



MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of April 29, 1931

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Assistant Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

MAINLY as a consequence of seasonal influences, business in this district during the past thirty days developed further moderate improvement as compared with the similar period just preceding. As compared with a year earlier and the average during the past decade, however, operations continued to show substantial decreases. As was the case earlier in the year, considerable irregularity marked the course of both trade and industry. Taken as a whole, a more favorable exhibit was made by distribution than production. All of the wholesaling and jobbing lines investigated by this bank reported gains in March sales over those of the preceding month, with several important classifications, notably boots and shoes, hardware, and groceries, showing increases somewhat larger than the average for the period. On the other hand, with but two exceptions, heavy decreases under the March totals of last year were recorded. In the case of goods for ordinary consumption, the early Easter date was an important influence in expanding the volume of March merchandise sales. Certain manufacturing lines, notably those engaged in producing seasonable goods, held the gains achieved earlier in the year, and some increased their working schedules. On the other hand, a number of industries reduced their rate of operations in late March and early April.

There was little, if any, variation noted in the policy of close and conservative purchasing of commodities, by both merchants and the public, which has obtained in recent months. Commitments for future requirements are being held within narrow limits, and the volume of advance business booked by interests reporting to this bank was smaller on April 1 than on any like date in more than a decade. The slightly downward trend in commodity prices served to emphasize the disposition to buy cautiously. Distribution of automobiles in the district during March, according to the reporting dealers, was in considerably smaller volume than a year ago, but only slightly below the February total, and reports relative to business during the first half of April indicate a total for the month about equal to last

year. The average rate of operations at iron and steel plants declined slightly during late March and early April. The estimated melt of pig iron in March was about equal to that of the preceding month.

Under favorable weather conditions, the progress of growing crops and spring farm work made good progress, and the outlook for the principal agricultural productions of the district at the middle of April was unusually auspicious. Precipitation in March and early April supplied needed moisture, and soil conditions generally are better than at any time since last spring. As compared with the preceding thirty days, little change took place in employment conditions in the large industrial centers. Opening of outdoor construction operations and farm work however, measurably reduced the number of idle common laborers generally through the district.

Sales of department stores in the principal cities in March were 20.7 per cent larger than in February, but 12.7 per cent smaller than the March, 1930 total. Combined sales of these stores for the first quarter of 1931 were smaller by 12.9 per cent than for the same period last year. Total March sales of all wholesale and jobbing firms reporting to this bank were 20.0 per cent larger than in February and 19.0 per cent less than in March last year. First quarter sales of these firms were 21.0 per cent less than for the same period in 1930. Contracts let for construction in the Eighth District in February, while slightly below the total of a year earlier, showed a substantial gain over February, and represented the largest total since last October. The dollar value of building permits let for new construction in the five largest cities in March was 14.4 per cent smaller than for the same month last year, and 5.6 per cent less than the February total this year. Charges to checking accounts in March were 12.6 per cent greater than in February, but 21.3 per cent less than in March, 1930. The amount of savings accounts increased slightly between March 4 and April 1, and on the latter date were 2.3 per cent smaller than a year ago.

While showing small weekly gains during March, traffic of railroads operating in this district continues in substantially smaller volume than a year and two years earlier. Grain and grain products, and livestock made a relatively better showing than some other classifications; the movement of miscellaneous freight and merchandise was considerably smaller in both comparisons. For the country as a whole loadings of revenue freight during the first thirteen weeks of the year, or to March 28, totaled 9,266,039 cars, against 11,269,184 cars for the corresponding period last year and 12,153,528 cars in 1929. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 192,150 loads in March, against 164,030 loads in February, and 220,296 loads in March, 1930. During the first nine days of April the interchange amounted to 53,784 loads against 64,680 loads during the corresponding period in March, and 64,523 loads during the first nine days of April, 1930. Passenger traffic of the reporting lines decreased 14 per cent in March as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 82,500 tons, against 69,672 tons in February and 75,157 tons in March, 1930.

Reports relative to collections continue to reflect an unusual degree of unevenness, both in wholesaling and retail lines. Taken as a whole, however, the average during the past thirty days showed little variation from the similar period immediately preceding, though considerably below the same time last year. Some betterment was noted in the south, particularly in the tobacco districts, where farmers are using the proceeds of their crops to liquidate indebtedness. April settlements with wholesalers in the large distributing centers were about equal to expectations, though there is an increasing number of complaints of backward accounts and actual losses. Smaller retail merchants in the large cities and country report moderate improvement in their collections, particularly in the case of goods purchased on the installment plan. 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, 1931.....	%	12.6%	60.1%	27.3%
February, 1931.....		13.1	57.2	29.7
March, 1930.....	1.4	14.1	59.2	25.3

Commercial failures in the Eighth Federal Reserve District in March, according to Dun's numbered 144, involving liabilities of \$2,969,521, against 181 failures in February with liabilities of \$5,158,243, and 133 defaults for a total of \$2,419,565 in March, 1930.

The average daily circulation in the United States in March was \$4,590,000,000, against \$4,598,000,000 in February, and \$4,534,000,000 in March, 1930.

MANUFACTURING AND WHOLESALING

Boots and Shoes— Stimulated by the early Easter date and generally small retail stocks, sales of the reporting firms in March showed an increase of more than one-third as contrasted with the preceding month, but the total was 13.0 per cent below that of March, 1930. Stocks continued to decrease, inventories on April 1 being 20.0 per cent and 31.0 per cent smaller, respectively, than thirty days and a year earlier. There was no change in prices as compared with the preceding month, but the average was approximately 10 per cent lower than a year ago. Demand for work shoes and the more staple lines generally continues relatively less active than for women's novelty wear and children's lines.

Clothing— The usual seasonal influences and early Easter date were reflected in a substantial gain in March sales of the reporting clothiers over the February total. Due to the unusually small volume of advance buying and belated ordering, some congestion was experienced in meeting demands of customers. Since April 1 some slowing down in new orders has developed, and the volume of advance business booked is below that at the same time last year. March sales of the reporting interests were 38.0 per cent larger than in February, but about one-fifth smaller than in March, 1930. The decrease from a year ago was partly due to lower prices, the decline being estimated at from 10 to 15 per cent.

Drugs and Chemicals— Further improvement was noted in this classification, March sales of the reporting interests showing a small increase over the same month in 1930, and an increase of about 8.0 per cent over the February total this year. Belated purchasing of seasonal commodities, notably fertilizers and insecticides, were partly responsible for the gain in the month-to-month comparison. Demand generally through all lines showed betterment. April 1 stocks showed little change from a month earlier, and were about 4.0 per cent larger than on April 1, 1930.

Dry Goods— While showing a gain of about 4.0 per cent over the preceding month, March sales of the reporting firms recorded a decline of more than one-fourth as contrasted with the total in March, 1930. Inventories decreased 6.0 per cent between March 1 and April 1, and on the latter date were 38.0 per cent smaller than a year earlier. As compared with the practice of preceding years, buying is distorted. Ordering by retail merchants is

limited largely to goods to replace exhausted stocks; and goods which were purchased ordinarily in one month may now be acquired at an earlier or later period, according to the exigencies of inventory, demand, prices, etc. These conditions were emphasized during the past two months, when effects of the early Easter date and other seasonal influences were strongly in evidence.

Electrical Supplies — Due mainly to a more active movement of seasonal commodities, March sales of the reporting firms were 8.0 per cent larger than in February, but almost one-third smaller than in March, 1930. Inventories increased slightly between March 1 and April 1, and on the latter date were approximately 6 per cent larger than a year ago. In the yearly sales comparison, decreases were general in all lines, but particularly marked in radio material, household appliances and electrical installations in new structures. Advance orders at the end of March were the smallest for that particular date in more than a decade.

Flour — Production at the 12 leading mills of the district in March totaled 299,439 barrels, the smallest for any month since June, 1926, and comparing with 304,656 in February and 388,661 in March, 1930. New orders booked by the mills continued in small volume, and practically all for immediate shipment. Shipping directions were reported as showing further improvement, and the tone of the market was a shade firmer. Mill operations were at from 55 to 60 per cent of capacity. Aggregate stocks in the hands of mills and dealers were the smallest for any similar period in recent years.

Furniture — March sales of the reporting firms were 9.0 per cent greater than in February, and 29.0 per cent less than the March, 1930, total. Inventories continue to decrease, and on April 1 were 17.0 per cent smaller than a month earlier, and more than one-third less than on April 1, 1930. Retail stocks are also light, but there is a disposition to postpone replenishing, and stock orders are lacking.

Groceries — The volume of business in this classification during March showed somewhat more than the usual seasonal increase over the preceding month. Sales in the rural areas, particularly in the south, showed improvement, and retailers generally were ordering more freely to replenish depleted stocks and fill out assortments. March sales of the reporting firms were 11.0 per cent larger than in February, and 14.0 per cent smaller than in March, 1930. Stocks increased about one-third between March 1 and April 1, and were 16.0 per cent smaller on the latter date than a year earlier.

Hardware — March sales of the reporting interests were 10.0 per cent larger than in February, but approximately one-third smaller than the March, 1930, total. In the monthly comparison, increases were general in all seasonal lines, and sales of merchandise for distribution in the farming areas showed decided improvement. Some betterment was noted in demand for paints, and builders' hardware. Stocks on April 1 were 5.0 per cent larger than thirty days earlier, and about one-fifth smaller than on April 1, 1930.

Iron and Steel Products — The past thirty days were marked by a moderate recession in activities in the iron and steel industry in this district. As was the case earlier in the year, however, considerable irregularity existed in the several lines, with some important branches of the industry scoring further slight gains, while others failed to hold the improvement achieved during January and February. New orders placed for finished materials were in smaller volume than during the preceding month, and purchasing of all descriptions of iron and steel goods continues on an extremely conservative scale. During March contracting for second quarter requirements of raw materials was sluggish, the disposition among all classes of consumers being to cover current needs in the open market and avoid heavy commitments for future delivery. Demand for certain building materials was stimulated by the placing of contracts for a number of large construction projects, steel mills and fabricators benefiting by this business. The outlet through the automotive and railroad industries, however, failed to show the expected broadening, and purchasing by numerous smaller consumers of finished iron and steel goods failed to show the usual seasonal improvement. Farm implement manufacturers reported new orders and shipments smaller than a month earlier, and demand generally for goods for consumption in the agricultural areas showed little, if any improvement. Producers and distributors of sheets reported a slowing down in specifications, with galvanized material particularly slow. Tubing, plates and the general run of oil country goods showed no change from the quiet conditions existing during recent months. Iron and steel warehouse and jobbing interests report business quiet, with orders booked almost exclusively carrying immediate shipping directions. Requirements of the general manufacturing trade have failed to show the usual seasonal expansion. Manufacturers of stoves and heating apparatus report advance sales the smallest for this particular period in more than two decades. Awards of structural steel and reinforcing concrete bars were in larger volume than during the preceding month, and

pending inquires indicate further improvement during the next sixty days. Prices of finished and semi-finished materials showed no change worthy of note, and quotations on pig iron remain steady. Scrap iron and steel prices receded further, with all important items reaching the lowest levels since prior to the beginning of the world war. Production of pig iron for the country as a whole in March totaled 2,028,906 tons, against 1,711,192 tons in February, and 3,252,822 tons in March, 1930. Steel ingot production in the United States in March amounted to 3,023,440 tons, against 2,527,318 tons in February, and 4,299,905 tons in March, 1930.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in March totaled 276,341, against 219,897 in February, and 401,378 in March, 1930.

According to dealers reporting to this bank, distribution of automobiles in this district during March continued in smaller volume than during the corresponding month last year and the average for that period during the past half decade. The extent of the decrease was considerably smaller than the average in recent months, and reports relative to sales during the first half of April indicate an aggregate volume closely approximating that of the same time in 1930. A small decrease was shown in March sales as contrasted with February, in which month the total was the largest since last April. Generally favorable weather throughout March had a stimulating effect on business of country dealers, many of whom reported a larger volume of sales than for any single month since last spring. In both the large cities and the country, relatively the best showing was made by dealers distributing the lower priced cars. Good response generally was reported to new models and price reductions. Business in parts and accessories was spotted, but about on a parity with the preceding month, and only slightly smaller in aggregate volume than during the same period in 1930. March sales of new passenger cars by the reporting dealers were about a fifth smaller than for the same month in 1930, and 5.2 per cent less than in February this year. Stocks of new cars in dealers' hands on April 1 were the smallest in recent years. Almost universally the distributors are ordering only cars for which they have actual orders or definite prospects. April 1 inventories were 1.5 per cent smaller than on March 1, and only slightly more than half as large as on April 1, 1930. Further moderate improvement was noted in demand for used cars, in both the urban centers and smaller communities. As compared with a year ago salable

secondhand car stocks on April 1 were smaller by about one-third, while little variation was reported from the holdings on March 1 this year. There was the usual seasonal betterment in demand for small trucks for delivery service in March, but sales of all descriptions of trucks showed small declines as compared with a year and a month earlier. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in March was 51.5 per cent, which compares with 56.0 per cent in February and 54.2 per cent in March, 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
Mar. 1931 comp. to Mar. 1930	3 months ending Mar. 31, 1931 to same period 1930	Mar. 31, 1931 comp. to Mar. 31, 1930	Jan. 1, to Mar. 31, 1931 1930
Evansville	-27.8%	-24.7%	-19.5%
Little Rock.....	9.5	-12.5	-22.5
Louisville.....	-12.3	-14.1	-13.2
Memphis	-24.2	-25.8	-24.6
Quincy	-23.9	-16.9	-17.1
St. Louis.....	-10.0	-9.6	-5.9
Springfield, Mo....	9.5	-7.0	-12.4
8th District.....	-12.7	-12.9	-12.0
Net sales comparison		Stocks on hand	
Mar. 1931 comp. to Mar. 1930	Mar. 1931 comp. to Feb. 1931	Mar. 1931 comp. to Mar. 1930	Mar. 1931 comp. to Feb. 1931
Men's furnishings.....	+22.8%	+42.3%	-18.9%
Boots and shoes.....	-21.5	+40.8	-15.9

BUILDING

The dollar value of building permits for new construction issued in the five largest cities of the district in March was 14.9 per cent less than for the same month in 1930, and 5.6 per cent less than in February this year. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March amounted to \$22,970,128 which compares with \$12,508,780 in February and \$23,705,343 in March, 1930. Production of Portland cement for the country as a whole in March totaled 8,227,000 barrels, against 5,920,000 barrels in February, and 11,225,000 barrels in March, 1930. Building figures for March follow:

New Construction				Repairs, etc.			
Permits		*Cost		Permits		*Cost	
1931	1930	1931	1930	1931	1930	1931	1930
Evansville ..	208	51	\$ 78	\$ 189	62	74	\$ 12
Little Rock	31	65	76	217	38	98	17
Louisville ..	86	145	748	478	50	77	72
Memphis	309	330	178	652	65	168	33
St. Louis....	360	440	969	873	306	440	154
Mar. totals..	994	1,031	\$2,049	\$2,409	521	857	\$ 288
Feb. totals..	626	937	2,170	2,127	490	618	299
Jan. totals..	484	548	2,855	853	491	523	331

*In thousands of dollars (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show a decrease in combined postal receipts for the first three months this year of 7.7 per cent under the corresponding period in 1930, and of 11.8 per cent under the final quarter in 1930. Detailed figures follow:

	For Quarter Ending				Mar. 1931 comp. to Mar. 1930
	Mar. 31, 1931	Dec. 31, 1930	Sept. 30, 1930	Mar. 31, 1930	
Evansville	\$ 165,000	\$ 162,000	\$ 157,000	\$ 164,000	+ 0.6%
Little Rock....	212,000	224,000	234,000	238,000	-10.9
Louisville	627,000	708,000	612,000	681,000	- 7.9
Memphis	521,000	618,000	541,000	653,000	-20.2
St. Louis.....	2,890,000	3,294,000	2,735,000	3,049,000	- 5.2
Totals.....	\$4,415,000	\$5,006,000	\$4,279,000	\$4,785,000	- 7.7

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district reported consumption of electric current in March by selected industrial customers as being 6.2 per cent greater than in February, but 8.6 per cent smaller than in March, 1930. The increase in the month-to-month comparison was rather general through all classes of consumers, and the same holds true relative to decreases in the comparison with a year ago. Detailed figures follow:

	No. of Custom- ers	Mar. 1931	Feb. 1931	Mar. 1931 comp. to Feb. 1931	Mar. 1930	Mar. 1931 comp. to Mar. 1930
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	2,007	1,731	+15.9%	1,687	+19.0%
Little Rock..	35	1,280	1,308	- 2.1	1,331	- 3.8
Louisville	85	5,648	5,303	+ 6.5	5,834	- 3.2
Memphis	31	948	1,704	-44.4	1,714	-44.7
St. Louis.....	159	17,275	15,527	+11.3	19,162	- 9.8
Totals	350	27,158	25,573	+ 6.2	29,728	- 8.6

*In thousands (000 omitted).

AGRICULTURE

Intentions of farmers, in states including the Eighth Federal Reserve District, for planting the principal crops this spring, as indicated by the report of the U. S. Department of Agriculture, reflect a larger total acreage than during the preceding three years. Considerable variation in acreage is shown with reference both to localities and the several crops. Weather conditions have apparently had much influence on planting intentions, as have, also, market values. Including winter wheat planted last fall and excluding cotton, on which no estimate is made, the aggregate area in these states will be approximately 2.9 per cent greater than in 1930.

Farmers plan to plant larger acreages this year than last, of corn, oats, barley, potatoes, sweet potatoes and tobacco, and smaller acreages of rice, tame hay and peanuts. Due to the favorable planting season last fall, the acreage seeded to winter wheat was greater than that harvested in 1930 or 1929.

The following comparative table shows intended plantings in 1931 by farmers in states of this district, and the number of acres of the several crops grown for harvest in the three preceding years:

	1931	1930	1929	1928
Corn	29,635,000	28,815,000	27,937,000	30,024,000
Oats	9,517,000	8,927,000	8,389,000	9,474,000
Rice	173,000	173,000	157,000	174,000
Barley	794,000	537,000	429,000	476,000
Potatoes	399,000	338,000	333,000	367,000
Sweet Potatoes.....	215,000	165,000	168,000	161,000
Tobacco	749,000	663,000	630,000	502,000
Peanuts	56,000	62,000	46,000	62,000
Tame Hay.....	11,971,000	12,337,000	13,235,000	12,148,000
Winter Wheat.....	6,332,000	6,144,000	6,656,000	4,229,000
Totals	59,841,000	58,161,000	57,980,000	57,617,000

As pointed out by the Department of Agriculture, the statement of farmers' intentions to plant

is not a definite forecast of acreage that will actually be planted. It is an indication of what farmers had in mind at the time they made their reports, compared with the acreage grown by them a year earlier. Final 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 — Taken as a whole weather conditions during the past thirty days were favorable for field and farming activities of all descriptions and for the growth and development of growing crops. Despite retardation of field work in certain sections, occasioned by rains and low temperatures in March and early April, soil preparation and seeding of early crops are still well in advance of the usual seasonal schedule. Generally through the district, seeding of oats has been completed, and seeding of corn has made good headway. Extensive cultivation of cotton fields has been accomplished and some scattered plantings are reported. Due to the favorable season, farmers in many sections have been able to do an unusual amount of spring work with a minimum of hired help, which fact will tend to reduce ultimate cost of production.

Throughout the district soil and subsoil conditions have been substantially improved by the precipitation received since the second week in March. In the south there have been abundant rains, sufficient to considerably cut down the deficiency resulting from drought. In the northern part of the district enough moisture was received for immediate needs, both for agricultural and community purposes, but at the middle of April soaking rains were still much needed to replenish water supplies for the late spring and summer. The stage of rivers remains universally low, with many creeks and ponds completely dry.

Further marked improvement was noted in the situation with regard to financing spring farm operations. Governmental and other agencies have made considerable advances of funds to farmers in the drought areas, and in virtually all sections adequate seed and other necessary supplies for spring planting have been made available. Supply of farm laborers continues in excess of requirements, with less than the usual seasonal reduction noted in idle workers in this category.

Winter Wheat — Universally through this district wheat came through the winter in excellent shape, there being considerably less than the average damage due to cold weather. According to the U. S. Department of Agriculture the condition of the crop in all states of the district on April 1 was

higher than on the same date last year and the 10-year average, with the exception of Mississippi, a state of small importance in wheat culture. Based on the April 1 condition, the indicated combined yield in Illinois, Indiana and Missouri is 89,000,000 bushels, which compares with 86,317,000 bushels harvested in 1930, and a 5-year average of 75,350,000 bushels. While temperatures since plantings were favorable for plant growth, moisture was short most of the winter, preventing undue early spring development. Moisture deficiency has been relieved to a considerable extent by precipitation during March and the first half of April, though subsoil moisture is still inadequate in some areas. Abandonment of acreage is expected to be the smallest in several years.

Corn — In all states of the district intentions of farmers are to increase their acreage of corn this spring over the acreage grown for harvest last year. Relatively the largest increases are in the southern states, where the yield in 1930 was the smallest in many years and the carryover in this year practically nil. The increase indicated for all these states over a year ago is approximately 820,000 acres, or 3 per cent. Weather has been ideal for soil preparation and in the south seeding has made good progress. Germination was held back by the cold weather in March and early April.

Fruits — The cold snap toward the end of March is believed to have done little, if any damage to fruit crops in this district. High winds and cloudiness which generally accompanied the low temperatures prevented killing frosts, and reports from practically all sections of the district, but more particularly areas where commercial orchards are located, indicate very favorable prospects for tree fruits. Reports relative to intended plantings of vegetables for commercial and general purposes vary rather broadly, but with the general trend in the direction of smaller acreages than last year and the average during the past half decade. Recent rains have substantially benefited early planted gardens.

Live Stock — Changes in the condition of live stock during the past thirty days were seasonal in character, nothing having occurred to alter the general status as contrasted with the preceding month. The season has been unusually auspicious for the spring lamb and pig crops.

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

	Receipts			Shipments		
	Mar. 1931	Feb. 1931	Mar. 1930	Mar. 1931	Feb. 1931	Mar. 1930
Cattle and Calves.....	86,896	77,694	79,627	52,227	47,610	50,764
Hogs	246,731	273,418	306,178	198,500	223,658	263,597
Horses and Mules.....	10,839	9,140	16,324	9,434	8,646	13,811
Sheep	26,901	22,848	29,029	12,652	11,518	16,221

Cotton — Preparations for planting the new crop are further advanced than at any like period since 1925. Seeding was delayed in March and the first days of April by low temperatures and heavy rains in some section, but since that time perfect weather for planting has prevailed generally through the district, and excellent progress is the rule. Soil conditions are universally good, and seed and labor supplies are ample for all requirements. For the season to the middle of April, fertilizer sales are substantially below a year earlier. Reflecting a slowing in demand for both domestic consumption and export, prices of raw cotton declined during late March and early April. In the St. Louis market the middling grade ranged from 9.50c to 10c per pound between March 16 and April 15, closing at 9.35c on the latter date, which compares with 10c on March 16, and 15c on April 15, 1930. Stocks of cotton on hand in Arkansas warehouses April 10 totaled 185,154 bales against 236,016 bales on March 13, and 201,200 bales on the corresponding date in 1930.

Tobacco — Sales of limited quantities of last year's crop were conducted in markets of the Clarks-ville, Springfield, Hopkinsville and Paducah districts, with an upward trend in prices for choice leaf. As is usual when nearing their close, the markets were supplied chiefly with inferior grades of tobacco, on which prices were lower. Some dark-fired markets will continue well into May because of adverse weather conditions for handling stock.

Tobacco plant beds were generally sown early, but low temperatures in March delayed germination. Recent rains and warmer weather, however, have effected substantial improvement in the plants. In all sections plant beds are plentiful, and the plants mainly healthy. The open winter permitted of extensive preparation of land, and fields are in high state of cultivation.

Commodity Prices — Range of prices in the St. Louis market between March 16, 1931 and April 16, 1931, with closing quotations on the latter date and on April 15, 1930.

				Close	
				April 16, 1931	April 15, 1930
Wheat		High	Low		
July	per bu..	.62½	.56½	\$.61½	\$1.04¾
Sept.	"	.60½	.56½	.60½	1.07¾
No. 2 red winter	"	.80½		.80½	\$1.16½ @ 1.17
No. 2 hard.....	"	.81½	.77	.81	@ .81½ 1.05 @ 1.05½
Corn					
May	"	.65¾	.59¾	.61¾	.82
July	"	.67¾	.61¾	.63¾	.84½
Sept.	"	.61¾	.59½	.61½	
No. 2 mixed.....	"	.63½	.59½	.60 @ .61	@ .81½
No. 2 white.....	"	.64	.60½	.63 @ .64	.83 @ .84
Oats					
No. 2 white.....	"	.34½	.32½	.33¾ @ .33½	.45 @ .45½
Flour					
Soft patent.....	per bbl.	5.65	4.90		6.25 @ 6.50
Spring patent....	"	4.50	4.20	4.20 @ 4.50	5.70 @ 5.75
Middling cotton....	per lb.	.10	.935	.935	.15
Hogs on hoof.....	per cwt.	8.40	6.15	6.15 @ 7.75	8.75 @ 10.15

FINANCIAL

Except for slight changes, traceable to seasonal considerations, the same general trends in the banking and financial situation in this district which have been in operation since early in the year persisted during the past thirty days. Demand for credit for commercial and industrial purposes continued in relatively small volume; somewhat less than the usual seasonal requirements for agriculture were in evidence, and the tendency to augment the volume of funds in investment channels was even more marked than heretofore. Liquidation of commercial loans was in considerable volume, particularly in the large cities where banks supply accommodations to the boot and shoe, dry goods and other wholesaling and jobbing lines with which April is an important settlement month. Generally light inventories and reduced operations were reflected in a considerably smaller demand from manufacturing interests than is usual at this time of year. Milling and grain interests further reduced their commitments, and because of the low price of wheat and small average flour stocks the volume of loans in this category is much below the average of recent years. Demand for credit for financing livestock operations was also below the seasonal volume.

Contrary to the usual seasonal trend, deposits of the reporting member banks moved sharply upward between March 11 and April 9, and on the latter date reached the highest point since February, 1929. Investments of these banks also moved rapidly upward, continuing the increase which started last summer. The total of this item on April 9 was \$211,465,000, the highest on record for that date, and represented an increase of 13.5 per cent and 37.0 per cent, respectively over a month and a year earlier. Total loans decreased slightly, the moderate gain in "all other loans" being offset by a decrease of approximately one-third in security loans. There was little change in the volume of borrowings by all member banks from the Federal reserve bank, but the average continued well below that for the same period last year and during the past decade.

Reflecting abundant supplies of funds, and limited credit demands, interest rates eased slightly, reaching the lowest point on the present retrograde movement on certain classes of loans. Current quotations at St. Louis banks were as follows: Prime commercial paper, $2\frac{3}{4}$ to 6 per cent; collateral loans, 4 to $5\frac{1}{2}$ per cent; loans secured by warehouse receipts, 3 to 5 per cent; interbank loans $3\frac{1}{2}$ to $5\frac{1}{2}$ per cent and cattle loans $5\frac{1}{2}$ to 6 per cent.

Condition of Banks—Loans and discounts of the reporting member banks on April 8, 1931 showed

a decrease of 1.8 per cent as contrasted with March 11, 1931. Deposits increased 3.9 per cent between March 11, 1931 and April 8, 1931 and on the latter date were 4.6 per cent larger than on April 9, 1930. Composite statement follows:

	*Apr. 8, 1931	*Mar. 11, 1931	*Apr. 9, 1930
Number of banks reporting.....	†25	†25	24
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations			
and by other stocks and bonds..	\$177,420	\$188,401	\$230,814
All other loans and discounts....	273,741	270,869	281,647
Total loans and discounts.....	\$451,161	\$459,270	\$512,461
Investments			
U. S. Government securities.....	70,204	45,869	37,805
Other securities.....	141,261	140,490	116,524
Total investments.....	\$211,465	\$186,359	\$154,329
Reserve balance with F. R. bank..	47,250	44,735	45,439
Cash in vault.....	6,641	6,433	5,599
Deposits			
Net demand deposits.....	385,525	378,654	380,305
Time deposits.....	247,055	239,259	231,215
Government deposits.....	9,543		2,178
Total deposits.....	\$642,123	\$617,913	\$613,698
Bills payable and rediscounts with Federal Reserve Bank			2,130

*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.

	*Mar. 1931	*Feb. 1931	*Mar. 1930	Mar. 1931 comp. to Feb. 1931	Mar. 1930
East St. Louis & Natl.					
Stock Yards, Ill..	\$ 28,950	\$ 27,126	\$ 40,994	+ 6.7%	—29.4%
El Dorado, Ark.....	5,083	5,605	7,404	— 9.3	—31.3
Evansville, Ind.....	21,752	20,552	27,686	+ 5.8	—21.4
Fort Smith, Ark.....	9,444	8,889	13,589	+ 6.2	—30.5
Greenville, Miss....	3,550	4,008	5,249	—11.4	—32.4
Little Rock, Ark....	28,732	26,744	49,413	+ 7.4	—41.9
Louisville, Ky.....	144,099	123,984	181,365	+16.2	—20.5
Memphis, Tenn.....	109,695	101,316	162,689	+ 8.3	—32.6
Owensboro, Ky.....	5,367	6,205	7,064	—13.5	—24.0
Pine Bluff, Ark.....	6,807	6,111	10,013	+11.4	—32.0
Quincy, Ill.....	7,753	6,602	13,453	+17.4	—42.4
St. Louis, Mo.....	616,583	536,850	736,277	+14.9	—16.3
Sedalia, Mo.....	3,642	3,381	4,587	+ 7.7	—20.6
Springfield, Mo....	14,000	14,336	15,983	— 2.3	—12.4
**Texarkana					
Ark.-Tex.....	9,264	9,813	14,042	— 5.6	—34.0
Totals.....	\$1,014,721	\$901,522	\$1,289,808	+12.6	—21.3

*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 192 member banks against 185 in February and 206 in March 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:

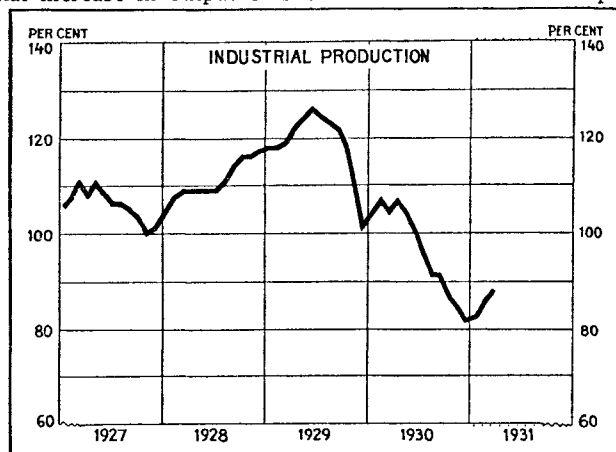
	*Apr. 17, 1931	*Mar. 17, 1931	*Apr. 17, 1930
Bills discounted.....	\$ 7,978	\$ 8,092	\$13,791
Bills bought.....	9,635	7,303	12,139
U. S. Securities.....	23,899	24,025	19,268
Total bills and securities.....	\$41,512	\$39,420	\$45,198
F. R. Notes in circulation.....	76,450	77,298	78,808
Total deposits.....	76,865	70,966	77,446
Ratio of reserve to deposits and F. R. Note Liabilities.....	78.0%	78.4%	77.3%

*In thousands (000 omitted).

(Compiled April 23, 1931)

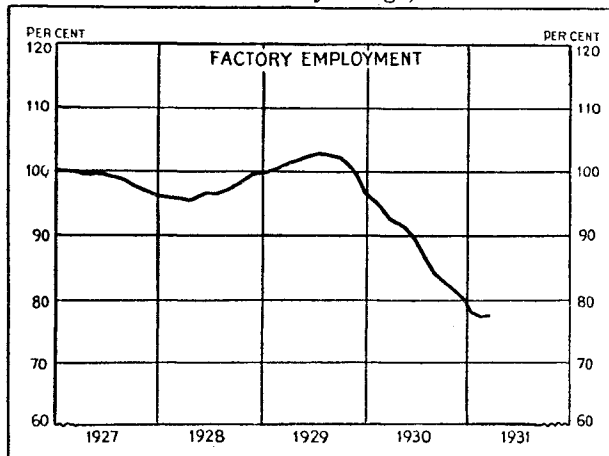
BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION AND EMPLOYMENT—Industrial production increased 2 per cent further in March and the Federal Reserve Board's seasonally adjusted index stood at 88 per cent of the 1923-1925 average, compared with 104 per cent in March, 1930. There was a considerable increase in daily average output of steel, which ordinarily shows little change from February to March, while production of automobiles increased by about the usual seasonal percentage. Activity at cotton mills increased slightly, contrary to the ordinary seasonal movement, and there was a substantial increase in output of shoes. In the first half of April,



Index number of industrial production, adjusted for seasonal variation; (1923-1925 average=100). Latest figure March, 88.

steel mill activity declined. The number of men employed at factories increased between the middle of February and the middle of March by about the usual seasonal amount. In the iron and steel, and automobile industries somewhat larger than usual increases were shown, and at textile mills and shoe factories, where the number employed ordinarily declined in March, substantial increases in employment were reported. In the agricultural machinery and petroleum refining industries and at car building shops employment declined, contrary to the usual seasonal trend, and in the automobile tire, and fertilizer industries employment increased less than usual. Volume of building contracts awarded in March increased considerably from February, according to the F. W. Dodge Corporation, reflecting in large part developments of a seasonal character. Contracts for residential building increased seasonably and were in about the same volume as a year ago, while contracts for



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100). Latest figure, March, 77.9.

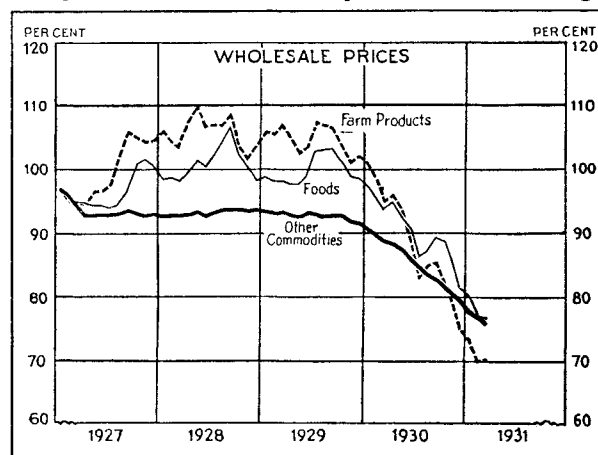
public works and utilities rose to the high level of March, 1930.

AGRICULTURE—Definite improvement to moisture conditions in the drought area was an important development in March and the first week of April. Supplies of moisture in the topsoil have been replenished, but the subsoil continued to be dry in certain areas particularly in the spring wheat belt. Department of agriculture estimates, based on April 1 conditions, indicate a winter wheat crop of 644,000,000 bushels, about 100,000,000 bushels larger than the five-year average and 40,000,000 more than last year. In-

tentions to plant as reported March 1, indicate a considerable reduction in spring, wheat acreage, and an increase in acreage to be planted to corn.

DISTRIBUTION—Volume of freight-carloadings increased seasonally in March and department store sales increased during the Easter season by about the usual amount.

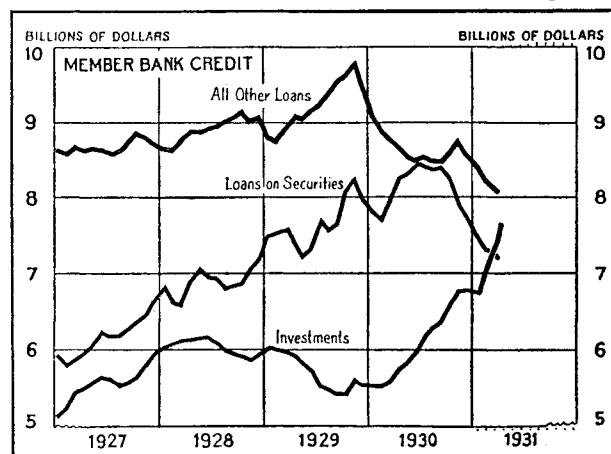
PRICES—The general level of wholesale commodity prices continued to decline in March, according to the Bureau of Labor Statistics, reflecting chiefly reductions in the prices of petroleum products, bituminous coal, and textile products. Prices of farm products increased slightly



Indexes of the United States Bureau of Labor Statistics (1926=100). Latest figures March, farm products, 70.6; nonagricultural, 75.6.

and there was a substantial advance in the price of hides. In the first half of April prices of many commodities, including cattle, cotton, rubber, and coffee, declined while, the price of wheat advanced.

BANK CREDIT—Loans and investments of member banks in leading cities, which had increased in the middle of March as the result of treasury operations, showed a decline for every week between March 18 and April 8, but on the latter date were still \$270,000,000 larger than four weeks earlier. Investment holdings of these banks were at a new high figure on April 8, owing largely to an increase in their holdings of United States Government obligations, while loans on securities as well as all other loans showed a decline for the four week period. Volume of reserve bank credit has fluctuated since the middle of February around a level of \$925,000,000. Continued imports of gold, deposited by member banks with the reserve banks, have provided



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

the member banks with sufficient funds to meet an increase in the demand for currency. United States Government security holdings of the reserve banks have remained at the level of \$600,000,000, established last summer, while discounts for member banks have continued to decline, and holdings of purchased acceptances have fluctuated in response to temporary changes in the demand for reserve bank credit. Money rates showed little change from the middle of March to the middle of April. Rates on commercial paper declined further from a prevailing rate of $2\frac{1}{2}$ per cent to a range of $2\frac{1}{4}$ - $2\frac{1}{2}$ per cent, while bond yields increased slightly.