



MONTHLY REVIEW

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

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THE expansion in commercial and industrial activity in the Eight District, which began almost immediately after the national banking holiday in March, continued on a considerably broader scale during the past thirty days. The improvement extended both to sentiment in the business community and actual volume of transactions. For the first time in many months merchants and manufacturers showed a disposition to cover on future requirements, the chief incentives for this attitude being the sharp advance in commodity prices and increased demands from the general public. Despite the buying movement, however, inventories of merchandise in numerous lines are still much below those at the corresponding time a year ago, and during the past several years. The number of visiting merchants in the principal distributing centers during April and the first half of May was large, and the character of their purchasing reflected more confidence and greater actual need for the goods than has been the case in more than two years. According to wholesalers and jobbers in a number of important lines, buying has been more diversified than heretofore, and in many instances the volume of advance orders booked as of May 1 was considerably larger than a year and two years earlier.

Taken as a whole the volume of production at manufacturing establishments was measurably larger in April than in March, and compared favorably with April a year ago. Quite notable increases took place in the iron and steel industry, textiles, glass, lumber, boots and shoes, and beverages. Definite information relative to employment during May is not yet available, but reports received by this bank indicate marked improvement in practically all lines over the low levels of March, and moderate gains over April. While increases in employment is usual at this time of year, the betterment is too marked to be accounted for by seasonal influences. Lateness of the spring and excessive rains have held back agricultural operations. In general, farm work and planting of crops is from two weeks to a month behind the seasonal schedule. For this

reason employment in the rural areas makes a relatively poorer showing than in the industrial centers.

The trend of commodity prices continued sharply upward, with new high levels for the year being recorded on a number of important agricultural products, notably grains, cotton and hogs. The U. S. Department of Agriculture's report, based on conditions as of May 1, forecasts a winter wheat crop for States of this district about 6 per cent larger than was harvested a year ago, but about 14 per cent smaller than the 5-year (1926-1930) average. For the country as a whole, indications are for a crop approximately 27 per cent smaller than a year ago and 43 per cent below the 5-year average. Planting of tobacco, corn, cotton and other spring crops is unusually late, and at the middle of May, fields generally throughout the district were too wet for working, and additional delay was inevitable. Prospects for fruits, vegetables and other miscellaneous crops are somewhat spotty and irregular, but in the main favorable, with the outcome largely dependent on weather conditions to harvest.

Retail trade in April, as reflected by sales of department stores in the principal cities of this district, was 27.4 per cent greater than in March; 12.9 per cent less than in April, 1932; for the first four months this year there was a decrease of 23.4 per cent as compared with same period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were 10 per cent greater in April than in March, and 2 per cent larger than in April, 1932; total cumulative sales for the first four months this year were 11 per cent less than for the comparable period in 1932. The dollar value of building permits let for new construction in the five largest cities of the district in April was 40.6 per cent more than in March and 44 per cent less than the April, 1932, total; for the first four months of 1933 the total was 70 per cent smaller than in the comparable period in 1932. Construction contracts let in the Eighth District in April were 33 per cent less than in March and 66 per cent less than in April, 1932; for the first four months this year there was a decrease of 40 per cent as compared with the same period in 1932.

According to officials of railroads operating in this district, freight traffic handled during the past several weeks shows an irregular, but definitely upward trend. The volume continues smaller than a year and two years earlier, but the extent of the decrease is considerably narrower than has been the case in recent months. Improvement in the business of certain roads is attributed partly to the movement of beer and brewery supplies, but the general movement of merchandise and miscellaneous freight is heavier, and a particularly favorable showing is being made by grain and grain products. For the country as a whole, loadings of revenue freight for the first 18 weeks this year, or to May 6, totaled 8,738,243 cars, against 10,098,914 cars during the corresponding period in 1932, and 13,147,861 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 120,673 loads in April, against 116,049 loads in March, and 133,955 loads in April, 1932. During the first nine days of May the interchange amounted to 40,188 loads, against 36,356 loads during the corresponding period in April, and 38,323 loads during the first nine days of May, 1932. Passenger traffic of the reporting roads decreased 25 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 81,600 tons, which compares with 79,499 tons in March, and 98,789 tons in April, 1932.

While reflecting spottiness and irregularity, reports relative to collections during the past thirty days indicate quite general improvement over the similar period immediately preceding. Further improvement in the banking situation and reopening of additional financial institutions in this district and other sections of the country permitted the settlement of numerous accounts which had been tied up since the national banking holiday. In the chief centers of distribution, wholesalers and jobbers reported May 1 settlements above expectations as a rule, and comparing favorably with a year ago. In sections where early fruits and vegetables are important crops, a considerable volume of liquidation took place, both with banks and merchants. Generally through the rural areas, recent advances in prices of farm products have served to stimulate collections. Retailers in the large cities report some backwardness in paying bills, there still being a disposition to conserve cash. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
April, 1933.....	3.5%	15.8%	63.2%	17.5%
March, 1933.....	.0	10.7	52.5	36.8
April, 1932.....	.0	16.1	57.1	26.8

Commercial failures in the Eighth Federal Reserve District in April, according to Dun's numbered 68, involving liabilities of \$996,043, against 111 defaults in March with liabilities of \$2,696,132, and 151 insolvencies for a total of \$5,599,920 in April, 1932.

Money in circulation on April 26 was \$5,994,000,000 which compares with \$6,353,000,000 on March 29, and an average daily circulation of \$5,452,000,000 in April, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes — April sales of the reporting firms were 12 per cent greater than for the same month in 1932, and 15.6 per cent in excess of the March total this year. Stocks on May 1 were larger by 24 per cent and 36 per cent, respectively, than a month and a year earlier. The increase in the month-to-month sales comparison was contrary to the usual seasonal trend and compares with a decrease from March to April last year of 4 per cent. Retailers generally are replenishing their depleted stocks, in some instances in anticipation of higher prices, but for the most part in response to actual needs. Further improvement has taken place this month, two important interests reporting orders booked during the second week in May the largest for any single week since 1927. The trend of prices is higher in sympathy with the advance in leather and hides. Factory operations were at from 90 to 95 per cent of capacity.

Clothing — The late spring and weeks of unfavorable weather has resulted in a backward movement of seasonal apparel. Purchasing for late spring and summer consumption, however, is in considerable volume. Manufacturers of certain lines of women's and children's clothing report advance ordering in slightly larger volume than at the same time last year. Demand for work clothing has developed decided improvement during the past thirty days. April sales of the reporting interests were 12 per cent smaller than a year ago, and 31 per cent less than in March this year.

Drugs and Chemicals — As compared with a year ago, April sales of the reporting firms decreased 13 per cent, and the total was 2.5 per cent smaller than in March this year. The decrease in the month-to-month comparison is seasonal in character, but considerably smaller than the average during the past five years. Demand for heavy drugs and chemicals from the general manufacturing trade

shows steady expansion, and some improvement is noted in sales of fertilizer materials and insecticides. Stocks increased slightly between April 1 and May 1, and on the latest date were 12 per cent smaller than a year ago.

Dry Goods — April sales of the reporting firms were 5 per cent less than for the same month in 1932, and 9 per cent larger than in March this year. Inventories continued to decrease, stocks on May 1 being 4 per cent and 13 per cent smaller, respectively, than thirty days and a year earlier. Steady improvement in all sections of this classification has been noted since the middle of March. The upturn in textile prices has incited retailers to cover their prospective requirements. Goods based largely on cotton are more active than in a number of months. Marked betterment is noted in sales of ready-to-wear items.

Electrical Supplies — Aside from moderate improvement in demand for radio material and some other seasonal specialties, little change from recent dull conditions was noted in the electrical supply industry. Prices on a number of commodities were higher, chiefly in response to the advance in copper and lead. April sales of the reporting interests showed a decline of 17 per cent as compared with the same month in 1932, and of 11 per cent as compared with March this year. Stocks on May 1 were 3 per cent smaller than a month earlier, and 18 per cent less than on May 1, 1932.

Flour — Production at the twelve leading mills of the district in April totaled 274,572 barrels against 360,680 barrels in March and 377,465 barrels in April, 1932. The market during the past thirty days was active and higher, the advance being due to the upturn in the cash wheat. Numerous buyers who had postponed filling their requirements earlier in the season endeavored to cover when the rise started. Offerings decreased noticeably, most mills being disposed to avoid large commitments for future delivery pending more definite knowledge relative to the action of wheat. Mill operations increased during the last half of April, and at the middle of May were at from 50 to 55 per cent of capacity.

Furniture — For the first time in a number of months, April sales of the reporting firms showed an increase over the corresponding period a year earlier. The April total was 7 per cent larger than in March and 5 per cent greater than in April, 1932. Inventories continued to decline, stocks on May 1 being 3 per cent and 10 per cent smaller, respectively, than thirty days and a year earlier.

Groceries—Sales of the reporting firms in April showed an increase of 2 per cent as compared with the preceding month, but the total was 7 per cent smaller than in April, 1932. In the yearly comparison the decrease is due in large part to lower prices. Business in the rural areas was held back by the late spring and unfavorable weather, especially in sections affected by the floods. Demand still centers in staples and the cheaper classes of goods. Stocks on May 1 were 3 per cent larger than a month earlier, and about one-fifth smaller than on May 1 last year.

Hardware — April sales of the reporting firms were 10.5 per cent less than for the same month in 1932, and 5.6 per cent larger than the March total this year. Stocks on May 1 were 9 per cent greater than on April 1, and 10 per cent less than on May 1 a year ago. The trend of prices was upward, with specific advances reported on a number of important lines. The movement of seasonal goods is backward, particularly commodities used principally in the rural areas.

Iron and Steel Products — The past thirty days have been marked by decided improvement in the iron and steel industry in this district. While practically all sections of the industry participated in the betterment, relatively the greatest activity and price strength was in raw materials. The melt of pig iron showed gradual expanding tendencies, and incident to the upturn in prices, there was a general disposition on the part of users to cover on their requirements for the balance of the present quarter. Scrap iron and steel advanced sharply in price under reduced offerings and a generally active demand. Heavy melting steel in the first half of May advanced to the highest point reached since the spring of 1931, and correspondingly broad gains were recorded in some other important grades. Miscellaneous demands continued to predominate in finished and semi-finished steel, but increased buying and freer specifying of goods previously acquired was noted in the larger consuming industries, notably railroad and automotive. Manufacturers of sheets, plates, strip and other flat rolled materials reported steady expansion in the demand for their products with April shipments the largest for any month this year. Brewery requirements continue to expand, with cooperage supplies more active than in many months. Stove and heating apparatus manufacturers increased their operations as compared with the preceding thirty days. No change was noted in the dull conditions in the farm-implementation industry which have obtained in recent

months. Operations at steel mills in the district were stepped up in late April and at the middle of May were at approximately 25 per cent of capacity, as compared with 15 per cent on April 1. Production of pig iron for the country as a whole in April was at the highest daily average rate since last November, according to the magazine "Steel". The total output was 623,097 tons, against 542,013 tons in March and 855,734 tons in April, 1932. Steel ingot production in the United States in April totaled 1,334,797 tons, which compares with 885,913 tons in March, and 1,233,603 tons in April, 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in April totaled 181,029, against 114,592 in March and 148,013 in April, 1932.

Reversing the usual seasonal trend, distribution of automobiles in this district in April, according to dealers reporting to this bank, showed an increase over the preceding month. The April volume was the largest for any month since last March, and for the first time since February, 1930, showed an increase over the corresponding month a year earlier. In both the monthly and yearly sales comparisons, increases were accounted for largely by cars in the cheap priced field. Demand for trucks of all descriptions continued active, being stimulated by requirements incidental to the resumption of brewing operations. Truck sales of the reporting distributors in April were larger by 72 per cent and 53 per cent, respectively, than a month and a year earlier. Business in parts and accessories showed no notable change from the preceding month, and was in slightly greater volume than a year ago.

April sales of new passenger cars by the reporting dealers were approximately three-fourths larger than in March and one-fourth greater than in April, 1932. In response to the betterment in demand, dealers were purchasing somewhat more freely from manufacturers, which fact was reflected in an increase in stocks on May 1 of 12 per cent as compared with a month earlier, and of 4 per cent as compared with a year ago. The used car market was also active, April sales showing increases of 18 per cent and 9 per cent, respectively, over a month and a year earlier. Inventories of salable secondhand cars increased 10 per cent between April 1 and May 1, and on the latter date were 22 per cent smaller than a year ago. The ratio of deferred payment sales to total sales of dealers reporting on that item was 48 per cent in April, against 52 per cent in March and 53 per cent in April, 1932.

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. 1933 comp. to Apr. 1932	4 months ended Apr. 30, 1933 to same period 1932	Apr. 30, 1933 comp. to Apr. 30, 1932	Jan. 1, to Apr. 30, 1933	Apr. 30, 1932
Evansville ...	-24.8%	-28.4%	-24.9%	.34	.36
Little Rock...	-16.6	-26.8	-24.1	.63	.68
Louisville ...	-12.2	-24.1	-31.4	.88	.81
Memphis	-13.5	-21.4	-21.2	.87	.93
Quincy	-15.1	-24.3	-19.7	.70	.76
St. Louis.....	-12.4	-23.3	-23.8	1.14	1.19
Springfield ...	-25.1	-28.2	-30.1	.38	.41
8th District...	-12.9	-23.4	-24.5	1.00	1.03

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Apr. 1933 comp. to Apr. 1932	4 months ended Apr. 30, 1933 to same period 1932	Apr. 30, 1933 comp. to Apr. 30, 1932	Jan. 1, to Apr. 30, 1933	Apr. 30, 1932
Men's Fur- nishings ...	+18.2%	-19.1%	-25.4%	.92	.85
Boots and Shoes	8.9	-21.3	-28.4	.90	.86

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 40.6 per cent more than in March, and 43.8 per cent less than the April, 1932, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$3,265,850 which compares with \$4,890,487 in March and \$9,502,305 in April, 1932. Production of portland cement for the country as a whole in April totaled 4,183,000 barrels against 3,684,000 barrels in March, and 5,478,000 barrels in April, 1932. Building figures for April follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	118	129	\$ 9	\$ 27	365	108	\$ 42	\$ 26
Little Rock	11	22	1	6	28	101	64	20
Louisville ..	43	52	34	62	62	52	90	38
Memphis ...	114	124	79	92	134	148	55	83
St. Louis....	113	243	154	306	191	298	177	138
April totals	399	570	\$ 277	\$ 493	780	707	\$ 428	\$ 305
March "	347	497	197	636	370	565	169	224
Feb. "	228	407	133	844	269	486	129	400

*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 3.2 per cent greater than in March and 2.9 per cent less than in April, 1932. Detailed figures follow:

	No. of Custom- ers	April, 1933	March, 1933	April, 1933	April, 1932	April, 1933
		*K.W.H.	*K.W.H.	comp. to Mar. 1933	*K.W.H.	comp. to April, 1932
Evansville ...	40	1,530	1,449	+ 5.6%	1,784	-14.2%
Little Rock...	35	1,280	1,084	+18.1	1,182**	+ 8.3
Louisville ...	85	5,318	5,334	- 0.3	5,311**	+ 0.1
Memphis	31	1,257	1,102	+14.1	1,294	- 2.9
St. Louis.....	196**	14,535	14,212**	+ 2.3	15,076**	- 3.6
Totals ..	387	23,920	23,181	+ 3.2	24,647	- 2.9

*In thousands (000 omitted).
**Revised figures.

AGRICULTURE

Farm Income — According to preliminary estimates made by the U. S. Department of Agriculture, the farm value, gross income and cash income from farm production in 1932 in states entirely or partly within the Eighth Federal Reserve District were the smallest in a number of years. Actual outputs of principal crops and numbers of livestock compared favorably with the average of recent years, the reduction in income being due to the extremely low prices prevailing on all agricultural products.

In its report the Department states that cash income relates to the value of quantities actually sold off the farm of the state where produced. Gross income is the cash income, plus the value of products consumed in the farm household on the farm where the commodities were produced.

Farm value relates to the evaluation of the total outturn of the given commodity, irrespective of use, whether sold, consumed by farm family or consumed in the production of further farm products on the farm where grown.

The farm value, gross and net income are credited to the year in which the commodities were produced, evaluated at prices received during the marketing season for the particular crop. For livestock production, farm value and gross and net income are computed on a calendar-year basis, evaluated at average prices for the calendar year.

The following comparative tables give gross and cash income on 78 principal crops and 13 livestock items in states including the Eighth District for the year 1931 and 1932, also the 4-year (1929-1932) average:

CROPS

(In thousands of dollars 000 omitted)

	1931		1932		4-yr. av. (1929-1932)	
	Gross	Cash	Gross	Cash	Gross	Cash
Indiana ...	\$ 57,452	\$ 47,164	\$ 36,189	\$ 27,218	\$ 63,790	\$ 52,359
Illinois	107,463	94,693	65,469	54,434	130,490	116,998
Missouri ..	54,031	37,066	41,327	26,559	61,425	43,251
Kentucky	68,357	47,180	60,990	42,972	79,691	58,800
Tennessee	67,281	45,427	52,627	35,374	81,963	58,980
Mississippi	88,923	69,521	66,805	50,773	124,432	104,247
Arkansas	86,950	73,002	63,580	52,310	101,350	86,885
Totals ..	\$530,457	\$414,053	\$386,987	\$289,640	\$643,144	\$521,521

LIVESTOCK

(In thousands of dollars 000 omitted)

	1931		1932		4-yr. av. (1929-1932)	
	Gross	Cash	Gross	Cash	Gross	Cash
Indiana ...	\$152,620	\$129,651	\$112,901	\$ 95,805	\$183,614	\$157,189
Illinois	236,366	203,345	175,267	149,665	281,917	243,270
Missouri ..	187,497	156,411	140,727	117,458	227,567	191,048
Kentucky	72,070	43,619	54,980	32,862	86,878	55,336
Tennessee	61,404	35,316	46,606	26,854	74,094	44,277
Mississippi	38,848	18,284	29,923	13,752	45,268	21,750
Arkansas	86,906	15,857	29,647	13,294	44,896	21,211
Totals ..	\$785,711	\$602,483	\$590,051	\$449,790	\$944,236	\$734,083

General Conditions — Throughout the Eighth District weather during the past thirty days was

distinctly unfavorable for agriculture, and as a result there was a further delay in farm work and a lowering of prospects for some crops. The principal handicap was excessive moisture and next in order was unseasonably low temperatures. Flood conditions of more or less seriousness prevailed in the lowlands bordering the Mississippi River and its tributaries, and at the middle of May the rivers were still rising and floods of major proportions threatened. Soil preparations and seeding of spring crops are generally from two to four weeks late, and due to the muddy condition of fields the delay is likely to be still further protracted, even under most favorable conditions. In many localities early seeded crops have been flooded out and will have to be replanted. In addition, numerous sections were visited by wind, rain and hail storms of unusual violence which wrought considerable damage to farm property and crops. In Illinois, Missouri, Indiana and parts of other states of the district, the progress of field work is the most backward since 1927, the year of the great flood in the Mississippi Valley.

As an offset to the unfavorable conditions on farms and the backward season there has been a sharp advance in practically all classes of farm products. The upturn was led by cotton and grains, both important crops in this district. From the low point in April, wheat advanced approximately 25c per bushel, corn 10c per bushel, oats 7c per bushel and cotton more than 2c per pound. There were also gains in the prices of millfeeds, flour, dairy products, poultry and eggs, wool, hides and calfskins. Advances in livestock prices, except hogs, have been relatively smaller than in other commodities. The upturn in values was due to a number of causes, among them changes in foreign exchange, lowered crop prospects, and purchasing by processors on prospects of inflation.

Winter Wheat — There was little change in prospects for the winter wheat crop in states of the Eighth District during April. According to the report of the U. S. Department of Agriculture, based on conditions as of May 1, total indicated yield in these states is 69,059,000 bushels, a decrease of 0.3 per cent under the April 1 forecast, and comparing with 65,244,000 bushels harvested in 1932, and a 5-year average (1926-1930) of 80,629,000 bushels. Acreage abandonment as of May 1, was greater for all states of the district than average, and with the exception of Missouri and Kentucky, was slightly larger than a year ago. As contrasted with the country as a whole, this district makes a relatively

favorable showing, both in point of abandonment and total indicated yield. In Indiana, Illinois, Missouri, Kentucky and Tennessee abandonment ranges from 3.5 per cent to 7 per cent, whereas for the country at large the percentage of acreage abandoned is estimated at 32.2 per cent of the area sown last fall, the highest ever recorded. Except where damaged by floods, the crop is generally making good progress.

Corn — Planting has been seriously delayed by excessive precipitation and cool weather, and in many important growing areas, at the middle of May, practically no preparation for seeding has been accomplished. In the southern stretches of the district considerable acreage has been seeded, but relatively little cultivation has been possible. Generally through the district corn will be planted over a wider variation of dates than in many years. Delay in the seeding of corn will increase uncertainty relative to the full maturity of the crop, and in many sections will result in a revision of acreage plans.

Fruits and Vegetables — The U. S. Department of Agriculture's May 1 report estimates the peach crop in Mississippi and Arkansas at 1,092,000 bushels, which compares with the practical failure of 473,000 bushels in 1932, and the 5-year average (1926-1930) of 2,337,000 bushels. Quality and quantity of strawberries was lowered by the unusually heavy rains of April and the first half of May. The outlook for apples, peaches and other tree fruits in the northern sections of the district is generally promising. Planting of gardens and commercial vegetable crops is backward.

Livestock — Except in areas directly affected by floods, the condition of livestock continues generally high throughout the district. Hay reserves on farms in states of this district as of May 1 totaled 1,893,000 tons, against 2,462,000 tons last year and a 5-year average of 1,901,000 tons. The condition of pastures on May 1 was about the same as a year earlier, though below the 5-year average. Milk production per cow as of May 1 averaged 18 per cent higher than on April 1 but 2 per cent below a year ago and 8 per cent under the 6-year average.

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

	Receipts			Shipments		
	April, 1933	Mar., 1933	April, 1932	April, 1933	Mar., 1933	April, 1932
Cattle and Calves.....	79,239	67,729	84,890	36,903	33,985	45,207
Hogs	256,616	224,256	251,387	155,769	136,994	179,386
Horses and Mules.....	6,238	5,031	3,416	5,493	5,398	3,131
Sheep	57,075	36,011	58,300	11,938	10,474	17,990

Cotton — Almost continuous rains and unseasonably low temperatures since the middle of April

have greatly interfered with soil preparation and planting, and generally the crop is from two to three weeks late. In sections where cotton is up, the cool weather has adversely affected the plant and germination is slow. In Arkansas, Mississippi and Southern Missouri local damage was done to the crop by severe storms, and many farms along the waterways have been flooded. Reports quite generally indicate intentions to plant a larger acreage than a year ago and to use more fertilizer than in 1932, though considerably less than in 1931. Large operating units are apparently practically unchanged, while small units show some increase in acreage, and much increase in numbers. The trend of prices was sharply upward, with consumers more disposed to fill their requirements than in a number of months. In the St. Louis market the middling grade ranged from 6.25c to 8.55c per pound between April 16 and May 15, closing at 8.30c on the latest date, which compares with 6.45c on April 15, and 5.25c on May 16, 1932. Receipts at Arkansas compresses from August 1, 1932, to May 12, 1933, totaled 1,238,450 bales, against 1,498,042 bales during the comparable period a year ago. Stocks on hand on May 12 totaled 379,098 bales, against 426,278 bales on April 14, and 406,220 bales on the corresponding date last year.

Tobacco — Reports from practically all sections of the tobacco areas of this district, reflect backward progress with the new crop, due to extremely unfavorable weather. Plants are poor to fair and are behind the usual seasonal development. In many sections plant beds were completely destroyed by excessive rains, and elsewhere serious damage has been done by insect and fungus pests. Withal, indications point to sufficient plants to insure setting normal crop. It is not likely that transplanting will be general before the last week in May or early in June.

COMMODITY PRICES

Range of prices in the St. Louis market between April 15, 1933 and May 15, 1933, with closing quotations on the latter date, and on May 16, 1932 follow:

	High	Low	Close	
			May 15, 1933	May 16, 1932
Wheat				
May .....per bu..\$	.75¾	.61¼	\$.74	\$.53¾
July .....	.75¾	.61¼	.73¾	.55¾
Sept. ....	.76¾	.63¾	.74½	.57¾
No. 2 red winter " "	.83½	.67	\$.82 @	.53½ @
No. 2 hard " "	.79	.65	.77 @	.55½ @
Corn				
May .....	.45¼	.31½	.44¾	.31
No. 2 mixed .....	.46	.33½	.45¾ @	.32 @
No. 2 white .....	.48¼	.36½	.47½ @	.31½ @
Oats				
No. 2 white .....	.27½	.22¾	.27¼ @	.22½ @
Flour				
Soft patent.....per bbl.	5.00	3.75	4.65 @	3.00 @
Spring "	5.60	2.25	3.25 @	2.40 @
Middling cotton.....per lb.	.0855	.0625	.0830	.0525
Hogs on hoof.....per cwt.	5.00	2.25	3.00 @	2.40 @

FINANCIAL

In the Eighth District during the past thirty days banking and financial conditions improved further, betterment being manifested in the form of a continued return flow of currency, a moderate increase in deposits at commercial banks, reduced borrowings of member banks from the Federal reserve bank, a considerable volume of liquidation at both city and country banks, maintenance of relatively high reserves and an easing tendency in money rates. Additional banks were opened for business, the total as of May 18 being 1,653, an increase of 62 as compared with a month earlier. Prior to the banking holiday there were 1,875 member and nonmember banks operating in the district.

Demand for credit for commercial and industrial purposes showed moderately broadening tendencies, and there was also an increase in requirements for financing transactions in stocks and bonds. Reflecting the sharp advance in wheat prices, there was an appreciable increase in commitments of flour milling and grain elevator interests. Due to lateness of the season and assistance from Governmental and other lending agencies, recourse on the banks to finance agricultural operations was in less than the usual seasonal volume.

Borrowings of all member banks from the Federal reserve bank averaged considerably smaller between April 17 and May 17 than during the like period immediately preceding, also less than a year ago. The return flow of currency was reflected in a decrease in the circulation of this bank from 150 million dollars to 147 million dollars between the dates mentioned. The total volume of Federal reserve credit outstanding on May 17 was 11 per cent smaller than a month earlier, but approximately 40 per cent greater than on the corresponding date in 1932. The decrease in the month-to-month comparison was due entirely to the smaller volume of discounted bills, and bills purchased, holdings of Government securities remaining stationary.

At the St. Louis banks current interest rates as of the week ended May 15 were as follows: Customers commercial paper, 4½ to 5½ per cent; collateral loans, 4 to 6 per cent; interbank loans, 4½ to 5¾ per cent; loans secured by warehouse receipts, 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 May 10, 1933, showed a decrease of 0.2 per cent as contrasted with May 3, 1933. Deposits decreased 0.4 per cent between May 3, 1933, and May 10, 1933, and on the latter date

were 10.4 per cent smaller than on May 11, 1932. Composite statement follows:

	*May 10, 1933	*May 3, 1933	*May 11, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 91,887	\$ 91,860	\$ 126,059
All other loans and discounts.....	127,746	128,275	184,139
Total loans and discounts.....	\$219,633	\$220,135	\$310,198
Investments			
U. S. Government securities.....	124,233	123,562	78,868
Other securities.....	100,477	101,313	121,789
Total investments.....	\$224,710	\$224,875	\$200,657
Reserve balance with F. R. Bank	39,510	41,380	33,455
Cash in vault.....	8,286	8,066	5,850
Deposits			
Net demand deposits.....	261,359	262,088	270,860
Time deposits.....	157,158	158,034	191,170
Government deposits.....	1,761	1,958	6,809
Total deposits.....	\$420,278	\$422,080	\$468,839
Bills payable and rediscounts with Federal Reserve Bank.....			982

*In thousands (000 omitted).
This report covers 19 licensed reporting banks in four leading cities, instead of 24 banks in 5 leading cities, as heretofore.

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.

	Week ended *May 10, 1933	Week ended *May 3, 1933	Week ended *May 11, 1932	May 10, 1933 comp. to	
				May 3, 1933	May 11, 1932
East St. Louis & Natl.					
Stock Yards, Ill. \$	4,292	\$ 4,430	\$ 4,632	— 3.1%	— 7.3
El Dorado, Ark.....	569	732	706	—22.3	—19.4
Evansville Ind.....	3,239	3,344	4,353	— 3.1	—25.6
Fort Smith, Ark.....	1,417	1,395	1,442	+ 1.6	— 1.7
Greenville, Miss.....	780	694	578	+12.4	+34.9
Helena, Ark.....	296	253	279	+17.0	+ 6.1
Little Rock, Ark.....	4,897	3,869	4,630	+26.6	+ 5.8
Louisville, Ky.....	20,964	22,470	23,011	— 6.7	— 8.9
Memphis, Tenn.....	16,518	20,203	15,302	—18.2	+ 7.9
Owensboro, Ky.....	448	457	628	— 2.0	—28.7
Pine Bluff, Ark.....	1,377	1,060	1,322	+29.9	+ 4.2
Quincy, Ill.....	1,150	1,550	1,514	—25.8	—24.0
St. Louis, Mo.....	81,500	90,600	89,000	—10.0	— 8.4
Sedalia Mo.....	311	299	334	+ 4.0	— 6.9
Springfield, Mo.....	2,047	2,170	2,398	— 5.7	—14.6
**Texarkana, Ark.-Tex.....	866	1,126	1,416	—23.1	—38.8
Totals	\$140,671	\$154,652	\$151,545	— 9.0	— 7.2

*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 160 member banks against 164 in March, and 173 in April, 1932. The discount rate of this bank remained unchanged at 3½ per cent for advances under provisions of Sections 13 and 13(a) of the Act. Changes in the principal assets and liabilities appear in the following table:

	*May 17, 1933	*April 17, 1933	*May 17, 1932
Bills discounted	\$ 2,953	\$ 4,201	\$ 13,316
Bills bought	2,322	9,740	364
U. S. Securities.....	65,832	65,832	35,951
Federal Inter. Cr. Bk. Debentures.....			1,005
Participation in Inv. Foreign Banks..	210	210	
Total bills and Securities.....	\$ 71,317	\$ 79,983	\$ 50,636
**Total Reserves.....	\$164,164	\$157,875	\$111,487
F. R. Notes in circulation.....	146,914	150,351	90,421
Total deposits.....	76,483	77,128	60,778
Ratio of reserves to deposits and F. R. Note Liabilities.....	73.5%	69.4%	73.7%

*In thousands (000 omitted).

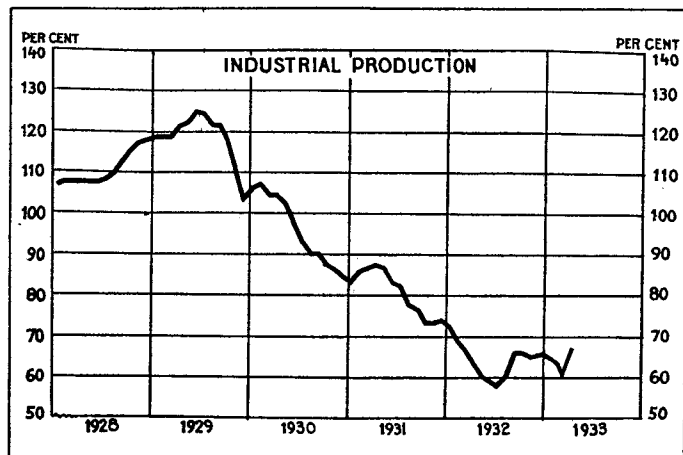
**Includes total gold reserves and all other cash.

(Compiled May 23, 1933)

BUSINESS CONDITIONS IN THE UNITED STATES

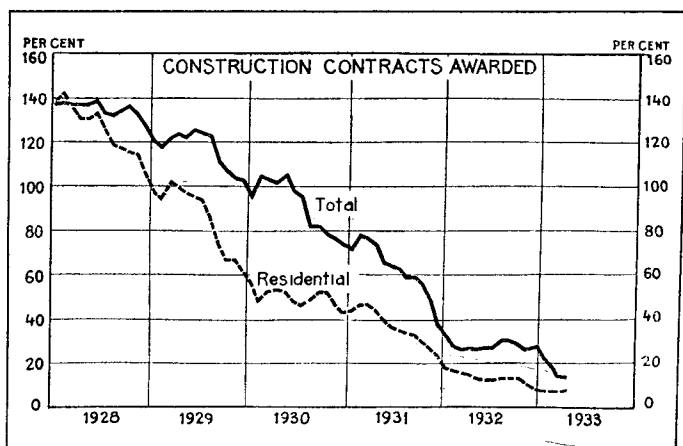
Industrial activity increased considerably during April and the first three weeks of May. Wholesale prices of many leading commodities advanced, particularly in the latter part of April and the early part of May. Following the imposition of an embargo on gold, on April 20, the exchange value of the dollar declined and on May 20 was 87 per cent of its gold parity.

PRODUCTION AND EMPLOYMENT—Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 60 per cent of the 1923-1925 average in March to 67 per cent in April, as compared with 63 per cent a year ago and a low of 58 per cent last July. Activity at steel mills



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure April, Preliminary 67.

increased from 15 per cent of capacity in March to 25 per cent in April and there was a further increase in the first three weeks of May. Increased activity in the steel industry reflected chiefly increased demand from automobile producers and from miscellaneous sources, while demand from the railroad and construction industries continued at low levels. At textile mills and shoe factories, production increased considerably during this period. Output of petroleum fluctuated widely, declining in the middle of April and subsequently increasing to a high level. Volume of factory employment and payrolls increased between the middle of March and the middle of April by an amount somewhat smaller than the decrease in the preceding month. Value of construction contracts, as reported by the F. W. Dodge Corporation, continued at previous low levels in April, but showed a considerable increase in the first half of May. Total value of awards in these six weeks was considerably smaller than in the corresponding period a year ago.



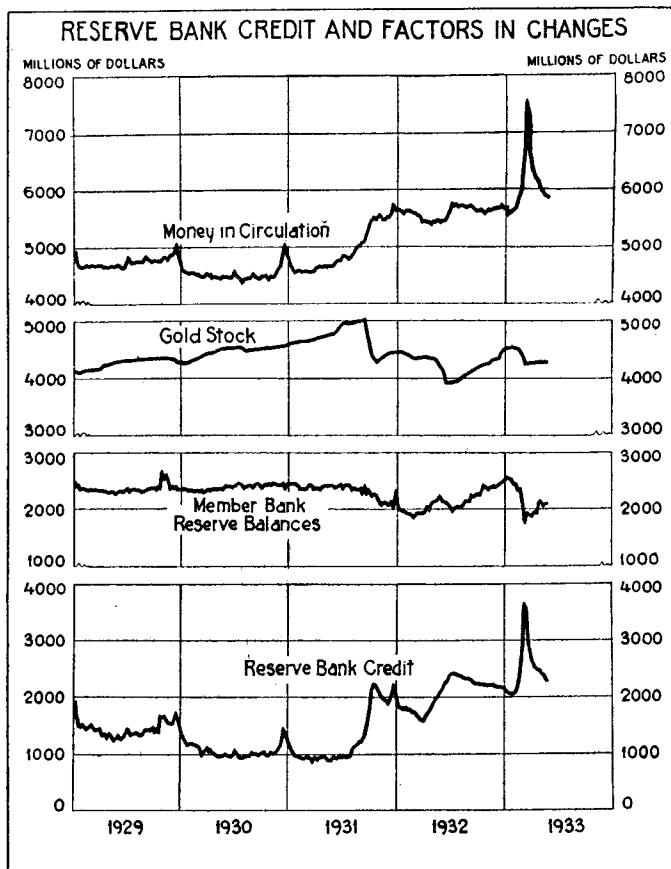
Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average=100.) Latest figures April, total, preliminary 14, residential, preliminary 9.

DISTRIBUTION—Freight traffic, which was at a low level in March, increased during April and the first two weeks of May by more than the usual seasonal amount, reflecting chiefly large increases in shipments of miscellaneous products, grains, and livestock. Department store sales increased sharply from March to April and the total for these two months showed slightly more than the usual seasonal increase over the volume of sales in January and February.

WHOLESALE PRICES—During April, particularly in the latter part of the month, there were substantial increases in the wholesale prices of grains, flour, sugar, textile, raw materials and finished products, hides, pig iron, nonferrous metals, and rubber. Prices of most of these commodities continued to advance rapidly in the first two weeks of May, and showed little change in the third week of the month. Prices of livestock, which did not advance in April, increased considerably in the first three weeks of May. Silver prices, after advancing by a substantial amount in the latter part of April, subsequently showed a decline, and petroleum prices, also, were reduced.

FOREIGN EXCHANGE—During the four weeks following the imposition of the embargo on gold the exchange value of the dollar declined to 83 per cent of its gold parity on May 5, but subsequently rose to 87 per cent on May 20. The noon buying rate of cable transfers on the French franc rose from \$3.98 on April 18 to \$4.50 on May 20, and the rate on the English pound rose from \$3.49 to \$3.87.

BANK CREDIT—During the four weeks ending May 17, about \$215,000,000 of additional currency was returned to the re-



Wednesday figures. Latest figures are for May 17.

serve banks, and on that date all but \$200,000,000 of the \$1,930,000,000 withdrawn by banks and individuals between February 1 and March 13 had been returned. Funds arising from the return of currency during the four weeks period were used to reduce reserve bank holdings of acceptances by an additional \$130,000,000 and to liquidate \$85,000,000 of member bank indebtedness at the reserve banks. As the result of an addition of about \$100,000,000 to the reserve banks' holdings of gold, and a further reduction of Federal Reserve Notes in circulation, the reserve ratio of the reserve banks rose considerably between April 19 and May 17. The decline in Federal Reserve Notes reflected in part an increase of \$50,000,000 in Federal reserve bank notes in circulation.

Loans and investments of reporting member banks in New York City increased by about \$400,000,000 between the middle of April and the middle of May, reflecting chiefly a growth of \$200,000,000 in loans on securities, and of \$140,000,000 in investments in United States Government securities. Net demand deposits also increased by about \$400,000,000 of which about one-third represented a further growth of bankers' balances. Money rates in the open market continued at low levels.