



# MONTHLY REVIEW

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

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**I**NFLUENCED by the usual seasonal recession in activities, unfavorable agricultural conditions and reduced purchasing power due to widespread unemployment, commerce and industry in this district during August reached the lowest point on the downward movement, which has been in progress since last fall. In all lines investigated by this bank, the volume of business continued below that of August last year and the average for that month during the past half decade. Except in a limited number of lines, directly affected by seasonal considerations, a further downward movement from July was indicated by the August statistics. There was no apparent relaxation from the policy of extreme caution and conservatism in purchasing of commodities by merchants and the public which has obtained since early this year. Manufacturers, in turn, were holding down their commitments on raw materials to a minimum, and making up but few goods for which they had not orders on their books or fairly certain sales prospects.

Lines showing seasonal improvement in sales from July to August were mainly those dealing in goods for ordinary consumption. There was no change of moment in the iron and steel and other metal industries as compared with the preceding thirty days. Demand for building materials remained at a low ebb, and reduced activities were reported by lumber, fire clay, cement, glass and plumbing supply and paint interests. Operations at textile plants were at approximately the same rate in August as in July, but considerably less than a year ago. Distribution of automobiles moved sharply upward from the low level recorded in July, but was considerably below the August average for the past five years. Since the first week of September there has been moderate improvement in orders booked by a majority of wholesale lines, and special sales conducted by retail establishments have resulted in the movement of a heavy volume of goods. Slight improvement in the bituminous coal industry was noted in August, confined chiefly to domestic grades, no change having taken place in the general industrial demand.

The unprecedented drouth and excessive hot weather prevailing in the district throughout the growing season of spring planted crops, was unbroken until the second week of August, when scattered showers afforded local relief. The precipitation was not general, and large areas received no moisture of consequence until well into September. Crops suffered further deterioration between August 1 and September 1, those most affected being cotton, corn, hay, tobacco, certain commercial vegetables and gardens. Shortage of feed and forage crops, pasture and water occasioned considerable losses in the livestock and dairying industries. Forced shipments of livestock to market were general in sections hardest hit by the drouth. These, however, have been halted by the recent rains. As a consequence of the drouth, short crops and depressed prices of many important agricultural products, farm income in the Eighth district has been heavily reduced as compared with recent years.

Measured by sales of department stores in the largest cities of the district, retail trade in August declined approximately 16.1 per cent as compared with the same month last year. For the first 8 months this year the decrease in business volume of these stores amounted to 8.7 per cent. Combined sales of all wholesale and jobbing firms reporting to the St. Louis bank in August were only a little more than half as large as during the same month last year, and considerably below the August average during the past six years. Debits to individual accounts in August were 10.0 per cent smaller than in July, and 21.0 per cent less than in August, 1929. For the first eight months the debits total showed a decrease of 12.8 per cent under the corresponding period last year. Savings about held their own in August, and on September 4, the aggregate was a shade higher than on the corresponding date in 1929.

Freight traffic of railroads operating in this district showed an increase during August as compared with the two preceding months, the improvement being seasonal in character. As compared with the corresponding month in 1929 and 1928, however, the August volume registered a considerable decline.

Due to the short crops and disposition on the part of farmers to hold their stocks for higher prices, the movement of grain and grain products fell below that of the two preceding years. For the country as a whole loadings of revenue freight for the first 35 weeks this year, or to August 30, totaled 31,433,405 cars, against 35,377,737 cars for the corresponding period in 1929 and 33,754,221 cars in 1928. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 197,862 loads in August against 196,703 loads in July and 252,629 loads in August, 1929. During the first nine days of September the interchange amounted to 52,138 loads, against 59,843 loads during the corresponding period in July, and 66,515 loads during the first nine days of September, 1929. Passenger traffic of the reporting roads decreased 14 per cent in August as contrasted with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 69,800 tons, the smallest for any single month since February, 1926, and comparing with 84,266 tons in July and 86,135 tons in August, 1929. The poor showing made in August was due in large part to the low stage of water in the Mississippi River.

Reports relative to collections during the past thirty days reflect no improvement whatever in the slow, backward conditions which have obtained since the late spring. Generally, but more particularly in the agricultural areas, there is a disposition to conserve cash and to postpone paying bills as long as possible. Due to drouth and crop failures, country merchants in many sections are experiencing difficulty in collecting from their customers, and in turn are slow in settling with creditors. Wholesalers in the large centers report an increased number of requests for extensions. Collections of city retailers are relatively better than in the country, but are in smaller volume than a month and a year earlier. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
August, 1930.....	0.1%	8.5%	52.8%	38.6%
July, 1930.....	0.1	12.7	58.6	28.6
August, 1929.....	1.3	30.6	55.6	12.5

Commercial failures in the Eighth Federal Reserve District in August, according to Dun's, numbered 112, involving liabilities of \$1,909,148, against 107 defaults with liabilities of \$2,272,170 in July and 103 failures for a total of \$1,393,363 in August, 1929.

The average daily circulation in the United States in August was \$4,476,000,000, against \$4,497,000,000 in July and \$4,777,000,000 in August, 1929.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — Further improvement as compared with the preceding month was reflected in August sales data of the reporting interests. The August total, however, was one-third smaller than for the same month last year. Since September 1 there has been considerable betterment in both immediate and advance orders, but volume of future business is still below the seasonal average. There was no change in prices as compared with the month before. Stocks were reduced about 6.0 per cent between August 1 and September 1, but on the latter date were 23.0 per cent larger than a year ago.

**Clothing** — As has been the case throughout the present year business in virtually all lines of the clothing industry was in considerably less than the average seasonal volume of the past decade. Sales of the reporting interests in August were only about a fourth as large as during the same month in 1929, and slightly more than two-thirds as large as the July total this year. The August total was 31.0 per cent smaller than the average for that month during the past several years, and for the first eight months this year sales are off about one-fourth as contrasted with the similar period in 1929. In both the month-to-month and yearly comparison, relatively greater decreases were noted in the rural areas and small towns than the large urban centers.

**Drugs and Chemicals** — Demand for heavy drugs and chemicals from the general manufacturing trade was at the lowest point of the year during August, and this fact was accountable in large measure for the decline in sales as compared with that a year and a month earlier. Soda fountain equipment and supplies were purchased in large volume, and the movement of other seasonal goods was active. August sales of the reporting firms were 23.0 per cent less than in that month last year, and 13.5 per cent smaller than the July total this year. Stocks on September 1 were about 10.0 per cent greater than on the same date in 1929, and showed a small increase over August 1 this year.

**Dry Goods** — Reports of leading interests in this classification showed the usual seasonal increase in sales during August as compared with the preceding month. As contrasted with the same month last year, however, the August volume showed a decrease of 45.5 per cent, and was the smallest for any August in more than eight years. Improvement over August business was noted during the first half of September, but both immediate and advance sales were still below a year ago. Price uncertainty is adversely affecting sales of goods based on cotton, and purchasing in all lines is on a

conservative scale. Inventories are mainly of moderate size and below the seasonal average. Stocks on September 1 were 12.0 and 6.0 per cent smaller, respectively, than a month and a year earlier.

**Electrical Supplies** — Heavy sales of fans and other hot weather goods during August failed to offset decreases in other lines, and total sales of the reporting firms for that month fell 28.0 per cent below the corresponding period in 1929, and 31.0 per cent below July this year. Inventories on September 1 showed little change from a year ago, but were 18.0 per cent smaller than on August 1 this year.

**Flour** — Production at the 12 leading mills of the district in August totaled 357,477 barrels, the largest since last March, and comparing with 328,069 barrels in July and 367,202 barrels in August, 1929. Stocks of flour in St. Louis on September 1 were 6.6 per cent larger than on August 1, and about a fourth smaller than on September 1, 1929. More stability was evident in the market than has been the case for a number of months. Sales for both export and domestic consumption were on a larger scale, and the jobbing trade considerably increased its takings. Prices were somewhat irregular, following closely fluctuations in cash wheat. Mill operation was at from 52 to 58 per cent of capacity.

**Furniture** — August sales of the 12 reporting interests showed an increase of 14.0 per cent over the preceding month, and were the largest since last April. The month's total, however, was less than half as large as that of the same month in 1929, and was the smallest for any August in more than half a decade. Stocks on September 1 showed little change from a month earlier, and were about 5.0 per cent larger than on September 1, 1929.

**Groceries** — A slight improvement in August sales over those of July was indicated by reports of the 12 reporting interests, but as compared with a year ago the August total showed a loss of 12.0 per cent. Stocks on September 1 showed moderate decreases as compared with thirty days and a year earlier. Since September 1 there has been a fair pickup in ordering for future shipment, with canned fruits and vegetables making a particularly favorable showing.

**Hardware** — Relief from the protracted drouth conditions has served to bolster sentiment and in the immediate past has resulted in an increased ordering of goods for consumption in the rural areas. Generally, however, there is little change in the depressed conditions existing in the hardware trade during the past several months. August sales of the reporting firms were about a third smaller than for the same month in 1929, and the smallest for that month in more than eight years. The clearance of

all descriptions of hot weather goods was disappointing. Inventories are generally small, September 1 stocks of the reporting dealers being 11.0 per cent smaller than a year earlier, and slightly less than on August 1 this year.

**Iron and Steel Products** — Conditions in the iron and steel industry developed no marked changes as compared with the preceding thirty days. Extreme conservatism obtains among all classes of buyers, and there is a disposition to await developments before making commitments. Activities at mills, foundries and machine shops during August were at a slightly lower rate than in July, and substantially below the corresponding month in 1929 and the August average during the past five years. Specifications on goods previously purchased were not in the volume expected, this being true particularly of the major iron and steel consuming lines, such as the automotive and railroad equipment industries. Virtually all interests reporting to this bank showed a further decrease in unfinished business, exceptions being producers of materials for bridge, highway and public utility construction and certain fabricators of building materials. Iron and steel warehouse interests and jobbers reported moderate betterment in the demand from the general manufacturing trade, but less than is usual at this time of year. Purchasing is confined to small lots for immediate or reasonably prompt delivery. Goods for consumption in the rural areas are moving in considerably less than the seasonal volume. Farm implement and stove manufacturers report specifications at a low level, and new orders disappointing. This condition is ascribed to reduced purchasing power resulting from the drouth. Advance ordering of wire fencing and accessories is reported the smallest in recent years. Producers and distributors of sheets and tank plates note no improvement in the demand for their commodities. New orders placed with manufacturers of machinery and engines receded to the lowest point this year. Price revisions of finished and semi-finished iron and steel commodities were narrow, but the general trend was lower, and increasingly keen competition has resulted in concessions under list quotations in order to secure business. Pig iron prices were nominally unchanged, and shipments to consumers in the district were slightly larger in August than in July, though sharply below a year ago. Due to scarcity of certain grades, prices of scrap iron and steel averaged moderately higher than during the preceding month. Production of pig iron for the country as a whole in August totaled 2,529,148 tons, against 2,638,441 tons in July and 3,746,198 tons in August, 1929. The August daily rate of 81,585 tons was the lowest

since October, 1924. Steel ingot production in the United States in August totaled 3,095,293 tons, which compares with 2,933,399 tons in July and 4,939,086 tons in August, 1929.

## AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in August totaled 223,046, against 262,363 in July and 498,628 in August, 1929.

The steady decline in distribution of automobiles in this district, which, according to dealers reporting to this bank, had been in effect since last February was halted in August, total sales in that month showing a substantial gain over July. During the past several years there has invariably been an increase in sales of these dealers from July to August. The extent of the increase this year was slightly larger than the average of the past half decade, being exceeded only in 1927 and 1929. As has been the case each month this year, however, the August total was considerably smaller than during the corresponding month in 1929. The improvement in business from July to August was confined principally to dealers in the cities and larger towns, purchasing of passenger cars in the agricultural areas continuing at the low levels of recent months. Reduced purchasing power resulting from the drouth and crop failures has prevented farmers from filling their automobile requirements. In the cities dealers showing the largest increases were those handling makes of manufacturers which have placed new models on the market. Price reductions were also a factor stimulating sales. Demand for trucks also developed marked betterment, the volume of sales during August showing a percentage gain about equal to that of passenger cars. Vehicles for heavy hauling and contract work showed a relatively heavier gain than was the case with small trucks for city delivery service. Accessories, garage supplies and replacement parts showed improvement from July to August, with several important interests specializing in replacement parts reporting small gains over a year ago. There were further complaints of slow collections on cars sold on the installment plan. August sales of new passenger cars by the reporting dealers were 44.7 per cent larger than in July, and 39.2 per cent smaller than in August, 1929. In both city and country, dealers are ordering only sufficient cars for immediate requirements, and as a result there is a further reduction in inventories. Stocks on hand on September 1 were 15.0 per cent smaller than on the same date in 1929, and 22.0 per cent smaller than on August 1 this year. Intensive sales efforts and extensive junk-

ing operations were reflected in a substantial reduction in used car stocks. The number on hand on September 1 was 5.0 per cent smaller and the value 8.5 per cent smaller than on August 1. As compared with a year earlier, there was a decrease of 12.0 per cent in the number and of 15.0 per cent in the value of used cars on September 1. According to dealers reporting on that detail, deferred payment sales in August constituted 55.4 per cent of their total sales, against 51.3 per cent in July and 55.0 per cent in August, 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	
Aug. 1930 comp. to Aug. 1929	8 months ending Aug. 31, 1930 to same period 1929	Aug. 31, 1930 comp. to Aug. 31, 1929	Jan. 1, to Aug. 31, 1930 1929	Aug. 31, 1930 1929	
Evansville .....	-12.4%	-5.0%	+ 5.5%	1.34	1.51
Little Rock.....	-16.0	-11.6	-12.7	1.48	1.56
Louisville.....	-15.3	-9.1	+ 1.9	1.83	2.05
Memphis .....	-16.5	-10.4	- 5.1	1.93	2.03
Quincy .....	-15.8	- 0.5	- 6.0	1.66	1.72
St. Louis.....	-16.4	- 8.1	- 3.9	2.42	2.56
Springfield, Mo.....	- 5.9	- 7.8	-15.7	1.01	.96
8th District.....	-16.1	- 8.7	- 4.4	2.13	2.26
Net sales comparison		Stocks on hand			
Aug., 1930 comp. to Aug., 1929	July, 1930	Aug., 1930 comp. to Aug., 1929	July, 1930	Aug., 1930 comp. to Aug., 1929	July, 1930
Men's furnishings.....	- 6.7%	+ 6.9%	+ 0.3%	- 1.3%	
Boots and shoes.....	-13.6	- 6.5	- 4.0	+10.4	

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

	Percentage increase or decrease Aug., 1930 compared to Aug., 1929	
	<u>Net sales for month</u>	<u>Stocks on hand at end of month</u>
Piece goods.....	-20.0%	- 7.7%
Ready-to-wear accessories.....	-14.7	- 0.6
Women and misses' ready-to-wear.....	-20.2	-18.6
Men's and boys' wear.....	-11.5	- 1.5
Home furnishings.....	-36.3	- 5.2

## BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in August were 5 per cent smaller than in July, and less by approximately one-half than in August, 1929. According to statistics compiled by the F.W.Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in August amounted to \$23,320,000 which compares with \$25,590,000 in July, and \$39,225,000 in August, 1929. Production of portland cement for the country as a whole in August totaled 17,821,000 barrels, against 17,078,000 barrels in July, and 18,585,000 barrels in August, 1929. Building figures for August follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1930	1929	1930	1929	1930	1929	1930	1929
Evansville ..	360	392	\$ 142	\$1,284	85	47	\$ 20	\$ 73
Little Rock	24	40	136	93	81	104	82	169
Louisville ..	99	150	325	647	58	63	64	75
Memphis ....	432	152	683	340	53	136	28	48
St. Louis....	322	560	794	1,710	287	433	493	599
Aug. totals	1,237	1,294	\$2,080	\$4,074	559	783	\$ 687	\$964
July totals	1,147	1,709	2,191	4,869	589	659	\$ 378	759
June totals	1,144	1,516	3,700	5,174	848	643	666	650
*In thousands of dollars (000. omitted).								

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## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers as being 3.1 per cent smaller than in July and 7.1 per cent less than in August a year ago. The decrease in the month-to-month comparison was due to smaller loads taken by cement plants, iron and steel interests and dairies. In the yearly comparison, decreases were general through all lines of business. Detailed figures follow:

	No. of Custom- ers	Aug., 1930 *K.W.H.	July, 1930 *K.W.H.	Aug. 1930 comp. to July, 1930	Aug., 1929 *K.W.H.	Aug. 1930 comp. to Aug. 1929
Evansville.....	40	1,848	1,901	— 2.8%	1,913	— 3.3%
Little Rock..	35	2,312	2,585	—10.6	2,121	+ 9.0
Louisville .....	87	7,543	7,853	— 4.0	8,481	—11.1
Memphis .....	31	1,018	1,046	— 2.7	1,196	—14.9
St. Louis.....	154	22,918	23,403	— 2.1	24,659	— 7.1
Totals.....	347	35,639	36,788	— 3.1	38,370	— 7.1

\*In thousands (000 omitted).

## AGRICULTURE

The past thirty days have been marked by further deterioration of crops in this district. Until the second week in August the drouth, which had prevailed through the late spring and summer, remained unbroken and there was no relief from the extreme high temperatures and hot winds which had wrought heavy damage to vegetation earlier in the season. Following the second week in August there was scattered rainfall, mainly in the form of showers, which afforded local relief, but was inadequate to promote growth of crops and restore pastures. Until the end of the second week in September, there was no section of the district of considerable size which had received sufficient precipitation to thoroughly soak the parched soil. In many counties scarcity of water for live stock and home use continued until well into this month. The lowest average spring and summer rainfall in more than two decades was recorded in Arkansas, Missouri, Southern Illinois, Indiana, Kentucky and Mississippi.

Prospects for cotton, corn, tobacco, hay and commercial vegetables and fruits declined markedly between August 1 and September 1. The condition of pastures deteriorated further, and in most sections was the lowest ever recorded by the crop reporting service at the beginning of September. In areas most acutely affected by the drouth it has been necessary to place livestock on prepared feeds, which are generally short and high in price. Unfavorable conditions for carying their herds has resulted in farmers shipping large numbers of cattle and hogs to market which ordinarily would not have moved from farms until considerably later in the season. As was the case during the preceding month, dairying operations were seriously interfered with by the dry weather. Milk production per cow in August averaged sharply lower than in July, and

was also sharply below the average in August, 1929.

Fall plowing and preparations for seeding winter wheat, rye, alfalfa, clover and timothy have been considerably delayed by the drouth and hard baked and cracked soil in many sections, and are as a whole behind the usual seasonal schedule. Rains in the immediate past have ameliorated this situation to some extent, and throughout the district field work is being intensively pushed. Other farm work is well advanced, and as has been the case since termination of the small grain harvests, a large surplus of farm labor exists in all states of the district.

**Winter Wheat**— There was no change in the estimate of winter wheat production from the preceding month, the output in this district being estimated by the Department of Agriculture at 48,333,000 bushels, against 44,259,000 bushels in 1929, and a 7-year average (1923-1929) of 43,636,000 bushels. In states of the Eighth District farmers' intentions to sow winter wheat as of August 1 contemplated a smaller acreage than in a number of years. The total 5,869,000 acres, compares with 6,129,000 acres in August, 1929, and a 5-year average (1924-1928) of 7,060,000 acres. Unsatisfactory prices and unfavorable weather conditions were the chief influences in the decrease. Generally farmers are disposed to hold their grain for more satisfactory marketing conditions, and an unusually large quantity of wheat will be fed to livestock this season. There was a further decline in wheat prices, a new low point since 1914 being touched in the first week of September.

**Corn**— Based on the September 1 condition, the U. S. Department of Agriculture estimates the yield of corn in this district at 186,410,000 bushels, a decrease of 45,240,000 bushels under the August 1 estimate, and comparing with 312,957,000 bushels harvested in 1929, and a 7-year average of 339,625,000 bushels. Deterioration was most severe during the first nine days of August in which period the drouth was unbroken, and the highest temperatures of the season were equaled, and in some sections exceeded. Except in limited areas, notably in bottom lands, the rains since September 10 came too late to effect improvement to the crop. Low yields of both grain and stalks and the shortage of other roughages and pasture, accompanied by early cutting of corn for forage, will have the effect of greatly increasing the acreage harvested as silage and consequent decrease in acreage husked for ear corn. Due to generally poor quality of the crop, farmers in many sections are faced with a shortage of seed for next year's planting.

**Fruits and Vegetables**— Conditions throughout August and early September were unfavorable for growth and ripening of fruit and vegetable crops.

The drouth and hot weather further cut prospective yields, and considerably lowered quality. Between August 1 and September 1, the outlook for the white potatoe crop in the district declined slightly, but due to larger acreage, the output, estimated at 14,668,000 bushels, will be 1,355,000 bushels larger than in 1929, but 1,163,000 bushels below the 7-year average. No marked change in prospects for the apple crop was noted from August to September, but the crop is considerably smaller than a year ago and the 7-year average. In states entirely or partly within the Eighth District, the yield of sweet potatoes based on the September 1 condition, is estimated by the Department of Agriculture at 10,977,000 bushels, a decrease of 1,525,000 bushels from the August 1 estimate, and comparing with 17,741,000 bushels harvested in 1929, and a 5-year average of 16,748,000 bushels. The yield of peanuts in these states is estimated at little more than half that of 1929 and the 5-year average. Grape prospects declined during August, the estimated yield of 29,395 tons on September 1 comparing with 38,196 tons harvested in 1929, and a 5-year average of 28,707 tons. The increase this year over the average is due to the largely increased acreage of vineyards during the past five years. The estimated yield of pears is only about half of last year's output and the 5-year average. The peach crop was practically a complete failure. The condition of vegetable and truck crops in market, farm and home gardens declined further, and on September 1 was the lowest in recent years.

**Live Stock** — Scant supplies of water and pasturage generally through the district had a derogatory effect on the condition of livestock. Rains since the first week of September have afforded relief in some areas, but in sections most affected by the dry weather, farmers have reduced the size of the herds by shipment to market. Scattered reports of outbreaks of hog cholera were received, but nothing of a general or serious nature. The average price of hogs in August was slightly higher than in July, and cattle values were fairly well sustained.

In sections receiving rain some improvement in pastures has taken place, but generally the precipitation came too late to effect substantial betterment. Hay prospects receded during August, the September 1 estimate being for 5,547,000 tons in the Eighth District a decline of 373,000 tons from August 1, and comparing with 9,105,000 tons harvested in 1929, and a 7-year average of 8,160,000 tons.

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

	Receipts			Shipments		
	Aug., 1930	July, 1930	Aug., 1929	Aug., 1930	July, 1930	Aug., 1929
Cattle and calves.....	125,393	111,569	128,684	100,043	69,166	87,900
Hogs .....	210,960	239,837	304,136	183,084	192,093	203,633
Horses and mules.....	976	1,262	3,541	966	1,629	3,251
Sheep .....	45,110	73,520	62,370	10,782	15,448	18,037

**Cotton**—A crop of 2,568,000 bales for the Eighth Federal Reserve District is forecast by the U. S. Department of Agriculture, based on conditions as of September 1. This represents a decrease of 150,000 bales from the August 1 forecast, and compares with 3,306,000 bales harvested in 1929, and a 7-year average of 2,660,000 bales. Deterioration during August was due to heat and drouth conditions, which conditions have also caused disappointment because of small bolls and poor outturn of lint. However, the dry weather held boll weevil activity in check, and indications point to a smaller loss from weevil damage than in any year since all states in the cotton belt became infested with weevils, except 1925. Harvesting has made fair progress, which would have been greater but for the fact that owing to the low price of cotton, small farmers are employing a minimum of hired help. Consumptive demand for cotton continued dull, and prices receded further, touching the lowest level since 1915 in the second week in September. The middling grade in the St. Louis market closed at 9.85c per pound on September 15, against 10.85c on August 15, and 17.75c on September 15, 1929. Stocks of cotton in Arkansas warehouses on September 12 totaled 111,155 bales, against 102,499 bales on August 8, and 72,824 bales on the corresponding date in 1929.

**Tobacco** — Unbroken drouth conditions during early August took further toll of the tobacco crop, the reduction in indicated yield between August 1 and September 1 being about 31,000 pounds, including all types. The Department of Agriculture's estimate for the Eighth District, as of September 1, was 244,599,000 pounds, which contrasts with 316,507,000 pounds produced in 1929, and an average of 288,688,000 pounds during the 7-year period, 1923-1929. Late planted tobacco has benefitted from local showers since the second week in August and has come out well. Severe firing of early types caused much premature cutting, and the leaf affected is of inferior quality.

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

			Close	
			Sept. 15, 1930	Sept. 15, 1929
Wheat				
Sept. ....	per bu.	\$ .89½	\$ .80	\$ .80
Dec. ....	"	.95½	.83½	.83½
May ....	"	1.02½	.90½	.90½
No. 2 red winter .....	"	.95	.88½ @	.89 \$1.35 @
No. 2 hard.....	"	.90	.83¼ @	.84 1.31 @
Corn				
Dec. ....	"	.95½	.85½	.86¼
May ....	"	.98	.88¾	.88¾
No. 2 mixed.....	"	1.01½	.94½ @	.95 1.01 @
No. 2 white.....	"	1.04	.96½ @	.97 1.03½ @
Oats				
No. 2 white.....	"	.42¼	.38½	.39 @
Flour				
Soft patent.....	per bbl.	5.00	4.50 @	5.00 6.75 @
Spring patent.....	"	5.60	4.60 @	4.90 6.80 @
Middling cotton.....	per lb.	.10½	.985	.985
Hogs on hoof.....	per cwt.	12.10	7.75 8.25 @	11.05 8.50 @

## FINANCIAL

The banking and financial situation in this district during the past thirty days has been marked by a further slight contraction in demand for credit from commercial and industrial sources and an abundance of loanable funds in the banks, particularly in the large cities. Requirements for financing merchandise for fall and winter distribution showed less than the usual seasonal expansion, due largely to lower prices and generally smaller inventories than at any similar period during the past several years.

As was the case during the preceding thirty days, demands for financing the movement of crops and for general agricultural purposes was spotted and irregular, both with reference to the several crops and localities. Considerable liquidation of wheat loans took place, the total volume being larger than usual so early in the season. Banks specializing in grain loans report that more financing than is ordinarily the case is being done through acceptances and the Intermediate Credit Banks.

As compared with a month ago, agricultural demands in the south have gained in volume, mainly for financing the harvesting and early movement of cotton, tobacco and rice. While the movement of cotton has gotten under way, it was not in sufficient volume to result in substantial liquidation. Furthermore, there is a disposition to hold stocks for higher prices and more favorable marketing conditions. Marketing of livestock during August was on a liberal scale, especially in sections most affected by the drouth. Demand for conditioning cattle and hogs, however, continues fairly active.

Loans of the reporting member banks, which had previously moved sharply downward, turned upward in the week ending September 10. The total on the latter date, however, was 1.2 per cent smaller than on August 13, and 5.0 per cent below the corresponding date in 1929. Deposits of these banks closely followed the movement of loans, and on September 10 were a shade lower than a month earlier. Investments continued the irregularly upward trend of recent months, and on September 10 were at approximately the same level as on the corresponding date in 1929. Average borrowings of all member banks from the Federal reserve bank were slightly larger than during the preceding thirty days, but continued substantially below the corresponding period last year.

At St. Louis banks current rates were as follows: Prime commercial paper,  $3\frac{3}{4}$  to 5 per cent; collateral loans,  $4\frac{1}{2}$  to  $5\frac{3}{4}$  per cent; loans secured by warehouse receipts, 4 to  $5\frac{1}{2}$  per cent; interbank

loans,  $4\frac{1}{2}$  to  $5\frac{3}{4}$  per cent, and cattle loans,  $5\frac{1}{2}$  to 6 per cent.

**Condition of Banks**—Loans and discounts of the reporting member banks on September 17, 1930, showed an increase of 0.3 per cent as contrasted with August 20, 1930. Deposits increased 0.4 per cent between August 20, 1930 and September 17, 1930, and on the latter date were 3.9 per cent larger than on September 18, 1929. Composite statement follows:

	*Sept. 17, 1930	*Aug. 20, 1930	*Sept. 18, 1929
Number of banks reporting.....	†24	†24	†25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$234,556	\$232,261	\$238,244
All other loans and discounts.....	275,964	276,529	301,209
Total loans and discounts.....	\$510,520	\$508,790	\$539,453
Investments			
U. S. Government securities.....	33,727	32,337	48,382
Other securities.....	124,149	125,022	108,844
Total investments.....	\$157,876	\$157,359	\$157,226
Reserve balance with F. R. bank.....	44,440	44,940	42,315
Cash in vault.....	5,581	5,352	6,372
Deposits			
Net demand deposits.....	370,674	370,682	360,643
Time deposits.....	239,410	237,914	224,468
Government deposits.....	1,538	658	3,571
Total deposits.....	\$611,622	\$609,254	\$588,682
Bills payable and rediscounts with			
Federal Reserve Bank.....	5,307	3,958	49,359

\*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 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.

	*Aug., 1930	*July, 1930	*Aug., 1929	Aug., 1930 comp. to July, 1930	Aug. 1929
East St. Louis & Natl.					
Stock Yards, Ill.....	\$ 37,817	\$ 40,577	\$ 83,764	— 6.8%	—54.9%
El Dorado, Ark.....	6,463	7,572	8,207	—14.6	—21.3
Evansville, Ind.....	26,203	29,659	31,011	—11.7	—15.5
Fort Smith, Ark.....	11,189	11,041	13,097	+ 1.3	—14.6
Greenville, Miss.....	3,138	3,824	4,156	—17.9	—24.5
Helena, Ark.....	3,402	3,749	5,008	— 9.3	—32.1
Little Rock, Ark.....	61,984	70,715	75,715	—12.3	—18.1
Louisville, Ky.....	176,941	180,960	192,326	— 2.2	— 8.0
Memphis, Tenn.....	112,311	122,951	149,625	— 8.7	—24.9
Owensboro, Ky.....	5,944	6,657	6,319	—10.7	— 5.9
Pine Bluff, Ark.....	6,968	8,709	10,836	—20.0	—35.7
Quincy, Ill.....	8,941	10,598	15,282	—15.6	—41.5
St. Louis, Mo.....	619,791	704,151	772,610	—12.0	—19.8
Sedalia, Mo.....	3,928	4,081	5,035	— 3.7	—22.0
Springfield, Mo.....	13,853	14,912	17,595	— 7.1	—21.3
*Texarkana,					
Ark.-Tex.....	11,893	13,050	15,222	— 8.9	—21.9
Totals.....	\$1,110,766	\$1,233,206	\$1,405,808	— 9.9	—21.0

\*In thousands (000 omitted).

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

**Federal Reserve Operations**—During August the Federal Reserve Bank of St. Louis discounted for 220 member banks, against 215 in July and 242 in August, 1929. The discount rate remained unchanged at  $3\frac{1}{2}$  per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Sept. 19 1930	*Aug. 19, 1930	*Sept. 19, 1929
Bills discounted.....	\$18,856	\$15,814	\$74,384
Bills bought.....	10,572	8,030	63
U. S. Securities.....	23,899	23,899	.....
Total bills and securities.....	\$53,327	\$47,743	\$74,447
F. R. Notes in circulation.....	64,646	67,142	68,797
Total deposits.....	75,315	84,932	77,812
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	69.2%	75.2%	55.8%

\*In thousands (000 omitted).

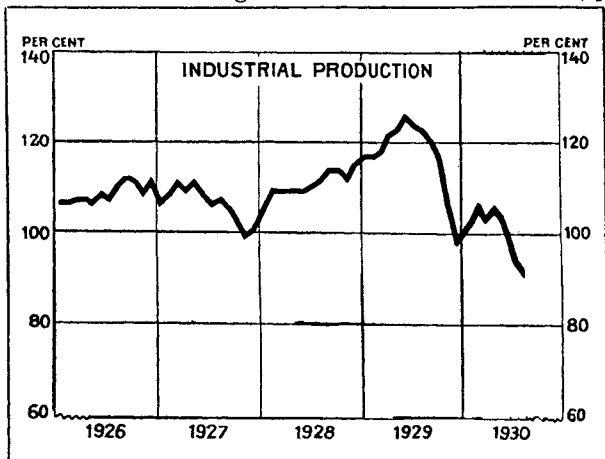
(Compiled Sept. 23, 1930)



## BUSINESS CONDITIONS IN THE UNITED STATES

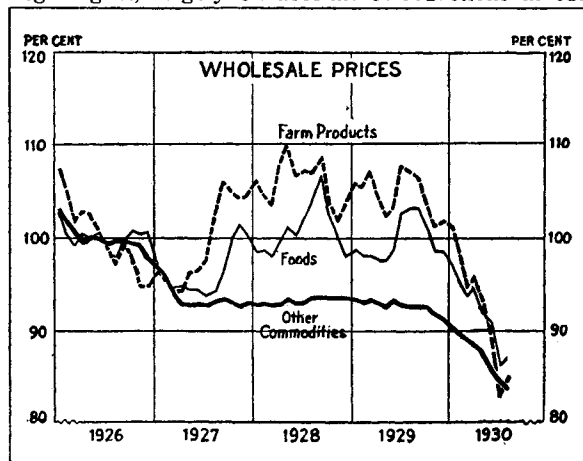
Industrial production as a whole was in the same volume in August as in July, contrary to the usual upward trend at this season, although there were seasonal increases in activity in a number of basic industries. Factory employment and payrolls declined further. The general level of commodity prices at wholesale, which had declined continuously for a year, remained unchanged between July and August, advances in prices being reported in certain important agricultural staples.

**PRODUCTION** — The Board's index of industrial production, which makes allowance for seasonal variations, continued to decline in August. Production of automobiles, pig



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, August, 92.

iron, lumber and sugar decreased, and there was a reduction in the consumption of cotton and wool. In the bituminous coal and silk industries, there was less increase than is usual at this season, while in steel, cement, flour, and shoes the increase was slightly more than seasonal. During the first two weeks of September, activity at steel plants increased, while a further reduction in output of automobiles was reported. Building contracts awarded, as reported by the F. W. Dodge Corporation, were slightly smaller in volume during August, largely on account of reductions in educa-



Indexes of the United States Bureau of Labor Statistics (1926=100, base adopted by Bureau).

Latest figures, August: Farm products, 84.9; Nonagricultural, 83.3. tional and industrial construction projects; residential building contracts continued small. During the first two weeks in September, awards averaged about the same as in August.

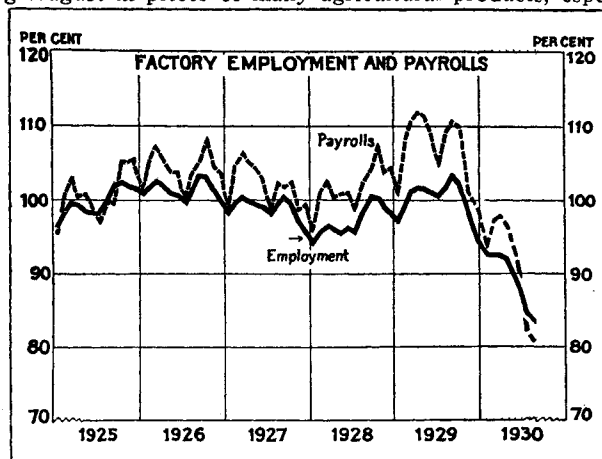
At the middle of August, the latest date for which figures are available, the number of wage earners employed in factories and the volume of factory payrolls was smaller than in the middle of July. There were decreases in employment in the iron and steel and cotton textile industries, and at foundries and machine shops, automobile plants, and saw mills. Substantial seasonal increases occurred in the canning and preserving, bituminous coal mining, and clothing industries.

**AGRICULTURE** — September 1 estimates by the Department of agriculture indicate a corn crop of 1,983,000,000 bushels, about 700,000,000 bushels less than the five-year average; a spring wheat crop of 240,000,000 bushels, slight-

ly larger than last year's unusually small crop, making the total wheat crop about equal to the five-year average, and a crop of oats of about the usual size. Condition of pastures on September 1 was reported to be unusually poor. The cotton crop is expected to be about 14,340,000 bales, nearly one-half million bales less than last year.

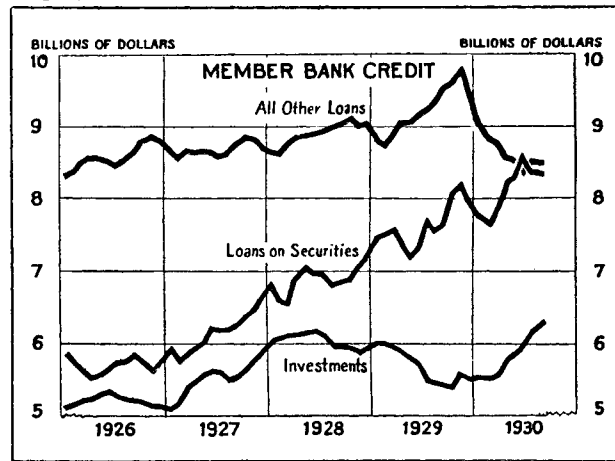
**DISTRIBUTION** — Volume of freight shipped by rail increased by slightly less than the usual seasonal amount during August. Sales of department stores were larger than in July, but continued considerably smaller than a year ago.

**WHOLESALE PRICES** — There were increases during August in prices of many agricultural products, especi-



Index numbers of factory employment and payrolls, without adjustment for seasonal variations. (1923-1925 average=100). Latest figures, August: Employment, 83.8; Payrolls, 80.9

ally meats, livestock and grains, while the price of cotton decreased. Prices of mineral and forest products and of imported raw materials and their manufactures in general declined, with the principal exception of silk. The Bureau of Labor Statistics index of wholesale prices showed no change from the preceding month. During the first half of September, there were pronounced declines in prices of wheat, corn, hogs, pork, and rubber. Prices of cotton and woolen textiles remained fairly stable, while those of hides and coffee increased.



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

**BANK CREDIT** — Between August 20 and September 17 there was an increase in member bank holdings of investments and in their loans on securities, while "all other loans," which include loans for commercial purposes, declined, contrary to the usual seasonal trend. The volume of reserve bank credit outstanding shows a growth for the period, as is usual at this season, but the increase was relatively small owing to the fact the seasonal demand for currency was smaller than in other recent years, also to an addition of \$15,000,000 to the country's stock of gold. The increase was in holdings of acceptances, offset in part by a further decline in discounts for member banks to the lowest level since 1917. Money rates continued at low levels during August and the first half of September and the yield on high grade bonds declined further. Discount rates at the Federal reserve banks of Dallas and Minneapolis, the only banks which had maintained a 4 per cent rate, were reduced to 3½ per cent during September.