

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF BUSINESS CONDITIONS IN EIGHTH DISTRICT

Released for Publication On and After the Morning of April 30, 1927
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Chairman of the Board and Federal Reserve Agent

TAKEN as a whole, business in this district underwent further moderate improvement during the past thirty days. The rate of improvement would undoubtedly have been much more rapid had it not been for the extremely unfavorable weather conditions which prevailed throughout the entire district. There were almost continuous rains which resulted in the worst flood in the Mississippi River and its tributaries experienced in recent years. In some sections the water reached the highest stage ever recorded, causing incalculable damage to property, besides seriously interfering with communications and the conduct of business. Hundreds of thousands of acres of the richest farm land were under water, including large areas which had been planted in early crops. Early farm work has been delayed, and in many river counties was at a complete standstill. Weeks of dry weather will be required for the water to recede, and all the main crops will be late.

In spite of the handicap of bad weather, production and distribution of goods continued on a large scale and while most lines investigated showed decreases under a year ago, gains were recorded over earlier months this year. Relatively much better results in retail distribution were achieved in the large cities than in the country. The low prices of farm products and flood conditions are reflected in curtailed purchasing of all varieties of goods in the rural districts. This is true particularly of farm implements and supplies and repair materials. The movement of Easter holiday goods was decidedly disappointing, and losses sustained in this classification can hardly be expected to be made up by buying later on. March sales of department stores were 5.5 per cent smaller than for the same month in 1926, and preliminary reports for April indicate smaller business than last year. Debits to individual accounts, as reported by banks in leading cities of the district, were 0.06 per cent

less in March than in the same month last year, but 13.8 per cent larger than in February this year.

The general industrial situation, except in the coal mining areas and lead and zinc fields developed further slight improvement. However, there still exists a surplus of both skilled and common labor generally through the district, most marked in the Southern cities. Working forces were increased in the textile industry, and a majority of the mills were operating on full time schedules. Floods held down activities at the logging camps and employment at the lumber mills decreased. In the cement and quarrying industries weather conditions militated against the usual seasonal gains in employment, and the same was also true of highway construction and municipal improvement work. Large forces were temporarily employed on levees and emergency river work incident to the high water. In the iron and steel industry there were moderate gains in employment, and heavier working forces were engaged at furniture and glass factories, clay products plants, packing houses and railroad and automobile shops. The surplus of clerical help in the large cities was larger than a month earlier and a year ago.

The coal situation in this district underwent no change worthy of note as compared with preceding thirty days. Suspension of mining operations in Illinois, Indiana and other sections of the Central Competitive Field, due to the strike of union miners, has thus far had no effect on supplies and very little on prices. Unusual preparations for the walkout had been made, and stocks held in storage by industrial companies, railroads, public utilities and municipalities are the largest on record. In addition many mines have on their railroad sidings tonnages equal to 30 to 60 days' normal supplies. No anxiety appears to be felt among any class of consumers relative to future needs, and dealers report demand from the domestic trade no

greater than usual at this season. Interest in spot nonunion Kentucky coals continued at a low ebb, and there was no disposition in the ununionized fields to advance prices. Retail prices of domestic coal effective April 1 showed the usual reductions of 25c to 50c per ton on Illinois and Indiana coals. Steaming grades were somewhat firmer, due to smaller supplies incident to reduced production of prepared sizes. The total amount of bituminous coal produced during the coal year 1926-27 aggregated 601,881,000 tons, the largest in the history of American coal mining, and comparing with 538,603,000 tons in the preceding year, and the previous record production of 579,386,000 tons in the calendar year of 1918.

Heavy loadings of merchandise and miscellaneous freight and the unusually large movement of coal were factors in bringing traffic of railroads operating in the district to the highest seasonal levels ever recorded. For the country as a whole loadings of revenue freight for the first fourteen weeks of this year, or to April 2, totaled 13,357,820 cars, against 12,911,288 cars for the corresponding period last year and 12,705,809 cars in 1925. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 243,282 loads in March, against 207,654 loads in February and 230,909 loads in March, 1926. During the first nine days of April the interchange amounted to 64,693 loads, against 72,007 loads during the same period in March and 66,899 loads during the first nine days of April, 1926. Passenger traffic of the reporting lines in March decreased 1.5 per cent as compared with the same month in 1926. Estimated tonnage of the Federal Barge Line, between St. Louis and New Orleans, for March was 101,000 tons, the largest for any month this year, and comparing with 85,400 tons (revised figures) in February and 74,688 tons in March, 1926.

Reports relative to collections reflected more irregularity than during the preceding month, but with the average only slightly below that of the same period last year. Results in the country were relatively less satisfactory than in the larger centers, due to floods and poor condition of roads in many sections. Generally through the South liquidation was fully up to expectations, and in the tobacco and rice areas was good. Wholesalers in the large cities report April 1 settlements generally good, but with some backward spots, where local conditions are adversely affecting business. Retail merchants in the country complain of backward collections and many requests for credit extensions. Retail collections in the large centers, particularly at department stores, are in the main satisfactory. Questionnaires addressed to 465 representative in-

terests in the several lines throughout the district showed the following results:

	Excellent	Good	Fair	Poor
March, 1927.....	3.3%	26.8%	56.6%	13.3%
February, 1927.....	2.3	13.8	65.5	18.4
March, 1926.....	2.4	31.8	52.4	13.4

Commercial failures in the Eighth Federal Reserve District during March, according to Dun's, numbered 111, involving liabilities of \$1,088,841, against 127 defaults in February with liabilities of \$2,006,081, and 78 failures for \$2,808,588 in March, 1926.

The per capita circulation of the United States on April 1, 1927, was \$40.81, against \$41.03 on March 1, 1927, and \$41.73 on April 1, 1926.

MANUFACTURING AND WHOLESALE

Automobiles—For the third consecutive month, automobile production in the United States scored an increase. Output, however, continued below the corresponding period a year ago. Combined passenger car and truck production in February totaled 386,721, against 298,359 in February and 448,099 in March, 1926.

Along with production, distribution of automobiles recorded a further increase during March. Gains were shown in both the month-to-month and year comparisons, and with few exceptions all classes and makes of vehicles shared in the improvement. Business, however, was relatively much better in the large cities than in the country, dealers in the flooded areas and generally in the rural districts reporting disappointing results. As has been the case for the past several months, farmers are postponing filling their requirements and are repairing their cars in order to make them serviceable as long as possible. Stocks of new cars on dealers' floors showed a small gain as compared with the preceding thirty days, but the average is no larger than usual at this season during the past five years. The used car situation continues unsatisfactory. Sales are difficult to effect, and stocks in many instances are burdensome, with prices lower than at any time in recent years. Truck sales have shown steady expansion since the first of the year, with the demand for light delivery trucks especially active. March sales of new cars by 320 dealers scattered through the district were 20 per cent larger than for the same month in 1926, and 62.1 per cent larger than the February total this year. Accessory and parts sales in March were 14.2 per cent larger than a year earlier and 27.8 per cent greater than in February this year. Some slight improvement was noted in the tire business. Stocks are considerably smaller than a year ago, and there is a greater disposition on the part of dealers to cover on their future requirements.

Boots and Shoes—March sales of the 10 reporting interests were 0.2 per cent larger than for the same month in 1926, and 13.5 per cent above the February total this year. Stocks on April 1 were 20.3 per cent smaller than a month earlier and 16.9 per cent below the total on April 1, 1926. Business is reported satisfactory in all lines, but with men's shoes making a particularly good showing. Weather conditions were unfavorable for the movement of novelties and specialties, and the usual reordering of Easter goods was smaller than usual volume. Shipments in March were slightly below a year ago, due to exceptionally heavy forwardings during the earlier period. Factory operations were reduced somewhat in March, in order to reduce stocks for the April inventory. Prices on finished goods were steady, but the recent advance in hides was reflected in a firmer trend in certain grades of leather.

Clothing—Weather during the past thirty days has been distinctly unfavorable for the retail clothing trade, and this was reflected in rather disappointing results for manufacturers and jobbers. Seasonal merchandise has been slow in moving into consumptive channels, and pre-Easter shopping was considerably below expectations. Manufacturers report little reordering, and for the most part are endeavoring to balance production with actual sales. Inventories are light in both wholesalers' and retailers' hands. Sales of the 8 reporting clothiers in March were 37.3 percent larger than a year ago, and 32.6 per cent under the February total this year.

Drugs and Chemicals—Further improvement was noted in this classification, March sales of the 7 reporting interests showing a gain of 3.2 per cent over those of the same month in 1926, and of 14.5 per cent over the February total this year. Betterment was particularly marked in sales of remedial drugs, and there were further steady gains in toilet preparations and sundry lines. Ordering of heavy chemicals by the general manufacturing trade holds up well, but both advance and spot sales of fertilizers and insecticides were smaller than last year.

Dry Goods—Buying for late spring and early summer was held in check by the continuous rains, and unfavorable weather was given as the chief reason for a decline in March sales of the 11 reporting interests of 7.8 per cent as compared with a year ago, and 11.1 per cent compared to February this year. Stocks on April 1 were 3.2 per cent larger than a month earlier, but 13.8 per cent smaller than on March 1, 1926. Some improvement in orders from salesmen on the road has taken place since April 1, particularly of goods for future delivery. Demand for cotton goods is holding up well, with prices firm.

Electrical Supplies—March sales of the 5 reporting interests were 7.3 per cent smaller than for the same month in 1926, and 24.1 per cent larger than in February this year. Stocks on April 1 were larger by 17.1 per cent than a year earlier, and 0.1 per cent smaller than on March 1 this year. Unfavorable weather for building and repair work by utilities companies was given as a contributing cause to the decline in sales under last year. Unusually keen competition is reported in household appliances and radio material, with profit margins narrow. Prices generally showed little change worthy of note as compared with the preceding thirty days.

Flour—Production at the 12 leading mills of the district in March was 345,095 barrels against 311,313 barrels in February and 315,650 barrels in March, 1926. Stocks of flour in St. Louis on April 1 were 12.3 per cent larger than a month earlier and 9.2 per cent greater than on April 1, 1926. Throughout the past thirty days business was dull, with prices nominally unchanged. Domestic trade continues on a hand-to-mouth basis. Shipping directions on flour previously purchased were fair, and in the immediate past there has been some foreign inquiry for clears and low grade flours, but at prices not acceptable to the mills. Operations at the reporting mills were at approximately 50 per cent of capacity.

Furniture—March sales of the 15 reporting interests were 12.7 per cent smaller than for the same month in 1926 and 1.1 per cent below those of February this year. Stocks on April 1 were 0.9 per cent larger than a month earlier, and 9.8 per cent smaller than on April 1, 1926. Buying continues chiefly on a necessity basis, and stock orders are in smaller volume than usual at this season. Further improvement was noted in office furniture and equipment, but there was a rather sharp falling off in household furniture and furnishing. Factory operations gained slightly over the preceding month, and were at about the same average rate as in March last year.

Groceries—A further decrease in business as contrasted with a year ago was shown during March, sales of the 9 reporting firms being 15.6 per cent below those of March, 1926. However, the total was 11.8 per cent larger than in February this year. Flooded conditions in a large section of the trade territory prevented salesmen from making their rounds, and kept farmers from town. The tendency to buy from hand-to-mouth continues, and is reflected in smaller advance orders than at any similar period for a number of years. Stocks on April 1 were 15.4 per cent larger than on the same

date in 1926, and 0.9 per cent larger than on March 1 this year.

Hardware—March sales of the 8 reporting firms were 4.1 per cent smaller than for the same month in 1926, but 21.8 per cent larger than those in February this year. On April 1 stocks were 14.8 per cent smaller than a year ago, and 7.1 per cent larger than a month earlier. Business is reported as being very uneven, with merchandise for consumption in the country moving in smaller than the usual seasonal volume. Sales of building hardware have fallen off, and the movement of sporting goods has been held down by unfavorable weather conditions. On a few scattered commodities slight declines were reported, but generally prices were unchanged.

Iron and Steel Products—Production and distribution of both finished and semi-finished iron and steel goods were well sustained during the past thirty days, with some important lines showing gains over the preceding month and a year ago. Certain seasonal merchandise, however, failed to move in expected volume, due to the very unfavorable weather. Goods consumed extensively in the country, such as fencing, woven wire, implements, repair materials and stoves, have not been purchased in quantity usual at this time of year. Bookings by the steel mills have been in satisfactory volume, though strip steel rollers continue to complain of keen competition. Demand for bars, shapes and plates have increased somewhat, but ordering is mainly in small quantities, and back logs at most plants are small. Inquiries by the railroads for tank steel were larger, and served to offset a decrease in demand for that material from the oil industry. Purchasing generally by the automotive industry has undergone decided improvement, and there is also some betterment in the outlet through the building industry than earlier in the year. Awards for structural shapes and reinforcing concrete bars were slightly ahead of the preceding month, and pending inquiries indicate a continuation of the improvement during the next thirty days. Business at iron and steel warehouses is reported active, though weather conditions tended to hold down the volume of sales. Demand from the general manufacturing trade is about on a parity with a year ago, but sales to the quarrying and cement industries, lumber mills and mining fields are under those of the same time in 1926. Foundries specializing in gray casting report very irregular conditions, some being well equipped with orders, while others have heavily reduced their forces because of lack of business. Production of pig iron for the entire country in March was 3,482,223 tons, against 2,940,-

604 tons in February and 3,458,171 in March, 1926. The country's steel ingot output in March established a new high record, the total being 4,556,400 tons, or 71,038 tons more than the previous record month, March, 1926. Buying of pig iron was quiet, it being a between-season period, and most of the major melters had covered their requirements in the buying movement in February and early March. Prices, however, were steady. The market for scrap iron and steel continued dull and weak, with heavy melting steel at the lowest levels on the downward movement.

Lumber—The seasonal improvement in the lumber industry has been of less than the usual proportions, due to unfavorable weather for building and general outdoor work. Northern hardwoods are experiencing the greatest activity, especially such items as are extensively used by the automobile industry. Basswood, birch and some grades of maple are being rapidly depleted, with consequent advance in prices. Southern hardwood stocks are also decreasing rapidly, due to suspended production incident to floods in the Mississippi Valley. The shortage has not affected prices thus far. West Coast woods are displaying considerable activity. Prices are low, but the quantity moving shows steady increase. Fir in the St. Louis market was 50c to \$1 higher than thirty days earlier. Stocks generally are low, but buyers are reluctant to replenish.

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	
	Mar. 1927	3 months ending	Mar. 31, 1927	Jan. 1, to	Mar. 31,	1927
	comp. to	Mar. 31, 1927, to	comp. to	Mar. 31,	1926	1926
	Mar. 1926	same period 1926	Mar. 31, 1926	Mar. 31,	1926	1926
Evansville	+ 6.1%	+19.1%	+ 8.1%	56.6	50.0	
Little Rock.....	7.2	— 6.3	+ 0.4	55.2	56.2	
Louisville	3.7	— 3.8	— 9.2	78.6	77.2	
Memphis	—10.9	— 8.2	— 2.7	61.9	64.9	
Quincy	7.6	—11.2	—15.6	48.4	48.8	
St. Louis.....	4.3	— 4.2	— 3.8	80.8	82.8	
Springfield, Mo.	—12.5	— 6.6	—35.4	37.2	35.3	
8th District.....	5.5	— 4.8	— 4.1	73.5	74.9	

	Net sales comparisons		Stocks on hand	
	Mar. 1927	compared to	Mar. 1927	compared to
	Mar. 1926	Mar. 1926	Mar. 1926	Mar. 1927
Men's Furnishing.....	+19.9%	+36.2%	+11.2%	+39.0%
Boots and Shoes.....	— 5.5	+34.7	+17.0	+ 5.9

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electricity by selected industrial customers in March as being 26.0 per cent larger than in February, but 1.7 per cent smaller than in March, 1926. The improvement over February is accounted for largely by seasonal considerations. The decrease from last year is represented by smaller loads taken by the

automotive industry and allied lines. Detailed figures follow:

	No. of Custom-ers	March 1927	Feb. 1927	Mar. 1927 comp. to Feb. 1927	March 1926	Mar. 1927 comp. to Mar. 1926
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	1,323	1,047	+26.4%	1,186	+11.6%
Little Rock.....	35	1,338	1,061	+26.1	1,271	+ 5.3
Louisville	93	5,090	4,348	+17.1	5,304	- 4.0
Memphis	31	1,707	1,779	- 4.0	1,630	+ 4.7
St. Louis.....	96	15,685	11,725	+33.8	16,190	- 3.1
Total.....	295	25,143	19,960	+26.0	25,581	- 1.7

The following figures compiled by the Department of the Interior, show kilowatt production both for lighting and industrial purposes for the country as a whole:

	By water power	By fuels	Totals
February, 1927.....	2,204,157,000	3,881,793,000	6,085,950,000
January, 1927.....	2,364,167,000	4,364,754,000	6,728,921,000
February, 1926.....	1,905,705,000	3,692,533,000	5,598,238,000

BUILDING

The dollar value of permits for new buildings issued in the five largest cities of the district in March was 0.5 per cent smaller than in February and 41.5 per cent less than the total in March, 1926. According to figures compiled by the F. W. Dodge Corporation, building contracts let in the Eighth Federal Reserve District in March amounted to \$42,703,808, which compares with \$25,697,489 in February and \$33,525,000 in March, 1926. Labor rates and conditions of employment, and prices of building material showed little change as contrasted with the preceding thirty days. Production of portland cement for the country as a whole during March totaled 11,452,000 barrels against 7,377,000 barrels in February and 10,390,000 barrels in March, 1926. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1927	1926	1927	1926	1927	1926	1927	1926
Evansville	376	172	\$ 399	\$ 206	113	134	\$ 23	\$ 47
Little Rock	85	106	275	525	144	113	42	61
Louisville ..	260	402	2,128	2,567	115	97	204	152
Memphis	361	573	1,195	1,877	146	94	70	149
St. Louis.....	887	1,013	2,169	5,362	499	467	517	640
Mar. totals	1,969	2,266	\$6,166	\$10,537	1,017	905	\$ 856	\$1,049
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

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in postal receipts for the first quarter of 1927 of 7.5 per cent over the corresponding period of 1926, and a decrease of 8.3 per cent under the final quarter of 1926. Detailed figures follow:

	For Quarter Ending			Mar. 1927 comp. to Mar. 1926
	Mar. 31, 1927	Dec. 31, 1926	Sept. 30, 1926	
Evansville	\$ 162,000	\$ 167,000	\$ 150,000	+ 2.5%
Little Rock.....	237,000	238,000	268,000	- 2.1
Louisville	739,000	813,000	678,000	+ 4.8
Memphis	517,000	589,000	514,000	+ 0.6
St. Louis.....	3,536,000	3,851,000	3,023,000	+10.1
Total.....	\$5,191,000	\$5,658,000	\$4,633,000	+ 7.5

AGRICULTURE

Farm work throughout the district during the past thirty days has been seriously interfered with

by continuous rains. In many areas flood conditions have been the worst ever experienced, and heavy damage to crops and farms has resulted from overflow of the Mississippi River and its tributaries. Fields have been soaked, preventing farmers entering them for spring plowing, and these operations are generally backward, with many counties reporting virtually nothing done at the middle of April. In the rich and ordinarily highly productive bottom lands it will require much good weather before the soil is in condition to prepare for cotton, corn, potatoes and other crops. In fields plowed last fall, weed growth has made unusual headway, and the excessive moisture has been generally responsible for poor condition of dirt roads, which has delayed movement of farm products to market.

While causing temporary delays and considerable actual damage, the rainfall has supplied abundant moisture and soil and subsoil conditions are good. Pastures have made unusual growth, and early sown grains are doing well, except where washed out by floods. There remains ample time for seeding the principal crops, and with average weather conditions during the growing season, production might easily make a showing well up to the average of recent years. Farm labor is in adequate supply for all requirements, with wages approximately the same as at this time last year. The history of agriculture in this district shows that years of heavy rainfall have usually been periods of large harvests, heaviest losses to crops being sustained in years of deficient moisture.

Winter Wheat—According to the U. S. Department of Agriculture, the condition of winter wheat in all States of this district, with exception of Mississippi which is relatively unimportant in this culture, was higher on April 1 than on the same date last year. With the exception of Missouri, which showed a loss of three points, all States had a higher condition than the average on April 1 during the ten years 1917-1926. The crop came through the cold weather in excellent shape, winter killing and indicated abandonment of acreage being much smaller than ordinary. In spite of unfavorable conditions at planting time, the plant got a good start, and in the case of earliest sown wheat is in generally fine condition, with root growth strong and color good. For the entire country the April 1 condition was estimated at 84.5 per cent of normal, against 84.1 per cent on the same date in 1926, and a ten year average of 79.8 per cent. The improvement on April 1, 1927, over December 1, 1926, was 2.7 per cent, as compared with an average decline in the past ten years of 4.6 per cent between these dates.

Oats — Seeding of oats began in late February and advanced rapidly in early March, since which time it has been almost at a standstill, due to wet weather, and in many sections acreage will be below what had been planned. Early seedings are doing well, though washing rains and floods have done much damage.

Corn — Except in the extreme southern stretches of the district, little preparation for corn has been accomplished, and virtually no seeding. Stocks on farms are mainly large, which fact, coupled with low prices realized on the 1926 crops, has decided farmers in many sections to slightly curtail their acreage this spring. Choice seed corn is scarce, and selling at high prices.

Fruits and Vegetables — Reports from the principal fruit producing sections indicate a good condition of buds and blossoms for all tree fruits. Some damage was done to peaches and plums by frost, but less than was believed thirty days ago. Prospects are for large yields of apples, cherries and grapes, which were not far enough advanced to be seriously affected by the low temperatures in March. The outlook for strawberries and cane fruits is good. Planting of gardens and commercial vegetable crops has been hampered by excessive rains.

Live Stock — Aside from scattered complaints of injury to health of lambs and young pigs from unfavorable local conditions, reports relative to live stock are in the main favorable. Hog prices fell to the lowest levels in several months, but cattle and sheep values were fairly well sustained. There was the usual seasonal increase in production of eggs and milk, with the exceptionally good condition of pastures causing an increase in the output of milk as compared with the corresponding period last year.

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

	Receipts			Shipments		
	Mar. 1927	Feb. 1927	Mar. 1926	Mar. 1927	Feb. 1927	Mar. 1926
Cattle and Calves.....	96,475	84,661	94,740	62,788	55,136	55,169
Hogs	343,587	297,929	301,580	245,248	216,311	210,284
Horses and Mules....	5,836	8,177	5,096	7,344	7,865	5,807
Sheep	26,148	26,275	30,250	14,991	8,938	14,433

Cotton — Slow progress has been made in getting the new crop under way, and good weather is badly needed by cotton planters to complete soil preparation and seeding. Conditions are particularly bad in the lowlands, where in some sections the flood situation is the worst ever experienced at this season. Levee breaks along the Mississippi River and its tributaries have resulted in inundations which will require several weeks to clear up. The demand for raw cotton has held up well, and the movement has continued at a satisfactory rate. A

slightly firmer trend in prices was noted, the middling grade in the St. Louis market closing at 13 $\frac{3}{4}$ c per pound on April 19, as compared with 12 $\frac{1}{2}$ c on March 19, and 17 $\frac{3}{4}$ c on April 19, 1926. Stocks on hand at Arkansas warehouses on April 15 totaled 213,317 bales against 432,441 bales on the corresponding date last year.

Rice — Planting of rice is backward, the delay having been occasioned by excessive rains. Unofficial reports indicate an acreage in this district about equal to that a year ago. Culture of rice in Missouri, and other sections in which this cereal was not raised to any great extent in the past, is broadening. Rough rice stocks in farmers' hands are light and values were 5c to 7c per bushel lower than a month earlier, due to disinclination of the mills to purchase in view of the quiet demand.

Tobacco — Growers are busy with farm work, and receipts at the several markets have fallen off substantially. The Marketing Association in the dark fired districts has received and sold a considerable portion of the 1926 crop and virtually all its lugs. Latest reports indicate a general reduction of acreage under last year. There is generally a fairly good stand of plants in beds, but farmers are behind in their work, due to heavy rains. Best progress has been made in the well drained uplands.

Commodity Prices — Range of prices in the St. Louis market between March 16, 1927 and April 15, 1927, with closing quotations on the latter date and on April 15, 1926, follow:

	High	Low	Close	
			April 15, 1927	April 15, 1926
Wheat				
May .....per bu.	\$1.38	\$1.27	\$1.27 @ \$1.31 $\frac{1}{2}$	\$1.65
July	1.30	1.24	1.24 $\frac{1}{2}$ @ 1.28 $\frac{3}{4}$	1.39 $\frac{3}{4}$
No. 2 red winter ..	1.36	1.26	1.29	\$1.76 @ 1.79
No. 2 hard.....	1.38	1.34	1.34 $\frac{1}{2}$	1.71 @ 1.72 $\frac{1}{2}$
Corn				
May .....	.80 $\frac{1}{2}$	.73 $\frac{1}{2}$	.74 $\frac{1}{4}$	.74 $\frac{1}{4}$
July .....	.83 $\frac{3}{8}$	.77 $\frac{5}{8}$	.78	.78
Sept. ....	.81 $\frac{5}{8}$	.80 $\frac{3}{4}$	.81 $\frac{1}{2}$	.80 $\frac{1}{4}$
No. 2.....	.72	.68	.72	.72 $\frac{1}{2}$
No. 2 white.....	.74 $\frac{1}{2}$	.69	.73	.75
Oats				
No. 2 white.....	.49	.46	.46	.44
Flour				
Soft patent.....per bbl.	7.00	6.25	6.25 @ 6.75	8.75 @ 9.00
Spring patent.....	7.10	6.50	6.50 @ 6.65	8.00 @ 8.40
Middling cotton.....per lb.	.13	.12 $\frac{3}{4}$	.13	.18
Hogs on hoof.....per cwt.	12.40	9.40	10.50 @ 11.50	10.70 @ 13.50

FINANCIAL

The demand for credit accommodation for general commercial, industrial and agricultural purposes receded slightly during the past thirty days as contrasted with the similar period immediately preceding, and was in considerably smaller volume than at the corresponding time last year. While business continued at relatively high levels, the rate of turnover is rapid, which fact has a tendency to reduce the amount and duration of credit requirements, and in addition prices of commodities are lower than a year ago. Another factor in the smaller credit demand this year than last has been the

backwardness of crops, due to unfavorable weather and floods. Requirements for financing agriculture have not appeared in the usual seasonal volume in the South. Generally country banks are in a liquid condition, and in numerous instances have increased their demands for commercial paper and other investments. Investments of banks in the larger cities have increased steadily since the first of January, and reached a new high total for the year at the middle of April. Deposits of the reporting member banks declined rather sharply during the last half of March, but part of the decline was recovered early this month, and the total is considerably higher than at the corresponding period last year. April collections of wholesalers and manufacturers, particularly in the shoe industry with which April is an important settlement period, were large, and generally liquidation was reported satisfactory except in sections affected by local conditions, such as the coal strike and floods. Banks in areas which specialize in live stock feeding report good liquidation, but also fair volume of new borrowing to finance feeding operations. While actual quotations showed virtually no change, the trend of interest rates was downward. At St. Louis banks current quotations were as follows: Prime commercial loans, 4½ to 5 per cent; interbank loans, 5 to 5½ per cent; collateral loans, 5 to 5½ per cent; loans secured by warehouse receipts, 4½ to 5½ per cent and cattle loans, 6 per cent. Loans of the reporting member banks based on stock exchange collateral increased slightly during the past thirty days.

Federal Reserve Operations—During March the Federal Reserve Bank of St. Louis discounted for 189 member banks, against 191 in February and 200 in March, 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:

	*April 16, 1927	*Mar. 16, 1927	*April 16, 1926
Bills discounted.....	\$16,781	\$13,191	\$27,084
Bills bought.....	22,279	8,843	6,968
U. S. Securities.....	27,659	33,826	25,742
Total bills and securities.....	\$66,719	\$55,860	\$59,794
F. R. Notes in Circulation.....	44,024	44,244	37,324
Total deposits.....	87,628	88,345	82,480
Ratio of reserves to deposit and F. R. Note liabilities.....	52.8%	63.3%	56.4%

*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.

	*March, 1927	*Feb., 1927	*March, 1926	Mar., 1927 comp. to Feb. 1927	Mar. 1926 comp. to Mar. 1926
E. St. Louis and Nat'l					
Stock Yds., Ill. \$	44,353	\$ 39,713	\$ 44,411	+11.7%	— 0.1%
El Dorado, Ark....	10,318	9,428	12,250	+ 9.4	—15.8
Evansville, Ind....	49,591	40,771	36,580	+21.6	+35.6
Fort Smith, Ark....	12,578	11,534	13,525	+ 9.1	— 7.0
Greenville, Miss....	5,070	5,159	4,739	— 1.7	+ 7.0
Helena, Ark.....	4,140	3,762	5,094	+10.0	—18.7
Little Rock, Ark..	81,365	70,593	81,274	+15.3	+ 0.1
Louisville, Ky.....	208,947	187,525	209,256	+11.4	— 0.1
Memphis, Tenn....	158,097	143,240	158,101	+10.4	.....
Owensboro, Ky....	6,098	6,074	5,750	+ 0.4	+ 6.1
Pine Bluff, Ark....	12,050	10,989	10,390	+ 9.7	+16.0
Quincy, Ill.....	14,419	11,908	13,468	+21.1	+ 7.1
St. Louis, Mo.....	759,234	662,467	773,900	+14.6	— 1.9
Sedalia, Mo.....	5,101	4,038	4,655	+26.3	+ 9.6
Springfield, Mo....	16,813	13,094	15,590	+28.4	+ 7.8
Totals.....	\$1,388,174	\$1,220,295	\$1,388,983	+13.8	— 0.06

*In thousands (000 omitted).

Condition of Banks—Loans and discounts of the reporting member banks on April 13 showed a decrease of 0.65 per cent as compared with March 16, and of 6.3 per cent as compared with April 14, 1926. Deposits decreased 1.1 per cent between March 16 and April 13, but on the latter date were 1.2 per cent larger than on March 14, 1926. Composite statement follows:

	*April 13, 1927	*Mar. 16, 1927	*April 14, 1926
Number of banks reporting.....	31	31	33
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't. obligations.....	\$ 4,464	\$ 4,279	\$ 11,789
Secured by other stocks and bonds.....	194,462	189,372	202,118
All other loans and discounts.....	297,856	306,411	316,131
Total loans and discounts.....	\$496,782	\$500,062	\$530,038
Investments			
U. S. Gov't. securities.....	79,025	76,567	63,892
Other securities.....	121,523	122,761	105,621
Total investments.....	\$200,548	\$199,328	\$169,513
Reserve balance with F. R. bank.....	48,037	51,863	44,844
Cash in vault.....	7,819	7,314	8,359
Deposits			
Net demand deposits.....	405,470	408,071	410,968
Time deposits.....	233,829	236,406	218,056
Government deposits.....	7,272	9,709	9,867
Total deposits.....	\$646,571	\$654,186	\$638,891
Bills payable and rediscounts with Federal Reserve Bank,			
Secured by U. S. Gov't. obligations....	2,466	2,620	7,223
All others.....	3,351	4,000	7,206

*In thousands (000 omitted).

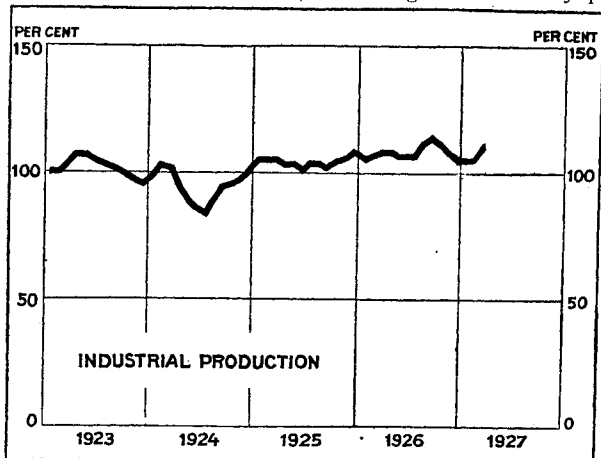
†Decreases due to consolidation. These 31 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 55.5 per cent of the resources of all member banks in the district.

(Compiled April 22, 1927)

BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity increased further in March and was larger than a year ago, while the general level of prices continued to decline. Distribution of commodities at wholesale and retail was somewhat smaller than a year ago.

PRODUCTION—Industrial production, after increasing continuously for three months was larger in March, when allowance is made for usual seasonal changes, than in any month since last September. Output of bituminous coal, crude petroleum and steel ingots and mill consumption of raw cotton in March, were larger than in any pre-

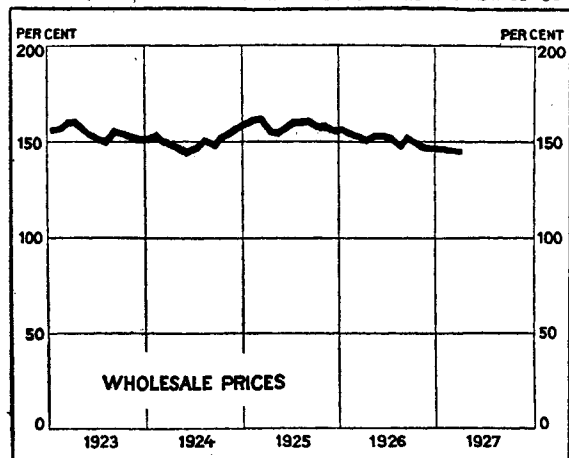


Index Number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figures, March, 112.

vious month. Since April, however, steel mill operations have been somewhat curtailed, and bituminous coal output has been reduced by about 40 per cent since the beginning of the miners' strike on April 1. Consumption of silk and wool, sugar meltings, flour production, and the output of rubber tires increased in March. Production of automobiles has shown seasonal increases since the first of the year, but has been in smaller volume than a year ago.

The value of building contracts awarded in March was larger than at any previous time, and the production of building material has increased considerably in recent weeks. The largest increases in contracts, as compared with last year, were in the Middle Western States, while the largest decrease occurred in the Southeastern States. In the first half of April contracts awarded were in slightly smaller volume than in the same period of last year.

TRADE—Sales of department stores increased less than usual in March and were slightly smaller than last year owing in part to the lateness of Easter. Sales of mail

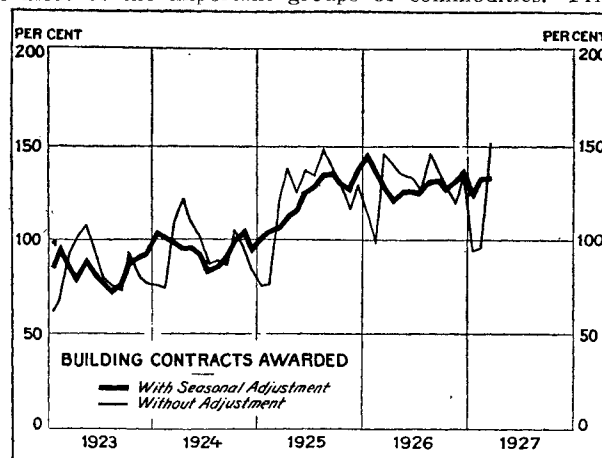


Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figures, March 145.3

order houses and chain stores, however, were somewhat larger than a year ago. Inventories of department stores increased slightly more than is usual in March in anticipation of the expansion in retail trade before the Easter holiday, and at the end of the month were in about the same volume as a year ago. Wholesale trade in March continued slightly smaller than in the corresponding period a year ago. Stocks of merchandise carried by wholesale firms were seasonally larger at the end of March than in Febru-

ary, but in most lines continued smaller than last year. Freight car loadings, which showed seasonal increases in March, declined in the first ten days of April owing to the smaller shipments of coal, but continued larger than in the corresponding period of previous years. Loadings of miscellaneous freight and of merchandise in less-than-car-load lots were in larger volume.

PRICES—The general level of wholesale commodities prices declined further in March reflecting decreases in most of the important groups of commodities. Prices

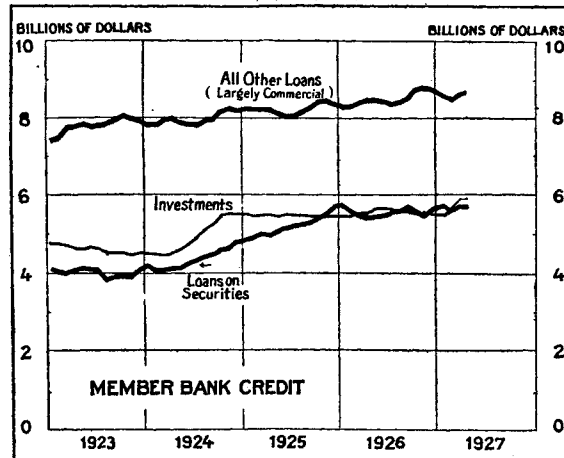


Federal Reserve Board's indexes of value of building contracts awarded as reported by the F. W. Dodge Corp. (1923-1925 average=100). Latest figures, March, adjusted index 131, unadjusted index 151.

of non-agricultural commodities as a group declined to the lowest level since the war, while the average for agricultural products, which advanced somewhat from November to February, remained practically unchanged in March. During the first half of April prices of winter wheat, sugar, cotton, silk, bituminous coal and hides advanced while those of hogs, crude petroleum, gasoline, and non-ferrous metals declined.

BANK CREDIT—There was some decline in the volume of loans for commercial purposes and in loans on securities at member banks in leading cities between the middle of March and the middle of April. Member bank holdings of United States securities, which had increased considerably in the middle of March in connection with the operations of the Treasury, have declined by more than \$100,000,000 since that time, but are still about \$200,000,000 larger than in the early months of the year.

At the reserve banks total bills and securities, which have fluctuated near the \$1,000,000,000 level since the end



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in April.

of January, showed little change during the six weeks ending April 20. Discounts for member banks were in about the same volume on that date as on March 9, while acceptances showed a decrease and holdings of United States securities a slight increase. During the first three weeks of April quoted rates on prime commercial paper and on acceptances, were the same as in the latter part of March while call money averaged somewhat higher.