



MONTHLY REVIEW

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

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ROLLA WELLS,
Chairman and Federal Reserve Agent

C. M. STEWART,
Assistant Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

INFLUENCED by continued unfavorable weather conditions, uncertainty relative to the outcome some important crops and a general disposition on the part of the merchants and the public to purchase cautiously and await more definite developments, business in this district exhibited slightly recessionary tendencies during the past thirty days as contrasted with the high rate of activity which marked the preceding several months. In a number of lines investigated, notably those handling goods for ordinary consumption, the volume of sales fell below that of the corresponding period last year. Taken as a whole, however, the May volume of production and distribution of merchandise in this district was measurably larger than during the same month in 1928. Wholesale prices of commodities declined further during the month, notably in the case of cereals and some other important farm products.

The showing made by industry was relatively more favorable than in the distributive lines. This was true particularly of the iron and steel industry, in which only minor recessions in production were noted as compared with the peak levels of April and May. Activities at the textile mills were only slightly reduced, and at glass plants, packing establishments, stone quarries, cement plants and some other manufactories, the rate of operations was as high as during the preceding two or three months. Distribution of automobiles decreased seasonally from May to June, but recorded a fair gain over May a year ago. There was a decrease in building operations in the housing category, but such construction as municipal improvements, public utility extensions, river and levee work, highway building, etc., continued in as great volume as at any time in the past.

In virtually all merchandising lines, distribution was held down by the unseasonably low temperatures, and excessive precipitation during May and early June. The movement of spring apparel, hats, shoes, sporting and recreational goods, electrical

supplies and other commodities ordinarily in heavy demand at this time of year, was in less than the usual volume. Lateness of the season and heavy rains seriously interfered with agricultural operations, and crops generally are from two to four weeks behind the seasonal schedule. These conditions are reflected in decreased demand for farm supplies and equipment, and merchandise generally for consumption in the rural areas. Debits to individual checking accounts in this district in May were 1.6 per cent smaller than in April, and 3.2 per cent below the May total last year. For the first five months this year, however, the total shows a gain of 3.8 per cent over the corresponding period in 1928.

Conditions in the bituminous coal trade were spotty and irregular, but on the whole some improvement was noted, and despite heavy production in May, prices averaged about steady. Demand for domestic sizes was stimulated to some extent by the low temperatures prevailing generally over the country, and purchasing by dealers to replenish stocks. Contracting for future needs, however, was disappointing, there being a disposition on the part of railroads, public utilities companies and important industrial interests to postpone commitments until later in the year. Operators in Indiana, Kentucky and Illinois reported screenings slow and weak, and in some instances mine run was sold at the same prices as slack. Through persistent effort, Illinois operators have regained a considerable amount of the contract tonnage lost to other fields as a result of the strike last year, and in a lesser degree the same is true of Indiana mines. The early opening of navigation on the Great Lakes was reflected in heavy dumpings at lower lake ports, but competition for this business has been keen, resulting in some instances in concessions. In virtually all fields a reduction in loaded cars on tracks at mines was reported. In a measure this was due to curtailed operations, the average working time in a number of districts being only two days per week. For the country as a whole total production of soft

coal during the present calendar year to June 8, approximately 135 working days, was 225,403,000 tons, against 207,312,000 tons for the corresponding period in 1928, and 248,384,000 in 1927.

Freight traffic of railroads operating in this district is being maintained at the high levels of recent months, total volume surpassing that at the same period during all previous years. Gains were reported in shipments of merchandise and miscellaneous freight, and the movement of early farm products exceeded earlier estimates. For the country as a whole loadings of revenue freight for the first 22 weeks this year, or to June 1, totaled 21,308,287 cars, against 20,472,331 cars for the corresponding period in 1928, and 21,436,696 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 244,051 loads in May, against 241,881 loads in April and 222,333 loads in May, 1928. During the first nine days of June the interchange amounted to 68,471 loads, which compares with 72,140 loads during the corresponding period in May and 63,569 loads during the first nine days of June, 1928. Passenger traffic of the reporting lines decreased 3.0 per cent in May as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 123,000 tons, the largest on record for that particular month, and comparing with 134,747 tons in April and 117,929 tons in May, 1928.

Reports relative to collections during the past thirty days developed no marked change as contrasted with the preceding month. Taken as a whole payments averaged slightly lower than at the same time last year, and there were some complaints of backwardness and requests for extensions in sections affected by the floods or other peculiar local conditions. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
May, 1929.....	3.4%	32.0%	50.4%	14.2%
April, 1929.....	2.6	36.7	50.6	10.1
May, 1928.....	1.4	34.2	54.8	9.6

Commercial failures in the Eighth Federal Reserve District in May, according to Dun's, numbered 107, involving liabilities of \$1,215,307, against 126 defaults in April with liabilities of \$1,992,932, and 138 failures for a total of \$1,663,143 in May, 1928.

The average daily circulation in the United States in May was \$4,684,000,000 against \$4,679,000,000 in April and \$4,722,000,000 in May, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car and truck production in the United States during May was 603,969, which compares with 621,331 in April and 425,783 in May, 1928.

There was a rather sharp decrease in distribution of automobiles in this district during the past thirty days as contrasted with the similar period immediately preceding, but a fair increase as compared with the corresponding time last year. During the past five years, with the exception of 1928, sales of the reporting dealers have uniformly shown decreases from May to June. In the month to month comparison this year, the decrease is attributed in large part to continued rains and the poor condition of dirt roads in many sections of the district. Country dealers, especially, attribute the slowing down in business to unfavorable weather. Less favorable crop prospects in some areas, and preoccupation of farmers with intensive field work were mentioned as additional factors holding down purchases in the agricultural sections. In the large centers of population, dealers also report that the unusual precipitation and low temperatures had a tendency to curtail distribution. The gain made in the yearly comparison was fairly well distributed through all lines of vehicles, though most marked in the cheap-priced cars. It will be recalled that one of the leading producers of cars in this category was on a low production schedule during the corresponding period last year. May sales of new passenger cars by 320 dealers scattered through the district were 32.0 per cent smaller than in April and 3.5 per cent larger than in May, 1928. Stocks of new cars in dealers' hands on June 1 were 5.2 per cent larger than on May 1, and 18.3 per cent greater than on June 1, 1928. Less satisfactory conditions existed in the used car market than earlier in the year. The number of salable cars increased, and in both the city and country more difficulty was encountered in effecting sales. Stocks of used cars on June 1 were larger by 5.8 per cent than thirty days earlier, and by 15.5 per cent than on June 1, 1928. Demand for accessories and parts was generally well maintained, the May volume showing a slight gain over April, and an increase of 7.3 per cent over May, 1928. Special sales campaigns and the conditioning of cars for the touring season were mentioned as influences in the gains in both comparisons. There was the usual seasonal decrease in demand for trucks from May to June, but the number of light vehicles for city merchandise deliveries sold was larger than a year ago. There was no change worthy of mention in the status of the tire trade as contrasted with the dull conditions of the preceding

several months. According to dealers reporting on that item, sales of new cars on the deferred payment plan in May constituted 53.1 per cent of their total sales, against 54.8 per cent in April, and 46.1 per cent in May, 1928.

Boots and Shoes — May sales of the five reporting interests were 5.2 per cent smaller than for the same month in 1928, but 13.9 per cent larger than the April total this year. Stocks on June 1 were 6.3 per cent and 18.2 per cent smaller, respectively, than thirty days and a year earlier. Orders received from salesmen on the road since June 1 have been in considerable volume, despite the fact that there is usually a seasonal slowing down at this time of year. Buyers did not cover their full requirements earlier in the year, and generally small retail stocks are reflected in numerous mail orders and purchasing of small lots for immediate shipment. There was no change in prices of finished goods as contrasted with a month ago, but a slight stiffening in raw materials was noted, due chiefly to the firmer market for hides. Factory operation was at from 90 to 95 per cent of capacity, with most firms building up stocks for fall and winter delivery.

Clothing — Weather was unfavorable for the movement of seasonal apparel into consumption. Purchasing for future delivery, however, was in considerable volume, and ahead of the corresponding period last year. Demand for work clothes was reported quiet, particularly in the rural sections. In the immediate past there has been some improvement in lightweight clothing, both for men's and women's wear. Buying of straw hats has been much below the average of the past several years, and millinery interests report May sales sharply below a month and a year earlier. Sales of the reporting clothiers in May were 4.1 per cent smaller than for the same month in 1928, and 50.1 per cent greater than in April this year.

Drugs and Chemicals — As compared with the corresponding month in 1928, sales of the reporting firms in May showed a gain of 9.0 per cent over the same month in 1928, but the total was 4.5 per cent below that of April this year. Stocks on June 1 were 0.1 per cent smaller than on May 1, and 1.6 per cent less than on June 1, 1928. Business was reported active through virtually the entire line, but with an especially good showing made by heavy drugs and chemicals and insecticides and fertilizers. Some seasonal goods have not moved in as large volume as at the same time during the past several years. Soda fountain equipment and supplies were reported in less than the usual seasonal demand.

Dry Goods — May sales of the six reporting interests were 7.6 per cent greater than for the same month in 1928, and 7.0 per cent less than the April

total this year. Stocks on June 1 were smaller by 6.6 per cent than thirty days earlier, and 23.3 per cent under those on June 1, 1928. Weather was unfavorable for distribution of seasonal merchandise, and price uncertainty caused hesitation in purchasing of certain lines. Piece goods and the general run of staples were reported quiet. Since the first week in June some improvement in orders from salesman on the road has taken place. Except for special constructions, sheetings continued dull, with prices unchanged.

Electrical Supplies — May was marked by an increase in business in this classification, both as compared with the preceding month and corresponding period last year. Demand for seasonal goods picked up during the latter half of the month, and distribution of pole hardware and supplies generally for public utilities companies was in considerable volume. Radio goods continued active, and further expansion in demand for household appliances was noted by two of the leading distributors. Sales of fans were held down by the unusually cool weather. Demand from the building industry was less active than heretofore. May sales of the six reporting firms were 17.4 per cent larger than for the same month in 1928, and 2.0 per cent in excess of the May total this year. Stocks on June 1 were smaller by 1.0 per cent and 6.8 per cent, respectively, than thirty days and a year earlier.

Flour — Production at the 12 leading mills of the district in May totaled 389,237 barrels, against 351,777 barrels in April and 345,670 barrels in May, 1928. Stocks of flour in St. Louis on June 1 were 8.1 per cent larger than on May 1, and 11.5 per cent greater than on June 1, 1928. Business continued quiet throughout May and early June, the market being unsettled by the broad and frequent fluctuations in cash wheat. Prices declined in late May in sympathy with the downturn in wheat, but later partly responded to the recovery in prices of that cereal. Purchasing by domestic buyers was confined to a necessity basis, while export demand was quiet with bids from Europe too far out of line to result in substantial workings. Mill operation was from 50 to 55 per cent of capacity. In the immediate past, improvement was noted in shipping directions on flour previously contracted for.

Furniture — Business in this classification continued the declines recorded in recent months. May sales of the 13 reporting firms were 5.9 per cent smaller than for the corresponding month in 1928, and 6.9 per cent below the April total this year. Manufacturers specializing in radio cabinets and other novelties, report relatively better results than makers of staple lines. Prices were unchanged as

compared with the preceding thirty days, and show little variation from a year ago.

Groceries — May sales of the 13 reporting firms were 11.3 per cent smaller than for the same month in 1928, and 1.2 per cent larger than the April total this year. Stocks on June 1 were 6.1 per cent larger than thirty days earlier, and 0.1 per cent smaller than those on June 1, 1928. Unseasonable weather held down the movement of certain commodities, and heavy roads and floods kept salesmen from completing their rounds in some sections. There was the usual seasonal decline in demand for canned goods, due to increased arrivals of fresh fruits and vegetables from the south. Price trends were irregular, with the average about the same as thirty days earlier, advances counterbalancing declines.

Hardware — Unseasonably cool weather, backwardness of farm operations and generally conservative purchasing by retailers were mentioned as the chief influences in causing a decrease in May sales of the 11 reporting firms of 6.0 per cent under the same month in 1928. The May total, however was 0.4 per cent larger than that of April this year. Stocks on June 1 were 5.0 per cent and 44.0 per cent larger, respectively, than thirty days and a year earlier. Demand for builders hardware and tools was considerably less active than heretofore, and sales of shelf hardware were below expectations. The general run of farm supplies and equipment were moving in smaller volume than at the same time last year.

Iron and Steel Products — While production and distribution of iron and steel goods receded slightly during the past thirty days as contrasted with the late April and early May peak, the total volume was considerably greater than at the corresponding period last year. At mills, foundries, machine shops and many specialty plants, the slowing down in activities was less than usual at this season, and in a number of important instances unfilled orders on June 1 showed only slight decreases under those a month earlier. New orders placed, however, were mainly for immediate and well defined requirements, contracting in volume for third quarter needs having failed to develop in most lines. Demand from the building industry was irregular, though still in considerable volume. Call for materials going into housing construction was measurably less active than heretofore, but this decrease was offset by heavy requirements of highway construction, river and levee improvement work, the building of gas and oil pipe lines, municipal improvements, and extensions and new construction by the carriers and public utility companies. The outlet through the general manufacturing trade continues broad. Some recession in the demand from the auto-

motive industry was in evidence, but specifications on goods previously acquired were still heavy. Railroad equipment builders report a rather decided slump in new orders placed, but they still have substantial business on their books for completion over the next two or three months. Due to unfavorable weather, less favorable crop prospects and lower prices of certain agricultural products, a well defined slowing down in demand for goods for use in the country was in evidence. Farm implement manufacturers report a recession in purchasing of their products, with scattered cancellations from sections of the grain belt. Sales of wire and wire products, notably barbed wire and woven fire fencing, were under expectations. Galvanized material, with the exception of heavy corrugated items, continued relatively slow. Considerable betterment was noted in demand for the general run of oil country goods, commodities in this category having been stimulated by development in new oil fields in this district. Stove manufacturers reported May sales below the corresponding period a year ago, but business of jobbing foundries was greater than for that month in 1928. Purchasing of pig iron was in unusually small volume in May and early June, users being disposed to await more definite developments before covering their third quarter requirements. For the country as a whole, production of pig iron in May was the largest for any single month in history. The total output, 3,898,461 tons, compares with 3,663,167 tons in April, and 3,292,790 tons in May, 1928. Steel ingot production in the United States in May totaled 5,237,167 tons, also the largest for any month on record, against 4,938,025 tons in April, and 4,207,212 tons in May, 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	
	May, 1929 comp. to May, 1928	5 months ending May 31, 1929 to same period 1928	May 31, 1929 comp. to May 31, 1928	Jan. 1, to May 31, 1929	May 31, 1928
Evansville	- 0.9%	+ 4.4%	0.0%	.98	.95
Little Rock.....	- 4.1	- 1.8	- 6.2	1.04	.94
Louisville	+ 3.8	+ 0.5	- 0.3	1.31	1.23
Memphis	-11.8	- 4.8	- 4.8	1.29	1.27
Quincy	+11.3	+ 7.7	+ 4.9	1.11	1.05
St. Louis.....	+ 4.4	+ 2.3	- 6.9	1.67	1.52
Springfield, Mo.	- 7.8	- 7.7	+ 5.4	.57	.66
8th District.....	+ 0.6	+ 0.7	+ 5.3	1.46	1.37
	Net sales comparison		Stocks on hand		
	May, 1929 comp. to May, 1928	April, 1929	May, 1929 comp. to May, 1928	April, 1929	
Men's furnishings.....	- 3.5%	+ 7.5%	- 3.4%	- 3.2%	
Boots and shoes.....	+ 2.3	+ 9.9	- 4.3	- 3.0	

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

	Percentage increase or decrease May, 1929 compared to May, 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-14.6%	-11.6%
Ready-to-wear accessories.....	- 5.5	- 5.0
Women and misses' ready-to-wear.....	- 7.0	+ 3.3
Men's and boys' wear.....	- 8.5	- 9.6
Home furnishings.....	- 1.0	- 7.8

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electricity in May by selected industrial customers as being 5.5 per cent greater than in April, and 16.2 per cent larger than in May, 1928. In the yearly comparison a large part of the gain was accounted for by heavier loads taken by the iron and steel working plants. Increases in May over April were generally through all lines reporting. Detailed figures follow:

	No. of Custom- ers	May, 1929 *K.W.H.	April, 1929 *K.W.H.	May, 1929 comp. to April 1929	May, 1928 *K.W.H.	May, 1929 comp. to May, 1928
Evansville	40	1,902	1,676	+13.5%	1,495	+27.2%
Little Rock..	35	1,826	1,781	+ 2.5	1,530	+19.3
Louisville	89	7,623	8,115	- 6.1	5,706	+33.6
Memphis	31	1,688	1,522	+10.9	1,038	+62.6
St. Louis.....	133	22,615	19,774	+14.4	20,905	+ 8.2
Total.....	328	35,654	32,868	+ 8.5	30,674	+16.2

*In thousands (000 omitted).

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in May were 35.6 per cent smaller than in April, and 34.0 per cent smaller than in May, 1928. According to statistics compiled by the F. W. Dodge Corp., construction contracts let in the Eighth Federal Reserve District in May totaled \$41,019,755, which compares with \$54,362,947 in April, and \$36,360,248 in May, 1928. Production of portland cement for the country as a whole in May totaled 16,151,000 barrels, against 13,750,000 barrels in April, and 17,308,000 barrels in May, 1928. Detailed figures follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	328	484	\$ 425	\$1,316	61	116	\$ 14	\$ 37
Little Rock	60	65	190	311	75	91	53	28
Louisville ..	183	253	918	1,139	92	110	345	287
Memphis ...	443	366	801	1,050	67	199	17	128
St. Louis....	578	872	2,094	2,896	322	535	342	530
May totals	1,592	2,040	\$4,428	\$6,712	617	1,051	\$ 771	\$1,010
April totals	1,894	2,065	6,874	7,725	727	991	700	839
Mar. totals	1,786	1,996	5,242	6,890	693	853	708	803

*In thousands of dollars (000 omitted).

AGRICULTURE

Weather throughout this district during the past thirty days was distinctly unfavorable for farming operations and growth and development of crops. With exception of a very few days, temperatures were unseasonably low and sunshine lacking. Almost continuous rains seriously interfered with outside work, and extensive acreages along rivers and creeks were completely covered with water. In the low lands generally, and in many instances even in the flat uplands, standing water and the soggy condition of the soil made plowing and other cultivation impossible. In many important farming areas several weeks of dry warm weather will be required to put the land in condition to be properly tilled.

Planting of all spring crops is backward, and at the middle of June farm operations generally were from two or four weeks behind the seasonal schedule. Considerable local damage was done by severe wind, hail and rain storms. Fruit prospects were materially lowered in some localities, and the outlook for cereals and vegetables was less favorable than thirty days earlier.

The heavy precipitation, however, has been beneficial to pastures, which are mainly in excellent condition. Prospects for hay in the district are somewhat above average for this time during the past ten years. Milk production was high, owing to good pastures, and egg production also was at high levels. Farmers are taking advantage of every day of sunshine to catch up on backward work, and with average favorable meteorological conditions from this time forward, a considerable part of the delay may be overcome. The supply of farm labor, with the exception of a few scattered counties, was reported adequate to all requirements.

Winter Wheat—While prospects for winter wheat in the entire country improved from May to June, the crop in states of this district lost ground. Based on the June 1 condition, according to the U. S. Department of Agriculture, the indicated yield in states entirely or partly within the Eighth District was 98,184,000 bushels, a decrease of 2,314,000 bushels under the May 1 estimate and comparing with 52,302,000 bushels harvested in 1928, and a five year average of 103,596,000 bushels. The loss was chiefly in Missouri and Illinois, where excessive rains and floods caused a lowering of condition, and considerable irreparable damage. There were increasing complaints of hessian fly infestation and injury from rust. The full extent of abandonment from late May and early June rains has not been established. Generally harvest will be from a week to fifteen days late.

Corn—Throughout the district, planting of corn is backward and prospects below average. Continuous rains have prevented farmers cultivating fields where early planting was possible, and grass and weeds have made considerable headway. An unusually large amount of replanting has been necessary, due to washing and the rotting of seed in the ground. At the middle of June there was still considerable acreage to be seeded, and the maturing of this portion of the crop will be contingent upon late frost dates. According to Illinois Cooperative Reporting Service, corn planting on June 1 averaged about 75 per cent completed in that state, while in Missouri, next in importance as a corn producing state, only 53 per cent had been completed. Demand for corn was active and stocks on farms

fair, but the movement was restricted by preoccupation of farmers with field work and the poor condition of dirt roads in many sections.

Fruits and Vegetables — Prospects for fruits and vegetables are spotty, varying considerably with reference to locality and crop. Planting of potatoes was unusually late, and generally conditions are less favorable than a year ago. In the southern states conditions are more favorable than in the northern stretches of the district. In the Ozark region the apple crop is expected to be larger than that harvested last year, though since the last week in May there have been numerous reports of a heavy drop and serious damage from blight. Grape prospects are less favorable than a year ago, due to the fact that continuous rains interfered with spraying. Peaches in the Missouri and Arkansas Ozark districts and in Illinois promise a good yield. Cherries, plums and pears show indications for a yield about equal to the five year average. Cane fruits suffered generally from cold weather in the late spring and excessive rains throughout the season. Gardens at the middle of June were universally below the five year average. Early plantings were badly washed, and generally vegetables are not up to average for this season. Early fruits and truck crops in the south turned out better than anticipated, shipments from certain important centers being larger than a year ago. Outlook for the commercial tomato crop in the south is good, and owing to increased acreage, the output will probably be the largest on record. The combined yield of peaches in states partly or entirely within this district is estimated at 10,770,000 bushels, against 9,758,000 bushels produced in 1928, and a 5-year average of 7,111,000 bushels.

Live Stock — Generally through the district pasturage is in excellent condition, and the status of live stock was reported somewhat improved as contrasted with thirty days earlier. The spring lamb crop turned out better than expected. Through the south growth in the dairying industry continues, with particularly notable forward strides having been made in Arkansas and Mississippi. While hay crops have produced heavily, there has been some trouble in saving them due to heavy rains and flooding bottom lands. The average production of eggs in the district was slightly higher than at the corresponding period a year ago.

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

	Receipts			Shipments		
	May, 1929	April, 1929	May, 1928	May, 1929	April, 1929	May, 1928
Cattle and calves.....	92,695	81,881	95,727	49,199	46,197	62,224
Hogs	340,215	319,092	332,162	242,053	231,809	249,505
Horses and mules.....	1,731	5,170	2,099	1,740	4,898	2,230
Sheep	42,228	25,810	38,473	16,146	14,484	12,991

Cotton — Planting and development of the cotton crop made fair progress during the past thirty days. Temperatures were too low for best results, however, and excessive rains in certain areas retarded cultivation. Generally, though, fields are fairly clean of weeds, and stands are good. Most of the planting and replanting remaining to be done at the middle of June is along the Mississippi River and its tributaries. Complaints of boll weevils are increasing, particularly in the southern portions of the district. The crop is from two to three weeks late. Prices fluctuated within a narrow range, and in the St. Louis market the closing quotations on the middling grade on June 15 was 18c per pound, the same as on May 18, and comparing with 20¼c on June 15, 1928. Stocks of cotton in Arkansas warehouses on June 14 totaled 43,906 bales, against 72,903 bales on the corresponding date in 1928.

Tobacco — Transplanting of tobacco in all districts was practically completed by June 15. In late May considerable trouble was experienced from weed growth in land prepared early, however, plants set during that period show good stand, except where damaged by cutworms. Since June 1 transplanting has advanced rapidly, and dry weather favored the use of tobacco setting machines. Weather has been auspicious for cultivation, and showers were favorable in obtaining a stand in the late settings. Fields are mainly clear of weeds with soil and subsoil moisture abundant.

Commodity Prices — Range of prices in the St. Louis market between May 15, 1929 and June 17, 1929 with closing quotations on the latter date and on June 15, 1928:

	High	Low	Close	
			June 17, 1929	June 15, 1928
Wheat				
July	\$1.08½	\$.98½	\$1.04½	\$1.38½
Sept.	1.13¼	.95	1.08½	1.39¾
Dec.	1.17	1.13¾	1.15½	1.43¾
No. 2 red winter	1.26	1.07½	\$1.20 @ 1.24	1.77
No. 2 hard.....	1.11	.98	1.07 @ 1.09	\$1.51 @ 1.52
Corn				
July95½	.81¼	.93	1.03½
Sept.95	.82½	.92½	1.00½
No. 2 mixed.....	.96	.82	.90½ @ .91	1.02 @ 1.03
No. 2 white.....	1.01	.88	.94½ @ .95	1.06½ @ 1.07
Oats				
No. 2 white.....	.49½	.42	.46½ @ .47	.71 @ .71½
Flour				
Soft patent.....per bbl.	6.75	5.50	6.00 @ 6.25	8.50 @ 9.00
Spring patent....	6.00	5.40	5.70 @ 5.80	7.10 @ 7.25
Middling cotton.....per lb.	.18¼	.17¾	.18	.20¼
Hogs on hoof.....per cwt.	11.55	9.00	9.50 @ 11.35	8.75 @ 10.25

FINANCIAL

Development in the banking and financial situation in this district during the past thirty days included a continued active demand for credits, a further recession in deposits of the commercial banks, a sharp increase in investments of these banks around June 1 and a firmer trend in rates. Requirements for commercial and industrial purposes exceeded those of a year ago, and while current routine liquidation of loans by mercantile interests was in considerable volume, new borrowings

held total commitments of these interests at approximately the same levels of the preceeding month or six weeks.

A steady increase, seasonal in character, was noted in demand from the country for agricultural financing. The winter wheat harvest has made progress in the southwest, and milling and grain interests are making financial preparations for handling the crop. The recent decline in cash wheat values, coupled with a heavy carry over from the 1928 crop, is reflected in earlier and heavier borrowings for handling the crop than last year or in 1927. In the typical corn and cotton areas, requirements of planters are making themselves felt. Local banks in those sections are for the most part well prepared for meeting these needs.

Considerable liquidation has taken place in localities where early fruits and vegetables are important crops. Bankers in the large centers and in the country report substantial liquidation by field seed houses, and generally through the district the favorable condition of the live stock market has been conducive to a liberal movement of meat animals and a considerable reduction of loans based on that class of property. Demand for funds for conditioning live stock, however, continues active.

Between May 8 and June 12, security loans of the reporting member banks decreased slightly, while all other loans chiefly for commercial and agricultural purposes showed a gain of approximately 0.7 per cent. Deposits of these banks, which have been decreasing steadily since the second week in January, reached a new low point for the year in the first week of June. Borrowings of all member banks from this institution increased sharply in the first week of this month. To some extent this reflected heavy requirements of individuals and corporations for meeting the June 15 income tax installment. Following the usual sharp upward movement in investments of reporting member banks around June 1, the total of this item in the second week of June fell to the level prevailing at the middle of May.

While actual quotations were changed in minor degree only, the trend of rates was firmer. At St. Louis banks, current rates were as follows: Prime commercial loans, $5\frac{3}{4}$ to $6\frac{1}{2}$ per cent; collateral loans, 6 to 7 per cent; loans secured by warehouse receipts, $5\frac{3}{4}$ to 6 per cent; interbank loans, $5\frac{3}{4}$ to 6 per cent, and cattle loans 6 to 7 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on June 12, 1929 showed a decrease of 2.1 per cent as contrasted with

(Compiled June 21, 1929)

May 15, 1929. Deposits decreased 1.3 per cent between May 15, 1929 and June 12, 1929 and on the latter date were 5.2 per cent smaller than on June 13, 1928. Composite statement follows:

	*June 12, 1929	*May 15, 1929	*June 13, 1928
Number of banks reporting.....	127	128	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$227,295	\$241,304	\$216,794
All other loans and discounts....	285,446	282,621	284,126(1)
Total loans and discounts.....	\$512,741	\$523,925	\$500,920(1)
Investments			
U. S. Government securities.....	59,664	71,251	79,347
Other securities.....	113,611	105,753	142,114
Total investments.....	\$173,275	\$177,004	\$221,461
Reserve balance with F. R. bank..	45,079	44,656	46,328
Cash in vault.....	6,368	6,010	7,792
Deposits			
Net demand deposits.....	373,697	377,357	392,864
Time deposits.....	228,477	232,325	243,055
Government deposits.....	522	1,173
Total deposits.....	\$602,696	\$610,855	\$635,919
Bills payable and rediscounts with			
Federal Reserve Bank.....	25,865	20,445	20,445

*In thousands (000 omitted).

†Decrease due to consolidation. These 27 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 endorsements, while figures for 1929 exclude same.

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.

	*May, 1929	*April, 1929	*May, 1928	May, 1929 comp. to April, 1929	May, 1928 comp. to May, 1928
East St. Louis & Natl.					
Stock Yards, Ill. \$	70,770	\$ 68,556	\$ 64,802	+ 3.2%	+ 9.2%
El Dorado, Ark.....	8,401	8,792	9,658	— 4.4	—13.0
Evansville, Ind.....	37,220	43,886	53,135	—15.2	—30.0
Fort Smith, Ark.....	13,234	14,357	13,125	— 7.8	+ 0.8
Greenville, Miss.....	3,687	3,827	3,479	— 3.7	+ 6.0
Helena, Ark.....	4,345	3,529	3,521	+23.1	+23.4
Little Rock, Ark.....	77,515	80,886	80,161	— 4.2	— 3.3
Louisville, Ky.....	213,355	198,707	210,514	+ 7.4	+ 1.3
Memphis, Tenn.....	155,679	165,176	140,400	— 5.7	+10.9
Owensboro, Ky.....	6,001	6,107	5,528	— 1.7	+ 8.6
Pine Bluff, Ark.....	10,731	10,809	10,495	— 0.7	+ 2.2
Quincy, Ill.....	13,430	14,459	12,319	— 7.1	+ 9.0
St. Louis, Mo.....	791,230	810,565	849,315	— 2.4	— 6.8
Sedalia, Mo.....	4,793	5,169	5,189	— 7.3	— 7.6
Springfield, Mo.....	16,614	15,351	18,748	+ 8.2	—11.4
**Texarkana,					
Ark-Tex.....	16,570	16,579	14,533	— 0.1	+14.0
Totals.....	\$1,443,575	\$1,466,755	\$1,491,443	— 1.6	— 3.2

*In thousands (000 omitted).

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

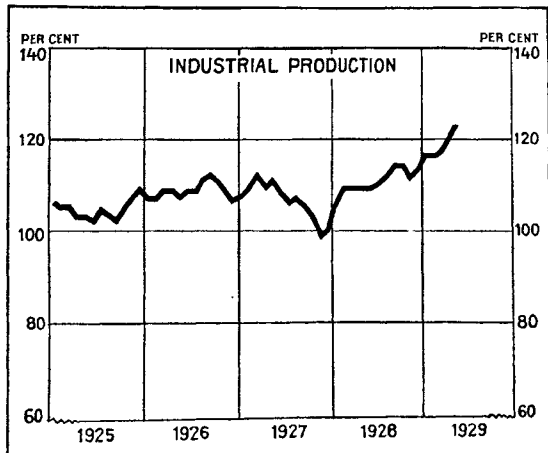
Federal Reserve Operations — During May the Federal Reserve Bank of St. Louis discounted for 234 member banks, against 225 in April and 186 in May, 1928. The discount rate remained unchanged at 5 per cent. Changes in the principal assets and liabilities of the institution as compared with the preceding month and a year ago appear in the following table:

	*June 20, 1929	*May 20, 1929	*June 20, 1928
Bills discounted.....	\$46,829	\$49,801	\$54,286
Bills bought.....	398	1,142	415
U. S. Securities.....	16,625	13,625	7,125
Total bills and securities.....	\$63,852	\$64,568	\$61,826
F. R. Notes in circulation.....	56,971	58,288	55,453
Total deposits.....	80,548	75,003	81,856
Ratio of reserves to deposits			
and F. R. Note Liabilities.....	60.7%	59.1%	60.3%

*In thousands (000 omitted).

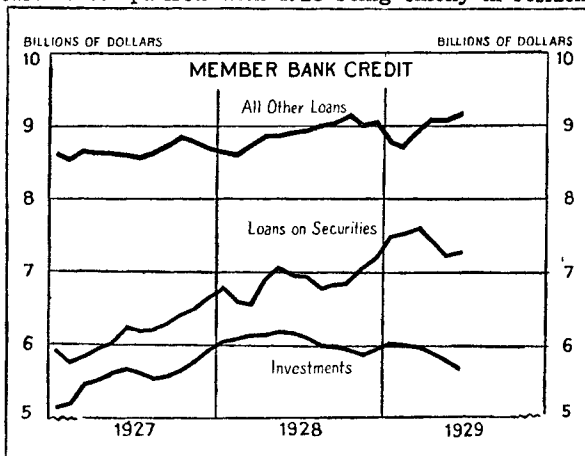
BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION—Industrial production continued large in May and was accompanied by a further increase in the volume of factory employment and payrolls. Output of the iron and steel industry increased further, and shipments of iron ore during May were the largest for that month of any recent year. Production of pig iron, steel ingots, and coke was at record levels, and semifinished and finished steel was produced in large volume. During the first half of June, steel operations remained close to capacity, although some decline from the high rate of May was re-



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, May, 123.

ported. Output of automobiles, which has been in unusually large volume since the beginning of the year, showed a slight reduction in May. Copper production at mines, smelters, and refineries decreased during May, but continued large. Combined stocks of refined and blister copper at the end of May were the largest since 1927. Zinc, lead, petroleum, and bituminous coal were produced in larger volume than in April while the output of anthracite coal declined. Output in the textile industries continued large in May, although there was a decline in activity in silk mills. Meat production, while larger than in April, increased less than is usual at this season. Value of building contracts awarded declined in May, and was below last year's level, the decrease in comparison with 1928 being chiefly in residential

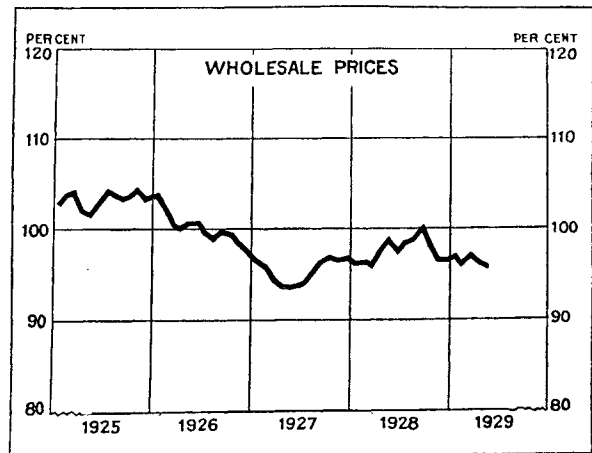


Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first three weeks in June.

building. During the first two weeks in June contracts averaged 15 per cent less than in the same period in 1928. The June 1 crop summary of the Department of Agriculture indicated an increase of 43,000,000 bushels, or more than 7 per cent in the crop of winter wheat. The condition of spring wheat, barley and hay was reported to be better than a year ago.

DISTRIBUTION—The volume of freight shipments increased seasonally in May and continued substantially above the total of a year ago. Department store sales increased in May and were 2 per cent larger than in the same month in the preceding year.

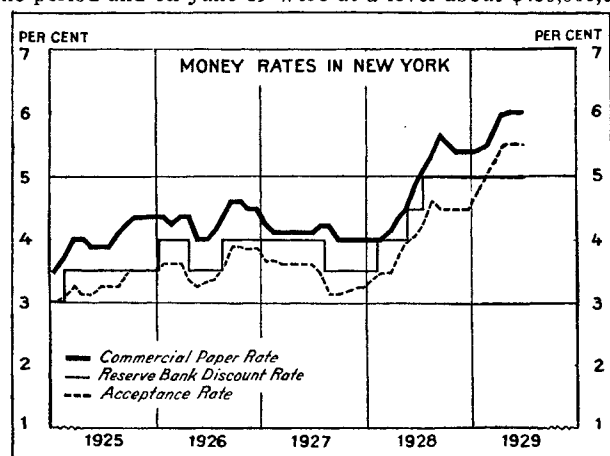
PRICES—Wholesale prices continued in May the downward movement of the previous month, according to the index of the United States Bureau of Labor Statistics. The decline of the general level was chiefly the result of price declines in agricultural products and their manufacturers, although prices of other products also declined slightly. Prices of cotton and grains continued sharply downward in May and there were marked declines in hogs, wool and lambs. Prices of mineral and forest products and their manufactures averaged lower in May than in April,



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, May, 95.8.

particularly those of copper, lead and tin. Petroleum and gasoline and iron and steel advanced in price, while in lumber there was a slight decline. Since the latter part of May prices of cattle and hides have advanced sharply and there have been increases in grains, hogs, and cotton.

BANK CREDIT—Total loans and investments of member banks in leading cities, which were at a low point for the year in the latter part of May increased considerably during the subsequent 3 weeks and on June 19 were about \$250,000,000 larger than a year ago. The recent increase reflected a large growth in the volume of loans on securities, which had declined during the preceding two months, and a further growth in loans chiefly for commercial and agricultural purposes. Investments declined during most of the period and on June 19 were at a level about \$450,000,000



Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 22 days in June.

below that of the middle of last year. Volume of reserve bank credit outstanding, after increasing in the latter part of May, declined in June and following the treasury financial operations around the middle of the month, showed a small increase for the 4 weeks ending June 19. Discounts for member banks increased, while holdings of acceptances and U. S. securities showed a decline. There were some further additions to the country's stock of monetary gold. Open market rates on collateral loans declined in June, while rates on prime commercial paper and 90 day bankers' acceptances remained unchanged.