



MONTHLY REVIEW

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

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REPORTS relative to general commercial and industrial conditions in this district during the past thirty days reflected rather sharp contrasts. There were a number of favorable factors tending to improve the status of business, against which were opposed certain detrimental developments calculated to slow down the upward trend which commenced in February and reached its peak in March. Taken as a whole the favorable features about balanced those of a reverse character, with the result that no striking change was noted at the end of the period as contrasted with the similar one immediately preceding. Moderate improvement in sentiment has taken place, most pronounced in the agricultural sections, where favorable weather and mainly good crop prospects obtained. In the drouth areas conditions have undergone considerable betterment, farmers in many sections having achieved substantial gains since March. There was moderate improvement in the general employment situation, due chiefly to seasonal causes and expansion in certain lines of industrial production.

As was the case in March, distribution made a relatively better showing in April than production. There was a recession in activities in iron and steel, also in some other industries producing goods of the heavier and more permanent sort. Reports covering the first half of May indicated a further slowing down in these lines. New business is being conservatively placed, and universally manufacturers are disposed to hold down their commitments on raw materials to an absolute necessity basis, and to make up only such goods as they have orders for. Distribution of automobiles declined in April, both as compared with the preceding month and a year ago. There was further curtailment in operations in the lead and zinc mining areas, due to the sharp drop in prices of these metals, and no improvement took place in the dull conditions which have existed for many months in the bituminous coal industry.

Trade activity was rather spotted and irregular; both with reference to the different lines and localities. Certain wholesaling and jobbing lines failed to

hold the gains of the preceding month, while others considerably bettered their records, and for the first time in many months reported a heavier volume of sales than during the corresponding period a year earlier. Notable among these was the boot and shoe industry, in which the reporting firms showed an increase in April sales of one-fourth over March, and of 23.0 per cent over April, 1930. Groceries, hardware, stoves, electrical supplies, meat packing, fire clay and some less important lines reported heavier sales in April than March, while declines were recorded in clothing, men's hats, drugs and chemicals, furniture, farm implements, and dry goods.

April sales of department stores in the principal cities of the district were 16.5 per cent larger than in March, but 12.7 per cent smaller than in April, 1930. Combined sales of these stores for the first four months of this year were smaller by 12.9 per cent than in the corresponding period in 1930. Total April sales of all wholesale and jobbing firms reporting to this bank were 11.5 per cent greater than in March. For the first four months this year combined sales of these firms showed a decrease of 15.6 per cent under the corresponding period in 1930. The dollar value of permits let for new construction in the five largest cities of the District during April, was more than twice as large as in March, and represented the highest total since April, 1930. Charges to checking accounts in April were slightly larger than in the preceding month, but 10.0 per cent less than in April a year ago. The amount of savings accounts increased 3.0 per cent between April 1 and May 6, and on the latter date was slightly less than a year ago.

The volume of traffic handled by railroads operating in this district continued to run below that of a year and two years earlier. The usual seasonal increase in the movement of early fruits and vegetables from the south was more than offset by decreases in other classifications. Additional declines were noted in tonnage of merchandise and miscellaneous freight

hailed. For the country as a whole loading of revenue freight during the first eighteen weeks this year, or to May 2, totaled 13,027,049 cars, against 15,830,818 cars for the corresponding period last year and 17,194,605 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 174,668 loads in April, against 192,150 loads in March and 211,707 loads in April, 1930. During the first nine days of May the interchange amounted to 53,434 loads, against 53,784 loads during the corresponding period in April and 61,545 loads during the first nine days of May, 1930. Passenger traffic of the reporting lines decreased 11.0 per cent in April as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 82,500 tons, against 82,970 tons in March, and 101,122 tons in April, 1930.

The general status of collections in the district developed no marked change as compared with the preceding thirty days. Considerable irregularity and spottiness exists, both with reference to the several lines and locations. In the agricultural areas backwardness is complained of by both merchants and the banks. However, in areas where tobacco and rice are the principal crops, payments have improved since marketing of these productions. Wholesalers in the large centers of population report May first settlements fully up to expectations. Strong accounts are meeting their bills promptly, but there is an increasing number of requests for extensions and actual losses. Unusual spottiness is reflected in reports of retail merchants in the urban centers. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
%%%%
April, 1931.....	13.1	63.1	23.8	
March, 1931.....	12.6	60.1	27.3	
April, 1930.....	1.5	12.4	63.5	22.6

Commercial failures in the Eighth Federal Reserve District in April, according to Dun's, numbered 153, involving liabilities of \$2,916,962, against 144 failures in March with liabilities of \$2,969,521 and 128 defaults for a total of \$4,114,163 in April, 1930.

The average daily circulation in the United States in April was \$4,647,000,000, against \$4,590,000,000 in March, and \$4,518,000,000 in April, 1930.

MANUFACTURING AND WHOLESALING

Boots and Shoes—For the first time since October, 1929, sales of the reporting firms in April showed a gain over the corresponding month a year earlier, and the total for April was the largest for

any month since October, 1929. The increase in April over a year ago was approximately 23.0 per cent, and as compared with March this year an increase of 25 per cent was shown. Reports covering the first half of May indicate a continuance of the activity prevailing in April, and there are prospects for the May total to exceed that of the same month in 1930. While the improvement extends to the entire line, it has been most marked in women's and children's novelty wear and in similar lines of men's shoes. In order to meet the increased demands, operations were increased sharply in April, some factories working at full capacity, while the general average was from 80 to 90 per cent. Inventories continued to decrease, stocks on hand on May 1 being 15.0 per cent smaller than thirty days earlier, and about one-third smaller than on May 1, 1930.

Clothing—Unfavorable weather and extreme conservatism in purchasing by both distributors and ultimate consumers militated against improvement in this classification. Advance buying is considerably below the seasonal average of the past several years, and manufacturers are not disposed to make up stock for which they have not actual orders or reasonably certain prospects. Demand for working clothes continues at the low level which has obtained for a number of months. While no substantial revisions were made in prices as compared with earlier in the season, the trend was downward. April sales of the reporting clothiers were 19.0 per cent smaller than for the same month in 1930, and more than one-third less than the March total this year.

Drugs and Chemicals—Sales of the reporting interests in April were 3.8 per cent smaller than during the same month in 1930, and 2.3 per cent smaller than in March this year. Stocks on May 1 were slightly smaller than thirty days earlier, and about on a parity with the aggregate on May 1 last year. Increased sales of seasonal commodities were offset by a decrease in purchasing of staple lines. Demand for heavy drugs and chemicals from the general manufacturing trade, and sales of fertilizers and insecticides continue considerably below the seasonal average.

Dry Goods—The upward trend noted in this classification during March was not maintained in April, sales of the reporting interests during the latter month being 11.0 per cent smaller than in March, and more than one-fourth less than the April total in 1930. In both the month-to-month and yearly comparisons, decreases in sales were relatively greater in the country and small towns than in the large centers of population. Uncertainty relative to crops and prices is tending to hold commitments of country retailers to actual requirements. Stocks in

hands of the reporting firms on May 1 were 4.0 per cent and 38.0 per cent smaller, respectively, than thirty days and a year earlier.

Electrical Supplies — Seasonal influences and larger sales of electrical installations for new building and engineering projects were chiefly responsible for a continuance of the upward trend noted in electrical goods during the preceding month. April sales of the reporting interests were 17.2 per cent greater than in March, but about one-third less than in April, 1930. Stocks on May 1 were 10 per cent smaller than on the same date in 1930, and 4.5 per cent smaller than on April 1 this year. In the yearly comparison decreases were general throughout the entire line, but particularly marked in radio material, household appliances and goods for the automotive industry.

Flour — Production at the 12 leading mills of the district in April totaled 301,429 barrels, against 295,434 barrels in March and 352,734 barrels in April, 1930. Stocks of flour in St. Louis on May 1 were slightly larger than thirty days earlier, but 20 per cent smaller than on May 1, 1930. Demand continued quiet from all classes of buyers, and the weak feed prices and uncertain status of the wheat market had a tendency to hold down new buying. Export trade continued in small volume, and was confined largely to routine transactions with Latin-American countries. Shipping directions on flour previously purchased, however, were in good volume. Mills were engaged chiefly in grinding to fill old orders, and the rate of operations was from 55 to 60 per cent of capacity. Prices were unchanged.

Furniture — There was the usual seasonal decrease in volume of sales in this classification from March to April, and in all sections of the district retail dealers are purchasing cautiously and only for immediate requirements. Demand for household furniture and furnishings is slow; ordering of office equipment is at the lowest ebb in many months. April sales of the reporting firms were one-fifth smaller than in March, and nearly one-third less than in April last year. Inventories continued to decrease markedly, stocks on May 1 being 17.2 per cent smaller than thirty days earlier, and approximately one-half less than on May 1, 1930.

Groceries — Sales of the reporting interests in April showed a moderate increase over the preceding month, but a decline of 11.0 per cent as compared with April a year ago. Business in the rural areas has showed improvement during the past six weeks, country merchants showing more of a disposition to replenish depleted stocks. The demand for staples and necessities continues relatively much more active than in the case of luxuries. Stocks on May 1

were 14.0 per cent and 10.0 per cent smaller respectively than thirty days and a year earlier.

Hardware — Stimulated by generally improved demand in the rural areas, greater activity in building, and other seasonal influences, April sales of the reporting firms recorded an increase of 4.5 per cent as compared with the preceding month. A decrease of 18.0 per cent was shown in April sales as compared with the same month last year. Stocks increased slightly between April 1 and May 1, and on the latter date were 22.0 per cent smaller than a year ago.

Iron and Steel Products — Tapering off of seasonal requirements and absence of new demand from important consumers were reflected in a further slight recession in the iron and steel industry from the year's peak, reached in March. Users of both raw and finished materials are disposed to await developments before making commitments, and purchasing is more closely than ever on a hand-to-mouth basis. Specifications and new ordering by the automotive industry underwent no change worthy of note as compared with the preceding thirty days, while requirements of railroad equipment builders and farm implement manufacturers declined slightly. There was a moderate increase in activities among manufacturers of stoves, ranges and heating apparatus, but reports from these interests reflected a volume of business much below the average at this season during the past decade. Building construction showed no betterment, but increased contracting for highway, river and levee, and general public improvement work resulted in a heavier demand for materials used in these operations. Reinforcing concrete bars, certain descriptions of sheets, plates and bars, moved in larger volume. Structural steel awards continued in small volume, and operations of certain fabricators were curtailed further. Of the rolled steel products, tin plate made relatively the best showing, both in point of production and shipments. Wire and wire products, particularly fencing materials, developed moderate improvement. Purchasing of wire nails to replenish depleted stocks in distributors' hands served to relieve the dull conditions which have obtained in that commodity for a number of months. Requirements of the oil and bituminous coal industries for iron and steel continued at a low ebb. Warehouse and jobbing interests reported the volume of sales in April slightly below the March total, with ordering mainly of small lots for immediate delivery. Purchasing by the manufacturing trade has failed to expand and is spotty and irregular, with volume much below the seasonal average. Prices of finished and semi-finished goods and pig

iron varied little as contrasted with the preceding thirty days. Despite the keen competition in all lines, there were fewer reports than heretofore of shading under list quotations. Scrap iron and steel, however, continued the downward trend of recent months. Heavy melting steel receded to the lowest price since prior to the world war, selling in early May below \$8.00 per ton. Due to the cheapness of scrap, mills and foundries are using considerably more of it in their melting operations than at any time in the past. For the country as a whole pig iron production in April registered a small gain in daily average rate. Due to the shorter month, however, total output in April, of 2,010,534 tons, was 18,372 tons smaller than in March, and compared with 3,191,119 tons in April, 1930. Steel ingot production in the United States in April declined for the first time this year, the total of 2,722,479 tons comparing with 3,023,440 tons in March and 4,153,860 tons in April, 1930.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in April was 335,708 against 276,341 in March, and 442,630 in April, 1930.

Following the trend of the past several years, distribution of automobiles in this district during April declined under the preceding month, and, according to dealers reporting to this bank, was considerably smaller than in April, 1930, and the average for that month during the past eight years. In both the month-to-month and yearly comparisons, a large part of the decreases were ascribed to curtailed business of country dealers, particularly in the south. As has been the case since the present depression in agriculture began, farmers are reconditioning their cars in order to make them serviceable as long as possible. This has had a tendency to increase demand for replacement parts, sales of which were relatively larger than in the case of automobiles proper. Sales of trucks of all descriptions in April decreased sharply as compared with the preceding month and corresponding period in 1930. Sales of new cars by the reporting dealers in April were a fourth smaller than in March, and 35.5 per cent less than in April, 1930. Due to extreme conservatism in the matter of purchasing by dealers, stocks of new passenger cars on May 1 were the smallest for that date in more than a half decade, the total being 4.5 per cent smaller than on April 1, and approximately one-third less than on May 1 last year. The used car market continued relatively more active than that for new vehicles. Due to the smaller number of secondhand cars being turned in on trades and to intensive efforts to move stocks,

May 1 inventories decreased further, and were 6.2 per cent smaller than on April 1, and about 40.0 per cent below those on May 1, 1930. No change worthy of note took place in the tire situation as contrasted with the preceding thirty days.

According to the dealers reporting on that item, deferred payment sales in April constituted 49.2 per cent of the total sales, which compares with a ratio of 51.5 per cent in March and 55.9 per cent in April, 1930.

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	
	Apr. 1931 comp. to Apr. 1930	4 months ending Apr. 30, 1931 to same period 1930	Apr. 30, 1931 comp. to Apr. 30, 1930	Jan. 1, to Apr. 30, 1931	Apr. 30, 1930	1930
Evansville	30.7%	26.6%	25.3%	58	69	58
Little Rock	7.2	11.1	22.5	86	75	86
Louisville	14.0	14.1	14.2	85	94	85
Memphis	17.9	23.6	24.2	94	99	94
Quincy	17.3	17.0	18.8	86	85	86
St. Louis	11.6	10.2	7.8	1.27	1.32	1.27
Springfield, Mo.	5.6	6.6	10.3	48	43	48
8th District	12.7	12.9	13.3	1.10	1.13	1.10
	Net sales comparison		Stocks on hand		Stock turnover	
	Apr. 1931 comp. to Apr. 1930	Mar. 1931 comp. to Mar. 1930	Apr. 1931 comp. to Apr. 1930	Mar. 1931 comp. to Mar. 1930	Apr. 1931 comp. to Apr. 1930	Mar. 1931 comp. to Mar. 1930
Men's furnishings	18.6%	4.7%	10.8%	3.9%	10.8%	3.9%
Boots and shoes	17.0	28.9	15.0	0.9	15.0	0.9

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during April reached the highest total since that month a year ago, and was more than two and one-half times larger than the aggregate for March this year. The gain over the preceding month was confined chiefly to St. Louis and Memphis, in which cities construction of several large buildings was authorized. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$17,080,749, which compares with \$22,970,128 in March, and \$28,330,977 in April, 1930. Production of portland cement for the country as a whole in April totaled 11,245,000 barrels, against 8,245,000 barrels in March, and 13,521,000 barrels in April, 1930. Building figures for April follow:

	New Construction				Repairs, etc.			
	Permits 1931	Permits 1930	*Cost 1931	*Cost 1930	Permits 1931	Permits 1930	*Cost 1931	*Cost 1930
Evansville ..	232	341	\$ 407	\$ 244	62	89	\$ 11	\$ 36
Little Rock ..	18	61	57	120	51	117	59	134
Louisville ..	76	156	445	635	71	95	90	109
Memphis	170	621	162	2,678	223	69	88	71
St. Louis	408	456	4,383	2,233	410	490	185	345
Apr. totals	904	1,635	\$5,454	\$5,910	817	860	\$ 433	\$695
Mar. totals	994	1,031	2,049	2,409	521	857	288	675
Feb. totals	626	937	2,170	2,127	490	618	299	545

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current during April by selected industrial customers as being 8.0 per cent larger than in March and

7.0 per cent smaller than in April, 1930. The decrease in the yearly comparison was general through all classes of consumers. The month-to-month comparison increases were mainly in industries affected by seasonal influences, notably refrigeration, beverage, flour milling and certain food production interests, while decreases were general among other consumers. Detailed figures follow:

	No. of Custom- ers	Apr. 1931 *K.W.H.	Mar. 1931 *K.W.H.	Apr. 1931 comp. to Mar. 1931	Apr. 1930 *K.W.H.	Apr. 1931 comp. to Apr. 1930
Evansville	40	1,998	2,007	— 0.4%	1,663	+20.1%
Little Rock 35		1,443	1,280	+12.7	1,597	— 9.6
Louisville	85	6,015	5,648	+ 6.5	5,844	+ 2.9
Memphis 31		1,166	948	+23.0	1,319	—11.6
St. Louis.....160		18,698	17,275	+ 8.2	21,022	—11.1
Totals351		29,320	27,158	+ 8.0	31,545	— 7.0

*In thousands (000 omitted).

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

	By water power	By fuels	Totals
Mar. 1931.....	2,620,000,000	5,240,000,000	7,860,000,000
Feb. 1931.....	2,161,000,000	4,997,000,000	7,158,000,000
Mar. 1930.....	3,260,000,000	4,904,000,000	8,164,000,000

AGRICULTURE

Though retarded to some extent by rains in April and early this month, farm work generally through this district is well in advance of normal. Spring seeding of small grains was accomplished in most instances in advance of the usual seasonal schedule, and growth and development has been satisfactory. In all sections a factor in the advanced condition of soil preparation and the planting of crops has been the unusual efforts put forth by farmers doing their own work, and an abundance of farm labor. In the drouth areas farmers are recovering lost ground, considerable gains having been made since March. Moisture has been adequate to carry along crops at their present stage of growth, and in a number of sections precipitation has been sufficient to supply all needs for some weeks to come.

Throughout the south there has been a marked increase in plantings of food and feed crops, and generally through the district more home gardens are being planted this year than at any time in the past. Pastures and meadow conditions are considerably better than a year ago, and the outlook for fruits of all sorts is the most promising than at this time in more than a decade. Practically no damage was sustained by orchards as a result of the light frosts during the last two weeks in April. Bloom on all kinds of fruits was the heaviest in a number of years. The condition of peaches is generally high, a condition of 90 per cent in Missouri on May 1, for example, comparing with 5 per cent on the same date in 1930.

Winter Wheat — Based on the May 1 condition, the U. S. Department of Agriculture estimates the yield of winter wheat in states entirely or partly

within the Eighth District at 102,537,000 bushels, which compares with 92,567,000 bushels harvested in 1930, and a 5-year average (1925-1929) of 83,414,000 bushels. In all these states the May 1 condition was higher than a year ago and the 10-year average. Moisture has been generally ample for carrying on the crop, and universally fields are of fine color, and stands unusually good. The cool weather of the last ten days of April and early May were beneficial rather than otherwise. Acreage abandonment as of May 1 was the lightest in many years, that for Indiana being only 0.5 per cent, Illinois 1.0 per cent and Missouri 1.5 per cent of the area seeded last fall. For the country as a whole, condition of winter wheat on May 1 was 90.3 per cent, indicating an output of 652,902,000 bushels, against 604,337,000 bushels harvested in 1930 and a 5-year average of 547,427,000 bushels. The per cent of abandonment for the entire country was 3.7 per cent.

Corn — With ideal late winter and early spring weather for outdoor work, preparations for the new corn crop were considerably ahead of the seasonal schedule, and planting has made rapid progress. In the south where the crop is up, stands are mainly good, with ample soil and subsoil moisture for all immediate needs. There was some interruption in the north caused by rains and cool weather, and germination has been slow, with some reseeding indicated. Generally through the drouth areas, but more particularly in the south, early indications point to increased acreages over a year ago. Corn prices receded to a new low point on the 1930 crop, also in recent years, in late April, but since that date have recovered moderately in response to a more active demand from livestock interests.

Fruits and Vegetables — The general condition of fruits and vegetables in this district at the middle of May was the most promising in more than a decade. The mild winter was favorable for orchards, there being a minimum of cold weather damage to trees, though in some sections injury was reported from insufficient moisture, following the drouth of last year. Practically all orchards showed unusually heavy bloom, particularly late varieties of apples. The outlook for peaches is good in both the northern and southern sections of the district. The U. S. Government report as of May 1 estimates the combined peach crop in Arkansas and Mississippi at 3,660,000 bushels, which compares with last year's practical failure with 574,000 bushels and a 5-year average of 2,897,000 bushels. In the south the early potatoe crop continues to show better than average condition for this time of year, but further north conditions are not as good, due to delayed plantings occasioned by rains and slow germination. In the

drouth areas, strawberry plants showed the effects of the prolonged drouth of last season, but prospects are still for a heavy yield of fair quality. Home gardens are mainly in good condition, and planted on a more extensive scale than in past years.

Live Stock—Generally the condition of live stock in this district is good, herds having been benefited by the mild, open winter, also by the improved condition of pastures incident to recent rains. In all states of the district a large crop of high quality lambs is in prospect, the reported per cent of lambs saved this year being the highest in half a decade. Reports relative to milk production reflect a slightly higher average per cow than last year. Egg production continued high, a larger percentage of hens laying in April than during that month in 1930.

The condition of tame hay and pastures developed considerable improvement from April to May, and on May 1 averaged higher than a year ago and the 5-year average. Hay stocks on farms on May 1 were the smallest for that particular date since 1925. In states of this district the May 1 total was estimated at 1,253,000 tons, against 2,843,000 tons in 1930, and a 5-year average of 2,608,000 tons.

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

	Receipts			Shipments		
	Apr. 1931	Mar. 1931	Apr. 1930	Apr. 1931	Mar. 1931	Apr. 1930
Cattle and calves.....	90,132	86,896	94,484	57,881	52,227	56,114
Hogs	278,046	246,731	339,050	217,685	198,500	283,550
Horses and mules.....	3,496	10,839	3,498	3,700	9,434	4,206
Sheep	54,753	26,901	46,638	23,078	12,652	27,205

Cotton—Planting of the new crop has made excellent progress, and at the middle of May had been completed in the lower tier of counties in this district. Soil conditions are ideal, but taken as a whole germination has been rather slow, due to low temperatures in late April and early May; it is slow rather than poor. Precipitation, while interfering with work to some extent, has been beneficial, and a week or two of seasonably high temperatures would go far to correct conditions and be extremely beneficial for the crop. Scattered reports of insect damage have been received, but nothing of a general or serious character. Fertilizer sales through April and early May indicated little change from earlier estimates, and point to a reduction of fully one-fourth as compared with last year. A new low for the 1930 crop was established in early May, since which time a slight upward reaction has taken place. In the St. Louis market the middling grade ranged

from 8.85c to 9.45c per pound between April 16 and May 15, closing at 8.90c per pound on the latter date, which compares with 9.45c on April 16, and 15¾c on May 15, 1930. Stocks of cotton in Arkansas warehouses on May 15 totaled 138,511 bales, against 185,154 bales on April 10, and 155,448 bales on the corresponding date in 1930.

Rice—Under generally favorable weather conditions, farmers have advanced preparations for the new crop somewhat further than the seasonal average. Early unofficial reports indicate a slightly smaller acreage than planted in 1930. Practically all of the 1930 crop is out of the hands of producers, and stocks of clean rice are not excessive. Demand continues quiet, with prices considerably lower than a year ago.

Tobacco—The loose leaf dark fired markets in the Clarksville, Hopkinsville and Paducah districts continued holding small sales, but in other districts the market season was over. The quality of late offerings failed to improve, and it was apparent that the greater part of the better grades had been sold. However, prices were firm on everything offered, and an active demand existed for all choice tobacco.

Due to unseasonably cool weather, plants are relatively small and irregular in size. Damage from cutworms and other insect pests is complained of, which is usual in cool weather. However, reports from all sections indicate an abundance of plants, and with the high state of soil cultivation existing, setting should be general by the third week of May.

Commodity Prices—Range of prices in the St. Louis market between April 15, 1931, and May 15, 1931, with closing quotations on the latter date and on May 15, 1930:

				Close	
				May 15, 1931	May 15, 1930
Wheat		High	Low		
July	per bu.	.62¾	.56¾	\$.58¾	\$1.02
Sept.	"	.62¾	.56¾	.58¾	1.05½
No. 2 red winter	"	.82½	.80	\$.80 @ .80½	\$1.16 @ 1.18
No. 2 hard.....	"	.80½	.78½	\$.80 @ .80½	1.03 @ 1.03½
Corn					
July	"	.63¾	.56¾	.58¾	.80¾
Sept.	"	.59¾	.54	.57	.80½
No. 2 mixed.....	"	.61½	.53½	.58 @ .58½	.81 @ .82
No. 2 white.....	"	.63¾	.55½	.57½ @ .58	.83 @ .83½
Oats					
No. 2 white.....	"	.33½	.29	.30½ @ .31	.42½ @ .43
Flour					
Soft patent.....	per bbl.	5.50	4.90	@ 5.20	6.25 @ 6.50
Spring patent.....	"	4.50	4.20	@ 4.50	5.40 @ 5.50
Middling cotton.....	per lb.	.945	.885	.890	.15¾
Hogs on hoof.....	per cwt.	7.90	5.40	@ 7.00	9.00 @ 10.20

FINANCIAL

Demand for credit from all sources in the Eighth District continued at the low level which has obtained for the past several months. There was the

usual seasonal slowing down in borrowing by commercial and industrial interests, and liquidation by that class of borrowers was in good volume. Borrowing by farmers from the banks in this district has been smaller than usual at this season owing in part to the fact that they were able to obtain loans from governmental and other agencies. In sections where early vegetables and fruits are important crops there has been considerable liquidation of loans, both with merchants and country banks. The movement of spring lambs and wool has also been accompanied by substantial settlements with financial institutions in the rural areas. Borrowings by country banks from city correspondents thus far this season has been in relatively smaller volume than for a number of years. Flour milling and grain handlers further reduced their commitments, and loans in this category are considerably smaller than at any similar period in more than a decade. Demand for financing live stock operations is reported as fairly active.

Deposits of the reporting member banks, which recorded a new high point for the year at the middle of April, receded during the last half of that month, but have again resumed their upward course since May 1. Investments of these banks continued the sharp upward swing, which began last December, and at the middle of May were at the highest point of the year. Total loans decreased moderately, the total of \$434,462,000 on May 13 being about 2.0 per cent smaller than thirty days earlier, and 14.0 per cent less than on the corresponding date in 1930. Borrowings of all member banks from the Federal Reserve Bank fluctuated within a narrow range, but through the period the average was approximately one-half smaller than during the same time in 1930.

Reflecting the slow demand for credit and a plethora of loanable funds in commercial banks, the trend of interest rates was easier. Current quotations at St. Louis banks were as follows: Prime commercial paper, $2\frac{1}{2}$ to 5 per cent; collateral loans $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent; loans secured by warehouse receipts, 3 to 5 per cent; interbank loans, $3\frac{1}{2}$ to $5\frac{1}{2}$ 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 May 13, 1931 showed a decrease of 2.1 per cent as contrasted with April 15, 1931. Deposits decreased 1.0 per cent between April 15, 1931 and May 13, 1931 and on the

latter date were 5.0 per cent larger than on May 14, 1930. Composite statement follows:

	*May 13, 1931	*Apr. 15, 1931	*May 14, 1930
Number of banks reporting.....	125	125	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$170,343	\$176,510	\$228,317
All other loans and discounts.....	264,324	267,488	276,462
Total loans and discounts.....	\$434,667	\$443,998	\$504,779
Investments			
U. S. Government securities.....	73,682	79,702	39,388
Other securities.....	155,105	141,916	120,251
Total investments.....	\$228,787	\$221,618	\$159,639
Reserve balance with F. R. bank..	46,096	47,995	43,793
Cash in vault.....	7,039	6,293	6,146
Deposits			
Net demand deposits.....	388,142	388,922	381,585
Time deposits.....	250,852	248,620	228,917
Government deposits.....	2,632	10,544	602
Total deposits.....	\$641,626	\$648,086	\$611,104
Bills payable and rediscounts with Federal Reserve Bank.....	300	25	3,119

*In thousands (000 omitted).

Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 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.

	*Apr. 1931	*Mar. 1931	*Apr. 1930	Apr. 1931 Mar. 1931	comp. to Apr. 1930
East St. Louis & Natl.					
Stock Yards, Ill. \$	33,144	\$ 28,950	\$ 46,391	+14.5%	-28.6%
El Dorado, Ark.....	5,130	5,083	7,574	+ 0.9	-32.3
Evansville, Ind.....	24,603	21,752	30,480	+13.1	-19.3
Fort Smith, Ark.....	10,065	9,444	13,043	+ 6.6	-22.8
Greenville, Miss.....	3,243	3,550	4,259	+ 8.6	-23.9
Helena, Ark.....	2,742	3,105	4,916	+11.7	-44.2
Little Rock, Ark.....	27,393	28,732	44,009	+ 4.7	-37.8
Louisville, Ky.....	141,908	144,099	177,648	+ 1.5	-20.1
Memphis, Tenn.....	99,279	109,695	143,427	+ 9.5	-30.8
Owensboro, Ky.....	4,944	5,367	6,328	+ 7.9	-21.9
Pine Bluff, Ark.....	7,383	6,807	8,893	+ 8.5	-17.0
Quincy, Ill.....	9,893	7,753	13,402	+27.6	-26.2
St. Louis, Mo.....	627,307	616,583	732,273	+ 1.7	-14.3
Sedalia, Mo.....	3,686	3,642	4,481	+ 1.2	-17.7
Springfield, Mo.....	14,757	14,000	15,675	+ 5.4	- 5.9
*Texarkana, Ark.-Tex.....	10,145	9,264	14,236	+ 9.5	-28.7
Totals	\$1,025,622	\$1,017,826	\$1,267,035	+ 0.8	-19.1

*In thousands (000 omitted).

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

Federal Reserve Operations — During April the Federal Reserve Bank of St. Louis discounted for 173 member banks against 192 in March and 213 in April, 1930. Effective May 9 the discount rate of this bank was reduced from 3 per cent to $2\frac{1}{2}$ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	*May 20, 1931	*Apr. 20, 1931	*May 20, 1930
Bills discounted.....	\$ 6,713	\$ 8,231	\$13,880
Bills bought.....	9,209	9,806	9,402
U. S. Securities.....	25,442	23,899	19,268
Total bills and securities.....	\$41,364	\$41,936	\$42,550
F. R. Notes in circulation.....	73,422	76,171	76,050
Total deposits.....	76,470	73,454	78,934
Ratio of reserve to deposits and F. R. Note Liabilities.....	77.2%	76.7%	77.7%

*In thousands (000 omitted).

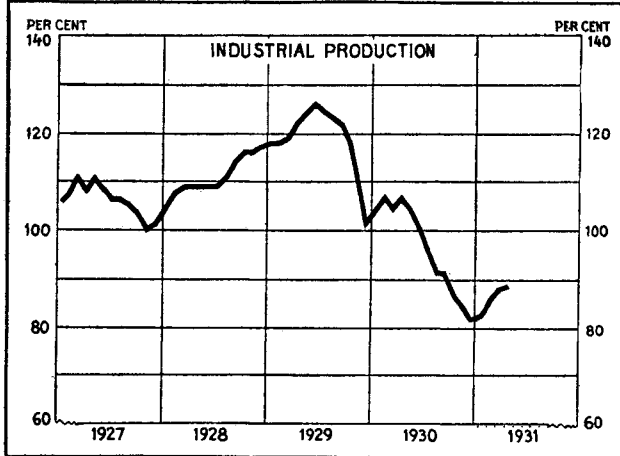
(Compiled May 22, 1931)

BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION AND EMPLOYMENT—Industrial production, as measured by the Board's seasonally adjusted index, which covers both manufactures and mines, increased from 88 per cent of the 1923-1925 average in March to 89 in April, compared with 82, the low point reached last December. Steel mill activity declined by considerably more than the usual seasonal amount, while in the automobile industry there was a larger than seasonal increase in output, according to preliminary reports. Consumption of cotton by domestic mills continued to increase contrary to the usual seasonal movement. While there was a decrease in unfilled orders for cotton cloth, which was only partly seasonal in nature, consumption of wool, which ordinarily declines in April, in-

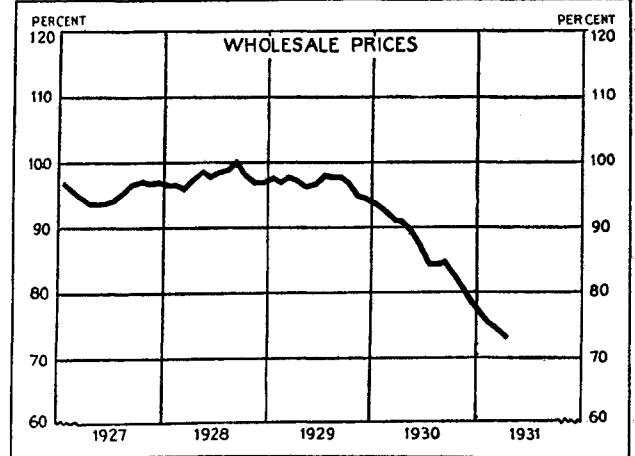
increased 9 per cent from March, and the Board's index, which makes allowance for the usual seasonal variations including changes in the date of Easter, stood at 105 per cent of the 1923-1925 average, compared with 97 per cent in March.

WHOLESALE PRICES—The general level of wholesale prices declined 1.6 per cent further in April, according to the Bureau of Labor Statistics. In the first half of May, prices of many leading commodities were reduced further, and for the six-week period as a whole there were large declines in the prices of cotton, silk, and textiles, livestock and dairy products, cement, petroleum products, and nonferrous metals.



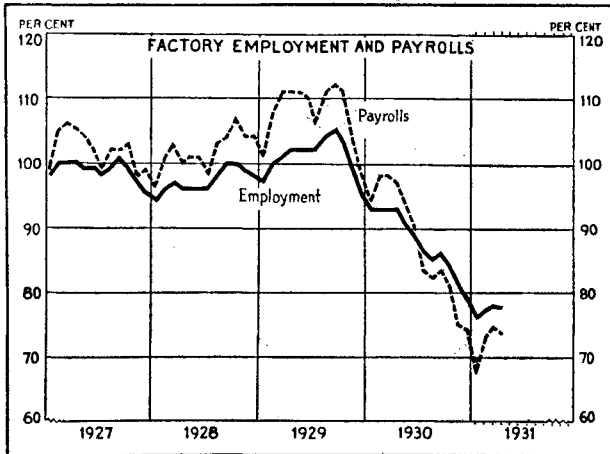
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure April, 89.

creased considerably; at silk mills activity declined. There were large increases in the output of petroleum and anthracite coal, while production of bituminous coal declined by about the usual seasonal amount. The number of employed in factories at the middle of April was about the same as a month earlier. In car building shops and in establishments producing machinery, employment decreased considerably, while in the automobile and cement industries there were seasonal increases, and in the fertilizer industry a larger than seasonal increase. Employment at textile mills declined by less than the seasonal amount, reflecting chiefly a slight increase in employment at cotton mills, and a small decrease in the clothing industry. At mills producing woolen and silk goods declines in employment were larger than usual. Factory payrolls declined somewhat in April. Value of building



Index of United States Bureau of Labor Statistics (1926=100). Latest figure April, 73.3.

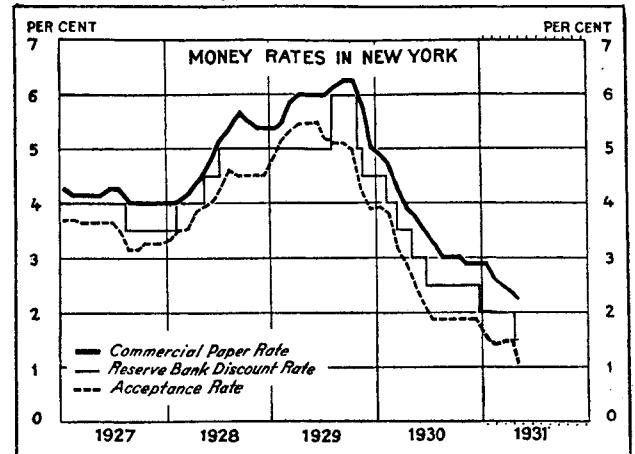
BANK CREDIT—Loans and investments of reporting member banks in leading cities declined by about \$150,000,000 between April 1 and the middle of May, reflecting substantial liquidation in loans on securities and in all other loans, largely commercial. This liquidation of loans was offset in part by further large additions to the bank's investments, which on May 13 were over \$1,000,000,000 larger than at the beginning of the year. Volume of reserve bank credit declined somewhat in the six weeks ending on May 16. Contrary to the usual seasonal tendency, there was some further increase in currency demand for the period, reflecting chiefly banking disturbances in the middle west. Gold imports continued in considerable volume and supplied the member banks with sufficient funds to meet the additional demand for currency, and also to reduce somewhat the



Indexes of factory employment and payrolls, without adjustment for seasonal variation, (1923-1925 average=100). Latest figures April, employment 77.9, payrolls 73.6.

contracts awarded, which fluctuates widely from month to month, declined considerably in April, according to the F. W. Dodge Corporation, and decreases were reported in all the leading classes of construction. In the first four months of the year total awards decreased 26 per cent from the corresponding period of 1930. Reflecting declines of 10 per cent for residential building, 17 per cent for public works and utilities, 25 per cent for educational building, 43 per cent for factories, and 57 per cent for commercial buildings.

DISTRIBUTION—Freight-carloadings showed about the usual seasonal increase in April; department store sales



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 twenty days in May.

amount of reserve bank credit outstanding. Money rates declined to new low levels during May. Rates on bankers' acceptances, which had declined from 1½ per cent in the middle of April to 1¼ per cent by the end of the month, were reduced to ¾ per cent by May 19. Rates on commercial paper declined from a range of 2¼—2½ per cent to a range of 2—2¼ per cent. At the reserve banks buying rates on bankers' acceptances were reduced in April and the first half of May, and in May discount rates were also reduced, the rate at the Federal Reserve Bank of New York being lowered to 1½ per cent.