



# MONTHLY REVIEW

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

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**B**USINESS and industry in the Eighth District during June and the first half of July showed somewhat more than the usual seasonal decline. Closing down of numerous plants for inventoring and repairs, suspension of operations at certain coal, lead, and zinc mines, and releases for vacations, with or without pay, resulted in a further decrease in employment. Production in a number of important lines, notably in the iron and steel, and building material categories, was at the lowest rate this year. Due to the extremely hot weather prevailing in the last half of June and early this month, a number of plants which ordinarily reopen shortly after the Independence Day holiday, have remained idle, and will not resume operations before the middle of August. Not all branches of industry declined, however, production of boots and shoes, textiles, beverages, certain food products and some seasonal lines showed moderate to fair increases as compared with the preceding thirty days.

Taken as a whole a more favorable showing was made in distribution than in production. The hot spell had a stimulating effect on the demand for summer goods, notably men's and women's clothes, electric fans, and all descriptions of vacation and outing supplies. A good volume of reordering in these lines was reported by wholesalers and jobbers, part of which they were unable to fill because of depleted stocks. Distribution of automobiles in the district, according to dealers reporting to this bank, recorded a good increase in June over May, though volume continued below the corresponding period a year ago. In all lines investigated, mid-year inventories were considerably below the average during the past several years, and no noticeable deviation has taken place in the policy of purchasing only for immediate requirements. Advance business of wholesalers, jobbers and manufacturers on July 1 was in smaller volume than on any similar date in recent years. The trend of commodity-prices continued downward.

Sentiment in the country, which improved markedly in May and June under impetus of splen-

did crop prospects, has been dashed considerably since July 1 by the sweeping decline in prices of wheat and other farm products. Bumper yields of wheat, corn, oats and certain fruits and vegetables are forecast in the U. S. Department of Agriculture's July 1 report. For this district the winter wheat yield is estimated at 58,360,000 bushels and a crop of about 383,000,000 bushels is predicted for corn. Initial prices paid farmers for their wheat ranged from 30c to 50c per bushel, with the higher figure having disappeared shortly after harvesting commenced. At an average of 35c per bushel the producers would realize approximately \$20,426,000. On a basis of the average winter wheat price in 1929 and 1930, which according to the Government's estimate was .854c, this year's crop would return \$48,809,000 to its raisers. Thus, from what might be expected from average experience of the two preceding years, farmers' income is cut \$29,373,000 on the item of winter wheat alone.

The volume of retail trade in June, as reflected in sales of department stores in the principal cities of the district, was 5.3 per cent smaller than during the same month last year and 6 per cent below the May total this year. For the first half of this year the volume was 11.6 per cent less than for the first six months of 1930. Combined sales of all wholesaling and jobbing lines investigated showed a decrease in June of 12 per cent as compared with the same month in 1930, and the total was 16 per cent smaller than in May this year; for the first six months this year a decrease of 14.7 per cent under the same period in 1930 was shown. Charges to checking accounts in June were 4 per cent larger than in May, but 17.6 per cent smaller than in June, 1930. The amount of savings accounts as of July 1 was a shade lower than thirty days and a year earlier.

The volume of freight handled by railroads in this district continued in considerably smaller volume than a year and two years earlier. There was a further recession in the amount of merchandise and miscellaneous freight hauled, and substantial decreases were noted in practically all other classifica-

tions, including grain and grain products. The smaller volume of livestock handled, according to officials of certain roads, reflects in a measure competition of trucks. For the country as a whole loadings of revenue freight for the first 27 weeks this year, or to July 4, totaled 19,647,863 cars, against 23,992,629 cars for the corresponding period in 1930, and 26,528,096 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 188,872 loads in June, against 186,779 loads in May and 206,305 loads in June, 1930. During the first nine days of July the interchange amounted to 48,951 cars, against 55,529 cars during the corresponding time in June and 62,388 cars during the first nine days of July, 1930. Passenger traffic of the reporting roads in June decreased 22 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 86,000 tons, against 99,901 tons in May, and 140,176 tons in June, 1930.

Reports relative to collections throughout the district during the past thirty days reflected little change from conditions existing during the past several months. Strong accounts are meeting their obligations promptly, in many instances anticipating due dates in order to take advantage of cash discounts. Creditors in less favorable cash position are not meeting their obligations so promptly, and wholesalers report an increasing number of actual losses and requests for extensions. In sections where early fruits and vegetables have been marketed, country retailers and banks have experienced improvement in collections. In the winter wheat areas, farmers are preoccupied with harvest and in numerous instances have postponed paying their bills. Spottiness in collection results are noted by retailers in the large centers. Absence of numerous creditors on vacations have adversely affected retail collections in the cities. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1931.....	.0%	16.5%	69.0%	14.5%
May, 1931.....	.0	10.4	76.1	13.5
June, 1930.....	1.0	13.2	62.9	22.9

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's numbered 133 involving liabilities of \$2,615,417, against 104 failures in May with liabilities of \$3,148,548, and 104 defaults for a total of \$1,778,914 in June, 1930.

The daily average circulation of the United States in June was \$4,750,000,000, against \$4,679,000,000 in May, and \$4,489,000,000 in June, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — June sales of the reporting firms were 10 per cent smaller than for the same month in 1930, and more than one-third less than the May total this year. Stocks on July 1 showed a gain of 45 per cent over a month earlier, but a decrease of 19 per cent as compared with July 1, 1930. The decrease in the month-to-month sales comparison was seasonal in character, having invariably taken place during the past decade. However, the extent of the decrease this year is somewhat larger than the average. Orders booked since July 1, when salesmen went out into their territories, have been in good volume, comparing favorably with a year ago. Demand has centered chiefly in misses' and children's wear, and in men's shoes in which style is a factor. Work shoes and the more staple lines of men's and women's wear were relatively quiet. Factory operations were maintained at a high rate, some plants working at full capacity, with the average about 95 per cent.

**Clothing** — Ordering of apparel for distribution next fall continued backward, but the demand for seasonal clothing developed marked improvement with the arrival of the prolonged hot spell in June and early July. Considerable reordering of lightweight suits was reported, many retailers having disposed of practically their entire stocks of such goods. Due to small inventories of jobbers and manufacturers, it was not possible to fill orders for certain lines. Sales of the reporting clothiers in June were 20 per cent smaller than in May, and about one-third less than in June last year.

**Drugs and Chemicals** — Further moderate improvement as compared with a year ago was noted in business in this classification, June sales of the reporting firms being 5 per cent greater than for the same period in 1930. As compared with May this year, the June total showed a decrease of 5.6 per cent. In response to the unusually high temperatures, demand for hot weather goods, notably soda fountain supplies and equipment developed marked improvement. Demand for heavy drugs and chemicals from the general manufacturing trade continues to lag.

**Dry Goods** — June sales of the reporting firms were 13 per cent below a year ago, and a like amount under the May total this year. Inventories during the past eighteen months have been held at unusually uniform levels, considerably less than the seasonal variation of the past being shown. Stocks on July 1 were slightly smaller than a month earlier, and about 42 per cent less than on July 1, 1930. Demand for hot weather goods was active, particularly for ready-to-wear clothing, both men's and women's.

Moderate betterment in demand for cotton fabrics was noted, but buying in quantity is restricted by uncertainty relative to prices. No improvement whatever was reported in advance buying.

**Electrical Supplies** — The spell of extreme hot weather in June had a stimulating effect on demand for seasonal merchandise, particularly fans and refrigeration materials. Sales in June of the reporting interests exceeded those of May by 45 per cent, but fell 5 per cent under the June total last year. Stocks decreased slightly between June 1 and July 1, and on the latter date were 4 per cent larger than a year earlier. Sales of radio goods continue to show sharp declines under last year.

**Flour** — Production at the 12 leading mills of the district in June totaled 210,563 barrels, the smallest for any month in more than eight years, and comparing with 277,767 barrels in May, and 333,323 barrels in June, 1930. The trend of prices was lower on all grades of flour, but due to the disturbed condition of the wheat market, buyers were not inclined to take large quantities. Purchasing continued chiefly on a hand-to-mouth basis, with business in old flours particularly light. In the immediate past indications of increased activity have appeared, with large baking establishments purchasing fair amounts of new wheat flour. Shipping directions on flour previously acquired were in fair volume. Mill operations were at from 45 to 55 per cent of capacity.

**Furniture** — June sales of the reporting interests were 21 per cent smaller than for the same month in 1930, and about one-third smaller than the May total this year. Inventories on July 1 were 6 per cent and 42 per cent smaller, respectively, than thirty days and a year earlier. In both sales comparisons decreases were general in all lines, but most marked in office equipment and furniture, radio cabinets and household furniture and furnishings. Retailers are buying on a hand-to-mouth basis, with large stock orders almost entirely absent.

**Groceries** — Business in this classification in June, according to the reporting firms, was about even with the May volume, but 8 per cent smaller than in June last year. Inventories continue to decline, stocks on July 1 being 5 per cent smaller than on June 1, and 12 per cent less than on July 1, 1930. The trend of prices continued downward.

**Hardware** — There was a slight decline in total volume of business of the reporting firms in June as contrasted with May, and a decrease of 12 per cent as compared with June, 1930. A considerable part of the decrease in the yearly comparison was accounted for by smaller sales of builders' tools and hardware, and of commodities consumed chiefly in

the rural areas. Inventories continue to decline, stocks on July 1 being 1 per cent smaller than thirty days earlier and about one-fourth less than on July 1, 1930.

**Iron and Steel Products** — Contraction of somewhat greater than the usual seasonal proportions was noted in activities in the iron and steel industry in this district during the past thirty days. Slack demand on the part of all classes of consumers, coupled with extremely high temperatures resulted in reduced operations at mills, foundries, machine shops and other ferrous metal working establishments. A number of plants, which closed for the Independence Day holiday will remain idle during the balance of this month. Activities were further affected by vacations and mid-year inventorying. Purchasing by the railroads fell to the lowest point in recent months, and interests specializing in railroad casting report a further decrease in unfilled orders. Reduced demands from the automotive industry was another factor in the lull. Specifications on finished castings have not reached expectations and new business is in small volume, prices reflecting sharp competition. The outlet for iron and steel goods through the building industry has not broadened, except in the case of a limited number of commodities going into highway construction, river improvement work and other outdoor engineering projects. Structural steel awards continued in moderate volume, and fabricators further curtailed their operations, several maintaining only skeleton forces to get out urgent orders. Manufacturers of stoves, farm implements and other goods consumed chiefly in the country, report slack demand from virtually all sections, with advance orders in smaller volume than at any similar period in late years. Iron and steel warehouse interests and jobbers experienced a slight quickening in trade during June, due chiefly to expansion in requirements of the general manufacturing trade. Sheets, plates and some descriptions of wire products moved in larger volume. Tubular goods and the general run of building materials continued quiet. Beginning of the third quarter witnessed practically no change in finished steel prices, except sheets and strip, which under the new classifications now in effect, are \$2 to \$5 per ton higher for comparable grades. June shipments of pig iron to melters in this district were about on a parity with May, though considerably smaller than in June, 1930. Purchasing of pig iron for the third quarter was little in evidence. Users generally are apparently adhering to their recent policy of purchasing tonnage in the open market as requirements develop. The downward price trend of recent months in the scrap iron and

steel market was halted in late June, and several grades advanced slightly from the low levels of the year. For the country as a whole the average daily rate of pig iron production was the lowest since January, 1922. The total output for the month was 1,637,998 tons, which compares with 1,995,001 tons in May, and 2,934,508 tons in June, 1930. Steel ingot production in the United States in June totaled 2,075,910 tons, against 2,505,485 tons in May and 3,418,535 tons in June, 1930.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in June was 249,462 against 315,115 in May, and 335,475 in June 1930.

Reversing the trend which has been usual during recent years, distribution of automobiles in this district, according to the reporting dealers, increased in June as compared with May. As has been the case for many months, however, the June total fell below that of the corresponding period a year earlier. The expansion in demand reflected in the month-to-month comparison extended to all varieties of vehicles, but was somewhat more pronounced in cheap priced cars than other descriptions. For the first time in a considerable while country dealers reported betterment in their business, both actual and prospective. In the large cities, dealers note considerable stimulation to their business, both in new passenger cars, and parts and accessories, from the touring season. Sales of tires at retail have also been favorably affected by this influence. The general tone of the market was more favorable than earlier in the season, though dealers report that there is a general disposition on the part of prospective buyers to wait for new models and possibly lower prices which may appear in the fall. June sales of the reporting dealers were 7.2 per cent larger than in May, but 7.1 per cent smaller than the June, 1930, total. Inventories continue at a low ebb, particularly in the small towns and country, dealers ordering on a strictly requirement basis. Stocks of new cars on July 1 were 4.5 per cent smaller than on June 1, and almost one-half less than on July 1 last year. Activity and decreasing stocks were reported in the used car market. The number of salable cars turned in on trades is relatively small, due in large part to the fact that many owners are driving their cars until no longer serviceable before buying new ones. On July 1 stocks of salable secondhand cars were slightly smaller than a month earlier, and approximately one-third less than on July 1, 1930. Sales of trucks in June were slightly larger than a year ago, and 10 per cent greater than in May this year. Sales of parts and accessories showed a moderate gain over May, and little change as compared

with June, 1930. According to dealers reporting on that item, deferred payment sales in June constituted 44 per cent of their total sales, which compares with 46 per cent in May and 50 per cent in June, 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	
	June, 1931 comp. to June, 1930	6 months ending June 30, 1931 same period 1930	June 30, 1931 comp. to June 30, 1930	Jan. 1, to June 30, 1931	June 30, 1930
Evansville .....	-10.7%	-23.6%	-18.2%	.94	1.05
Little Rock.....	4.4	-10.7	-18.3	1.36	1.20
Louisville .....	-10.0	-14.6	-19.7	1.35	1.43
Memphis .....	-16.1	-21.0	-26.1	1.51	1.51
Quincy .....	-12.5	-17.6	-17.8	1.31	1.31
St. Louis.....	1.7	- 8.8	-11.2	1.91	1.93
Springfield, Mo.....	-14.3	- 8.5	-13.9	.80	.74
8th District.....	5.3	-11.6	-15.6	1.69	1.69

	Net sales comparison		Stocks on hand	
	June, 1931 comp. to June, 1930	May, 1931	June, 1930	May, 1931
Men's furnishings.....	+16.9%	+33.6%	-17.9%	-13.9%
Boots and shoes.....	- 9.6	- 4.8	-13.4	-10.2

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during June was 66.2 per cent less than in June, 1930, and 27.3 per cent less than the aggregate for May this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in June amounted to \$32,553,934 which compares with \$18,326,851 in May and \$73,076,754 in June, 1930. Production of portland cement for the country as a whole in June totaled 14,125,000 barrels, against 14,010,000 barrels in May, and 17,239,000 barrels in June, 1930. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	190	415	\$ 95	\$ 135	51	109	\$ 25	\$ 35
Little Rock	23	31	20	116	57	99	16	71
Louisville ..	51	81	145	691	54	58	71	107
Memphis ....	132	237	136	1,002	179	216	107	101
St. Louis....	367	380	853	1,756	315	366	116	352
June totals..	763	1,144	\$1,249	\$3,700	656	848	\$ 335	\$666
May totals..	863	1,288	1,717	5,439	726	896	413	478
Apr. totals..	904	1,635	5,454	5,910	817	860	433	695

\*In thousands of dollars (000 omitted).

### POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the second quarter of the year, of 6.3 per cent as compared with the corresponding period in 1930, and of .9 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ending				June, 1931 comp. to June, 1930
	June 30, 1931	Mar. 31, 1931	Dec. 31, 1930	June 30, 1930	
Evansville .....	\$ 163,000	\$ 165,000	\$ 162,000	\$ 168,000	- 3.0%
Little Rock.....	179,000	212,000	224,000	212,000	-15.6
Louisville .....	615,000	627,000	708,000	683,000	-10.0
Memphis .....	491,000	521,000	618,000	581,000	-15.5
St. Louis.....	2,926,000	2,890,000	3,294,000	3,049,000	- 3.2
Totals .....	\$4,374,000	\$4,415,000	\$5,006,000	\$4,667,000	- 6.3

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current during June by selected industrial customers as being 3.3 per cent larger than in May, and 10.1 per cent smaller than in June, 1930. Detailed figures follow:

	No. of Custom- ers	June, 1931 *K.W.H.	May, 1931 *K.W.H.	June, 1931 comp. to May, 1931	June, 1930 *K.W.H.	June, 1931 comp. to June, 1930
Evansville ....	40	2,071	2,125	- 2.6%	1,653	+25.3%
Little Rock..	35	1,934	1,616	+19.7	2,021	- 4.3
Louisville ....	85	6,244	6,039	+ 3.3	6,692	- 6.7
Memphis .....	31	1,666	1,915	-13.0	1,858	-10.3
St. Louis.....	163	20,158	19,347	+ 4.2	23,455	-14.1
Totals .....	354	32,073	31,042	+ 3.3	35,679	-10.1

\*In thousands (000 omitted).

## AGRICULTURE

Following auspicious conditions through May, weather up to the middle of June was very favorable for growth and development of virtually all crops in the Eighth District. During the last half of June, however, there was an unbroken spell of extremely high temperatures, which continued until July 3 and had the effect of lowering prospects for certain crops. In many sections gardens were injured to a considerable extent, and commercial vegetables, pastures, oats and hay sustained more or less deterioration. The hot weather was needed for corn and cotton, which generally achieved good growth, and the outcome of these crops will be dependent upon weather conditions between this and harvest. The oat harvest was practically completed at the middle of July, and due to premature ripening, an unusually large amount was cut for hay. Harvesting of hay had made good progress, and much corn was laid by. As a result of the excessive heat slowing up farm work, as well as hastening ripening of grain and growth of corn, farmers in many localities were hard pushed to finish haying and corn cultivation before advent of the grain harvest. Night field work was resorted to in many instances.

Since the severe drouth of last year, rainfall has been below normal in all states of the district. Since the beginning of the recent hot spell, the water question has again become a serious handicap to farm operations in many localities. Universally creeks, ponds and rivers are low, and in some cases completely dry. For example, the Mississippi River has been lower on an average in 1931 than in any other recorded year, and some of the records extend back to 1800. In Missouri seasonal rainfall was only 77 per cent of normal, and an approximate deficiency exists elsewhere. Good, general rains are badly needed throughout the district for pastures and all late crops. Farm labor is much in excess of demand, with wage rates sharply reduced as compared with a year and two years ago.

Complaints are general relative to the prevailing market prices for farm products. New low levels on the present retrograde movement, and for many years, were recorded in late June and during the first half of July. Wheat futures receded to the lowest point on record in the third week of July, and farmers in many sections were receiving as low as 30c per bushel for their grain at the thresher. Prices of cattle and hogs also declined to new lows on the movement, and lower levels were recorded by most fruits and vegetables.

**Winter Wheat** — Production of winter wheat in the Eighth District, based on the July 1 condition, is estimated by the U. S. Department of Agriculture at 58,360,000 bushels, against 43,819,000 bushels harvested in 1930, and an 8-year average (1923-1930) of 49,921,000 bushels. The entire season, from planting to harvest, was unusually favorable for growth and development of the crop and throughout the district yields are large and quality high. Threshing has made rapid progress under auspicious weather conditions, and initial returns are confirming earlier estimates of both quantity and quality. Due to low prevailing prices, farmers, where financially able to do so, are holding their grain for a more favorable market. In Indiana and in important growing counties of other states of the district, the yield per acre is the highest on record.

**Corn** — Corn planting was completed earlier than usual this year, and conditions since have been favorable for the crop. Warm weather has promoted rapid growth, and in few previous years has the stand been more uniform. During the last half of June and in early July a spell of intense heat lowered the conditions in some localities, and generally rains are much needed to assure best results. Deficient subsoil moisture has been in a measure compensated by intensive cultivation, fields being universally clean and free from weeds. Based on the July 1 condition the yield of corn in the Eighth District is estimated by the U. S. Department of Agriculture at 382,709,000 bushels, which compares with 183,254,000 bushels harvested in 1930, and an 8-year average of 342,534,000 bushels.

**Fruits and Vegetables** — Prospects for fruits and vegetables generally through the district were more favorable on July 1, than on any similar date in a number of years. Since that time, however, gardens, certain commercial vegetable crops, and ground fruits have sustained deterioration from the long spell of excessively high temperatures which commenced in late June. The outlook for tree fruits continues good, with indications pointing to bumper apple and peach crops. The peach crop, which was

a virtual failure in states of this district last year, is estimated at 14,922,000 bushels in these states this year, which compares with 1,315,000 bushels in 1930, and a 5-year average of 8,495,000 bushels. In states of the district the apple crop is estimated at 37,626,000 bushels, of which 4,481,000 barrels represent commercial crop, against 12,935,000 bushels, with 1,660,000 barrels commercial crop, harvested in 1930, and a 5-year average of 21,349,000 bushels with 3,263,000 barrels commercial crop. The condition of grapes on July 1 was somewhat less favorable than a year ago, but due to the large number of new vineyards coming into bearing, the yield this year will considerably exceed that of 1930 and the 5-year average. The Government report estimates the output of grapes in states of the district at 42,130 tons, against 33,831 tons harvested in 1930, and a 5-year average of 32,387 tons. The sweet potato crop in these states is estimated at 18,170,000 bushels, against 14,018,000 bushels harvested in 1930, and a 5-year average of 18,188,000 bushels. In the district proper, the yield of white potatoes is estimated at 13,735,000 bushels, against 12,724,000 bushels harvested in 1930, and an 8-year average of 15,050,000 bushels. The outlook for commercial tomatoes was less favorable at the middle of July than three weeks earlier, due to lack of moisture and extremely hot weather.

**Live Stock** — Except in sections where water shortage is felt, the condition of livestock continues generally high. The movement of cattle and hogs to market has been in seasonal volume, despite the extreme low prices prevailing. The loss of horses and mules, due to the late June heat wave was the heaviest on record in Illinois, and unusually large in other sections of the district.

Pastures have been deteriorating since the middle of June, and are in need of soaking rains. Based on the July 1 condition, the Department of Agriculture estimates the output of tame hay in the Eighth District at 6,633,000 tons, against 5,033,000 tons harvested in 1930, and an 8-year average of 7,616,000 tons. Milk and egg production decreased between June 1 and July 1, and averaged slightly below a year ago.

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

	Receipts			Shipments		
	June, 1931	May, 1931	June, 1930	June, 1931	May, 1931	June, 1930
Cattle and Calves.....	94,782	88,702	99,863	55,911	46,944	60,070
Hogs .....	219,549	281,737	272,100	172,895	227,772	200,619
Horses and Mules.....	1,627	2,063	2,052	1,577	2,021	1,682
Sheep .....	124,170	84,690	103,601	53,261	26,159	30,991

**Cotton** — A moderate decrease in the acreage of cotton under cultivation in states entirely or partly within the Eighth District on July 1 this year as

compared with a year ago is indicated in the July report of the U. S. Department of Agriculture. Combined acreage in Missouri, Tennessee, Mississippi and Arkansas is placed at 9,173,000 acres, a decrease of 740,000 acres or 7.5 per cent as compared with the corresponding date in 1930. For the country as a whole the area under cultivation on July 1 was estimated at 41,491,000 acres, which is 10 per cent less than the area under cultivation on the same date in 1930. The estimate relates to acreage standing on July 1, allowance having been made for abandoned acreage prior to that date and for acreage replanted and in cultivation on that date. Generally through the district weather has been favorable for growth and development of the plant, and prospects are bright for heavy yields in all the chief producing counties. Fields have been intensively cultivated and are free from weeds and grass. A sharp reduction in the use of fertilizers as compared with a year ago is general through the district. Prices of spot cotton moved upward during the last half of June and the first week of July, but since that time have lost a considerable part of the advance. In the St. Louis market the middling grade ranged from 8c to 9.80c per pound between June 16 and July 15, closing at 8.60c per pound on the latter date, which compares with 8.30c on June 16, and 11.9c on July 15, 1930. Stocks of cotton in Arkansas warehouses on July 17 totaled 99,971 bales, against 121,645 bales on June 12, and 108,281 bales on the corresponding date a year ago.

**Tobacco** — In its July 1 report, the U. S. Department of Agriculture estimates production of all types of tobacco in the Eighth District at 360,420,000 pounds, which contrasts with 282,253,000 pounds harvested in 1930, and an 8-year average (1923-1930) of 295,534,000 pounds. At the middle of July marked differences existed between growing conditions in the several sections. In a large area of the central, southern and western sections the plant is suffering from effects of lack of rain. Where there has been precipitation, improvement has taken place and the crop is doing well. In certain localities light, local showers afforded temporary relief, but moisture was not sufficient to reach the roots of the plants. Early planted tobacco, while irregular in stand, due to insect damage and necessity for many settings, has made good progress, with a fair percentage reaching the topping stage. Later settings made a poor start, despite intensive cultivation. Taken as a whole, the crop was less healthy and thrifty looking at the middle of July than at the same time last year.

**Commodity Prices** — Range of prices in the St. Louis market between June 15, 1931, and July 15,

1931, with closing quotations on the latter date and on July 15, 1930:

			Close	
	High	Low	July 15, 1931	July 15, 1930
Wheat				
July .....	.56¾	\$.48	\$.48	.....
Sept. ....	.58¾	.49	.50	\$.89
Dec. ....	.61¾	.54	.54½	\$.94¾
No. 2 red winter .....	.80	.47	\$.48½ @ .49	\$.86 @ .87
No. 2 hard.....	.80	.46	.48 @ .48½	\$.85½ @ .86½
Corn				
July .....	.61¾	.54¾	.....	.....
Sept. ....	.60¾	.49	.50 @ .50¾	\$.87¼
Dec. ....	.50½	.44½	.44½	\$.71¼
No. 2 mixed.....	.62	.56	.61 @ .61½	\$.85½ @ .86
No. 2 white.....	.65	.58	.62½ @ .63	\$.86½ @ .87
Oats				
No. 2 white.....	.32½	.27	.27 @ .27½	.36
Flour				
Soft patent.....per bbl.	5.55	4.25	4.25 @ 4.75	5.40 @ 5.80
Spring patent.....	4.50	4.25	@ 4.40	5.20 @ 5.30
Middling cotton.....per lb.	.980	.800	.860	.119
Hogs on hoof.....per cwt.	7.90	4.00	4.50 @ 7.90	7.50 @ 9.55

### FINANCIAL

The banking situation in this district during the past thirty days was marked by a further decrease in demand for credit, a plethora of loanable funds in commercial banks and an easing in interest rates to the lowest levels on the present downward movement. Requirements of commercial and industrial interests were considerably below the usual seasonal volume, and many important mercantile concerns which are ordinarily large borrowers at this time of year, have surplus funds in the banks. Banks in the principal centers of population report good liquidation, with settlements exceeding new loans and renewals.

Demands upon the banks for financing agricultural operations are in smaller volume than has been the case at this season for a number of years. This is due partly to the low levels of prices of agricultural products, notably winter wheat; also, in a measure, to the fact that methods other than direct borrowing from banks are being practiced to a greater extent than heretofore. As compared with the thirty days immediately preceding, there was no notable change in the average position of country banks. Liquidation with these institutions has been spotty in character, varying considerably with locality and classes of loans.

Loans of the reporting member banks continued the downward movement which had its inception last spring, and on July 15 showed a decrease of approximately 14 million dollars as compared with June 17 and of about 105 millions from July 16, 1930. Investments decreased slightly, but on July 15 were 70 million dollars, or 45 per cent larger than on July 16, 1930. Deposits declined slightly during the period, and on July 17 were about on a parity with the corresponding date last year. Borrowings of all member banks from the Federal Reserve Bank averaged slightly higher than during the preceding thirty days, but were uniformly below the same period in 1930.

Current interest rates at the St. Louis banks were as follows: Prime commercial paper, 2 to 5 per cent; Collateral loans, 4 to 5½ per cent; loans

secured by warehouse receipts, 3 to 5 per cent; interbank loans, 3½ 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 15, 1931 showed a decrease of 3.4 per cent as contrasted with June 17, 1931. Deposits decreased 0.8 per cent between June 17, 1931 and July 15, 1931 and on the latter date were 0.1 per cent larger than on July 16, 1930. Composite statement follows:

	*July 15, 1931	*June 17, 1931	*July 16, 1930
Number of banks reporting.....	†25	†25	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$164,820	\$171,507	\$239,866
All other loans and discounts.....	241,579	249,214	275,351
Total loans and discounts.....	\$406,399	\$420,721	\$515,217
Investments			
U. S. Government securities.....	77,920	74,764	33,499
Other securities.....	145,876	152,470	120,667
Total investments.....	\$223,796	\$227,234	\$154,166
Reserve balance with F. R. bank..	42,346	45,163	44,902
Cash in vault.....	6,292	6,382	5,594
Deposits			
Net demand deposits.....	372,830	375,905	376,354
Time deposits.....	236,697	237,220	235,153
Government deposits.....	4,635	6,084	1,925
Total deposits.....	\$614,162	\$619,209	\$613,432
Bills payable and rediscounts with Federal Reserve Bank.....	1,500	490	2,795

\*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:

	*June, 1931	*May, 1931	*June, 1930	June, 1931 comp. to May 1931	June 1930
East St. Louis & Natl.					
Stock Yards, Ill. \$	30,570	\$ 31,882	\$ 44,666	— 4.1%	—31.6%
El Dorado, Ark.....	4,641	4,987	6,724	+ 6.9	—31.0
Evansville, Ind.....	22,608	24,588	30,592	— 8.1	—26.1
Fort Smith, Ark.....	8,917	9,464	11,916	+ 5.8	—25.2
Greenville, Miss....	2,592	2,932	3,521	+11.6	—26.4
Helena, Ark.....	2,419	2,737	3,464	+11.6	—30.2
Little Rock, Ark....	28,405	32,927	38,835	+13.7	—26.9
Louisville, Ky.....	135,178	134,664	202,177	+ 0.4	—33.1
Memphis, Tenn.....	96,261	92,935	131,512	+ 3.6	—26.8
Owensboro, Ky.....	4,739	4,681	6,292	+ 1.2	—24.7
Pine Bluff, Ark.....	7,076	8,349	8,823	+15.2	—19.8
Quincy, Ill.....	8,985	9,117	11,408	+ 1.4	—21.2
St. Louis, Mo.....	714,075	665,903	795,481	+ 7.2	—10.2
Sedalia, Mo.....	3,395	3,565	4,169	+ 4.8	—18.6
Springfield, Mo....	15,807	14,267	16,503	+10.8	— 4.2
**Texarkana, Ark-Tex.....	9,330	9,523	12,966	— 2.0	—28.0
Totals .....	\$1,094,998	\$1,052,521	\$1,329,049	+ 4.0	—17.6

\*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 159 member banks against 175 in May and 215 in June, 1930. The discount rate remained unchanged at 2½ per cent on all classes and maturities of paper. Changes in the principal assets and liabilities of this institution appear in the following table:

	*July 17, 1931	*June 17, 1931	*July 17, 1930
Bills discounted.....	\$ 9,650	\$ 7,216	\$16,924
Bills bought.....	2,585	5,904	6,858
U. S. Securities.....	30,475	25,442	22,643
Federal Inter. Cr. Bk. Debentures.....	200	425	.....
Total bills and securities.....	\$42,910	\$38,987	\$46,425
F. R. Notes in circulation.....	73,237	72,666	70,679
Total deposits.....	74,174	71,600	78,642
Ratio of reserve to deposits and F. R. Note Liabilities.....	76.1%	78.8%	75.3%

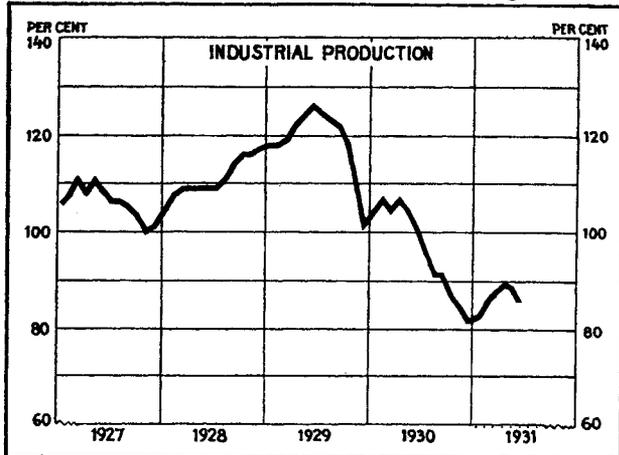
\*In thousands (000 omitted).

(Compiled July 20, 1931)

## BUSINESS CONDITIONS IN THE UNITED STATES

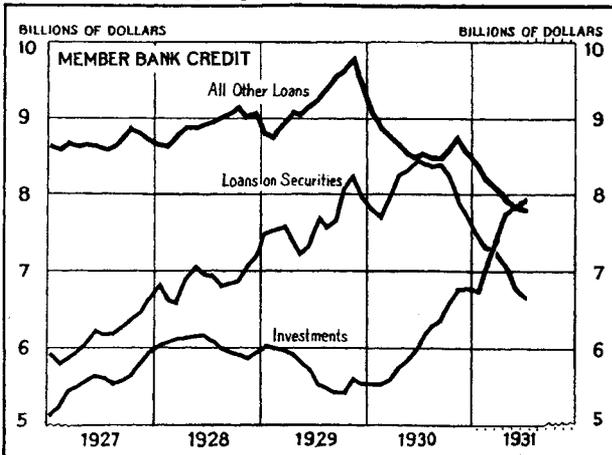
Industrial production showed more than the usual seasonal decline in June, and factory employment and payrolls decreased. Wholesale prices, which had continued to decline until the end of May, advanced in June, but for most commodities declined again in the first half of July.

**PRODUCTION**—A decrease in industrial output from May to June was reflected in a decline in the Board's index of industrial production, which is adjusted for seasonal variations, to 86 per cent of the 1923-1925 output, as compared with 89 per cent in May. Taking the second quarter of the year as a whole, production has averaged about 4



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure June, 86.

per cent above its low level in the last three months of 1930. The reduction of activity in June was most marked in the iron and steel industry, with steel plants operating at 38 per cent of capacity. Automobile output declined further, and there was some recession in production of lumber, meat products and flour. Petroleum output, however, was not reduced. Activity of textile mills and shoe factories continued in relatively large volume. In the woolen industry activity was sustained at the unusually high level of May, and the decline in the consumption of cotton was not in excess of the usual seasonal amount. During the first half of July there were further reductions, partly seasonal in nature, in output of steel, automobiles, and lumber. Factory employment was further reduced by nearly 3 per cent, and payrolls declined by 6 per cent between the middle of May

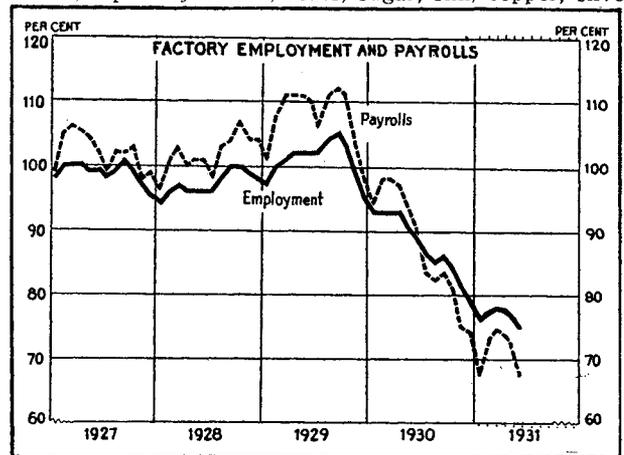


Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first three weeks in July.

and the middle of June. The largest decreases were in the steel machinery, and women's clothing industries, while reductions at automobile plants and cotton mills were partly seasonal in character, and employment at woolen and hosiery mills increased. Building contracts awarded in June were somewhat larger than in May, but declined again in the first half of July. Since the early spring, awards have not increased as much as is usual for the season. In residential building there has been relatively little change for about a year and a half, except for seasonal fluctuations, and the decline in construction has been chiefly in other types of building, principally public works and utilities.

**DISTRIBUTION**—At Department stores, daily average sales were seasonally smaller in June than in May. Freight car loadings were also reduced, reflecting principally a further reduction in loadings of miscellaneous commodities.

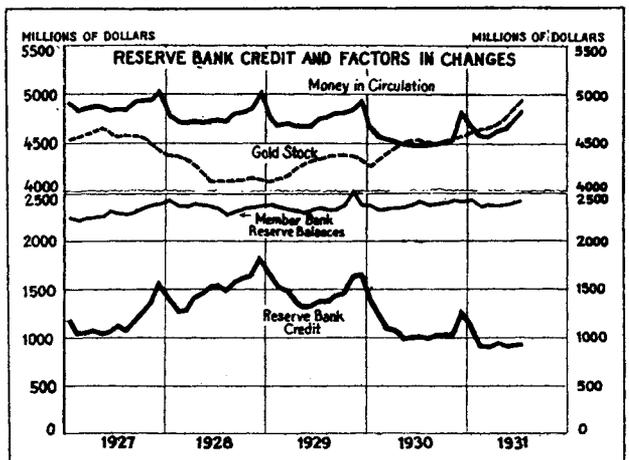
**PRICES**—During June wholesale prices of many commodities advanced considerably, after having reached low levels late in May and early in June. Prices of livestock and meats increased and after June 21 there were rapid advances in prices of raw materials important in world markets, especially cotton, hides, sugar, silk, copper, silver,



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.) Latest figures June, employment 75, payrolls 67.6.

and rubber. Subsequently, however, most of these prices receded somewhat, although in mid-July they were, in general, above their lowest levels. The price of wheat declined during June and the first half of July, as the domestic price became adjusted to world levels.

**BANK CREDIT**—At reporting member banks in leading cities, loans on securities continued to decline between the middle of June and the middle of July, while all other loans increased by \$140,000,000. This increase was concentrated at New York City banks, and was largely in the form of acceptances purchased in the open market. Member banks' investments continued at about the same level as in May and early June. Notwithstanding a further



Monthly averages of daily figures. Latest figures are averages of first 19 days in July.

addition of \$77,000,000 to the country's stock of monetary gold between the weeks ending June 20 and July 18, there was no decrease in Federal reserve bank credit outstanding. During the period the reserve banks' portfolio of United States securities was increased by \$75,000,000, while their combined holdings of acceptances and of discounts for member banks decreased by approximately the same amount. The gold inflow provided member banks with funds to meet an added demand for currency, as well as to increase their balances with the Reserve Banks. There was also a considerable growth in foreign bank deposits with the reserve banks. Money rates continued at low levels.