MONTHLY REVIEW

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

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FEDERAL RESERVE BANK OF ST. LOUIS

AVAILABLE statistics and data relating to general business in the Eighth District during January and the first half of February disclose a considerable degree of spottiness and unevenness, both with reference to the several lines of activity and geographic locations. In a number of important industries the improvement of recent months was continued, with an accelerated pace evident in some instances. Elsewhere, however, there were slowing tendencies and lack of response to seasonal influences which ordinarily make for expansion in trade volume. Taken as a whole, manufacturing made a relatively more favorable showing than merchandising. Operations in the iron and steel industry were at a higher rate than during the preceding several months, also, than at the corresponding period a year ago. The melt and deliveries of pig iron in January reached the highest totals since last summer and the average daily rate during the first half of February was slightly above that for the entire month of January. Bituminous coal production in fields of the district was in excess of that for the preceding month and the same time in 1934. Production of lumber tended slightly downward in January, but moderate betterment in demand and shipments was noted by certain interests during the month. Consumption of electric power by industrial users in the principal manufacturing centers recorded gains over a month and a year earlier.

While showing a slight increase over a year ago, retail trade declined in considerably more than the estimated seasonal amount from December to January. Weather conditions generally through the district, but more particularly in the south, militated against retail volume. The reduced purchasing by ultimate consumers reacted adversely on the wholesaling and jobbing trade. In a number of wholesaling lines investigated by this bank, decreases were recorded in January, both as contrasted with a month and a year earlier. Where gains occurred in the month-to-month comparison they were accounted for mainly by seasonal influences. The trend of wholesale prices continued upward, with the principal advance in the food group, which in early February increased to the highest level reached in the recovery period.

Agricultural and livestock conditions generally throughout the district showed little change from those existing during the preceding thirty days. There were some scattered reports of injury to fruit trees and fall planted grains as a result of the subzero weather in January, but it is too early to estimate the extent of this injury. The low temperatures were accompanied by snows over a large part of the area, which afforded protection for the growing winter wheat crop, and served to improve soil and subsoil conditions. Another benefit from the freezes has been heavy mortality among hibernating boll weevils in the cotton sections.

Retail trade in January, as reflected by sales of department stores in the principal cities of the district, was 1 per cent greater than for the same month in 1934, and 54 per cent smaller than in December. Combined sales of all wholesaling and jobbing firms reporting to this bank were 46 per cent larger in January than December, and 5 per cent less than in January, 1934. The value of permits issued for new construction in five largest cities in January was 41.5 per cent greater than in December and 145 per cent more than in January a year ago. Construction contracts let in the Eighth District in January were larger by 19 per cent than in December and 42 per cent below the total for January, 1934. Debits to checking accounts in January showed a decrease of 4.5 per cent under December, but an increase of 8 per cent over January, 1934.

The movement of freight during January and the first half of February by railroads operating in this district, according to officials of the reporting lines, was slightly greater than in the like periods a year and two years earlier. The gains were attributable in large measure to heavier loadings of fuel, notably bituminous coal, requirements for which were stimulated by the cold weather. The movement of grain, grain products, and livestock was measurably smaller in both comparisons. For the country as a whole loadings of revenue freight for the first five weeks this year, or to February 2, totaled 2,768,635 cars, against 2,748,482 cars for the corresponding period in 1934 and 2,410,267 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 70,949 loads in January which compares with 63,078 loads in December and 68,286 loads in January, 1934. During the first nine days of February the interchange amounted to 21,828 loads, against 19,150 loads during the like period in January and 21,510 loads during the first nine days of February, 1934. Passenger traffic of the reporting lines in January was 13 per cent larger than during the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 88,700 tons, against 76,311 tons in December, and 64,988 tons in January, 1934.

In practically all sections collections continued the favorable record which characterized the preceding several months. February 1 settlements with wholesalers and jobbers in the chief distributing centers were in considerable volume, with particularly good results noted in boots and shoes, dry goods and hardware. With more rapid progress in the marketing of tobacco and relatively high prices being realized, payments in sections where that is the principal cash crop have been on a large scale. Country retailers report some spottiness in their collections, partly attributable to weather conditions. In the large urban centers retailers are for the most part getting in their money promptly. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
January, 1935	6.5%	42.6%	45.1%	5.8%
December, 1934	7.1	50.6	38.8	3.5
January, 1934	7.0	36.3	53.3	3.4

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and Bradstreet, numbered 26, involving liabilities of $180,499, against 45 defaults in December with liabilities of $505,509 and 32 insolvencies for a total of $756,504 in January, 1934.

MANUFACTURING AND WHOLESALING

Boots and Shoes — January sales of the reporting firms showed a decrease of 3.3 per cent under the same month in 1934, but were 119 per cent larger than in December. Inventories as of February 1, were larger by 12 per cent and 26.5 per cent, respectively, than a month and a year earlier. The increase in the month-to-month sales comparison is of a seasonal nature, but smaller than a year ago, when the increase from December to January amounted to 210 per cent. The January total, however, was the largest since February, 1934. During the first half of February a slight slowing down in orders was noted, and advance business booked is in smaller volume than a year ago.

Clothing — Purchasing for late spring and summer distribution is reported on a more cautious and conservative scale than was the case at this time a year ago. Retailers are disposed to await developments before taking on their full lines. Clearance of heavyweight apparel was assisted materially by the cold weather in January, and at the middle of February was more complete than was thought likely earlier in the season. Demand for work clothing continues fairly active, and about on a parity with the corresponding period in 1934. January sales of the reporting firms fell 15 per cent below the preceding month, and were about one-half smaller than the January, 1934, total. Stocks on February 1 were 37 per cent larger than a month earlier and 15 per cent smaller than a year ago.

Drugs and Chemicals — The movement of seasonal merchandise in January was in large volume, but other lines, including cosmetics and luxury goods, showed lagging tendencies. Demand for heavy drugs and chemicals by the general manufacturing trade showed moderate expansion. Sales of the reporting firms in January were 12.6 per cent below the December total and 4 per cent smaller than in January, 1934. Inventories were larger on February 1 by 10.5 per cent and 13 per cent, respectively, than a month and a year earlier.

Dry Goods — January sales of the reporting interests were 41 per cent larger than during the preceding month, but 12 per cent smaller than the January, 1934, total. Stocks on February 1, were 4 per cent and 20 per cent larger, respectively, than a month and a year earlier. The increase in the month to month sales comparison was seasonal, but somewhat greater than average during the past decade. Reports covering the first half of February indicate a decrease from the corresponding period a year earlier of about the same size as was noted in January.

Electrical Supplies — For the first time in twenty months, sales in this classification in January fell below those of the same month a year earlier, the decrease amounting to 9 per cent. As compared with December, 1934, the January total showed a decrease of 31.5 per cent, which was about the usual seasonal proportions. Inventories decreased slightly between January 1 and February 1, and on the latest date were 13 per cent larger than a year earlier.

Flour — Production at the twelve leading mills of the district in January totaled 180,173 barrels, the smallest for any month in more than five years, and comparing with 253,355 barrels in December, and 283,052 barrels in January, 1934. Demand from all sources continued quiet, with purchasing mainly on necessity basis. Consumer stocks are in the main of small size, particularly in the case of large baking interests. Foreign demand has failed to expand, export transactions being confined chiefly to routine trade with the Latin-American countries. Prices were unchanged as contrasted with the preceding thirty days, and about on a parity with a year ago. Mill operations were at from 40 to 43 per cent of capacity.

Furniture—January sales of the reporting interests were 29 per cent smaller than in December and 2 per cent less than in January, 1934. Inventories increased 3 per cent between January 1 and February 1, and on the latter date were approximately one-half smaller than a year ago. The decrease in the month-to-month sales comparison is seasonal, and of about the usual proportions. Moderate improvement in office equipment and other metal furniture was offset by smaller sales of staple lines of furniture and furnishings.

Groceries—Sales of the reporting firms in January showed a slight decrease below the preceding month and an increase of 1 per cent over January, 1934. The total was the largest recorded in any January since 1931. Stocks on February 1 were 3 per cent and 11 per cent greater, respectively, than a month and a year earlier. The trend of prices was upward, with sharp increases noted on packinghouse products, reflecting the recent upturn in livestock values.

Hardware — Business in this classification continued the improvement which has been in progress during the past eighteen months, January sales of the reporting firms being 22 per cent and 7 per cent greater, respectively, than a month and a year earlier, and representing the largest total for any January since 1930. The increases in both the month-to-month and yearly comparisons were attributable in large measure to sales of stoves, implements, repair materials and other goods consumed principally in the rural areas. A number of firms reported moderate betterment in demand for builders' tools and hardware. Inventories on February 1 were 5 per cent larger than a month earlier, and 7 per cent smaller than on February 1, 1934.

Iron and Steel Products — The rate of operations at iron and steel plants in this area advanced moderately during the last half of January and the first week in February. Shipments of pig iron to melters during January recorded an increase for the fifth successive month. While expansion in total production at steel mills was in fair volume, conditions in that section of the industry were spotty, owing to continued small volume of business being placed by the railroads and building industry. Grey iron foundries, notably the jobbing plants, reported the placement of a substantial volume of new business by a wide variety of consumers. Automotive releases of castings were freer than heretofore, and larger tonnages were being accounted for by machinery and engine manufacturers. Operations at farm implement factories were at the highest rate for any similar period in a number of years. There was a seasonal slowing down in activities at stove and range foundries, these establishments being engaged in designing patterns for new models. Fabricators of iron and steel building materials reported activities at about the same rate as thirty days earlier, but an improvement in inquiries for the late spring and early summer. Producers and distributors of steel sheets, bars, plates and other rolled materials report that unusually diversified requirements are appearing, and there is more of a disposition on the part of certain consumers to increase reserve stocks. The movement of galvanized material to the rural areas, which was backward earlier in the season, has developed distinct betterment. Steel warehousemen and jobbers report a continuance in the improvement in their business which began immediately after the holiday and inventorying period. Scrap iron and steel prices eased off slightly from the high point of a few weeks back. Otherwise changes in prices of raw and finished materials were negligible. For the country as a whole, production of pig iron in January, according to the magazine "Steel", totaled 1,476,424 tons, against 1,028,006 tons (revised figure) in December and 1,225,643 tons in January, 1934. Steel ingot production in the United States in January amounted to 2,834,170 tons, against 1,941,595 tons in December and 1,971,187 tons in January, 1934.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in January was 292,765, against 183,187 in December, and 156,907 (revised figure) in January, 1934.

January distribution of automobiles in the Eighth District, according to dealers reporting to this bank, showed heavy gains over December and January a year ago, and was the largest for the month since these records started in 1925. The increase in the month-to-month comparison was contrary to the usual seasonal trend, and was attributable partly to the fact that many of the principal manufacturers began to market their new models in volume during January. While reaction to the new models was favorable in all classifications, interest centered chiefly in the lower priced cars, approximately 82 per cent of the January sales being in that field, with the two leading producers accounting for about 68 per cent. Deliveries of new cars increased materially during the last half of January, and at mid-February dealers generally were able to make prompt deliveries to their customers. Demand for commercial units was also active, with January sales recording substantial increases over a month and a year earlier.

Sales of new passenger cars by the reporting dealers in January were 229 per cent greater than in December, and 280 per cent in excess of the January, 1934, total. Truck sales were 238 and 247 per cent larger, respectively, than a month and a year earlier. Dealers are ordering cars somewhat more freely than heretofore, both for immediate and early spring delivery. Inventories, however, are still of moderate size, stocks as of February 1 being 4 per cent larger than on January 1 and 22 per cent greater than a year ago. Trends in the used car market followed closely those in the new car situation. January sales were larger by 40 and 72 per cent than a month and a year earlier. Supplies of salable secondhand cars increased 18 per cent between January 1 and February 1 and on the latest date were 26 per cent larger than a year earlier. According to dealers reporting on that item, deferred payment sales in January constituted 46 per cent of their total sales, against 53 per cent in December and 50 per cent in January, 1934.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January was 41.5 per cent greater than in December, and 145 per cent more than in January, 1934. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January, amounted to $6,054,924 which compares with $5,093,253 in December, and $10,422,049 in January, 1934. Production of Portland cement for the country as a whole in January totaled 3,202,000 barrels against 4,447,000 barrels in December, and 3,779,000 barrels in January, 1934. Building figures for January follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	21	4	$ 21	$ 1	113	103	$ 36	$ 20
Little Rock	6	10	3	1	110	55	25	8
Louisville ..	32	20	146	59	78	15	64	41
Memphis ...	90	120	30	163	134	86	61	47
St. Louis....	94	52	584	96	134	93	81	61
Jan. Totals	243	206	$ 784	$ 320	569	352	$ 267	$ 177
Dec. "	172	175	554	288	489	288	210	127
Nov. "	332	363	550	531	605	318	237	154

*In thousands (000 omitted).

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	
	Jan. 1935 comp. to Jan. 1934	Jan. 31, 1935 comp. to Jan. 31, 1934	January 1935	January 1934
El Dorado, Ark.	+12.7%	— 3.4%	.24	.21
Evansville, Ind.	—17.4	—19.2	.12	.12
Fort Smith, Ark.	— 0.9	— 5.9	.16	.17
Little Rock, Ark.	—11.2	— 0.2	.17	.18
Louisville, Ky.	+ 7.9	— 8.3	.22	.19
Memphis, Tenn.	— 2.0	+ 6.0	.24	.26
St. Louis, Mo.	+ 2.0	— 6.2	.31	.28
Springfield, Mo.	+12.3	—17.4	.16	.12
All Other Cities	+11.3	— 5.7	.22	.19
8th F. R. District	+ 1.0	— 4.4	.26	.25

Percentage of collections in January to accounts and notes receivable first day of January, 1935.

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.	59.3%	Memphis, Tenn.	44.5%
Fort Smith, Ark.	26.5	Springfield, Mo.	24.5
Little Rock, Ark.	35.9	St. Louis, Mo.	52.7
Louisville, Ky.	49.8	All Other Cities	40.2
8th F. R. District	48.4%		

Retail Stores

	Net Sales Comparison	Stocks on Hand	Stock Turnover	
	Jan. 1935 comp. to Jan. 1934	Jan. 31, 1935 comp. to Jan. 31, 1934	January 1935	January 1934
Men's Furnishings	+ 4.1%	+ 1.3%	.20	.19
Boots and Shoes	— 1.0	— 7.5	.24	.22

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in January as being 12.8 per cent larger than in December, and 17.5 per cent more than in January, 1934. Detailed figures follow:

	No. of Customers	Jan., 1935 *K.W.H.	Dec., 1934 *K.W.H.	Jan. 1935 comp. to Dec. 1934	Jan., 1934 *K.W.H.	Jan. 1935 comp. to Jan. 1934
Evansville	40	2,440	1,968	+24.0%	1,806	+35.1%
Little Rock	35	1,425	1,295	+10.0	1,344	+ 6.0
Louisville	83	7,344	6,271	+17.1	5,491**	+33.7
Memphis	31	1,951	1,778	+ 9.7	1,470	+32.7
St. Louis	191**	14,329	13,055**	+ 9.8	13,283**	+ 7.9
Totals	380	27,489	24,367	+12.8%	23,394	+17.5%

*In thousands (000 omitted).

**Revised figures.

AGRICULTURE

Generally weather conditions throughout the Eighth District during late fall and winter to the middle of February have been favorable for crop development and all descriptions of agricultural operations. Precipitation has been ample and well distributed, so that in many sections moisture deficiency which had existed for several years, and become acute during the spring and summer drouth of 1934, has been to a considerable extent made up. The drop to sub-zero temperatures over the northern stretches of the district in January was accompanied by heavy snows, which afforded protection for the growing grain crops. Excessive rains in some sections caused more or less local flood damage and delayed field work. These conditions, however, were by no means general, the Mississippi River and its principal tributaries remaining at relatively low stages. The condition of fall grain crops is in the main favorable, there being a minimum of reports of injury from winter kill, or any other cause.

Almost universally through the district, but more particularly in the south, early farm work has made considerable progress. Due to auspicious weather conditions in the early fall, abundant labor and the stronger financial position of farmers, more ground has been broken for cotton than at the same period during the past five years. Reports from county agents and representatives of farm implement manufacturers, indicate more new equipment will be used this year than in a number of seasons. Employment of fertilizer, according to compilations of the National Fertilizer Association, will also be larger than average during the past few years. January tag sales in states including the Eighth District were equivalent to 29,627 tons, against 19,587 tons last year and 17,360 tons in 1933.

According to the U. S. Department of Agriculture, the general level of farm wage rates dropped 7 points less than the usual seasonal amount during the last quarter of 1934. This decline lowered the index to 86 per cent of pre-war on January 1, 1935, but at this level, wage rates were still 5 points higher than a year earlier. From the standpoint of price wage relationships, farmers were in a much better position on January 1 than they have been in some time. The ratio of prices received for farm products to farm wages rose to 117 per cent of pre-war, as compared with ratios of 110 on October 1 and 95 a year ago.

The following table shows rental and benefit payments by Agricultural Adjustment Administration, up to December 31, 1934, in states of Eighth Federal Reserve District:

	Cotton	Wheat	Tobacco	Corn-Hogs	Total
Arkansas..	$19,701,782	$ 2,462	$ 180	$ 576,883	$ 20,281,307
Illinois......	....	3,756,181	888	18,055,875	21,812,944
Indiana.....	....	2,895,857	80,420	13,823,433	16,799,710
Kentucky.	84,148	324,067	2,783,875	2,021,836	5,213,926
Mississippi.	19,738,751	....	....	30,915	19,769,666
Missouri...	3,051,182	2,301,536	55,740	13,399,773	18,808,231
Totals.......	$42,575,863	$9,280,103	$2,921,103	$47,908,715	$102,685,785

Winter Wheat—Some scattered reports of winter kill are being received, but thus far they are local in character. Generally the crop in this district is in good condition, the season from planting to date having been unusually favorable. Prices declined somewhat from the recent high in early February, but continued substantially higher than a year ago. Stocks in interior mills and elevators of the Eighth District on January 1 totaled 10,000,000 bushels. For the country as a whole these stocks aggregated 93,485,000 bushels, an increase of 12 per cent and of 83 per cent, respectively, over the April 1, 1934, and July 1, 1934 totals.

Live Stock—According to the annual survey of the U. S. Department of Agriculture, the aggregate number of livestock on farms in states including the Eighth District as of January 1 was approximately 18 per cent smaller than at the beginning of 1934. However, owing to the sharply higher prices the value of these animals was 15 per cent greater on January 1 than a year earlier. The decrease in numbers extended to all species, except sheep and lambs, and was twice as large as has occurred in any year of record (since 1890). The number of animal units on farms on January 1, 1935, was the smallest in the present century. Accountable for the great loss in numbers was the record spring and summer drouth and the low prices which prevailed during the preceding several years.

The total number of horses and mules, cattle, swine and sheep on the opening day this year was 29,867,000 head, having an estimated value of $626,011,000, which compares with 36,541,000 head, with estimated value of $543,648,000 on January 1, 1934. According to species, the decreases on January 1, 1935, in percentages of January 1, 1934, were as follows: horses 0.4 per cent; mules 2.5 per cent; all cattle, 7 per cent and hogs 35 per cent; the number of sheep and lambs increased 5.2 per cent.

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

	Receipts			Shipments		
	Jan., 1935	Dec., 1934	Jan., 1934	Jan., 1935	Dec., 1934	Jan., 1934
Cattle and Calves......	128,042	103,292	97,480	74,661	48,725	49,610
Hogs	247,970	274,974	317,999	160,147	171,821	184,139
Horses and Mules......	8,956	7,381	10,592	10,016	7,082	10,936
Sheep	34,411	38,538	36,030	6,601	9,963	11,597

Fruits and Vegetables — Preliminary estimates of the strawberry acreage for picking in 1935 in states of the Eighth District indicate approximately 48,480 acres. This is a decrease of 36 per cent as compared with last year's harvested acreage, and is about one-fifth less than average acreage for the 5-year period, 1929-1933. The severe drouth last spring and summer caused heavy plant losses to both old and new beds, especially in Illinois, Missouri, Kentucky and Arkansas.

Cotton — Preparations for the new crop made rapid progress under favorable weather conditions in the fall, but operations were interfered with by the sharp drop in temperatures in January and early this month. While halting field work, the cold snap is looked upon as favorable in that it will discourage boll weevil. Reports relative to prospective acreage vary considerably, but quite generally indications point to the planting of full quotas permitted under the Bankhead act. Demand for raw cotton has been fairly active, but the movement to market continues on a limited scale, due primarily to the fact that much cotton is in the 12c loan, and the price has not been sufficiently high to stimulate shipments. In the St. Louis market the middling grade ranged from 12.20c to 12.60c per pound between January 16, and February 15, closing at 12.40c on the latter date, which compares with 12.50c on January 16, and 11.95c on February 15, 1934. Receipts at Arkansas compresses from August 1, 1934 to February 15, 1935, totaled 779,774 bales, against 951,916 bales for the corresponding period a year earlier. Stocks on February 15, totaled 571,214 bales, against 603,520 bales on January 18, and 538,620 bales on the corresponding date in 1934.

Tobacco — A comparison of total sales and average prices of all types of tobacco over loose leaf floors as of February 9, with total sales and average prices to February 10, 1934, is given in the following table:

	Amt. to Feb. 9, 1935 Lbs.	Average	Amt. to Feb. 10, 1934 Lbs.	Average
Burley	250,116,177	$17.06	288,431,767	$10.51
One Sucker	12,353,079	7.10	10,595,150	7.25
Owensboro-Green River	8,735,900	8.55	3,289,550	8.26
Dark-Fired, Eastern Dist.				
Springfield, Tenn.	4,087,248	11.56	5,223,795	9.99
Clarksville, Tenn.	5,651,288	11.48	8,014,740	9.24
Hopkinsville, Ky.	4,096,958	9.44	3,513,890	8.55
Western District:				
Mayfield, Ky.	1,991,716	8.24	1,879,235	5.33
Paducah, Ky.	1,504,312	8.66	582,630	5.80
Murray, Ky.	983,914	8.99	953,185	6.12

All burley, one sucker and Owensboro-Green River types are sold over the loose leaf floor markets. Conditions differ in respect to dark-fired markets because a considerable quantity of tobacco in the various dark-fired districts is bought direct from the farmer and therefore does not reach the loose leaf floors.

Estimates as of February 14, place total sales of dark-fired tobacco in the eastern district tributary to Springfield and Clarksville, Tenn., and Hopkinsville, Ky., at approximately 23 million pounds out of an estimated production of 70 million pounds. In the western dark-fired district tributary to Mayfield, Murray and Paducah, total sales are approximately 18 million pounds out of an estimated production of 28 million pounds. Due to direct purchases and deliveries to the Dark Tobacco Growers Association, there is no means of determining the average cost of dark-fired tobacco sold.

COMMODITY PRICES

Range of prices in the St. Louis market between January 15, 1935, and February 15, 1935, with closing quotations on the latter date and on February 15, 1934, follow:

		High	Low	Close Feb. 15, 1935	Close Feb. 15, 1934
Wheat					
May	per bu.	$ .97¾	$ .92¾	$ .96¼	$ .89⅜
July	"	.88¾	.85½	.88¾	.88½
*Sept.	"	.87	.83⅝	.86⅞	.89⅜
No. 2 red winter	"	1.01	.94½	.98½	.93
No. 2 hard "	"	1.05	1.01½	1.04½	.91
Corn					
May	"	.90	.83½	.88⅜	.51⅞@ .52
July	"	.86	.80⅞	.83½	.53⅞@ .54
*Sept.	"	.82⅛	.77⅞	.79⅞	.55¾
No. 2 white	"	1.00	.97	1.00	.48¾@ .51½
Oats					
No. 2 white	"	.61	.56½	.61	.38
Flour					
Soft patent	per bbl.	6.70	6.25	6.00@6.50	6.50 @7.00
Spring "	"	7.50	7.20	7.35@7.50	6.50 @7.00
Middling Cotton	per lb.	.1260	.1220	.1240	.1195
Hogs on hoof	per cwt.	8.65	3.00	3.50@8.65	3.35 @4.75

*Nominal quotations.

FINANCIAL

Eighth District banking and financial conditions during the closing weeks of January and the first half of February underwent no changes worthy of note as contrasted with the preceding thirty days. Demand for credit from commercial and industrial sources remained quiet and aggregated considerably less than the seasonal volume. Collections of mercantile and manufacturing interests continue at the high levels which have obtained for a number of months, with the result that they are able to operate largely with their own resources and with relatively little assistance from banking connections. Liquidation at country banks generally through the district, has been in considerable volume, and borrowings of these institutions from their city correspondents were further reduced. Aside from the usual routine requirements of flour milling and grain handling interests, agricultural demands are negligible.

Between January 16 and February 13, changes in the principal items of reporting member banks in the chief cities were nominal. There was a decrease of 3.9 per cent in reserves, but the total was 38.5 per cent greater than a year ago. Government securities held showed an increase of 1.7 per cent over the January 16, total, and other securities of 0.2 per cent, resulting in a gain in total investments of 1.1 per cent. Demand deposits gained 3.2 per cent and time deposits 0.6 per cent, total deposits showing an increase of 0.7 per cent.

The volume of reserve credit outstanding at this bank, reflected in its total bills and securities, increased $15,082,000 between January 16 and February 16, and on the latest date was $11,487,000 greater than a year earlier. The increase from mid-January to mid-February was due mainly to an expansion in holdings of Government securities, but there was also an increase in industrial advances (Sec. 13b). Bills discounted for member banks under Section 13 remained unchanged. Total deposits and note circulation showed no appreciable changes.

The amount of savings deposits held by selected banks on February 6 was 3.1 per cent greater than on January 2, and 18.1 per cent in excess of the total on February 7, 1934.

Interest rates remained at or around the low levels which have prevailed in recent months. At St. Louis banks, as of the week ended February 15, current rates were as follows: Customers prime commercial paper, 1 to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 2 to 6 per cent and cattle loans 4½ to 6 per cent.

Condition of Banks — Loans and discounts of the reporting member banks on February 13, 1935, showed a decrease of 0.6 per cent as contrasted with January 16, 1935. Deposits increased 0.7 per cent between January 16, 1935 and February 13, 1935 and on the latter date were 11.8 per cent greater than on February 14, 1934. Composite statement follows:

	*Feb. 13, 1935	*Jan. 16, 1935	*Feb. 14, 1934
Number of banks reporting	19	19	19
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stock and bonds	$ 66,373	$ 67,592	$ 89,531
All other loans and discounts	155,255	155,408	135,295
Total loans and discounts	$221,628	$223,000	$224,826
Investments			
U. S. Govt. securities	$192,706	$189,416	$179,613
Other securities	120,197	119,989	99,084
Total investments	$312,903	$309,405	$278,697
Reserve balance with F. R. Bank	$100,066	$104,073	$ 72,225
Cash in vault	8,380	7,777	7,672
Deposits			
Net demand deposits	$392,469	$380,128	$331,690
Time deposits	165,213	164,299	161,238
Government deposits	22,210	31,621	25,629
Total deposits	$579,892	$576,048	$518,557
Bills payable and rediscounts with Federal Reserve Bank	....	....	220

*In thousands (000 omitted).

The total resources of these banks comprise approximately 60.0% of all member banks in this district.

Federal Reserve Operations — During January, the Federal Reserve Bank of St. Louis discounted for 4 member banks against 6 in December, and 48 in January, 1934.

Changes in the principal assets and liabilities of this institution appear in the following table:

	*Feb. 19, 1935	*Jan. 19, 1935	*Feb. 19, 1934
Bills discounted	$ 511	$ 514	$ 811
Bills bought	....	....	2,919
U. S. Securities	108,200	93,200	93,200
Participation in Inv. Foreign Banks	105	105	155
Total Bills and Securities	$108,816	$ 93,819	$ 97,085
Total Reserves	$208,181	$222,944	$184,655
Total Deposits	170,462	172,616	125,500
F. R. Notes in circulation	138,646	138,260	137,735
F. R. Bank Notes in circulation	....	....	8,875
Ratio of reserve to deposits and F. R. Note Liabilities	67.3%	71.7%	70.1%

*In thousands (000 omitted).

Effective February 23, the rate charged on direct advances to individuals, firms or corporations (including non-member banks), secured by direct obligations of U. S. under Section 13, was reduced from 4½ to 4 per cent. Complete schedule of rates follows:

2 per cent on member banks' collateral notes and on rediscounts under Section 13 and 13(a) of the Federal Reserve Act.

4½ per cent on advances to member banks on their promissory notes secured by ineligible paper and/or collateral, under Section 10b.

4½ per cent on advances to banks and other financing institutions on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

½ per cent flat for commitments not exceeding six months on obligations of established industrial or commercial businesses, for working capital, under Section 13b.

5½ per cent on direct advances to established industrial or commercial businesses, for working capital, under Section 13b.

4 per cent on direct advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.

5½ per cent on direct advances to individuals, partnerships and corporations (excluding nonmember banks) on eligible paper, under Section 13.

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.

	*Jan., 1935	*Dec., 1934	*Jan., 1934	Jan., 1935 comp. to Dec. 1934	Jan., 1935 comp. to Jan. 1934
East St. Louis and Natl. Stock Yards, Ill.	$ 22,388	$ 21,176	$ 17,076	+ 5.7%	+31.1%
El Dorado, Ark.	4,012	3,629	3,758	+10.6	+ 6.8
Evansville, Ind.	19,848	19,492	16,218	+ 1.8	+22.4
Fort Smith, Ark.	8,507	8,590	7,539	— 1.0	+12.8
Greenville, Miss.	3,954	4,089	3,485	— 3.3	+13.5
Helena, Ark.	1,491	1,938	1,470	—23.1	+ 1.4
Little Rock, Ark.	26,118	26,090	19,769	+ 0.1	+32.1
Louisville, Ky.	141,434	137,241	140,122	+ 3.1	+ 0.9
Memphis, Tenn.	104,801	114,615	96,074	— 8.6	+ 9.1
Owensboro, Ky.	5,214	4,645	3,172	+12.2	+64.4
Pine Bluff, Ark.	5,056	6,109	4,132	—17.2	+22.4
Quincy, Ill.	5,093	6,055	4,839	—15.9	+ 5.2
St. Louis, Mo.	465,544	498,581	436,020	— 6.6	+ 6.8
Sedalia, Mo.	1,854	1,807	1,628	+ 2.6	+13.9
Springfield, Mo.	11,532	11,157	9,988	+ 3.4	+15.5
**Texarkana, Ark.-Tex.	5,637	6,558	5,915	—14.0	— 4.7
Totals	$832,483	$871,772	$771,205	— 4.5%	+ 7.9%

*In thousands (000 omitted).

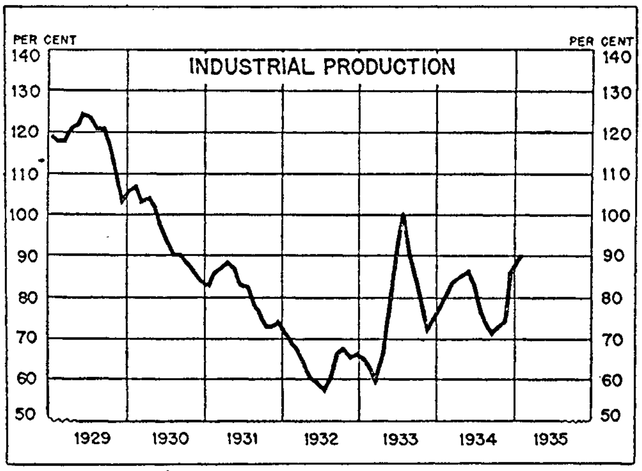
**Includes one bank in Texarkana, Texas not in Eighth District.

(Compiled February 23, 1935)

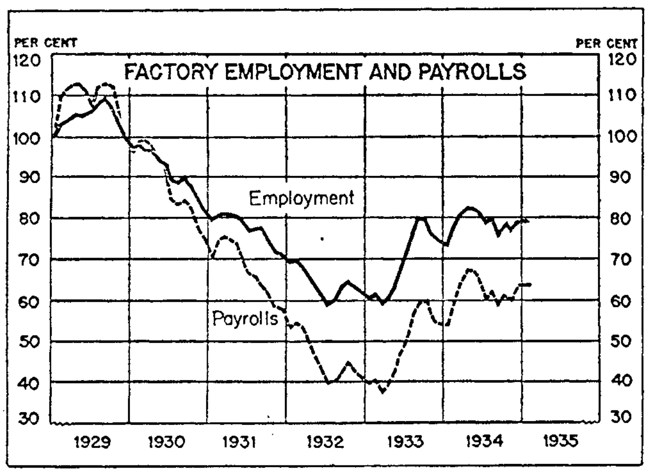
BUSINESS CONDITIONS IN THE UNITED STATES

Industrial output, which had shown a rapid growth in December, increased further in January. Activity in the building industry continued at a low level. Wholesale commodity prices advanced considerably during January and the first half of February, reflecting chiefly marked increases in the prices of livestock and livestock products.

PRODUCTION AND EMPLOYMENT—Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 86 per cent of the 1923-25 average in December to 90 per cent in January. Activity in the steel and automobile industries continued to increase rapidly during January and the early part of February; in the middle of the month, however, steel production declined. Output of lumber increased in January but was still at a low level. At cotton and woolen textile mills activity showed a considerable growth, while in the meat packing industry output declined. Output of crude petroleum increased further in January and the first half of February. Factory employment and payrolls increased somewhat between the middle of December and the middle of January, although a decline is usual at this season. At automobile factories the volume of employment increased further by a large amount and there were substantial increases at steel mills, foundries and woolen mills.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average=100.) Latest figure January, adjusted preliminary 90.



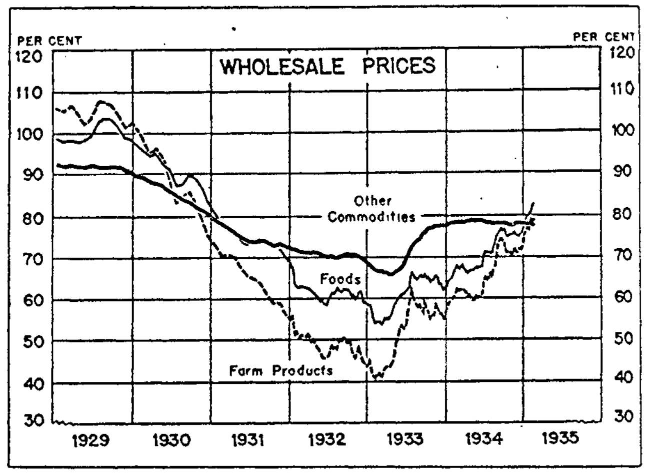
Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average=100.) Indexes compiled by the United States Bureau of Labor Statistics. Latest figures January, factory employment 78.6, payrolls, 64.1.

Employment in the meat packing industry continued to decline and in January was at about the same level as a year ago. Among the non-manufacturing industries, the number employed at retail trade establishments and on construction projects showed a decline of a seasonal nature.

Value of construction contracts awarded in January, as reported by the F. W. Dodge Corporation, was slightly larger than in December, but considerably smaller than a year ago, when the volume of public projects was exceptionally large. The value of contracts awarded for residential building in the three month from November to January was about the same as in the corre sponding periods of the two preceding years.

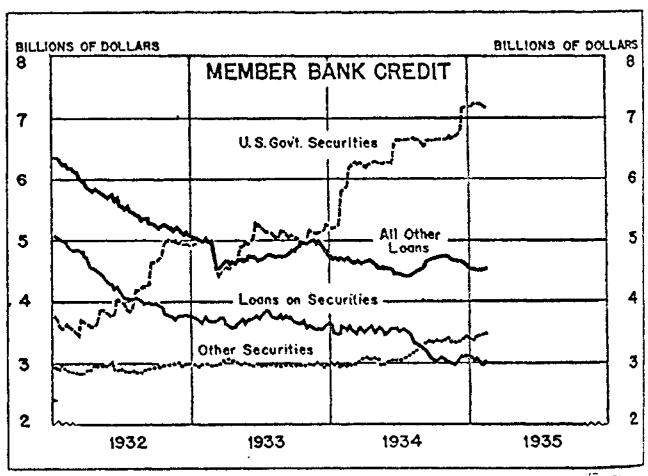
DISTRIBUTION — Freight-car loadings showed a season growth in January. At department stores the volume of busines declined somewhat more than is usual after the Christmas holi days.

COMMODITY PRICES — The general level of wholesal commodity prices, as measured by the index of the Bureau o Labor Statistics, advanced from 77.9 per cent of the 1926 averag in the week ending January 5 to 79.4 per cent in the week endin February 16. During January prices of cattle and beef showe substantial increases and in February the price of hogs advance considerably. Prices of cotton, grains, and silk showed a declin in January and the first few days of February, followed by a advance in the middle of the month.



Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months 1929 to 1931; by weeks 1932 to date. Latest figures, February 16, farm products 79.2, foods 83.1, other commodities 77.7.

BANK CREDIT — During the five weeks ended February 20, member bank balances with the Reserve banks increased by $260,000,000 and their excess reserves rose to about $2,300,000,000; the principal factors in the increase were an inflow of gold from abroad and disbursements by the Treasury of funds previousl held as cash or on deposit with the Federal Reserve banks. N demand deposits of weekly reporting member banks in leadi cities increased by more than $200,000,000 in the four weeks endi February 13. Total loans and investments of these banks show no significant changes during the period. Slight declines occurr in loans on securities and in holdings of direct obligations the United States Government, while other loans and other secur ties increased somewhat. Yields on United States Governme securities declined slightly further and other open market mon rates continued at a low level.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for February 13.