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

INDUSTRY and trade in the Eighth District expanded further during February and the first half of March in continuation of the upward trend which had its commencement in December. The rate of progress was more rapid than during the initial stages of the upward movement, and in a number of phases of both manufacturing and distribution of commodities, increases were noted which were contrary to the seasonal trend. As contrasted with the corresponding period last year notable gains were achieved in all lines of merchandising and manufacturing investigated by this bank. While substantial betterment might be looked for in view of the low level of activities prevailing at the beginning of 1933, when business was dominated by the disturbed economic and financial conditions which culminated in the banking holiday, the extent of the increases in many instances still made an extremely favorable exhibit and indicated real progress in the direction of recovery. In addition to statistics covering manufacturing and mercantile transactions, practically all other measurements used to gauge the status of business reflected substantially improved conditions. The physical betterment was accompanied by growing optimism and confidence in the business community and the public at large.

While the upswing was most noticeable in lines of goods for ordinary consumption, such as boots and shoes, dry goods, groceries, drugs, etc., there was also decided improvement in the heavier and more permanent classifications. Activities in the iron and steel industry showed steady expansion, and at mid-March ferrous working plants in this area were at the highest rate of the current year. Manufacturers of iron and steel castings reported a substantial accretion in orders booked; stove and implement makers increased their activities and for the first time in a number of months were engaged in making up stock in anticipation of future demands. Sales and shipments of pig iron were in somewhat larger volume than during the preceding thirty days. Distribution of automobiles in February fell slightly below the same month in 1933, due mainly to delays in factory shipments, but the total was more than double that of January. The movement of building materials, including lumber, fire clay products, glass and cement, was in excess of the volume during the corresponding period a month and a year earlier. Production of bituminous coal in fields of the district declined less than the usual seasonal amount from January to February, and was measurably larger than in February, 1933. Consumption of electrical power by industrial users in the principal cities in February was slightly larger than in January and about 12 per cent ahead of a year ago.

Agricultural operations of all descriptions made good progress. With the exception of short spells of cold weather, accompanied by heavy snows, the season has been ideal for field work, and preparation of the soil for planting spring crops is considerably in advance of a year ago, particularly in the cotton areas. Prices of grains declined somewhat in late February and the first half of March, but continued substantially higher than those prevailing at the same period during the three preceding years. The U. S. Department of Agriculture's report as of March 1 indicates that farmers in states of this district will plant smaller acreages of corn, oats and tobaccos than the three years (1931-1933) average, and a slightly larger acreage of hay. Considerably heavier plantings of legumes are indicated.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in February was 1.1 per cent less than in January and 24.2 per cent larger than in February, 1933; cumulative total for the first two months of this year was nearly one-fourth larger than for the comparable period in 1933. Combined sales of all wholesaling and jobbing firms reporting to this bank were 4 per cent larger in February than in January and 84 per cent in excess of the February total last year; for the first two months the aggregate was about three-fourths larger than for the same time in 1933. The dollar value of permits issued for new construction in the five largest cities in February was 22 per cent less than in January, but 89 per cent greater than in February, 1933; cumulative total for the first two months was 130 per cent greater than for the like period in 1933. Dollar value of construction contracts let in the Eighth District in February fell 44 per cent below January, but was 126 per cent greater than in February, 1933; cumulative total for the two months this year was greater by 113 per cent than for the same two months a year ago. Debits to checking accounts in February dropped 8 per cent below the January total, but were more than one-fourth larger than in February, 1933. Cumulative total for the first two months exceeded that of the same period last year by 14 per cent.

Freight traffic of railroads operating in this district continued in substantially larger volume than at the corresponding time a year ago, and total tonnage handled this year to the middle of March was slightly in excess of the comparable period in 1932. Colder weather and increased industrial activity was reflected in a heavier movement of coal and coke as compared with a year and two years earlier, and the volume of miscellaneous freight handled was also appreciably larger in both comparisons. For the country as a whole, loadings of revenue freight for ten weeks ending March 10, totaled 5,702,970 cars, against 4,817,343 cars for the corresponding period in 1933 and 5,644,952 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 68,837 loads in February, against 68,286 loads in January and 58,841 loads in February, 1933. During the first nine days of March the interchange amounted to 23,012 loads, which compares with 21,510 loads during the first nine days of February, and 17,993 loads during the corresponding period in 1933. Passenger traffic of the reporting lines in February decreased 3.0 per cent under the same month in 1933. This decrease was attributed to lower fares, the actual volume of passenger traffic being larger than a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 68,000 tons, against 64,988 tons in January and 72,051 tons in February, 1933.

Reports relative to collections during the past thirty days reflect a continuance of satisfactory conditions which have obtained for the past several months. Early March settlements with wholesalers in the chief distributing centers were relatively larger than a year and two years earlier. Considerable improvement was noted in liquidation, both with banks and merchants, in the tobacco districts, and throughout the cotton sections the high rate of payments which characterized the closing months of 1933 and the opening months of this year was well sustained. Some spottiness was noted in retail collections in the large urban centers, but the average was considerably above a year ago. According to country retailers in the south, there has been a steady increase in the ratio of cash sales to credit transactions since last fall. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
February, 1934..........	5.2%	36.0%	55.7%	3.1%
January, 1934..........	7.0	36.3	53.3	3.4
February, 1933..........	0	7.4	52.9	39.7

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 32, involving liabilities of $289,371, against 32 defaults in January with liabilities of $756,504 and 103 defaults for a total of $2,708,637 in February, 1933.

MANUFACTURING AND WHOLESALING

Boots and Shoes — February sales of the reporting firms were slightly more than double those for the same period in 1933, and represented the largest February total since these records started, in 1924. Reversing the situation a year ago and the usual seasonal trend, the February volume increased 7 per cent over the preceding month. In the sales comparison with a year ago, increases were general in all descriptions of foot-wear, but particularly marked in merchandise acquired for the Easter trade. Reports covering the first half of March reflect a continuance of the large increase over the same period in 1933, which, however, might be expected in view of the disturbed banking and economic conditions during the earlier period. Inventories on March 1 declined 6 per cent as compared with a month earlier, and were slightly smaller than on March 1, 1933.

Clothing — Colder weather during the past thirty days served to stimulate the movement of heavyweight apparel, both men's and women's, and indications point to a much better clearance of such merchandise than was thought likely earlier in the season. Purchasing for late spring and early summer is reported on a somewhat more liberal scale than at the same time a year and two years earlier. Ordering of work clothing, especially in the rural areas, continues the betterment noted in recent months. February sales of the reporting clothiers were about two-thirds larger than for the same month in 1933, and 29 per cent less than the January total this year. Stocks as of March 1 were slightly smaller than a month earlier, but 52 per cent greater than on March 1 last year.

Drugs and Chemicals — Improvement in business in this classification over the corresponding period a year earlier, which was noted during each of the preceding five months, was carried into February. Sales of the reporting firms for that month were 45 per cent greater than in February, 1933, and the largest for the period since 1930. A slight increase, counter to the seasonal trend, took place from January to February. Inventories increased 3 per cent between February 1 and March 1 and on the latest date were 27.5 per cent greater than a year earlier.

Dry Goods — Extraordinary gains were made in this classification in February, sales for that month by the reporting interests being slightly more than 100 per cent greater than a year ago, and 7 per cent in excess of the January total this year. Volume in February was the largest for that month since 1930. Stocks on March 1 were 11 per cent and 65 per cent larger, respectively, than a month and a year earlier. Purchasing for the Easter trade was above expectations, and considerably in excess of a year and two years ago. Orders booked since March 1 reflect increases over the same time in 1933 approximately as large as were recorded in February.

Electrical Supplies — February sales of the reporting firms were 65 per cent larger than for the same month in 1933, and incidentally the largest for that month since 1931. Following the usual seasonal trend, there was a decrease of 11.5 per cent from January to February. Inventories showed practically no change between February 1 and March 1, and on the latest date were 21 per cent greater than a year earlier. In the sales comparison with a year ago, increases were noted in practically all lines other than installations for new buildings. An especially favorable showing was made by electrical household appliances, lamps and radio material. During the past several months there has been a steady increase in demand for small motors for a broad diversity of uses.

Flour — Production at the twelve leading mills of the district in February totaled 252,789 barrels, against 283,052 barrels in January and 252,291 barrels in February, 1933. Stocks of flour decreased moderately between February 1 and March 1, and on the latest date were about 6 per cent greater than a year earlier. The decline in wheat values in late February and early March had a tendency to restrict advance purchasing, especially by the large jobbing interests. Favorable reports relative to the growing wheat crop also acted as a restraining influence on buying. New orders booked at mills were largely for immediate requirements and prompt shipment. There was a slightly easier tone in the market, but actual quotations showed little change as contrasted with the preceding thirty days. Owing to the advance in grain prices and the processing tax, prices of flour at mid-March were about two-thirds higher than a year ago. Mill operations were at from 50 to 55 per cent of capacity.

Furniture — February sales of the reporting firms were 37 per cent larger than for the same month in 1933, and 43 per cent above the January total this year. Stocks on March 1 were 3 per cent smaller than a month earlier, but 55 per cent larger than a year ago. The increase in the month-to-month sales comparison is of a seasonal nature, but considerably larger than the average during the past several years. Prices showed little change as contrasted with the preceding thirty days, but continue substantially higher than a year ago.

Groceries — More seasonable weather, coupled with a general disposition on the part of country retailers to fill out stocks and assortments were influences affecting further betterment in this classification, both as compared with a month and a year earlier. Sales of the reporting firms in February recorded a small counter to seasonal increase over January and a gain of 49 per cent over the February, 1933, total. Inventories showed practically no change from February to March, but on March 1 were 31 per cent larger than on the same date last year.

Hardware — February sales of the reporting firms showed a decrease of 4 per cent under the preceding month, but an increase of 59 per cent over the total in February, 1933. This was the eleventh successive month in which sales were larger than in the corresponding period a year earlier, and the volume was greater than in any February since 1930. Inventories increased 4 per cent between February 1 and March 1, and on the latter date were 26 per cent larger than a year earlier. In the yearly sales comparison a considerable part of the increase is accounted for by goods consumed chiefly in the rural areas.

Iron and Steel Products — With miscellaneous requirements still predominating, activities in the iron and steel industry in this district underwent further decided improvement during the past thirty days. The melt of pig iron and scrap in February, despite a shorter number of working days, increased moderately over January, and according to interests reporting to this bank, was more than one-third greater than in February last year. Sales of iron and steel commodities by jobbing and warehouse concerns also reached a higher total than during the comparable period in 1933, and in the case of three leading interests, the total for February was the largest for the month since 1931. Releases and specifications by the automotive industry on castings and rolled material were in considerable volume, and orders booked for railroad supplies of various kinds were the largest in a number of months. Operations at steel mills continued the upward trend which commenced in December. The number of active open-hearth furnaces increased 10 per cent over the preceding thirty days, and two steel companies announced intentions of resuming activities early in April. Marked betterment was reported in demand for tin plate and galvanized material, the latter being particularly noticeable in the south, where roofing and general farm repair requirements are in large volume. The seasonal demand for building materials was less in evidence than usual. Orders booked by fabricators of iron and steel construction work consisted chiefly of public works projects. Withal, operations at fabricating plants were reported on a considerably larger scale than a year and two years earlier. Sales of wire and wire products in February were almost double the volume for the same month in 1933, with the movement of barbed-wire and wire-mesh to the rural areas the largest for the period since 1930. Specialty manufacturers, including stoves, washing machines, and farm implements, reported an increase in orders, and reversing the conditions of a year ago, a number of interests are making up stock in anticipation of demands later in the season. Grey iron foundries reported an accretion to unfinished orders, and freer specifications on castings previously contracted for. The increased consumption of scrap iron and steel had the effect of further advancing prices, quotations on heavy melting steel, malleable and cast grades at mid-March being at the highest levels of the present upward movement. Prices of pig iron announced by both southern and northern blast furnaces for second quarter were unchanged from those during the first three months of the year. Purchasing of pig iron was largely on a requirement basis, but shipments continued at about the same rate as during January. For the country as a whole, production of pig iron in February, according to the magazine "Steel", totaled 1,271,935 tons, against 1,225,643 tons in January and 553,067 tons in February, 1933. Production of steel ingots in the United States in February was 2,225,000 tons, against 1,997,000 tons in January, and 1,087,000 tons in February, 1933.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in February was 235,376 against 161,086 (revised figure) in January, and 106,825 in February, 1933.

Conforming with the usual seasonal trend, distribution of automobiles in this district during February, according to dealers reporting to this bank, was more than double that of the preceding month. The February total, however, fell slightly below that of the same month in 1933. The decrease in the comparison with a year ago was attributable to the fact that many dealers were unable to obtain cars from producers in sufficient numbers to supply their customers. This was true particularly of new models, makers of which had experienced labor, material, and other difficulties in connection with their production schedules. Deliveries by factories have steadily increased in volume during the past three weeks. As contrasted with January, improvement was general through all classes of makes, but most pronounced where new models and equipment were featured. Demand for trucks of all descriptions continues active. Dealers in the south report a more active call for light service and delivery trucks than at any time in more than three years. The market for parts and accessories showed little change as compared with the preceding thirty days, but was noticeably more active than a year earlier.

February sales of new passenger cars by the reporting dealers were 2.5 per cent smaller than for the same month in 1933, and 113 per cent greater than the January total this year. Truck sales in February were 89 and 19 per cent larger, respectively, than a month and a year earlier. Inventories increased moderately, stocks of new passenger cars on hand as of March 1 being 10.5 per cent greater than on February 1, but 19 per cent smaller than a year ago. Trends in the used car market showed little change from the past several months, February sales being slightly larger than in January, and approximately 22 per cent greater than in February, 1933. Stocks of salable secondhand cars decreased 8 per cent between February 1 and March 1, and on the latest date were 12 per cent larger than a year ago. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in February was 49 per cent, against 50 per cent in January and 46 per cent in February, 1933.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in February was 21.6 per cent less than in January and 88.7 per cent more than in February, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in February amounted to $5,864,233 which compares with $10,422,049 in January, and $2,590,446 in February, 1933. Production of portland cement for the country as a whole in February totaled 4,168,000 barrels, against 3,779,000 barrels in January, and 2,777,000 barrels in February, 1933. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	6	92	$ 4	$ 14	113	31	$ 80	$ 11
Little Rock	4	4	5	1	44	32	14	14
Louisville ..	18	14	64	17	16	25	88	16
Memphis ...	105	55	62	27	105	74	39	39
St. Louis....	94	63	116	74	126	107	81	49
Feb. totals..	227	228	$ 251	$ 133	404	269	$ 302	$129
Jan. " ..	206	246	320	115	352	277	177	152
Dec. " ..	175	212	288	116	288	269	127	128

*In thousands of dollars (000 omitted).

RETAIL TRADE

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

Department Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1934 comp. to Feb. 1933	2 months ended Feb. 28, 1934 to same period 1933	Feb. 28, 1934 comp. to Feb. 28, 1933	Jan. 1, to Feb. 28, 1934	1933
El Dorado, Ark....	+39.6%	+42.2%	+ 6.8%	.38	.29
Evansville, Ind......	+27.6	+18.3	+10.1	.23	.21
Fort Smith, Ark....	+34.6	+36.2	+14.9	.34	.29
Little Rock, Ark...	+34.8	+38.3	+30.3	.35	.32
Louisville, Ky.......	+15.7	+ 9.8	+ 8.2	.39	.38
Memphis, Tenn.....	+28.4	+27.4	+18.5	.49	.41
St. Louis, Mo........	+22.9	+23.8	+17.2	.54	.50
Springfield, Mo.....	+37.6	+33.4	+ 6.5	.25	.18
All other cities......	+30.3	+31.3	+20.9	.39	.34
8th F. R. District	+24.2	+24.2	+17.3	.48	.43

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1934 comp. to Feb. 1933	2 months ended Feb. 28, 1934 to same period 1933	Feb. 28, 1934 comp. to Feb. 28, 1933	Jan. 1, to Feb. 28, 1934	1933
Men's Furnishings	+35.7%	+36.8%	+36.5%	.35	.33
Boots and Shoes	—13.4	—14.4	—16.7	.40	.37

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 1.9 per cent more than in January and 12.5 per cent more than in February, 1933. Detailed figures follow:

	No. of Customers	Feb., 1934 *K.W.H.	Jan., 1934 *K.W.H.	Feb. 1934 comp. to Jan. 1934	Feb., 1933 *K.W.H.	Feb. 1934 comp. to Feb. 1933
Evansville ...	40	1,984	1,806	+ 9.9%	1,345**	+47.5%
Little Rock...	35	1,191	1,344	—19.4	1,092	+ 9.1
Louisville	85	5,651	5,458	+ 3.5	6,236**	— 9.4
Memphis	31	1,534	1,470	+ 4.4	1,343**	+14.2
St. Louis......	195**	13,651	13,496	+ 1.1	11,330**	+20.5
Totals	386	24,011	23,574	+ 1.9%	21,346	+12.5%

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

AGRICULTURE

Taken as a whole, weather conditions in the Eighth District since last fall have been favorable for farming operations of all descriptions. Until late February the winter was mild and open, permitting of unusual progress toward preparation of the soil for spring planting, particularly in the south. Very low temperatures during the final weeks of February and early in March were accompanied by heavy snows, which furnished protection for fall sown crops, and materially improved soil conditions throughout the entire area. In the cotton sections the cold was sufficiently severe, according to reports of county agents, to considerably reduce boll weevil menace, which because of the mild winter had aroused apprehensions among planters. Seeding of oats has advanced further than the average seasonal schedule, though this work was delayed in the northern counties by the late freezes and snows. Plowing and disking of corn land in Illinois, Indiana and Missouri is well advanced. Reports generally reflect more optimism among the farming community than has been the case for a number of years. The financial condition of farmers was materially strengthened by higher prices obtained for their products, and by rental and benefit payments paid by the Agricultural Adjustment Administration in its campaign for crop curtailment. Universally, but particularly in the south, farmers are formulating their spring programs with more confidence than at any time in recent years. In all states of the district farm labor is abundant.

Winter Wheat — Reports relative to the growing wheat crop for the most part indicate favorable conditions. Apparently little damage from winter kill resulted from the cold weather in late February and early this month. There was adequate snow protection, and surface and subsoil conditions were benefited by the moisture. Some scattered reports of injury from alternate thawing and freezing were received, but nothing of a serious nature. Quite generally through the district farmers observed fly-free dates in planting, and injury from that cause is believed to be negligible. Reflecting the generally favorable conditions, prices declined rather sharply, and in the second week of March reached the lowest levels since January. Export demand was slow and domestic milling interests were disposed to await more definite news relative to crop prospects before increasing their commitments.

Corn — While cold weather interfered to some extent with preparations of corn land for planting, progress in this work is considerably in advance of the seasonal schedule. This is true particularly of the south where weather conditions throughout the winter have been ideal for field work. Seed corn is abundant and of good quality. While full statistics are not available, preliminary reports indicate that the Agricultural Adjustment Administration's compaign for acreage reduction in this district has received satisfactory support.

Fruits and Vegetables — Reports from the principal orchard areas of the district reflect little or no damage to fruit trees from the cold weather in February and March. Prospects generally for tree fruits are favorable. Due to their stronger financial position than during the past several years, orchardists are planning for more extensive and adequate spraying and cultivation programs. According to the survey of the U. S. Department of Agriculture, the acreage planted to strawberries in this district will be slightly larger than last season. Plantings of white potatoes in the early producing states will also be somewhat greater than a year ago.

Live Stock — According to reports received by the U. S. Department of Agriculture, the season has been unusually favorable for livestock. Indications are for an early spring lamb crop slightly larger than last year, with quality higher. In states of the Eighth District, ewes wintered well, and to March 1, lambs did well. In Missouri and Kentucky the lamb crop is larger than last year, while a slight reduction is indicated in Tennessee. Little change is indicated in Illinois, Indiana and Arkansas this season as contrasted with a year earlier. The Department's survey of wool production in 1933, released March 1, showed little variation in production in states of this district as compared with 1932 and 1931.

Despite higher prices, receipts of cattle, sheep and hogs decreased in somewhat more than the usual seasonal volume from January to February in the chief markets of this district.

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

	Receipts			Shipments		
	Feb., 1934	Jan., 1934	Feb., 1933	Feb., 1934	Jan., 1934	Feb., 1933
Cattle and Calves	81,028	97,410	66,347	36,749	49,610	37,618
Hogs	201,857	317,999	196,933	142,897	184,139	123,435
Horses and Mules	8,270	10,592	5,090	8,546	10,936	5,465
Sheep	27,112	36,030	34,078	7,977	11,597	11,072

Cotton — Some interruption of field work resulted from cold weather in late February and the first half of March, but preparations for the new crop are so well along that the setback will cause no serious delay in planting. Generally through the main cotton producing sections of the district, farming is fully two months ahead of last year and considerably in advance of the average during the past decade. These conditions are attributable to the mild winter, coupled with the fact that most growers realized enough on last year's crop to proceed with initial preparations. Intensive cultivation is the rule, many ditches having been cleaned out which had not been touched for years and much drainage work accomplished in bottom lands. Sales of fertilizer tags continue to indicate that the new crop will be one of the most heavily fertilized in recent years. According to the National Fertilizer Association, January-February sales of fertilizer tags this year were approximately 88 per cent greater than for the same months in 1933. Ordinarily sales for the two months, January and February combined, represent about 28 per cent of the full year's sales in the south. In a number of sections, the number of work animals on farms is somewhat reduced, but the quality is better and owing to reduced acreage under the Agricultural Adjustment Administration plan, the crop can be raised comfortably with fewer horses and mules. The market for raw cotton fluctuated within a relatively narrow range during the past thirty days, but uniformly through the period values were almost double those of a year ago. In the St. Louis market the middling grade ranged from 11.50c to 12.10c per pound between February 16 and March 15, closing at 12.00c on the latter date, which compares with 12.00c on February 16 and 6.50c on March 16, 1933. Receipts at Arkansas compresses from August 1 to March 16 totaled 971,053 bales, against 1,176,079 bales for the corresponding period in 1933. Stocks on hand as of March 16 totaled 480,572 bales, as against 538,620 bales on February 16 and 483,006 bales on the corresponding date in 1933.

Tobacco — Burley sales on the Lexington, Ky., market since March 1 have been relatively light, and as that market is an indicator, it is estimated that the greater part of the burley crop has been sold and delivered. Total burley sales to March 10 were 386,506,012 pounds, at an average of $10.50 per 100 pounds. Sales of dark tobacco in all producing districts have continued at higher prices. As of March 1 sales in the Green River and stemming districts were at a general average of approximately $8.50; since that date prices have been gradually advancing as indicated by the daily average price of about $10.00 per cwt. for the last two weeks of February. Offerings in the dark fired markets of Clarksville, Springfield, Hopkinsville and the western district were larger during the first two weeks of March than at any time since the markets opened, with a tendency to still higher prices. According to reports as of March 1, average prices for the ten days previous to that date were as follows: Hopkinsville, $9.05; Clarksville, $9.60 and Springfield, $11.25, as compared with full season averages of $8.64, $9.27 and $10.34, respectively.

COMMODITY PRICES

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

		High	Low	Close March 15, 1934	Close March 16, 1933
Wheat					
May	per bu.	$ .89⅝	$ .84¾	$ .85	$ .53¾
July	"	.88½	.83	.85¼	.53⅞
No. 2 red winter	"	.93	.88	.89½ @ .90	.57½ @ .58½
No. 2 hard "	"	.91	.86½	.87	.56½ @ .57½
Corn					
*May	"	.52	.50	.50¾ @ .50⅞	.27¼
*July	"	.54	.51⅞	.52½ @ .52⅝	.29⅜
*Sept.	"	.55¾	.54	.54⅜	.31
*No. 2 mixed	"	.50	.48⅛	.48½ @ .50	.27 @ .28
*No. 2 white	"	.52	.48¾	.52	.27½ @ .28⅛
Oats					
No. 2 white	"	.38	.36¼	.37	.20 @ .20½
Flour					
Soft patent	per bbl.	7.00	6.30	6.40 @ 6.90	3.50 @ 3.60
Spring "	"	7.00	6.30	6.40 @ 6.90	4.50 @ 4.75
Middling cotton	per lb.	.1210	.1150	.1200	.0650
Hogs on hoof	per cwt.	5.00	2.00	2.30 @ 4.65	2.65 @ 3.90

*Nominal quotations.

FINANCIAL

Trends in Eighth District banking and financial conditions, which have been in effect since the opening of this year, showed little variation during the past thirty days. Demand for credit from all borrowing groups receded further, and banks in both the large centers and in the country reported liquidation of loans in excess of new commitments and renewals. This was true particularly of mercantile and industrial interests, which apparently to a greater extent than heretofore are able to finance themselves with their own resources. Borrowings of country banks from their city correspondents dropped to the lowest point for this period during the past several years. Grain handling and flour milling interests have substantially reduced their commitments, but owing to the higher prices of grain, the total of loans in this category continues well in excess of the corresponding period a year and two years earlier. Marketing of tobacco gained momentum during February and early March, and was reflected in a considerable volume of liquidation of loans based on that commodity. There was also a noticeable reduction in cotton loans. Banks in sections where rice is the principal crop report the volume of outstanding loans relatively the smallest for this season in recent years.

Between February 14, and March 14, loans and investments of reporting member banks in the principal cities increased 3.7 per cent. This increase was due entirely to larger holdings of Government securities, as "all other" securities and all classes of loans declined. Deposits moved upward sharply, the total on March 14 being 4.6 per cent and 28.3 per cent greater, respectively, than a month and a year earlier. Reserve balances declined slightly from the record high of mid-February, but were still 53.7 per cent above the corresponding date last year.

Total borrowings of all member banks from the reserve bank continued to recede, the total of $282,000 on March 17 comparing with $831,000 and $11,082,000 a month and a year earlier, respectively. Total outstanding credit of this bank as of March 17 declined $2,677,000 under the same date in February.

Interest rates showed little change as contrasted with the preceding thirty days. At St. Louis banks, as of the week ended March 15, current rates were as follows: Customers' prime commercial paper, 3 to 5 per cent; collateral loans, 4 to 6 per cent; loans secured by warehouse receipts, 2 to 6 per cent; interbank loans, 4½ to 5½ per cent and cattle loans, 5 to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on March 14, 1934, showed a decrease of 2.0 per cent as contrasted with February 14, 1934. Deposits increased 4.6 per cent between February 14, 1934 and March 14, 1934 and on the latter date were 28.3 per cent greater than on March 15, 1933. Composite statement follows:

	*Mar. 14, 1934	*Feb. 14, 1934	*Mar. 15, 1933
Number of banks reporting	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds	$ 86,906	$ 89,531	$101,281
All other loans and discounts	133,452	135,295	135,583
Total loans and discounts	$220,358	$224,826	$236,864
Investments			
U. S. Govt. securities	204,711	179,613	113,282
Other securities	96,876	99,084	107,820
Total investments	$301,587	$278,697	$221,102
Reserve balance with F. R. Bank	$ 71,620	$ 72,225	$ 46,612
Cash in vault	7,992	7,672	15,064
Deposits			
Net demand deposits	342,179	331,690	263,343
Time deposits	162,352	161,238	154,982
Government deposits	37,720	25,629	4,200
Total deposits	$542,251	$518,557	$422,525
Bills payable and rediscount with Federal Reserve Bank		220	6,059

*In thousands (000 omitted).

Federal Reserve Operations — During February the Federal Reserve Bank of St. Louis discounted for 29 member banks against 48 in January and 150 in February, 1933. The discount rate remained unchanged at 2½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Mar. 16, 1934	*Feb. 16, 1934	*Mar. 16, 1933
Bills discounted	$ 339	$ 851	$ 11,636
Bills bought	1,037	3,138	16,741
U. S. Securities	93,200	93,200	65,832
Participation in Inv. Foreign Banks	128	155	812
Total Bills and Securities	$ 94,704	$ 97,344	$ 95,021
Total Reserves	$177,986	$179,093	$157,897
Total deposits	116,820	121,252	78,284
F. R. Notes in circulation	136,798	137,800	170,093
Ratio of reserve to deposits and F. R. Note Liabilities	70.2%	69.1%	63.6%

*In thousands (000 omitted).

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

	*Feb., 1934	*Jan., 1934	*Feb., 1933	Feb., 1934 comp. to Jan. 1934	Feb., 1934 comp. to Feb. 1933
East St. Louis and Natl. Stock Yards, Ill.	$ 15,846	$ 17,076	$ 14,391	— 7.2%	+10.1%
El Dorado, Ark.	3,160	3,758	3,093	—15.9	+ 2.2
Evansville, Ind.	13,255	16,218	12,280	—18.3	+ 7.9
Fort Smith, Ark.	7,896	7,539	6,039	+ 4.7	+30.8
Greenville, Miss.	3,289	3,485	2,732	— 5.6	+20.4
Helena, Ark.	1,413	1,470	913	— 3.9	+54.8
Little Rock, Ark.	18,460	19,769	13,914	— 6.6	+32.7
Louisville, Ky.	135,004	140,122	100,810	— 3.7	+33.9
Memphis, Tenn.	92,362	96,074	60,633	— 3.9	+52.3
Owensboro, Ky.	3,611	3,172	2,836	+13.8	+27.3
Pine Bluff, Ark.	5,418	4,132	3,434	+31.1	+57.8
Quincy, Ill.	4,513	4,839	3,603	— 6.7	+25.3
St. Louis, Mo.	387,747	436,020	320,316	—11.1	+21.1
Sedalia, Mo.	1,235	1,628	1,182	—24.1	+ 4.5
Springfield, Mo.	8,501	9,988	7,576	—14.9	+12.2
**Texarkana, Ark.-Tex.	4,749	5,915	4,657	—19.7	+ 2.0
Totals	$706,459	$771,205	$558,409	— 8.4	+26.5

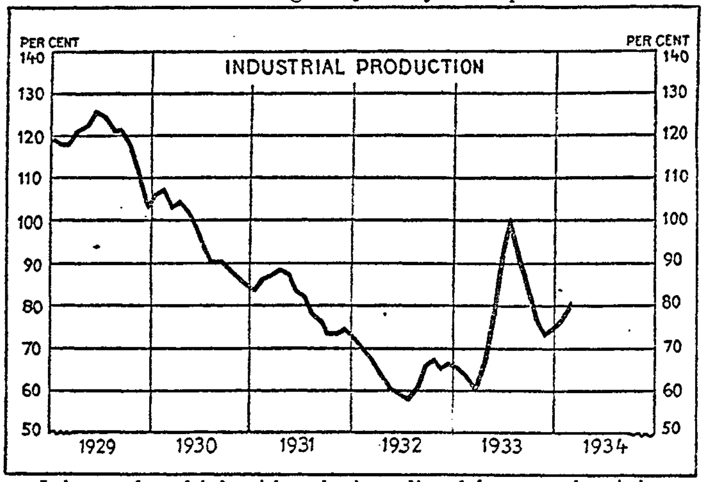
*In thousands (000 omitted).
**Includes one bank in Texarkana, Texas not in Eighth District.

(Compiled March 20, 1934)

BUSINESS CONDITIONS IN THE UNITED STATES

Volume of industrial activity increased in February for the third consecutive month and there was a considerable growth in factory employment and payrolls. Wholesale commodity prices, after advancing for two months, showed little change between the middle of February and the middle of March.

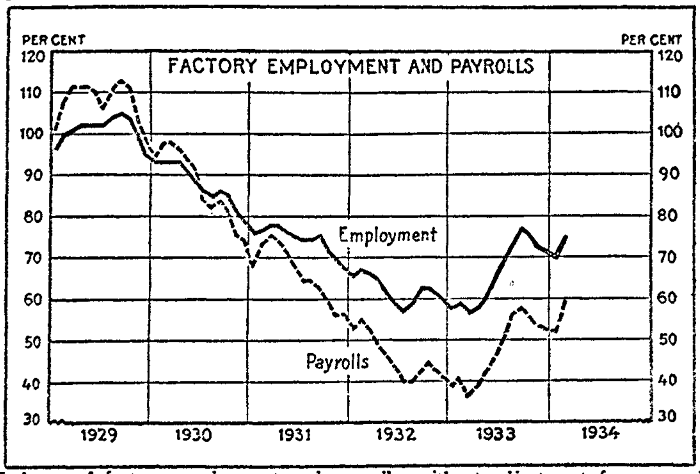
PRODUCTION AND EMPLOYMENT — Output of manufactures and minerals, as measured by the Board's seasonally adjusted index of industrial production, increased from 78 per cent of the 1923-1925 average in January to 81 per cent in February.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure, February, preliminary, 81.

The advance reflected chiefly increases of considerably more than the usual seasonal amount in the output of steel and automobiles, while activity at meat packing establishments declined. Activity at textile mills, which in January had increased from the low level prevailing at the end of the year, showed a further moderate increase in February, partly of seasonal character. In the first week of March steel production showed a further increase and in the following two weeks remained unchanged.

Factory employment and payrolls increased substantially between the middle of January and the middle of February to a level higher, on a seasonally adjusted basis, than at any other time since the summer of 1931. Working forces on railroads also showed an increase, while at mines there was little change in the volume of employment. The number on the payrolls of the Civil Works Administration declined from about 4,000,000 in January to about 2,900,000 in the week ending March 1. At automobile factories there was a large increase in the number employed to approximately the level prevailing four years ago. Substantial increases were reported also for the textile, clothing, shoe, and tobacco industries.



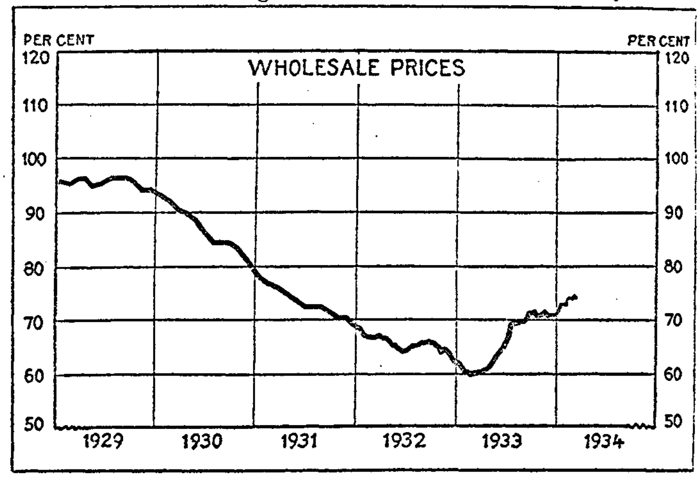
Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.) Latest figures, February employment 74.7, payrolls 59.2.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a decline in February, followed by an increase in the first half of March, the total volume indicated for the first quarter is somewhat smaller than in the last quarter of 1933 but considerably larger than in the first quarters of 1932 and 1933.

DISTRIBUTION — Freight traffic increased seasonally during February and the early part of March. Dollar volume of department store sales on a daily average basis showed littl change in February.

DOLLAR EXCHANGE — The foreign exchange value o the dollar in relation to gold currencies declined in the secon week of February to within two per cent of its new parity and i the latter part of February and the first three weeks of Marc showed a further slight decline.

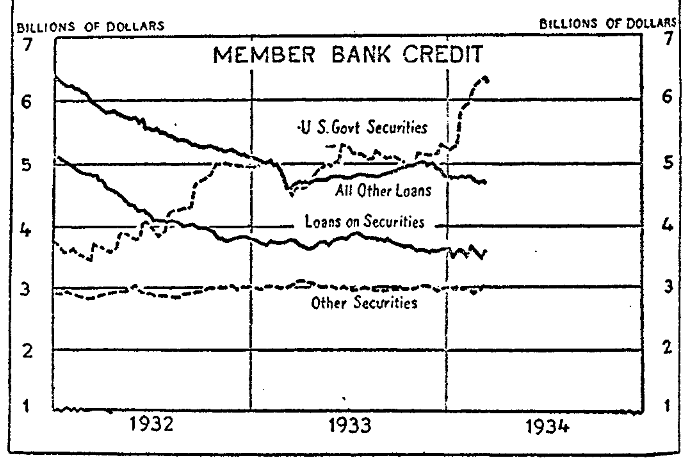
COMMODITY PRICES — Wholesale prices of commodi ties showed little change from the middle of February to th



Index of United States Bureau of Labor Statistics. (1926=100.) By month 1929 to 1931; by weeks 1932 to date. Latest figure is for week ending March 17

middle of March after a considerable increase earlier in the yea The index of the Bureau of Labor Statistics for the week endin March 17 was at 73.7 per cent of the 1926 average, compared wit 73.8 per cent the week before and 72.4 per cent at the end o January.

BANK CREDIT — Between the middle of February and th third week of March imports of gold from abroad resulted in a growth of about $550,000,000 in the country's monetary gol stock. Funds arising from these imports of gold and from expend iture by the Treasurer of about $140,000,000 of its cash and depos its with the Federal Reserve banks were for the most part adde to the reserves of member banks, which consequently increase by $600,000,000 during the four week period. At the close of th period member bank reserves were nearly $1,500,000,000 in exce of legal requirements.



Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for March 14.

Total deposits of reporting member banks increased by abou $1,000,000,000 between the middle of February and the midd of March, reflecting the imports of gold, purchases by the bank of United States Government and other securities, and a growt of bankers' balances.

During March money rates in the open market declined fur ther. Rates on 90 day bankers' acceptances were reduced from ½ per cent to ¼ per cent, and rates on prime commercial pape were reduced by ¼ per cent to a range of 1¼ per cent. Yield on United States Government securities also declined consider ably. On March 16, the Federal Reserve Bank of Minneapoli reduced its discount rate from 3½ to 3 per cent.