

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, 1928
WILLIAM McC. MARTIN
Chairman of the Board and Federal Reserve Agent

DESPITE the handicap of generally unfavorable weather, business in this district during the past thirty days continued the moderate rate of improvement noted during the two preceding months. Some irregularity existed, both in respect to localities and the several lines, but in a majority of cases satisfactory results were obtained. Abnormally low temperatures over virtually the entire district hampered distribution of spring merchandise, particularly goods for common consumption. Easter shopping was slow getting under way, but the momentum acquired during the week or ten days preceding that day brought the total of sales of typically Easter goods well up to the average of recent years. In the retail trade, however, relatively better results were achieved in the urban communities than in the country and smaller centers of population. March sales of department stores in the seven largest cities of the district were 6.9 per cent greater than in the same month last year, and there were also fair gains reported by five and ten cent stores and mail order houses. Debits to checking accounts in the chief cities in March were larger by 10.7 per cent than in February, and 3.2 per cent in excess of the March, 1927, total.

Aside from the coal mining areas, the general industrial situation was in more favorable condition than at any time since last fall. Building permits issued and contracts for construction enterprises let in March showed sharp gains over the preceding month, the dollar value of permits representing the largest total since last November. In the iron and steel industry some unevenness developed, but the average rate of activity was higher than a month earlier, with certain important lines, notably stoves, farm implements, heating apparatus and architectural iron, recording good gains. For the third consecutive month, distribution of automobiles and accessories increased in March. The number of unemployed in the district was reduced further, surplus

workers being absorbed in the seasonal acceleration of outdoor activities. The general trend of prices was upward, with sharp advances being recorded on certain farm products, notably wheat and corn. The rise in wheat was due to the unfavorable outlook for the growing winter wheat crop, prospects for which in this district are the worst in more than forty years.

The labor situation exerted practically no influence on the status of the coal market. Unlike a year ago, closing of the bituminous mines in Illinois and Indiana on April 1 because of the miners' strike, was preceded by no unusual efforts to accumulate reserve stocks. Users of both steaming and domestic coal were purchasing chiefly for immediate necessities, and apparently no apprehension was felt relative to future supplies. Prices fluctuated within narrow limits, and the advance in slack coal late in March was due to contraction in demand for prepared sizes rather than increased purchasing by industrial consumers. In many instances supplies held by the industries are large, in some cases sufficient to last through the next two or three months. The cold weather early this month and in late March served to stimulate demand for coal for heating purposes, but these needs were easily met. In the Kentucky fields there was fair buying by railroads and public utilities companies, with contract renewals at about the 1927-1928 price levels. Offerings of Kentucky coal are plentiful, and operators in that state are making a strong bid for business ordinarily going to the ununionized districts. A limited number of mines in the Illinois fields have reopened since April 1, operators paying the Jacksonville scale. Operations during March averaged from 3 to 5 days per week. Production of bituminous coal for the country as a whole during the present calendar year to April 7, approximately 83 working days amounted to 136,688,000 net tons, against 178,065,000 tons in 1927 and 154,293,000 tons in 1926.

A further shrinkage in the volume of freight car loadings on railroads operating in this district was reported during the past thirty days. Decreases were noted in virtually all classifications of freight, but were particularly heavy in coal and coke, merchandise and miscellaneous freight. For the country as a whole loadings of revenue freight for the first 13 weeks of the year, or to March 31, totaled 11,791,270 cars, against 12,541,125 cars for the corresponding period in 1927, and 12,169,728 cars in 1926. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 245,780 loads in March, against 210,725 loads in February and 243,282 loads in March, 1927. During the first 9 days of April the interchange amounted to 63,626 loads, against 70,916 loads during the corresponding period in February and 64,693 loads during the first 9 days of April, 1927. Passenger traffic of the reporting roads decreased 10 per cent in March as contrasted with the same month in 1927. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 104,200 tons, which compares with 125,228 tons in February, and 121,673 in March, 1927.

As contrasted with earlier months this year and the corresponding period in 1927, collections generally during the past thirty days were less satisfactory. There were more complaints of backward payments by wholesalers and manufacturers than has been the case in a long while. In the rural areas, particularly through the South, preoccupation of farmers with intensive preparations for crops tended to hold down payments. In some sections wet weather and impassable dirt roads interfered with communications. Producers of building materials and manufacturers of certain iron and steel products reported collections less efficient than heretofore. Since the first week this month, however, some improvement has developed in liquidation in both retail and wholesale lines, and indications are that the average for April will be as high as a year ago. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
March, 1928.....	1.3%	16.9%	66.2%	15.6%
February, 1928.....	2.5	35.5	52.0	10.0
March, 1927.....	3.3	26.8	56.6	13.3

Commercial failures in the Eighth Federal Reserve District during March, according to Dun's, numbered 104, involving liabilities of \$3,983,257, against 105 defaults in February with indebtedness of \$1,853,273, and 111 failures for \$1,088,841 in March, 1927.

The per capita circulation of the United States on March 31, 1928 was \$40.25, against \$39.79 on February 29, 1928, and \$41.70 on March 31, 1927.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car and truck production in the United States in March totaled 413,000, which compares with 233,368 in February and 394,300 in March, 1927.

The upward trend in distribution of automobiles in this district noted during the preceding two months was continued during the past thirty days. A sharp gain in March sales over those of February took place, but the total was under that of March, 1927, due chiefly to the fact that one important manufacturer figuring prominently in last year's total was on limited production this year. Business was reported good generally through all makes of passenger cars, and demand for trucks, particularly those for light delivery service in the large cities, was more active than heretofore. Sales of passenger cars in the country showed the usual seasonal improvement, but due to the poor condition of the winter wheat crop in this territory, prospects in the grain sections were less favorable than elsewhere. Stocks of new cars on April 1 were slightly less than on the same date last year, and approximately 6.4 per cent larger than on March 1, this year. Demand for used cars continued active, with stocks somewhat larger than a month earlier, but at about the average levels for this season during the past several years. March sales of new passenger cars by 320 dealers scattered through the district were 52.3 per cent larger than in February, and 11.1 per cent less than in March, 1927. Sales of parts and accessories by the reporting dealers in March showed a gain of 16.8 per cent over February and of 5.3 per cent over March, 1927. Deferred payment sales of the new passenger cars by dealers reporting on this item, averaged 46.3 per cent in March, against 44.5 per cent in February, and 52.5 per cent in March, 1927.

Boots and Shoes — March sales of the five reporting dealers were 1.3 per cent larger than for the same month in 1927, and 24.0 per cent greater than in February this year. Stocks on April 1 were 7.9 per cent smaller than thirty days earlier and 14.8 per cent larger than on April 1, 1927. The trend of prices of finished goods continues upward, chiefly in sympathy with the further rise in raw materials. Specific advances were reported on certain lines, and several manufacturers announced their intention of marking up other lines during the next few weeks. Easter business was disappointing, due to weather conditions. Retail stocks are reported slightly larger than heretofore. Demand for work shoes is fair,

but the recent upturn in prices has served to slow down buying in this line.

Clothing — Unfavorable weather has tended to hold down the movement of seasonal apparel, particularly women's spring wear. Ordering for future delivery, however, has been in good volume, though price and style uncertainties are affecting purchasing of certain lines. Demand for work clothes is reported generally less active than at the corresponding period last year. There was also a falling off in sales of raincoats as contrasted with the same time in 1927. No change worthy of note was reported in prices, either as compared with thirty days or a year earlier. March sales of the reporting clothiers were 98.4 per cent larger than for the same month in 1927, and 79.5 per cent greater than the February total this year.

Drugs and Chemicals — As compared with a year ago, March sales of the five reporting interests were 0.6 per cent smaller, but the total was 13.2 per cent greater than in February this year. Seasonal goods are moving in good volume, and moderate improvement was noted in demand for heavy drugs and chemicals from the manufacturing trade. Advance sales of fertilizer, insecticides and spraying material are larger than at this time last year. The retail drug business is reported satisfactory generally, but stocks are slightly larger than the average at this season during the past several years.

Dry Goods — March sales of the 8 reporting firms were 11.6 per cent smaller than for the same month in 1927, and 20.2 per cent below the February total this year. Advance business was larger than last year, but orders for immediate shipment have been held down by unfavorable weather. Since Easter, however, immediate business has undergone considerable improvement. Comment is made that prospects in the winter wheat areas have been adversely affected by the poor crop outlook. Collections are mainly satisfactory. Stocks on April 1 were 2.0 per cent smaller than thirty days earlier, and 11.8 per cent larger than on April 1, 1927.

Electrical Supplies — As compared with a year ago, March sales of the six reporting interests showed a loss of 16.9 per cent, but the total was 7.1 per cent larger than in February this year. Stocks on April 1 were 2.1 per cent smaller than a month earlier and 9.2 per cent in excess of those on April 1, 1927. Demand for materials for buildings have shown slightly more than the usual seasonal increase, and the outlet through public utilities companies continues broad. Some falling off in sales of domestic appliances was noted, and radio material is less active than heretofore. Purchasing by the automotive industry is reported active.

Flour — Production at the 12 leading mills of the district in March totaled 376,889 barrels the largest since last August, and comparing with 319,290 barrels in February and 345,095 barrels in March, 1927. Stocks of flour in St. Louis on April 1 were 0.4 per cent smaller than on March 1, and 11.5 per cent larger than on April 1, 1927. In sympathy with the upturn in cash wheat, millers were asking sharply higher prices. Flour buyers, however, were not disposed to follow the advance to any extent, and business was chiefly on a necessity basis. Specifications on flour previously purchased were the best in several months. Export demand continued quiet, with bids from Europe mainly below views of sellers in this district. Mill operations were at from 50 to 55 per cent of capacity.

Furniture — March sales of the 14 reporting interests were 9.4 per cent less than in the same month in 1927, and 0.8 per cent less than the February total this year. Stocks on April 1 were 5.1 per cent and 6.7 per cent larger than a month and a year earlier, respectively. Demand for household furniture and furnishings continues quiet and was adversely affected by unfavorable weather. Retailers are purchasing with conservatism, and only sufficient for immediate requirements. Large stock orders are absent, and price resistance is apparent in some important lines. Office furniture equipment was quiet, but there continues an active demand for theater seating, hospital and school furniture and certain specialties for hotels and large apartments.

Groceries — Business in this classification underwent further quite marked improvement during the past thirty days. Retail stocks had been allowed to run down, and there was a general disposition to replenish in anticipation of spring requirements. Buying in the rural areas, particularly in the south, was more active than has been the case in a number of months. Lateness of the season for spring fruits and vegetables has had a stimulating effect on the demand for canned goods and preserved foods generally. The trend of prices was upward, with flour, cereals, and some other staples higher. March sales of the 14 reporting firms were 21.5 per cent larger than for the same month in 1927, and 28.8 per cent in excess of the February total this year. Stocks on April 1 were 5.5 per cent smaller than on the same date last year, and 0.9 per cent under those on March 1 this year.

Hardware — Somewhat spotted conditions are indicated by reports of leading hardware interests. Weather conditions have been unfavorable for the movement of seasonal merchandise, and purchasing of staple hardware is disappointing. Relatively goods for use in the agricultural sections are more

active than other lines. Since the first of this month improvement is reported in demand for building hardware and tools. Sales of paints, varnish and kindred lines are slightly under a year ago. March sales of the reporting firms were 2.8 per cent less than for the same month in 1927, but 7.1 per cent larger than the February total this year. Stocks on April 1 were 21.5 per cent and 1.2 per cent smaller than a year and a month ago, respectively.

Iron and Steel Products—The average rate of activities at mills, foundries and machine shops during the past thirty days was maintained at about the same level as during the similar period immediately preceding. While some important industries reported a falling off in new orders, specifying against materials contracted for in the first quarter offset the decrease in new business and assured maintenance of present schedules for another month or six weeks at least. Taken as a whole, purchasing of raw materials was below expectations, due to the fact that many manufacturers finished the first quarter with heavier stocks than anticipated, also to a general disposition to cover only on well defined requirements. New buying and specifying by the automotive industry continued on a satisfactory scale, but purchasing by the railroads is still backward. Orders for new equipment is being sparingly placed, and the movement of track supplies and miscellaneous materials is disappointing. The outlet for iron and steel goods through the building industry broadened somewhat, and the outlook for the next three or four months is good. Fabricators of structural steel report the booking of a satisfactory volume of orders, including a number of large projects. As has been the case for the past several months, demand for reinforcing concrete bars is active, with manufacturers of this material operating at, or close to full capacity. There is a good call for sheets of all descriptions particularly galvanized material and the lighter blue annealed varieties. Shipments of tin plate during March were the largest for that month in more than a decade. While some slight improvement in purchasing of oil pipe, tank plates and refinery supplies was noted, the general demand for oil country goods continues at a low ebb. Manufacturers of farm implements report an active demand for their products, and advance orders considerably larger than at this time last year. Stove and heating apparatus manufacturers also report continued activity in their lines. Warehouse interests in the district report March sales the largest for any month this year, and slightly larger than in the same month in 1927. For the country as a whole, production of pig iron in March continued upward, the total of 3,208,281 tons comparing with 2,898,668 tons in February and 3,482,107 tons in

March, 1927. Steel ingot production in the United States during March aggregated 4,507,520 tons, against 4,045,304 tons in February and 4,535,272 tons in March, 1927. Continued dullness prevails in the scrap iron and steel market. Excessive supplies, coupled with lack of consumer buying, resulted in a decline in prices to the lowest levels on the present downward movement.

RETAIL TRADE

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

	Net sales comparison		Stocks on hand		Stock turnover	
	Mar. 1928 comp. to Mar. 1927	3 months ending Mar. 31, 1928 to same period 1927	Mar. 31, 1928 comp. to Mar. 31, 1927	Jan. 1, to Mar. 31, 1928	Mar. 31, 1927	1927
Evansville	+16.1%	+4.1%	-25.5%	.60	.47	
Little Rock	+4.5	+2.2	+8.1	.52	.35	
Louisville	-1.8	+2.4	+0.7	.72	.74	
Memphis	+11.9	+13.5	-9.4	.74	.62	
Quincy	+22.6	+19.8	-3.9	.63	.48	
St. Louis	+7.1	+3.7	-8.0	.90	.81	
Springfield, Mo.	+4.0	+0.6	+20.3	.36	.37	
8th District	+6.9	+4.6	+6.0	.80	.73	

	Net sales comparison		Stocks on hand	
	Mar. 1928 compared to Mar. 1927	Feb. 1928	Mar. 1928 compared to Mar. 1927	Feb. 1928
Men's furnishings	-16.1%	+46.8%	-0.5%	+3.0%
Boots and shoes	+5.7	+50.1	-5.0	+8.1

Department Store Sales by Departments—As reported by the principal department stores in Little Rock, Louisville, Memphis and St. Louis.

	Percentage increase or decrease March, 1928 compared to March, 1927	
	Net sales for month	Stocks on hand at end of month
Piece goods	-5.7%	-4.5%
Ready-to-wear accessories	+7.3	-8.1
Women's and misses'		
ready-to-wear	+27.0	-1.5
Men's and boys' wear	+10.3	-8.3
Home furnishings	+1.0	-8.8

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 2.7 per cent less than in February, and 0.3 per cent greater than in March, 1927. In the month-to-month comparison the decrease is due to the closing of several important plants for repairs, and to seasonal curtailment of operations at ice and refrigeration plants. The gain over a year ago is fairly well distributed through all reporting industries. Detailed figures follow:

	No. of Custom- ers	Mar. 1928	Feb. 1928	Mar. 1928 comp. to Feb. 1928	Mar. 1927	Mar. 1928 comp. to Mar. 1927
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ...	40	1,209	1,028	+17.6%	1,323	-8.7%
Little Rock..	35	1,437	1,275	+12.7	1,338	+7.4
Louisville ...	80	5,511	5,530	-0.4	5,090	+8.2
Memphis	31	1,854	1,727	+7.4	1,707	+8.6
St. Louis	119	15,232	16,363	-7.0	15,685	-2.9
Totals	305	25,243	25,923	-2.7	25,143	+0.3

*In thousands (000 omitted).

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
Feb. 1928	2,566,688,000	4,291,735,000	6,858,423,000
Jan. 1928	2,719,952,000	4,476,565,000	7,196,517,000
Feb. 1927	2,204,157,000	3,881,793,000	6,085,950,000

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the first quarter of 1928 of 1.9 per cent under the corresponding period in 1927, and a decrease of 10.5 per cent under the final quarter of 1927. Detailed figures follow:

	For Quarter Ending			Mar. 31, 1928 comp. to Mar. 31, 1927
	Mar. 31, 1928	Dec. 31, 1927	Sept. 30, 1927	
Evansville	\$ 174,000	\$ 178,000	\$ 166,000	\$ 162,000 + 7.4%
Little Rock.....	242,000	239,000	224,000	237,000 + 2.1
Louisville	742,000	822,000	719,000	739,000 + 0.4
Memphis	668,000	788,000	562,000	517,000 +29.2
St. Louis.....	3,271,000	3,667,000	2,942,000	3,536,000 - 7.5
Total.....	\$5,097,000	\$5,694,000	\$4,613,000	\$5,191,000 - 1.9

BUILDING

In point of dollar value, building permits issued for new construction in the five largest cities of the district in March showed a gain of 11.7 per cent over the same month in 1927 and of 25.6 per cent above the February total this year. According to figures compiled by the F. W. Dodge Corp., building contracts let in the Eighth Federal Reserve District in March totaled \$40,625,582, the highest since last October, and comparing with \$35,293,872 in February and \$42,703,808 in March, 1927. There was no change in the cost of industrial building during March, material prices remaining fairly constant and no variation being reported in labor schedules. Production of portland cement for the country as a whole in March totaled 10,223,000 barrels, against 8,798,000 barrels in February, and 11,450,000 barrels in March, 1927. Building figures for March follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1928	1927	1928	1927	1928	1927	1928	1927
Evansville ..	462	376	\$ 398	\$ 399	112	113	\$ 58	\$ 23
Little Rock ..	79	85	308	275	88	144	36	42
Louisville ...	283	260	1,967	2,128	79	115	73	204
Memphis	300	361	859	1,195	111	146	99	70
St. Louis.....	872	887	3,358	2,169	463	499	537	517
Mar. totals	1,996	1,969	\$6,890	\$6,166	853	1,017	\$ 803	\$856
Feb. totals	1,514	1,371	5,484	6,200	751	638	1,151	438
Jan. totals	1,161	954	4,738	4,628	599	468	647	416

*In thousands of dollars (000 omitted).

AGRICULTURE

Weather conditions throughout this district during the past thirty days were mixed and varied in their effects upon agriculture. Moisture generally was abundant, and reports from all sections indicate excellent soil and subsoil conditions. There was sufficient sunshine and clear days to permit of considerable plowing and preparations for spring crop planting. This work in most sections made good headway, and is slightly ahead of the average schedule during the past several years. On the other hand, the sharp drop in temperatures, following a spell of warm weather, which occurred in the first week of April, caused substantial damage to fruits and early vegetables. In limited areas damage was

done by overflowing of rivers and small streams, and in sections of the south severe storms caused a setback to outdoor operations, and more or less injury to early crops.

Universally farm labor is reported adequate to all requirements, with an oversupply in some localities. For the most part seed supplies are also abundant, and quality good. Heavy calls for oats, barley and other substitutes to plant in abandoned winter wheat acreage were easily met. The financial condition of farmers at this time is better than in several seasons, and programs are being formulated with a considerable degree of confidence. Sales of farm implements, fertilizers, sprays, insecticides and other farm supplies are in larger volume than at this time last year. In the case of the main crops indications are for somewhat larger acreages than a year ago, and further expansion in fruit and vegetable culture, dairying and production of poultry products is the rule generally through the district.

Winter Wheat — The condition of winter wheat in all states entirely or partly within this district on April 1 was sharply below a year ago and the ten year average. Taken as a whole, wheat prospects in the district are the poorest in more than forty years, with acreage abandonment in some sections the largest on record. After a favorable start last fall, the crop encountered unusually unfavorable winter and spring conditions, including nearly all factors that cause winter killing. Through the winter there was little snow covering. A cold wave in late December and early January was followed shortly by flooding and alternate freezing and thawing which badly heaved the plant. Late wheat is especially hard hit. Reports from widely scattered sections indicate losses from 25 to 100 per cent. A large portion of the abandoned acreage has been sown to oats, spring wheat, barley, legumes and much of the balance will be planted to corn. For the country as a whole the average condition of winter wheat on April 1 was 68.8 per cent of normal, compared with 84.5 per cent last year and 81.9 per cent, the average condition on April 1 during the past decade.

Oats — Seeding of oats has advanced rapidly, and except in a few northern counties, had been completed at the middle of this month. Owing to the unusually large abandonment of winter wheat acreage, much heavier planting of oats has taken place than was contemplated last fall. Owing to this factor, no accurate estimate of the total area is possible at this time.

Corn — Planting and preparations for seeding corn are well ahead of a year ago, when floods and excessive rains seriously interfered with this work. Due to small stocks on farms, abandonment of wheat acreage and recent high prices, prospects are

for a sharp increase in acreage over that planted in the spring of 1927. Some early planted corn was killed by cold weather this month.

Fruits and Vegetables—Generally fine prospects for fruits and early vegetables were lowered substantially by the freezing weather in the first and second weeks of April. Serious injury was done to pears, cherries, peaches, early apples and some ground fruits. Early garden truck was frosted, necessitating replanting over a broad area. Damage to potatoes, however, was slight and confined to the northern tiers of the district. Grapes and other late blossoming fruits escaped injury and give promise of heavy yields. In several important growing sections, inducements offered by canners and manufacturers will result in increased acreages of tomatoes and some other commercial vegetable crops. Prospects for strawberries are the best in recent years in the Ozark Region, and cane fruits are expected to yield heavily.

Live Stock—Pasturage is backward, due to the late spring, but reports from scattered sections of the district reflect generally satisfactory conditions among farm animals. Prices of cattle and sheep have been well sustained, and after a long period of depression, hog prices in the second week of this month advanced to the highest point of the year.

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

	Receipts			Shipments		
	Mar. 1928	Feb. 1928	Mar. 1927	Mar. 1928	Feb. 1928	Mar. 1927
Cattle and Calves.....	75,865	81,898	96,475	55,483	60,192	62,788
Hogs	364,148	418,357	343,587	289,029	266,877	245,248
Horses and Mules.....	8,905	9,688	5,836	7,888	12,824	7,344
Sheep	24,285	20,900	26,148	12,273	9,674	14,991

Rice—The past thirty days have brought about a marked improvement in the rice situation. Stocks of rough rice on farms were substantially reduced by heavy sales at an average advance of from 6 to 10c per bushel on some grades. The movement of cleaned rice was in satisfactory volume. Good progress toward preparing for the new crop has been made, and indications are for acreages about the same as planted last spring.

Cotton—In face of some unfavorable weather, fair progress has been made toward getting the new crop started. Preliminary operations in this district are unusually well advanced, and actual planting is under way. Strenuous efforts are being made to get in the crop as soon as possible, in order to escape boll weevil hazard. Scattered reports indicate heavier purchases of fertilizer this year than in the preceding two seasons. Demand for cotton has been fair only, with staple length relatively quiet. Prices advanced early this month to about 2c per pound above the low point in February. Stocks of cotton in Arkansas warehouses on April

13 were 145,088 bales, against 213,317 bales on the corresponding date in 1927.

Tobacco—The loose leaf markets in the Paducah and Western District closed for the season on March 30, and generally the clearance of the 1927 crop at this time is more thorough than has been the case with any crop in recent years. Preparations for planting the new crop continued active. Plant beds are plentiful, with plants in healthy condition. Farmers are cultivating the ground thoroughly, and in a number of localities are using more than the usual quantities of fertilizer. Indications are for an increase in acreage in the burley and fired dark districts; in the green river or stemming district a small increase over 1927 is looked for, but in the one sucker or aircured district the disposition is to produce burley instead of dark leaf, and no increase over last year's acreage is expected.

Commodity Prices—Range of prices in the St. Louis market between March 15, 1928 and April 16, 1928, with closing quotations on the latter date and on April 15, 1927.

				Close	
				April 16, 1928	April 15, 1927
Wheat		High	Low		
May	per bu.	\$1.56½	\$1.36½	\$1.56½	\$1.27 @ \$1.31½
July	"	1.55¾	1.33¾	1.55¾	1.24½ @ 1.28¾
No. 2 red winter	"	1.99	1.68	\$1.97½ @ 1.99	1.29
No. 2 hard	"	1.62	1.38½	1.61½ @ 1.62	1.34½
Corn					
May	"	1.03½	.99½	1.02¾	.74½
July	"	1.07½	1.03¾	1.07	.78
No. 2 mixed	"	1.01½	.97	1.01 @ 1.01½
No. 2 white	"	1.02	.97½	1.01 @ 1.02	.73
Oats					
No. 2 white	"	.65	.62	.65	.46
Flour					
Soft patent	per bbl.	9.50	7.00	8.75 @ 9.50	6.25 @ 6.75
Spring patent	"	8.00	6.85	7.40 @ 8.00	6.50 @ 6.65
Middling cotton	per lb.	.19½	.18½	.19¼	.13
Hogs on hoof	per cwt.	9.70	6.75	7.50 @ 9.70	10.50 @ 11.50

FINANCIAL

The volume of demand for credit for commercial, industrial and agricultural purposes was somewhat larger during the past thirty days than in the similar period immediately preceding, also than at the same time last year. While liquidation has been in satisfactory volume, new borrowing has kept pace with payments at the commercial banks, with the result that their aggregate loans have been maintained slightly above recent levels. While funds continue plentiful and demand for investments is still brisk, the seasonal increase in credit requirements was reflected in a firmer trend in rates.

Generally through the district the agricultural season is further advanced than the average at this date during the past several years. In many localities, country banks are reducing their balances with city correspondents in preparation for meeting the needs of their local customers. This is true particularly in the south, where demand for money to finance the 1928 cotton crop is quite active, and in addition there is still a considerable volume of loans outstanding on the unsold portion of the 1927 crop.

Since the first of this month commitments of the grain and milling interests have increased, reflecting the sharp advance in flour prices and premiums on cash wheat. More favorable market conditions have resulted in liberal shipments of hogs, cattle and sheep and good liquidation of live stock loans.

There is still an active demand for money to finance securities, loans of the reporting member banks based on stocks and bonds showing an increase of 1.2 per cent between March 14 and April 11. The amount of Federal reserve bank credit in use in the district increased sharply during the past thirty days, and was substantially greater than during the corresponding period last year. Deposits of the reporting member banks showed relatively little variation during the month, but ruled uniformly higher than a year ago.

At the St. Louis banks the current rates of interest were as follows: Prime commercial loans, $4\frac{1}{2}$ to $5\frac{1}{4}$ per cent; collateral loans, $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent; interbank loans, $4\frac{3}{4}$ to $5\frac{1}{2}$ per cent; loans secured by warehouse receipts, $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent; cattle loans, $5\frac{1}{2}$ to 6 per cent.

Condition of Banks—Loans and discounts of the reporting member banks on April 18, 1928 showed an increase of 0.6 per cent as contrasted with March 14, 1928, and an increase of 2.6 per cent as compared with April 13, 1927. Deposits decreased 1.1 per cent between March 14 and April 18, and on the latter date were 1.4 per cent larger than on April 13, 1927. Composite statement follows:

	*April 18, 1928	*Mar. 14, 1928	*April 13, 1927
Number of banks reporting.....	†30	†30	31
Loans and discounts (incl. rediscounts)			
Secured by U. S. Gov't obligations.....	\$ 4,166	\$ 4,183	\$ 4,464
Secured by other stocks and bonds.....	206,069	199,246	194,462
All other loans and discounts.....	299,261	303,175	297,856
Total loans and discounts.....	\$509,496	\$506,604	\$496,782
Investments			
U. S. Government securities.....	86,281	84,015	79,025
Other securities.....	136,626	132,891	121,523
Total investments.....	\$222,907	\$216,906	\$200,548
Reserve balance with F. R. Bank.....	48,050	50,090	48,037
Cash in vault.....	6,859	7,375	7,819
Deposits			
Net demand deposits.....	404,332	414,501	405,470
Time deposits.....	247,265	248,354	233,829
Government deposits.....	4,234	195	7,272
Total deposits.....	\$655,831	\$663,050	\$646,571
Bills payable and rediscounts with			
Federal Reserve Bank			
Secured by U. S. Gov't obligations.....	15,904	6,213	2,466
All others.....	13,053	11,342	3,351

*In thousands (000 omitted).

†Decreases due to consolidation. These 30 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.

Loans and investments of all member banks in the Federal Reserve System on February 28, aggregated \$34,143,000,000, a decrease of \$536,000,000 since December 31, the preceding call date, and an increase of \$1,989,000,000 for the year. Member

banks in central reserve cities reported a decrease of \$518,000,000, of which \$498,000,000 was in New York City, and those in other reserve cities a decrease of \$41,000,000, while country banks reported an increase of \$23,000,000. Loans and discounts, including overdrafts, totaled \$23,554,000,000, a decrease of \$764,000,000 since December 31 and an increase of \$1,021,000,000 since March 23, 1927.

Changes in the principal resources and liabilities of all member banks as compared with figures for December 31, 1927, and March 23, 1927, were as follows:

	*Feb. 28, 1928	*Dec. 31, 1927	*Mar. 23, 1927
Loans and discounts (incl. overdrafts).....	\$23,553,894	—\$764,467	+\$1,021,475
United States securities.....	4,215,822	+ 238,265	+ 380,671
Other bonds, stocks and securities.....	6,373,630	— 9,332	+ 586,854
Total loans and investments.....	\$34,143,346	—\$535,534	+\$1,989,000
Demand deposits.....	17,304,646	**— 865,494	+ 473,937
Time deposits.....	12,922,638	+ 157,840	+ 1,104,944
Government deposits.....	86,032	— 180,949	— 320,818
Due to banks and bankers.....	4,176,408	+ 417,181	+ 294,993
Certified and cashiers' checks..	848,064	+ 8,508	+ 59,542
Acceptances outstanding.....	731,009	— 12,782	+ 196,410
Bills payable and rediscounts..	580,892	— 82,583	+ 34,459

*In thousands (000 omitted).

**Demand deposits plus certified and cashiers' checks outstanding and less exchanges and other uncollected items decreased \$563,000,000.

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

	*Mar. 1928	*Feb. 1928	*Mar. 1927	Mar. 1928 comp. to Feb. 1928	Mar. 1927 Mar. 1928
E. St. Louis & Natl. Stock Yards, Ill..	\$ 64,114	\$ 62,684	\$ 44,353	+ 2.3%	+44.6%
El Dorado, Ark.....	8,120	7,941	10,318	+ 2.3	—21.3
Evansville, Ind.....	50,252	45,498	49,591	+10.4	+ 1.3
Fort Smith, Ark.....	13,456	12,571	12,578	+ 7.0	+ 7.0
Greenville, Miss....	4,090	3,729	5,070	+ 9.7	—19.3
Helena, Ark.....	3,010	3,382	4,140	—11.0	—27.3
Little Rock, Ark.....	82,874	74,797	81,365	+10.8	+ 1.9
Louisville, Ky.....	205,097	187,415	208,947	+ 9.4	— 1.8
Memphis, Tenn.....	157,277	135,369	158,097	+16.2	— 0.5
Owensboro, Ky.....	5,849	6,375	6,098	— 8.3	— 4.1
Pine Bluff, Ark.....	12,271	10,585	12,050	+15.9	+ 1.8
Quincy, Ill.....	15,210	11,467	14,419	+32.6	+ 5.5
St. Louis, Mo.....	787,292	711,761	759,234	+10.6	+ 3.7
Sedalia, Mo.....	4,986	3,873	5,101	+28.7	— 2.3
Springfield, Mo.....	17,775	15,646	16,813	+13.6	+ 5.7
**Texarkana, Ark-Tex.....	16,186	14,970	14,879	+ 8.1	+ 8.8
Totals.....	\$1,447,859	\$1,308,063	\$1,403,053	+10.7	+ 3.2

*In thousands (000 omitted).

**Includes one bank in Texarkana, Texas, not in Eighth District.

Federal Reserve Operations—During March, the Federal Reserve Bank of St. Louis discounted for 173 member banks, against 163 in February, and 189 in March, 1927. Effective April 23 the discount rate was increased from 4 to $4\frac{1}{2}$ per cent. Changes in the principal assets and liabilities of this institution as compared with the preceding month and a year ago appear in the following table:

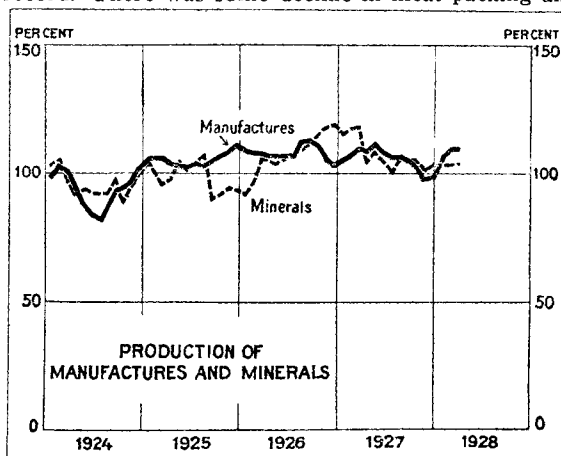
	*April 21, 1928	*Mar. 21, 1928	*April 21, 1927
Bills discounted.....	\$40,708	\$28,690	\$14,851
Bills bought.....	4,525	8,120	22,336
U. S. Securities.....	26,717	29,776	27,659
Total bills and securities.....	\$71,950	\$66,586	\$64,846
F. R. Notes in circulation.....	53,040	52,194	43,151
Total deposits.....	83,413	82,522	83,462
Ratio of reserves to deposits and F. R. Note Liabilities.....	53.3%	58.3%	50.9%

*In thousands (000 omitted).

(Compiled April 23, 1928)

BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION—Production of manufactures was maintained during March at the high level reached in February, and the output of minerals also showed little change. Production of passenger automobiles and trucks during March totaled 412,825 the largest output recorded for any month since August, 1926, and production schedules in automobile plants continued large during April. Activity in the iron and steel industry was also maintained at a high level during March and April, and lumber production was in larger volume than a year ago. Cotton and wool consumption declined in March but silk deliveries were the largest on record. There was some decline in meat packing and in

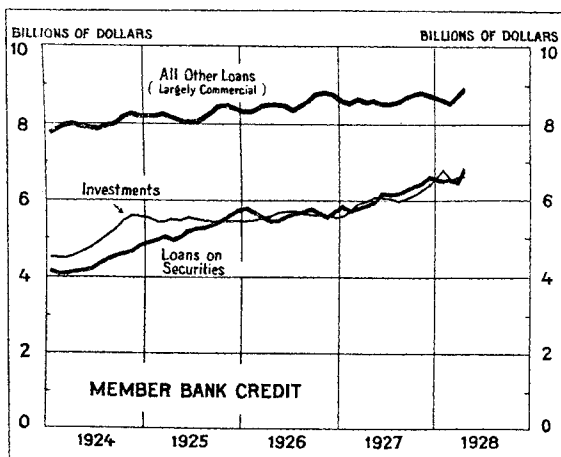


Index numbers of production of manufactures and minerals adjusted for seasonal variations (1923-25 average=100). Latest figures, March: Manufactures, 111; Minerals, 104.

the production of sole leather, and the output of boots and shoes in March showed less than the usual seasonal increase. Mining of bituminous coal decreased during March by less than the usual seasonal amount but as the result of a strike in certain middle western mines, production in the early weeks of April was considerably curtailed.

Building contracts awarded were smaller in March than a year ago, while those for the first three weeks in April were in about the same volume as in the corresponding period of last year. As a result of large contracts during the first two months of this year, total awards for the year to April 20 exceeded those for the same period of 1927. Contracts for residential buildings and for public works have been especially large.

TRADE—Sales of wholesale firms increased less than usual in March and were somewhat smaller than in the same month of last year. Sales of department stores, on the

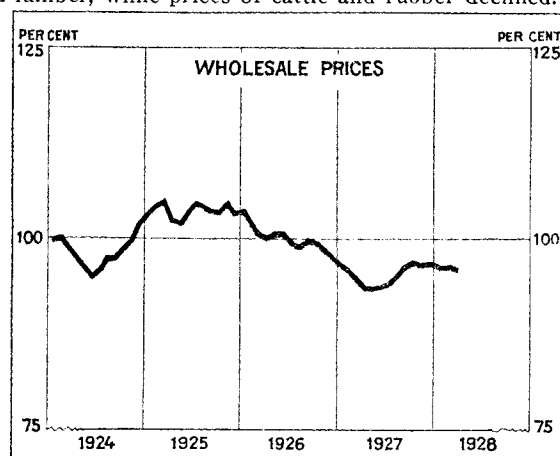


Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in April. other hand, after allowance is made for customary seasonal changes and the early date of Easter were about the same in March as in the preceding month and in March, 1927. Stocks of merchandise carried in March by wholesale firms were larger, while those of department stores were smaller than at this time last year.

The volume of freight car loadings showed more than the usual seasonal increase in March, but declined in the first two weeks of April. Loadings continued smaller than

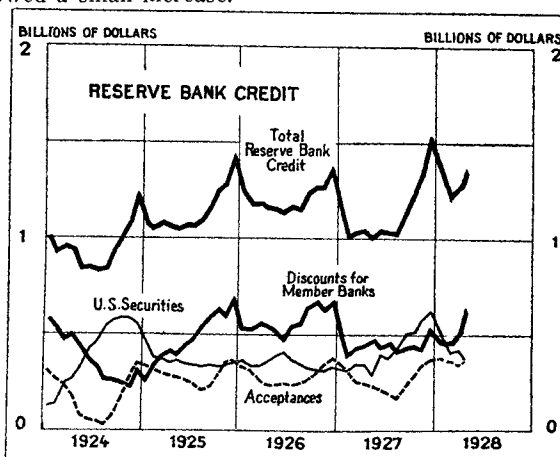
a year ago for all classes of commodities except grains and livestock.

PRICES—The general level of wholesale commodity prices showed little change in March, the index of the Bureau of Labor Statistics declining slightly from 96.4 to 96 per cent of the 1926 average. There were decreases in the prices of livestock, dairy products, meats, coal and rubber. Prices of grains, cattle feed, cotton and steel, on the other hand, advanced. During the first three weeks in April there were further substantial increases in the prices of grains and more moderate advances in flour, hogs, cotton and lumber, while prices of cattle and rubber declined.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, March 96.0.

BANK CREDIT—Between March 21 and April 18 total loans and investments of member banks in leading cities increased by about \$410,000,000, reaching the highest level on record. The advance was largely in loans on securities which showed an increase of nearly \$380,000,000 and in April were close to the high point of the first of the year. Loans for commercial purposes continued the increase which began in February, and notwithstanding a small decline during the last week of the period were nearly \$350,000,000 larger on April 18 than at the end of January. The volume of reserve bank credit in use increased by \$180,000,000 during the five weeks ending April 25, reflecting increased reserve requirements of member banks and a further net outflow of gold amounting to more than \$50,000,000. Reserve bank holdings of securities were reduced by about \$80,000,000 during the period, while discounts for member banks increased by \$230,000,000. Acceptance holdings also showed a small increase.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in April.

A firmer tendency in the money market was evidenced at the end of March and during April by further increases in rates on call and time loans on securities, and by increases of from 4-4¼ per cent to 4½ per cent in the rate on commercial paper and from 3½ per cent to 3¾ per cent in the rate on 90 day bankers' acceptances. Between April 20 and April 25 discount rates were raised from 4 to 4½ per cent at the Boston, Chicago, St. Louis, Richmond and Minneapolis Federal Reserve banks.