



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

LOANS TO INDUSTRY

In June, 1934, Congress added Section 13(b) to the Federal Reserve Act, authorizing the Federal Reserve banks to aid in providing working capital for established industrial or commercial businesses, for periods of not exceeding five years, as follows:

- (1) To discount for or purchase from any bank or other financing institution, obligations entered into for the purpose of obtaining such working capital;
- (2) To make loans or advances to banks and other financing institutions on the security of such obligations;
- (3) To make direct loans to or purchase obligations of such businesses, in exceptional circumstances, when it appears that requisite financial assistance cannot be obtained on a reasonable basis from the usual sources;
- (4) To execute commitments with respect to the foregoing.

The law provides that the Federal Reserve Bank may assume up to 80 per cent of any loss that may be sustained on any such obligation acquired from a bank or other financing institution.

In accordance with the new section, an Industrial Advisory Committee was appointed in this district to consider applications for such loans, purchases, and commitments, and to make recommendations to the Federal Reserve bank in regard thereto. It consists of the following:

- Wm. K. Norris, Chairman,
Pres., McQuay-Norris Mfg. Co., St. Louis.
Jacob VanDyke, Vice-Chairman,
Pres., Western Textile Products Co., St. Louis.
Maurice Weil,
Pres., Weil-Kalter Manufacturing Co., St. Louis.
Henry S. Gray,
Secy.-Treas., Louisville Cement Co., Louisville.
M. E. Finch,
Secy.-Treas., American Snuff Co., Memphis.

From enactment of the amendment, the Federal Reserve Bank of St. Louis has encouraged commercial banks to make and hold such loans under commitments from this bank, or to participate with it in joint advances. By obtaining a commitment, a bank can make a loan for a period of not exceeding five years, be assured that it can turn the asset into cash at any time it desires within the terms of the commitment, and receive the benefit of the entire interest thereon, less a small commitment fee, until the commitment is exercised.

On April 18, 1935, this bank had a total of \$1,492,000 industrial commitments outstanding, and \$543,000 working capital loans. Most of the loans were made with commercial banks advancing additional funds jointly, but some were made direct to businesses without a bank participating. These accommodations have benefited the banks, the industries, their employees, their communities, and the general situation.

Additional information and application blanks will be gladly furnished by the Federal Reserve Bank of St. Louis.

AVAILABLE data and statistics bearing on business activity in the Eighth District during the past thirty days reflected a considerable degree of variance as contrasted with the similar period immediately preceding, both between the several types of business and geographical locations. In some lines there were distinct symptoms of slowing tendencies and diminishing confidence, while elsewhere the improvement of recent months was fully maintained, and in certain instances carried further forward. Taken as a whole the volume of industry and commerce was about on a parity with that of the corresponding period a year ago, and for the first three months this year reached the highest total recorded for any first quarter since 1931. Seasonal demand for merchandise in many important lines failed to show the usual expansion, owing to a number of influences, chief among which was the prolonged spell of unfavorable weather and the very late Easter date. In lines for common consumption, merchants generally were disposed to replenish their inventories with more caution and conservatism than was the case earlier in the year. Quite generally wholesaling and jobbing interests report advance business as of April 1 in smaller volume than on that date in 1934. In the rural areas the lateness of the season for planting spring crops, and in many sections more or less serious flood conditions, tended to restrict the volume of retail trade.

The general level of industrial production in March showed little change as compared with the preceding month. There was some curtailment in activities at textile mills and at plants producing food products. On the other hand activities at lumber, glass, shoe and certain apparel manufacturing establishments were increased moderately. The rate of operations at iron and steel mills and foundries was sustained at about the same average rate as obtained during the last half of January and through February. Certain specialty makers, notably of stoves, heating apparatus, farm implements and household appliances reported March activities at

the highest rate for that month since 1930. The melt of pig iron at district plants in March was about 2 per cent greater than in February and 12 per cent in excess of March, 1934. Production of bituminous coal in fields of the district during March was stimulated by expectations of a strike on April 1, and was considerably larger than the tonnage raised a month and a year earlier. Production of lead and zinc declined slightly in March. Consumption of electric power by industrial users in the principal manufacturing centers in March recorded gains over a month and a year earlier.

Weather conditions during March and the first half of April were favorable for fall planted grain crops and pastures, but adverse to progress in preparation for and planting of spring crops. In virtually all sections of the district, precipitation was above normal, and as a whole plowing and general routine spring farm operations at mid-April were from two to three weeks behind the seasonal schedule. In all states of the district the condition of winter wheat as of April 1, was above that of a year ago, and in these states the crop is estimated at 99,690,000 bushels, or 10 per cent larger than was harvested in 1934 and 20.5 per cent above the 5-year (1928-1932) average.

March retail trade in the Eighth District, as reflected by department store sales in the principal cities, was 29.5 per cent greater than in February, and 3.7 per cent less than the March, 1934, total; cumulative total for the first quarter of this year showed a slight decline under the comparable period last year. Combined sales of all wholesaling and jobbing firms reporting to this bank in March were 3 per cent larger than in February, but 10 per cent less than in March, 1934; first quarter sales of these firms were 9 per cent smaller than for that period a year ago. The dollar value of building permits issued for new construction in the five largest cities in March were 167.6 per cent and 303.8 per cent larger, respectively, than a month and a year earlier; for the first quarter the total was 192.5 per cent larger than for the first three months of 1934. Construction contracts let in the Eighth District in March were 26.4 per cent above the preceding month and 48.6 per cent less than in March, 1934; for the first quarter this year the cumulative total was 45 per cent less than that for the like period a year ago. Debits to individual accounts in March were 21 per cent and 8.5 per cent larger, respectively, than a month and a year earlier and for the first quarter the total exceeded that of the like period last year by 6 per cent.

Despite increases in late March in freight traffic handled by railroads operating in this district, the total volume for the first quarter fell slightly below that for the comparable period a year ago, though continuing above the first three months of 1933. The increases in late March were occasioned by heavier coal shipments in anticipation of a strike of bituminous coal miners on April 1 and by improved merchandise loadings. For the country as a whole loadings of revenue freight for the first 14 weeks this year, or to April 6, totaled 8,056,308 cars, against 8,124,238 cars for the like period in 1934 and 6,741,356 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 75,939 loads in March, against 66,318 loads in February, and 81,391 loads in March, 1934. During the first nine days of April the interchange amounted to 21,720 loads which compares with 22,143 loads during the corresponding period in March and 21,418 loads during the first nine days of April, 1934. Passenger traffic of the reporting lines in March decreased 6 per cent as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 108,800 tons, as against 78,105 tons in February, and 81,600 tons in March, 1934.

Reports relative to collections during the past thirty days reflect generally a continuance of the satisfactory results which have marked the past several months. Wholesalers and jobbers of boots and shoes, dry goods and other lines with which April is an important settlement month, report that their collections compare favorably with a year ago, when payments were relatively the largest since 1930. In the retail section of distribution, merchants in the urban centers report relatively better results than in the country, which fact is ascribed to the long spell of wet weather which has prevailed in many sections of the district. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
March, 1935.....	2.4%	36.8%	52.8%	8.0%
February, 1935.....	4.2	39.2	51.8	4.8
March, 1934.....	5.1	42.3	50.5	2.1

Commercial failures in the Eighth Federal Reserve District in March, according to Dun and Bradstreet, numbered 44, involving liabilities of \$590,762, against 40 defaults in February with liabilities of \$634,767, and 37 insolvencies for a total of \$754,076 in March, 1934.

MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	March, 1935 compared to		3 months ending March 31, 1935	Mar. 31, 1935 compared to
	Mar. 1934	Feb. 1935	comp. to 1934	Mar. 31, 1934
Boots and Shoes.....	-13.1%	+ 2.0%	-15.0%	+47.1%
Drugs and Chemicals	- 8.1	+ 6.1	- 6.8	+45.5
Dry Goods.....	-15.7	- 3.2	-17.6	- 3.8
Electrical Supplies.....	+25.8	+29.7	+ 8.0	+12.6
Furniture.....	+21.7	+19.5	+18.5	-14.3
Groceries.....	+ 2.2	+ 8.6	+ 2.1	+ 7.5
Hardware.....	- 2.7	+ 4.4	+ 2.7	- 5.5
Total.....	- 9.4	+ 2.9	-10.8	+ 8.7

Boots and Shoes — Following the usual seasonal trend, sales of the reporting firms increased from February to March, but the extent of the gain was smaller than average during the past several years. As contrasted with a year ago there was a decrease of 13 per cent. Since April 1, there has been a moderate pick up in advance ordering, but the volume continues below a year ago. Inventories declined between March 1 and April 1, but on the latest date were approximately one-half larger than a year ago.

Clothing — The usual seasonal influences, coupled with the late Easter date were reflected in a substantial gain in March sales of the reporting clothiers as contrasted with the month before. The March aggregate, however, fell 15 per cent below that of the same period in 1934. Price and style uncertainties have tended to hold down future commitments, advance business as of April 1, being somewhat below the average for that date during the past five years.

Drugs and Chemicals — During late March and the first half of April, some slowing down was noted in the demand for heavy drugs and chemicals from the general manufacturing trade. This was offset, however, by a quickening in the movement of insecticides, fertilizers and other seasonal merchandise. Inventories continue measurably larger than a year ago.

Dry Goods — March sales in this classification fell below those of the preceding month and the corresponding month in 1934. The decrease from February was seasonal in character, and of about the usual proportions. A decrease from a year ago was not unexpected in view of the fact the volume in March, 1934, was the largest for the month since 1931. Reports covering the first half of April reflect a volume about on a parity with the same period a year earlier.

Electrical Supplies — Further betterment over both a month and a year earlier was indicated in March sales of the reporting interests. In both comparisons the improvement extended to virtually all lines, with exception of electrical installations for new buildings. Automotive, radio and household appliance requirements continue outstanding.

Flour — Production at the 12 leading mills of the district in March totaled 203,764 barrels, which compares with 200,755 barrels in February and 263,960 barrels in March, 1934. Purchasing continues on a necessity basis. The Government's April 1 estimate of wheat production had a strengthening effect on prices, but the trade was not inclined to follow the upturn. Mill operations were at from 40 to 45 per cent of capacity.

Furniture — Substantial increases both as compared with the preceding month and a year ago were reflected in March sales of the reporting interests. In both comparisons a considerable part of the increases was accounted for by further expansion in demand for household furniture and furnishings. Some falling off in new orders has taken place since April 1, but shipments have continued at about the same rate as during February and March.

Groceries — An increase of somewhat greater than the usual seasonal proportions took place in sales of the reporting firms from February to March, and the total for the latest month was slightly larger than for the same period in 1934. In some sections business was held in check by excessive rains and floods. Lateness of spring fruits and vegetables has had stimulating effect on demand for canned goods.

Hardware — For the twenty-second consecutive month, sales of the reporting firms were maintained at levels higher than the corresponding period a year earlier. The March total was also seasonally higher than that of the preceding month. Goods for consumption in the rural areas continue to move in heavy volume, and further slight expansion was noted in demand for builders' tools, hardware and general supplies.

Iron and Steel Products — Taken as a whole, activities in the iron and steel industry during March and the first half of April varied in minor degree only as compared with the rate prevailing in February. Some spottiness developed following mid-March, and while shipments of both raw and finished materials has continued in considerable volume, the movement in some instances was at the expense of accumulated backlogs of unfinished orders. As has been the case during the past several months, relatively the highest rate of operations was at plants producing specialties, notably farm implements, stoves and heating apparatus, and household appliances. The outlet for iron and steel commodities through the building industry showed little change from recent quiet conditions, and interests specializing in castings and other materials for the railroads reported a dearth of new orders. The melt of pig iron at district plants in March slightly

exceeded that of the preceding month, and was substantially greater in the aggregate than a year and two years earlier. During the first half of April the movement of pig iron, fuel and other raw materials was stimulated by anticipation of an advance in freight rates which was expected to become effective shortly after the middle of the month. Demand for farm implements in virtually all sections of the district continues in larger volume than at any similar period during the past five years. Sales of tractors are especially outstanding, this form of power having invaded sections where it was little in evidence during preceding seasons. Manufacturers of sheets, plates, strip and other rolled materials report a moderate recession in new orders in the immediate past, but considerably larger sales during the first quarter this year than during the like period in 1934. Interest continues to center in galvanized sheets, tin plate and other descriptions of the lighter materials. With the exception of a further decline in scrap iron and steel, price changes during the past thirty days were negligible. For the country as a whole, production of pig iron in March, according to the magazine "Steel", totaled 1,770,990 tons, against 1,614,905 tons in February, and 1,625,588 tons in March, 1934. Steel ingot production in the United States in March was 2,830,700 tons, against 2,742,125 tons in February, and 2,761,438 tons in March, 1934.

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	
	Mar. 1935 comp. to Mar. 1934	3 months ended Mar. 31, 1935 to same period 1934	Mar. 31, 1935 comp. to Mar. 31, 1934	Jan. 1, to Mar. 31, 1935	1934
El Dorado, Ark.....	+ 9.5%	+12.0%	+ 6.6%	.65	.59
Evansville, Ind.....	-30.7	-25.6	-30.2	.42	.43
Fort Smith, Ark.....	+ 5.2	+ 2.7	- 5.5	.56	.55
Little Rock, Ark.....	-15.5	- 9.8	- 0.3	.52	.57
Louisville, Ky.....	+ 2.8	+ 6.4	+ 4.2	.86	.78
Memphis, Tenn.....	+ 8.4	- 3.5	+ 4.4	.72	.78
St. Louis, Mo.....	+ 2.0	+ 0.4	- 6.5	.94	.88
Springfield, Mo.....	+ 2.6	+ 1.3	-19.0	.50	.42
All Other Cities.....	+ 3.3	+ 4.3	- 1.1	.69	.64
8th F. R. District.....	+ 3.7	- 0.4	- 3.5	.82	.79

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

PERCENTAGE OF COLLECTIONS BY CITIES

EJ Dorado, Ark.....	45.0%	Memphis, Tenn.....	42.2%
Fort Smith, Ark.....	40.0	Springfield, Mo.....	24.6
Little Rock, Ark.....	36.0	St. Louis, Mo.....	50.6
Louisville, Ky.....	51.4	All Other Cities.....	35.3
8th F. R. District.....	46.9%		

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Mar. 1935 comp. to Mar. 1934	3 months ended Mar. 31, 1935 to same period 1934	Mar. 31, 1935 comp. to Mar. 31, 1934	Jan. 1, to Mar. 31, 1935	1934
Men's Furnishings	-29.9%	-10.5%	- 7.0%	.56	.60
Boots and Shoes	-19.4	- 8.8	+ 1.5	.65	.71

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in March was 429,830, against 340,544 in February, and 338,434, revised figure, in March, 1934.

In conformity with the usual seasonal trend, sales of new passenger cars to users in this district rose sharply during March, the increase over February, according to the group of reporting dealers, being considerably larger than the average during the past decade. The March total was also substantially greater than that for the same month a year ago. The increase in both comparisons was quite well distributed through all makes of cars, but, as has been the case in recent months, was most pronounced in the low price field. In all descriptions of automobiles, replacement demand still dominates, but the volume of cars going to persons who have not formerly been owners is reported considerably in excess of the corresponding period a year ago. In the rural areas, but more particularly in the south, a number of dealers report the first three months this year most satisfactory experienced since 1930. Demand for trucks continues active, with interest well diversified between the heavy and light service vehicles. March sales of trucks were 7 per cent, and 22 per cent larger, respectively, than a year and a month earlier.

March sales of new passenger cars by the reporting dealers were 38.5 per cent greater than during the preceding month, and 44 per cent in excess of a year ago. Inventories of new cars continue to increase, stocks on dealers' floors as of April 1 being about one-fourth and two-thirds larger, respectively, than a month and a year earlier. Trends in the used car market followed closely those noted in new equipment. March sales of secondhand cars were 22 per cent greater than in February, and about 10 per cent larger than in March, 1934. Stocks of secondhand vehicles have advanced sharply, owing to heavy trade-ins, with stocks of cheap priced cars in some instances being burdensome. April 1 stocks of salable secondhand cars were larger by 26 per cent and 42 per cent, respectively, than a month and a year earlier. According to dealers reporting on that item, the ratio of installment sales to total sales in March was 46 per cent, against 51 per cent in February, and 51 per cent in March, 1934.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in March was 167.6 per cent greater than in February,

and 303.8 per cent larger than in March, 1934. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in March amounted to \$8,587,110 which compares with \$6,794,335 in February, and \$16,717,591 in March, 1934. Production of portland cement for the country as a whole in March totaled 4,299,000 barrels, against 3,053,000 barrels in February, and 5,257,000 barrels in March, 1934. Building figures follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	41	11	\$ 45	\$ 10	78	138	\$ 27	\$ 37
Little Rock ..	24	8	22	2	125	88	32	19
Louisville ..	52	45	173	26	96	33	35	27
Memphis	146	178	670	73	193	128	91	63
St. Louis....	243	111	455	227	242	170	167	76
Mar. Totals	506	353	1,365	338	734	557	352	222
Feb. "	369	227	510	251	475	404	301	302
Jan. "	243	206	784	320	569	352	267	177

*In thousands (000 omitted).

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase in combined postal receipts for the first three months this year of 3.2 per cent over the corresponding period in 1934 and an increase of 5.6 per cent over the final quarter in 1934. Detailed figures follow:

	For Quarter Ended				Mar. 1935 comp. to Mar. 1934
	Mar. 31, 1935	Dec. 31, 1934	Sept. 30, 1934	Mar. 31, 1934	
Evansville	\$ 143,020	\$ 133,937	\$ 133,923	\$ 141,196	+ 2.3%
Little Rock.....	186,668	160,085	167,554	182,751	+ 2.1
Louisville	648,588	598,983	560,684	605,216	+ 7.2
Memphis	535,118	461,360	449,545	499,219	+ 7.2
St. Louis.....	2,357,124	2,311,177	2,136,137	2,320,894	+ 1.6
Totals.....	3,870,518	3,665,542	3,447,843	3,749,276	+ 3.2%

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in March as being 7.8 per cent larger than in February, and 7.4 per cent more than in March, 1934. Detailed figures follow:

	No. of Custom- ers	Mar., 1935		Mar., 1935		
		*K.W.H.	*K.W.H.	comp. to Feb. 1935	comp. to Mar. 1934	
Evansville	40	2,975	2,521	+18.0%	2,362	+26.0%
Little Rock... 35	1,370	1,323	+ 3.6	1,251	+ 9.5	
Louisville 83	7,312	7,264	+ .7	6,640**	+10.1	
Memphis 31	1,829	1,810	+ 1.0	1,692	+ 8.1	
St. Louis.....193**	16,617	15,013**	+10.7	16,096**	+ 3.2	
Totals.....382**	30,103	27,931**	+ 7.8	28,041**	+ 7.4	

*In thousands (000 omitted).
**Revised figures.

AGRICULTURE

The report of the U. S. Department of Agriculture relative to planting intentions this spring of certain important crops by farmers in states including the Eighth District indicates slightly larger acreage than was harvested in 1934, but considerably larger than the three-year (1932-1934) average. Indicated acreages of corn, oats, soybeans, and tobacco are in excess of a year ago.

Harvest of staple farm crops in states of the Eighth Federal Reserve District for 1934, average

1932-1934, and indicated acreage for 1935 are shown in the following table:

CROP	Average		
	1934	1932-1934	1935
Corn.....	25,830,000	18,345,000	27,178,000
Cowpeas.....	812,000	820,000	783,000
Oats.....	5,976,000	7,530,000	7,531,000
Potatoes.....	341,000	333,000	347,000
Rice.....	136,000	148,000	143,000
Soybeans.....	2,562,000	2,081,000	3,263,000
Sweet Potatoes.....	199,000	206,000	203,000
Tame Hay.....	10,262,000	10,257,000	10,308,000
Tobacco.....	481,900	563,633	490,300
Totals.....	46,599,900	40,283,633	50,246,300

General Farm Conditions—Weather conditions during the past thirty days have been in the main favorable for winter grains and pastures. Excessive rainfall has occasioned considerable delay in the preparation of the soil for spring planting, and floods and a large amount of surface water, especially in the lowlands, will further hold back these operations. In many sections the excessive moisture has been injurious to early potatoes and has delayed farm gardens. Unseasonably cold weather during the first half of April tended to retard germination, however, in most areas prospects for fruits are good, relatively few reports of injury having been received. High winds and dust storms were frequent and general through the northern tiers of the district, but resulted in only local damage. Quite generally soil and subsoil conditions are better than during the preceding several years. Farm labor continues in excess of demand, with little change in wages as contrasted with last spring.

Winter Wheat—In its report as of April 1, the U. S. Department of Agriculture estimates production of winter wheat in states partly or entirely within the Eighth District at 99,690,000 bushels, which compares with 90,493,000 bushels harvested in 1934 and a 5-year average (1928-1932) of 82,742,000 bushels. Quite generally, but more particularly in Indiana, Illinois and Missouri, the crop survived the winter in good condition, due to the favorable seeding period last fall. Mild March weather stimulated growth and stooling. Both soil and subsoil moisture is adequate in contrast with a serious deficiency a year ago. Farm stocks of wheat in Eighth District states on April 1 were reported at 12,365,000 bushels, an increase of 22.5 per cent over a year ago, but 21 per cent less than 3-year (1932-1934) average.

Corn—Preparations for the new crop have been much delayed by the wet, cold weather, and this work as a whole is considerably behind the usual seasonal schedule. In the south, where some planting has been accomplished, germination is poor, and due to the rotting of seed in the ground and washing out of many lowland fields, much replanting will be required. In states including the Eighth District the U. S. Department of Agriculture in its report as of April 1, estimates stocks of corn on

farms at 159,868,000 bushels, the smallest for the date in recent years, and comparing with 273,627,000 bushels a year earlier and 377,099,000 bushels, the April 1 average during the preceding three years.

Live Stock—As of April 1, according to the U. S. Department of Agriculture, there was a decrease of about 36 per cent in the number of cattle on feed in the Corn Belt States this year as compared with the number on the corresponding date in 1934. This decrease is equivalent to approximately 500,000 head. The number on feed April 1, this year, was the smallest for that date in many years.

The early lamb situation in states of this district was reported about average, and the crop is in the main doing well. March weather was favorable, but too much moisture, low temperatures and high winds during the first half of April militated against best results. On the whole conditions at mid-April were somewhat better than a year ago, but below the 1929-1933 average.

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

	Receipts			Shipments		
	Mar., 1935	Feb., 1935	Mar., 1934	Mar., 1935	Feb., 1935	Mar., 1934
Cattle and Calves.....	84,619	78,874	85,772	46,221	45,167	40,708
Hogs	190,808	188,627	202,216	107,711	131,741	126,977
Horses and Mules.....	8,666	8,838	6,565	7,704	9,201	6,723
Sheep	54,480	28,264	41,035	5,446	2,228	4,960

Cotton—Owing to excessive precipitation and cold weather during the past thirty days, preparations for the new crop have been greatly delayed, field work being about two weeks behind the seasonal schedule and at mid-April only a negligible amount of planting had been done in Arkansas, northern Mississippi, and Tennessee. Fertilizer tag sales in states of the Eighth District in March, according to the American Fertilizer Association, were 5 per cent smaller than a year earlier. The January-March period total, equivalent to 274,192 tons, however, was 8.7 per cent greater than for the corresponding period in 1934 and 146 per cent greater than in 1933. Demand for spot cotton continued quiet, with the movement of prices somewhat erratic. In the St. Louis market the middling grade ranged from 10.40c to 11.65c per pound between March 16, and April 15, closing at 11.65c on the latest date, which compares with 10.85c on March 16, and 11.50c on April 16, 1934. Receipts at Arkansas compresses from August 1, 1934, to April 5, 1935, totaled 808,033 bales, against 983,005 bales during the corresponding period a year earlier. Stocks on April 5 were 514,580 bales against 426,077 bales on the corresponding date in 1934.

Tobacco—Almost continuous rains through both burley and dark tobacco districts have hampered all descriptions of field work, and plowing is

backward. Tobacco plants in beds are plentiful and well advanced. Some apprehension is felt as to plants growing too rapidly with so little land prepared to permit of early planting. Latest reports indicate a slight increase in acreage to be planted to burley tobacco over that of last year, about the same acreage in the air-cured, Green River and stemming districts and a slight decrease in the dark-fired districts. Actual plantings of all types will be governed by weather conditions and the condition of plants.

Comparison of production, average prices and money yield of burley tobacco produced from 1930 to 1934, inclusive, follows:

Crop Year	Actual Sales	Average Price Per 100 Pounds	Amount of Money Paid
1930.....	372,419,511 Lbs.	\$15.59	\$ 58,060,202
1931.....	450,535,821 "	8.63	38,881,241
1932.....	324,339,241 "	12.39	40,185,632
1933.....	396,201,530 "	10.46	41,442,680
1934.....	257,086,324 "	16.94	43,550,423
	1,800,582,427 "	\$12.34	\$222,120,178
5-Year Average.....	360,116,484 "	\$12.34	\$ 44,424,035

COMMODITY PRICES

Range of prices in the St. Louis market between March 15, 1935, and April 15, 1935, with closing quotations on the latter date and on April 16, 1934, follow:

	High	Low	Close	
			April 15, 1935	April 16, 1934
Wheat				
May .....	.98 $\frac{7}{8}$	\$.88 $\frac{5}{8}$	\$.98 $\frac{7}{8}$	\$.77 $\frac{3}{4}$
July .....	.99 $\frac{5}{8}$	.85 $\frac{3}{4}$	.97 $\frac{3}{4}$	.79
*Sept. ....	.99 $\frac{7}{8}$	.85 $\frac{3}{4}$	.98 $\frac{1}{4}$	.82
No. 2 red winter	1.00 $\frac{3}{4}$	.90 $\frac{3}{4}$	.99 $\frac{1}{2}$ @ 1.00	.83 @ .83 $\frac{1}{2}$
No. 2 hard	1.07 $\frac{3}{4}$	.98	1.07 $\frac{1}{4}$	.79 $\frac{1}{2}$
Corn				
May .....	.91 $\frac{1}{4}$	.78 $\frac{7}{8}$	.90 $\frac{3}{4}$	.42 $\frac{3}{4}$
July .....	.86 $\frac{3}{4}$	.74 $\frac{3}{4}$	.84 $\frac{1}{2}$	.45 $\frac{5}{8}$
*Sept. ....	.82	.70 $\frac{3}{4}$	.80 $\frac{1}{8}$	.47 $\frac{3}{4}$
*No. 2 mixed	.92 $\frac{1}{2}$	.80 $\frac{1}{2}$	.92 $\frac{1}{2}$	.47 $\frac{1}{4}$
No. 2 white	.95 $\frac{1}{2}$	.84 $\frac{1}{2}$	.95 $\frac{1}{2}$	.49
Oats				
No. 2 white	.55 $\frac{1}{2}$	.49	.54	.29 $\frac{3}{4}$ @ .32
Flour				
Soft patent.....per bbl.	6.45	5.85	5.95 @ 6.45	6.10 @ 6.50
Spring "	7.75	7.00	7.60 @ 7.75	6.10 @ 6.50
Middling Cotton...per lb.	.1165	.1040	.1165	.1150
Hogs on hoof....per cwt.	9.25	4.00	5.00 @ 9.00	2.00 @ 4.00

*Nominal quotations.

FINANCIAL

Eighth District banking and financial developments during the past month showed no significant changes as contrasted with the earlier periods this year. Demand for credit from commercial and industrial sources continued at a low ebb, and liquidation at both city and country financial institutions was in considerable volume. Payments of loans were for the most part in excess of new borrowings and extensions, with the result that the total volume of customer commitments at the commercial banks sustained a further moderate recession. Owing to lateness of the season for planting spring crops and to accommodations obtained by farmers from other loaning agencies, recourse upon the banks for financing agricultural operations is less in evidence than usual at this time of year. Some improvement in demand for funds to condi-

tion livestock for market was noted in certain sections. About the usual seasonal decrease in commitments of grain handling and flour milling interests was noted.

Total loans and investments of reporting member banks in the principal cities increased 4 per cent between March 13 and April 10, the change being caused entirely by heavier holdings of securities, total loans showing a decrease of 1 per cent; total deposits decreased slightly, but continued measurably greater than a year ago. Reserve balances decreased 31 per cent during the four-week period, and on April 10 were smaller by 15 per cent, than on the corresponding report date in 1934.

The volume of credit outstanding at the Federal Reserve bank on April 18 was practically unchanged from a month earlier, but about 16 per cent greater than on the like date in 1934.

The amount of savings deposits held by selected banks on April 3 was 1 per cent greater than on March 6, and 15 per cent in excess of the amount on April 4, 1934.

At St. Louis banks as of the week ended April 15, interest rates were as follows: Customers' prime commercial paper, 1½ to 5½ per cent; collateral loans, 2½ to 6 per cent; loans secured by warehouse receipts, 2 to 5 per cent and cattle loans, 4 to 6 per cent.

Condition of Banks—A composite statement of the principal resource and liability items of the reporting member banks is given in the following comparative table:

(In thousands of dollars)	April 10, 1935	Mar. 13, 1935	April 11, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 64,047	\$ 66,664	\$ 81,326
All other loans and discounts.....	154,264	153,745	135,445
Total loans and discounts.....	218,311	220,409	216,771
Investments			
U. S. Gov't securities.....	219,901	199,250	183,124
Other securities.....	122,402	118,982	95,949
Total investments.....	342,303	318,232	279,073
Reserve balance with F. R. Bank..	72,561	105,294	85,131
Cash in vault.....	8,435	8,300	7,627
Deposits			
Net demand deposits.....	403,190	404,055	338,690
Time deposits.....	166,227	165,739	162,977
Government deposits.....	21,746	21,786	31,086
Total deposits.....	591,163	591,580	532,753
Bills payable and rediscounts with Federal Reserve Bank.....			
Number of banks reporting.....	19	19	19

The total resources of these banks comprise approximately 60.0% 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. Govt. in leading cities of the district. Charges to accounts of banks, clearing house settlements, payment of cashiers' checks,

corrections and similar charges are not included.

(In thousands of dollars)	Mar., 1935	Feb., 1935	Mar., 1934	Mar., 1935 comp. to Feb. 1935	Mar. 1934
East St. Louis and Natl.					
Stock Yards, Ill..	\$ 23,698	\$ 20,452	\$ 17,624	+15.9%	+34.5%
El Dorado, Ark.....	3,709	3,571	3,437	+ 3.9	+ 7.9
Evansville, Ind.....	19,180	16,834	15,923	+13.9	+20.5
Fort Smith, Ark.....	8,361	7,923	7,906	+ 5.5	+ 5.8
Greenville, Miss.....	4,044	3,912	3,080	+ 3.4	+31.3
Helena, Ark.....	1,474	1,316	1,680	+12.0	-12.3
Little Rock, Ark.....	28,423	22,488	21,843	+26.4	+30.1
Louisville, Ky.....	139,467	117,229	149,867	+19.8	+ 6.3
Memphis, Tenn.....	100,643	90,223	104,783	+11.5	+ 4.0
Owensboro, Ky.....	4,532	4,619	3,826	- 1.9	+18.5
Pine Bluff, Ark.....	5,886	4,588	5,147	+28.3	+14.4
Quincy, Ill.....	5,641	4,675	5,335	+20.7	+ 5.7
St. Louis, Mo.....	497,981	397,804	435,203	+25.2	+14.4
Sedalia, Mo.....	1,756	1,506	1,473	+16.6	+19.2
Springfield, Mo.....	11,610	9,753	11,126	+19.0	+ 4.4
*Texarkana, Ark.....	4,700	4,846	5,505	- 3.0	-14.6
Totals	861,105	711,739	793,758	+21.0	+ 8.5

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

FEDERAL RESERVE OPERATIONS

Volume of Operations—The volume of major operations of the Federal Reserve Bank of St. Louis (including its branches) during 1934 was as follows:

	Pieces Handled	Aggregate Amounts
Currency received and counted.....	111,701,000	\$ 422,218,000
Coin received and counted.....	106,248,000	13,226,000
Checks (cash items) handled.....	45,695,000	9,100,205,000
Collection items handled:		
U. S. Govt. coupons paid.....	1,188,000	19,390,000
Other collection items.....	415,000	377,385,000
New issues, redemptions, and exchanges, as fiscal agent:		
U. S. obligations—for Treasury Dept.....	305,000	666,236,000
Other securities—for Farm Credit Administration and H. O. L. C.....	307,000	150,589,000
Transfers of funds.....	68,000	2,686,467,000
Securities, notes, etc., received for custody..	144,000	} Not incl. custody dies for R. F. C. or collateral of members securing Govt. deposits.
Coupons clipped from securities in custody..	123,000	
Rediscounts, advances and commitments.....	625	17,330,029
Bills purchased in open market for own account.....	201	1,205,492
Federal Reserve notes issued by Federal Reserve Agent to bank.....	7,957,604	70,222,150

Assets and Liabilities—Changes in the principal assets and liabilities of the Federal Reserve Bank of St. Louis appear in the following table:

(In thousands of dollars)	Apr. 19, 1935	Mar. 19, 1935	Apr. 19, 1934
Industrial advances under Sec. 13b.....	\$ 542	\$ 488	\$
Other advances and rediscounts.....	7	25	246
Bills bought (including participations)....	99	105	366
U. S. Securities.....	108,200	108,200	93,200
Total earning assets.....	108,848	108,818	93,812
Total Reserves	190,195	202,036	197,524
Total Deposits	151,516	164,865	148,876
F. R. Notes in circulation.....	140,574	139,874	134,024
F. R. Bank Notes—liability.....	.....	.....	3,195
Industrial commitments under Sec. 13b.....	1,448	1,488	.....
Ratio of total reserves to deposit and F. R. note liabilities.....	65.1%	66.3%	69.8%

Discount Rates—This bank's rates follow:

2 per cent on advances to member banks on eligible paper and/or collateral, whether rediscounts or member bank promissory notes, under Sections 13 and 13a.

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.

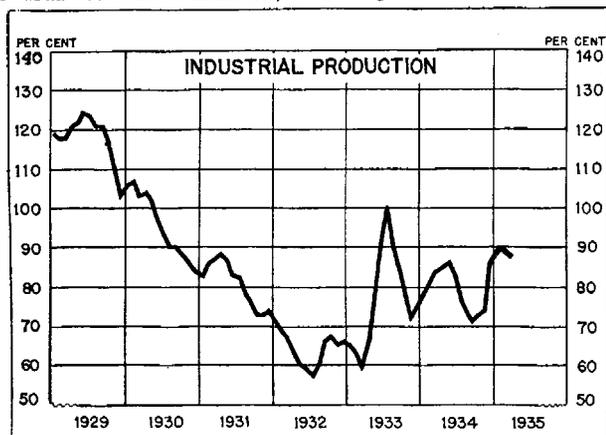
5½ per cent on direct advances to individuals, partnerships and corporations (excluding nonmember banks) on eligible paper, under Section 13.

(Compiled April 23, 1935)

BUSINESS CONDITIONS IN THE UNITED STATES

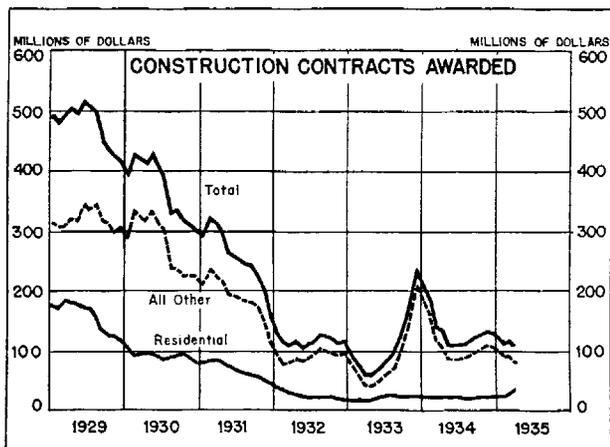
Volume of industrial production, which usually increases somewhat at this season, showed little change in March. Building activity in the residential field increased in March and the first half of April, reflecting in part seasonal factors. Wholesale prices of farm products and foods, after declining in March, showed a considerable increase in the first three weeks of April.

PRODUCTION AND EMPLOYMENT—The Federal Reserve Board's adjusted index of industrial production, which makes allowance for changes in the number of working days and for usual seasonal variations, was 88 per cent of the 1923-1925



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

average in March as compared with 89 per cent in February and 90 per cent in January. Steel production, after declining in the latter part of February, showed little change during March and the first three weeks of April. Output of automobiles increased further and was larger than in the corresponding period of any other year since 1929. In the cotton textile industry daily average output declined in March and, according to trade reports, showed a further considerable decrease in the early part of April. Activity at woolen mills also decreased somewhat in March while shoe production showed little change. Activity in the meat packing industry in March, as in other recent months, was at a lower level than a year ago. Output of bituminous coal declined sharply in the early part of April, following an increase earlier in the year.



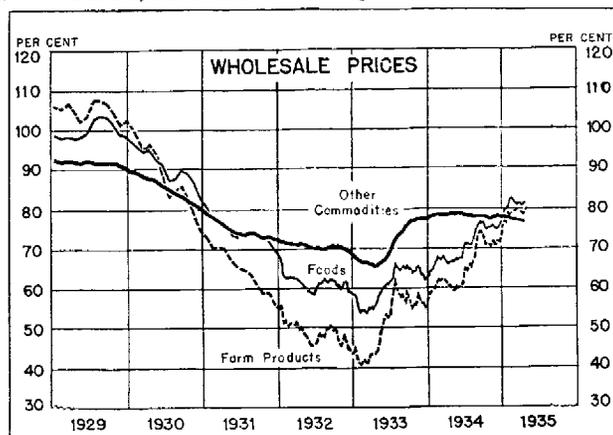
Three-month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figures March, preliminary total, 107.5; residential, 28.6; all other 78.9.

Factory employment and payrolls increased between the middle of February and the middle of March by somewhat more than the usual seasonal amount. The most marked increases were in industries producing machinery, furniture, and clothing, while employment in industries producing textile fabrics and foods showed a decline. Value of construction contracts awarded for residential building increased in March and the first half of April, according to reports by the F. W. Dodge Corporation, while con-

tracts for public projects continued at a lower level than a year ago.

DISTRIBUTION—Distribution of commodities by rail showed little change in March. In the early part of April, however, shipments declined, reflecting a sharp reduction in loadings of coal. Department store sales increased from February to March by more than the estimated seasonal amount.

COMMODITY PRICES—The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced from 78.8 per cent of the 1926 average

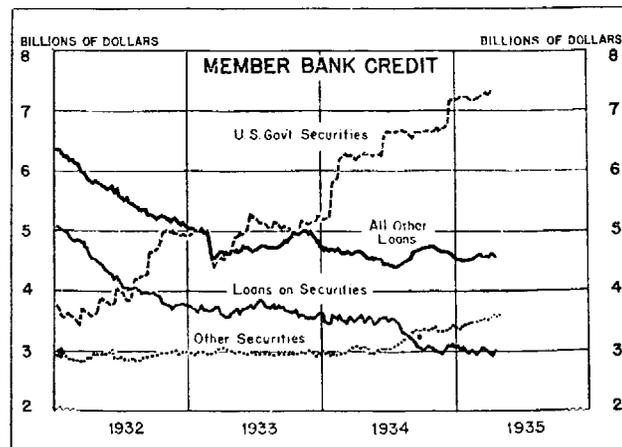


Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months 1929 to 1931; by weeks 1932 to date. Latest figures, for week ended April 20, farm products, 81.8; foods, 85.3; other commodities, 77.3.

in the week ending March 23, to 80.3 per cent in the week ending April 20, reflecting chiefly advances in the prices of farm products and foods. The increase in the general index followed a decline from a level of 79.6 per cent in the early part of March.

BANK CREDIT—During the four weeks ended April 17, member bank balances with the Federal Reserve banks increased by \$140,000,000 and excess reserves rose to \$2,100,000,000. This increase reflected gold imports of \$120,000,000 and disbursement of \$105,000,000 by the Treasury from the balance with the Reserve banks, offset in part by an increase of \$60,000,000 in the demand for currency.

Total loans and investments of weekly reporting member banks in leading cities increased by \$150,000,000 in the four weeks



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for April 17.

ended April 17. Loans on securities declined somewhat during this period, while other loans and holdings of investments increased. Net demand deposits of these banks increased by \$380,000,000.

The rate for call money on the New York Stock Exchange was reduced in April to 1/4 per cent from the 1 per cent level that had been in effect for more than a year. Quotations for 90-day time money were also lowered to 1/4 per cent and there was a reduction in rates on acceptances of the longer maturities.