



MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of March 29, 1929

ROLLA WELLS,
Chairman and Federal Reserve Agent

C. M. STEWART,
Assistant Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

PRODUCTION and distribution of merchandise in this district continued on a large scale during the past thirty days. In a majority of wholesale lines investigated sales were larger than during the corresponding period last year or in 1927, and the gains extended to several of the most important classifications, notably boots and shoes, clothing, meat packing, drugs and chemicals and automobiles. Protracted low temperatures during the late winter resulted in a much better clearance of winter goods than had been indicated a month or six weeks earlier. At retail the movement of such goods was materially assisted by special sales at price concessions conducted by merchants in the chief centers of population. As indicated by sales of department stores in principal cities, the volume of retail trade in February was 0.1 per cent smaller than during the same month in 1928, but substantial gains were recorded by five and ten cent stores, a number of important chain stores, and mail order houses.

The improvement in the iron and steel industry, which started early in the year, was continued through February and early March. Mills, foundries and machine shops increased their operations to accommodate heavy additional orders for their products and the heavy specifications on materials previously purchased. Plants specializing in railroad castings and manufacturing materials for the automotive industry were especially active. Miscellaneous users of iron and steel goods, however, were heavy buyers, and accounted for an unusually large tonnage of a wide variety of materials. Greater activity was also noted in the non-ferrous metal industries, notably copper and lead, which were stimulated by the sharp advance in prices and augmented consumption.

Orders placed by railroads in the district for freight and passenger car equipment up to the middle of March this year showed a substantial increase over lettings during the corresponding period in 1928. Sales of automobiles scored a remarkable increase in February over a year ago, and farm imple-

ment and stove manufacturers reported moderate gains, with prospects for spring business good. Consumption of electric power by industrial users in the chief cities of the district in February was larger than a month and a year earlier. Permits for new construction in these centers represented a smaller dollar amount than in February last year, but a gain of 20.4 per cent over the January total this year. Debits to checking accounts in February showed the usual decrease under January, but were 3.8 per cent larger than in February, 1928. For January and February combined, the debits total was 6.1 per cent greater than for the first two months of 1928. Moderate gains over both a month and a year earlier were shown in the amount of savings accounts at the beginning of March.

The bituminous coal trade was substantially aided by the cold weather, and February proved one of the most satisfactory months for producers and distributors experienced in the past several years. Fuel for heating purposes was in active demand, and the movement from mines was sufficiently heavy to materially reduce accumulations. While price changes were not of a marked character, average levels were slightly higher and the general tone of the market was firm. Demand for prepared sizes in the large cities was brisk, and improvement also developed in purchasing in the rural areas. Both metallurgical and heating coke was in active demand, and clearance of the latter grades was more thorough at the middle of March than at any similar date since the war. The total production of soft coal for the country as a whole during the present coal year to March 9, approximately 288 working days, was 474,389,000 tons, against 446,075,000 tons a year earlier and 553,368,000 tons two years ago.

Freight traffic of railroads operating in this district continues in excess of the volume at the corresponding period last year, and in the case of three important trunk lines, the February movement was the largest ever recorded for that particular month. In the merchandise and miscellaneous freight classifications a particularly good showing

was made. Gains were made in the movement of coal and coke, but declines under a year ago in loadings of grain and grain products and lumber. For the country as a whole loadings of revenue freight for the first nine weeks this year or to March 2, totaled 8,315,723 cars, against 7,999,131 cars for the corresponding period in 1928, and 8,548,441 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 243,690 loads in February, against 240,596 loads in January and 201,725 loads in February, 1928. During the first nine days of March the interchange amounted to 76,709 loads, which compares with 81,306 loads during the corresponding period in February, and 70,916 loads during the first nine days of March, 1928. Passenger traffic of the reporting lines decreased 3 per cent in February as contrasted with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 110,000 tons, which compares with 131,916 tons in January, and 125,228 tons in February, 1928. The navigation season for the Barge Line at St. Louis was reopened on March 15, on which date sailings were resumed from this port instead of from Cairo, Ill.

Generally throughout the district collections during the past thirty days maintained the high average which has marked the past several months. Results in the south were particularly good, both with the wholesale and retail trade. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results.

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
February, 1929.....	2.7%	33.0%	44.0%	20.3%
January, 1929.....	3.6	33.7	44.6	16.1
February, 1928.....	2.5	35.5	52.0	10.0

The average daily circulation in the United States in February was \$4,686,000,000, against \$4,748,000,000 in January, and \$4,709,000,000 in February, 1928.

Commercial failures in the Eighth Federal Reserve District in February, according to Dun's, numbered 120, involving liabilities of \$1,762,479, against 171 defaults in January with liabilities of \$3,052,720, and 105 failures for \$1,853,273 in February, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car and truck production in the United States during February totaled 466,084, which compares with 400,715 in January and 323,796 in February, 1928.

In spite of unfavorable weather generally through the district during February, distribution of automobiles scored large gains, both as contrasted with the preceding month and the corresponding period last

year. Reports from scattering sections since March 1 reflect a continuance of the activity which has prevailed since the first of the year, sales for the first half of the month exceeding those of a year ago by a fair margin. February business in passenger cars was stimulated by annual shows in St. Louis and elsewhere, offering of new models, price adjustments and the usual seasonal improvement in demand. The gain in February over January, however, was considerably greater than the average for the past half decade. For the first two months this year, the volume of sales was 30.0 per cent greater than for the same period in 1928. Results in the large centers were again better than in the rural sections, but country dealers report business above expectations. Numerous farmers who postponed filling their requirements last fall have indicated their intention of buying this spring, and inquiries from that source cover a wider variety of makes than heretofore. Sales of city dealers were well balanced through the several lines, sales of vehicles in the medium and high priced classifications showing relatively as good gains as in the cheap-priced lines. Extension of surfaced road systems in Arkansas and other southern states is having a stimulating effect on demand for both trucks and passenger automobiles. February sales of 320 dealers scattered through the district were 267.5 per cent larger than in January, and 33.7 per cent larger than the February, 1928, total. In anticipation of spring sales, dealers have increased their holdings, and stocks of new cars on hand on March 1 were larger by 9.8 per cent than thirty days earlier and by 12.6 per cent than on March 1, 1928. Sales of parts and accessories made a relatively less satisfactory showing than was the case in automobiles proper. The total February volume of the reporting interests was 2.3 per cent larger than in January, and about even with February, 1928. As usual at this season, stocks of used cars increased, with the gain from January to February somewhat heavier than in the past several years. Business in second-hand vehicles, however, was reported generally satisfactory, sales showing a fair gain over the same period last year. There was no change worthy of note in the tire situation as contrasted with the preceding thirty days. According to dealers reporting on that item, sales of new cars on the deferred payment plan in February constituted 57.3 per cent of their total sales, which compares with 56.2 per cent in January and 44.5 per cent in February, 1928.

Boots and Shoes — February sales of the five reporting interests were 1.2 per cent larger than for the corresponding period last year, and 22.3 per cent smaller than the January total this year. Stocks on March 1 were 3.1 per cent and 4.5 per cent smaller,

respectively, than thirty days and a year earlier. In the yearly sales comparison the increase shown was fairly general through the entire line. The loss in the month-to-month comparison is seasonal, and about equal to the average during the past five years. The gain over last year is considered very favorable in view of the fact that in the earlier period buying was heavy in anticipation of price advances. Orders arriving during the first half of March indicate a slight gain over last year. Demand for novelty lines is relatively better than for more staple goods, due to the Easter season. There was no change in prices of finished goods as compared with the preceding thirty days. Factory operation averaged about 90 per cent of capacity.

Clothing — Advance sales of men's clothing for spring and early summer was reported mainly in considerable volume, with two important producers showing liberal gains over a year ago. Extreme low temperatures through February and in early March resulted in a good clearance of heavy weight goods, particularly overcoats. Demand for women's apparel, while still below expectations, improved during the last half of February, and more auspicious weather and proximity of Easter tended to stimulate retail distribution during the first weeks of March. There was no change worthy of note in work clothing as compared with the preceding thirty days. Sales of the reporting clothiers in February were 60.1 per cent larger than for the same month in 1928, and 8.3 per cent smaller than in January this year.

Drugs and Chemicals — For the third consecutive month, business in this classification has shown improvement over the corresponding period a year earlier. Sales of the six reporting interests in February were 6.7 per cent greater than during the same month in 1928, and 17.3 per cent smaller than the January total this year. Demand for remedial drugs continued active, and there was no diminution in the steady large call for cosmetics, toilet preparations and sundries. Ordering of specialties and Easter holiday goods was above expectations. Advance sales of fertilizers, insecticides and kindred goods were slightly ahead of the same time last year. Demand for heavy chemicals from the manufacturing trade continues active. Stocks on March 1 were 0.5 per cent and 4.1 per cent less, respectively, than thirty days and a year earlier.

Dry Goods — Irregularity, both in reference to different lines and localities was reflected in reports of wholesale dry goods concerns. February sales of the 8 reporting interests were smaller by 9.1 per cent than during the same month in 1928, and 3.3 per cent larger than the January total this year. Stocks on March 1 were 16.0 per cent smaller than on the same date in 1928, and 0.6 per cent smaller

than on February 1 this year. Aside from printed fabrics, piece goods were quiet. Woolens continued slow and the same was true of wash silks. Ready to wear garments, notions and hosiery showed improvement. Buying generally is conservative, and the market season in February proved disappointing, both in point of numbers of visiting merchants and volume of goods sold.

Electrical Supplies — Business in this classification continued good, with sales of the reporting firms in February 34.4 per cent larger than during the same month in 1928, and 14.6 per cent smaller than the January total this year. Stocks on March 1 were 11.6 per cent smaller than on the same date in 1928, and 10.7 per cent larger than on February 1 this year. Purchasing of electrical equipment by the automotive industry and public utilities companies was especially active and the demand for small motors for miscellaneous users continues in satisfactory volume. Radio material is also in good call, dealers in both the country and large cities reporting heavy sales. Prices of materials based on copper showed an upward price trend, due to the sharp advance in that metal during the past two months.

Flour — Production at the 12 leading mills of the district in February totaled 392,465 barrels, against 405,707 barrels in January, and 319,290 barrels in February, 1928. Stocks of flour in St. Louis on March 1 were 7.4 per cent less than on February 1, and 13.7 per cent smaller than on March 1, 1928. Throughout the past thirty days business was dull and uneventful. There was a general disposition on the part of large buyers to hold off, and the bakery trade was taking only enough to carry on from month to month. Shipping directions were below expectations, and there were some reports of cancellations. Export demand was slow, with bids from Europe too far out of line to result in extensive workings. Hesitancy on the part of the domestic trade was emphasized by the irregularity of the cash wheat market. Mill operations were at from 52 to 58 per cent of capacity.

Furniture — February sales of the fourteen reporting interests were 9.3 per cent smaller than for the same month in 1928, and 15.0 per cent larger than the January total this year. Stocks on March 1 were 4.7 per cent and 9.9 per cent larger, respectively, than thirty days and a year earlier. According to manufacturers and jobbers, purchasing by the retail trade is confined to absolute requirements, and large stock orders are rare. Since the first of March some improvement in general buying has developed, most marked in household furniture and furnishings.

Groceries — Sales of the fourteen reporting firms in February were 9.2 per cent smaller than for

the same month in 1928, and 12.7 per cent below the January total this year. Stocks on March 1 were smaller by 2.1 per cent than on the same date in 1928, and 1.2 per cent under those on February 1 this year. Unfavorable weather had a tendency to hold down buying in the country, particularly of seeds and other farm supplies. While retail stocks are reported for the most part small, there is no disposition to order for future requirements.

Hardware—Purchasing of spring goods was under expectations, due to the protracted cold weather, and February sales of the thirteen reporting interests were 14.3 per cent smaller than for the same month in 1928, and 3.4 per cent smaller than in January this year. Stocks on March 1 were 6.1 per cent and 10.6 per cent larger, respectively, than thirty days and a year earlier. Advance ordering is backward, retailers taking only enough to carry them from month to month. Shelf hardware has shown some improvement over the preceding two or three months, but building tools and hardware continued quiet. In the immediate past, there has been some betterment in the demand from the country for fencing material and the general run of farm supplies.

Iron and Steel Products—The high rate of activity at mills, foundries, machine shops and other iron and steel working plants which marked late January and the first half of February was somewhat bettered during the past thirty days. Additional open hearth furnaces were placed in operation by several leading interests, and working forces were increased at certain mills and steel and gray iron casting foundries. New orders booked and specifications on goods previously acquired have for the most part exceeded shipments, with the result that backlogs have gained in size, and in many instances are sufficiently large to insure the present rate of operations well into the third quarter of the year. This is true particularly of sheets, bars, strip and other rolled materials. As has been the case during the past several months, the automotive industry is supplying the backbone to the industry as a whole, but the railroads have also figured much more conspicuously as purchasers of a broad variety of ferrous goods. Awards for freight cars in February developed a marked gain over January, and the total for the two months was the largest for any similar period since 1924. In addition to equipment, the carriers have placed good orders for track and bridge supplies, and materials for routine shop and improvement operations. Demand for sheets of all descriptions, with the exception of heavy galvanized varieties, has been active enough to tax the shipping capacity of the mills. The leading producer of

sheets in the district has been operating at full capacity, and will continue to do so through the first quarter. Due to the extreme cold weather through February, outdoor building activities were noticeably curtailed, which fact was reflected in a slowing down in the movement of construction materials, particularly structural shapes, plates, wire nails and roofing. Reinforcing concrete bars, however, continued in active call, with deliveries above the average at this time during the past five years. Distributors of iron and steel goods from warehouses report a better than seasonal demand for practically their entire line, with certain commodities stimulated by backward mill deliveries. The general manufacturing trade continues to account for liberal tonnages, but quietness still prevails in the demand from the oil industry, coal fields and lumber and cement industries. Farm implement manufacturers report an active call for their products, with sales of plows and other soil working machinery particularly heavy. Stove makers, manufacturers of heating apparatus and furnaces have increased their orders, and report shipments in excess of a year ago. For the country as a whole production of pig iron in February was at the highest daily average on record for that particular month. The total output, 3,215,332 tons, compares with 3,433,028 tons in January, the reduction being caused by a 3-day shorter month, and 2,898,668 tons in February, 1928. Purchasing of pig iron for second quarter requirements was in fair volume, but there is still a considerable tonnage to be acquired for that delivery. Prices remained unchanged, and producers and distributors report considerably less than the usual resistance on the part of melters to prices asked. Steel ingot production in the United States in February totaled 4,324,758 tons, against 4,489,931 tons in January, and 4,045,304 tons in February, 1928. The February total was the largest ever recorded for that month, and the daily average rate, 108,198 tons was the highest in history.

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	
	Feb. 1929 comp. to Feb. 1928	2 months ending Feb. 28, 1929 to same period 1928	Feb. 28, 1929 comp. to Feb. 29, 1928	Jan. 1 to Feb. 28 1929	Feb. 28 1928
	Evansville	-15.5%	+ 2.5%	- 1.4%	.35
Little Rock.....	- 1.1	- 3.4	-14.4	.44	.33
Louisville	-15.5	- 7.6	- 7.7	.45	.46
Memphis	- 9.1	- 6.7	- 6.3	.47	.47
Quincy	+ 1.2	- 0.4	- 4.1	.40	.40
St. Louis.....	+ 3.8	+ 1.6	- 8.1	.61	.56
Springfield, Mo.....	-14.1	-12.3	- 1.1	.18	.20
8th District.....	- 1.0	- 1.2	- 8.0	.54	.50
	Net sales comparison		Stocks on hand		
	Feb. 1929 comp. to Feb. 1928	Jan. 1929	Feb. 1929 comp. to Feb. 1928	Jan. 1929	
Men's furnishings.....	- 4.8%	- 8.6%	- 7.5%	+ 8.0%	
Boots and shoes.....	- 4.3	+10.6	- 5.0	+16.7	

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

	Percentage increase or decrease Feb., 1929 compared to Feb., 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	-18.2%	-14.6%
Ready-to-wear accessories.....	1.1	-12.3
Women and misses' ready-to-wear.....	1.1	-5.8
Men's and boys' wear.....	+ 2.5	-13.5
Home furnishings.....	4.8	-11.0

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	181	306	\$ 116	\$ 110	20	64	\$ 7	\$ 20
Little Rock ..	38	64	146	216	33	102	14	47
Louisville ..	100	140	1,189	1,058	43	69	44	471
Memphis ..	306	454	608	2,006	48	124	36	113
St. Louis....	236	550	2,101	2,094	210	392	202	500
Feb. totals	861	1,514	\$4,160	\$5,484	354	751	\$ 303	1,151
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

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electricity by selected industrial customers in February as being 4.7 per cent larger than in January, and 9.0 per cent greater than in February, 1928. In the month-to-month comparison the increase was due chiefly to heavier loads taken by coal mines, flour mills, foundries and electric refrigeration manufacturing plants. The gain as compared with last year was fairly well distributed through all classes of users, but was particularly noticeable in the metal working industries. Detailed figures follow:

	No. of Custom- ers	Feb. 1929 *K.W.H.	Jan. 1929 *K.W.H.	Feb. 1929 comp. to Jan. 1929	Feb. 1928 *K.W.H.	Feb. 1929 comp. to Feb. 1928
Evansville	40	1,603	1,605	- 0.2%	1,028	+55.9%
Little Rock..	35	1,356	1,439	- 5.8	1,275	+ 6.4
Louisville	89	7,789	6,236	+24.9	5,530	+40.8
Memphis	31	1,786	1,867	- 4.4	1,727	+ 3.4
St. Louis.....	129	15,722	15,832	- 0.7	16,363	- 4.0
Totals.....	324	28,256	26,979	+ 4.7	25,923	+ 9.0

*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
January, 1929.....	2,715,122,000	5,503,422,000	8,218,544,000
December, 1928.....	2,754,786,000	5,115,074,000	7,869,860,000
January, 1928.....	2,719,952,000	4,476,565,000	7,196,517,000

BUILDING

In point of dollar value, permits issued for new construction in the five largest cities of the district in February were 24.1 per cent smaller than for the same month in 1928, and 20.4 per cent larger than in January this year. According to statistics compiled by F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February, totaled \$23,371,859, against \$25,479,285 in January and \$35,293,872 in February, 1928. The index number of building costs was unchanged, prices of materials and wage schedules remaining constant. There was a slight upward trend in materials based on steel and copper, but not sufficiently marked to change the index number. Production of portland cement for the country as a whole in February totaled 8,522,000 barrels, against 9,881,000 barrels in January, and 8,797,000 barrels in February, 1928. Building figures for January follow:

AGRICULTURE

On March 1, according to the U. S. Department of Agriculture, combined stocks of the principal grain crops on farms in the states entirely or partly within this district were substantially larger than on the same date in 1928, but approximately 9.8 per cent below the five-year average. The combined reserves of wheat, corn and oats in these states on March 1 was 445,122,000 bushels, which contrasts with 301,290,000 bushels in 1928, and the five-year (1923-1927) average of 491,621,000 bushels.

Weather during the past thirty days has been on the whole unfavorable for outdoor operations and preparations for spring planting and farm work generally is somewhat behind the seasonal schedule. Accumulated frost in the ground has held back plowing, and indications are that seeding of oats and planting of truck crops will be unusually late this year. February was not auspicious for field work in the south, and the first half of March was only moderately favorable with the result that preliminary operations in the cotton areas have made little headway. Reports from virtually all sections of the district indicate good soil and sub-soil conditions, there having been ample moisture through the winter months.

Winter Wheat — Reports relative to the growing crop vary widely, and more uncertainty exists relative to actual conditions than has been the case at this time in a number of years. During a considerable part of the winter, fields lacked adequate snow covering, particularly during the periods of extreme low temperatures. In some sections it is believed that much damage was done by heaving caused by alternate freezing and thawing. In parts of Indiana, Missouri and Kentucky there are complaints of scant root growth, while elsewhere the plant is said to be sturdy and well stooled. Just what the damage amounts to cannot be accurately determined until after several weeks of growing weather. Soil conditions are universally good. On March 1 stocks of wheat on farms in states wholly or partly within this district totaled 5,547,000 bushels, against 10,646,000 bushels on the same date last year, and 17,066,000 bushels, the five-year average.

Corn — In response to a good general demand and fair market prices, the movement of corn has

continued in good volume. Because of the protracted cold weather heavy feeding of corn to live stock has been the rule, and considerable quantities have been shipped direct from surplus producing points to sections where the crop was small last fall. The low temperatures were beneficial for curing cribbed grain, and recent arrivals at primary points have averaged higher in grade than earlier in the season. In states entirely or partly in this district stocks of corn on farms on March 1 aggregated 333,252,000 bushels, against 248,697,000 bushels on the same date last year and the five-year average of 394,172,000 bushels. For the entire country farm reserves of corn on March 1 were 1,029,572,000 bushels, which compares with 1,011,908,000 bushels a year earlier and 1,093,703,000 bushels, the five year average.

Live Stock — No change worthy of note has taken place in the general condition of live stock through the district as compared with the preceding thirty days. The movement of cattle, hogs and sheep to market decreased, and was measurably smaller than at the same time last year. Prices of hogs in February averaged about 25 per cent higher than during that month in 1928. The domestic fresh meat trade was adversely affected by the Lenten season, and export demand was quiet. Stocker and feeder demand was spotty, but averaged fair.

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

	Receipts			Shipments		
	Feb. 1929	Jan. 1929	Feb. 1928	Feb. 1929	Jan. 1929	Feb. 1928
Cattle and Calves.....	62,239	90,783	81,898	39,694	328,903	60,192
Hogs	295,318	409,468	418,357	231,179	294,569	266,877
Horses and Mules.....	10,923	10,976	9,688	12,824	11,954	12,824
Sheep	16,214	27,955	20,900	7,099	14,451	9,674

Cotton — Due to extreme low temperatures through February and early this month, relatively little has been accomplished in the direction of preparation for the new crop. During the past two weeks, however, farmers in southern Arkansas and Mississippi have been able to do a fair amount of plowing, and ample time remains for getting in the crop. The last of the old crop has been cleaned up and moved to the gins. Demand for cotton during the past thirty days has been good, and prices advanced to the highest point since last July. In the St. Louis market the middling grade fluctuated between 18½ to 20c per pound, which compares with a range between 18¼c and 18¾c during the preceding thirty days. Reports relative to intended acreage vary considerably, and ultimate plantings will be contingent largely on the weather. Fears of floods have been aroused by the unusually high stage of water in the Mississippi River and some of its tribu-

aries during February and early this month. Stocks of cotton on hand in Arkansas warehouses on March 15 totaled 136,749 bales, which compares with 188,875 bales on the same date a year ago.

Tobacco — With the exception of Paducah, Mayfield and Murray, the loose leaf floor markets have closed after an unusually successful season. Sales of dark fired tobacco at Hopkinsville, Clarksville and Springfield were large, due to favorable weather for stripping and delivering. Quality, however, showed gradual falling off, with little good to fine leaf offered. Prices for district types, both light and dark colors, continued firm. Average prices paid for tobacco delivered in February in the several districts were as follows: Burley, \$25.83; one-sucker, \$11.09; green river, \$10.42; Hopkinsville dark fired, \$14.93; western dark fired, \$12.39; Henderson stemming, \$15.24. These prices reflect the decline usually attending the close of the season. Despite the cold weather, fair progress has been made in preparing plant beds for the new crop.

Rice — Demand for clean rice during the past thirty days improved somewhat, and prices advanced. Due to favorable harvesting weather, quality of grain in the warehouses is high, with unusually small moisture content. Generally rice farmers had a successful season, and are in better financial condition than during the preceding year. Preparation for the new crop has been delayed by unfavorable weather.

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

	Unit	High	Low	Close	
				March 15, 1929	March 15, 1928
Wheat	per bu.	\$1.31½	\$1.23½	\$1.28¼	\$1.37
May	"	1.34½	1.26½	1.30¾	1.33¾
July	"	1.34¾	1.28½	1.32
September	"	1.49	1.32	\$1.40 @	1.47
No. 2 red winter	"	1.29	1.20	1.26 @	1.28
No. 2 hard.....	"	1.03½	1.00¼	1.01¼	1.01½
May	"	1.05½	1.02¾	1.04¾	1.04¼
July	"	.96	.92	.95 @	.96
No. 2 mixed.....	"	.97	.94	.96 @	.96½
No. 2 white.....	"	.53	.51	.52 @	.52½
Oats	per cwt.			.62½ @	.63
No. 2 white.....	"	7.25	7.00	7.00 @	7.25
Flour	per bbl.	6.40	6.00	6.15 @	6.25
Soft patent.....	"	.20	.18½	.20	.18
Spring patent.....	"	12.10	6.75	7.75 @	12.10
Middling cotton.....	per lb.			6.85	@ 7.15
Hogs on hoof.....	per cwt.				.20
				6.85	@ 8.55

FINANCIAL

Demand for credit for mercantile and industrial purposes continued active during the past thirty days, particularly in the principal banking centers. Seasonal requirements of manufacturing and wholesale interests are making themselves felt, and are

somewhat larger than the average of the past several years at this time, due to the high rate of activity in many important lines. The satisfactory collections experienced by these interests permitted of extensive liquidation with their banks, but new borrowing more than offset obligations paid off, with the result that commercial loans were somewhat higher than a month earlier.

While the total loans and discounts of the reporting member banks on the second report date in March were smaller by 3.8 per cent than a month earlier, the decrease was accounted for entirely by the sharp decrease in loans on securities. Deposits of the reporting member banks, reflecting the heavier general credit demand and the placing of funds by customers in the eastern market, declined sharply, recording a new low point for the year in the first week of March. Their investments continued the steady decline which commenced early in January, and reached a new low for the year at the middle of this month. Borrowings of all member banks from this institution increased slightly between February 15 and March 15, and throughout that period averaged uniformly higher than at the same time last year.

In the agricultural areas, particularly in the tobacco and rice sections, liquidation of loans by farmers from banks and merchants continued in considerable volume. There was considerable liquidation of loans based on live stock, though demand for conditioning cattle and hogs for market continued active. Commitments of grain and milling interests showed little variation as contrasted with the preceding thirty days. Due to lateness of the season, demand for funds for routine spring agricultural operations had not made itself felt to any considerable extent at the middle of March. Initial preparations for these requirements have been under way, however, and generally country banks are in good position for taking care of their local customers.

Interest rates remained at levels of the past two or three months. In St. Louis current rates charged by the commercial banks were as follows: Prime commercial loans, $5\frac{1}{2}$ to $6\frac{3}{4}$ per cent; collateral loans, $5\frac{3}{4}$ to 7 per cent; loans secured by warehouse receipts, $5\frac{1}{2}$ to $6\frac{3}{4}$ per cent; interbank loans, $5\frac{3}{4}$ to $6\frac{3}{4}$ per cent and cattle loans, $5\frac{3}{4}$ to $6\frac{3}{4}$ 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.

	*Feb. 1929	*Jan. 1929	*Feb. 1928	Feb. 1929 comp. to Jan. 1929	Feb. 1928
East St. Louis & Natl. Stock Yards, Ill. \$	56,638	\$ 67,964	\$ 62,684	-16.7%	- 9.6%
El Dorado, Ark.....	7,447	9,835	7,941	-24.3	- 6.2
Evansville, Ind.....	44,541	51,477	45,498	-13.5	- 2.1
Fort Smith, Ark....	12,359	14,488	12,571	-14.7	- 1.7
Greenville, Miss....	4,224	5,434	3,729	-22.3	+13.3
Helena, Ark.....	3,229	5,137	3,382	-37.1	- 4.5
Little Rock, Ark....	71,658	84,662	74,797	-15.4	- 4.2
Louisville, Ky.....	208,297	235,280	187,415	-11.5	+11.1
Memphis, Tenn.....	164,356	197,065	135,369	-16.6	+21.4
Owensboro, Ky.....	6,245	9,573	6,375	-34.8	- 2.0
Pine Bluff, Ark.....	9,691	13,390	10,585	-27.6	- 8.4
Quincy, Ill.....	12,782	13,170	11,467	- 2.9	+11.5
St. Louis, Mo.....	722,900	848,284	711,761	-14.8	+ 1.6
Sedalia, Mo.....	4,102	4,798	3,873	-14.5	+ 5.9
Springfield, Mo....	14,926	18,204	15,646	-19.0	- 4.6
**Texarkana, Ark-Tex.....	14,754	18,403	14,970	-19.8	- 1.4
Totals.....	\$1,358,149	\$1,597,164	\$1,308,063	-15.0	+ 3.8

*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 March 20, 1929 showed a decrease of 0.7 per cent as contrasted with February 20, 1929. Deposits decreased 3.1 per cent between February 20, 1929 and March 20, 1929 and on the latter date were 4.8 per cent smaller than on March 21, 1928. Composite statement follows:

	*Mar. 20, 1929	*Feb. 20, 1929	*Mar. 21, 1928
Number of banks reporting.....	†29	†29	30
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. and other stocks and bonds.....	\$242,563	\$250,535	\$203,282
All other loans and discounts.....	285,360	281,275	314,868(1)
Total loans and discounts.....	\$527,923	\$531,810	\$518,150(1)
Investments U. S. Government securities.....	78,284	80,041	86,149
Other securities.....	115,765	120,026	119,723
Total investments.....	\$194,049	\$200,067	\$205,872
Reserve balance with F. R. bank..	46,071	47,669	47,847
Cash in vault.....	6,398	6,670	7,092
Deposits Net demand deposits.....	384,768	402,334	398,801
Time deposits.....	235,272	240,181	249,115
Government deposits.....	3,409	1,102	7,159
Total deposits.....	\$623,449	\$643,617	\$655,075
Bills payable and rediscounts with Federal Reserve Bank.....	34,992	27,244	52,066

*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 member banks 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.

Federal Reserve Operations — During February the Federal Reserve Bank of St. Louis discounted for 174 member banks against 173 in January and 163 in February, 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:

	*Mar. 23, 1929	*Feb. 23, 1929	*Mar. 23, 1928
Bills discounted.....	\$51,209	\$40,134	\$26,891
Bills bought.....	8,467	10,683	7,319
U. S. Securities.....	19,063	19,484	30,540
Total bills and securities.....	\$78,739	\$70,301	\$64,750
F. R. Notes in circulation.....	58,946	60,358	52,557
Total deposits.....	79,232	83,912	82,041
Ratio of reserve to deposits and F. R. Note Liabilities.....	49.5%	57.9%	58.7%

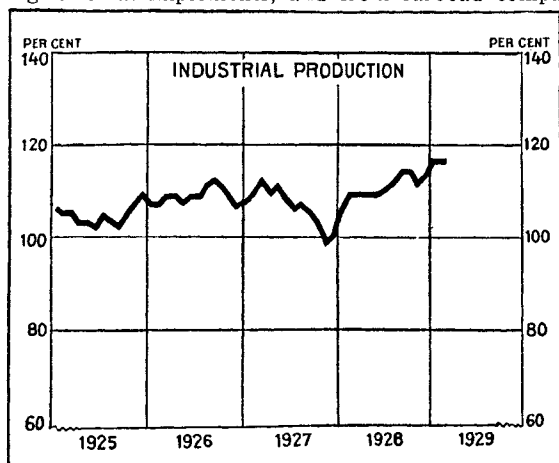
*In thousands (000 omitted).

(Compiled March 22, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

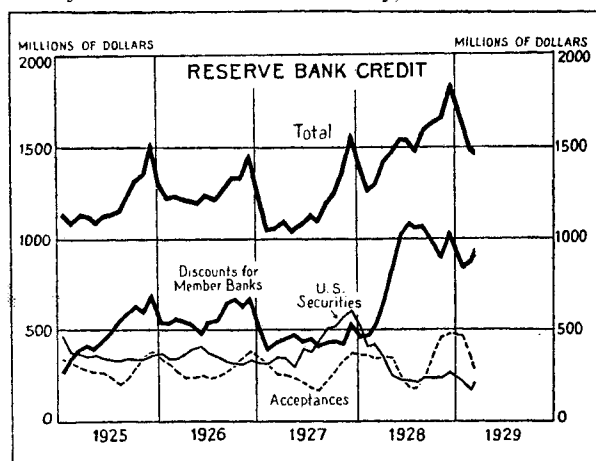
Industry and trade continued active during February and the first part of March and there was a growth in the volume of bank loans. Borrowing at reserve banks increased during the period and money rates advanced further.

PRODUCTION — Production continued at a high rate throughout February and the first half of March and made substantial gains above a year ago. Automobile output was at a record rate in February and there was also an unusually high daily average production of copper, and iron and steel. Large output in the iron and steel industry reflected demands from manufacturers of automobiles, machine tools and agricultural implements, and from railroad companies.



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

Preliminary reports for the first half of March indicate further expansion in automobile and iron and steel production. During February the daily average output of coal and crude petroleum also increased, and production of cotton and wool textiles continued large, while silk output declined somewhat from the unusually high level of January. There was also some decline from January in the production of lumber and cement and in the output of meat packing companies. The high rate of activity in manufacturing during February was reflected in a larger than seasonal increase in factory employment and pay rolls both of which were considerably above the level of February, 1928.



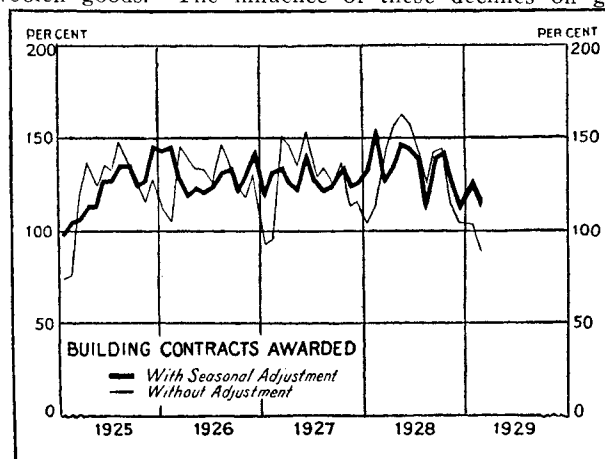
Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 21 days in March.

Building activity declined further in February, and the value of contracts awarded was over 20 per cent smaller than a year ago. Residential building contracts showed the largest decline in comparison with February, 1928, while those for public works and utilities were only slightly smaller in value, and commercial and industrial building awards increased. During the first half of March there was some seasonal increase in total building awards, but they continued to be substantially below a year ago.

DISTRIBUTION — In February shipments of commodities by rail increased more than is usual for the season, reflecting larger loadings of coal and coke and miscellaneous freight, which includes automobiles. During the first two weeks of March, freight car loadings continued to increase.

Sales of wholesale firms were generally smaller in February than a year ago. In comparison with January, sales of dry goods, shoes and furniture increased seasonally, while sales of groceries and hardware, were smaller. Department stores reported about the same daily volume of sales in February as in the preceding month, and larger sales than a year ago.

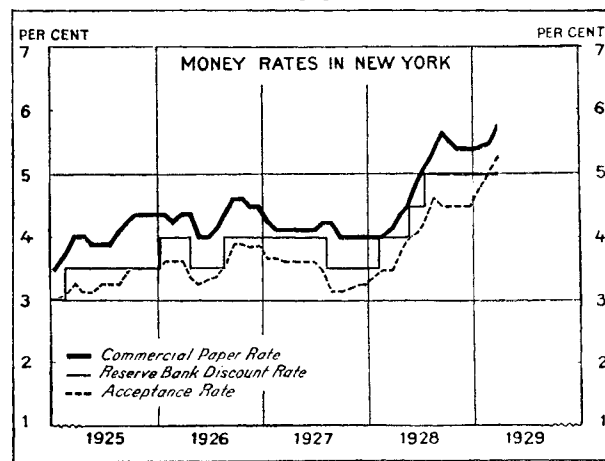
PRICES — The general level of wholesale prices declined slightly in February, and was approximately the same as a year ago. The decline from January reflected primarily decreases in the prices of hides and leather, live stock and meats, and small declines in the prices of wool, cotton and woolen goods. The influence of these declines on gen-



Federal Reserve Board's indexes of value of building contracts awarded as reported by the F. W. Dodge Corporation (1923-25 average=100). Latest figures, February: Adjusted index 119; unadjusted, 88.

eral average was partly offset by increases in the prices of copper, lead, iron and steel, rubber, and grain. During the first two weeks of March, prices of wool and petroleum continued to decline and rubber prices receded somewhat, after a marked rise in February, while leather prices declined sharply. Prices of copper rose further and there were small increases in prices of hides, raw cotton and certain grades of lumber.

BANK CREDIT — Between the middle of February and the middle of March there was a rapid growth of loans at member banks in leading cities. The increase was in loans chiefly for commercial paper, which on March 13 were



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 22 days in March.

more than \$200,000,000 larger than four weeks earlier. Investments of the reporting banks declined further during the period. Total volume of reserve bank credit declined somewhat between February 20 and March 20, reflecting for the most part some further gold imports from abroad. Member bank borrowing at Federal reserve banks was nearly \$80,000,000 larger on March 20 than four weeks earlier, while acceptances showed a further decline of about \$120,000,000 during the same period. Security holdings showed relatively little change. Money rates continued to advance. Rates on 4 to 6 months commercial paper rose from 5½-5¾ to 5¾-6 per cent and rates on 90 day bankers' acceptances increased from 5 to 5¼ per cent on February 13 and to 5½ per cent on March 21.