

This monthly report on conditions is not to be released to the public until on and after the morning of April 2, 1918, so PLEASE HOLD IT CONFIDENTIAL UNTIL THE RELEASE DATE.

William McC. Martin,
Chairman of the Board and Federal Reserve Agent,
Federal Reserve Bank of St. Louis.

REPORT ON CONDITIONS
IN FEDERAL RESERVE DISTRICT NO. 8
FOR THE APRIL 1st ISSUE OF THE FEDERAL RESERVE BULLETIN

In general, business has been active in this district during the past month, some lines reporting greater volume than last year. However, more conservatism is noted, and the production of non-essentials is more and more giving way to those things necessary for the prosecution of the war.

The continued mild weather has further improved the fuel and transportation situation, and this has greatly benefitted business. It has brought about a rather free movement of all kinds of commodities, which has helped both the producer and the distributor.

The approach of spring is causing farmers to buy implements and other supplies, and this has stimulated the country trade. Manufacturers of farm implements generally report a better business than at this period last year. The demand for tractors is said to be unusually heavy.

Wholesale millinery houses report a good trade for the coming spring. Distributors of shoes and wearing apparel state that the volume of orders for spring delivery surpasses that of last year. Many are having difficulty in replenishing their stocks to meet the requirements. Retail merchants also report a good business. There seems to be a general demand for the better class of merchandise.

Collections, as a rule, are reported to be satisfactory.

A disturbing factor to business in this district has been the labor situation. There have been a number of strikes and threats to strike recently. The Government has intervened in several cases which affected the production of war articles, resulting

in settlements. While the situation is improving, it is not as yet settled.

The winter wheat is reported to be in good condition throughout the district, though rain is needed in some quarters. Spring ploughing for oats, corn, etc., is under way, and preparations for gardening have also begun. A great many in the cities are arranging for gardens, as well as those in the country, in order to help the food supply. A movement has been started in some of the States in this district to get each farmer to test his seed corn before planting, so as to insure a bumper corn crop, which is so much needed.

The report of the St. Louis National Stock Yards for February indicates an increase in the receipts of cattle, hogs, horses and mules over the corresponding month last year, and a decrease in the receipts of sheep. It shows decreases in the sales of cattle and hogs, and increases in the sales of sheep, horses and mules, in comparison with February of last year. However, comparing the first two months of this year with the same period last year, the report shows decreases in both the receipts and sales of all live stock, excepting horses and mules, in which there have been substantial increases.

The postal receipts for February in St. Louis, Louisville, Memphis and Little Rock all show slight decreases from the previous month, but substantial increases over February of last year, due no doubt in large measure to the increased postal rates.

Reports for February from the leading cities in this district show slight increases in the number of building permits issued and the estimated cost of construction, as compared with the previous month, but material decreases in comparison with February a year ago. There is little building going on in this district except that which is absolutely necessary.

The demand for money has continued steady during the past month, especially in the large centers. The bank rate to customers continues at 6% in the centers, and slightly higher in the outlying districts.

Very few of the banks in the large centers are in the market for commercial

3.

paper, though there is a fair demand from country banks. The rate is now practically 6% for all maturities. Many of the commercial paper brokers are now encouraging the issuance of paper maturing within three or four months. This is said to attract the banks more at this time, because it enables them to be more liquid and paper maturing within ninety days is immediately available for rediscount at the Federal Reserve Bank.

The attention of bankers, brokers and others is now being directed to the Third Liberty Loan, which will be launched on April 6th, and preparations are well under way in this district to help make it a success.