



MONTHLY REVIEW

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

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PRACTICALLY all indicators of business in the Eighth District during the past thirty days reflected a continuance of the improvement which began in mid-March and extended through April and the first half of May. In many important lines the rate of betterment was more rapid than during the preceding thirty days. For the first time since 1929 the total volume of trade and industry in May exceeded that of the corresponding period a year earlier. The expansion in physical volume was accompanied by a further strengthening in sentiment in the business community and with the public at large. Purchasing of commodities was more diversified and on a larger scale, both merchants and ultimate consumers being more disposed than heretofore to fill long deferred requirements. A notable feature in the month's transactions was the substantial gains in advance orders booked in many important lines. Total of advance business on books of reporting wholesalers and manufacturers as of June 1 was the largest recorded in more than two years. Increased purchasing generally reflected anticipation of future needs and possibly higher prices, also, catching up on goods which ordinarily should have been acquired earlier in the year.

Distribution of merchandise through retail channels was retarded to some extent by unfavorable weather in May, but despite this handicap a large volume was disposed of. Since the first of June warmer weather has stimulated demand for seasonal goods, and reports covering the first two weeks of this month indicate a larger total than in the comparable period a year ago. A fair volume of reordering of summer goods by retailers is reported, notably apparel, electrical supplies, beverages, and tourist and outing supplies. In all wholesaling and jobbing lines investigated by this bank, May sales exceeded those of the preceding month and the May aggregate in 1932. Especially large gains in both comparisons were noted in boots and shoes, hardware, clothing, dry goods, furniture, electrical supplies, and groceries. Operations at iron and steel plants continued to move upward, the

rate at the middle of June being approximately 30 per cent of estimated capacity, against 25 per cent in May and 15 per cent on April 1.

The employment situation underwent further improvement, being affected by increased activities at manufacturing plants and the absorption of many workers in seasonal occupations. For the first time since the depression commenced, there were scattered wage advances, in some instances affecting large groups of workers. Through the first week of June the trend of commodity prices continued upward, with new high levels on the movement recorded by a number of important items. Agricultural products reflected considerable strength, all the principal products of this district being sharply higher than at the corresponding period a year ago. Crop conditions as of June 1 were spotted, both with reference to the several productions and locality. Planting of all spring crops, particularly corn and tobacco, is later than usual, due to excessive rainfall in May. Since June 1, however, more seasonable weather has permitted of intensive field work, and at the middle of the month much of the delayed planting and cultivation had been accomplished.

As indicated by sales of department stores in the principal cities of the district, retail trade in May was slightly smaller than in April and 3.2 per cent less than in May, 1932; for the first five months this year the volume was 17.6 per cent smaller than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank were 59 per cent larger in May than in April and 81 per cent greater than in May, 1932; cumulative sales for these firms for the year to June 1 were 5.6 per cent in excess of the aggregate for the same period last year. The dollar value of building permits issued for new construction in the five largest cities of the district in May was 12 per cent more than in April, but about one-fourth smaller than in May, 1932; the cumulative total for the first five months this year was smaller by 62 per cent than for the same period in 1932. Construction

contracts let in the Eighth District in May were 154 per cent greater than in April and 5.6 per cent smaller than in May, 1932; for the first five months this year there was a decrease of 31.9 per cent as compared with the similar period in 1932. Debits to individual accounts in May were about one-fifth greater than in April, and the cumulative total for the year to June 1 was only 6.4 per cent smaller than for the first five months of 1932, the most favorable comparison in more than two years.

Freight traffic of railroads operating in this district continued the irregularly upward trend noted during the preceding thirty days, and for the first time in many months showed an increase over the corresponding period a year earlier, though still considerably below the volume in 1931 and 1930. The movement of grain, livestock and other farm products was stimulated by the upturn in commodity prices. According to officials of the roads, stabilization of bituminous coal shipments has been an important factor in their business, as has, also, freight contributed directly and indirectly by the brewing industry. For the country as a whole, loadings of revenue freight for the 22 weeks this year, or to June 3, totaled 10,850,499 cars, against 12,100,463 cars during the comparable period in 1932, and 16,121,989 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 137,659 loads in May, which compares with 120,673 loads in April and 131,695 loads in May, 1932. During the first nine days of June the interchange amounted to 42,852 loads, against 40,188 loads during the corresponding period in May, and 38,507 loads during the first nine days of June, 1932. Passenger traffic of the reporting roads decreased 25 per cent in May as contrasted with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 112,000 tons which compares with 82,440 tons in April and 112,323 tons in May, 1932.

Reports relative to collections during the past thirty days reflect the same general trends as have been in effect since the end of March. Spottiness still exists, both with reference to the several lines and different locations, but on the whole steady improvement has taken place. In the south where early fruits and truck crops are important productions a considerable volume of liquidation has taken place, and generally through the cotton areas the rate of payments has quickened. Jobbers and wholesalers in the large centers of distribution report June settlements fully up to expectations, and relatively

much better than a year ago. Some backwardness in collections in the rural areas was noted, farmers being preoccupied with spring work, and in sections affected by the floods, settlements were slow. The reopening of additional banks has released funds which have been used to a considerable extent in meeting debts. 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>
May, 1933.....	3.5%	14.6%	64.4%	17.5%
April, 1933.....	3.5	15.8	63.2	17.5
May, 1932.....	1.8	11.5	59.9	26.8

Commercial failures in the Eighth Federal Reserve District in May, according to Dun's, numbered 59, involving liabilities of \$1,414,285, against 68 defaults in April with liabilities of \$996,043, and 128 insolvencies for a total of \$8,062,615 in May, 1932.

Money in circulation on June 14, was \$5,723,000,000 which compares with \$5,852,000,000 on May 17, and an average daily circulation of \$5,456,000,000 in May, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes—The sharp expansion in the boot and shoe industry was reflected in an increase in May sales of 80 per cent over the preceding month and of 162 per cent over the May total a year ago. The month's business was the largest recorded since September, 1929. The increase from April to May is seasonal in character, but considerably greater than the average during the past decade. Inventories continue to decrease, stocks on June 1 being more than one-third smaller than a year ago and approximately 17 per cent smaller than a month earlier. The trend of prices was upward in sympathy with the advance in raw materials. Factory operations were at from 95 to 98 per cent of capacity.

Clothing—Marked improvement in all branches of the clothing industry has taken place during the past sixty days. May sales of the reporting firms were more than three times as large as in April and one and one-half times greater than the total in May, 1932. Purchasing for fall distribution was reported in considerably larger volume than at the corresponding time last year. Some reordering of summer apparel is noted since the first week in June. Demand for work clothes has picked up since the first week in May, both in the country and large industrial centers. The trend of prices was upward.

Drugs and Chemicals — Betterment in practically all lines in this classification took place during the past thirty days, with improvement particularly marked in demand for heavy drugs and chemicals from the general manufacturing trade. Sales of fertilizers and insecticides expanded, and were the best for this particular period since 1930. The rise in temperatures since the final week in May has had a stimulating effect on sales of soda fountain supplies and other seasonal merchandise. The trend of prices was upward, with specific advances being recorded on a number of important commodities. May sales of the reporting firms were 5.4 per cent larger than for the same month in 1932, and 9 per cent greater than the April total this year. Inventories continued to decrease, stocks on June 1 being 5 per cent and 14 per cent smaller, respectively, than a month and a year earlier.

Dry Goods — Affected by rapid advances in prices of both raw materials and finished goods, demand for merchandise in this classification gained further momentum during May and the first half of June. May sales of the reporting firms were 16 per cent greater than for the same month in 1932, and approximately one-fourth larger than the April total this year. For the first time in a number of months inventories showed an increase, stocks on June 1 being 17 per cent and 11 per cent larger, respectively, than a month and a year earlier. Reports covering the first half of June reflect increases of from 15 to 25 per cent, in sales volume over the comparable period last year. A substantial gain in the volume of advance orders, both as compared with a month and a year ago, was reported by several of the larger firms.

Electrical Supplies — May was marked by an increase in business in this classification, both as compared with the preceding month and a year ago. Demand for seasonal goods picked up during the last half of the month, and has been accelerated by the warm weather since the first of June. Sales of fans, household appliances and radio material were in considerably larger volume than last year. Notable expansion has taken place in demand for small motors for a variety of needs, and for electrical refrigeration. No improvement was noted in the building outlet for electrical supplies. May sales of the reporting firms were 12 per cent greater than for the same month in 1932, and 29 per cent larger than in April this year. Stocks on June 1 were 3 per cent smaller than on May 1, and 28 per cent less than on June 1 a year ago.

Flour — Production at the twelve leading mills of the district in May totaled 287,567 barrels, against 274,572 barrels in April, and 262,230 barrels in May, 1932. More activity was noted than during the preceding thirty days, large consumers being more disposed to cover on their distant requirements than has been the case earlier in the year. As is usual at this season, many buyers were holding off awaiting developments in the new wheat crop. Export inquiry was somewhat broader than during the preceding month, but bids from abroad were mainly below the views of the millers, and relatively little flour was worked for foreign shipment. Mill operations were at from 50 to 55 per cent of capacity. Stocks in all positions are light.

Furniture — For the second consecutive month, the volume of business in this classification during May, according to the reporting firms, exceeded that of the corresponding period a year earlier. Retailers, including department stores, were ordering more freely, and there was generally more of a disposition than heretofore to replenish depleted stocks and fill deferred requirements. May sales of the reporting interests were 47.9 per cent larger than for the same month in 1932, and 32 per cent greater than in April this year. Stocks on June 1 were 4 per cent smaller than on May 1, and 3 per cent less than on June 1, 1932.

Groceries — May sales of the reporting firms were 15.6 per cent larger than in the preceding month and 12.3 per cent greater than in May, 1932. This is the first time since February, 1930, that any single month's sales were in larger volume than a year earlier. Stocks increased 7 per cent between May 1 and June 1, and on the latest date were 11 per cent smaller than a year ago. While increases took place in practically all commodities, improvement was most marked in staples. There was the usual falling off in demand for canned goods incident to the movement of early fruits and vegetables. The trend of prices continued upward, specific advances being recorded on flour, sugar, packinghouse products and certain prepared cereal foods.

Hardware — For the first time since September, 1929, sales of the reporting firms in May were larger than the corresponding period a year earlier, the increase amounting to slightly over 9 per cent. The May total was also about one-fourth larger than that of the preceding month. Stocks on June 1 were 4.5 per cent greater than a month earlier, and 12 per cent less than on June 1, 1932. The increase in the month-to-month sales comparison is seasonal in

during the past several years. Retailers in both the city and country are more disposed than heretofore character, but measurably larger than the average to replenish stocks. Business of country merchants has been helped materially by the upturn in prices of farm products.

Iron and Steel Products — Activities in the iron and steel industry in this district during May and the first half of June continued the broadening tendencies which commenced in March. Less than the usual slowing down, due to seasonal causes, was noted since the beginning of June, and in some sections of the industry was entirely absent. The trend of prices continued upward, with specific advances being recorded on a number of commodities, among them ferromanganese, sheets, nuts, bands, wire rope and certain descriptions of tubular goods. Consumers generally are inclined to anticipate a further strengthening in the price structure and are covering on distant requirements more freely than has been the case in many months. This is true particularly of raw materials, but applies also to finished and semi-finished products. Moderate betterment in orders and prospects was reported by machinery and machine tool interests, a considerable part of the improvement being due to brewery requirements. Farm implement makers reported no change in the quiet condition which have prevailed in their industry for many months. Stove manufacturers increased their operations, as is usual at this time of year. At the middle of June operations at steel mills were at approximately 30 per cent of capacity, as compared with 25 per cent in May and 15 per cent on April 1. For the country as a whole, production of pig iron in May, according to the magazine "Steel", was 906,725 tons, the highest since March, 1932, and comparing with 623,606 tons (revised figure) in April, and 783,769 tons, in May, 1932. Steel ingot production in the United States in May totaled 2,001,991 tons, against 1,362,856 tons in April, and 1,125,243 tons in May, 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in May totaled 218,171, against 180,667 (revised figure) in April and 185,149 in May, 1932.

Following the usual seasonal trend, distribution of automobiles in this district during May, according to dealers reporting to the bank, decreased under the preceding month. The May total also showed a slight decrease under the corresponding period a year ago. In the month-to-month comparison the decrease is due in part to the fact that

spring purchasing was to a considerable extent postponed in March by the banking holiday and overlapped into April. The upturn in commodity and security prices, coupled with improvement in general business and public confidence has had a stimulating effect upon the automotive industry. Replacement purchasing still dominates in current sales, but dealers report a larger volume of inquiry from persons not previously owning cars than heretofore. As has been the case for the past several months, interest centers chiefly in vehicles in the lowest-price field, but increased business was reported by a number of dealers handling the medium-priced and more expensive makes. As is usually the case, the near approach of the touring season was marked by greater activity in parts and accessories, May sales of which were larger than in the preceding month and a year ago. General improvement was noted in the tire situation. Prices have advanced sharply since the extreme low point at the end of March and demand is more active than in a number of months.

May sales of new passenger cars by the reporting dealers were 4 per cent smaller than for the same month in 1932, and about one-third less than the April total this year. Sales of trucks in May were 11 per cent smaller than last year, and about one-third less than in April. The used car market continued active, with the volume of sales in May, 4 per cent greater than in April, and 10 per cent less than a year ago. Purchasing by dealers from the factories expanded further, but is still on a conservative scale. On June 1 inventories showed little change from the preceding month, and were 8 per cent smaller than a year ago. Salable secondhand cars in stock on June 1 showed an increase of 6 per cent over May 1, and a decrease of 18 per cent under June 1, 1932. According to dealers reporting on that item, deferred payment sales in May constituted 49 per cent of their total sales, against 48 per cent in April, and 51.5 per cent in May, 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	
	May, 1933 comp. to May, 1932	5 months ended May 31, 1933 to same period 1932	May 31, 1933 comp. to May 31, 1932	Jan. 1, to May 31, 1933	1932
Evansville	+13.9%	-19.9%	-25.4%	.47	.45
Little Rock	2.8	-21.4	-19.8	.87	.87
Louisville	2.4	-19.4	-34.4	1.19	1.03
Memphis	8.2	-18.4	-16.3	1.17	1.19
Quincy	-14.0	-22.2	-21.1	.91	.95
St. Louis	1.8	-16.7	-15.2	1.44	1.46
Springfield	-20.3	-26.3	-30.5	.52	.53
8th District	3.2	-17.6	-18.8	1.28	1.27

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	May, 1933 comp. to May, 1932	5 months ended May 31, 1933 to same period 1932	May 31, 1933 comp. to May 31, 1932	Jan. 1, to May 31, 1933	1932
Men's Furnishings	+ 0.6%	-14.9%	-24.1%	1.22	1.08
Boots and Shoes	-11.4	-18.9	-29.9	1.24	1.14

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in May was 11.6 per cent more than in April, and 24.8 per cent less than the May, 1932, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May amounted to \$8,296,191 which compares with \$3,265,850 in April and \$8,788,497 in May, 1932. Production of portland cement for the country as a whole in May totaled 6,266,000 barrels against 4,183,000 barrels in April and 6,913,000 barrels in May, 1932. Building figures for May follow:

	New Construction Permits				Repairs, etc. Permits			
	1933	1932	*Cost 1933	*Cost 1932	1933	1932	*Cost 1933	*Cost 1932
Evansville ..	134	131	\$ 26	\$ 66	190	46	\$ 22	\$ 7
Little Rock ..	9	15	3	8	59	54	9	11
Louisville ..	53	63	49	40	32	50	101	40
Memphis ...	82	126	50	44	136	107	72	51
St. Louis....	153	198	181	253	247	256	117	95
May totals	431	533	\$ 309	\$ 411	664	513	\$ 321	\$204
April "	399	570	277	493	780	707	428	305
March "	347	497	197	636	370	565	169	224

*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 12.7 per cent greater than in April and 7.2 per cent less than in May, 1932. Detailed figures follow:

	No. of Customers	May, 1933 *K.W.H.	April, 1933 *K.W.H.	May, 1933 comp. to April, 1933	May, 1932 *K.W.H.	May, 1933 comp. to May, 1932
	Evansville ..	40	2,101	1,530	+37.3%	2,004	+ 4.8%
Little Rock..	35	1,586	1,280	+23.9	1,359**	+16.7
Louisville ..	85	6,974	5,318	+31.1	5,708**	+22.2
Memphis	31	1,516	1,257	+20.6	1,083**	+40.0
St. Louis.....	195**	14,809	14,551**	+1.8	18,920**	-21.7
Totals	386	26,986	23,936**	+12.7	29,074**	- 7.2

*In thousands (000 omitted).

**Revised figures.

AGRICULTURE

Generally through the Eighth District, weather during May and the first half of June was unfavorable for the planting, growth and development of crops. Excessive rainfall, low temperatures and lack of sunshine in May set back farm operations from ten days to three weeks behind the usual seasonal schedule. Serious delays in planting corn, cotton, tobacco and other late spring sown crops were encountered, and in many sections soil was still unplowed at the middle of June. Extensive acreages bordering rivers and creeks were inundated and

crops planted on this land were destroyed. In the main the season to date has been favorable for propagation of fungus and insect pests, infestation in some areas being the worst experienced in recent years. On the other hand the heavy precipitation in May was beneficial to hay crops and pastures, which are for the most part in excellent condition. The June 1 condition of hay in all the principal producing states of the district was above the ten-year average. Prospects for fruits and vegetables vary broadly, both with reference to the several species and locality. The strawberry crop was a large one, and due to extensive cooperative marketing, and improved distributive methods, results were in the main satisfactory.

Farm prices in this district have shown marked improvement during the past two months. This is true of practically all products, but has been particularly notable in the case of grains, livestock, cotton and hides. Since the first week in June weather has turned warm and clear, and farmers have been taking full advantage of these conditions to bring their work up to schedule. Due to the long and heavy rains, however, much soil is packed and difficult to work. Farm labor employment showed a moderate increase over the preceding thirty days, but universally there is still a considerable excess supply. Farmers are inclined to use as little hired help as possible in producing 1933 crops. In all states of the district there has been a steady increase in the rural populations. Farm land, particularly along the highways, shows a moderately upward trend in values.

Winter Wheat—While for the country as a whole, June 1 indications were for the smallest winter wheat crop since 1904, in states of this district indications were for a larger output than last year, though still considerably below the 5-year (1926-1930 average). In its report as of June 1, the U. S. Department of Agriculture estimates the crop in states entirely or partly within the Eighth District at 68,178,000 bushels, a decrease of 880,000 bushels under the May 1 forecast, and comparing with 65,244,000 bushels harvested in 1932 and a 5-year average of 80,629,000 bushels. The report comments on the abnormally hot and dry weather since June 1 which caught the crop in a critical stage of development, a large part being either in the milk or dough stages. This has resulted in considerable damage from scald and premature ripening. The crop Reporting Board has not attempted to evaluate the effect of weather since June 1, the report dealing strictly with conditions as of that date.

Corn — Generally throughout the district average planting of corn this season will be the latest in more than a quarter of a century. This condition is due to excessive rainfall, which not only delayed planting but retarded preparation of the soil. Cultivation to the middle of June had been on an exceptionally limited scale, and where planting was possible, grass and weeds have made considerable headway. According to the Illinois Cooperative Reporting Service, at the end of the first week in June only about 70 per cent of corn planting in that state had been completed, whereas 97 per cent is usually seeded at that date. The extreme heat wave since June 1 has resulted in a heavy loss of horses and hampered plowing operations. These conditions are typical of other northern states of the district. In Indiana about one-half of the crop had been planted on June 1. Lateness of the planting indicates that yields are likely to be below average, even with favorable conditions to harvest.

Fruits and Vegetables — Prospects for peaches are generally more favorable than earlier in the season. The indicated yield based on June 1 conditions for states including the Eighth District is 4,213,000 bushels, which compares with the practical failure of 1,259,000 bushels last year and a 5-year average (1926-1930) of 7,262,000 bushels. Prospects for apples are extremely irregular.

Live Stock — Generally throughout the district the condition of livestock is high, though the extreme high temperatures since June 1 have resulted in reported lowering of condition in some areas. In the main the spring lamb crop verified earlier estimates, and shipments have been heavy, being stimulated by more favorable prices. Milk production continued to closely approximate that at the corresponding period a year earlier, notwithstanding improvement in pastures during May and increases in prices of dairy products during the past three months. The increase in numbers of cows continues to be offset by low production per cow. The dairy situation as a whole has been substantially helped by the increase in the price of butterfat. Of the total number of hens on farms on June 1, 50 per cent were laying, compared with 48 per cent a year ago. There was an increase of about 10 per cent in the number of chicks hatched this year over the number per farm in 1932.

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

	Receipts			Shipments		
	May, 1933	April, 1933	May, 1932	May, 1933	April, 1933	May, 1932
Cattle and Calves.....	92,448	79,239	87,350	41,411	36,903	44,941
Hogs	301,011	256,616	258,880	172,029	155,769	156,807
Horses and Mules.....	3,492	6,238	1,935	3,830	5,493	1,907
Sheep	57,760	57,075	73,000	6,916	11,938	14,845

Cotton — Planting and development of the new crop has been retarded by adverse weather, and in some sections considerable acreage was destroyed by overflows of rivers and creeks. With the more auspicious weather conditions since the third week in May, farmers have been able to work intensively and recover part of the ground lost earlier in the season. Replanting has been accomplished on an extensive scale in sections where the high water has subsided. Due to the sharp advance in prices, farmers are endeavoring to put in as much cotton as possible, and increases over the area sown last year are indicated in Arkansas, Mississippi and Missouri. At the middle of June fields were mainly clean, exceptions being where the soil is baked and cloddy, and in some areas where moisture has prevented cultivation. Boll weevils are reported in large numbers, but it is too early yet for clear indications as to probable damage from this cause. Demand for cotton continued active and extended to almost all grades and lengths of staple. Prices advanced sharply, reaching the highest level since July, 1931. In the St. Louis market the middling grade ranged from 7.90c to 9c per pound between May 15 and June 15, closing at 8.50c on the latter date, which compares with 8.31c on May 15 and 4.85c on June 15, 1932. Receipts of cotton at Arkansas warehouses from August 1, 1932 to June 9, 1933, totaled 1,269,380 bales against 1,503,333 bales during the comparable period a year ago. Stocks on hand as of June 9 were 323,046 bales, against 379,098 bales on June 12, and 387,625 bales on the corresponding date a year ago.

COMMODITY PRICES

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

	High	Low	Close	
			June 15, 1933	June 15, 1932
Wheat				
July .....per bu..	.78	\$.68½	\$.75	\$.49¾
Sept. ....	.80¼	.71½	.76¾	.52½
No. 2 red winter " "	.83	.74½	\$.75 @ .75½	\$.48¾ @ .49
No. 2 hard " "	.78¾	.71	.75 @ .75½	.49¾ @ .50
Corn				
July " "	.46	.44	.44½ @ .45	.31
No. 2 mixed " "	.46	.41	.40 @ .41	.31 @ .31½
No. 2 white " "	.48¾	.44	.45¼ @ .45½	.31½ @ .32
Oats				
No. 2 white " "	.29½	.24¾	.29 @ .29½	.21 @ .21¾
Flour				
Soft patent.....per bbl.	5.00	3.00	3.00 @ 4.50	3.25 @ 3.50
Spring patent.....	5.60	3.25	4.35 @ 5.40	4.20 @ 4.50
Middling cotton.....per lb.	.0900	.0790	.0850	.0485
Hogs on hoof.....per cwt.	5.10	2.50	2.50 @ 4.60	2.50 @ 3.65

FINANCIAL

The improvement in the banking and financial situation in the Eighth District, which began in late March, was continued during the past thirty days. There was a moderate increase in deposits and

reserve balances of the commercial banks, and liquidation with both city and country banks was in considerable volume. Between May 18 and June 19 there were 80 additional banks open for business, the total number on the latter date being 1,733. Just prior to the banking holiday in March there were 1,875 member and nonmember banks operating in the district.

In view of the improved business conditions, less than the expected expansion in demand for credit from mercantile and industrial interests was in evidence. This was due partly to the fact that commercial and manufacturing concerns are still using their own cash resources for current needs, in numerous instances disposing of their Government securities and other investments and using the proceeds in their business. There was a further broadening in commitments of grain elevator and flour milling interests, reflecting the upturn in cash wheat values and increased inventories. The demand for financing agricultural operations continues much below the seasonal average during past years.

Deposits of the reporting member banks in the principal cities declined sharply to a new low level for the year in the final week of May, but recovered all the loss in the first two weeks of June and on June 14 were 3.2 per cent greater than on May 17. A similar movement took place in the total investments of these banks. Total loans receded slightly during the 4-week period, and on June 14 were smaller by more than one-fourth than a year ago.

There was little change in borrowings of all member banks from the reserve bank between May 17 and June 17, and throughout the period the average was considerably smaller than a year ago. The total volume of Federal reserve credit outstanding on June 17 was approximately 3.5 per cent greater than a month earlier, the increase being occasioned by an expansion in holdings of Government securities.

The trend of rates was slightly firmer. At St. Louis banks as of the week ended June 15, current interest rates were as follows: Customers' commercial paper, $4\frac{1}{2}$ to $4\frac{3}{4}$ per cent; collateral loans, 4 to 6 per cent; interbank loans, $4\frac{3}{4}$ to $5\frac{3}{4}$ per cent; loans secured by warehouse receipts, 4 to 6 per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on June 14, 1933 showed a decrease of 0.4 per cent as contrasted with May 17, 1933. Deposits increased 2.3 per cent be-

tween May 17, 1933 and June 14, 1933 and on the latter date were 7.3 per cent smaller than on June 15, 1932. Composite statement follows:

	*June 14, 1933	*May 17, 1933	*June 15, 1932
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 87,671	\$ 89,466	\$118,191
All other loans and discounts....	127,277	126,317	174,806
Total loans and discounts.....	\$214,948	\$215,783	\$292,997
Investments U. S. Government securities.....	126,159	123,206	87,292
Other securities.....	101,308	101,408	119,221
Total investments.....	\$227,467	\$224,614	\$206,513
Reserve balance with F. R. Bank	39,151	37,597	35,251
Cash in vault.....	7,996	8,451	5,691
Deposits Net demand deposits.....	271,058	261,187	270,979
Time deposits.....	156,769	156,746	182,693
Government deposits.....	1,206	1,655	9,242
Total deposits.....	\$429,033	\$419,588	\$462,914
Bills payable and rediscounts with Federal Reserve Bank.....	325	.....	1,763

*In thousands (000 omitted).

This report covers 19 selected 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.

	*May, 1933	*April, 1933	*May, 1932	May, 1933 comp. to Apr. 1933	May, 1932
East St. Louis & Natl. Stock Yards, Ill. \$	19,800	\$ 15,607	\$ 19,844	+26.9%	— 0.2%
El Dorado, Ark.....	2,622	2,848	3,298	— 7.9	—20.5
Evansville, Ind.....	14,201	12,624	16,059	+12.5	—11.6
Fort Smith, Ark.....	6,157	5,941	6,812	+ 3.6	— 9.6
Greenville, Miss.....	2,567	2,189	2,289	+17.3	+12.1
Helena, Ark.....	1,181	1,131	1,242	+ 4.4	— 4.9
Little Rock, Ark.....	18,357	12,737	19,532	+44.1	— 6.0
Louisville, Ky.....	98,669	92,172	102,433	+ 7.0	— 3.7
Memphis, Tenn.....	73,411	64,844	70,328	+13.2	+ 4.4
Owensboro, Ky.....	2,034	2,156	2,501	— 5.7	—18.7
Pine Bluff, Ark.....	‡ 4,535	.....	‡ 4,562	.....	— 0.6
Quincy, Ill.....	‡ 5,324	.....	‡ 6,230	.....	—14.5
St. Louis, Mo.....	442,800	357,666	484,620	+23.8	— 8.6
Sedalia, Mo.....	1,393	1,256	1,410	+10.9	— 1.2
Springfield, Mo.....	9,671	8,456	10,402	+14.4	— 7.0
**Texarkana, Ark.-Tex.....	5,023	4,185	5,073	+20.0	— 1.0
Totals	\$697,886	\$583,812	\$745,843	+19.5%	— 6.4%

*In thousands (000 omitted).

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

‡Not included in totals.

Federal Reserve Operations — During May, the Federal Reserve Bank of St. Louis discounted for 150 member banks against 160 in April and 226 in May, 1932. The discount rate of this bank was reduced from $3\frac{1}{2}$ to 3 per cent, effective June 8, 1933. Changes in the principal assets and liabilities of this institution appear in the following table:

	*June 16, 1933	*May 16, 1933	*June 16, 1932
Bills discounted	\$ 2,423	\$ 2,966	\$ 13,109
Bills bought	82	2,890	1,232
U. S. Securities.....	70,730	65,832	61,129
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks..	203	210	1,005
Total Bills and Securities.....	\$ 73,438	\$ 71,898	\$ 76,475
**Total Reserves.....	\$164,602	\$163,478	\$ 81,847
Total deposits.....	84,855	77,833	57,363
F. R. Notes in circulation.....	142,469	147,082	90,694
Ratio of reserve to deposits and F. R. Note Liabilities.....	72.4%	72.7%	55.3%

*In thousands (000 omitted).

**Includes total gold reserves and all other cash.

(Compiled June 23, 1933)

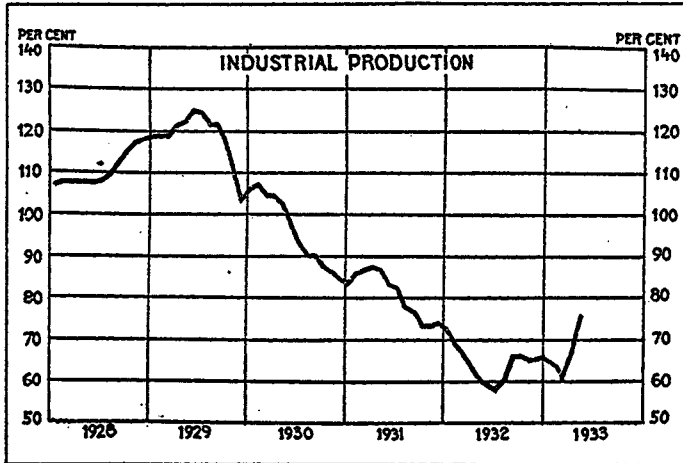
BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity increased rapidly in May and the early part of June, and there was an advance in the general level of commodity prices. Prices of raw materials traded in on organized exchanges showed wide fluctuations, and a general rapid upward movement, while prices of other commodities as a group showed relatively little increase.

PRODUCTION AND EMPLOYMENT—Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 67 per cent of the 1923-1925 average in April to 76 per cent in May, as compared with 60 per cent in March, 1933. Operations at steel mills continued to increase in May and the early part of June, contrary to seasonal tendency, and in the week ending June 24 activity is reported at about 50 per

ending April 15 to 64.5 per cent in the week ending June 17. This increase reflected a rapid rise in the prices of commodities traded in on organized exchanges, including wheat, cotton, wool, hides, lard, sugar, silk, rubber, and non-ferrous metals, and also in the prices of flour, textiles, and leather; while prices of petroleum were reduced and most other prices showed relatively little change.

FOREIGN EXCHANGE—The value of the dollar in the exchange market declined by 18 per cent between the middle of April and June 21. On the latter date the noon buying rate on cable transfers for the French franc was 4.81 cents, as compared with a gold par of 3.92 cents, and the English pound was quoted at \$4.16, as compared with a rate of \$3.41 on April 12.

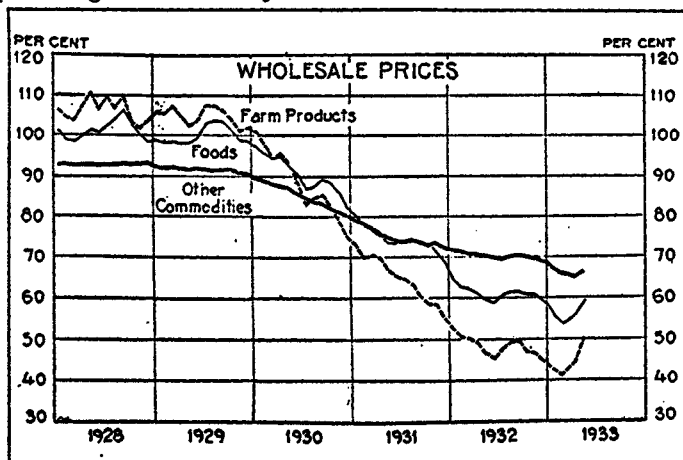


Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure May, preliminary, 76.

cent of capacity. Output of the automobile industry was larger in May than in April and, according to trade reports, has increased further in June, although a decline is usual at this season. Lumber output in May showed a considerable increase from previous low levels. Activity at textile mills increased sharply to a higher level for the season than in any other month since November, 1929; output of shoe factories in May was larger than in May of any previous year.

Employment in manufacturing industries increased considerably between the middle of April and the middle of May, and the Board's index, which is adjusted to allow for seasonal variations, advanced from 58 per cent of the 1923-1925 average to 61 per cent. Factory payrolls increased by a larger percentage to about 42 per cent of the 1923-1925 average.

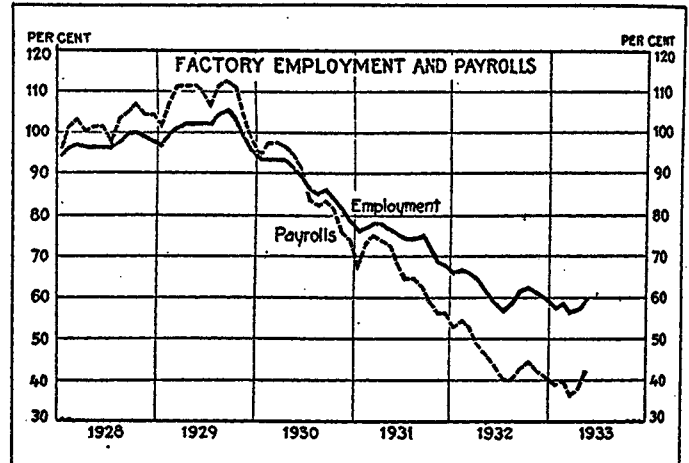
Value of construction contracts awarded during May and the first half of June, as reported by the F. W. Dodge Corporation, showed a non-seasonal increase from the extreme low levels prevailing earlier in the year.



Indexes of United States Bureau of Labor Statistics (1926=100). Latest figures May, farm products 50.2, foods 59.4, other commodities 66.5.

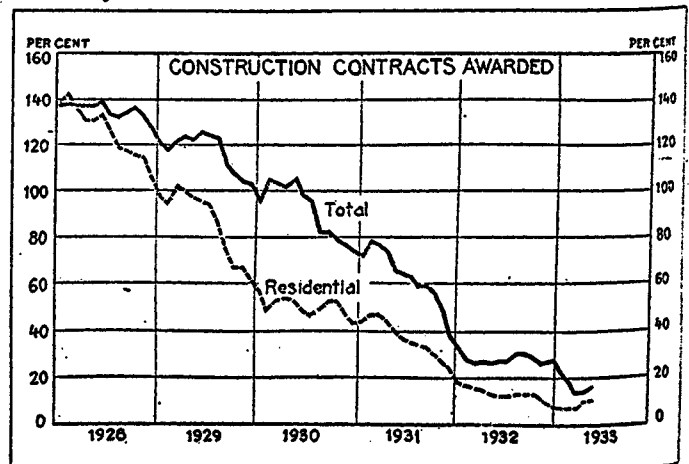
DISTRIBUTION—Freight traffic increased from April to May by more than the seasonal amount, reflecting chiefly larger shipments of miscellaneous freight and merchandise. Department store sales, which had increased substantially from March to April, showed little change in May.

WHOLESALE PRICES—Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 60.3 per cent of the 1926 average in the week



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100). Latest figures May, employment 60, payrolls 42.

BANK CREDIT—A return flow of \$156,000,000 of currency from circulation and purchase of \$118,000,000 of United States Government securities by the reserve banks placed a considerable volume of reserve funds at the disposal of member banks during the five weeks ending June 21. These funds were used in part to reduce further the member banks' indebtedness to the reserve banks and the reserve banks' holdings of acceptances, and in part were added to the member banks' reserve accounts. Loans and investments of member banks in 90 leading cities increased by \$175,000,000 in the four weeks ending June 14, representing chiefly a growth of security loans and other loans at New York city banks. Loans to brokers and dealers in securities made by New York city banks increased by \$160,000,000 during the period, while security loans to other customers declined. Net demand deposits at the reporting banks increased by over \$500,000,000, reflecting in part a further growth of bankers' balances, principally in New York City.



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 May, residential preliminary 11, total preliminary 17.

Money rates in the open market continued to decline during the period and in the middle of June were only slightly above the lowest levels of recent years. On May 26 the discount rate of the Federal Reserve Bank of New York was reduced from 3 to 2½ per cent and in the following three weeks rates were lowered from 3½ to 3 per cent at the Federal Reserve Banks of Chicago, Boston, San Francisco, Philadelphia, St. Louis, and Cleveland. At the other Federal reserve banks a rate of 3½ per cent prevailed.