



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

WHILE developing some irregularity and spottiness, business in this district during the past thirty days maintained the high rate of activity which marked the two months immediately preceding. A particularly good showing was made by industry, and as was the case earlier in the year, iron and steel and the metal working industries generally were unusually active. New business placed with iron and steel plants was large enough to offset the heavy current shipments, and in numerous instances unfinished orders at the close of the period were slightly in excess of the total thirty days earlier. In the textile industry moderate improvement was noted, and in a number of miscellaneous lines, output was in excess of a year ago. Except in the case of commodities used extensively in highway and other public works, building materials were less active than last season. This reflects a decrease in construction contracts awarded and building permits granted, also later opening of the building season this year than last.

Distribution of commodities continued on a large scale, and that the merchandise moving is going into consumption is evidenced by the generally small inventories at wholesale and retail and the statistics of freight car loadings and merchandise sales. Retail business was stimulated markedly by the spell of favorable weather about Easter. Purchasing of apparel and the general run of holiday goods was above expectations, and well in excess of the volume a year ago. March sales of department stores located in the chief cities of the district were 4.5 per cent larger than for the same month in 1928, and good gains were recorded in the month's business of mail order houses, chain and five and ten cent stores. Debits to individual checking accounts in the main centers in March were 12.0 per cent larger than in February and 5.1 per cent greater than the March, 1928, total.

Weather conditions were the most favorable so far this year for agriculture, and considerable progress was made in soil preparation and the seeding of early crops. Since the second week in April,

however, outdoor work has been hampered by excessive rains, and in many localities serious flood conditions have prevailed, resulting in heavy damage to farms, highways and railroads. Planting of cotton and oats are behind the usual seasonal schedule. The industrial employment situation generally through the district was satisfactory, the seasonal gain in the number of workers employed being somewhat above the average for the past several years. In the lead and zinc fields a slight shortage of miners was reported and the same was true in steel plants in some sections. There was an excess of both skilled and common laborers in the building industries, and in the bituminous coal fields.

Following the rise in temperatures about the middle of March, the bituminous coal trade sustained a decided slump. There was a drop in prices in all fields on April 1, and demand for both heating and steaming coal quieted down. Industrial users are not disposed to accumulate stocks and railroads were buying sparingly, with fuel oil in oversupply. Operations in the Western Kentucky, Illinois and Indiana fields declined sharply, despite which fact operators reported an increase in loaded cars on track at mines for which there were no orders. For the country as a whole, production of soft coal during the present calendar year to April 6, approximately 82 working days, totaled 145,700,000 tons, against 134,872,000 tons for the corresponding period in 1928 and 175,072,000 tons in 1927.

Freight traffic of railroads operating in the district continued at the high levels of the preceding two months, total loadings exceeding those a year earlier, though falling slightly behind the record figures of 1927. Miscellaneous freight made a particularly good showing, and gains were also made in the L. C. L. merchandise classification. For the country as a whole, loadings of revenue freight for the first thirteen weeks this year, or to March 30, totaled 12,146,680 cars, against 11,792,196 cars for the corresponding period in 1928, and 12,541,125 cars in 1927. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting

lines, interchanged 255,717 loads in March, against 243,696 loads in February, and 245,780 loads in March, 1928. For the first nine days of April the interchange amounted to 70,286 loads, which compares with 76,709 loads during the corresponding period in March, and 63,262 loads during the first nine days of April, 1928. Passenger traffic of the reporting lines was unchanged in March as compared with same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 104,900 tons, against 109,419 tons in February, and 104,535 tons in April, 1928.

Reports relative to collections reflected considerable irregularity, with the average not as high as during the preceding thirty days, though considerably better than a year ago. Wholesalers with whom April is an important collection month reported results less satisfactory than a year earlier. Backwardness in settlements in the flooded areas was the rule, and rains and heavy dirt roads interfered with communications in certain sections. Retailers in the rural areas complain of slow payments, which, however, they attribute to preoccupation of farmers with spring work. For the most part retail merchants in the large cities reported settlements up to expectations. Answers to 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>
March, 1929.....	4.1%	30.6%	50.0%	15.3%
Feb., 1929.....	2.7	33.0	44.0	20.3
March, 1928.....	1.3	16.9	66.2	15.6

Commercial failures in the Eighth Federal Reserve District in March, according to Dun's, numbered 123, involving liabilities of \$1,897,665, against 120 defaults in February with liabilities of \$1,762,479, and 104 failures for \$3,983,257 in March, 1928.

The average daily circulation in the United States in March was \$4,709,000,000 against \$4,686,000,000 in February and \$4,710,000,000 in March, 1928.

MANUFACTURING AND WHOLESALE

Automobiles — Combined passenger car and truck production in the United States during March totaled 572,825, which compares with 466,084 in February and 413,379 in March, 1928.

Distribution of automobiles in this district in March continued the marked upward trend noted in the two preceding months. Aggregate sales of reporting dealers showed sharp gains over February, also over March, 1928. Business since April 1 has

been interfered with to some extent by unfavorable weather, particularly in the country, where excessive rains, floods and the poor condition of roads in some localities, have tended to hold down sales. Withal, scattered reports indicate sales during the first half of April equal in volume to those at the same time last year, though slightly below the first half of March this year. Replacement sales in the rural areas in March were in heavy volume, and deliveries of new cars to country dealers were the largest in a number of months. In the yearly comparison relatively the heaviest gains were made in sales of cheap priced cars, though increases were general in all classes of makes. Marked improvement was reported in the demand for trucks, particularly in the lighter varieties for merchandise delivery service in the large cities. March sales of new passenger cars by 320 dealers scattered through the district were 28.8 per cent larger than in February, and 17.3 per cent greater than in March, 1928. Stocks of new cars in dealers' hands on April 1 were 15.3 per cent larger than on the same date last year, and 12.6 per cent larger than on March 1 this year. Business in parts and accessories kept pace with that in cars, gains of 6.3 per cent and 3.4 per cent, respectively, being recorded in March sales over those of a year and a month earlier. Intensive selling campaigns and the introduction of numerous new devices for passenger cars were given as the chief causes for the gain in accessory sales over a year ago. Conditions in the used car market were somewhat mixed. Sales of the more expensive makes and reconditioned cars were in satisfactory volume, while dealers reported difficulty in disposing of cheap secondhand vehicles. Stocks held on April 1 were 11.2 per cent larger than on March 1, and 22.3 per cent larger than on April 1, 1928. According to dealers reporting on that item, sales of new cars on the installment plan in March constituted 56.2 per cent of their total sales, which compares with 57.3 per cent in February and 46.3 per cent in March, 1928.

Boots and Shoes — March sales of the five reporting interests were 29.8 per cent larger than in February and 5.9 per cent in excess of the total for March, 1928. Stocks on April 1 were 29.8 per cent and 14.6 per cent smaller, respectively, than thirty days and a year earlier. Business was reported active generally through the line. Favorable weather at the Easter season stimulated retail distribution. April shipments have been heavy, the volume of the first half of the month exceeding that of the same period last year. Demand for work shoes shows improvement. Factory operation was at from 90 to 95 per cent of capacity.

Clothing — The movement of seasonal apparel was held back somewhat by protracted cold weather in March, but since the first of April purchasing at both wholesale and retail has been considerably accelerated by the more favorable temperatures. Demand for work clothing is still slow, but somewhat better than thirty days earlier. March sales of the reporting clothiers were 21.7 per cent smaller than for the same month in 1928, and 12.3 per cent below the February total this year.

Drugs and Chemicals — Improvement both over a month and a year earlier was reflected in reports of March business in this classification. Demand for fertilizers and insecticides was active, and the call for heavy drugs and chemicals from the general manufacturing trade was maintained at the high levels of the two preceding months. March sales of the five reporting interests were 3.1 per cent larger than for the same month last year and 8.8 per cent greater than the February total this year. Stocks on April 1 were 0.9 per cent smaller than thirty days earlier, and 2.8 per cent larger than those on April 1, 1928.

Dry Goods — For the first time this year, sales of the reporting firms in March showed a gain over the corresponding period last year. The decreases in January and February were accounted for mainly by the smaller volume of advance orders booked. Road business in March and early April developed decided improvement, with sales of staple dry goods showing quite marked betterment. No change worthy of note took place in prices as compared with the preceding thirty days. March sales of the eight reporting firms were 4.7 per cent larger than for the same month in 1928, and 7.9 per cent smaller than the February total this year. Stocks on April 1 were 24.3 per cent and 3.2 per cent smaller, respectively, than thirty days and a year earlier.

Electrical Supplies — Heavy demand from the automotive industry, extensive construction operations by public utilities companies and continued large volume of trade in radio and refrigerator materials were mentioned as the chief influences in an increase in March sales of the reporting firms of 15.4 per cent over the same month in 1928, and 14.5 per cent over the February total this year. Stocks on April 1 were 6.8 per cent larger than a month earlier, and 0.5 per cent less than on April 1, 1928. Advance sales of electric fans and other summer goods are reported in large volume.

Flour — Production at the 12 leading mills of the district in March totaled 367,528 barrels, against 405,707 barrels in February and 376,889 barrels in March, 1928. Stocks of flour in St. Louis on April 1 were 9.5 per cent smaller than on March 1, and 22.0 per cent less than on April 1, 1928. Dullness

characterized the flour trade throughout the past thirty days. New business was light and on a hand-to-mouth basis, with shipping directions on flour previously purchased poor to fair. Export demand was at a standstill. Prices were lower in sympathy with the decline in cash wheat. Mill operations were at from 50 to 55 per cent of capacity.

Furniture — Quite marked improvement over earlier months this year was noted in this classification, March sales of the thirteen reporting firms showing a gain of 4.9 per cent over the same month in 1928, and 3.3 per cent over February this year. Stocks on April 1 were 4.1 per cent and 6.9 per cent smaller, respectively, than thirty days and a year earlier. There was no change in prices worthy of note as compared with the preceding thirty days, and the average showed little variation from a year ago.

Groceries — March sales of the thirteen reporting firms were 9.2 per cent smaller than for the same month in 1928, and 13.7 per cent larger than the February total this year. Stocks on April 1 were 10.4 per cent larger than a month earlier and 2.0 per cent smaller than those on April 1, 1928. Demand for canned goods and specialties was reported brisk, but some slowing down was noted in purchasing of staples, especially in the rural areas.

Hardware — While March sales of the eleven reporting firms were 6.4 per cent under the corresponding period in 1928, the total was 19.8 per cent in excess of that for February this year. Stocks on April 1 were 12.4 per cent larger than on March 1, and 25.8 per cent in excess of those on April 1, 1928. Seasonal goods were reported moving in heavier volume than at this time last year, with sporting goods of all descriptions particularly active. Materials for use in the country, such as hand implements, woven wire, etc., were also moving in considerable volume. A measurable part of the decrease under last year was due to smaller sales of builders' tools and hardware.

Iron and Steel Products — The steady upward trend in activity in the iron and steel industry in this district, which began early in January, continued unabated during the past thirty days. Demand for raw materials was in larger volume than during the similar period immediately preceding, and with more favorable weather, purchasing of finished and semi-finished goods increased and was more diversified in character. Despite the unusually heavy shipments in March, new business placed in that month and in early April resulted in a moderate increase in unfilled orders, with a number of important interests reporting sufficient work on hand to maintain their present rate of operations through the balance of the second quarter. Specifying and new purchasing by

the automotive industry continued on a large scale, and demands of builders of railroad equipment accounted for the movement of heavy tonnages of rolled and cast materials. Awards of freight cars by railroads operating in this district during the first quarter of this year were approximately only 8 per cent less than their entire lettings in 1928. In addition the carriers have placed substantial orders for track and bridge supplies and other varieties of ferrous materials. Demand from the general manufacturing trade developed further improvement, reflected in unusually heavy distribution of goods from warehouse stocks during March and early April. Gray iron and steel casting plants increased their forces, and additional workers were taken on at steel mills and plants of a number of specialty manufacturers. Machinery and engine builders increased their commitments on raw materials in order to accommodate new orders for their products. Demand for sheets and tin plate was in good volume, with ordering of tin plate showing decided betterment over the preceding thirty days. Improvement was noted in the call for tank plates, and the general run of oil country goods. Materials for use in the rural areas developed the usual seasonal expansion, with wire fencing and corrugated roofing especially active. Manufacturers of stoves and farm implements report sales larger than at this time last year. Irregularity was noted in the demand for building materials. Reinforcing concrete bars and structural shapes were active, but fabricators of structural steel report quietness, with large lettings scarce. Purchasing of pig iron was stimulated to some extent by the decline in price of southern foundry iron, but ordering for second quarter was below expectations, and a considerable tonnage for that delivery still remains to be engaged. Production of pig iron for the country as a whole in March was the highest on record for that particular month. The total, 3,706,822 tons, compares with 3,218,376 tons in February, and 3,199,175 tons in March, 1928. Steel ingot production in the United States in March reached the record total of 5,049,176 tons, which compares with 4,318,233 tons in February and 4,407,520 tons in March, 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	
	Mar. 1929 comp. to Mar. 1928	3 months ending Mar. 31, 1929 to same period 1928	Mar. 31, 1929 comp. to Mar. 31, 1928		Jan. 1, to Mar. 31, 1929	1928
Evansville	+ 8.2%	+ 4.8%	+14.4%		.60	.60
Little Rock.....	+ 6.0	+ 0.8	—13.1		.59	.52
Louisville.....	+11.2	— 0.7	—11.6		.75	.70
Memphis	+ 3.9	— 2.8	— 5.1		.78	.74
Quincy	+ 9.5	+ 3.3	+ 5.9		.64	.63
St. Louis.....	+ 3.5	+ 2.5	— 7.0		.98	.90
Springfield, Mo.	+ 5.2	— 9.3	+31.0		.31	.36
8th District.....	+ 4.5	+ 1.1	— 6.9		.86	.80

	Net sales comparison		Stocks on hand	
	Mar. 1929 comp. to Mar. 1928	Feb. 1929	Mar. 1929 comp. to Mar. 1928	Feb. 1929
Men's furnishings.....	+ 5.5%	+67.2%	— 6.1%	+ 2.2%
Boots and shoes.....	+13.1	+68.3	— 5.4	+ 9.2

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

	Percentage increase or decrease Mar. 1929 compared to Mar. 1928	
	Net sales for month	Stocks on hand at end of month
Piece goods.....	—18.9%	—17.0%
Ready-to-wear accessories.....	+ 9.2	— 9.9
Women and misses' ready-to-wear.....	+ 3.8	0.0
Men's and boys' wear.....	+13.9	— 9.2
Home furnishings.....	— 4.6	— 8.9

BUILDING

In point of dollar value, permits for new construction issued in the five largest cities of the district in March were 51.6 per cent larger than in February, but 23.9 per cent smaller than in March, 1928. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March totaled \$38,795,147, against \$23,371,859 in February, and \$40,625,582 in March, 1928. There was no change worthy of note in building costs as compared with the preceding thirty days, materials and wage scales remaining stationary. Production of portland cement for the country as a whole in March totaled 9,969,000 barrels, against 8,522,000 barrels in February, and 10,223,000 barrels in March, 1928. Detailed figures follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1929	1928	1929	1928	1929	1928	1929	1928
Evansville ..	412	462	\$ 295	\$ 398	75	112	\$ 25	\$ 58
Little Rock ..	49	79	194	308	59	88	65	36
Louisville ..	265	283	1,065	1,967	79	79	134	73
Memphis	311	300	1,036	859	77	111	17	99
St. Louis....	749	872	2,652	3,358	403	463	467	537
Mar. totals	1,786	1,996	\$5,242	\$6,890	693	853	\$ 708	\$803
Feb. totals	861	1,514	3,457	5,484	354	751	303	1,151
Jan. totals	880	1,161	4,132	4,738	361	599	367	647

*In thousands of dollars ('000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in postal receipts of 2.9 per cent under the corresponding quarter in 1928, and of 10.4 per cent under the final quarter of 1928. Detailed figures follow:

	For Quarter Ending				Mar. 1929 comp. to Mar. 1928
	Mar. 31, 1929	Dec. 31, 1928	Sept. 30, 1928	Mar. 31, 1928	
Evansville	\$ 163,000	\$ 172,000	\$ 173,000	\$ 174,000	— 6.4%
Little Rock....	244,000	243,000	245,000	242,000	— 0.5
Louisville	724,000	796,000	661,000	742,000	— 2.5
Memphis	672,000	734,000	573,000	668,000	+ 0.6
St. Louis.....	3,147,000	3,544,000	2,869,000	3,271,000	— 3.8
Total.....	\$4,950,000	\$5,489,000	\$4,521,000	\$5,097,000	— 2.9

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electricity in March by selected industrial customers as being 8.9 per cent larger than in February, and 21.9 per cent greater than in March, 1928. In the month-to-month comparison the gain is seasonal in character, while the increase over a year ago is fairly well distributed among all groups of users, but par-

ticularly marked in the metal working industries. Detailed figures follow:

	No. of Custom- ers	March 1929 *K.W.H.	Feb. 1929 *K.W.H.	Mar. 1929 comp. to Feb. 1929	Mar. 1928 *K.W.H.	Mar. 1929 comp. to Mar. 1928
Evansville	40	1,709	1,603	+ 6.6%	1,209	+41.4%
Little Rock..	35	1,477	1,356	+ 8.9	1,437	+ 2.8
Louisville	89	7,503	7,789	- 3.7	5,511	+36.1
Memphis	31	1,429	1,786	-20.0	1,854	-23.0
St. Louis.....	132	18,657	15,722	+18.7	15,232	+22.5
Totals.....	327	30,775	28,256	+ 8.9	25,243	+21.9

*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. 1929.....	2,450,616,000	4,993,702,000	7,444,318,000
Jan. 1929.....	2,715,122,000	5,502,422,000	8,218,544,000
Feb. 1928.....	2,566,688,000	4,291,735,000	6,858,423,000

AGRICULTURE

As indicated by the report of the U. S. Department of Agriculture, intentions of farmers in states of this district for planting this spring vary quite markedly in reference to the several crops as contrasted with last year and 1927 and 1926. Total acreage of the chief crops, however, including winter wheat planted last fall and excluding cotton, on which no estimate is made, will be 3.4 per cent greater than in 1928. Farmers plan to plant smaller acreages of oats, rice, potatoes and corn this year than last, and larger acreages of sweet potatoes, tobacco, peanuts, and hay, while the acreage of winter wheat sown last fall was greater than was harvested in 1928.

The following comparative table shows intended plantings in 1929 by farmers in states partly or wholly within the Eighth Federal Reserve District, and acreage grown for harvest in the three preceding years:

	1929	1928	1927	1926
Corn	29,458,000	30,124,000	28,142,000	30,460,000
Oats	8,885,000	9,476,000	8,170,000	9,703,000
Rice	146,000	174,000	178,000	209,000
Potatoes	347,000	367,000	317,000	316,000
Sweet Potatoes.....	181,000	120,000	195,000	182,000
Tobacco	615,000	524,000	390,000	582,000
Peanuts	24,000	22,000	20,000	18,000
Tame Hay.....	12,439,000	11,810,000	12,940,000	11,699,000
Winter Wheat.....	6,696,000*	4,219,000	6,491,000	5,983,000

Totals.....58,791,000 56,836,000 56,843,000 59,152,000

*Acreage sown for harvest in 1929, less 10-year average abandonment.

As the Department of Agriculture points out the statement of farmers' intentions to plant is not a definite forecast of the acreage that will actually be planted. It is an indication of what farmers had in mind to plant at the time they made their reports, compared with the acreage grown by them last year. Acreage will be larger or smaller than these early intention reports, due to weather conditions, price changes, labor supply, and the effect of the report itself upon producers' action.

General Farm Conditions—Generally through this district weather during the last half of March and the first few days of April was favorable for outdoor activities, and farm work made good pro-

gress. Soil preparation and seeding of early crops, which on March 1 were backward on account of the late Spring, had been brought mainly up to the seasonal schedule by the first of this month. This is true particularly in the south, where seeding of oats has been completed, planting of corn has made headway, and extensive cultivation of cotton fields and some scattered plantings took place. Due to the lateness of the season, indications are for a smaller acreage of oats this year than last. Stimulated by higher temperatures and moist soil, fall planted cereals and pastures achieved good growth, and at the middle of April prospects for fruits were the most promising in recent years.

Beginning with the second week in April excessive rains seriously interfered with field work in many sections, and accentuated flood conditions along the Mississippi River and its tributaries. Considerable actual damage was done by the overflows, notably in creek and river bottom lands where crops had been planted or the soil prepared for putting them in. Several weeks of good weather, after recession of the flood waters, will be required to put these lands in condition for working. Universally through the district supplies of farm labor are plentiful, and stocks of seeds and plants are abundant and of good quality. Purchasing of sprays, fertilizers, insecticides and farm supplies generally are reported on a liberal scale.

Winter Wheat—In all states partly or entirely within this district, the condition of winter wheat on April 1 was higher than the 10-year average and substantially better than on that date last year. In Illinois the condition on April 1 was 83 per cent, against 37 per cent a year ago; in Indiana, 89 per cent against 29 per cent last year, and in Missouri, 86 per cent against 56 per cent in 1928. Quite generally the crop came through the cold weather in good shape, and at the middle of April color and stand were fine. Reports from various sections indicate that no large area suffered extensive loss of acreage, such as occurred last year.

Oats—Seeding of oats, while late in the north, has been about completed, but due to backwardness of the season, acreage is below that of a year ago. In Kentucky, Tennessee, Arkansas and Mississippi the condition of the growing crop on April 1 was higher than on the same date in 1928, also than the 5-year average.

Corn—Planting of corn in the south made excellent headway, and good progress has been made in soil preparation throughout the district. Floods and excessive rains have delayed operations in the river bottoms and low lands. The movement to market was slowed down to some extent by the decline in prices. Stocks on farms and country

elevators in the surplus areas are still large, and universally seed is plentiful and of good quality.

Fruits and Vegetables — Planting of gardens generally was backward, due to the protracted cold weather. Throughout the district, fruit prospects are good, particularly in the Ozark region. Blossom crop of peaches, apples, pears and plums was unusually large. Some peaches were killed by the extreme low temperatures of January and February, but this damage is not widespread. In some sections strawberry plants are scarce, and show the effects of dry weather last summer and lack of care and renewals after picking the 1928 crop. The condition of early potatoes in the south on April 1 was slightly lower than a year ago. The condition of peaches in Arkansas and Mississippi was higher than on April 1, 1928.

Live Stock — Changes in the condition of live stock during the past thirty days were seasonal in character, with nothing developing to materially alter the general status existing during the preceding month. Reports from the chief producing sections reflect satisfactory conditions in the spring lamb crop. Prices of hogs and other meat animals were well sustained, but the movement to market in March was considerably smaller than a year ago. Pastures have made good growth and the April 1 condition was substantially higher than on the corresponding date in 1928.

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

	Receipts			Shipments		
	Mar. 1929	Feb. 1929	Mar. 1928	Mar. 1929	Feb. 1929	Mar. 1928
Cattle and calves.....	68,075	62,239	75,865	40,190	39,694	55,483
Hogs	286,352	295,318	364,148	229,048	231,179	289,029
Horses and mules.....	8,948	10,923	8,905	10,743	12,824	7,888
Sheep	17,751	16,214	24,285	11,446	7,099	12,273

Cotton — Weather conditions during the past thirty days have varied considerably between good and poor for soil preparation and seeding of cotton. The final week of March and first days of April were very favorable, high temperatures and sunshine being ideal for outdoor work. Heavy rains later, however, caused a setback, and in the lowlands fields were too wet to permit of cultivation. Local flood conditions were serious in some sections. Generally farmers are late with their preparations. Early reports indicate that the per acre use of fertilizers will be about the same as last season. Demand for cotton was less active than heretofore, and prices receded slightly, the middling grade in the St. Louis market closing at 19¼c on April 15, as compared with 20c on March 15. Stocks of cotton on hand in Arkansas warehouses on April 12 totaled 97,712 bales, which compares with 145,088 bales on the corresponding date last year.

Rice — Practically all of the 1928 crop is out of farmers' hands, and preparations for the new crop

have made fair progress. Indications point to a smaller acreage than was seeded last year. No change occurred in the market for clean rice as compared with the preceding thirty days.

Tobacco — Closing of the dark fired loose leaf markets, tributary to Paducah, left open only the Hopkinsville, Springfield and Clarksville markets. At these the crop continued to move fast, farmers realizing the importance of delivering before the close. Late offerings were below the standard for the season, there being delivered much in soft, wet condition. However, prices realized were good, there being no declines on any grades in fair condition. For the first time since 1925, the Italian Government made substantial purchases in this market. Farmers have taken advantage of all good weather to prepare for the new crop. Plant beds sown at the middle of March are thriving, and generally plants are plentiful. Temporary interference with work was sustained from the recent wet, cool weather.

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

			Close	
			April 15, 1929	April 15, 1928
Wheat				
May	per bu.	High Low	\$1.28½ \$1.14	\$1.21½ \$1.56¾
July	"	1.30¾ 1.18¾	1.24¾	1.55¾
Sept.	"	1.32 1.20¾	1.26¾	
No. 2 red winter	"	1.38 1.27	\$1.33@ 1.36	\$1.97½ @ 1.99
No. 2 hard.....	"	1.26 1.14½	1.22@ 1.22½	1.61½ @ 1.62
Corn				
May	"	1.02 .91	.95½	1.02¾
July	"	1.05 .94½	.98½	1.07
No. 2 mixed.....	"	.95½ .87½	.93	1.01 @ 1.01½
No. 2 white.....	"	.97 .87	.94½	1.01 @ 1.02
Oats				
No. 2 white.....	"	.50½ .48½	.52@ .53	.65
Flour				
Soft patent.....	per bbl	7.00 6.50	6.50@ 7.00	8.75 @ 9.50
Spring patent.....	"	6.25 5.90	6.10@ 6.25	7.40 @ 8.00
Middling cotton.....	per lb.	.20 .18¾	.19¼	.19¼
Hogs on hoof.....	per cwt.	12.20 8.00	8.25@ 11.45	7.50 @ 9.70

FINANCIAL

Reflecting the generally high rate of commercial and industrial activity prevailing throughout the district, demand for credit continued in large volume during the past thirty days. While collections have been good, and resulted in liberal routine liquidation, the amount of new borrowing exceeded settlements, and loans of the reporting member banks moved slightly upward. However, there was a further decrease in loans to security brokers, the total in this category falling to the lowest level of the year, and on April 10 showing a contraction of 39.9 per cent as compared with the peak on February 6.

Requirements of agriculturists were more in evidence than at any time since last fall, and quite generally, but especially in the south, there was a decrease in balances of country banks with their city correspondents. Deposits of the reporting member banks continued the sharp decrease which started in February, and in the first week of April

were the smallest since last September. Due to these influences, borrowings of member banks from this institution have increased.

There was no change in interest rates worthy of note as contrasted with the preceding thirty days. In St. Louis current rates charged by the commercial banks were as follows: Prime commercial loans, $5\frac{1}{2}$ to $6\frac{1}{2}$ per cent; collateral loans, $5\frac{3}{4}$ to 7 per cent; loans secured by warehouse receipts, $5\frac{1}{2}$ to $6\frac{1}{4}$ per cent; interbank loans, $5\frac{1}{2}$ to $6\frac{1}{2}$ per cent, and cattle and loans, 6 to $6\frac{1}{2}$ per cent.

Condition of Banks—Loans and discounts of the reporting member banks on April 17, 1929 showed an increase of 0.8 per cent as contrasted with March 20, 1929. Deposits decreased 2.6 per cent between March 20, 1929 and April 17, 1929 and on the latter date were 6.5 per cent smaller than on April 18, 1928. Composite statement follows:

	*April 17, 1929	*Mar. 20, 1929	*April 18, 1928
Number of banks reporting.....	†28	†29	30
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$237,118	\$242,563	\$210,235
All other loans and discounts.....	292,118	285,360	313,010(1)
Total loans and discounts.....	\$529,160	\$527,923	\$523,245(1)
Investments			
U. S. Government securities.....	71,146	78,284	86,281
Other securities.....	109,373	115,765	122,877
Total investments.....	\$180,519	\$194,049	\$209,158
Reserve balance with F. R. bank..	44,731	46,071	48,050
Cash in vault.....	6,349	6,398	6,859
Deposits			
Net demand deposits.....	379,652	384,768	404,332
Time deposits.....	231,917	235,272	247,265
Government deposits.....	1,835	3,409	4,234
Total deposits.....	\$613,404	\$623,449	\$655,831
Bills payable and rediscounts with Federal Reserve Bank.....	36,084	34,992	28,957

*In thousands (000 omitted).
†Decrease due to consolidation. These 28 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 53.1% of all the resources of 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.

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. 1929	*Feb. 1929	*Mar. 1928	Mar. 1929 Feb. 1929	comp. to Mar. 1928
East St. Louis & Natl.					
Stock Yards, Ill..\$	62,909	\$ 56,638	\$ 64,114	+11.1%	— 1.9%
El Dorado, Ark.....	8,690	7,447	8,120	+16.7	+ 7.0
Evansville, Ind.....	52,154	44,541	50,252	+17.1	+ 3.8
Fort Smith, Ark....	14,845	12,359	13,456	+20.1	+10.3
Greenville, Miss....	4,261	4,224	4,090	+ 0.9	+ 4.2
Helena, Ark.....	3,528	3,229	3,010	+ 9.3	+17.2
Little Rock, Ark....	85,749	71,658	82,874	+19.7	+ 3.5
Louisville, Ky.....	212,785	208,297	205,097	+ 2.2	+ 3.7
Memphis, Tenn.....	185,078	164,356	157,277	+12.6	+17.7
Owensboro, Ky.....	6,750	6,245	5,849	+ 8.1	+15.4
Pine Bluff, Ark....	10,639	9,691	12,271	+ 9.8	+13.3
Quincy, Ill.....	14,778	12,782	15,210	+15.6	+ 2.8
St. Louis, Mo.....	821,754	722,900	787,292	+13.7	+ 4.4
Sedalia, Mo.....	4,913	4,102	4,986	+19.8	+ 1.5
Springfield, Mo....	16,802	14,926	17,775	+12.6	+ 5.5
**Texarkana, Ark.-Tex.....	15,578	14,754	16,186	+ 5.6	+ 3.8
Totals.....	\$1,521,213	\$1,358,149	\$1,447,859	+12.0	+ 5.1

*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 197 member banks, against 174 in February, and 173 in March, 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:

	*April 23, 1929	*Mar. 23, 1929	*April 23, 1928
Bills discounted.....	\$46,706	\$51,209	\$39,262
Bills bought.....	2,585	8,467	4,227
U. S. Securities.....	7,125	19,063	26,004
Foreign Loans on Gold.....	309		
Total bills and securities.....	\$56,725	\$78,739	\$69,493
F. R. Notes in circulation.....	57,261	58,946	52,893
Total Deposits.....	80,595	79,232	83,732
Ratio of reserve to deposits and F. R. Note Liabilities.....	65.2%	49.5%	55.1%

*In thousands (000 omitted).

COST OF LIVING

The gradual decline of retail prices as measured by the cost of living index of the National Industrial Conference Board continued in evidence during March. Clothing prices for the country as a whole reached the lowest point since 1925 and stood 1.7 per cent below the prices prevailing at the beginning of the year, when the index number registered 168.9. Food has also declined. In September, 1928, it suddenly rose to 158. Since then it has receded steadily; the present March index at 153.0 is exactly at the same level as it was in June and July, 1928, the two months previous to September, the peak month of the year.

Both anthracite and bituminous coal prices showed the usual slight decrease due to the seasonal change. This was evidenced mainly in the southern and western sections of the country. The slight upward tendency, shown in rentals caused by the increased activity at this time of the year manifested itself in a rise in the index number from 159.2 to 159.4. The general tendency in rentals however, from year to year has been downward. This is clearly seen by a comparison of the March rental index with the same month in previous years. In March 1925 it was 182, March 1926 it was 177, March 1927 it was 172.

The following table shows the index numbers of the cost of living as compared with average prices in July, 1914, also the percentage changes between February and March, 1929:

	Relative Importance in family budget	Index numbers of the cost of living Average prices July, 1914 equal 100	Per cent of Decrease between Feb., 1929 and Mar., 1929	
		1929 March	1929 February	
Food*	45.1	153.0	154.4	1.0
Housing	17.7	159.4	159.2	0.1**
Clothing	13.2	166.1	170.1	2.4
Fuel and light.....	5.6	162.3	162.4	0.1
(Fuel)	(3.7)	(184.0)	(184.1)	(0.1)
(Light)	(1.9)	(120.0)	(120.0)	(0)
Sundries	20.4	169.7	170.1	0.2
Weighted average of all items.....	100.0	159.8	161.0	0.8

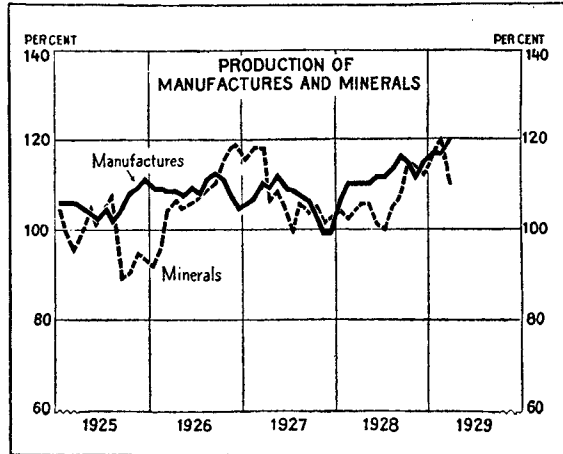
*Food price index is from the United States Bureau of Labor Statistics.
**Increase.

The purchasing power of the dollar which increases as the cost of living decreases, rose to 62.6 cents as compared with 100 cents in July, 1914.

(Compiled April 20, 1929)

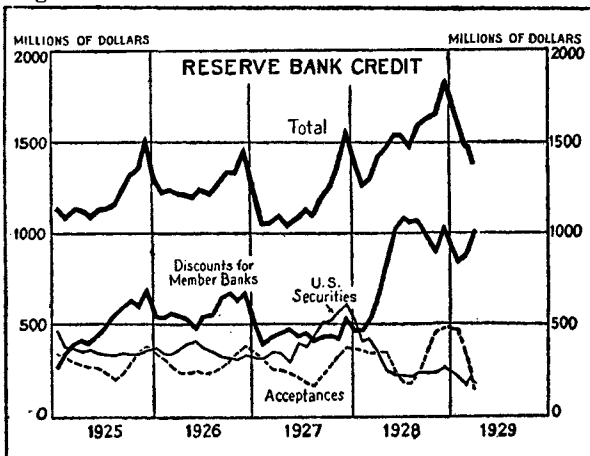
BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION—Output of manufacturers reached new high levels in March. Automobile production was exceptionally large, and steel ingot output was reported to be above rated capacity. Output of refined copper, lumber, cotton and silk textiles, and sugar was, also, larger for the season. There was some seasonal recession from February in the production of wool textiles and leather, and a further decline in production by meat-packing plants. The volume of factory employment and payrolls continued to increase during the month and was substantially above the level of March, 1928.



Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average=100). Latest figures March: Manufactures 120; minerals 110.

Production of minerals as a group declined sharply, reflecting reduction in output of coal by more than the usual seasonal amount. Output of nonferrous metals continued large and petroleum production increased. During the first part of April industrial activity continued at a high rate, although preliminary reports indicated a slight slowing down in certain branches of the steel industry and a smaller output of coal and petroleum. The value of building contracts awarded increased seasonally during March and the first two weeks in April, reflecting in part the award of a few large contracts, chiefly commercial and industrial. The total volume of building however, continued smaller in March than a year ago. Contracts for residential building and public works and utilities were substantially below the level of March, 1928, while industrial and commercial building was in larger volume.

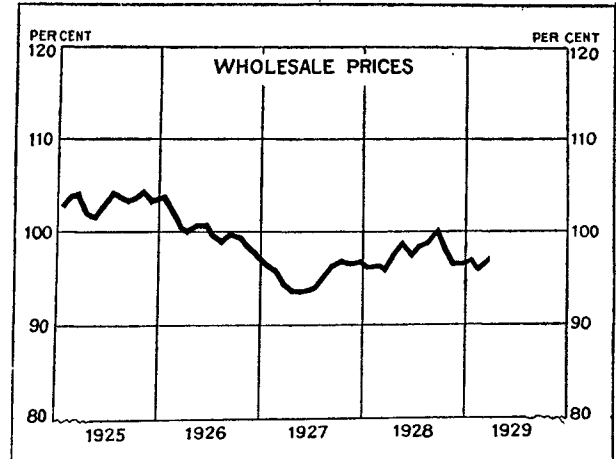


Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 22 days in April.

DISTRIBUTION—Railroad shipments of commodities declined somewhat in March, but were larger than in the same period of the preceding year. The decline from February reflected smaller shipments of coal and coke, grain products, and livestock, all of which were, also, above March a year ago. Loadings of ore and miscellaneous freight increased substantially over February, and continued above 1928. Sales by wholesale firms in all lines of trade reporting to the Federal Reserve System were seasonally larger than in February. In comparison with the same month a year

ago, however, sales in most lines of trade were smaller, except in the case of dry goods, men's clothing and hardware. Department store sales showed a larger increase in March than is usual at this season and were larger than in the same month in 1928, partly on account of the fact that Easter came in March this year.

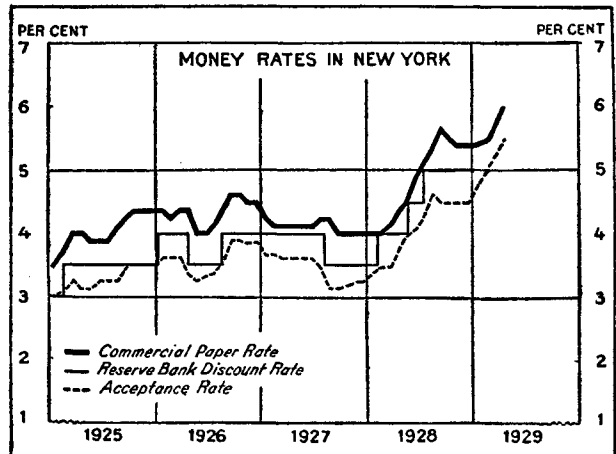
PRICES—Wholesale prices of commodities during March averaged slightly higher than in February, according to the index of the United States Bureau of Labor Statistics. There were marked increases in prices of copper and lead and smaller advances in iron and steel and cotton



Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, March, 97.5.

goods as well as of certain agricultural products, particularly cotton, livestock, meats and hides. Prices of grain and flour were lower during the month and the price of leather declined, reflecting an earlier decline in hides. Silk and rayon textiles and raw wool were also somewhat lower. In the middle of April prices of livestock and raw silk were higher than the end of March, while cotton and wool had declined. There were marked declines in copper, lead, tin and zinc, a further decline in rubber and increases in pig iron and finished steel.

BANK CREDIT—Between March 20 and April 17 there was a considerable decline in the volume of member banks' loans to brokers and holdings of investments. Loans chiefly for commercial and agricultural purposes showed a rapid increase, and at the end of the period were near the high level of last autumn. During the same period the vol-



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 April.

ume of reserve bank credit in use declined further as a consequence of additions to the country's stock of monetary gold. A continued rapid reduction in holdings of acceptances carried the total to the lowest point since the autumn of 1924. Security holdings, also, decreased somewhat, while discounts for member banks increased. Open market rates on bankers acceptances and commercial paper increased further. Rates on collateral loans increased sharply in the latter part of March, but declined in April.