



# MONTHLY REVIEW

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

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JOHN S. WOOD,  
*Chairman and Federal Reserve Agent*

C. M. STEWART,  
*Secretary and Ass't Federal Reserve Agent*

J. VION PAPIN,  
*Statistician*

FEDERAL RESERVE BANK OF ST. LOUIS

WHILE the volume of Eighth District business continues well ahead of the corresponding period a year and two years earlier, the past thirty days have been marked by some slowing down in certain phases both of productive and distributive activities. The lagging tendencies, however, are by no means universal, as in a number of important lines there has been no recession from the recent gains, and in some instances progress recorded earlier in the year has been carried further. In the comparison with a year ago, April showed less marked increases than in earlier months, the main reason for which manifestation being that in the spring of 1933 the substantial betterment in general business conditions began to get well under way. Wholesale trade in April receded below that of the month before, which is explained by the earlier Easter date and by other seasonal influences. Reports covering the first half of May indicate some spottiness and irregularity. It is evident that merchants and the public are buying somewhat more cautiously than heretofore, and in many instances, current needs were well supplied in the earlier buying movements.

Of the wholesale lines investigated by this bank, all but electrical supplies showed decreases in sales volume from March to April, but without exception increases over a year earlier were recorded, and the total of all lines was larger than in April, 1932. Most immediately affected by the recessionary trends were lines handling goods for ordinary consumption, notably dry goods, boots and shoes, certain food products, drugs and apparel. Demand for garden supplies, including seeds, spraying materials and equipment, hand implements, etc., continues active, and the season to date for goods in this general category has been the best since the beginning of the depression. As a whole the iron and steel industry in this district made further progress, with especially large increases being reported by manufacturers of stoves, farm implements, refrigeration and household appliances. The melt of pig iron expanded further, and while there was a decline in new sales, deliveries on iron previously acquired in April reached the highest total for any month in more than two years.

Drouth conditions, which seriously injured crops in other sections of the country, were less acutely felt in this district, and in many localities precipitation has been adequate throughout the season. Taken as a whole, the Eighth District agricultural situation at the middle of May was favorable, with prospects for many crops well up to average. Whereas wheat prospects for the country as a whole decline sharply between April 1 and May 1, the estimate of the U. S. Department of Agriculture for production in states of this district was raised by 291,000 bushels during the thirty-day period. Planting of cotton, corn, rice, hay and other spring crops has made excellent progress, and recent rains have materially benefited all vegetation. Quite generally throughout the district, but more particularly in the cotton areas, farmers are planning for more extensive diversification than in any recent year. Farm income has been substantially increased by rental and benefit payments in connection with the Government's curtailment campaign, and a considerable part of these funds are being used to finance spring operations.

As indicated by sales of department stores in the principal cities of the district, retail trade in April was 7 per cent smaller than in March, and 12 per cent greater than in April, 1933; for the first four months this year the volume was 27 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in April were 11 per cent smaller than in March, but 18 per cent in excess of the April, 1933, total; for the first four months cumulative sales of these firms were larger by 51 per cent than during the same time in 1933. The dollar value of building permits issued for new construction in the five largest cities in April was 472 per cent and 369 per cent greater, respectively, than a year and a month earlier; cumulative total for the first four months this year exceeded that of the same period in 1933 by 245 per cent. Contracts let in the Eighth District in April were 63 per cent greater than in March, and 144 per cent more than the April, 1933, aggregate; for the first four months this year there was an increase of 159 per cent as compared with the similar period in 1933. Debits

to checking accounts in April fell 5 per cent below the preceding month, but were 29 per cent greater than in April last year. The cumulative total for three months this year was 19 per cent larger than for the like period in 1933.

In all classifications of freight handled, with the exception of grain and grain products, railroads operating in this district report increases during the past thirty days over the corresponding period a year ago. Falling off in the movement of grain is accounted for by the unusually heavy shipments earlier in the year, and the ordinary seasonal influences. In the number of passengers handled and revenues from this traffic, totals of several of the reporting roads were the largest in more than three years. For the country as a whole, loadings of revenue freight for the first 18 weeks this year, or to May 5, totaled 10,484,684 cars, against 8,801,977 cars for the corresponding period in 1933, and 10,098,914 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 73,693 loads in April, which compares with 81,391 loads in March, and 65,819 loads in April, 1933. During the first nine days of May the interchange amounted to 21,979 loads, against 21,418 loads during the first nine days of April, and 21,142 loads during the corresponding period a year ago. Passenger traffic of the reporting lines increased 7.5 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 91,000 tons, which compares with 81,600 tons in March and 82,440 tons in April, 1933.

Reports relative to collections during April and the first half of May reflect a continuance of the progressively favorable conditions which have obtained in recent months. In the principal centers of distribution, wholesalers and jobbers report May settlements as exceeding expectations and greatly in excess of a year ago. Scattered reports of country banks indicate considerable liquidation by agricultural borrowers, and improved collections by country merchants is the rule throughout the district, but more particularly in the south. According to manufacturers of building materials and other descriptions of heavy goods, collections during the past sixty days have shown distinct betterment over conditions prevailing earlier in the year. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
April, 1934.....	3.1%	44.3%	50.6%	2.0%
March, 1934.....	5.1	42.3	50.5	2.1
April, 1933.....	3.5	15.8	63.2	17.5

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 24, with liabilities of \$305,505, against 37 defaults in March, involving liabilities of \$754,076, and 68 failures for a total of \$996,043 in April, 1933.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — April sales of the reporting firms were 6 per cent larger than for the same month in 1933, and 4 per cent smaller than the March total this year. Inventories decreased 17.5 per cent between April 1, and May 1, and on the latest date were 4 per cent larger than a year ago. The decrease in the month-to-month comparison was seasonal in character, but smaller than the average during the past several years. Since May 1 there has been a noticeable contraction in ordering, retailers generally being disposed to await developments before increasing their commitments. There was no change in prices as contrasted with the preceding thirty days. Production decreased seasonally in April, and since the first of this month operations at a number of plants were suspended on account of labor troubles.

**Clothing** — As contrasted with a year ago, sales of the reporting clothiers in April showed an increase of 53 per cent, but a decrease of approximately the same amount as compared with the March volume this year. The decrease in the month-to-month comparison, which is greater than usual, is attributed to the heavy purchasing earlier in the year. Ordering of apparel for summer and early autumn distribution continues well in excess of a year and two years earlier. Some slowing down in demand for work clothing was noted during the last half of April and the opening weeks of May. Stocks on May 1 were 8 per cent smaller than a month earlier, and 93 per cent greater than a year ago.

**Drugs and Chemicals** — Following the seasonal trend, April sales of the reporting firms in this classification decreased 11 per cent under the preceding month. April volume, however, was 36 per cent greater than for the same month in 1933. Cool weather during April had a tendency to retard the movement of seasonal merchandise, though purchasing of insecticides, fertilizers and kindred materials extended further into the season than usual. A heavy volume of reordering of merchandise in this category was reported by a number of important firms. Some slowing down in requirements of heavy chemicals was noted in the general manufacturing trade. Stocks on May 1 were 2.4 per cent smaller than a month earlier and 24 per cent larger than on May 1, 1933.

**Dry Goods**—Some slowing down in ordering was noted in April, with further curtailment in the first two weeks of May. Retailers have apparently covered thoroughly on their immediate requirements and are purchasing somewhat more cautiously than earlier in the year. April sales of the reporting firms fell 16 per cent below the March total, but were 31.5 per cent larger than in April, 1933, and, incidentally, represented the largest total for the month since 1930. Inventories continued to increase, stocks on May 1 being 11 per cent and 130 per cent larger, respectively, than thirty days and a year earlier.

**Electrical Supplies**—Further improvement in this classification, both as compared with a month and a year earlier, was noted in April business. Reports covering the first half of May reflect a slight falling off in orders booked, but with volume still running well over the corresponding period a year ago. April sales of the reporting firms were 66 per cent greater than for the same month in 1933, and 15 per cent in excess of the March total this year. Stocks on May 1 were larger by 14 per cent and 36 per cent respectively, than a month and a year earlier.

**Flour**—Production at the twelve leading mills of the district in April totaled 224,482 barrels, the smallest since last August, and comparing with 263,960 barrels in March and 274,572 barrels in April, 1933. Except for a moderate improvement in demand through the south, where early spring farm operations are stimulating the retail outlet, trade continued quiet. Purchasing by the large milling interests and jobbers is mainly on a requirement basis. The export situation particularly with reference to Europe and the Orient, has developed no improvement. Routine business with the Latin-American countries was reported steady. After receding in late April, prices strengthened in the first weeks of May in sympathy with the upturn in cash wheat values. Mill operations were at from 45 to 50 per cent of capacity.

**Furniture**—April sales of the reporting firms were 28 per cent larger than for the same month in 1933, and 12 per cent smaller than in March this year. Stocks decreased 6 per cent between April 1 and May 1, and on the latest date were approximately one-half larger than a year ago. Further improvement was noted in demand for household furniture and furnishings. According to a number of leading establishments, profits during the past three or four months have been on a more satisfactory basis than since 1930.

**Groceries**—Business in the rural areas, particularly in the south, has shown steady improve-

ment during the past six weeks, according to grocery firms reporting to this bank. Increased sales in the country, however, have been partly offset by smaller volume in the larger centers of population, with the result that April sales decreased 11 per cent below the preceding month. The April total, however, was 14 per cent above that of the same period in 1933. Inventories decreased slightly between April 1 and May 1, and on the latest date were about one-third larger than a year earlier.

**Hardware**—Considerable spottiness was reflected in reports relative to April business by the firms furnishing their statistics to this bank. In some localities no diminution was shown in sales, while elsewhere a decided slowing down was noted. Goods for consumption in the rural areas continue to make a relatively better showing than merchandise for distribution in the urban centers. Sporting goods and outing supplies are moving in measurably heavier volume than during the preceding two or three years. Builders' tools and hardware continue slow. April sales of the reporting firms were 13 per cent smaller than in March, but 17 per cent greater than in April a year ago. Stocks on May 1 were slightly larger than a month earlier and 24 per cent greater than on May 1, 1933.

**Iron and Steel Products**—In practically all sections of the iron and steel industry in this general area, the past thirty days have been marked by a further expansion in activities. Improvement has been particularly marked in the case of specialty manufacturers, notably stoves, washing machines, tractors, farm implements and heating apparatus. Some slowing down was reported by manufacturers of machine tools and other heavy machinery. The melt of pig iron in April and the first half of May was measurably larger than in the similar period immediately preceding, and approximately 50 per cent greater than a year ago. April deliveries of pig iron to users in the district were the largest for any month since 1931, and the daily average rate since May 1 was slightly above that of the preceding month. While miscellaneous requirements continue to predominate in finished and semi-finished steel, demands from the important consuming interests, including the railroad, automotive, petroleum, and building industries were more in evidence than heretofore. Operations at district steel mills at the middle of May were at a slightly higher rate than thirty days earlier. Jobbing foundries reported a substantial accretion to new orders, and in spite of heavy shipments of castings during April, unfinished business on their books at the end of that month was in larger volume than on March 31. A favorable development in the industry as a whole

has been the almost negligible volume of cancellations. On the contrary, there was a general desire on the part of purchasers to get in all material under contract for second quarter delivery. This was ascribable partly to the fact that under the steel code, practically all second quarter tonnage, except railroad, must be delivered before July 1. Materials for distribution in the rural areas, such as wire fencing, repair goods, roofing, machine shop supplies, etc., continue to move in considerably heavier volume than at the same season during the past several years. The general run of wire and wire products and certain descriptions of tubular goods, are in better demand than earlier in the year. Demand for sheets and plates was somewhat more active, both in point of new inquiries and specifications on tonnage previously acquired. Warehouse and jobbing interests report steady improvement in volume of business, with relatively little resistance on the part of customers to the recent price advances. While still relatively quiet, building materials showed moderate improvement during April and the first weeks of May. The trend of prices of both raw and finished materials continued upward. An exception was iron and steel scrap, which during the first half of May declined rather sharply from the high levels recorded in March and April. The decline was attributable to more liberal offerings and to the fact that mills and foundries had covered their requirements pretty thoroughly in the buying movement earlier in the year. For the country as a whole production of pig iron in April, according to the magazine "Steel", totaled 1,736,217 tons, the largest since August, 1933, and comparing with 1,625,588 tons in March, and 623,606 tons in April, 1933. Production of steel ingots in the United States in April was 2,935,631 tons, against 2,797,194 tons in March, and 1,362,856 tons in April, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in April, was 360,620, against 336,013 (revised figure) in March, and 180,667 (revised figure) in April, 1933.

Conforming with the usual seasonal trend, Eighth District distribution of automobiles, according to dealers reporting to this bank, decreased during April under the preceding month. The extent of the decline, however, was considerably less than the average during the past decade, and the total was substantially larger than in April, 1933. The April volume was the largest for that month since 1931. The increase in the yearly comparison was accounted for largely by cars in the low price field, and in the medium price category where new models have been featured and intensive selling campaign conducted. Recent price advances, made

to adjust to higher material and labor costs, according to dealers handling the makes affected, have met with relatively little price resistance. As has been the case for the past several months, demand for trucks of all descriptions continued in considerable volume. Truck sales by the reporting dealers in April exceeded those of the same period in 1933 by more than one-half, though the total was about 9 per cent below that of March this year. As contrasted with earlier months this year, business in parts and accessories developed moderate betterment during the last half of April and early May.

Sales of new passenger cars by the reporting dealers in April were one-third larger than for the same month a year ago, and 1.6 per cent smaller than the March total this year. Dealers are still disposed to hold their inventories in close balance with current sales, with the result that stocks on hand as of May 1 showed only slight change as compared with April 1, but the total was still about one-fourth greater than a year ago. While moderate improvement was noted in the used car situation, the market is still handicapped by a lack of desirable cars in virtually every price field. In many instances dealers are offering higher prices for good secondhand vehicles than heretofore. Sales of used cars in April fell slightly below March and were approximately 10 per cent greater than in April, 1933. Stocks of salable secondhand cars on May 1 were 11 per cent and 15 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that item, the proportion of deferred payment sales to total sales in April was 48 per cent, against 51 per cent in March and 48 per cent in April, 1933.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 369 per cent more than in March, and 472 per cent greater than the April, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$7,983,325 which compares with \$16,717,591 in March, and \$3,265,850 in April, 1933. Production of portland cement for the country as a whole in April totaled 6,544,000 barrels, against 5,257,000 barrels in March and 4,183,000 barrels in April, 1933. Building figures for April, follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	3	118	\$ 12	\$ 9	188	365	\$ 34	\$ 42
Little Rock ..	12	11	70	1	96	28	23	64
Louisville ..	38	43	320	34	73	62	116	90
Memphis ...	160	114	69	79	176	134	58	55
St. Louis....	165	113	1,114	154	228	191	92	177
April Totals	378	399	\$1,585	\$ 277	761	780	\$ 323	\$428
March " "	353	347	338	197	557	370	222	169
Feb. " "	227	228	251	133	404	269	302	129

\*In thousands of dollars (000 omitted).

## 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. 1934 comp. to Apr. 1933	4 months ended Apr. 30, 1934 to same period 1933	Apr. 30, 1934 comp. to Apr. 30, 1933	Jan. 1, to Apr. 30, 1934	Apr. 30, 1933
El Dorado, Ark.....	+38.6%	+48.0%	+11.9%	.85	.62
Evansville, Ind.....	- 0.1	+26.1	+20.2	.58	.51
Fort Smith, Ark.....	+17.9	+36.0	+24.4	.72	.63
Little Rock, Ark.....	+20.6	+46.8	+42.3	.74	.68
Louisville, Ky.....	+ 6.9	+17.1	+ 8.7	.99	.91
Memphis, Tenn.....	+25.1	+34.3	+23.7	1.03	.87
Quincy, Ill.....	+27.9	+37.5	+13.2	.90	.71
St. Louis, Mo.....	+ 8.6	+24.0	+22.4	1.19	1.12
Springfield, Mo.....	+42.0	+41.3	+14.9	.59	.42
All Other Cities.....	+ 8.0	+33.1	+36.5	.87	.89
8th F. R. District.....	+11.8	+26.6	+22.6	1.06	.97

Percentage of collections in April to accounts and notes receivable first day of April, 1934. (Percentage of collections by cities.)

El Dorado, Ark.....	47.2	Memphis, Tenn.....	39.6
Fort Smith, Ark.....	36.9	Springfield, Mo.....	24.6
Little Rock, Ark.....	33.8	St. Louis, Mo.....	51.6
Louisville, Ky.....	46.5	All Other Cities.....	31.3
8th F. R. District.....	46.0		

### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Apr. 1934 comp. to Apr. 1933	4 months ended Apr. 30, 1934 to same period 1933	Apr. 30, 1934 comp. to Apr. 30, 1933	Jan. 1, to Apr. 30, 1934	Apr. 30, 1933
Men's Furnishings .....	- 9.6%	+32.2%	+41.7%	.76	.74
Boots and Shoes .....	-18.4	- 3.8	- 2.8	.95	.85

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in April as being 2.5 per cent greater than in March and 20.9 per cent more than in April, 1933. Detailed figures follow:

No. of Customers	Apr., 1934	Mar., 1934	Apr. 1934 comp. to Mar. 1934	Apr., 1933	Apr. 1934 comp. to Apr. 1933
	*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	2,400	2,362	+ 1.6%	1,568**	+53.1%
Little Rock... 35	1,375	1,191**	+15.4	1,280	+ 7.4
Louisville .... 85	6,648	6,523	+ 1.9	5,320**	+25.0
Memphis ..... 31	1,761	1,692	+ 4.1	1,257	+40.1
St. Louis.....194	16,605	16,318	+ 1.8	14,384**	+15.4
Totals .....	28,789	28,086**	+ 2.5%	23,809**	+20.9%

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

## AGRICULTURE

Taken as a whole the season from the period of winter wheat planting last fall to the middle of May in the Eighth District has been favorable for agriculture, considerably more so than in some other sections of the country. The mild, open winter permitted of an unusual amount of soil preparation, and such operations are ahead of the seasonal schedule. While the first four months of the current year have been dry, moisture in some sections being much below average, there have been scattered rains, and except in limited areas, drouth conditions have not been serious. As a result of inadequate precipitation, pastures, oats and tame hay suffered most, other crops weathering relatively well and offering fair promise of sizeable yields. For the country as a whole there was a sharp decline in the

condition of winter wheat from April 1 to May 1, whereas in states of this district prospects bettered during the thirty-day period. Rains were fairly general during the second week of May, breaking the dry spell, and proving of great benefit to pastures and the wheat and tame hay crops. Corn planting has proceeded without serious interruption, with soil in generally excellent tilth.

Generally throughout the district, but more particularly in the cotton, tobacco and wheat sections, farmers are planning to diversify to a greater extent than in former years. The formulation of such programs is ascribable in large measure to the reduction in acreage of the main crops incident to the Government's curtailment campaign. Larger feed crops will be planted than formerly, with particular stress being put upon varieties which will maintain and build up the land. Acreages of commercial fruits and vegetables are expected to be enlarged, and gardens for home use will be a more extensive and important factor than in former years. Reports from seed interests in various sections of the district indicate a considerable increase in the volume of sales over the same time a year and two years earlier, also a greater diversity in kinds of seeds purchased.

According to reports of the Agricultural Adjustment Administration, rental and benefit payments received to April 1 by farmers in states of the Eighth District in connection with the program for curtailment of cotton, wheat and tobacco crops amounted to \$30,483,451. For the country as a whole these payments totaled \$179,702,687.

**Winter Wheat**—The U. S. Department of Agriculture in its report based on conditions as of May 1, estimates 1934 production of winter wheat in states including the Eighth District at 82,388,000 bushels, an increase of 291,000 bushels over the April forecast, and comparing with 71,766,000 bushels harvested in 1933, and the 5-year average (1927-1931) of 85,397,000 bushels.

**Fruits and Vegetables**—Prospects for peaches in the southern states, according to the U. S. Department of Agriculture's May 1 report, are considerably better than a year ago. On the other hand, the crop in central and Northern-Missouri, and large sections of Illinois and Indiana is a virtual failure, due to dry weather injury last year and heavy destruction of buds and blossoms from freezing in late February and March. The combined output in Arkansas and Mississippi is estimated at 3,663,000 bushels, against 1,166,000 bushels harvested in 1933 and the 5-year average (1927-1931) of 2,559,000 bushels. Similar conditions obtain in apple prospects. Bloom has been scanty in the northern areas, but to the south conditions are generally much more

favorable. Due to favorable season and increased acreage, the strawberry crop is expected to be considerably larger than a year ago, according to reports of county agents, railroads and marketing organizations in the principal producing areas.

**Live Stock**—May hay conditions generally through the district indicate another light crop, illustrating the cumulative effects of several years of short rainfall. Pastures are also short, in some sections the lowest in twenty years. As a result of the prolonged feeding season, stocks of tame hay on farms as of May 1 in states of this district had dropped to the low aggregate of 1,322,000 tons, as against 1,937,000 tons on the same date in 1933, and a 5-year average (1927-1931) of 1,843,000 tons.

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

	Receipts			Shipments		
	Apr., 1934	Mar., 1934	Apr., 1933	Apr., 1934	Mar., 1934	Apr., 1933
Cattle and Calves.....	90,891	85,772	79,239	41,374	40,708	36,903
Hogs.....	257,196	202,216	256,616	133,380	126,977	153,769
Horses and Mules.....	6,160	6,563	6,238	5,444	6,723	5,493
Sheep.....	36,825	41,035	57,075	5,297	4,960	11,938

**Cotton**—Planting of the new crop made good progress during the last half of April and to the middle of May. The winter had been one of the most favorable in recent years for soil preparation, and with intensive cultivation, fields are unusually free of grass and weeds, and in excellent condition to face a wet spell, should one develop later in the season. Germination has been slow, owing to cool weather, and, in some sections, to lack of moisture. Dry conditions, however, have been by no means universal, as many important growing areas have received beneficial showers, with the result that the plant is up to good stands. In the most southern counties of the district, chopping has made headway. There are scattered reports of damage from cut worms, but nothing of a particularly serious character. According to the National Fertilizer Association there was a sharp drop in fertilizer tag sales in states of this district from March to April. Total sales of these states for the period from January to April, inclusive, however, were about three-fourths larger than for the corresponding period in 1933 and 58 per cent greater than in 1932. Prices of raw cotton declined sharply in late April and early May, but recovered a considerable part of the loss during the second week of the latest month. In the St. Louis market the middling grade ranged from 10.45c to 11.50c per pound between April 17 and May 15, closing at 11.20c on the latter date, which compares with 11.50c on April 17 and 8.30c on May 15, 1933. Receipts at Arkansas compresses from August 1, 1933, to May 11, 1934, totaled 1,000,116 bales, against 1,238,450 bales for the corresponding period a year earlier. Stocks on hand as

of May 11 were 347,875 bales, against 414,022 bales on April 13, and 379,089 bales on the corresponding date in 1933.

Allotment of tax-exempt cotton to Eighth District states, under provisions of the Bankhead Act is given in the following table:

	5-year average 1928-1932 in 1,000 bales	% of total U. S. 5-year average excluding Missouri	Allotment in terms of 500-lb. net weight bales
Tennessee .....	479	3.37	323,520
Mississippi .....	1,559	10.96	1,052,160
Arkansas .....	1,358	9.55	916,800
Total, excluding Missouri.....			2,292,480
Missouri .....			200,000
Totals .....	3,396	23.88	2,492,480

The tax exempt production in the United States is 10,000,000 bales.

**Tobacco**—Virtually the entire burley crop has moved from farmers' hands. Records as of May 4 indicate net production of the 1933 crop was approximately 385,144,000 pounds, which sold at an average of \$10.46 per cwt., as compared with net sales of the 1932 burley crop of 320,303,000 pounds at a general average of \$12.45 per cwt. Dark fired markets were kept open later than expected, owing to interference with handling the leaf caused by unfavorable weather. On May 4 estimates indicated that 95 per cent of the entire dark crop had been sold and delivered.

As of the second week in May, reports from the chief producing areas of this district indicated that growth of plants had been retarded by lack of rainfall. Growers were obliged to resort to artificial watering to keep the plants alive, and their growth was irregular and stunted. However, recent precipitation has materially improved plant beds, and latest advices indicate that there will be enough healthy plants to assure putting in full intended acreage.

## COMMODITY PRICES

Range of prices in the St. Louis market between April 16, 1934, and May 15, 1934, with closing quotations on the latter date and on May 15, 1933, follow:

	High	Low	Close	
			May 15, 1934	May 15, 1933
Wheat				
*May .....	per bu. \$ .87½	\$ .70½	\$ .86½	\$ .74
July .....	“ .86½	.72	.84½	.73½
*Sept. ....	“ .87	.74½	.85½	.74½
No. 2 red winter .....	“ .88	.74½	.85½	.82 @ .82½
No. 2 hard .....	“ .87¾	.74½	.86½	.77 @ .78
Corn				
*May .....	“ .49½	.40	.46½	.44¾
July .....	“ .52	.43	.48½	.34¾
*Sept. ....	“ .53½	.45	.50½ @ .50½	.36½ @ .36¾
*No. 2 mixed .....	“ .52	.45¾	.52	.45¾ @ .46
*No. 2 white .....	“ .55½	.49	.53	.47½ @ .48¾
Oats				
*No. 2 white .....	“ .38	.28½	.35 @ .35½	.27½ @ .27½
Flour				
Soft patent.....	per bbl. 6.70	5.85	6.30 @ 6.70	4.65 @ 5.00
Spring .....	“ 6.60	5.85	6.30 @ 6.60	3.25 @ 5.25
Middling Cotton.....	per lb. .1150	.1045	.1120	.0830
Hogs on Hoof.....	per cwt. 4.00	1.50	1.75 @ 3.55	3.00 @ 5.00

\*Nominal quotations.

## FINANCIAL

The Eighth District banking and financial situation during the past thirty days has been marked

by a further recession in demand for credit from mercantile, industrial and agricultural sources, accompanied by an easier trend in interest and discount rates. Deposits of the commercial banks remained at, or around the high levels which have obtained since last February. The increase in deposits has been without corresponding augmentation in call for banking accommodations, and in order to employ their funds, the commercial banks have been obliged to further increase their investment accounts. These general conditions exist with both country banks and financial institutions in the large urban centers. Reflecting the paucity of demand for agricultural purposes, borrowings of country banks from their city correspondents and the Federal Reserve bank are at the lowest level at this particular period in recent years. Spring farm operations in the cotton areas are being financed to a large extent by rental and benefit payments received by farmers in connection with the Government's curtailment campaign.

Total loans and investments of reporting member banks in the principal cities increased slightly in the four-week period ending May 9, but on that date were 12 per cent larger than a year ago. Total deposits fluctuated irregularly, showing a small net decrease for the period, but an increase of more than one-fourth over the comparable date in 1933. Reserve balances continued to move upward, and on the second report date in May were 117 per cent larger than a year ago.

Between April 16 and May 16 there was a moderate decrease in total credit extended by the Federal Reserve bank, attributable entirely to smaller holdings of discounted paper, and bills purchased. Member bank reserve deposits increased from \$125,320,000 to \$128,415,000.

The amount of savings deposits held in selected banks on May 2 was 1 per cent greater than on April 4, and 11 per cent in excess of the total on May 3, 1933.

At St. Louis banks, as of the week ended April 15, current interest rates were as follows: Customers' prime commercial paper, 2 to 5½ per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 2 to 5½ per cent; interbank loans, 3 to 5 per cent and cattle loans, 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on May 9, 1934, showed a decrease of 4.2 per cent as contrasted with April 11, 1934. Deposits decreased 0.6 per cent between April 11, 1934 and May 9, 1934 and on the latter

date were 26.0 per cent greater than on May 10, 1933. Composite statement follows:

	*May 9, 1934	*Apr. 11, 1934	*May 10, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 73,615	\$ 81,326	\$ 91,887
All other loans and discounts....	135,151	135,445	127,746
Total loans and discounts.....	\$208,766	\$216,771	\$219,633
Investments U. S. Govt. securities.....	\$193,991	\$183,124	\$124,233
Other securities.....	94,452	95,949	100,477
Total investments.....	\$288,443	\$279,073	\$224,710
Reserve balance with F. R. Bank..	\$ 85,585	\$ 85,131	\$ 39,510
Cash in vault.....	8,049	7,627	8,286
Deposits Net demand deposits.....	340,860	338,690	261,359
Time deposits.....	163,864	162,977	157,158
Government deposits.....	24,821	31,086	1,761
Total deposits.....	\$529,545	\$532,753	\$420,278
Bills payable and rediscounts with Federal Reserve Bank.....			

\*In thousands (000 omitted).

The total resources of these banks comprise approximately 61.6% of all member banks in this district.

**Federal Reserve Operations** — During April the Federal Reserve Bank of St. Louis discounted for 16 member banks against 21 in March, and 160 in April, 1933. The discount rate of this bank remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*May 17, 1934	*April 17, 1934	*May 17, 1933
Bills discounted .....	\$ 131	\$ 1,145	\$ 2,953
Bills bought .....		257	2,322
U. S. Securities .....	93,200	93,200	65,832
Participation in Inv. Foreign Banks....	121	128	210
Total Bills and Securities.....	\$ 93,452	\$ 94,730	\$ 71,317
Total Reserves.....	\$194,206	\$198,715	\$158,780
Total Deposits.....	146,511	148,039	76,483
F. R. Notes in circulation.....	134,722	145,553	146,914
F. R. Bank Notes in circulation.....	270	5,232	39
Ratio of reserve to deposits and F. R. Note Liabilities.....	69.1%	70.3%	71.1%

\*In thousands (000 omitted).

**Debits to Individual Accounts** — The following table gives the total debits charged by banks to checking accounts, savings accounts, certificates of deposit accounts and trust accounts of individuals, firms, corporations and U. S. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Apr., 1934	*Mar., 1934	*Apr., 1933	Apr. 1934 comp. to Mar. 1934	Apr. 1933
East St. Louis and Natl. Stock Yards, Ill. \$	18,833	\$ 17,624	\$ 15,607	+ 6.9%	+20.7%
El Dorado, Ark.....	3,847	3,437	2,848	+11.9	+35.1
Evansville, Ind.....	15,728	15,923	12,624	- 1.2	+24.6
Fort Smith, Ark.....	7,092	7,906	5,941	-10.3	+19.4
Greenville, Miss....	2,521	3,080	2,189	-18.1	+15.2
Helena, Ark.....	1,386	1,680	1,131	-17.5	+22.5
Little Rock, Ark....	20,683	21,843	12,737	- 5.3	+62.4
Louisville, Ky.....	128,939	149,867	92,172	-14.0	+39.9
Memphis, Tenn.....	93,086	104,783	64,844	-11.2	+43.6
Owensboro, Ky.....	3,006	3,826	2,156	-21.4	+39.4
Pine Bluff, Ark.....	4,509	5,147		-12.4	.....
Quincy, Ill.....	6,067	5,335		+13.7	.....
St. Louis, Mo.....	429,966	435,203	357,666	- 1.2	+20.2
Sedalia, Mo.....	1,495	1,473	1,256	+ 1.5	+19.0
Springfield, Mo....	10,444	11,126	8,456	- 6.1	+23.5
**Texarkana, Ark.-Tex.....	5,122	5,505	4,185	- 7.0	+22.4
Totals .....	\$752,724	\$793,758	\$583,812	- 5.2	+28.9

\*In thousands (000 omitted.)

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

NOTE: Debits to Individual Accounts for Pine Bluff, Ark. and Quincy, Ill. not available for April, 1933.

(Compiled May 22, 1934)

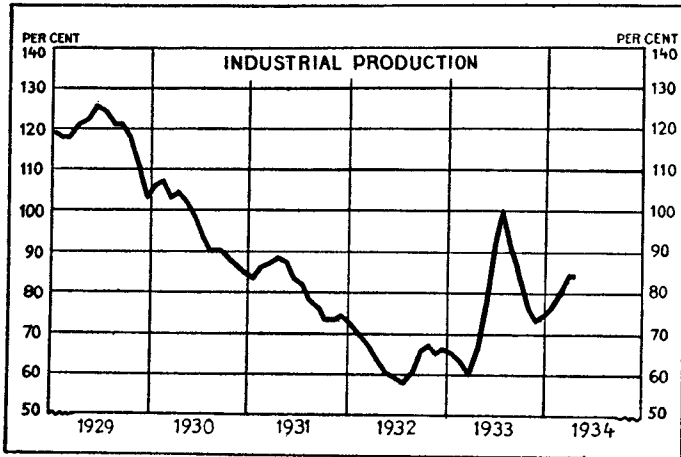
## BUSINESS CONDITIONS IN THE UNITED STATES

Volume of manufacturing production increased during April, while the output of mines declined. Employment and payrolls continued to increase. The general level of commodity prices remained substantially unchanged during April and the first three weeks in May, although prices of individual commodities showed considerable changes.

**PRODUCTION AND EMPLOYMENT**—Production of manufactures, which had increased continuously since last November, showed a further advance in April, according to the Board's seasonally adjusted index, while output of mines was smaller in April than in March. The Board's combined index of industrial production remained practically unchanged at 85 per cent of the

461,000,000 bushels on May 1. This compares with a five-year average for 1927-1931 of 632,000,000 bushels. The condition of rye, hay and pastures has also been adversely affected by the drought.

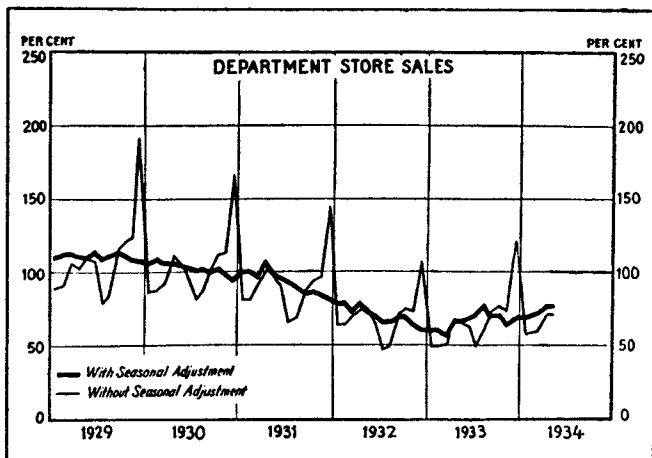
**DISTRIBUTION**—Railroad freight car loadings declined in April as compared with March, and in the first half of May there was a smaller than seasonal increase in total loadings. The April decline was largely the result of a substantial decrease in coal shipments from the relatively large volume of March. Department store sales showed little change from March to April, after allowance is made for differences in the number of business days, for usual seasonal changes, and for changes in the date of Easter. Sales continued larger than a year ago.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure April, preliminary, 85.

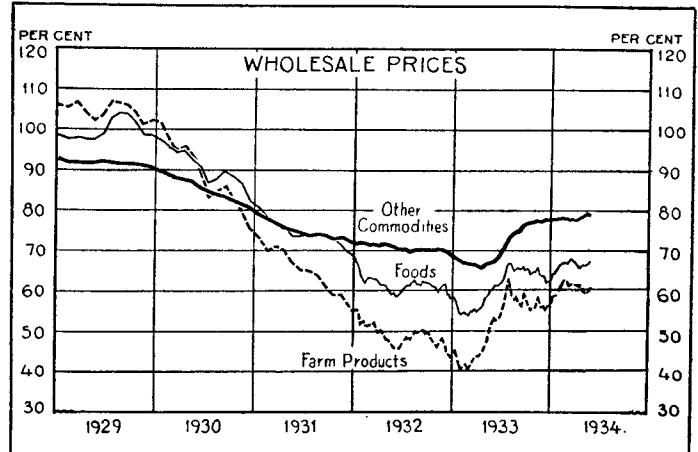
1923-1925 average. The growth in manufacturing reflected increases in iron and steel, automobiles, and meat packing. Lumber production declined in April, and activity at wool and silk mills was considerably reduced, while cotton consumption by mills showed little change. Crude petroleum output continued to increase, but there was a more than seasonal decline at the beginning of April in the mining of both anthracite and bituminous coal. During the first two weeks of May steel operations increased further, but declined somewhat in the third week. Output of automobiles decreased considerably in May.

Volume of employment and wage payments continued to increase in April and employment in factories, according to the new index of the Bureau of Labor Statistics, was larger than at any time since the end of 1930. There was a substantial seasonal increase in the number of workers employed in private construction as well as in those engaged in projects financed by the Public Works Administration. Employment on railroads, in metal mining and quarrying, and in various service activities also increased further, while in coal mining there was a considerable decrease.



Indexes of daily average value of sales. (1923-1925=100.) Latest figures, April, preliminary, adjusted 77, unadjusted 73.

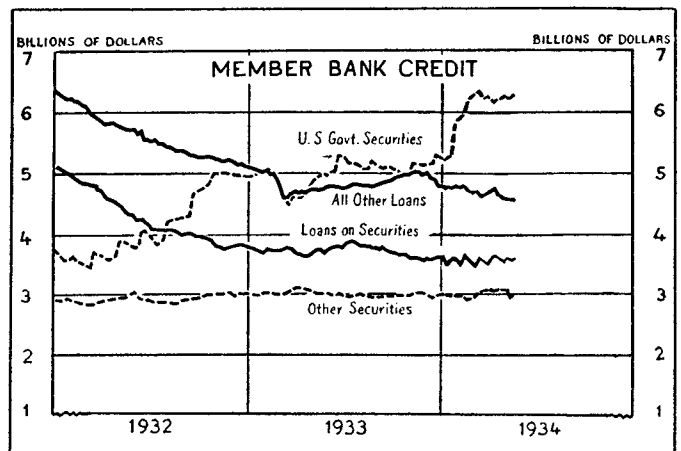
Construction contracts awarded during April, as reported by the F. W. Dodge Corporation, were smaller in value than during March. There was a substantial decline in public works contracts, while contracts for privately financed projects showed a slight increase in April. Following extended drought in important grain areas, the Department of Agriculture's forecast of the winter wheat crop was reduced from 492,000,000 bushels on April 1 to



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926=100.)

**COMMODITY PRICES**—The general level of wholesale commodity prices, as measured by the Bureau of Labor Statistics' index, has shown little change during the past three months. Prices of grains, cotton, silk, and silver, which declined sharply in April, rose during the first three weeks of May. Rubber prices advanced sharply until early in May but subsequently declined somewhat, and prices of textile products declined during recent weeks. Steel scrap has declined since March, while finished steel products, automobiles, nonferrous metals, and building materials advanced. Cattle and beef prices rose during April and the early part of May while prices of hogs declined.

**BANK CREDIT**—Excess reserves of member banks remained at a level of about \$1,600,000,000 between the middle of April and the middle of May. There were no considerable changes in monetary gold stock or in money in circulation. The total volume of reserve bank credit also showed little change. At reporting member banks in leading cities in the five weeks ending May 16 there were decreases of about \$240,000,000 in loans and of \$80,000,000 in investments, the latter reflecting a decrease



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for May 16.

in holdings of securities other than those of the United States Government. Net demand and time deposits increased by nearly \$200,000,000, while United States Government deposits were reduced by about \$300,000,000. Short-term money rates in the open market continued at low levels during May and yields on United States Treasury bonds declined further to the lowest levels of the post war period.