



MONTHLY REVIEW

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

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WITH the exception of a limited number of lines, mainly those directly influenced by seasonal factors, industry and commerce in the Eighth District during the past thirty days carried further the improvement which began at the end of last summer. Taken as a whole the volume of business during 1934 was measurably greater than in either of the two years immediately preceding, and in some important classifications was the largest since 1930. Quite generally through the district the Christmas holiday trade exceeded expectations, and accounted for the movement of a large variety and volume of merchandise into consumptive channels. Wholesale trade in December in numerous instances was stimulated by reordering of holiday goods by retailers who had underestimated their requirements. Largely as a result of this belated buying, considerably less than the usual seasonal declines from November to December took place. The spell of cold weather during the period had a stimulating effect on the movement of seasonal merchandise, notably apparel, fuel, and certain drugs and chemicals. The depletion of retail stocks as a result of the holiday trade has been emphasized by an unusually heavy volume of orders booked by wholesalers during the first half of January, a large portion of which specify prompt delivery. Special clearance sales held since the first of this month by department stores and other retailers have met with favorable response.

The lull in industrial activities incident to the holiday and inventorying periods was of shorter duration than has been the case during the past several seasons. In the iron and steel industry, a number of plants which usually remain idle until after the middle of January, have resumed production. This is true particularly of stove and jobbing foundries, and the farm implement industry. At the middle of January steel mill operations were maintained at about the same average rate as in December. Employment during December showed little change as contrasted with the preceding month, additional help engaged in retail establishments being counterbalanced by decreases in the

number of workers elsewhere. Production of bituminous coal in fields of the district showed moderate gains over a month and a year earlier. Production of lumber, fire clay products, cement and other building materials showed about the usual seasonal decline. Consumption of electrical power by industrial users in the principal cities decreased 7.5 per cent from November to December, but was 9 per cent greater than in December, 1933. There was a sharp drop in December sales of automobiles as compared with November, but the total for the month was 11 per cent in excess of a year earlier, and in 1934 there was an increase of approximately 22 per cent over the preceding twelve-month aggregate.

Weather conditions throughout the Eighth District in December and the first weeks of January were in the main favorable for fall sown cereal crops, and agricultural operations generally. Lower temperatures were accompanied by snow in the northern sections, which afforded protection for the growing winter wheat crop. Soil conditions are more favorable than at any similar period in recent years. In the south an unusually large amount of plowing for spring crops has been accomplished, and generally through the area routine farmwork is somewhat in advance of the seasonal schedule. Marketing of tobacco of all types has progressed rapidly, with average prices well above those prevailing a year ago. Prices of farm products generally have been well maintained at the relatively high levels which prevailed earlier in the season.

As reflected in sales of department stores in the principal cities of the district, retail trade in December was 10.2 per cent greater than for the same month in 1933, and 50.4 per cent more than the November, 1934, total; cumulative total for the twelve months of 1934 exceeded that of 1933 by 15.4 per cent. Combined December sales of all wholesaling and jobbing interests reporting to this bank fell 30 per cent below the preceding month, but were 16.4 per cent greater than in December, 1933; for the year 1934, cumulative sales of these firms were 14 per cent larger than in the preceding

twelve months. The dollar value of building permits issued for new construction in the five largest cities of the district in December was slightly above November, but 92 per cent greater than for the same month in 1933; for the year the value of permits was smaller by 38 per cent than in 1933. Construction contracts let in the Eighth District in December were 39.5 per cent smaller than in November, and 74.5 per cent less than in December, 1933; for the year the total showed an increase of 9.5 per cent as compared with the preceding twelve months. Debits to checking accounts in December were 11.9 per cent and 12.2 per cent larger, respectively, than a month and a year earlier, and the total for the year was larger by 11.2 per cent than in 1933.

According to the officials of railroads operating in this district, the recession in freight traffic handled during the past thirty days was considerably less than the average seasonal decline in recent years, and for the first time since last June the volume exceeded that of the comparable period a year earlier. The sharp drop in temperatures in December served to bolster the movement of coal and coke. Increases recorded earlier in the year in loadings of livestock and miscellaneous freight continued during the period. For the country as a whole loadings of revenue freight in 1934 totaled 30,785,594 cars, against 29,220,052 cars in 1933 and 28,179,952 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 63,078 loads in December, against 64,308 loads in November and 61,258 loads in December, 1933. In 1934 a total of 877,068 loads were handled which compares with 828,329 loads in 1933. During the first nine days of January the interchange amounted to 19,150 loads, against 18,144 loads during the corresponding period in December, and 17,881 loads during the first nine days of January, 1934. Holiday passenger traffic was the heaviest since 1929, the reporting roads showing an increase in volume for December of 7.36 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 76,800 tons against 99,668 tons in November and 106,086 tons in December, 1933. Total tonnage in 1934 was 1,127,873 tons, against 1,206,302 tons in 1933 and 1,292,983 tons in 1932.

Reports relative to collections during December and the first half of January reflected a continuance of the high record of efficiency which marked all of 1934. Delays in marketing tobacco, occasioned by unfavorable weather, had a temporary effect on liquidation in sections where tobacco is the principal cash crop, but in the immediate past large quanti-

ties have been sold at satisfactory prices and producers quite generally are using the proceeds to defray their debts. January settlements with wholesaling and jobbing interests in the principal distributing centers were reported in satisfactory volume, and measurably greater than a year ago. Retailers in both the large cities and country reported payments since January 1 in substantial volume. According to mercantile concerns reporting to this bank, losses through failures of customers and weak accounts were smaller than in any of the three preceding years. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
December, 1934.....	7.1%	50.6%	38.8%	3.5%
November, 1934.....	3.2	43.1	50.5	3.2
December, 1933.....	8.2	32.8	55.7	3.3

Commercial failures in the Eighth Federal Reserve District in December, according to Dun and Bradstreet, numbered 45, involving liabilities of \$505,509, against 24 defaults in November, with liabilities of \$283,561, and 32 insolvencies for a total of \$523,615 in December, 1933. In 1934 there were 350 failures with total liabilities of \$4,742,867, which compares with 795 failures in 1933 with liabilities of \$15,443,137 and 1,507 defaults for a total of \$45,568,526 in 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes — While showing an increase of 37 per cent over the same month in 1933, December sales of the reporting firms decreased 44 per cent below the November, 1934, total. The decrease in the month to month comparison is seasonal in character, but somewhat greater than the average during the past ten years. In anticipation of heavy spring and early summer demands, inventories were considerably increased, stocks on January 1 being 29 per cent greater than a month earlier and more than double those on January 1, 1934. There was no change in prices as contrasted with the preceding thirty days, but the average was about 6 per cent below a year ago. December sales were the largest for the month since 1930.

Clothing — December sales of the reporting firms were 46 per cent and 5 per cent smaller, respectively, than a month and a year earlier. Inventories on January 1 were 4 per cent and 11 per cent smaller, respectively, than on December 1, 1934, and January 1, 1934. More seasonable weather during December and early in January had a stimulating effect on the movement of heavyweight apparel. Ordering for late spring and early summer delivery is reported on a conservative basis, particularly in the case of women's garments.

Drugs and Chemicals — Contrary to the usual seasonal trend, sales of the reporting firms in December showed an increase of 3.5 per cent over the preceding month, however, the total was 5 per cent smaller than in December, 1933, this being the first time in fourteen months that a decrease was shown under the corresponding period a year earlier. Stocks on January 1 were 9 per cent less than on December 1, and 15 per cent greater than on January 1, a year ago. The trend of prices was slightly upward. Re-ordering of holiday goods during December was in considerable volume, with sales of cosmetics and luxury goods generally the largest in a number of years. Since January 1 there has been a noticeable pick-up in demand for heavy drugs and chemicals from the general manufacturing trade.

Dry Goods — In conformity with the seasonal trend, business volume in this classification declined from November to December, sales of the reporting interests showing a decrease of 38 per cent in the comparison. The December total, however, was 16 per cent greater than a year earlier, and the largest for the month since 1930. As in the case of a number of other lines, the December volume was bolstered by belated reordering, numerous retailers having underestimated their holiday requirements. Depletion of retail stocks generally has been reflected in buying during the first half of January, sales for that period showing an increase of approximately one-fourth over the same time in 1934.

Electrical Supplies — Continuing the steady improvement in this classification, which has been in effect during the past eighteen months, sales of the reporting interests in December showed an increase of 13 per cent over the preceding month and of 12 per cent over the December, 1933, total. Virtually all lines participated in the betterment, but greatest gains were made in household appliances, radio material, miscellaneous products and small motors. Since January 1 there has been a noticeable increase in inquiries from public utilities companies for pole and line hardware. Moderate improvement was noted by several firms in demand for lamps and fixtures. Stocks declined 17 per cent from December 1 to January 1, and on the latest date were 10 per cent larger than a year ago.

Flour — Production at the twelve leading mills of the district in December totaled 251,392 barrels, against 216,128 barrels in November and 250,432 barrels in December, 1933. For the year 1934, output of these mills fell 5 per cent below 1933 and 2 per cent below 1932. There was little change in the general aspect of the trade as contrasted with the preceding thirty days. Inventories held by consumers are in the main light, but there is little disposi-

tion to replenish, purchasing being confined to actual requirements. Prices remained steady.

Furniture — Sales of the reporting firms decreased 10 per cent from November to December, about in line with seasonal expectations, but the total for the latest month was 16 per cent greater than a year earlier. Holiday business was above expectations, particularly in the south, and in that general area there has been a marked betterment in demand for household furniture and furnishings since early last fall. Retail stocks are universally light, but replenishment is on a hand-to-mouth basis. Staple commodities are in relatively better demand than other lines, an exception being radio cabinets, the movement of which has been in larger volume than during any similar period since 1930. Stocks on January 1 were 10 per cent and 38 per cent smaller, respectively, than a month and a year earlier.

Groceries — December sales of the reporting firms fell 8 per cent below the preceding month, but exceeded those of December, 1933, by 3 per cent. Stocks decreased 1 per cent between December 1 and January 1, and on the latest date were 17 per cent greater than a year ago. Holiday business considerably exceeded that of the three preceding years, and a scarcity of certain merchandise prevented filling orders in numerous instances. Orders booked since January 1, reflect generally depleted retail stocks. Advance business is reported in larger volume than a year and two years earlier.

Hardware — Sales of the reporting firms in December showed a decrease of 14 per cent as contrasted with November, which represented approximately the average seasonal decline. As compared with a year earlier, the December total declined about 1 per cent. Inventories showed no change from December 1 to January 1, and on the latter date were 3.4 per cent smaller than a year ago. According to a number of the largest firms, purchasing in the rural areas is relatively in larger volume than in the main urban centers. Ordering for spring and early summer delivery is somewhat in excess of the corresponding time a year and two years earlier.

Iron and Steel Products — Seasonal slowing down in the iron and steel industry in this general area for the holiday, inventorying and repair period was less in evidence than in any of the preceding three years. This was true particularly in the case of specialty makers, notably stove and range, farm implement and household appliance interests. A number of plants closed only for the legal holidays, and during the first half of January the rate of operations has been gradually increased. The melt of

pig iron in December was about on a parity with the November tonnage, and measurably larger than for the same month in 1933. Similarly, deliveries of iron to melters in the district in December varied little from the November total, but was considerably larger than a year earlier. Seasonal requirements for both raw and finished materials have appeared earlier than is ordinarily the case, and numerous plants are engaged in working off backlogs of orders carried over from last year. Production and shipments of stoves in December represented the highest totals for the month since 1930. Since the first week in January there has been some slowing down at stove foundries, occasioned by the spell of relatively mild temperatures. Farm implement makers report actual orders and definite prospects for business in early January the most favorable since the depression set in. Agricultural demands range from hand implements to heavy machinery, including tractors. One leading maker of tractors reports business booked sufficient to insure capacity operations for the next six months, with a substantial volume of orders from sections which had not previously employed this kind of power. Specifications and new orders from the automotive industry have shown a noticeable increase as contrasted with the preceding thirty days. Jobbing foundries report a substantial volume of new orders, coming mainly from miscellaneous sources. Steel mill operations at mid-January were at approximately the same rate as prevailed just prior to the holidays. Requirements of the railroads continue at a low ebb, and purchasing from that source is confined largely to absolute necessities. Manufacturers of sheets, plates, strip and other rolled items report no change from the quiet conditions obtaining during the closing weeks of 1934. Advance ordering of galvanized material and tin plate is in smaller volume than at the corresponding period a year ago. Raw materials are strong, with orders for pig iron as of January 1 representing the largest aggregate since last summer. Scrap iron and steel prices continued the sharp advance of the preceding month, with heavy melting steel in the second week of January reaching the highest price since last May. For the country as a whole, production of pig iron in December, according to the magazine "Steel", totaled 1,027,740 tons, against 957,906 tons in November, and 1,192,136 tons in December, 1933. Production in 1934 totaled 15,977,413 tons, which compares with 13,221,707 tons in 1933 and 8,674,067 tons in 1932. Steel ingot production in the United States in December totaled 1,941,127 tons, against 1,589,049 tons in November and 1,798,606 tons (revised figure) in December, 1933. In 1934

there were 25,260,570 tons of ingots produced, which compares with 22,594,079 tons in 1933, and 13,322,833 tons in 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in December was 183,187, against 78,465 (revised figure) in November, and 81,114 (revised figure) in December, 1933.

According to dealers reporting to this bank, Eighth District distribution of automobiles in December fell sharply below that of the preceding month, and was the smallest since last January. The December total, however, showed a substantial increase over that of the corresponding period in 1933. The decrease from November to December was somewhat greater than the average during the past several years. This fact was ascribable to the relatively heavy sales in November and to a general disposition on the part of prospective purchasers to await deliveries of new models before filling their requirements. Automobile shows held in this district, particularly in St. Louis, during early January, were the most successful in recent years, both in point of attendance and actual business and prospects booked. Deliveries of new cars from factories have been insufficient to take care of sales made in many instances, but this condition is temporary and, according to dealers, will be corrected by heavy shipments expected in the near future. Demand for trucks decreased seasonally in December, but total sales of commercial units in 1934 exceeded those of the year before by approximately one-half.

Sales of new passenger cars by the reporting dealers in December were smaller by 51 per cent than in November, and 11 per cent greater than for December, 1933. Sales for the year exceeded the 1933 total by 22 per cent, but fell approximately one-fourth below the average during the past decade. Stocks of old models, particularly in the low priced field, were more thoroughly cleared up at the end of the year than has been the case in a number of seasons. Inventories on January 1 were about one-fourth smaller than a month earlier and 12 per cent larger than a year ago. The used car market showed little change from the trends during the preceding sixty days. December sales were 4 per cent smaller than in November and 8 per cent larger than in December, 1933. Stocks of salable secondhand cars on January 1 were 2 per cent and 6 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that item, deferred payment sales in December constituted 53 per cent of their total sales, against 51 per cent in November and 48 per cent in December, 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		Stocks on hand		Stock turnover	
Net sales comparison		Dec. 31, 1934		Jan. 1, to Dec. 31, 1933	
Dec. 1934 comp. to Dec. 1933	12 months ended Dec. 31, 1934 same period 1933	Dec. 31, 1934	comp. to Dec. 31, 1933	1934	1933
El Dorado, Ark.....	+20.3%	+33.2%	-0.1%	2.77	2.25
Evansville, Ind.....	+2.9	+6.2	-20.2	2.02	1.87
Fort Smith, Ark.....	+16.6	+21.6	+26.9	2.45	2.19
Little Rock, Ark.....	+8.9	+22.6	-2.5	2.63	2.46
Louisville, Ky.....	+9.5	+8.8	-6.2	3.39	3.17
Memphis, Tenn.....	+13.0	+19.9	+4.1	3.50	3.19
St. Louis, Mo.....	+9.3	+14.1	-8.3	3.89	3.63
Springfield, Mo.....	+17.7	+26.9	-4.8	2.08	1.67
All Other Cities.....	+21.2	+26.5	-3.9	3.20	2.75
8th F. R. District.....	+10.2	+15.4	-5.1	3.53	3.28

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

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	43.6%	Memphis, Tenn.....	45.1%
Fort Smith, Ark.....	40.7	Springfield, Mo.....	28.3
Little Rock, Ark.....	38.6	St. Louis, Mo.....	54.4
Louisville, Ky.....	55.1	All Other Cities.....	34.8
8th F. R. District.....		50.2%	

Retail Stores

Net sales comparison		Stocks on hand		Stock turnover	
Dec. 1934 comp. to Dec. 1933	12 months ended Dec. 31, 1934 to same period 1933	Dec. 31, 1934	comp. to Dec. 31, 1933	Jan. 1, to Dec. 31, 1934	1933
Men's Furnishings	+8.8%	+20.7%	+3.7%	2.58	2.67
Boots and Shoes	-1.6	-0.8	-9.4	3.09	2.85

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 24.3 per cent in combined postal receipts for the final quarter of 1934 over the preceding three months, and an increase of 6.5 per cent as contrasted with the last quarter of 1933. Detailed figures follow:

	For Quarter Ended				Dec. 1934 comp. to Dec. 1933
	Dec. 31, 1934	Sept. 30, 1934	June 30, 1934	Dec. 31, 1933	
Evansville	\$ 142,938	\$ 133,923	\$ 133,977	\$ 130,008	+9.9%
Little Rock.....	184,394	167,554	160,085	171,715	+7.4
Louisville.....	665,248	560,684	598,983	617,313	+7.8
Memphis.....	596,177	449,545	461,360	543,508	+9.7
St. Louis.....	2,695,692	2,136,137	2,311,177	2,562,155	+5.2
Totals	\$4,284,449	\$3,347,843	\$3,665,542	\$4,024,699	+6.5%

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 7.5 per cent smaller than in November and 9.2 per cent larger than in December, 1933. Detailed figures follow:

	No. of Customers	Dec. 1934		Dec. 1933	
		*K.W.H.	Nov., 1934	*K.W.H.	Dec. 1933
Evansville	40	1,968	1,597	1,443	+36.4%
Little Rock.....	35	1,295	1,441	1,235	+4.9
Louisville.....	83**	6,271	6,551	5,354**	+17.2
Memphis.....	31	1,778	1,651	1,806	-1.6
St. Louis.....	193**	13,140	15,196**	12,546**	+4.7
Totals	382**	24,452	26,436**	22,384**	+9.2%

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

The following table shows comparative figures of consumption of electric current by selected industrial customers, for the years 1933 and 1934:

	No. of Customers	1934		1933		1934 comp. to 1933
		*K.W.H.	*K.W.H.	*K.W.H.	*K.W.H.	
Evansville	40	25,632	20,739	20,739	+23.6%	
Little Rock.....	35	19,409	18,051	18,051	+7.5	
Louisville.....	83**	80,710	77,649	77,649	+3.9	
Memphis.....	31	20,614	17,059	17,059	+20.8	
St. Louis.....	193**	197,391	186,467	186,467	+5.9	
District	382**	343,756	319,965	319,965	+7.4%	

*In thousands (000 omitted).

**Revised figures.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in December was 0.7 per cent more than in November, and 92.4 per cent greater than in December, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in December, amounted to \$5,093,253 which compares with \$8,424,558 in November and \$19,986,036 in December, 1933. Building figures for December, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	0	5	\$ 0	\$ 2	79	84	\$ 15	\$ 21
Little Rock ..	10	8	36	1	124	33	48	6
Louisville ..	25	16	143	31	32	11	13	12
Memphis ...	77	95	57	201	161	66	88	26
St. Louis....	60	51	318	53	93	94	46	62
Dec. Totals ..	172	175	\$ 554	\$ 288	489	288	\$ 210	\$ 127
Nov. " ..	332	363	550	531	605	318	237	154
Oct. " ..	390	482	754	812	869	466	428	243

*In thousands (000 omitted).

The following table shows the comparative totals for the years 1933 and 1934:

District	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Totals	3,624	4,492	\$7,131	\$11,421	7,983	5,593	\$3,483	\$3,019

*In thousands (000 omitted).

AGRICULTURE

Eighth District weather conditions during the past thirty days were varied, but on the whole auspicious for growing cereal crops and general farm activities. Harvesting and housing of late crops was completed earlier than usual, due to the almost ideal weather during the fall and early winter. Routine farm work is somewhat ahead of the usual seasonal schedule, particularly in the south, where considerable plowing for spring crops has been accomplished. Low temperatures in December and early January were accompanied over most areas in the northern tiers of the district by snows, which provided protection and ample moisture for fall seeded grains. Precipitation over virtually the entire district has been abundant, and soil and sub-soil conditions are the best for this period in a number of years, with deficiencies of stock water replenished. The condition of livestock is reported favorable in the main, though feed shortages in the drouth sections have resulted in reductions in herds. Mar-

keting of tobacco has progressed steadily, with prices averaging well over those realized by producers a year ago. Prices of farm products generally remained at or around the levels prevailing during the preceding thirty days, and continued substantially higher than a year and two years earlier.

Agricultural conditions as a whole in this district during 1934 were the most varied in recent years. The dominating influence was the record spring and summer drouth, which laid waste to crop lands and greatly reduced production in the areas most affected. On the other hand, southern states came through the season with heavy yields of the chief productions. These conditions are reflected in the U. S. Department of Agriculture's report showing the combined yield per acre of 33 important crops in 1934, expressed as a percentage of the 10-year (1921-1930) average. For states of the Eighth District these percentages were as follows: Tennessee, 111.8; Mississippi, 111.3; Kentucky, 101.6; Arkansas, 94.3; Indiana, 80.2; Illinois, 62.3; Missouri, 51.0. Due mainly to the drouth and measures taken to control production, the acreage of crops harvested in these states in 1934 fell 7.6 per cent and 14.3 per cent, respectively, below a year and two years earlier. However, owing to the sharply higher prices realized, total farm value of the principal crops in 1934 was 26.6 per cent greater than in 1933 and 81.5 per cent in excess of the 1932 total. In addition farm income was greatly augmented by rental and benefit payments received in connection with the Government's curtailment program.

In its latest report the U. S. Department of Agriculture estimates the farm value of the 64 principal 1934 crops in states including the Eighth District at \$963,934,000. The following comparative table gives the estimated value by states for 1934 and the two preceding years, slight revisions occurring in the 1932 and 1933 figures:

	1932	1933	1934
Indiana.....	\$ 64,705,000	\$ 93,066,000	\$150,231,000
Illinois.....	117,241,000	158,858,000	217,624,000
Missouri.....	82,965,000	122,141,000	104,573,000
Kentucky.....	67,485,000	90,950,000	120,356,000
Tennessee.....	63,709,000	100,132,000	123,527,000
Mississippi.....	66,630,000	100,325,000	141,395,000
Arkansas.....	68,328,000	95,851,000	106,228,000
	\$531,063,000	\$761,323,000	\$963,934,000

These estimates are based on the December 1 farm price, except for some early marketed products, for which price for the marketing season is used.

Winter Wheat — According to the U. S. Department of Agriculture, the total area of winter wheat seeded last fall in states of the Eighth District was 6,486,000 acres, which compares with 6,021,000 acres planted in 1933 and a 5-year average (1930-1934) of 5,798,000 acres. The gain in acreage is accounted for chiefly by the favorable planting season and high prices obtained for the 1934 crop. Stocks of wheat on farms in states of this district

as of January 1, were estimated at 21,473,000 bushels, against 18,472,000 bushels on the same date in 1934 and 19,995,000 bushels in 1933. Conditions have been favorable to the growing plant, and germination has been uniform. The December condition in all states of the district was sharply higher than at the corresponding period a year earlier.

Corn — Stocks of corn on farms in states including the Eighth District as of January 1, according to the estimate of the U. S. Department of Agriculture, were 291,586,000 bushels, the smallest for the date in recent years, and comparing with 478,048,000 bushels a year ago, and 693,526,000 bushels at the opening of 1933. During November and December conditions were ideal for maturing, harvesting and housing the crop, and generally throughout the district fields are well cleaned up, with considerable plowing having been done in the south. Production of corn in the Eighth District proper in 1934 totaled 167,470,000 bushels, which compares with 296,415,000 bushels harvested in 1933, and an 11-year average, (1923-1933) of 346,344,000 bushels. Prices continued to advance, recording a new high for the crop in late December.

Live Stock — With livestock on short rations because of the scarcity and high price of hay and grain supplies, milk production has declined sharply since the close of the pasturage season. Reports as of January 1, showed an average of 10.88 pounds of milk per cow, compared with an average of 11.08 pounds a month earlier, 11.45 pounds a year ago and a January 1, average (1925-32) of 12.13 pounds during the preceding eight years. Reports of production per cow, according to the U. S. Department of Agriculture, average lower on January 1 than in any previous month since the records began in 1924 and the decline contrasts sharply with the usual increase of 2 to 5 per cent during the month. In comparison with the situation a year ago, production per cow appears to be about 5 per cent lower. As the number of milk cows is probably 4 to 5 per cent less, the total daily milk flow is thought to be smaller by 9 to 10 per cent.

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

	Receipts			Shipments		
	Dec., 1934	Nov., 1934	Dec., 1933	Dec., 1934	Nov., 1934	Dec., 1933
Cattle and Calves.....	103,292	123,128	87,443	48,725	63,976	41,192
Hogs	274,974	292,433	260,406	171,821	170,301	128,559
Horses and Mules.....	7,381	8,304	8,296	7,082	8,553	9,151
Sheep	38,538	44,154	35,435	9,963	9,845	7,749

The following table shows comparative receipts and shipments for the years, 1932, 1933 and 1934:

	Receipts			Shipments		
	1934	1933	1932	1934	1933	1932
Cattle and Calves	1,815,505	1,118,339	1,064,438	986,967	552,441	631,826
Hogs	2,960,207	3,327,464	2,626,277	1,786,574	1,857,274	1,946,818
Horses and Mules	84,165	69,026	35,518	84,134	69,152	33,571
Sheep	649,531	658,652	710,905	152,798	145,562	197,033

Cotton—Final estimate of the U. S. Department of Agriculture places 1934 production of cotton in the Eighth District proper at 2,344,000 bales, a decrease of 210,000 bales under the 1933 output, and comparing with the 11-year average (1923-1933) of 2,691,000 bales. The entire 1934 crop was gathered earlier than during the preceding several years, and due to this fact and favorable weather conditions in the late fall, an unusually large acreage of land has been broken. Generally throughout the cotton sections of the district there has been a large increase in cover crops planted, and scattered reports indicate that bookings of commercial fertilizer have been heavier than a year ago. In states of the Eighth District sales of fertilizer tags in 1934 reached the equivalent of 580,209 tons, which contrasts with 409,106 tons in 1933 and 343,199 tons in 1932. The feed supply in the district as a whole, but more particularly in the Mississippi Delta, is one of the largest in recent years. Shifting of labor is less in evidence than during the preceding several years. Following the holidays, sales of spot cotton increased seasonally, but were in smaller volume than a year ago. Prices moved over a narrow range, but continued substantially higher than a year and two years earlier. In the St. Louis market the middling grade ranged from 12.45c to 12.85c between December 17 and January 15, closing at 12.45c on the latter date, which compares with 12.60c on December 17 and 11.15c on January 15, 1934. Receipts at Arkansas compresses from August 1 to January 18, 1935 totaled 764,645 bales, against 923,698 bales for the corresponding period a year earlier. Stocks on January 18, totaled 603,520 bales, against 591,487 bales on the corresponding date in 1933.

Tobacco—Leading markets of this district closed for the holidays on December 21, resuming sales on January 2. During the quiescent period and in the second week of January, precipitation with mild temperatures furnished the most favorable conditions so far this season for stripping operations. Growers availed themselves of these conditions, and a large part of the burley crop, as well as dark tobacco types were bulked down. Offerings were large in all burley districts, and as of January 15, considerably more than 50 per cent of that crop had been sold, with prices averaging approximately \$18.25 per 100 lbs.

In the dark tobacco sections the air-cured crop has moved satisfactorily. The market as a whole shows no material change from the opening prices, which averaged around \$9.20 per 100 lbs. The one-sucker crop is being disposed of rapidly, with prices of medium and better grades steady. Seconds and

shorter lengths of rehandling leaf showed a slight advance. Prices for the better grades on the Clarks-ville, Springfield and Hopkinsville markets are somewhat higher than at the opening, and common to medium grades continue much higher than a year ago.

The Mayfield, Murray and Paducah markets opened January 2. Offerings were below expectations, due to the fact that producers were taking advantage of favorable weather for stripping, and failed to send their product to market. While prices were considerably higher than last year, growers were not entirely satisfied, and many producers were disposed to withhold their stocks.

COMMODITY PRICES

Range of prices in the St. Louis market between December 17, 1934, and January 15, 1935, with closing quotations on the latter date and on January 15, 1934, follows:

	High	Low	Close	
			Jan. 15, 1935	Jan. 15, 1934
Wheat				
Mayper bu.	\$1.01½	\$.94½	\$.94½	\$.90¾
July	“.93½	.84¾	.84¾	.89
No. 2 red winter ..	1.04½	.97½	.97½	.92½
No. 2 hard	1.08¼	1.01½	1.01½	.90
Corn				
*May	“.93¾	.85½	.87½	.53¾@ .53¾
*July	“.89¾	.82¾	.82¾	.55¾@ .55¾
*Sept.87¾	.79¼	.79¼	.56¾
No. 2 mixed	1.00	.98	1.00	.51¾
No. 2 white	1.02¼	.97	1.00½	.51
Oats				
No. 2 white63½	.58	.63½	.39¾
Flour				
Soft patent.....per bbl.	6.80	6.40	6.40@6.70	6.60 @7.10
Spring	7.45	7.20	7.20@7.45	6.60 @7.10
Middling Cotton...per lb.	.1285	.1245	.1245	.1115
Hogs on hoof.....per cwt.	8.30	2.00	4.00@7.95	2.00 @3.50

*Nominal quotations.

FINANCIAL

Except as affected by seasonal considerations, financial and banking conditions in the Eighth Federal Reserve District underwent no change of note during the past thirty days, as contrasted with the similar period immediately preceding. Demand for credit from industrial and commercial sources remained extremely quiet, and liquidation at both city and country banks continued in considerable volume. The call for funds for financing agricultural operations was seasonally light. Grain handlers and flour milling interests reduced their commitments, though the total of borrowings in this category remained larger than a year and two years earlier, due to the higher level of cereal prices. In the tobacco areas some new borrowing was in evidence, but liquidation incident to the rapid marketing of the crop, particularly burley types, has been in excess of new commitments. During the past three weeks moderate betterment in demand for funds to condition livestock for market has been reported from a number of sections.

Reserve balances of reporting member banks in the principal cities continued the upward trend of

recent months and at mid-January reached a total of \$104,072,000, which compared with \$70,352,000 a year earlier, and represented a new high record. Otherwise changes in the conditions in these banks were negligible. Between December 19, 1934, and January 16, 1935, there was a decrease of 3.7 per cent in total investments, accounted for entirely by smaller holdings of Government securities, all other securities showing an increase of 2 per cent. Deposits declined slightly during the period, but on January 16, were approximately 19 per cent greater than a year ago. Borrowings of all member banks from the Federal Reserve bank decreased between December 19, and January 16. The usual return flow of currency, following the holidays was reflected in a decrease in note circulation of this bank of approximately 3.5 per cent from mid-December to January 16.

The amount of savings deposits in selected banks on January 2, was 0.7 per cent less than a month earlier, but 19.5 per cent greater than on January 3, 1934.

Reflecting quietness in the general demand for credit, and a plethora of loanable funds in commercial banks, the trend of interest rates was lower. At St. Louis banks, as of the week ended January 15, current rates were as follows; Customers' prime commercial paper, 2 to 5 per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 2 to 5½ per cent; interbank loans, 5 to 6 per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on January 16, 1935, showed a decrease of 0.8 per cent as contrasted with December 19, 1934. Deposits decreased 0.6 per cent between December 19, 1934 and January 16, 1935 and on the latter date were 19.2 per cent greater than on January 17, 1934. Composite statement follows:

	*Jan. 16, 1935	*Dec. 19, 1934	*Jan. 17, 1934
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$ 67,592	\$ 67,895	\$ 90,188
All other loans and discounts....	155,408	157,014	138,484
Total loans and discounts.....	\$223,000	\$224,909	\$228,672
Investments			
U. S. Govt. securities.....	\$189,416	\$210,103	\$143,820
Other securities.....	119,989	117,690	100,847
Total investments.....	\$309,405	\$327,793	\$244,667
Reserve balance with F. R. Bank.....	\$104,073	\$ 87,567	\$ 70,352
Cash in vault.....	7,777	9,293	7,980
Deposits			
Net demand deposits.....	\$380,128	\$385,664	\$316,185
Time deposits.....	164,299	162,190	159,214
Government deposits.....	31,621	31,529	7,837
Total deposits.....	\$576,048	\$579,383	\$483,236
Bills payable and rediscounts with Federal Reserve Bank.....			230

*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 December, the Federal Reserve Bank of St. Louis discounted for 6 member banks against 8 in November, and 55 in December, 1933.

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

	*Jan. 18, 1935	*Dec. 18, 1934	*Jan. 18, 1934
Bills discounted	\$ 514	\$ 1,008	\$ 1,226
Bills bought			4,383
U. S. Securities.....	93,200	93,200	93,200
Participation in Inv. Foreign Banks....	105	115	155
Total Bills and Securities.....	\$ 93,819	\$ 94,323	\$ 98,964
Total Reserves	\$225,517	\$213,577	\$183,955
Total Deposits	173,726	156,593	127,700
F. R. Notes in circulation.....	138,299	143,980	138,372
F. R. Bank Notes in circulation.....			7,908
Ratio of reserve to deposits and F. R. Note Liabilities.....	72.3%	71.1%	69.1%

*In thousands (000 omitted).

Effective January 3, the discount rate of this bank was reduced from 2½ per cent to 2 per cent on member banks' collateral notes of not exceeding fifteen days and on rediscounts of all maturities under Section 13 and 13(a) of the Federal Reserve Act. Otherwise the rates were unchanged as follows:

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.

	*Dec., 1934	*Nov., 1934	*Dec., 1933	Dec., 1934 comp. to Nov. 1934	Dec. 1933
East St. Louis and Natl. Stock Yards, Ill. \$ 21,176	\$ 20,229	\$ 17,495	+ 4.7%	+21.0%	
El Dorado, Ark.....	3,629	3,370	+ 7.7	- 0.7	
Evansville, Ind.....	19,492	16,574	+17.6	+25.3	
Fort Smith, Ark.....	8,590	8,370	+ 2.6	+13.4	
Greenville, Miss....	4,089	4,619	-11.5	+18.2	
Helena, Ark.....	1,938	2,432	-20.3	+17.2	
Little Rock, Ark....	26,090	24,805	+ 5.2	+36.2	
Louisville, Ky.....	137,241	116,073	+18.2	+ 9.2	
Memphis, Tenn.....	114,615	116,491	-1.6	+ 8.7	
Owensboro, Ky.....	4,645	3,817	+21.7	+62.6	
Pine Bluff, Ark....	6,109	6,141	- 0.5	+35.9	
Quincy, Ill.....	6,055	5,826	+ 3.9	+19.2	
St. Louis, Mo.....	498,581	433,213	+15.1	+11.4	
Sedalia, Mo.....	1,807	1,557	+16.1	+25.2	
Springfield, Mo....	11,157	10,541	+ 5.8	+12.5	
**Texarkana, Ark.-Tex.....	6,558	5,067	+29.4	+17.4	
Totals	\$871,772	\$779,125	\$776,717	+11.9	+12.2

*In thousands (000 omitted).

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

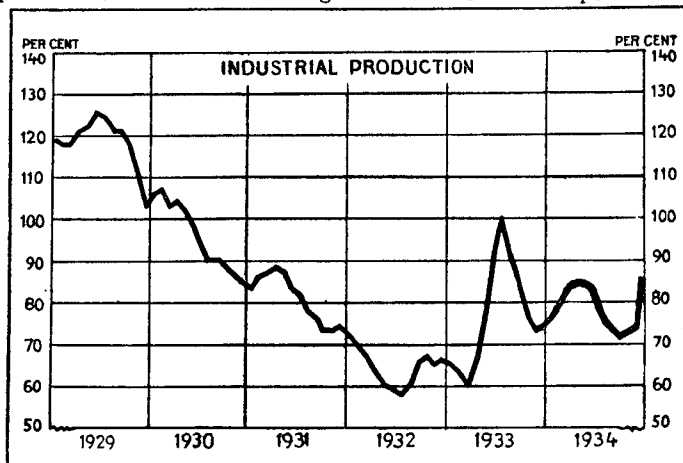
(Compiled January 23, 1935)

BUSINESS CONDITIONS IN THE UNITED STATES

In December the Federal Reserve Board's seasonally adjusted indexes of industrial production and factory employment increased sharply. Wholesale prices of farm products and foods showed a considerable advance in the latter part of the month and in the early part of January, while prices of other commodities as a group showed little change.

PRODUCTION AND EMPLOYMENT—Output of basic industrial products increased in December, when it usually declines, and the Federal Reserve Board's index, which makes allowance for the usual seasonal variations, increased from 74 per cent of the 1923-25 average in November to 85 per cent in

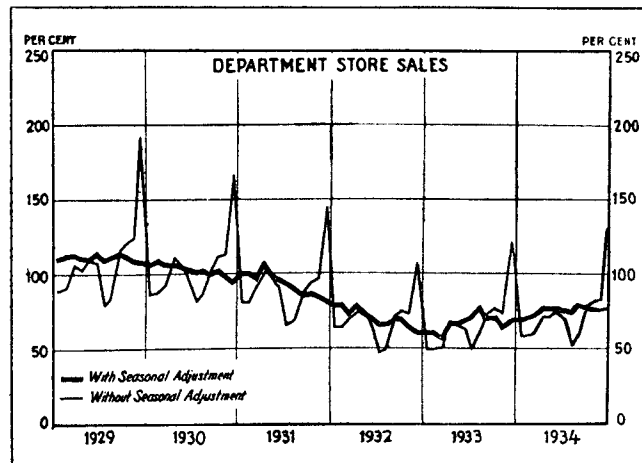
COMMODITY PRICES—The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced considerably during the latter part of December and the early part of January, reflecting chiefly marked increases in the prices of farm products and foods. Scrap steel prices also increased. In the third week of January prices of grains, cotton, hides, and rubber showed a decline from the level of the preceding week. Currently wholesale prices are 9 per cent higher than a year ago, reflecting an increase of 30 per cent for farm products, an increase of 24 per cent for foods and little change for other commodities.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure, December, adjusted preliminary 85.

December. Activity at steel mills increased, contrary to the usual seasonal tendency, and output at automobile factories rose rapidly. In both of these industries there were further sharp increases in activity in the first three weeks of January. At woolen mills and silk mills activity increased in December, contrary to seasonal tendency, and at cotton mills and tobacco factories it declined by less than the usual seasonal amount. Output of petroleum increased somewhat in December and the first half of January.

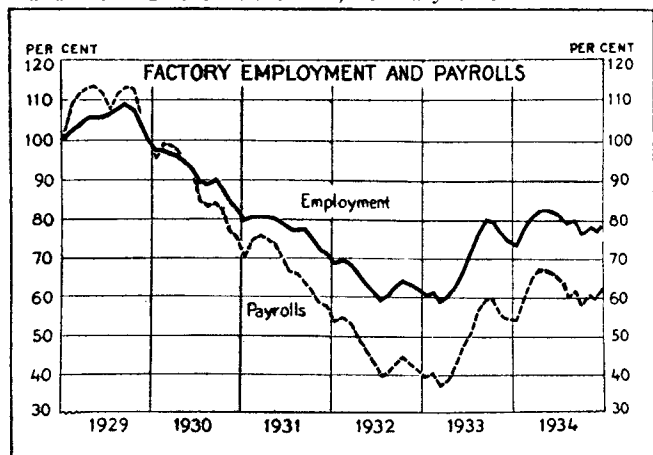
Factory employment increased between the middle of November and the middle of December, contrary to seasonal tendency,



Indexes of daily average value of sales. (1923-1925=100). Latest figures, December, preliminary adjusted 76, unadjusted 133.

Retail prices of foods, as reported by the Bureau of Labor Statistics, increased considerably in the latter part of December, following three months of gradual decline.

BANK CREDIT—During the six weeks ending January 23 seasonal return flow of currency from circulation, further imports of gold, and disbursement by the Treasury of funds previously held as cash or on deposit with the Reserve banks were reflected in a growth of member bank balances with the Reserve banks to \$4,500,000,000, the highest figure on record and in an increase of their excess reserves to the high level of \$2,160,000,000.

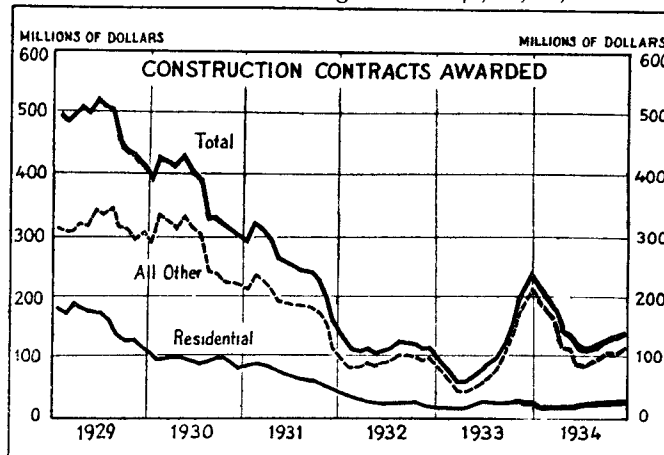


Indexes of United States Bureau of Labor Statistics, without adjustment for seasonal variation. (1923-1925 average=100). Latest figures, December, factory employment 78.1, factory payrolls 63.2.

and there was a considerable growth in factory payrolls. Substantial increases were reported for the automobile, textile, shoe, and tire industries, while in the meatpacking industry there was a further decline from recent high levels. Employment in retail trade showed an increase largely of a seasonal character.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a decline in December, partly seasonal in nature, followed by an increase in the first half of January. For the fourth quarter as a whole the value of contracts for privately-financed projects was about the same as in the corresponding period of 1933, while the volume of publicly-financed projects was considerably smaller than last year.

DISTRIBUTION—Volume of freight-car loadings declined less in December than is usual at that season. Sales of merchandise by department stores showed an increase of more than the estimated seasonal amount and were approximately 11 per cent larger than in the corresponding month a year earlier.



Three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figures, December, Adjusted total 136.7, residential 22.6, all other 114.1.

Loans and investments of reporting member banks in leading cities increased by \$350,000,000 in the 5 weeks ended January 16. Holdings of United States Government obligations rose \$420,000,000 and an increase was shown also in holdings of obligations guaranteed by the Government and in other security holdings, while loans declined by \$130,000,000.

Commercial paper rates, which had been reported at a range of $\frac{3}{4}$ —1 per cent since June, declined to a general level of $\frac{3}{4}$ per cent early in January. Other short-term open market money rates showed little change, while yields on long-term United States Treasury bonds declined from 3 to $2\frac{3}{4}$ per cent.

In December and January discount rates were lowered from 3 to $2\frac{1}{2}$ per cent at the Federal Reserve Banks of Richmond, Minneapolis, Kansas City, and Dallas, and from $2\frac{1}{2}$ to 2 per cent at Philadelphia, Chicago, and St. Louis. At the Federal Reserve Bank of Atlanta the discount rate was lowered to $2\frac{1}{2}$ per cent in December and to 2 per cent in January.