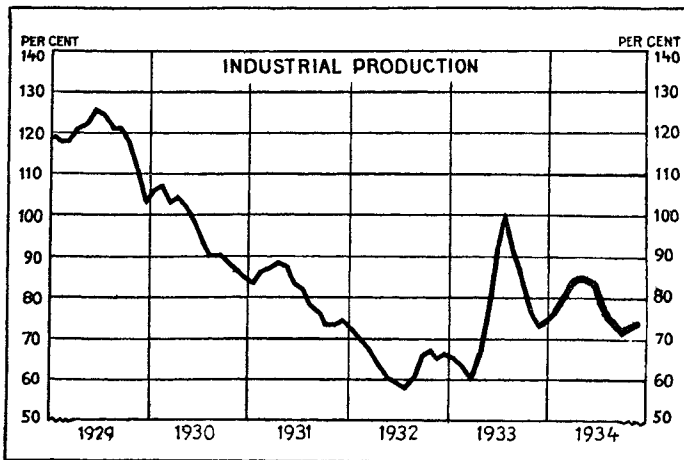
(Compiled December 20, 1934)

## BUSINESS CONDITIONS IN THE UNITED STATES

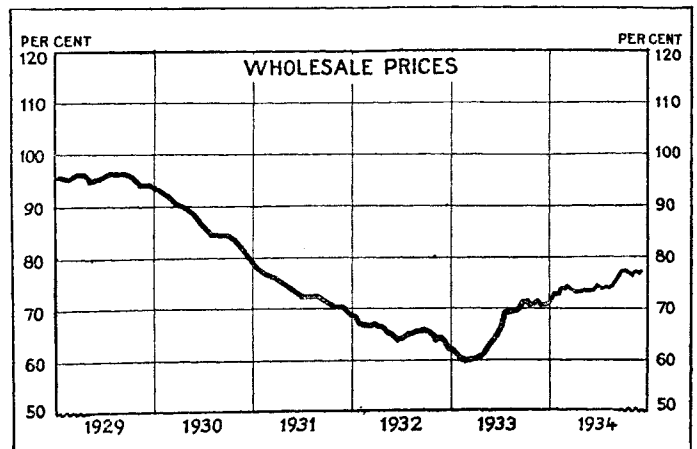
In November the rate of industrial activity showed little change and the general level of commodity prices remained unchanged. Distribution of commodities to consumers was well maintained.

**PRODUCTION AND EMPLOYMENT**—Volume of industrial production declined in November by an amount somewhat smaller than is usual at this season and consequently the Board's

22 per cent smaller than in 1933 and 32 per cent below the average for the previous 10 years, reflecting reductions in acreage and in yield per acre. There has been a shortage in feed crops, accompanied by a sharp increase for the year in the slaughter of live-stock. Although output of agricultural commodities has been smaller than in any other recent year, farm income has been larger than in either 1932 or 1933, reflecting chiefly higher prices, and to a smaller degree, benefit payments.



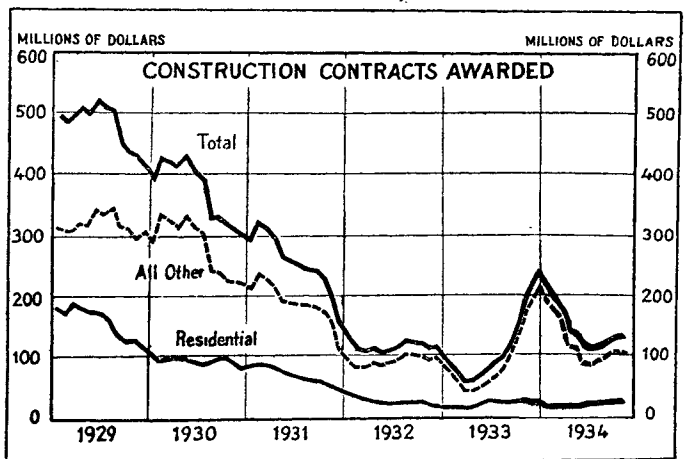
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figures, October 73, November preliminary, 74, seasonally adjusted index advanced from 73 per cent of the 1923-25 average in October to 74 per cent in November. In the steel industry output continued to increase during November and the first three weeks of December, contrary to the usual seasonal tendency. Automobile production also showed an increase in the early part of December, following a decline in connection with preparations for new models. In November lumber output decreased by more than the estimated seasonal amount. At woolen mills there was a considerable increase in output, while consumption of cotton by domestic mills showed a slight decline. Activity at meat packing establishments showed less than the usual seasonal increase. Production of the leading minerals was at about the same level as in October. Factory employment declined between the middle of October and the middle of November by the usual seasonal amount and was at the same level as a year ago. Declines reported for the automobile, shoe, and canning industries were smaller than seasonal, while decreases at railroad



Index by United States Bureau of Labor Statistics. (1926=100).  
By months 1929 to 1931; by weeks 1932 to date.  
Latest figure is for week ending December 15, all commodities 76.7.

**DISTRIBUTION**—Total freight car loadings declined in November by less than the estimated seasonal amount, reflecting chiefly a smaller decline than is usual in shipments of miscellaneous freight. Retail sales generally have been well maintained. Department store sales increased by slightly less than the estimated seasonal amount in November; preliminary reports for the first half of December, however, indicate a more than seasonal increase in Christmas trade.

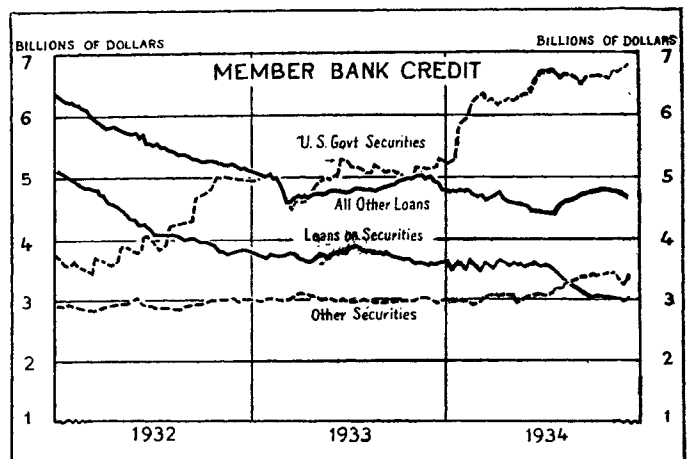
**COMMODITY PRICES**—Wholesale commodity prices generally showed little change during November and the first half of December. Prices of scrap steel continued to advance during this period, while corn prices, which advanced rapidly in November, declined somewhat after the first week of December. Retail food prices declined in November, reflecting lower prices for meats.



Three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation.  
Latest figures, November preliminary total 125.7, residential 21.9, all other 103.8.

repair shops and saw mills were larger than are usual at this season. At meat packing establishments, where employment has been at a high level in recent months, there was a considerable decline, but the number on the payrolls in November was larger than in the corresponding month of other recent years. Employment at woolen mills showed a substantial increase. The number employed on construction projects of the Public Works Administration declined further in November, according to the Bureau of Labor Statistics. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a considerable decline in November and the first half of December, following an increase in October. The indicated decline in awards from the third to the fourth quarter was somewhat smaller than usual.

Department of Agriculture estimates for December 1, indicate that production of principal crops this season was about



Wednesday figures for reporting member banks in 90 leading cities.  
Latest figures are for Wednesday, December 12.

**BANK CREDIT**—Developments at Federal Reserve banks in December reflected largely the seasonal increase in the demand for currency and the continued inflow of gold from abroad. Loans and investments of reporting member banks in leading cities showed an increase of \$150,000,000 in the four weeks ended December 12, after declining somewhat in the preceding four weeks. The growth reflected increases in holdings of United States Government obligations and in brokers' loans. Deposits at banks showed a further considerable growth. Yields on short term Government securities declined slightly in December, while other short term open market money rates showed little change. On December 15 the discount rate of the Federal Reserve Bank of Atlanta was reduced from 3 per cent to 2½ per cent and on December 21 a similar reduction was made at the Kansas City Federal Reserve Bank.