



# MONTHLY REVIEW

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

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**B**USINESS in the Eighth Federal Reserve District during the past thirty days, while continuing the recessionary trend of the two preceding months, developed certain hopeful features and made a more favorable showing than some earlier months this year as contrasted with the volume for the corresponding period in 1930. Industry as a whole exhibited somewhat more than the usual seasonal decline, but the decrease did not extend to all branches of manufacturing activity. A relatively good showing was made by boots and shoes, textiles, food products and some other lines, for ordinary consumption. The value of retail distribution in July decreased as compared with a year ago, but a considerable part of the decline was attributable to the lower level of prices. There was a slight decrease in July sales of wholesalers and jobbers reporting to this bank as compared with the same month in 1930, but an increase of larger than the usual size over the June total this year.

Inventories of both wholesale and retail establishments are almost universally of small size, and since the first of August there has been more of a disposition to replenish stocks and fill out assortments. The number of visiting merchants at the chief distributing centers has been large, and the character of their buying reflects actual needs for the merchandise. Ordering for late fall and winter consumption, while below the average volume at this particular time in recent years, has somewhat exceeded expectations. In the case of apparel, dry goods, furniture, boots and shoes, and hardware, the proportion of cheap goods being taken is larger than in past years. Production and distribution of commodities of the heavier and more permanent sort were again on the decline. This was true particularly of iron and steel, activities at foundries, mills and machine shops falling to the lowest point of the year.

Extreme high temperatures and lack of rainfall during the last half of July were detrimental for growing crops, but favorable for harvesting and the movement of grain. Little permanent injury, rela-

tively, was suffered as a result of the hot spell, and prospects throughout the district are for abundant crops of all descriptions. The drastic decline in prices of farm products has been discouraging to the agricultural community and will sharply cut purchasing power in the rural areas. The situation with regard to food and feed, however, is markedly better than at this time last year, and will substantially lower the cost of producing next season's crops, albeit small net gains have resulted from this year's productions.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in July was 13 per cent smaller than during the same month in 1930 and for the first seven months the volume was approximately 12 per cent less than for the corresponding period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were  $5\frac{1}{2}$  per cent smaller in July than in the same month in 1930, but  $23\frac{1}{2}$  per cent greater than the June total this year. The value of permits let for new construction in the five largest cities of the district in July was 28 per cent larger than in June, but about one-fourth smaller than in July, 1930. Construction contracts let in the Eighth District in July were 46 per cent smaller than in June, and 30 per cent less than in July, 1930. Debits to Individual accounts in July were 14 and 22 per cent smaller, respectively, than a month and a year earlier, and the total for the first seven months this year was approximately one-third smaller than for the corresponding period in 1930. The amount of savings deposits as of August 5 showed little variation as compared with a month and a year earlier.

Officials of railroads operating in this district report a continued falling off in the volume of freight traffic as contrasted with a year and two years ago. Decreases have occurred in all classifications. Due partly to a disposition of farmers to hold their wheat for higher prices, the volume of grain transported has been considerably below what

might be expected with a crop the size of the present one. Marked decreases were noted in the movement of forest products, merchandise and miscellaneous freight. For the country as a whole, loadings of revenue freight for the first 31 weeks this year, or to August 1, totaled 22,688,044 cars, against 27,675,967 cars for the corresponding period in 1930, and 30,882,951 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 171,935 loads in July, against 188,872 loads in June, and 196,703 loads in July, 1930. For the first nine days of August the interchange amounted to 42,412 loads, against 48,951 loads during the corresponding period in July, and 59,843 loads during the first nine days of August, 1930. Passenger traffic of the reporting roads decreased 24 per cent in July as compared with the same month last year. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in July was 104,700 tons, against 86,016 tons in June and 84,266 tons in July, 1930.

The record of collections during July and the first half of August reflects rather spotty and irregular conditions. Wholesalers in the large cities report some backwardness on the part of creditors, especially those located in the country and small towns in the agricultural areas. Disappointing prices realized by agriculturists for wheat and other products has served to hold down liquidation of their debts. There have been increasing requests for extensions and longer datings. Preoccupation of farmers with harvest was another influence tending to restrict payments in the country. Retailers in the large urban centers report somewhat more than the usual seasonal backwardness in paying bills. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1931.....	1.5%	16.2%	62.3%	20.0%
June, 1931.....	.0	16.5	69.0	14.5
July, 1930.....	0.1	12.7	58.6	28.6

Commercial failures in the Eighth Federal District in July, according to Dun's numbered 80, involving liabilities of \$5,298,184, against 133 failures in June, with liabilities of \$2,615,417, and 107 defaults for a total of \$2,272,170 in July, 1930.

The average daily circulation of the United States in July was \$4,836,000,000 against \$4,750,000,000 in June, and \$4,497,000,000 in July, 1930.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes**—July sales of the reporting firms were 7 per cent greater than for the same month in 1930, and 69 per cent larger than in June this year. The increase in the month-to-month com-

parison was seasonal in character, and compares with a gain of 42 per cent from June to July last year. Improvement in both comparisons extended pretty well through the entire line, but was most pronounced in women's and children's specialties and the better grades of men's wear. There was no change in prices as compared with the preceding thirty days, and average prices now range from 10 to 12 per cent lower than a year ago. In preparation for fall demand, manufacturing operations were speeded up, and on August 1 stocks were 15 per cent larger than a month earlier, though 18 per cent smaller than on August 1, 1930.

**Clothing**—Following the usual seasonal trend, sales of the reporting clothiers in July fell sharply below the June total. As compared with a year ago, the aggregate in July was smaller by about one-fourth. Orders placed for late fall and winter delivery are considerably below the average at this time during the past several years. The trend of prices was lower, and retailers generally are purchasing a larger proportion of cheap clothing than is ordinarily the case. This is true particularly of merchants in the country and small towns.

**Drugs and Chemicals**—With the exception of typical hot weather goods, which moved in large volume, business in this classification was quiet. August sales of the reporting interests fell 5½ per cent below the same month in 1930, and 2 per cent below the June total this year. Stocks on August 1 showed little change from thirty days earlier, and were about 3 per cent smaller than a year ago. Demand for heavy drugs and chemicals from the manufacturing trade continues in small volume, and sales of luxuries were considerably less than a year ago.

**Dry Goods**—Reversing the usual seasonal trend, the volume of sales of the reporting firms in July fell below that of June. Business since August 1 has showed a decided pick-up, being stimulated by a large influx of merchants from the country and small towns. Purchasing by these merchants has been in good volume and quite diversified, but along extremely conservative lines. Cheap priced goods have been relatively more popular than the more expensive lines. Inventories continue small, stocks on August 1 being slightly larger than a month earlier, but 40 per cent smaller than on the same date last year. July sales of the reporting firms were 22 and 10 per cent smaller, respectively, than a month and a year earlier.

**Electrical Supplies**—Due largely to heavy sales of fans and other seasonal goods, July volume of the reporting firms was 30 per cent greater than in June, but slightly under that of July, 1930. Inventories were further reduced, being smaller by 21 per cent

and 10 per cent, respectively, on August 1 than thirty days and a year earlier. Moderate improvement was reported in demand for radio material as compared with earlier in the season. The outlet through the building industry for electrical supplies continues restricted.

**Flour** — Production at the twelve leading mills of the district in July totaled 322,413 barrels, the largest since last January, and compares with 210,563 barrels in June and 328,069 barrels in July, 1930. Moderate improvement developed in business of the mills, buyers generally being more disposed than heretofore to replenish depleted stocks. Purchasing, however, continued on a hand-to-mouth basis, the disturbed condition of the wheat market having the effect of holding down commitments for distant requirements. Prices were sharply lower in sympathy with the decline in cash wheat. Mill operations were at 50 to 55 per cent of capacity.

**Furniture** — While unevenly distributed, improvement as a whole was noted in this classification. Retailers have been forced into the market by generally depleted stocks, and a fair volume of orders for late fall and winter was booked. Office equipment and furniture continues quiet, and the same is true of commodities used by hospitals and hotels. July sales of the reporting firms were 6½ per cent larger than for the same month in 1930, and about two-thirds larger than the June total this year. Inventories on August 1 were slightly more than half as large as on the same date last year, and 5 per cent larger than on July 1 this year.

**Groceries** — Some betterment in demand for groceries in the rural areas was noted, and retailers are more disposed than heretofore to replenish stocks. Purchasing, however, continues on a hand-to-mouth basis, ordering for future delivery being in smaller volume than at any similar period in more than a decade. Abundant fruit and vegetable crops throughout the district are holding down the demand for canned goods. The trend of prices continued downward, particularly commodities based on cereals. July sales of the reporting firms were 8 per cent smaller than for the same month in 1930, and 2 per cent above the June total this year. Inventories showed only minor changes as contrasted with a month and a year earlier.

**Hardware** — While still showing a decrease under the corresponding period a year earlier, the volume of business in this classification during July continued the month-to-month gains, which, with the exception of a small decrease in June under May, has been in steady progress since last January. Sales of the reporting interests in July were 3 per cent larger than in June, and 14 per cent smaller

than the July total last year. The trend of prices was lower through practically all lines, and as compared with a year ago, the average is estimated at from 8 to 10 per cent. This decline would account for a considerable part of the decrease in the year sales comparison. Stocks on August 1 were 5 per cent larger than thirty days earlier, and one-fifth smaller than on August 1, 1930.

**Iron and Steel Products** — Activities at mills, foundries, machine shops and other ferrous metal working establishments during the past thirty days receded to the lowest point of the year. The usual seasonal influences were accentuated by the general business depression and restricted buying by the principal consumers of iron and steel commodities. The placement of new business was on a limited scale, and specifications on goods previously contracted for continued in disappointing volume. Plants specializing in automotive and railroad materials report considerable stocks of castings and other finished products awaiting shipping directions. As has been the case for the past several months, requirements of the building industry were light, particularly so in the case of housing projects. Outdoor engineering work continued to account for large tonnages of special materials, notably reinforcing concrete bars, and certain descriptions of steel sheets and plates. No improvement over the recent dull conditions in business of fabricating concerns occurred. New contracts let were mainly for small jobs, and a reduced rate of operations as compared with the preceding thirty days was general. Producers and distributors of steel sheets report new orders booked in July in considerably smaller volume than during the preceding month. This was due partly to the fact that consumers purchased heavily in June in order to stock up prior to effectiveness of the advance in prices scheduled for July 1. Shipments of manufacturers of stoves, radiators and furnaces showed a decline considerably larger than the usual seasonal proportions. Farm implement makers report a slack demand for their products in all sections of the district. Dealer stocks are light, but there is little disposition to replenish, ordering being on an absolute requirement basis. Farmers are reconditioning and repairing their old equipment in order to make it serviceable for another season. There was a further decrease in the melt of pig iron from July to August, the total being the smallest for any single month in a number of years. Shipments to consumers also receded to the lowest point in recent months. Pig iron prices remained steady, but scrap iron and steel continued to decline, a number of the most important grades sinking to the lowest levels since prior to the World War. For

the country as a whole, average daily production of pig iron in July was at the lowest rate since October, 1921. The total output, 1,440,576 tons, compares with 1,637,998 tons produced in June and 2,638,441 tons in July, 1930. Production of steel ingots in the United States in July aggregated 1,876,149 tons, the smallest for any month since the present depression began, and compared with 2,075,910 tons in June and 2,922,220 tons in July last year.

### AUTOMOBILES

Following the invariable trend in recent years, distribution of automobiles in the Eighth District, according to dealers reporting to this bank, declined during July as compared with the preceding month. The decrease was considerably larger than the average during the past eight years, and as contrasted with a year ago, the July total was smaller by approximately 9 per cent. In both comparisons decreases were general with dealers in both the country and large cities, but more pronounced in the rural areas. In the winter wheat sections the decline in prices of grain to new low records has materially reduced farmers' incomes, and purchasing power in the south has been adversely affected by the low levels at which cotton and other agricultural products are selling. Due to the universal practice of owners to recondition their cars in order to prolong their period of usefulness, trade in repair parts, garage supplies and accessories was reported relatively much better than in the case of automobiles proper. Collections were less satisfactory than earlier in the year on cars purchased on time payment, and the number of repossessions was slightly larger than heretofore. According to a number of the reporting dealers, purchasing of new passenger cars has been held down by a general disposition on the part of prospective buyers to await the appearance of new models and possibly reduced prices. This is true particularly of cheap-priced cars. Demand for trucks, especially light vehicles for city delivery service, was fairly active, July sales comparing favorably with those of the preceding month and a year ago. Sales of new passenger cars by the reporting dealers in July were about one-third smaller than in June, and 9 per cent below the July total last year. Ordering by dealers from the factories continues on a very conservative basis, stocks of new cars on August 1 being 3.2 per cent smaller than on July 1, and only slightly more than half as large as on August 1, 1930. The condition of the used car market developed no notable change as contrasted with the preceding thirty days. The de-

mand holds up well, and stocks are of moderate size, the total on August 1 being about 6 per cent smaller than a month earlier, and one-third less than on August 1, 1930. Further moderate improvement was noted in the tire trade, both the retail and wholesale sections. According to dealers reporting on that detail, deferred payment sales in July constituted 48 per cent of their total sales, against 44 per cent in June, and 51.3 per cent in July last year.

### 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	
	July, 1931 comp. to July, 1930	7 months ending July 31, 1931 to same period 1930	July 31, 1931 comp. to July 31, 1930	Jan. 1, to July 31, 1931	1930
Evansville .....	-24.6%	-10.8%	-17.9%	1.07	1.19
Little Rock .....	-11.3	-10.8	-17.6	1.54	1.37
Louisville .....	-17.4	-14.9	-19.0	1.53	1.61
Memphis .....	-11.3	-20.0	-34.3	1.78	1.72
Quincy .....	-16.3	-17.5	-17.9	1.46	1.46
St. Louis.....	-12.5	- 9.2	-10.7	2.14	2.17
Springfield, Mo. ....	8.2	- 8.5	-11.2	.94	.87
8th District.....	-12.9	-11.8	-16.2	1.92	1.90

	Net sales comparison		Stocks on hand	Stock turnover	
	July, 1931 comp. to July 1930	7 months ending July 31, 1931 to same period 1930	July 31, 1931 comp. to July 31, 1930	Jan. 1, to July 31, 1931	1930
Men's furnishings....	-24.8%	- 5.9%	-13.2%	1.92	1.75
Boots and shoes.....	-16.7	-18.4	-16.9	1.75	1.88

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district during July was 27.4 per cent less than in July, 1930, and 27.3 per cent more than the aggregate for June this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in July amounted to \$17,542,682 which compares with \$32,553,934 in June and \$25,076,000 in July, 1930. Production of portland cement for the country as a whole in July totaled 17,078,000 barrels, against 14,118,000 barrels in June, and 13,899,000 barrels in July, 1930. Building figures for July follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	188	332	\$ 213	\$ 136	44	63	\$ 18	\$ 19
Little Rock ..	20	27	166	107	74	59	15	32
Louisville ..	40	95	221	349	30	62	49	65
Memphis ....	82	330	89	410	141	38	103	42
St. Louis....	285	363	901	1,189	271	367	345	220
July totals..	615	1,147	\$1,590	\$2,191	560	589	\$ 530	\$378
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

\*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 July by selected industrial customers as being 2.1 per cent larger than in June, and 9.4

per cent smaller than in July, 1930. Detailed figures follow:

	No. of Custom- ers	July, 1931 *K.W.H.	June, 1931 *K.W.H.	July, 1931 comp. to June, 1931	July, 1930 *K.W.H.	July, 1931 comp. to July, 1930
Evansville ....	40	2,472	2,071	+19.4%	1,901	+30.0%
Little Rock..	35	2,253	1,934	+16.4	2,593	-13.1
Louisville ....	85	7,226	6,244	+15.7	7,075	+ 2.1
Memphis .....	30	1,047	1,666	-37.2	1,736	-39.7
St. Louis.....	162	19,747	20,158	- 2.0	22,850	-13.6
Totals .....	352	32,745	32,073	+ 2.1	36,155	- 9.4

\*In thousands (000 omitted).

## AGRICULTURE

Taken as a whole, the outlook for crops in the Eighth District continues favorable and above the average in recent years. Weather conditions during the past thirty days were mixed, being beneficial for certain classes of operations and crops, and less beneficial to unfavorable for others. Temperatures during the last half of July and the first few days of August were extremely high, and rainfall generally lacking. These conditions resulted in some damage to growing crops, notably corn, commercial vegetables, gardens and certain fruits. On the other hand, weather was auspicious for harvesting and the movement of winter wheat, oats and hay. Since the second week in August rainfall has been more bountiful than in many months, and in some sections moisture deficiency, which had been accumulating since the drouth last year, was relieved to a considerable extent. Additional precipitation, however, is needed to completely make up the deficiency, restock streams, ponds and wells and afford adequate subsoil moisture. A feature of the present season's meteorological history has been the unusually scattered and uneven distribution of rainfall.

The wheat harvest made rapid progress, and threshing is practically completed, save where farmers have stacked their grain with the intention of holding for more favorable markets. The supply of farm labor throughout the district was more than sufficient for all requirements, with surpluses existing in many sections, particularly where the wheat harvest is over. Wages paid farm help was universally below those of a year and two years earlier. Since the middle of July there have been increasing complaints of damage to field crops from insect pests, notably chinch bugs and grasshoppers. The infestation of the latter has been the severest in a number of years, due to conditions favorable to their propagation.

**Winter Wheat**—Wheat prospects in the Eighth District improved between July 1 and August 1, the report of the U. S. Department of Agriculture based on conditions on the latter date, estimating the total output at 65,264,000 bushels, an increase of 6,940,000 bushels over the July 1

estimate, and comparing with 43,819,000 bushels harvested in 1930, and an 8-year average (1923-1930) of 49,921,000 bushels. Latest threshing returns not only tend to confirm full quantity of the official estimate, but disclose exceptionally high quality, a large percentage of the grain testing No. 1 and No. 2. In Illinois, Indiana, and sections of other states of the district, the yield per acre was the highest on record. Benefits to the producers of heavy yields, however, were largely offset by the drastic decline in prices, which brought them to the lowest levels on record, and in many instances, considerably below cost of production. Reports from all the chief wheat raising sections indicate that an unusually large amount of wheat will be fed to livestock during the coming season, and storage on farms is in greater volume than has been the case in many years. In many localities farmers have not plowed under wheat stubble, and initial preparations indicate a reduced acreage this fall.

**Corn**—Despite the extreme high temperatures and scant precipitation during the last half of July, corn did a little better than hold its own in this district. Intensive cultivation was the general rule, and this enabled the crop to stand drouth conditions much better than last year. Some upland fields were badly burned, but irreparable damage was relatively light. In the bottoms and lowlands, stands are almost universally good, and ears large and well filled. Rains since August 1 have substantially bettered prospects. There were scattered reports of damage from insect pests, mainly ear worms, grasshoppers and chinch bugs. The Department of Agriculture's August 1 report forecasts a yield of 384,445,000 bushels for the Eighth District, an increase of about 1,600,000 bushels over the July 1 estimate, as against the short crop of 183,254,000 bushels harvested in 1930, and an eight year average of 342,534,000 bushels.

**Fruits and Vegetables**—Generally through the district prospects for fruits and vegetables are for yields well above the average, and for the most part quality is high. As in the case of cereals and cotton, however, heavy production in other areas and reduced demand have resulted in prices so low as to greatly reduce profit margins, and in many instances, occasion actual losses. The hot weather in late July lowered prospects for some vegetables notably potatoes and commercial tomatoes, but rains since August 1 have repaired a considerable part of the damage. Based on the August 1 condition, the Department of Agriculture estimates the peach crop in states entirely or partly within the Eighth District at 15,333,000 bushels, against 1,315,-

000 bushels in 1930, and a 5-year average of 8,495,000 bushels. The output of apples in these states is forecast at 37,257,000 bushels, of which 4,400,000 barrels represent commercial crop, against 12,935,000 bushels with 1,660,000 barrels commercial crop in 1930, and a 5-year average of 21,349,000 bushels, of which 3,263,000 barrels were commercial crop. Sweet potato prospects improved slightly, the August 1 estimate for states of the district being 20,752,000 bushels, a gain of about 2,000,000 bushels over the July 1 estimate, and comparing with 14,018,000 bushels harvested in 1930, and a 5-year average of 18,188,000 bushels. There was also slight betterment in grape prospects, the August 1 estimate being for 43,449 tons, against 33,831 tons in 1930, and a 5-year average of 32,387 tons. Pears, which were a virtual failure last year, will produce in states of the district this season 2,448,000 bushels, which compares with a 5-year average of 1,729,000 bushels. The hot weather in July reduced white potato prospects to some extent, the yield for the district proper as of August 1 being 13,199,000 bushels, a decrease of 536,000 bushels under the July 1 forecast, and comparing with 12,724,000 bushels harvested in 1930, and a 8-year average of 15,050,000 bushels. Gardens suffered considerably from the hot, dry July weather, but have generally improved under the rains this month.

**Live Stock**—The average condition of live stock in this district during the past thirty days showed little change worthy of note as contrasted with the similar period immediately preceding. The hot, dry weather of July injured pastures and in some sections critically reduced water supplies. Since August 1 these conditions have been generally corrected by rainfall. The condition of pastures on August 1 was considerably higher than a year ago, but below the 10-year average on that date. The Department of Agriculture estimates the output of hay in the Eighth District at 6,828,000 tons, against 5,033,000 tons in 1930, and an 8-year average of 7,616,000 tons. There was a further decrease in egg and milk production between July 1 and August 1.

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

	Receipts			Shipments		
	July, 1931	June, 1931	July, 1930	July, 1931	June, 1931	July, 1930
Cattle and Calves.....	103,040	94,782	111,569	69,748	55,911	69,166
Hogs .....	170,496	219,549	239,837	136,804	172,895	192,093
Horses and Mules....	1,675	1,627	1,262	1,550	1,577	1,629
Sheep .....	67,479	124,170	73,520	17,075	53,261	15,448

**Cotton**—Based on the August 1 condition, the U. S. Department of Agriculture estimates the production of cotton in the Eighth Federal Reserve District at 3,338,000 bales, which compares with 2,289,000 bales harvested in 1930, and an 8-year average (1923-1930) of 2,644,000 bales. In all states

of the district the condition on August 1 was considerably higher than a year ago, when, it will be recalled, the crop was suffering from effects of the record drouth. For the country as a whole the yield is forecast at 15,584,000 bales, against 13,932,000 bales produced last year. Generally through this district conditions since August 1 have been favorable for growth and development of the crop, and further improvement has been the rule. Excessive moisture in some sections has resulted in growth of weeds and grass, but for the most part fields are clean and cultivation high. There are increasing reports of boll weevil infestation, but except in sections of Mississippi this menace has not become serious. In Arkansas the outlook is the most promising in a number of years. Prices of raw cotton receded to new low levels for the season and since 1915, the market being affected by the heavy prospective yields and general depression in business at home and abroad. In the St. Louis market the middling grade ranged from 6.65c to 9.25c per pound between July 16 and August 15, closing at 7c per pound on the latter date, which compares with 8.90c on July 16, and 12.25c on August 15, 1930. Stocks of cotton in Arkansas warehouses on August 14 totaled 86,195 bales, which contrasts with 99,971 bales on July 17, and 102,499 bales on the corresponding date in 1930.

**Tobacco**—With the exception of the one sucker, production of tobacco of all types in the Eighth District is expected to be larger than a year ago. Weather during the past thirty days was more favorable than earlier in the season, there being good rains generally through the territory, with temperatures seasonable. Cultivation has been pushed, and fields are clean and stands good. Prospects improved between July 1 and August 1, the Government's estimate for the Eighth District, based on August 1 conditions, being 376,377,000 pounds, against 306,070,000 pounds produced in 1930, and an 8-year average (1923-1930) of 295,534,000 pounds.

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

	High	Low	Close	
			August 15, 1931	August 15, 1930
Wheat				
July .....	.52	.45	\$ .47½ @	.48½ \$ .89½
Dec. ....	.56½	.49½	“ .51¾	“ .95½
No. 2 red winter .....	.50½	.45½	.49 @	.49½ @ .93
No. 2 hard.....	.50½	.45	.49 @	.49½ @ .88
Corn				
Sept. ....	.54½	.46½	“ .46½	“ .98
Dec. ....	.48¾	.38¾	“ .40	“ .94¾
No. 2 mixed.....	.59½	.49	.49 @	.49½ @ 1.00
No. 2 white.....	.63	.51½	.51 @	.51½ @ 1.02½
Oats				
No. 2 white.....	.28	.20½	.21 @	.21½ @ 1.03
Flour				
Soft patent.....per bbl.	4.75	3.75	3.75 @	4.25 @ 4.65
Spring patent.....	4.40	4.25	@ 4.40	5.45 @ 5.60
Middling cotton.....per lb.	.0925	.0665	“ .07	“ .1085
Hogs on hoof.....per cwt.	8.40	4.00	4.25 @	7.60 @ 10.85

## FINANCIAL

The same general trends in the banking and financial situation in this district noted in the preceding issue of this review continued more or less consistently during the past thirty days. Credit requirements from all classes of borrowers were in relatively small volume, and interest and discount rates hovered about the low levels which have obtained for the past several months. Commercial banks in all the large cities, and in many of the smaller communities, are well stocked with loanable resources, and in spite of unusually large grain and other crops, demands for agricultural financing failed to substantially change the general status. Liquidation by commercial borrowers with their banks has been on a considerable scale, and renewals and new commitments are well below the seasonal average. The return flow to city banks of money from country correspondents in the winter wheat territory has been smaller than usual, due to low prices and a disposition on the part of farmers to hold their stocks for a more favorable market. Financing of the cotton movement to date has been taken care of largely by local banks and other agencies, little recourse upon banks in the large cities for this purpose having been noted.

Loans of the reporting member banks decreased further, the total on August 12 being 1.2 per cent smaller than on July 15, and more than one-fourth less than on the corresponding date in 1930. Investments also decreased slightly between July 15 and August 12, but on the latter date the total of 221 million dollars represented an increase of 43 per cent over the same date last year. Deposits fluctuated narrowly during the period, and at the middle of August were about 4 per cent smaller than a year earlier. Borrowing of all member banks from the Federal reserve bank averaged higher than during the preceding thirty days, but continued uniformly below the corresponding period in 1930.

Current interest rates at the St. Louis banks were as follows: Prime commercial paper, 2 to 5 per cent; collateral loans, 3½ to 5½ per cent; loans secured by warehouse receipts, 3½ to 5½ 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 August 12, 1931 showed a decrease of .9 per cent as contrasted with July 15, 1931. Deposits decreased 3.5 per cent between July 15, 1931 and August 12, 1931 and on the

latter date were 4 per cent smaller than on August 13, 1930. Composite statement follows:

	*August 12, 1931	*July 15, 1931	*August 13, 1930
Number of banks reporting.....	†25	†25	†24
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds...\$164,046		\$164,820	\$234,365
All other loans and discounts....	238,667	241,579	284,166
Total loans and discounts.....	\$402,713	\$406,399	\$518,531
Investments U. S. Government securities.....	76,192	77,920	29,770
Other securities.....	145,094	145,876	124,664
Total investments.....	\$221,286	\$223,796	\$154,434
Reserve balance with F. R. bank..	41,176	42,346	43,883
Cash in vault.....	6,237	6,292	5,771
Deposits Net demand deposits.....	353,612	372,830	378,323
Time deposits.....	237,509	236,697	238,116
Government deposits.....	1,499	4,635	658
Total deposits.....	\$592,620	\$614,162	\$617,097
Bills payable and rediscounts with Federal Reserve Bank.....	2,135	1,500	2,305

\*In thousands (000 omitted).

†Increase due to substitutions for closed banks. These 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:

	*July, 1931	*June, 1931	*July, 1930	July, 1931 comp. to June, 1931	July, 1930 comp. to June, 1930
East St. Louis & Natl. Stock Yards, Ill..\$ 28,881	\$ 30,570	\$ 30,570	\$ 40,577	— 5.5%	—28.8%
El Dorado, Ark.....	4,529	4,641	7,572	— 2.4	—40.2
Evansville, Ind.....	26,310	22,608	29,659	+ 16.4	—11.3
Fort Smith, Ark.....	9,350	8,917	11,041	+ 4.9	—15.3
Greenville, Miss.....	2,852	2,592	3,824	+ 10.0	—25.4
Helena, Ark.....	2,537	2,419	3,749	+ 4.9	—32.3
Little Rock, Ark.....	26,496	28,405	44,326	— 6.7	—40.2
Louisville, Ky.....	131,974	135,178	180,960	— 2.4	—27.1
Memphis, Tenn.....	92,027	96,261	122,951	— 4.4	—25.2
Owensboro, Ky.....	5,162	4,739	6,657	+ 8.9	—22.5
Pine Bluff, Ark.....	6,608	7,076	8,709	— 6.6	—24.1
Quincy, Ill.....	8,221	8,985	10,598	— 8.5	—22.4
St. Louis, Mo.....	565,493	714,075	704,151	—20.8	—19.7
Sedalia, Mo.....	3,441	3,395	4,081	+ 1.4	—15.7
Springfield, Mo.....	12,120	15,807	14,912	—23.3	—18.7
**Texarkana, Ark-Tex.....	8,957	9,330	13,050	— 4.0	—31.4
Totals .....	\$1,019,108	\$1,094,998	\$1,206,817	— 6.9	—15.6

\*In thousands (000 omitted).

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

**Federal Reserve Operations**—During July, 1931 the Federal Reserve Bank of St. Louis discounted for 187 member banks against 159 in June and 215 in July, 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:

	*Aug. 20, 1931	*Aug. 20, 1930	*July 20, 1931
Bills discounted.....	\$10,695	\$16,870	\$ 9,812
Bills bought.....	2,634	8,317	1,477
U. S. Securities.....	30,476	23,899	30,475
Federal Inter. Cr. Bk. Debentures.....	40	.....	200
Participation in Inv. Foreign Banks.....	1,141	38	1,033
Total bills and securities.....	\$44,986	\$49,124	\$42,977
F. R. Notes in circulation.....	73,185	66,678	73,251
Total deposits.....	74,336	80,617	69,214
Ratio of reserve to deposits and F. R. Note Liabilities.....	74.9%	73.1%	74.7%

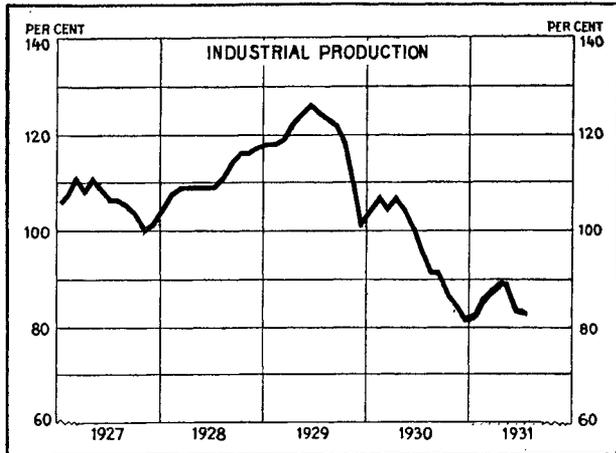
\*In thousands (000 omitted).

(Compiled August 24, 1931)

## BUSINESS CONDITIONS IN THE UNITED STATES

Industrial production and factory employment declined by somewhat more than the usual seasonal amount in July, while the general level of commodity prices remained unchanged. Conditions in the money market continued easy.

**PRODUCTION AND EMPLOYMENT**— Industrial production, as measured by the Board's index, which is adjusted to allow for the usual seasonal variations, declined 1 per cent further in July to 83 per cent of the 1923-1925 average, compared with the low point of 82 for last December and the year's high point of 90 in April. Output of iron

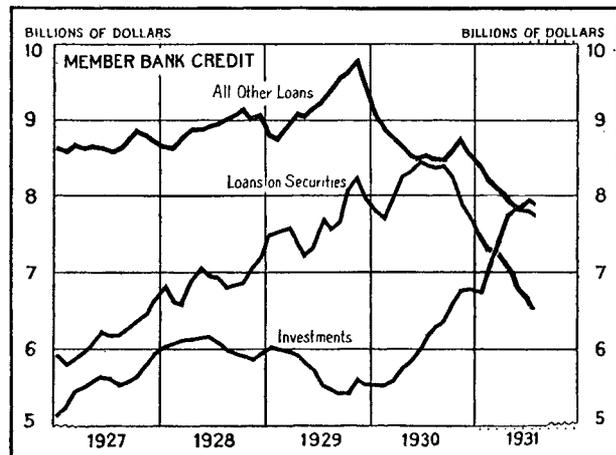


Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figures June revised 84, July, 83.

and steel, automobiles, lumber, and copper decreased further, while activity at textile mills and shoe factories was maintained at a high level.

Factory employment and payrolls declined by somewhat more than the seasonal amount from the middle of June to the middle of July. Large decreases in employment were reported at car building shops and machinery and automobile factories, and at lumber mills. In the textile industries as a whole, employment decreased somewhat less than is usual in July, and there were increases in employment in the woolen goods and men's clothing industries.

Figures on the value of building contracts awarded during July and the first half of August, as reported by the



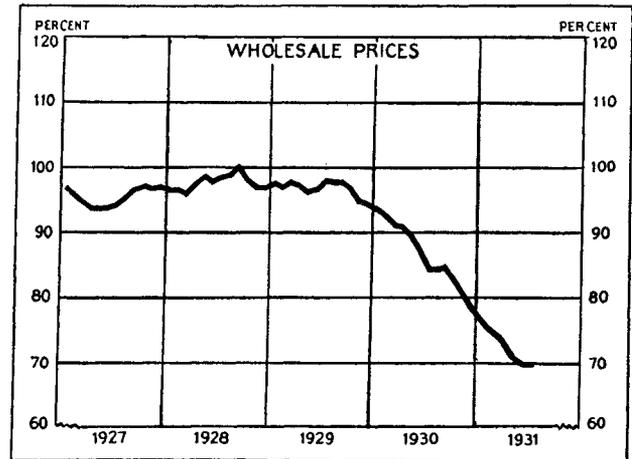
Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in August.

F. W. Dodge Corporation, show a continuation of the downward movement of recent months. Department of Agriculture estimates based on August 1 conditions indicated an unusually large crop of winter wheat, and an exceptionally small yield of spring wheat; a total wheat crop of 894,000,000 bushels, 72,000,000 bushels larger than the five year average. The corn crop was estimated at 2,775,000,000 bushels, about the usual size, and 700,000,000 bushels larger than last year's small crop. In spite of a 10 per cent reduction in acreage, the cotton crop was estimated by the Department

of Agriculture to be about 15,584,000 bales, an increase of 1,600,000 bales over last year.

**DISTRIBUTION**— Freight car loadings increased by slightly less than the usual seasonal amount in July and department store sales, which ordinarily decline sharply at this season. Apparently decreased somewhat more than usual.

**WHOLESALE PRICES**— The general level of wholesale prices in July continued at 70 per cent of the 1926 average, according to the index of the Bureau of Labor sta-

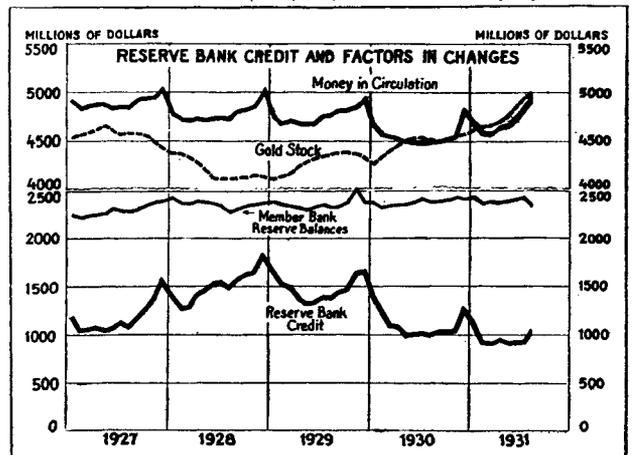


Index of United States Bureau of Labor Statistics (1926=100). Latest figure July, 70.

tistics. Increases were reported in the prices of livestock and meats, while prices of building materials and of grains, particularly wheat, declined. During July and the first half of August, prices of cotton and cotton textiles declined sharply, while prices of dairy products increased.

**BANK CREDIT**— Loans and investments of reporting member banks in leading cities declined by about \$340,000,000 between July 15 and August 15, reflecting chiefly further liquidation of loans on securities, and a decrease in all other loans which was partly a consequence of sales of acceptances to the Reserve Banks. The volume of the member banks' investments also showed a slight decline for the period.

At the Reserve Banks there was an increase in the total volume of credit of \$190,000,000 between July 15 and



Monthly averages of daily figures. Latest figures are averages of first 20 days in August.

August 19. Demand for Reserve Bank credit during this period increased as a result of an outflow of \$144,000,000 of currency, which was larger than is usual at this season, and further transfers of foreign funds from the open market into balances at the reserve banks. This demand for reserve bank credit was met by the reserve banks for the most part through the purchase of bills and United States Government securities in the open market, but also through increased discounts for member banks.

Money rates remained at low levels.