



MONTHLY REVIEW

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

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IRREGULARITY and spottiness marked the progress of general business in this district during the past thirty days. Industry as a whole maintained the gains noted in the preceding issue of this review, and adjusted for a shorter working month, February returns showed increases in a number of lines as compared with January, though still recording substantial decreases under the corresponding period in 1930, and the average during the past decade. Activities at iron and steel plants were at a somewhat higher rate than during the opening month of the year, and higher operating schedules were in effect at establishments producing some descriptions of building materials, notably cement, glass, fire clay, and quarry products. There were gains in output of shoe and apparel factories engaged in manufacturing goods for the Easter trade and seasonal merchandise. However other sections of these same industries failed to show improvement, and in some, decreases were reported. The unusually mild weather of February and early March adversely affected the bituminous coal industry, productions in all fields of the district being much under the seasonal average. Many textile mills in the south continued to operate on reduced schedules and no betterment has taken place in the dull conditions obtaining in the lumber, cottonseed and other important industries.

Distribution made a relatively less favorable showing than in the case of production, and continues to reflect extreme conservatism on the part of retail merchants and ultimate consumers. With the exception of a few classifications affected by seasonal considerations, the volume of business of wholesalers and jobbers in February was smaller than in January. In all lines investigated by this bank, February sales were below those of the corresponding month in 1930 and the average of the preceding five years. Retailers generally, but more particularly in the country and smaller centers of population, are purchasing only sufficient goods for immediate or near-by requirements. The movement of seasonal merchandise has been curtailed by the mild, open

winter, and recent special sales of such goods at considerable price concessions have met with only fair response. Since the first week in March, postponed buying for spring distribution has accelerated the movement of apparel, groceries, boots and shoes and other lines for ordinary consumption.

Sentiment in the agricultural areas has been considerably improved by general rains, which served in many areas to break the long winter drought. Weather conditions have been ideal for field work, and preparation of the soil for seeding spring crops is further advanced through the district than at any similar period in recent years. In areas acutely affected by last year's record drought, efforts of Governmental and other agencies have substantially improved the situation in regard to financing crop planting and carrying livestock until new crops are available. Farmers are formulating their spring programs with considerably more confidence than was thought possible earlier in the season. Supply of farm laborers is largely in excess of demand, due partly to workers returning to the country because of depressed conditions in the industrial centers. Employment in the district as a whole showed slight improvement as compared with the preceding thirty days, though the surplus of both skilled and common labor continues large.

Aggregate sales of department stores in the principal cities of the district in February were slightly larger than in January, but 18.5 per cent smaller than in February, 1930. Combined January and February sales were 13.0 per cent smaller than for the same period a year ago. Total February sales of all wholesale and jobbing firms reporting to this bank decreased 23.0 per cent as compared with the same month in 1930, and 8.0 per cent as compared with January this year. Contracts let for construction in the Eighth District in February represented the smallest aggregate for any single month since January, 1925, when compilation of these records began. The dollar value building permits issued for new construction in the five largest cities of the district in February was slightly greater than for

the same month in 1930, but about one-fourth less than the January total this year. Charges to individual checking accounts in February were 21.0 per cent smaller than in January, and 23.0 per cent less than in February, 1930. The amount of savings accounts on March 4 was slightly larger than on February 4, and 2.7 per cent smaller than on the corresponding date a year ago.

According to officials of railroads operating in this district, both freight and passenger traffic continued in considerably smaller volume than during the same period a year and two years ago. Decreases in both comparisons were particularly large in the case of merchandise and miscellaneous freight. The unusually mild winter and depression in industry were reflected in a sharp decline in the volume of coal and coke transported. For the country as a whole, loadings of revenue freight for the first nine weeks this year, or to February 28, totaled 6,326,222 cars, against 7,753,451 cars for the corresponding period last year, and 8,315,792 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 164,030 loads in February, against 173,098 loads in January, and 198,531 loads in February, 1930. During the first nine days of March the interchange amounted to 64,680 loads, against 51,754 loads during the corresponding period in February, and 64,274 loads during the first nine days of March, 1930. Passenger traffic of the reporting roads in February decreased 15 per cent as contrasted with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 69,400 tons, against 75,521 tons in January, and 75,157 tons in February, 1930.

Little change worthy of note has taken place in collections as compared with the preceding three or four months. Reports of retail and wholesale interests reflect considerable irregularity and unevenness. While there is a general disposition to economize and conserve cash, bills are being paid promptly where debtors are able to do so. A number of important wholesalers report settlements in relatively larger volume than a year ago, that is the ratio of receipts to receivables in February was greater than during the same month in 1930. On the other hand, nearly all wholesaling and manufacturing lines report actual losses and doubtful accounts considerably larger than the average during the past five years. Mercantile debtors with strong credit position continue to discharge their obligations promptly in order to avail themselves of cash discounts. There are increasing complaints of backwardness of payments to country retail merchants,

and collections of retailers in the large cities are less satisfactory than heretofore. 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>
February, 1931.....%		13.1%	57.2%	29.7%
January, 1931.....		10.6	58.8	30.6
February, 1930.....	1.5	15.0	56.2	27.3

Commercial failures in the Eighth Federal Reserve District in February, according to Dun's numbered 181, involving liabilities of \$5,158,243, against 243 failures with liabilities of \$4,836,838 in January, and 102 defaults for a total of \$6,029,700 in February, 1930.

The average daily circulation in the United States in February was \$4,598,000,000, against \$4,695,000,000 in January, and \$4,556,000,000, in February, 1930.

MANUFACTURING AND WHOLESALING

Boots and Shoes—February sales of the reporting firms were 16.0 per cent smaller than for the same month in 1930, and 15.0 per cent smaller than the January total this year. The decrease in the month-to-month comparison is seasonal in character and of about the same extent as the average during the past five years. Due to the early Easter date and postponed purchasing, women's novelty goods are relatively more active than other lines, factories producing these goods working at capacity to fill requirements. Demand for work shoes continues subnormal, even for this season, which is ordinarily a quiet one. Hides during late February dropped to the lowest price level since 1893, but have since strengthened slightly. There was no change in the price of finished goods as compared with the preceding month, but average prices are from 5 to 8 per cent lower than a year ago. Stocks on March 1 were slightly larger than thirty days earlier, but about one-fourth smaller than on March 1, 1930.

Clothing—Purchasing of both men's and women's apparel continues on an extremely conservative basis, and manufacturers are making up but little stock for which they have not actual orders. Deferred purchasing of women's and children's clothing for spring wear has resulted in a considerable volume of belated orders, and operating schedules at factories were sharply increased to produce the necessary goods. The movement of heavy apparel through retail channels continued in disappointing volume through February and early March, owing to the mild weather. February sales of the reporting clothiers were approximately two-thirds smaller than for the same month in 1930, and a quarter less than the January total this year.

Drugs and Chemicals—Conditions in this classification showed little change as contrasted with thirty days and a year earlier. February sales of the reporting interests were slightly larger than the January total, and showed practically no change from a year ago. Advance orders of insecticides and fertilizers were in smaller volume than at any similar period in recent years, but some improvement was noted in demand for heavy chemicals and drugs from the general manufacturing trade. The trend of prices was lower.

Dry Goods—Purchasing for immediate requirements is on a fairly liberal scale, and retail merchants are more disposed to fill out depleted stocks and assortments than in a number of months. Since the last week in February, the movement of seasonal merchandise has shown decided improvement. February sales of the reporting firms showed an increase of 5.0 per cent over the preceding month, but were smaller by one-third than the February, 1930, total. In the yearly comparison lower prices account for a considerable part of the decrease. Stocks on March 1 were 5.4 per cent and 32.0 per cent smaller, respectively, than thirty days and a year earlier.

Electrical Supplies—Decreases in sales as compared with a month and a year earlier continued in this classification during February. Declines were general in all lines of goods, but in the yearly comparison were most marked in household appliances, radio and building installations. Sales of the reporting interests in February were 9 per cent less than in January, and about one-third smaller than in February last year. Stocks on March 1 were 11.0 per cent smaller than a year earlier, and 8.0 per cent less than on February 1 this year.

Flour—Production at the 12 leading mills of the district in February totaled 312,635 barrels, the smallest since February, 1927, and comparing with 337,391 barrels in January and 393,212 in February, 1930. While improvement was noted in shipping directions on flour previously purchased, new ordering continued in limited volume, and almost exclusively on a necessity basis. Prices were slightly lower. Mill operations were at from 56 to 60 per cent of capacity.

Furniture—As compared with the preceding month, February sales of the reporting firms showed an increase of 53.0 per cent, but the total was 16.0 per cent smaller than in February, 1930. Stocks on March 1 were 5.0 per cent and 11.0 per cent smaller, respectively, than thirty days and a year earlier. With the exception of office furniture and equipment, increases were fairly general in all lines in the month-to-month comparison.

Groceries—Depressed economic conditions generally through the district, but more particularly in the agricultural sections, were responsible for a decrease in February sales of the reporting interests of 18.0 per cent as compared with the same month in 1930, and of 12.0 per cent as contrasted with January this year. Inventories on March 1 were slightly smaller than a month earlier, and 10.0 per cent less than on March 1, 1930.

Hardware—As compared with the preceding month, February sales of the reporting firms showed a small increase, but the total was almost one-third smaller than in February, 1930. Heavily reduced purchasing of goods for distribution in the rural areas was largely responsible for the decrease in the yearly comparison. The movement of builders' hardware, tools and general supplies continues in considerably less than the usual seasonal volume. Stocks increased 8.0 per cent between February 1 and March 1, but on the latter date were approximately one-fourth smaller than on March 1, 1930.

Iron and Steel Products—Further moderate improvement in business in this classification. While seasonal considerations were largely responsible for the betterment in some lines, the status of the industry as a whole was more favorable than at any time since last summer. The aggregate melt of pig iron in February was greater than in January, despite the fewer working days in the later month. Stimulated by the resumption of part-time operations at a number of foundries, the daily average rate of the melt during the first half of March was measurably larger than for February. Ordering of both finished and semi-finished materials continues chiefly on a necessity basis, but replacement requirements are growing in volume, and during the past several weeks have resulted in the placement of considerable business with mills and foundries. In addition to work furnished by these recent orders, activities have been increased by a disposition on the part of certain specialty manufacturers, notably stoves, heating apparatus, and farm implements, to make up stocks in anticipation of demands later in the year. Stocks of such commodities in distributors' hands are universally light, due to the policy of hand-to-mouth purchasing in recent months. Moderate quickening in the demand for iron and steel goods from the general manufacturing trade was in evidence, and was reflected in increased orders and specifications for sheets, bars, shapes, wire and a number of other standard items. Slight improvement in the movement of galvanized material was noted in early March, following a long period of dullness. Demand for tin plate has been active, with large canners ordering freely and taking cur-

rently a considerable portion of their purchased tonnage. There has been no change from the dull conditions of recent months in all descriptions of materials for the oil industry, and purchasing by the railroads is confined to absolute requirements. Specifying on castings and other materials by the automotive industry developed improvement as contrasted with the several months immediately preceding, but new orders placed were in less than expected volume. Moderate seasonal improvements was noted in commodities used chiefly in the rural areas, but the movement of such goods continues below the average at this time during the past decade. With the exception of reinforcing concrete bars and items used in highway construction and other engineering projects, building materials were quiet. Prices of pig iron and the general run of finished products were steady to firm, with considerably less cutting than heretofore. Scrap iron and steel, however, receded further in price, with a number of important grades recording new low levels on the present retrograde movement and since 1913. For the country as a whole the daily rate of pig iron production in February increased approximately 20 per cent over January. Due to its being a shorter month, however, the February total, 1,711,137, tons was 4,306 tons smaller than in January, and compared with 2,845,937 tons in February, 1930. Steel ingot production in the United States in February totaled 2,527,318 tons against 2,482,206 tons in January, and 4,078,327 tons in February, 1930.

AUTOMOBILES

Following the unvarying trend of the past decade, distribution of automobiles in this district during February showed a substantial gain over January, and was the heaviest for any month since last April. As compared with a year earlier, however, the February volume continued the steady decreases which had been in effect continuously since February, 1930. The increase in the month-to-month comparison was due partly to the small January sales, and partly to seasonal influences, such as annual shows, the bringing out of new models and the desire of purchasers to get in on the new registration year, which in Missouri and other states of the district begins in February. Mild, open weather through February also had a favorable effect on retail distribution of passenger cars. Returns of dealers reporting to this bank indicated that demand was well distributed through all classes of makes, though relatively the largest gains were by sellers of the cheaper priced vehicles. As has been the case for a number of months, sales of dealers in the larger centers of population made a better showing than was the case with country dealers. In all classes of cars price considerations are an important factor in

effecting sales. However, dealers report that there has been good response to new models and novelties in equipment. February sales of new passenger cars by the reporting dealers were nearly four times as large as in January and 41.0 per cent smaller than in February, 1930. Due to the conservative policy in ordering from manufacturers, stocks of new cars in dealers' hands continue at a low level. On March 1, inventories were 2.0 per cent larger than on February 1 and approximately one-fourth smaller than on February 1, 1930. Conditions in the used car market were spotted, but on the whole reflected moderate improvement as contrasted with the past several months. Through sharp price reductions and other special efforts to effect sales, stocks increased only slightly from February to March, despite the large number turned in on trades for new vehicles. As compared with a year ago, stocks of secondhand cars held by the reporting dealers on March 1 showed a decrease of about 18.0 per cent. Truck sales in February were about five times as large as in January, but only half as large as in February a year ago. Business in repair parts and accessories continued active, with total volume of sales in February showing a smaller decrease as compared with a year earlier than in any month since last fall. According to dealers reporting on that item, deferred payment sales in February constituted 56.0 per cent of total sales, against 54.0 per cent in January, and 57.2 per cent in February, 1930.

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. 1931 comp. to Feb. 1930	2 months ending Feb. 28, 1931 to same period 1930	Feb. 28, 1931 comp. to Feb. 28, 1930	Jan. 1, to Feb. 28, 1931	1930
Evansville	-28.3%	-22.8%	-13.2%	26	31
Little Rock	-18.8	-15.0	-23.0	36	34
Louisville	-23.7	-15.1	-4.0	36	43
Memphis	-26.8	-26.7	-21.0	41	47
Quincy	-17.0	-12.8	-20.1	42	40
St. Louis.....	-15.8	-9.2	-5.2	58	59
Springfield, Mo.....	-0.7	-5.4	-21.9	21	18
8th District.....	-18.5	-13.0	-10.1	49	51
	Net sales comparison		Stocks on hand		
	Feb. 1931 comp. to Feb. 1930	Jan. 1931	Feb. 1930	Jan. 1931	
Men's furnishings.....	-21.2%	-23.8%	-13.4%	+16.3%	
Boots and shoes.....	-34.7	-24.8	-16.7	+14.5	

BUILDING

The dollar value of building permits for new construction issued in the five largest cities of the district in February was slightly greater than for the same month in 1930, and 24 per cent less than in January this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February amounted to \$12,508,780, which compares with \$13,305,792 in January, and \$24,501,045 in February, 1930. Production of portland cement for the country as a whole in February totaled 5,920,000 barrels, against 6,595,000 barrels in Janu-

ary and 8,162,000 barrels in February, 1930. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	183	258	\$ 77	\$ 97	36	45	\$ 12	\$ 88
Little Rock ..	17	44	25	262	49	122	27	46
Louisville ..	59	69	322	247	40	52	68	76
Memphis	123	312	173	874	146	63	76	20
St. Louis.....	244	254	1,573	647	219	336	116	315
Feb. totals..	626	937	\$2,170	\$2,127	490	618	\$ 299	\$545
Jan. totals..	484	548	2,855	853	491	523	331	349
Dec. totals..	504	705	2,426	2,273	497	341	325	491

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in February by selected industrial customers as being 7.3 per cent greater than in January, but 4.5 per cent smaller than in February, 1930. The increase in February over the preceding month was due to seasonally heavier loads taken by certain classes of consumers. In the yearly comparison, decreases were distributed through virtually all consuming lines. Detailed figures follow:

	No. of Customers	Feb. 1931	Jan. 1931	Feb. 1931	Feb. 1930	Feb. 1931
		*K.W.H.	*K.W.H.	comp. to Jan. 1931	*K.W.H.	comp. to Feb. 1930
Evansville	40	1,731	1,806	-4.2%	1,483	+16.7%
Little Rock..	35	1,308	1,812	-27.8	1,331	-11.7
Louisville	85	5,303	5,646	-6.1	6,038	-12.2
Memphis	31	1,704	1,686	+1.1	1,724	-1.2
St. Louis.....	159	15,527	12,888	+20.5	16,205	-4.2
Totals	350	25,573	23,838	+7.3	26,781	-4.5

*In thousands (000 omitted).

The following figures compiled by the U. S. 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
Jan. 1931.....	2,344,186,000	5,596,911,000	7,941,097,000
Dec. 1930.....	2,359,686,000	5,746,058,000	8,105,744,000
Jan. 1930.....	2,899,855,000	5,747,518,000	8,647,373,000

AGRICULTURE

On March 1, according to the U. S. Department of Agriculture, combined reserve stocks of the principal grain crops on farms in states entirely or partly within the Eighth District were substantially smaller than on the same date in 1930, and approximately one-third less than the 5-year average (1925-1929). The results of the Government's survey emphasize the effects of last year's record drought, for while wheat reserves on March 1 were larger than a year earlier and only slightly below the average, corn and oats, whose growing and harvesting season was during the dry period, decreased sufficiently in yield to account for the heavy losses in both comparisons. The combined reserve of corn, wheat and oats in these states on March 1 was 279,238,000 bushels, which contracts with 412,792,000 in 1930, and the 5-year average of 491,621,000 bushels.

Weather conditions during the past thirty days were unusually favorable for farm operations, the progress of growing crops and agriculture generally. Soil preparation for spring planting is considerably

further advanced than is usually the case at this time of year. Seeding of oats has been practically completed, and many fields in the southern stretches of the district are up, with the plant looking fine. Plowing and disking for corn is well ahead of the seasonal average, and some planting has been done in the south. Mild temperatures prevailed through February, permitting of almost uninterrupted field work, routine repair operations and the movement of products from farms. The drop in temperature in the second week of March, accompanied by widespread snow and rain, was a favorable development. The precipitation broke the drought in many sections, and the colder weather held back premature budding of fruit trees. Soil and subsoil conditions are generally good.

As an offset, to the generally favorable physical outlook for 1931 crops, was the continued depression in prices of all descriptions of farm products. In the St. Louis market the July wheat option declined to a new low level for the season and for many years. Corn and oats were also lower, and prices of milk, eggs, poultry, hides, live stock and other products were substantially below average levels prevailing at this season in recent years.

Due to the efforts of Governmental and other agencies, the situation with regard to financing farm operations is considerably more favorable than was the case a few months back. In the drought areas means are being supplied for purchasing seed for planting spring crops and for carrying farm animals until new crops are available. Farm labor is universally in excess of demands. Decreased industrial activities in the large cities have resulted in the return to the rural sections of many workers in recent months.

Winter Wheat—Reports from the principal wheat growing counties reflect unusually favorable conditions for this season of the year. Due to the mild weather, loss from winter killing has been considerably smaller than in previous years. In all sections of the district surface and subsoil moisture has been adequate, and the general precipitation during the second week of February substantially assisted these conditions. There are scattered reports of the appearance of Hessian fly, but damage from that source is not believed to be of any great extent. On March 1 stocks of wheat on farms in states partly or entirely within the Eighth District totaled 14,942,000 bushels, against 12,186,000 bushels on the same date in 1930, and a 5-year average of 11,456,000 bushels.

Corn—Preparations for planting the new crop were further advanced at the middle of March than at any similar period in more than a decade. In the extreme southern tier of counties of the district some

corn has been planted, and indications point to early seeding of the crop as a whole. Reserve stocks of corn on farms in states of this district on March 1 were 179,286,000 bushels, against 325,330,000 bushels on the same date in 1930, and a 5-year average of 370,474,000 bushels. Except in Illinois and Indiana, the merchantable quality of the 1930 crop was substantially below a year earlier and the 10-year average. The poor quality was caused by a large percentage of undersized and poorly filled ears incident to the drought, also to an excessive amount of moulding in the crib.

Fruits and Vegetables—At the middle of March practically no damage had occurred from winter weather to fruits in this district. While temperatures were high enough to develop buds on tree fruits, growth was delayed by lack of moisture. Peaches are reported quite generally uninjured by the cold snap in March, but trees have not fully recovered from freezes of the winter a year ago, and the drought last summer and fall. The outlook for apples, cherries, plums, pears, and cane fruits is good. In some sections prospects for farm strawberries are poor, plants in rows being thin as a result of dry weather after setting last summer. Scattered reports indicate serious losses of fruit trees, grape vines, and small fruits from last year's drought.

Live Stock—In all sections of the district, live stock came through the winter in good shape, due to ideal weather for care and feeding. Throughout the winter, water in many areas was less plentiful than for more than a quarter of a century, but this situation was generally relieved by precipitation since the end of February. Egg production has been unusually high owing to the mild, open winter. There was the usual seasonal recession in the movement of live stock from January to February, the decrease being emphasized by a disposition on the part of farmers to await better prices.

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

	Receipts			Shipments		
	Feb. 1931	Jan. 1931	Feb. 1930	Feb. 1931	Jan. 1931	Feb. 1930
Cattle and calves.....	77,694	84,616	61,548	47,610	54,165	39,760
Hogs	273,418	344,937	270,008	223,658	263,590	211,607
Horses and mules.....	9,140	5,487	10,823	8,646	5,886	11,940
Sheep	22,848	30,945	25,565	11,518	14,683	10,646

Cotton—Due to the unusually favorable weather conditions, more ground had been put in readiness at the middle of March for planting the new crop than has ever been known before at that date. The work has been accomplished at a cost considerably below the average in recent years, farmers operating with less than the usual quota of hired help. Reports relative to intended acreage vary

considerably, but it is still too early to gain an accurate idea as to how the total will contrast with a year ago. Recent rains have supplied abundant moisture, and soil conditions are mainly good. Under slightly more active demand, prices of raw cotton advanced moderately in late February and early March. In the St. Louis Market the middling grade ranged from 9.75c to 10.10c per pound between February 17 and March 16, closing at 10c on the latter date, against 9.80c on February 17 and 20c on March 15, 1930. Stocks of cotton on hand in Arkansas warehouses on March 13 totaled 236,016 bales, against 291,280 bales on February 13 and 249,064 bales on the corresponding date in 1930.

Tobacco—At the middle of March a few burley tobacco markets remained open to receive what was left to the unsold crop. Total sales for the season to March 15 amounted to 370,482,092 pounds, at an average price of \$15.57 per cwt. This includes resales, estimated at not to exceed 20,000,000 pounds, leaving 350,000,000 pounds net sales of burley out of a crop which at the middle of last August had prospects not to exceed 250,000,000 pounds.

The only other markets open were in the eastern and western areas of the dark-fired district. Early estimates were for a reduction of about 10 per cent in the eastern district, whereas sales to March 15 reflect a decrease of 20 per cent. In the western district sales are about 30 per cent short of the corresponding period last year, while early estimates were for a decrease of only 20 per cent. As of March 15 it was estimated that about 70 per cent of the dark-fired crop had been sold. District types of medium and good quality continued firm, with good to fine leaf in active demand at prices equal to the best obtained this season. Lower grades exhibited a lower price trend, but well fired heavy lugs were in good demand at steady prices. Present indications are for a full-sized acreage in the burley and dark-fired districts, but reduced plantings of other types.

Commodity Prices—Range of prices in the St. Louis market between February 17, 1931, and March 16, 1931, with closing quotations on the latter date and on March 17, 1930.

	High	Low	Close	
			March 16, 1931	March 17, 1930
Wheat				
July	per bu. \$.68½	.60	.61	\$1.03½
No. 2 red winter	“ .80	.79	.80	\$1.18 @ 1.18½
No. 2 hard.....	“ .77½	.75	\$.76½ @ .77	1.05 @ 1.06
Corn				
May	“ .66½	.63	.65½	.82½
July	“ .68	.65	.67	.82½
No. 2 mixed.....	“ .63	.57	.60½ @ .61	.76 @ .77
No. 2 white.....	“ .64	.60	.62 @ .62½	.81 @ .81½
Oats				
No. 2 white.....	“ .34¾	.32¾	.33½ @ .34	.45 @ .45½
Flour				
Soft patent.....per bbl.	5.65	4.75	4.90 @ 5.25	6.25 @ 6.50
Spring patent.....	“ 4.50	4.10	4.20 @ 4.50	5.50 @ 6.00
Middling cotton.....per lb.	.1010	.0975	.10	.14¾
Hogs on hoof.....per cwt.	8.40	5.50	6.35 @ 8.25	8.50 @ 10.75

FINANCIAL

Credit demand for commercial and industrial purposes in this district during the past thirty days was slightly more active than in the similar period immediately preceding, and the call for funds to finance security transactions also expanded. Seasonal requirements of manufacturing and mercantile interests were making themselves felt, but due to lower commodity prices and generally reduced inventories, such needs were not as conspicuous as at this period during the past several years. Liquidation as a whole made satisfactory progress, though continuing spotty, both with reference to localities and the several classes of borrowers.

Preparatory to meeting local agricultural requirements, country banks in some sections, notably in the south, have reduced their balances with city correspondents. Elsewhere, however, country banks have improved their cash position and moderately increased investments. In the typical drought areas the situation for financing spring crops and live stock has been improved by loans made through the drought relief funds furnished by the Government. Additional loans to soldiers on bonus certificates have also been in considerable volume in these sections.

Loans of reporting member banks in this district declined further in late February, reaching the lowest total in recent years on the last report date of that month. Since March 1 there has been a substantial recovery, due largely to heavier loans on securities. Deposits of these banks followed closely the curve described by loans. Their investments continued the irregularity upward trend which began last summer. Borrowings of all member banks from the Federal reserve bank varied in only slight degree between February 15 and March 15, but throughout that period were uniformly lower than a year ago.

No important changes took place in money rates. Current quotations at St. Louis banks were as follows: Prime commercial paper, $2\frac{3}{4}$ to 5 per cent; collateral loans, 4 to $5\frac{1}{2}$ per cent; loans secured by warehouse receipts 3 to $5\frac{1}{2}$ per cent; interbank loans, 4 to $5\frac{1}{2}$ per cent and cattle loans 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on March 18, 1931, showed a decrease of 0.1 per cent as contrasted with February 18, 1931. Deposits increased 4.6 per cent

between February 18, 1931 and March 18, 1931 and on the latter date were 1.8 per cent larger than on March 19, 1930. Composite statement follows:

	*Mar. 18, 1931	*Feb. 18, 1931	*Mar. 19, 1930
Number of banks reporting.....	†25	†25	24
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds....	\$178,953	\$185,546	\$232,227
All other loans and discounts....	271,295	265,258	284,236
Total loans and discounts.....	\$450,248	\$450,804	\$516,463
Investments U. S. Government securities.....	57,621	41,787	37,644
Other securities.....	136,835	138,806	116,291
Total investments.....	\$194,456	\$180,593	\$153,935
Reserve balance with F. R. bank	45,208	45,764	46,109
Cash in vault.....	6,192	6,465	5,769
Deposits Net demand deposits.....	368,731	358,104	378,482
Time deposits.....	238,771	238,040	230,660
Government deposits.....	16,455	384	3,534
Total deposits.....	\$623,957	\$596,528	\$612,676
Bills payable and rediscounts with Federal Reserve Bank.....		170	2,535

*In thousands (000 omitted).

†Increase due to substitutions for closed banks. These 25 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their resources represent 52.6 per cent of the resources of all member banks in this district.

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. 1931	*Jan. 1931	*Feb. 1930	Feb. 1931 comp. to	
				Jan. 1931	Feb. 1930
East St. Louis & Natl. Stock Yards, Ill. \$	27,126	\$ 34,263	\$ 36,455	-20.8%	-25.6%
El Dorado, Ark.....	5,605	6,383	6,705	-12.2	-16.4
Evansville, Ind.....	20,552	27,022	23,508	-23.9	-12.6
Fort Smith, Ark.....	8,889	11,534	12,646	-22.9	-29.7
Greenville, Miss....	4,008	3,918	5,031	+ 2.3	-20.3
Little Rock, Ark....	26,744	33,483	42,521	-20.1	-37.1
Louisville, Ky.....	123,984	157,104	170,644	-21.1	-27.3
Memphis, Tenn.....	101,316	116,247	145,890	-12.8	-30.6
Owensboro, Ky.....	6,205	8,775	7,976	-29.3	-22.2
Pine Bluff, Ark.....	6,111	7,829	8,757	-21.9	-30.2
Quincy, Ill.....	6,602	7,437	11,309	-11.2	-41.6
St. Louis, Mo.....	536,850	725,659	641,667	-26.0	-16.3
Sedalia, Mo.....	3,381	4,469	3,855	-24.3	-12.3
Springfield, Mo.....	14,336	16,627	13,407	-13.8	+ 6.9
**Texarkana, Ark-Tex.....	9,813	12,789	12,881	-23.3	-23.8
Totals.....	\$901,522	\$1,173,539	\$1,143,252	-23.2	-21.1

*In thousands (000 omitted).

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

Federal Reserve Operations — During February the Federal Reserve Bank of St. Louis discounted for 185 member banks against 218 in January and 195 in February, 1930. The discount rate remained unchanged at 3 per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Mar. 19, 1931	*Feb. 19, 1931	*Mar. 19, 1930
Bills discounted.....	\$ 7,979	\$ 8,708	\$12,341
Bills bought.....	6,618	4,392	13,656
U. S. Securities.....	23,899	24,151	19,266
Total bills and securities.....	\$38,496	\$37,251	\$45,263
F. R. Notes in circulation.....	76,712	78,613	81,381
Total deposits.....	70,915	71,142	80,665
Ratio of reserve to deposits and F. R. Note Liabilities.....	78.8%	79.2%	78.1%

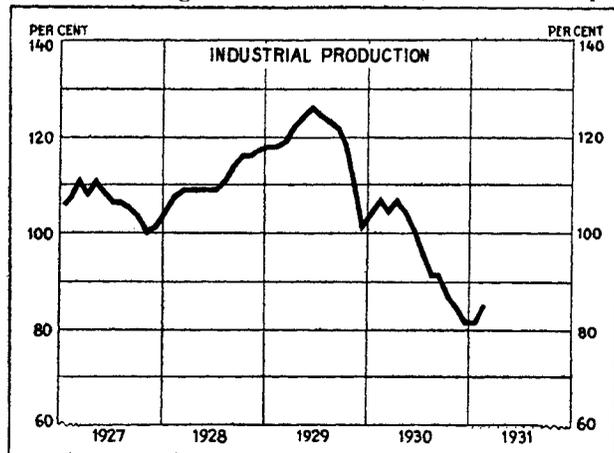
*In thousands (000 omitted).

(Compiled March 24, 1931)

BUSINESS CONDITIONS IN THE UNITED STATES

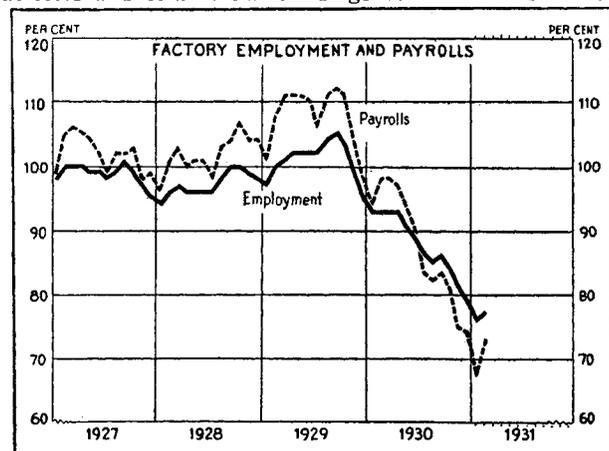
Output of most of the important industries increased more than seasonally in February, and although factory employment advanced at a less rapid rate, the volume of wage payments at factories also rose by more than the usual seasonal amount. The general level of commodity prices continued to decline.

PRODUCTION—Industrial production, as measured by the Board's index, which is adjusted to allow for seasonal variation, increased by 4 per cent in February from the low level prevailing in December and January. On the basis of the average for 1923-1925 as 100, the volume of pro-



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure February, 85.

duction in February was 85, compared with 82 for the two preceding months, and 107 for February of last year. At steel mills activity increased considerably, and the output of automobiles advanced by somewhat more than the usual seasonal amount. Output of shoe factories and textile mills increased substantially, while the output of coal continued to decline. During the first half of March, activity at steel mills continued to increase. Value of building contracts awarded in February was slightly larger than in January, according to the F. W. Dodge Corporation. An increase in residential building was accompanied by a decrease in contracts for public works and utilities, while awards for factories and commercial buildings continued in small vol-



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.) Latest figures February, employment 77.3, payrolls 73.2.

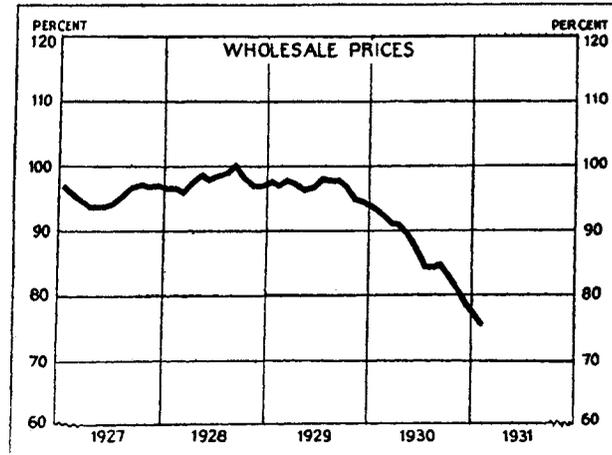
ume. In the first half of March there was an increase in daily average of contracts awarded, as is usual at this season.

FACTORY EMPLOYMENT AND PAYROLLS—Factory employment increased slightly less than usual in February, while factory payrolls increased by more than the seasonal amount from the low level of January. In many industries the rate of increase in payrolls was about the same as in February of other recent years, but in the

automobile, shoe, woolen goods, and clothing industries, the rate of increase was larger than usual.

DISTRIBUTION—Daily average freight-car loadings showed little change from January to February, while ordinarily there is an increase at this season. Sales by department stores increased slightly.

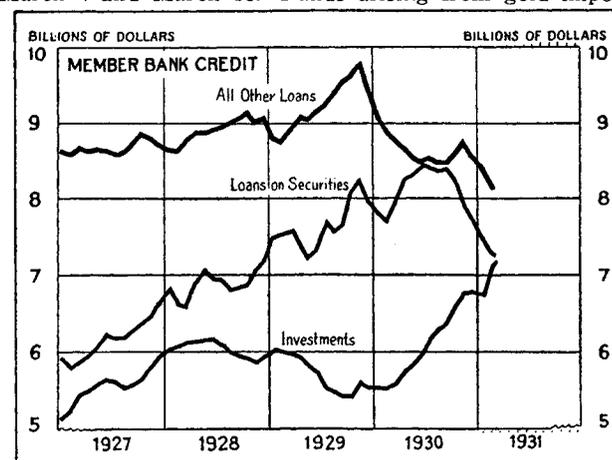
WHOLESALE PRICES—Wholesale commodity prices declined further in February, and the Bureau of Labor Statistics' index at 75.5 per cent of the 1926 average, was about 18 per cent below the level of a year ago. Prices of many agricultural products decreased considerably, while



Index of United States Bureau of Labor Statistics (1926=100). Latest figure February, 75.5.

the price of cotton advanced further. In the first half of March there were considerable increases in prices of silver, livestock, meats, and hides, and declines in the prices of petroleum and cotton.

BANK CREDIT—Loans and investments of member banks in leading cities changed relatively little between the end of January and the middle of March. Total loans on securities declined, notwithstanding the growth in brokers' loans in New York City, and other loans showed considerable further liquidation, while the banks' investments continued to increase. Volume of reserve bank credit tended downward in February and showed little change between March 4 and March 18. Funds arising from gold imports



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in March.

in February were largely absorbed in meeting a seasonal demand for currency, while in the early part of March there was an increase in member bank reserve balances.

Money rates in the open market continued at low levels from the middle of February to the middle of March. Rates on commercial paper were reduced from a range of $2\frac{1}{2}$ - $2\frac{3}{4}$ per cent to a prevailing level of $2\frac{1}{2}$ per cent, while rates on 90-day bankers' acceptances remained at $1\frac{1}{2}$ per cent. Yields on high grade bonds continued to decline.