

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

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Chairman of the Board and Federal Reserve Agent

THE gradual improvement in business and industry in this district, noted in the preceding issue of this report, was continued during the past thirty days. As was the case during the preceding month, however, considerable unevenness developed, both with reference to the several lines and different sections. Taken as a whole materials and merchandise for more permanent uses showed greater improvement than goods for common consumption. More auspicious weather for outdoor activities was reflected in marked increase in distribution of automobiles, a heavier movement of building materials and a better demand for supplies and equipment for consumption on farms. Production and distribution of iron and steel showed further broadening tendencies, with ordering for future requirements somewhat freer than heretofore. New buying and specifications on prior purchases of raw materials were quickened by apprehensions in certain quarters of a strike of bituminous coal miners in April, with attendant possibility of interference with production and deliveries.

Sales and shipments of goods for common consumption in a number of important lines have been below expectations. Though inventories are generally light and demand holds up well, buying is being pursued with a considerable degree of caution. This is true particularly in the country, where merchants are awaiting more definite information relative to crop prospects before increasing their commitments for goods. Lower prices on certain farm products, and the declining trend in other groups of commodities served to emphasize caution among buyers. As contrasted with the corresponding period last year, decreased sales were reported of dry goods, furniture, electrical supplies, groceries, hardware, millinery, men's hats, flour and some less important lines. Moderate gains were recorded in boots and shoes, clothing, drugs and chemicals, packed

meats and stationery. Losses sustained in the comparison with a year ago were partly explained by lower prices and certain temporary influences, such as lateness of the Easter date and unfavorable weather.

Generally retail trade in February was disappointing. Special sales and offerings of goods at price concessions met with only moderately good response. Sales of leading department stores in the principal cities of the district showed a decrease of 2.4 per cent as compared with the same month in 1926. A decrease was also shown in sales of mail order houses, but the five and ten-cent stores recorded a fair gain, and moderate increases were reported in several of the miscellaneous retail lines. The labor situation underwent no notable change as compared with the preceding thirty days. In the large industrial centers there were some additions to working forces at manufacturing plants, but these were offset by reductions elsewhere, with the result that the surplus at the end of February showed little variation from that on January 31. Demand for common labor for city street and highway construction work has gained during the past three weeks, and there is also a better call for skilled and unskilled workers in the building trades.

Production of bituminous coal in this district continued at a high rate, and while purchasing for storage was on a large scale, it failed to offset the increased available supplies, and in virtually all sections the number of unbilled loaded cars on track increased and prices, except on steaming grades, were lower. There was a slight flurry of purchasing of domestic coal during the closing week in February, due to the drop in temperatures and snow storms. With passing of the cold weather, however, the market lapsed into quietness, and continued dull through the first half of March. Domestic demand in the country is particularly slow, as dealers are putting relatively little coal in storage,

and consumers are taking only what they need for immediate requirements. The strength in screenings is attributable to temporary scarcity occasioned by curtailment of demand for larger sizes and consequent decrease in residue. Operations at shaft mines were from four to six days per week, while the strip pits operated generally at full time and were loading considerable tonnages of railroad and commercial coal. Accumulations by many important industrial consumers, railroads, public utilities companies and municipalities are at the highest point in recent years. Certain manufacturing plants have sufficient fuel on hand to carry them through the next four to six months. Many mine operators in the Illinois, Indiana and Kentucky fields have announced their intention of temporarily suspending operations next month, whether there is a strike or not, in order to allow consumption to catch up with available coal supplies above ground.

Railroads operating in this district continue to exceed all previous seasonal records in the matter of freight traffic. Recent gains over the corresponding periods in recent years were accounted for in large measure by the unusually heavy movement of coal, incident to storage operations in anticipation of a possible strike of bituminous miners. For the entire country loadings of revenue freight for the nine weeks this year, or to February 26, totaled 8,348,680 cars against 8,105,588 cars for the same period last year and 8,079,996 cars in 1925. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 207,654 loads in February, against 216,573 loads in January and 205,015 loads in February, 1926. During the first 9 days of March the interchange amounted to 72,007 loads, compared with 67,409 loads during the same period in February, and 67,672 loads in the first 9 days of March, 1926. Passenger traffic of the reporting roads in January decreased 1.5 per cent as contrasted with the same month in 1926. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, for February was 85,500 tons, against 89,608 tons (revised figures) in January and 49,976 tons in February, 1926.

Generally throughout the district collections during the past thirty days were reported better than earlier in the year, and in a number of instances the average was slightly better than a year ago. Answers to 468 questionnaires addressed to representative interests in the several lines throughout the district showed the following results:

	Excellent	Good	Fair	Poor
February, 1927.....	2.3%	13.8%	65.5%	18.4%
January, 1927.....	1.2	25.9	52.1	20.8
February, 1926.....	3.5	27.1	61.2	8.2

Commercial failures in the Eighth Federal Reserve District during February, according to Dun's, number 127, involving liabilities of \$2,006,081, against 145 defaults in January with liabilities of \$6,728,951, and 100 failures for \$3,186,884 in February, 1926.

The per capita circulation of the United States on March 1, 1927, was \$41.03, against \$40.51 on February 1, and \$41.84 on March 1, 1926.

MANUFACTURING AND WHOLESALE

Automobiles — There was a further good gain in production of passenger cars and trucks in the United States during February over the preceding month, but the total again fell sharply below that of the corresponding month in 1926. Combined passenger car and truck output in February was 298,359, against 234,130 in January and 357,362 in February, 1926.

Stimulated by annual shows in St. Louis and elsewhere, and the usual seasonal improvement in demand, distribution of automobiles in this district during February showed a heavy gain over January, and was the largest since last August. The total was also in excess of February last year, but sales for the first two months of the year were smaller by about 4.6 per cent than those of the corresponding period in 1926. Reports indicate rather spotted results, both in point of locality and make of cars. Relatively sales in the city were better than in the rural districts, there still being a disposition among farmers to postpone renewal buying as long as possible. In the classification of low priced cars there were rather sharp contrasts in results, some showing heavy gains, while others recorded radical decreases, both as compared with the preceding month and a year earlier. In the more expensive makes changes from a year ago were less pronounced, but in some instances where new models and equipment were featured, buying response was particularly satisfactory. Country dealers in Indiana, and Illinois generally reported relatively better business than those in Missouri, Arkansas and other southern states. Stocks of new cars in dealers hands showed little variation from the preceding month or the same period in 1926, and were reported at about the average levels for this season during the past few years. Manufacturers are not pressing dealers to accumulate heavily, and the latter are holding down their purchases closely to actual requirements. Some improvement

in the used car situation was noted as compared with the depressed conditions obtaining since last fall. Stocks of secondhand vehicles are still large, but the investment represented is less than a year ago. Sales of new cars by 320 dealers scattered through the district in February were 285.3 per cent larger than in January, and 10.9 per cent larger than in February, 1926. Sales of parts and accessories in February showed a gain of 18.8 per cent over those of January, and were 3.2 per cent larger than the February total last year.

Boots and Shoes — February sales of the 8 reporting interests were 1.3 per cent larger than the corresponding period last year, and 18.9 per cent below the January total this year. Stocks on March 1 were 1.5 per cent smaller than thirty days earlier and 14.8 per cent below the total on March 1, 1926. The decrease in the month-to-month comparison in sales was characteristic, but slightly greater than the average for the past five years. Business in men's work shoes and the general line of staple footwear was adversely affected by unfavorable weather conditions, and lateness of Easter and style uncertainty held down buying of women's specialties and fancy goods. Since March 1 improvement has taken place in road sales and shipments have been at a slightly heavier rate than during the closing weeks of February. Factory operation was maintained at about the same rate as during the preceding thirty days. No change worthy of note took place in prices of either raw materials or finished goods.

Clothing — In spite of unfavorable weather and the late date of Easter, sales of the 8 reporting clothiers in February were 16.6 per cent larger than during the same month in 1926, but 20.7 per cent below the January total this year. The movement of seasonal lines was disappointing, and manufacturers of men's clothing report advance sales for spring and early summer wear slightly below the same time last year. There has been a fair volume of fill-in ordering, which is construed as meaning that retailers who had ordered spring goods on a conservative basis are in need of merchandise. Due to present methods of buying, manufacturers are making up relatively little clothing for which they have not actually booked orders. Demand for work clothes continues quiet, though some improvement in this line has developed since the first of this month.

Drugs and Chemicals — February sales of the 7 reporting interests were 4.2 per cent larger than during the same month in 1926, and 6.0 per cent smaller than in January this year. Business generally through the entire line is reported satisfactory,

with improvement noted especially in demand for heavy drugs and chemicals from the manufacturing trade. Advance sales of insecticides, spraying materials, fertilizer and kindred lines are fully up to expectations, though slightly below the volume at this time last year. Sales of toilet preparations, cosmetics and sundries are larger than the seasonal average. Retail stocks are for the most part of moderate proportions, and since March 1 buying to replenish and fill out assortments has been active.

Dry Goods — Uncertainty relative to prices, unfavorable weather, and generally conservative buying were the chief influences in a decrease in February sales of the 11 reporting interests of 18.0 per cent as compared with the same month last year. The February total, however, was 18.5 per cent larger than in January this year. Stocks on March 1 were 3.1 per cent smaller than a month earlier and 14.7 per cent less than on March 1, 1926. Advance orders for fall delivery are from 20 to 30 per cent smaller than last year, and there was also a decrease in sales for delivery in the late spring and summer. In the immediate past marked improvement has developed in buying of dress goods of all descriptions, and the movement of ready-to-wear clothing and knitted goods has responded favorably to more seasonable weather. The recent decline in the price of raw cotton is reflected in some hesitation in ordering of goods based on that staple.

Electrical Supplies — February sales of the 5 reporting interests were 15.0 per cent below those of the same month in 1926, and 3.8 per cent larger than the January total this year. Stocks on March 1 were 7.9 per cent larger than a month earlier and 22.1 per cent below the March 1, 1926 total. The loss in sales as compared with a year ago was due in some measure to lower prices of certain lines, but more particularly to reduced demand for installations and miscellaneous equipment for building. Demand for pole and line hardware is active, and there continues a steady expansion in sales of household appliances, small motors, and radio material. Lower quotations than thirty days ago were reported on copper wire and some goods based largely on copper and zinc, but generally prices were unchanged.

Flour — Production at the 12 leading mills of the district in February was 311,313 barrels, the smallest in more than six months, and comparing with 318,908 barrels in January and 315,650 barrels in February, 1926. Through the last half of February and the first week in March trade continued dull and depressed. All classes of buyers were disposed

to hold off, and the decline in cash wheat was reflected in lower flour prices. During the past two weeks, however, there has been a fair revival in demand, and quite marked improvement in shipping directions on flour previously purchased, particularly on soft flours in the South. Purchasing by bakeries and jobbers increased in volume, but is still chiefly on a necessity basis. Offerings to Europe have received scant response, but fair sales to Cuba and other Latin-American countries were reported. Bookings at the mills averaged approximately 45 per cent of capacity. Stocks of flour in St. Louis on March 1 were 16.1 per cent smaller than a month earlier, and 5.1 per cent below those on March 1, last year.

Furniture — A slowing down in business in this classification, both as compared with the preceding month and a year ago, was indicated in the February reports of leading manufacturers and wholesalers. While retail stocks are still light, there is little disposition to replenish, and purchasing is confined mainly to immediate requirements. Demand for household furniture and furnishings is less active than at the same period last year, and sales of equipment for hotels, theaters and schools also made a less favorable showing. Demand for office furniture was reported somewhat better, but demand centers in the cheaper lines. Prices showed no change as compared with the preceding thirty days, but the average is lower than at this time last year. February sales of the 14 reporting interests were 6.5 per cent below those of the same month in 1926, and 19.8 per cent under the January total this year. Stocks on March 1 showed a decrease of 4.9 per cent as compared with a year ago and 2.6 per cent as compared with thirty days earlier.

Groceries — Business in this classification during February was adversely affected by unfavorable weather conditions, particularly in the country where heavy roads and floods in some sections seriously interfered with communications. Sales of the 11 reporting interests in February were 17.6 per cent smaller than in the same month in 1926, and 11.0 per cent larger than the January total this year. Stocks on March 1 were 2.5 per cent larger than a month earlier, but 22.2 per cent less than on March 1, 1926. The general price trend was lower, with quotations on sugar and flour below the preceding month and concessions were reported on certain descriptions of canned goods which are in unusually large supply. The seasonal decline in eggs was earlier and more marked than the average for the past five years.

Hardware — February sales of the 10 reporting interests were 20.6 per cent smaller than for the same month in 1926, and 4.6 per cent larger than the January total this year. Stocks on March 1, were larger by 4.3 per cent than a month earlier, but 7.5 per cent less than those on March 1, 1926. Owing to unfavorable weather for outdoor work, demand for repair materials in the country is backward, and another influence in reduced sales as compared with last year has been the decrease in building. In the immediate past the movement of seasonal goods and staple hardware has improved, orders for the first half of March running ahead of the same period last year.

Iron and Steel Products — Production and distribution of iron and steel goods in this district showed moderate expansion during the past thirty days. In virtually all lines there was a fair increase in activity during February as compared with the quiet conditions existing in January, and this betterment has gained in momentum since March 1. Shipments of finished materials from mills, foundries and machine shops are still slightly in excess of new orders, but the volume of new business placed currently was of fair proportions, with the result that unfilled orders were only slightly smaller than a month earlier. Improvement is reported in demand for building materials, particularly standard structural shapes and reinforcing concrete bars. Fabricators are receiving numerous small orders, but lettings of contracts involving large tonnage are scarce. During the past three weeks there has been decided improvement in demand for sheets and tank plates. Heavier specifications are being received from the automotive industry, and requirements of builders of railroad equipment are larger. The demand for plates and tubular goods from the oil fields was better than at any time since last fall, and the general run of oil country goods has developed a broadening tendency. More favorable weather for outdoor work has had a stimulating effect on the movement of fencing, wire cloth, roofing materials and the general run of goods consumed in the farming areas. Through the general manufacturing trade users of iron and steel are showing more interest in supplies, with advance orders better than thirty days ago. There is a disposition to cover on requirements due to possible interference with deliveries later on in the event of a strike of bituminous coal miners. Buying of pig iron by melters in the district showed considerable improvement during late February and the first half of March, with the price trend firmer, though no change in actual quotations was reported. Steel ingot production in February was at an average daily rate of

155,232 tons, compared with 146,419 tons in January and 158,407 tons in February, 1926. The February total of 3,725,577 tons compared with 3,806,888 tons in January, the decrease being due to the fact that February was a 28-day month, while January contained thirty-one days.

Lumber—While no marked changes in the status of either soft or hard woods have occurred during the past thirty days, the tendency has been in the direction of slight trade expansion. Sales of building lumber have increased in the South, and generally where weather has permitted of the resumption of building operations. Stocks in most line yards are low, and the same is true of inventories of independent jobbers in the large centers. Shipments were in excess of production, and quotations on certain grades recorded small advances, with the general price trend upward. Demand from the sash and door makers, the automobile industry and car builders developed improvement over the preceding thirty days. Logging in the south was heavily curtailed by rains and floods, but in the immediate past working hours at the mills have been increased, though production is still below the rate usual at this season.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statement showing activity of department stores in leading cities of the district:

	Net sales comparison		Stocks on hand		Stock turnover	
	Feb. 1927 comp. to Feb. 1926	2 months ending Feb. 28, 1927, to same period 1926	Feb. 28, 1927 comp. to Feb. 28, 1926	January 1, 1927	to Feb. 28, 1926	1926
Evansville	+35.4%	+28.0%	+ 0.6%	17.3	13.5	13.5
Little Rock.....	— 3.4	— 5.8	— 2.4	18.2	17.8	17.8
Louisville	— 3.8	— 3.9	— 7.9	27.1	26.8	26.8
Memphis	— 9.9	— 6.4	— 2.6	19.6	21.5	21.5
Quincy	—10.2	—13.2	—12.1	16.0	16.0	16.0
St. Louis.....	— 0.7	— 4.2	— 2.0	27.0	26.7	26.7
Springfield, Mo.	— 1.4	— 2.3	— 4.4	10.9	10.5	10.5
8th District.....	— 2.4	— 4.7	— 2.8	24.3	24.3	24.3

	Net sales comparisons		Stocks on hand	
	Feb. 1927 compared to Feb. 1926	Jan. 1926	Feb. 1927 compared to Feb. 1926	Jan. 1927
Men's furnishing.....	+ 1.9%	— 1.2%	+ 4.0%	—12.4%
Boots and Shoes.....	+ 1.6	— 7.7	+14.5	+14.8

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electricity by selected industrial customers during February as being 3.8 per cent smaller than in January and 6.9 per cent less than in February, 1926. Losses and gains were unevenly distributed, with changes being individual rather than due to conditions affecting any class of industry. Detailed figures follow:

	No. of Customers	Feb. 1927	Jan. 1927	Feb. 1927	Feb. 1926	Feb. 1927
		*K.W.H.	*K.W.H.	comp. to Jan. 1927	*K.W.H.	comp. to Feb. 1926
Evansville	40	1,047	1,094	— 4.2%	1,033	+ 1.4
Little Rock.....	35	1,061	1,164	— 8.9	1,106	— 4.1
Louisville	84	4,348	4,316	+ 0.7	4,851	—10.4
Memphis	31	1,779	1,942	— 8.4	1,416	+25.6
St. Louis.....	95	11,725	12,232	— 4.5	13,027	—10.0
Total.....	285	19,960	20,748	— 3.8	21,433	— 6.9

*In thousands (000 omitted).

BUILDING

The dollar value of permits for new buildings issued in the five largest cities of the district in February was the highest since last September, and 34.0 per cent and 11.2 per cent, respectively, greater than the totals of January, 1927, and February, 1926. According to figures compiled by the F. W. Dodge Corporation, building contracts let in the Eighth Federal Reserve District in February amounted to \$25,697,489, which compares with \$21,495,642 in January, and \$23,551,000 in February, 1926. During February there was a further slight decrease in building costs, due to lower prices of certain construction materials. Production of portland cement for the country as a whole during February totaled 7,368,000 barrels, against 8,258,000 barrels (revised figures) in January, and 7,731,000 barrels in February, 1926. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1927	1926	1927	1926	1927	1926	1927	1926
Evansville ..	255	151	\$ 180	\$ 134	78	79	\$ 19	\$ 41
Little Rock ..	90	95	233	263	65	91	23	53
Louisville ..	194	187	2,455	1,059	76	37	139	70
Memphis ...	278	400	1,361	1,300	100	147	25	54
St. Louis....	554	654	1,971	2,819	319	372	232	311
Feb. totals	1,371	1,487	\$6,200	\$5,575	638	726	\$ 438	\$529
Jan. totals	954	1,166	4,628	5,070	468	499	416	773
Dec. totals	1,003	1,088	5,625	6,185	364	503	327	1,145

*In thousands of dollars (000 omitted).

AGRICULTURE

Generally through this district early farm operations are behind the average for this season during the past several years. Weather conditions have been in the main unfavorable, there being relatively few days of sunshine, and excessive rains in many sections put fields in such condition as to be unworkable and made roads impassable. Since the first week in March, however, conditions have bettered somewhat, and reports from the South indicate some progress in plowing and planting has been made. Headway has been made by fruit growers, pruning of orchards and vineyards having been largely completed, and the dormant sprays applied. There are scattered reports of damage to tree fruits from the freezing weather at the end of February, the crops chiefly affected being peaches and plums in southern Illinois and the Ozark region. It will be impossible to determine the extent of the injury until after blossoms have appeared. Grapes had not progressed far enough to be hurt by the low temperatures, and apples in virtually all the principal growing areas escaped damage.

Winter Wheat—The spell of cold weather around the end of February checked development of the winter wheat plant temporarily, but generally through the district conditions are good. Indications thus far point to less than the usual amount

of winter killing. Soil conditions are favorable, and in the South the plant is showing fine color, and stands are good. There are the usual number of complaints of damage from alternate freezing and thawing, but nothing seriously affecting the crop as a whole has come to light. On March 1 stocks of wheat on farms in Indiana, Illinois and Missouri, the three principal wheat producing states of the district, totaled 14,520,000 bushels, which compares with 13,133,000 bushels on the same date in 1926, and a 5-year average (1922-1926) of 15,759,000 bushels. For the entire country farm stocks of wheat on March 1 totaled 130,444,000 bushels, against 100,137,000 bushels a year earlier, and a 5-year average (1922-1926) of 128,059,000 bushels.

Corn — In Indiana, Illinois and Missouri stocks of corn in farmers' hands on March 1 aggregated 304,957,000 bushels, which compares with 410,265,000 bushels on the same date in 1926, and a 5-year average (1922-1926) of 284,307,000 bushels. In the southern states of the district, however, the quantity of corn in reserve on farms on March 1 was considerably larger in the aggregate than at the same time last year. This was due to the heavier yields secured in these states in 1926, and to the fact that production of general feed crops was larger than in 1925 or the 5-year average. In the entire country the quantity of corn in farmers' hands on March 1 was 1,113,691,000 bushels, which compares with 1,329,561,000 bushels on the same date last year and a 5-year average of 1,128,037,000 bushels. Recent arrivals of corn at primary markets continue to disclose the poor quality of the 1926 crop, most of the grain grading below No. 3.

Live Stock — The condition of live stock generally through the district has undergone no change worthy of note during the past thirty days, and is in the main satisfactory. The movement to market of cattle, hogs and sheep is of seasonal proportions, and prices have fluctuated in sympathy with supply figures. On the whole fresh meat trade in February was unsatisfactory. Export business was quiet, and demand for domestic consumption disappointing, with the trend of prices lower. Demand for stocker and feeder cattle was less active than heretofore.

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

	Receipts			Shipments		
	Feb.	Jan.	Feb.	Feb.	Jan.	Feb.
	1927	1927	1926	1927	1927	1926
Cattle and Calves.....	84,661	104,267	88,116	55,136	62,293	52,462
Hogs	297,929	341,681	265,058	216,311	225,676	183,150
Horses and Mules....	8,177	7,968	10,743	7,865	7,946	11,384
Sheep	26,275	37,154	29,570	8,983	11,239	13,367

Cotton — Relatively little has been accomplished in the direction of preparation for the new crop. Wet weather has hampered outdoor work, though the moisture has greatly benefitted soil con-

ditions, and there remains ample time for putting in the crop. Planters have availed themselves of the few days of sunshine to harvest the remnants of the old crop, and this cotton is moving promptly to the gins. The period under review was marked by a strong demand for cotton, both the good grades and inferior staple. In the St. Louis market middling cotton advanced to 13¼c per pound during the first week of March, which was the high point of the year. A downward reaction developed later, however, and on March 20 the closing quotation was 12¾c, the same as on February 20, and comparing with 18½c on March 20, 1926. Receipts at Arkansas warehouses since August 1 have been larger than a year earlier, but shipments have also been larger, and stocks on hand March 11 were 329,900 bales, against 491,867 bales on the corresponding date in 1926.

Tobacco — With the exception of a few of the more important ones, markets in the burley tobacco district have closed. Offerings have been rapidly decreasing and the quality has been generally below the standard of earlier in the season. Prices have continued strong on all good grades, with only heated or damaged tobacco selling lower. As has been the case since the markets opened, choice grades were scarce and commanded relatively high prices. The Burley Tobacco Growers' Cooperative Association reported additional sales, totaling 1,250,000 pounds, of various grades out of the 1923, 1924 and 1925 crops. Sales of the aircured crop are practically over, and in the fired dark district about 70 per cent of the crop has been delivered. In the latter district quality of offerings showed some improvement, with the market firm and somewhat higher on common and medium leaf, and common, medium and good lugs. There has been very little preparation for the new crop, and from present indications planting will be unusually late. There is a disposition among farmers to reduce acreage, particularly in the aircured, green river, and fired dark districts.

Commodity Prices — Range of prices in the St. Louis market between February 15, 1927 and March 15, 1927, with closing quotations on the latter date and on March 15, 1926, follow:

	High	Low	Close		
			March 15, 1927	March 15, 1926	
Wheat					
May	per bu. \$1.41¼	\$1.33¼	\$1.33¾	@ \$1.37	\$1.63¾
July	" 1.33½	1.29½	1.29½	@ 1.30½	1.41½
No. 2 red winter	" 1.38½	1.31	1.34	@ 1.35	\$1.77 @ 1.79
No. 2 hard.....	" 1.42	1.37		@ 1.37½	1.70
Corn					
May	" .82¾	.77½		.78¾	.76¾
July	" .85¾	.82½		.82¾	.80½
No. 2.....	" .70	.66		.67	.71
No. 2 white.....	" .76	.66		.68	.73
Oats					
No. 2 white.....	" .51	.46		.46	.41 @ .41¾
Flour					
Soft patent.....	per bbl. 7.00	6.50	6.50	@ 7.00	8.75 @ 9.00
Spring patent.....	" 7.15	7.10	7.10	@ 7.15	8.10 @ 8.40
Middling cotton.....	per lb. .13¼	.12¾		.12¾	.18¾
Hogs on hoof.....	per cwt. 12.30	10.25		12.25	11.00 @ 14.00

FINANCIAL

Barring a slight tightening in rates in the larger centers during the early part of this month, reflecting mainly Government financing and requirements incident to tax settlements, credit conditions in this district underwent little change as contrasted with the thirty days immediately preceding. Demand from mercantile borrowers continued moderately active, and in a number of instances requirements of manufacturers were increased by augmented supplies of raw materials, especially coal. Borrowing by the building material interests was somewhat larger than during the preceding month, and call for funds to finance construction was more active than earlier in the year. For the most part country banks reported satisfactory liquidation, with those in the grain belt making a relatively better showing in this respect than was the case in the cotton areas. Settlements with merchants and banks in the tobacco country were in large volume. Through the South requirements for agricultural purposes are beginning to be felt, and funds are apparently ample for all legitimate purposes. Some improvement is noted in demand for financing live stock feeding, particularly in localities where there are large surplus corn reserves. There was the usual seasonal liquidation by grain and flour milling interests, with the aggregate of this class of loans about the same as at the corresponding time last year. Loans on stock exchange collateral, which dropped to the low point of the year at the end of February, have increased slightly since then. Total loans of reporting member banks decreased rather sharply during the first week of March, but since that time have moved steadily upward. Investments of these banks have increased irregularly since January 1, and the same is true of their deposits. Discounts by member banks with this institution declined, and at the middle of this month the total was less than half that of the same period in 1926. Interest rates moved over a narrow range, with the general trend easier since the middle of March. At St. Louis banks current quotations were as follows: Prime commercial paper, 4½ to 5½ per cent; customers' over-the-counter loans, 4¾ to 5½ per cent, and collateral loans, 5 to 5½ per cent.

Federal Reserve Operations—During February the Federal Reserve Bank of St. Louis discounted for 191 member banks, against 203 in January and 171 in February, 1926. The discount rate

remained unchanged at 4 per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago are shown in the following table:

	*Mar. 17, 1927	*Feb. 17, 1927	*Mar. 17, 1926
Bills discounted.....	\$12,520	\$16,502	\$25,612
Bills bought.....	8,654	9,960	13,363
U. S. Securities.....	31,826	21,414	17,445
Total bills and securities.....	\$53,000	\$47,876	\$56,751
F. R. Notes in Circulation.....	44,115	44,957	37,118
Total deposits.....	81,891	81,424	81,597
Ratio of reserves to deposit and F. R. Note liabilities.....	63.0%	66.9%	58.0%

*In thousands (000 omitted).

Debits to Individual Accounts—The following comparative 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. 1927	*Jan. 1927	*Feb. 1926	Feb. 1927 Jan. 1927	comp. to Feb. 1926
E. St. Louis and Nat'l Stock Yds. Ill. \$	39,713	\$ 46,875	\$ 41,337	—15.3%	— 3.9%
El Dorado, Ark.....	9,428	11,147	11,979	—15.4	—21.3
Evansville, Ind.....	40,771	41,024	32,216	— 0.6	+26.6
Fort Smith, Ark.....	11,534	14,605	12,513	—21.0	— 7.8
Greenville, Miss.....	5,159	4,991	5,248	+ 3.3	— 1.7
Helena, Ark.....	3,762	4,231	4,824	—11.0	—22.0
Little Rock, Ark.....	70,593	78,944	75,620	—10.6	— 6.6
Louisville, Ky.....	187,525	204,510	192,594	— 8.3	— 2.6
Memphis, Tenn.....	143,240	156,180	142,456	— 8.3	+ 0.6
Owensboro, Ky.....	6,074	7,197	6,221	—15.7	— 2.4
Pine Bluff, Ark.....	10,989	12,217	10,303	—10.1	+ 6.7
Quincy, Ill.....	11,908	12,580	10,865	— 5.4	+ 9.6
St. Louis, Mo.....	662,467	783,226	680,700	—15.4	— 2.7
Sedalia, Mo.....	4,038	5,466	3,871	—26.1	+ 4.3
Springfield, Mo.....	13,094	15,119	13,939	—13.4	— 6.1
Totals.....	\$1,220,295	\$1,398,312	\$1,244,686	—12.7	— 2.0

*In thousands (000 omitted).

Condition of Banks—Loans and discounts of the reporting member banks on March 16 showed an increase of .05 per cent as compared with a month earlier and a loss of 5.6 per cent as compared with March 18, 1926. Deposits gained 1.3 per cent between February 16 and March 16, and on the latter date were 1.2 per cent greater than on March 18, 1926. Composite statement follows:

	*Mar. 16, 1927	*Feb. 16, 1927	*Mar. 18, 1926
Number of banks reporting.....	†31	†31	33
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't obligations.....	\$ 4,279	\$ 4,712	\$ 13,082
Secured by other stocks and bonds.....	189,372	186,709	198,441
All other loans and discounts.....	306,411	308,403	318,056
Total loans and discounts.....	\$500,062	\$499,824	\$529,580
Investments			
U. S. Gov't securities.....	76,667	72,392	66,817
Other securities.....	122,761	121,994	109,393
Total investments.....	\$199,328	\$194,386	\$176,210
Reserve balance with F. R. bank.....	51,863	49,890	47,861
Cash in vault.....	7,314	7,239	7,507
Deposits			
Net demand deposits.....	408,071	411,872	413,083
Time deposits.....	236,406	232,415	219,550
Government deposits.....	9,709	2,763	12,700
Total deposits.....	\$654,186	\$647,050	\$645,333
Bills payable and rediscounts with Federal Reserve Bank, Secured by U. S. Gov't obligations.....	2,620	4,150	5,953
All others.....	4,000	1,218	8,375

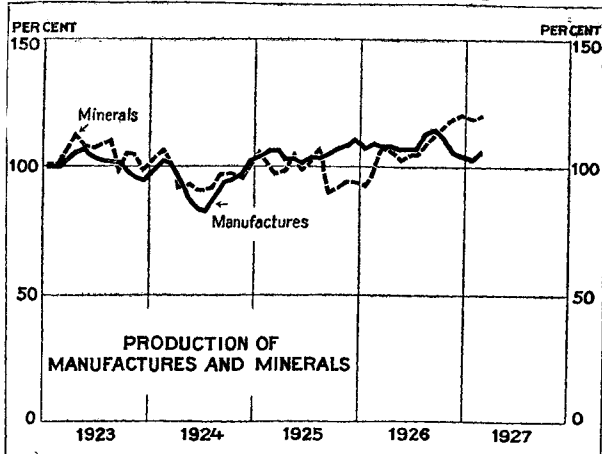
*In thousands (000 omitted).

†Decreases due to consolidation. These 31 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 53.5 per cent of the resources of all member banks in the district.

(Compiled March 21, 1927)

BUSINESS CONDITIONS IN THE UNITED STATES

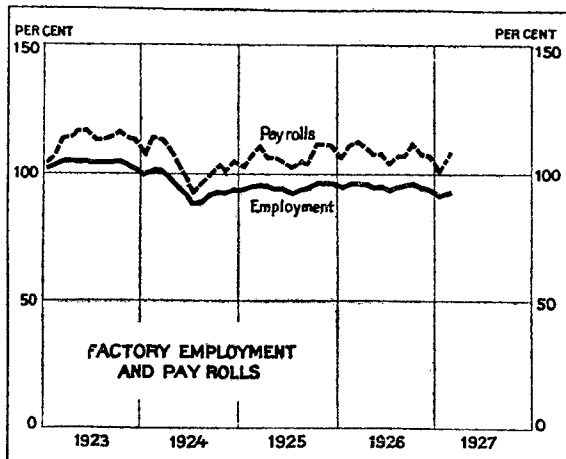
PRODUCTION—Production of manufactures increased in February for the second consecutive month, and output of minerals, after declining in January, advanced in February to the record level reached last December. Factory production and employment, however, continued smaller than during the corresponding month in 1926. Production of iron and steel has increased steadily since December and reports indicate that operations of steel mills in March were at almost the same high rate as in



Index number of production of manufacture and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figures: February, manufacture, 106; mineral, 120.

March, 1926. Automobile production increased from 234,000 cars in January to 298,000 cars in February, and weekly figures of employment in Detroit factories indicate some further additions to production in March, but output has continued much smaller than a year ago. Daily average consumption of cotton by mills in February was larger than in any previous month on record, but activity of woolen and silk mills decreased as compared with January.

Production of bituminous coal has been in large volume, while that of anthracite has been considerably reduced. The output of building materials was smaller during the first two months of this year than in the corresponding period of 1926. The value of building contracts awarded in February was 3 per cent smaller than in the same month of last year, but awards for the first three weeks in March were approximately the same volume as in 1926. Contracts in Southeastern and Northwestern States have been considerably smaller than a year ago, while those in the Central West have been much larger.

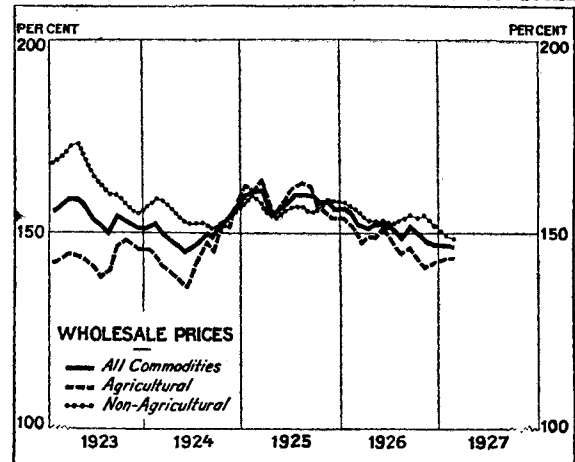


Federal Reserve Board's indexes of factory employment and payrolls (1919=100). Latest figures: February, employment, 93.7; payrolls, 108.5.

TRADE—Retail trade showed less than the usual seasonal decline between January and February. Sales of department stores and chain stores were larger than in February of last year, while those of mail order houses were smaller. Wholesale firms reported a smaller volume of business in February than a year ago, and this decline occurred in nearly all leading lines. Inventories of department stores increased in February in anticipation of the usual expansion in spring trade, but less than is customary at this season and at the end of the month stocks were slightly smaller than a year ago. Stocks of merchandise car-

ried by wholesale firms also increased in February, but were generally smaller than in the corresponding month of last year. Railroad shipments of commodities have increased steadily since January by more than the usual seasonal amount and have exceeded these for the same period last year, owing to larger shipments of coal, miscellaneous commodities, and merchandise in less-than-car-load lots.

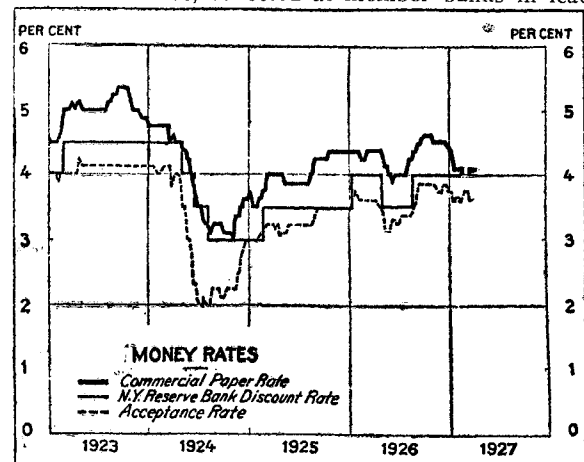
PRICES—Wholesale prices, according to the index of the Bureau of Labor Statistics, continued to decline in



Indexes of U. S. Bureau of Labor Statistics, (1913=100). Latest figures: February: All commodities, 146.4; non-agricultural, 148.3; agricultural, 143.8.

February. Among non-agricultural products decreases occurred in coal, petroleum, iron and steel, nonferrous metals, and lumber. The index for non-agricultural prices as a group was at the lowest post-war level. Prices of live stock products and of clothing materials advanced in February. During the first three weeks of March there were decreases in prices of grains, live stock, sugar, silk, wool, coal, petroleum, and gasoline, while prices of potatoes, pig iron, hides, and rubber advanced.

BANK CREDIT—Demand for commercial credit at member banks in leading cities increased seasonally between the middle of February and the middle of March. There was also growth in the volume of funds used in the security market as indicated by increases in loans to brokers and dealers in securities. Consequently total loans of the reporting banks at the end of the period were close to the level of last autumn. Financial operations of the U. S. Treasury around the middle of March, with disbursements temporarily in excess of receipts, resulted in a temporary abundance of funds, reflected at member banks in leading



Weekly rates in New York money market: Commercial paper rates on 4-6 months' paper and acceptances rate on 90-day paper.

cities in a growth of deposits, reduced indebtedness at the Reserve banks, and increased holdings of securities.

At the Reserve banks, following changes in holdings of bills and securities accompanying the financial operations of the Treasury, the total volume of credit outstanding on March 23 was somewhat larger than four weeks earlier. Conditions in the money market in March were slightly firmer than in February. Rates on prime commercial paper advanced from 4 per cent to 4¼ per cent and call money was also higher, while rates on acceptances declined somewhat.