

This advance copy of the Monthly Report on Conditions in District No. 8 is sent to you and to others who have aided in its compilation, in appreciation of your assistance and in hope that it will be of value to you.

The report is not to be released to the public until on and after the MORNING of March 2d 1917, so PLEASE HOLD IT CONFIDENTIAL UNTIL THE RELEASE DATE.

William McC. Martin,
Chairman of the Board and Federal Reserve Agent,
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REPORT ON CONDITIONS IN DISTRICT NO. 8

FOR THE MARCH 1ST ISSUE OF THE FEDERAL RESERVE BULLETIN.

Business activity in this District continues unabated. Wholesalers of dry goods, boots and shoes, hardware and other necessities report increase in shipments and the outlook for Spring is reported to be favorable. In general, the stocks of merchandise in the hands of both wholesalers and retailers are larger than they were a year ago. This expansion has been noted in all lines. Seasonable Winter weather throughout the district has stimulated retail distribution of wearing apparel, particularly underwear, hosiery and ready to wear clothing for men and women. Collections keep pace with sales.

The January fur sale in St. Louis was approximately three times the January, 1916 sale, while prices realized averaged approximately ten percent above those of a year ago.

The iron and allied interests report heavy increases in sales with sufficient contracts on hand to insure capacity operations for some months.

Six weeks or two months ago the paper industries reported a decrease in business and at that time this was attributed to a feeling that prices would be lower. No concessions were granted however. Buyers are again in the market and this has resulted in an increased activity in all paper lines in the last ten days.

The Missouri State Board of Agriculture reports a decrease in the wheat acreage in Missouri of seven and four tenths percent, the acreage planted

being smaller than for several years. Reports indicate that the condition of the crop is not entirely satisfactory due to severe weather and lack of moisture and snow protection.

Reports from Little Rock and Memphis indicate exceedingly prosperous conditions in the Southern portions of the district. The stock of factors cotton in Memphis is the largest known in the history of the Memphis Cotton Exchange and the entire tendency seems to be to hold this cotton for prices approximating the high level of the season. A month ago it was expected that the high price of cotton would tend to largely increase the acreage this season. Reports from private sources in the cotton sections of the district indicate that the high price of fodder, food stuffs, etc., will tend to limit the cotton acreage and it is not now expected that the acreage this year will exceed that of 1916.

Provisions generally show an increase in price from week to week and this is reflected in all index figures of the cost of living. The increase in potatoes, onions and cabbage are especially noted, with eggs, which are slightly lower, as the exception.

Reports from the St. Louis National Stock Yards for January show an increase in the receipts of cattle and a decrease in the receipts of hogs, sheep, horses and mules. The hog market has shown high records from week to week, hogs last week selling at \$12.65. It is reported that foreign buyers have withdrawn from the horse and mule market, due to the increased difficulties of ocean transportation.

The St. Louis Clearings for January were the largest ever recorded in the history of the clearing house. Clearings in all of the principal cities of the district for the week ending February 10, show increases ranging from 22 $\frac{4}{10}$ to 46 $\frac{4}{10}$ percent.

The gross railroad earnings for December for the roads oper-

ating in this district continue to show the substantial increases which have been so noticeable for the past eighteen months. Net earnings for this period however, do not show the same percentage of increases, two of the roads operating in this district showing an actual decrease in net. It is believed that this is due to the marked increase in operating expenses and to the high price of all supplies and equipment.

Car shortage has had a tendency to hamper business activity, and owing to recently imposed embargoes may cause further difficulties. The movement of live stock and perishable freight is about normal. There is little difficulty in handling shipments of any kind to and from the south and west, but the movement of freight to the east is seriously delayed. The movement of cotton has been seriously hampered by embargoes on New England points and export. These same conditions have made both the receipt and shipment of grain difficult and the grain business has slowed down. The stock of grain in elevators is reported to be about normal.

St. Louis, Memphis and Little Rock show a gain in building permits for January, the gain in St. Louis being especially noticeable. Louisville building permits show a decrease for January of this year. St. Louis and Memphis postal receipts show gains for January.

Money for legitimate business is plentiful, but banks in the larger cities, particularly in St. Louis, are careful to maintain adequate reserves and remain in a liquid condition. Commercial paper is now quoted at four to four and one-half per cent as against three and one quarter to three and one half percent a month ago, with an active demand from country banks. Bank rates to customers show no change.