



MONTHLY REVIEW

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

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TRADER and industry in the Eighth District during the past thirty days receded somewhat below the levels obtaining during the similar period immediately preceding. The decrease, however, was at a slower rate than has been the case in recent months, and in a number of important lines of wholesaling and jobbing, notably hardware, groceries, drugs and chemicals and electrical supplies, the volume of business transacted in June exceeded that of May, though in all lines investigated the volume remained substantially below that of the same time a year ago. Seasonal influences, such as vacations, closing down of numerous plants for inventorying and repairs, were reflected in a further decrease in activities at factories, and production in the iron and steel, bituminous coal, lumber, quarrying and a number of other important industries reached the lowest point on the present recessionary movement. Advance orders for both raw and finished materials decreased further, purchasing of all descriptions of merchandise being confined largely to immediate requirements. Manufacturers are for the most part pursuing the policy of producing only on orders, and inventories in virtually all lines are measurably smaller than at the corresponding period in recent years.

The general trend of commodity prices continued downward, and in the case of wheat, corn, oats and some other farm products, values were the lowest of the year. On the other hand cotton scored a fair advance, and there was a sharp rise in prices of hogs, cattle and sheep. Taken as a whole weather conditions during June and the first half of July were favorable for growth and development of crops. Due chiefly to smaller acreage, however, prospects are for smaller yields this year than last year of wheat, corn, oats, tobacco, rice, cotton and several of the less important crops. Results of the late spring freezes are appearing in heavily reduced fruit production as compared with last year and the five-year average. Harvesting of wheat and other fall planted cereals made rapid progress, though inter-

fered with in certain localities by heavy and frequent rains. Available threshing returns appear to bear out earlier estimates, both with reference to quality and quantity.

While the movement of seasonal merchandise has been stimulated to a considerable extent by the recent warm weather, the volume is still markedly below that for the same period in late years. Since the first of July wholesalers report a fair volume of reordering of summer goods, notably of apparel and certain lines of hardware and electrical supplies. Contrary to the usual seasonal trend, distribution of automobiles in the district, according to dealers reporting to this bank, was larger in June than in May, though remaining substantially smaller than a year ago. Except in seasonal occupations, where slight improvement was noted, the general employment situation underwent no betterment. Demand for farm help was smaller than in past seasons and in all sections the supply is heavily in excess of requirements.

The volume of retail trade in June, as reflected in sales of department stores in the chief cities of the district, was 7.7 per cent less than in May and 28.1 per cent less than in June, 1931; for the first half of this year sales fell 22.1 per cent under the first six months of 1931. Combined sales of all wholesaling and jobbing firms reporting to this bank decreased 31 per cent in June as compared with the same month in 1931, and 17 per cent as contrasted with May this year; the total for the first six months this year was 29 per cent smaller than for the first half of 1931. The dollar value of permits issued in the five largest cities of the district in June was 22 per cent greater than in May, but 60 per cent less than in June, 1931; for the first six months the total was 80 per cent smaller than a year ago. Contracts let for new construction in the Eighth district in June were 34 per cent smaller than in May, and 82 per cent smaller than in June, 1931; for the first half of this year the total was 65 per cent smaller than for the same period in 1931. Debits to check-

ing accounts in June were slightly larger than a month earlier, and 30.6 per cent smaller than in June last year; for the first six months this year a decrease of 26 per cent was shown under the same period in 1931. The amount of savings accounts in selected banks on July 6 showed a slight decrease as compared with June 1, and on the latest date was 12.4 per cent smaller than on July 1, 1931.

According to officials of railroads operating in this district, there was a moderately upward trend in the volume of freight handled during June, due principally to the seasonal movement of winter wheat and other farm products. As contrasted with the same period in recent years, however, the volume continued considerably smaller. This was true particularly of merchandise and miscellaneous freight, coal and coke. For the country as a whole, loadings of revenue freight for the first twenty-six weeks this year, or to July 2, totaled 14,112,144 cars, against 19,020,485 cars for the corresponding period in 1931 and 23,216,874 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for twenty-eight connecting lines, handled 135,115 loads in June, against 131,695 loads in May and 188,872 loads in June, 1931. During the first nine days of July the interchange amounted to 33,070 loads, which compares with 38,507 loads during the same period in June and 48,951 loads during the first nine days of July, 1931. Passenger traffic of the reporting lines decreased 40 per cent in June as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 108,000 tons, against 112,313 tons in May and 86,016 tons in June, 1931.

Reports relative to collections reflected the same general trends as noted during the past several months. In sections most affected by recession in industrial activities, settlements continued backward, and there were more requests for extensions. According to retailers in the large centers, fewer actual losses from weak accounts occurred during June than in some earlier months this year. This was attributed partly to the fact that credit is being more cautiously extended, also, to the practice of customers to purchase small lots for immediate requirements and settling as the goods are turned over from month to month. Marketing of early fruits and vegetables has resulted in improvement in collections where these products are important crops. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1932.....	0%	18.5%	61.2%	20.3%
May, 1932.....	1.8	11.5	59.9	26.8
June, 1931.....	0	16.5	69.0	14.5

Commercial failures in the Eighth Federal Reserve District in June, according to Dun's numbered 132, involving liabilities of \$1,987,322, against 128 failures in May with liabilities of \$8,062,615, and 133 defaults for a total of \$2,615,417 in June, 1931.

The average daily circulation in the United States in June was \$5,530,000,000, against \$5,456,000,000 in May, and \$4,750,000,000 in June, 1931.

MANUFACTURING AND WHOLESALING

Boots and Shoes — June sales of the reporting firms were 41 per cent smaller than for the same month in 1931, and approximately one-third less than the May total this year. Stocks on July 1 were 28.5 per cent smaller than for the same date in 1931, but 21 per cent larger than on June 1 this year. The increase in inventories from May to June is seasonal in character, and due to accumulation of goods for fall distribution. Salesmen who departed for their several territories around July 1 report a more optimistic feeling, and orders sent in by them during the first half of the month have for the most part exceeded expectations. Demand for women's novelty wear is reported more active than other lines. In late June there was a reduction in prices of approximately 3 per cent, which brings the average close to 17 per cent below the corresponding period a year ago. Factory operations were stepped up slightly to about 75 per cent of capacity. Continuance of this rate will be contingent upon orders booked during the next few weeks.

Clothing — Ordering of apparel for distribution next fall has been unusually backward, the volume of future business on books of the reporting firms being the smallest for any similar period in a number of years. Demand for summer clothing, however, has been stimulated by the arrival of more seasonable weather, and since June 1 a fair volume of reordering of men's suits is reported. There has been no change in the dull conditions obtaining for a number of months in work clothes of all descriptions. June sales of the reporting clothiers were only about one-half as large as for the same month in 1931, and the total was also substantially smaller than in May this year.

Drugs and Chemicals — Due mainly to a noticeable pickup in demand for seasonal merchandise, June sales of the reporting firms recorded an increase of 7.8 per cent over the preceding month, but the total was 19.6 per cent smaller than in June, 1931. Stocks on July 1 were 1.6 per cent larger than

a month earlier, and 3.4 per cent less than on July 1, 1931. Moderate betterment in the movement of fertilizers and insecticides as compared with earlier in the year was noted. Demand for heavy drugs and chemicals from the general manufacturing trade remains slow. The trend of prices showed little change, though advances on a number of commodities affected by the recent tax law were noted.

Dry Goods—Business in this classification continued the steady declines which marked previous months this year, and represented the lowest dollar volume for any single month in more than a decade. As compared with a year ago, June sales of the reporting firms showed a decline of 29 per cent, and the total was 19 per cent less than in May this year. In the annual comparison a considerable part of the decrease is accounted for by the heavy decline in prices which has taken place in all lines during the past twelve months. Stocks on July 1 were slightly larger than a month earlier, but 30 per cent smaller than on July 1, 1931. Buying is almost entirely for immediate shipment. Prices during early June continued downward, but recently a firmer tone is noted, due chiefly to the upturn in raw cotton.

Electrical Supplies—June sales of the reporting firms reversed the usual seasonal trend, showing a gain of 6 per cent over the preceding month, but the total was slightly more than 61 per cent smaller than in June, 1931. Inventories continue to decline, stocks on July 1 being 8.5 per cent and 41 per cent smaller, respectively, than thirty days and a year earlier. Since the end of June there has been a decided improvement in demand for electric fans and other seasonal goods. The trend of prices was lower, particularly on commodities based largely on copper, lead and zinc.

Flour — Production at the twelve leading mills of the district in June totaled 234,864 barrels, against 262,230 barrels in May and 210,563 barrels in June, 1931. The past thirty days constituted a between-season period, and business was on a relatively small scale, and mainly on a necessity basis. Large buyers were holding off until flour ground from the new wheat crop was available. Prices were easier in sympathy with the decline in cash wheat, and touched the lowest levels recorded in recent years. Offerings of new flour were relatively light. Mill operations were at from 40 to 45 per cent of capacity.

Furniture — June sales of the reporting firms were 36 per cent smaller than for the same month in 1931, and about one-fifth less than the May total this year. Stocks on July 1 were 39 per cent and 3.6 per cent smaller, respectively, than a year and a month earlier. Purchasing continues on a hand-to-

mouth basis, with interest centering in cheap-priced goods. Large stock orders are almost completely lacking.

Groceries — Contrary to the usual seasonal trend, sales of the reporting interests in June showed a gain of 8 per cent over the previous month. As compared with June last year, however, there was a decrease of 22 per cent. Stocks increased 10 per cent between June 1 and July 1, and on the latter date were 12 per cent smaller than a year ago. Some improvement in business in the rural areas was noted, particularly in sections where the winter wheat harvest was in progress. Except on commodities affected by seasonal causes, there was no notable change in prices.

Hardware — June sales of the reporting firms were 4.6 per cent larger than in May, and 10.6 per cent smaller than in June, 1931. This was the most favorable showing made in this classification for a number of months. The increase in the month-to-month comparison is not seasonal in character, and the decrease as compared with a year ago was considerably smaller than the average in recent months. Stocks on July 1 were about 2 per cent smaller than a month earlier, and 6.4 per cent less than on July 1, 1931.

Iron and Steel Products — Production and purchasing of iron and steel commodities in this district during the past thirty days showed considerably more than the usual seasonal contraction. Activities as a whole fell measurably below the low levels reached a month earlier, with the recession affecting practically all sections of the industry. A number of plants which ordinarily close on July 4, for repairs, inventorying and vacation, suspended operations on June 30. A limited number of these establishments have resumed, some will await the accumulation of orders, while others have no definite plans for reopening. Purchasing by the railroads continues on a very limited scale, and is confined to only absolute necessities. New business placed by the automotive industry has failed to expand, and specifications on castings and other goods under contract are much below expectations. The new quarter opened with little business on order books of steel mills, and users of plates, sheets, strip and other flat rolled products are not disposed to cover their needs further ahead than a month to six weeks. The general demand for machinery and equipment continues quiet, particularly from industrial sources. Advanced business of most firms is not in sufficient volume to warrant interest in new tools. As has been the case for a number of months, demand for wire fencing, repair materials, implements and other

commodities used chiefly in the rural areas is sluggish, due to the continued low prices of all varieties of farm products. Except for materials used in highway construction, river and levee improvement work and other outdoor engineering projects, the outlet through the building industry remains narrow. There was a further reduction in working forces of fabricators of structural steel. For the country as a whole, production of pig iron in June totaled 626,651 tons, which compares with 783,769 tons in May and 1,637,998 tons in June, 1931. Steel ingot production in the United States in June was at the lowest rate since 1900, the total output of 897,275 tons comparing with 1,106,030 tons in May and 2,127,762 tons in June, 1931.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in June was 183,092 against 185,149 in May, and 249,462 in June, 1931.

Contrary to the seasonal trend in recent years, June sales of automobiles by dealers reporting to this bank exceeded those of the preceding month by a substantial margin. The increase was due in part to active purchasing of cars in the cheap-priced category, also to the new Federal tax law, which had the effect of advancing many transactions which ordinarily would have been postponed until July and August. Interest centered chiefly in the low price field, both in the large cities and in the smaller towns and country. Of the cars sold in June, 76 per cent were in that classification, against 66 per cent in May and 63 per cent in June, 1931. For the sixth consecutive month this year, June sales fell below the total of the corresponding period in 1931. According to the reporting dealers, considerably less than the usual stimulation in business resulted from the touring season. Virtually all sales were for replacement, very few persons not previously owning cars having come into the market. As had been the case earlier in the year, business in repair parts and accessories was in large volume, the June total comparing favorably with that of a year ago. Quite generally, but more particularly in the rural areas, owners are repairing their cars in order to lengthen their period of service. June sales of new passenger cars by the reporting dealers were 19 per cent greater than in May, and 31 per cent less than in June, 1931. Dealers are universally purchasing cautiously, and only enough to fill immediate requirements, with the result that inventories continue low. Stocks of new passenger cars on dealers' floors on July 1 were 3 per cent larger than a month earlier, and about 28 per cent smaller than on July 1 last

year. Demand for used cars was again active, June sales exceeding those of May by 12 per cent and showing only slight change as compared with the same month in 1931. Salable secondhand cars in stock on July 1 were 6 per cent larger than a month earlier, and 4 per cent less than a year ago. Demand for trucks of all descriptions showed a slowing down, both as compared with the preceding month and a year ago. Sales in June fell 13 per cent below the May total and 42 per cent below the same month in 1931. According to dealers reporting on that detail, deferred payment sales constituted 49 per cent of their total sales, which contrasts with 51.5 per cent in May and 44 per cent in June, 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
	June, 1932 comp. to June, 1931	6 months ended June 30, 1932 to same period 1931	June 30, 1932 comp. to June 30, 1931	Jan. 1, to June 30, 1932 1931
Evansville	37.1%	29.5%	23.1%	.87 .94
Little Rock.....	33.3	28.1	8.6	1.04 1.36
Louisville	27.7	20.2	5.1	1.23 1.35
Memphis	29.8	23.2	12.6	1.41 1.51
Quincy	31.8	24.3	9.8	1.11 1.31
St. Louis.....	27.1	21.4	16.2	1.74 1.91
Springfield	38.7	27.5	12.4	.63 .80
8th District.....	28.1	22.1	13.7	1.53 1.69

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover
	June, 1932 comp. to June, 1931	6 months ended June 30, 1932 to same period 1931	June 30, 1932 comp. to June 30, 1931	Jan. 1, to June 30, 1932 1931
Men's Furnishings	32.0%	30.9%	11.3%	1.38 1.74
Boots and Shoes.....	32.4	23.9	21.6	1.39 1.51

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was 22.4 per cent greater than in May, and 60 per cent less than in June, 1931. According to statistics compiled by the F. W. Dodge Corp., construction contracts let in the Eighth Federal Reserve District in June amounted to \$5,768,424 which compares with \$8,788,497 in May, and \$32,553,934 in June, 1931. Production of portland cement for the country as a whole in June totaled 7,921,000 barrels, against 6,913,000 barrels in May, and 14,118,000 barrels in June, 1931. Building figures for June follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	137	190	\$ 48	\$ 95	50	51	\$ 23	\$ 25
Little Rock	12	23	8	20	57	57	23	16
Louisville ..	63	51	41	145	30	54	36	71
Memphis	125	132	67	136	123	179	64	107
St. Louis....	167	367	339	853	192	315	123	116
June totals..	504	763	\$ 503	\$1,249	452	656	\$ 269	\$335
May totals..	533	863	411	1,717	513	726	204	413
April totals..	570	904	493	5,454	707	817	305	433

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the second quarter of the year, of 20.2 per cent as compared with the corresponding period in 1931, and of 6.9 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ended			
	June 30, 1932	Mar. 31, 1932	Dec. 31, 1931	June 30, 1931
Evansville	\$ 126,021	\$ 131,608	\$ 142,000	\$ 163,000
Little Rock.....	142,472	168,130	182,000	179,000
Louisville	530,379	562,491	659,000	615,000
Memphis	396,273	418,576	551,000	491,000
St. Louis.....	2,294,185	2,466,366	2,993,000	2,926,000
Totals	\$3,489,330	\$3,747,171	\$4,527,000	\$4,374,000

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in June as being 12.4 per cent greater than in May and 6.8 per cent less than in June, 1931. Detailed figures follow:

	No. of Custom- ers	June, 1932	May, 1932	June, 1932 comp. to	June, 1931	June, 1932 comp. to
		*K.W.H.	*K.W.H.	May, 1932	*K.W.H.	June, 1931
Evansville	40	2,068	2,004	+ 3.2%	2,066	+ 0.1%
Little Rock....	35	1,714	1,351	+26.9	1,934	-11.4
Louisville	85	5,873	5,613	+ 4.6	6,199	- 5.3
Memphis	31	1,046	764	+36.9	1,858	-43.7
St. Louis.....	183	21,365	18,793	+13.7	22,333	- 4.3
Totals	374	32,066	28,525	+12.4	34,390	- 6.8

*In thousands (000 omitted).

AGRICULTURE

Taken as a whole weather conditions during the past thirty days were seasonable and auspicious for agriculture in the Eighth District. Prospects on July 1 were somewhat more favorable than a month earlier, and since that date further betterment has taken place in corn, rice, tobacco, cotton, legumes, potatoes and some other less important products. June rains substantially helped commercial vegetable crops and gardens, which at the middle of July gave promise of generally heavy yields. Excessive moisture in some sections, mainly in the south, wrought damage to crops in lowlands and river bottoms. The extent of this injury, however, was not great, and was more than counterbalanced by benefits derived from the rains by crops as a whole. Some delay was occasioned to the wheat harvest by frequent and heavy precipitation, and in some sections harvesting and threshing with combines has been impracticable, resulting in a return to reaper and binder, and regular threshing equipment.

The oat harvest was practically completed at the middle of July, and scattered reports indicate that an unusually large amount of this crop will be used for hay to avoid threshing costs. Harvesting of hay made good progress, and due to the shortness of this crop, a considerable substitute acreage will be planted to soy beans, cowpeas and sorghums. An important development during the past several

weeks has been the sharp advance in prices of hogs. In the second week of July the price at the St. Louis market was approximately two-thirds higher than the low point reached in mid-May. Cattle values also advanced, and cotton sold higher than at any time since last April. Grains, on the other hand, receded further, scoring new low records on the present downward movement. The outlook for fruits varies considerably, both with reference to the general species and localities. The supply of farm labor continues to be about double the demand, and wages show a heavy reduction as compared with last year.

Winter Wheat—Effects of the March freezes and other unfavorable conditions since planting last fall were reflected in further deterioration in winter wheat prospects in this district during June. Based on the U. S. Department of Agriculture's July 1 condition, total yield of winter wheat in the Eighth District is estimated at 33,476,000 bushels, which compares with 66,260,000 bushels harvested in 1931, and an 8-year average (1923-1930) of 49,921,000 bushels. Harvesting of the crop made rapid progress during the past four weeks, despite interference in certain sections by frequent and heavy rains. Due to the low price, much grain is being stacked, and will not be threshed until later in the season. Scattered reports indicate damage from chinch bugs, hessian fly and other insect pests somewhat greater than in average years. New wheat has begun to arrive at markets. Quality varies rather broadly, but the general average is high. Available threshing returns seem to bear out the most recent official estimates of quantity. A larger percentage of the 1931 wheat crop was fed to livestock than in any previous year.

Corn—Generally throughout the district the corn crop is in good condition. Rains in June and early July supplied abundant moisture, and almost universally fields have received necessary cultivation and free of grass and weeds. The U. S. Department of Agriculture's July report places the yield of corn in the Eighth District at 381,668,000 bushels, which compares with 383,052,000 bushels harvested in 1931, and an 8-year average of 342,534,000 bushels. For the country as a whole the 1932 crop is estimated at 2,995,850,000 bushels, which compares with 2,563,271,000 bushels harvested in 1931 and a 5-year average of 2,625,000,000 bushels. The price of corn declined to a new low point for the year during the last week of June. Since that time, however, a slight recovery has taken place, mainly in sympathy with the upturn in hog prices.

Fruits and Vegetables—The outlook for fruits and vegetables in the Eighth District is unusually

spotted. The recent rains have materially assisted gardens and commercial vegetable crops, which at the middle of July were in a considerably stronger position than a month or six weeks earlier. Ground fruits are mainly large crops, but tree fruits are short, particularly peaches, which were severely damaged by the late spring freezes. Of the important vegetable crops, prospects for sweet potatoes are the most promising, the U. S. Department of Agriculture in its July 1 report estimating the yield at 21,446,000 bushels, against 18,851,000 bushels last year and a 5-year average of 14,864,000 bushels. The peach crop in states of the district is estimated at only 1,132,000 bushels, against the record crop of 15,470,000 bushels in 1931, and a 5-year average of 8,175,000 bushels. The output of apples in these states is forecast at 6,786,000 bushels, against 28,642,000 bushels harvested in 1931, and a 5-year average of 23,967,000 bushels. The pear crop is small, the estimate being for 443,000 bushels, against 2,639,000 bushels in 1931, and a 5-year average of 1,681,000 bushels. The July 1 condition of grapes was exceptionally high, and indicated a yield of 32,464 tons, about 13 per cent greater than the 5-year average. The white potato crop in this district will be a large one, the estimated yield of 12,856,000 bushels comparing with 12,472,000 bushels in 1931 and an 8-year average of 15,050,000 bushels.

Live Stock— There was no change worthy of note in the condition of livestock generally through the district as compared with the two or three months immediately preceding. The season has been in the main auspicious for herds, and the recent sharp advance in hog and cattle prices has served to considerably raise the morale of livestock raisers. Demand for feeder cattle has improved markedly in recent weeks, as has also demand for hogs for fattening in the country.

The condition of pastures on July 1 was still below average, though having benefited considerably by the June rains. Production of tame hay in the Eighth District is estimated by the U. S. Department of Agriculture at 4,551,000 tons, against 5,458,000 tons harvested in 1931, and an 8-year average of 7,616,000 tons.

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

	Receipts			Shipments		
	June, 1932	May, 1932	June, 1931	June, 1932	May, 1932	June, 1931
Cattle and Calves.....	85,530	87,350	94,782	51,714	44,941	55,911
Hogs	212,815	258,880	219,549	159,111	156,807	172,895
Horses and Mules.....	917	1,935	1,627	1,138	1,907	1,577
Sheep	123,475	73,000	124,170	33,121	18,845	53,261

Cotton— According to the report of the U. S. Department of Agriculture, the area of cotton in all states of this district under cultivation on July 1 was smaller by 5.4 per cent than on the same date

in 1931. Combined acreage in Missouri, Tennessee, Mississippi and Arkansas is placed at 8,650,000 acres, against 9,140,000 acres in 1931. Aside from too much rain in Arkansas and other sections of the district, climate conditions have favored growth of cotton. Generally stands are good, and for the most part fields are clean, though in some localities grass is beginning to threaten on account of recent precipitation. Conditions since last winter have been favorable for boll weevil survival, and infestation of this pest is the worst since 1923, and actual damage has been done in many localities. Due to the low price, farmers are making relatively little effort to check the ravages of these insects. Less fertilizer is being used this season than in a number of years. Inquiries for spot cotton increased quite markedly, due chiefly to the upturn in future prices, but actual transactions were still in limited volume. In the St. Louis market the middling grade ranged from 4.75c per pound to 5.60c per pound between June 16 and July 15, closing at 5.35c per pound on the latter date, which compared with 4.50c on June 16, and 6.60c on June 15, 1931. Receipts at Arkansas warehouses from August 1, 1931 to July 8, 1932, totaled 1,505,981 bales against 825,113 bales for the corresponding period in 1931. Stocks on hand on July 8 totaled 366,692 bales, against 383,958 bales on June 17, and 103,584 bales on July 8, 1931.

Tobacco— The U. S. Department of Agriculture in its report as of July 1 estimates the tobacco crop in the Eighth District at 285,670,000 pounds, against 395,016,000 pounds harvested in 1931 and an 8-year average (1923-1930) of 295,534,000 pounds. Good rains and seasonable temperatures permitted completion of planting all types of tobacco. There is a noticeable reduction in acreage as compared with last year; from 15 to 20 per cent in the burley district; 15 to 20 per cent in the Clarksville, Springfield and Hopkinsville dark fired sections; 25 per cent in the air-cured Green River district; and 35 to 40 per cent in the western Paducah district.

COMMODITY PRICES

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

	High	Low	Close	
			July 15, 1932	July 15, 1931
Wheat				
July .....	.50 ³ / ₈	.45 ¹ / ₂	.45 ¹ / ₂	.48
Sept. ....	.51	.47 ¹ / ₂	.47 ¹ / ₂	.50
Dec. ....	.53 ¹ / ₂	.50 ³ / ₈	.51	.54 ¹ / ₂
No. 2 red winter	.50	.46 ¹ / ₂	.47	.48 ¹ / ₂
No. 2 hard	.51	.47	.47	.48 ¹ / ₂
Corn				
July .....	.31	.25	.29	.56 @ .57
Sept. ....	.31	.28 ⁷ / ₈	.30 ³ / ₄	.50 @ .50 ³ / ₈
No. 2 mixed	.32	.30	.31 @	.61 @ .61 ¹ / ₂
No. 2 white	.32	.30	.31 ¹ / ₂ @	.62 ¹ / ₂ @ .63
Oats				
No. 2 white	.22	.17	.17	.27 @ .27 ¹ / ₂
Flour				
Soft patent.....per bbl.	3.50	2.90	2.90 @ 3.25	4.25 @ 4.75
Spring patent.....	4.50	3.85	3.85 @ 4.10	4.25 @ 4.40
Middling cotton.....per lb.	.0560	.0475	.0535	.0860
Hogs on hoof.....per cwt.	5.40	2.50	3.50 @ 4.95	4.50 @ 7.90

FINANCIAL

There was a further recession in demand for credit from commercial and industrial sources in the Eighth District during the past thirty days, accompanied by a moderate easing in interest rates at the commercial banks. Commitments of merchants and manufacturers for purchasing and preparing goods for fall and winter distribution were measurably smaller than at the same period in late years. The demand for financing agricultural operations was also less pronounced than in past seasons, due partly to the low prices of farm products and to the fact that this year's crops are being produced with great economy and a minimum of cash outlay. About the only seasonal increase noted was on the part of flour milling and grain handling interests. Even here demand was below average, owing partly to the general disposition among producers to hold back their wheat for more favorable markets. Loans to country banks by their city correspondents were in considerably smaller volume than a year ago, and the average during the past decade.

Largely as a result of these conditions, total loans of the reporting member banks in the principal cities of the district continued to contract, and on July 13 were 2 per cent smaller than on June 15, and 23.7 per cent less than the total on July 15, 1931. Investments of these banks declined 1.4 per cent in the four-week period ending July 13, on which date the aggregate was smaller by 3.1 per cent than a year ago. Deposits also moved downward, and at 482 millions on July 13 represented a decrease of 3.4 per cent and 20 per cent, respectively, as contrasted with a month and a year earlier.

Borrowings of all member banks from the Federal reserve bank fluctuated only in minor degree, but were uniformly substantially larger than during the corresponding period last year. The total volume of reserve bank credit expanded further, but at a more moderate rate. On July 15 the total outstanding was \$7,412,000 greater than a month earlier, the increase being entirely due to larger holdings of Government securities. Reflecting a somewhat greater than seasonal expansion in demand for currency, the note circulation of this bank was increased \$8,097,000 between June 15 and July 15.

At St. Louis banks prevailing interest rates were as follows: Prime commercial loans, 3½ to 5½ per cent; collateral loans, 4¼ to 6 per cent; loans secured by warehouse receipts, 4¼ to 5¾ per cent; interbank loans, 4½ to 5¾ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on July 13, 1932 showed

(Compiled July 22, 1932)

a decrease of 2.0 per cent as contrasted with June 15, 1932. Deposits decreased 3.4 per cent between June 15, 1932 and July 13, 1932 and on the latter date were 20.0 per cent smaller than on July 15, 1931. Composite statement follows:

	*July 13, 1932	*June 15, 1932	*July 15, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$117,241	\$123,273	\$164,820
All other loans and discounts....	192,860	193,216	241,579
Total loans and discounts.....	\$310,101	\$316,489	\$406,399
Investments			
U. S. Government securities.....	88,408	90,126	77,920
Other securities.....	128,369	129,770	145,876
Total investments.....	\$216,777	\$219,896	\$223,796
Reserve balance with F. R. Bank	36,073	37,780	42,346
Cash in vault.....	6,860	6,336	6,292
Deposits			
Net demand deposits.....	279,865	288,711	361,282
Time deposits.....	199,451	200,983	236,697
Government deposits.....	3,011	9,542	4,635
Total deposits.....	\$482,327	\$499,236	\$602,614
Bills payable and rediscounts with Federal Reserve Bank.....	2,289	2,453	1,500

*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.

	*June, 1932	*May, 1932	*June, 1931	June, 1932 comp. to May, 1932 comp. 1931	
East St. Louis & Natl.					
Stock Yards, Ill. \$	20,266	\$ 19,844	\$ 30,570	+ 2.1%	—33.7%
El Dorado, Ark.....	3,422	3,298	4,641	+ 3.8	—26.3
Evansville, Ind.....	15,422	16,059	22,608	— 4.0	—31.8
Fort Smith, Ark.....	6,749	6,812	8,917	— 0.9	—24.3
Greenville, Miss....	2,261	2,289	2,592	— 1.2	—12.8
Helena, Ark.....	1,136	1,242	2,419	— 8.5	—53.0
Little Rock, Ark....	18,096	19,532	28,405	— 7.4	—36.3
Louisville, Ky.....	105,319	102,433	135,178	+ 2.8	—22.1
Memphis, Tenn.....	70,513	70,328	96,261	+ 0.3	—26.7
Owensboro, Ky.....	2,915	2,501	4,739	+16.6	—38.5
Pine Bluff, Ark.....	4,051	4,562	7,076	—11.2	—42.8
Quincy, Ill.....	6,027	6,230	8,985	— 3.3	—32.9
St. Louis, Mo.....	487,071	484,620	714,075	+ 0.5	—31.8
Sedalia, Mo.....	1,560	1,410	3,395	+10.6	—54.1
Springfield, Mo....	10,161	10,402	15,807	— 2.3	—35.7
**Texarkana, Ark.-Tex.....	5,410	5,073	9,330	+ 6.6	—42.0
Totals	\$760,379	\$756,635	\$1,094,998	+ 0.5	—30.6

*In thousands (000 omitted).

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

Federal Reserve Operations — During June, the Federal Reserve Bank of St. Louis discounted for 215 member banks, against 226 in May and 159 in June, 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:

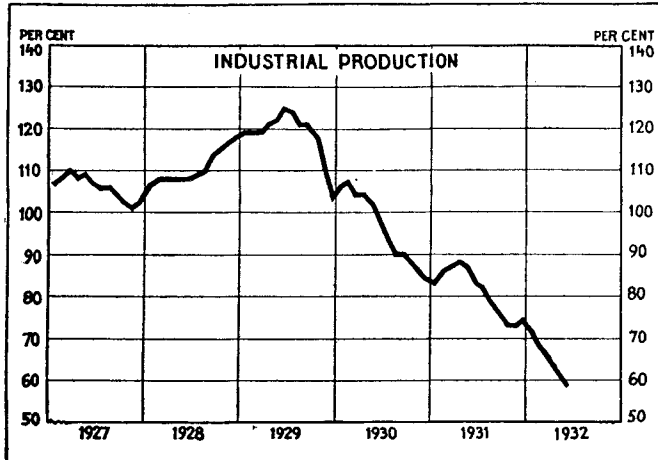
	*July 15, 1932	*June 15, 1932	*July 15, 1931
Bills discounted	\$13,653	\$13,039	\$ 9,189
Bills bought	485	1,232	1,772
U. S. Securities.....	64,030	57,480	30,349
Federal Inter. Cr. Bk. Debentures.....	.....	.....	200
Participation in Inv. Foreign Banks.....	1,004	1,005	1,033
Total bills and securities.....	\$79,172	\$72,756	\$42,543
Total reserves.....	85,213	86,572	108,970
F. R. Notes in circulation.....	98,616	90,519	73,093
Total deposits.....	58,073	60,692	70,596
Ratio of reserve to deposits and F. R. Note Liabilities.....	54.4%	57.3%	75.8%

*In thousands (000 omitted).

BUSINESS CONDITIONS IN THE UNITED STATES

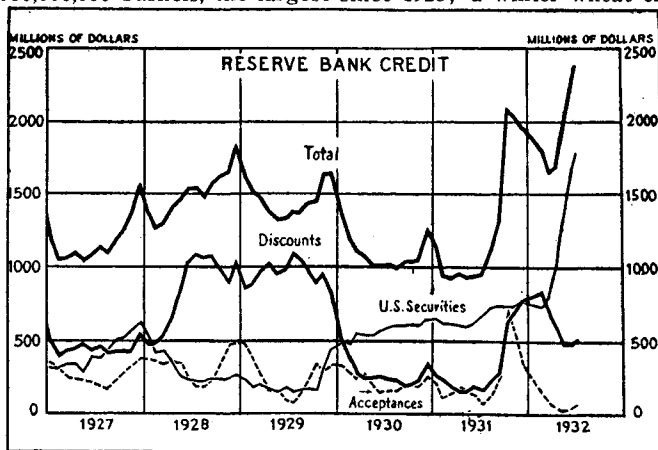
Industrial activity decreased further from May to June by somewhat more than the usual seasonal amount and there was a considerable reduction in factory employment and payrolls. The general level of commodity prices advanced between the middle of June and the middle of July, reflecting chiefly a rise in the prices of livestock and meats.

PRODUCTION AND EMPLOYMENT—Volume of industrial production, as measured by the Board's seasonally ad-



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure, June, 59.

justed index, declined from 60 per cent of the 1923-1925 average in May to 59 per cent in June. There were large decreases in output in the steel, coal, and meat-packing industries, while at automobile factories daily average production showed a smaller decline than is usual at this season, and at woolen mills activity increased, contrary to seasonal tendency. Consumption of cotton by domestic mills showed the usual seasonal decline. At manufacturing establishments there was a further reduction of 3.6 per cent in number of employees and of 7.8 per cent in earnings between the middle of May and the middle of June. Decreases in employment were general, with the exception of the automobile and tobacco industries, and of seasonally active industries, such as vegetable and fruit canning and the manufacture of ice cream; the largest decreases were in the steel, textile, chemical and machinery industries and at railway repair shops. Daily average value of building contracts awarded, as reported by the F. W. Dodge Corporation, declined in June but increased in the first half of July. Department of Agriculture estimates as of July 1 indicate a corn crop of 3,000,000,000 bushels, the largest since 1923; a winter wheat crop

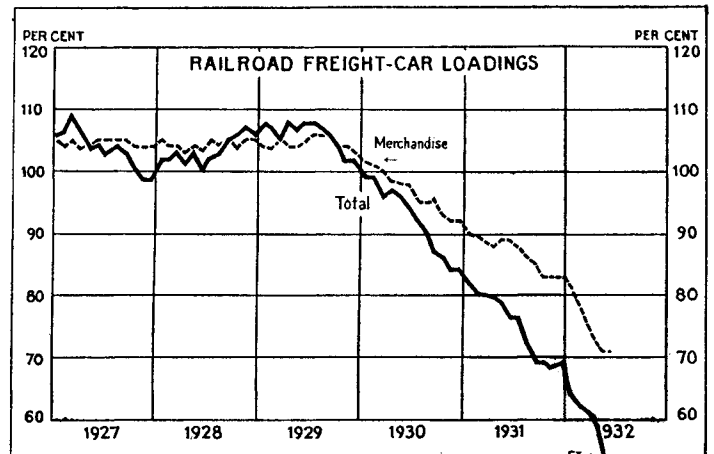


Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 20 days in July.

of 432,000,000 bushels, 45 per cent smaller than last year and 21 per cent less than the five-year average; a spring wheat crop of 305,000,000 bushels, three times as large as last year and slightly larger than the average; and a tobacco crop one-fifth smaller than usual.

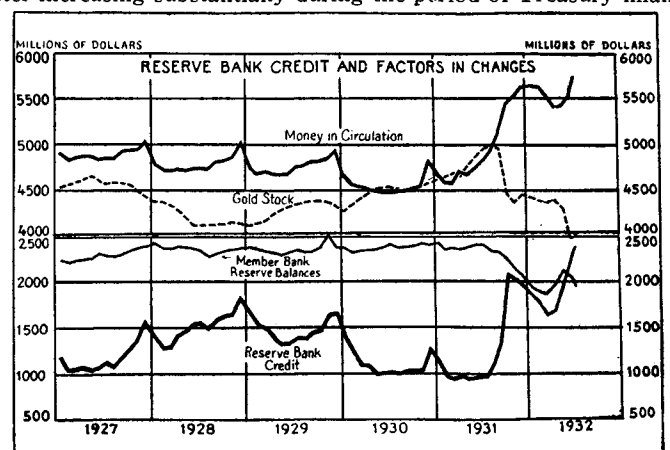
DISTRIBUTION—Volume of railroad freight traffic declined somewhat further in June and value of merchandise sold by department stores decreased by more than the usual seasonal amount.

WHOLESALE PRICES—The level of prices in wholesale markets, after declining steadily during May, was relatively stable early in June, and after the middle of the month there was an advance which continued through the second week in July. Prices of several leading commodities, including livestock, meats, cotton and sugar, increased considerably during June and the first half of July but later showed some recession. Prices of wheat declined to unusually low levels and markets for copper and lead continued weak.



Indexes of daily average number of cars loaded; adjusted for seasonal variation. (1923-1925 average=100). Latest figures June, total 53, miscellaneous 71.

BANK CREDIT—Volume of reserve bank credit continued to increase between the middle of June and the middle of July, reflecting principally further purchases of United States Government securities by the reserve banks. In addition, member banks obtained reserve bank funds through an increase in the monetary stock of gold and a decline in deposits held with the reserve banks by foreign central banks. Funds released from these sources were absorbed by an increase in the demand for currency which also caused the member banks to draw on their balances with the reserve banks and to increase their discounts somewhat. The demand for currency which for the period amounted to \$270,000,000 was caused by banking disturbance largely in the Chicago district. By seasonal requirements at the turn of the month and the Fourth of July holiday, and by increased use of cash to avoid the tax on checks. Loans and investments of reporting member banks after fluctuating widely during June declined in the first two weeks of July, and on July 13 totaled \$18,475,000,000, about \$540,000,000 less than on June 1. There was a further decline in loans, while the banks' investments in United States Government securities, after increasing substantially during the period of Treasury financ-



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

ing in mid-June, declined gradually, but on July 13 were still \$90,000,000 larger than six weeks earlier. Money rates in the open market declined further during June and the first half of July; at the Federal Reserve Bank of New York buying rates for bankers' acceptances maturing within 90 days were reduced from 2½ to 1 per cent on June 24. On the same day the bank lowered its discount rate from 3 per cent to 2½ per cent, and on the following day the rate at the Chicago bank was reduced from 3½ per cent to 2½ per cent.