



MONTHLY REVIEW

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

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TRENDS in business and industry in the Eighth District during the past thirty days were irregular and spotty. Moderate expansion was noted in several important industries, and in certain lines of wholesaling and jobbing, increased volume of dollar sales was reported as compared with the preceding month, and in a limited number of instances, unit volume exceeded that of a year ago. In all lines investigated, however the dollar volume of February sales fell below that of the corresponding period in 1931 and the average during the past ten years. In trade and industry as a whole gains were offset by decreases, so that the thirty day period was marked by a further slight recession in activities. As has been the case for the past several months, production and distribution of goods for ordinary consumption made a considerably better showing than commodities of the heavier and more permanent sort. Boots and shoes, dry goods, drugs and chemicals, some food products and hardware developed a moderately upward trend. Distribution of automobiles was seasonally larger in February than January. On the other hand, iron and steel, clay products, lumber, glass and the entire category of building materials showed no improvement over the dull conditions obtaining heretofore.

Retail trade in the large cities and in the country was disappointing, and failed to exhibit the usual seasonal pickup. The unusually high temperatures which had prevailed since last fall, continued through February, and served to hold down distribution of all descriptions of cold weather goods, particularly apparel and fuel. Clearances of such merchandise, even under inducements of price reductions and intensive sales effort, were incomplete and heavy carryovers were the rule. The first real cold spell of the winter came during the first half of March, too late to materially help the movement of winter merchandise. On the contrary the freezing weather had the effect of slowing down Easter shopping and interfering with preparations for planting

spring crops. Considerable damage was sustained by fruits and early truck crops from the March freezes, and apprehension is felt in some sections that the growing winter wheat crop, which was unusually far advanced for this season, has been injured.

As against the failure of actual business to expand, reports from scattered sections of the district reflect moderate improvement in sentiment, and that since March 1 business has developed a more hopeful aspect. While purchasing of goods continues on an extremely conservatively basis, there is more of a disposition than heretofore to replenish depleted stocks and fill out assortments. Inventories of consumer goods in all lines are of small proportions, and while the trend of commodity prices was still downward, the decline was at a slower rate, and in certain classifications, noticeable progress has been made in stabilizing values. Further marked improvement has taken place in the financial situation. The number of bank failures during February was much smaller than during recent months, and this record has continued during the first half of March. The rate of withdrawals of deposits from financial institutions receded, and for the first time in a number of months, there was an increase during early March in deposits of reporting member banks. An important development for this general area was the fall in the stage of the Mississippi River and practical elimination of the flood threat from that stream and its tributaries.

As reflected by department store sales in leading cities, the volume of retail trade in February was approximately 7 per cent larger than in January, and 12 per cent less than in February, 1931; for the first two months this year a decrease of 14 per cent was shown under the same time a year earlier. Combined sales of all wholesaling and jobbing firms reporting to this bank in February were 5.6 per cent larger than in January and 16.5 per cent smaller than in February, 1931; for the first two months this year

their total sales were 21 per cent smaller than for the same period a year ago. The dollar value of building permits issued for new construction in the five largest cities was more than twice as large as in January, but 61 per cent less than in February, 1931. Construction contracts let in the Eighth District in February increased 25 per cent over the record small total of January, but were 50 per cent smaller than in February, 1931. There was a decrease of 22 per cent in charges to checking accounts in February as compared with January and of the same amount as compared with February, 1931; for the first two months this year a decrease of 23 per cent was shown as compared with the same time in 1931. The amount of savings accounts held by selected banks showed little change between February 3 and March 2, and on the latter date was 11 per cent smaller than a year ago.

According to officials of railroads operating in this district, freight traffic continued in smaller volume than at the corresponding period last year and in 1930. The movement of seasonal commodities, notably fuel, was held in check by the unusually mild winter. For the country as a whole, loadings of revenue freight for the first eight weeks this year, or to February 27, totaled 4,515,200 cars, against 5,707,330 cars for the corresponding period in 1931, and 6,977,696 cars in 1930. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 133,429 loads in February, against 140,919 loads in January, and 164,030 loads in February, 1931. During the first nine days of March the interchange amounted to 43,433 loads, against 42,158 loads during the corresponding period in February, and 64,680 loads during the first nine days of March last year. Passenger traffic of the reporting roads showed a decrease of 30 per cent in February as compared with the same month in 1931. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 112,700 tons, against 130,807 tons in January, and 69,572 tons in February, 1931.

Generally throughout the district collections reflected little change as contrasted with the two or three months immediately preceding. Considerable spottiness exists, both with reference to the several lines and localities. In the cotton areas moderate improvement was indicated, and liquidation in the tobacco sections was also in heavier volume than earlier in the year. Country merchants in some parts of the south reported that collections were hampered by interference with transportation occasioned by floods and muddy roads. Questionnaires addressed to representative interests in the several lines scat-

tered through the district showed the following results:

	Excellent	Good	Fair	Poor
February, 1932.....	1.7%	18.5%	51.0%	28.8%
January, 1932.....	0.0	18.2	61.0	20.8
February, 1931.....	0.0	13.1	57.2	29.7

Commercial failures in the Eighth Federal Reserve District in February according to Dun's, numbered 148, involving liabilities of \$2,804,588, against 158 failures in January with liabilities of \$3,918,464, and 181 defaults for a total of \$5,158,243 in February, 1931.

The average daily circulation in the United States during February was \$5,627,000,000 against \$5,645,000,000 in January, and \$4,598,000,000 in February, 1931.

MANUFACTURING AND WHOLESALING

Boots and Shoes — February sales of the reporting firms were 8 per cent smaller than for the same month in 1931, and 7 per cent larger than the January total this year. Inventories continue to recede, stocks on March 1 being 6 per cent and 17 per cent smaller, respectively than a month and a year earlier. In point of unit volume, February sales exceeded those of a year ago, the decrease in dollar value being due to lower prices. Demand was reported satisfactory through all lines, but was particularly brisk in women's wear. Purchasing for the Easter trade was active, and in contrast with recent months, more interest was exhibited in the more expensive and higher grade shoes. Business since March 1 has maintained the pace set in February, with two important interests reporting sales during the first two weeks of March heavier than for the same period in February and a year ago. Factory operations averaged about 80 per cent of capacity, with plants turning out women's shoes operating at 100 per cent.

Clothing — Uncertainty relative to spring and summer requirements was reflected in extremely cautious buying of both men's and women's apparel. Distribution through retail channels during February was considerably smaller than in past years, and less than the usual stimulation from Easter demands was in evidence. As has been the case for the past several months, purchasing for work clothes was in small volume. Clearance of overcoats and other heavy apparel was disappointing, and considerable stocks are being carried over. Sales of the reporting interests in February were 63 per cent greater than for the same month in 1931, and about one-fourth larger than in January this year.

Drugs and Chemicals — Save where influenced by seasonal factors, conditions in the drug and chem-

ical trade showed no change as contrasted with the preceding thirty days. February sales of the reporting firms were 28 per cent smaller than for the same month in 1931, and 8 per cent greater than in January this year. Stocks on March 1 were slightly larger than a month earlier, and 13 per cent smaller than on March 1 last year. Demand for fertilizers and the general run of chemicals for the manufacturing trade continued at a low ebb.

Dry Goods — Marked improvement in this classification was noted during February, sales of the reporting interests during that month being 6.4 per cent larger than in January and 18 per cent smaller than a year ago. Inventories showed no change between February 1 and March 1, and on the latter date were 32 per cent smaller than a year ago. In the yearly sales comparison the loss shown was accounted for by the heavy decline in prices, the actual unit volume of goods sold being larger this year than last. Since March 1 there has been a further acceleration in business, several firms showing gains over the same period last year. Individual orders, while small, are numerous and cover a more diversified assortment of merchandise than has been the case in many months.

Electrical Supplies — February sales of the reporting firms were 15 per cent smaller than during the preceding month, and about 42 per cent less than in February, 1931. Inventories receded further, stocks on March 1 being 11 per cent and 24 per cent smaller, respectively than thirty days and a year earlier. Decreases in both sales comparisons were general through the entire line, but most pronounced in radio material and electrical installations in new buildings.

Flour — Production at the twelve leading mills of the district in February totaled 225,971 barrels, against 240,596 barrels in January and 304,656 barrels in February, 1931. Throughout February and the first half of this month there was little life to the trade, mills universally reporting slack demand and an unusually small volume of inquiries. The recent curtailment in grinding, due to large stocks on hand and small absorption, has resulted in a further reduction of forces. The trend of prices was easier. Mill operations ranged from 40 to 42 per cent of capacity.

Furniture — February sales of the reporting firms were 30 per cent smaller than for the same month in 1931 and 21 per cent greater than the January total this year. Stocks on March 1 were 4 per cent and 39 per cent smaller, respectively, than a month and a year earlier. Ordering of all varieties of furniture continues on a hand-to-mouth basis,

with demand for household furniture and furnishings centering chiefly in cheap priced goods.

Groceries — Reversing the usual seasonal trend, sales of the reporting firms decreased slightly in February as compared with January, and the February total fell 26 per cent below that of the same month last year. Stocks on March 1 were slightly higher than a month earlier, but 21 per cent smaller than a year ago. The general trend of prices continued lower, particularly on commodities based on cereals and livestock. Demand for canned goods continues slack, with indications for an unusually large carryover of the 1931 pack.

Hardware — Ordering of seasonal merchandise was backward during February, but has shown well defined improvement since the first of March. Goods for consumption in the rural areas are moving more freely. Demand for paints, varnishes and kindred lines is more active than earlier in the year. February sales of the reporting firms were about 1 per cent greater than in January and 22 per cent smaller than in February, 1931. Stocks on March 1 were 13 per cent larger than a month earlier, but 12 per cent less than on March 1 last year.

Iron and Steel Products — Purchasing by all classes of consumers continued on a limited scale throughout February and the first half of March. There was a moderate improvement in releases of finished materials by automobile manufacturers, and resumption of operations at certain railroad shops resulted in an increased movement of goods for use in these activities. The total volume of ordering by these industries, however, was considerably below expectations, with the result that business in iron and steel as a whole failed to show betterment over the low levels prevailing in December and January. Among miscellaneous users replacement requirements are accounting for liberal tonnages of a broad variety of commodities. The general run of building materials, while still quiet, showed more life than during the closing weeks of last year. Producers and distributors of sheets, plates, bars and other rolled products reported shipments in February slightly above the January volume, though still considerably below a year ago. Manufacturers of stoves, ranges and heating apparatus of other descriptions experienced no improvement in the outlet for their goods, and a number of plants were either closed, or operating only two or three days a week. Jobbing foundries are relying chiefly on miscellaneous work, but have been able to maintain operations at about the same rate as during the preceding thirty days. Machinery and engine builders report no change from the dull conditions which have obtained for the past several months. There was further curtail-

ment of operations at plants fabricating structural iron and steel. Warehouse and jobbing interests report buying by their customers on a strictly necessity basis. Owing to the low rate of industrial activities, the output of scrap iron and steel has been greatly curtailed. Despite this fact, however, prices for all the principal grades remained at, or around the lowest levels on the present downward movement. Quotably there was no change in prices of pig iron, but competition remains keen with reports of concessions under list figures on desirable business. On finished goods the low level of current demand hardly affords an actual test of values, but there were well defined signs of progress in the general stabilization movement. For the country as a whole, pig iron production in February totaled 960,550 tons, against 971,437 tons in January, and 1,711,192 tons in February, 1931. Steel ingot production in the United States in February totaled 1,459,547 tons, against 1,461,290 tons in January and 2,527,319 tons in February, 1931.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in February totaled 117,413, against 119,344 in January, and 219,897 in February, 1931.

According to dealers reporting to this bank, distribution of automobiles in the Eighth District during February showed a substantial increase over the preceding month, and was the heaviest since last June. The total, however, was below that of February last year. The increase in the month-to-month comparison is seasonal in character, January normally being the month of smallest sales volume during the year. Scattered reports since March 1 indicate a continuance of the activity which prevailed during February, sales for the first half of the month making a favorable showing as contrasted with the corresponding period last year. Business in passenger cars during February was stimulated to a considerable extent by automobile shows held in several of the large cities, also by the appearance of new models and price inducements. As has been the case for a number of months, sales of dealers in the chief urban centers were relatively larger than was the case with distributors in the country and small towns. Replacement demands in the country, however, are being strongly felt, as indicated by an increased volume of inquiries and prospects. While demand centers mainly in the cheap priced cars, February sales were fairly well balanced through all classes of makes. Business in parts and accessories was also in considerably larger volume in February than the preceding month, and only slightly below a

year ago. Sales of new passenger cars by the reporting dealers in February were approximately three and one-half times larger than in January, and 39 per cent smaller than in February, 1931. Purchasing by dealers was on a slightly more liberal scale than heretofore, with the result that stocks of new cars on March 1 were approximately 10 per cent larger than a month earlier, though still about one-fourth smaller than a year ago. Sales of used cars showed a substantial increase during February over the preceding month, but the total was 12 per cent smaller than during the same month in 1931. Stocks of salable secondhand cars on March 1 were 5 per cent larger than a month earlier, and 10 per cent larger than a year ago. Demand for trucks showed the usual seasonal betterment, February sales being about four times larger than in January, though 26 per cent smaller than in February, 1931. According to dealers reporting on that item, deferred payment sales in February constituted 52 per cent of their total sales, against 56 per cent in January and 56 per cent in February, 1931.

RETAIL TRADE

The condition of retail trade is reflected in the following comparative statements showing activities in the leading cities of the district:

Department Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1932 comp. to Feb. 1931	2 months ended Feb. 29, 1932 to same period 1931	Feb. 29, 1932 comp. to Feb. 28, 1931	Jan. 1, to Feb. 29, 1932	Feb. 29, 1931
Evansville	-21.4%	-27.4%	-22.5%	.25	.26
Little Rock.....	-14.4	-20.0	0.9	.32	.38
Louisville	-12.6	-14.6	-10.7	.37	.36
Memphis	-16.5	-13.4	-15.5	.46	.41
Quincy	-21.9	-20.9	-14.2	.37	.42
St. Louis.....	9.8	-13.5	-11.4	.57	.57
Springfield, Mo.....	-16.0	-21.4	3.9	.18	.21
8th District.....	-11.6	-14.3	-11.2	.49	.49

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Feb. 1932 comp. to Feb. 1931	2 months ended Feb. 29, 1932 to same period 1931	Feb. 29, 1932 comp. to Feb. 28, 1931	Jan. 1, to Feb. 29, 1932	Feb. 29, 1931
Men's Furnishings	-20.2%	-29.8%	-13.4%	.42	.53
Boots and Shoes.....	-12.4	-21.5	-16.5	.39	.41

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in February was 134 per cent more than in January, and 61.1 per cent less than the February, 1931 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February amounted to \$6,118,904, which compares with \$4,905,453 in January and \$12,508,780 in February, 1931. Production of portland cement for the country as a whole in February totaled 3,971,000 barrels

against 5,026,000 barrels in January and 5,920,000 barrels in February, 1931. Building figures for February follow:

	New Construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1932	1931	1932	1931	1932	1931	1932	1931
Evansville ..	107	183	\$ 23	\$ 77	26	36	\$ 7	\$ 12
Little Rock ..	21	17	28	25	69	49	36	27
Louisville ..	35	59	23	322	41	40	114	68
Memphis	95	123	518	173	128	146	63	76
St. Louis....	149	244	252	1,573	222	219	180	116
Feb. totals..	407	626	\$ 844	\$2,170	486	490	\$ 400	\$299
Jan. totals..	348	484	360	2,855	417	491	289	331
Dec. totals..	408	504	2,855	2,426	338	497	187	325

*In thousands of dollars (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in February as being about 0.8 per cent smaller than in January and 17.8 per cent less than in February, 1931. Detailed figures follow:

	No. of Customers	Feb. 1932		Feb. 1932 comp. to Jan. 1932	Feb. 1931	
		*K.W.H.	*K.W.H.		*K.W.H.	Feb. 1931
Evansville	40	1,523	1,663	- 8.4%	1,731	-22.0%
Little Rock..	35	1,140	1,217	- 6.3	1,314	-13.2
Louisville	85	5,196	5,124	+ 1.4	5,327	- 2.5
Memphis	31	1,389	1,933	-28.1	1,704	-18.5
St. Louis.....	157	11,810	11,297	+ 4.5	15,543	-24.0
Totals	348	21,058	21,234	- 0.8	25,619	-17.8

*In thousands (000 omitted).

AGRICULTURE

According to the U. S. Department of Agriculture, combined stocks of the principal grains on farms in states including the Eighth Federal Reserve District were substantially greater than on the same date in 1931 and the 5-year (1925-1929) average. Combined farm reserves of wheat, corn and oats in these states on March 1 totaled 606,289,000 bushels, which compares with 272,679,000 bushels a year ago, and the 5-year average of 464,102,000 bushels.

Reserve stocks of corn were especially large aggregating 470,147,000 bushels, against 180,759,000 bushels on March 1, 1931, and 370,474,000 bushels for the 5-year average. This unusually heavy carry-over by producers was caused by the mild weather throughout the winter, heavy production and holding by farmers because of low prices. In all states of the district, the percentage of the 1931 crop shipped out of the county where raised was higher than a year earlier and the 10-year average.

In states of the district the amount of wheat on farms on March 1 was 34,429,000 bushels, against 13,377,000 bushels on the same date in 1931, and the 5-year average of 11,546,000 bushels. Reserves of oats totaled 101,713,000 bushels, which compares with 74,544,000 bushels on March 1, 1931, and the 5-year average of 82,143,000 bushels.

General Conditions—Mild weather prevailed generally through the district during February, and

conditions as a whole were favorable for growing crops. Due to excessive moisture in many sections, however, plowing and preparations for planting of spring crops was hampered to a considerable extent. This was true particularly in the cotton raising areas, where initial work is considerably in arrears of the stage reached at the corresponding period last year. The first severe and protracted cold weather of the winter developed in early March, freezing temperatures causing a temporary halt to field work, and doing considerable damage to fruits of all descriptions and early vegetables. The extent of this damage, and also possible injury to the growing wheat crop has not been accurately determined, but due to the advanced state of development of peaches and pears in the southern stretches of the district, partial failures of these crops are considered likely. Considerable actual damage to strawberry crops in the Ozark regions has been reported. The supply of farm labor in all states of the district continues in excess of requirements, with wage scales below those of a year ago.

Winter Wheat—Reports relative to the growing wheat crop prior to the March freeze were almost uniformly favorable. Color was reported excellent, with both root and top growth good. There were scattering complaints of fly infestation, but nothing of a serious nature. It is too early to estimate the effects of the low temperatures, but due to advanced growth in many sections, and general lack of adequate snow protection, apprehension of damage is felt. Estimates of the U. S. Department of Agriculture and state agricultural boards indicate that feeding of wheat to live stock during the present season was practiced to a greater extent than ever before.

Corn—Wetness of the soil in many sections during late February interfered with preparation of corn land, and generally through the district less progress has been made than is ordinarily the case at this season. Generally, good seed is plentiful and arrangements made for financing seed requirements of farmers have proved satisfactory. Due to low prices and slack demand, the movement to market has been below the usual seasonal volume.

Fruits and Vegetables—Up until the end of February prospects for fruits and vegetables were exceptionally promising, due to the mild winter. The unseasonably cold weather of early March, however, reversed the outlook, and serious damage has been done to these crops. Peaches, pears, plums and cherries have sustained material injury, particularly in the south, where buds and blossoms were frozen. Heavy losses were sustained by growers of

strawberries, and early truck crops in Arkansas and Mississippi were reported to have been killed. Grapes and apples were less advanced than other varieties of fruit, and as a consequence were less seriously affected, though in a number of localities the apple crop will be considerably reduced.

Live Stock—Throughout the district livestock came through the winter in excellent condition, being favored by mild weather and abundant feed and water supplies. The sharp drop in temperatures since March 1 has done little damage to herds, though proving less favorable for the spring lamb crop. Indications point to heavier lamb production than last year, due to larger numbers of sheep on farms. The movement of cattle, hogs and sheep to market declined in February, being restricted by low prices, slack demand and liberal stocks of dressed meat in coolers. Milk and egg production continued at a high rate through February, but due to the extremely low prices of these products, relatively small profits were derived by their producers.

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

	Receipts			Shipments		
	Feb. 1932	Jan. 1932	Feb. 1931	Feb. 1932	Jan. 1932	Feb. 1931
Cattle and Calves.....	71,770	75,298	77,694	39,502	45,227	47,610
Hogs	237,181	267,476	273,418	168,303	182,231	223,658
Horses and Mules.....	5,224	3,873	9,140	4,991	3,296	8,646
Sheep	25,798	37,050	22,848	7,455	14,806	11,518

Cotton—New crop preparations, which were already backward, have been further delayed by the drop to below freezing weather during the first half of March. On the other hand, weather has been favorable for clearing up cotton remaining in fields, and the movement of this portion of the crop has kept receipts at a relatively high level. Indications generally through the district point to reduced acreages. Farmers plans are being influenced by low prices, the heavy carryover, and in many instances, difficulties attending financing. Probably the most favorable development during the past thirty days has been the passing of the flood threat in the valleys of the Mississippi River and its tributaries. The general demand for raw cotton developed no notable change as contrasted with the preceding month. The undertone of the market was fairly steady, with fluctuations narrow. In the St. Louis market the middling grade ranged from 6.50c to 6.75c between February 16 and March 15, closing at 6.50c on the latter date, which compares with 6.50c on February 16 and 10c on March 16, 1931. Receipts at Arkansas warehouses from August 1, 1931, to March 11, 1932, totaled 1,427,647 bales, against 807,502 bales for the corresponding period a year ago. Stocks on hand on March 11 totaled 588,390 bales, against 637,305

bales on February 12, and 236,019 bales on the corresponding date in 1931.

Tobacco—Estimated total sales of burley tobacco to February 20 were 448,090,367 pounds at an average of \$8.68 per cwt., or a total of \$38,939,053. This compares with sales to the same date in 1931 of 368,543,847 pounds, averaging \$15.62 and bringing \$57,566,549. This comparison is striking in that it shows 79,546,520 pounds more sold this year than last, whereas the dollar value this year fell \$18,627,496 short of that in 1931. All burley markets have been practically closed for the season, after disposing of the largest crop of burley tobacco ever raised and within the shortest period of time since the loose leaf floor system was inaugurated. Markets in the air-cured districts have also closed. The crop sold in these markets fell about 30 per cent short of the lowest estimate placed on it and at the lowest average price in years. The movement to market has been retarded by cold weather in the dark-fired districts. Considerable dark-fired tobacco is being withheld pending beginning of operations by the Cooperative Marketing Association.

In all tobacco districts the recent cold weather served to slow down plowing and general preparations for the new crop. Generally farmers are undertaking early work with less enthusiasm than usual, and indications point to reduced planting of all types of tobacco. Low prices to producers, large supplies of leaf, reduced consumption of tobacco products and declining exports are among the factors tending to hold down this year's acreage.

Commodity Prices—Range of prices in the St. Louis market between February 15, 1932, and March 15, 1932, with closing quotations on the latter date and on March 16, 1931, follow:

		High	Low	Close	
				Mar. 15, 1932	Mar. 16, 1931
Wheat					
May	per bu..	\$.59½	\$.55	\$.55½	.....
July	"	.61½	.56¾	.56¾	\$.61
Sept.	"	.62½	.59	.59	.....
Dec.	"	.65¾	.62	.62	.....
No. 2 red winter	"	.59½	.55	\$.55 @ .55½	.....
No. 2 hard	"	.58½	.55	\$.55 @ .55½	\$.76½ @ .77
Corn					
May	"	.38½	.36	.36	.65¼
July	"	.41	.38¾	.38¾	.67
No. 2 mixed	"	.36½	.32	.33 @ .33½	.60½ @ .61
No. 2 white	"	.36	.32½	.33 @ .34	.62 @ .62½
Oats					
No. 2 white	"	.25½	.23	.23¼ @ .23¾	.33½ @ .34
Flour					
Soft patent.....	per bbl.	4.20	3.40	3.40 @ 3.75	4.90 @ 5.25
Spring patent.....	"	4.50	4.20	4.20 @ 4.50	4.20 @ 4.50
Middling cotton.....	per lb.	.06¾	.06½	.06½	.10
Hogs on hoof.....	per cwt.	4.95	3.15	3.60 @ 4.65	6.35 @ 8.25

FINANCIAL

While demand for credit for commercial and industrial purposes and for financing agriculture continued quiet during the past thirty days, the banking and financial situation as a whole in the Eighth District underwent further distinct improvement. As a result of recent legislative measures and re-

stored public confidence, the number of bank failures decreased markedly. A number of suspended banks reopened. The rate of withdrawals of deposits from commercial banks decreased in a considerable degree, and for the first time this year, total deposits of reporting member banks turned upward during the first two weeks in March.

Credit requirements of mercantile and manufacturing interests were in less than the usual seasonal volume, due chiefly to the decreased business activities and the fact that rapid turnover and the character of buying permits many interests to operate on their own resources. Liquidation in commercial channels, while spotty, has on the whole been in considerable volume. February and March settlements with wholesalers in the chief distributing centers were in the main satisfactory, and relatively larger than at the same period last year. Smaller agricultural demands upon the banks are ascribed to a number of reasons, among them ability to borrow from Governmental and other agencies, lateness of the season, and the general determination to produce this season's crops at smaller cost than in past years. Grain and milling interests further reduced their commitments, the total of which is measurably smaller than at this particular time for a number of years.

Loans of the reporting member banks continued to decline during late February, reaching a new low point in the final week. Since that time, however, the trend has been upward, and on March 9 the total was slightly larger than a month earlier, though about 19 per cent smaller than a year ago. Investments receded moderately, but continued substantially higher than during the corresponding period in 1931. Deposits, which had been declining steadily since last summer, reversed this trend in late February, and on March 9 showed a moderate gain over the total on February 10. As compared with the preceding thirty days there was little change in borrowings of all member banks from the Federal Reserve Bank, and the average continued substantially below the same time last year. There was little change in the volume of Federal Reserve notes outstanding as contrasted with the preceding thirty days.

Interest rates remained about steady, with prevailing quotations at the St. Louis banks as follows: Prime commercial loans, 4½ to 6 per cent; collateral loans, 5 to 6 per cent; loans secured by warehouse receipts, 5 to 6 per cent; interbank loans, 5 to 6 per cent and cattle loans, 5 to 6 per cent.

Condition of Banks—Loans and discounts of the reporting member banks on March 9, 1932,

showed a decrease of .1 per cent as contrasted with February 10, 1932. Deposits increased .1 per cent between February 10, 1932 and March 9, 1932 and on the latter date were 15.3 per cent smaller than on March 11, 1931. Composite statement follows:

	*Mar. 9, 1932	*Feb. 10, 1932	*Mar. 11, 1931
Number of banks reporting.....	24	24	25
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....	\$151,486	\$148,252	\$188,401
All other loans and discounts....	219,068	222,792	270,869
Total loans and discounts.....	\$370,554	\$371,044	\$459,270
Investments			
U. S. Government securities.....	86,577	88,343	45,869
Other securities.....	118,857	119,631	140,490
Total investments.....	\$205,434	\$207,974	\$186,359
Reserve balance with F. R. Bank	39,548	38,716	44,735
Cash in vault.....	6,469	7,013	6,433
Deposits			
Net demand deposits.....	315,451	310,235	378,654
Time deposits.....	207,554	209,716	239,259
Government deposits.....	647	2,941	.....
Total deposits.....	\$523,652	\$522,892	\$617,913
Bills payable and rediscounts with Federal Reserve Bank.....	2,243	4,403	.....

*In thousands (000 omitted).
These 24 banks are located in St. Louis, Louisville, Memphis, Little Rock, and Evansville, and their total resources comprise approximately 52.6 per cent 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., 1932	*Jan., 1932	*Feb., 1931	Feb. 1932 comp. to Jan. 1932	Feb. 1931
East St. Louis & Natl.					
Stock Yards, Ill. \$	18,213	\$ 20,966	\$ 27,126	-13.1%	-32.9%
El Dorado, Ark.....	3,366	3,966	5,605	-15.1	-39.9
Evansville, Ind.....	15,603	23,216	20,552	-32.8	-24.1
Fort Smith, Ark.....	6,890	8,302	8,889	-27.0	-22.5
Greenville, Miss....	3,574	3,186	4,008	+12.2	-10.8
Helena, Ark.....	1,062	1,227	.....	-13.4	.....
Little Rock, Ark....	17,945	23,320	26,744	-23.0	-32.9
Louisville, Ky.....	106,023	120,440	123,984	-12.0	-14.5
Memphis, Tenn.....	85,405	102,478	101,316	-16.7	-15.7
Owensboro, Ky.....	3,398	5,525	6,205	-39.5	-45.2
Pine Bluff, Ark.....	4,617	5,468	6,111	-15.6	-24.4
Quincy, Ill.....	6,377	6,576	6,602	- 3.0	- 4.4
St. Louis, Mo.....	411,816	550,008	536,850	-25.1	-23.3
Sedalia, Mo.....	1,228	2,676	3,381	-54.1	-63.7
Springfield, Mo....	8,806	11,208	14,336	-21.4	-38.6
**Texarkana, Ark-Tex.....	6,544	7,593	9,813	-13.8	-33.7
Totals	\$700,867	\$896,155	\$901,522	-21.8	-22.3

*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 237 member banks against 257 in January and 185 in February, 1931. The discount rate remained unchanged at 3½ per cent. Changes in the principal assets and liabilities of this institution appear in the following table:

	*Mar. 18, 1932	*Feb. 18, 1932	*Mar. 18, 1931
Bills discounted	\$19,044	\$21,762	\$ 8,023
Bills bought	3,378	4,623	6,567
U. S. Securities.....	27,787	27,886	23,899
Federal Inter. Cr. Bk. Debentures.....	.....	630	.....
Participation in Inv. Foreign Banks.....	1,011	1,100	736
Total bills and securities.....	\$51,220	\$56,001	\$39,225
Total reserves.....	110,674	107,372	117,138
F. R. Notes in circulation.....	93,085	93,446	76,947
Total deposits.....	61,420	62,177	71,283
Ratio of reserve to deposits and F. R. Note Liabilities.....	71.6%	69.0%	79.0%

*In thousands (000 omitted).

(Compiled March 23, 1932)

BUSINESS CONDITIONS IN THE UNITED STATES

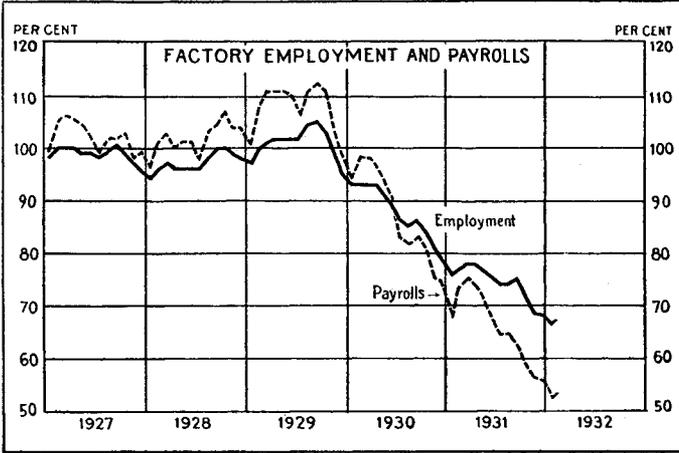
Volume of industrial production and factory employment increased from January to February by an amount smaller than usual at this season. Improvement in the banking situation during February and the first three weeks of March was reflected in a decline in bank suspensions and a return flow of currency from the public to the banks.

PRODUCTION AND EMPLOYMENT — Output of industrial products increased less than seasonally in February, and the Board's index, which makes allowance for the usual seasonal

construction, part of the decrease in the value of awards reflects reductions in building costs.

DISTRIBUTION — Carloadings of merchandise and of miscellaneous freight showed none of the usual seasonal increase in February, while sales at department stores remained unchanged, as is usual at this season.

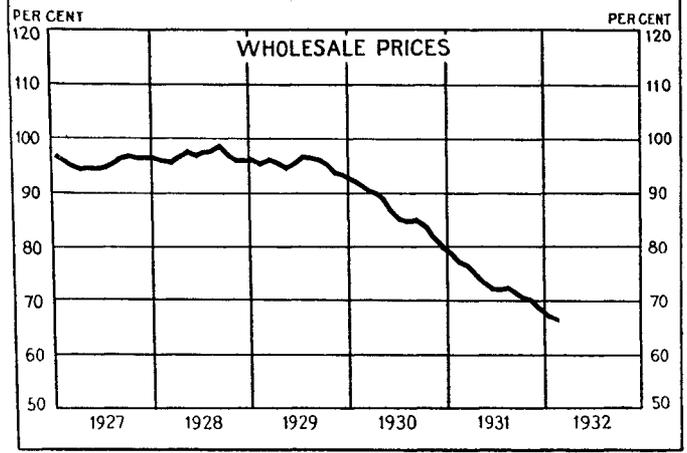
WHOLESALE PRICES — Wholesale commodity prices, as measured by the index of the Bureau of Labor Statistic declined further from 67 per cent of the 1926 average for January to 66



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100). Latest figures February, employment 67.3, payrolls 53.6.

variations, declined from 71 per cent of the 1923-1925 average to 70 per cent. Activity in the steel industry during February and the first three weeks of March showed little change from the January rate, although ordinarily substantial increases are reported at this time of year. Automobile production continued in small volume, showing none of the usual seasonal expansion, and the number of cars produced in the three months period ending in February was about 35 per cent less than in the corresponding period a year ago. In the lumber industry, output declined further, contrary to seasonal tendency. Activity at cotton mills and shoe factories increased by more than the seasonal amount and was at about the same level as in the corresponding months last year.

Volume of employment at factories increased in February by somewhat less than the usual seasonal amount. In the iron and steel, automobile and machinery industries the number employed showed an increase smaller than is usual in this month, and at lumber mills a continued decline in employment was reported. At

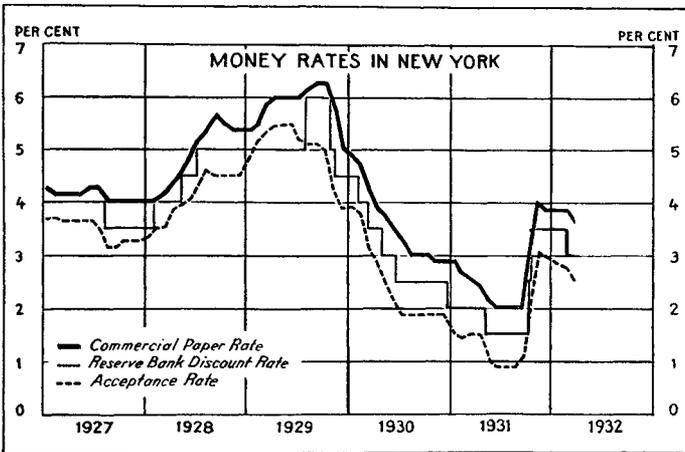


Index of United States Bureau of Labor Statistics (1926=100). Latest figure February, 66.3.

per cent for February. Between the first week of February and the third week of March, there were increases in the prices of cotton, livestock, and meats, while prices of grains, nonferrous metals and imported raw materials including silk, sugar, and rubber declined considerably.

BANK CREDIT — In the banking situation the important developments in February and the first half of March were a considerable reduction in the number of bank suspensions and a return flow of currency from the public to the banks. The country's stock of monetary gold declined in February, but increased somewhat in the first half of March. Member bank reserve balances, after decreasing almost continuously since last summer, showed a slight increase for the first two weeks in March. Purchases of United States government obligations by the Federal Reserve Banks beginning in March were accompanied by a considerable decline in member bank indebtedness to the reserve banks.

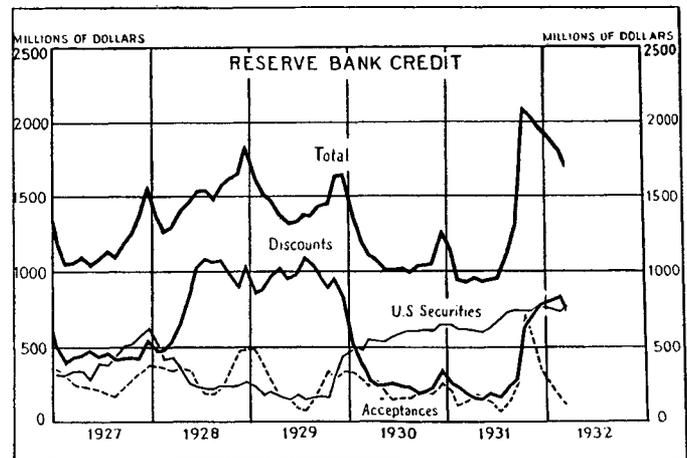
Loans and investments of member banks in leading cities continued to decline until the middle of March when there was a substantial increase, owing largely to the banks' purchases of



Monthly rates in the open market in New York: Commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 22 days in March.

establishments producing fabrics, wearing apparel and shoes, volume of employment increased by more than the seasonal amount.

Daily average value of total building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change in February and the first half of March, and for the period between the first of January and the middle of March the value of contracts was 65 per cent less than a year ago, reflecting continued declines in residential building as well as in other types of



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

United States government securities, issued on March 15. Demand and time deposits of these banks decreased further during February but showed little change in the first half of March. Open market rates on acceptances and commercial paper declined during February and the first half of March. During this period yields on Treasury and other high grade bonds decreased to the lowest point since early December, but after the middle of the month yields on high grade corporate bonds increased somewhat.