



MONTHLY REVIEW

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

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FEDERAL RESERVE BANK OF ST. LOUIS

DUE chiefly to seasonal influences, business in this district receded slightly during the past thirty days as contrasted with the similar period immediately preceding. Taken as a whole, however, the general rate of activity in commerce and industry was measurably higher than at the same time during the past several years. Production and distribution of merchandise continued on an unusually large scale and the more seasonable weather was reflected in increased sales in a number of lines handling goods for ordinary consumption. This was true particularly of apparel, drugs and chemicals, electrical supplies and sporting goods. Retail trade generally was in considerable volume, but was relatively better in the urban centers than in the country and small towns, which latter fact was due in part to preoccupation of agriculturists with harvest and intensive field work. While purchasing by retail merchants is still chiefly on an immediate requirement basis, wholesalers, notably of dry goods, boots and shoes and hardware, report a larger volume of future orders than at the corresponding period in 1928.

Manufacturing activity was at an unusually high rate for this time of year. Numerous plants which ordinarily close down for inventory and repairs around July 1, remained in operation and many which did close temporarily, resumed production after less than the customary period of idleness. The iron and steel industry, which has been unusually active since the first of the year, receded slightly from the rate of the preceding month, but the slowing down was occasioned more by extreme high temperatures and necessity for repairing equipment than economic causes. Building activities slackened, both as compared with the preceding month and a year ago, and production and distribution of automobiles was also smaller. Activities at textile mills, lumber mills, quarries, clay products and glass plants, and furniture factories receded as compared with the preceding thirty days. Debits to checking accounts in June fell 6.0 per cent below

the May total, and were 1.8 per cent less than in June, 1928.

According to the Employment Service of the U. S. Department of Labor, there was an increase in employment in this district during June, mainly in the outdoor occupations, and among unskilled laborers. A surplus of common labor still exists, however, most noticeable in the large cities. Taken as a whole the thirty-day period was the most auspicious for agriculture of any experienced this season. Crops made good progress, and the winter wheat and oats harvest was completed under favorable conditions. Of equal importance to the farming community was the substantial advance in cereal prices which took place in late June and the first half of this month.

In the bituminous coal trade conditions underwent no marked change as contrasted with the preceding thirty days, but in most fields further slight improvement was in evidence and the undertone firmer. Due to reduced production of prepared sizes and the high rate of industrial activity, screenings maintained a firm position throughout the period. There was a greater disposition on the part of railroads to store, and a large number of municipalities and industrial users were placing contracts for their future requirements. Operators in the Western Kentucky field reported an increase in inquiries from general sources, with a number maintaining good operating schedules on the basis of lake contracts. Demand for domestic coal during June was quiet, but quite marked improvement has developed since July 4. Prices generally were steady to higher, with the usual advance in the Illinois and Indiana fields taking place on July 1. The movement of coke and Arkansas anthracite was in considerable volume. The movement to the Great Lakes continued steadily through the period and was at a slightly higher rate than at the corresponding time in 1928. For the country as a whole, total production of soft coal for the present calendar year to July 6, approximately 158 working days, was 260,628,000 tons,

against 239,319,000 tons for the corresponding period in 1928, and 279,582,000 tons in 1927.

The movement of freight by railroads operating in this district continued to run ahead of the volume during the same period in all preceding years. There were notable gains in loadings of grain and grain products, and in the merchandise and miscellaneous freight classification substantial increases were recorded over the preceding year and 1927. For the country as a whole loadings of revenue freight during the first 26 weeks this year, or to June 29, totaled 25,596,938 cars, against 24,461,773 cars for the corresponding period in 1928, and 25,521,040 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 242,703 loads in June, against 244,051 loads in May, and 216,072 loads in June, 1928. During the first nine days of July the interchange amounted to 66,811 loads, against 68,471 loads during the corresponding period in June, and 63,699 loads during the first nine days of July, 1928. Passenger traffic of the reporting lines in June decreased 3 per cent as compared with the same month in 1928. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 104,300 tons, the largest on record for that particular month, and comparing with 123,850 tons in May, and 90,658 tons in June, 1928.

Collections during the past thirty days developed some irregularity, though on the whole were well up to the high average of the preceding several months. Payments in the rural sections were interfered with to some extent by the fact that farmers were intensively employed with harvest and were unable to get to town. Some backwardness was noted in the coal mining areas. In the large cities important wholesale and manufacturing interests reported payments in considerable volume, and larger than at the corresponding period last year. Absence of numerous customers on vacations affected collections of department stores and other retail establishments in the urban centers. 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> |
|-----------------|------------------|-------------|-------------|-------------|
| June, 1929..... | 2.9% | 35.1% | 41.8% | 20.2% |
| May, 1929..... | 3.4 | 32.0 | 50.4 | 14.2 |
| June, 1928..... | 1.3 | 26.3 | 59.2 | 13.2 |

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's, numbered 98, involving liabilities of \$1,894,983, against 107 defaults in May with liabilities of \$1,215,307, and 105 failures for \$962,860 in June, 1928.

The average daily circulation in the United States in June was \$4,687,000,000 against \$4,684,000,000 in May and \$4,736,000,000 in June, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car, truck and taxicab production in the United States in June was 545,252, which compares with 603,696 in May and 392,076 in June, 1928.

Distribution of automobiles in this district during June aggregated less than in either May this year or in June, 1928. In both comparisons losses were quite generally distributed through all classes of makes, but were most pronounced in the field of medium-priced cars. Weather conditions were more favorable than earlier in the year, but dealers reported a general disposition on the part of prospective purchasers to postpone commitments. This was true particularly in the country where farmers were busily engaged with harvests and uncertainty existed relative to the outcome of certain crops. Sales of cheap-priced cars were relatively well sustained, and in the yearly comparison showed a substantial numerical gain. This was due partly to the fact that a leading producer of automobiles in this category was on a low production schedule at the corresponding time in 1928. Distributors of high-priced models reported rather spotted conditions, some reporting heavy sales, while results with others were below expectations. Demand for trucks continued active, with some improvement in sales of the heavier commercial vehicles. June sales of new passenger cars by 320 dealers scattered through the district were 3.7 per cent smaller than in May and 13.0 per cent less than in June, 1928. Stocks of new cars in dealers' hands on July 1 were 7.3 per cent larger than on June 1, and 20.4 per cent larger than on July 1, 1928. Some betterment as compared with the preceding thirty days was noted in the used car market. There was a decrease of 2.8 per cent in the number of salable secondhand cars on hand as compared with a month earlier, though the total was 14.3 per cent larger than on July 1, 1928. Business in parts and accessories was stimulated by the tourist season and special sales campaigns. June sales of the reporting dealers was 2.6 per cent larger than in May, and 0.9 per cent less than in June, 1928. Replacement purchasing of tires was considerably aided by the tourist trade, but dealers are still buying sparingly, and stocks continue large. According to dealers reporting on that item, sales of new passenger automobiles on the deferred payment plan in June constituted 55.0 per cent of their total sales, which contrasts with 53.1 per cent in May, and 51.2 per cent in June, 1928.

Boots and Shoes — June sales of the five reporting interests were 24.8 per cent larger than for the same month in 1928, and 31.6 per cent smaller than the May total this year. The decrease in the month-to-month comparison was seasonal in character, and considerably smaller than for the same period in 1928 or 1927. Stocks on July 1 were 17.7 per cent larger than a month earlier, and 15.5 per cent smaller than on July 1, 1928. Salesmen who departed for their territories about July 4 have been sending in a considerable volume of orders, and report retail stocks generally light. There was no change in prices as compared with the preceding thirty days. Factory operation was at 95 to 98 per cent of capacity.

Clothing — Purchasing of clothing for next fall has not opened up in the volume anticipated, but demand for seasonal apparel developed marked betterment with the arrival of more typical summer weather, and some reordering was reported. Demand for work clothes continues quiet, particularly in the larger centers of population. June sales of the reporting clothiers were 45.6 per cent smaller than for the same month in 1928, and 63.7 per cent below the May total this year.

Drugs and Chemicals — Due chiefly to marked betterment in reordering of seasonal merchandise, June sales of the reporting firms showed a gain of 8.7 per cent over the same month in 1928, but the total was smaller by 4.1 per cent than in May this year. Stocks on July 1 were larger by 2.3 per cent and 0.7 per cent respectively, than thirty days and a year earlier. Demand for soda fountain equipment and supplies, and sundries was in considerable volume.

Dry Goods — June sales of the 8 reporting interests were 7.4 per cent smaller than for the same month in 1928, and 17.9 per cent below the May total this year. Stocks on July 1 were 11.8 per cent larger than on June 1, and 18.7 per cent smaller than on July 1, 1928. Advance business is reported somewhat larger than a year ago, and except in certain staples, orders booked since July 1 have been in large volume. Uncertainty relative to prices has adversely affected purchasing of cotton goods and silks.

Electrical Supplies — The arrival of more seasonable weather substantially aided selling of electric fans, refrigerators and other seasonal commodities. As compared with a year ago, radio material sales slumped rather markedly, due to the fact that last season the demand was stimulated by the presidential campaign and other matters of public interest to this territory. Demand for motor materials holds up well, with sales well ahead of a year ago. Total sales in June by the reporting interests were

36.4 per cent larger than for the same month in 1928, and 25.8 per cent above the May total this year. Stocks on July 1 were 1.8 per cent and 4.5 per cent, respectively larger than thirty days and a year earlier.

Flour — Production at the 12 leading mills of the district in June totaled 360,335 barrels, against 389,237 barrels in May and 314,474 barrels in June, 1928. Stocks of flour in St. Louis on July 1 were 1.8 per cent smaller than on June 1, and 7.5 per cent less than on July 1, 1928. The past thirty days constituted a between-season period, and business was on a relatively small scale and chiefly on a necessity basis. Jobbers were disposed to hold off awaiting the new flour, and the bakery trade bought sparingly. Prices were higher in sympathy with the upturn in cash wheat, but buyers were not following the advance. Since the second week this month inquiries have increased, but traders were apart on values and little new business was placed. Mills were asking firm prices, and offering of new flours were light. Mill operations were at from 50 to 55 per cent of capacity.

Furniture — June sales of the 11 reporting interests were 8.4 per cent smaller than for the same month in 1928, but 2.5 per cent larger than the May total this year. Stocks on July 1 were 3.8 per cent smaller than on June 1, and 11.3 per cent less than on July 1, 1928. Staple goods are reported relatively quiet, but specialties, including radio cabinets, porch furniture and hospital equipment, are being purchased in considerable volume.

Groceries — Unfavorable weather, with excessive rains in many sections, served to hold down the volume of business in this classification. The increased marketing of fresh fruits and vegetables lowered sales of canned and preserved products. Prices underwent no change worthy of note as contrasted with the past thirty days. Among the staples, flour and sugar were higher and coffee lower. June sales of the 11 reporting interests were 3.5 per cent less than for the same month in 1928, and 5.6 per cent below the May total this year. Stocks on July 1 were 3.0 per cent and 13.8 per cent smaller, respectively, than thirty days and a year earlier.

Hardware — Reduced purchasing of merchandise for consumption in the rural areas, lessened demand for builders tools and hardware, and a general disposition to fill only immediate requirements were the chief factors in a decrease in June sales of the 12 reporting interests of 4.3 per cent as compared with the same month last year. The June total was 3.1 per cent smaller than that of the preceding month. Stocks on July 1 were 5.7 per cent larger than on that date in 1928, and 4.4 per cent less than on June 1 this year.

Iron and Steel Products—The high momentum which marked the iron and steel industry in this district during the first half of the year has carried into the third quarter. Activities at mills, foundries, machine shops and other ferrous metal working plants during the past thirty days were at a considerably higher rate than the average at the same time during the past several years. Numerous establishments which ordinarily close down for inventory and repairs about July 1 have continued steadily in operation, and many of those which did close, have resumed production. Shipments of finished and semi-finished products in June were large, and the average since July 1 is only slightly below the preceding month. Liquidation of unfinished orders has proceeded moderately, but less than the usual seasonal recession in demand is in evidence. There has been some falling off in orders for automobile materials and demand from the building industry is less active than heretofore, but this has been offset by heavy requirements of other iron and steel users. Jobbing foundries, particularly those specializing in railroad castings, report orders substantially larger than a year ago. Manufacturers of reinforcing concrete material report no diminution in the demand for their wares, and sheet mills were operating at or near capacity. Demand for road building materials continues active, and in the immediate past fabricators of structural steel have received a large number of small orders, though few large awards have been made. Jobbers report some slowing down in the general call for their commodities, particularly goods for consumption in the rural areas. Wire fencing, roofing, and certain tubular goods are quiet. Prices of finished materials were in the main steady, though concessions under current quotations were reported on certain wire products, sheets and galvanized wares. Tin plate receded seasonally in demand, but with the improved outlook for certain fruit and vegetable crops, packers in some instances have increased their original commitments. Manufacturers of farm implements and stoves report sales during the first half of the year considerably larger than during the first six months of 1928. There was a rather sharp drop in the price of pig iron, which fact, coupled with uncertainty in the southern rate situation, had a tendency to curtail buying. Purchasing for third quarter requirements is smaller in the aggregate than at any similar period during the past decade. Prices of scrap iron and steel declined slightly. Production of pig iron for the country as a whole in June totaled 3,715,583 tons, a record for that month, and comparing with 3,898,344 tons in May and 3,082,340 tons in June, 1928. Steel ingot production

in the United States in June totaled 4,881,370 tons, against 5,273,167 tons in May, and 3,743,903 tons in June, 1928.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statement showing activity at department stores in leading cities of the district:

| | Net sales comparison | | Stocks on hand | | Stock turnover | |
|--------------------|--------------------------------------|---|--|--|--------------------------------|------------------|
| | June, 1929 comp. to June, 1928 | 6 months ending June 30, 1929 to same period 1928 | June 30, 1929 comp. to June 30, 1928 | June 30, 1929 comp. to June 30, 1928 | Jan. 1, to June 30, 1929 | June 30, 1928 |
| Evansville | - 1.8% | + 3.2% | - 3.2% | - 3.2% | 1.22 | 1.18 |
| Little Rock..... | + 0.1 | - 1.5 | - 8.0 | - 8.0 | 1.24 | 1.13 |
| Louisville | - 2.1 | 0.0 | -10.7 | -10.7 | 1.58 | 1.50 |
| Memphis | + 2.4 | - 3.7 | - 7.0 | - 7.0 | 1.56 | 1.51 |
| Quincy | + 6.9 | + 7.6 | - 1.4 | - 1.4 | 1.33 | 1.27 |
| St. Louis..... | + 2.2 | + 2.3 | - 1.1 | - 1.1 | 2.00 | 1.84 |
| Springfield, Mo. + | 0.3 | - 6.2 | - 5.5 | - 5.5 | .71 | .80 |
| 8th District..... | + 1.6 | + 0.8 | - 4.1 | - 4.1 | 1.76 | 1.64 |

| | Net sales comparison | | Stocks on hand | |
|------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
| | June, 1929 comp. to June, 1928 | May, 1929 | June, 1929 comp. to June, 1928 | May, 1929 |
| Men's furnishings..... | + 9.2% | +22.5% | - 1.8% | - 5.0% |
| Boots and shoes..... | + 8.0 | - 6.0 | - 2.6 | - 9.6 |

Department Store Sales by Departments—As reported by the principal department stores in Little Rock, Louisville, Memphis, and St. Louis.

| | Percentage increase or decrease June, 1929 compared to June, 1928 | |
|--------------------------------------|--|-----------------------------------|
| | Net sales for month | Stocks on hand at end of month |
| Piece goods..... | - 8.5% | - 2.7% |
| Ready-to-wear accessories..... | - 1.4 | - 6.1 |
| Women and misses' ready-to-wear..... | - 7.7 | + 7.7 |
| Men's and boys' wear..... | +11.1 | - 8.3 |
| Home furnishings..... | - 6.0 | - 7.8 |

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in June by selected industrial customers as being 0.2 per cent less than in May, and 17.4 per cent greater than in June, 1928. In the month-to-month comparison the decrease is seasonal in character, but smaller than the average during the past five years. Increases in the yearly comparison were well distributed, but especially heavy in the case of ice plants, railroad shops and flour mills. Decreases were shown by some foundries and brick plants. Detailed figures follow:

| | No. of Custom- ers | June, 1929 *K.W.H. | May, 1929 *K.W.H. | June, 1929 comp. to May, 1929 | June, 1928 *K.W.H. | June, 1929 comp. to June, 1928 |
|------------------|--------------------------|--------------------------|-------------------------|-------------------------------------|--------------------------|--------------------------------------|
| Evansville | 40 | 1,826 | 1,902 | - 4.0% | 1,497 | +22.0% |
| Little Rock..... | 35 | 2,343 | 1,826 | +28.3 | 1,912 | +22.5 |
| Louisville | 89 | 7,596 | 7,623 | - 0.3 | 6,111 | +24.3 |
| Memphis | 31 | 1,320 | 1,688 | -21.8 | 1,142 | +15.6 |
| St. Louis..... | 133 | 22,486 | 22,615 | - 0.6 | 19,629 | +14.6 |
| Total..... | 328 | 35,571 | 35,654 | - 0.2 | 30,291 | +17.4 |

*In thousands (000 omitted.)

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in June were 16.8 per cent larger than in May, but 20.0 per cent smaller than the June, 1928, total. According to statistics compiled by the F. W. Dodge Corporation, constructions contracts let in the Eighth Federal Reserve District in June total \$41,847,546, against \$41,019,755 in May, and \$44,793 in June, 1928. Production of portland cement

for the country as a whole in June totaled 16,775,000 barrels, against 16,151,000 barrels in May and 17,497,000 barrels in June, 1928.

| | New Construction | | | | Repairs, etc. | | | |
|---------------|------------------|-------|---------|---------|---------------|-------|--------|-------|
| | Permits | | *Cost | | Permits | | *Cost | |
| | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 | 1929 | 1928 |
| Evansville .. | 381 | 538 | \$ 713 | \$ 357 | 54 | 92 | \$ 18 | \$ 46 |
| Little Rock | 38 | 64 | 464 | 785 | 66 | 96 | 47 | 64 |
| Louisville .. | 149 | 183 | 1,699 | 1,814 | 63 | 86 | 188 | 135 |
| Memphis ... | 350 | 298 | 530 | 1,103 | 58 | 132 | 16 | 218 |
| St. Louis.... | 598 | 694 | 1,768 | 3,633 | 402 | 426 | 381 | 390 |
| June totals | 1,516 | 1,777 | \$5,174 | \$7,692 | 643 | 832 | \$ 650 | \$853 |
| May totals | 1,592 | 2,040 | 4,428 | 6,712 | 617 | 1,051 | 771 | 1,010 |
| April totals | 1,894 | 1,996 | 6,874 | 7,725 | 727 | 991 | 700 | 839 |

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in postal receipts for the second quarter of the year of 1.4 per cent as compared with the corresponding period in 1928, and of 4.2 per cent under the first three months of this year. Detailed figures follow:

| | For Quarter Ending | | | June 30, 1929 comp. to June 30, 1928 |
|------------------|--------------------|------------------|------------------|--|
| | June 30, 1929 | Mar. 31, 1929 | June 30, 1928 | |
| Evansville | \$ 161,000 | \$ 163,000 | \$ 173,000 | — 7.0% |
| Little Rock..... | 208,000 | 244,000 | 220,000 | — 5.5 |
| Louisville | 695,000 | 724,000 | 715,000 | — 2.9 |
| Memphis | 613,000 | 672,000 | 620,000 | — 1.2 |
| St. Louis..... | 3,066,000 | 3,147,000 | 3,082,000 | — 0.6 |
| Total..... | \$4,743,000 | \$4,950,000 | \$4,810,000 | — 1.4 |

AGRICULTURE

High temperatures, accompanied by ample precipitation during most of June and the first half of July, were generally favorable for growing crops in this district. Prospects as a whole on July 1 were more favorable than a month earlier, and further betterment in corn, tobacco, rice, legumes, potatoes and some other less important products has taken place since that date. A considerable part of the backwardness occasioned by the late and unfavorable spring has been made up, and while virtually all crops are still behind the seasonal schedule, there remains ample time before harvest to permit of average yields, barring, always, the contingency of unusually early frost dates. Farmers have taken advantage of all auspicious weather for intense field work, and except in areas directly affected by flood conditions, cultivation has made good progress. Fields are mainly clean, and stands in many areas are better than was thought could be the case six weeks or two months ago.

Generally through the south, but particularly in Kentucky and Mississippi, the condition of all crops is high. Those crops which have matured, show for the most part, better yields than the average. The season has been favorable for production of hay and other feeds, and for pasturage. This has proved beneficial to the live stock and dairying industries, which are almost universally reported in good condition. Live stock values have been well sustained, a new high price for the year on hogs

being established in the St. Louis market during the second week of July. Due to heavy rains and floods, considerable acreage in rich bottom lands along the Mississippi River and its tributaries, hitherto planted to corn and cotton, will not be seeded in any crop this year. The outlook for fruits and vegetables varies considerably, both with reference to the several varieties and different localities. The average composite condition of all crops in states of the district on July 1, according to the U. S. Department of Agriculture was 96.7 per cent of the average on that date during the past ten years which compares with 88.1 per cent on the same date last year.

Winter Wheat — Production of winter wheat in the Eighth District, based on the July 1 condition, is estimated by the Department of Agriculture at 50,203,000 bushels, as compared with 29,975,000 bushels harvested in 1928. Harvesting of the crop has been virtually completed, and generally in good condition, though there were numerous reports of damage from wind and rain, most frequent in Missouri, Indiana and Illinois. Quality varies considerably, and in many counties reflects injury from rust, hessian fly, black scab and other causes. Due principally to unfavorable weather in the American and Canadian northwest, wheat values have advanced sharply in the immediate past, the September option in the St. Louis market advancing from \$1.08 per bushel on June 17 to \$1.40½ on July 15.

Corn — Corn prospects are extremely irregular, and generally the crop is from a week to four weeks behind the usual seasonal schedule. The wet, cold spring was accountable for planting being extended over a long period, and in many of the most productive areas seed bed preparation was unsatisfactory and numerous fields continue cloddy and in inferior tilth. There has been marked improvement in the recent past, but favorable conditions with late frost must follow to mature late seeded fields. Prices have advanced sharply during the past thirty days, with both spot grain and the futures sharing in the upturn. Based on the July 1 condition, the 1929 yield in this district is estimated by the Department of Agriculture at 323,379,000 bushels which compares with 358,882,000 bushels harvested in 1928.

Oats — Production of oats in the Eighth District, based on the July 1 condition, is estimated at 51,749,000 bushels, against 66,278,000 bushels harvested in 1928.

Fruits and Vegetables — With the exception of apples, indications are for larger tree fruit crops in this district than in 1928. While the apple bloom was very promising, the set was disappointing and

an unusually heavy drop, due to unfavorable weather and blight, substantially lowered prospects. In the case of all fruits, frequent rains interfered with spraying, and wind and hail storms wrought considerable local damage. In states lying entirely or partly within the Eighth District, the yield of apples this year is estimated at 19,064,000 bushels, of which 2,285,000 barrels represent commercial crop, against 25,010,000 bushels, with 2,544,000 barrels commercial crop, harvested in 1928, and a 5-year average of 24,306,000 bushels, with 2,666,000 barrels commercial crop. Indications are for a fair peach crop, particularly in the Missouri and Arkansas Ozark region, where many new orchards are coming into bearing. The estimated yield of peaches in states of the district is 10,845,000 bushels, against 9,758,000 bushels in 1928, and 7,111,000 bushels, the 5-year average. Indications in these states are for an output of 1,803,000 bushels of pears, against 1,666,000 bushels in 1928, and a 5-year average of 1,628,000 bushels. The July 1 condition of grapes was generally high, and with the coming into bearing of many new vineyards, this year's production in the district will probably exceed the record output of 1928. Plums were an unusually heavy crop this year, and cane fruits, cultivated and wild, yielded heavily generally through the district. Based on the July 1 condition, the Department of Agriculture estimates the output of white potatoes in the Eighth District at 13,167,000 bushels, against 19,510,000 bushels harvested in 1928. The decrease is due to unfavorable conditions during the seeding period, and rot caused by excessive moisture. In states of the district the sweet potatoe crop is estimated at 16,702,000 bushels, against 16,088,000 bushels in 1928, and a 5-year average of 18,004,000 bushels. Throughout the present season, virtually all garden crops have shown poor prospects.

Live Stock — Generally through the district live stock are thriving on good pasturage and abundant feed supplies. Shipments of meat animals to market have been on a considerable scale, raisers being attracted by relatively high prices of hogs, sheep and cattle. Hay crops turned out well, total yield of tame hay in the Eighth District being estimated by the Department of Agriculture, based on the July 1 condition, at 8,851,000 tons, against 7,573,000 tons produced in 1928.

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

| | Receipts | | | Shipments | | |
|------------------------|------------|-----------|------------|------------|-----------|------------|
| | June, 1929 | May, 1929 | June, 1928 | June, 1929 | May, 1929 | June, 1928 |
| Cattle and calves..... | 89,230 | 92,695 | 95,417 | 59,258 | 49,199 | 65,644 |
| Hogs | 308,173 | 340,215 | 280,737 | 211,731 | 242,053 | 206,633 |
| Horses and mules..... | 1,728 | 1,731 | 2,455 | 1,217 | 1,740 | 1,559 |
| Sheep | 70,917 | 42,288 | 86,585 | 15,633 | 16,146 | 22,555 |

Cotton — According to the July 1 report of the U. S. Department of Agriculture, area planted to

cotton in all states of this district is greater than in 1928. Combined acreage in Missouri, Tennessee, Mississippi and Arkansas this year is placed at 9,926,000 acres, against 9,479,000 acres in 1928. The past thirty days have been in the main favorable for growth, fruition, germination and cultivation of the crop. Generally cotton is up to a good stand, and fields are clean of weeds. The crop is still late, but nearer to the seasonal schedule than thirty days earlier. Business in spot cotton was in small volume and without significant trend. Stocks of old cotton have been reduced to a low point, the total in Arkansas warehouses on July 12 being only 33,120 bales, against 58,133 bales on the corresponding date in 1928. Prices moved in a narrow range, the middling grade in the St. Louis market fluctuating between 17½ and 18c in the period from June 15 to July 15.

Rice — Based on the July 1 condition, combined production of rice in Missouri and Arkansas is estimated by the Department of Agriculture at 6,980,000 bushels, against 8,108,000 bushels harvested in 1928, and a 5-year average of 7,877,000 bushels. The acreage in these states was considerably lower than a year ago, the principal reasons for which being the low prices realized on last year's crop, and unfavorable conditions this spring.

Tobacco — The area planted to tobacco in the chief producing states of the Eighth District this year is considerably larger than in 1928, and based on the July 1 condition the Department of Agriculture forecasts the combined yield in Missouri, Indiana, Kentucky and Tennessee at 521,819,000 pounds, against 397,059,000 pounds harvested in 1928, and a 5-year average of 485,343,000 pounds. Significant increases were made in plantings of air-cured and fire-cured types, while flue-cured types representing 57 per cent of the total, remain practically unchanged. Burley, which brought high prices last season, increased in acreage. Other air-cured types which show increases are one-sucker and Green River. Fire-cured types as a rule have been increased, Paducah and Mayfield by 31 per cent and Clarksville-Hopkinsville by 10 per cent, over 1928. During the past thirty days the crop has made considerable growth and is generally in good condition. Weather has been in the main favorable for cultivation, and earliest planted fields have received their final plowing. Except where some replanting has been necessary, due to excessive moisture or cut worms, the crop is even and stand almost perfect.

Commodity Prices — Range of prices in the St. Louis market between June 17, 1929 and July 15,

1929 with closing quotations on the latter date and on July 15, 1928:

| Wheat | High | Low | Close | | |
|-----------------------------|--------|---------|---------------|---------------|---------------|
| | | | July 15, 1929 | July 15, 1928 | |
| July | \$1.36 | \$1.03½ | \$1.35½ | @ \$1.36 | \$1.30 |
| Sept. | 1.40 | 1.08 | | 1.40½ | 1.31 |
| Dec. | 1.46½ | 1.13½ | | 1.46½ | 1.34½ |
| No. 2 red winter | 1.42 | 1.17 | 1.41 | @ 1.42 | \$1.49 @ 1.50 |
| No. 2 hard..... | 1.37½ | 1.08 | 1.34 | @ 1.37½ | 1.33 @ 1.34 |
| Corn | | | | | |
| July | .99 | .92½ | .98 | @ .99 | 1.04 @ 1.06 |
| Sept. | 1.04 | .91½ | | 1.04 | .96½ |
| Dec. | .98 | .89¾ | | .98 | .80½ |
| No. 2 mixed..... | 1.02 | .92 | 1.01½ | @ 1.02 | 1.05 |
| No. 2 white..... | 1.04 | .94½ | 1.03½ | @ 1.04 | 1.07½ @ 1.08 |
| Oats | | | | | |
| No. 2 white..... | .46 | .51 | .50½ | @ .51 | .64 @ .66 |
| Flour | | | | | |
| Soft patent.....per bbl. | 7.50 | 6.00 | 7.00 | @ 7.50 | 7.50 @ 8.00 |
| Spring patent..... | 8.00 | 5.90 | 7.75 | @ 8.00 | 6.70 @ 6.85 |
| Middling cotton.....per lb. | .18 | .17½ | | .17½ | .21½ |
| Hogs on hoof.....per cwt. | 12.40 | 9.50 | 10.25 | @ 12.40 | 9.75 @ 11.60 |

FINANCIAL

The banking situation in this district during the past thirty days was marked by continued active demand for credit for general commercial, industrial and agricultural purposes. In numerous important instances, merchants and manufacturers augmented their borrowings in order to take care of purchases of goods for fall distribution. Leading banks in the main centers reported good routine liquidation on the part of mercantile customers, but the volume of new commitments more than offset the amount of loans paid up. These banks have considerably reduced their balances with eastern correspondents in order to accommodate demands in their own territory.

There was an increase in the call for funds to finance the winter wheat crop and other agricultural operations. Due to the relatively large carryover of wheat and flour from last season, requirements of grain handlers and flour milling interests have averaged higher than at this period during the past several years. High prices of cattle, hogs and sheep have resulted in liberal marketing of these animals, with good liquidation of loans based thereon. Demand for funds for conditioning live stock for market, however, continues active. Country banks generally through the district have increased their borrowings from city correspondents.

The trend of interest rates was again higher. While the quotable range was unchanged as contrasted with the preceding thirty days, a higher percentage of the loans made were at the major figure of the spread. At St. Louis banks, current rates were as follows: Prime commercial loans, 5¾ to 6½ per cent; collateral loans, 6 to 7 per cent; loans secured by warehouse receipts, 5¾ to 6¾ per cent; interbank loans, 5¾ to 6½ per cent and cattle loans, 6 to 7 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on July 17, 1929 showed a decrease of 0.4 per cent as contrasted with June 19, 1929. Deposits decreased 2.0 per cent between

(Compiled July 20, 1929)

June 19, 1929 and July 17, 1929 and on the latter date were 5.4 per cent smaller than on July 18, 1928. Composite statement follows:

| | *July 17, 1929 | *June 19, 1929 | *July 18, 1928 |
|--|----------------|----------------|----------------|
| Number of banks reporting..... | †25 | †27 | 29 |
| Loans and discounts (incl. rediscounts) | | | |
| Secured by U. S. Govt. obligations and other stocks and bonds..... | \$233,538 | \$232,118 | \$223,385 |
| All other loans and discounts..... | 282,059 | 285,612 | 288,593(1) |
| Total loans and discounts..... | \$515,597 | \$517,730 | \$511,978(1) |
| Investments | | | |
| U. S. Government securities..... | 57,691 | 59,960 | 75,617 |
| Other securities..... | 110,938 | 112,409 | 139,282 |
| Total investments..... | \$168,629 | \$172,369 | \$214,899 |
| Reserve balance with F. R. bank | 43,628 | 42,181 | 44,003 |
| Cash in vault..... | 6,890 | 6,359 | 7,179 |
| Deposits | | | |
| Net demand deposits..... | 362,315 | 366,399 | 375,476 |
| Time deposits..... | 227,193 | 227,193 | 242,664 |
| Government deposits..... | 4,345 | 6,694 | 3,546 |
| Total deposits..... | \$588,249 | \$600,286 | \$621,686 |
| Bills payable and rediscounts with Federal Reserve Bank..... | 39,127 | 28,389 | 43,547 |

*In thousands (000 omitted).
†Decrease due to consolidation. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of all the resources of member banks in this district.

(1) Figures for 1928 include acceptances of other banks and bills of exchange sold with endorsement, while figures for 1929 exclude same.

Debits to Individual Accounts — The following table gives the total debits charged by banks to checking accounts, saving 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.

| | *June, 1929 | *May, 1929 | *June, 1928 | June 1929 comp. to May 1929 | June 1928 |
|---|-------------|-------------|-------------|-----------------------------|-----------|
| East St. Louis & Natl. Stock Yards, Ill.. | \$ 72,849 | \$ 70,770 | \$ 69,625 | + 2.9% | + 4.6% |
| El Dorado, Ark..... | 6,904 | 8,401 | 10,659 | -17.8 | -35.2 |
| Evansville, Ind..... | 36,621 | 37,220 | 52,815 | -1.6 | -30.7 |
| Fort Smith, Ark.... | 11,723 | 13,234 | 12,720 | -11.4 | - 7.8 |
| Greenville, Miss.... | 3,507 | 3,687 | 3,355 | - 4.9 | + 4.5 |
| Helena, Ark..... | 4,184 | 4,345 | 3,171 | - 3.7 | +31.9 |
| Little Rock, Ark.... | 69,252 | 77,515 | 73,129 | -10.7 | - 5.3 |
| Louisville, Ky..... | 210,959 | 213,355 | 226,894 | - 1.1 | - 7.0 |
| Memphis, Tenn..... | 147,137 | 155,679 | 140,486 | - 5.4 | + 4.7 |
| Owensboro, Ky..... | 5,993 | 6,001 | 5,854 | - 0.1 | + 2.4 |
| Pine Bluff, Ark.... | 9,280 | 10,731 | 9,595 | -13.5 | - 3.3 |
| Quincy, Ill..... | 13,388 | 13,430 | 13,768 | - 0.3 | - 2.8 |
| St. Louis, Mo..... | 898,831 | 791,230 | 898,011 | +13.6 | + 0.1 |
| Sedalia, Mo..... | 4,944 | 4,793 | 4,713 | + 3.2 | + 4.9 |
| Springfield, Mo.... | 17,438 | 16,614 | 17,383 | + 5.0 | + 0.3 |
| **Texarkana, Ark.-Tex.... | 16,690 | 16,570 | 15,084 | + 0.7 | +10.6 |
| Totals..... | \$1,529,700 | \$1,443,575 | \$1,557,262 | + 6.0 | - 1.8 |

*In thousands (000 omitted).

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

Federal Reserve Operations — During June the Federal Reserve Bank of St. Louis discounted for 241 member banks, against 234 in May and 193 in June, 1928. The discount rate remained unchanged at 5 per cent. Changes in the principal assets and liabilities of the institution as compared with the preceding month and a year ago appear in the following table:

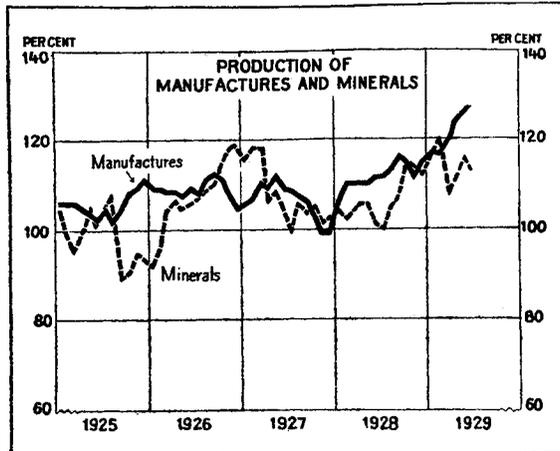
| | *July 19, 1929 | *June 19, 1929 | *July 19, 1928 |
|--|----------------|----------------|----------------|
| Bills discounted..... | \$58,165 | \$46,692 | \$61,758 |
| Bills bought..... | 187 | 448 | 147 |
| U. S. Securities..... | 13,625 | 11,625 | 7,125 |
| Total bills and securities..... | \$71,977 | \$58,765 | \$69,030 |
| F. R. Notes in circulation..... | 61,193 | 57,132 | 57,425 |
| Total deposits..... | 76,337 | 78,106 | 80,564 |
| Ratio of reserve to deposits and F. R. Note Liabilities..... | 53.5% | 64.6% | 55.6% |

*In thousands (000 omitted).

BUSINESS CONDITIONS IN THE UNITED STATES

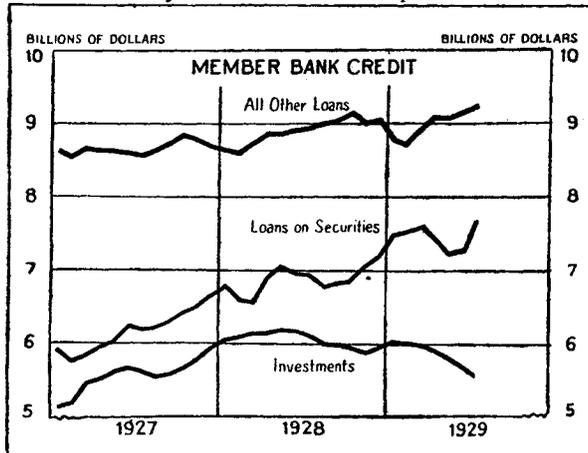
Output of manufactures continued in large volume in June while mineral production declined. There was a rise in the general level of commodity prices, reflecting chiefly an advance in agricultural commodities.

PRODUCTION—Activity of manufacturing establishments continued at a high rate in June. Output of automobiles and of iron and steel showed a seasonal decline, smaller than is usual from May to June. Silk mill activity increased and there was a growth in the daily average production of cement, leather, and shoes. Production of copper



Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures, June: Manufactures, 127; Minerals, 113.

at smelters and refineries decreased sharply, and output of cotton and wool textiles was also reduced, although production in all of these industries continued larger than in other recent years. The volume of factory employment and payrolls in June showed a small seasonal decline from May, but, as in earlier months, was substantially larger than in 1928. Output of mines was generally smaller in June than in May, reflecting declines in the production of coal, copper, and other nonferrous metals. Output of petroleum, however, increased to a new high level. Reports for the first half of July indicate some further reduction in output of cotton textiles, iron and steel, lumber and coal. Volume of construction contracts awarded decreased further in June and for the first half year awards were 12 per cent less than in



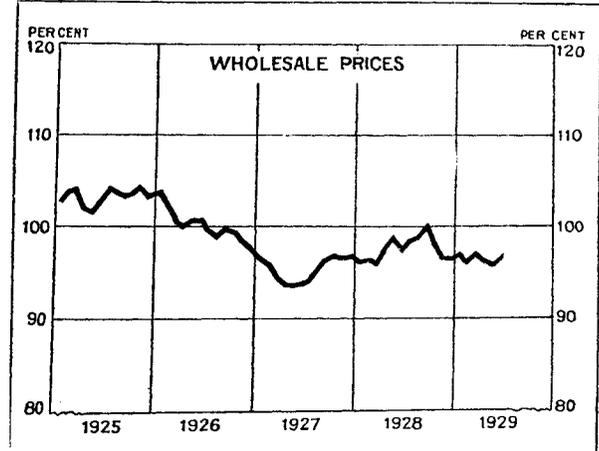
Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first three weeks in July, the same period in 1928, reflecting chiefly a substantial decline in residential building. During the first three weeks of July contracts awarded were larger than in the same period a year ago.

AGRICULTURE—Department of Agriculture estimates, based on July first crop conditions report, indicate a wheat crop of 834,000,000 bushels, about 8 per cent smaller than last year, but larger than average production in preceding five years. The acreage of cotton in cultivation on July first was estimated at 48,457,000 acres, 3 per cent more than a year ago.

DISTRIBUTION—During the month of June freight car loadings were slightly smaller than in May as a result of decreases in loadings of most classes of freight, except grain products and ores. In comparison with other recent

years however, loadings continued to show an increase. Sales of department stores in June, as in earlier months, were larger than in the same month in 1928.

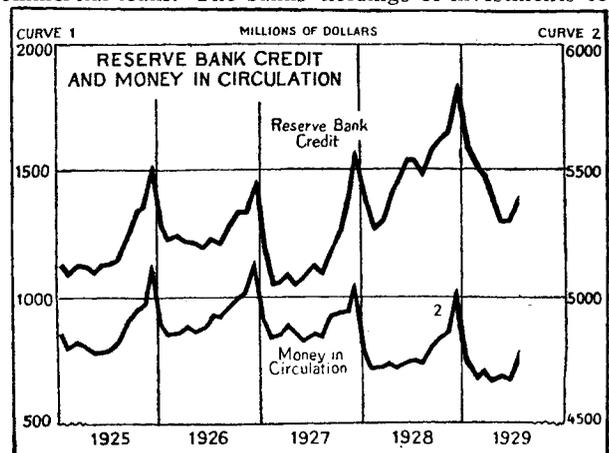
PRICES—Wholesale prices, according to the Bureau of Labor Statistics index, advanced from May to June on the average, somewhat less than they had declined during the preceding month. Farm products, particularly grains, cattle, beef, and hides, showed marked advances. Prices of mineral products and their manufactures also averaged higher in June than in May, the rise reflecting largely in-



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, June, 96.4.

creases in petroleum and gasoline. Prices of leading imports, rubber, sugar, silk and coffee showed a decline for the month as a whole. During the first two weeks of July wheat and corn continued to move sharply upward, while hides declined slightly in price. Hog prices increased and prices of rubber and tin, which began to advance in the middle of June, continue to rise.

BANK CREDIT—During the first half of July the volume of credit extended by member banks in leading cities declined somewhat, following a rapid increase in June. On July 17 loans and investments of these banks were about \$400,000,000 above the level at the end of May. The increase reflected chiefly rapid growth in loans to brokers and dealers in securities and also some further increase in commercial loans. The banks' holdings of investments con-



Monthly averages of daily figures. Latest figures are averages of first 21 days in July.

tinued to decline and were on July 17 about \$700,000,000 below the middle of last year. The total volume of reserve bank credit outstanding showed an increase of about \$120,000,000 during the four weeks ending July 17, the increase being in discounts for member banks. Demand for additional reserve bank credit arose chiefly out of a considerable increase in the volume of money in circulation which accompanied the issuance of the new small-size currency. There was also some increase in reserve balances of member banks accompanying the growth in their loans and consequently in their deposits. Open-market rates on 90-day bankers acceptances declined from 5½ to 5¼ per cent between the latter part of June and the middle of July, while rates on prime commercial paper remained unchanged.