



MONTHLY REVIEW

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

Released for Publication On and After the Morning of June 30, 1930

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Assistant Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

THE volume of trade and industry in this district during the past thirty days continued considerably below that of the same time a year earlier, and the level reached compared unfavorably with the average for the corresponding period during the past half decade. The tendency to slow down extended to retailing, wholesaling and manufacturing, but was somewhat more pronounced in production than distribution of commodities. Output in virtually all manufacturing lines was smaller in May than in April, and except in a limited number of industries affected by seasonal increase in demand, the pace since June 1 has not been accelerated. Due to the unusually small volume of orders for advance delivery, manufacturers are unwilling to complete large stocks of their products. Uncertainty relative to prices, coupled with extreme conservatism in purchasing by ultimate consumers, has a tendency to hold down commitments of wholesale and retail establishments as close as possible to absolute requirements.

The movement of seasonal goods through both wholesale and retail channels was retarded to some extent by cool weather. Lines particularly affected were apparel, boots and shoes, millinery, men's hats, groceries, sporting goods, hardware and electrical supplies. Retail trade was adversely affected in the country by the continued depression in market prices of leading agricultural products and live stock. There was a sharp drop in cereal values, wheat declining to the lowest point recorded since 1914, and corn to the lowest level on the crop. A new low for the season was also recorded on cotton, and cattle and sheep continued at levels considerably below those obtaining at the corresponding period in 1929. Taken as a whole agricultural prospects in the district improved slightly during May, but conditions are spotty and uneven, due to drouth over a broad area during April, May and early June, and to extreme low temperatures during the past winter, and late frosts and freezes.

In the iron and steel industry a rather marked slump occurred in new orders booked, both as com-

pared with the preceding thirty days and the corresponding period a year ago. Specifications on goods previously contracted for were disappointing, and were reflected in a reduced volume of shipments from producing plants. Purchasing by the automotive and building industries failed to expand, while ordering by railroads was confined almost exclusively to necessities. Building continued below a year ago, but showed an upward trend as compared with April. The general employment situation was less satisfactory than a month earlier. Seasonal occupations absorbed large numbers of workers, but failed to take up all the slack occasioned by releases of industrial plants and railroads. An increase in idleness among clerical help in the large cities was noted. A general overplus of farm labor existed, due partly to ideal weather conditions which permitted farmers to perform much of their work without the aid of hired help.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade in May showed a decrease of 8.3 per cent as compared with the same month last year, and for the first five months this year the volume was 5.9 per cent smaller than for the corresponding period in 1929. Combined sales of all wholesale lines investigated showed a decrease of 19.4 per cent under the total for the same month last year. Construction contracts let in the Eighth Federal Reserve District in May were 16.0 per cent larger than in April, but 19.9 per cent smaller than in May, 1929. Debits to checking accounts in May were 5.4 per cent larger than in April, and 5.2 per cent less than in May, 1929. For the first five months this year the volume of debits shows a decrease of 10.5 per cent as compared with the corresponding period in 1929. The amount of savings deposits increased 0.1 per cent between May 7 and June 4, but the total on the latter date was 4.3 per cent smaller than at the same time in 1929.

Dullness which has obtained in the bituminous coal markets for the past several months remained unbroken during May and the first half of June. Both domestic and industrial demand were light.

Purchasing for stockpiles was spotted and irregular, with total tonnage taken for that purpose considerably below the average at the same period during the past five years. Operators in the Illinois, Indiana and Kentucky fields reported contracting by retail distributors in unusually small volume. The trend of prices was lower on coal from all fields. Taken as a whole, the most active purchasers were municipalities and public utilities, which have booked a large portion of their fall and winter requirements. The total production of bituminous coal during the present calendar year to June 7, approximately 135 working days, amounted to 205,073,000 tons, against 226,455,000 tons for the corresponding period last year, and 208,771,000 tons in 1928.

The movement of freight by railroads operating in this district continued in smaller volume than during the corresponding period a year and two years earlier. As has been the case throughout the year, decreases were spread generally through all classes of commodities. A particularly heavy decrease as contrasted with a year ago was noted in merchandise and miscellaneous freight. Loadings of revenue freight for the country as a whole during the first 23 weeks this year, or to June 7, totaled 20,423,506 cars, against 22,380,840 cars for the corresponding period last year and 21,467,901 cars in 1928. The St. Louis Terminal Railway Association which handles interchanges for 28 connecting lines, interchanged 217,226 loads in May, against 211,707 loads in April and 244,051 loads in May, 1929. During the first nine days of June the interchange amounted to 62,388 loads, which compares with 61,545 loads during the corresponding period in April and 68,471 loads during the first nine days of June, 1929. Passenger traffic of the reporting lines in May was 14.0 per cent smaller than during the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 124,300 tons, the largest this year, and comparing with 101,122 tons in April, and 123,850 tons in May, 1929.

Reports relative to collections during the past thirty days developed no marked changes as compared with conditions existing a month earlier. Taken as a whole, however, payments averaged lower than earlier months this year, and substantially below the corresponding period a year ago. Spottiness is reported, both with reference to different localities and the several lines. Generally through the agricultural areas retail collections are backward. Wholesalers in the large centers report some increase in requests for extensions and longer datings. Unevenness is reflected in collection reports of city retail establishments. Answers to question-

naires addressed to leading interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
May, 1930.....	1.0%	14.0%	58.5%	26.5%
April, 1930.....	1.5	12.4	63.5	22.6
May, 1929.....	3.4	32.0	50.4	14.2

Commercial failures in the Eighth Federal Reserve District in May, according to Dun's numbered 133, involving liabilities of \$4,959,105, against 128 failures in April with liabilities of \$4,114,163, and 107 failures for a total of \$1,215,307 in May, 1929.

The average daily circulation in the United States in May was \$4,497,000,000, against \$4,518,000,000 in April, and \$4,684,000,000 in May, 1929.

MANUFACTURING AND WHOLESALING

Automobiles — Combined passenger car, truck and taxicab production in the United States in May totaled 417,154, against 442,630 in April, and 604,020 in May, 1929.

Following the trend of the past several years, distribution of automobiles in this district during May, according to the reporting group of dealers, showed a decrease under the preceding month. There was also a decrease in May under the same month in 1929. Since last August, every month with the exception of February has shown smaller sales of passenger cars than the corresponding period a year earlier. In both comparisons losses were general through all classes of makes, but somewhat more marked in the high and medium-priced fields than with cars in the low-priced category. Dealers report continued hesitancy on the part of prospective purchasers to fill their requirements. Inquiries and prospects are fairly numerous, but for one reason or another it is difficult to affect sales. In the case of certain makes, buyers are holding off awaiting new models and possible price concessions. Many owners contemplating renewals are dissatisfied with trade-in terms offered for their old cars and prefer to use them for a while longer rather than turn them in at prices they consider a sacrifice. This is true particularly in the agricultural areas, where to a greater extent than in recent years, farmers are reconditioning their vehicles for additional service. This policy is reflected in relatively heavy sales of parts and accessories. Demand for trucks of all descriptions was in smaller volume than at the corresponding period a year or two years ago. Sales of new passenger cars by 320 dealers scattered through the district in May were 20.7 per cent smaller than in April, and 11.2 per cent smaller than the May, 1929 total. Due chiefly to extremely conservative purchasing by dealers, stocks of new cars on hand on June 1 were 18.9 per cent smaller than on the same date in 1929, and 8.7 per cent less than

on May 1 this year. Special campaigns by dealers in both the city and country to reduce their used car inventories resulted in a substantial decrease in the number of such vehicles on hand June 1. The total reported on that date was 6.2 per cent smaller than on May 1, and 4.9 per cent larger than on June 1, 1929. May sales of parts and accessories by the reporting dealers were 1.6 per cent and 1.0 per cent smaller, respectively, than a month and a year earlier. Stimulated by the advent of the touring season, sales of tires developed moderate improvement as compared with the preceding thirty days, but continued below the same time last year. According to automobile dealers reporting on that item, the ratio of deferred payment sales to total sales in May was 52.1 per cent of total sales, against 55.9 per cent in April and 53.1 per cent in May, 1929.

Boots and Shoes — May sales of the five reporting firms were 24.6 per cent smaller than for the same month in 1929 and 2.7 per cent larger than the April total this year. Stocks on June 1 were 9.3 per cent smaller than on May 1, and 6.1 per cent larger than on June 1, 1929. Some improvement in both immediate and future orders booked has taken place since June 1, but advance business is still in considerably smaller volume than at the same time last year. Prices of finished goods showed no change as compared with the preceding thirty days, but averaged about 5 per cent lower than a year ago. Factory operations were at a slightly higher rate than the preceding month, there being a disposition among manufacturers to increase stocks in anticipation of heavy fall demand.

Clothing — The depression which has obtained in the apparel industry since early in the year continued during the past thirty days. Sales of the reporting interests in May showed a decline of 23.6 per cent as compared with the same month in 1929 and the total was also considerably smaller than in April this year. Purchasing of retailers and ultimate consumers is being held to absolute requirements. Demand for work clothes, both in the cities and rural sections, continues quiet. The trend of prices was lower.

Drugs and Chemicals — Sales of the six reporting interests in May were 3.3 per cent smaller than for the same month in 1929, and 0.5 per cent below the April total this year. Stocks on June 1 were larger by 14.3 per cent than on the same date in 1929 and 3.1 per cent smaller than on May 1 this year. Seasonal goods were moving in larger volume than thirty days earlier, but staples and heavy drugs and chemicals for the general manufacturing trade continued sluggish. Sales of fertilizers, insecticides and other commodities consumed in the rural areas were in smaller volume than the average at this

season during the past several years.

Dry Goods — May sales of the eight reporting interests were 17.8 per cent smaller than for the same month in 1929, and 1.8 per cent smaller than the April total this year. Stocks on June 1 were 1.8 per cent and 15.5 per cent smaller, respectively, than thirty days and a year earlier. In the yearly sales comparison the decline was chiefly in advance business. Since June 1, however, considerable improvement has taken place in the volume of orders for forward delivery. Retail stocks are generally small, but replenishment is along extremely conservative lines. Sales of ready-to-wear clothing are reported in good volume. The trend of prices was lower, with the average of all lines considerably below that at the same time last year.

Electrical Supplies — Sales of the five reporting interests in May were 4.8 per cent smaller than for the same month in 1929, and 34.7 per cent larger than the April total this year. Stocks on June 1 were 10.8 per cent and 3.0 per cent smaller, respectively, than thirty days and a year earlier. The increase in sales from April to May was due to seasonal conditions. In the yearly comparison decreases were general through all departments of the industry, but most marked in radio material and electrical installations in new buildings. Purchasing by the automotive industry was considerably smaller than at this time last year.

Flour — Production at the 12 leading mills of the district in May was 331,735 barrels, the smallest since August, 1928, and comparing with 352,734 barrels in April, and 388,303 barrels in May, 1929. Stocks of flour in St. Louis on June 1 were 17.2 per cent smaller than on May 1, and 13.8 per cent less than on June 1, 1929. Business during the past thirty days continued quiet and featureless. Purchasing by the domestic trade was almost exclusively on a hand-to-mouth basis, but some improvement was reported in shipping directions on flour previously acquired. Export business was confined chiefly to routine transactions with the Latin-American countries. Mill operation was at from 50 to 52 per cent of capacity. Prices were lower in sympathy with the decline in cash wheat.

Furniture — May sales of the 12 reporting interests were 30.9 per cent less than for the same month in 1929, and smallest for any single month in more than a half decade. The total was 9.5 per cent smaller than in April this year. Stocks on June 1 were 2.7 per cent smaller than a month earlier and 5.4 per cent smaller than on June 1, 1929. Buying by retailers and the public is on a conservative basis, and large stock orders are lacking. Sales of radio cabinets and the general run of household furniture

and furnishings were in considerably smaller volume than a year ago.

Groceries — Depressed prices of farm products, drouth conditions in many sections and a general disposition to purchase only for immediate needs, were factors of a further decline in the volume of business in this classification. May sales of the 14 reporting firms were 6.6 per cent smaller than for the same month in 1929, and 0.6 per cent smaller than the April total this year. The trend of prices was lower, with specific reductions on flour, sugar, coffee, potatoes and lard.

Hardware — There was a further decline in business in this classification. May sales of the 13 reporting interests being 19.8 per cent smaller than for the same month in 1929, and 0.1 per cent less than the April total this year. Stocks on June 1 were 0.8 per cent larger than thirty days earlier, and 15.7 per cent less than on June 1, 1929. In the yearly comparison declines were general in all lines, but most pronounced in builders' tools and hardware, and goods used extensively in the rural sections. The trend of prices was lower, and the average was measurably lower than at the corresponding time last year.

Iron and Steel Products — Except in the case of a limited number of commodities which were affected by particular conditions, activities in the iron and steel industry in this district continued to recede during the past thirty days. Almost universally consumers were covering only their urgent requirements. Few new projects calling for substantial tonnages of steel are being initiated, though a number of important construction enterprises, notably in connection with the oil industry, are under contemplation. Structural steel fabricators continue to complain of lack of new lettings, and with unfinished orders decreasing, some further curtailed their working forces. Automotive requirements during the past three weeks have slackened somewhat, and adversely affected specifications received by makers of castings and other metal parts. Mills and foundries in the district which specialize in railroad equipment material reported reduced backlogs and a paucity of new orders. Manufacturers of tractors and farm implements report a slowing down in activities, due partly to uncertainty relative to crop prospects in some sections and to the continued depression in the market for farm products. Moderate quickening in activities of stove and heating apparatus manufacturers was noted, but the volume of advance orders booked by these interests on June 1 was considerably below that on the corresponding date during the past several years. The outlet through the building industry for the general run of iron and steel goods is still restricted, though

heavy tonnages are going into highway construction, bridges and levee and river improvement work. Iron and steel jobbing and warehouse interests report no change worthy of note from the dull conditions which have obtained since early spring. Purchasing by the general manufacturing trade is light and on a hand-to-mouth basis, while heavy consumers are taking less than their usual seasonal quotas. Except in the case of tin plate, which is moving in about average seasonal volume, demand for sheets, plates and other rolled products continued to lag. Slack demand for finished and semi-finished ferrous commodities was reflected in softness in the raw material markets. Scrap iron and steel declined further in price, with several important commodities, notably heavy melting steel and rails for rolling, recording new lows on the present movement. Buying of pig iron was on a limited scale, with unusually little interest being manifested in supplies for the third quarter. Production of pig iron for the country as a whole during May totaled 3,239,772 tons, which compares with 3,191,119 in April, and 3,899,344 tons in May, 1929. Steel ingot production in the United States in May amounted to 4,024,778 tons, against 4,153,860 tons in April, and 5,286,339 tons in May, 1929.

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, 1930 comp. to May, 1929	5 months ending May 31, 1930 to same period 1929	May 31, 1930 comp. to May 31, 1929	Jan. 1, to May 31, 1930 1929
Evansville	+ 6.9%	- 2.1%	+ 4.3%	.88 .98
Little Rock.....	-12.4	- 9.1	- 9.6	.97 1.02
Louisville	- 5.2	- 8.4	+ 4.2	1.23 1.34
Memphis	- 7.4	- 8.1	- 5.0	1.27 1.29
Quincy	+ 3.3	+ 5.3	+ 1.7	1.11 1.11
St. Louis.....	- 9.0	- 4.9	+ 1.4	1.63 1.67
Springfield, Mo..	- 1.9	- 8.0	-15.2	.60 .57
8th District.....	- 8.3	- 5.9	- 0.7	1.42 1.46
	Net sales comparison		Stocks on hand	
	May, 1930 comp. to May, 1929	April, 1930	May, 1930 comp. to May, 1929	April, 1930
Men's furnishings.....	- 6.6%	-12.8%	- 1.4%	- 1.9%
Boots and shoes.....	- 7.6	- 5.8	- 8.6	- 2.6

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

	Percentage increase or decrease May, 1930 compared to May, 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-10.3%	- 5.3%
Ready-to-wear accessories.....	- 6.1	- 1.2
Women and misses' ready-to-wear..	-18.0	- 9.0
Men's and boys' wear.....	-10.7	+ 2.5
Home furnishings.....	-19.8	- 1.8

BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in May was 8.0 per cent smaller than in April, but 23.0 per cent greater than in May, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth

Federal Reserve District in May amounted to \$32,876,399, which compares with \$28,330,977 in April and \$41,019,755 in May, 1929. Save for moderate decreases in certain steel commodities, no change worthy of note took place in the price of building materials during the past month. Production of portland cement for the country as a whole in May totaled 17,271,000 barrels, against 13,521,000 barrels in April, and 16,151,000 barrels in May, 1929. Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	277	328	\$ 113	\$ 423	24	61	\$ 18	\$ 14
Little Rock ..	47	60	71	190	121	75	78	53
Louisville	126	183	2,203	918	76	92	68	345
Memphis	386	443	1,077	801	205	67	87	17
St. Louis....	452	578	1,975	2,094	470	322	227	342
May totals	1,288	1,592	\$5,439	\$4,428	896	617	\$ 478	\$771
April totals	1,635	1,894	5,910	6,874	860	727	695	700
Mar. totals	1,031	1,786	2,409	5,242	857	693	675	708

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial consumers in May as being 6.8 per cent greater than in April and 4.9 per cent less than in May, 1929. Decreases from April to May were noted in loads of iron foundries, clothing, refrigerator, furniture and refractories manufacturers. Decreases under a year ago were general through all classes of users. Detailed figures follow:

No. of Custom-ers	May, 1930	April, 1930	May, 1930	May, 1929	May, 1930	
	*K.W.H.	*K.W.H.	comp. to Apr. 1930	*K.W.H.	comp. to May, 1929	
Evansville	40	1,774	1,663	+ 6.7%	1,902	- 6.7%
Little Rock..	35	1,654	1,597	+ 3.6	1,826	- 9.4
Louisville	85	6,240	6,097	+ 2.3	7,472	-16.5
Memphis	31	1,141	1,319	-13.5	1,688	-32.4
St. Louis.....	148	23,264	21,233	+ 9.6	22,924	+ 1.5
Totals.....	339	34,073	31,909	+ 6.8	35,812	- 4.9

*In thousands (000 omitted).

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

	By water power	By fuels	Totals
April, 1930.....	3,272,557,000	4,687,666,000	7,960,223,000
March, 1930.....	3,259,853,000	4,904,227,000	8,164,080,000
April, 1929.....	3,279,740,000	4,594,451,000	7,874,191,000

AGRICULTURE

Crop conditions and prospects through the Eighth Federal Reserve District are very spotted and irregular, due chiefly to inequality of rainfall and unseasonable temperatures. As a whole precipitation since the end of the winter has been inadequate, and during April and May was considerably below normal. Over a large area, including the typical grain sections, actual drouth was prevented only by scattered showers. Since the first of this month the dry spell has been relieved by good rains, but at the middle of June general precipitation was needed to produce best results for growing crops and pastures. Effects of the dry spell were most

acutely felt in Indiana, Illinois, Missouri, Tennessee and Kentucky, but in none of these states has there been substantial permanent injury, and the damage wrought could be easily repaired by adequate moisture between this and harvest.

The season to date has been one of the most auspicious in recent years for farm work, and for the most part planting and cultivation of spring crops are well ahead of the seasonal schedule. Early work was further expedited by an abundant supply of farm labor, which almost universally through the district is in excess of demand. In Missouri, for instance, the supply of farm help is estimated at 19 per cent above requirements. Fields are clean and free from grass and weeds, and in many sections farmers have given corn its second cultivation. Owing to the favorable planting season, the area of land cropped in the district this year is slightly larger than in 1929. As an offset to the favorable physical conditions prevailing is the continued depression in the markets for the principal agricultural products and live stock.

Winter Wheat—Prospects for this crop bettered slightly during May, and according to the U. S. Department of Agriculture's June 1 report, the estimated yield in states entirely or partly within the Eighth Federal Reserve District is 80,290,000 bushels, against 76,991,000 bushels on May 1, and comparing with 85,086,000 bushels harvested in 1929, and a 5-year average (1924-1928) of 85,017,000 bushels. The recent dry spell hastened ripening of the crop, and cutting was general in the district at the middle of June, except in the northern tiers of counties. For the country as a whole the winter wheat crop is estimated at 532,000,000 bushels, against 578,000,000 bushels harvested in 1929, and a 5-year average of 551,000,000 bushels.

Corn—Generally corn was planted earlier than the average during the past ten years, and in the principal producing areas has made good progress. Stands are for the most part good, and fields have been intensively cultivated, farmers in most sections having given the second plowing. Except in the extreme northern sections, seeding had been practically completed by the middle of June. There are some complaints of poor development due to inferior seed, and lack of moisture has retarded growth. In southern Illinois, Missouri, Indiana and Kentucky soaking rains were badly needed at the middle of the month. Stocks of old corn on farms are large, and prices in the third week of June dropped to the lowest level of the year.

Fruits and Vegetables—The detrimental effects upon fruit in the district of the extreme low temperatures last winter and frosts and freezes in March

are becoming more evident as the season advances. Permanent injury was sustained by peach trees in many sections, and the peach crop is a virtual failure. The outlook for apples and pears is from 25 to 50 per cent of a normal crop. Most recent reports indicate a heavy drop of apples, which increases in magnitude as the fruit develops. Plums and cherries yielded below the five year average, and due to winter killing, cane fruit crops were small. Production and shipments of strawberries in the district were below those for the past several seasons, but growers were compensated for the short yield by the best prices received in recent years. The outlook for grapes is for an average crop, with heavy yields indicated in localities where careful spraying and cultivation has taken place. Early potatoes have made excellent growth, except in localities affected by drouth. Commercial tomato acreage is slightly larger than last season. Generally through the district gardens did well during April and May, despite the unusually light rainfall. Based on the June 1 condition, the U. S. Department of Agriculture estimates the yield of peaches in states partly or entirely within the Eighth Federal Reserve District at 1,363,000 bushels, against 10,491,000 bushels harvested in 1929, and a 5-year average of 8,750,000 bushels. The pear crop in these states is estimated at 1,000,000 bushels against 1,972,000 bushels last year and a 5-year average of 1,681,000 bushels.

Live Stock — No change worthy of note took place in the condition of live stock as contrasted with the preceding thirty days. The season has been unusually auspicious for young pigs and lambs, and shipments have been on a liberal scale. Due to the dry spell, the condition of hay and pastures is below that at the same period last year. This has affected milk production, which is also less than a year ago. Egg production in May was also smaller than for the same month in 1929. Receipts of cattle, sheep and hogs at leading centers of the district were smaller in May than a month and a year earlier.

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

	Receipts			Shipments		
	May, 1930	April, 1930	May, 1929	May, 1930	April, 1930	May, 1929
Cattle and calves.....	87,466	94,484	92,695	56,956	56,114	49,199
Hogs	330,477	339,050	340,215	259,786	283,550	242,053
Horses and mules.....	2,041	3,498	1,731	2,002	4,206	1,740
Sheep	38,661	46,638	42,228	12,134	27,205	16,146

Cotton — Since the third week of May conditions for cultivating and replanting the crop have been favorable, and generally good progress is reported in all sections of the district. Considerable temporary damage was done by the heavy rains in early May, both in the uplands and river bottoms. Replanting necessitated by the overflows has been largely completed, and generally stands are good. At the middle of June about 75 per cent of chopping

out had been completed, and for the most part fields were well worked and free of weeds. Temperatures have been too low for rapid development, and from some sections there were complaints of poor color and infestation of lice and cut worms. Demand for cotton continued to lag, with the mills purchasing sparingly and little interest manifested by investors. Prices were lower, and in the third week of June declined to the lowest point of the season. In the St. Louis market the middling grade declined from 16c per pound on May 16, to 13c on June 16, the latter figure comparing with 18c per pound on the same date last year. Stocks of cotton in Arkansas warehouses on June 13 totaled 126,663 bales, against 155,448 bales on May 16, and 43,906 bales on the corresponding date in 1929.

Rice — Planting was held back to some extent by heavy rains in early May, but favorable weather in recent weeks has enabled farmers to overcome the delay, and on June 15 the crop was practically 100 per cent seeded. Fields have been generally watered, and the crop has a good stand and looks well. The market for clean rice continued strong, with stocks on hand the lowest at this particular season in more than a half decade.

Tobacco — Transplanting of tobacco has been unduly protracted by the long spell of dry weather. Except where affected by cut worms, stands of the earliest setting are good, but at the middle of June precipitation was urgently needed to preserve the plants. Intensive and early cultivation has served to lessen the injury from the drouth. Hardening of plants in beds may result in considerably smaller than intended acreages in some sections. Reports indicate that by June 15 there was as much dark-fired tobacco planted as last year, but the green river and one-sucker acreage is slightly smaller. About 25 per cent of the intended burley tobacco crop still remained to be planted at the middle of June. There was a fair volume of inquiry for the various grades of last year's dark-fired crop. Dealers have relatively small stocks, and with uncertainty relative to the new crop, prices are very firm.

Commodity Prices — Range of prices in the St. Louis market between May 15, 1930 and June 15, 1930, with closing quotations on the latter date and on June 17, 1929.

	High	Low	Close	
			June 15, 1930	June 17, 1929
Wheat				
July	per bu. \$1.07	\$.94½	\$.94½	\$1.04½
Sept.	" 1.09½	.96½	.96½	1.08½
No. 2 red winter	" 1.19	1.01	\$1.01 @	1.01½ \$1.20 @
No. 2 hard.....	" 1.06½	.95	.95 @	.96½ 1.07 @
Corn				
July	" .83½	.75½	.75½	.93
Sept.	" .84	.75¼	.75¼	.92½
No. 2 mixed.....	" .85	.76½	.76½ @	.77 .90½ @
No. 2 white.....	" .86½	.81	.81 @	.81½ .94½ @
Oats				
No. 2 white.....	" .44¾	.39	.39 @	.39½ .46½ @
Flour				
Soft patent.....	per bbl. 6.50	6.00	6.00 @	6.25 6.00 @
Spring patent.....	" 5.90	5.40	5.40 @	5.60 5.70 @
Middling cotton...per lb.	.16	.13	.13	.18
Hogs on hoof.....per cwt.	10.45	9.00	9.10 @	10.35 9.50 @

FINANCIAL

The demand for credit from mercantile and industrial sources in this district during the past thirty days was less active than during the similar period immediately preceding, and was in measurably smaller volume than at the corresponding period a year ago. With loanable funds generally in liberal supply, the trend of interest rates was slightly easier. Actual quotations prevailing at the commercial banks underwent no noticeable decrease, but the volume of accommodations granted at the minor figure on the several classes of loans was greater than heretofore. Routine liquidation of commercial borrowers in the larger centers was in fair volume, and more than offset the aggregate of new borrowing and renewals.

A marked increase, somewhat more pronounced than the seasonal average of the past few years, was noted in the demand for agricultural financing. Harvesting of winter wheat was in progress in the lower counties of the chief producing areas, and initial requirements for handling that crop were felt. Throughout the south demand from cotton, rice and tobacco planters was active, and despite the heavy marketing of live stock in recent months, credit requirements for conditioning cattle and hogs for market continues on a large scale. As a result of these conditions, country banks have reduced their balances with city correspondents in order to take care of local needs. In sections where berries and early fruits are important crops, demand for currency has been active.

Total loans and discounts of reporting member banks, which have decreased irregularly since January, recorded a new low for the year in the first week of June. The aggregate of security loans of these banks on June 11 showed a rather sharp recession from the mid-May figure. Total loans on June 11 were smaller by 1.7 per cent than a month earlier, and 3.3 per cent less than on June 12, 1929. There was the usual sharp upward movement in investments of reporting member banks on the first report date in June, but in the following week the total receded to a level only slightly above the average of the preceding two months. Borrowings of all member banks from the Federal reserve bank averaged higher than during the preceding thirty days, and in the first week of June were in larger volume than since January. Throughout the period, however, aggregate loans of this bank to its member banks were considerably smaller than a year ago.

Current rates at the St. Louis banks were as follows: Prime commercial loans, 4 to 5½ per cent; collateral loans, 4¾ to 6 per cent; loans secured by warehouse receipts, 4¼ to 5½ per cent; interbank loans, 4¾ to 5¾ per cent and cattle loans 5¼ to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on June 18, 1930, showed an increase of 1.1 per cent as contrasted with May 21, 1930. Deposits increased 0.7 per cent between May 21, 1930 and June 18, 1930, and on the latter date were 0.6 per cent larger than on June 19, 1929. Composite statement follows:

	*June 18, 1930	*May 21, 1930	*June 19, 1929
Number of banks reporting.....	†24	†24	†27
Loans and discounts (incl. rediscounts Secured by U. S. Govt. obligations and other stocks and bonds....	\$227,650	\$219,898	\$236,320
All other loans and discounts....	273,619	276,032	281,410
Total loans and discounts.....	\$501,269	\$495,930	\$517,730
Investments			
U. S. Government securities.....	37,987	61,140	59,960
Other securities.....	119,198	121,215	112,409
Total investments.....	\$157,185	\$182,355	\$172,369
Reserve balance with F. R. bank..	46,954	44,425	42,181
Cash in vault.....	5,730	5,771	6,359
Deposits			
Net demand deposits.....	374,900	366,331	366,399
Time deposits.....	225,728	232,364	227,193
Government deposits.....	2,995	602	6,694
Total deposits.....	\$603,623	\$599,297	\$600,286
Bills payable and rediscounts with Federal Reserve Bank.....	6,106	4,604	28,389

*In thousands (000 omitted).
†Decrease due to consolidation. These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represents 53.1 per cent of the resources of all member banks in this district.

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, 1930	*April, 1930	*May, 1929	May, 1930 comp. to April, 1930	May, 1929
East St. Louis & Natl.					
Stock Yards, Ill..\$	45,569	\$ 46,391	\$ 70,770	— 1.8%	—35.6%
El Dorado, Ark.....	7,021	7,574	8,401	— 7.3	—16.4
Evansville, Ind.....	28,095	30,480	37,220	— 7.8	—24.5
Fort Smith, Ark....	11,630	13,043	13,234	—10.8	—12.1
Greenville, Miss....	4,127	4,259	3,687	— 3.1	+11.9
Helena, Ark.....	4,032	4,916	4,345	—18.0	— 7.2
Little Rock, Ark....	70,614	75,511	77,515	— 6.5	— 8.9
Louisville, Ky.....	190,731	177,648	213,355	+ 7.4	—10.6
Memphis, Tenn.....	140,649	143,427	155,679	— 1.9	— 9.7
Owensboro, Ky.....	6,449	6,328	6,001	+ 1.9	+ 7.5
Pine Bluff, Ark....	9,869	8,893	10,731	+11.0	— 8.0
Quincy, Ill.....	13,965	13,402	13,430	+ 4.2	+ 4.0
St. Louis, Mo.....	800,920	732,273	791,230	+ 9.4	+ 1.2
Sedalia, Mo.....	4,423	4,481	4,793	— 1.3	— 7.7
Springfield, Mo....	16,951	15,675	16,614	+ 8.1	+ 2.0
**Texarkana,					
Ark.-Tex.....	13,327	14,236	16,570	— 6.4	—19.6
Totals.....	\$1,368,372	\$1,298,537	\$1,443,575	+ 5.4	— 5.2

*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 215 member banks, against 213 in April and 234 in May, 1929. The discount rate remained unchanged at 4 per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

	*June 20, 1930	*May 20, 1930	*June 20, 1929
Bills discounted.....	\$16,784	\$13,880	\$46,829
Bills bought.....	4,584	9,402	398
U. S. Securities.....	22,643	19,268	16,625
Total bills and securities.....	\$44,011	\$42,550	\$63,852
F. R. Notes in circulation.....	72,684	76,050	56,971
Total deposits.....	76,687	78,934	80,548
Ratio of reserve to deposits and F. R. Note Liabilities.....	77.3%	77.7%	60.7%

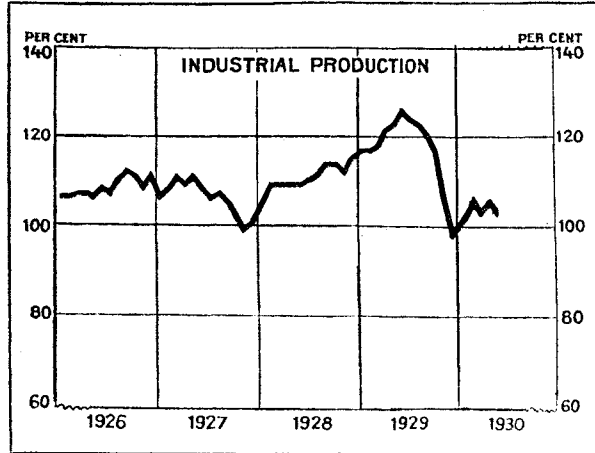
*In thousands (000 omitted).

(Compiled June 21, 1930)

BUSINESS CONDITIONS IN THE UNITED STATES

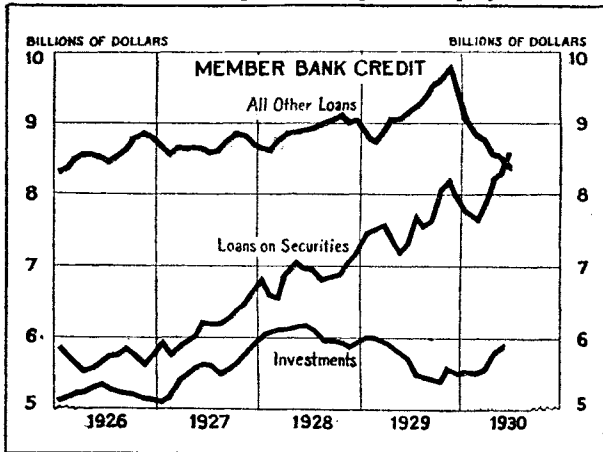
The volume of industrial production declined in May by about the same amount as it increased in April. Factory employment decreased more than is usual at this season and the downward movement of prices continued. Money rates eased further, to the lowest level in more than five years.

INDUSTRIAL PRODUCTION AND EMPLOYMENT—The Board's index on industrial production, adjusted for usual seasonal variations, declined about 2 per cent in May. In 1930 industrial production has fluctuated between 4 and 7 per cent above the 1923-1925 average, and the preliminary estimate for May is 4 per cent above the



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, May, 104.

average for those years. Production at steel and automobile plants declined, cotton mills curtailed output, and activity at woolen and silk mills continued at low levels. Cement production increased sharply, while output of petroleum and copper showed little change. In the first half of June, output at steel plants declined further. The decrease in factory employment in May was larger than usual and there was also a decline in factory payrolls. The number employed in the cotton and silk goods industries decreased further, while in the woolen goods industry there was an increase from the extreme low point of April. Employment in the



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

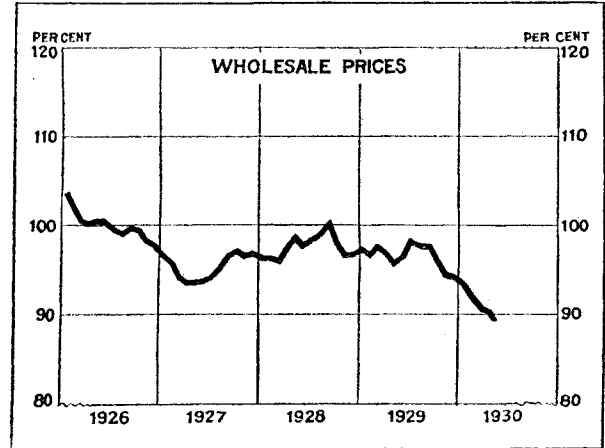
agricultural implement and electrical machinery industries decreased from April, but remained large relative to earlier years. Employment in the cement industry increased, but in the lumber industry continued at an unusually low level. Building contracts awarded in May, as reported by the F. W. Dodge Corp., continued to be in substantially smaller volume than in any other year since 1924.

DISTRIBUTION—Freight car loadings increased by less than the usual seasonal amount during May and continued to be in somewhat smaller volume than in the corresponding period of 1928 and substantially below the unusually active period of 1929. Department store sales in May were approximately the same as those of a year ago.

WHOLESALE PRICES—A further decline in wholesale prices of commodities occurred in May and the first half of June. The downward movement was interrupted in the

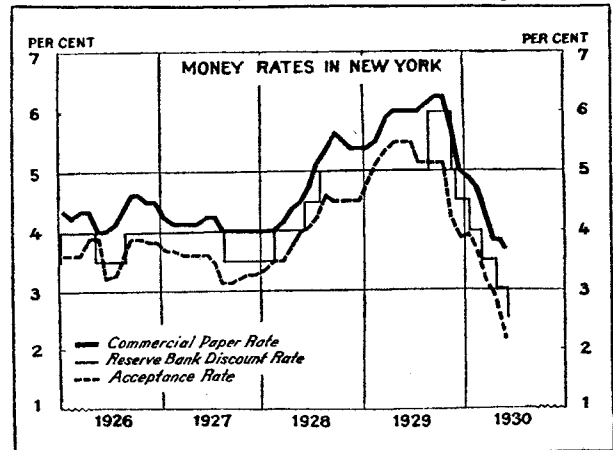
last half of May by substantial increases in the prices of grains, meats and livestock, but became pronounced about the middle of June when the prices of cotton, silk, rubber, copper, and silver reached exceptionally low levels. Wheat, meats, livestock and cotton textiles also declined in price at that time, while prices of wool and woolen goods, pig iron, and steel showed little change.

BANK CREDIT—Loans and investments of reporting member banks increased further by \$265,000,000 in the four weeks ending June 11, to a level considerably higher than a year ago. The increase was entirely in investments and in loans of securities, of which a large part represented loans



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, May, 89.1.

made by New York City banks to brokers and dealers in securities in replacement of loans withdrawn by other lenders. "All other" loans continued to decline and at \$8,400,000,000 on June 11 were the smallest since 1926. Expansion of member bank credit during this period was reflected in larger demand deposits and an increase of \$30,000,000 in member bank reserves at the reserve banks. The volume of money in circulation showed a net increase of \$13,000,000. Funds for these uses were obtained largely from further additions of \$24,000,000 to the stock of monetary gold and from an increase of \$22,000,000 in the volume of reserve bank credit outstanding. Reserve bank holdings of United



Monthly rates in the open market in New York: Commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in June.

States securities increased by about \$50,000,000 and their holdings of acceptances declined by about half this amount. For the week ending June 18, the total volume of reserve bank credit declined somewhat and there was a decline in the volume of money in circulation.

Money rates in the open market continued to decline during the latter half of May and the first half of June and at the middle of the month commercial paper at 3½-3¾ per cent, and acceptances at 2½ per cent were at the lowest levels since 1924 and early 1925. Bond yields moved slightly lower in June. In the first week of June the rediscount rate at Cleveland was reduced from 4 to 3½ per cent, and in the third week the rate at New York was reduced from 3 to 2½ per cent and the rate at Chicago from 4 to 3½ per cent.