



# MONTHLY REVIEW

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

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FEDERAL RESERVE BANK OF ST. LOUIS

## WORKING CAPITAL LOANS

*Supplemental information (from Federal Reserve Bulletin, etc.) regarding loans and commitments under Section 13b of the Federal Reserve Act, which authorizes the Reserve banks to aid in providing working capital for established industrial or commercial businesses for periods of not exceeding five years:*

"Under the terms of the amendment . . . the problem of obtaining funds for working capital has been facilitated for industry and commerce, and a safe and profitable use for funds has been provided for the banks."

"Obviously there must be a sound basis for the loans. There must be grounds for a reasonable expectation that the enterprise will succeed if it gets the assistance for which it applies."

### Businesses Assisted

"Taking the entire country, the following types of business concerns have received assistance:

*"Manufacturers:* Aircraft; autos, trucks and accessories; chemicals; electrical goods; food products; office and household equipment; hides and leather; jewelry and silverware; lumber and builders' supplies; machinery and machine tools; metals; paper products; railway equipment; rubber goods; stone, clay, and glass products; textiles; wearing apparel; wood products, etc.

*"Wholesale and Retail Trades:* Autos and accessories; chain and department stores; clothing and dry goods; jewelry; drugs, tobacco, and liquors; florists and nurseries; food products; furniture; grain and feed; hardware and machinery; lumber and builders' supplies; oil, etc.

*"Miscellaneous:* Contractors and construction; hotels, apartments and restaurants; laundries, cleaners and dyers; mines and quarries; oil and gas production; printing and publishing; shipbuilding; transportation, etc."

### Volume of Loans

"Industrial advances by the twelve Federal Reserve Banks and commitments to make such advances have continued to increase during 1935. By June 12, \$88,110,000 of applications had been approved . . . The volume of industrial advances outstanding on June 12 was \$27,282,000 and of commitments outstanding \$20,008,000."

The commitments outstanding and the working capital loans held by the Federal Reserve Bank of St. Louis, as well as the rates thereon, are given on page 7 of this review.

Additional information will be furnished on request.

**T**AKEN as a whole, Eighth District industrial and commercial activity during May and the first half of June developed no marked change in trends as contrasted with the like period immediately preceding. Such changes as did occur were ascribable chiefly to seasonal influences and to peculiar conditions arising from the late spring, extraordinary rainfall, more or less serious floods and actual and moral reactions resulting from the United States Supreme Court's NRA decision. Retail trade was adversely affected by the unfavorable weather, and for the first time in twenty months, with the exception of March, 1935, failed to show an increase over the corresponding period a year earlier. Considerable spottiness and unevenness developed in wholesaling and jobbing lines, but despite the disposition to cautious and conservative buying, engendered by price uncertainties, in a majority of classifications investigated by this bank, there were increases in May sales over those for that month in 1934, and in several instances the May totals were the highest for any single month since 1930. Extremely favorable exhibits were made by boots and shoes, electrical supplies, furniture and hardware. The late, wet spring militated against the usual seasonal improvement in textiles, apparel and some other lines which are particularly sensitive to weather conditions.

Employment conditions in the district underwent moderate improvement, being favorably affected by the absorption of numerous workers in agricultural and other seasonal occupations also by the settlement of labor trouble in various localities. Distribution of automobiles in the district, according to dealers reporting to this bank, was seasonally smaller in May than April, but recorded a substantial gain over the May, 1934, total. Production of lumber increased, demand for certain descriptions being stimulated by the strike of lumber workers in Washington and Oregon. Industrial consumption of electric current in the chief cities increased in May, both as compared with the preceding month and a year ago. Production of soft coal in fields of this

district during May, while slightly below that month in 1934, increased sharply over the April output, owing in large measure to a speeding up of operations in expectation of a strike of bituminous miners about mid-June. Labor difficulties in the lead and zinc sections were reflected in sharply curtailed ore production.

The Eighth District crop season, according to the U. S. Department of Agriculture, is opening under conditions that stand out sharply in contrast with those prevailing a year ago. Instead of record-breaking high temperatures which prevailed in 1934, the weather through the central states has been abnormally cold and wet. April and May brought heavy rains, and precipitation has persisted into the third week of June. As a result of the excessive moisture, preparations for and planting of spring grains, cotton, tobacco and other crops are considerably behind the usual seasonal schedule. Considerable replanting and abandonment of acreage is indicated. Floods of major proportions of acreage is indicated. Floods of major proportions prevailed along the Mississippi River and its tributaries, waters of the Missouri River reaching the highest stage since 1903. Thousands of acres of rich farm lands were inundated, and because of the lateness of the season, much of this land will probably be unworkable this year.

Retail trade in May, as indicated by sales of department stores in the principal cities, was 2.7 per cent more than in April and 7.8 per cent below the May, 1934, total; cumulative total for the first 5 months was 2.0 per cent smaller than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in May were larger by 28 per cent and 19 per cent, respectively, than a month and a year earlier; for the first five months cumulative sales of these firms fell 3 per cent below the like period in 1934. The dollar value of permits for new construction in the five largest cities in May was 5.5 per cent smaller than in April, and 77 per cent more than in May, 1934; for the year to May 31, the aggregate was 50.4 per cent greater than for the like period a year ago. Debits to individual accounts in May were 8.7 per cent and 14.6 per cent larger, respectively, than a month and a year earlier, and for the first five months the total exceeded that of the like period last year by 8.8 per cent.

Freight traffic of railroads operating in this district was stimulated during the past several weeks by increased loadings of coal and coke, caused by the threatened strike of bituminous miners. Total

volume continued below the same period a year earlier but was substantially greater than in 1933. The late spring is reflected in a smaller than usual movement of early fruits and vegetables. The sharp decrease noted in the livestock classification as contrasted with a year ago is accounted for by the transfer of livestock from the drouth areas in the earlier period. For the country as a whole, loadings of revenue freight for the first 23 weeks this year, or to June 8, totaled 13,337,082 cars, against 13,548,417 cars for the corresponding period in 1934 and 11,500,184 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 73,378 loads in May, which compares with 75,298 loads in April and 77,849 loads in May, 1934. During the first nine days of June the interchange amounted to 22,336 loads, against 20,954 loads during the corresponding period in May, and 23,780 loads during the first 9 days of June, 1934. Passenger traffic of the reporting lines decreased 4 per cent in May as compared with the same month in 1934. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 151,300 tons, against 154,070 tons in April, and 105,954 tons in May, 1934.

Reports relative to collections in the district during the past thirty days reflect the same general trends as during the preceding several months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
May, 1935.....	6.3%	41.0%	44.4%	8.3%
April, 1935.....	2.3	36.8	55.2	5.7
May, 1934.....	4.3	47.2	43.2	5.3

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 45, with liabilities of \$272,085, which compares with 42 defaults in April, with liabilities of \$460,527, and 22 failures for a total of \$217,670 in May, 1934.

## MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	May, 1935 compared to May '34	Apr. '35	5 months ending May 31, 1935 comp. to 1934	May 31, 1935 compared to May 31, 1934
Boots and Shoes.....	+42.7%	+61.8%	— 1.4%	+76.1%
Drugs and Chemicals..	— 3.7	+ 0.7	— 5.7	+40.1
Dry Goods.....	—13.2	— 2.3	—14.9	—18.7
Electrical Supplies....	+29.3	+13.4	+14.0	+17.3
Furniture.....	+32.6	+ 0.5	+23.2	— 9.3
Groceries.....	+ 9.5	+ 6.7	+ 6.2	+10.0
Hardware.....	+11.3	+ 8.0	+ 6.8	— 8.7
Total.....	+19.4	+27.9	— 2.8	+ 0.2

**Boots and Shoes** — May sales of the reporting firms increased from April, following the usual seasonal trend. The extent of the increase, however, was considerably greater than the average during

the past several years, and the total with the exception of May, 1933, was the largest for any single month since the fall of 1929. There was no change in prices during the period, but generally levels were from 5 to 8 per cent higher than a year ago.

**Clothing** — Adverse effects of the unfavorable weather, which has prevailed generally through the district since early spring were reflected in reports of the firms supplying their statistics to this bank. May sales of the reporting group of clothiers were 2 per cent greater than a year ago, but about one-fourth smaller than the April total this year. Stocks increased 10 per cent between May 1 and June 1, and on the latest date were 4 per cent less than at the same time in 1934.

**Drugs and Chemicals** — A lessened demand for heavy drugs and chemicals from the general manufacturing trade was partly responsible for the slight decline in sales of the reporting interests in May as contrasted with the same month last year. The wet and backward spring has resulted in an unusually heavy call for spraying materials of all descriptions, due to the extraordinary infestation of fungus and insect pests. Inventories continue substantially larger than a year earlier. Prices showed little change during the period, but as of June 8, according to the Bureau of Labor Statistics, were 7 per cent higher than on the comparable date a year earlier.

**Dry Goods** — Excessive rainfall, accompanied by more or less serious flood conditions, tended to hold down the volume of May and early June business in this classification. Seasonal merchandise moved in relatively smaller volume than a year and two years earlier. The decrease in May sales of the reporting firms was contraseasonal. Price uncertainties had a retarding influence on forward buying.

**Electrical Supplies** — Despite the cool weather, which has held down the movement of fans, refrigeration units and other seasonal items, business of the reporting firms continued the steady betterment of recent months. May sales of the reporting group increased from April by considerably more than the calculated seasonal amount, and were the largest for any single month since December, 1929.

**Flour** — Production at the twelve leading mills of the district in May totaled 185,589 barrels, against 200,569 barrels in April and 224,648 barrels in May, 1934. Stocks showed about the usual seasonal decrease from April to May. Business during the past thirty days continued quiet and featureless. Purchasing by the domestic trade was almost exclusively on a necessity basis, though some improvement was reported in shipping directions on flour

previously acquired. Export business was confined chiefly to routine transactions with the Latin-American countries. Mill operations were at from 45 to 50 per cent of capacity. Prices declined slightly in mid-June in sympathy with the downturn in cash wheat.

**Furniture** — Sales of practically all lines during May, according to the reporting interests, extended the generally upward trends which began during the opening months of the year. Advance buying is reported in larger volume than at the corresponding period a year ago. Inventories expanded moderately from April to May, but continued substantially smaller than last year.

**Groceries** — Handicaps of unseasonably cold, wet weather and serious flood conditions failed to retard business in this classification; May volume, according to the reporting firms, showed an increase from the preceding month of greater than average proportions. While increases over both a month and a year earlier were general in all lines, relatively the best showing was made by staples. The movement of early fruits and vegetables had a stimulating effect on trade in many localities.

**Hardware** — As during each preceding month this year, with the exception of March, May sales of the reporting firms showed an increase over the corresponding period a year earlier, and the total was the largest for the month since 1930. Sales of paints, builders' hardware and tools, and kindred lines continued the moderate improvement of the preceding month.

**Iron and Steel Products** — Activities in the iron and steel industry in this district during the closing weeks of May and the first half of June developed little change as a whole as contrasted with the similar period immediate preceding. In certain lines some slowing down was noted, due to seasonal influences and hesitancy on the part of consumers. Elsewhere, however, operations were well sustained, and in the immediate past purchasing of a variety of commodities has broadened, owing mainly to market stability and the announced policy of numerous producers to maintain prices, wage scales and other practices which were in effect under the code. For the most part consumer stocks are low, and while it has been the policy in many quarters to use up inventories before making new commitments, necessity buying has accounted for the movement of substantial tonnages of both finished and raw materials. Moderate betterment was noted in demand for galvanized materials, and purchasing of tin plate continued in considerable volume. Manu-

facturers of farm implements reported some slowing down in operations, but the rate continued considerably higher than at the same period in a number of years. Operations at stove and range plants showed less than the usual seasonal recession, and May shipments were reported the highest for the month since 1930. Operations at the steel mills at mid-June were slightly below the rate obtaining a month earlier. Shipments of pig iron to melters in the district in May fell below the April total. Aside from changes in certain grades of scrap, mainly in the nature of adjustments, there has been practically no change in iron and steel prices since the emergence of the industry from code control. For the country as a whole, production of pig iron in May, according to the Magazine "Steel," totaled 1,735,577 tons, against 1,671,556 tons in April and 2,057,471 tons in May, 1934. Steel ingot production in the United States in May amounted to 2,602,054 tons, which compares with 2,606,311 tons in April and 3,352,788 tons in May, 1934.

### 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	
5 mo. ended					May 31,'35 comp. to May 31,'34	Jan. 1, to May 31, 1935	1934
May, 1935 compared to		May 31,'35 to same period '34					
May 1934	Apr. 1935	period '34					
El Dorado, Ark.....	+ 0.8%	+17.8%	+ 6.5%	+ 5.0%	1.12	1.08	
Evansville, Ind.....	-22.3	-11.0	-17.6	-45.4	.90	.78	
Fort Smith, Ark.....	7.0	+ 0.2	+ 1.2	- 6.0	.95	.93	
Little Rock, Ark.....	3.6	+11.8	- 4.7	- 7.5	.95	.97	
Louisville, Ky.....	- 5.0	- 3.6	+ 2.7	+ 4.7	1.53	1.49	
Memphis, Tenn.....	- 9.0	+ 9.6	- 2.4	+ 9.6	1.26	1.36	
St. Louis, Mo.....	- 8.8	+ 1.1	- 2.6	- 4.3	1.57	1.52	
Springfield, Mo.....	+ 1.9	+16.3	+ 0.6	-19.6	.94	.78	
All Other Cities.....	- 2.5	- 0.9	+ 3.9	+ 2.7	1.23	1.16	
8th F. R. District....	- 7.8	+ 2.7	- 2.0	- 2.5	1.41	1.39	

Percentage of collections in May to accounts and notes receivable first day of May, 1935.

#### PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	57.6%	Memphis, Tenn.....	44.1%
Fort Smith, Ark.....	36.8	Springfield, Mo.....	24.5
Little Rock, Ark.....	37.0	St. Louis, Mo.....	53.4
Louisville, Ky.....	51.9	All Other Cities.....	35.8
8th F. R. District....	49.0%		

### Retail Stores

Net Sales Comparison					Stocks on Hand	Stock Turnover
5 mo. ended						
May, 1935 compared to May 1934					May 31,'35 to same period '34	May 31,'35 comp. to May 31, 1935
Apr. 1935					May 31,'34	1935 1934
Men's						
Furnishings .....	—12.3%	—15.4%	— 0.7%	— 3.2%	1.03	.99
Boots and						
Shoes .....	—10.1	—16.4	+ 4.3	+17.2	1.76	2.08

### AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in May, was 364,721 against 477,746 (revised figure) in April, and 331,652 (revised figure) in May, 1934.

May distribution in the Eighth District, according to dealers reporting to this bank, decreased as

compared with the preceding month, but was substantially greater than for the corresponding period last year and the largest for the month since 1930. The decrease in the month-to-month comparison was seasonal in character, though somewhat heavier than the average during the past decade. Relatively the best results were achieved by dealers in the large cities, the continuous rains tending to hold down purchasing in the rural areas. While fairly diversified, demand still centers chiefly in the low price field, more than 50 per cent of the total sales being accounted for by dealers handling vehicles of the two leading producers in that category. Demand for trucks of all descriptions was less active than heretofore, May sales being 23 and 38 per cent smaller, respectively, than a month and a year earlier. Advent of the touring season had a moderately stimulating effect on the trade in parts, accessories and tires.

Sales of new passenger cars by the reporting dealers in May were 14 per cent smaller than in April and 30 per cent greater than in May, 1934. Stocks on June 1 were slightly smaller than thirty days earlier and 8 per cent less than a year ago. Reversing the trend in inventories of new cars, stocks of salable secondhand vehicles increased 12 per cent between May 1 and June 1, and on the latest date were approximately 60 per cent larger than at the same time a year ago. May sales of used cars were 6 per cent and 18 per cent larger respectively, than a month and a year earlier. Generally, selections of secondhand cars were more complete and of higher quality than has been the case in a number of years. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in May was 43 per cent, against 46 per cent in April, and 46 per cent in May, 1934.

### 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 6.7 per cent larger than in April, and 8.2 per cent more than in May, 1934. Detailed figures follow:

No. of Custom- ers	May, 1935 *K.W.H.	Apr., 1935 *K.W.H.	May, 1935 comp. to Apr., 1935	May, 1934 *K.W.H.	May, 1935 comp. to May, 1934
Evansville .... 40	2,958	2,673	+10.7%	2,686**	+10.1%
Little Rock.. 35	1,710	1,523	+12.3	1,627	+ 5.1
Louisville .... 82	7,745	7,679	+ .9	6,988**	+10.8
Memphis ..... 31	1,549	1,728	-10.4	1,758	-11.9
St. Louis.....194	19,451	17,702**	+ 9.9	17,828**	+ 9.1
Totals.....382	33,413	31,305**	+ 6.7	30,887**	+ 8.2

\*In thousands (000 omitted).

\*\*Revised figures.

### LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance including the Eighth District during May, the pre-

ceding month, and a year ago, together with the cumulative totals for the first five months this year and the comparable period in 1934 are shown in the following table:

(In thousands of dollars)	May, 1935	Apr., 1935	May, 1934	Jan.-May, 1935	Inc., 1934	Cumul. change
Arkansas.....	\$ 2,573	\$ 3,022	\$ 3,018	\$ 14,729	\$ 14,650	+ 0.5%
Illinois.....	40,539	44,255	48,695	234,060	230,585	+ 1.5
Indiana.....	11,003	12,561	12,057	59,798	55,272	+ 8.2
Kentucky.....	5,455	6,390	5,537	28,658	26,771	+ 7.0
Mississippi.....	2,188	2,228	2,792	11,404	11,995	- 4.9
Missouri.....	15,396	14,949	20,960	83,479	91,935	- 9.2
Tennessee.....	5,627	5,526	6,490	30,246	30,164	+ 0.3
Totals.....	82,781	88,931	99,549	462,374	461,372	+ 0.2
United States..	500,380	540,280	588,421	2,765,226	2,683,981	+ 3.0

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in May was 5.5 per cent smaller than in April, and 76.6 per cent more than in May, 1934. As in other sections of the country residential construction in the Eighth Federal Reserve District continues to show moderate improvement over the corresponding periods a year and two years earlier. Production of portland cement for the country as a whole in May, totaled 8,222,000 barrels, against 6,136,000 barrels in April, and 8,554,000 barrels in May, 1934. Building figures follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	34	21	\$ 48	\$ 6	109	190	\$ 20	\$ 41
Little Rock ..	10	16	2	15	98	98	42	25
Louisville ..	54	13	251	88	80	90	42	140
Memphis ...	90	149	63	87	196	162	126	74
St. Louis....	331	163	540	316	242	250	100	106
May Totals	519	362	904	512	725	790	340	386
April "	529	378	957	1,585	745	761	317	323
Mar. "	506	353	1,365	338	734	557	352	222

\*In thousands (000 omitted).

## AGRICULTURE

Throughout May and the first half of June, Eighth District weather conditions continued unfavorable for farm operations and the growth and development of crops. Unseasonably low temperatures and excessive precipitation were the rule, whereas sunshine and warm days were greatly needed for preparing the soil and planting corn, cotton, tobacco and other spring crops. The unusually heavy rainfall affected rivers and streams, causing major floods which have resulted in distress and heavy losses to farmers in the areas bordering on them. Even in the uplands, low lying fields and all land with inadequate drainage were covered with standing water, and the soil rendered unworkable. The most acute flood conditions were along the Missouri River, which stream in early June reached the highest stage since 1903. At mid-June, according to reports of State agricultural departments, heavy abandonment of crops was indicated, and more replanting will be required than has been the case in a number of years.

All descriptions of farm work are from two to four weeks in arrears of the usual seasonal schedule.

The continuous cloudy, wet weather seriously hindered spraying of fruit trees and other vegetation, and in apple orchards considerable scab has developed. However, fruit prospects are generally favorable and much better than a year ago. The moisture has greatly benefited pastures, which have made excellent growth, many fields which were believed killed by last year's drouth having been revived. Tame and wild hay have also been greatly benefited, the June 1 condition in all states of the district being well above the 10-year (1923-1932) average. With more stable feed conditions prevailing, milk and egg production have been gradually returning towards normal levels. The farm labor situation showed no change worthy of note as contrasted with the preceding thirty days.

**Corn** — In all sections of the district rains have seriously delayed planting of corn. Typical of conditions in other states are those described in the Illinois Crop Report as of June 1, which stated that field work in May was nearly at a standstill due to heavy rainfall. In the southern two-thirds of the state rainy days ranged from 21 to 25 in the central, and from 14 to 19 in the southern counties. By June 1 only 41 per cent of the state corn acreage had been planted as compared with 93 per cent usually planted on that date. Northern counties had planted about 80 per cent of their corn, but elsewhere plantings ranged from 4 to 53 per cent. Fields plowed up hard and cloddy, requiring extra work to prepare for planting. Where the plant has come up, stands are irregular and germination poor; much replanting will be necessary, and in many sections farmers are doing this work by hand. Quite generally growers are using early maturing varieties to offset delayed seeding, but even where this has been done, the backward season is still a handicap which can be overcome only by unusually favorable weather until harvest. Attention is called to lesser yields possible with 90-day corn as compared with other varieties.

**Cotton** — In the Eighth District, according to county agents, marketing associations, and other sources of information available to this bank, the cotton crop averages the poorest start since 1927. Over the northern stretches of the area, planting at the middle of June was far from complete, and due to the heavy rains and floods, much replanting will be essential. Many fields are infested with grass and weeds, and this condition may become acute unless a turn in the weather affords an opportunity to cultivate them. A rainy May is usually adverse for cotton, and that month this year was unusually wet, rains have persisted through early June. Statistics compiled by the National Fertilizer Associa-

tion indicate that tag sales in states including the Eighth District in May were slightly smaller than for the same month a year and two years earlier, but for the period January-May this year total sales were 15 and 19 per cent greater, respectively, than during the comparative periods in 1934 and 1933. The trend of raw cotton prices was downward. In the St. Louis market the middling grade ranged from 11.00c to 12.10c per pound between May 16 and June 15, closing at 11.65c on the latest date, which compares with 12.00c on May 16, and 11.75c on June 15, 1934.

**Fruits and Vegetables**—Latest information issued by the U. S. Department of Agriculture and the agricultural departments of the several states, growers associations, etc., indicate that tree fruit prospects are considerably better than in recent years. Outlook for cane fruits is also favorable, and the condition of grapes in the principal producing sections is above that at the corresponding period a year ago. Based on June 1 conditions, the yield of peaches in states including the Eighth District is estimated at 9,935,000 bushels, as against 6,578,000 bushels harvested last year and the 5-year average, 1928-1932, of 7,056,000 bushels. Apple prospects are somewhat above average, though spotty, and reports of scab infestation and blight are causing considerable concern. The codling moth flight has been heavy this season, but has been under control as emergence has been uniform and intensive spraying has been practiced in all commercial orchards. The condition of the early potato crop in southern states is reported slightly above average, despite some deterioration during May. In the north the potato outlook is less favorable, and in the lowlands much replanting will be necessary because of rotting of seed in the ground.

**Live Stock**—The condition of live stock generally through the district underwent considerable improvement during May, due mainly to the further betterment in pastures. The spring lamb crop in virtually all states of the district made considerable progress during the past thirty days, and quality is generally high. According to the U. S. Department of Agriculture, stocks of old hay are much below average, but indications are that hay-consuming animals on farms will be no greater numerically than last winter, and 3 to 4 per cent less than the average number wintered during the past decade.

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

	Receipts			Shipments		
	May, 1935	April, 1935	May, 1934	May, 1935	April, 1935	May, 1934
Cattle and Calves.....	110,911	100,804	108,869	67,831	58,976	51,848
Hogs .....	165,903	187,207	278,305	116,300	117,875	161,264
Horses and Mules.....	4,265	6,295	3,315	4,198	6,877	3,454
Sheep .....	71,985	61,935	55,853	13,906	17,798	5,788

**Tobacco**—Reports received as of June 14 from county agents, marketing associations and other sources indicate that rains have retarded transplanting of the burley crop, and it is estimated that fully 10 per cent of the intended acreage had not been planted, the greatest backwardness being in lowlands. There are scattered reports of cut worm and insect damage. Farmers have devoted their attention to cultivation and replanting, and in many sections the stand is exceptionally good. In the one sucker, air cured and Green River districts planting had been about completed at mid-June. Acreage in these districts is somewhat less than last year. Intended acreage had also been planted in the Clarksville, Hopkinsville and western dark fired districts. Hot, dry weather is much needed, as fields are weedy and intensive cultivation is needed to produce best results.

**Winter Wheat**—While for the country as a whole, winter wheat prospects improved slightly during May, there was a decrease of 4.7 per cent in the June 1 indicated yield in States of the Eighth District. In its report as of June 1, the U. S. Department of Agriculture estimates the yield in these states at 91,563,000 bushels, against 90,493,000 bushels harvested in 1934, and a 5-year average (1928-1932) of 82,742,000 bushels. The deterioration during May was caused by unfavorable weather, the crop being badly in need of sunshine. Generally throughout the district, excessive moisture caused rank growth, yellowing and lodging. Leaf rust is prevalent, and there were reports of local damage from hail. Flood damage along the Mississippi and Missouri rivers and many smaller streams has caused a considerable amount of abandonment.

## COMMODITY PRICES

Range of prices in the St. Louis market between May 15, 1935, and June 15, 1935, with closing quotations on the latter date and on June 15, 1934, follow:

	High	Low	Close	
			June 15, 1935	June 15, 1934
Wheat				
July .....per bu..	.92	\$.76¾	\$.77	\$.92½
Sept. ....	.93	.77½	.77½	.93½
*Dec. ....	.92½	.79½	.79¾	.94½
No. 2 red winter ..	.95	.83	.83½	.94½
No. 2 hard ..	1.05½	.92	.92	.96¾
Corn				
July .....	.84¾	.78½	.80½	.57½ @ .57½
Sept. ....	.79	.71½	.74½	.59¼ @ .59¾
*Dec. ....	.68½	.61¾	.62¾	.60½
*No. 2 mixed .....	.90	.83	.86	.60
*No. 2 white .....	.95½	.87½	.90½	.64
Oats				
No. 2 white .....	.47½	.39½	.40½	.45
Flour				
Soft patent.....per bbl.	6.45	5.40	5.40 @ 5.90	6.40 @ 6.80
Spring .....	7.70	6.85	6.85 @ 7.70	6.65 @ 7.00
Middling Cotton...per lb.	.1210	.1100	.1165	.1175
Hogs on hoof.....per cwt.	10.15	5.50	8.40 @ 9.80	2.50 @ 4.80

\*Nominal quotations.

## FINANCIAL

Except for a slightly more active demand for funds to finance agricultural operations, seasonal

in character, there was little variation in the general trend of banking and financial conditions in the Eighth District as contrasted with the preceding several months.

Loanable resources of the commercial banks continue at high levels, and rates on all classes of loans hovered about the low mark of the present year. Requirements of commercial and industrial interests remained in relatively small volume, and liquidation at both city and country banks was in considerable volume. Borrowings of country banks from their city correspondents were negligible, and a further broadening in demand on the part of country financial institutions for commercial paper and other investments for surplus funds was noted.

**Member Banks**—Investments of reporting member banks in leading cities, which had moved sharply upward to a new high for the year at mid-May, receded as rapidly thereafter and on June 12, had fallen to the approximate level obtaining late March. Total loans of these banks continued the downward trend, and on June 12 were slightly below a month earlier and 3.4 per cent less than on the corresponding date in 1934. Deposits decreased during the four week period, but continued substantially higher than a year ago. At \$92,550,000, reserve balances on June 12, were 44 per cent and 31 per cent larger, respectively, than a month and a year earlier.

A composite statement of the principal resource and liability items of the reporting member banks is given in the following comparative table:

(In thousands of dollars)	June 12, 1935	May 15, 1935	June 13, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't obligations and other stocks and bonds....	\$ 56,954	\$ 58,908	\$ 71,007
All other loans and discounts....	150,432	148,763	129,547
Total loans and discounts.....	207,386	207,671	200,554
Investments			
U. S. Gov't securities.....	214,159	251,500	200,519
Other securities.....	126,840	127,536	100,054
Total investments.....	340,999	379,036	300,573
Reserve balance with F. R. Bank..	92,550	64,227	70,766
Cash in vault.....	9,018	8,572	7,955
Deposits			
Net demand deposits.....	419,080	425,641	334,090
Time deposits.....	167,706	167,524	163,562
Government deposits.....	15,159	17,369	21,943
Total deposits.....	601,945	610,534	519,595
Bills payable and rediscounts with Federal Reserve Bank.....			
Number of banks reporting.....	19	19	19

The total resources of these banks comprise approximately 60.0% of all member banks in this district.

The amount of savings deposits held by selected banks on June 5, was 1.3 per cent greater than on May 1, and 13.7 per cent in excess of the total on June 6, 1934.

At downtown St. Louis banks as of the week ended June 15, interest rates were as follows: Cus-

tomers' prime commercial paper, 1 per cent to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 1½ to 5½ per cent and cattle loans, 5 to 6 per cent.

**Federal Reserve Operations**—Deposits of the Federal Reserve Bank increased between May 18 and June 18, reflecting the sharp rise in member banks' reserve accounts. As of the latest date, the volume of reserve credit outstanding was virtually unchanged from a month earlier, but throughout the period remained measurably greater than a year ago.

Changes in the principal assets and liabilities of this bank appear in the following table:

(In thousands of dollars)	June 18, 1935	May 18, 1935	June 18, 1934
Industrial advances under Sec. 13b.....	\$ 518	\$ 558	\$.....
Other advances and rediscounts.....	64	14	178
Bills bought (including participations).....	81	81	121
U. S. Securities.....	108,200	108,200	93,200
Total earning assets.....	108,863	108,853	93,499
Total Reserves .....	186,804	162,391	182,097
Total Deposits .....	150,481	126,063	135,897
F. R. Notes in circulation.....	138,985	138,683	132,879
F. R. Bank Notes liability.....			409
Industrial commitments under Sec. 13b .....	1,794	1,650	.....
Ratio of reserves to deposit and and F. R. Note liabilities.....	64.5%	61.3%	67.8%

Rates charged by the Federal Reserve Bank of St. Louis remain unchanged as follows:

2 per cent on advances to member banks on eligible paper and/or collateral, whether rediscounts or member bank promissory notes, under Sections 13 and 13a.

4½ per cent on advances to banks and other financing institutions on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

½ per cent flat for commitments not exceeding six months on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

5½ per cent on direct advances to established industrial or commercial businesses, for working capital, under Section 13b.

4 per cent on direct advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.

5½ per cent on direct advances to individuals, partnerships and corporations (excluding nonmember banks) on eligible paper, under Section 13.

**Debits to Individual Accounts**—The following comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	May, 1935	April, 1935	May, 1934	May, 1935 comp. to Apr. 1935	May 1934
East St. Louis and Natl. Stock Yards, Ill..	\$ 26,529	\$ 24,712	\$ 20,490	+ 7.4%	+29.3%
El Dorado, Ark.....	3,718	3,962	3,239	— 6.2	+14.8
Evansville, Ind.....	20,638	19,594	17,412	+ 5.3	+18.5
Fort Smith, Ark.....	8,058	8,287	7,009	+ 2.8	+15.0
Greenville, Miss....	3,162	3,489	2,658	— 9.4	+19.0
Helena, Ark.....	1,341	1,531	1,410	—12.4	— 5.0
Little Rock, Ark....	31,818	27,901	21,226	+14.0	+49.9
Louisville, Ky.....	138,844	140,802	123,811	+ 1.4	+12.1
Memphis, Tenn.....	87,803	94,187	81,605	+ 6.8	+ 7.6
Owensboro, Ky.....	4,207	3,929	3,382	+ 7.1	+24.4
Pine Bluff, Ark....	5,608	5,023	4,008	+11.6	+39.9
Quincy, Ill.....	6,377	6,676	6,406	+ 4.5	— 0.5
St. Louis, Mo.....	547,852	474,828	480,227	+15.4	+14.1
Sedalia, Mo.....	1,897	1,808	1,652	+ 4.9	+14.8
Springfield, Mo....	13,887	12,235	11,611	+13.5	+19.6
*Texarkana, Ark....	4,809	5,252	4,712	— 8.4	+ 2.1
Totals .....	906,548	834,216	790,858	+ 8.7	+14.6

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

**Note**—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers' checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.



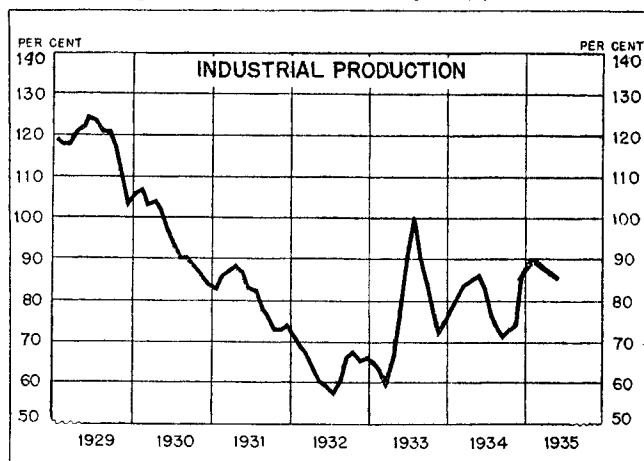
# NATIONAL SUMMARY OF BUSINESS CONDITIONS

BY FEDERAL RESERVE BOARD

**PRODUCTION AND EMPLOYMENT**—Volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 86 per cent of the 1923-25 average in April to 85 per cent in May, which was the fourth consecutive month of gradual decline from the recent high level of 90 in January. At steel mills output declined somewhat in May and the first three weeks of June, as is usual at this season. In the automobile industry, where output this spring has been at a level substantially higher than in other recent years, production showed

els. Domestic stocks of wheat have been materially reduced this season.

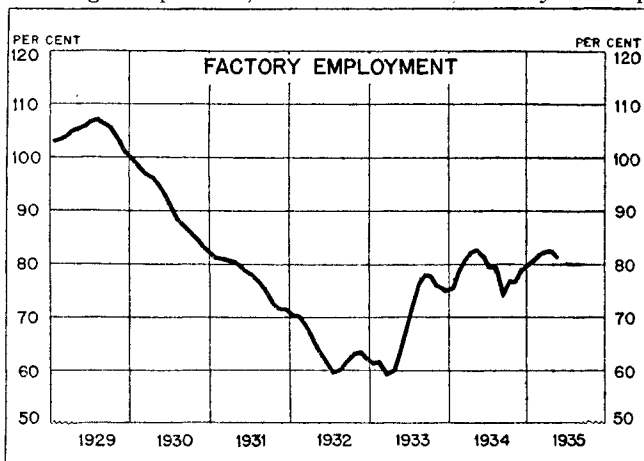
**DISTRIBUTION**—Total volume of freight-car loadings increased in May by about the usual seasonal amount. Coal shipments showed a marked increase, while loading of miscellaneous freight declined. Department store sales, as measured by the Board's seasonally adjusted index, increased from 73 per cent of the 1923-25 average in April, to 76 per cent in May and were at approximately the same level as a year ago.



Index number of industrial production, adjusted for seasonal variation. (1923-25 average=100.) Latest figure, May, preliminary 85.

a marked decline in May, reflecting in part the effects of a strike. At cotton mills there was little change in activity, while at woolen mills production increased further, contrary to seasonal tendency. Production of shoes declined seasonally. Output of coal which has fluctuated widely in recent months, reflecting partly developments in the labor situation, showed a marked increase during May and the early part of June. Factory employment and payrolls declined between the middle of April and the middle of May. Decreases in employment were reported for the automobile, radio, lumber, clothing, cotton, silk, and shoe industries, while at woolen mills employment increased and in many other lines little change was reported.

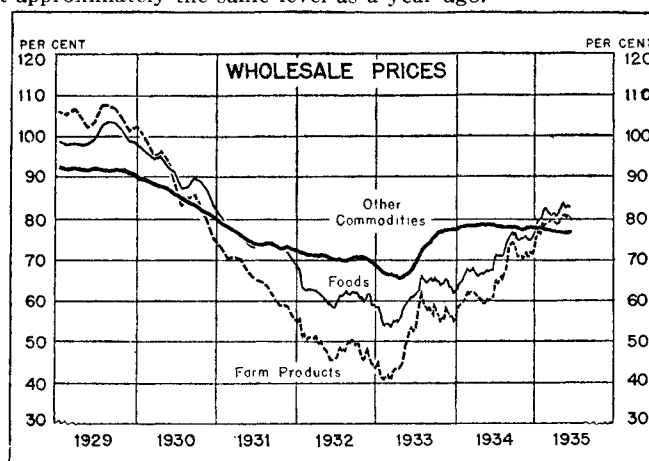
Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was about the same in May as in April.



Index of factory employment, adjusted for seasonal variation. (1923-25 average=100.) Latest figure, May, 81.3.

Residential work continued in excess of a year ago, while the volume of contracts for public projects was smaller than in the corresponding month of 1934.

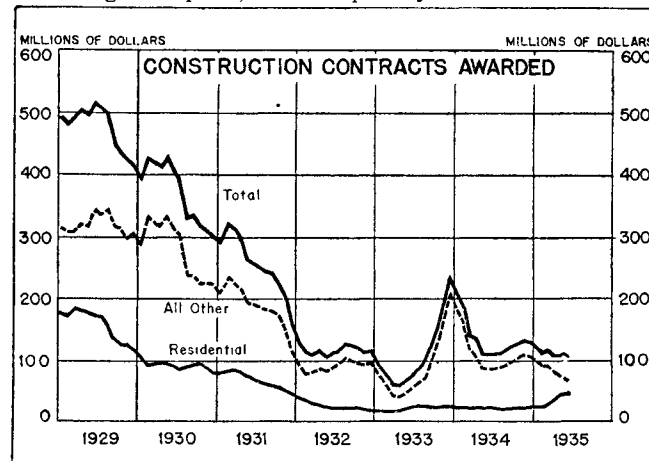
Department of Agriculture estimates based on June 1 reports indicate that conditions for wheat, oats, barley, rye, hay, and pastures were at the ten-year average for 1923-32, in contrast with conditions a year ago, which were unusually poor as a consequence of a prolonged drought. The winter wheat crop this year is estimated to be somewhat larger than last year and, with a considerable increase indicated for spring wheat, present conditions, according to the Department of Agriculture, suggest a total crop of about 670,000,000 bushels as compared with 496,000,000 bushels last season and a ten-year average of 828,000,000 bush-



Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months 1929 to 1931; by weeks 1932 to date. Latest figures for week ended June 15, farm products 79.9; foods 83.4; other commodities 77.9.

**COMMODITY PRICES**—The general level of wholesale prices, which was 80.3 per cent of the 1926 average at the end of April and also in the week ending May 25, had declined to 79.8 per cent by the week ending June 15, according to the index of the Bureau of Labor Statistics. Grain prices decreased considerably during May and the first half of June. Cotton prices, after a sharp decline at the end of May and a subsequent increase, also were lower in the middle of June than at the beginning of May. Prices of commodities other than farm products and foods as a group advanced slightly during this period.

**BANK CREDIT**—During the five weeks ending June 19, reserve balances of member banks increased by \$175,000,000 as a result of gold imports, offset in part by an increase in Treasury



Three-month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figures, May, preliminary total 102.5; residential 35.9; all other 66.6.

cash, and deposits with the Reserve banks. Excess reserves of member banks on June 12, were above \$2,500,000,000 for the first time, but declined somewhat in the following week.

At reporting member banks in leading cities there was an increase of \$540,000,000 in net demand deposits in the four weeks ending June 12, due in part to gold imports. Time deposits declined by \$150,000,000, of which \$70,000,000 represented a decline at New York City banks consequent upon a ruling of the New York Clearing House in May prohibiting the payment of interest on New time deposits maturing in less than six months. Total loans and investments of reporting banks showed no important changes. Short-term open-market interest rates continued at low levels in May and the first half of June.