



# MONTHLY REVIEW

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

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**D**ESPITE the drouth conditions and the usual slowing down in activities incident to the hot weather, general business in this district was well maintained during May and the first half of June. In certain of the major industries, notably iron and steel, considerably less than the contraction which usually takes place in early summer was in evidence and at many important plants further expansion took place. Distribution of commodities through both retail and wholesale channels was on a large scale, the volume of retail trade exceeding that of a year and two years earlier. Of the wholesale jobbing lines investigated by this bank all but boots and shoes, and furniture showed gains in May over the corresponding month a year ago and increases from May to June were recorded in all classifications except electrical supplies, and stoves.

Employment conditions in the district as a whole underwent moderate improvement, being affected by the absorption of many workers in agricultural and other seasonal occupations. Scattered wage advances were announced, effecting workers in the stove industry and several other important groups. District sales of automobiles in May, according to the dealers reporting to this bank, fell slightly below April, but the total was approximately one-half larger than in May last year. The prolonged spell of high temperatures extending through May and early June had a stimulating effect on the movement of summer merchandise, particularly apparel, hats, beverages, and outing goods, and resulted in a substantial volume of reordering from wholesalers and manufacturers. Production of bituminous coal in all fields of this district in May, according to preliminary estimates of U. S. Bureau of Mines, showed an appreciable increase over the preceding month and a year ago. Industrial consumption of electricity in the principal cities in May showed considerable expansion, both as contrasted with a month and a year earlier.

Eighth District crop conditions as of June 1 were spotted, both with reference to several productions and localities. The dominating influence was dry weather, crops most adversely affected being hay,

oats, rye, barley and pastures. Of these there was already a shortage due to several years of scant rainfall. The fairly general precipitation after June 1 has served to materially help matters and reasonably good weather until harvest may bring yields to considerably higher levels than those indicated on June 1. Relatively the most favorable prospects are in the southern states, while greatest damage was wrought in the northern stretches of the district. Prices of the principal cereals advanced during early June. The higher returns, coupled with rental and benefit payments to farmers by the Government, will serve to partially offset decreased yields of certain crops.

Retail trade in May, as indicated by sales of department stores in the principal cities of the district were 11.4 per cent larger than in April and 24.4 per cent more than in May, 1933; the cumulative total for the first five months was 26.1 per cent greater than the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in May were 14 per cent less than for the same period in 1933 and 11.5 per cent greater than in April this year; for the first five months cumulative sales of these firms were 31 per cent larger than for the same time in 1933. The dollar value of building permits issued for new construction in the five largest cities in May was 68 per cent smaller than in April but 66 per cent greater than in May, last year; for the first five months this year the cumulative total exceeded that of the same period in 1933 by 192 per cent. Construction contracts let in the Eighth District were 5 per cent more than in April and 1.1 per cent greater than in May, 1933. For the first five months this year there was an increase of 104.8 per cent over that period in 1933. Debits to individual accounts in May increased 5 per cent over the preceding month and were approximately 12 per cent greater than in May, 1933; the cumulative total this year was 16.7 per cent larger than for the like period in 1933.

Traffic of railroads operating in this district continues in substantially larger volume than during the corresponding period a year and two years earlier. Gains were recorded in virtually all classifica-

tions, with a particularly good showing being made in coal and coke, ore and miscellaneous freight. During the past several weeks the movement of live stock has been stimulated by the transfer of cattle from the drouth areas. Passenger business has also shown steady improvement during the past three or four months. For the country as a whole loadings of revenue freight for the first 23 weeks this year, or to June 9, totaled 13,516,238 cars, against 11,500,184 cars for the corresponding period in 1933 and 12,602,148 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 77,849 loads in May, against 73,693 loads in April and 73,207 loads in May, 1933. During the first nine days of June the interchange amounted to 23,780 loads, which compares with 21,979 loads during the corresponding period in May and 22,398 loads during the first nine days of June, 1933. Passenger traffic of the reporting roads in May increased 8 per cent in revenue received and 34 per cent in the number of passengers handled. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, in May was 108,032 tons, against 90,489 tons in April and 113,029 tons in May, 1933.

Reports relative to collections during May and the first half of June indicate a continuance of the favorable conditions obtaining since last winter. Thus far, according to merchants and bankers in sections affected by the dry spell, there has been no noticeable shrinkage in payments. Generally through the south, but more particularly in the cotton areas, settlements with both merchants and bankers have been in considerable volume. In all sections of the district, farmers are making extensive use of rental and benefit payments received from the Government to defray current expenses and reduce older indebtedness. Wholesale merchants in the main centers of distribution report customers paying up promptly for the most part, with many anticipating their bills. City retail collections, as indicated by department store reports, continue satisfactorily. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
May, 1934.....	4.3%	47.2%	43.2%	5.3%
April, 1934.....	3.1	44.3	50.6	2.0
May, 1933.....	3.5	14.6	64.4	17.5

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 22, with liabilities of \$217,670, against 24 defaults involving \$305,505 in April and 59 failures for a total of \$1,414,285 in May, 1933.

## MANUFACTURING AND WHOLESALING

**Boots and Shoes** — May sales of the reporting firms were 9 per cent greater than in April, but 35 per cent under the May total a year ago. Inventories on June 1 were 20 per cent smaller than a month earlier, but slightly larger than on the same date in 1933. The heavy decrease in the yearly sales comparison was attributable to the unusually heavy volume in May, 1933. Ordering since the first of June has been in considerable volume, and indicates a measurable gain for the entire month as compared with the same period a year ago. Demand for the better grades of shoes, and sport and outing footwear is reported more active than at the same time during the past three years. Prices were unchanged as compared with the preceding thirty days.

**Clothing** — Following the usual trend, May sales of the reporting clothiers fell 12.8 per cent below the preceding month, but the total was 14 per cent greater than in May, 1933. Stocks decreased 2 per cent between May 1 and June 1, and on the latter date were about three-fourths larger than a year earlier. Purchasing for fall distribution was reported in slightly smaller volume than at this time last year. Price and style uncertainty have tended to cause hesitation on the part of retail merchants. The prolonged hot spell in May and early June was reflected in unusually heavy distribution of seasonal apparel, and resulted in a fair volume of reordering of both men's and women's suits. Some betterment was noted in sales of work clothing, particularly in the rural areas.

**Drugs and Chemicals** — Further improvement, both as contrasted with a month and a year earlier took place in this classification. Some falling off in requirements of the general manufacturing trade was noted, but this was more than offset by ordering of seasonal merchandise. Sales of soda fountain equipment and supplies were reported the heaviest for the period since 1930. Prices showed no notable change as compared with the preceding thirty days, advances being about balanced by declines. May sales of the reporting interests were 3 per cent and 30 per cent larger, respectively, than a month and a year earlier. Stocks on June 1 were 28 per cent larger than a year ago, and 3 per cent smaller than on May 1 this year.

**Dry Goods** — Business in this classification followed the customary seasonal trend, May sales of the reporting firms showing an increase of 6 per cent over the preceding month, and of 13 per cent over the May, 1933, total. Inventories increased 3 per cent between May 1 and June 1 and on the latest date were 112 per cent larger than a year ago. A

considerable volume of reordering of seasonable merchandise was reported incident to the protracted spell of unusually high temperatures in May and the first half of June. Advance buying for fall and winter was reported slightly under the volume at this time last year. At the end of May the trend of textile prices was slightly lower.

**Electrical Supplies** — May sales of the reporting firms fell 3 per cent below April, but the total was approximately three-fourths larger than for May, 1933. Stocks on June 1 were 5 per cent and 43 per cent larger, respectively, than a month and a year earlier. As has been the case for the past several months, interest centers chiefly in the lighter lines such as household appliances, small motors, fans, lamps, etc. Demand for radio material continues active.

**Flour** — Production at the twelve leading mills of the district in May totaled 244,648 barrels, against 224,482 barrels in April, and 287,567 barrels in May, 1933. Business during the past thirty days showed little change from the quiet conditions prevailing since late winter. Both large consumers and the jobbing trade are disposed to hold off awaiting more definite news relative to the growing wheat crop. Export inquiry remains quiet, with bids from abroad mainly below views of local millers. Prices advanced rather sharply early this month in sympathy with the upturn in cash wheat. Mill operations were at from 50 to 55 per cent of capacity.

**Furniture** — For the first time in a number of months May sales of the reporting firms fell below those of the corresponding period a year earlier. The decrease as compared with May 1933 was 8 per cent. However, contrary to the seasonal trend, the May volume was slightly larger than in April. Inventories decreased 9 per cent between May 1 and June 1, but on the latter date were 36 per cent larger than a year ago. Through the south demand for household furniture and furnishings was reported active. Some betterment was also noted in the general demand for office supplies and equipment. Prices showed no change worthy of note as contrasted with the preceding thirty days.

**Groceries** — Further improvement has taken place in this classification both as compared with the preceding month and a year ago. May volume was larger by 10.5 per cent and 13 per cent, respectively, than a month and a year earlier. Inventories decreased slightly during May but on June 1 were approximately 23 per cent greater than on that date in 1933. While increases were general through all lines relatively the best showing was made by staples. The usual heavy demand incident to harvest-

ing the winter wheat crop was in evidence. Prices showed relatively little change.

**Hardware** — As during each preceding month this year May sales of the reporting firms showed an increase over the corresponding period in 1933. The increase as compared with last year was approximately 5 per cent, while a gain of 12 per cent was recorded in May sales over the preceding month. Inventories continued to increase, stocks on hand as of June 1 being 5 per cent larger than a month earlier and about one-fourth larger than on June 1, 1933. While drouth conditions tended to hold down demand in the rural areas, sales of merchandise for distribution in the country continued to run substantially higher than during the similar period of the preceding three years. Sales of paints and painting equipment showed a measurable gain over a year ago.

**Iron and Steel Products** — Activities in the iron and steel industry in this area were well sustained during May and the first half of June. In a number of lines less than the usual seasonal slowing down was in evidence, and in some instances was entirely absent. This fact was due partly to a desire on the part of consumers to receive delivery of materials under contract for second quarter because of anticipation of higher prices and fear of labor difficulties. Producers of rolled steel, notably sheets and strip had orders booked for all they could manufacture in June, and were unable to take additional business for that delivery. The stove industry continued to operate at a high rate, mainly on consumer orders, as relatively little merchandise was being made up for stock purposes. Through May operations of farm implement manufacturers were slightly reduced from earlier in the year, due to drouth conditions, and a further curtailment has taken place since June 1. Releases from the automotive industry of castings and other materials was on a satisfactory scale, but new orders placed were in smaller volume than heretofore. Purchasing of a variety of iron and steel goods by the railroads helped to bring up total tonnage disposed of by certain interests. Items for shop repair work and track accessories predominated in requirements of the carriers. Requirements for Government projects continued to increase and showed considerable diversity. Iron and steel jobbing and warehouse interests reported a steady volume of trade with seasonal slackening not greatly in evidence. General demand was moderately above that of the same period a year ago, with activity in sheets, including galvanized material, fairly brisk. In the immediate past there has been a noticeable recession in demand for tin plate, ascrib-

able to a smaller indicated pack of fruits and vegetables due to the drouth. Finished steel and pig iron prices have been generally extended into the third quarter, but contracts and inquiries for that delivery have been light. May shipments of pig iron to melters in this district considerably exceeded the April total, and the tonnage delivered during the first half of June indicated a larger tonnage than during the preceding month. Moderate betterment was noted in demand for building materials. Structural steel awards were fair in the aggregate, but represented mainly small projects. Prices of scrap iron and steel continued downward, and in the first week of June new lows were recorded on the principal grades. For the country as a whole production of pig iron in May, according to the magazine "Steel," was the highest since October, 1930, the total of 2,054,507 tons comparing with 1,736,217 tons in April and 892,326 tons in May, 1933. Steel ingot production in the United States in May totaled 3,396,783 tons against 2,935,631 tons in April and 2,001,991 tons in May, 1933.

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in May, was 331,641, against 354,745 (revised figure) in April, and 214,832 (revised figure) in May, 1933.

May distribution of automobiles in the Eighth District, according to dealers reporting to this bank, was slightly below that of the preceding month, but approximately one-half greater than in May, 1933. The decrease in the month-to-month comparison was seasonal in character, but considerably smaller than the average in recent years. The May total, incidentally, was the largest for that particular month since 1930. As contrasted with a year ago, relatively the best results were reported by dealers in the south, particularly in the cotton areas. Demands were somewhat more diversified than in recent months, though a predominance of sales continued in the low priced field. Price reductions put into effect lately by some leading manufacturers have served to moderately stimulate purchasing of certain lines. Replacement buying still figured prominently in the month's business. Demand for trucks of all descriptions continues active, May sales exceeding those of April by 14 per cent and the total of May, 1933, by more than 158 per cent. The advent of the touring season was marked by the usual expansion in calls for parts and accessories.

May sales of new passenger cars by the reporting dealers were 2.6 per cent smaller than for the

preceding month and about one-half greater than in May, 1933. Stocks of new cars on dealers' floors on June 1 were slightly lower than a month earlier, but approximately one-half larger than on the same date a year ago. Trends in the used car market followed closely those noted in the new car trade. Demand was fairly active, but as has been the case for some time, dealers are handicapped by a lack of desirable machines. May sales of secondhand cars were 5 per cent less than in April and approximately one-third greater than in May last year. Stocks of salable secondhand vehicles on June 1 were 12 per cent and 4 per cent greater, respectively, than a month and a year earlier. According to dealers reporting on that detail, the ratio of deferred payment sales to total sales in May was 46 per cent, against 48 per cent in April and 49 per cent in May, 1933.

### 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 1934 comp. to May 1933	5 months ended May 31, 1934 to same period 1933	May 31, 1934 comp. to May 31, 1933	Jan. 1, 1934	May 31, 1933
El Dorado, Ark.....	+28.8%	+42.9%	+ 9.9%	1.12	.85
Evansville, Ind.....	+16.5	+23.5	+16.0	.78	.70
Fort Smith, Ark.....	+30.0	+34.5	+25.3	.93	.82
Little Rock, Ark.....	+24.6	+40.7	+38.8	.97	.93
Louisville, Ky.....	+ 8.1	+14.7	+13.0	1.31	1.24
Memphis, Tenn.....	+32.4	+33.8	+17.9	1.36	1.17
St. Louis, Mo.....	+25.6	+24.4	+21.0	1.52	1.44
Springfield, Mo.....	+38.4	+40.6	+18.1	.78	.57
All Other Cities.....	+33.7	+35.3	+17.2	1.16	1.01
8th F. R. District.....	+24.4	+26.1	+21.2	1.37	1.27

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

El Dorado, Ark.....	44.5%	Memphis, Tenn.....	41.7%
Fort Smith, Ark.....	39.9	Springfield, Mo.....	26.3
Little Rock, Ark.....	35.8	St. Louis, Mo.....	52.7
Louisville, Ky.....	49.4	All Other Cities.....	32.2
8th F. R. District.....	47.8%		

#### Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	May 1934 comp. to May 1933	5 months ended May 31, 1934 to same period 1933	May 31, 1934 comp. to May 31, 1933	Jan. 1, 1934	May 31, 1933
Men's					
Furnishings .....	+28.8%	+35.0%	+40.8%	.99	.99
Boots and					
Shoes .....	+ 2.3	— 1.6	— 3.9	1.31	1.16

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in May was 67.7 per cent less than in April, and 65.7 per cent greater than the May, 1933, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May amounted to \$8,384,618 which compares with \$7,983,325 in April and \$8,296,191 in May, 1933. Production of portland cement for the country as a whole in May totaled 8,554,000 barrels, against 6,544,000 barrels

in April and 6,262,000 barrels, in May, 1933. Building figures for May follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	21	134	\$ 6	\$ 26	190	190	\$ 41	\$ 22
Little Rock ..	16	9	15	3	98	59	25	9
Louisville ..	13	53	88	49	90	32	140	101
Memphis ...	149	82	87	50	162	136	74	72
St. Louis....	163	153	316	181	250	247	106	117
May Totals	362	431	\$ 512	\$ 309	790	664	\$ 386	\$ 321
April "	378	399	1,585	277	761	780	323	428
March "	353	347	338	197	557	370	222	169

\*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 about 8 per cent greater than in April and 16 per cent more than in May, 1933. Detailed figures follow:

	No. of Custom-ers	May, 1934 *K.W.H.	Apr., 1934 *K.W.H.	May 1934 comp. to Apr. 1934	May, 1933 *K.W.H.	May 1934 comp. to May 1933
Evansville ....	40	2,690	2,400	+12.1%	2,142**	+25.6%
Little Rock... 35		1,627	1,375	+18.3	1,586	+ 2.6
Louisville .... 83**		7,062	6,648	+ 6.2	6,980**	+ 1.2
Memphis .... 31		1,758	1,761	- 0.2	1,516	+16.0
St. Louis.....195**		18,056	16,605	+ 8.7	14,650**	+23.3
Totals.....384		31,193	28,789	+ 8.4%	26,874	+16.1%

\*In thousands (000 omitted).

\*\*Revised figures.

## AGRICULTURE

During May Eighth District crop prospects declined as a whole, but to nothing like the extent as in areas more acutely affected by the drouth. Greatest deterioration occurred in the northern tiers of the district, where lack of moisture was the dominating factor. Of the several crops those sustaining greatest damage were hay, oats, rye, barley and pastures. Generally pastures were the poorest in many years, and in some sections the June 1 condition was the lowest on record. In many sections farm and commercial truck gardens were much below average, but in this respect, as was the case with other crops, conditions were spotted, with results good where showers to fair rainfall occurred during the season, and poor elsewhere. Since early spring precipitation has been erratic and unusually local in character, but universally less than average. Weather Bureau reports at St. Louis and a number of other stations indicated that May was the driest ever recorded. Since June 1 there have been fairly general rains, which have served to assist growth of vegetation and to replenish supplies of water for livestock, which in a number of localities were extremely low.

That deterioration and poor prospects were not general is indicated in official crop reports of Arkansas and Mississippi, based on conditions as of June 1. The Arkansas report in its opening paragraph states: "Weather to date has been generally favorable for growing crops. Complaints of baked ground on the one hand, and too much rain on the other

have been few. Hence, condition figures on most crops reported are above average, though pastures are below." The Mississippi report states: "The June 1 condition of Mississippi crops were above average, with the exception of hay, pastures and apples." In sections of Missouri, Illinois and Indiana, notably in the lowlands, creek, and river bottoms, prospects are for average to slightly above average production of wheat. In these general areas, corn is up to good stands, with fields unusually well cultivated and in excellent shape to respond to rainfall.

Farmers generally throughout the district plan to make up the deficiency in hay and fodder crops by planting extensive acreages of soybeans, sorghums, cowpeas and other emergency forage crops. In order to encourage this movement, the Agricultural Adjustment Administration has removed all restrictions as to dates for planting fodder, corn and grain sorghums on general or non-contracted acreage on farms under wheat, corn-hog, or tobacco adjustment contracts.

According to the U. S. Department of Agriculture, a seasonal upturn in employment on farms was indicated in its reports covering May. On June 1 there were 227 family workers and 92 hired hands on every 100 farms, as compared with 216 family and 80 hired hands a month earlier. Spring planting of other than emergency crops largely had been completed by June 1, but farmers were busily engaged in making hay and cultivating row crops. Cotton chopping and harvesting of early vegetables, fruits and small grain crops were other tasks requiring an increase of the labor force.

**Winter Wheat** — While winter wheat prospects declined during May in states of the Eighth District, the June 1 forecast of the Department of Agriculture indicates a crop 8.6 per cent larger than was harvested in 1933. Based on the June 1 condition, production in these states is estimated at 77,919,000 bushels, a decrease of 4,469,000 bushels under the May 1 forecast, and comparing with 71,766,000 bushels harvested in 1933 and a 5-year average (1927-1931) of 85,397,000 bushels. Quite generally wheat has ripened prematurely, resulting in small grains, and harvest will be about two weeks earlier than usual. Rains since the first week of June have improved conditions in many sections. Chinch bug damage has been extensive, especially in the northern tier of counties. The winter wheat crop in the United States is estimated at 400,357,000 bushels, against 351,030,000 bushels harvested in 1933, and a 5-year average of 632,061,000 bushels.

**Corn** — Latest reports relative to the growing corn crop reflect unusually spotty and irregular con-

ditions. Relatively the best results are indicated in the more southern sections of the chief producing states of the district, with prospects in bottom lands good. Conditions as a whole have been considerably benefited by precipitation since June 1. It is likely that acreage decreased under that indicated earlier in the season, owing to dry soil conditions, fear of chinch bug damage and prospective lack of forage crops. Virtually all of the district corn crop had been planted by June 1, and as a whole seeding was much earlier than average. Universally fields are well cultivated and clean, with a large portion of the acreage in excellent position to respond to rain.

**Fruits and Vegetables**—Prospects for fruits and vegetables in the Eighth District vary widely, with best results indicated in the south. In Missouri, Illinois and Indiana the outlook for apples and peaches is unusually low, due to the February freeze, and the recent dry spell. The June 1 condition of apples in Illinois was the lowest in 23 years. In Arkansas and Mississippi, on the other hand, indicated yields are considerably larger than a year ago and the 5-year average. The strawberry crop in southern producing areas was large, and prices realized in the main satisfactory. In states of this district the peach crop, based on the June 1 condition, is estimated at 6,661,000 bushels, against 3,925,000 bushels in 1933, and the 5-year average (1927-1931) of 8,116,000 bushels. Pear production is forecast at 1,582,000 bushels, against 883,000 bushels last year and 1,706,000 bushels for the 5-year average. Grapes have suffered little from the drouth, and the outlook is generally good. The condition of early potatoes showed little change from May to June.

**Live Stock**—The June 1 condition of hay and pastures throughout the Eighth District, but more particularly in the north, was the lowest in a number of years, and in some sections, the lowest on record. There were numerous complaints of stock water shortage during May, but this condition has been partially corrected by precipitation since June 1.

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

	Receipts			Shipments		
	May, 1934	Apr., 1934	May, 1933	May, 1934	Apr., 1934	May, 1933
Cattle and Calves.....	108,869	90,891	92,448	51,848	41,374	41,411
Hogs .....	278,305	257,196	301,011	161,264	133,380	172,029
Horses and Mules.....	3,315	6,160	3,492	3,454	5,444	3,830
Sheep .....	55,853	36,825	57,760	5,788	5,297	6,916

**Cotton**—During the past thirty days weather conditions in this district were favorable for preparation and progress of the new cotton crop. Rain-

fall was adequate, but not too abundant, and almost universally fields are clean, with stands good. Chopping had been practically completed by the middle of June. Reports of the presence of boll weevils continued to show an increase but on the whole infestation has not reached an alarming stage. Abandonment and necessity of replanting has been less than in recent seasons. According to the National Fertilizer Association, May sales of the fertilizer tags in states of the Eighth District were considerably smaller than a year ago, but for the period January-May this year total sales were 57 per cent greater than for the comparable period in 1933 and 56 per cent larger than in 1932. Prices, while fluctuating in a relatively narrow range, were well sustained. In the St. Louis market the middling grade ranged from 11.10c to 11.90c per pound between May 16 and June 15, closing at 11.75c on the latter date, which compares with 11.25c on May 16 and 8.50c on June 15, 1933. The movement of old cotton continued light. Receipts at Arkansas compresses from August 1, 1933 to June 8, 1934, totaled 1,033,743 bales, against 1,269,380 bales for the corresponding period a year earlier. Stocks on hand as of June 8, totaled 328,710 bales, which compares with 347,875 bales on May 11, and 323,046 bales on the corresponding date in 1933.

### COMMODITY PRICES

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

	High	Low	Close	
			June 15, 1934	June 15, 1933
Wheat				
July .....	\$1.03	\$.86½	\$.92½	\$.75
Sept. ....	1.03¼	.87	.93½	.76½
*Dec. ....	1.02½	.94½	.94½	.79½
No. 2 red winter	1.04	.86½	.94	.75½
No. 2 hard	1.03½	.87½	.96½	.75
Corn				
*July .....	.66½	.49½	.57½	.44½
*Sept. ....	.66½	.51¾	.59¼	.48½
*Dec. ....	.61¾	.57½	.60½	.51½
No. 2 mixed	.60	.53	.60	.41
*No. 2 white	.66½	.53½	.64	.45¼
Oats				
No. 2 white	.46	.35¼	.45	.29
Flour				
Soft patent .....	7.20	6.30	6.40	3.00
Spring " .....	7.40	6.30	6.65	4.35
Middling Cotton.....	.1190	.1110	.1175	.0850
Hogs on Hoof.....	4.90	1.15	2.50	2.50

\*Nominal quotations.

**Tobacco**—The Clarksville, Springfield and Hopkinsville dark fired tobacco markets were officially closed on June 1. However, there remains a quantity of tobacco in farmers' hands which has not been stripped and which will be marketed following the next stripping season.

During the drouth period farmers made strenuous efforts to maintain a good stand of plants by artificial watering in both bed and field. Despite

these measures many plants in fields died, requiring an unusual amount of resetting. Recent good rains over all tobacco sections of this district, except in spotted localities, have greatly improved the condition of growing tobacco and with a continuance of seasonal weather, indications are that a good early crop will be raised. It is estimated that at mid-June the setting of all intended acreage of dark tobacco types and approximately 85 per cent of burley tobacco had been completed.

### FINANCIAL

The general demand for credit from industrial and commercial sources in the Eighth District during the past thirty days reflected little change from the dull conditions which have obtained in recent months. Routine liquidation by mercantile borrowers was in considerable volume and more than offset new commitments and renewals, with the result that there was a further slight shrinkage in total loans and discounts of reporting member banks, both as compared with a month and a year earlier. Owing to the generally high efficiency of collections and the rapid turnover of commodities, merchants are able to finance themselves to a large extent with their own resources. Requirements for financing agricultural operations increased in less than the usual seasonal amount. Country banks in many localities, principally in the south, are in a liquid position and have been active purchasers of Government securities and other investments.

Between May 16 and June 13, total loans of reporting member banks in the leading cities decreased 1.8 per cent, and on the latest date were 6.7 per cent below a year ago. Total investments of these institutions increased 4 per cent and at the end of the period were approximately one-third larger than a year ago. Deposits changed only slightly but continued well above the same period in 1933. Reserve balances, which have been increasing rapidly in recent months, declined 16.4 per cent, but remained substantially greater than last year. Credit extended by the Federal Reserve bank to all member banks varied in minor degree only as contrasted with the preceding thirty days.

The amount of savings deposits held in selected banks as of June 6 was 3.3 per cent greater than on May 2, and 14.4 per cent in excess of the total on June 7, 1933.

At St. Louis banks, as of the week ended June 14, current interest rates were as follows: Customers' prime commercial paper 3 to 5½ per cent; collateral loans 4 to 6 per cent; loans secured by warehouse receipts 2½ to 6 per cent; interbank loans 3 to 6 per cent; cattle loans 5 to 6 per cent.

**Condition of Banks** — Loans and discounts of the reporting member banks on June 13, 1934, showed a decrease of 1.8 per cent as contrasted with May 16, 1934. Deposits decreased 1.6 per cent between May 16, 1934 and June 13, 1934 and on the latter date were 21.1 per cent greater than on June 14, 1933. Composite statement follows:

	*June 13, 1934	*May 16, 1934	*June 14, 1933
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds....	\$ 71,007	\$ 72,260	\$ 87,671
All other loans and discounts....	129,547	131,941	127,277
Total loans and discounts.....	\$200,554	\$204,201	\$214,948
Investments			
U. S. Govt. securities.....	\$200,519	\$193,371	\$126,159
Other securities.....	100,054	95,475	101,308
Total investments.....	\$300,573	\$288,846	\$227,467
Reserve balance with F. R. Bank..	\$ 70,766	\$ 84,640	\$ 39,151
Cash in vault.....	7,955	7,658	7,996
Deposits			
Net demand deposits.....	334,090	339,724	271,058
Time deposits.....	163,562	163,960	156,769
Government deposits.....	21,943	24,182	1,206
Total deposits.....	\$519,595	\$527,866	\$429,033
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 May the Federal Reserve Bank of St. Louis discounted for 15 member banks, against 16 in April and 150 in May, 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:

	*June 19, 1934	*May 19, 1934	*June 19, 1933
Bills discounted .....	\$ 143	\$ 141	\$ 3,038
Bills bought .....			31
U. S. Securities.....	93,200	93,200	71,518
Participation in Inv. Foreign Banks....	121	121	203
Total Bills and Securities.....	\$ 93,464	\$ 93,462	\$ 74,790
Total Reserves .....	\$183,071	\$195,153	\$160,805
Total Deposits .....	138,250	147,966	81,383
F. R. Notes in circulation.....	132,448	134,389	142,567
F. R. Bank Notes in circulation.....	369	349	251
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	67.6%	69.1%	71.8%

**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, 1934	*Apr., 1934	*May, 1933	May 1934 comp. to Apr. 1934	May 1933
East St. Louis and Natl.					
Stock Yards, Ill..\$	20,490	\$ 18,833	\$ 19,800	+ 8.8%	+ 3.5%
El Dorado, Ark.....	3,239	3,847	2,622	-15.8	+23.5
Evansville, Ind.....	17,412	15,728	14,201	+10.7	+22.6
Fort Smith, Ark.....	7,009	7,092	6,157	- 1.2	+13.8
Greenville, Miss....	2,658	2,521	2,567	+ 5.4	+ 3.5
Helena, Ark.....	1,140	1,386	1,181	+ 1.7	+19.4
Little Rock, Ark....	21,226	20,683	18,357	+ 2.6	+15.6
Louisville, Ky.....	123,811	128,939	98,669	- 4.0	+25.5
Memphis, Tenn.....	81,605	93,086	73,411	-12.3	+11.1
Owensboro, Ky.....	3,382	3,006	2,034	+12.5	+66.3
Pine Bluff, Ark.....	4,008	4,509	4,535	-11.1	-11.6
Quincy, Ill.....	6,406	6,067	5,324	+ 5.6	+20.3
St. Louis, Mo.....	480,227	429,966	442,800	+11.7	+ 8.5
Sedalia, Mo.....	1,652	1,495	1,393	+10.5	+18.6
Springfield, Mo.....	11,611	10,444	9,671	+11.2	+20.1
**Texarkana,					
Ark-Tex.....	4,712	5,122	5,023	- 8.0	- 6.2
Totals .....	\$790,858	\$752,724	\$707,745	+ 5.1	+11.7

\*In thousands (000 omitted).  
\*\*Includes one bank in Texarkana, Texas not in Eighth District.

(Compiled June 22, 1934)

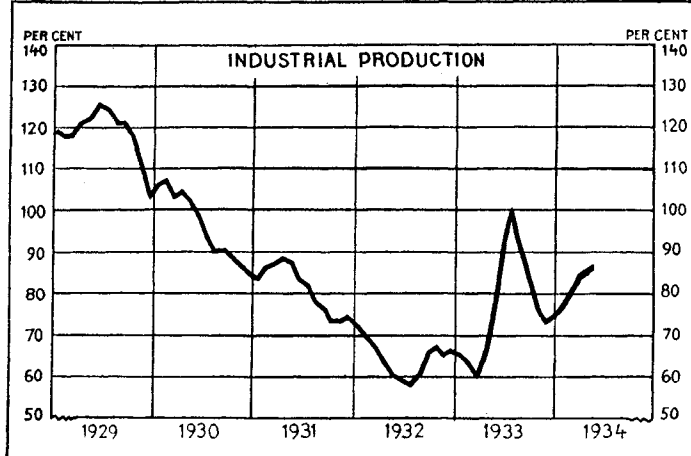
## BUSINESS CONDITIONS IN THE UNITED STATES

Industrial production increased slightly in May, while factory employment and payrolls showed little change. The general level of wholesale prices, after remaining practically unchanged since the middle of February, advanced sharply in the middle of June, reflecting chiefly increases in the prices of livestock and livestock products.

**PRODUCTION AND EMPLOYMENT**—Industrial production, as measured by the Board's seasonally adjusted index, advanced from 86 per cent of the 1923-1925 average in April to 87 per cent in May, as compared with a recent low level of 72 per cent last November. Activity at steel mills increased further

and pastures, largely as a consequence of a prolonged drought. The winter wheat crop was estimated at 400 million bushels as compared with a five year average of 630 million bushels and an exceptionally small crop of 350 million bushels last season. Rains in early June somewhat improved prospects for forage and grain crops not already matured.

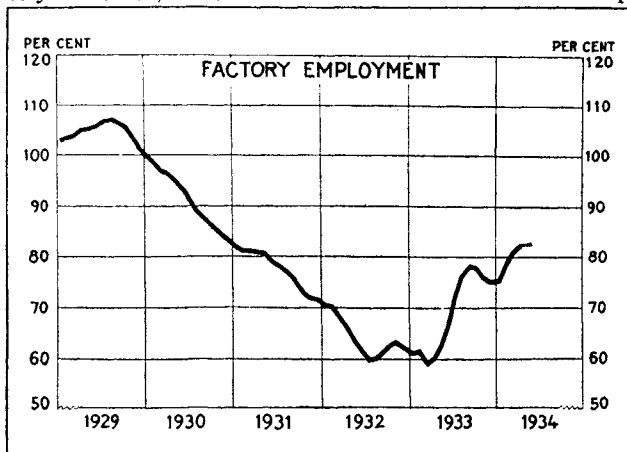
**DISTRIBUTION**—Total freight traffic increased in May by more than the usual seasonal amount reflecting in considerable part a larger volume of shipments of miscellaneous products. At department stores the value of sales showed an increase as is usual at this season.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure May, preliminary, 87.

from 54 per cent of capacity in April to 58 per cent in May, while output of automobiles showed a decline. Lumber production continued at about one-third of the 1923-1925 level. In the textile industries output declined somewhat, partly as a consequence of seasonal developments. At mines coal production showed little change in volume, while output of petroleum continued to increase.

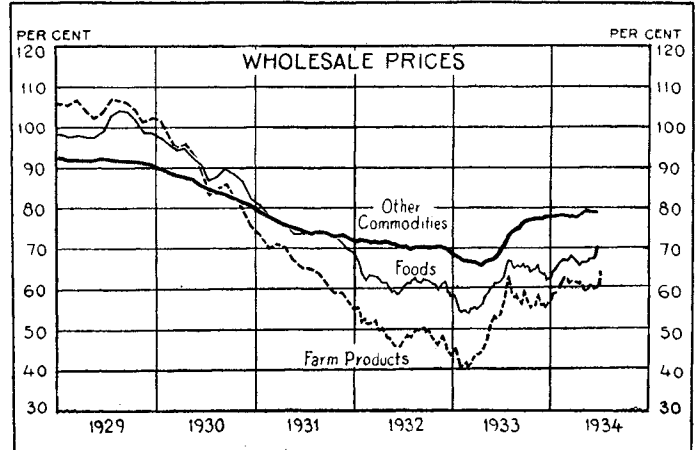
In the first three weeks of June activity at steel mills continued at about the May level, although a decline is usual at this season. Maintenance of activity reflected in part, according to trade reports, considerable stocking of steel. Output of automobiles declined somewhat, as is usual at this season. Employment in factories, which usually declines slightly between the middle of April and the middle of May, showed little change, while employment on the railroads, in agriculture and in the construction industry increased, as is usual at this season. Increased employ-



Federal Reserve Board's index of factory employment adjusted for seasonal variation. (1923-1925 average=100). Latest figure May adjusted 82.4.

ment was shown at manufacturing establishments producing durable goods, such as iron and steel and non-ferrous metals, while employment declined at establishments producing non-durable manufactures, such as textiles and their products.

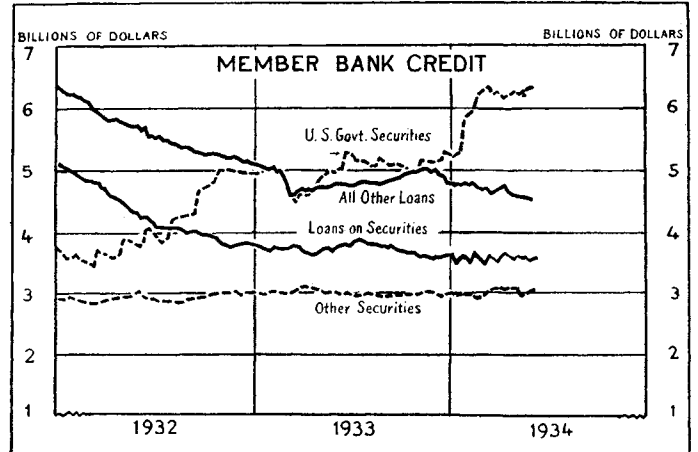
Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, has shown a decline in the spring months, reflecting a reduction in the volume of contracts for public projects. The volume of construction work actually under way has increased as work has progressed on contracts previously awarded. Department of Agriculture estimates based on June 1 conditions indicated unusually small crops of winter wheat and rye and exceptionally poor conditions for spring wheat, oats, hay



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

**COMMODITY PRICES**—During May and the first three weeks of June wholesale prices of individual farm products fluctuated widely, while prices of most other commodities showed little change. Wheat, after advancing rapidly during May declined considerably in the first three weeks of June. Cotton continued to advance in the early part of June. In the middle of the month hog prices increased sharply from recent low levels. Automobile prices were reduced in the early part of June, and copper prices advanced.

**BANK CREDIT**—During May and the first half of June there was little change in the volume of reserve bank credit outstanding as a consequence of expenditure by the Treasury of cash and deposits with the Federal Reserve banks and a growth in the country's monetary gold stock, member bank reserve balances advanced further to a level of \$1,800,000,000 in excess of legal



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for June 13.

requirements. In the week ending June 20, however, excess reserves dropped to \$1,675,000,000, reflecting an increase in Treasury deposits at the Reserve banks in connection with June 15 tax receipts and sales of Government securities. Total loans and investments of reporting member banks increased by \$80,000,000 between May 16 and June 13, reflecting a growth in holdings of investments other than United States Government securities and in open market loans to brokers and dealers, while loans to customers declined. Net demand deposits increased by about \$400,000,000 during the period. Money rates in the open market continued at low levels. The rate on prime commercial paper declined to  $\frac{3}{4}$ -1 per cent in June, the lowest figure on record.