



MONTHLY REVIEW

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

Released for Publication On and After the Morning of March 31, 1933

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IN COMMON with other sections of the country, commerce and industry in the Eighth District during the past thirty days were dominated by the financial situation. The usual instrumentalities for transacting business were seriously disrupted by the bank holidays beginning with Michigan in mid-February and culminating in the National Banking Holiday of the week of March 6. The ordinary indices and measurements for gauging business activity were rendered temporarily ineffectual by the unprecedented monetary conditions. Considerable difficulty was experienced in gathering statistics and information covering February operations in manufacturing and trade, and during the first half of March, these difficulties were greatly intensified by uncertainties attending the bank suspensions. With the gradual reopening of financial institutions on March 13 and subsequent resumption of trading on the principal security and commodity exchanges of the country, the situation as a whole was substantially improved and continued betterment has been in progress since, with the result that in the third week of this month banking, transportation, communications and other business facilities were functioning generally throughout the district at a rate closely approximating that obtaining prior to the crisis.

During February both commerce and industry continued the recessionary trends noted in January and the closing months of 1932. Existing unfavorable factors were emphasized by the disturbed banking status, and there was a tendency on the part of merchants and the public to conserve cash and practice extreme caution in the matter of commitments for commodities. In virtually all wholesaling and jobbing lines investigated by this bank, aggregate February sales fell below the same period a year ago. With the exception of dry goods, electrical supplies, apparel and several less important classifications affected by seasonal considerations, the volume was also below that of January this year. Retail trade failed to show the usual pickup from January to February, and special efforts in the

form of reduction sales and intensive advertising campaigns met with only indifferent success. There was a moderate increase in production at iron and steel mills and foundries, but a number of plants which had resumed operations in February closed down again with the declaration of the bank moratorium. Production in all the bituminous coal fields of the district was below that of a year ago.

During the first part of March business was virtually at a standstill, except those branches dealing with necessities of everyday existence. With the medium of exchange through checks eliminated, and cash difficult to obtain, transactions between commercial firms were temporarily halted and purchasing by the public was greatly restricted. The prompt and efficient measures taken for opening banks, and resumption of activities by these institutions served to materially bolster confidence in the business community and with the public at large. Another factor tending to substantially assist business has been the sharp upturn in commodity prices and security values with the reopening of the exchanges. In the immediate past there has been more of a disposition to cover on requirements for a broad variety of goods than has been evidenced for many months. This is true particularly of basic raw materials, notably pig iron, nonferrous metals, textile fibers, and fuel. With exception of wheat, which sustained considerable damage from the February freezes, agricultural prospects are favorable throughout the district, and farmers are planning their spring planting programs with more confidence than was thought possible a few months back.

The volume of retail trade in February, as reflected in sales of department stores in leading cities of the district, was 2.4 per cent smaller than in January, and 30.2 per cent less than in February, 1932; aggregate sales for the first two months this year were 26.9 per cent smaller than for the same period in 1932. Combined sales of all wholesaling and jobbing firms reporting to this bank were 6.5 per cent smaller than in January, and about one-fifth less than in February, 1932; for the first two months

the total fell 17 per cent below the same time a year ago. The value of permits for new buildings in the five largest cities in February was about 16 per cent greater than in January but 84 per cent less than a year ago; the cumulative total for the first two months was approximately 79 per cent smaller than a year ago. Construction contracts let in the Eighth District in February were 49 per cent smaller than in January and 58 per cent less than in February, 1932; for the first two months the total was 30.6 per cent smaller than a year ago. Debits to checking accounts in February were about one-fourth smaller than in January and one-fifth less than a year ago; for the first two months the total fell 19 per cent below the comparable period in 1932.

According to officials of railroads operating in this district, the movement of both freight and passenger traffic during February showed somewhat more than the usual seasonal recession. Mild weather tended to hold down loadings of coal and coke and the movement of farm products, including livestock, was considerably smaller than during the same month a year and two years earlier. During the first two weeks of March there was a sharp falling off in all descriptions of freight handled and passenger traffic declined to the lowest levels in late years. More freight than is ordinarily the case was handled by trucks. This was particularly noticeable in the movement to market of livestock, poultry and some other farm products. For the country as a whole, loadings of revenue freight for the first nine weeks this year, or to March 4, totaled 4,346,304 cars, against 5,069,471 cars, for the comparable period in 1932 and 6,430,545 cars in 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 112,484 loads in February, against 111,834 loads in January and 133,429 loads in February, 1932. During the first nine days of March the interchange amounted to 34,183 loads, against 36,361 loads during the corresponding period in February, and 43,433 loads during the first nine days of March, 1932. Passenger traffic of the reporting lines in February decreased 27 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 73,000 tons, which compares with 81,304 tons in January and 112,558 tons in February, 1932.

Taken as a whole, reports relative to collections during the past thirty days reflect more favorable results than might have been looked for under existing banking conditions. February 1 payments to wholesalers in the principal distributing centers

made a relatively favorable comparison with the corresponding period last year. In the tobacco districts liquidation with both banks and merchants during the last half of February were in considerable volume. With suspension of the ordinary banking facilities incident to the nation-wide moratorium debtors were unable to secure cash for settlements, so that it was impossible to estimate what was the status of collections. Reports from both wholesale and retail merchants, however, indicate that the delay is temporary only, and that postponed payments by customers will be made with restoration of normal banking operations. Indicated losses through weak accounts in February were smaller than a year ago. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
February, 1933.....	.0%	7.4%	52.9%	39.7%
January, 1933.....	1.9	9.4	54.2	34.5
February, 1932.....	1.7	18.5	51.0	28.8

Commercial failures in the Eighth Federal Reserve District in February, according to Dun's numbered 103 involving liabilities of \$2,708,637, against 121 defaults in January with liabilities of \$1,865,582 and 148 insolvencies for a total of \$2,804,588 in February, 1932.

The average daily circulation of the United States in February was \$5,892,000,000 against \$5,631,000,000 in January, and \$5,627,000,000 in February, 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes—February sales of the reporting firms were 28 per cent smaller than for the same month last year, and 15 per cent less than the January total this year. Stocks on March 1 were smaller by 12 per cent and 18 per cent, respectively, than a month and a year earlier. The decline in the month-to-month sales comparison is seasonal in character, and no larger than the average during the past several years. New business booked during the first two weeks in March was negligible, owing to the bank holiday, but since resumption of banking operations there has been a large volume of orders for prompt shipment. Factory operations showed little change as contrasted with the preceding thirty days.

Clothing — Purchasing of apparel of all descriptions continued on a conservative scale, but with retail stocks universally small, ordering for absolute requirements represented a sizeable aggregate. The volume of buying for distribution during the spring and early summer was slightly ahead of the same period last year. Demand for work clothes showed

no change from the dull condition of recent months. February sales of the reporting clothiers were 28 per cent greater than for the preceding month, and 8 per cent larger than in February last year.

Drugs and Chemicals — Continued quietness in demand for heavy chemicals and drugs from the general manufacturing trade, and reduced requirements for seasonal goods were factors in a decrease of February sales of 4 per cent below the preceding month and of 14.5 per cent under the February, 1932, total. Inventories were again lower, stocks on March 1 being 1 per cent and 11 per cent smaller, respectively, than a month and a year earlier.

Dry Goods — Following the usual seasonal trend, February sales of the reporting interests were 7 per cent greater than for the preceding month, but the total was 17 per cent smaller than in February last year. A considerable part of the decrease in the yearly comparison was due to the decrease in prices of virtually all commodities handled. There was an increase of 4 per cent in inventories between February 1 and March 1, but on the latest date the total was 10 per cent smaller than a year ago. Due to the closing of the principal exchanges during the bank holiday, prices were somewhat uncertain, but with the resumption of trading the trend of all textile values has been upward.

Electrical Supplies — Improvement in demand from public utilities companies and certain sections of the construction industry was reflected in an increase in February sales of the reporting firms of 19 per cent over the preceding month. The total, however, was one-fourth smaller than in February, 1932. Stocks on March 1 showed no change from a month earlier, and were 41 per cent smaller than a year ago.

Flour — Production at the 12 leading mills in February totaled 352,291 barrels, against 253,973 barrels in January and 225,971 barrels in February, 1932. Moderate improvement in demand was noted during the closing weeks of February, but during the first half of March trading was seriously hampered by interference with grain markets resulting from the banking moratorium. Millers were unwilling to make large commitments because of inability to hedge their cash grain purchases in the future market. Consumers, particularly the larger buyers, were willing to buy, and the undertone of the market was firm. The feeling of strength was emphasized by the higher cash wheat prices at the reopening of the grain markets on March 13. Inquiries from Latin-American markets were in slightly

larger volume than heretofore. Mill operations were at from 42 to 45 per cent of capacity.

Furniture — February sales of the reporting firms were approximately 40 per cent larger than during the preceding month, but 17 per cent smaller than in February a year ago. Inventories continue to recede, stocks on March 1 being smaller by 10.5 per cent and 32.5 per cent, respectively, than a month and a year earlier. The increase in the month-to-month comparison was seasonal in character, but slightly greater than the average during the past several years. No change in prices was noted as contrasted with the preceding thirty days.

Groceries — As compared with other lines, business in this classification made a relatively favorable showing. Seasonal demands and more of a disposition on the part of retailers to build up stocks were reflected in fairly active purchasing during the first three weeks of the month. During the last week, however, banking disturbances served to halt buying to a considerable extent, with the result that total February sales of the reporting interests were 7 per cent smaller than in January, and 9 per cent less than in February, 1932. The decrease in the yearly comparison was accounted for largely by lower prices. Stocks on March 1 were 2 per cent and 3 per cent smaller, respectively, than a month and a year earlier.

Hardware — As compared with the preceding month, February sales of the reporting firms showed a decrease of 7 per cent, and the total was 16.5 per cent less than in February, 1932. There was a slight increase in inventories between February 1 and March 1, and on the latest date stocks on hand were 14 per cent smaller than a year ago. Due to unusually mild weather throughout the winter, purchasing of seasonal goods was considerably smaller than during the past several years.

Iron and Steel Products — During the closing weeks of February there was quite a noticeable quickening in activities in the iron and steel industry in this district. Inquiries for a broad variety of products were in larger volume than for a number of months, and new ordering of finished and raw materials showed distinct improvement. The nature of both inquiry and new buying indicated actual need for the goods involved and that long postponed requirements were being, or about to be filled. Another favorable symptom was the further progress in the direction of stabilization of prices on certain important products, notably plates, sheets and other rolled items. Demand for castings was more active, as reflected by increased schedules at

jobbing foundries and at plants of certain specialty manufacturers. The movement of pig iron and metallurgical coke during the last half of February was at a higher average daily rate than during the preceding six weeks. Improvement extended as well to distributors, business of iron and steel warehouse jobbing interests having shown steady betterment from the first week of February. Restrictions placed on all business activities by the banking disturbances had a particularly detrimental effect on the iron and steel industry. Due to fears relative to securing funds to pay wages, transportation and other charges, virtually all foundries in the district closed down when the bank holiday was declared, and steel mills either suspended operations or heavily lowered their working schedules. There was no change worthy of note in requirements of the automotive industry, but railroads were purchasing on a somewhat more liberal scale than heretofore, mainly, however, to fill immediate needs. Plans for resumption of operations at a number of stove and heating apparatus and farm implement plants were further delayed by the banking situation, but are expected to be put into effect early in April. Despite recent disabilities, sentiment generally in the industry is more hopeful than in many months. This attitude is based chiefly on universally scant inventories and the belief that replenishment can no longer be put off. Pig iron prices were steady to firm, and the same was true of iron and steel scrap. Production of pig iron for the country as a whole in February recorded another daily average gain, but due to the shorter month, the total, of 553,067 tons, according to the magazine "Steel," was 15,718 tons less than in January, and compared with 960,550 tons in February, 1932. Production of steel ingots in the United States in February totaled 1,065,080 tons, against 1,006,297 tons in January, and 1,457,710 tons in February, 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in February totaled 106,814, against 130,114 in January, and 117,413 in February, 1932.

Following the unvarying trend of the past ten or twelve years, distribution of automobiles in this district during February showed a substantial increase over the preceding month, according to the group of dealers reporting to this bank. In point of number of new passenger cars sold, the February total was the largest since last June. As compared with a year earlier, however, the February volume continued the steady decreases which have been in effect in recent months. The increase in the month-

to-month comparison was due partly to the very small January volume and to the usual seasonal influences, such as introduction of new models and the desire of purchasers to get in on the new registration year, which in Missouri and some other states begins in February. Demand was well distributed through all classes of makes, but a particularly favorable showing was made by medium-priced vehicles. February sales of the reporting dealers were 32 per cent less than a year ago, but about three and one-half times larger than the January total. Dealer buying is still on a conservative scale, which fact is reflected in generally small inventories. Sales of used cars also increased in February over January, but showed a decrease of about 9 per cent under February last year. Stocks of salable secondhand cars increased slightly from February 1 to March 1, but on the latest date were still about one-fourth smaller than a year ago. Sales of trucks of all descriptions in February were about 50 per cent greater than in the preceding month, but less than half as large as in February, 1932. According to dealers reporting on that item, deferred payment sales in February constituted 46 per cent of total sales, against 51 per cent in January and 52 per cent in February, 1932.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statements showing activities in the leading cities of the district:

Department Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1933 comp. to Feb. 1932	2 months ended Feb. 28, 1933 to same period 1932	Feb. 28, 1933 comp. to Feb. 28, 1932	Jan. 1, to Feb. 28, 1933	Feb. 28, 1932
Evansville	-39.7%	-35.5%	-34.6%	.24	.25
Little Rock.....	-30.0	-23.7	-15.9	.30	.32
Louisville	-30.2	-27.8	-31.6	.37	.36
Memphis	-24.2	-22.1	-20.7	.41	.46
Quincy	-29.2	-30.1	-15.2	.31	.37
St. Louis.....	-31.1	-27.9	-19.2	.50	.57
Springfield	-37.4	-27.4	-24.4	.16	.18
8th District.....	-30.2	-26.9	-21.0	.44	.49

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1933 comp. to Feb. 1932	2 months ended Feb. 28, 1933 to same period 1932	Feb. 28, 1933 comp. to Feb. 28, 1932	Jan. 1, to Feb. 28, 1933	Feb. 28, 1932
Men's Furnishings..	-26.9%	-27.5%	-24.1%	.40	.41
Boots and Shoes	-28.3	-21.5	-26.2	.39	.39

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in February as being 3.7 per cent larger than in January and 10.4 per cent less than in February, 1932. Detailed figures follow:

	No. of	Feb.	Jan.	Feb. 1933	Feb.	Feb. 1933
	Custom- ers	1933	1933	comp. to	1932	comp. to
		*K.W.H.	*K.W.H.	Jan. 1933	*K.W.H.	Feb. 1932
Evansville ...	40	1,313	1,321	— 0.6%	1,523	—13.8%
Little Rock...	35	1,092	1,125	— 2.9	1,141**	— 4.3
Louisville ...	85	5,626	4,739	+18.7	5,119**	+ 9.9
Memphis	31	1,343	1,450	— 7.4	1,389	— 3.3
St. Louis.....	195	11,288	11,287**	+ .01	13,876**	—18.7
Totals	386	20,662	19,922	+ 3.7	23,048	—10.4

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

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in February were 15.7 per cent more than in January, and less by approximately 84 per cent than in February a year ago. According to statistics compiled by the F. W. Dodge Corporation, contracts let in the Eighth Federal Reserve District in February amounted to \$2,590,446 which compares with \$5,060,638 in January and \$6,118,908 in February, 1932. Production of portland cement for the country as a whole in February totaled 2,772,000 barrels, against 2,958,000 barrels in January and 3,971,000 barrels in February, 1932. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1933	1932	1933	1932	1933	1932	1933	1932
Evansville ..	92	107	\$ 14	\$ 23	31	26	\$ 11	\$ 7
Little Rock	4	21	1	28	32	69	14	36
Louisville ..	14	35	17	23	25	41	16	114
Memphis ...	55	95	27	518	74	128	39	63
St. Louis....	63	149	74	252	107	222	49	180
Feb. totals..	228	407	\$ 133	\$ 844	269	486	\$ 129	\$400
Jan. " ..	246	348	115	360	277	417	152	289
Dec. " ..	212	408	116	2,855	269	338	128	187

*In thousands of dollars (000 omitted).

AGRICULTURE

Weather conditions in the Eighth District during the past thirty days were variable and on the whole less favorable for agricultural activities and crops than during the same period in recent years. The extremely low temperatures in early February temporarily halted plowing and preparations of the soil for spring planting except in the southmost tiers of the district. Considerable work had been performed prior to the cold snap, however, and intensive efforts since the return to milder weather, following the third week in February, permitted of schedules being brought close to the seasonal average at the middle of March. Scattered reports reflect damage in greater or lesser degree to early truck crops, strawberries and peaches, and rather widespread injury to the growing winter wheat crop from the February freezes. The sub-zero temperatures also caused considerable mortality among early lamb and pig crops. Precipitation has been general and in ample volume for all purposes, and soil conditions in virtually all localities are better than at this season during the past several years. Relative to prospective acreages of spring planted

crops more uncertainty exists than in the past, due to the changed factors tending to influence farmers' intentions.

The movement to market and general distribution of farm products was seriously interfered with by the banking holidays. The grain, cotton and other exchanges of the country were temporarily closed due to difficulties encountered as a result of suspension of banking operations. Just prior to March 3, when the grain exchanges closed, there was an upward movement in prices of wheat, and on March 13, when dealing in cash grain was resumed on a limited scale, No. 2 hard winter wheat advanced to the highest point since last May. With the opening of future trading on March 16, all wheat options advanced sharply, and there were also advances in prices of corn, oats and other cereals.

Winter Wheat — Reports from the principal growing areas of the district reflect more than the usual amount of winter killing, and in certain important counties abandonment of acreage is expected to be heavy. Unfavorable conditions during the planting season have resulted in uneven stands, and during the extreme cold weather in February snow covering was lacking over most of Indiana, Illinois and Missouri. There are scattered reports of the appearance of Hessian fly, but so far as can be learned expected damage from this source is no greater than the average during the past decade.

Corn — Wet weather and the low temperatures during early February interfered to a considerable extent with preparations of corn land, and generally less progress has been made in clearing and plowing than is usual at this season. Generally seed is abundant and of good quality, but farmers' intentions to plant corn have been influenced by current low prices and the heavy carry-over from last year. In many instances producers estimate that they can purchase their requirements at present prices for less money than it would take to raise a new crop. Stocks of corn in farmers' hands on March 1 in states of this district represent one of the largest totals ever recorded for that date.

Fruits and Vegetables — Reports from certain sections where peaches are grown on a commercial scale indicate that serious damage was sustained by trees from the zero weather in February, and prospects are for yields no larger than realized in the practical failure last year. Relatively little damage was done to apples, except the earliest varieties. Cane fruits are believed to have escaped serious damage, but strawberry plants in some localities were badly hurt by the freeze. Preliminary reports indicate generally larger strawberry acreages than last year, particularly in the Ozark region. On the

basis of March indications, the Mississippi strawberry yield is estimated by the U. S. Department of Agriculture to be about 35 per cent greater than last year.

Live Stock—The early lamb crop in the principal early lambing states, as a whole, is about 8 per cent smaller than in 1932, according to reports received by the U. S. Department of Agriculture as of March 1. The condition of early lambs average somewhat better than on March 1, 1932. Regarding certain states of this district the report comments as follows:

Tennessee: The lamb crop was somewhat larger than last year and condition of lambs is good to excellent. A larger number than usual will be ready for the early market. Feed supplies are plentiful and grazing ample. Kentucky: The lamb crop will be larger than last year and the proportion for May shipment is expected to be greater. While the winter was fairly favorable as a whole, the severe cold spell in February caused rather heavy losses. Pastures at the end of February were only fair, but seasonal warm weather has improved them since that time. Missouri: The early lamb crop is expected to be somewhat smaller than last year, due to death losses in February.

The condition of cattle and hogs on March 1 was for the most part favorable, but due to slack demand and low prices, the movement to market was in smaller volume than a month and a year earlier. There was a rather sharp advance in livestock and meat prices during early March, occasioned mainly by curtailment of supplies incident to the banking disturbances. Demand for stocker and feeder cattle was only moderately active, farmers experiencing difficulty in financing purchases. Milk production per cow on March 1, as reported by the Department of Agriculture was the lowest for that date since 1925.

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

	Receipts			Shipments		
	Feb. 1933	Jan. 1933	Feb. 1932	Feb. 1933	Jan. 1933	Feb. 1932
Cattle and Calves.....	66,347	70,243	71,770	37,618	38,545	39,502
Hogs	196,933	218,124	237,181	123,435	141,759	168,303
Horses and Mules.....	5,090	5,763	5,224	5,465	4,815	4,991
Sheep	34,078	35,880	25,798	11,072	11,365	7,455

Cotton—Crop preparations generally are backward in the Eighth District, due chiefly to unfavorable weather. Heavy rainfall has prevented farmers from entering their fields in many sections, but as planting does not ordinarily become general until the middle of April, with an average share of seasonable weather, there is ample time left for thorough preparation and early start. Prospective acreage, already uncertain, has been further complicated by the banking situation and the probable part

in financing planters which will be assumed by the Federal Government and other agencies. Government loans are being made with acreage restrictions, which fact may result in smaller plantings than a year ago. With the exchanges closed during the bank holidays, trading in cotton in this country during that period was practically at a standstill. Demand which had accumulated during the moratorium, coupled with the rise in other commodities, was reflected in an advance to the highest point since last October on both spot cotton and futures. In the St. Louis market the middling grade ranged from 5.65c to 6.50c per pound between February 16 and March 16, closing at 6.50c on the latter date, which compares with 5.80c on February 15, and 6.50c on March 15, 1932.

Receipts at Arkansas compresses from August 1, 1932, to March 10, 1933, totaled 1,170,710 bales, which compares with 1,427,647 bales during the comparable period a year earlier. Stocks on March 10 were 501,140 bales, against 563,257 bales on February 10 and 588,390 bales on the corresponding date last year.

Tobacco—Markets in the burley tobacco districts had closed for the season at the middle of March with the exception of Lexington, Ky. Eliminating sales of old tobacco and resales of the 1932 crop, it is estimated that about 300,000,000 pounds of the latest crop of burley were sold at an average price of \$12.40 per cwt., which compares with an average of \$8.65 in 1932 and \$15.59 in 1931. The air-cured markets have also closed. In the Owensboro, Ky., market, prices averaged about \$3.38 and the Henderson sales, \$5.53. In the one-sucker district average price for the season was approximately \$5. As of March 3, approximately half of the fire-dark crop had been sold, with an average price of \$6.50 in the eastern district and \$4.10 in the western district. By mutual agreement between warehousing buyers and the marketing associations, all sales were suspended in the dark-fired districts during the week of March 6. Some progress has been made in preparation of plant beds for this year's crop. While the Bureau of Agricultural Economics finds that "most of the factors affecting the outlook for tobacco in 1933 are adverse," the relatively high prices obtained for the last crop are influencing farmers' intentions to plant and indications point to a larger acreage this year than last, particularly in the burley districts.

COMMODITY PRICES

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

	High	Low	Close	
			March 16, 1933	March 15, 1932
Wheat				
May .....per bu..	\$.53¾	\$.46¾	\$.53¾	\$.55¾
July .....	.53¾	.47¾	.53¾	.56¾
No. 2 red winter ..	.58½	.48½	\$.57½ @ .58½	\$.55 @ .55½
No. 2 hard ..	.57½	.55	.56½ @ .57½	.55 @ .55½
Corn				
May .....	.27¼	.23¼	.27¼	.36
No. 2 mixed .....	.28	.21½	.27 @ .28	.33 @ .33½
No. 2 white .....	.28½	.23¾	.27½ @ .28½	.33 @ .34
Oats				
No. 2 white .....	.20½	.16	.20 @ .20½	.23¼ @ .23¾
Flour				
Soft patent.....per bbl.	3.60	3.00	3.50 @ 3.60	3.40 @ 3.75
Spring patent.....	4.80	3.75	4.50 @ 4.75	4.20 @ 4.50
Middling cotton.....per lb.	.0650	.0565	.0650	.0650
Hogs on hoof.....per cwt.	4.45	2.60	2.65 @ 3.90	3.60 @ 4.65

FINANCIAL

Gradual resumption of banking operations following the moratorium of the week of March 6 disclosed practical cessation of heavy withdrawals and other practices which caused the nationwide suspension. By the third week of March many banks in the district had reopened, and those in the large cities, with aid of the Federal reserve bank, were supplying funds to their correspondents. Generally there were indications of greater confidence than has been the case in many months. Demand for credit for commercial and industrial purposes which, during early February was the lowest point since last summer, has shown considerable improvement in the immediate past. Borrowing by the grain and flour milling interests has increased, and the call for financing purchases of raw materials was better than heretofore. Reflecting the heavy demands for currency and broadening in general credit requirements, interest rates have shown a decided advance.

Average borrowings of all member banks from the Federal reserve bank between February 17 and March 17 were considerably larger than in the similar period immediately preceding, but still well under the corresponding time last year. As a result of heavily increased demand for currency the circulation of this bank increased sharply, and at the middle of March reached the highest total ever recorded. At the writing of this report, the amount in circulation was declining. The total volume of Federal reserve credit outstanding on March 17 was 22 per cent greater than a month earlier, and about 44 per cent larger than on the same date last year. In the month-to-month comparison the increase was due largely to heavier holdings of purchased bills.

At St. Louis banks current interest rates were as follows: Customers commercial paper, 5 to 6 per cent; collateral loans 4½ to 6 per cent; inter-bank loans, 5 to 6 per cent; loans secured by warehouse receipts, 5 to 6 per cent and cattle loans, 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on March 15, 1933 showed a decrease of 0.3 per cent as contrasted

with February 15, 1933. Deposits decreased 3.7 per cent between February 15, 1933 and March 15, 1933, and on the latter date were 14.5 per cent smaller than on March 16, 1932. Composite statement follows:

	*Mar. 15, 1933	*Feb. 15, 1933	*Mar. 16, 1932
Number of banks reporting.....	24	24	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and other stocks and bonds.....	\$105,877	\$105,729	\$152,698
All other loans and discounts.....	151,876	152,772	219,743
Total loans and discounts.....	\$257,753	\$258,501	\$372,441
Investments			
U. S. Government securities.....	116,552	126,010	91,314
Other securities.....	117,117	118,170	119,373
Total investments.....	\$233,669	\$244,180	\$210,687
Reserve balance with F. R. Bank	49,933	39,305	41,377
Cash in vault.....	15,590	8,521	6,299
Deposits			
Net demand deposits.....	279,649	289,464	318,674
Time deposits.....	172,138	182,600	208,143
Government deposits.....	4,309	1,800	6,435
Total deposits.....	\$456,096	\$473,864	\$533,252
Bills payable and rediscounts with			
Federal Reserve Bank.....	6,564	1,539	3,483

*In thousands (000 omitted).
These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 52.6 per cent of all member banks in this district.

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.

	*Feb. 1933	*Jan. 1933	*Feb. 1932	Feb. 1933 comp. to Jan. 1933	Feb. 1932
East St. Louis & Natl.					
Stock Yards, Ill..	\$ 14,391	\$ 16,623	\$ 18,213	-13.4%	-21.0%
El Dorado, Ark....	3,093	3,290	3,366	- 6.0	- 8.1
Evansville, Ind....	12,280	14,344	15,603	-14.4	-21.3
Fort Smith, Ark....	6,039	6,658	6,890	- 9.3	-12.4
Greenville, Miss....	2,732	2,871	3,574	- 4.8	-23.6
Helena, Ark.....	913	1,145	1,062	-20.3	-14.0
Little Rock, Ark..	13,914	16,834	17,945	-17.3	-22.5
Louisville, Ky.....	100,810	107,373	106,023	- 6.1	- 4.9
Memphis, Tenn....	60,633	88,579	85,405	-31.5	-29.0
Owensboro, Ky....	2,836	3,473	3,398	-18.3	-16.5
Pine Bluff, Ark....	3,434	3,943	4,617	-12.9	-25.6
Quincy, Ill.....	3,603	5,101	6,377	-29.4	-43.5
St. Louis, Mo.....	320,316	446,957	411,816	-28.3	-22.2
Sedalia, Mo.....	1,182	1,647	1,228	-28.2	- 3.7
Springfield, Mo....	7,576	10,450	8,806	-27.5	-14.0
**Texarkana,					
Ark.-Tex.....	4,657	5,364	6,544	-13.2	-28.8
Totals	\$558,409	\$734,652	\$700,867	-24.0	-20.3

*In thousands (000 omitted).

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

Federal Reserve Operations — During February, the Federal Reserve Bank of St. Louis discounted for 150 member banks against 196 in January and 237 in February, 1932. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Mar. 17 1933	*Feb. 17, 1933	*Mar. 17, 1932
Bills discounted	\$11,082	\$ 5,364	\$19,394
Bills bought	15,246	.....	3,512
U. S. Securities.....	65,832	65,832	27,787
Federal Inter. Cr. Bk. Debentures.....	.....	.....	.....
Participation in Inv. Foreign Banks.....	812	947	1,011
Total bills and securities.....	\$92,972	\$72,143	\$51,704
Total reserves.....	159,673	137,485	107,833
F. R. Notes in circulation.....	168,078	136,592	92,950
Total deposits.....	80,508	64,814	60,257
Ratio of reserve to deposits			
and F. R. Note Liabilities.....	64.2%	68.3%	70.4%
Memorandum—Rediscounts for Other			
F. R. Banks.....	350	.....	.....

*In thousands (000 omitted).

(Compiled March 21, 1933)

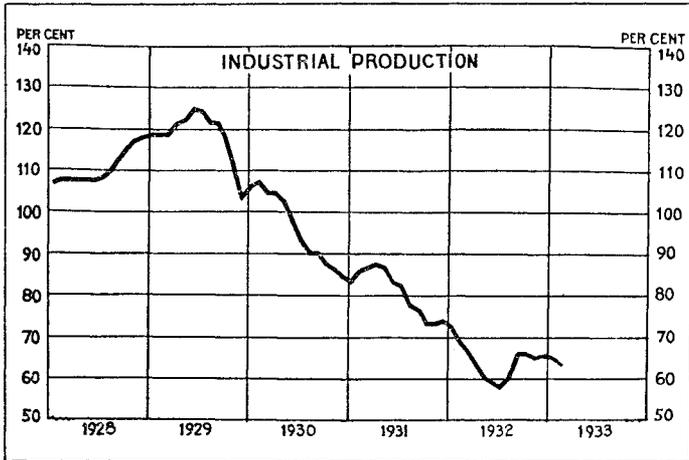
BUSINESS CONDITIONS IN THE UNITED STATES

The course of business in the latter part of February and the first half of March was largely influenced by the development of a crisis in banking, culminating in the proclamation on March 6 of a National banking holiday by the President of the United States. Production and distribution of commodities declined by a substantial amount during this period, but showed some increase after banking operations were resumed in the middle of March.

PRODUCTION AND EMPLOYMENT—Volume of output at factories and mines, which usually increases at this season, showed little change from January to February, and declined considerably in the first half of March. In the steel and automo-

March 15 and 16, prices of grains, cotton, silk, nonferrous metals, hides, and sugar were substantially above those prevailing at the beginning of the month; subsequently prices of many of these commodities declined somewhat.

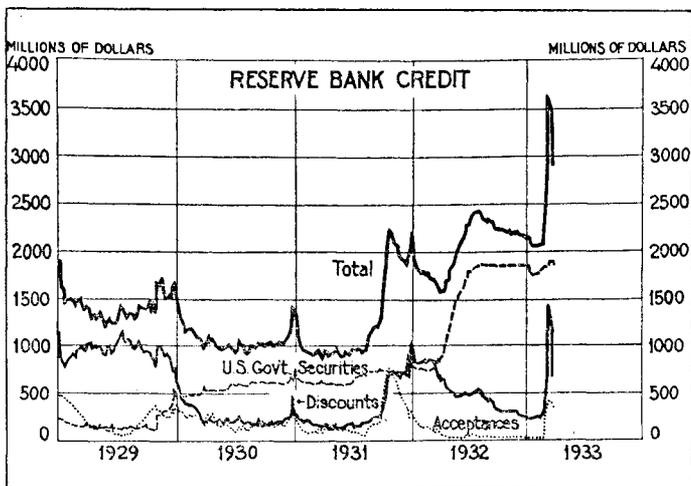
BANK CREDIT—During February member banks in leading cities were subjected to withdrawals of deposits on a large scale, reflecting in part withdrawals of balances by interior banks from their city correspondents and in part withdrawals of currency by the public. As a consequence, net demand deposits of these banks declined by \$1,306,000,000 during the month, and their time deposits by \$360,000,000. In order to meet these withdrawals the banks reduced their loans by \$539,000,000, partly through the sale of acceptances to the Federal reserve banks, and their investments by \$363,000,000. They also increased considerably their borrowings at the reserve banks. March figures for member banks are incomplete. At the Federal reserve banks the banking crisis manifested itself between February 1 and March 4 in a domestic demand for \$1,833,000,000 of currency, including about \$300,000,000 of gold and gold certificates and in a foreign demand for about \$300,000,000 of gold. As a consequence, the reserve ratio of the Federal reserve banks declined from 65.6 per cent to 45.0 per cent.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100). Latest figure February, preliminary 64.

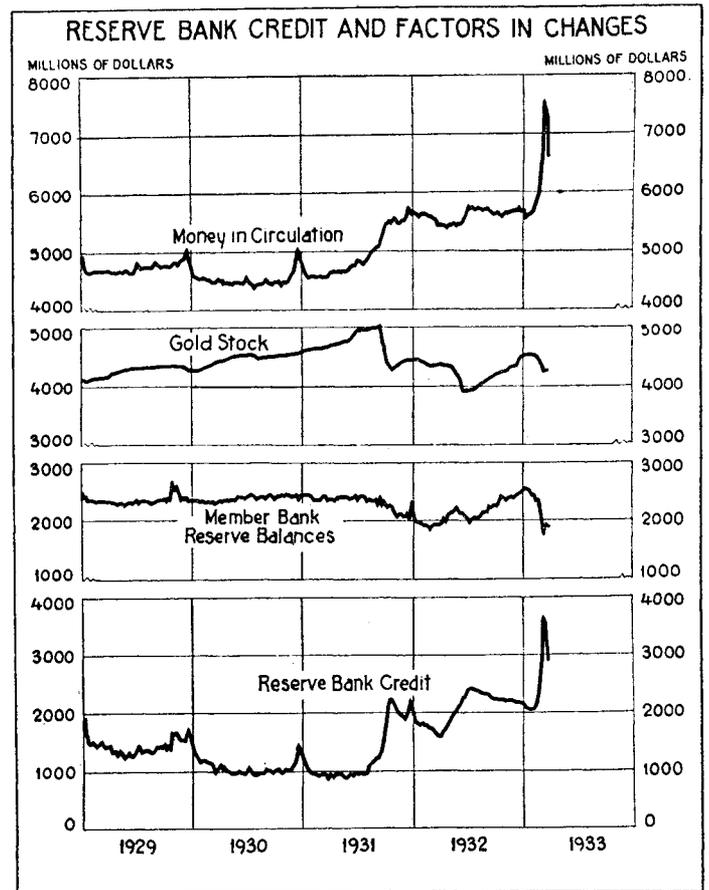
mobile industries output decreased between the middle of February and the middle of March; subsequently some of the automobile plants which had been closed resumed operations, while activity at steel mills showed little change. In February output at cotton and woolen mills continued at the level prevailing in January, while at silk mills activity declined. Shoe production increased by more than the usual seasonal amount. Reports from important industrial states indicate that factory employment increased between the middle of January and the middle of February, as is usual at this season. Construction contracts awarded up to March 15, as reported by the F. W. Dodge Corporation, indicate that for the first quarter of the year the total value of contracts will show a considerable decline from the fourth quarter of 1932.

DISTRIBUTION—Freight traffic, which usually increases at this season, showed little change from January to February, on a daily average basis, and declined considerably in the first two weeks of March. Department store sales in the country as



Wednesday figures for 12 Federal reserve banks. Latest figures are for March 22. a whole were at about the same rate in February as in January, but were substantially smaller in areas affected by suspension of banking operations; early in March sales were sharply reduced but with the reopening of banks showed some increase.

WHOLESALE PRICES—Wholesale commodity prices declined somewhat further in February. In the early part of March the commodity exchanges were closed; when they reopened on



Wednesday figures. Latest figures are for March 22.

This reflected a loss of \$655,000,000 in reserves and an increase of \$1,436,000,000 in Federal reserve note circulation, offset in part by a decrease of \$486,000,000 in deposit liabilities.

Between March 4 and March 22, there was a return flow to the reserve banks of \$558,000,000 of gold coin and gold certificates and of \$319,000,000 of other currency, and the reserve ratio advanced to 55.5 per cent. Discounts for member banks, which had increased to \$1,432,000,000 by March 4, declined to \$671,000,000 on March 22. Money rates in the open market advanced during the banking crisis, and with resumption of business after the banking holiday, rates were at considerably higher levels than those prevailing on March 3. Subsequently rates declined as more funds became available to the market. On March 3, the discount rate of the Federal reserve bank of New York was raised from 2½ to 3½ per cent, and on March 4 there was a similar increase at the Federal Reserve Bank of Chicago. The New York reserve banks buying rate on bills was raised by successive steps from ½ of 1 per cent on February 26, for bills of the shorter maturities, to ¾ per cent on March 3. On March 13 the rate for these maturities was raised to 3½ per cent; subsequently the rate was reduced and on March 22 was 2 per cent.