



MONTHLY REVIEW

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

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THE recessionary tendencies in trade and industry which have prevailed in this district in greater or lesser degree since last fall, were emphasized during the past thirty days by reduced activities due to the usual seasonal influences. Vacations and the closing down of many plants for repairs, resulted in a further decrease in factory employment, and production in a number of important lines was at the lowest rate in more than a half decade. Purchasing of commodities by merchants and the public continued along very conservative lines, there being a general disposition among all classes of buyers to take only what is needed for immediate use. Almost universally manufacturers are pursuing the policy of producing only on orders, and in lines which at this time of year ordinarily make up goods for fall and winter distribution, inventories are unusually small.

The movement of commodity prices continued downward, and in the case of wheat, corn, cotton and certain other farm products, values were at the lowest point since the beginning of the World War. This fact, coupled with uncertainty relative to the outcome of crops, served to hold down distribution of merchandise in the agricultural areas. Generally through the district unusually dry weather prevailed, resulting in serious damage to growing crops in some sections, and adversely affecting the live stock and dairying industries. Through the district as a whole, the accumulated deficiency of precipitation from March 1 to the middle of July, is the greatest in recent years. The hot, dry weather, however, has been ideal for harvesting wheat and other early grains, and effects of the drouth have been partly offset by intensive cultivation.

Except in the case of commodities used extensively in hot weather, both production and distribution was smaller than a month and a year earlier. Activities at iron and steel plants were reduced in more than the usual seasonal volume, and the volume of new orders placed was the smallest for any month this year. Purchasing by the railroads and automotive industry was at a low ebb, and no im-

provement was noted in the demand from the building and oil industries. Lumber and textile mills in the south further curtailed their operations, and reduced production of bituminous coal was the rule in all fields of the district.

The volume of retail trade in June, as reflected in sales of department stores in the principal cities of the district, was 12.7 per cent smaller than during the same month last year, and the first half of this year the volume was 7.1 per cent less than for the first six months of 1929. Combined sales of all wholesale and jobbing lines investigated showed a decrease of 23.0 per cent in June as contrasted with the same month last year. Construction contracts let in the Eighth Federal Reserve District in June were considerably larger than a month and a year earlier but building contracts let in the five largest cities showed sharp decreases in both comparisons. Debits to individual accounts in June were slightly smaller than in May, and 11.4 per cent less than in June, 1929. For the first six months this year the volume of debits shows a decrease of 10.7 per cent as compared with the first half of 1929. The amount of savings deposits showed only slight variation between June 4 and July 2, and on the latter date were smaller by 3.2 per cent than a year earlier.

Reduced commercial and industrial activities were reflected in a further curtailment of the freight traffic of railroads operating in this district, the volume continuing to run below that of a year and two years earlier. Practically all classifications of freight are affected, with reductions particularly marked in farm products and merchandise and miscellaneous freight. Loadings of revenue freight for the country as a whole during the first 27 weeks this year, or to July 5, totaled 23,999,447 cars, against 26,528,096 cars for the corresponding week in 1929, and 25,312,720 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 206,305 loads in June, against 217,226 loads in May, and 242,703 loads in June, 1929. During the first nine days of July the

interchange amounted to 53,753 loads, against 62,388 loads during the corresponding period in May, and 66,811 loads during the first nine days of June, 1929. Passenger traffic of the reporting lines decreased 15 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 139,700 tons, the largest this year, and comparing with 124,924 tons in May and 103,934 tons in June, 1929.

Collections generally throughout the district during the past thirty days developed slight recessionary tendencies. The average was somewhat below that of May, and considerably under that at the corresponding period a year ago. Wholesalers in the large centers report a greater number of delays and requests for extensions. They note, however, that due to generally small inventories held by retailers, settlements are prompter in numerous instances than might be expected under existing conditions in business. Country retailers continue to complain of slowness in collections, and attribute the backwardness partly to preoccupation of farmers with harvest and other pressing work. Large department stores and city retailers generally report an adverse effect on their collections from the absence of numerous customers on vacations. Payments on goods purchased on the installment plan are less satisfactory than earlier in the year. Questionnaires addressed to leading interests in the various lines scattered through the district elicited the following results:

	Excellent	Good	Fair	Poor
June, 1930.....	1.0%	13.2%	62.9%	22.9%
May, 1930.....	1.0	14.0	58.5	26.5
June, 1929.....	2.9	35.1	41.8	20.2

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's numbered 104, involving liabilities of \$1,778,914, against 133 failures in May with liabilities of \$4,959,105, and 98 failures for a total of \$1,894,983 in June, 1929.

The average daily circulation of the United States in June was \$4,489,000,000, against \$4,497,000,000 in May, and \$4,687,000,000 in June, 1929.

MANUFACTURING AND WHOLESALING

Automobiles — Combined passenger car, truck and taxicab production in the United States in June totaled 335,475, against 417,154 in May, and 545,252 in June, 1929.

As has been the case during the past six years, with the exception of 1926, distribution of automobiles in this district, according to dealers reporting to this bank, declined from May to June. The June total was also considerably smaller than for the corresponding month in 1929, and the smallest for any month this year with the exception of January.

With the exception of February, every month since last August has shown a decrease in sales as contrasted with the corresponding period a year earlier. The smaller volume of distribution reflects, as in other lines, reduced employment in the large industrial centers, and the depressed price levels of the principal agricultural products. During the past thirty days the decrease in business of automobile dealers has been more marked in the small towns and country than in the urban communities. In addition to the low prices of agricultural products, farmers were intensively engaged in harvesting wheat and other field work, and were generally disposed to postpone filling their automobile requirements. Dealers in the large cities reported that there was considerably less stimulation to their business in both new cars and parts and accessories from the touring season than during the past several years. Demand for garage and shop supplies, however, was relatively greater than for automobiles proper, reflecting, according to the dealers, a general disposition on the part of owners to recondition their cars for additional service. Decreases in both the month-to-month and yearly sales comparisons, were spread generally through all classes of makes. Sales of trucks in June declined sharply as contrasted with the several preceding months and were substantially less than in June, 1929. June sales of the new passenger cars by the reporting dealers were 18.3 per cent smaller than in May, and 25.7 per cent less than in June, 1929. The policy of conservative buying by both jobbers and retailers, which has obtained since early in the year, resulted in a further slight reduction in inventories. Stocks of new cars on hand on July 1 were 12.4 per cent smaller than on the same date in 1929, and 6.2 per cent less than on June 1 this year. There was also a further decrease in salable used cars on hand, the July 1 total being 9.3 per cent smaller than on June 1, and 2.8 per cent larger than on July 1, 1929. June sales of parts and accessories of the reporting dealers were 10.0 per cent smaller than in May, and 3.6 per cent smaller than in July, 1929. Deferred payment sales of the reporting dealers in June constituted 50.2 per cent of the total sales, against 52.1 per cent in May, and 55.0 per cent in June, 1929.

Boots and Shoes — Sales of the five reporting interests in June were the smallest since last December, falling 30.5 per cent below the total of the same month in 1929, and 36.8 per cent below May this year. Stocks on July 1 were 27.2 per cent larger than on June 1, and 14.7 per cent greater than on July 1, 1929. In both sales comparisons, decreases were general, both with reference to the various lines and territories. Retail stocks are mainly of moderate proportions, as indicated by an unusually

large number of small-lot orders specifying immediate shipment. There was no change in prices as contrasted with the preceding thirty days, and the average is from 5 to 7 per cent below the levels obtaining a year ago. Factory operations declined about 5 per cent as compared with the preceding month, and were at from 80 to 85 per cent of capacity.

Clothing — Purchasing by the retail trade, particularly for future delivery, has been along extremely conservative lines. Sales of the reporting interests for fall delivery are considerably smaller in volume than a year and two years ago. Demand for working clothes, in both the city and country continues quiet. In the immediate past the movement of summer apparel through retail channels has picked up substantially resulting in a fair volume of reordering. The trend of prices was downward in virtually all lines. For the first half of 1930, sales of the reporting clothiers were approximately a fourth smaller than for the corresponding period in 1929.

Drugs and Chemicals — Affected by reduced requirements of the general manufacturing trade for heavy drugs and chemicals, the volume of business in this classification sustained a further decrease. June sales of the six reporting interests were 13.7 per cent smaller than for the same month in 1929, and 12.5 per cent less than the May total this year. Stocks on July 1 were 1.3 per cent smaller than thirty days earlier, and 4.9 per cent larger than on July 1, 1929. In the immediate past substantial improvement has taken place in the movement of seasonal goods, notably soda fountain supplies and certain proprietary preparations.

Dry Goods — Closing of the spring season in this classification showed declines in sales for the reporting firms of 10 per cent as compared with a year ago. Uncertainty relative to prices, and depression in general business adversely affected advance business, which is in smaller volume than at any corresponding period in more than a half decade. Considerable irregularity exists in the several lines, some showing marked depression, while others, notably novelties, are showing relatively good response. June sales of the eight reporting interests were 24.0 per cent smaller than for the same month in 1929, and 18.7 per cent less than in May this year. Stocks on July 1 were 11.0 per cent larger than a month earlier, but 16.2 per cent smaller than on July 1, 1929.

Electrical Supplies — Sales of the 6 reporting firms in June were 22.5 per cent smaller than for the same month last year and 2.4 per cent smaller than the May total this year. Stocks on July 1 were 2.4 per cent smaller than a month earlier and 7.3 per

cent larger than on July 1, 1929. There were no price changes of significance as compared with the preceding month, but the average was from 3 to 5 per cent lower than a year ago. A sharp falling off in radio materials was noted in the yearly sales comparison, and the movement of fans and other seasonal goods were in smaller volume than in 1929.

Flour — Production at the 12 leading mills of the district in June was 332,361 barrels, the smallest in about two years, and comparing with 332,510 barrels in May, and 360,335 barrels in June, 1929. Stocks of flour in St. Louis on July 1 were 13.1 per cent larger than on June 1, and 4.2 per cent smaller than on July 1, 1929. The decline in prices of cash wheat served in a measure to give greater stability to flour prices, and business during the last half of June was more active than for some time.

Furniture — Generally through the furniture industry unusual apathy exists in demand. Purchasing by ultimate consumers is at a minimum, and distributors are holding down their inventories to as low a point as possible. Production has been curtailed in marked degree, and specifications on goods previously ordered are disappointing. Sales of the 12 reporting interests in June were only about half as large as for the same month in 1929, and 18.9 per cent smaller than the May total this year. Stocks on July 1 were 3.5 per cent and 3.9 per cent smaller, respectively than a year and a month earlier.

Groceries — Generally smaller demands in the country, and slack buying for future delivery were mentioned as the chief influences in a decrease of 7.7 per cent in June sales of the 14 reporting interests as compared with the same month in 1929, and 7.7 per cent as contrasted with the May total this year. Stocks on hand on July 1 were 3.3 per cent and 16.3 per cent larger, respectively, than thirty days and a year earlier. The trend of prices was lower, with specific reductions on a number of important commodities.

Hardware — The trend of business in this classification has been downward since last fall, and for the first half of the present year, sales of the reporting interests show a decline of approximately 15 per cent as contrasted with the first six months of 1929. June sales of the 13 reporting interests were 27.9 per cent below those of the same month in 1929, and 8.1 per cent less than the May total this year. Stocks on July 1 were 1.7 per cent and 11.8 per cent lower respectively, than thirty days and a year earlier. Particularly heavy losses were noted in sales of merchandise for consumption in the rural areas and of builders' tools and hardware.

Iron and Steel Products — Purchasing of iron and steel by all classes of consumers continued at a low ebb during June, and during the first half of

July activities at mills, foundries and machine shops was further curtailed by the Independence Day holidays and closing down for vacations, repairs, mid-year inventorying and because of the extreme high temperatures. Despite the fact that outbound shipments of finished products were in smaller volume than during the preceding thirty days, reporting interests generally showed a reduction in unfinished business. New orders are being sparingly placed, and specifications on goods previously contracted for were considerably below expectations. Purchasing by the railroads dropped to a minimum, and was confined almost exclusively to materials for immediate use. In point of ordering of new equipment, June proved one of the lightest months this year. Demands of the automotive industry were also unusually small. Reduced operating schedules by a number of the most important producers were reflected in a slowing down in specifications on castings and other automobile parts. The outlets through the building industry failed to broaden, and except in the case of commodities going into highway construction, public utility and municipal improvements and river and levee work, materials in the building category lagged. Demand for sheets and tank plates declined further, and operations of producers of these commodities were further curtailed. Wire and wire goods continued quiet, with a lower trend in prices. Due chiefly to the depression in values of farm products, the demand for iron and steel goods used chiefly in the country was substantially below the seasonal average of the past half decade. This was true especially of farm implements, manufacturers of which reported advance business below that at the same time a year and two years ago. Smaller future orders than during the past several years were also reported by manufacturers of stoves and heating apparatus. Machinery and engine builders noted a decrease in unfinished orders, and new business being sparingly placed. The general trend of prices was lower, with specific reductions on a number of important items, among them pig iron, nails, bars and certain grades of cold rolled material. Generally finished steel prices were subject to competitive conditions, with concessions frequent on desirable business. Interest in pig iron lagged, buying for third quarter requirements being light. Prices were from 50c to \$1 per ton lower. The downward movement in scrap iron and steel prices continued unbroken, heavy melting steel and some other important items recording the lowest levels in recent years. Production of pig iron for the country as a whole in June totaled 2,932,806 tons, against 3,241,477 tons in May and 3,715,104 tons in June, 1929. Steel ingot production in the

United States in June amounted to 3,440,239 tons, against 4,024,778 tons in May and 4,903,657 tons in June, 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	
	June, 1930 comp. to June, 1929	6 months ending June 30, 1930 to same period 1929	June 30, 1930 comp. to June 30, 1929	Jan. 1, to June 30, 1930	June 30, 1929
Evansville	-17.3%	-4.9%	+3.4%	1.05	1.20
Little Rock	-16.9	-10.4	-9.9	1.16	1.22
Louisville	-6.3	-8.1	+10.1	1.46	1.61
Memphis	-13.3	-8.9	-2.6	1.51	1.56
Quincy	-5.6	+3.4	+2.8	1.31	1.33
St. Louis.....	-13.2	-6.3	+3.1	1.93	2.00
Springfield, Mo.....	-10.0	-8.4	-10.0	.74	.71
8th District.....	-12.7	-7.1	-2.1	1.69	1.76
	Net sales comparison		Stocks on hand		
	June, 1930 comp. to June, 1929	May, 1930	June, 1930 comp. to June, 1929	May, 1930	June 1930 comp. to May, 1930
Men's furnishings.....	-19.3%	+3.9%	-1.1%	-7.9%	
Boots and shoes.....	-21.3	-11.3	-6.7	-11.7	

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

	Percentage increase or decrease June, 1930 compared to June, 1929	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-22.0%	-4.8%
Ready-to-wear accessories.....	-13.0	+2.2
Women and misses' ready-to-wear.....	-21.1	-10.4
Men's and boys' wear.....	-17.4	-0.3
Home furnishings.....	-23.3	-1.5

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was 31.9 per cent smaller than in May and 28.5 per cent less than in June, 1929. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in June amounted to \$73,076,754, which compares with \$32,876,399 in May, and \$41,847,546 in June, 1929. Production of portland cement for the country as a whole during June totaled 17,237,000 barrels, against 17,249,000 barrels in May and 16,803,000 barrels in June, 1929. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	415	381	\$ 135	\$ 713	109	54	\$ 35	\$ 18
Little Rock	31	38	116	464	99	66	71	47
Louisville ..	81	149	691	1,699	58	63	107	188
Memphis	237	350	1,002	530	216	58	101	16
St. Louis....	380	598	1,756	1,768	366	402	352	381
June totals	1,144	1,516	\$3,700	\$5,174	848	643	\$ 666	\$650
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

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in postal receipts for the second quarter of the year of 1.6 per cent as compared with the corresponding period in 1929, and

of 2.5 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ending			June 30, 1930 comp. to June 30, 1929
	June 30, 1930	Mar. 31, 1930	June 30, 1929	
Evansville	\$ 168,000	\$ 164,000	\$ 161,000	+4.3
Little Rock.....	212,000	238,000	208,000	+1.9
Louisville	683,000	681,000	695,000	-1.7
Memphis	581,000	653,000	613,000	-6.2
St. Louis.....	3,023,000	3,049,000	3,066,000	-1.4
Totals.....	\$4,667,000	\$4,785,000	\$4,743,000	-1.6

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in June as being 4.9 per cent greater than in May, and 0.4 per cent smaller than in June, 1929. In the yearly comparison decreases were general in all lines other than cement manufacturers. Gains shown in the monthly comparisons were confined to plants whose activities were increased by seasonal considerations. Detailed figures follow:

	No. of Custom- ers	June,	May,	June, 1930	June,	June, 1930
		1930	1930	comp. to	1929	comp. to
		*K.W.H.	*K.W.H.	May, 1930	*K.W.H.	June, 1929
Evansville	40	1,628	1,774	-8.2%	1,826	-10.9%
Little Rock..	35	2,021	1,654	+22.2	2,343	-13.7
Louisville ...	85	6,729	6,240	+7.8	7,596	-11.4
Memphis	31	1,666	1,141	+46.0	1,320	+26.2
St. Louis.....	150	23,695	23,264	+1.9	22,802	+3.9
Totals.....	341	35,739	34,073	+4.9	35,887	-0.4

*In thousands (000 omitted).

AGRICULTURE

High temperatures and a scant supply of moisture were general through this district during the past thirty days, especially in late June and the first half of July, when the weather was the hottest experienced in a number of years. The effects of these conditions were beneficial to some crops and extremely detrimental to others. Days of sunshine and hot nights stimulated the growth and development of cotton and corn, and afforded ideal conditions for harvesting winter wheat, oats, rye and barley. In addition farmers were able to work in their fields with little interruption, and row crops are generally well cultivated and free from grass and weeds. This has served to partly offset the detrimental effects of inadequate precipitation, particularly where surface soil conditions have been unusually dry since early spring.

At the middle of July, however, general rains were badly needed, and in many sections where crops had held their own, signs of deterioration from the drouth were in evidence. In all sections of the district the condition of pastures is very low, the combined average condition in states entirely or partly within the Eighth District on July 1, being 58.0 per cent of the 10 year average on that date, as compared with 86.0 per cent on July 1, 1929. Soybean and cowpea acreages have been considerably increased with the view of supplementing low pasture conditions and poor prospective yield of hay.

The extreme high temperatures of early July, however, have considerably lowered the chances for bringing legume crops to a successful issue.

Winter Wheat — Based on the July 1 condition, production of wheat in the Eighth District is estimated by the U. S. Department of Agriculture at 45,651,000 bushels, against 44,676,000 bushels harvested in 1929, and a 7-year average (1923-1929) of 43,636,000 bushels. Growing conditions since early spring have been in the main favorable. Mild temperatures in June were favorable for filling heads, while the hot weather late in that month and since July 1 has hastened ripening of the grain. Harvesting and threshing has made rapid progress and early threshing returns indicate yields generally in excess of expectation, quality being mainly good, with high test weight and low moisture content. Wheat prices continued to decline, a new low for the season and for the past sixteen years being reached in the third week of July. For the country as a whole the output of winter wheat is estimated at 558,000,000 bushels, against 578,000,000 bushels harvested in 1929, and a five year average (1924-1928) of 551,000,000 bushels.

Corn — Due to unusually favorable weather during the planting season, the acreage planted to corn in this district was above that of a year ago. The crop got a good start, and conditions have been ideal for cultivation operations. At the first of July growth was well advanced and fields clean. Since that date extreme high temperatures have hastened development of the crop, but soaking rains are badly needed for obtaining best results. There were scattered complaints of firing and arrested growth, due to the heat and lack of moisture. Prices continued to decline, recording a new low on the 1929 crop in late June. Based on the July 1 condition, the Department of Agriculture estimates the yield of corn in the Eighth District at 358,734,000 bushels, against 312,957,000 bushels harvested in 1929, and a 7-year average (1923-1929) of 339,625,000 bushels. For the United States the 1930 corn crop is estimated at 2,802,000,000 bushels, against 2,614,000,000 bushels produced in 1929, and a 5-year average (1924-1928) of 2,700,000,000 bushels.

Fruits and Vegetables — Prospects for fruit and vegetable crops, which were poor earlier in the season, deteriorated further during the past thirty days. High temperatures since the last week in June, accompanied in many instances by hot winds, proved detrimental to tree fruits, and substantially lowered the outlook for commercial vegetable crops and gardens. The peach crop in states partly or entirely within this district is a virtual failure, July 1 condition indicating a yield of 1,111,000 bushels, against 7,251,000 bushels harvested last year and a

5-year average of 8,175,000 bushels. In these states the yield of apples is estimated at 12,343,000 bushels, of which 1,651,000 barrels represent commercial crop, against 14,280,000 bushels, with 1,620,000 barrels commercial crop, harvested in 1929, with a 5-year average of 23,967,000 bushels, with 2,511,000 barrels commercial crop. The pear crop in states of the district is estimated at 963,000 bushels, against 1,972,000 bushels in 1929, and a 5-year average of 1,681,000 bushels. Due to the large number of new vineyards coming into bearing, the yield of grapes is substantially larger than the 5-year average, but the estimated yield, 36,631 tons, is 1,565 tons less than produced in 1929. The sweet potato crop in states of the district is estimated at 14,467,000 bushels against 17,741,000 bushels harvested in 1929 and a 5-year average of 16,748,000 bushels. The white potato crop for the district proper is forecast at 14,767,000 bushels, against 13,313,000 bushels harvested in 1929, and a 7-year average of 15,731,000 bushels. The outlook for commercial tomatoes in Missouri, Arkansas and Southern Illinois has been substantially lowered by drouth conditions since the last week in June.

Live Stock — The hot weather and low condition of pastures has had a detrimental effect on live stock in parts of the district. In some sections it has been necessary to haul water for and supply more than the usual quota of feed to farm animals. Based on the July 1 condition, the U. S. Department of Agriculture estimates the output of tame hay in the Eighth District at 6,267,000 tons, which compares with 9,114,000 tons produced in 1929, and a 7-year average of 8,160,000 tons. There was a sharp increase in the movement of cattle and sheep to market in June as compared with a month and a year earlier, but a substantial drop in the movement of hogs in both comparisons.

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

	Receipts			Shipments		
	June 1930	May 1930	June 1929	June 1930	May 1930	June 1929
Cattle and calves.....	99,863	87,466	89,230	60,070	56,956	59,258
Hogs	272,100	330,477	308,173	200,619	259,786	211,731
Horses and mules.....	2,052	2,041	1,728	1,682	2,002	1,217
Sheep	103,601	38,661	70,917	30,991	12,134	15,633

Cotton — A slightly larger acreage of cotton was under cultivation in states wholly or partly within the Eighth District on July 1 this year than last, according to the U. S. Department of Agriculture. Combined acreage in Missouri, Tennessee, Mississippi and Arkansas is placed at 9,946,000 acres, against 9,654,000 acres on the corresponding date in 1929. For the country as a whole the area under cultivation on July 1 is estimated at 45,815,000 acres, which is 2.7 per cent less than the acreage on the same date in 1929. The estimate relates to acreage standing on July 1, allowance having been made for

any acreage abandoned prior to that date and for acreage replanted and in cultivation on that date. Except in the case of late plantings, the crop is holding its own in good shape. Throughout the district cultivation has been intensive, fields being unusually clean. The high temperatures of late June and early this month has held boll weevil in check and has developed tap-root which will strengthen the plant in event of drouth later in the season. Demand for old cotton continued quiet, and the trend of prices was downward, a new low for the season being reached in the third week of July. Stocks of cotton in Arkansas warehouses on July 11 totaled 111,880 bales, against 126,663 bales on June 13, and 33,120 bales on the corresponding date in 1929.

Rice — Based on the July 1 condition, combined production of rice in Arkansas and Missouri is estimated by the Department of Agriculture at 7,784,000 bushels, against 7,119,000 bushels harvested in 1929, and a 5-year average of 8,384,000 bushels. Dry weather has taxed pumping capacity to keep fields flooded, and some acreage abandonment is reported. Soaking rains are badly needed.

Tobacco — In the chief producing states of the district the area planted in tobacco this season was somewhat larger than a year ago. Based on the July 1 condition the output of all varieties of leaf in this district is estimated by the Department of Agriculture at 324,102,000 pounds against 307,662,000 pounds in 1929 and a 7-year average (1923-1929) of 288,688,000 pounds. Recently set tobacco with too little moisture has suffered severely from the drouth, and generally rains are badly needed in order to prevent a reduction in weight of the crop and poor quality.

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

		High	Low	Close	
				July 15, 1930	July 15, 1929
Wheat					
Sept.	per bu.	\$.98½	\$.86¼	\$.89	\$1.40½
Dec.	"	.99	.92½	.94¾	1.46½
No. 2 red winter	"	1.02½	.84½	\$.86 @ .87	\$1.41 @ 1.42
No. 2 hard.....	"	.98	.85	.85½ @ .86½	1.34 @ 1.37½
Corn					
Sept.	"	.78¼	.73	.87¼	1.04
Dec.	"	.71¼	.66½	.71¼	.98
No. 2 mixed.....	"	.86	.77	.85½ @ .86	1.01½ @ 1.02
No. 2 white.....	"	.87	.81	.86½ @ .87	1.03½ @ 1.04
Oats					
No. 2 white.....	"	.40½	.35	.36	.50½ @ .51
Flour					
Soft patent.....	per bbl.	6.25	4.50	5.40 @ 5.80	7.00 @ 7.50
Spring patent.....	"	5.60	5.10	5.20 @ 5.30	7.75 @ 8.00
Middling cotton.....	per lb.	.13¾	.119	.119	.17¾
Hogs on hoof.....	per cwt.	10.00	7.50	7.50 @ 9.55	10.25 @ 12.40

FINANCIAL

Demand for credit for commercial and industrial purposes in this district during the past thirty days continued the downward trend noted during the similar period immediately preceding. Requirements of merchants and manufacturers, who at this

time ordinarily increase their commitments to purchase and prepare goods for fall distribution, were measurably smaller than in recent years. The seasonal demand for financing agriculture is making itself felt, particularly in the south, but the aggregate of such requirements is smaller than the average at this particular time during the past half decade or more. The principal reason for this is that the price of winter wheat is the lowest recorded since prior to the war, and grain dealers, and elevator and flour milling interests are able to handle a much larger volume of wheat on their own capital than is usually the case. Another factor in the curtailed demand for handling wheat is the general disposition of producers to hold their stocks for better prices.

Notwithstanding these conditions, total loans and discounts of the reporting member banks have moved sharply upward since early June, and on the second report date in July reached the highest point since April and were slightly larger than on the corresponding date last year. The increase was due entirely to the heavier aggregate of loans on securities, "all other" loans showing a decline of 3.9 per cent between June 11 and July 9. Deposits of these banks moved upward, and on July 9 reached the highest level of the year. Borrowings of all member banks from the Federal reserve bank were in slightly smaller volume than during the month before, and substantially smaller than during the corresponding period last year.

Commercial banks in the urban centers through the south report the demand from country correspondents to accommodate agricultural customers as being in considerably larger volume and earlier than last year. The poor condition of pastures and scant stocks of feed stocks has occasioned larger than usual requirements to purchase feed for farm animals in the cotton and tobacco areas. Banks specializing in live stock loans report a fair volume of liquidation, but continued active demand for conditioning cattle and hogs for market.

The lessened demand for credit and generally abundant supplies of loanable funds were reflected in a further decline in interest rates, levels on all classes of loans at the middle of July being the lowest recorded in recent years. Current rates at the St. Louis banks were as follows: Prime commercial loans, 4 to 5 per cent; collateral loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 4 to 5½ per cent; interbank loans, 5 to 5½ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on July 16, 1930 showed an increase of 2.8 per cent as contrasted

with June 18, 1930. Deposits increased 1.6 per cent between June 18, 1930 and July 16, 1930, and on the latter date were 4.3 per cent larger than on July 17, 1929. Composite statement follows:

	*July 16, 1930	*June 18, 1930	*July 17, 1929
Number of banks reporting.....	†24	†24	†25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$247,190	\$227,650	\$233,538
All other loans and discounts.....	268,027	273,619	282,059
Total loans and discounts.....	\$515,217	\$501,269	\$515,597
Investments			
U. S. Government securities.....	33,499	37,987	57,691
Other securities.....	120,667	119,198	110,918
Total investments.....	\$154,166	\$157,185	\$168,629
Reserve balance with F. R. bank..	44,902	46,954	43,628
Cash in vault.....	5,594	5,730	6,890
Deposits			
Net demand deposits.....	376,354	374,900	362,315
Time deposits.....	235,153	225,728	221,589
Government deposits.....	1,925	2,995	4,345
Total deposits.....	\$613,432	\$603,623	\$588,249
Bills payable and rediscounts with Federal Reserve Bank.....	2,795	6,106	39,127

*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 represent 53.1 per cent of the resources of all member banks in this district.

Debits to Individuals 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.

	*June, 1930	*May, 1930	*June, 1929	June, 1930 comp. to May, 1930	June, 1929
East St. Louis & Natl.					
Stock Yards, Ill. \$	44,666	\$ 45,569	\$ 72,849	— 2.0%	—38.7%
El Dorado, Ark.....	6,724	7,021	6,904	— 4.2	— 2.6
Evansville, Ind.....	30,592	28,095	36,621	+ 8.9	+16.5
Fort Smith, Ark....	11,916	11,630	11,723	+ 2.5	+ 1.6
Greenville, Miss....	3,521	4,127	3,506	—14.7	+ 0.4
Helena, Ark.....	3,464	4,032	4,184	—14.1	—17.2
Little Rock, Ark....	64,828	70,614	69,252	— 8.2	— 6.4
Louisville, Ky.....	202,177	190,731	210,959	+ 6.0	+ 4.2
Memphis, Tenn....	131,512	140,649	147,137	— 6.5	—10.6
Owensboro, Ky....	6,292	6,449	5,993	— 2.4	+ 5.0
Pine Bluff, Ark....	8,823	9,869	9,280	—10.6	— 4.9
Quincy, Ill.....	11,408	13,965	13,388	—18.3	—14.8
St. Louis, Mo.....	795,481	800,920	898,831	— 0.7	—11.5
Sedalia, Mo.....	4,169	4,423	4,944	— 5.7	—15.7
Springfield, Mo....	16,503	16,951	17,438	— 2.6	— 5.4
**Texarkana, Ark-Tex.....	12,966	13,327	16,690	— 2.7	—22.3
Totals.....	\$1,355,042	\$1,368,372	\$1,529,699	— 1.0	—11.4

*In thousands (000 omitted).

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

Federal Reserve Operations — During June the Federal Reserve Bank of St. Louis discounted for 215 member banks, against 215 in May and 241 in June, 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:

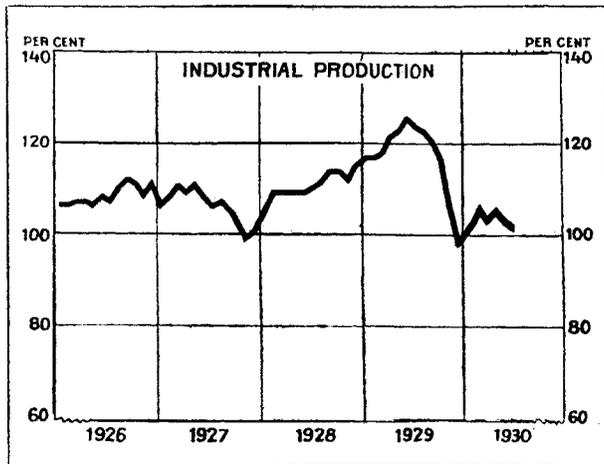
	*July 23, 1930	*June 23, 1930	*July 23, 1929
Bills discounted.....	\$17,303	\$19,363	\$57,800
Bills bought.....	5,847	4,607	199
U. S. Securities.....	22,643	22,643	13,625
Total bills and securities.....	\$45,793	\$46,613	\$71,624
F. R. Notes in circulation.....	69,751	72,392	60,912
Total deposits.....	78,522	78,170	75,419
Ratio of reserve to deposits and F. R. Note Liabilities.....	75.3%	75.8%	52.9%

*In thousands (000 omitted).

(Compiled July 24, 1930)

BUSINESS CONDITIONS IN THE UNITED STATES

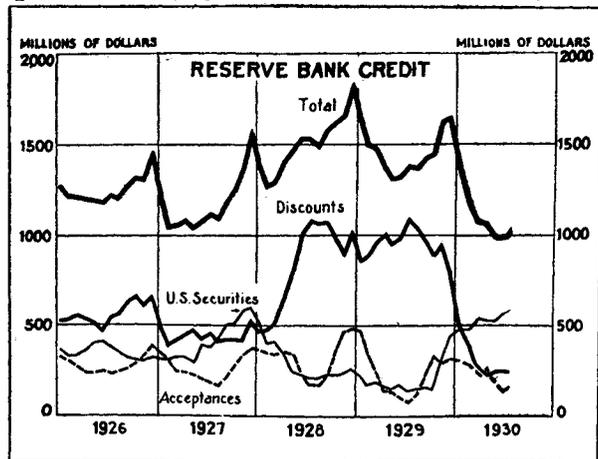
INDUSTRIAL PRODUCTION AND EMPLOYMENT — In June industrial production showed a further substantial decrease and the Board's index, which is adjusted for ordinary seasonal variations, declined to the lowest level since last December. Output of steel ingots declined in June and early July more than is usual at this season, while automobile production was sharply curtailed to a level considerably below that of the same period of the past two years. Cotton consumption, already at a low level, declined further in June. Output of bituminous coal and copper continued in small volume. Wool consumption and shoe pro-



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, June, 102.

duction increased slightly and cement output, as in the preceding month was at a high level.

Factory Employment and payrolls decreased further in June. The number employed at steel plants and in the automobile, agricultural implement, and cotton goods industries declined more than is usual at this season, and employment in the woolen goods and lumber industries continued unusually low. The value of building contracts awarded in June, \$600,000,000, according to the F. W. Dodge Corp., was about 30 per cent more than in May and the largest since last July. The increase reflected chiefly unusu-



Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages of first 19 days in July.

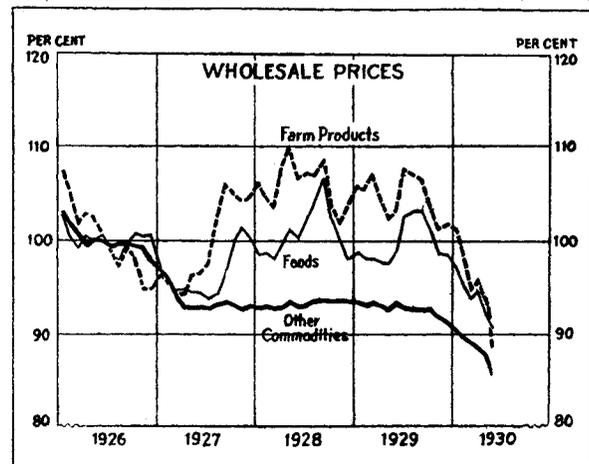
ally large awards for natural gas pipe lines and power plants. The volume of contracts for residential building was somewhat smaller than in May. In early July the total volume of contracts was small.

Department of Agriculture estimates, based on July 1 conditions, indicate a decrease from last year of about 20 million bushels in the winter wheat crop and a corresponding increase in spring wheat. The corn crop is expected to be about 2,800,000,000 bushels, 7 per cent larger than last year and 6 per cent above the five-year average. Area planted to cotton is estimated at 45,815,000 acres, 2.7 per cent less than last year.

DISTRIBUTION — The volume of freight car loadings in June and early July continued to be substantially below the corresponding periods of 1928 and 1929. Prelimi-

nary reports indicate that the decline in department store sales from a year ago was of larger proportions in June than in any previous month this year.

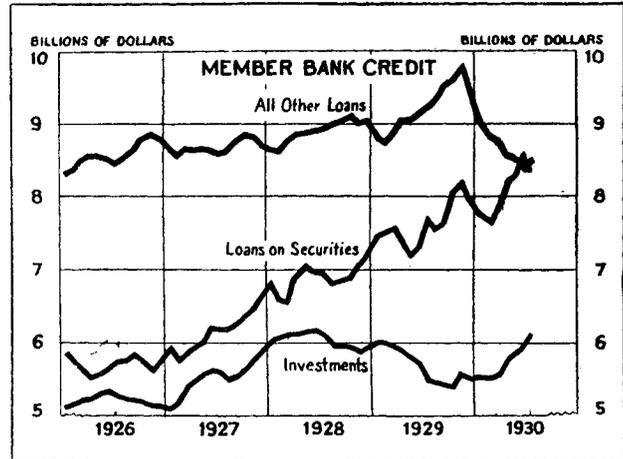
WHOLESALE PRICES — Commodity prices declined more rapidly in June than in any other recent month and the index of The Bureau of Labor Statistics at 86.8 per cent of the 1926 average was about 10 per cent below the level of a year ago. Prices of many important agricultural commodities and their manufactures declined further and certain leading imports of raw products, silk, rubber and coffee, reached new low levels. There were also further



Indexes of the United States Bureau of Labor Statistics (1926=100, base adopted by the Bureau). Latest figures, June: Farm Products, 88.9; Foods 90.5; Other Commodities, 85.7.

declines in iron, steel and copper. Prices of raw wool, hides and raw sugar increased slightly during June. Early in July, prices of meats were stronger, but there were further declines in many other commodities.

BANK CREDIT — Loans of reporting member banks in leading cities declined somewhat between the middle of June and the middle of July, and on July 16 were \$60,000,000 smaller than five weeks earlier. Loans on securities decreased by \$140,000,000, while "all other" loans increased by \$80,000,000. The banks' investments increased further by about \$280,000,000 during this period and were in larger



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

volume at any other time in the past two years. Member bank balances at the reserve banks increased and in the week ending July 16 averaged \$60,000,000 more than five weeks earlier and at the same time their borrowings from the reserve banks declined by nearly \$20,000,000, reflecting an increase in the reserve banks' holdings of acceptances and Government securities, a further slight growth in gold stock and a continued decline in the volume of money in circulation.

Money rates in the open market continued to ease and in the middle of July rates on 90 day bankers' acceptances at 1 7/8 per cent were at a new low level, while rates on commercial paper at 3-3/4 per cent were at the low point of 1924. During July the reserve bank discount rate was reduced at Boston from 3 1/2 to 3 per cent and at Philadelphia, Atlanta and Richmond from 4 to 3 1/2 per cent.