



MONTHLY REVIEW

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

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THE past thirty days were marked by a further decline in the general level of commerce and industry in the Eighth District. With the exception of a limited number of lines, including automobiles, hardware and clothing, the volume of sales in May fell below that of April. In all lines investigated by this bank, the volume was substantially below that of the corresponding period in 1931, and the average in recent years. The recession in activities extended to wholesaling, retailing and manufacturing, but was somewhat more marked in production than distribution of merchandise. Outputs in virtually all classifications of manufactures in May fell below that of the preceding month, a number of lines which ordinarily increase their operations at this time of year failing to show the usual seasonal expansion. Because of the restricted volume of orders booked for future delivery, manufacturing interests were unwilling to make up any considerable stocks of their products. The continued lower trend in commodity prices served to further emphasize the conservative attitude of both merchants and ultimate consumers in the matter of commitments for goods of all descriptions.

During May the movement of merchandise through retail channels was retarded to some extent by cool weather. Since the first of June, however, more seasonable temperatures have materially stimulated purchasing of summer goods, notably sporting goods, apparel, electrical supplies, beverages and tourist and outing equipment. This improvement was most noticeable in the larger centers of population, trade in the rural areas being adversely affected by the continued low price level of farm products. There was a sharp decline in cereal values in early June, wheat falling to the lowest point of the year. New lows on the downward movement were recorded by corn, oats, cotton, hogs and some other less important products. Taken as a whole, agricultural prospects were less favorable on June 1 than a month earlier. Deterioration was caused by insufficient rainfall, prevalence of insect pests, and effects of the freezes in March.

No change for the better developed in the employment situation, absorption of idle workers by seasonal occupations having been more than offset by additional releases in the industrial centers. The surplus of farm help in all states of the district is greater than at any similar period in recent years. Building continued below a year ago, and the volume of permits and contracts for new construction in May was below that of the preceding month.

As reflected by sales of department stores in the principal cities of the district, the volume of retail trade in May showed a decrease of 10.4 per cent as compared with April and of 26.5 per cent as compared with May, 1931; for the first five months of this year sales fell 20.8 per cent under the same period in 1931. Aggregate sales in May of all wholesaling and jobbing firms reporting to this bank decreased 13 per cent as compared with April, and 35.4 per cent as compared with May, 1931; combined sales of these interests for the first five months this year were 27 per cent smaller than for the same period in 1931. The dollar value of permits issued for new construction in the five largest cities of the district in May was 16.6 per cent less than in April, and 76 per cent smaller than in May, 1931; for the first five months the total was 81 per cent smaller than a year ago. Contracts let for new construction in the Eighth District in May were 7.5 per cent smaller than in April, but about 52 per cent less than for the same time in 1931; for the first five months this year the total was 58 per cent smaller than for the like period in 1931. Debits to checking accounts in May were 2.4 per cent smaller than in April, and 28 per cent smaller than in May, 1931. For the first five months this year the volume of debits shows a decrease of one-fourth as compared with the same period in 1931. The amount of savings accounts in selected banks increased slightly between May 4 and June 1, and on the latter date was 12 per cent smaller than a year ago.

Distribution of merchandise by railroads operating in this district continued in considerably smaller volume than during the corresponding periods in re-

cent years. Reduced industrial activity and labor troubles in the Illinois and Indiana mining fields were reflected in heavy contraction in the movement of bituminous coal. Railroads operating in the winter wheat belt are making extraordinary preparations for prompt movement of that crop. For the country as a whole, loadings of revenue freight for the first twenty-one weeks this year, or to May 28, totaled 11,656,516 cars, against 15,360,905 cars for the corresponding period in 1931, and 18,705,838 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, handled 131,695 loads in May, against 133,955 loads in April and 186,779 loads in May, 1931. During the first nine days of June the interchange amounted to 38,507 loads, against 38,323 loads during the corresponding period in May and 188,872 loads during the first nine days of June, 1931. Passenger traffic of the reporting lines decreased 40 per cent in May as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 111,200 tons, which compares with 98,789 tons in April and 99,901 tons in May, 1931.

Little change has taken place in collections as contrasted with the preceding two or three months. According to wholesaling and jobbing interests in the principal distributing centers, strong accounts are paying up promptly, many taking advantage of discounts. On the other hand customers less well fortified with cash are backward in their settlements, and there are numerous requests for extensions and longer datings. Retail merchants in the rural areas report payments as a whole slow, but expansion in their cash business. In the large urban centers considerable spottiness and irregularity are reflected in retail collections. In sections where early fruits and vegetables are important crops liquidation has been in larger volume. Backwardness in collections is reported rather general in the bituminous coal sections. Replies to questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

| | <u>Excellent</u> | <u>Good</u> | <u>Fair</u> | <u>Poor</u> |
|------------------|------------------|-------------|-------------|-------------|
| May, 1932..... | 1.8% | 11.5% | 59.9% | 26.8% |
| April, 1932..... | 0 | 16.1 | 57.1 | 26.8 |
| May, 1931..... | 0 | 13.1 | 63.1 | 23.8 |

Commercial failures in the Eighth Federal District in May, according to Dun's, numbered 128 involving liabilities of \$8,062,615 against 151 failures in April with liabilities of \$5,599,920, and 104 defaults for a total of \$3,148,548 in May, 1931.

The average daily circulation in the United States in May was \$5,456,000,000 against \$5,452,000,000 in April and \$4,679,000,000 in May, 1931.

MANUFACTURING AND WHOLESALING

Boots and Shoes — May sales of the reporting firms were 43 per cent smaller than for the same month in 1931, and 23 per cent less than the April total this year. Stocks on June 1 were 12.5 per cent and 14 per cent smaller, respectively, than a month and a year earlier. In both the month-to-month and yearly sales comparisons, declines were general through all descriptions of footwear, but most pronounced in men's staple lines and children's shoes. Advance ordering of sport shoes was in considerably smaller volume than at this time in preceding years. There was no change in prices as contrasted with the preceding thirty days, but the average price of finished goods was approximately 16 per cent lower than a year ago. There was a further slight reduction in factory operations, the average being about 70 per cent of capacity.

Clothing — More favorable weather conditions and purchasing of goods which are ordinarily acquired earlier in the year were reflected in a fair increase in May sales of the reporting interests over the April total. As compared with a year ago, however, the May volume showed a decrease of 27 per cent. As has been the case for a number of months, demand centers chiefly in cheap priced apparel, both in the case of men's and women's wear. Prices were mainly unchanged as compared with the preceding thirty days, but about one-fifth lower than at the corresponding period in 1931.

Drugs and Chemicals — The decline in business volume in this classification noted in recent months continued during May and early June. May sales of the reporting firms fell 30 per cent below the same month in 1931, and 9.9 per cent below the April total this year. Inventories were again lower, stocks on June 1 being smaller by 3 per cent than a month earlier and by 9 per cent than on June 1, 1931. Increases in sales of soda fountain equipment and supplies and other seasonal merchandise were offset by decreases in other lines. The trend of prices was slightly lower.

Dry Goods — Following the usual seasonal trend, May sales of the reporting firms showed a gain of 2.6 per cent over the preceding month, but the total was approximately one-fourth smaller than in May, 1931. Orders booked during the first half of June indicate a total for the month slightly below that of May, and 20 per cent under June last year. Stocks on June 1 were 9 per cent and 29 per cent

smaller, respectively, than thirty days and a year earlier.

Electrical Supplies — Seasonal goods have been purchased in considerably less than the usual volume, and buying generally is confined to absolute requirements. Advance sales of fans, according to two important interests, were the smallest for the corresponding period in more than ten years. Total May sales of the reporting firms were one-half smaller than a year ago, and 4 per cent less than in April this year. Stocks on June 1 were 57 per cent smaller than on the same date in 1931, and 8 per cent less than on May 1 this year.

Flour — Production at the twelve leading mills of the district in May totaled 262,230 barrels, against 377,465 barrels in April and 277,767 barrels in May, 1931. Stocks of flour in St. Louis on June 1 were 5 per cent smaller than on May 1, and 16 per cent greater than on June 1, 1931. There was no change from the dull conditions which have obtained in the trade for the past several months. Buying is on a necessity basis, and demand centers in low grades of flour. Prices were lower in sympathy with the decline in cash wheat values. Mill operations were slightly lower than the preceding thirty days, being from 40 to 45 per cent of capacity.

Furniture — May sales of the reporting firms were one-third smaller than for the same month in 1931, and slightly below the April total this year. Inventories continue to contract, stocks on June 1 being 10 per cent and 34 per cent smaller, respectively, than a month and a year earlier. Retail stocks are unusually light, but there is little disposition to replenish.

Groceries — There was a further recession in business in this classification, May sales of the reporting firms being 4 per cent smaller than in April, and 23 per cent below the May, 1931, total. Inventories receded again, stocks on June 1 being 8 per cent and 22 per cent smaller, respectively, than a month and a year earlier. Price changes during the past thirty days were seasonal in character, and affected mainly country produce. As compared with a year ago the average of prices is from 12 to 15 per cent lower.

Hardware — Demand for seasonal merchandise developed moderate betterment from April to May, with the result that May sales of the reporting firms showed an increase of 2.4 per cent over the preceding month. The May total, however, fell 15 per cent below that of the same month in 1931. Stocks on June 1 were 7 per cent larger than on May 1, and about the same amount smaller than on June 1, 1931. The trend of prices was slightly lower.

Iron and Steel Products — Activities in the iron and steel industry in this district during May and the first half of June declined to the lowest point of the year. The usual slowing down, caused by seasonal influences, was accentuated by quietness in general business and continued limited purchasing by leading consumer groups, notably railroads and the automotive and building industries. While manufacturers of automobiles have increased assembly operations, they have not placed orders for additional materials in the volume which had been expected. However, since June 1 there has been some improvement in specifications on castings and other metal parts previously contracted for. Demand for miscellaneous commodities from smaller consumers, which earlier in the year had proved of substantial assistance to the industry as a whole, developed noticeable contraction. Users are universally buying conservatively, and only for immediate requirements. This applies to both finished and raw materials. Despite the near approach to the third quarter, only limited interest is being taken in supplies for that period. Purchasing of pig iron during May and early June was in negligible volume, and almost exclusively for prompt delivery. The outlet through the building industry showed further narrowing tendencies. Few new projects calling for large tonnages of steel were initiated, though a number of enterprises, notably in connection with governmental and municipal programs, are under contemplation and expected to take definite form in the near future. Fabricators of structural steel and reinforcing concrete bars report a fair number of small lettings, mainly for bridge and highway work, but the end of May witnessed a further decrease in the volume of their unfilled orders. Manufacturers and distributors of sheets, plates and other flat rolled products reported May business in slightly large volume than during the preceding month, but considerably smaller than in May, 1931. Demand for farm implements, wire fencing, roofing and other materials, used chiefly in the rural areas showed no improvement as contrasted with the past several months. Reflecting the low stage of building activities, makers of heating apparatus experienced a further recession in demand for their goods. Activities at stove foundries increased slightly, as is usual at this time of year when stock is being made up for fall and winter distribution. While the trend was slightly lower, prices as a whole underwent no marked changes as compared with the preceding thirty days. Scrap iron and steel declined, heavy melting steel selling at the lowest figure on the present downward movement. For the country as a whole production of pig

iron in May dropped to the lowest point of the present century; the total output, 783,769 tons, comparing with 855,734 tons in April and 1,995,001 tons in May, 1931. Production of steel ingots in the United States in May totaled 1,107,424 tons, against 1,239,811 tons in April and 2,505,485 tons in May, 1931.

AUTOMOBILES

Combined passenger car, truck, and taxicab production in the United States in May was 185,149, against 148,013 in April and 315,115 in May, 1931.

Reversing the trend of recent years, distribution of automobiles in this district during May, according to reporting dealers, showed a substantial increase over the preceding month. This increase was due largely to peculiar conditions in the low-price field, one leading producer in that classification not being in a position to make deliveries on its new models during April. For the fifth consecutive month this year, May sales fell substantially below those of the corresponding period a year ago. Reports covering the first half of June indicate a continuance of the improvement noted in May, sales volume comparing favorably to the same period in 1931. In the yearly sales comparison decreases were general through all classes of makes, but most marked in the case of the more expensive vehicles. Preoccupation of farmers with crops and further lowering of prices of farm products served to hold down business of dealers in the rural areas and small towns. Sales of new passenger cars by the reporting dealers in May were 22 per cent larger than in April and 38 per cent less than in May, 1931. As has been the case throughout the year, buying by dealers is on an extremely conservative scale, and inventories continue of small proportions. Stocks in dealers' hands on June 1 were 2 per cent larger than a month earlier, but approximately 30 per cent smaller than on June 1, 1931. More seasonable weather and approach of the vacation season had a favorable effect on the used car market, sales of the reporting dealers in May showing a gain of 8 per cent over April and of 5 per cent over May a year ago. Stocks of salable secondhand cars on June 1 were 10 per cent larger than a month earlier and about even with a year ago. Demand for trucks developed considerable improvement in May, sales for that month being 52 per cent larger than in April, but 14 per cent smaller than in May, 1931. Trade in parts and accessories continued active, sales of the reporting dealers in May showing a slight gain over the April total and comparing favorably with the corresponding period last year. Ac-

cording to dealers reporting on that detail, deferred payment sales of passenger cars in May constituted 51.5 per cent of their total sales, which compares with 53 per cent in April, and 46 per cent in May, 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 | |
|-------------------|------------------------------------|---|--|-------------------------------|-----------------|
| | May, 1932 comp. to May, 1931 | 5 months ended May 31, 1932 to same period 1931 | May 31, 1932 comp. to May 31, 1931 | Jan. 1, to May 31, 1932 | May 31, 1931 |
| Evansville | —31.5% | —27.8% | —21.8% | .72 | .76 |
| Little Rock..... | —34.2 | —27.1 | — 9.5 | .87 | 1.13 |
| Louisville | —19.9 | —18.2 | —10.8 | 1.04 | 1.10 |
| Memphis | —26.3 | —21.9 | —15.8 | 1.19 | 1.24 |
| Quincy | —27.3 | —22.8 | —10.9 | .95 | 1.09 |
| St. Louis..... | —26.6 | —20.3 | —14.3 | 1.46 | 1.59 |
| Springfield | —34.6 | —25.0 | — 8.2 | .53 | .66 |
| 8th District..... | —26.5 | —20.8 | —13.7 | 1.28 | 1.40 |

Retail Stores

| | Net sales comparison | | Stocks on hand | Stock turnover | |
|----------------------------|------------------------------------|---|--|-------------------------------|-----------------|
| | May, 1932 comp. to May, 1931 | 5 months ended May 31, 1932 to same period 1931 | May 31, 1932 comp. to May 31, 1931 | Jan. 1, to May 31, 1932 | May 31, 1931 |
| Men's Furnishings | —26.3% | —30.7% | —15.9% | 1.08 | 1.36 |
| Boots and Shoes..... | —20.6 | —22.0 | —19.0 | 1.14 | 1.22 |

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in May was 16.6 per cent less than in April, and 76.1 per cent less than in May, 1931. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May amounted to \$8,788,497 which compares with \$9,502,305 in April, and \$18,326,851 in May, 1931. Production of portland cement for the country as a whole in May totaled 6,917,000 barrels, against 5,478,000 barrels in April and 14,010,000 barrels in May, 1931. Building figures for May follow:

| | New Construction | | | | Repairs, etc. | | | |
|-------------------|------------------|------|--------|---------|---------------|------|--------|-------|
| | Permits | | *Cost | | Permits | | *Cost | |
| | 1932 | 1931 | 1932 | 1931 | 1932 | 1931 | 1932 | 1931 |
| Evansville | 131 | 214 | \$ 66 | \$ 96 | 46 | 56 | \$ 7 | \$ 12 |
| Little Rock | 15 | 15 | 8 | 53 | 54 | 66 | 11 | 17 |
| Louisville | 63 | 56 | 40 | 128 | 50 | 44 | 40 | 34 |
| Memphis | 126 | 195 | 44 | 255 | 107 | 208 | 51 | 133 |
| St. Louis..... | 198 | 383 | 253 | 1,185 | 256 | 352 | 95 | 217 |
| May totals | 533 | 863 | \$ 411 | \$1,717 | 513 | 726 | \$ 204 | \$413 |
| Apr. totals | 570 | 904 | 493 | 5,454 | 707 | 817 | 305 | 433 |
| Mar. totals | 497 | 994 | 636 | 2,049 | 565 | 521 | 224 | 288 |

*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 May as being 77.7 per cent greater than in April and 14.4

per cent less than in May, 1931. Detailed figures follow:

| | No. of Custom- ers | May, 1932 *K.W.H. | April, 1932 *K.W.H. | May, 1932 comp. to April, 1932 | May, 1931 *K.W.H. | May, 1932 comp. to May, 1931 |
|-----------------|--------------------------|-------------------------|---------------------------|--------------------------------------|-------------------------|------------------------------------|
| Evansville | 40 | 2,004 | 1,784 | +12.3% | 2,125 | - 6.7% |
| Little Rock... | 35 | 1,351 | 1,063 | +27.1 | 1,934 | -30.1 |
| Louisville | 85 | 5,613 | 5,368 | + 4.6 | 6,025 | - 6.8 |
| Memphis | 31 | 764 | 1,294 | -41.0 | 1,915 | -60.1 |
| St. Louis..... | 163 | 17,725 | 12,944 | +36.9 | 20,073 | -11.7 |
| Totals..... | 354 | 27,457 | 22,453 | +77.7 | 32,072 | -14.4 |

*In thousands (000 omitted).

AGRICULTURE

General crop conditions in the Eighth District on June 1 were somewhat lower than a month earlier, also, slightly below the average for that date. Causes contributing to the deterioration were accumulated deficiency of moisture, scanty rains during May, effects of the freezes in March and scattered damage from insect pests. Temperatures were in the main unseasonably low in the south. Almost universally precipitation during the season has been below normal, and in some sections, including certain typical grain areas, drouth was prevented only by occasional showers. On the other hand, conditions were very favorable for outdoor operations during most of May, and field work was fully up to the seasonal schedule at the end of that month. Since the last week in May growing crops and vegetation generally have been materially assisted by more abundant rainfall, though at the middle of this month additional moisture was much needed to achieve best results.

Indicated prospects for vegetables, fruits and home gardens are spotted and irregular. Tree fruit conditions are particularly uneven, ranging from a fair to poor apple crop to a near failure for pears and peaches. Pastures have benefited by recent precipitation, but during May forced feeding of live stock was necessary in parts of the northern section of the district. In all states of the district the June 1 condition of hay was considerably below the 10-year average. Planting of home gardens, both on farms and in small towns, has been on a more extensive scale this season than in recent years. Throughout the south food and feed crops are being produced in a large way, while the major crops, such as cotton, rice and tobacco, will be raised at smaller cost than in past seasons. Strawberries were a large crop this year, and under mainly favorable marketing conditions, netted fair profits to their producers.

The supply of farm labor was universally much in excess of requirements, with wage scales substantially lower than a year and two years ago. In Kentucky, for example, farmers report the supply of farm help to hire as being 113 per cent of normal, demand for such labor being 54 per cent of normal, and supply expressed as a percentage of demand

209 per cent. The demand for small farms has shown steady expansion since early this year and the return flow of former dwellers in the country from the large industrial centers continues in considerable volume. The trend of prices of farm products continued downward, with a number of important productions, notably cotton, wheat, hogs, corn and oats recording new lows on the present recessionary movement.

Winter Wheat — Prospects for this crop deteriorated rather markedly from May to June. Based on the U. S. Department of Agriculture's June 1 condition, the estimated yield in states partly or entirely within the Eighth District is 67,794,000 bushels, a decrease of 4,196,000 bushels under the May 1 forecast, and comparing with 125,743,000 bushels harvested in 1931, and a 5-year average (1924-1928) of 86,273,000 bushels. Quite generally the crop still shows the effect of March freezes, not only being thin, but exhibiting bare spots in many fields. Hessian fly infestation is general, in Missouri and certain counties of Illinois and Indiana being more in evidence than since 1916. Since the late summer of 1931, weather conditions have been unusually favorable for development of this insect. Rust, chinch bugs, grasshoppers and other insect pests contributed to the lowered prospects. Recent rains have tended to check deterioration. Harvesting has begun in the southern tier of counties, and is expected to progress rapidly northward, due to early ripening.

Corn — While temporarily delayed by dry weather in May, planting of corn has been completed generally throughout the district, and early sown grain is up to a good stand. A considerable part of the crop has been cultivated for the second time, and fields are for the most part clean and free of weeds and grass. Recent precipitation has materially benefited the crop, but at the middle of June soaking rains were badly needed to further growth and development.

Fruits and Vegetables — The outlook for fruits and vegetables varies considerably, both with reference to the several species and different localities. Advance of the season has brought out more markedly the damage to tree fruits from the freezing temperatures in March. As a result of the freezes the peach crop will be a virtual failure, the estimated yield in states including this district, based on the June 1 condition, being only 1,546,000 bushels, against 16,030,000 bushels last year and a 5-year average of 8,175,000 bushels. The June 1 condition of apples in all states of the district is sharply below a year ago and the 5-year average on that date. Pears will be a smaller crop than in more than a

decade, and cherries and plums are also below average. On the other hand the outlook for grapes is unusually promising, and cane fruits came through the March freeze in better condition than had been expected. The strawberry crop generally, but more particularly in commercial growing sections, turned out well, shipments from a number of counties being larger than a year ago. Potatoes have suffered from adverse conditions, and the early crop will be smaller than last year. Commercial tomato crops are mainly in good condition, with acreage smaller than in 1931. In spite of the scant rainfall, gardens made good progress in May and have been considerably improved by the more plentiful moisture since June 1.

Live Stock — The generally favorable condition of herds noted earlier in the season continued through May and early June. The season has been auspicious for young pigs and lambs, and despite the low level of prices, the movement to market has been in considerable volume, though under that of the corresponding period a year ago. The condition of pastures and hay crops on June 1 was below that of a year ago and the 10-year average, but betterment has taken place since that date, due to fairly general rainfall.

According to the U. S. Department of Agriculture, milk production per cow was lower on June 1 than on that date in 1931, but this was offset by a greater number of cows being milked. Production of eggs was 3 per cent smaller per hen than a year ago, with 2 to 3 per cent fewer hens in farm flocks, indicating a total production of eggs about 6 per cent less than on June 1 last year. Holdings of eggs in cold storage on June 1 were substantially smaller than a year ago and the 5-year average.

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

| | Receipts | | | Shipments | | |
|------------------------|-----------|------------|-----------|-----------|------------|-----------|
| | May, 1932 | Apr., 1932 | May, 1931 | May, 1932 | Apr., 1932 | May, 1931 |
| Cattle and Calves..... | 87,350 | 84,890 | 88,702 | 44,941 | 45,207 | 46,944 |
| Hogs | 258,880 | 251,387 | 281,737 | 156,807 | 179,386 | 227,772 |
| Horses and Mules..... | 1,935 | 3,416 | 2,063 | 1,907 | 3,131 | 2,021 |
| Sheep | 73,000 | 58,300 | 84,690 | 14,845 | 17,990 | 26,159 |

Cotton — Planting had been entirely completed at the end of May, and generally through the district the plant is up to a good stand. Chopping has made considerable progress, and was more than half accomplished by June 15. Weather conditions during May were mainly favorable, save that higher temperatures would have been more desirable. Cultivation has been unusually thorough, fields being clean, and the plant in good shape to respond to warm weather. While rainfall was scattered in

character, nowhere is there a deficiency of moisture. The crop is being made at less cost than was anticipated earlier in the season. Less money is being expended for fertilizer, and other economies are being practiced. The appearance of boll weevil is general, and in some sections more in evidence than in a number of years. There was little change in demand for raw cotton, and the trend of prices was again downward, with a new low for the crop being recorded in the second week of June. In the St. Louis market the middling grade ranged from 4.50c to 5.30c per pound between May 17 and June 15, closing at 4.85c on the latter date, which compares with 5.10c on May 17 and 8.00c on June 15, 1931. Receipts at Arkansas warehouses from August 1, 1931 to June 17, 1932, totaled 1,503,978 bales, against 823,265 bales for the corresponding period in 1931. Stocks on hand on June 17 totaled 383,958 bales, against 406,220 bales on May 13, and 117,278 bales on the corresponding date in 1931.

Tobacco — Weather conditions have been very unfavorable for transplanting and growth of tobacco plants. In addition, there are general complaints of damage from cutworms and other insects, to plants which have been set. In numerous instances several replantings have been necessary and stands are poor. Since the first week of June local rains have helped matters, and in some sections transplanting has been completed. Elsewhere, however, little progress has been made. Unofficial estimates as of June 10 indicate that about 75 per cent of the intended burley crop was planted; from 60 to 65 per cent of the air-cured and Green River; about 75 per cent in the Clarksville, Springfield and Hopkinsville district and from 60 to 75 per cent in the western or Paducah district. Due to weather uncertainties and other controlling factors, it is difficult to form an estimate as to acreage. Scattered reports, however, indicate a reduction under last year.

COMMODITY PRICES

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

| | | | High | | Low | | Close | |
|----------------------|----------|------------|---------------|------------------|---------------|---------------|---------------|---------------|
| | | | June 15, 1932 | June 15, 1931 | June 15, 1932 | June 15, 1931 | June 15, 1932 | June 15, 1931 |
| Wheat | | | | | | | | |
| July | per bu. | \$.59 3/4 | \$.48 3/4 | \$.49 3/4 | \$.55 | | | |
| Sept. | " | .61 1/2 | .50 7/8 | .52 1/4 | .54 3/4 | | | |
| Dec. | " | .64 | .54 | .55 1/4 | | | | |
| No. 2 red winter | " | .59 1/2 | .48 | \$.48 3/4 @ .49 | \$.80 @ .81 | | | |
| No. 2 hard | " | .60 1/2 | .49 | .49 3/4 @ .50 | .79 @ .81 | | | |
| Corn | | | | | | | | |
| July | " | .33 3/4 | .27 3/4 | .31 | .56 1/2 | | | |
| No. 2 mixed | " | .33 1/2 | .30 | .31 @ .31 1/2 | .57 | | | |
| No. 2 white | " | .34 | .30 1/2 | .31 1/2 @ .32 | .57 1/2 @ .58 | | | |
| Oats | | | | | | | | |
| No. 2 white | " | .23 1/4 | .20 3/4 | .21 @ .21 1/4 | .27 3/4 @ .28 | | | |
| Flour | | | | | | | | |
| Soft patent..... | per bbl. | 3.50 | 3.25 | 3.25 @ 3.50 | 4.85 @ 5.20 | | | |
| Spring patent..... | " | 4.50 | 4.00 | 4.20 @ 4.50 | 4.50 @ 4.75 | | | |
| Middling Cotton..... | per lb. | .0530 | .0450 | .0485 | .08 | | | |
| Hogs on hoof..... | per cwt. | 3.65 | 2.35 | 2.50 @ 3.65 | 5.25 @ 7.25 | | | |

FINANCIAL

Demand for credit from commercial and industrial sources in the Eighth District during the past thirty days reflected little change from the quiet conditions which have obtained in recent months. Requirements for financing agricultural operations, notably the harvest of winter wheat and movement of early fruits and vegetables, while showing the usual seasonal expansion, were in considerably smaller volume than in previous years. Routine liquidation at commercial banks of mercantile and industrial loans was on a liberal scale, and about balanced new loans and renewals, with the result that total loans and discounts of these institutions changed only slightly as compared with the month before. In certain sections borrowings of country banks from their city correspondents developed moderate expansion. There was a considerable volume of liquidation both with banks and merchants in areas where strawberries and other early fruits and vegetables are important crops.

Investments of the reporting member banks, which had moved sharply upward to a new high point for the year during the closing days of May and the first week of June, receded rapidly later, and on June 15 were 6.4 per cent smaller than on May 18 and 3.2 per cent below the total a year ago. Loans of these banks continued the steady downward trend which began early in the year, and on June 15 were 3.5 per cent smaller than on May 18, and about one-fifth less than a year ago. Deposits also continued downward, but at a slower pace, the total on June 15 being only 0.1 per cent below May 18, though 19 per cent less than on June 17, 1931. The volume of credit extended by the Federal Reserve Bank expanded rather broadly during the four-week period ending June 15, and on that date was \$22,559,000 greater than in mid-May. The expansion was due almost entirely to increased purchases of Government securities, holdings of which on June 15 were \$22,134,000 larger than a month earlier, and the largest on record. Borrowings of all member banks from the Reserve bank varied little through the period, but were at a considerably higher level than a year ago.

Reflecting slack demand for credit and generally ample loanable funds held, the trend of interest rates was lower. At St. Louis banks prevailing rates were as follows: Prime commercial loans, 4 to 5½ per cent; collateral loans, 4½ to 5½ per cent; loans secured by warehouse receipts, 4¼ to 5¾ per cent; interbank loans 4¼ to 5¾ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks—Loans and discounts of the reporting member banks on June 15, 1932 showed a decrease of 3.6 per cent as contrasted with May 18, 1932. Deposits decreased 0.1 per cent between May 18, 1932 and June 15, 1932 and on the latter date were 19.4 per cent smaller than on June 17, 1931. Composite statement follows:

| | *June 15, 1932 | *May 18, 1932 | *June 17, 1931 |
|--|-------------------|------------------|-------------------|
| Number of banks reporting..... | 24 | 24 | 25 |
| Loans and discounts (incl. rediscounts) | | | |
| Secured by U. S. Govt. obligations and other stocks and bonds..... | \$123,273 | \$127,522 | \$171,507 |
| All other loans and discounts..... | 193,216 | 200,788 | 249,214 |
| Total loans and discounts..... | \$316,489 | \$328,310 | \$420,721 |
| Investments | | | |
| U. S. Government Securities..... | 90,126 | 101,630 | 74,764 |
| Other securities..... | 129,770 | 133,375 | 152,470 |
| Total investments..... | \$219,896 | \$235,005 | \$227,234 |
| Reserve balance with F. R. Bank | 37,780 | 35,574 | 45,163 |
| Cash in vault..... | 6,336 | 6,244 | 6,382 |
| Deposits | | | |
| Net demand deposits..... | 288,711 | 284,533 | 375,905 |
| Time deposits..... | 200,983 | 208,981 | 237,220 |
| Government deposits..... | 9,542 | 6,088 | 6,084 |
| Total deposits..... | \$499,236 | \$499,602 | \$619,209 |
| Bills payable and rediscounts with Federal Reserve Bank..... | 2,453 | 1,837 | 490 |

*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.

| | *May, 1932 | *Apr. 1932 | *May, 1931 | May, 1932 comp. to Apr. 1932 May, 1931 |
|----------------------------|---------------|---------------|---------------|---|
| East St. Louis & Natl. | | | | |
| Stock Yards, Ill. \$ | 19,844 | \$ 21,968 | \$ 31,882 | — 9.7% —37.8% |
| El Dorado, Ark..... | 3,298 | 3,790 | 4,987 | —13.0 —33.9 |
| Evansville, Ind..... | 16,059 | 16,861 | 24,588 | — 4.8 —34.7 |
| Fort Smith, Ark..... | 6,812 | 8,199 | 9,464 | —16.9 —28.0 |
| Greenville, Miss..... | 2,289 | 2,829 | 2,932 | —19.1 —21.9 |
| Helena, Ark..... | 1,242 | 1,073 | 2,737 | +15.6 —54.6 |
| Little Rock, Ark..... | 19,532 | 21,717 | 32,927 | —10.1 —40.7 |
| Louisville, Ky..... | 102,433 | 107,742 | 134,664 | — 4.9 —23.9 |
| Memphis, Tenn..... | 70,328 | 81,107 | 92,935 | —13.3 —24.3 |
| Owensboro, Ky..... | 2,501 | 2,724 | 4,681 | — 8.2 —46.6 |
| Pine Bluff, Ark..... | 4,562 | 4,925 | 8,349 | — 7.4 —45.4 |
| Quincy, Ill..... | 6,230 | 6,595 | 9,117 | — 5.5 —41.7 |
| St. Louis, Mo..... | 484,620 | 477,317 | 665,903 | + 1.5 —27.2 |
| Sedalia, Mo..... | 1,410 | 1,615 | 3,565 | —12.7 —60.4 |
| Springfield, Mo..... | 10,402 | 10,046 | 14,267 | + 3.5 —27.1 |
| **Texarkana, Ark.-Tex..... | 5,073 | 6,511 | 9,523 | —22.1 —47.7 |
| Totals | \$756,635 | \$775,019 | \$1,052,521 | — 2.4 —28.1 |

*In thousands (000 omitted).

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

Federal Reserve Operations—During May the Federal Reserve Bank of St. Louis discounted for 226 member banks against 230 in April and 175 in May, 1931. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

| | *June 17, 1932 | *May 17, 1932 | *June 17, 1931 |
|--|-------------------|------------------|-------------------|
| Bills discounted | \$13,253 | \$13,316 | \$ 7,216 |
| Bills bought | 1,232 | 364 | 5,866 |
| U. S. Securities..... | 61,129 | 35,951 | 25,442 |
| Federal Inter. Cr. Bk. Debentures..... | | | 425 |
| Participation in Inv. Foreign Banks..... | 1,005 | 1,005 | 38 |
| Total bills and securities..... | \$76,619 | \$50,636 | \$38,987 |
| Total Reserves..... | 81,882 | 107,661 | 113,642 |
| F. R. Notes in circulation..... | 91,059 | 90,421 | 72,666 |
| Total deposits..... | 60,149 | 60,778 | 71,600 |
| Ratio of reserve to deposits and F. R. Note Liabilities..... | 54.2% | 71.2% | 78.8% |

*In thousands (000 omitted).

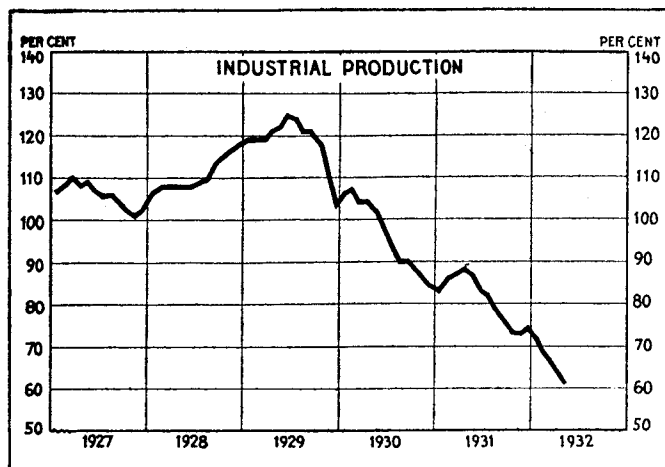
(Compiled June 22, 1932)

BUSINESS CONDITIONS IN THE UNITED STATES

Volume of production in basic industries and employment at factories decreased further in May, and wholesale prices declined. Foreign withdrawals of gold, which had been in large volume in May and the first half of June practically stopped after the middle of the month.

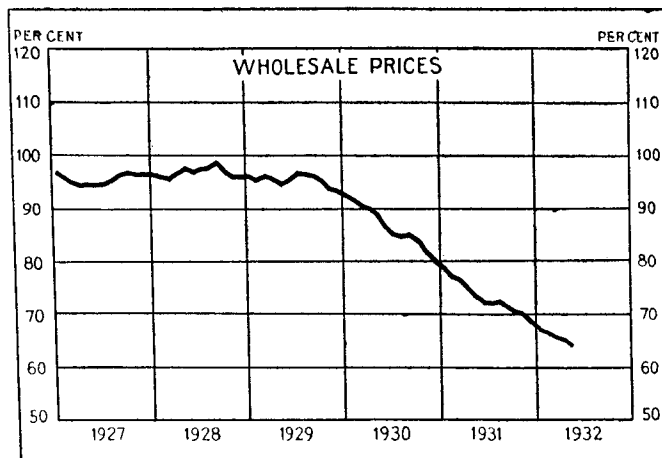
PRODUCTION AND EMPLOYMENT—Production at mines and factories declined further in May, and the Board's seasonally adjusted index of industrial production showed a reduction

WHOLESALE PRICES—Prices of commodities at wholesale were 1.7 per cent lower in May than in April, according to the Bureau of Labor Statistics. There were large decreases in prices of many domestic agricultural products and of hides and textiles. Prices of petroleum products advanced. During the first three weeks of June, market quotations for a number of non-agricultural commodities were relatively steady, and prices of sugar, meats, and livestock increased. Prices of wheat, after consider-



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure May, 61.

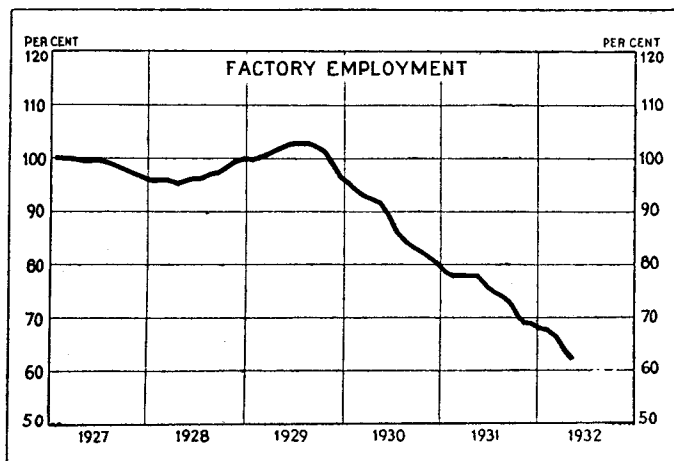
from 64 per cent of the 1923-1925 average in April to 61 per cent in May. Output of coal was substantially reduced, particularly in the anthracite fields. Shipments of iron ore showed less than the usual seasonal increase. Production of iron and steel declined, and activity at textile mills and shoe factories was further curtailed. In the automobile industry output increased considerably. In the first part of June activity in the steel and cotton industries was reported to have declined further, while output of automobiles continued at about the same rate as in the latter part of May. Further reductions in employment and earnings of factory workers accompanied the smaller volume of manufacturing output in May, particularly in the steel and machinery industries, and in the textile and clothing trades. Employment at automobile plants and in the seasonally active food industries showed an increase. Value of building contracts awarded, according to reports to the



Index of United States Bureau of Labor Statistics (1926=100). Latest figure May, 64.4.

able fluctuations, were at unusually low levels at the beginning of the third week in June.

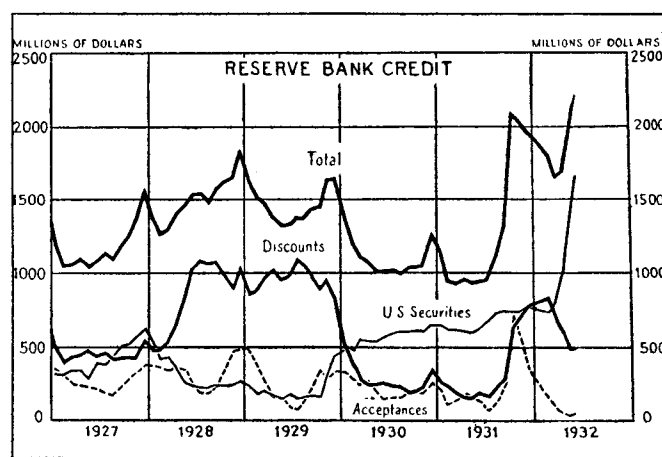
BANK CREDIT—Withdrawals of gold from the United States continued through May and the first half of June, and the country's stock of monetary gold declined by \$435,000,000 between May 4 and June 15. After that date there was no further decline in the total stock of monetary gold; continued gold exports representing gold previously earmarked by foreign central banks. During the first part of May continued purchases of United States government securities by the Reserve banks enabled member banks further to reduce their discounts. In later weeks, however, funds released through these purchases were absorbed by the demand for gold export, and there was also a decrease in member bank reserve balances. Loans and investments of reporting member banks in leading cities, which had declined sharp-



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100). Latest figure May, 62.2.

F. W. Dodge Corporation, after increasing somewhat in April and May, declined slightly in the first half of June, reflecting chiefly smaller awards for public works and other non-residential building.

DISTRIBUTION—Railroad freight traffic decreased further in May, the largest reduction being in shipments of coal and miscellaneous freight. Sales of department stores in leading cities, which had increased substantially during April, were smaller in May.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 21 days in June.

ly earlier in the year, showed wide fluctuations after the middle of May. In the middle of June total loans and investments were larger than a month earlier, the increase in holdings of United States securities being more than sufficient to offset declines in other investments and in loans. Money rates in the open market remained at low levels. Rates on prime commercial paper were reduced to a range of $2\frac{1}{2}$ — $2\frac{3}{4}$ per cent in the second week of June.