

# MONTHLY REVIEW

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

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**B**USINESS as a whole in the Eighth District failed to improve during the past thirty days, and save in a limited number of lines directly affected by seasonal influences, the volume was below that of the similar period immediately preceding and at the lowest point in recent years. In cases where April volume was larger than for March, the increases were smaller than the usual average. The first half of May, also, has shown no marked betterment, though more favorable weather has tended to stimulate retail trade, besides proving favorable for farm work and the growth and development of all crops. The output at manufacturing establishments was smaller in April than in March, and this curtailment extended to industries which ordinarily increase their production at this time of year. There has been no noticeable deviation from the policy of extreme conservatism which has obtained in purchasing by merchants and the public during the past eighteen months. The average volume of advance orders on books of wholesaling and manufacturing interests on May 1 was the smallest for that particular date in more than a decade.

The trend of commodity prices continued downward, with new lows being recorded by a number of important agricultural products, notably cotton, corn and hogs. In all wholesaling and jobbing lines investigated, April sales were substantially smaller than a year ago. Due to the sharp decline in prices during the past twelve months, however, the unit volume of merchandise moved made a considerably better showing than the dollar value. This was true particularly in the case of boots and shoes, drygoods and groceries. In lines for ordinary consumption, replacement requirements are making themselves more strongly felt, and demand for such goods is in relatively larger volume than for commodities of the heavier and more permanent sort, such as iron and steel, lumber and the entire classification of building materials.

There was little change in the employment situation as contrasted with the preceding thirty days.

Gains in the number of workers engaged in farming, highway construction and other out-door occupations were counterbalanced by increased idleness among clerical help, miners and factory workers. Throughout the agricultural areas there exists a large surplus of laborers and wage scales continued downward. Reductions in wages were general in all branches of industry, including the building crafts. Weather conditions through April and the first half of May were favorable for agriculture, and a considerable part of the backwardness in spring operations, caused by the March freezes, was recovered. In the immediate past the movement of early fruits and vegetables has picked up, and is about on a parity with a year ago.

April sales of department stores in the principal cities of the district increased 4.7 per cent over March, but were approximately 27 per cent less than in April, 1931; for the first four months this year combined sales of these stores fell 19 per cent under the same period in 1931. Aggregate sales of all wholesaling and jobbing firms reporting to this bank decreased 5 per cent in April as compared with March, and 34 per cent as compared with April, 1931; for the first four months of the year there was a decrease of one-fourth under the corresponding period in 1931. The dollar value of permits issued for new construction in the five largest cities of the district in April was 22.5 per cent less than in March, and 91 per cent less than in April, 1931; for the first four months the total was 80 per cent smaller than a year ago. Contracts let for construction in the Eighth District in April were 57 per cent greater than in March, but about one-half less than a year ago, and for the first four months this year the total was 60 per cent smaller than for the same period in 1931. There was an increase in individual checking accounts of 4 per cent in April as compared with March, but a decrease of 24 per cent under the April total last year; for the first four months this year a decrease of 24 per cent is shown as compared with

the same period in 1931. Between April 6 and May 4 there was an increase in the amount of savings accounts of 1.3 per cent, and on the latter date the total was 12 per cent smaller than a year ago.

The volume of both freight and passenger traffic handled by railroads operating in this district continued to show a heavy falling off as compared with the corresponding periods during the past several years. There was a particularly heavy decrease in the movement of bituminous coal, due chiefly to strikes in the Illinois and Indiana fields. Merchandise and miscellaneous freight failed to show the usual seasonal expansion. For the country as a whole, loadings of revenue freight for the first seventeen weeks this year, or to April 30, totaled 9,568,760 cars, against 12,402,121 cars for the corresponding period in 1931, and 15,055,063 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, handled 133,955 loads in April, against 149,953 loads in March and 174,669 loads in April, 1931. For the first nine days of May the interchange amounted to 38,323 loads, against 39,569 loads during the same time in April and 53,434 loads during the first nine days of May, 1931. Passenger traffic of the reporting lines decreased 33 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 98,600 tons, against 112,694 tons in March, and 82,465 tons in April, 1931.

General conditions considered, reports relative to collections during April and the first half of May reflect mainly satisfactory conditions. For the most part wholesalers and jobbers in the chief distributing centers report customers paying promptly, and show smaller actual losses from weak accounts than at the corresponding period last year. It will be recalled, however, that such losses at this time in 1931 were in unusually large volume. Country merchants' collections are being interfered with by preoccupation of farmers with spring work, also the low prices of farm products. There has been a considerable volume of liquidation in sections where early vegetables and fruits are important crops. City retailers note irregularity in settlements, with more backwardness than heretofore reported by time payment houses and others selling goods on the installment plan. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
April, 1932.....	0%	16.1%	57.1%	26.8%
March, 1932.....	1.6	14.8	59.4	24.2
April, 1931.....	0	13.1	63.1	23.8

Commercial failures in the Eighth Federal Reserve District in April, according to Dun's, numbered 151, involving liabilities of \$5,599,920, against 172 failures in March, with liabilities of \$10,180,893, and 153 defaults for a total of \$2,961,962 in April, 1931.

The average daily circulation in the United States in April was \$5,452,000,000 against \$5,531,000,000 in March and \$4,647,000,000 in April, 1931.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — April sales of the reporting firms were 6 per cent smaller than in March and 45 per cent less than in April, 1931. Stocks on May 1 were 6.3 per cent and 5.8 per cent smaller, respectively, than a year and a month earlier. The heavy decrease in the yearly sales comparison was partly due to the decline in prices, which, according to the reporting firms, was approximately 16 per cent. There was a further decline in factory operations, the average being approximately 72 per cent of capacity.

**Clothing** — Unseasonably, cool weather during April had a tendency to hold down sales of apparel of all descriptions. Advance ordering for summer distribution was in considerably smaller volume than a year ago. There was a moderate increase in demand for working clothes, but the volume was still substantially below the average at this period in recent years. The trend of prices continued downward.

**Drugs and Chemicals** — Sales of the reporting interests in April fell 25 per cent below those for the same month in 1931, and 6 per cent below the March total this year. Inventories continued to decline, stocks on May 1 being 1 per cent and 8 per cent smaller, respectively, than a month and a year earlier. Seasonal increases in certain commodities were offset by smaller distribution of others, notably fertilizers, insecticides, and heavy drugs and chemicals for the general manufacturing trade.

**Dry Goods** — Following the usual seasonal trend, sales of the reporting firms in April were 12 per cent below those of the preceding month. As compared with a year ago, April sales decreased 21 per cent. Stocks on May 1 were 5 per cent smaller than thirty days earlier, and about one-fourth less than on May 1, 1931. The sharp decline in prices was largely accountable for the decrease in April sales as contrasted with a year ago. According to two important firms, the unit volume of goods sold this April was slightly in excess of a year ago.

**Electrical Supplies** — April sales of the reporting firms showed a slight decrease as compared with the preceding month, and the total was less than

half as large as for the same month last year. Stocks on May 1 were smaller by one-fourth and one-half, respectively, than a month and a year earlier. Decreases in the yearly sales comparison were general through the entire line, but most pronounced in the case of electrical installations in new buildings and radio materials. Advance sales of electric fans were smaller than at any similar period in recent years.

**Flour** — Production at the twelve leading mills of the district in April totaled 377,465 barrels, against 232,282 in March and 301,429 barrels in April, 1931. Buyers generally were awaiting more definite news relative to the growing wheat crop before taking on additional supplies at the slightly higher prevailing prices. Consumers are still seeking low grade flours, the higher grades and patents receiving relatively little attention. There was little change in the aspect of the export trade. Bids from Europe were mainly out of line, and export transactions were confined largely to routine business with Latin-American countries. Mill operations were slightly higher than during the preceding thirty days, being from 45 to 48 per cent of capacity.

**Furniture** — April sales of the reporting interests were 39 per cent smaller than for the same month in 1931, and 17 per cent below the March total this year. Inventories continued to decline, stocks on May 1 being 10 per cent smaller than a month earlier, and one-third less than on May 1 last year. All lines were affected in the sales decreases, but heaviest declines were noted in household furniture and furnishings and office equipment. The trend of prices is downward and as compared with last year, averages close to 15 per cent lower.

**Groceries** — Reduced purchasing power in the rural areas, unemployment in the industrial centers and a general disposition to economize on the part of the public were given as the chief reasons for a decline in April sales of the reporting firms of 5 per cent under the preceding month, and of 24 per cent under the same month in 1931. Stocks continued to decline, inventories of the reporting interests on May 1 being 4 per cent and 16.5 per cent smaller, respectively, than a month and a year earlier.

**Hardware** — The reporting firms showed a slight increase in April sales as compared with March, but a decrease of 17 per cent as contrasted with April last year. Certain seasonal lines developed improvement, but the extent of this was less than in former years. Retail stocks continued light, but except in rare instances, there is little effort being made to replenish and fill out assortments. Stocks of the reporting firms on May 1 were 2 per cent larger

than a month earlier, but 17 per cent smaller than on May 1, 1931.

**Iron and Steel Products** — April and early May witnessed the lowest point in activities in the iron and steel industry in this district which has been reached in the present recessionary movement. Operations at mills, foundries, machine shops and other ferrous working establishments dropped to a small fraction of capacity. Less than 12 per cent of the openhearth furnaces were active, and jobbing foundries averaged not more than two days work per week during the period. As has been the case for the past several months, railroads, the building industry, oil fields and other important consumers of iron and steel materials were purchasing only the barest necessities. Requirements of smaller and miscellaneous users failed to expand in any noticeable degree. Manufacturers and distributors of sheets, plates and the general run of rolled materials reported new business being sparingly placed, and specifications on goods previously acquired were in disappointing volume. Specialty makers, notably of stoves, heating apparatus, farm implements and machine tools reported a further decrease in orders booked, with advance business the smallest for this particular time in more than a decade. Lettings of contracts for structural steel, reinforcing concrete bars and kindred lines were in small volume, and there were further reductions in operations and working forces by fabricating concerns. Demand for materials to be used in highway construction, river improvement work and other outdoor engineering projects, was in fair volume, but failed to show the usual seasonal expansion. The movement of tin plate was relatively more active than other flat rolled materials, but due to price uncertainty and the heavy carryover of canned products from last season, canners are backward in filling their requirements. Iron and steel warehousemen and jobbers reported the volume of business in April considerably below that of the same month in 1931, and the average during recent years. Wire and wire products, including nails and fencing materials, continue quiet, and the same is true of the general line of repair goods and finished commodities used chiefly in the rural areas. Prices of finished and semi-finished goods varied only slightly as contrasted with the preceding thirty days, and despite keen competition, reports of shading under list quotations are relatively rare. Purchasing of pig iron and scrap during April was in smaller volume than in any other month this year. A further decline in scrap prices was noted, heavy melting steel and some other grades reaching new lows on the movement.

For the country as a whole production of pig iron in April dropped to the lowest point since figures have been compiled. Total output for the month was 855,734 tons, against 961,015 tons in March and 2,009,582 tons in April, 1931. Steel ingot production in the United States in April totaled 1,239,811 tons, the smallest since July, 1921, and comparing with 1,410,830 tons in March, and 2,722,479 tons in April, 1931.

### AUTOMOBILES

Combined passenger car, truck, and taxicab production in the United States in April was 148,013 against 118,959 in March, and 335,708 in April, 1931.

In accordance with the invariable trend during the past several years, distribution of automobiles in this district during April, according to dealers reporting to this bank, showed a decline under the preceding month. This is accounted for partly by the fact that March distribution is usually stimulated by results of the automobile shows and the introduction of new models during February. The decrease in sales this year in April was considerably larger than a year ago, and the average during the past eight years. The April total also showed a heavy decline under that of the same month in 1931. In both comparisons all classes of cars were affected, but the heaviest decreases were noted in the cheap priced makes, one important producer in that classification not being on full production of its new models. Taken as a whole, the intensive efforts of certain large producers in March to market their automobiles met with disappointing results. Reduced purchasing power in the rural areas, and the disposition of the public generally to economize had a detrimental effect on the trade. Sales of new passenger cars by the reporting dealers in April were only one-half as large as in March, and approximately 55 per cent smaller than in April, 1931. Dealers continue to purchase on an extremely conservative scale, many taking only enough cars to deliver on actual orders or fairly certain prospects. As a result of this policy, inventories on May 1 were the smallest for any similar date in recent years. The number of cars on the floors of the reporting dealers on May 1 was 4 per cent smaller than a month earlier, and about one-third less than on May 1, 1931. Used car sales in April were 14 per cent smaller than in March and 32 per cent less than in April, 1931. Salable secondhand cars in stock on May 1 were 2 per cent less than a month earlier and about the same as a year ago. Service departments of the reporting dealers showed a large volume of business

during April and sales of repair parts compared favorably with a month and a year earlier. Demand for trucks of all descriptions continued the decline of the preceding three months, and in April sales were approximately one-third smaller than for the same month last year. According to dealers reporting on that item, deferred payment sales of passenger cars in April constituted 53 per cent of their total sales, which compares with 54 per cent in March and 49.2 per cent in April, 1931.

### RETAIL TRADE

The condition of retail trade is reflected in the following comparative statements showing activities in the leading cities of the district:

#### Department Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Apr. 1932 comp. to Apr. 1931	4 months ended Apr. 30, 1932 to same period 1931	Apr. 30, 1932 comp. to Apr. 30, 1931	Jan. 1, to Apr. 30, 1932 1931		
Evansville .....	-29.0%	-26.7%	-21.9%	.56 .58		
Little Rock.....	-32.2	-24.7	- 7.3	.68 .86		
Louisville .....	-26.1	-17.7	-11.6	.82 .85		
Memphis .....	-31.8	-20.5	-14.1	.93 .94		
Quincy .....	-29.5	-21.5	-11.6	.76 .86		
St. Louis.....	-25.7	-19.7	-12.2	1.19 1.27		
Springfield .....	-24.1	-21.4	- 8.9	.41 .48		
8th District.....	-26.9	-19.3	-12.2	1.03 1.10		

#### Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Apr. 1932 comp. to Apr. 1931	4 months ended Apr. 30, 1932 to same period 1931	Apr. 30, 1932 comp. to Apr. 30, 1931	Jan. 1, to Apr. 30, 1932 1931		
Men's Furnishings	-36.4%	-31.8%	-14.8%	.85 1.10		
Boots and Shoes.....	-29.3	-22.4	-14.3	.86 .94		

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 22.5 per cent less than in March, and 91 per cent less than in April, 1931. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$9,502,305, which compares with \$6,055,684 in March and \$17,080,749 in April, 1931. Production of portland cement for the country as a whole in April totaled 5,478,000 barrels, against 4,847,000 barrels in March and 11,245,000 barrels in April, 1931. Building figures for April follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	129	232	\$ 27	\$ 407	108	62	\$ 26	\$ 11
Little Rock	22	18	6	57	101	51	20	59
Louisville ..	52	76	62	445	52	71	38	90
Memphis ....	124	170	92	162	148	223	83	88
St. Louis....	243	408	306	4,383	298	410	138	185
April totals	570	904	493	5,454	707	817	305	433
Mar. totals	497	994	636	2,049	565	521	224	288
Feb. totals	407	626	844	2,170	486	490	400	299

\*In thousands of dollars (000 omitted).

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in April as being 2.3 per cent greater than in March and 24 per cent less than in April, 1931. Detailed figures follow:

	No. of Customers	April, 1932 *K.W.H.	March, 1932 *K.W.H.	April, 1932 comp. to Mar. 1932	April, 1931 *K.W.H.	April, 1932 comp. to April, 1931
Evansville ....	40	1,784	1,958	- 8.9%	2,008	-11.2%
Little Rock....	35	1,063	747	+42.3	1,455	-26.9
Louisville ....	85	5,368	5,213	+ 3.0	6,022	-10.9
Memphis .....	31	1,294	1,441	-10.2	1,165	+11.1
St. Louis.....	156	12,944	12,600	+ 2.7	18,917	-31.6
Totals.....	347	22,457	21,959	+ 2.3	29,567	-24.0

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
March, 1932.....	3,118,287,000	4,202,630,000	7,320,917,000
February, 1932.....	2,972,069,000	4,025,168,000	6,997,237,000
March, 1931.....	2,640,081,000	5,247,632,000	7,887,713,000

## AGRICULTURE

Aside from somewhat frequent delays occasioned by rains, farm work throughout the Eighth District made good progress during April and the first half of May. Weather was for the most part cool and dry, and almost universally the tilth of the soil was favorable. Conditions have been ideal for preparing ground for corn, but planting of that cereal was backward, due to cool weather. Spring grains were planted mainly on seasonal schedule, and while germination has been slow, top growth is uniform. As a rule all plant growth is backward due to the March freezes and relatively low temperatures prevailing through April and early this month. While precipitation has been quite general over the district, further rains are needed to produce best results, particularly in areas affected by the drouths of the two preceding years. Owing to their late start, hay crops and pastures are generally below average condition for this time of year. Reserves of old hay on farms vary considerably in different localities, but as a whole are close to the average at this season during the past ten years.

Fall sown grains, which had made excellent progress during the unusually mild winter, received a severe setback and actual damage in some sections, from the freezing weather in March. The low March temperatures also wrought considerable injury to fruits and vegetables, and the outlook for tree fruits is much below that of a year ago. In Arkansas, for example, the May 1 condition of peaches was 17 per cent, against 76 per cent last year and a 5-year average (1924-1928) of 68 per cent. Similar conditions are reported in Illinois, Missouri and Tennessee.

Pears and early apples will be small crops, but about an average yield of late apples is indicated in most of the chief producing areas. Vegetables are late, but have been benefitted by higher temperatures during the past two weeks.

The supply of farm labor continued heavily in excess of demand, with the trend of wages still downward. Generally through the farming communities there is in evidence a disposition to adjust to present conditions. Farmers are making strenuous efforts to produce this season's crops at a minimum cost, and in all sections, but more particularly in the south, are endeavoring to raise everything possible for food and feed for livestock. Prices of farm products failed to improve during the past thirty days. Hogs, cotton and some other products recorded new lows on the present recessionary movement.

**Winter Wheat**—Based on the May 1 condition, the U. S. Department of Agriculture estimates the combined yield of winter wheat in states entirely or partly within the Eighth District at 71,990,000 bushels, which compares with 125,743,000 bushels harvested last year and a 5-year average (1924-1928) of 86,273,000 bushels. For the entire country the crop is estimated at 441,000,000 bushels, which is 347,000,000 bushels less than produced in 1931 and 108,000,000 bushels below the 5-year average. Favorable weather since May 1 has materially helped the crop in this area, and generally, stand and color are excellent.

**Corn**—While preparations had been largely completed for planting corn toward the end of April, relatively little acreage had actually been sown, due to cool weather and delays caused by rains. Taken as a whole, planting was estimated to have been about ten days behind schedule at the middle of May. In the south early planted corn is generally up to a good stand, with prospects favorable. Reports relative to acreage are still rather indefinite, but indications point to smaller plantings than a year ago, especially in the surplus states. Prices continued to decline, and in the first week of May reached the lowest point on the present crop, and in a number of years.

**Fruits and Vegetables**—Owing chiefly to the unseasonably cold weather in March, the output of tree fruits in this district will be considerably smaller than a year ago, and the ten-year average. In many sections the peach crop is a complete failure, and in more favored localities not above half an average crop is in prospect. Early apples and pears were severely damaged, but late apples escaped

with relatively little injury. Cherries, plums, and apricots sustained considerable damage, and will be small crops. Less injury than at first estimated was sustained by berry fruits, and in some of the largest producing sections, shipments will be larger than a year ago. Grapes for the most part came through the March freeze without injury, and prospects are for one of the largest yields on record. Potatoes were planted late in most sections, but at the middle of May were in generally favorable condition. Vegetable gardens are universally late, from one to three weeks behind the usual schedule. The movement of early truck crops was in smaller volume than at the corresponding period in 1931.

**Live Stock**— Generally the condition of herds on May 1 was fair to good, and since that date conditions throughout the district have been auspicious. Warm weather, accompanied by scattered precipitation, has helped growth of pastures, which had been checked earlier in the year by unseasonably low temperatures. The movement to market of cattle, sheep and hogs has been held down by the low prices and heavy cooler stocks of dressed meats.

Milk production per cow, according to the U. S. Department of Agriculture, was lower on May 1 than the average on that date during the past five years. While the number of milk cows on farms is larger than a year ago, milk production was lower. The reduced production is due chiefly to curtailed feeding of grain resulting from unfavorable market conditions.

Hens in farm flocks were laying fewer eggs per hundred hens on May 1 this year than last. The price of eggs during April and early May fell so low that little, or no profit was realized by their producers.

The condition of tame hay on May 1 was generally below the average on that date during the past ten years. Stocks of hay on farms in states including the Eighth District on May 1 totaled 2,403,000 tons, against 863,000 tons a year ago, and the 5-year average (1924-1928) of 2,936,000 tons.

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

	Receipts			Shipments		
	Apr. 1932	Mar. 1932	Apr. 1931	Apr. 1932	Mar. 1932	Apr. 1931
Cattle and Calves.....	84,890	82,454	90,132	45,207	44,634	57,881
Hogs .....	251,387	219,319	278,046	179,386	154,689	217,685
Horses and Mules.....	3,416	5,703	3,496	3,131	5,729	3,700
Sheep .....	58,300	36,756	54,753	17,990	10,907	23,078

**Cotton**— Planting of the new crop had been virtually completed at the middle of May, and reports generally indicated satisfactory germination and growth. Universally, moisture conditions are good, and for the most part fields are well worked and free of weeds and grass. In the southern tier of

counties chopping is well under way, and to date indications point to less replanting than in past years. Taken as a whole, the crop in this district is from eight to ten days late. Advices from virtually all sections are to the effect that this year's crop will be produced at smaller cost than in any recent year. Less fertilizer is being used, and planting and cultivating is being accomplished with a minimum of hired help. Demand for raw cotton continued quiet, with the trend of prices lower, a new low for the 1931 crop being reached in the first week of May. In the St. Louis market the middling grade ranged from 5c to 5.75c per pound between April 16 and May 16, closing at 5.25c on the latter date, which compares with 5.75c on April 16, and 8.90c on May 15, 1931. Receipts at Arkansas Warehouses from August 1, 1931, to May 13, 1932, totaled 1,498,042 bales, against 821,529 bales for the corresponding period in 1931. Stocks on hand May 13 totaled 406,220 bales, against 501,383 bales on April 15, and 138,511 bales on the corresponding date in 1931.

**Tobacco**— Due to the backwardness of the season, tobacco plants are not as far advanced as usual at this time of year. There are numerous complaints of cutworms and other insect pests destroying plants, and transplanting will probably be from two to three weeks later than the average. Very little of this work has been done, and even under favorable conditions not much can be accomplished until after June 1. In the dark-fired markets, sales have been large and low grades have been responsible for the low prices prevailing. However, throughout the season there has been an active demand for decided types of tobacco with good color. Stocks of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,373,761,000 pounds on April 1, as against 2,150,778,000 pounds a year earlier.

## COMMODITY PRICES

Range of prices in the St. Louis market between April 15, 1932, and May 16, 1932, with closing quotations on the later date and on May 15, 1931, follow:

	High	Low	Close	
			May 16, 1932	May 15, 1931
Wheat				
May .....	.58¾	.51½	\$ .53¾	.....
July .....	.61	.53	.55¾	.....
Sept. ....	.63¼	.56¾	.57¾	.....
Dec. ....	.66¼	.59¾	.60¾	.....
No. 2 red winter	.59	.52½	\$ .53½ @ .54	.....
No. 2 hard	.58½	.54½	.55½ @ .55¾	.....
Corn				
May .....	.34¼	.27½	.31	.....
July .....	.36½	.31	.32½	.....
No. 2 mixed	.33	.30	.32 @ .33	.....
No. 2 white	.32¾	.30	.31½ @ .32½	.....
Oats				
No. 2 white	.24¼	.22	.22½ @ .22¾	.....
Flour				
Soft patent.....per bbl.	3.75	3.00	3.00 @ 3.40	.....
Spring patent.....	4.50	4.20	4.20 @ 4.50	.....
Middling Cotton.....per lb.	.0575	.05	.0525	.....
Hogs on hoof.....per cwt.	4.20	2.25	2.40 @ 3.50	.....
			5.60 @ 7.00	.....

## FINANCIAL

The principal developments in the banking and financial situation in the Eighth District during the past thirty days have been a continued decline in loans and deposits of the commercial banks, a moderate increase in investments of these institutions, a further easing of the credit situation as a whole and a lower trend in interest rates. Calls on the banks for agricultural financing were less in evidence than in past years, due to the fact that farmers are producing this year's crops at smaller cost than usual and because their needs are being partly supplied by Governmental and other agencies. Generally through the district, but more particularly in the South, borrowings of country banks from their city correspondents are in smaller volume than a year ago. Withdrawals from savings accounts was at a much reduced rate, and for the first time in a number of months, the amount of such accounts held by selected banks showed an increase during April.

Loans of the reporting member banks continued the steady decline which began in the middle of March and on May 11 were approximately 6 per cent and 23 per cent smaller, respectively, than a month and a year earlier. Deposits also pursued the downward course of earlier in the year, reaching a new low point on May 11. Between April 13 and May 11, investments of these banks increased slightly, but were still 7 per cent smaller than on the corresponding date in 1931. Borrowings of all member banks from the Federal reserve bank receded rather sharply during the period, and touched a new low point for the year at the middle of May, though still at a considerably higher level than a year ago. Holdings of Government securities by the Federal reserve bank, which had been fairly constant earlier in the year, turned upward in late April, and at the middle of May represented the highest aggregate in recent years.

At St. Louis banks prevailing interest rates were as follows: Prime commercial loans 4½ to 5½ per cent; collateral loans, 4½ to 6 per cent; loans secured by warehouse receipts, 4½ to 5¾ per cent; interbank loans, 5 to 6 per cent; cattle loans, 5 to 7 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on May 11, 1932 showed a decrease of 5.8 per cent as contrasted with April 13, 1932. Deposits decreased 2.7 per cent be-

tween April 13, 1932 and May 11, 1932 and on the latter date were 21.3 per cent smaller than on May 13, 1931. Composite statement follows:

	*May 11, 1932	*April 13, 1932	*May 13, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....\$131,346		\$141,318	\$170,343
All other loans and discounts.... 203,011		213,617	264,324
Total loans and discounts.....	\$334,357	\$354,935	\$434,667
Investments			
U. S. Government securities..... 80,956		89,073	73,682
Other securities..... 132,309		119,638	155,105
Total investments.....	\$213,265	\$208,711	\$228,787
Reserve balance with F. R. Bank 35,851		37,793	46,096
Cash in vault..... 6,488		6,548	7,039
Deposits			
Net demand deposits..... 288,236		303,922	388,142
Time deposits..... 210,095		210,102	250,852
Government deposits..... 6,907		5,344	2,632
Total deposits.....	\$505,238	\$519,368	\$641,626
Bills payable and rediscounts with Federal Reserve Bank..... 1,097		2,576	300

\*In thousands (000 omitted).

These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 52.6 per cent 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. 1932	*Mar. 1932	*Apr. 1931	Apr. 1932 comp. to Mar. 1932	Apr. 1931
East St. Louis & Natl.					
Stock Yards, Ill..\$ 21,968	\$ 20,665	\$ 20,665	\$ 33,144	+ 6.3%	—33.7%
El Dorado, Ark..... 3,790	3,279	3,279	5,130	+15.6	—26.1
Evansville, Ind..... 16,861	15,929	15,929	24,603	+ 5.9	—31.5
Fort Smith, Ark..... 8,199	7,537	7,537	10,065	+ 8.8	—18.5
Greenville, Miss.... 2,829	2,988	2,988	3,243	— 5.3	—12.8
Helena, Ark..... 1,073	1,200	1,200	2,742	—10.6	—60.9
Little Rock, Ark.. 21,717	19,346	19,346	27,393	+12.3	—20.7
Louisville, Ky..... 107,742	101,464	101,464	141,908	+ 6.2	—24.1
Memphis, Tenn..... 81,107	85,501	85,501	99,279	— 5.1	—18.3
Owensboro, Ky..... 2,724	2,938	2,938	4,944	— 7.3	—44.9
Pine Bluff, Ark..... 4,925	4,854	4,854	7,383	+ 1.5	—33.3
Quincy, Ill..... 6,595	6,072	6,072	9,893	+ 8.6	—33.3
St. Louis, Mo..... 477,317	456,324	456,324	627,307	+ 4.6	—23.9
Sedalia, Mo..... 1,615	1,309	1,309	3,686	+23.4	—56.2
Springfield, Mo.... 10,046	9,879	9,879	14,757	+ 1.7	—31.9
**Texarkana, Ark.-Tex..... 6,511	5,629	5,629	10,145	+15.7	—35.8
Totals .....	\$775,019	\$744,914	\$1,025,622	+ 4.0	—24.4

\*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 230 member banks against 245 in March and 173 in April, 1932. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*May 13, 1932	*Apr. 13, 1932	*May 13, 1931
Bills discounted .....	\$13,248	\$17,002	\$ 6,688
Bills bought .....	514	1,136	9,194
U. S. Securities.....	35,346	30,974	25,442
Federal Inter. Cr. Bk. Debentures.....			
Participation in Inv. Foreign Banks.....	1,005	1,011	38
Total bills and securities.....	\$50,113	\$50,123	\$41,362
Total reserves.....	108,902	110,898	114,061
F. R. Notes in circulation.....	90,438	90,454	73,366
Total deposits.....	62,925	63,206	74,562
Ratio of reserve to deposits and F. R. Note Liabilities.....	71.0%	72.2%	77.1%

\*In thousands (000 omitted).

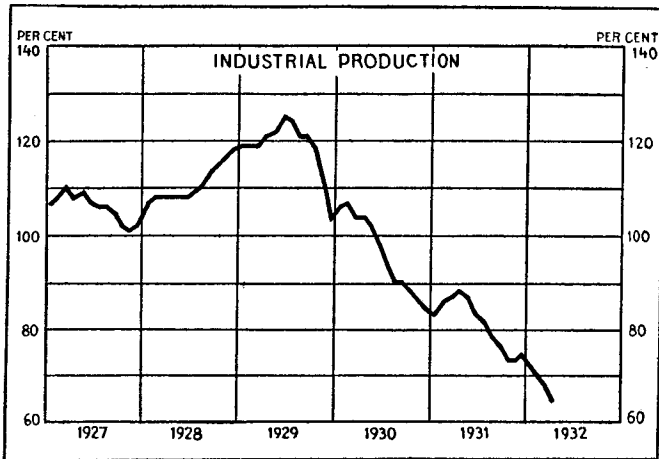
(Compiled May 23, 1932)

## BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity and factory employment declined substantially from March to April, although usually little change occurs at this season. Purchases of Government securities by the Federal reserve banks have continued during April and the first three weeks of May and there has been a considerable growth in the reserves of member banks.

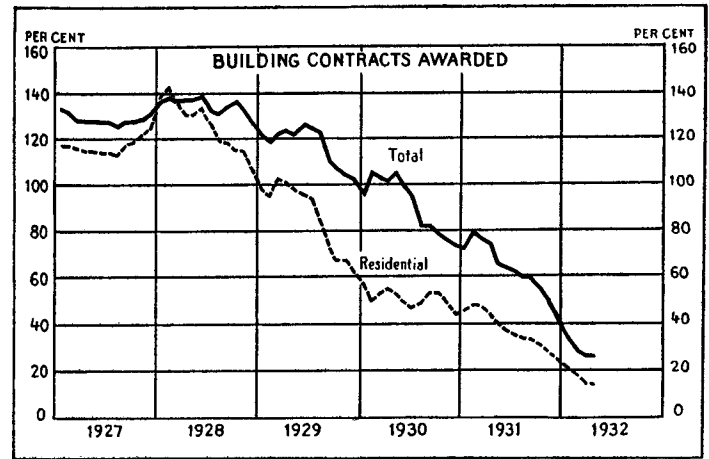
**PRODUCTION AND EMPLOYMENT**—Volume of industrial production, as measured by the Board's seasonally adjusted index, decreased from 67 per cent of the 1923-1925 average in

**WHOLESALE PRICES**—Wholesale prices of commodities declined from 66 per cent of the 1926 average in March to 65.5 per cent in April, according to the Bureau of Labor Statistics, and in the first three weeks of May further decreases in the prices of many leading commodities were reported. Downward movement in textiles, nonferrous metals, and imported raw materials as well as in most domestic agricultural products except wheat, were offset in part by increases in the prices of coffee, petroleum, and petroleum products.



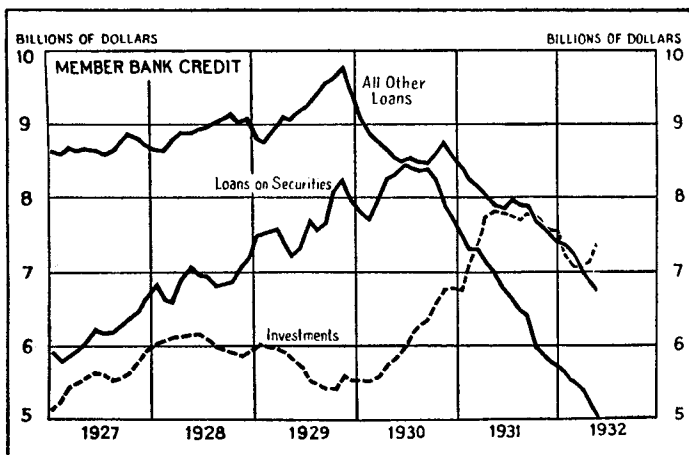
Index number of industrial production, adjusted for seasonal variation, (1923-1925 average=100). Latest figure April, 64.

March to 64 per cent in April. Reductions in activity were reported for many leading industries, with sharp declines at cotton and woolen mills and at bituminous coal mines; in the automobile industry output increased from the low level of March by more than the usual seasonal percentage and in the steel industry, where activity had declined from early February to the middle of April, production increased somewhat between the middle of April and the third week of May. The number of wage earners employed at manufacturing establishments declined further between the middle of March and the middle of April and there was a substantial reduction in factory payrolls. Large decreases in employment were reported for the iron and steel, machinery, and textile industries, while the volume of employment in the food and leather industries showed the usual seasonal changes. Daily average value of building contracts awarded during April and the first half of May, as reported by the F. W. Dodge Corporation showed a seasonal increase over the first quarter. A substantial increase was



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation, (1923-1925 average=100). Latest figure April, 26.

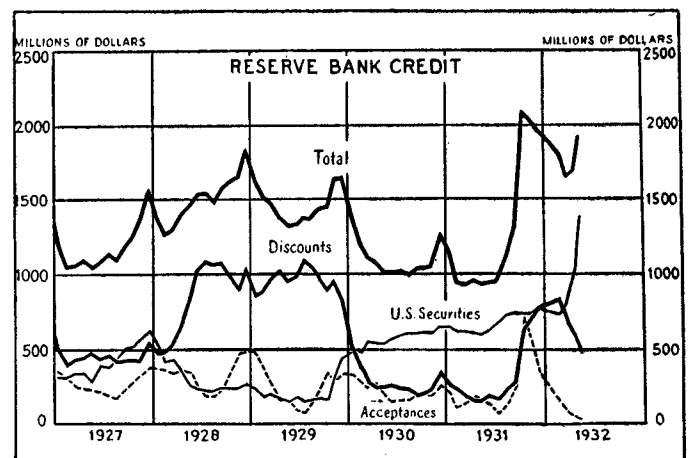
**BANK CREDIT**—Further purchases of U. S. Government securities by the Federal reserve banks were made during April and the first three weeks in May, and on May 18 total holdings were \$1,466,000,000. The funds placed in the market through these purchases between April 6 and May 18 were used to the extent of \$170,000,000 in a further reduction of member bank indebtedness to the reserve banks; and to the extent of \$122,000,000 in meeting a demand for gold from abroad; at the same time member banks accumulated reserve balances considerably in excess of legal requirements. During May the demand for currency, which had declined in April, increased somewhat, contrary to usual seasonal movement. Loans and investments of reporting member banks in leading cities, which had declined continuously until the middle of April, showed little net change between April 13 and May 18. The banks' investments increased by nearly \$300,000,000 chiefly in New York City; while loans declined by about an equal



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

reported for public works and public utilities, while residential building continued at the low level of the first quarter, showing none of the usual seasonal expansion.

**DISTRIBUTION**—Freight-loadings of merchandise showed little change in volume from March to April, continuing at the level prevailing since January, although increases are usual during this period. Sales by department stores increased considerably in April.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in April.

amount. There was also a growth in net demand deposits, which reflected in part an increase in bankers' balances deposited in New York City banks. Money rates in the open market continued easy. Rates on commercial paper were reduced about one-half per cent to a range of  $2\frac{3}{4}$ —3 per cent for prime names, and the offering rate on 90-day bankers' acceptances, which had advanced to 1½ per cent in the first week of May, declined on May 11 to the previously prevailing rate of  $\frac{7}{8}$  of one per cent.