



MONTHLY REVIEW

*Of Agricultural, Industrial, Trade and Financial
Conditions in the Eighth Federal Reserve District*

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FEDERAL RESERVE BANK OF ST. LOUIS

AS was the case during the similar period immediately preceding, considerable unevenness was apparent in business in this district during the past thirty days, but the general rate of activity in both industry and commerce was well sustained, with total volume of transactions larger than either a month or a year earlier. The turn to colder weather in January and continuance of low temperatures through the first weeks of February materially assisted the movement of seasonal merchandise of all descriptions, but more particularly apparel, fuel and drugs and chemicals. Clearance of winter merchandise on shelves of retailers, which up until the first of the year was decidedly backward, was considerably accelerated, and the average at the middle of this month compared favorably with that of the past several years. Wholesalers reported a fair volume of reordering, which served to increase January sales' totals. Reports from both wholesale and retail lines reflect a continued strong demand for commodities, with purchasing on a liberal scale, but conservative.

In the chief centers of population, the market season, which opened toward the end of January, has witnessed an unusually large number of visiting merchants. The character of their buying in the main, has reflected moderate stocks. Generally individual orders placed averaged small in size, but the aggregate made a formidable showing, and there were more than the ordinary number of specifications for immediate shipment. In all lines for common consumption, but particularly dry goods, boots and shoes, millinery and groceries, sales for future delivery are disappointing and below those of a year ago. The iron and steel industry in virtually all departments developed further improvement, and current rate of activity is well above that at the same time in 1928 or 1927. Distribution of automobiles in January fell seasonably below December, but was substantially larger than in January, 1928.

Department store sales in the chief cities of the district in January fell slightly below the total for

the same month a year ago, but there was a gain in the volume of transactions at five and ten cent stores and mail order houses. Debits to checking accounts in January dropped below the December total, but were larger by 8.1 per cent than in January, 1928. Likewise a small decrease took place in the amount of savings accounts in January as contrasted with December, but the total on February 6 was 1.2 per cent greater than a year ago, and the largest on record. Employment conditions, according to the Employment Service of the U. S. Department of Labor, were satisfactory. While considerable unemployment existed in January, seasonal influences were largely responsible. Unemployment occasioned by the closing of industrial plants for inventory and repairs was of shorter duration than in former years. A large number of factories had resumed full-time schedules at the end of the month after recalling their temporarily furloughed workers.

The cold weather resulted in marked improvement in the coal situation. The movement into consumption was the largest of the winter, and producers of coal in the Illinois, Indiana and Kentucky fields reported a substantial reduction in the number of loaded cars on track at mines. The betterment was mainly in grades of bituminous coal used for heating purposes, but demand for steaming coal was also active. While there was no advance in prices, the market held steady, which fact was considered favorable in view of the liberal production. Demand for both metallurgical and heating coke was more active, and by-product producers were able to considerably reduce their stocks of the latter grades. Stocks of bituminous coal in consumers' hands on January 1 totaled 41,800,000 tons, an increase of 700,000 tons over the aggregate on October 1, 1928, the date of the last previous survey, and comparing with 55,500,000 tons on January 1, 1928. Production of bituminous coal in the United States in January was estimated at 51,485,000 tons, against 43,380,000 tons in December, and 44,208,000 tons in January, 1928.

Following the seasonal decline in late December, traffic of railroads operating in this district has moved steadily upward, and holds at or near the high records at this time during the past several years. The cold weather had a stimulating effect on the movement of coal and coke, which showed substantial gains. Due to the heavy movement earlier in the season, shipments of grain and grain products decreased. For the country as a whole loadings of revenue freight for the first five weeks of the year, or to February 2, totaled 4,517,870 cars, against 4,375,157 cars for the corresponding period last year, and 4,722,324 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines interchanged 240,596 loads in January, against 208,747 loads in December, and 209,792 loads in January, 1928. During the first nine days of February the interchange amounted to 81,306 loads, which compares with 61,802 loads during the corresponding period in January, and 66,439 loads during the first nine days of February, 1928. Passenger traffic of the reporting lines decreased 10 per cent in January as compared with the corresponding month in 1928. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 134,700 tons, highest on record for the opening month of the year, and comparing with 135,139 tons in December, and 89,608 tons in January, 1928.

While reports relative to collections reflected a continuation of the unevenness noted during the similar period immediately preceding, the average was high and conditions were mainly satisfactory. Extreme cold weather, accompanied by snow and ice had a tendency to retard payments in the rural sections, and in retail lines collections in the large centers were relatively better than in the country. Wholesalers in the principal cities reported February 1 settlements fully up to expectations, and somewhat better than at the same time last year. There was further good liquidation in the areas where tobacco is the principal crop, and generally through the south collections made a good showing. Merchants report more prompt payments in the coal fields than at this time last year or in 1927. Answers to questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
January, 1929.....	3.6%	33.7%	46.6%	16.1%
December, 1928.....	2.8	57.8	33.8	5.6
January, 1928.....	3.3	37.7	54.0	5.0

The average daily circulation in the United States in January was \$4,748,000,000, against \$5,008,000,000 in December, 1928, and \$4,785,000,000 in January, 1928.

Commercial failures in the Eighth Federal Reserve District during January, according to Dun's, numbered 171, involving liabilities of \$3,052,720, against 103 defaults in December with liabilities of \$1,477,305, and 148 failures for \$3,858,852 in January, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car and truck production in the United States in January totaled 402,154, which compares with 233,135 in December, and 231,693 in January, 1928.

There was a sharp falling off in distribution of automobiles in January as compared with December, but a good gain over the total of January, 1928. Dealers ascribe the larger than seasonal decline in the month-to-month comparison to unfavorable weather. Low temperatures and the poor condition of roads adversely affected business of country dealers, and to a greater extent than in the past, buyers in the rural sections were disposed to postpone filling their requirements until the spring. In the large centers many prospective purchasers were waiting until after the annual automobile shows before making commitments, particularly in the case of the more expensive makes. Sentiment among dealers, however, is generally optimistic, inquiries and prospects appearing in late January and early February indicating a revival in business during the next few months. The automobile show held in St. Louis early this month was the most successful in point of attendance, orders booked and general interest displayed, of any ever conducted in this city. January sales of new passenger cars by 320 dealers scattered through the district were 15.3 per cent smaller than in December, but 18.0 per cent larger than in January, 1928. Stocks of new cars in dealers' hands on February 1, were 8.2 per cent larger than thirty days earlier, and 5.7 per cent larger than on February 1, 1928. Conditions in the used car market were reported generally satisfactory. Stocks of salable secondhand vehicles on hand on February 1 showed a slight gain over a month earlier, but were smaller by about 4.0 per cent than at the corresponding period last year. Distributors of trucks, particularly of light varieties used for city deliveries, report disappointing results, January sales showing considerably more than the usual seasonal decline. Business in parts and accessories was spotty, and in both the month-to-month and yearly comparisons showed small average decreases. No change worthy of note was reported in the tire situation as compared with the closing months last year. According to dealers reporting on that item 56.2 per cent of their total

new passenger car sales in January were on the deferred payment plan, which compares with 52.9 per cent in December and 54.2 per cent in January, 1928.

Boots and Shoes — January sales of the five reporting interests were 1.6 per cent larger than for the same month last year, and 145.9 per cent greater than the December, 1928, total. Stocks on February 1 were unchanged as compared with the same date last year, and 10.2 per cent larger than those on January 1 this year. The heavy increase shown in the month-to-month sales comparison is seasonal in character, salesmen being mainly in from the road during December, but the gain was somewhat larger than the average of the past five years. Weather in late January and early this month militated against best results in distribution, and orders during that period were smaller than a year ago. Last year, too, purchasing was stimulated by prospective higher prices of finished goods. There was no change in prices worthy of note as contrasted with the preceding thirty days, and factory operations also showed little variation.

Clothing — The most seasonable weather experienced so far this winter had a decidedly quickening effect on distribution of heavyweight apparel, particularly men's overcoats. Clearance of stocks in retailers hands was better than expected, and a fair volume of reordering was reported in some lines. Ordering of both men's and women's clothing for spring was on the whole well sustained, with two important interests reporting orders booked larger than at the same time last year or in 1927. Purchasing, however, is being pursued cautiously, and prices are an important factor in filling requirements. Manufacturers and jobbers of work clothes complain of continued quietness in their line. January sales of the reporting clothiers were 16.9 per cent larger than during the same month in 1928, and 0.4 per cent less than the December, 1928, total.

Drugs and Chemicals — Further betterment in business in this classification took place during the past thirty days. There was good activity in virtually all lines, but as was the case earlier in the winter, the influenza epidemic was accountable for particularly heavy sales of remedial drugs and proprietary preparations. Demand for heavy drugs and chemicals by the manufacturing trade was larger than usual at this season, with the metal working industries figuring conspicuously as purchasers. Prices were generally strong, with an upward trend in several important commodities. January sales of the 6 reporting firms were 28.9 per cent larger than for the same month last year, and 23.3 per cent larger than the December, 1928, total. Stocks on February 1 were 3.7 per cent and 7.1 per cent smaller, respectively, than thirty days and a year earlier.

Dry Goods — Relatively light advance buying, unfavorable weather, price uncertainty on some important commodities, chain store competition and the generally conservative attitude of retailers were mentioned as factors causing a decrease in January sales of the eight reporting firms of 11.3 per cent under the same month last year. There was, however, an increase of 44.0 per cent in the January total over that of December, 1928. Stocks on February 1 were 4.3 per cent larger than thirty days earlier, and 18.1 per cent smaller than on February 1, 1928. The market season, opening toward the end of January, has witnessed a large number of buyers in the principal centers, but the volume of their buying has been only fair, and mainly for near-by and well defined requirements. Improvement was noted in the movement of heavy knitted goods, and most of the ready to wear lines.

Electrical Supplies — January sales of the reporting interests were 36.8 per cent larger than for the same month last year, and 15.6 per cent smaller than the December, 1928, total. Stocks on February 1 were 2.0 per cent smaller than thirty days earlier, and 18.8 per cent smaller than on February 1, 1928. In the yearly comparison the increase was spread quite generally through the entire line, but a particularly good showing was made by radio material, and automobile goods. The recent rise in the price of copper is reflected in an advancing tendency in commodities in which that metal enters as an important raw material.

Flour — Production at the 12 leading mills of the district in January totaled 405,707 barrels, against 357,844 barrels in December and 347,657 barrels in January, 1928. Stocks of flour in St. Louis on February 1 were 10.0 per cent smaller than on January 1, and 1.8 per cent less than on February 1, 1928. Generally through the period new buying, both by jobbers and the baking interests, was very quiet. Export sales were also disappointing, and confined chiefly to routine transactions with the Latin-American countries. On the other hand, shipping directions on flour previously purchased were heavy, which fact enabled mills to increase their rate of operations. Prices were firmer, due to sympathy with the upturn in cash wheat, but buyers strenuously resisted any advance. Mill operation was at from 55 to 60 per cent of capacity.

Furniture — January sales of the 13 reporting interests were 42.4 per cent smaller than for the same month last year, and 21.5 per cent under the December, 1928, total. Stocks on February 1 were 2.9 per cent smaller than on the same date a year ago, and 1.8 per cent larger than on January 1 this year. A considerable part of the loss in the year to year comparison was ascribed to smaller advance

business. Retail distributors are disposed to purchase conservatively, and large stock orders are unusually scarce. Since February 1 sales and inquiries have undergone marked betterment, and indications for spring and early summer trade are favorable. No change in prices worthy of note took place during the past month.

Groceries — Sales of the 14 reporting interests in January were 6.9 per cent larger than for the same month in 1928, and 1.8 per cent smaller than the December, 1928, total. Stocks on February 1 were 74.8 per cent and 6.2 per cent smaller, respectively, than thirty days and a year earlier. Business generally through the entire line was reported satisfactory, but with improvement most marked in the staple lines. Lateness of the arrival of fresh fruits and vegetables from the south, due to cold weather, has helped augment sales of canned goods. On the other hand, the inclement weather has prevented salesmen from completing their rounds. Orders for future delivery have picked up since February 1, and generally retailers are disposed to replenish their stocks and fill out assortments.

Hardware — Sales of the 12 reporting interests in January were 9.1 per cent smaller than for the same month in 1928, but 4.6 per cent larger than the December, 1928, total. The improvement in the month-to-month comparison was due to colder weather, which had the effect of stimulating a belated movement of certain seasonal goods. Stocks on February 1 were 14.3 per cent and 0.04 per cent larger, respectively, than a year and a month earlier. Sales of builders hardware and tools were disappointing, and somewhat more than the usual seasonal decline was noted in paints, varnishes and kindred lines. Sporting goods and hunters' supplies were taken in satisfactory volume, but backwardness was reported in both immediate and future orders for staple hardware.

Iron and Steel Products — The last half of January and the opening weeks of this month were marked by a high rate of activity in the iron and steel industry. New business booked at mills, foundries and machine shops was in good volume, and specifications on goods contracted for in the last quarter of 1928 ran somewhat above expectations. While the railroad and automotive industries dominated the demand for steel, miscellaneous users were accounting for liberal tonnages of both finished and semi-finished materials. As a result of the recent passenger and freight car awards, by western carriers, manufacturers of equipment substantially increased their unfilled orders, and foundries and mills specializing in railroad castings are in a stronger position in reference to business booked than has been the case in a number of months. Extreme cold

weather has slowed down building operations and deliveries of all varieties of construction materials declined, but activity in structural steel was strongly in evidence, fabricators and jobbers reporting a good volume of orders for balance of first quarter and second quarter shipment. There was an excellent demand for bars, plates, shapes, strip and kindred materials, with some important users covering their full second quarter requirements. Conditions in the market for tubular goods and wire and wire products were spotty and not entirely satisfactory. Requirements of the oil industry continue at a low ebb, and a slowing down in demand for wire fencing in the rural areas was noted. With the exception of galvanized material, sheets continued active, both new ordering and specifications on goods previously purchased being heavy. The leading producer of sheets in the district was operating on full time schedule, and will continue at that rate for at least the next two months. Contracting for tin plate has developed in satisfactory volume, and somewhat earlier in the season than is ordinarily the case. Virtually all the leading stove interests resumed operations, and in some instances stoves are being manufactured now for fall delivery. Other specialty makers, notably of farm implements, machinery and heating apparatus, report satisfactory business, with the outlook for the second quarter favorable. Iron and steel warehousemen report January and February business slightly above that at the same time last year, also above the seasonal average during the past half decade. New buying of pig iron fell below that of the preceding thirty days, but shipments showed a substantial gain, the January total being considerably above that of December or January last year. For the country as a whole, the daily rate of production of pig iron was the highest on record for that particular month. The total output, 3,432,832 tons, compares with 3,369,784 tons in December, and 2,855,515 tons in January, 1928. Production of steel ingots in the United States in January totaled 4,489,931 tons, against 4,015,434 tons in December, and 3,991,332 tons in January, 1928.

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	
	Jan. 1929 comp. to Jan. 1928	Jan. 31, 1929 comp. to Jan. 31, 1928	1929	1928	1929	1928
Evansville	+19.6%	+ 0.7%	.21	.18		
Little Rock.....	— 5.8	— 8.5	.18	.17		
Louisville	+ 1.6	— 6.7	.24	.22		
Memphis	— 4.5	— 1.9	.26	.24		
Quincy	— 2.2	+ 0.3	.19	.20		
St. Louis.....	— 0.7	— 3.0	.29	.27		
Springfield, Mo.....	—10.2	— 3.7	.09	.09		
8th District.....	— 1.3	— 3.6	.26	.25		
	Net sales comparison		Stocks on hand		Stock turnover	
	Jan. 1929 comp. to Jan. 1928	Dec. 1928	Jan. 1929 comp. to Jan. 1928	Dec. 1928	Jan. 1929 comp. to Jan. 1928	Dec. 1928
Men's furnishings.....	+ 8.7%	—49.0%	— 1.1%	— 6.6%		
Boots and shoes.....	— 0.9	—38.4	+ 3.1	—22.8		

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

	Percentage increase or decrease Jan. 1929 compared to Jan. 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	—10.4%	—16.3%
Ready-to-wear accessories.....	7.9	—10.6
Women and misses' ready-to-wear.....	8.1	—9.2
Men's and boys wear.....	5.2	—10.8
Home furnishings.....	1.3	—11.2

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current by selected industrial customers in January as being 1.0 per cent larger than in December, and 6.3 per cent greater than in January, 1928. Increases in both the month-to-month and yearly comparisons were distributed quite generally through all classes of users. Detailed figures follow:

	No. of Custom- ers	Jan.	Dec.	Jan. 1929	Jan.	Jan. 1929
		1929	1928	comp. to	1928	comp. to
		*K.W.H.	*K.W.H.	Dec. 1928	*K.W.H.	Jan. 1928
Evansville ...	40	1,605	1,370	+17.1%	944	+70.2%
Little Rock..	35	1,439	1,792	—19.7	1,260	+14.2
Louisville ...	88	6,236	5,876	+ 6.1	5,047	+23.5
Memphis	31	1,867	1,869	— 0.2	1,943	— 3.9
St. Louis.....	129	15,832	15,784	+ 0.3	16,171	— 2.1
Totals.....	323	26,979	26,691	+ 1.0	25,365	+ 6.3

*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
December, 1928.....	2,754,786,000	5,115,074,000	7,869,860,000
November, 1928.....	2,780,729,000	4,971,919,000	7,752,648,000
December, 1927.....	2,724,040,000	4,460,403,000	7,184,443,000

BUILDING

The dollar value of permits issued for new buildings in the five largest cities of the district in January was 29.0 per cent smaller than for the same month last year, and 16.6 per cent less than in December, 1928. According to statistics issued by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January, totaled \$25,479,285, against \$31,378,972 in December, and \$29,187,055 in January, 1928. As has been the case during the past eighteen months, there was little variation in the cost of building, the prices of materials and wage scales showing virtually no variation. Production of portland cement for the country as a whole during January totaled 9,781,000 barrels, against 12,189,000 barrels in December, and 9,768,000 barrels in January, 1928. Building figures for January follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	260	343	\$ 210	\$ 122	16	36	\$ 20	\$ 9
Little Rock	36	47	172	135	45	70	34	37
Louisville ..	89	110	793	1,068	39	38	47	48
Memphis ...	293	298	607	1,477	43	87	23	71
St. Louis....	202	364	1,675	1,936	218	368	243	482
Jan. totals	880	1,162	\$3,457	\$4,738	361	599	\$ 367	\$647
Dec. totals	889	1,231	4,132	3,084	363	738	881	837
Nov. totals	1,429	1,487	6,742	7,389	555	1,330	771	1,571

*In thousands of dollars (000 omitted).

AGRICULTURE

Extreme low temperatures prevailing throughout this district through January and the first half of February served to temporarily arrest field work, and activities on farms were confined largely to cold weather routine. Improved wagon roads permitted the hauling of grain and other products to railroad terminals, and the general movement to market, including live stock, was heavy. The advance in wheat prices was an added stimulant to the marketing of that cereal, and heavy demand for corn for feeding cattle and hogs was reflected in liberal shipments from the surplus areas. Generally through the south, breaking of ground for cotton and other spring crops is slightly behind the seasonal schedule. Universally through the district there has been abundant moisture through the winter, and soil and sub-soil conditions are in the main good. Farm labor conditions underwent no change as contrasted with the preceding thirty days.

Winter Wheat — Weather since the planting season last fall has been distinctly unfavorable for growth and development of winter wheat. Conditions in many sections are similar to those obtaining last season and which resulted in an almost complete failure of the crop in parts of Missouri, Illinois, Indiana and some counties in other states of the district. December and January were marked by weather extremes, with rapid changes from warm to cold suggesting damage from alternate freezing and thawing. During that period there was only scant snow protection and the continuous covering of large areas by ice lead to apprehension of permanent damage to the plant from smothering. There are numerous reports of actual damage, but this being the dormant season, it will be impossible to ascertain the extent of the injury, if any, until after several weeks of growing weather. Since the first of this month, snow protection has been general over the belt.

Corn — Low temperatures proved beneficial to corn, both for curing and conditioning the grain and permitting farmers to clean up that portion of the crop still remaining in the fields. Quality of corn arriving at primary markets in the immediate past has been of higher quality than earlier in the season, a large percentage grading No. 3 or better. Due to the extreme cold weather, corn rations fed to hogs had to be increased, resulting in sharp reductions in stocks in certain sections.

Live Stock — According to the annual survey of the U. S. Department of Agriculture, the number of live stock in states wholly or partly within the Eighth Federal Reserve District, showed a decline of 4.9 per cent between January 1, 1928, and January

1, 1929. Due, however, to the higher range of prices, aggregate value of these animals was 5.0 per cent greater on the latter than the earlier date. The total number of swine, cattle, horses and mules, and sheep and lambs on January 1 this year was 32,184,000 head, with estimated value of \$1,024,299,000, which compares with 33,841,000 head on January 1, 1928, having a total value of \$975,431,000. There were increases in the number of sheep and lambs, and decreases in swine, horses and mules and cattle. For the entire country the number of farm animals was smaller on January 1 this year than a year earlier, but the valuation this year, \$5,953,000,000 was the highest since 1921, and 8.0 per cent greater than on January 1, 1928.

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

	Receipts			Shipments		
	Jan. 1929	Dec. 1928	Jan. 1928	Jan. 1929	Dec. 1928	Jan. 1928
Cattle and calves.....	90,783	87,244	96,180	328,903	80,344	62,655
Hogs	409,468	401,137	426,169	294,569	287,148	285,776
Horses and Mules.....	10,976	5,540	16,847	11,954	6,585	15,049
Sheep	27,955	23,955	22,913	14,451	10,835	9,134

Cotton — Except for a few small scattered lots in wet spots, the 1928 crop has been picked. Generally farmers and local merchants are carrying very little cotton, selling through the season having been rapid and relatively through, so that stocks on hand are owned mainly by cotton dealers. Preparation for the new crop has made slow headway, due to, first wet, and later, cold weather. In the opinion of some observers the extreme low temperatures are beneficial, in that they work discomfort to boll weevils. However, many other students of the pest hold that extreme high temperatures in June, July and August are more effective in controlling the pest. Taken as a whole, cotton farmers in the district are in better financial condition than since 1921, which fact coupled with unofficial reports, indicate a slight acreage increase. Prices moved over a narrow range, the middling grade in the St. Louis market fluctuating between 18¼c to 18¾c between January 16 and February 15. Stocks of cotton on hand in Arkansas warehouses on February 15 totaled 196,400 bales, against 236,337 bales on the corresponding date in 1928.

Rice — Unfavorable weather has prevented field work, and plowing for the new crop has not progressed far. Farmers have rather liberal stocks on hand for this time of year. More activity was noted in the rice market during the past thirty days, and prices averaged higher than during the similar period immediately preceding.

Tobacco — Quality of offerings in the burley district markets has averaged high, and with de-

mand good, prices have been well sustained, the average per 100 pounds to the first of February being \$32.73, including resales, as compared to \$28.75 to the same date last year. In the dark tobacco districts, particularly in the green river and one-sucker sections, the crop has been marketed rapidly. On February 1 about 80 per cent of the Green River tobacco had been sold at an average of \$11.86 per 100 pounds, against \$9.21, and all grades from commonest lugs to best leaf have shared in the advanced prices. In the one-sucker district the crop has been practically all marketed at an average of \$13, as compared with \$10.50 last year. Despite unfavorable weather, recent fired dark tobacco sales have been large. There has been relatively little good leaf appearing in these markets, but prices have ruled firm, with increased demand for everything offered.

Commodity Prices — Range of prices in the St. Louis market between January 15, 1929, and February 15, 1929, with closing quotations on the latter date and on February 15, 1928.

		Close			
		High	Low	Feb. 15, 1929	Feb. 15, 1928
Wheat					
May	per bu.	\$1.32¼	\$1.22½	\$1.30¾	\$1.31
July	"	1.34½	1.23¼	1.33	1.27¼
No. 2 red winter	"	1.52	1.34	\$1.43 @ 1.46	1.36
No. 2 hard.....	"	1.29	1.20	1.28 @ 1.28½	\$1.31½ @ 1.32
Corn					
May	"	1.05¾	.99½	1.02½	.98¾
July	"	1.07	1.02	1.04¾	1.00
No. 2 mixed.....	"	.99	.93	.96½ @ .97½	.93½ @ .94
No. 2 white.....	"	1.01	.94	.95½ @ .98	.94
Oats					
No. 2 white.....	"	.55½	.51	.51 @ .51½	.57 @ .58½
Flour					
Soft patent.....	"	7.25	6.75	7.00 @ 7.25	7.00 @ 7.50
Spring patent.....	"	6.50	5.90	6.10 @ 6.25	6.65 @ 6.80
Middling cotton.....	per lb.	.18¾	.18¼	.18½	.17½
Hogs on hoof.....	per cwt.	10.60	6.50	6.75 @ 10.40	6.90 @ 8.50

FINANCIAL

Credit requirements of mercantile and industrial interests continued at the high levels which have marked the past several months. In spite of quite general and heavy liquidation, loans and discounts of the reporting member banks moved quite sharply upward, reaching a new high point for the year in the week of February 9. Since that date, however, a moderate recession has taken place. Following a well defined rise during the first week of January, investments of the reporting member banks have declined to about the level shown in the final report date in 1928. Deposits of these banks turned slightly upward in late January, and in the second week this month were approximately even with the total of the second week in January. Borrowings of all member banks from this institution fluctuated irregularly during the past thirty days, with the average below that of the similar period immediately preceding and considerably less than for the same time last year.

Reflecting generally good collections, wholesalers in the large centers were able to substantially reduce commitments with their banks. However, new borrowings by these interests was in sufficient volume to prevent notable variation in this class of loans. Increased activity in certain manufacturing lines, notably iron and steel, automobiles and food products, has resulted in augmented credit demand. Commitments of flour millers, grain handlers and meat packers are slightly above the average at this season during the past half decade.

Further good liquidation has taken place at country banks, particularly in the south where marketing of tobacco, rice, cotton and other crops has progressed favorably. Banks in the agricultural areas have increased their balances with city correspondents, and in numerous instances have increased their investments in commercial paper.

Throughout the district, rates charged by the commercial banks were at the peak of the recent upward movement. At the St. Louis banks current interest rates were as follows: Prime commercial loans 5½ to 6¾ per cent; collateral loans, 5¾ to 7 per cent; loans secured by warehouse receipts, 5½ to 6¾ per cent; interbank loans, 5½ to 6¾ per cent and cattle loans, 5¾ to 6¾ per cent.

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.

	*Jan. 1929	*Dec. 1928	*Jan. 1928	Jan. 1929 Dec. 1928	comp. to Jan. 1928
East St. Louis & Natl.					
Stock Yards, Ill. \$	67,964	\$ 72,385	\$ 66,992	— 6.1%	+ 1.5%
El Dorado, Ark.	9,835	8,787	10,301	+ 11.9	— 4.5
Evansville, Ind.	51,477	50,791	48,482	+ 1.4	+ 6.2
Fort Smith, Ark.	14,488	16,189	13,649	— 10.5	+ 6.1
Greenville, Miss.	5,434	6,242	3,868	— 12.9	+ 40.5
Helena, Ark.	5,137	6,153	3,719	— 16.5	+ 38.1
Little Rock, Ark.	84,662	99,901	81,610	— 15.3	+ 3.7
Louisville, Ky.	235,280	232,301	201,653	+ 1.3	+ 16.7
Memphis, Tenn.	197,065	212,122	168,168	— 7.1	+ 17.2
Owensboro, Ky.	9,573	8,054	7,644	+ 18.9	+ 25.2
Pine Bluff, Ark.	13,390	17,997	12,360	— 25.6	+ 8.3
Quincy, Ill.	13,170	13,387	12,348	— 1.6	+ 6.7
St. Louis, Mo.	848,284	928,292	807,119	— 8.6	+ 5.1
Sedalia, Mo.	4,798	5,085	4,758	— 5.9	+ 0.8
Springfield, Mo.	18,204	16,612	17,375	+ 9.6	+ 4.8
**Texarkana,					
Ark.-Tex.	18,403	17,904	17,982	+ 2.8	+ 2.3
Totals.....	\$1,597,164	\$1,712,202	\$1,478,028	— 6.7	+ 8.1

*In thousands (000 omitted).

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

Condition of Banks — Loans and discounts of the reporting member banks on February 20, 1929 showed a decrease of 0.3 per cent as contrasted with January 16, 1929. Deposits decreased 2.4 per cent

between January 16, 1929 and February 20, 1929 and on latter date were 4.8 per cent smaller than on February 15, 1928. Composite statement follows:

	*Feb. 20, 1929	*Jan. 16, 1929	*Feb. 15, 1928
Number of banks reporting.....	†29	†29	30
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. and other stocks and bonds.....	\$255,887	\$245,591	\$213,826
All other loans and discounts....	275,923	287,564	314,464(1)
Total loans and discounts.....	\$531,810	\$533,155	\$528,290(1)
Investments			
U. S. Government securities.....	80,041	82,535	83,790
Other securities.....	120,026	123,006	121,743
Total investments.....	\$200,067	\$205,541	\$205,533
Reserve balance with F. R. bank..	47,669	48,130	50,983
Cash in vault.....	6,670	6,708	6,958
Deposits			
Net demand deposits.....	402,334	416,557	429,215
Time deposits.....	240,181	240,725	246,485
Government deposits.....	1,102	2,310	648
Total deposits.....	\$643,617	\$659,592	\$676,348
Bills payable and rediscounts with Federal Reserve Bank.....	27,244	22,366	15,409

*In thousands (000 omitted).

†Decrease due to consolidation. These 29 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1 per cent of the resources of all members in this district.

(1) Figures for 1928 include acceptances of other banks and bills of exchange sold with endorsement, while figures for 1929 exclude same.

The following tabulation of reports of condition of all banks in the United States which are members of the Federal Reserve System shows changes in the principal assets and liabilities on December 31, 1928 as compared with October 3, 1928, and December 31, 1927:

	Increase (+) or decrease (—) since	
	Oct. 3, 1928	Dec. 31, 1927
Loans*	+ \$830,245,000	+ \$1,268,862,000
United States securities.....	— 74,040,000	+ 334,233,000
Other securities.....	— 1,255,000	— 166,072,000
Total Loans and Investments....	+ 754,950,000	+ 1,437,023,000
Net demand deposits.....	+ 948,499,000	— 139,261,000
Time deposits.....	+ 43,703,000	+ 688,513,000
U. S. deposits.....	+ 102,744,000	— 5,476,000
Due to banks.....	+ 233,147,000	— 352,632,000
Bills payable and rediscounts.....	+ 8,262,000	+ 498,703,000
Acceptances outstanding.....	+ 212,617,000	+ 228,174,000
Capital and surplus.....	+ 78,680,000	+ 453,132,000

*Including overdrafts but excluding "Acceptances of other banks and bills of exchange or drafts sold with endorsements."

Federal Reserve Operations — During January the Federal Reserve Bank of St. Louis discounted for 173 member banks against 189 in December and 158 in January, 1928. The discount rate remained unchanged at 5 per cent. Changes in the principal assets and liabilities of the institution as compared with the preceding month and a year ago appear in the following table:

	*Feb. 25, 1929	*Jan. 25, 1929	*Feb. 25, 1928
Bills discounted.....	\$38,151	\$38,104	\$28,523
Bills bought.....	9,866	8,646	14,259
U. S. Securities.....	19,168	21,042	31,919
Total bills and securities.....	\$67,185	\$67,792	\$74,701
F. R. Notes in circulation.....	60,111	60,277	52,833
Total deposits.....	81,455	84,159	87,017
Ratio of reserve to deposits and F. R. Note Liabilities.....	59.6%	59.0%	53.0%

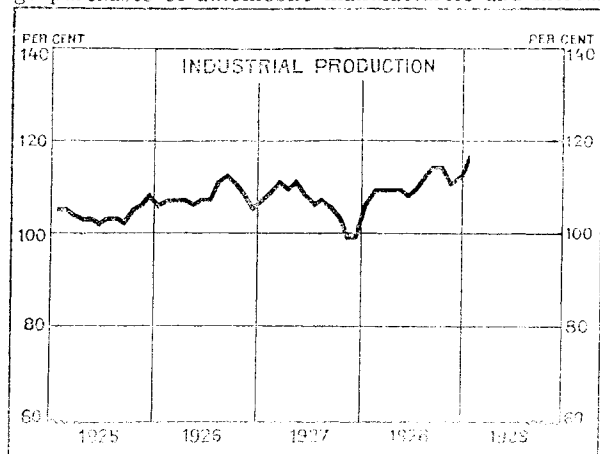
*In thousands (000 omitted).

(Compiled Feb. 21, 1929.)

BUSINESS CONDITIONS IN THE UNITED STATES

Manufacturing and mining increased in January and the first part of February, while building continued to decline. Wholesale commodity prices rose slightly. Reserve bank credit declined between the middle of January and the middle of February, reflecting chiefly a reduction in reserve balances of member banks.

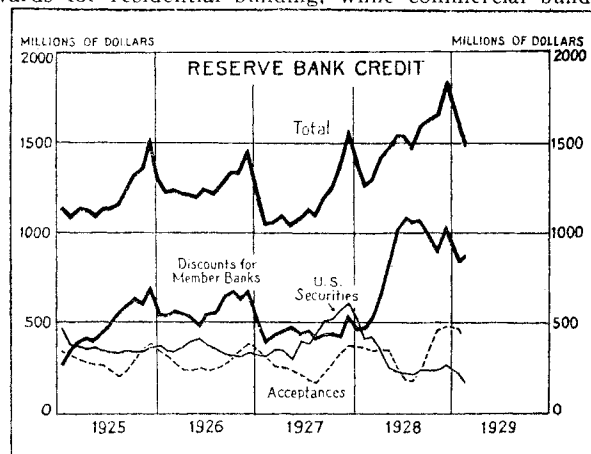
PRODUCTION—Industrial production increased in January and continued to be larger than a year ago. Output of pig iron, steel ingots and automobiles was in record volume for January. The high rate of steel activity reflected large purchases of automobile manufacturers and increased



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, January, 117.

demand from railroads. Domestic output of refined copper, while continuing in large volume, was somewhat lower in January than in December. Activity of textile mills increased considerably in January. In the mineral group, output of copper ore, bituminous coal and petroleum was exceptionally large, and anthracite coal and tin also increased. In the first part of February preliminary reports indicate the maintenance of a high level of industrial activity. Steel plants operated at a high percentage of capacity, the output of coal continued larger and employment in Detroit factories increased. Production of petroleum, however, declined slightly in the middle of February.

Building activity declined in January for the third successive month, reflecting primarily a large reduction in awards for residential building, while commercial building



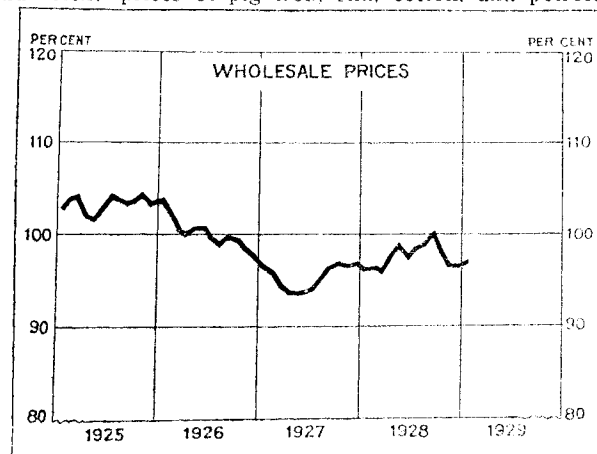
Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in February.

awards increased somewhat. The value of building contracts let during the first six weeks of the year was substantially lower than in the corresponding period of either 1928 or 1927.

TRADE—Shipments of freight by rail increased during January and the first two weeks of February and were larger than a year ago. The increase during January re-

flected primarily larger shipments of coal and coke and livestock. Sales by wholesale firms were seasonably larger in January and above the level of a year ago. Department store sales declined less than is usual at this season and were considerably larger than in January, 1928.

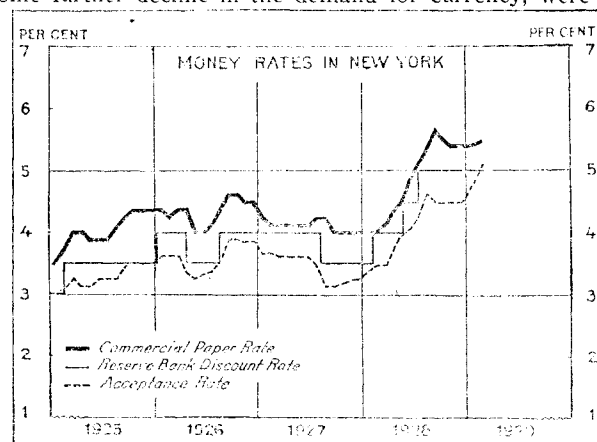
PRICES—The general level of wholesale prices rose somewhat in January. Prices of grains, livestock and meats advanced and there were also price advances in steel, automobiles, and copper. A decrease in the group index for building materials reflected reductions in prices of lumber and brick; prices of pig iron, silk, cotton, and petroleum



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, January, 97.2.

declined. Among the raw materials rubber advanced sharply in price while silk, cotton and hides declined. During the first half of February, the price of copper advanced to a new high level, and the price of rubber continued to rise. Among the agricultural commodities prices of wheat, corn and hogs rose, while sugar and cattle declined slightly.

BANK CREDITS—On February 20 total loans and investments of member banks in leading cities were nearly \$90,000,000 smaller than in the middle of January, owing chiefly to reductions in the banks' investments holdings. After the first week in February security loans declined, while all other loans, largely commercial, increased somewhat in February. During the five weeks ending February 20, declines in the reserve balances of member banks, together with a considerable inflow of gold from abroad and some further decline in the demand for currency, were the



Monthly rates in the open market in New York: commercial paper rate on 4 to 6 month paper and acceptance rate on 90-day bankers acceptances. Latest figures are averages of first 23 days in February.

chief factors accounting for a decline of \$173,000,000 in the volume of reserve bank credit. A large decline in reserve bank holdings of acceptances and United States securities was offset in part by a small increase in the volume of member bank borrowings. Open market rates on bankers acceptances and commercial paper advanced, while rates on collateral loans showed little change.