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

AS REFLECTED in reports of leading interests in the most important commercial and industrial lines, business in this district during the past thirty days developed moderate improvement over the similar period immediately preceding, and was measurably better than during the corresponding time last year. Production and distribution of merchandise continued on a large scale, and purchasing of a broad variety of commodities for future delivery was in heavier volume than was the case during the past several months. Stimulated by warmer weather, the movement of seasonal merchandise in late July and early August picked up substantially, with improvement most marked in retail channels. Special sales of apparel, dry goods, furniture and hardware conducted by retail establishments met with good response, and resulted in substantial reduction in stocks. Wholesalers in the chief distributing centers reported that the market season during the first two weeks of August brought an unusually large number of visiting merchants, and the character and volume of their buying indicated a considerable degree of confidence in prospects for fall and early winter trade.

Activity in the iron and steel industry was maintained at, or close to the high levels obtaining since early in the spring. Curtailment of output at some foundries and mills was ascribed chiefly to inefficiency due to extreme high temperatures. Farm implement, electrical supply, stove and boot and shoe manufacturers reported accretions to unfilled orders, and in a number of notable instances these interests augmented their working forces. Production and distribution of automobiles decreased in July, both as compared with the preceding month and a year ago. There was a decline in building activity, reflected in rather sharp decreases in permits granted and contracts let. Producers of building materials reported a slowing down in demand for their goods. Activity at textile mills declined slightly, but gains were reported by beverage, food products, and packing establishments and by flour mills. Department store sales were larger than a year ago, and debits to checking accounts in July, while slightly less than in June, were 9.6 per cent greater than in July, 1928.

Taken as a whole the past six weeks were the most favorable for agriculture of any like period this year. Growing crops, particularly corn, cotton, tobacco, and rice, made good progress, and due to the more seasonable weather, a considerable part of the backwardness of the early season was overcome. While still somewhat behind the usual seasonal schedule, there is less apprehension of the main crops failing to reach maturity because of early frosts than was the case early in the summer. Delayed farm work in all sections of the district has been well caught up with, and considerable soil preparation for winter wheat seeding accomplished. Fruit and vegetable prospects on August 1 were less favorable than a month earlier, and there was a rather sharp decline in prices of wheat, corn and cotton since the first of this month.

There was no change worthy of note in the bituminous coal situation as contrasted with the preceding thirty days. In some sections moderate improvement in demand for domestic coal was noted, and consumption in all leading industrial centers continued at above the average rate for this time of year. Railroads were purchasing for storage in slightly larger volume than heretofore, and contracting by municipalities, public utilities companies and public institutions was in considerable volume. According to the U. S. Bureau of Mines, consumers' stocks of bituminous coal continued to decline during the second quarter, and on July 1 stood at 33,100,000 tons a decrease of 3,800,000 tons since April 1, and the smallest tonnage in storage since the fall of 1922. For the country as a whole production of soft coal during the present calendar year to August 10, approximately 186 working days, was 307,531,000 tons, against 283,294,000 tons for the corresponding period in 1928, and 322,100,000 tons in 1927.

Stimulated by a cereal movement of unprecedented volume, freight traffic of railroads operating in this district during the past thirty days was larger than for any similar period in past seasons. Gains were made in merchandise and miscellaneous freight classifications, and the movement of ore, coal and coke was also in heavy volume. For the country as a whole, loadings of revenue freight during the first 31 weeks this year, or to August 3, totaled 30,854,351 cars, against 29,454,635 cars for the corresponding period in 1928, and 30,458,893 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 249,282 loads in July, the largest for any month this year except May, and comparing with 242,703 loads in June and 236,289 loads in July, 1928. For the first nine days of August the interchange amounted to 75,738 loads, against 66,811 loads during the corresponding period in July and 69,688 loads during the first nine days of August, 1928. Passenger traffic of the reporting roads decreased 2 per cent in July as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in July was 94,300 tons, against 103,934 tons in June, and 112,284 tons in July, 1928.

Reports relative to collections reflected considerable irregularity with reference to the various lines. In the case of goods for ordinary consumption, such as boots and shoes, dry goods and apparel, payments were generally in good volume. Settlements with producers and distributors of building materials and other classifications of goods of the more permanent sort were backward. As was the case thirty days earlier, collections in the country were held down by preoccupation of agriculturists with harvests and intensive field work. The vacation period adversely affected the volume of payment to retailers in the large cities. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1929	1.4%	25.0%	57.0%	16.6%
June, 1929	2.9	35.1	41.8	20.2
July, 1928	1.3	26.1	60.0	10.8

Commercial failures in the Eighth Federal Reserve District in July, according to Dun's numbered 111, involving liabilities of $1,331,242, against 98 defaults in June with liabilities of $1,894,983, and 98 failures for a total of $2,228,466 in July, 1928.

The average daily circulation in the United States in July was $4,764,000,000 against $4,687,000,000 in June and $4,746,000,000 in July, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car, truck and taxicab production in the United States in July was 500,331, which compares with 545,252 in June and 392,076 in July, 1928.

With the exception of January, distribution of automobiles in this district during July was the smallest for any month this year, and the total was considerably less than that in July, 1928, according to reports to the Federal reserve bank from 320 dealers. Preliminary reports for the first half of August indicate that sales reflect generally disappointing results in both the large cities and the country, with the volume smaller than during the corresponding period a year ago. According to dealers there is a disposition on the part of prospective purchasers to postpone filling their requirements, the principal reason for which are expectation of price reduction and waiting for new models. In the rural areas uncertainty relative to the outcome of certain crops and prices to be realized on them had a tendency to hold down buying of automobiles. Preoccupation of farmers with harvests also served to curtail the volume of sales by country dealers. A quite general comment of dealers in the urban centers was that new prospects, that is persons who have not previously owned cars, are not as numerous as heretofore, and renewal sales are being more depended upon for disposing of stocks. Collections on cars bought on the deferred payment plan were less satisfactory than earlier in the year, and an increase in the number of repossessions was noted. July sales of new passenger cars by 320 dealers scattered through the district were 0.6 per cent smaller than in June, and 17.4 per cent less than in July, 1928. Stocks of new cars in dealers' hands on August 1 were 8.2 per cent larger than on July 1, and 22.6 per cent greater than on August 1, 1928. In the used car market, sales were more difficult to effect, and due to an unusually large number of old automobiles being turned in on trades for new machines, stocks showed a rather sharp gain. Stocks of salable secondhand passenger cars on hand on August 1 were 8.2 per cent larger than on July 1, and 22.5 per cent larger than on August 1, 1928. Business in accessories and parts made a relatively better showing than was the case with automobiles proper, dealers' July sales being 1.0 per cent less than in June and 2.3 per cent larger than in July, 1928. There was no change worthy of note in the tire situation as contrasted with the preceding thirty days. According to dealers reporting on that item, sales of new passenger cars on the deferred payment plan in July constituted 53.2 per cent of their total sales, against 55.0 per cent in June, and 48.9 per cent in July, 1928.

Boots and Shoes — July sales of the five reporting interests were 14.7 per cent larger than for the same month in 1928, and 49.0 per cent greater than the June total this year. Stocks on August 1 were 7.6 per cent larger than thirty days earlier, and 17.5 per cent smaller than on August 1, 1928. In the month-to-month sales comparison the increase is seasonal in character, but somewhat larger than the average during the past half decade. Orders received from salesmen on the road since August 1 reflect a fair gain over the corresponding period a year ago. There was no change in prices worthy of note as compared with the preceding thirty days. Factory operation was at from 95 to 100 per cent of capacity.

Clothing — Business in this classification during July was below expectations. While more seasonable weather stimulated the movement of summer apparel through retail channels, ordering for fall and winter was backward. Demand for work clothing continued to lag, but there was a brisk call for boys' school suits. Since August 1 business has been stimulated by the large number of merchants visiting the main distributing centers, and a substantial pickup in buying fall and winter goods was noted. Sales of the reporting clothiers during July were 57.2 per cent smaller than in June, and 35.7 per cent less than for July, 1928.

Drugs and Chemicals — The high rate of activity which featured this industry during earlier months continued during the past thirty days. Sales of the reporting firms in July were 20.2 per cent greater than for the same month in 1928, and 5.4 per cent in excess of the June total this year. Stocks on August 1 were larger by 1.1 per cent and 1.8 per cent, respectively, than a month and a year earlier. The movement of seasonal goods was in large volume, with sales of soda fountain supplies the largest for any month in more than two years. Purchasing by the general manufacturing trade of heavy chemicals and drugs showed less than the usual seasonal shrinkage. Prices were in the main steady as compared with the month before.

Dry Goods — July sales of the eight reporting firms were 1.9 per cent smaller than for the same month in 1928, but 28.7 per cent in excess of the June total this year. Stocks on August 1 were 3.9 per cent larger than on July 1, and 17.1 per cent smaller than on August 1, 1929. An exceptionally good market season beginning August 1 has resulted in a considerable increase in orders for fall and winter delivery. Country merchants were more disposed to fill requirements than earlier in the year. Uncertainty relative to prices and crop outcome had a tendency to hold down buying of cotton goods.

Electrical Supplies — As has been the case for the past several months, business in this classification in July showed a gain over the same month last year. There was a decrease in the volume of purchasing by the building industry, but this was offset by increased sales of radio material, electrical appliances, small motors, and line and pole hardware. The movement of fans and other seasonal commodities at retail showed substantial gains. July sales of the reporting interests were 1.4 per cent larger than for the same month in 1928, and 3.1 per cent smaller than the June total this year. Stocks on August 1 were 15.0 per cent and 10.8 per cent smaller, respectively, than a month and a year earlier.

Flour — Production at the 12 leading mills of the district in July totaled 383,805 barrels, against 360,335 barrels in June and 351,234 barrels in July, 1928. Stocks of flour in St. Louis on August 1 were 8.3 per cent smaller than on July 1, and 16.0 per cent less than on August 1, 1928. Business was unsettled by the violent fluctuations in cash wheat, and all classes of buyers were disposed to postpone purchasing or to take only what was absolutely necessary. The seasonal demand, however, accounted for the movement of considerable quantities, and in the immediate past sales to the domestic trade have improved, and some workings for export, particularly to the United Kingdom, were reported. Blenders and brokers generally, however, complained of lack of new business and slow shipping directions. Mill operations were at 60 to 65 per cent of capacity.

Furniture — July sales of the 13 reporting interests were 9.4 per cent smaller than for the same month in 1928, and 9.3 per cent greater than the June total this year. Stocks on August 1 were 0.1 per cent larger than a month earlier, and 0.2 per cent less than on August 1, 1928. The decline in residential building has had an adverse effect on sales of household furniture as compared with the past two seasons. Demand for hotel and theater equipment is reported active. Advance sales for fall and winter delivery have developed some improvement since the middle of July.

Groceries — Due chiefly to more seasonable weather and improvement in purchasing in the rural areas, sales of the 13 reporting interests in July showed a gain of 5.3 per cent over the same month in 1928, and of 2.7 per cent over June this year. Stocks on August 1 were 7.4 per cent and 10.8 per cent smaller, respectively, than a month and a year earlier. Prices averaged about steady with the preceding thirty days.

Hardware — The usual summer recession in distribution of hardware was in evidence during the past thirty days, but was considerably less marked than during the past several years. Buying of hand implements, fencing, canning supplies and other materials used in the country was in considerable volume. The general run of shelf hardware was less active than heretofore, and building tools and materials were reported quiet. July sales of the 12 reporting interests were 3.5 per cent smaller than for the same month in 1928, and 1.1 per cent larger than the June total this year.

Iron and Steel Products — New orders booked and specifications on goods previously sold by producers and distributors of iron and steel in this district during the past thirty days, continued considerably larger than the average seasonal volume during the past several years. The rate of activities at a number of mills, foundries, and machine shops was reduced somewhat during late July and the first two weeks of this month, but this was accounted for primarily by the extreme high temperatures. Unfilled orders, however, have been slowly reduced, the total on August 1 being slightly less than thirty days earlier, though substantially larger than on the corresponding date in 1928. Purchasing by the railroads of track, bridge and miscellaneous materials was in good volume, though new orders for freight and passenger cars declined as compared with earlier months this year. During July specifications on materials for the automotive industry decreased, and since August 1 there has been a further contraction in the outlet for ferrous goods through that industry. Demand for sheets, particularly blue annealed and black descriptions, was active, with mill deliveries still several weeks deferred. Some improvement was noted in the call for galvanized sheets, mainly from the south. Fabricators of structural iron and steel report numerous small lettings, the aggregate of which has been sufficient to maintain operations at, or close to the rate of the preceding month. Demand for building materials for housing projects continues quiet, but heavy tonnages of reinforcing concrete bars are being absorbed in highway construction and river and municipal improvement work. Manufacturers of stoves report advance orders for early fall delivery considerably in excess of the same time last year. Demand for oil country goods has improved, being stimulated by operations in the recently opened Western Illinois field. There was no change as contrasted with the preceding thirty days in the farm implement trade. Wire and wire products, with the exception of wire nails, are moving in considerable volume. Distributors of iron and steel from warehouses report irregularity in the demand for their commodities, but with the average well ahead of the same time last year. Purchasing by the general manufacturing trade has been well sustained throughout the summer, with several important lines accounting for larger tonnages than during any previous season. Production of pig iron for the country as a whole in July totaled 3,782,511 tons, the largest on record for that particular month, and comparing with 3,715,104 tons in June and 3,072,711 tons in July, 1928. The price of pig iron declined in this district during late July, but melters failed to follow the break, and purchasing was in small volume, and mainly for well defined needs. Steel ingot production in the United States in July totaled 4,838,093, tons against 4,881,370 tons in June, and 3,805,598 tons in July, 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	
	July, 1929 comp. to July, 1928	7 months ending July 31, 1929 to same period 1928	July 31, 1929 comp. to July 31, 1928	Jan. 1, to July 31, 1929	Jan. 1, to July 31, 1928
Evansville	—22.4%	— 0.3%	+ 7.9%	1.34	1.38
Little Rock	— 1.5	— 1.5	— 7.5	1.40	1.29
Louisville	— 3.6	— 0.4	— 0.6	1.80	1.72
Memphis	— 2.8	— 3.6	— 5.6	1.80	1.75
Quincy	— 4.9	+ 6.1	+12.9	1.49	1.46
St. Louis	+ 7.8	+ 2.9	— 4.2	2.26	2.08
Springfield, Mo.	— 5.4	— 6.1	+ 1.9	.83	.93
8th District	+ 3.4	+ 1.1	— 3.8	2.00	1.87

	Net sales comparison		Stocks on hand	
	July, 1929 comp. to July, 1928	July, 1929 comp. to June, 1929	July, 1929 comp. to July, 1928	July, 1929 comp. to June, 1929
Men's furnishings	—10.8%	—26.5%	— 7.9%	— 8.0%
Boots and shoes	— 4.9	—24.5	—11.0	—20.2

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

	Percentage increase or decrease July, 1929 compared to July, 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods	—17.1%	—11.3%
Ready-to-wear accessories	— 0.8	— 8.4
Women and misses' ready-to-wear	— 3.6	+ 7.1
Men's and boys' wear	— 6.8	—10.3
Home furnishings	— 4.1	— 8.5

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in July by selected industrial customers as being 2.2 per cent greater than in June, and 16.9 per cent greater than in July, 1928. The gains from June to July were mainly in electric refrigerator plants, furniture and food products factories and coal mines, while in the yearly comparison increases were general through all classes of service. Detailed figures follow:

	No. of Customers	July, 1929 *K.W.H.	June, 1929 *K.W.H.	July, 1929 comp. to June, 1929	July, 1928 *K.W.H.	July, 1929 comp. to July, 1928
Evansville	40	1,874	1,826	+ 2.6%	1,445	+29.7%
Little Rock	35	2,134	2,343	— 8.9	2,016	+ 5.9
Louisville	89	7,859	7,596	+ 3.5	5,471	+43.6
Memphis	31	1,232	1,320	— 6.7	1,227	+ 0.4
St. Louis	135	23,240	22,486	+ 3.4	20,928	+11.0
Totals	330	36,339	35,571	+ 2.2	31,087	+16.9

*In thousands (000 omitted).

The following figures compiled by the Department of the Interior, show kilowatt production both for lighting and industrial purposes for the country as a whole:

	By water power	By fuels	Totals
June, 1929	3,071,756,000	4,697,034,000	7,768,790,000
May, 1929	3,485,021,000	4,608,352,000	8,093,373,000
June, 1928	3,085,173,000	3,911,308,000	6,966,481,000

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in July were 5.8 per cent smaller than in June, and 46.8 per cent less than in July, 1928. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in July totaled $38,681,947, against $41,847,546 in June and $50,557,263 in July, 1928. There was no change in building costs as contrasted with the preceding thirty days, prices of building material and wage scales remaining constant. Production of portland cement for the country as a whole in July totaled 17,216,000 barrels, against 16,775,000 barrels in June, and 17,474,000 barrels in July, 1928. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	498	436	$ 753	$ 156	54	58	$ 45	$ 21
Little Rock	51	41	161	149	67	61	18	33
Louisville ..	184	261	663	1,568	66	74	206	85
Memphis ...	370	301	1,110	899	60	85	41	121
St. Louis....	606	554	2,182	6,391	412	433	449	390
July totals	1,709	1,593	$4,869	$9,163	659	711	$ 759	$650
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	1,050	771	1,010

*In thousands of dollars (000 omitted).

AGRICULTURE

Taken as a whole weather conditions in this district during the past thirty days were the most favorable for agriculture experienced since early spring. Temperatures were more seasonable, rainfall was for the most part adequate and certain important crops which were backward earlier in the year were brought closer to the usual seasonal schedule. While considerable irregularity still exists, both with reference to different localities and the several crops, improved prospects were the rule in a majority of states of the district. In the main, harvesting of early crops was carried forward under auspicious conditions. Supplies of farm labor were sufficient for all requirements, and adequate transportation and other facilities for moving and marketing the principal products were furnished. In case of the field crops, complaints of damage from insect pests were somewhat less numerous than in preceding seasons. Fruit and vegetable growers, however, suffered from heavy infestations in many sections, and the outlook for tree fruits in some localities is less favorable than was indicated earlier in the season.

Of the principal crops, corn, tobacco, sweet potatoes and rice showed improvement over the July 1 prospects. Indicated yields of potatoes, and most fruits declined. Except that hay, pastures and legumes showed need of moisture in late July in some areas, green field crops made favorable progress. Since August 1 droughty conditions have been corrected by good, scattered rains. This precipitation, in addition to substantially assisting vegetation, served to put the soil in good shape for plowing and cultivation for fall wheat seeding. Farmers generally are well up on their work.

Winter Wheat — Yields of winter wheat have not been up to expectations, and quality is spotty, little of the early shipped grain grading No. 1. Heavy rains at heading resulted in many heads not filling out well, and frequent hail storms lowered production. Results of too much moisture during the spring are reflected in lowered quality, and considerable cheat is in the wheat this year. Threshing has been completed, and the movement to market has been unusually large. In Illinois, the chief wheat producing state of the district, the average yield is 14.7 bushels to the acre against a 10-year average of 16.9 bushels; in Missouri the average yield is 10.0 bushels against a 13.1 bushels average. For the district the yield is estimated at 45,358,000 bushels, against 29,975,000 bushels in 1928.

Corn — Based on the August 1 condition, the U. S. Department of Agriculture estimates the output of corn in this district at 330,513,000 bushels, which compares with 358,882,000 bushels harvested in 1928. While there was general improvement during July and early August, and the crop made unusually rapid growth, unfavorable conditions earlier in the season are reflected in irregular stands. There are long blank stretches in rows and spots washed out of early and mid-season plantings. Many of the later fields, however, show good growth and stand a fair chance of maturity. Generally through the northern stretches of the district, very favorable weather and late frosts will be essential to the success of the crop. Chinch bugs and other insect pests are complained of in many sections, and considerable local damage was wrought by heavy rain and hail storms. For the country as a whole the 1929 corn crop is estimated at 2,741,000,000 bushels, an increase of 79,000,000 bushels over the indicated yield on July 1, and comparing with 2,836,000,000 bushels harvested in 1928, and a 5-year average (1923-1927) of 2,747,000 bushels.

Oats — Production of oats in the Eighth Federal Reserve District is estimated by the U. S. Department of Agriculture at 50,427,000 bushels, against 66,278,000 bushels harvested in 1928.

Fruits and Vegetables — August 1 conditions indicate generally smaller fruit and vegetable crops than a year ago and the 5-year average. In the case of tree and vine fruits, excessive rains in early spring prevented proper polinization. The heavy rain also seriously interfered with spraying operations, resulting in poor quality of matured fruits, and substantial damage from insect and fungus pests. The drop of apples and peaches in many sections has been unusually heavy this summer, and has considerably lowered earlier prospects. Due chiefly to a bumper crop in Illinois, the total output of peaches in states entirely or partly within the district will be of record size, 10,639,000 bushels, against 9,758,000 bushels in 1928, and a 5-year average of 7,111,000 bushels. Notwithstanding the large number of new vineyards brought into bearing this year, the estimated production of grapes for these states is only 40,086 tons, against 45,607 tons last year, and 23.301 tons, the 5-year average. Total production of apples in states of the district is estimated at 17,697,000 bushels, of which 2,285,000 barrels represents commercial crop, against 24,990,000 bushels harvested in 1928, of which 2,544,000 barrels were commercial crop, and a 5-year average of 24,306,000 bushels, of which 2,555,000 barrels represented commercial crop. The yield of pears is estimated at 1,881,000 bushels, which compares with 1,666,000 bushels in 1928, and a 5-year average of 1,638,000 bushels. Prospects for sweet potatoes improved in July, and based on the August 1 condition the output in states of the district is estimated at 17,591,000 bushels, against 16,078,000 bushels harvested in 1928 and a 5-year average of 19,004,000 bushels. Unfavorable planting and early growing conditions have resulted in a reduction in white potatoe prospects as contrasted with last year. The total yield for this district is estimated at 13,586,000 bushels, against 19,510,000 bushels harvested in 1928.

Live Stock — The condition of live stock generally through the district during July and early August was reported favorable. More seasonable weather and abundant feed supplies have resulted in a minimum of disease among herds. Hog prices in July increased over the preceding month, and the movement to market was the largest for that particular month in recent years. Illinois, Missouri and Indiana farmers report contracting for feeder cattle and lambs in considerable volume. The condition of pastures is universally high, and production of hay in this district is estimated at 8,782,000 tons, against 7,573,000 tons in 1928.

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

	Receipts			Shipments		
	July, 1929	June, 1929	July, 1928	July, 1929	June, 1929	July, 1928
Cattle and calves	130,186	89,230	119,227	83,131	59,258	79,900
Hogs	315,070	308,173	257,654	203,763	211,731	195,510
Horses and mules	2,908	1,728	1,811	2,956	1,217	2,336
Sheep	92,443	70,917	80,186	21,227	15,633	21,132

Cotton — Based on the August 1 condition, the Department of Agriculture estimates the production of cotton in the Eighth Federal Reserve District at 3,828,000 bales, against 2,715,000 bales harvested in 1928. Generally the crop made good progress during the past thirty days. The plant is fruiting heavily, and stands are mainly good. There have been unusually few complaints of insect or disease damage, and fields are clean. While the crop is earlier than in 1928, it is generally a few days later than the average of the past five years. Prices declined slightly during the period, the middling grade in St. Louis closing on August 16 at 14¼c against 18c on July 16, and 18¾c on August 16, 1928. Stocks of old cotton were reduced further, the total in Arkansas warehouses on August 16 being 26,625 bales, against 40,335 bales on the corresponding date in 1928.

Rice — Weather during July was dry and farmers experienced difficulty in keeping their fields irrigated, and cost of these operations has been higher than during the past several years. Prospects for the crop improved, however, the combined yield in Arkansas and Missouri being estimated at 7,233,000 bushels, or 1,253,000 bushels more than on July 1, and comparing with 8,109,000 bushels harvested in 1928, and a 5-year average of 7,857,000 bushels.

Tobacco — The Department of Agriculture estimated the production of all types of tobacco in this district at 313,617,000 pounds, against 243,978,000 pounds harvested in 1928. Dry weather in July retarded the development of the crop, and progress generally was unsatisfactory. Damage from disease was reported in sections of Kentucky. Recent rains have materially helped the situation, however, many farmers who had planned early harvest to save their crops will now be able to allow them to mature fully before cutting.

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

		High	Low	Close Aug. 15, 1929	Close Aug. 15, 1928
Wheat					
Sept.	per bu.	$1.49½	$1.28	$1.31¾	$1.10⅝
Dec.	"	1.55½	1.36⅝	1.41½	1.15¾
May	"	1.50¼	1.45¾	1.50¼	
No. 2 red winter	"	1.52	1.26½	$1.31 @ 1.33	$1,38 @ 1.40
No. 2 hard	"	1.44	1.23	1.28 @ 1.29	1.10 @ 1.11½
Corn					
Sept.	"	1.09⅜	.99½	1.03	.86⅞
Dec.	"	1.04¾	.92⅜	.96⅞	.72¾
No. 2 mixed	"	1.06	.98	1.00½ @ 1.01	.92 @ .92½
No. 2 white	"	1.08½	.98½	1.01½ @ 1.02	.92½ @ .93
Oats					
No. 2 white	"	.52	.42½	.42½ @ .43½	.38½ @ .39
Flour					
Soft patent	per bbl.	7.75	6.75	6.75 @ 7.00	6.50 @ 7.00
Spring patent	"	8.35	6.60	6.90 @ 7.00	6.30 @ 6.40
Middling cotton	per lb.	.18¾	.17¼	.17¼	.18¾
Hogs on hoof	per cwt.	12.40	9.00	9.15 @ 11.75	10.50 @ 12.50

FINANCIAL

A continued active demand for funds from a broad variety of borrowers and slightly higher rates prevailed in this district during the past thirty days. There was the usual seasonal expansion in requirements of commercial and industrial interests, and in the agricultural areas borrowing to finance the movement of crops was in considerable volume. Balances of country banks with city correspondents were further reduced and in addition the financial institutions in the country were borrowing from banks in the large urban centers to take care of local demands. Completion of the winter wheat harvest and the unusually heavy movement of grain from farms resulted in a sharp increase in commitments of grain handlers and flour mills. Borrowings in this category during early August were considerably larger than at the corresponding period a year ago. There is also a substantial call for funds to finance conditioning of live stock for market.

Demand for loans on securities continued in considerable volume, and between July 10 and August 14 total loans of the reporting member banks in this classification increased somewhat, though there was a moderate decrease in the accommodations granted to brokerage interests. Between these dates total loans of the reporting member banks, including rediscounts with the Federal reserve bank, increased 3.5 per cent, and the total on August 14 was the largest since the end of June. Deposits of these banks moved slightly upward from the low point of the present year, reached in the second week of July. Borrowing of all member banks from this institution increased in volume, and in the first week of August reached a new high point for the year.

Universally through the district the trend of interest rates was upward. This fact was reflected less in actual changes in current quotations than an increasingly greater volume of accommodations granted at the higher figures of the range on the several classifications of loans. 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, 6 to 7 per cent; interbank loans 5¾ to 6¾ per cent, and cattle loans, 6 to 7 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on Aug. 14, 1929 showed an increase of 2.4 per cent as contrasted with July 17, 1929. Deposits increased 1.0 per cent between July 17, 1929 and Aug. 14, 1929 and on the latter date were 4.5 per cent smaller than on Aug. 15, 1928. Composite statement follows:

	*Aug. 14, 1929	*July 17, 1929	*Aug. 15, 1928
Number of banks reporting	†25	†25	29
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds	$240,591	$233,538	$222,841
All other loans and discounts	287,580	282,059	285,250(1)
Total loanas and discounts	$528,171	$515,597	$508,091(1)
Investments			
U. S. Government securities	53,964	57,691	73,278
Other securities	111,215	110,938	135,400
Total investments	$165,179	$168,629	$208,678
Reserve balance with F. R. bank	43,004	43,628	44,788
Cash in vault	6,735	6,890	6,658
Deposits			
Net demand deposits	368,238	362,315	377,972
Time deposits	224,647	221,589	240,484
Government deposits	1,244	4,345	4,190
Total deposits	$594,129	$588,249	$622,646
Bills payable and rediscounts with Federal Reserve Bank	44,632	39,127	36,309

*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 represents 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, 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, 1929	*June, 1929	*July, 1928	July, 1929 comp. to June 1929	July, 1929 comp. to July 1928
East St. Louis & Natl. Stock Yards, Ill.	$ 79,636	$ 72,849	$ 69,289	+ 9.3%	+14.9%
El Dorado, Ark.	8,386	6,904	10,465	+21.5	—19.9
Evansville, Ind.	36,378	36,621	46,566	— 0.7	—21.9
Fort Smith, Ark.	12,178	11,723	12,607	+ 3.9	— 3.4
Greenville, Miss.	4,404	3,506	3,101	+25.6	+42.0
Helena, Ark.	5,294	4,184	3,446	+26.5	+53.6
Littel Rock, Ark.	75,829	69,252	69,545	+ 9.5	+ 9.0
Louisville, Ky.	215,832	210,959	195,034	+ 2.3	+10.7
Memphis, Tenn.	139,696	147,137	132,327	— 5.1	+ 5.6
Owensboro, Ky.	6,386	5,993	5,803	+ 6.6	+10.0
Pine Bluff, Ark.	9,879	9,280	8,781	+ 6.5	+12.5
Quincy, Ill.	14,902	13,388	12,568	+11.3	+18.6
St. Louis, Mo.	853,204	898,831	763,694	— 5.1	+11.7
Sedalia, Mo.	4,889	4,944	4,374	— 1.1	+11.8
Springfield, Mo.	16,765	17,438	16,308	— 3.9	+ 2.8
**Texarkana, Ark-Tex.	16,038	16,690	13,758	— 3.9	+16.6
Totals	$1,498,696	$1,529,699	$1,367,666	— 2.0	+ 9.6

*In thousands (000 omitted).
**Includes one bank in Texarkana, Texas not in Eighth District.

Federal Reserve Operations — During July the Federal Reserve Bank of St. Louis discounted for 247 member banks, against 241 banks in June and 200 banks in July, 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:

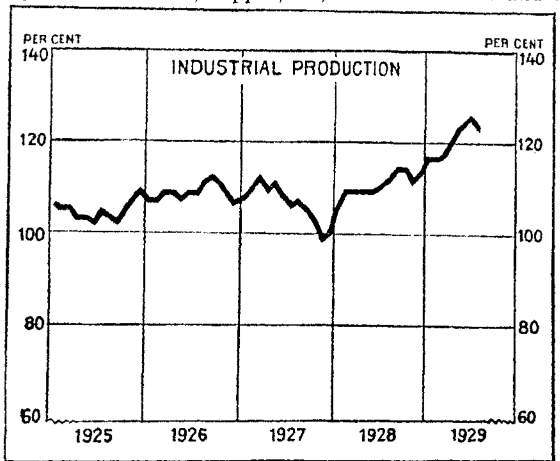
	*Aug. 22, 1929	*July 22, 1929	*Aug. 22, 1928
Bills discounted	$73,232	$60,280	$65,692
Bills bought	82	199	11
U. S. Securities		13,625	16,625
Totals bills and securities	$73,314	$74,104	$82,328
F. R. Notes in circulation	62,038	61,392	56,794
Total deposits	78,287	75,846	79,615
Ratio of reserve to deposits and F. R. Note Liabilities	54.1%	52.0%	46.6%

*In thousands (000 omitted).

(Compiled August 22, 1929)

Industrial production decreased slightly during July, but continued at higher levels than in other recent years. Wholesale commodity prices increased further during the month, reflecting chiefly higher prices of agricultural products. Loans for commercial and agricultural purposes by reporting member banks increased during July and the first half of August.

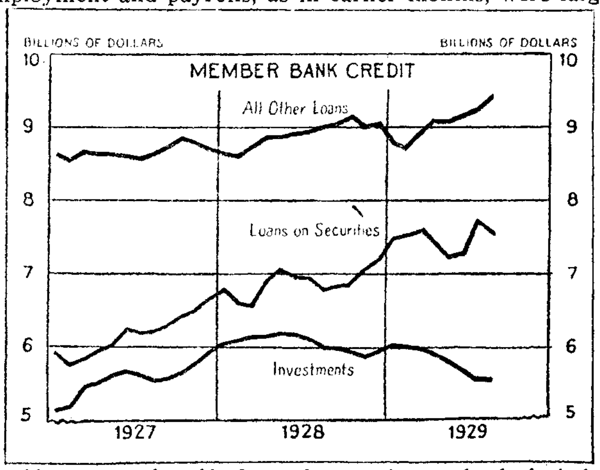
PRODUCTION—Output of manufacturers decreased in July, while mineral production increased. Average daily output of automobiles, copper, tin, zinc and cotton and wool



Index number of production of manufactures and minerals combined, adjusted for seasonal variation (1923-25 average=100). Latest figure, July, 124.

textiles decreased and there was a small decline in the production of iron and steel. In all of these industries, however, output was larger than in the same month in earlier years. Activity increased during July in silk and shoe factories and in meat packing plants and there was also a larger output of bituminous coal and crude petroleum than in June. Reports for the first half of August indicate sustained activity in the iron and steel and automobile industries, and a further increase in the output of coal and petroleum.

Employment in manufacturing industries decreased in July by less than one per cent, while a somewhat greater decrease in payrolls was reported. At this level, factory employment and payrolls, as in earlier months, were larger

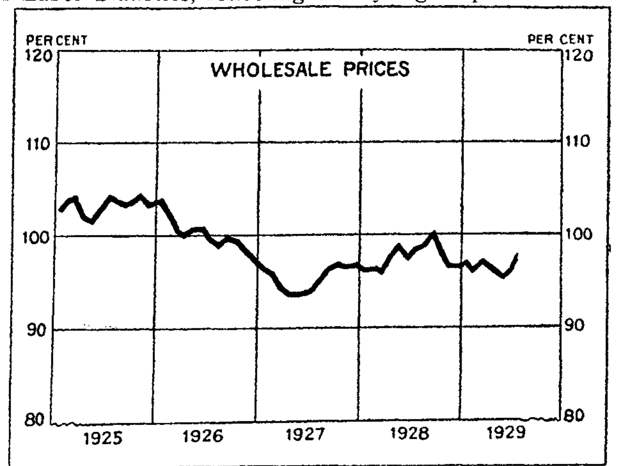


Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first three weeks in August.

than in any other year since 1926. Value of construction contracts awarded in July was higher than in the preceding month or in July, 1928, reflecting chiefly a sharp increase in contracts for public works and utilities. For the first half of August, however, total contracts declined to a level below the corresponding period a year ago. The August estimate of the Department of Agriculture indicates a wheat crop of 774,000,000 bushels, slightly below the five year average, and 128,000,000 bushels below last years' production, and a corn crop approximately equal to the five year average crop, or about 100,000,000 bushels smaller than in 1928. The cotton crop is estimated at 15,543,000 bales, seven per cent larger than last year.

DISTRIBUTION—Freight car loadings increased seasonally during July and the first two weeks of August, reflecting chiefly increased loadings of coal, grain and ore, while shipments of miscellaneous freight continued in about the same volume as in June. Sales of department stores declined seasonally from June and on a daily basis were about the same as in July a year ago.

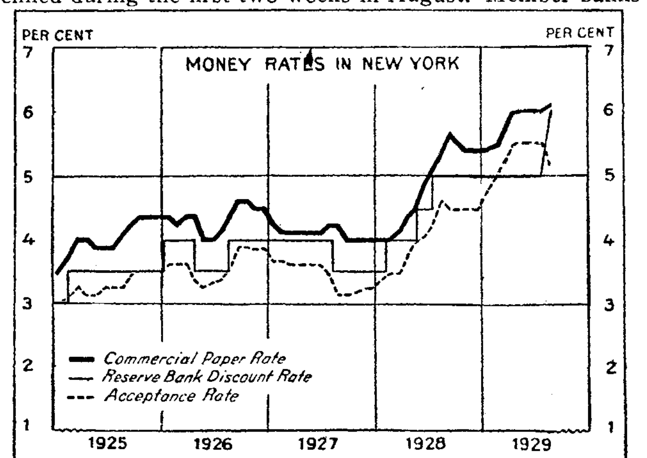
PRICES—Wholesale prices in July continued the rise which began in June, according to the index of the Bureau of Labor Statistics, reflecting chiefly higher prices for farm



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure July, 98.0.

products and their manufactures, particularly livestock and meats, grains and flour and potatoes. Prices of hides and leather also increased. Wool, rayon, and textile products declined slightly in prices. There was a marked advance in the price of sugar, and rubber prices also rose somewhat. Prices of petroleum and gasoline declined and prices of iron and steel were somewhat lower. During the first three weeks in August there were declines in the prices of cotton, petroleum, beef, sugar, oats, rubber and tin, and marked fluctuations in prices of pork and wheat.

BANK CREDIT—Loans for commercial purposes by reporting member banks increased to new high levels during the four weeks ending August 14, while security loans, after increasing further during the latter part of July, declined during the first two weeks in August. Member banks'



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 24 days in August.

borrowing at the reserve banks averaged $45,000,000 less during the week ending August 17 than in the week ending July 20 reflecting increased sales of acceptances to the reserve banks, and further imports of gold. Open market rates on call and time loans on securities were firmer during the last half of July and the first week of August. During the second week of August rates on call loans declined, while rates on commercial paper in the open market advanced from 6 to 6¼ per cent. On August 8 the discount rate of the Federal Reserve Bank of New York was increased from 5 to 6 per cent and the buying rate on bankers acceptances was reduced from 5¼ to the market rate of 5⅛ per cent.