



MONTHLY REVIEW

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

Released for Publication On and After the Morning of August, 31 1933

JOHN S. WOOD,
Chairman and Federal Reserve Agent

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

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

MOST of the measurements of business activity in the Eighth District during July indicated a continuance of the renaissance which began after the banking holiday in March and carried through the spring and early summer. In many instances improvement shown was contrary to seasonal trends, and in lines which usually show an increase during the period, the extent of the gains was greater than in recent years, in some cases the greatest since 1929. In the several divisions of business, relatively the best exhibit was made by wholesaling and jobbing, the volume of sales being substantially larger, than during the previous month and a year ago. Activities in the iron and steel industry were well sustained. The melt of pig iron and scrap at foundries and mills was slightly heavier than in June, which was contrary to precedent, and deliveries of raw materials, notably pig iron and coke, were the largest for any single month in more than two years. Production and shipments of lumber were in substantially larger volume than a year ago, and output of bituminous coal at mines in all fields of the district was in excess of that of the preceding month, also of July, 1932. The showing made by retail distribution was relatively less favorable than in wholesale lines. There was a fair gain as contrasted with July last year, but the seasonal decrease from June was larger than had been anticipated.

Since the last week in July there has been a perceptible slowing down, both in trade and industry. This manifestation is due to several causes, among them seasonal factors, uncertainty as to conditions which will arise from working out codes under the National Recovery Administration, and the fact that much purchasing which usually takes place at this time was accomplished earlier in the year. The marketing season, beginning the first week in August, attracted a large number of merchants to the chief distributing centers, but their purchasing was on a more conservative basis than a month and two months earlier.

Further improvement in the employment situation as a whole was noted, and sentiment with the business community and general public continues in the main optimistic. In addition to increased volume in many lines during the past sixty days, comment volunteered by reporting interests indicates a more satisfactory situation with reference to profits than has obtained in more than eighteen months. Agricultural conditions changed in minor degree only between July 1 and August 1. With the exception of winter wheat, virtually all crops in the district, according to the U. S. Department of Agriculture, show prospects for yields below average. Feed and food crops are generally short, but considerable betterment has taken place since the last week in July, due to more moderate temperatures and rainfall. Plans for removal of cotton acreage under the Agricultural Adjustment Act have been successfully put into effect in states of this district.

As reflected by sales of department stores in the principal cities of the district, retail trade in July was 5.9 per cent larger than in the same month last year, but 25.9 per cent less than in June this year; for the first seven months this year the volume fell 13 per cent below the comparable period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank increased 29.6 per cent and 100.9 per cent in July, respectively, over a month and a year earlier; cumulative total for the first seven months this year was 21.9 per cent greater than for the same time in 1932. The dollar value of permits for new construction in the five largest cities of the district in July was 356 per cent greater than in June, and 705 per cent in excess of July, 1932; the aggregate for the first seven months was 47 per cent larger than for the same period in 1932. Contracts let for construction in the Eighth District in July were only half as large as in July, 1932, and 25 per cent smaller than the June total; cumulative total for the first seven months was 28 per cent below that for the comparable period in 1932. Debits to checking accounts in July were 3.3

per cent smaller than in June, but 8.6 per cent larger than in July, 1932; cumulative total for the first seven months was 23 per cent less than a year ago.

Movement of freight on railroads operating in this district continued the steady expansion of recent months and was in substantially larger volume than a year ago. Increases were recorded in practically all classifications, but were particularly noticeable in grain and grain products, coal, coke, forest products and ore. For the country as a whole, loadings of revenue freight for the first thirty-one weeks this year, or to August 5, totaled 16,329,569 cars, against 16,537,150 cars for the corresponding period in 1932, and 22,779,947 cars in 1931. Under its revised system of records, the St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, interchanged 79,492 loads in July, against 64,279 loads in July, 1932. Passenger traffic of the reporting lines decreased 13 per cent as compared with the same month a year ago, the smallest decrease in this comparison reported in more than two years. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans in July was 134,000 tons, against 109,855 tons in June and 96,643 tons in July, 1932.

Reports relative to collections during the past thirty days reflected the same general trends as noted since the business revival commenced in March and April. Quite generally through the winter wheat areas improvement has taken place, both with country banks and merchants. Farmers for the most part were disposed to market their grain, and apply a large portion of the proceeds to defraying their indebtedness. Betterment is also reported in the south. Wholesalers and jobbers in the large cities report August 1 payments in relatively larger volume than a year or two years earlier. A favorable development during the past two months has been a noticeable reduction in losses from weak accounts. Collections of retailers in the large cities show some improvement as contrasted with earlier months, but as is usual at this season, some backwardness is noted, due to absence of customers on vacations. 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>
July, 1933.....	3.6%	25.1%	58.3%	13.0%
June, 1933.....	3.7	25.9	59.3	11.1
July, 1932.....	0	18.5	58.5	23.0

Commercial failures in the Eighth Federal Reserve District in July, according to Dun's, num-

bered 60, involving liabilities of \$1,091,513 against 60 defaults in June with liabilities of \$1,049,752, and 109 insolvencies for a total of \$2,093,558 in July, 1932.

Money in circulation in the United States on August 16, was \$5,612,000,000 which compares with \$5,667,000,000 on July 12, and an average daily circulation of \$5,751,000,000 in July, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes — July sales of the reporting firms showed an increase of 108 per cent over the same month in 1932, and of 43 per cent over the June total this year. The July volume was the largest for any similar month since 1929. Inventories on August 1 were 7 per cent greater than a month earlier and 32 per cent less than a year ago. In both comparisons increases were general through all lines of footwear, but particularly notable in the case of work shoes and men's heavy lines. Prices were steady at the advance recorded in early June. Production continued at a high rate, with a number of factories operating at full capacity.

Clothing — Following the seasonal trend, July sales of the reporting firms fell below the June volume, but the total was more than twice as large as in July a year ago. In the yearly comparison a considerable part of the increase was in advance ordering for late fall and winter delivery. According to a number of leading firms, the volume of advance business as of August 1 was the largest on that date since 1930. Further expansion in demand for working clothes is noted, both in the rural areas and larger centers of population. Due to the spell of warm weather in June and part of July, clearance of summer apparel was more thorough than had been anticipated. Special retail sales in late July and the first half of August have met with good response.

Drugs and Chemicals — An active demand for all varieties of hot weather goods and further expansion in requirements of manufacturers for heavy drugs and chemicals were largely responsible for an increase in July sales of the reporting firms of .5 per cent over the preceding month and of 18 per cent over the July total last year. Inventories increased moderately between July 1 and August 1, and on the latest date were 12 per cent smaller than a year ago.

Dry Goods — July sales of the reporting firms were 194 per cent larger than for the same month last year, and represented the largest total for that particular month since 1929. As compared with the preceding month the July total showed an increase of approximately 50 per cent. Inventories continue

to increase, stocks on August 1 being 4 per cent and 46 per cent larger, respectively, than a month and a year earlier. Improvement in both sales comparisons extended to practically all sections of the trade territory, but was especially noticeable in the south and winter wheat areas. Since the first week in August there has been some slowing down in spot buying, but shipments of goods previously ordered continued at a high rate.

Electrical Supplies — July sales of the reporting interests were 15 per cent smaller than for the preceding month, but more than one-third greater than in July, 1932. Stocks on August 1 were 4.5 per cent and 46 per cent larger, respectively, than a month and a year earlier. Seasonal merchandise continues to move in considerable volume, and as compared with last year there was noticeable improvement in demand for line and pole hardware and electrical installations for buildings. Automotive requirements receded slightly as compared with the preceding two months.

Flour — Production at the twelve leading mills of the district in July totaled 239,227 barrels, against 261,346 barrels in June and 235,734 barrels in July, 1932. Coincident with the sharp drop in wheat values during the third week in July, flour prices declined more than \$1 per barrel. Part of this loss was subsequently regained, but trading was less active and buyers were disposed to await more definite information relative to the wheat crop before making extensive commitments. Offerings of new wheat flour have increased in the immediate past, but are still below average for this time of year. Export demand showed little change as contrasted with the preceding thirty days. Mill operations were at from 50 to 55 per cent of capacity.

Furniture — For the fourth consecutive month, the volume of business in this classification in July showed a substantial gain over the corresponding period a year earlier. Sales of the reporting interests in July were the largest for any single month since the summer of 1931, the total being 134 per cent greater than in July, 1932, and 21 per cent larger than in June this year. Stocks on August 1 were 13.5 per cent larger than a month earlier, and slightly in excess of the same date in 1932. Country retailers are purchasing more freely, and in numerous instances are replenishing stocks and filling out assortments. Moderate betterment was reported in demand for office furniture and equipment.

Groceries — Contrary to the seasonal trend, sales of the reporting firms in July declined 7 per cent from the June total. The decrease is attributed to unusually heavy buying in the earlier month. As

compared with a year ago, July sales registered an increase of 24 per cent. Stocks increased 6 per cent between July 1 and August 1, and on the latest date were 8 per cent smaller than a year ago. Prices as a whole trended upward, but there were some reductions, notably eggs, poultry, flour and other products based on wheat. Canned goods and a number of miscellaneous items were higher than thirty days ago.

Hardware — Marked improvement as compared with a year ago was again shown in the July sales' record of reporting hardware firms. Betterment extended through virtually the entire line, an exception being builders' tools and hardware. Demand for goods used principally in the rural areas was more active than in many months. There was also a heavy movement of jars, cans and other preserving equipment. Retailers are more disposed to build up their stocks and to order for future requirements than was the case earlier in the year. The trend of prices continued upward, with specific advances recorded on a number of important commodities. July sales of the reporting interests were 58 per cent greater than for the same month in 1932, and 6 per cent less than the June total this year. Stocks on August 1 were about 2 per cent larger than a month and a year earlier.

Iron and Steel Products—The general improvement achieved in the iron and steel industry in this district since March was well sustained during July and the first days of August. In some lines the betterment was carried further forward, chiefly in the direction of heavier shipments and freer specifications on previously acquired commodities. Since the first week of August, however, there has been a slowing down, due to hot weather and other seasonal causes, also to uncertainties occasioned by lack of understanding of the full effects which may be expected from working out of the blanket code of the National Recovery Administration. Immediate requirements for a broad variety of materials were fully covered in the recent buying movement, and consumers are now disposed to await clarification of the situation as a whole before making additional commitments. Foundries and mills still have substantial backlogs, in numerous instances large enough to insure the present rate of operations through the balance of the present quarter. Automotive requirements were at relatively high levels, and for the first time in many months purchasing by the railroads showed well defined improvement. Materials for repair shops and track maintenance were purchased in larger volume than heretofore, and greater interest was manifested in new equip-

ment. July car orders placed by the carriers numbered 306, which contrasts with 25 for the same month last year. Contrary to the seasonal trend, activities at stove and heating apparatus plants increased in July over June, and were at a considerably higher rate than a year ago. Miscellaneous demands for plates, shapes, bars and other rolled materials continue to account for heavy tonnages. The movement of tin plate was well sustained, with the leading district producer operating at full capacity. A strong feature of the situation as a whole has been the heavy buying and movement of raw materials. While July usually marks one of the low spots of the year in deliveries of pig iron to melters in this area, the total for that month was the largest this year. The movement of scrap iron and coke was also in larger than seasonal volume. Except for a continued heavy demand for items going into highway construction, river and levee improvements and other outdoor engineering work, there was little change in building material conditions from the dull status of recent months. Farm implement manufacturers also failed to noticeably increase their activities. The trend of prices continues upward, both for raw and finished materials. Scrap iron and steel advanced further to new high levels on the present movement, and certain cold finished steel items, tie plates, steel bars and coke were marked up. For the country as a whole, production of pig iron in July, according to the magazine "Steel", totaled 1,801,345, the largest since May, 1931, and comparing with 1,264,953 in June and 570,222 in July, 1932. Production of steel ingots in the United States in July totaled 3,203,810 tons, against 2,597,517 tons in June, and 806,722 tons in July, 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in July was 233,088 against 253,322 in June, and 111,139 in July, 1932.

Following the unvarying trend during the past decade, distribution of automobiles in this district, according to the group of reporting dealers, declined from June to July, the extent of the decrease being close to the average during the ten-year period. The July total, however, was considerably larger than for the same month in 1932. As has been the case during recent months, demand centered chiefly in vehicles in the low priced field, but dealers handling medium priced and expensive cars also report marked betterment in business, both actual and prospective. Distributors in the south report an expansion in sales and inquiries, largely as a result of the advance in cotton prices and payments ex-

pected by farmers for acreage removed under the Agricultural Adjustment Act. Sentiment in the winter wheat areas is also more favorable than at any time during the past three years. Demand for trucks of all descriptions, but more particularly vehicles for light service, has been stimulated by improvement in general business conditions. The month's total sales of trucks was swelled by the purchasing of fleets by several business concerns and by one district state for use of its highway department.

July sales of new passenger cars by reporting dealers were 79 per cent greater than for the same month in 1932, and 14 per cent less than in June this year. Truck sales in June were about one-third larger than for the same month in 1932, and 10 per cent less than the June total this year. Stocks of new cars on dealers' floors as of August 1 were 8 per cent larger than a month earlier, and 10 per cent smaller than a year ago. In line with new cars, used car sales in July receded below the preceding month, but were approximately 15 per cent larger than for the same month in 1932. Stocks of salable second-hand cars on August 1 were 18 per cent larger than on July 1, and 8 per cent smaller than on August 1, 1932. The ratio of deferred payment sales to total sales of dealers reporting on that item was 48 per cent in July, against 44 per cent in June and 49 per cent in July, 1932.

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	
	July, 1933 comp. to July, 1932	7 months ended July 31, 1933 to same period 1932	July 31, 1933 comp. to July 31, 1932	Jan. 1, to July 31, 1933	July 31, 1932
Evansville	+15.2%	-9.4%	-16.9%	.73	.62
Little Rock...	+ 1.2	-17.1	+ 5.5	1.18	1.18
Louisville	- 2.1	-15.8	-32.6	1.69	1.37
Memphis	+ 5.9	-13.5	-11.6	1.66	1.60
Quincy	- 4.5	-16.4	-16.6	1.26	1.23
St. Louis.....	+ 8.0	-11.9	- 3.6	1.97	1.94
Springfield ..	- 2.0	-20.3	-23.3	.76	.72
8th District...+	+ 5.9	-13.0	- 8.6	1.78	1.70

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	July, 1933 comp. to July, 1932	7 months ended July 31, 1933 to same period 1932	July 31, 1933 comp. to July 31, 1932	Jan. 1, to July 31, 1933	July 31, 1932
Men's Furnishings	-16.3%	-14.5%	- 4.2%	1.71	1.57
Boots and Shoes	+ 7.2	-14.5	-30.2	1.82	1.57

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in July was 356 per cent greater than in June, and 705.1 per cent more than the July, 1932 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth

Federal Reserve District in July amounted to \$5,996,250 which compares with \$8,084,927 in June and \$12,024,207 in July, 1932. Production of portland cement for the country as a whole in July totaled 8,609,000 barrels, against 7,804,000 barrels in June, and 7,659,000 barrels in July, 1932. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	145	120	\$ 27	\$ 23	62	33	\$ 18	\$ 7
Little Rock ..	17	9	8	3	54	46	11	9
Louisville ..	42	37	70	67	49	44	102	357
Memphis ...	86	129	74	82	89	84	69	40
St. Louis....	188	156	3,436	274	193	229	118	116
July totals..	476	451	\$3,615	\$ 449	447	436	\$ 318	\$529
June "	420	504	792	503	526	452	257	269
May "	431	533	309	411	664	513	321	204

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in July as being 12.4 per cent greater than in June, and 8.9 per cent more than in July, 1932. Detailed figures follow:

	No. of Customers	July, 1933	June, 1933	July, 1933	July, 1932	July, 1933
		*K.W.H.	*K.W.H.	comp. to June, 1933	comp. to July, 1932	comp. to July, 1932
Evansville ..	40	2,534	2,400	+ 5.6%	1,781	+42.3%
Little Rock..	35	1,925	1,858	+ 3.6	1,909**	+ .8
Louisville ...	84	7,706	7,603	+ 1.4	5,892**	+30.8
Memphis	31	1,433	1,511	- 5.2	855	+67.6
St. Louis.....	195**	19,904	16,430**	+21.1	20,326**	- 2.1
Totals	385	33,502	29,802**	+12.4	30,763**	+ 8.9

*In thousands (000 omitted).

**Revised figures.

AGRICULTURE

Crop prospects as a whole in the Eighth District underwent no marked change between July 1 and August 1, indicated yields of some products showing moderate improvement, while slight deterioration occurred in others. All crops considered, production will be smaller than a year ago and the ten-year average. The season from planting, to the first of August has been in the main unfavorable; May, with its excessive rainfall, and the record drouth and high temperatures of June, being particularly harmful to crop development and farm operations of all descriptions. Precipitation in July was scattered, being excessive in certain localities and inadequate over extensive areas. Conditions during the period embracing the last week of July and the first half of August were the most favorable experienced, and resulted in considerable improvement to pastures and certain late crops, notably corn and legumes. Generally there is a shortage of feed crops, and the hot weather of June reduced prospects for fruits and vegetables. Threshing of small grains has been almost completed with practically no weather damage. Of crops in this category, winter wheat is the only one with yield and quality near average. In Illinois, which is typical of other

states of the district, the production outlook for oats and barley combined is only 50 per cent of the average and with the carryover added, the indicated total falls 28 per cent below the average production. The indicated yield of white potatoes is the smallest in recent years, and while slightly larger than the small crop of last year, the tobacco crop is considerably below the ten year average.

Corn — Based on the August 1 condition, the U. S. Department of Agriculture estimates Eighth District production of corn at 269,902,000 bushels, a decrease of 13,255,000 bushels as compared with the July 1 forecast, and comparing with 380,505,000 bushels harvested in 1932 and a 10-year average (1923-1932) of 351,932,000 bushels. The reduced prospects from July to August were due chiefly to hot, dry weather and further damage from chinch bugs. Conditions are extremely irregular, varying greatly even between adjoining townships. Early planted corn is poor in many sections, but has been improved by lower temperatures and rainfall since the third week in July. Late plantings will require ample moisture and a late warm fall to produce even fair results.

Winter Wheat — Little change occurred in winter wheat prospects between July 1 and August 1, the Department of Agriculture's estimate as of the latter date being 35,900,000 bushels for the Eighth District, against 33,885,000 bushels harvested in 1932, and a 10-year average of 50,163,000 bushels. The crop was secured under mainly ideal conditions, threshing being accomplished with little or no weather damage. Early threshing returns indicate considerable grain of high quality. The initial movement to market was in large volume, farmers being anxious to take advantage of the high prices. Since the sharp decline in the third week of July, however, the movement has slowed down, and many producers who are able to do so are holding their grain for higher prices.

Fruits and Vegetables — While better than the very low production of last year, fruit prospects in this district are considerably below average. The high temperatures of June and early July resulted in a heavy drop of apples, and further lowering of the condition of peaches and other tree fruits. Practically all varieties of vegetables suffered a severe set-back from hot weather and lack of rains. Garden crops suffered in practically all areas, and supplies have been reduced to a low point. Truck crops grown for market in areas affected by the drouth show a notable reduction in prospects and yield. In the Eighth District the white potato crop is estimated at 8,435,000 bushels, which compares with

13,164,000 bushels produced in 1932, and a 10-year average of 14,453,000 bushels. In states entirely or partly within the district, the apple crop is estimated at 12,923,000 bushels, with 1,673,000 barrels commercial crop, against 7,174,000 bushels in 1932 of which 1,089,000 barrels were commercial crop, and a 5-year average of 17,978,000 bushels of which 1,993,000 barrels represented commercial crop. Production of sweet potatoes in these states is estimated at 17,105,000 bushels, against 21,435,000 bushels in 1932, and a 5-year average of 15,959,000 bushels; peaches 3,957,000 bushels, against 1,259,000 bushels in 1932 and a 5-year average of 7,262,000 bushels; pears, 837,000 bushels, against 439,000 bushels in 1932, and a 5-year average of 1,645,000 bushels; grapes 31,629 tons, against 33,979 tons in 1932, and a 5-year average of 30,649 tons.

Live Stock — Scattered reports indicate more than usual mortality among swine and sheep due to the extreme hot weather of June and early July, but otherwise the condition of livestock generally through the district maintained the high condition noted earlier in the year. Condition of pastures during July was very low, and the hay crop will be a light one. The August 1 estimate of the tame hay crop in the Eighth District by the Department of Agriculture is for 4,994,000 tons, about the same as produced in 1932, but about 2,000,000 tons below the 10-year average.

Due to the low condition of pastures, production of milk averaged considerably lower than a year ago. The number of hens per farm was somewhat less than on August 1 a year ago, but the percentage of hens laying was slightly higher.

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

	Receipts			Shipments		
	July, 1933	June, 1933	July, 1932	July, 1933	June, 1933	July, 1932
Cattle and Calves.....	94,863	92,315	87,382	46,014	43,938	54,928
Hogs	263,363	322,562	173,991	144,849	160,735	133,728
Horses and mules.....	2,463	3,056	1,179	3,196	2,677	993
Sheep	81,469	121,940	80,975	15,002	35,584	17,126

Cotton — The first estimate of the size of the cotton crop this year made by the U. S. Department of Agriculture in its report based on conditions as of August 1 places the yield in the Eighth District at 2,653,000 bales, this figure making allowance for reduction in acreage under the Agricultural Adjustment Act. In 1932 there were 2,942,000 bales harvested in the district, and average production during the ten years 1923-1932 was 2,705,000 bales. The condition of the crop is generally good, with prospects in Arkansas and Missouri particularly favorable. Weather since August 1 has been auspicious for growth and development of the plant, and damage from boll weevils, actual or potential, is not

extensive. From the high point of the year, reached in the third week of July, prices have reacted sharply downward. In the St. Louis market the middling grade ranged from 8.50c to 11.50c per pound between July 18 and August 15, closing at 8.50c per pound on the latter date, which compares with 11.50c on July 18, and 7.05c on August 15, 1932. Receipts of cotton at Arkansas warehouses for the fiscal year ended July 28, totaled 1,303,759 bales, against 1,509,315 bales a year earlier; shipments of 1,421,122 bales compared with 1,246,888 bales in the preceding year. Stocks on hand at compresses totaled 259,646 bales, against 347,144 bales on the same date last year.

COMMODITY PRICES

Range of prices in the St. Louis market between July 17, 1933 and August 15, 1933, with closing quotations on the latter date, and August 15, 1932, follow:

	High	Low	Close	
			Aug. 15, 1933	Aug. 15, 1932
Wheat				
Sept.per bu..	\$1.18½	\$.92	\$.92	\$.51¾
Dec. " "	1.21½	.96	.96¾	.55¾
May " "	1.09	.99½	.99½	.60
No. 2 red winter " "	1.17	.88	\$.81 @ .88	\$.54 @ .54½
No. 2 hard " "	1.12½	.85½	.89 @ .89½	.54½ @ .55
Corn				
*Sept. " "	.69½	.49¾	.49¾	.30
*Dec. " "	.74	.54¾	.54¾	.32¾
*May " "	.76¾	.60½	.60½	.36½
*No. 2 mixed " "	.61½	.47	.48 @ .48¾	.32½ @ .33
No. 2 white " "	.63½	.50	.52 @ .53	.33 @ .33½
Oats				
No. 2 white " "	.46½	.25½	.33½ @ .34	.16½ @ .16¾
Flour				
Soft patent.....per bbl.	8.85	4.00	4.45 @ 6.35	3.05 @ 3.40
Spring "	8.80	5.75	4.85 @ 7.70	4.25 @ 4.50
Middling cotton....per lb.	.1150	.0850	.0850	.0705
Hogs on hoof.....per cwt.	5.00	2.50	2.50 @ 4.55	3.25 @ 4.85

Tobacco — Prospects for tobacco in this district improved slightly in July in response to more seasonable weather and fairly general rainfall. The U. S. Department of Agriculture estimates the Eighth District crop at 291,722,000 pounds as of August 1, an increase of about 13,000,000 pounds over July 1 forecast, and comparing with 261,257,000 pounds harvested in 1932, and a 10-year average (1923-1932) of 308,565,000 pounds. The August 1 estimate makes no allowance for possible acreage to be removed under the Agricultural Adjustment Act. Liberal precipitation early in August resulted in great benefit to the crop in the burley belt, coming at a time when it was beginning to suffer heat and drouth. In limited areas there are reports of damage from excessive moisture. Recent rains also helped conditions in the green river and stemming district. In the Clarksville and Springfield fired district the crop has made notable progress, fully 50 per cent of the plants having topped. In the dark fired eastern district reports indicate a crop of about 15 per cent smaller than in 1932. No sales of burley of any consequence were reported, but sales of dark fired, both old and new crop, are being made.

FINANCIAL

Aside from a further moderate expansion in demand for credit to finance commercial and industrial transactions, the banking and financial situation in the Eighth District showed no marked deviation from the trends prevailing during the preceding thirty days. Taken as a whole, mercantile and industrial requirements are in smaller than the usual seasonal volume, and less than would seem to be indicated by improvement in business since the late spring. Reflecting generally good collections, liquidation at commercial banks, both in the large centers and smaller towns, was in considerable volume. As is usual at this time of year, there was an increase in commitments of flour millers and grain elevator interests, the total volume of loans in this category being more than double that at the corresponding period a year ago. Requirements for financing general agricultural operations, however, have not shown the usual expansion. Borrowings of country banks from their city correspondents showed little change as contrasted with the preceding thirty days.

Total loans of reporting member banks in the principal cities increased slightly in the four-week period ended August 9, and on that date were 17.6 per cent smaller than on August 10, 1932. Investments increased 2.6 per cent during the four weeks, and on August 9 were nearly one-fifth larger than a year earlier. Total deposits showed a further slight gain, both as compared with the June report date, and a year ago.

The total volume of reserve bank credit outstanding on August 16 was 3.6 per cent greater than on the same date in June, and practically unchanged from a year earlier. The increase in the month-to-month comparison was accounted for mainly by expansion in holdings of Government securities. Borrowings of all member banks from the Federal reserve bank showed little change, but throughout the period were substantially smaller than a year ago. Federal reserve notes in circulation continued the steady decline of recent months, and at the middle of August reached the lowest point since last February.

At St. Louis banks, as of the week ended August 15, current interest rates were as follows: Customers' prime commercial paper, 4 to 6 per cent; collateral loans, 3½ to 6 per cent; interbank loans, 5 to 6 per cent; loans secured by warehouse receipts, 4 to 6 per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on August 9, 1933,

showed an increase of 0.6 per cent as contrasted with July 12, 1933. Deposits increased 1.2 per cent between July 12, 1933 and August 9, 1933 and on the latter date were 2.9 per cent greater than on August 10, 1932. Composite statement follows:

	*Aug. 9, 1933	*July 12, 1933	*Aug. 10, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....\$	89,139	\$ 91,894	\$109,440
All other loans and discounts....	140,737	136,686	169,623
Total loans and discounts.....	\$229,876	\$228,580	\$279,063
Investments			
U. S. Government securities.....	144,594	140,057	91,125
Other securities.....	103,104	101,428	116,201
Total investments.....	\$247,698	\$241,485	\$207,326
Reserve balance with F. R. Bank	45,365	45,384	32,247
Cash in vault.....	6,481	6,714	5,651
Deposits			
Net demand deposits.....	285,419	279,690	257,608
Time deposits.....	160,346	160,568	183,466
Government deposits.....	11,561	11,730	3,574
Total deposits.....	\$457,326	\$451,988	\$444,648
Bills payable and rediscounts with			
Federal Reserve Bank.....	40	200	1,859

*In thousands (000 omitted).

This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

Federal Reserve Operations — During July, the Federal Reserve Bank of St. Louis discounted for 65 member banks against 127 in June and 225 in July, 1932. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Aug. 17, 1933	*July 17, 1933	*Aug. 17, 1932
Bills discounted	\$ 2,641	\$ 2,253	\$ 12,482
Bills bought			26
U. S. Securities.....	77,082	74,557	66,156
Federal Inter. Cr. Bk. Debentures.....		
Participation in Inv. Foreign Banks....	198	207	1,004
Total Bills and Securities.....	\$ 79,921	\$ 77,017	\$ 79,668
Total Reserves.....	152,066	167,513	90,412
Total deposits	84,484	92,595	58,562
F. R. Notes in circulation.....	135,217	139,365	101,316
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	69.2%	72.2%	56.6%

*In thousands (000 omitted).

Debits to Individual Accounts — The following table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*July, 1933	*June, 1933	*July, 1932	July, 1933 comp. June, 1933	July, 1932
East St. Louis & Natl.					
Stock Yards, Ill. \$	18,706	\$ 20,569	\$ 21,362	— 9.1%	—12.4%
El Dorado, Ark....	2,925	2,612	3,366	+12.0	—13.1
Evansville, Ind....	19,459	15,765	17,084	+23.4	+13.9
Fort Smith, Ark....	7,247	6,673	6,185	+ 8.6	+17.2
Greenville, Miss....	2,347	2,608	2,044	—10.0	+14.8
Helena, Ark.....	1,128	1,116	852	+ 1.1	+32.4
Little Rock, Ark....	16,644	16,477	16,326	+ 1.0	+ 1.9
Louisville, Ky.....	120,339	117,556	106,219	+ 2.4	+13.3
Memphis, Tenn....	77,682	76,969	65,004	+ 0.9	+19.5
Owensboro, Ky.....	2,335	2,171	2,920	+ 7.6	—20.0
Pine Bluff, Ark....	4,518	4,747	3,996	— 4.8	+13.1
Quincy, Ill.....	5,004	5,225	5,240	— 4.2	— 4.5
St. Louis, Mo.....	439,589	469,203	409,153	— 6.3	+ 7.4
Sedalia, Mo.....	1,557	1,410	1,529	+10.4	+ 1.8
Springfield, Mo....	9,446	9,900	9,062	— 4.6	+ 4.2
**Texarkana,					
Ark.-Tex.....	5,107	6,056	5,578	—15.7	— 8.4
Totals	\$734,033	\$759,057	\$675,920	— 3.3	+ 8.6

*In thousands (000 omitted).

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

(Compiled August 22, 1933)

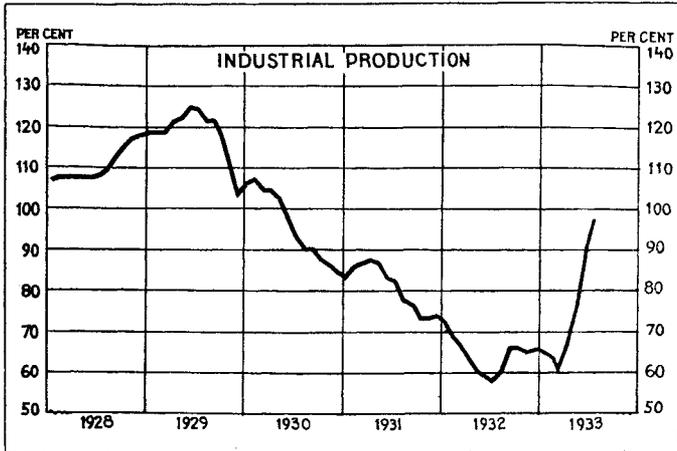
BUSINESS CONDITIONS IN THE UNITED STATES

Industrial production increased further from June to July, contrary to seasonal tendency, and in recent weeks has continued at a relatively high level. Since the middle of July there have been reductions in wholesale prices of leading raw materials, while prices of many other products have advanced.

PRODUCTION AND EMPLOYMENT—Volume of industrial output, as measured by the Board's seasonally adjusted index, advanced from 91 per cent of the 1923-1925 average in June to 98 per cent in July, which compares with 60 per cent in March. The principal increase in July was at steel plants where activity advanced from 46 per cent of capacity to 59 per cent. Production in the lumber and coal industries was also in larger

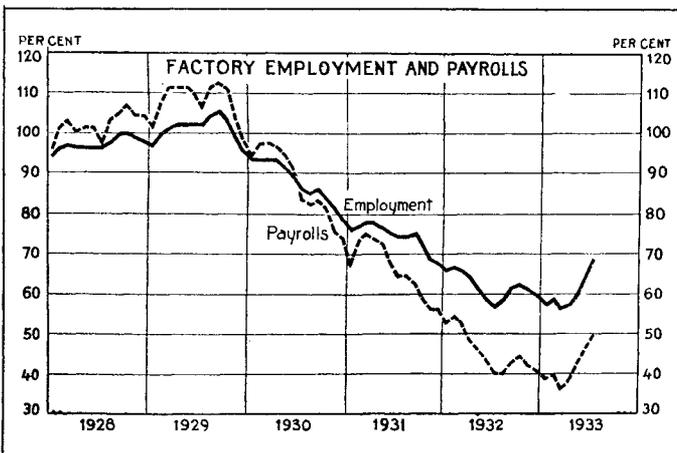
ments, particularly of miscellaneous freight and grains, have been somewhat smaller. Department store sales declined in July by about the usual seasonal amount; they were larger than a year ago, however, and trade reports for the first half of August indicate an increase in sales.

WHOLESALE PRICES—Wholesale prices of commodities increased further during the first three weeks of July and, according to the index of the Bureau of Labor Statistics, there has been little change in their general level since that time. Prices of grains, cotton, and many imported raw materials, however, were considerably lower in the third week of August than in the middle of July while prices of textiles were higher, reflecting in part



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figures, adjusted, June 91, preliminary, July, 98.

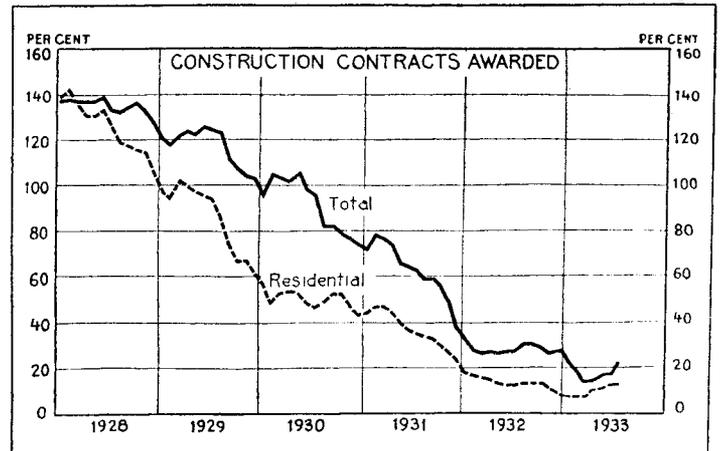
volume and daily average output of automobiles showed none of the usual seasonal decline. Output at shoe factories and woolen mills continued at an unusually high rate, while consumption of cotton by domestic mills decreased somewhat. Cigarette production declined sharply from the high level of May and June. Since the middle of July a decrease has been reported in the output of steel. Working forces and payrolls at factories increased considerably between the middle of June and the middle of July; as in other recent months the largest increases were generally at establishments fabricating raw materials into semi-finished products. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a decline in July followed by an increase in the first half of August. Total awards during the six weeks were in about the same volume as in the preceding six weeks and in larger volume than in earlier periods this year.



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100). Latest figures, unadjusted, employment, July, 68.9, payrolls June 46.2, July 49.9.

Department of Agriculture estimates as of August 1 indicate harvests generally smaller than a year ago. The cotton crop is forecast at 12,314,000 bales, a reduction of 700,000 bales from last season, reflecting curtailment in acreage as a part of the program of the Agricultural Adjustment Administration, offset in large part by an unusually high yield per acre. The wheat crop is estimated at 500,000,000 bushels, a reduction of 225,000,000 bushels from last year's small harvest, and feed crops are expected to be unusually small.

DISTRIBUTION—Freight traffic increased further from June to July by a substantial amount, but in recent weeks ship-

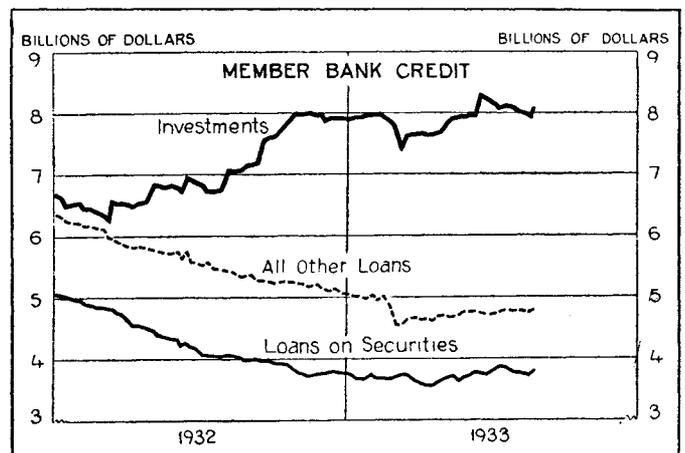


Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100). Latest figure, July, preliminary total 22, residential 13.

the application of the processing tax on cotton. Prices of leather and coal also advanced during this period.

FOREIGN EXCHANGE—In the exchange market the value of the dollar in terms of the French franc advanced from a low of 69 per cent of its gold parity on July 18 to 75 per cent at the beginning of August and since that time has fluctuated between 73 and 75 per cent.

BANK CREDIT—Net demand deposits of weekly reporting member banks in 90 cities declined between the middle of July and the middle of August, owing in large part to further withdrawals of bankers' balances from banks in New York City and elsewhere. The banks' loans decreased by \$71,000,000 during the period, reflecting chiefly a reduction in loans to brokers and dealers in securities. Their holdings of United States Government



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are of August 16.

securities, after declining between July 19 and August 9, increased during the week ending August 16 in connection with Treasury financing at that time. Total reserves of all member banks increased by \$81,000,000 during the four week period ending August 16, reflecting chiefly the purchase of \$42,000,000 of United States Government securities by the reserve banks and a return of \$23,000,000 of currency from circulation. The growth in member bank reserves, occurring at a time when reserve requirements were being reduced in consequence of a decline in their deposits, brought their excess reserves to a level above \$550,000,000. Money rates in the open market generally, continued at low levels.