



MONTHLY REVIEW

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

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WITH the exception of a limited number of lines, mainly those directly influenced by seasonal factors, industry and commerce in the Eighth District during the past thirty days carried further the improvement which began at the end of last summer. Taken as a whole the volume of business during 1934 was measurably greater than in either of the two years immediately preceding, and in some important classifications was the largest since 1930. Quite generally through the district the Christmas holiday trade exceeded expectations, and accounted for the movement of a large variety and volume of merchandise into consumptive channels. Wholesale trade in December in numerous instances was stimulated by reordering of holiday goods by retailers who had underestimated their requirements. Largely as a result of this belated buying, considerably less than the usual seasonal declines from November to December took place. The spell of cold weather during the period had a stimulating effect on the movement of seasonal merchandise, notably apparel, fuel, and certain drugs and chemicals. The depletion of retail stocks as a result of the holiday trade has been emphasized by an unusually heavy volume of orders booked by wholesalers during the first half of January, a large portion of which specify prompt delivery. Special clearance sales held since the first of this month by department stores and other retailers have met with favorable response.

The lull in industrial activities incident to the holiday and inventorying periods was of shorter duration than has been the case during the past several seasons. In the iron and steel industry, a number of plants which usually remain idle until after the middle of January, have resumed production. This is true particularly of stove and jobbing foundries, and the farm implement industry. At the middle of January steel mill operations were maintained at about the same average rate as in December. Employment during December showed little change as contrasted with the preceding month, additional help engaged in retail establishments being counterbalanced by decreases in the

number of workers elsewhere. Production of bituminous coal in fields of the district showed moderate gains over a month and a year earlier. Production of lumber, fire clay products, cement and other building materials showed about the usual seasonal decline. Consumption of electrical power by industrial users in the principal cities decreased 7.5 per cent from November to December, but was 9 per cent greater than in December, 1933. There was a sharp drop in December sales of automobiles as compared with November, but the total for the month was 11 per cent in excess of a year earlier, and in 1934 there was an increase of approximately 22 per cent over the preceding twelve-month aggregate.

Weather conditions throughout the Eighth District in December and the first weeks of January were in the main favorable for fall sown cereal crops, and agricultural operations generally. Lower temperatures were accompanied by snow in the northern sections, which afforded protection for the growing winter wheat crop. Soil conditions are more favorable than at any similar period in recent years. In the south an unusually large amount of plowing for spring crops has been accomplished, and generally through the area routine farmwork is somewhat in advance of the seasonal schedule. Marketing of tobacco of all types has progressed rapidly, with average prices well above those prevailing a year ago. Prices of farm products generally have been well maintained at the relatively high levels which prevailed earlier in the season.

As reflected in sales of department stores in the principal cities of the district, retail trade in December was 10.2 per cent greater than for the same month in 1933, and 50.4 per cent more than the November, 1934, total; cumulative total for the twelve months of 1934 exceeded that of 1933 by 15.4 per cent. Combined December sales of all wholesaling and jobbing interests reporting to this bank fell 30 per cent below the preceding month, but were 16.4 per cent greater than in December, 1933; for the year 1934, cumulative sales of these firms were 14 per cent larger than in the preceding

twelve months. The dollar value of building permits issued for new construction in the five largest cities of the district in December was slightly above November, but 92 per cent greater than for the same month in 1933; for the year the value of permits was smaller by 38 per cent than in 1933. Construction contracts let in the Eighth District in December were 39.5 per cent smaller than in November, and 74.5 per cent less than in December, 1933; for the year the total showed an increase of 9.5 per cent as compared with the preceding twelve months. Debits to checking accounts in December were 11.9 per cent and 12.2 per cent larger, respectively, than a month and a year earlier, and the total for the year was larger by 11.2 per cent than in 1933.

According to the officials of railroads operating in this district, the recession in freight traffic handled during the past thirty days was considerably less than the average seasonal decline in recent years, and for the first time since last June the volume exceeded that of the comparable period a year earlier. The sharp drop in temperatures in December served to bolster the movement of coal and coke. Increases recorded earlier in the year in loadings of livestock and miscellaneous freight continued during the period. For the country as a whole loadings of revenue freight in 1934 totaled 30,785,594 cars, against 29,220,052 cars in 1933 and 28,179,952 cars in 1932. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 63,078 loads in December, against 64,308 loads in November and 61,258 loads in December, 1933. In 1934 a total of 877,068 loads were handled which compares with 828,329 loads in 1933. During the first nine days of January the interchange amounted to 19,150 loads, against 18,144 loads during the corresponding period in December, and 17,881 loads during the first nine days of January, 1934. Holiday passenger traffic was the heaviest since 1929, the reporting roads showing an increase in volume for December of 7.36 per cent over the same month in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 76,800 tons against 99,668 tons in November and 106,086 tons in December, 1933. Total tonnage in 1934 was 1,127,873 tons, against 1,206,302 tons in 1933 and 1,292,983 tons in 1932.

Reports relative to collections during December and the first half of January reflected a continuance of the high record of efficiency which marked all of 1934. Delays in marketing tobacco, occasioned by unfavorable weather, had a temporary effect on liquidation in sections where tobacco is the principal cash crop, but in the immediate past large quanti-

ties have been sold at satisfactory prices and producers quite generally are using the proceeds to defray their debts. January settlements with wholesaling and jobbing interests in the principal distributing centers were reported in satisfactory volume, and measurably greater than a year ago. Retailers in both the large cities and country reported payments since January 1 in substantial volume. According to mercantile concerns reporting to this bank, losses through failures of customers and weak accounts were smaller than in any of the three preceding years. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
December, 1934.....	7.1%	50.6%	38.8%	3.5%
November, 1934.....	3.2	43.1	50.5	3.2
December, 1933.....	8.2	32.8	55.7	3.3

Commercial failures in the Eighth Federal Reserve District in December, according to Dun and Bradstreet, numbered 45, involving liabilities of \$505,509, against 24 defaults in November, with liabilities of \$283,561, and 32 insolvencies for a total of \$523,615 in December, 1933. In 1934 there were 350 failures with total liabilities of \$4,742,867, which compares with 795 failures in 1933 with liabilities of \$15,443,137 and 1,507 defaults for a total of \$45,568,526 in 1932.

MANUFACTURING AND WHOLESALING

Boots and Shoes — While showing an increase of 37 per cent over the same month in 1933, December sales of the reporting firms decreased 44 per cent below the November, 1934, total. The decrease in the month to month comparison is seasonal in character, but somewhat greater than the average during the past ten years. In anticipation of heavy spring and early summer demands, inventories were considerably increased, stocks on January 1 being 29 per cent greater than a month earlier and more than double those on January 1, 1934. There was no change in prices as contrasted with the preceding thirty days, but the average was about 6 per cent below a year ago. December sales were the largest for the month since 1930.

Clothing — December sales of the reporting firms were 46 per cent and 5 per cent smaller, respectively, than a month and a year earlier. Inventories on January 1 were 4 per cent and 11 per cent smaller, respectively, than on December 1, 1934, and January 1, 1934. More seasonable weather during December and early in January had a stimulating effect on the movement of heavyweight apparel. Ordering for late spring and early summer delivery is reported on a conservative basis, particularly in the case of women's garments.

Drugs and Chemicals — Contrary to the usual seasonal trend, sales of the reporting firms in December showed an increase of 3.5 per cent over the preceding month, however, the total was 5 per cent smaller than in December, 1933, this being the first time in fourteen months that a decrease was shown under the corresponding period a year earlier. Stocks on January 1 were 9 per cent less than on December 1, and 15 per cent greater than on January 1, a year ago. The trend of prices was slightly upward. Re-ordering of holiday goods during December was in considerable volume, with sales of cosmetics and luxury goods generally the largest in a number of years. Since January 1 there has been a noticeable pick-up in demand for heavy drugs and chemicals from the general manufacturing trade.

Dry Goods — In conformity with the seasonal trend, business volume in this classification declined from November to December, sales of the reporting interests showing a decrease of 38 per cent in the comparison. The December total, however, was 16 per cent greater than a year earlier, and the largest for the month since 1930. As in the case of a number of other lines, the December volume was bolstered by belated reordering, numerous retailers having underestimated their holiday requirements. Depletion of retail stocks generally has been reflected in buying during the first half of January, sales for that period showing an increase of approximately one-fourth over the same time in 1934.

Electrical Supplies — Continuing the steady improvement in this classification, which has been in effect during the past eighteen months, sales of the reporting interests in December showed an increase of 13 per cent over the preceding month and of 12 per cent over the December, 1933, total. Virtually all lines participated in the betterment, but greatest gains were made in household appliances, radio material, miscellaneous products and small motors. Since January 1 there has been a noticeable increase in inquiries from public utilities companies for pole and line hardware. Moderate improvement was noted by several firms in demand for lamps and fixtures. Stocks declined 17 per cent from December 1 to January 1, and on the latest date were 10 per cent larger than a year ago.

Flour — Production at the twelve leading mills of the district in December totaled 251,392 barrels, against 216,128 barrels in November and 250,432 barrels in December, 1933. For the year 1934, output of these mills fell 5 per cent below 1933 and 2 per cent below 1932. There was little change in the general aspect of the trade as contrasted with the preceding thirty days. Inventories held by consumers are in the main light, but there is little disposi-

tion to replenish, purchasing being confined to actual requirements. Prices remained steady.

Furniture — Sales of the reporting firms decreased 10 per cent from November to December, about in line with seasonal expectations, but the total for the latest month was 16 per cent greater than a year earlier. Holiday business was above expectations, particularly in the south, and in that general area there has been a marked betterment in demand for household furniture and furnishings since early last fall. Retail stocks are universally light, but replenishments is on a hand-to-mouth basis. Staple commodities are in relatively better demand than other lines, an exception being radio cabinets, the movement of which has been in larger volume than during any similar period since 1930. Stocks on January 1 were 10 per cent and 38 per cent smaller, respectively, than a month and a year earlier.

Groceries — December sales of the reporting firms fell 8 per cent below the preceding month, but exceeded those of December, 1933, by 3 per cent. Stocks decreased 1 per cent between December 1 and January 1, and on the latest date were 17 per cent greater than a year ago. Holiday business considerably exceeded that of the three preceding years, and a scarcity of certain merchandise prevented filling orders in numerous instances. Orders booked since January 1, reflect generally depleted retail stocks. Advance business is reported in larger volume than a year and two years earlier.

Hardware — Sales of the reporting firms in December showed a decrease of 14 per cent as contrasted with November, which represented approximately the average seasonal decline. As compared with a year earlier, the December total declined about 1 per cent. Inventories showed no change from December 1 to January 1, and on the latter date were 3.4 per cent smaller than a year ago. According to a number of the largest firms, purchasing in the rural areas is relatively in larger volume than in the main urban centers. Ordering for spring and early summer delivery is somewhat in excess of the corresponding time a year and two years earlier.

Iron and Steel Products — Seasonal slowing down in the iron and steel industry in this general area for the holiday, inventorying and repair period was less in evidence than in any of the preceding three years. This was true particularly in the case of specialty makers, notably stove and range, farm implement and household appliance interests. A number of plants closed only for the legal holidays, and during the first half of January the rate of operations has been gradually increased. The melt of

pig iron in December was about on a parity with the November tonnage, and measurably larger than for the same month in 1933. Similarly, deliveries of iron to melters in the district in December varied little from the November total, but was considerably larger than a year earlier. Seasonal requirements for both raw and finished materials have appeared earlier than is ordinarily the case, and numerous plants are engaged in working off backlogs of orders carried over from last year. Production and shipments of stoves in December represented the highest totals for the month since 1930. Since the first week in January there has been some slowing down at stove foundries, occasioned by the spell of relatively mild temperatures. Farm implement makers report actual orders and definite prospects for business in early January the most favorable since the depression set in. Agricultural demands range from hand implements to heavy machinery, including tractors. One leading maker of tractors reports business booked sufficient to insure capacity operations for the next six months, with a substantial volume of orders from sections which had not previously employed this kind of power. Specifications and new orders from the automotive industry have shown a noticeable increase as contrasted with the preceding thirty days. Jobbing foundries report a substantial volume of new orders, coming mainly from miscellaneous sources. Steel mill operations at mid-January were at approximately the same rate as prevailed just prior to the holidays. Requirements of the railroads continue at a low ebb, and purchasing from that source is confined largely to absolute necessities. Manufacturers of sheets, plates, strip and other rolled items report no change from the quiet conditions obtaining during the closing weeks of 1934. Advance ordering of galvanized material and tin plate is in smaller volume than at the corresponding period a year ago. Raw materials are strong, with orders for pig iron as of January 1 representing the largest aggregate since last summer. Scrap iron and steel prices continued the sharp advance of the preceding month, with heavy melting steel in the second week of January reaching the highest price since last May. For the country as a whole, production of pig iron in December, according to the magazine "Steel", totaled 1,027,740 tons, against 957,906 tons in November, and 1,192,136 tons in December, 1933. Production in 1934 totaled 15,977,413 tons, which compares with 13,221,707 tons in 1933 and 8,674,067 tons in 1932. Steel ingot production in the United States in December totaled 1,941,127 tons, against 1,589,049 tons in November and 1,798,606 tons (revised figure) in December, 1933. In 1934

there were 25,260,570 tons of ingots produced, which compares with 22,594,079 tons in 1933, and 13,322,833 tons in 1932.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in December was 183,187, against 78,465 (revised figure) in November, and 81,114 (revised figure) in December, 1933.

According to dealers reporting to this bank, Eighth District distribution of automobiles in December fell sharply below that of the preceding month, and was the smallest since last January. The December total, however, showed a substantial increase over that of the corresponding period in 1933. The decrease from November to December was somewhat greater than the average during the past several years. This fact was ascribable to the relatively heavy sales in November and to a general disposition on the part of prospective purchasers to await deliveries of new models before filling their requirements. Automobile shows held in this district, particularly in St. Louis, during early January, were the most successful in recent years, both in point of attendance and actual business and prospects booked. Deliveries of new cars from factories have been insufficient to take care of sales made in many instances, but this condition is temporary and, according to dealers, will be corrected by heavy shipments expected in the near future. Demand for trucks decreased seasonally in December, but total sales of commercial units in 1934 exceeded those of the year before by approximately one-half.

Sales of new passenger cars by the reporting dealers in December were smaller by 51 per cent than in November, and 11 per cent greater than for December, 1933. Sales for the year exceeded the 1933 total by 22 per cent, but fell approximately one-fourth below the average during the past decade. Stocks of old models, particularly in the low priced field, were more thoroughly cleared up at the end of the year than has been the case in a number of seasons. Inventories on January 1 were about one-fourth smaller than a month earlier and 12 per cent larger than a year ago. The used car market showed little change from the trends during the preceding sixty days. December sales were 4 per cent smaller than in November and 8 per cent larger than in December, 1933. Stocks of salable secondhand cars on January 1 were 2 per cent and 6 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that item, deferred payment sales in December constituted 53 per cent of their total sales, against 51 per cent in November and 48 per cent in December, 1933.

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	
	Dec. 1934	12 months ended	Dec. 31, 1934	Jan. 1, 1934	1934	1933
	comp. to Dec. 1933	Dec. 31, 1934 to same period 1933	comp. to Dec. 31, 1933	Dec. 31, 1933	1934	1933
El Dorado, Ark.....	+20.3%	+33.2%	- 0.1%	2.77	2.25	
Evansville, Ind.....	- 2.9	+ 6.2	-20.2	2.02	1.87	
Fort Smith, Ark.....	+16.6	+21.6	+26.9	2.45	2.19	
Little Rock, Ark.....	+ 8.9	+22.6	- 2.5	2.63	2.46	
Louisville, Ky.....	+ 9.5	+ 8.8	- 6.2	3.39	3.17	
Memphis, Tenn.....	+13.0	+19.9	+ 4.1	3.50	3.19	
St. Louis, Mo.....	+ 9.3	+14.1	- 8.3	3.89	3.63	
Springfield, Mo.....	+17.7	+26.9	- 4.8	2.08	1.67	
All Other Cities.....	+21.2	+26.5	- 3.9	3.20	2.75	
8th F. R. District.....	+10.2	+15.4	- 5.1	3.53	3.28	

Percentage of collections in December to accounts and notes receivable first day of December, 1934.

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	43.6%	Memphis, Tenn.....	45.1%
Fort Smith, Ark.....	40.7	Springfield, Mo.....	28.3
Little Rock, Ark.....	38.6	St. Louis, Mo.....	54.4
Louisville, Ky.....	55.1	All Other Cities.....	34.8
8th F. R. District.....	50.2%		

Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Dec. 1934	12 months ended	Dec. 31, 1934	Jan. 1, 1934	1934	1933
	comp. to Dec. 1933	Dec. 31, 1934 to same period 1933	comp. to Dec. 31, 1933	Dec. 31, 1933	1934	1933
Men's						
Furnishings	+ 8.8%	+20.7%	+ 3.7%	2.58	2.67	
Boots and						
Shoes	- 1.6	- 0.8	- 9.4	3.09	2.85	

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 24.3 per cent in combined postal receipts for the final quarter of 1934 over the preceding three months, and an increase of 6.5 per cent as contrasted with the last quarter of 1933. Detailed figures follow:

	For Quarter Ended			Dec. 31, 1933	Dec. 1934 comp. to Dec. 1933
	Dec. 31, 1934	Sept. 30, 1934	June 30, 1934		
Evansville	\$ 142,938	\$ 133,923	\$ 133,977	\$ 130,008	+ 9.9%
Little Rock.....	184,394	167,554	160,085	171,715	+ 7.4
Louisville	665,248	560,684	598,983	617,313	+ 7.8
Memphis	596,177	449,545	461,360	543,508	+ 9.7
St. Louis.....	2,695,692	2,136,137	2,311,177	2,562,155	+ 5.2
Totals	\$4,284,449	\$3,347,843	\$3,665,542	\$4,024,699	+ 6.5%

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in December as being about 7.5 per cent smaller than in November and 9.2 per cent larger than in December, 1933. Detailed figures follow:

	No. of Customers	Dec. 1934	Nov., 1934	Dec. 1934	Dec., 1933	Dec. 1934
		*K.W.H.	*K.W.H.	comp. to Nov. 1934	*K.W.H.	comp. to Dec. 1933
Evansville ...	40	1,968	1,597	+23.2%	1,443	+36.4%
Little Rock..	35	1,295	1,441	-10.1	1,235	+ 4.9
Louisville ...	83**	6,271	6,551	- 4.3	5,354**	+17.2
Memphis	31	1,778	1,651	+ 7.7	1,806	- 1.6
St. Louis.....	193**	13,140	15,196**	-13.5	12,546**	+ 4.7
Totals	382**	24,452	26,436**	- 7.5%	22,384**	+ 9.2%

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

The following table shows comparative figures of consumption of electric current by selected industrial customers, for the years 1933 and 1934:

	No. of Customers	1934	1933	1934
		*K.W.H.	*K.W.H.	comp. to 1933
Evansville	40	25,632	20,739	+23.6%
Little Rock.....	35	19,409	18,051	+ 7.5
Louisville	83**	80,710	77,649	+ 3.9
Memphis	31	20,614	17,059	+20.8
St. Louis.....	193**	197,391	186,467	+ 5.9
District	382**	343,756	319,965	+ 7.4%

*In thousands (000 omitted).

**Revised figures.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in December was 0.7 per cent more than in November, and 92.4 per cent greater than in December, 1933. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in December, amounted to \$5,093,253 which compares with \$8,424,558 in November and \$19,986,036 in December, 1933. Building figures for December, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Evansville ..	0	5	\$ 0	\$ 2	79	84	\$ 15	\$ 21
Little Rock ..	10	8	36	1	124	33	48	6
Louisville ..	25	16	143	31	32	11	13	12
Memphis ...	77	95	57	201	161	66	88	26
St. Louis....	60	51	318	53	93	94	46	62
Dec. Totals	172	175	\$ 554	\$ 288	489	288	\$ 210	\$ 127
Nov. "	332	363	550	531	605	318	237	154
Oct. "	390	482	754	812	869	466	428	243

*In thousands (000 omitted).

The following table shows the comparative totals for the years 1933 and 1934:

District	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1934	1933	1934	1933	1934	1933	1934	1933
Totals	3,624	4,492	\$7,131	\$11,421	7,983	5,593	\$3,483	\$3,019

*In thousands (000 omitted).

AGRICULTURE

Eighth District weather conditions during the past thirty days were varied, but on the whole auspicious for growing cereal crops and general farm activities. Harvesting and housing of late crops was completed earlier than usual, due to the almost ideal weather during the fall and early winter. Routine farm work is somewhat ahead of the usual seasonal schedule, particularly in the south, where considerable plowing for spring crops has been accomplished. Low temperatures in December and early January were accompanied over most areas in the northern tiers of the district by snows, which provided protection and ample moisture for fall seeded grains. Precipitation over virtually the entire district has been abundant, and soil and sub-soil conditions are the best for this period in a number of years, with deficiencies of stock water replenished. The condition of livestock is reported favorable in the main, though feed shortages in the drouth sections have resulted in reductions in herds. Mar-

keting of tobacco has progressed steadily, with prices averaging well over those realized by producers a year ago. Prices of farm products generally remained at or around the levels prevailing during the preceding thirty days, and continued substantially higher than a year and two years earlier.

Agricultural conditions as a whole in this district during 1934 were the most varied in recent years. The dominating influence was the record spring and summer drouth, which laid waste to crop lands and greatly reduced production in the areas most affected. On the other hand, southern states came through the season with heavy yields of the chief productions. These conditions are reflected in the U. S. Department of Agriculture's report showing the combined yield per acre of 33 important crops in 1934, expressed as a percentage of the 10-year (1921-1930) average. For states of the Eighth District these percentages were as follows: Tennessee, 111.8; Mississippi, 111.3; Kentucky, 101.6; Arkansas, 94.3; Indiana, 80.2; Illinois, 62.3; Missouri, 51.0. Due mainly to the drouth and measures taken to control production, the acreage of crops harvested in these states in 1934 fell 7.6 per cent and 14.3 per cent, respectively, below a year and two years earlier. However, owing to the sharply higher prices realized, total farm value of the principal crops in 1934 was 26.6 per cent greater than in 1933 and 81.5 per cent in excess of the 1932 total. In addition farm income was greatly augmented by rental and benefit payments received in connection with the Government's curtailment program.

In its latest report the U. S. Department of Agriculture estimates the farm value of the 64 principal 1934 crops in states including the Eighth District at \$963,934,000. The following comparative table gives the estimated value by states for 1934 and the two preceding years, slight revisions occurring in the 1932 and 1933 figures:

	1932	1933	1934
Indiana.....	\$ 64,705,000	\$ 93,066,000	\$150,231,000
Illinois.....	117,241,000	158,858,000	217,624,000
Missouri.....	82,965,000	122,141,000	104,573,000
Kentucky.....	67,485,000	90,950,000	120,356,000
Tennessee.....	63,709,000	100,132,000	123,527,000
Mississippi.....	66,630,000	100,325,000	141,395,000
Arkansas.....	68,328,000	95,851,000	106,228,000
	\$531,063,000	\$761,323,000	\$963,934,000

These estimates are based on the December 1 farm price, except for some early marketed products, for which price for the marketing season is used.

Winter Wheat — According to the U. S. Department of Agriculture, the total area of winter wheat seeded last fall in states of the Eighth District was 6,486,000 acres, which compares with 6,021,000 acres planted in 1933 and a 5-year average (1930-1934) of 5,798,000 acres. The gain in acreage is accounted for chiefly by the favorable planting season and high prices obtained for the 1934 crop. Stocks of wheat on farms in states of this district

as of January 1, were estimated at 21,473,000 bushels, against 18,472,000 bushels on the same date in 1934 and 19,995,000 bushels in 1933. Conditions have been favorable to the growing plant, and germination has been uniform. The December condition in all states of the district was sharply higher than at the corresponding period a year earlier.

Corn — Stocks of corn on farms in states including the Eighth District as of January 1, according to the estimate of the U. S. Department of Agriculture, were 291,586,000 bushels, the smallest for the date in recent years, and comparing with 478,048,000 bushels a year ago, and 693,526,000 bushels at the opening of 1933. During November and December conditions were ideal for maturing, harvesting and housing the crop, and generally throughout the district fields are well cleaned up, with considerable plowing having been done in the south. Production of corn in the Eighth District proper in 1934 totaled 167,470,000 bushels, which compares with 296,415,000 bushels harvested in 1933, and an 11-year average, (1923-1933) of 346,344,000 bushels. Prices continued to advance, recording a new high for the crop in late December.

Live Stock — With livestock on short rations because of the scarcity and high price of hay and grain supplies, milk production has declined sharply since the close of the pasturage season. Reports as of January 1, showed an average of 10.88 pounds of milk per cow, compared with an average of 11.08 pounds a month earlier, 11.45 pounds a year ago and a January 1, average (1925-32) of 12.13 pounds during the preceding eight years. Reports of production per cow, according to the U. S. Department of Agriculture, average lower on January 1 than in any previous month since the records began in 1924 and the decline contrasts sharply with the usual increase of 2 to 5 per cent during the month. In comparison with the situation a year ago, production per cow appears to be about 5 per cent lower. As the number of milk cows is probably 4 to 5 per cent less, the total daily milk flow is thought to be smaller by 9 to 10 per cent.

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

	Receipts			Shipments		
	Dec., 1934	Nov., 1934	Dec., 1933	Dec., 1934	Nov., 1934	Dec., 1933
Cattle and Calves.....	103,292	123,128	87,443	48,725	63,976	41,192
Hogs	274,974	292,433	260,406	171,821	170,301	128,559
Horses and Mules.....	7,381	8,304	8,296	7,082	8,553	9,151
Sheep	38,538	44,154	35,435	9,963	9,845	7,749

The following table shows comparative receipts and shipments for the years, 1932, 1933 and 1934:

	Receipts			Shipments		
	1934	1933	1932	1934	1933	1932
Cattle and Calves	1,815,505	1,118,339	1,064,438	986,967	552,441	631,826
Hogs	2,960,207	3,327,464	2,626,277	1,786,574	1,857,274	1,946,818
Horses and Mules	84,165	69,026	35,518	84,134	69,152	33,571
Sheep	649,531	658,652	710,905	152,798	145,562	197,033

Cotton—Final estimate of the U. S. Department of Agriculture places 1934 production of cotton in the Eighth District proper at 2,344,000 bales, a decrease of 210,000 bales under the 1933 output, and comparing with the 11-year average (1923-1933) of 2,691,000 bales. The entire 1934 crop was gathered earlier than during the preceding several years, and due to this fact and favorable weather conditions in the late fall, an unusually large acreage of land has been broken. Generally throughout the cotton sections of the district there has been a large increase in cover crops planted, and scattered reports indicate that bookings of commercial fertilizer have been heavier than a year ago. In states of the Eighth District sales of fertilizer tags in 1934 reached the equivalent of 580,209 tons, which contrasts with 409,106 tons in 1933 and 343,199 tons in 1932. The feed supply in the district as a whole, but more particularly in the Mississippi Delta, is one of the largest in recent years. Shifting of labor is less in evidence than during the preceding several years. Following the holidays, sales of spot cotton increased seasonally, but were in smaller volume than a year ago. Prices moved over a narrow range, but continued substantially higher than a year and two years earlier. In the St. Louis market the middling grade ranged from 12.45c to 12.85c between December 17 and January 15, closing at 12.45c on the latter date, which compares with 12.60c on December 17 and 11.15c on January 15, 1934. Receipts at Arkansas compresses from August 1 to January 18, 1935 totaled 764,645 bales, against 923,698 bales for the corresponding period a year earlier. Stocks on January 18, totaled 603,520 bales, against 591,487 bales on the corresponding date in 1933.

Tobacco — Leading markets of this district closed for the holidays on December 21, resuming sales on January 2. During the quiescent period and in the second week of January, precipitation with mild temperatures furnished the most favorable conditions so far this season for stripping operations. Growers availed themselves of these conditions, and a large part of the burley crop, as well as dark tobacco types were bulked down. Offerings were large in all burley districts, and as of January 15, considerably more than 50 per cent of that crop had been sold, with prices averaging approximately \$18.25 per 100 lbs.

In the dark tobacco sections the air-cured crop has moved satisfactorily. The market as a whole shows no material change from the opening prices, which averaged around \$9.20 per 100 lbs. The one-sucker crop is being disposed of rapidly, with prices of medium and better grades steady. Seconds and

shorter lengths of rehandling leaf showed a slight advance. Prices for the better grades on the Clarksville, Springfield and Hopkinsville markets are somewhat higher than at the opening, and common to medium grades continue much higher than a year ago.

The Mayfield, Murray and Paducah markets opened January 2. Offerings were below expectations, due to the fact that producers were taking advantage of favorable weather for stripping, and failed to send their product to market. While prices were considerably higher than last year, growers were not entirely satisfied, and many producers were disposed to withhold their stocks.

COMMODITY PRICES

Range of prices in the St. Louis market between December 17, 1934, and January 15, 1935, with closing quotations on the latter date and on January 15, 1934, follows:

	High	Low	Close	
			Jan. 15, 1935	Jan. 15, 1934
Wheat				
May .....per bu..	\$1.01½	\$.94½	\$.94½	\$.90¾
July	“.93¾	.84¾	.84¾	.89
No. 2 red winter “	1.04½	.97½	.97½	.92½
No. 2 hard “	1.08¾	1.01½	1.01½	.90
Corn				
*May	“.93¾	.85½	.87½	.53½ @ .53¾
*July	“.89¾	.82¾	.82¾	.55½ @ .55¾
*Sept.	“.87¾	.79¾	.79¾	.56¾
No. 2 mixed	1.00	.98	1.00	.51¾
No. 2 white	1.02½	.97	1.00½	.51
Oats				
No. 2 white .....	.63½	.58	.63½	.39½
Flour				
Soft patent.....per bbl.	6.80	6.40	6.40 @ 6.70	6.60 @ 7.10
Spring “	7.45	7.20	7.20 @ 7.45	6.60 @ 7.10
Middling Cotton...per lb.	.1285	.1245	.1245	@ 1.115
Hogs on hoof.....per cwt.	8.30	2.00	4.00 @ 7.95	2.00 @ 3.50

*Nominal quotations.

FINANCIAL

Except as affected by seasonal considerations, financial and banking conditions in the Eighth Federal Reserve District underwent no change of note during the past thirty days, as contrasted with the similar period immediately preceding. Demand for credit from industrial and commercial sources remained extremely quiet, and liquidation at both city and country banks continued in considerable volume. The call for funds for financing agricultural operations was seasonally light. Grain handlers and flour milling interests reduced their commitments, though the total of borrowings in this category remained larger than a year and two years earlier, due to the higher level of cereal prices. In the tobacco areas some new borrowing was in evidence, but liquidation incident to the rapid marketing of the crop, particularly burley types, has been in excess of new commitments. During the past three weeks moderate betterment in demand for funds to condition livestock for market has been reported from a number of sections.

Reserve balances of reporting member banks in the principal cities continued the upward trend of

recent months and at mid-January reached a total of \$104,072,000, which compared with \$70,352,000 a year earlier, and represented a new high record. Otherwise changes in the conditions in these banks were negligible. Between December 19, 1934, and January 16, 1935, there was a decrease of 3.7 per cent in total investments, accounted for entirely by smaller holdings of Government securities, all other securities showing an increase of 2 per cent. Deposits declined slightly during the period, but on January 16, were approximately 19 per cent greater than a year ago. Borrowings of all member banks from the Federal Reserve bank decreased between December 19, and January 16. The usual return flow of currency, following the holidays was reflected in a decrease in note circulation of this bank of approximately 3.5 per cent from mid-December to January 16.

The amount of savings deposits in selected banks on January 2, was 0.7 per cent less than a month earlier, but 19.5 per cent greater than on January 3, 1934.

Reflecting quietness in the general demand for credit, and a plethora of loanable funds in commercial banks, the trend of interest rates was lower. At St. Louis banks, as of the week ended January 15, current rates were as follows; Customers' prime commercial paper, 2 to 5 per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 2 to 5½ 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 January 16, 1935, showed a decrease of 0.8 per cent as contrasted with December 19, 1934. Deposits decreased 0.6 per cent between December 19, 1934 and January 16, 1935 and on the latter date were 19.2 per cent greater than on January 17, 1934. Composite statement follows:

	*Jan. 16, 1935	*Dec. 19, 1934	*Jan. 17, 1934
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 67,592	\$ 67,895	\$ 90,188
All other loans and discounts.....	155,408	157,014	138,484
Total loans and discounts.....	\$223,000	\$224,909	\$228,672
Investments U. S. Govt. securities.....	\$189,416	\$210,103	\$143,820
Other securities.....	119,989	117,690	100,847
Total investments.....	\$309,405	\$327,793	\$244,667
Reserve balance with F. R. Bank.....	\$104,073	\$ 87,567	\$ 70,352
Cash in vault.....	7,777	9,293	7,980
Deposits Net demand deposits.....	\$380,128	\$385,664	\$316,185
Time deposits.....	164,299	162,190	159,214
Government deposits.....	31,621	31,529	7,837
Total deposits.....	\$576,048	\$579,383	\$483,236
Bills payable and rediscounts with Federal Reserve Bank.....			230

*In thousands (000 omitted).

The total resources of these banks comprise approximately 62.0% of all member banks in this district.

Federal Reserve Operations — During December, the Federal Reserve Bank of St. Louis discounted for 6 member banks against 8 in November, and 55 in December, 1933.

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

	*Jan. 18, 1935	*Dec. 18, 1934	*Jan. 18, 1934
Bills discounted	\$ 514	\$ 1,008	\$ 1,226
Bills bought			4,383
U. S. Securities.....	93,200	93,200	93,200
Participation in Inv. Foreign Banks.....	105	115	155
Total Bills and Securities.....	\$ 93,819	\$ 94,323	\$ 98,964
Total Reserves	\$225,517	\$213,577	\$183,955
Total Deposits	173,726	156,593	127,700
F. R. Notes in circulation.....	138,299	143,980	138,372
F. R. Bank Notes in circulation.....			7,908
Ratio of reserve to deposits and F. R. Note Liabilities.....	72.3%	71.1%	69.1%

*In thousands (000 omitted).

Effective January 3, the discount rate of this bank was reduced from 2½ per cent to 2 per cent on member banks' collateral notes of not exceeding fifteen days and on rediscounts of all maturities under Section 13 and 13(a) of the Federal Reserve Act. Otherwise the rates were unchanged as follows:

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.

4½ 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.

	*Dec., 1934	*Nov., 1934	*Dec., 1933	Dec., 1934 comp. to Nov. 1934	Dec. 1933
East St. Louis and Natl. Stock Yards, Ill.....	\$ 21,176	\$ 20,229	\$ 17,495	+ 4.7%	+21.0%
El Dorado, Ark.....	3,629	3,370	3,654	+ 7.7	- 0.7
Evansville, Ind.....	19,492	16,574	15,558	+17.6	+25.3
Fort Smith, Ark.....	8,590	8,370	7,577	+ 2.6	+13.4
Greenville, Miss.....	4,089	4,619	3,458	-11.5	+18.2
Helena, Ark.....	1,938	2,432	1,654	-20.3	+17.2
Little Rock, Ark.....	26,090	24,805	19,154	+ 5.2	+36.2
Louisville, Ky.....	137,241	116,073	125,683	+18.2	+ 9.2
Memphis, Tenn.....	114,615	116,491	105,424	- 1.6	+ 8.7
Owensboro, Ky.....	4,645	3,817	2,857	+21.7	+62.6
Pine Bluff, Ark.....	6,109	6,141	4,494	+ 0.5	+35.9
Quincy, Ill.....	6,055	5,826	5,081	+ 3.9	+19.2
St. Louis, Mo.....	498,581	433,213	447,680	+15.1	+11.4
Sedalia, Mo.....	1,807	1,557	1,443	+16.1	+25.2
Springfield, Mo.....	11,157	10,341	9,920	+ 5.8	+12.5
**Texarkana, Ark.-Tex.....	6,558	5,067	5,585	+29.4	+17.4
Totals	\$871,772	\$779,125	\$776,717	+11.9	+12.2

*In thousands (000 omitted).

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

(Compiled January 23, 1935)



MONTHLY REVIEW

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

Released for Publication On and After the Morning of February 28, 1935

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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 sub-zero 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:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
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 packing-house products, reflecting the recent upturn in live-stock 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	1935	1934
			January	
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	1935	1934
			January	
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	Dec., 1934	Jan. 1935 comp. to Dec. 1934	Jan., 1934	Jan. 1935 comp. to Jan. 1934
		*K.W.H.	*K.W.H.		*K.W.H.	
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	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	Feb. 15, 1934
Wheat				
May .....per bu..	\$.97 3/4	\$.92 3/4	\$.96 3/4	\$.89 3/4
July .....	.88 3/4	.85 1/2	.88 3/4	.88 1/2
*Sept. ....	.87	.83 3/4	.86 3/4	.89 3/4
No. 2 red winter ..	1.01	.94 1/2	.98 1/2	.93
No. 2 hard	1.05	1.01 1/2	1.04 1/2	.91
Corn				
May .....	.90	.83 1/2	.88 3/4	.51 1/2 @ .52
July .....	.86	.80 3/4	.83 1/2	.53 1/2 @ .54
*Sept. ....	.82 1/2	.77 3/4	.79 3/4	.55 3/4
No. 2 white	1.00	.97	1.00	.48 3/4 @ .51 1/2
Oats				
No. 2 white .....	.61	.56 1/2	.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 Dec. 1934	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)



MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of March 29, 1935

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FEDERAL RESERVE BANK OF ST. LOUIS

GENERAL business conditions in the Eighth District during the closing weeks of February and the first half of March continued to reflect the spottiness and unevenness noted during the similar period immediately preceding. Taken as a whole, a relatively better exhibit was made by production than distribution of commodities, which fact was accounted for partly by seasonal considerations, an important factor being the very late Easter date. In merchandising, retail trade was in comparatively larger volume than was the case with wholesaling and jobbing lines, despite unfavorable weather conditions prevailing in virtually all parts of the area. Quite generally there is a disposition on the part of merchants and the public to purchase with more conservatism and caution than was the case during the preceding several months. Advance business on books of wholesaling firms as of March 1 was for the most part less than at the corresponding time last year. Since that date there has been some improvement in ordering, but the betterment was confined chiefly to goods for prompt shipment, and merchandise for the Easter trade. The trend of wholesale prices in February was upward, the average on March 2, according to the weekly index of the United States Bureau of Labor Statistics, being 8 per cent and 33.6 per cent higher, respectively, than a month and a year earlier. Since that date there have been rather sharp declines in certain farm products, notably cotton and grains.

Production at manufacturing plants as a whole increased slightly during February over the January level, and reports covering the first half of March indicate a continuance of the improvement in a number of important lines. Activities in the iron and steel industry made a favorable showing, particularly in the case of specialty makers, such as stoves, ranges, heating apparatus, machinery and farm implements. Several implement manufacturers report the volume of business done so far this year the largest for any similar period since 1928. There has been a slight slowing down in operations at textile mills, occasioned partly by uncertainties relative to prices of raw materials. There was little

change worthy of note in output of lumber, quarry products, cement and the general run of building materials. Production of bituminous coal in fields of the district in February showed less than the usual seasonal decline from January, and the total tonnage lifted was above that of a year ago. In the five principal cities industrial consumption of electrical power recorded gains in February over a month and a year earlier. Activities in the lead and zinc mining districts were hampered by heavy rains.

Agricultural operations generally through the district were held up by excessive precipitation, and soil preparations for seeding spring crops were somewhat behind the seasonal schedule at mid-March. Flood conditions of a more or less severe nature prevailed in Missouri, Arkansas, Mississippi and southern Illinois. The most critical situation occurred in the basin of the St. Francis River, where breaking levees resulted in the inundation of farms and damage to highways. The total area affected by the overflows was estimated at from 200,000 to 250,000 acres. Owing to the fact that crops had not yet been planted, the actual damage sustained by agriculturists was much less than might have been expected. Tobacco markets for the 1934 crop were closed, and results obtained by producers, particularly of burley tobacco, were satisfactory. Though the crop was smaller than in 1933, total cash returns were considerably more, due to the higher prices prevailing. In all sections, the supply of farm labor continues in excess of requirements.

As reflected in sales of department stores in the principal cities, retail trade in February was 2.2 per cent greater than for the same month in 1934, and slightly greater than the January total this year; cumulative total for the first two months this year was 1.6 per cent greater than for the comparable period in 1934. Combined sales of all wholesaling and jobbing firms reporting to this bank in February were 18 per cent and 10 per cent smaller, respectively, than a year and a month earlier; for the first two months the aggregate was 11.5 per cent below that of the like period a year ago. The dollar

value of permits issued for new construction in the five largest cities in February was 35 per cent less than in January, but 103 per cent greater than in February, 1934; cumulative total for the first two months was greater by 127 per cent than for the same period last year. Construction contracts let in the Eighth District in February were 12.2 per cent greater than in January and 15.9 per cent larger than in February, 1934; for the first two months this year the aggregate was 29.1 per cent smaller than for the corresponding period a year ago. Debits to checking accounts in February were 14.5 per cent smaller than in January, and 1 per cent greater than a year earlier; for the first two months the total was 4.5 per cent in excess of that for the like period in 1934.

According to officials of railroads operating in this district, the volume of freight traffic handled during the past thirty days and for the year to date closely approximates that for the same periods a year ago. Totals in both comparisons, however, showed increases over the like periods in 1933. Miscellaneous freight, coal, coke and forest products make relatively the best showings, while sharp decreases were noted in grain, grain products, and livestock. The smaller movement of livestock is attributable to results of the 1934 drouth and the Government's curtailment program. For the country as a whole, loadings of revenue freight for the first nine weeks this year, or to March 2, totaled 5,100,714 cars, against 5,103,273 cars for the like period in 1934, and 4,375,982 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 66,318 loads in February, against 70,949 loads in January and 68,837 loads in February, 1934. For the first nine days of March the interchange amounted to 22,143 loads, as against 21,828 loads during the corresponding period in February and 23,012 loads during the first nine days of March, 1934. Passenger traffic of the reporting lines decreased 2.5 per cent in February as compared with the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 77,700 tons, against 87,690 tons in January and 65,978 tons in February, 1934.

While reflecting some spottiness, reports relative to collections during late February and the first half of March indicate, as a whole, continuance of the satisfactory conditions which have existed in this general area for the past eighteen months. In some rural sections heavy rains and muddy roads have prevented farmers from going to town, with resultant slowing down in payments to retail merchants. In the large urban centers retail collections

are in the main at a high rate, and compare favorably with the corresponding period a year ago. Liquidation at country banks continues in considerable volume, particularly in the tobacco districts, where the major portion of the crop has been marketed. Virtually all wholesaling and jobbing lines in the chief distributing centers report customers settling their bills promptly with results especially good in the case of boots and shoes, dry goods, hardware and groceries. Manufacturers of durable goods, including building materials, note a slight slowing down in collections as contrasted with earlier in the year. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
February, 1935.....	4.2%	39.2%	51.8%	4.8%
January, 1935.....	6.5	42.6	45.1	5.8
February, 1934.....	5.2	36.0	55.7	3.1

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 40, involving liabilities of \$634,767, against 26 defaults in January with liabilities of \$180,499 and 32 insolvencies for a total of \$289,371 in February, 1934.

MANUFACTURING AND WHOLESALING

Boots and Shoes—February sales of the reporting interests were 20 per cent smaller than for the preceding month and 27.5 per cent below the February, 1934, total. Inventories increased moderately between February 1 and March 1, and on the latest date were 37 per cent larger than a year ago. The decrease in the month-to-month sales comparison is seasonal in character, but somewhat greater than the average during the past fifteen years, due in a measure to the later Easter date. There was no change in prices of finished products, but the trend of raw materials, notably hides and leather, was upward.

Clothing—Business in this classification in February showed rather sharp recessionary trends, both as contrasted with the preceding month and a year ago. Purchasing is on a more cautious and conservative scale, particularly for advance requirements. Demand for work clothing was reported less active than during the closing months of 1934. On the other hand, ordering of sport clothes, for both men and women, was maintained at the high levels obtaining in recent months. Some betterment in buying as a whole has developed during the first half of March. February sales of the reporting clothiers were 45 and 57 per cent smaller, respectively, than a month and a year earlier.

Drugs and Chemicals—Reversing the usual seasonal trend, sales of the reporting interests

showed a gain of 5 per cent in February over those of January, but the total was slightly smaller than in February, 1934. In the month-to-month comparison the increase was accounted for by larger sales of remedial drugs, proprietary preparations and miscellaneous items. Some recession was noted in demand for heavy drugs and chemicals from the general manufacturing trade. Inventories continued to increase, stocks on March 1 being 1.3 per cent and 12 per cent larger than a month and a year earlier.

Dry Goods — Reflecting the later Easter date, greater caution on the part of retail merchants, and price uncertainties, February sales of the reporting firms decreased 7 per cent under the preceding month and 24 per cent below the February total last year. Inventories decreased slightly from February 1 to March 1, and on the latter date were 7 per cent larger than last year. Advance business is reported slightly below the corresponding period in 1934. Since March 1 there has been some improvement in both spot and future sales extending through practically all lines, but particularly noticeable in ready-to-wear garments and piece goods.

Electrical Supplies—Notable improvement took place in this classification, both as compared with the preceding month and a year ago. Demands from the automotive, refrigeration, radio and household appliance industries were accountable for a considerable part of the betterment in both comparisons. Moderate expansion was also noted in sales of line and pole hardware and other supplies for public utilities companies. Demand for motors of all descriptions holds up well. February sales of the reporting firms were 12 per cent greater than in January and 18 per cent above the February, 1934, total. Stocks on March 1 were 3 per cent smaller than a month earlier, and 10 per cent in excess of those carried on March 1, 1934.

Flour—Production at the twelve leading mills of the district in February was 200,755 barrels, against 185,737 barrels in January and 252,789 barrels in February, 1934. During the closing weeks of February and the first half of March the general status of the trade showed no change from the quiet conditions existing during the preceding several months. Consumers, including the large baking interests, were buying largely on a necessity basis. Wholesalers and jobbers were not disposed to expand their inventories, due mainly to the lower trend in wheat values. Production was at from 40 to 45 per cent of capacity.

Furniture — February sales of the reporting firms were 8 per cent larger than for the same month in 1934, and 37 per cent in excess of the January total this year. Stocks on March 1 were

smaller by 9 per cent and 21 per cent, respectively, than a month and a year earlier. The increase in the month-to-month sales comparison was of a seasonal nature and about equal to the average during the past several years. Through the south quite general improvement is reported in demand for household furniture and furnishings. Moderate betterment is also reported in the movement of office furniture and equipment.

Groceries — Purchasing in this classification is confined largely to immediate requirements, there being little disposition on the part of retailers to augment their inventories. Demand for staples is relatively more active than for luxuries and specialties, reversing conditions existing during the closing months of last year. Prices of packinghouse products and some canned vegetables and fruits advanced, the rise in the latter products being attributable to injury to early truck and fruit crops occasioned by the February freezes. February sales of the reporting firms were 2 per cent smaller than in January, and 2 per cent greater than a year ago. Inventories showed practically no change from February 1 to March 1, and on the latest date were 15 per cent larger than a year earlier.

Hardware — Heavier purchasing of a broad diversity of goods for consumption in the farming areas was the principal influence in an increase of 4.5 per cent in February sales of the reporting firms over the same month in 1934. As compared with January this year, however, the February total showed a contraseasonal decline of 6 per cent. Stocks on March 1 were 4.5 per cent greater than a month earlier and 5.6 per cent smaller than a year ago. Prices showed no appreciable change during the past thirty days, but were slightly lower than the average as contrasted with the corresponding period in 1934.

Iron and Steel Products — All industries considered, activities in the iron and steel industry in this district during the past thirty days increased moderately over the similar period immediately preceding. An outstanding indication of the betterment was the heavy deliveries of pig iron to melters in the area during February, the total for that month exceeding that of its predecessor and a year ago by a substantial margin. Incidentally February was the seventh consecutive month of rising shipments. During the first half of March the daily average rate was approximately the same as for the like period in February. As has been the case for the past several months, demand for iron and steel finished and semi-finished products is widely diversified, miscellaneous wants accounting for the major portion of the tonnage moving. The higher prices for farm

products and heavy accumulation of replacement requirements have stimulated demand for agricultural implements, manufacturers of which are experiencing the best operations since 1930. Demand for fencing, repair materials and other commodities consumed largely in the rural areas also continues brisk. With the approach of spring, inquiries for structural steel are more numerous than heretofore, but business actually placed is still in moderate volume. Operations at plants of fabricators of iron and steel building materials showed no appreciable change from the preceding thirty days. Releases on automotive castings increased somewhat, and there was also a moderate gain in orders placed by builders of automobiles and tractors. New orders for and shipments of steel sheets underwent further expansion, with interest centering chiefly in the lighter descriptions. Requirements of can manufacturers are unusually large for this time of year, and are reflected in an active movement of tin plate, both from mills and warehouses. Plates remain relatively quiet, purchasing by the oil industry and other important consumers having failed to develop. There was a moderate expansion in operations at steel mills in early March, occasioned almost entirely by augmented demands from miscellaneous sources. Railroad requirements continue at a low ebb, particularly for new equipment. Stove and heating apparatus interests report operations at a considerably higher rate than at the corresponding period a year and two years earlier. With but few exceptions, current prices of raw and finished materials have been reaffirmed for second quarter. Iron and steel warehouse and jobbing interests report February sales about one-fourth greater than a year ago and approximately 8 per cent in excess of the January total this year. For the country as a whole, pig iron production in February, according to the magazine "Steel", totaled 1,614,905 gross tons, against 1,478,443 tons in January, and 1,270,792 tons (revised figures) in February, 1934. Steel ingot production in the United States in February amounted to 2,742,125 tons, against 2,834,170 tons in January, and 2,183,160 tons in February, 1934.

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in February was 340,544 against 292,765 in January, and 231,707 in February, 1934.

Following the unvarying trend of the past decade, distribution of automobiles in this district in February showed a substantial increase over the preceding month, according to dealers reporting to this bank, and the total was also largely in excess of that of February, 1934. The number of new pas-

senger cars sold was the largest for any single month since 1930. Aggregate sales for the first two months this year were also the highest for any like period since 1930. In the month-to-month comparison the increase was due partly to freer deliveries of cars to dealers by the manufacturers. At the middle of February dealers generally reported sufficient supplies to meet all customer requirements. Replacement demands still predominate in classes of makes, but the proportion of sales to persons not previously owners was somewhat larger than heretofore. As has been the case in recent months, interest centered chiefly in low priced vehicles, February sales in that category representing about 78 per cent of the business done, with the two leading manufacturers accounting for about 56 per cent of the total. Universally dealers report unusually good response to the new models. Sales of dealers in the country and small towns were in relatively larger volume than during the past several years. Demand for trucks continues active, particularly for vehicles for light service purposes. Sales of trucks of all descriptions in February fell slightly below the month before, but were more than two-thirds greater than a year ago.

Sales of new passenger cars by the reporting dealers in February were 24 per cent larger than in January and 120 per cent in excess of the February, 1934, total. While a number of dealers report accretions to floor stocks, a large majority of cars received from producers are for delivery on sales made. Inventories of new cars on March 1 were 19 per cent larger than on February 1 and 36 per cent greater than a year ago. Larger numbers and better assortments of used cars in dealers' hands, as a result of trade-ins for new machines, had a stimulating effect on the market, sales of secondhand cars in February being 18 per cent and 9.5 per cent greater, respectively, than a month and a year earlier. Stocks of salable secondhand cars increased 12 per cent between February 1 and March 1, and on the latest date were about one-third larger than a year ago. According to dealers reporting on that item, deferred payment sales in February constituted 51 per cent of their total sales, against 46 per cent in January and 49 per cent in February, 1934.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in February was 34.9 per cent less than in January, and 103.2 per cent more than in February, 1934. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in February amounted to \$6,794,335 which compares with \$6,054,924 in

January, and \$5,864,233 in February, 1934. Production of Portland cement for the country as a whole in February totaled 3,053,000 barrels, against 3,202,000 barrels in January, and 4,168,000 barrels in February, 1934. Building figures for February, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	21	6	\$ 16	\$ 4	36	113	\$ 15	\$ 80
Little Rock ..	8	4	3	5	90	44	22	14
Louisville ..	30	18	105	64	60	16	43	88
Memphis ...	161	105	82	62	138	105	123	39
St. Louis....	149	94	304	116	151	126	98	81
Feb. Totals	369	227	\$ 510	\$ 251	475	404	\$ 301	\$ 302
Jan. "	243	206	784	320	569	352	267	177

*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	
	Feb. 1935	2 months ended	Feb. 28, 1935	comp. to	Jan. 1, to	Feb. 28,
	comp. to	Feb. 28, 1935 to	comp. to	Feb. 28, 1934	Feb. 28,	1934
El Dorado, Ark....	+14.0%	+13.3%	+ 1.7%	.44	.38	
Evansville, Ind....	-25.1	-21.2	-27.0	.24	.23	
Fort Smith, Ark....	+16.3	+ 8.2	- 0.3	.35	.34	
Little Rock, Ark....	- 0.4	- 9.5	- 2.3	.33	.35	
Louisville, Ky.....	+ 5.1	+ 6.5	-15.3	.46	.39	
Memphis, Tenn.....	+ 1.6	- 0.3	+ 3.7	.46	.49	
St. Louis, Mo.....	+ 1.9	+ 2.0	- 5.1	.59	.54	
Springfield, Mo.....	- 3.2	+ 4.2	-21.0	.30	.25	
All Other Cities....	+ 8.7	+10.0	- 2.9	.43	.38	
8th F. R. District..	+ 2.2	+ 1.6	- 5.1	.51	.48	

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

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	58.4%	Memphis, Tenn.....	40.0%
Fort Smith, Ark....	36.4	Springfield, Mo....	22.6
Little Rock, Ark....	35.2	St. Louis, Mo.....	49.7
Louisville, Ky.....	46.4	All Other Cities....	32.6
8th F. R. District..	45.3%		

Retail Stores

	Net sales comparison		Stocks on hand		Stock turnover	
	Feb. 1935	2 months ended	Feb. 28, 1935	comp. to	Jan. 1, to	Feb. 28,
	comp. to	Feb. 28, 1935 to	comp. to	Feb. 28, 1934	Feb. 28,	1934
Men's						
Furnishings	+ 6.0%	+ 5.0%	-15.9%	.38	.35	
Boots and						
Shoes	+ 2.4	+ 0.5	+12.9	.40	.40	

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 1.4 per cent larger than in January, and 13.8 per cent more than in February, 1934. Detailed figures follow:

	No. of Custom-ers	Feb., 1935	Jan., 1935	Feb. 1935	Feb., 1934	Feb. 1935
		*K.W.H.	*K.W.H.	comp. to Jan. 1935	*K.W.H.	comp. to Feb. 1934
Evansville	40	2,521	2,440	+ 3.3%	1,984	+27.1%
Little Rock..	35	1,323	1,425	- 7.2	1,191	+11.1
Louisville	83	7,264	7,344	- 1.1	6,339	+14.6
Memphis	31	1,810	1,951	- 7.2	1,534	+18.0
St. Louis.....	192**	15,004	14,368**	+ 4.4	13,487	+11.2

Total.....381** 27,922 27,528** + 1.4% 24,535 +13.8%
 *In thousands (000 omitted).
 **Revised figures.

AGRICULTURE

Weather conditions during the past six weeks have been less favorable for agricultural operations

than was the case earlier in the season. Excessive rains generally, and severe floods have retarded plowing and preparation for planting of spring crops. This is true particularly of the cotton producing areas, where the amount of work done since February 1 is considerably in arrears of that accomplished during the same period last year. Seeding of oats, plowing and disking for corn at the middle of March was behind the seasonal schedule, due to water-soaked fields and muddy roads. Except in areas directly affected by overflows, the abundant precipitation will be beneficial rather than otherwise. Cumulative moisture deficiency of the preceding three years will be largely made up. Wells, creeks and water holes have been replenished, and soil and subsoil conditions greatly improved. Injury to early fruits and vegetables, also to fruit trees from the February freezes is now found to be less extensive than earlier reports would indicate. Damage to the growing wheat crop, according to scattered reports, was immaterial, and since the return of moderate temperatures the plant has achieved good growth, with color and stands exceptionally good in many important producing sections. With ample labor available, delays in preparation for and planting of crops can be easily overcome with a return of reasonably favorable weather conditions. Quite generally through the district farmers are devoting more attention than heretofore to farm improvement, farm equipment, repairing homes and barns, and the building up of soil by use of fertilizers and measures taken against erosion.

Live Stock—Taken as a whole, live stock in this district came through the winter in good shape, despite the shortage of feed and fodder crops as a result of last year's severe drouth. Greatly reduced numbers of herds permitted farmers to take unusually good care of the animals they were carrying, and losses from disease and other causes were relatively light. Prices continued to advance, farmers receiving the highest prices for hogs since 1930. In the St. Louis market in early March a top of \$9.85 per cwt. was paid for hogs on the hoof, the highest figure since October, 1930. But as there was a processing tax of \$2.25 per cwt. to be paid by the packer, his top purchase price was actually \$12.10 or higher than at any time since August, 1929, when the peak was about \$12.25.

According to the U. S. Department of Agriculture, the early lamb crop of 1935 in the principal early lamb areas is a little smaller, probably 1 to 2 per cent, than the early crop of 1934. Condition of early lambs as of March 1 this year averaged somewhat better than in 1934 on the corresponding date. The winter has been on the whole favorable in this

district, but supplies of feed were very short. In Missouri conditions are less favorable than some other states, due to lack of feed crops and poor pastures.

Demand for mules for use in producing cotton is reported unusually active, with prices the highest in recent years.

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

	Receipts			Shipments		
	Feb., 1935	Jan., 1935	Feb., 1934	Feb., 1935	Jan., 1935	Feb., 1934
Cattle and Calves.....	78,874	128,042	81,028	45,167	74,661	36,749
Hogs	188,627	247,970	201,857	131,741	160,147	142,897
Horses and Mules.....	8,838	8,956	8,270	9,201	10,016	8,546
Sheep	28,264	34,411	27,112	2,228	6,601	7,977

Cotton—Prior to the recent heavy rainfall, accompanied by disastrous floods in lowlands bordering the Mississippi River and certain of its tributaries in Missouri, Arkansas, Mississippi and southern Illinois, soil preparations for the 1935 cotton crop had made unusually good progress under favorable fall and winter weather. Since the spell of wet weather commenced, field work over a wide area has been almost at a standstill. High winds and warmer days have dried out the soil in the uplands and permitted of a fair amount of plowing. This delay, however, does not necessarily mean late planting of the crop. Weather conditions during the next few weeks will be the determining factor, as planting does not become generally active until the first two or three weeks in April, and labor in all sections is abundant. Demand for mules has been active, but most of the purchasing by farmers has been for replacements. There is well defined evidence in interest in traction farming. Fertilizer sales have picked up. According to the American Fertilizer Association, sales of tags in February were 4 per cent larger than for the same month last year, and 132 per cent greater than in 1933; cumulative total for January and February was larger by 13 per cent and 112 per cent, respectively, than for the like periods a year and two years earlier. Prices of raw cotton declined sharply during the first half of March, being affected by lower dollar quotations in foreign markets and declines in securities and other commodities. In the St. Louis market the middling grade ranged from 11c to 12.60c per pound between February 15 and March 15, closing at 11.10c on the latest date, which compares with 12.60c on February 15, and 12c on March 15, 1934. Receipts at Arkansas compresses from August 1, 1934 to March 22, 1935 totaled 802,528 bales against 976,027 bales for the corresponding period a year earlier. Stocks on March 22 were 530,276 bales against 571,214 bales on February 15, and 463,697 bales on the corresponding date in 1934.

Tobacco—The burley tobacco markets for sale of the 1934 crop have closed, and estimated sales as of March 2, were 257,565,633 pounds, at an average of \$16.96 per cwt., yielding a total of \$43,687,947. On the corresponding date last year sales of the 1933 crop were 372,898,055 pounds at an average of \$10.57 per cwt., yielding \$39,386,606.

Practically all of the one sucker, or air-cured crop has moved to market. This crop exceeded estimates as to volume, but prices averaged somewhat lower than the 1933 crop. Recent sales of Green River tobacco at Owensboro, Ky., have been light. Dark-fired tobacco, both in the eastern and western districts, is being rapidly marketed. Good types offered on the Clarksville, Springfield and Hopkinsville markets continue to sell at high prices, \$36.00 per cwt. not being unusual for the choicest grades. Prices of select leaf in the western district also remain firm.

There has been fair progress made in preparation of plant beds for the 1935 crop in both burley and dark tobacco districts. Recent weather conditions have retarded these operations to some extent, and relatively little plowing has been accomplished.

COMMODITY PRICES

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

	High	Low	Close	
			Mar. 15, 1935	Mar. 15, 1934
Wheat				
May .....per bu.,\$	.97¾	\$.89½	\$.90¾	\$.85
July .....	.91½	.86	.87¾	.85½
*Sept. ....	.90½	.85½	.87¾	.88½
No. 2 red winter " "	1.00	.92	.92@	.89½@ .90
No. 2 hard " "	1.05¼	.98¾	.98¾	.87
Corn				
May .....	.90¾	.80	.81	.50¾@ .50¾
July .....	.85¾	.76¾	.77½	.52½@ .52¾
*Sept. ....	.82½	.74½	.74¾	.54¾
Oats				
No. 2 white .....	.61½	.51½	.51½	.37
Flour				
Soft patent.....per bbl.	6.60	5.85	5.85@6.35	6.40 @6.90
Spring "	7.60	7.20	7.20@7.35	6.40 @6.90
Middling Cotton...per lb.	1260	.11	.1110	.12
Hogs on hoof.....per cwt.	9.85	4.50	5.00@9.30	2.30 @4.65

*Nominal quotations.

FINANCIAL

The same general trends which have obtained in Eighth District banking and financial conditions during the past several months continued in effect through February and early March. Credit requirements of virtually all borrowing groups, as indicated by commitments at commercial banks, failed to develop expansion. Liquidation of earlier loans by commercial and industrial interests about balanced new borrowings. To a considerable extent this was accounted for by the continued high rate of collections and the rapid turnover in a majority of mercantile lines. Flour milling and grain handling

interests further reduced their commitments, and there was a substantial volume of liquidation by field seed interests, seasonal at this time of year. In certain sections of the south there has been some call for funds to finance early crop preparations, purchases of mules, etc. Marketing of the 1934 tobacco crop had been about completed at mid-March, and producers have used their proceeds to a considerable extent in meeting their obligations at banks and to merchants. Balances of country banks with city correspondents are at the highest peak and loans to country banks at the lowest levels recorded in a number of years.

Between February 13, and March 13, loans and investments of reporting member banks in the principal cities recorded a slight increase, ascribable entirely to larger holdings of investments, the total loan item showing a small decrease. There was a moderate increase in both time and demand deposits, resulting in a gain of 2.1 per cent in total deposits. Reflecting the larger deposits, reserve balances increased 5.2 per cent, and on March 13, were approximately one-half larger than a year ago.

Borrowings of all member banks from the Federal Reserve bank continued at the low levels of recent months. The volume of reserve credit outstanding at this bank on March 18, showed no appreciable change from a month earlier.

The amount of savings deposits held by selected banks on March 6 was 1 per cent larger than on February 6, and 12.8 per cent greater than on March 7, 1934.

At St. Louis banks, as of the week ended March 15, interest rates were as follows: Customers' prime commercial paper, 2 to 5 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.

Federal Reserve Operations — During February, the Federal Reserve Bank of St. Louis discounted for 3 member banks, against 4 in January, and 29 in February, 1934.

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

	*Mar. 19, 1935	*Feb. 19, 1935	*Mar. 19, 1934
Bills discounted	\$ 513	\$ 511	\$ 245
Bills bought			993
U. S. Securities.....	108,200	108,200	93,200
Participation in Inv. Foreign Banks.....	105	105	128
Total Bills and Securities.....	\$108,818	\$108,816	\$ 94,566
Total Reserves	\$202,036	\$208,181	\$175,903
Total Deposits	164,865	170,462	116,096
F. R. Notes in circulation.....	139,874	138,646	136,620
F. R. Bank Notes in circulation.....			10,274
Ratio of reserve to deposits and F. R. Note Liabilities.....	66.3%	67.3%	69.6%

*In thousands (000 omitted).

Discount rates charged by this bank remain unchanged as follows:

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 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.

Condition of Banks — Loans and discounts of the reporting member banks on March 13, 1935, showed a decrease of 0.6 per cent as contrasted with February 13, 1935. Deposits increased 2.1 per cent between February 13, 1935 and March 13, 1935 and on the latter date were 9.1 per cent greater than on March 14, 1934. Composite statement follows:

	*Mar. 13, 1935	*Feb. 13, 1935	*Mar. 14, 1934
Number of banks reporting.....	19	19	19
Loans and discounts (incl. rediscounts) Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 66,664	\$ 66,373	\$ 96,906
All other loans and discounts....	153,745	155,255	133,452
Total loans and discounts.....	\$220,409	\$221,628	\$220,358
Investments U. S. Govt. securities.....	\$199,250	\$192,706	\$204,711
Other securities.....	118,982	120,197	96,876
Total investments.....	\$318,232	\$312,903	\$301,587
Reserve balance with F. R. Bank.....	\$105,294	\$100,066	\$ 71,620
Cash in vault.....	8,300	8,380	7,992
Deposits Net demand deposits.....	\$404,055	\$392,469	\$342,179
Time deposits.....	165,739	165,213	162,352
Government deposits.....	21,786	22,210	37,720
Total deposits.....	\$591,580	\$579,892	\$542,251
Bills payable and rediscounts with Federal Reserve Bank.....			

*In thousands (000 omitted).
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. Government in leading cities of the district. Charges to accounts of banks are not included.

	*Feb., 1935	*Jan., 1935	*Feb., 1934	Feb., 1935 comp. to Jan. 1935	Feb. 1934
East St. Louis and Natl. Stock Yards, Ill.	\$ 20,452	\$ 22,388	\$ 15,846	— 8.6%	+29.1%
El Dorado, Ark.....	3,571	4,012	3,160	—11.0	+13.0
Evansville, Ind.....	16,834	19,848	13,255	—15.2	+27.0
Fort Smith, Ark.....	7,923	8,507	7,896	— 6.9	+ 0.3
Springville, Miss.....	3,912	3,954	3,289	— 1.1	+18.9
Helena, Ark.....	1,316	1,491	1,413	—11.7	— 6.9
Little Rock, Ark.....	22,488	26,118	18,460	—13.9	+21.8
Louisville, Ky.....	117,229	141,434	135,004	—17.1	—13.2
Memphis, Tenn.....	90,223	104,801	92,362	—13.9	— 2.3
Owensboro, Ky.....	4,619	5,214	3,611	—11.4	+27.9
Pine Bluff, Ark.....	4,588	5,056	5,418	— 9.3	—15.3
Quincy, Ill.....	4,675	5,093	4,513	— 8.2	+ 3.6
St. Louis, Mo.....	397,804	465,544	387,747	—14.6	+ 2.6
Sedalia, Mo.....	1,506	1,854	1,235	—18.8	+21.9
Springfield, Mo.....	9,753	11,532	8,501	—15.4	+14.7
**Texarkana, Ark.-Tex.....	4,846	5,637	4,749	—14.0	+ 2.0
Totals	\$711,739	\$832,483	\$706,459	—14.5%	+ 0.7%

*In thousands (000 omitted).
**Includes one bank in Texarkana, Texas not in Eighth District.

(Compiled March 22, 1935)



MONTHLY REVIEW

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

Released for Publication On and After the Morning of April 30, 1935

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Ass't Federal Reserve Agent

J. VION PAPIN,
Statistician

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.

A VAILABLE 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:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
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 comp. to 1934	Mar. 31, 1935 compared to Mar. 31, 1934
	Mar. 1934	Feb. 1935		
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.

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.

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	Mar. 31, 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

El 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	Mar. 31, 1934
	Men's Furnishings	-29.9%	-10.5%	- 7.0%	.56	.60
Boots and Shoes	-19.4	- 8.8	+ 1.5	.65	.71

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 comp. to Feb. 1935	Mar., 1934		Mar. 1935 comp. to Mar. 1934
		*K.W.H.	*K.W.H.		*K.W.H.	*K.W.H.	
Evansville	40	2,975	2,521	+18.0%	2,362	2,362	+26.0%
Little Rock..	35	1,370	1,323	+ 3.6	1,251	1,251	+ 9.5
Louisville ...	83	7,312	7,264	+ .7	6,640**	6,640**	+10.1
Memphis	31	1,829	1,810	+ 1.0	1,692	1,692	+ 8.1
St. Louis.....	193**	16,617	15,013**	+10.7	16,096**	16,096**	+ 3.2
Totals.....	382**	30,103	27,931**	+ 7.8	28,041**	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 .....per bu..	\$.98 ⁷ / ₈	\$.88 ⁵ / ₈	\$.98 ⁷ / ₈	\$.77 ³ / ₄
July	\$.99 ⁵ / ₈	\$.85 ³ / ₄	\$.97 ³ / ₄	\$.79
*Sept.	\$.99 ⁷ / ₈	\$.85 ³ / ₄	\$.98 ¹ / ₄	\$.82
No. 2 red winter	1.00 ³ / ₄	.90 ³ / ₄	.99 ¹ / ₂ @1.00	.83 @.83 ¹ / ₂
No. 2 hard	1.07 ³ / ₄	.98	1.07 ¹ / ₄	.79 ¹ / ₂
Corn				
May	\$.91 ¹ / ₄	\$.78 ¹ / ₂	\$.90 ³ / ₄	\$.42 ³ / ₄
July	\$.86 ³ / ₄	\$.74 ¹ / ₂	\$.84 ¹ / ₂	\$.45 ⁵ / ₈
*Sept.	\$.82	\$.70 ³ / ₄	\$.80 ¹ / ₂	\$.47 ³ / ₄
*No. 2 mixed	\$.92 ¹ / ₂	\$.80 ¹ / ₂	\$.92 ¹ / ₂	\$.47 ¹ / ₄
No. 2 white	\$.95 ¹ / ₂	\$.84 ¹ / ₂	\$.95 ¹ / ₂	\$.49
Oats				
No. 2 white	\$.55 ¹ / ₂	.49	.54	.29 ³ / ₄ @.32
Flour				
Soft patent.....per bbl.	6.45	5.85	5.95 @6.45	6.10 @6.50
Soft ".....	7.75	7.00	7.60 @7.75	6.10 @6.50
Middling Cotton.....per lb.	1.165	1.040	1.165	1.150
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 Feb. 1935	comp. to 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 Admin- istration 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. custo- 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)



MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of May 31, 1935

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FEDERAL RESERVE BANK OF ST. LOUIS

INDUSTRIAL LOANS AND COMMITMENTS

In the April issue of this review, attention was called to the provisions of Section 13b of the Federal Reserve Act which authorize the Federal Reserve banks to aid in providing working capital for established industrial or commercial businesses for periods of not exceeding five years.

Shortly after enactment of the new section, the Federal Reserve Board stated in its announcement:

"Recognizing the need of many small and medium sized industrial and commercial businesses for additional working capital to enable them to continue or resume normal operations and to maintain employment or provide additional employment, Congress has granted the Federal Reserve banks very broad powers to enable them to provide such working capital, either through the medium of other banks, trust companies and other financing institutions or, in exceptional circumstances, directly to such commercial and industrial businesses. It is believed that the facilities thus afforded will aid in the recovery of business, the increase of employment, and the general betterment of conditions throughout the country."

The following explanation of how this bank may assist under the amendment was given in its circular of March 4, 1935, to all banks in the district:

"Assume that a certain business several years ago had adequate working capital, but, as a result of conditions during the past few years, it has depleted its working capital to such an extent that it is handicapped in taking care of prospective business. The enterprise has sufficient assets and profitable business in prospect to justify a loan for the purpose of replenishing its working capital. It is conceded that payment of the loan can not be made in ninety days or six months, but, if the business is to continue normal operations, it will require a longer period for payment . . ."

"In such a case, the Federal Reserve bank is ready and willing to cooperate with a bank or other financing institution by reviewing the loan and, if found satisfactory, by executing a commitment agreeing to purchase or discount the loan at any time during the life of the commitment. The commitment stipulates the percentage of loss on the loan which may be sustained by the financing institution (not less than 20 per cent) and the Federal Reserve bank (up to 80 per cent), if acquired by the latter . . ."

"In exceptional circumstances, when it appears to the satisfaction of the Federal Reserve bank that an established industrial or commercial business is unable to obtain the requisite financial assistance on a reasonable basis from the usual sources, the Federal Reserve bank may make direct loans to, or purchase obligations of, such business, or make commitments with respect thereto, on a reasonable and sound basis, for the purpose of providing it with working capital . . ."

The volume of industrial commitments outstanding and the amount of working capital loans held by this bank, as well as the rates thereon, are given on page 7 of this review.

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

IN the Eighth District industry and commerce through April and the first half of May was marked by a considerable degree of unevenness. In the main, changes from the similar period immediately preceding were influenced by seasonal considerations, with the principal factor making for decreased activities being the long spell of unseasonably cold and wet weather. The movement of all descriptions of spring merchandise through retail channels was greatly restricted by the almost continuous rains, and this reacted adversely on the wholesaling and jobbing trade and certain phases of productive activities. In practically all manufacturing lines investigated by this bank operations receded from March to April, and production as a whole for the latest month was below that of the corresponding period a year ago. Owing to lateness of the season and price uncertainties, merchants generally were disposed to purchase with more caution and conservatism than was the case during the past several months. In numerous instances manufacturers were following the policy of using up inventories of raw materials and acquiring only such additional amounts as required for immediate needs.

Of the wholesale lines investigated, April sales of electrical supplies, packing and hardware showed increases both as compared with the preceding month and a year ago. Boots and shoes increased contra-seasonally from March to April, but decreased slightly below a year ago, and decreases in both the month-to-month and yearly comparisons were recorded in dry goods and drugs and chemicals. Substantial gains were recorded in April sales of furniture and groceries over that month in 1934, but decreases under March this year. Sales of automobiles increased sharply over the April, 1934, total and also showed a moderate increase over the preceding month. While receding somewhat from its peak for the year, the iron and steel industry in this district continued at a high rate of activity. As has been the case for the past several months, relatively the best showing was made by specialty makers, notably of farm implements, stoves, house-

hold appliances, etc. Production of bituminous coal in fields of the district decreased in somewhat larger than the seasonal amount from March to April. Activities in the lead and zinc mining fields in early May were greatly curtailed by labor troubles.

Effects of the wet weather on distribution were most acutely felt in the rural areas, and more particularly flooded sections. Purchasing of farm supplies of all descriptions was deferred, sales of seeds, plants, insecticides, and kindred commodities being in measurably smaller volume than during the same period a year ago. Planting of spring crops is from two to three weeks behind the seasonal schedule, and in many localities these operations will be further held back by wet soggy fields. At mid-May indications were that an unusually large amount of replanting of tobacco, cotton and some other crops would be necessary. As an offset to these conditions, however, has been the beneficial effect on soil conditions from the abundant moisture, following four years of deficient rainfall. The condition of the growing wheat crop is high, with indications for a yield in states of this district approximately 16 per cent above the five-year (1928-1932) average. Pastures and the condition of livestock have also undergone marked improvement.

According to officials of railroads operating in this district, all classifications of freight handled, with the exception of forest products, ore and miscellaneous, continued the downward tendencies noted during the preceding thirty days. Decline in the movement of coal and coke was somewhat greater than the seasonal average. For the year to date, total volume is slightly below that for the like period in 1934, but measurably larger than in 1933. For the country as a whole loadings of revenue freight for the first 18 weeks this year, or to May 4, totaled 10,382,849 cars, against 10,510,874 cars for the like period in 1934 and 8,801,977 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 75,298 loads in April, which compares with 75,939 loads in March and 73,693 loads in April, 1934. For the first nine days of May the interchange amounted to 20,954 loads, against 21,720 loads during the corresponding period in April, and 21,979 loads during the first nine days of May, 1934. Passenger traffic of the reporting lines in April was 9 per cent smaller than for the same month last year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 153,900 tons, against 108,468 tons in March, and 90,489 tons in April, 1934.

The general status of collections in the district during April and the first half of May was some-

what less favorable than during the preceding several months. In the main, April settlements with wholesaling and jobbing interests compared favorably with recent records and a year ago, the recessionary tendencies being manifest principally in payments to retailers in the rural areas. This was ascribed in large part to the continuous rains and lateness of the planting season, also preoccupation of farmers with spring work. Backwardness of the season for early fruits and vegetables has militated against collections in areas where these crops are important. In the tobacco sections liquidations has been in considerable volume, following completion of marketing of the 1934 crop. Considerable spottiness is reported in their collections by retail merchants in the chief urban centers. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
April, 1935.....	2.3%	36.8%	55.2%	5.7%
March, 1935.....	2.4	36.8	52.8	8.0
April, 1934.....	3.1	44.3	50.6	2.0

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 42, with liabilities of \$460,527, against 44 defaults in March, with liabilities of \$590,762, and 24 failures for a total of \$305,505 in April, 1934.

MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON		STOCKS ON HAND	
	April, 1935 compared to Apr. 1934	Mar. 1935	4 months ending April 30, 1935 compared to 1934	Apr. 30, 1935 compared to Apr. 30, 1934
Boots and Shoes.....	- 3.8%	+ 6.7%	-12.4%	+60.5%
Drugs and Chemicals..	- 5.4	- 3.3	- 6.5	+49.7
Dry Goods.....	- 6.5	- 7.3	-15.3	-13.9
Electrical Supplies.....	+10.9	+10.3	+ 9.4	+11.1
Furniture.....	+23.7	- 8.6	+18.4	-14.1
Groceries.....	+11.9	- 2.6	+ 4.6	- 3.3
Hardware.....	+15.3	+ 2.9	+ 5.7	- 2.9
Total.....	- 0.2	+ 0.9	- 8.4	+11.2

Boots and Shoes — April sales of the reporting interests increased from March contrary to the usual seasonal experience, expectations being for a decrease of approximately 4 per cent. For the fourth successive month the April total fell below that of the corresponding month a year earlier. Inventories decreased slightly during the month, but continued substantially larger than last year. Factory operations declined in April, both as contrasted with the preceding month and a year ago. There was little change in the ratio of accounts outstanding to net sales between March and April.

Clothing — Adverse weather conditions prevailing generally through the district have tended to hold down the movement of apparel through retail channels, and this has reacted upon the business of

producers, wholesalers and jobbers. April sales of the reporting clothiers fell 4.5 per cent below the preceding month and 11 per cent below a year ago. Inventories decreased 11 per cent between April 1 and May 1 and on the latest date were 7 per cent less than a year earlier. Manufacturers of certain lines of women's and children's clothing report advance ordering in slightly smaller volume than at this time in 1934.

Drugs and Chemicals — A decrease in sales of the reporting firms of 3.0 per cent from March to April, was of about the usual seasonal proportions. The late spring and continuous rains have had a tendency to hold down the movement of a number of lines, notably fertilizers and insecticides. Demand for heavy drugs and chemicals from the general manufacturing trade showed further slight contraction. Prices showed no appreciable change as compared with the preceding sixty days.

Dry Goods — Price uncertainties and unfavorable weather were the principal influences in declines in April sales in this classification, both as compared with the preceding month and a year ago. Retailers generally are unwilling to augment their commitments until a more definite estimate of probable future values is possible. Reports covering the first half of May indicate sales volume running behind that of the comparable period in 1934.

Electrical Supplies — Demand for practically all lines of electrical supplies continues the steady expansion of the past several months. The increase in sales of the reporting firms from March to April, of 10 per cent was approximately double the usual seasonal expectations. Some betterment in the movement of pole and line hardware was noted, also moderate gain in demand for electrical installations.

Flour — Production at the 12 leading mills of the district in April totaled 200,569 barrels, against 203,764 barrels in March, and 224,482 barrels in April, 1934. The market as a whole developed no important changes as contrasted with the preceding month. Prices fluctuated in a narrow range, and purchasing by all classes of consumers was on a hand-to-mouth basis. Mill operations were at from 45 to 50 per cent of capacity.

Furniture — New orders booked during April by the reporting interests registered a decrease of about the usual extent. Shipments continued the steady expansion noted since January. Inventories increased slightly between April 1 and May 1, and on the latest date were 14 per cent smaller than a year ago. There was no change in prices as compared with the preceding three months.

Groceries — Lateness of the spring has adversely affected sales of farm supplies and other merchandise consumed chiefly in the rural areas. Generally though the district purchasing of seeds and kindred lines has been in smaller volume than a year ago. Demand for canned goods has been stimulated by the backward movement of early fruits and truck crops. The trend of prices continued upward.

Hardware — A contraseasonal increase of 3 per cent in sales of the reporting interests from March to April took place which contrasts with a decrease of 15 per cent in the comparison a year earlier. Despite the unfavorable weather, sales of hand implements, repair materials and other farm supplies were reported in considerable volume. Further moderate betterment was noted in builders' tools and hardware.

Iron and Steel Products — Lessened new demands from important consuming interests and a tapering off of seasonal requirements were reflected in a slight recession in activities in the iron and steel industry in this district as contrasted with the year's high levels of February and March. The slowing down was by no means general, some branches having maintained the progress achieved earlier in the year, and in the case of a number of establishments, further progress was recorded. Effects of labor disturbances in the automotive industry had only a moderately restraining effect, releases on castings and other commodities continuing in considerable volume. Operations at structural iron and steel fabricating plants during April were at approximately 30 per cent of capacity, a decrease of about 2 per cent from the March average. Purchasing by the railroads continued on a necessity basis, material taken being chiefly for repair work. Orders for new equipment were negligible. Jobbing and warehouse interests reported April volume slightly in excess of the March total, despite the retarded movement of certain materials due to unseasonably cool and wet weather. Demand for wire products in the rural areas showed less than the ordinary seasonal expansion. In the face of a noticeable slowing down in shipments of pig iron during the final week of April, the total for the month was measurably larger than during March and the heaviest since last summer. The movement was stimulated by a desire on the part of melters to get in their material prior to the effective date of the advance in freight rates, April 18. Aside from the halting in the decline in scrap iron and steel, prices showed no change worthy of mention. For the country as a whole, production of pig iron in April, according

to the magazine "Steel," totaled 1,671,556 tons, against 1,770,990 tons in March, and 1,736,217 tons in April, 1934. Steel ingot production in the United States in April was 2,606,311 tons, against 2,830,700 tons in March, and 2,897,808 tons in April, 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	
	Apr. 1935 comp. to Apr. 1934	4 months ended Apr. 30, 1935 to same period 1934	Apr. 30, 1935 comp. to Apr. 30, 1934	Jan. 1, to Apr. 30, 1935	Apr. 30, 1934
El Dorado, Ark.....	- 0.4%	+ 8.4%	+ 4.3%	.86	.81
Evansville, Ind.....	+ 9.0	-16.0	-29.2	.65	.58
Fort Smith, Ark.....	+ 6.5	+ 3.7	- 7.1	.75	.72
Little Rock, Ark.....	+ 8.7	+ 5.1	- 2.7	.72	.74
Louisville, Ky.....	+ 2.4	+ 5.1	+ 6.4	1.20	1.13
Memphis, Tenn.....	+ 9.2	- 0.2	+ 7.4	.98	1.03
St. Louis, Mo.....	- 3.7	- 0.7	- 4.1	1.25	1.19
Springfield, Mo.....	- 2.3	+ 0.2	-18.7	.71	.59
All Other Cities.....	+10.4	+ 6.0	- 0.6	.97	.89
8th F. R. District..	+ 0.1	- 0.3	- 1.8	1.11	1.07

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

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	52.7%	Memphis, Tenn.....	44.2%
Fort Smith, Ark.....	38.7	Springfield, Mo.....	24.7
Little Rock, Ark.....	37.6	St. Louis, Mo.....	54.9
Louisville, Ky.....	47.4	All Other Cities.....	34.1
8th F. R. District.....	49.2%		

Retail Stores

	Net sales comparison		Stocks on hand	Stock turnover	
	Apr. 1935 comp. to Apr. 1934	4 months ended Apr. 30, 1935 to same period 1934	Apr. 30, 1935 comp. to Apr. 30, 1934	Jan. 1, to Apr. 30, 1935	Apr. 30, 1934
Men's Furnishings	+46.8%	+ 3.2+	- 6.6%	.82	.76
Boots and Shoes	+ 7.8	- 4.0	+ 0.9	.92	.96

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in April was 477,716, against 429,830 in March, and 354,745, revised figure, in April, 1934.

Following the usual seasonal trend, distribution of automobiles in this district in April, according to dealers reporting to this bank, increased slightly over the preceding month, and the total was substantially greater than a year ago, and incidentally the largest for any April since 1930. The increase from March to April was considerably less than the average in recent years, which fact is ascribable in large measure to the unusually heavy sales earlier in the year. As has been the case for a number of months, interest centered mainly in cheap priced cars, sales of dealers handling vehicles of the two leading manufacturers in this field representing 62 per cent of the entire April business. Demand for trucks was less active than heretofore, April sales showing a decrease of 22 per cent and 8 per cent, respectively, as compared with a month and a year earlier.

April sales of new passenger cars by the reporting dealers were 1.2 per cent larger than during the preceding month and approximately 60 per cent in excess of the April, 1934, total. In response to the broadening demand, dealers were purchasing somewhat more freely from the factories, their stocks as of May 1, being 22 per cent and 18 per cent larger, respectively, than a month and a year earlier. Sales of secondhand cars in April showed a moderate gain over March, and an increase of 36 per cent over the April, 1934, volume. Owing to the marked expansion of new vehicle sales, dealers' stocks of trade-in cars have shown considerable rise. Inventories of salable secondhand cars held on May 1 were greater by one-third than on April 1, and more than double those a year ago. According to dealers reporting on that item, deferred payment sales in April constituted 46 per cent of their total sales, the same as in March, and comparing with 48 per cent in April, 1934.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 29.9 per cent smaller than in March, and 39.6 per cent less than in April, 1934. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in April, amounted to \$8,689,387, which compares with \$8,587,110 in March, and \$7,983,325 in April, 1934. Production of portland cement for the country as a whole in April, totaled 6,136,000 barrels, against 4,299,000 barrels in March, and 6,544,000 barrels in April, 1934. Building figures follow:

	New construction				Repairs, etc.			
	Permits 1935	1934	*Cost 1935	1934	Permits 1935	1934	*Cost 1935	1934
Evansville ..	46	3	\$ 196	\$ 12	115	188	\$ 44	\$ 34
Little Rock	7	12	8	70	106	96	19	23
Louisville ..	58	38	168	320	77	73	51	116
Memphis ...	193	160	127	69	252	176	90	58
St. Louis....	225	165	458	1,114	195	228	113	92
April Totals	529	378	957	1,585	745	761	317	323
March "	506	353	1,365	338	734	557	352	222
Feb. "	369	227	510	251	475	404	301	302

*In thousands (000 omitted).

LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during April, the preceding month, and a year ago, together with the cumulative totals for the first four months this year and the comparable period in 1934 are shown in the following table:

(In thousands of dollars)	Apr., 1935	Mar., 1935	Apr., 1934	Jan.-Apr., 1935	Jan.-Apr., 1934	Cumul. change
Indiana.....	\$ 12,561	\$ 11,258	\$ 12,508	\$ 48,795	\$ 43,215	+12.9%
Illinois.....	44,255	45,829	49,050	193,521	181,890	+ 6.4
Missouri.....	14,949	16,718	18,560	68,083	70,975	- 4.1
Kentucky.....	6,390	5,895	5,549	23,203	21,234	+ 9.3
Tennessee.....	5,526	5,390	6,130	24,619	23,674	+ 4.0
Mississippi.....	2,228	2,466	2,624	9,216	9,203	+ 0.1
Arkansas.....	3,022	2,418	2,705	12,156	11,632	+ 4.5
Totals.....	88,931	89,974	97,126	379,593	361,823	+ 4.9
United States...	540,280	545,450	581,433	2,264,846	2,095,560	+ 8.1

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in April, as being 3.7 per cent larger than in March, and 9.0 per cent more than in April, 1934. Detailed figures follow:

	No. of Custom-ers	Apr., 1935	Mar., 1935	Apr. 1935 comp. to Mar. 1935	Apr., 1934	Apr. 1935 comp. to Apr. 1934
		*K.W.H.	*K.W.H.	%	*K.W.H.	%
Evansville	40	2,673	2,975	-10.2%	2,400	+11.4%
Little Rock..	35	1,523	1,370	+11.2	1,375	+10.8
Louisville	83	7,679	7,312	+ 5.0	6,757	+13.6
Memphis	31	1,728	1,829	- 5.5	1,761	- 1.9
St. Louis.....	192**	17,625	16,629**	+ 6.0	16,363	+ 7.7
Totals.....	381**	31,228	30,115**	+ 3.7	28,656	+ 9.0

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

AGRICULTURE

Spring weather conditions generally throughout the Eighth District have been adverse to progress of agricultural operations, preparations for and planting of crops are much behind the seasonal schedule. In practically all states, precipitation during April and the first half of May was excessive and temperatures below normal. In certain areas, according to the U. S. Weather Bureau, April was the coolest since 1928, and reports covering the first half of May indicate a continuance of this condition. In addition to delays occasioned by almost steady rains, an appreciable amount of damage has been wrought by overflowing of rivers and streams. At mid-May indications were that an unusually large amount of replanting of cotton, potatoes and certain other crops would be necessary. On the other hand the moisture has proved beneficial to fall planted grains and pastures. Sub-soil conditions are the best in a number of years, and wells, water holes, creeks, and other sources of water supply have been replenished after the cumulative deficiency of several years of drouth. In the main the condition of winter wheat is favorable, though since the second week of May there has been an increasing number of complaints of rank growth and yellowing fields, due to lack of sunshine and excessive precipitation.

Pastures and meadow conditions are considerably better than a year ago, but as an offset to this favorable development, the shortage of feeds, occasioned by last year's severe drouth, is still being acutely felt in many sections. Stocks of all hay on farms in states of the district as of May 1, were 19 per cent smaller than on the same date in 1934, and 43 per cent below the 5-year (1928-1932) average. Eighth District farm prices continued to hold the gains achieved during recent months. Typical of the entire area is Missouri, where out of 50 commodities surveyed in April, 42 were higher than last

year, and only 7 less. Comparing prices in April, 1935, with April, 1933, every one of the 50 commodities covered was higher, increases ranging from 25 to 200 per cent. Farm labor conditions showed little change as contrasted with a month and a year earlier. Demand for farms and farm values continues upward, particularly in the southern sections of the district.

The following information relative to specific crops is based on latest reports of the U. S. Department of Agriculture, State agricultural departments, trade associations, etc.

Winter Wheat — Based on the May 1 condition, the U. S. Department of Agriculture estimates the winter wheat yield in states entirely or partly within the Eighth District at 96,086,000 bushels, a decrease of 3.5 per cent from the April 1 forecast, and comparing with 90,493,000 bushels harvested in 1934, and the 5-year (1928-1932) average of 82,742,000 bushels. Quite generally the crop is well rooted and stands are good, though lack of sunshine, low temperatures and too much rain have caused appearance of rust and yellowing in many fields. While for the country as a whole abandonment of acreage is heavy, present Eighth District indications are that relatively little of the acreage planted last fall will not be harvested.

Corn — Wet fields have seriously handicapped seasonal farm work, with the result that relatively little corn has been planted, which condition contrasts with a year ago when from 50 to 75 per cent of the district corn acreage had been put in at mid-May. In many sections, particularly in fertile river and creek bottoms, standing water will further delay breaking of the soil and seeding of the crop. Stocks of old corn are light, particularly prime seed.

Fruits and Vegetables — The general condition of fruits and vegetables in this district at the middle of May was considerably more promising than at the same time a year earlier, and somewhat above the 10-year average. The outlook for apples is in the main favorable, with a minimum of winter damage reported. Excessive rains have caused a heavy drop, and interfered with pollination. Peach prospects are spotty, but in the main auspicious, practically all orchards having shown heavy bloom, with injury from spring freezes unusually light. Curculio infestation is reported present in many orchards and threatens material damage unless favorable weather intervenes for its eradication. The condition of the early potato crop as of May 1, was above average in the south, but definite condition reports on the northern tiers of the district were lacking, and planting has been delayed by rains. The straw-

berry yield will be below that of a year ago, plants generally showing the effects of the drouth conditions prevailing during the past several years. Farm and home gardens are backward, due to the wet, cold spring, but are being planted on a more extensive scale than in the past.

Live Stock — Lateness of the spring has more or less complicated the general shortage of feed. On many farms in last year's drouth area, hay supplies were practically exhausted at the end of April. In states of this district, according to the U. S. Department of Agriculture, reserves of hay on farms as of May 1 were 1,098,000 tons, the smallest in recent years, and comparing with 1,353,000 tons on that date in 1934, and the 5-year (1928-1932) average of 1,941,000 tons. The recent improvement in the condition of pastures, however, has materially helped the situation.

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

	Receipts			Shipments		
	Apr., 1935	Mar., 1935	Apr., 1934	Apr., 1935	Mar., 1935	Apr., 1934
Cattle and Calves.....	100,804	84,619	90,891	58,976	46,221	41,374
Hogs	187,207	190,808	257,196	117,875	107,711	133,380
Horses and Mules.....	6,295	8,666	6,160	6,977	7,704	5,444
Sheep	61,935	54,480	36,825	17,798	5,446	5,297

Cotton — Frequent rains, accompanied by unseasonably low temperatures through April and the first half of May have greatly interfered with soil preparation and planting, and generally the crop is from two to three weeks late. In sections where cotton is up, the cool weather has retarded germination. There are numerous reports of soil packing and erosion caused by the heavy rains. In the northern sections planting was hardly 50 per cent completed at mid-May and in Arkansas and Mississippi considerable replanting will be necessary. Indications are that acreage will be largely governed by Bankhead controlled law restrictions. According to statistics compiled by the National Fertilizer Association, fertilizer tag sales in states including the Eighth District in April were 34 per cent and 60 per cent larger, respectively, than for that month a year and two years earlier; sales for the January-April period this year were 17 per cent larger than for the comparable period in 1934, and more than double those for the period in 1933. The trend of prices was upward during the first half of May. In the St. Louis market the middling grade ranged from 11.40c to 12.05c per pound between April 16 and May 15, closing at 12.00c on the latest date, which compares with 11.55c on April 16, and 11.20c on May 15, 1934. Receipts at Arkansas compresses from August 1, 1934, to May 3, 1935, totaled 813,507 bales, against 997,734 bales during the comparable

period a year earlier. Stocks on hand as of May 4, totaled 493,628 bales, against 514,580 bales on April 5, and 376,233 bales on the corresponding date in 1934.

Tobacco — Continuous heavy rains not only seriously interfered with farm work, but in many sections soil which had been cultivated has been badly washed and packed so that further attention will be necessary before the transplanting can be accomplished. In parts of the burley district the ground is too wet to work, while elsewhere some progress has been made in cultivating, however, not more than 25 per cent of the burley crop had been planted as of May 18. In the air-cured section planting has barely started and only a small percentage of the intended acreage has been put in. Recent weather has been more favorable in the eastern fired district, and it is estimated that from 25 to 30 per cent of the intended acreage has been planted in the Springfield section. In the Clarksville area 40 to 50 per cent of intended acreage has been planted and in the Hopkinsville section from 50 to 60 per cent; whereas in the western fired district rains have retarded work and according to estimates not more than 15 to 20 per cent of the intended acreage has been set. Plants are mainly in good condition for transplanting.

There is but little trading in burley tobacco of any description. Stocks of air-cured leaf in dealers' hands are limited. Demands are steadily increasing for dark-fired lugs both in old and new crops. Old stocks of lugs and common leaf in independent dealers' hands are smaller than in a number of years. Accumulation of old crops, plus receipts of the 1934 crop are giving the Marketing Association in both the eastern and western districts a large stock of dark-fired tobacco, which is held at firm prices.

COMMODITY PRICES

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

	High	Low	Close	
			May 15, 1935	May 15, 1934
Wheat				
May	per bu. \$1.00 3/4	\$.83 3/4	\$.88 3/4	\$.86 7/8
July	"	.99 7/8	.90 1/8	.84 1/2
*Sept.	"	1.00 1/4	.90 3/4	.91 1/8
No. 2 red winter	"	1.01	.92 1/2	.92 3/4
No. 2 hard	"	1.09 1/2	1.03 1/2	1.03 3/4
Corn				
May	"	.93 3/8	.86 7/8	.88 3/8
July	"	.87 3/4	.81	.83
*Sept.	"	.83	.75 1/2	.77 1/4
*No. 2 mixed	"	.92 1/2	.88	.88
*No. 2 white	"	.96 1/2	.91 1/2	.90 1/2 @ .91 1/2
Oats				
*No. 2 white	"	.53 1/4	.45 1/4	.45 1/2 @ .35
Flour				
Soft patent.....	per bbl.	6.45	5.95	5.95 @ 6.45
Spring	"	7.75	7.55	@ 7.70
Middling Cotton...	per lb.	.1205	.1140	.1200 @ .1120
Hogs on hoof.....	per cwt.	9.40	5.00	5.00 @ 9.35
				1.75 @ 3.55

*Nominal quotations.

FINANCIAL

The banking and financial situation in the Eighth District, insofar as reflected by figures of the reporting member banks, underwent no changes of moment during the past thirty days as contrasted with the similar period immediately preceding. Demand for credit from commercial and industrial groups remained quiet, and the late spring has held back borrowing in the rural areas. Liquidation by mercantile customers of the large city banks was in considerable volume, the total of settlements being in excess of new loans and renewals.

Deposits continued the upward trend of recent months, reaching a new high for the year in the second week of May. Borrowings of country banks from their city correspondents receded further. In rural sections of the south there are continued evidences of banks reducing or discontinuing the payment of interest on time deposits. Investments of individuals in Government and other high grade securities have materially increased.

Commercial Banking — Between April 10 and May 8, total loans and investments of reporting banks in the leading cities increased 5 per cent, the expansion being due entirely to heavier holdings of securities, loans having decreased by 4.6 per cent. Deposits increased 3.2 per cent during the period, and at \$610,357,000 on May 8 were 15.3 per cent larger than a year ago.

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)	May 8, 1935	April 10, 1935	May 9, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 58,801	\$ 64,047	\$ 73,615
Other loans and discounts.....	149,575	154,264	135,151
Total loans and discounts.....	208,376	218,311	208,766
Investments			
U. S. Gov't securities.....	251,924	219,901	193,991
Other securities.....	128,505	122,402	94,452
Total investments.....	380,429	342,303	288,443
Reserve balance with F. R. Bank.....	62,307	72,561	85,585
Cash in vault.....	8,856	8,435	8,049
Deposits			
Net demand deposits.....	424,276	403,190	340,860
Time deposits.....	167,481	166,227	163,864
Government deposits.....	18,600	21,746	24,821
Total deposits.....	610,357	591,163	529,545
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.

The amount of savings deposits held by selected banks on May 1, was 1.5 per cent greater than on April 3, and 14.4 per cent in excess of the total on May 2, 1934.

Interest rates continued at or about the low levels prevailing in recent months. At St. Louis as

of the week ended May 15, quotations were as follows: Customers' prime commercial paper, 1½ to 5½ per cent; collateral loans, 2 to 6 per cent; loans secured by warehouse receipts, 2 to 5 per cent, and cattle loans, 4 to 6 per cent.

Federal Reserve Operations — The volume of credit outstanding at the Federal Reserve Bank of St. Louis, as of May 18, was practically unchanged from a month earlier, but continued approximately 16 per cent greater than on the corresponding date in 1934.

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

(In thousands of dollars)	May 18, 1935	Apr. 18, 1935	May 18, 1934
Industrial advances under Sec. 13b.....	\$ 558	\$ 543	\$
Other advances and rediscounts.....	14	7	131
Bills bought (including participations).....	81	108,200	121
U. S. Securities.....	108,200	108,200	93,200
Total earning assets.....	108,853	108,849	93,452
Total Reserves	162,391	184,517	196,109
Total deposits	126,063	145,244	148,115
F. R. Notes in circulation.....	138,683	140,448	134,362
F. R. Bank Notes—liability.....	.....	.....	269
Industrial commitments under Sec. 13b	1,650	1,492	.....
Ratio of total reserves to deposit and F. R. note liabilities.....	61.3%	64.6%	69.4%

Rates charged by the Federal Reserve Bank of St. Louis remain unchanged as follows:

- 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.
- ¼ 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 comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	Apr., 1935	Mar., 1935	Apr., 1934	Apr. 1935 comp. to Mar. 1935	Apr. 1934
East St. Louis and Natl.					
Stock Yards, Ill. \$	24,712	\$ 23,698	\$ 18,833	+ 4.3%	+ 31.2%
El Dorado, Ark.....	3,962	3,709	3,847	+ 6.8	+ 3.0
Evansville, Ind.....	19,594	19,180	15,728	+ 2.2	+ 24.6
Fort Smith, Ark....	8,287	8,361	7,092	— 0.9	+ 16.8
Greenville, Miss....	3,489	4,044	2,521	— 13.7	+ 38.4
Helena, Ark.....	1,531	1,474	1,386	+ 3.9	+ 10.5
Little Rock, Ark....	27,901	28,423	20,683	— 1.8	+ 34.9
Louisville, Ky.....	140,802	139,467	128,939	+ 1.0	+ 9.2
Memphis, Tenn.....	94,187	100,643	93,086	— 6.4	+ 1.2
Owensboro, Ky.....	3,929	4,532	3,006	— 13.3	+ 30.7
Pine Bluff, Ark....	5,023	5,886	4,509	— 14.7	+ 11.4
Quincy, Ill.....	6,676	5,641	6,067	+ 18.3	+ 10.0
St. Louis, Mo.....	474,828	497,981	429,966	+ 4.6	+ 10.4
Sedalia, Mo.....	1,808	1,756	1,495	+ 3.0	+ 20.9
Springfield, Mo....	12,235	11,610	10,444	+ 5.4	+ 17.1
*Texarkana, Ark.-Tex.	5,252	4,700	5,122	+ 11.7	+ 2.5
Totals	834,216	861,105	752,724	— 3.1	+ 10.8

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

Note — Above figures include 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. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers' checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.



MONTHLY REVIEW

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

Released for Publication On and After the Morning of June 29, 1935

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Secretary and Ass't Federal Reserve Agent

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FEDERAL RESERVE BANK OF ST. LOUIS

WORKING CAPITAL LOANS

Supplemental information (from Federal Reserve Bulletin, etc.) regarding loans and commitments under Section 13b of the Federal Reserve Act, which authorizes the Reserve banks to aid in providing working capital for established industrial or commercial businesses for periods of not exceeding five years:

"Under the terms of the amendment . . . the problem of obtaining funds for working capital has been facilitated for industry and commerce, and a safe and profitable use for funds has been provided for the banks."

"Obviously there must be a sound basis for the loans. There must be grounds for a reasonable expectation that the enterprise will succeed if it gets the assistance for which it applies."

Businesses Assisted

"Taking the entire country, the following types of business concerns have received assistance:

"Manufacturers: Aircraft; autos, trucks and accessories; chemicals; electrical goods; food products; office and household equipment; hides and leather; jewelry and silverware; lumber and builders' supplies; machinery and machine tools; metals; paper products; railway equipment; rubber goods; stone, clay, and glass products; textiles; wearing apparel; wood products, etc.

"Wholesale and Retail Trades: Autos and accessories; chain and department stores; clothing and dry goods; jewelry; drugs, tobacco, and liquors; florists and nurseries; food products; furniture; grain and feed; hardware and machinery; lumber and builders' supplies; oil, etc.

"Miscellaneous: Contractors and construction; hotels, apartments and restaurants; laundries, cleaners and dyers; mines and quarries; oil and gas production; printing and publishing; shipbuilding; transportation, etc."

Volume of Loans

"Industrial advances by the twelve Federal Reserve Banks and commitments to make such advances have continued to increase during 1935. By June 12, \$88,110,000 of applications had been approved . . . The volume of industrial advances outstanding on June 12 was \$27,282,000 and of commitments outstanding \$20,008,000."

The commitments outstanding and the working capital loans held by the Federal Reserve Bank of St. Louis, as well as the rates thereon, are given on page 7 of this review.

Additional information will be furnished on request.

TAKEN as a whole, Eighth District industrial and commercial activity during May and the first half of June developed no marked change in trends as contrasted with the like period immediately preceding. Such changes as did occur were ascribable chiefly to seasonal influences and to peculiar conditions arising from the late spring, extraordinary rainfall, more or less serious floods and actual and moral reactions resulting from the United States Supreme Court's NRA decision. Retail trade was adversely affected by the unfavorable weather, and for the first time in twenty months, with the exception of March, 1935, failed to show an increase over the corresponding period a year earlier. Considerable spottiness and unevenness developed in wholesaling and jobbing lines, but despite the disposition to cautious and conservative buying, engendered by price uncertainties, in a majority of classifications investigated by this bank, there were increases in May sales over those for that month in 1934, and in several instances the May totals were the highest for any single month since 1930. Extremely favorable exhibits were made by boots and shoes, electrical supplies, furniture and hardware. The late, wet spring militated against the usual seasonal improvement in textiles, apparel and some other lines which are particularly sensitive to weather conditions.

Employment conditions in the district underwent moderate improvement, being favorably affected by the absorption of numerous workers in agricultural and other seasonal occupations also by the settlement of labor trouble in various localities. Distribution of automobiles in the district, according to dealers reporting to this bank, was seasonally smaller in May than April, but recorded a substantial gain over the May, 1934, total. Production of lumber increased, demand for certain descriptions being stimulated by the strike of lumber workers in Washington and Oregon. Industrial consumption of electric current in the chief cities increased in May, both as compared with the preceding month and a year ago. Production of soft coal in fields of this

district during May, while slightly below that month in 1934, increased sharply over the April output, owing in large measure to a speeding up of operations in expectation of a strike of bituminous miners about mid-June. Labor difficulties in the lead and zinc sections were reflected in sharply curtailed ore production.

The Eighth District crop season, according to the U. S. Department of Agriculture, is opening under conditions that stand out sharply in contrast with those prevailing a year ago. Instead of record-breaking high temperatures which prevailed in 1934, the weather through the central states has been abnormally cold and wet. April and May brought heavy rains, and precipitation has persisted into the third week of June. As a result of the excessive moisture, preparations for and planting of spring grains, cotton, tobacco and other crops are considerably behind the usual seasonal schedule. Considerable replanting and abandonment of acreage is indicated. Floods of major proportions of acreage is indicated. Floods of major proportions prevailed along the Mississippi River and its tributaries, waters of the Missouri River reaching the highest stage since 1903. Thousands of acres of rich farm lands were inundated, and because of the lateness of the season, much of this land will probably be unworkable this year.

Retail trade in May, as indicated by sales of department stores in the principal cities, was 2.7 per cent more than in April and 7.8 per cent below the May, 1934, total; cumulative total for the first 5 months was 2.0 per cent smaller than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in May were larger by 28 per cent and 19 per cent, respectively, than a month and a year earlier; for the first five months cumulative sales of these firms fell 3 per cent below the like period in 1934. The dollar value of permits for new construction in the five largest cities in May was 5.5 per cent smaller than in April, and 77 per cent more than in May, 1934; for the year to May 31, the aggregate was 50.4 per cent greater than for the like period a year ago. Debits to individual accounts in May were 8.7 per cent and 14.6 per cent larger, respectively, than a month and a year earlier, and for the first five months the total exceeded that of the like period last year by 8.8 per cent.

Freight traffic of railroads operating in this district was stimulated during the past several weeks by increased loadings of coal and coke, caused by the threatened strike of bituminous miners. Total

volume continued below the same period a year earlier but was substantially greater than in 1933. The late spring is reflected in a smaller than usual movement of early fruits and vegetables. The sharp decrease noted in the livestock classification as contrasted with a year ago is accounted for by the transfer of livestock from the drouth areas in the earlier period. For the country as a whole, loadings of revenue freight for the first 23 weeks this year, or to June 8, totaled 13,337,082 cars, against 13,548,417 cars for the corresponding period in 1934 and 11,500,184 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 73,378 loads in May, which compares with 75,298 loads in April and 77,849 loads in May, 1934. During the first nine days of June the interchange amounted to 22,336 loads, against 20,954 loads during the corresponding period in May, and 23,780 loads during the first 9 days of June, 1934. Passenger traffic of the reporting lines decreased 4 per cent in May as compared with the same month in 1934. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May was 151,300 tons, against 154,070 tons in April, and 105,954 tons in May, 1934.

Reports relative to collections in the district during the past thirty days reflect the same general trends as during the preceding several months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
May, 1935.....	6.3%	41.0%	44.4%	8.3%
April, 1935.....	2.3	36.8	55.2	5.7
May, 1934.....	4.3	47.2	43.2	5.3

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 45, with liabilities of \$272,085, which compares with 42 defaults in April, with liabilities of \$460,527, and 22 failures for a total of \$217,670 in May, 1934.

MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	May, 1935 compared to May '34	Apr. '35	5 months ending May 31, 1935 comp. to 1934	May 31, 1935 compared to May 31, 1934
Boots and Shoes.....	+42.7%	+61.8%	- 1.4%	+76.1%
Drugs and Chemicals..	- 3.7	+ 0.7	- 5.7	+40.1
Dry Goods.....	-13.2	- 2.3	-14.9	-18.7
Electrical Supplies.....	+29.3	+13.4	+14.0	+17.3
Furniture.....	+32.6	+ 0.5	+23.2	- 9.3
Groceries.....	+ 9.5	+ 6.7	+ 6.2	+10.0
Hardware.....	+11.3	+ 8.0	+ 6.8	- 8.7
Total.....	+19.4	+27.9	- 2.8	+ 0.2

Boots and Shoes — May sales of the reporting firms increased from April, following the usual seasonal trend. The extent of the increase, however, was considerably greater than the average during

the past several years, and the total with the exception of May, 1933, was the largest for any single month since the fall of 1929. There was no change in prices during the period, but generally levels were from 5 to 8 per cent higher than a year ago.

Clothing — Adverse effects of the unfavorable weather, which has prevailed generally through the district since early spring were reflected in reports of the firms supplying their statistics to this bank. May sales of the reporting group of clothiers were 2 per cent greater than a year ago, but about one-fourth smaller than the April total this year. Stocks increased 10 per cent between May 1 and June 1, and on the latest date were 4 per cent less than at the same time in 1934.

Drugs and Chemicals — A lessened demand for heavy drugs and chemicals from the general manufacturing trade was partly responsible for the slight decline in sales of the reporting interests in May as contrasted with the same month last year. The wet and backward spring has resulted in an unusually heavy call for spraying materials of all descriptions, due to the extraordinary infestation of fungus and insect pests. Inventories continue substantially larger than a year earlier. Prices showed little change during the period, but as of June 8, according to the Bureau of Labor Statistics, were 7 per cent higher than on the comparable date a year earlier.

Dry Goods — Excessive rainfall, accompanied by more or less serious flood conditions, tended to hold down the volume of May and early June business in this classification. Seasonal merchandise moved in relatively smaller volume than a year and two years earlier. The decrease in May sales of the reporting firms was contraseasonal. Price uncertainties had a retarding influence on forward buying.

Electrical Supplies — Despite the cool weather, which has held down the movement of fans, refrigeration units and other seasonal items, business of the reporting firms continued the steady betterment of recent months. May sales of the reporting group increased from April by considerably more than the calculated seasonal amount, and were the largest for any single month since December, 1929.

Flour — Production at the twelve leading mills of the district in May totaled 185,589 barrels, against 200,569 barrels in April and 224,648 barrels in May, 1934. Stocks showed about the usual seasonal decrease from April to May. Business during the past thirty days continued quiet and featureless. Purchasing by the domestic trade was almost exclusively on a necessity basis, though some improvement was reported in shipping directions on flour

previously acquired. Export business was confined chiefly to routine transactions with the Latin-American countries. Mill operations were at from 45 to 50 per cent of capacity. Prices declined slightly in mid-June in sympathy with the downturn in cash wheat.

Furniture — Sales of practically all lines during May, according to the reporting interests, extended the generally upward trends which began during the opening months of the year. Advance buying is reported in larger volume than at the corresponding period a year ago. Inventories expanded moderately from April to May, but continued substantially smaller than last year.

Groceries — Handicaps of unseasonably cold, wet weather and serious flood conditions failed to retard business in this classification; May volume, according to the reporting firms, showed an increase from the preceding month of greater than average proportions. While increases over both a month and a year earlier were general in all lines, relatively the best showing was made by staples. The movement of early fruits and vegetables had a stimulating effect on trade in many localities.

Hardware — As during each preceding month this year, with the exception of March, May sales of the reporting firms showed an increase over the corresponding period a year earlier, and the total was the largest for the month since 1930. Sales of paints, builders' hardware and tools, and kindred lines continued the moderate improvement of the preceding month.

Iron and Steel Products — Activities in the iron and steel industry in this district during the closing weeks of May and the first half of June developed little change as a whole as contrasted with the similar period immediate preceding. In certain lines some slowing down was noted, due to seasonal influences and hesitancy on the part of consumers. Elsewhere, however, operations were well sustained, and in the immediate past purchasing of a variety of commodities has broadened, owing mainly to market stability and the announced policy of numerous producers to maintain prices, wage scales and other practices which were in effect under the code. For the most part consumer stocks are low, and while it has been the policy in many quarters to use up inventories before making new commitments, necessity buying has accounted for the movement of substantial tonnages of both finished and raw materials. Moderate betterment was noted in demand for galvanized materials, and purchasing of tin plate continued in considerable volume. Manu-

facturers of farm implements reported some slowing down in operations, but the rate continued considerably higher than at the same period in a number of years. Operations at stove and range plants showed less than the usual seasonal recession, and May shipments were reported the highest for the month since 1930. Operations at the steel mills at mid-June were slightly below the rate obtaining a month earlier. Shipments of pig iron to melters in the district in May fell below the April total. Aside from changes in certain grades of scrap, mainly in the nature of adjustments, there has been practically no change in iron and steel prices since the emergence of the industry from code control. For the country as a whole, production of pig iron in May, according to the Magazine "Steel," totaled 1,735,577 tons, against 1,671,556 tons in April and 2,057,471 tons in May, 1934. Steel ingot production in the United States in May amounted to 2,602,054 tons, which compares with 2,606,311 tons in April and 3,352,788 tons in May, 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
	5 mo. ended			May 31,'35 comp. to May 31,'34	Jan. 1, to May 31, 1935
	May 1935 compared to May 1934	Apr. 1935	period '34 to same period '34		
El Dorado, Ark.....	+ 0.8%	+17.8%	+ 6.5%	+ 5.0%	1.12 1.08
Evansville, Ind.....	-22.3	-11.0	-17.6	-45.4	.90 .78
Fort Smith, Ark.....	+ 7.0	+ 0.2	+ 1.2	- 6.0	.95 .93
Little Rock, Ark.....	- 3.6	+11.8	- 4.7	- 7.5	.95 .97
Louisville, Ky.....	- 5.0	- 3.6	+ 2.7	+ 4.7	1.53 1.49
Memphis, Tenn.....	- 9.0	+ 9.6	- 2.4	+ 9.6	1.26 1.36
St. Louis, Mo.....	- 8.8	+ 1.1	- 2.6	- 4.3	1.57 1.52
Springfield, Mo.....	+ 1.9	+16.3	+ 0.6	-19.6	.94 .78
All Other Cities.....	- 2.5	- 0.9	+ 3.9	+ 2.7	1.23 1.16
8th F. R. District.....	- 7.8	+ 2.7	- 2.0	- 2.5	1.41 1.39

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

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	57.6%	Memphis, Tenn.....	44.1%
Fort Smith, Ark.....	36.8	Springfield, Mo.....	24.5
Little Rock, Ark.....	37.0	St. Louis, Mo.....	53.4
Louisville, Ky.....	51.9	All Other Cities.....	35.8
8th F. R. District.....	49.0%		

Retail Stores

	Net Sales Comparison			Stocks on Hand	Stock Turnover
	5 mo. ended			May 31,'35 comp. to May 31,'34	Jan. 1, to May 31, 1935
	May 1935 compared to May 1934	Apr. 1935	period '34 to same period '34		
Men's Furnishings	-12.3%	-15.4%	- 0.7%	- 3.2%	1.03 .99
Boots and Shoes	-10.1	-16.4	+ 4.3	+17.2	1.76 2.08

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in May, was 364,721 against 477,746 (revised figure) in April, and 331,652 (revised figure) in May, 1934.

May distribution in the Eighth District, according to dealers reporting to this bank, decreased as

compared with the preceding month, but was substantially greater than for the corresponding period last year and the largest for the month since 1930. The decrease in the month-to-month comparison was seasonal in character, though somewhat heavier than the average during the past decade. Relatively the best results were achieved by dealers in the large cities, the continuous rains tending to hold down purchasing in the rural areas. While fairly diversified, demand still centers chiefly in the low price field, more than 50 per cent of the total sales being accounted for by dealers handling vehicles of the two leading producers in that category. Demand for trucks of all descriptions was less active than heretofore, May sales being 23 and 38 per cent smaller, respectively, than a month and a year earlier. Advent of the touring season had a moderately stimulating effect on the trade in parts, accessories and tires.

Sales of new passenger cars by the reporting dealers in May were 14 per cent smaller than in April and 30 per cent greater than in May, 1934. Stocks on June 1 were slightly smaller than thirty days earlier and 8 per cent less than a year ago. Reversing the trend in inventories of new cars, stocks of salable secondhand vehicles increased 12 per cent between May 1 and June 1, and on the latest date were approximately 60 per cent larger than at the same time a year ago. May sales of used cars were 6 per cent and 18 per cent larger respectively, than a month and a year earlier. Generally, selections of secondhand cars were more complete and of higher quality than has been the case in a number of years. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in May was 43 per cent, against 46 per cent in April, and 46 per cent in May, 1934.

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in May as being 6.7 per cent larger than in April, and 8.2 per cent more than in May, 1934. Detailed figures follow:

	No. of Customers	May, 1935	Apr., 1935	May, 1935	May, 1934	May, 1935
		*K.W.H.	*K.W.H.	comp. to Apr., 1935	*K.W.H.	comp. to May, 1934
Evansville	40	2,958	2,673	+10.7%	2,686**	+10.1%
Little Rock..	35	1,710	1,523	+12.3	1,627	+ 5.1
Louisville	82	7,745	7,679	+ .9	6,988**	+10.8
Memphis	31	1,549	1,728	-10.4	1,758	-11.9
St. Louis.....	194	19,451	17,702**	+ 9.9	17,828**	+ 9.1
Totals.....	382	33,413	31,305**	+ 6.7	30,887**	+ 8.2

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

LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance including the Eighth District during May, the pre-

ceding month, and a year ago, together with the cumulative totals for the first five months this year and the comparable period in 1934 are shown in the following table:

(In thousands of dollars)	May, 1935	Apr., 1935	May, 1934	Jan.-May, 1935	Jan.-May, 1934	Cumul. change
Arkansas.....	\$ 2,573	\$ 3,022	\$ 3,018	\$ 14,729	\$ 14,650	+ 0.5%
Illinois.....	40,539	44,255	48,695	234,060	230,585	+ 1.5
Indiana.....	11,003	12,561	12,057	59,798	55,272	+ 8.2
Kentucky.....	5,455	6,390	5,537	28,658	26,771	+ 7.0
Mississippi.....	2,188	2,228	2,792	11,404	11,995	- 4.9
Missouri.....	15,396	14,949	20,960	83,479	91,935	- 9.2
Tennessee.....	5,627	5,526	6,490	30,246	30,164	+ 0.3
Totals.....	82,781	88,931	99,549	462,374	461,372	+ 0.2
United States..	500,380	540,280	588,421	2,765,226	2,683,981	+ 3.0

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in May was 5.5 per cent smaller than in April, and 76.6 per cent more than in May, 1934. As in other sections of the country residential construction in the Eighth Federal Reserve District continues to show moderate improvement over the corresponding periods a year and two years earlier. Production of portland cement for the country as a whole in May, totaled 8,222,000 barrels, against 6,136,000 barrels in April, and 8,554,000 barrels in May, 1934. Building figures follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	34	21	\$ 48	\$ 6	109	190	\$ 20	\$ 41
Little Rock 10	16	2	15	98	98	52	25	
Louisville ..	54	13	251	88	80	90	42	140
Memphis ...	90	149	63	87	196	162	126	74
St. Louis....	331	163	540	316	242	250	100	106
May Totals	519	362	904	512	725	790	340	386
April "	529	378	957	1,585	745	761	317	323
Mar. "	506	353	1,365	338	734	557	352	222

*In thousands (000 omitted).

AGRICULTURE

Throughout May and the first half of June, Eighth District weather conditions continued unfavorable for farm operations and the growth and development of crops. Unseasonably low temperatures and excessive precipitation were the rule, whereas sunshine and warm days were greatly needed for preparing the soil and planting corn, cotton, tobacco and other spring crops. The unusually heavy rainfall affected rivers and streams, causing major floods which have resulted in distress and heavy losses to farmers in the areas bordering on them. Even in the uplands, low lying fields and all land with inadequate drainage were covered with standing water, and the soil rendered unworkable. The most acute flood conditions were along the Missouri River, which stream in early June reached the highest stage since 1903. At mid-June, according to reports of State agricultural departments, heavy abandonment of crops was indicated, and more replanting will be required than has been the case in a number of years.

All descriptions of farm work are from two to four weeks in arrears of the usual seasonal schedule.

The continuous cloudy, wet weather seriously hindered spraying of fruit trees and other vegetation, and in apple orchards considerable scab has developed. However, fruit prospects are generally favorable and much better than a year ago. The moisture has greatly benefited pastures, which have made excellent growth, many fields which were believed killed by last year's drouth having been revived. Tame and wild hay have also been greatly benefited, the June 1 condition in all states of the district being well above the 10-year (1923-1932) average. With more stable feed conditions prevailing, milk and egg production have been gradually returning towards normal levels. The farm labor situation showed no change worthy of note as contrasted with the preceding thirty days.

Corn — In all sections of the district rains have seriously delayed planting of corn. Typical of conditions in other states are those described in the Illinois Crop Report as of June 1, which stated that field work in May was nearly at a standstill due to heavy rainfall. In the southern two-thirds of the state rainy days ranged from 21 to 25 in the central, and from 14 to 19 in the southern counties. By June 1 only 41 per cent of the state corn acreage had been planted as compared with 93 per cent usually planted on that date. Northern counties had planted about 80 per cent of their corn, but elsewhere plantings ranged from 4 to 53 per cent. Fields plowed up hard and cloddy, requiring extra work to prepare for planting. Where the plant has come up, stands are irregular and germination poor; much replanting will be necessary, and in many sections farmers are doing this work by hand. Quite generally growers are using early maturing varieties to offset delayed seeding, but even where this has been done, the backward season is still a handicap which can be overcome only by unusually favorable weather until harvest. Attention is called to lesser yields possible with 90-day corn as compared with other varieties.

Cotton — In the Eighth District, according to county agents, marketing associations, and other sources of information available to this bank, the cotton crop averages the poorest start since 1927. Over the northern stretches of the area, planting at the middle of June was far from complete, and due to the heavy rains and floods, much replanting will be essential. Many fields are infested with grass and weeds, and this condition may become acute unless a turn in the weather affords an opportunity to cultivate them. A rainy May is usually adverse for cotton, and that month this year was unusually wet, rains have persisted through early June. Statistics compiled by the National Fertilizer Associa-

tion indicate that tag sales in states including the Eighth District in May were slightly smaller than for the same month a year and two years earlier, but for the period January-May this year total sales were 15 and 19 per cent greater, respectively, than during the comparative periods in 1934 and 1933. The trend of raw cotton prices was downward. In the St. Louis market the middling grade ranged from 11.00c to 12.10c per pound between May 16 and June 15, closing at 11.65c on the latest date, which compares with 12.00c on May 16, and 11.75c on June 15, 1934.

Fruits and Vegetables—Latest information issued by the U. S. Department of Agriculture and the agricultural departments of the several states, growers associations, etc., indicate that tree fruit prospects are considerably better than in recent years. Outlook for cane fruits is also favorable, and the condition of grapes in the principal producing sections is above that at the corresponding period a year ago. Based on June 1 conditions, the yield of peaches in states including the Eighth District is estimated at 9,935,000 bushels, as against 6,578,000 bushels harvested last year and the 5-year average, 1928-1932, of 7,056,000 bushels. Apple prospects are somewhat above average, though spotty, and reports of scab infestation and blight are causing considerable concern. The codling moth flight has been heavy this season, but has been under control as emergence has been uniform and intensive spraying has been practiced in all commercial orchards. The condition of the early potato crop in southern states is reported slightly above average, despite some deterioration during May. In the north the potato outlook is less favorable, and in the lowlands much replanting will be necessary because of rotting of seed in the ground.

Live Stock—The condition of live stock generally through the district underwent considerable improvement during May, due mainly to the further betterment in pastures. The spring lamb crop in virtually all states of the district made considerable progress during the past thirty days, and quality is generally high. According to the U. S. Department of Agriculture, stocks of old hay are much below average, but indications are that hay-consuming animals on farms will be no greater numerically than last winter, and 3 to 4 per cent less than the average number wintered during the past decade.

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

	Receipts			Shipments		
	May, 1935	April, 1935	May, 1934	May, 1935	April, 1935	May, 1934
Cattle and Calves.....	110,911	100,804	108,869	67,831	58,976	51,848
Hogs	165,903	187,207	278,305	116,300	117,875	161,264
Horses and Mules.....	4,265	6,295	3,315	4,198	6,877	3,454
Sheep	71,985	61,935	55,853	13,906	17,798	5,788

Tobacco—Reports received as of June 14 from county agents, marketing associations and other sources indicate that rains have retarded transplanting of the burley crop, and it is estimated that fully 10 per cent of the intended acreage had not been planted, the greatest backwardness being in lowlands. There are scattered reports of cut worm and insect damage. Farmers have devoted their attention to cultivation and replanting, and in many sections the stand is exceptionally good. In the one sucker, air cured and Green River districts planting had been about completed at mid-June. Acreage in these districts is somewhat less than last year. Intended acreage had also been planted in the Clarksville, Hopkinsville and western dark fired districts. Hot, dry weather is much needed, as fields are weedy and intensive cultivation is needed to produce best results.

Winter Wheat—While for the country as a whole, winter wheat prospects improved slightly during May, there was a decrease of 4.7 per cent in the June 1 indicated yield in States of the Eighth District. In its report as of June 1, the U. S. Department of Agriculture estimates the yield in these states at 91,563,000 bushels, against 90,493,000 bushels harvested in 1934, and a 5-year average (1928-1932) of 82,742,000 bushels. The deterioration during May was caused by unfavorable weather, the crop being badly in need of sunshine. Generally throughout the district, excessive moisture caused rank growth, yellowing and lodging. Leaf rust is prevalent, and there were reports of local damage from hail. Flood damage along the Mississippi and Missouri rivers and many smaller streams has caused a considerable amount of abandonment.

COMMODITY PRICES

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

	High	Low	Close	
			June 15, 1935	June 15, 1934
Wheat				
July .....	.92	\$.76 3/4	\$.77	\$.92 1/2
Sept. ....	.93	.77 1/2	.77 1/2	.93 1/2
*Dec. ....	.92 1/2	.79 1/2	.79 3/4	.94 1/2
No. 2 red winter " " " "	.95	.83	.83 1/2	.94 1/2
No. 2 hard " " " "	1.05 1/2	.92	.92	.96 3/4
Corn				
July .....	.84 3/4	.78 1/2	.80 5/8	.57 1/2 @ .57 5/8
Sept. ....	.79	.71 1/2	.74 1/2	.59 1/4 @ .59 3/8
*Dec. ....	.68 5/8	.61 3/4	.62 3/4	.60 1/2
*No. 2 mixed .....	.90	.83	.86	.60
*No. 2 white .....	.95 1/2	.87 1/2	.90 1/2	.64
Oats				
No. 2 white .....	.47 1/2	.39 1/2	.40 1/2	.45
Flour				
Soft patent.....per bbl.	6.45	5.40	5.40 @ 5.90	6.40 @ 6.80
Spring "	7.70	6.85	6.85 @ 7.70	6.65 @ 7.00
Middling Cotton....per lb.	.1210	.1100	.1165	.1175
Hogs on hoof.....per cwt.	10.15	5.50	8.40 @ 9.80	2.50 @ 4.80

*Nominal quotations.

FINANCIAL

Except for a slightly more active demand for funds to finance agricultural operations, seasonal

in character, there was little variation in the general trend of banking and financial conditions in the Eighth District as contrasted with the preceding several months.

Loanable resources of the commercial banks continue at high levels, and rates on all classes of loans hovered about the low mark of the present year. Requirements of commercial and industrial interests remained in relatively small volume, and liquidation at both city and country banks was in considerable volume. Borrowings of country banks from their city correspondents were negligible, and a further broadening in demand on the part of country financial institutions for commercial paper and other investments for surplus funds was noted.

Member Banks—Investments of reporting member banks in leading cities, which had moved sharply upward to a new high for the year at mid-May, receded as rapidly thereafter and on June 12, had fallen to the approximate level obtaining late March. Total loans of these banks continued the downward trend, and on June 12 were slightly below a month earlier and 3.4 per cent less than on the corresponding date in 1934. Deposits decreased during the four week period, but continued substantially higher than a year ago. At \$92,550,000, reserve balances on June 12, were 44 per cent and 31 per cent larger, respectively, than a month and a year earlier.

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)	June 12, 1935	May 15, 1935	June 13, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds....	\$ 56,954	\$ 58,908	\$ 71,007
All other loans and discounts....	150,432	148,763	129,547
Total loans and discounts.....	207,386	207,671	200,554
Investments			
U. S. Gov't securities.....	214,159	251,500	200,519
Other securities.....	126,840	127,336	100,054
Total investments.....	340,999	379,036	300,573
Reserve balance with F. R. Bank.....	92,550	64,227	70,766
Cash in vault.....	9,018	8,572	7,955
Deposits			
Net demand deposits.....	419,080	425,641	334,090
Time deposits.....	167,706	167,524	163,562
Government deposits.....	15,159	17,369	21,943
Total deposits.....	601,945	610,534	519,595
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.

The amount of savings deposits held by selected banks on June 5, was 1.3 per cent greater than on May 1, and 13.7 per cent in excess of the total on June 6, 1934.

At downtown St. Louis banks as of the week ended June 15, interest rates were as follows: Cus-

tomers' prime commercial paper, 1 per cent to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 1½ to 5½ per cent and cattle loans, 5 to 6 per cent.

Federal Reserve Operations—Deposits of the Federal Reserve Bank increased between May 18 and June 18, reflecting the sharp rise in member banks' reserve accounts. As of the latest date, the volume of reserve credit outstanding was virtually unchanged from a month earlier, but throughout the period remained measurably greater than a year ago.

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

(In thousands of dollars)	June 18, 1935	May 18, 1935	June 18, 1934
Industrial advances under Sec. 13b.....	\$ 518	\$ 558	\$.....
Other advances and rediscounts.....	64	14	178
Bills bought (including participations).....	81	81	121
U. S. Securities.....	108,200	108,200	93,200
Total earning assets.....	108,863	108,853	93,499
Total Reserves	186,804	162,391	182,097
Total Deposits	150,481	126,063	135,897
F. R. Notes in circulation.....	138,985	138,683	132,879
F. R. Bank Notes liability.....	.....	.....	409
Industrial commitments under Sec. 13b.....	1,794	1,650	.....
Ratio of reserves to deposit and F. R. Note liabilities.....	64.5%	61.3%	67.8%

Rates charged by the Federal Reserve Bank of St. Louis remain unchanged as follows:

- 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.

Debits to Individual Accounts—The following comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	May, 1935	April, 1935	May, 1934	May, 1935 comp. to Apr. 1935	May 1934
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 26,529	\$ 24,712	\$ 20,490	+ 7.4%	+29.3%
El Dorado, Ark.....	3,718	3,962	3,239	- 6.2	+14.8
Evansville, Ind.....	20,638	19,594	17,412	+ 5.3	+18.5
Fort Smith, Ark.....	8,058	8,287	7,009	- 2.8	+15.0
Greenville, Miss.....	3,162	3,489	2,658	- 9.4	+19.0
Helena, Ark.....	1,341	1,531	1,410	-12.4	- 5.0
Little Rock, Ark.....	31,818	27,901	21,226	+14.0	+49.9
Louisville, Ky.....	138,844	140,802	123,811	- 1.4	+12.1
Memphis, Tenn.....	87,803	94,187	81,605	- 6.8	+ 7.6
Owensboro, Ky.....	4,207	3,929	3,382	+ 7.1	+24.4
Pine Bluff, Ark.....	5,608	5,023	4,008	+11.6	+39.9
Quincy, Ill.....	6,377	6,676	6,406	- 4.5	- 0.5
St. Louis, Mo.....	547,852	474,828	480,227	+15.4	+14.1
Sedalia, Mo.....	1,897	1,808	1,652	+ 4.9	+14.8
Springfield, Mo.....	13,887	12,235	11,611	+13.5	+19.6
*Texarkana, Ark.....	4,809	5,252	4,712	- 8.4	+ 2.1
Totals	906,548	834,216	790,858	+ 8.7	+14.6

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

Note—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers' checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.



MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of July 31, 1935

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Chairman and Federal Reserve Agent

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Secretary and Ass't Federal Reserve Agent

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FEDERAL RESERVE BANK OF ST. LOUIS

WORKING CAPITAL LOANS

Supplemental information regarding loans and commitments under Section 13b of the Federal Reserve Act, which authorizes the Reserve banks to aid in providing working capital for established industrial or commercial businesses for periods of not exceeding five years:

An Actual Case

In a medium-sized town in this district, a manufacturing concern, employing between 200 and 300 people, needed a substantial loan for a relatively long period in order to carry on. The desired maturity was not acceptable to the banks in its community, so the company consulted the Federal Reserve Bank of St. Louis.

Upon investigation, we found that the company had sufficient orders on hand from reputable customers to warrant the loan. We then suggested to the company that it again contact a commercial bank with the view of having it consider the application in connection with Section 13b.

After going into the case thoroughly, the bank satisfied itself that a sound loan could be made. It would have a reasonable maturity, and be secured by real estate, plant, equipment, and contracts. The bank offered to make the entire advance if we would issue a commitment, wherein we would agree to take over the loan at any time during the life of the commitment and assume an agreed percentage of the risk.

Our Industrial Advisory Committee and Discount Committee approved the application, and we gave the bank a commitment on the basis mentioned, charging the current rate of 1/2% flat for six months. The original commitment on this loan expired recently and was renewed.

A late statement submitted by the company shows that the loan has enabled it to go ahead with its production program, resulting in a profit for the past six months, whereas it had been operating at a loss. The arrangement furnished the bank a sound earning asset, improved the status of the company, permitted continued employment, and helped the general situation.

Accommodations Extended

Assistance has been rendered to various wholesalers and retailers, as well as to manufacturers and other producers.

In addition to commitments, this bank has made some direct loans when it has appeared that the requisite financial assistance could not be obtained on a reasonable basis from the usual sources.

The commitments outstanding and the working capital loans held by the Federal Reserve Bank of St. Louis, as well as the rates thereon, are given on page 7 of this Review.

Additional information will be furnished gladly on request.

GENERAL business in the Eighth District during June and the first half of July developed some spottiness and irregularity, but taking into consideration the usual seasonal factors, unfavorable weather throughout June and more or less serious flood conditions, the exhibit as a whole was decidedly good. Purchasing of commodities by merchants, both wholesale and retail, is on a more conservative scale than earlier in the year, this attitude being attributable to price uncertainties incident to abolishment of the NRA codes and the outcome of crops. Potential demand for goods of all descriptions, but more particularly consumer goods, continues in considerable volume, and apparently purchasing power exists for filling requirements. In wholesaling and jobbing lines, where June sales fell below those of the same month last year, the decreases were mainly in advance business. Orders for prompt shipment in June compared favorably with the preceding several months and the like period in 1934. Employment and payrolls of representative industries in the district declined in somewhat less than the usual seasonal amount during June. This was due partly to the well sustained activities at certain plants in the iron and steel category, notably farm implements, stoves and heating apparatus and household appliances, also to producers of building materials. Manufacturers of electrical supplies in June maintained the steady improvement noted during each preceding month this year.

Of the wholesaling and jobbing lines investigated by this bank, increases in June over a year ago were recorded by boots and shoes, clothing, electrical supplies, furniture, groceries and farm implements. With the exception of electrical supplies, all these lines showed decreases under the May volume, but aside from dry goods, and boots and shoes, the decreases were smaller than the average during the past decade. Retail sales of automobiles in June fell below the May total, but were about one-fourth greater than for the same month in 1934. Production of bituminous coal in all

fields of the district during June exceeded that of May and June, 1934. Industrial consumption of electric power in the principal cities declined moderately from May to June, but was larger than in June a year ago. The improvement in residential construction in the district continued during June, and the general trend of real estate values, both in the country and large urban centers, was toward higher levels.

Despite the unusually heavy precipitation during the spring and continuing through June, crop prospects in the Eighth District are considerably better than a year ago, and in the case of certain productions compares favorably with the average in recent seasons. The more auspicious weather since the last week of June has permitted of intensive cultivation, and the recovery of ground lost because of earlier delays. Belated winter wheat harvest has been pushed forward rapidly and planting of corn, tobacco and other spring crops completed. Prices of farm products continue to show substantial increases over a year and two years earlier. This fact, coupled with indicated heavy crop yields, and rental and benefit payments received from the Government, have made for increased purchasing power and optimism in the farming community.

June retail trade in the Eighth District, as reflected by department store sales in the principal cities, was 7.6 per cent less than in May, but 3.1 per cent greater than in June, 1934; cumulative total for the first half of this year fell 1.2 per cent below that of the comparable period a year ago. Combined sales of all wholesaling and jobbing interests reporting to this bank in June were 0.9 per cent greater and 34.7 per cent smaller, respectively, than a month and a year earlier; for the first six months this year the cumulative total was 2.3 per cent less than for the first half of 1934. The dollar value of permits issued for new construction in the five largest cities of the district in June was slightly greater than in May, and exceeded the June, 1934, aggregate by 146.2 per cent; for the first six months the cumulative total was 60.8 per cent greater than for the first half of 1934. Debits to individual accounts in June were 6 per cent and 15 per cent larger, respectively, than a month and a year earlier, and cumulative total for the first half of 1935 exceeded that for the same period in 1934 by 10 per cent.

According to officials of railroads operating in this district, freight traffic handled during late June and early July showed more than the usual seasonal decrease, which was ascribed to the belated movement of grains and other farm products, including

livestock. There was a sharp tapering off in the movement of coal and coke, owing mainly to smaller orders by industrial consumers, as fear of a strike of miners in the bituminous fields was lessened. For the country as a whole, loadings of revenue freight for the first 27 weeks this year, or to July 6, totaled 15,648,478 cars, against 15,957,364 cars for the corresponding period in 1934 and 13,887,810 cars in 1933. The Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 77,999 loads in June, which compares with 73,378 loads in May and 78,468 loads in June, 1934. During the first nine days of July the interchange amounted to 19,918 loads, as against 22,336 loads during the same period in June and 19,993 loads during the first nine days of July, 1934. Passenger traffic of the reporting lines in June was 2.5 per cent greater than for the same month a year ago. Estimated traffic of the Federal Barge Line between St. Louis and New Orleans in June was 129,900 tons, against 151,530 tons in May and 100,374 tons in June, 1934.

Collections generally through the district during the past thirty days maintained the high rate noted earlier in the year. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1935.....	4.3%	40.0%	51.9%	3.8%
May, 1935.....	6.3	41.0	44.4	8.3
June, 1934.....	4.3	38.4	49.4	7.9

Commercial failures in the Eighth Federal Reserve District in June, according to Dun and Bradstreet, numbered 29, involving liabilities of \$224,216 against 45 failures in May with liabilities of \$272,085, and 22 defaults for a total of \$221,277 in June, 1934.

MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	June, 1935 compared to June '34	May '35	6 months ending June 30, 1935 comp. to 1934	June 30, 1935 compared to June 30, 1934
Boots and Shoes.....	+11.5%	-52.3%	+ 0.1%	+36.4%
Drugs and Chemicals..	- 1.3	- 2.5	- 5.0	+46.8
Dry Goods.....	-16.1	-22.7	-15.0	-12.7
Electrical Supplies....	+24.3	+ 1.4	+16.0	+11.2
Furniture.....	+47.3	-11.3	+24.6	-11.0
Groceries.....	+ 1.6	- 8.9	+ 5.4	+ 6.6
Hardware.....	- 7.5	-16.4	+ 4.4	-12.4
Total.....	+ 0.9	-34.7	- 2.3	+ 1.7

Boots and Shoes — The decrease in sales of the reporting firms from May to June is explained by the unusually heavy volume of May, for which period an increase of more than 61 per cent over April was recorded. The increase in inventories was seasonal in character, and represents accumulation of goods for fall distribution. Salesmen who

departed for their several territories on or about July 1 report purchasing on a larger scale than a year ago, particularly in the rural areas.

Clothing — Unfavorable weather during June militated against the movement of seasonal apparel. Since July 1, however, the arrival of warm weather has stimulated business at retail, which in turn has been reflected in greater activity through wholesale and jobbing channels. June sales of the reporting clothiers were 35 per cent and 20 per cent smaller respectively, than a month and a year earlier. Stocks on July 1 were 17 per cent larger than on June 1, but smaller by 21 per cent than a year ago.

Drugs and Chemicals — Sales of seasonal merchandise, including soda fountain supplies, in June were restricted by the unusually cool wet weather. There was also a further recession in demand for heavy drugs and chemicals by the general manufacturing trade. Decreases in these lines were partly offset by unusually heavy sales of fertilizers, insecticides and certain specialties.

Dry Goods — The larger than seasonal declines in sales of the reporting firms were accounted for by lack of future buying, which in turn is ascribed to price uncertainties. Orders for fall distribution were reported in measurably smaller volume than a year and two years earlier. Reports covering the first half of July indicate decreases from the same period in 1934 about equal to those recorded in June.

Electrical Supplies — June sales were the largest for the month since these records began in 1924. Increases were general through all lines, but most notable in household appliances, building installations and small motors. The betterment has continued since July 1, according to preliminary reports, with the fan business being greatly stimulated by warmer weather.

Flour — Production at the twelve leading mills of the district in June totaled 169,519 barrels, against 185,595 barrels in May and 229,189 barrels in June, 1934. The past thirty days constituted a between-season period, and business was on a relatively small scale, purchasing being mainly on a hand-to-mouth basis. Prices followed closely fluctuations in cash wheat, advancing slightly in early July. Mill operations were at from 43 to 48 per cent of capacity.

Furniture — June sales of the reporting interests represented the largest total for any June since 1929. In the aggregate, the greater part of the increase was in household furniture, purchasing of which was on a more active scale than in a number

of years. Further betterment was also noted in purchasing of office furniture and equipment. Manufacturers in this district report a satisfactory volume of business booked at the Chicago and Grand Rapids exhibitions.

Groceries — While purchasing in this classification was largely on a necessity basis, there was a moderate expansion in June sales of the reporting interests over the same period a year ago. The decline in June sales was accounted for mainly by unfavorable weather and floods. The heavy movement and high quality of early fruits and vegetables have tended to hold down sales of canned foods and prepared foods, though serving to stimulate buying of preserving supplies.

Hardware — Purchasing was chiefly on a hand-to-mouth basis, with future business on books of the reporting firms in smaller volume than at the corresponding periods in 1934 and 1933. Some improvement in seasonal merchandise has taken place since the middle of June, and sales of sporting goods, tourists' supplies and kindred lines during the first half of July were in larger volume than earlier in the season.

Iron and Steel Products — Production and purchasing of iron and steel commodities in this district during the past thirty days showed considerably less than the ordinary seasonal contraction. Activities at foundries, mills, machine and specialty shops as a whole fell below the similar period immediately preceding, but were at a slightly higher rate than at the corresponding time a year and two years earlier. A number of plants which usually close for inventorying and repairs about July 1 have remained on full or part time operations through the first half of the month. Among these were tractor and farm implement plants, which have been working practically without interruption. Stove and range manufacturers have reduced their operations to a lesser extent than is ordinarily the case at mid-summer. The rate of operations at steel mills declined more noticeably than was the case at the gray iron and malleable plants. The outlet for a variety of iron and steel goods through the building industry held its recent gains. Fabricators of structural steel reported the placement of a fair volume of orders, and operations at fabricating plants in the second week of July were at 35 per cent of capacity as contrasted with 30 per cent thirty days earlier. Demand for sheets, bars, strip and other flat rolled products was somewhat spotty, with miscellaneous requirements accounting for the major part of the tonnage taken. Purchasing by the railroads, petroleum industry and other usually

large consumers failed to develop betterment. June shipments of pig iron to melters in the district were slightly larger than in May, though falling below the April total. The aggregate movement for the first six months this year, according to blast furnace interests purveying to this area, was the largest for any comparable period since 1930. Quietness prevailed in the market for scrap iron and steel, but prices were steady, due to small offerings. Dealers' stocks of scrap as of July 15 were 30 to 40 per cent less than a year ago, and in a number of instances the smallest in a decade. For the country as a whole, production of pig iron in June, according to the Magazine "Steel" totaled 1,558,463 tons, against 1,735,577 tons in May and 1,936,897 tons in June, 1934. Steel ingot production in the United States in June amounted to 2,230,893 tons, which compares with 2,635,857 tons in May and 3,059,483 tons in June, 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	
	June, 1935 compared to June 1934		6 mo. ended June 30,'35 to same period '34			
	June 1934	May 1935	June 30,'35 comp. to June 30,'34	June 30,'35 comp. to June 30,'34	Jan. 1, to June 30, 1935	June 1934
El Dorado, Ark.....	-4.1%	-20.1%	+ 4.7%	+ 6.5%	1.34	1.31
Evansville, Ind.....	-19.7	- 5.9	-18.0	-23.2	1.10	.96
Fort Smith, Ark.....	- 1.1	-13.5	+ 0.8	- 5.4	1.13	1.10
Little Rock, Ark.....	+ 2.7	-12.3	- 3.5	- 7.7	1.16	1.16
Louisville, Ky.....	- 3.1	- 8.5	+ 1.5	+ 3.7	1.85	1.84
Memphis, Tenn.....	+10.4	-13.4	- 0.5	+ 4.2	1.43	1.53
St. Louis, Mo.....	+ 3.0	- 5.2	- 1.7	- 6.4	1.89	1.81
Springfield, Mo.....	+ 7.1	- 6.8	+ 1.8	-19.5	1.17	.95
All Other Cities.....	+ 6.0	- 2.4	+ 4.3	+ 5.1	1.49	1.42
8th F. R. District.....	+ 3.1	- 7.6	- 1.2	- 4.2	1.70	1.66

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

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	48.1%	Memphis, Tenn.....	42.3%
Fort Smith, Ark.....	35.9	Springfield, Mo.....	25.1
Little Rock, Ark.....	33.4	St. Louis, Mo.....	54.9
Louisville, Ky.....	50.4	All Other Cities.....	35.8
8th F. R. District.....	48.7%		

Retail Stores

	Net Sales Comparison			Stocks on Hand	Stock Turnover	
	June, 1935 compared to June 1934		6 mo. ended June 30,'35 to same period '34			
	June 1934	May 1935	June 30,'35 comp. to June 30,'34	June 30,'35 comp. to June 30,'34	Jan. 1, to June 30, 1935	June 1934
Men's Furnishings	- 6.5%	+ 5.1%	- 1.8%	- 8.2%	1.27	1.23
Boots and Shoes	+ 3.1	-15.8	+ 4.1	- 2.1	2.22	2.56

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in June, was 361,320 against 364,727 (revised figure) in May, and 308,051 (revised figure) in June, 1934.

Volume of distribution of new automobiles in the Eighth District during June, according to dealers reporting to this bank, continued in measurably larger volume than a year ago, and declined in

somewhat less than the usual seasonal amount from May. The market for used cars was relatively more satisfactory than that for new vehicles, sales of secondhand cars showing increases in both comparisons. Demand for trucks developed decided declining tendencies, June sales being 14 and 11 per cent smaller, respectively, than a month and a year earlier. Business in parts and accessories was stimulated by the touring season.

June sales of new passenger cars by the reporting dealers were 5 per cent smaller than in May, but about one-fourth greater than the June, 1934, total. Stocks on dealers' floors as of July 1 were 5.5 per cent larger than on June 1, and 12 per cent less than on July 1, 1934. Sales of used cars in June were about one-third larger than a year ago and 8 per cent greater than in May this year. Stocks of salable secondhand cars declined slightly between June 1 and July 1, and on the latest date were 55.5 per cent larger than a year earlier. The ratio of deferred payment sales to total sales, in June, according to dealers, reporting on that item, was 46 per cent, against 43 per cent in May and 47 per cent in June, 1934.

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in June as being 3.7 per cent smaller than in May, and 1.2 per cent more than in June, 1934. Detailed figures follow:

	No. of Customers	June, 1935		June, 1935 comp. to June, 1934	June, 1935	
		*K.W.H.	*K.W.H.		*K.W.H.	June, 1934 comp. to June, 1934
Evansville	40	2,544	2,958	-14.0%	2,535**	+ 0.4%
Little Rock.. ..	35	1,894	1,710	+10.8	1,933	- 2.0
Louisville	82**	7,679	7,745	- 0.9	7,318**	+ 4.9
Memphis	31	1,554	1,549	+ 0.3	1,588	- 2.1
St. Louis.....	196**	18,977	19,946**	- 4.9	18,892**	+ 0.4
Totals.....	384**	32,648	33,908**	- 3.7	32,266**	+ 1.2

*In thousands (000 omitted).

**Revised figures.

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 8.5 per cent in combined postal receipts for the second quarter of this year, over the corresponding period in 1934, and an increase of 2.7 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ended			June 30, 1935 comp. to June, 1934
	June 30, 1935	Mar. 31, 1935	Dec. 31, 1934	
Evansville	\$ 141,852	\$ 143,020	\$ 142,938	\$ 133,937 + 5.9%
Little Rock.....	172,805	186,668	184,394	160,085 + 7.9
Louisville	669,314	648,588	665,248	598,983 +11.7
Memphis	514,179	535,118	596,177	461,360 +11.4
St. Louis.....	2,477,195	2,357,124	2,695,692	2,311,177 + 7.2
Totals.....	3,975,345	3,870,518	4,284,449	3,665,542 + 8.5

LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance including the Eighth District during June, the preceding month, and a year ago, together with the cumulative totals for the first six months this year

and the comparable period in 1934 are shown in the following table:

(In thousands of dollars)	June, 1935	May, 1935	June, 1934	Jan.-June, 1935	Jan.-June, 1934	Cumul. change
Arkansas.....	\$ 2,420	\$ 2,573	\$ 2,711	\$ 17,149	\$ 17,361	- 1.2%
Illinois.....	40,192	40,539	45,214	274,252	275,799	- 0.5
Indiana.....	10,845	11,003	11,430	70,643	66,702	+ 5.9
Kentucky.....	5,074	5,455	4,932	33,732	31,703	+ 6.4
Mississippi.....	2,296	2,188	3,060	13,700	15,055	- 9.0
Missouri.....	14,641	15,396	17,953	98,120	109,888	-10.7
Tennessee.....	5,066	5,627	6,478	35,312	36,642	- 3.6
Totals.....	80,524	82,781	91,778	542,898	553,150	- 1.9
United States..	490,268	500,380	556,379	3,255,494	3,240,360	+ 0.5

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was .2 per cent larger than in May, and 146.2 per cent more than the June, 1934, total. Production of portland cement for the country as a whole in June totaled 8,730,000 barrels, against 8,813,000 barrels in June, 1934. Building figures for June, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	26	9	\$ 39	\$ 27	73	166	\$ 25	\$ 32
Little Rock	20	10	45	5	124	92	45	15
Louisville ..	82	39	219	96	97	85	40	31
Memphis ...	128	118	114	68	202	113	86	50
St. Louis....	285	131	489	172	181	201	120	82
June Totals	541	307	906	368	677	657	316	210
May "	519	362	904	512	725	790	340	386
April "	529	378	957	1,585	745	761	317	323

*In thousands (000 omitted).

AGRICULTURE

Excessive rainfall continued generally through the Eighth District during June, causing a further delay in planting of spring crops and seriously interfering with cultivating the soil. In many localities the season to July 1 witnessed the heaviest precipitation in recent years. Floods in the bottom lands along the Mississippi River and its tributaries did considerable damage; due to the lateness of the season much of this rich land will not be workable this year. Conditions were unfavorable for cotton and corn; in both crops, weeds and grass made headway. The moisture, however, was beneficial for hay and pastures, and on the whole according to the U. S. Department of Agriculture and the agricultural departments of the several states, it is evident that the effects of the 1934 drouth are gradually disappearing. Subsoil moisture has been largely restored over considerable areas where shortage last spring threatened all crops. Delayed wheat harvest has been pushed forward rapidly, and numerous corn, tobacco, and cotton fields, except in the flooded areas, have been cleaned up. While still below the 12-year (1923-1934) average, July 1 prospects for all the principal crops of the district are for larger yields than in 1934. Prices of farm products continue to show substantial increases over both 1934 and 1933. Typical of the district as a whole, are conditions in Missouri as developed by a survey for June, made by the U. S.

Division of Crop and Livestock Estimates, which shows for 47 series of quotations 40 products higher, only 6 less and one product the same as a year ago. Corn, with a state average of 94c per bushel, against 55c last year, was 70.9 per cent higher. Wheat was 85c per bushel, against 83c for the June average. Hogs averaged \$8.75 per hundred weight against \$3.50 last year, or an increase of 150 per cent. Beef cattle was \$7.80 per hundred weight against \$5.00 in 1934, a gain of 56 per cent. Cows were \$44.00 per head against \$25.00 last year, or 76 per cent higher. Mules and horses show advancing prices.

Corn — Production of corn in the Eighth District, based on the July 1 condition, is estimated by the U. S. Department of Agriculture at 237,897,000 bushels, which compares with 167,923,000 bushels harvested in 1934, and the 12-year average (1923-1934) of 333,142,000 bushels. In Missouri, Illinois, Indiana and Arkansas considerable acreage intended for corn had not been planted at the middle of July because of weather interference. In Missouri as of July 6, less than three-fourths of the acreage had been planted, while normally the full acreage is planted by June 1. In that state the July 1 condition of corn, at 46 per cent of normal, was the lowest for the date since the Crop Reporting Service was started in 1866 and compares with 75 per cent a year ago.

Cotton — Despite abandonment from floods and other causes, there was an increase of 6 per cent over a year ago in the acreage of cotton under cultivation in states of the Eighth District on July 1. The Crop Reporting Board of the U. S. Department of Agriculture in its report as of that date estimates the combined acreage in Mississippi, Missouri, Arkansas and Tennessee at 6,114,000 acres, which compares with 5,767,000 acres for these states last year. Taken as a whole, June weather was unfavorable for progress of the crop. Since the end of June, however, there has been a marked change for the better in meteorological conditions and considerable progress has been made in clearing up of fields and replanting in sections where flood waters have receded. It appears that early reports of flood damage were somewhat exaggerated. Latest reports received by the Arkansas Cotton Trade Association indicate that 50 per cent or more of Arkansas River bottom over-flow cotton will be saved. Boll weevils have appeared, and in many sections farmers are planning intensive poisoning programs. In the St. Louis market the middling grade ranged from 11.50c to 11.85c per pound between June 16 and July 15, closing at 11.65c on the latest date, which compares with 11.55c on June 16, and 12.70c on July 16, 1934.

Receipts at Arkansas and Missouri compresses from August 1, 1934, to June 28, 1935, totaled 964,513 bales, against 1,146,885 bales for the corresponding period a year earlier. Stocks on hand as of June 28, totaled 524,189 bales against 326,545 bales on the same date in 1934.

Fruits and Vegetables—Prospects for fruits and vegetables generally through this district were well maintained during June, and on July 1 were more favorable than on any similar date in a number of years. The U. S. Department of Agriculture in its report as of July 1 estimates the yield of apples in states including the Eighth District at 18,614,000 bushels, which compares with the small crop of 9,519,000 bushels in 1934 and the 5-year average (1928-1932) of 14,937,000 bushels; peaches, 10,146,000 bushels, against 6,576,000 bushels harvested in 1934 and the 5-year average of 7,056,000 bushels; grapes 38,529 tons, the largest of record, and comparing with 35,101 tons in 1934 and the 5-year average of 32,065 tons; sweet potatoes, 18,257,000 bushels, against 18,692,000 bushels in 1934 and the 5-year average of 16,456,000 bushels. In the district proper the yield of white potatoes is estimated at 13,219,000 bushels, against 9,681,000 bushels produced in 1934 and the 12-year average (1923-1934) of 13,609,000 bushels. Acreage seeded to peanuts in 1935 is placed at 81,000 acres, a decrease of 5.8 per cent under a year ago.

Live Stock—Generally through the district the condition of live stock improved further during June and early July, being assisted by betterment in pastures and more seasonable temperatures. According to the U. S. Department of Agriculture, total milk production on July 1 reached record high levels for that season of the year. In states entirely or partly within the Eighth District, production per cow on that date was 9.8 per cent higher than a year earlier. Egg production, per hen, was also higher on July 1 than a year ago.

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

	Receipts			Shipments		
	June, 1935	May, 1935	June, 1934	June, 1935	May, 1935	June, 1934
Cattle and Calves.....	115,613	110,971	113,884	74,679	67,831	52,762
Hogs	134,915	165,903	235,966	82,901	116,300	140,052
Horses and Mules.....	4,034	4,265	3,354	3,873	4,198	3,547
Sheep	82,673	71,985	85,889	16,676	13,906	16,025

Prospects for feed crops show marked improvement over the poor conditions last year, occasioned by the drouth. In states including the Eighth District tame hay production is estimated by the U. S. Department of Agriculture in its July 1 report at 5,931,000 tons, which compares with 4,151,000 tons produced in 1934, and the 12-year average (1923-1934) of 6,609,000 tons.

Tobacco—As of June 20, the situation with respect to the tobacco crop in this district was regarded as critical because of continued heavy rains. However, hot, dry weather during the final days of June and the first half of July permitted of intensive cultivation; general improvement in prospects has taken place. Reports received by county agents, marketing associations, etc., indicate that full intended acreage of all types of tobacco had been planted by the second week of July. Exceptionally few complaints of damage from insect pests and hail have been received. In the one sucker and air cured districts, numerous fields which had been considered seriously damaged by the excessive precipitation have been recovered with relatively small loss. In the dark fired area, tributary to Clarksville, Springfield and Hopkinsville, the crop is in good condition. In the western fired district, certain low lands or basins that were flooded show losses, but not to the extent expected. The acreage of burley tobacco is not materially changed from that harvested last year. Based on conditions as of July 1, the U. S. Department of Agriculture estimates production of all types of tobacco in the Eighth District at 213,295,000 pounds, as against 205,861,000 pounds harvested in 1934 and the 12-year average (1923-1934) of 296,688,000 pounds.

COMMODITY PRICES

Range of prices in the St. Louis market between June 15, 1935 and July 15, 1935, with closing quotations on the latest date and on July 16, 1934, follow:

	High	Low	Close	
			July 15, 1935	July 16, 1934
Wheat				
July .....	.85 3/4	.76 3/4	.81	.96 1/2
Sept. ....	.86 1/2	.76 3/4	.81 3/4	.97 1/2
*Dec. ....	.88 3/4	.79 1/4	.82 3/4	.99 1/4
No. 2 red winter .....	.92 1/2	.84	.84 1/2 @	.95 1/2 @
No. 2 hard .....	.96	.86	.89	1.01
Corn				
July .....	.84 3/4	.80 1/4	.84 1/4	.60 1/4
Sept. ....	.79 3/4	.74 1/4	.76 3/4	.61 1/2 @
*Dec. ....	.70 1/2	.62 3/4	.64 3/4	.63 1/4
*No. 2 mixed .....	.88 1/2	.85	.88	.63 1/4
*No. 2 white .....	.93	.86	.90 3/4	.66
Oats				
No. 2 white .....	.44	.35 1/2	.35 1/2	.46 1/2
Flour				
Soft patent.....per bbl.	6.30	5.40	5.70 @	6.10 6.50 @
Spring "	7.40	6.85	7.25 @	7.40 6.75 @
Middling Cotton...per lb.	.1185	.1150	.1165	.1270
Hogs on hoof.....per cwt.	10.25	6.50	6.50 @	10.15 3.00 @

Winter Wheat—Belated harvesting and threshing of the winter wheat crop have progressed rapidly under the improved weather conditions since July 1. Early threshing returns and receipts at primary markets are developing considerable variation in quality. The crop as a whole, but particularly in Missouri, Illinois and Indiana, was handicapped by too much rain, standing water on low ground, rust infection and lodging. Withal the July 1 estimate of production in the Eighth District is for 49,130,000 bushels against 47,197,000 bushels

harvested in 1934 and the 12-year average of 49,938,000 bushels.

FINANCIAL

Demand for credit from all the principal groups of borrowers in the Eighth District showed further recessionary tendencies during the past thirty days. Needs of merchants and manufacturers for funds to purchase and prepare goods for fall and winter distribution were in less than the usual seasonal volume. Due to lateness of the wheat harvest, requirements of grain handling and flour milling interests were less in evidence than at this time a year and two years earlier. Borrowings of country banks from their city correspondents were negligible. Reflecting these conditions, interest and discount rates continued at the extremely low levels of recent months. Downtown banks in St. Louis reduced the rate paid on savings deposits from 2 to 1½ per cent, effective August 1, and similar action was under consideration by banks in other sections of the district.

Member Banks—Total loans and investments of the reporting member banks in the principal cities decreased 3.1 per cent between June 12 and July 10, and on the latest date were slightly larger than a year earlier. Both time and demand deposits increased, and at 597 million dollars on July 10, were 10 per cent in excess of the total on the corresponding date in 1934. Reserve balances increased sharply during the period, the total on July 10 being 50 per cent greater than at the same time a year ago.

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)	July 10, 1935	June 12, 1935	July 11, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 55,672	\$ 56,954	\$ 73,251
All other loans and discounts.....	140,169	150,432	129,285
Total loans and discounts.....	195,841	207,386	202,536
Investments			
U. S. Gov't securities.....	202,638	214,159	223,920
Other securities.....	132,951	126,840	102,540
Total investments.....	335,589	340,999	326,460
Reserve balances with F. R. Bank	104,825	92,550	69,907
Cash in vault.....	9,512	9,018	8,035
Deposits			
Net demand deposits.....	420,593	419,080	342,159
Time deposits.....	169,159	167,706	164,727
Government deposits.....	7,021	15,159	35,385
Total deposits.....	596,773	601,945	542,271
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.

The amount of savings deposits held by selected banks on July 3 was 0.7 per cent greater than on June 5, and 13.7 per cent in excess of the total on the corresponding date a year ago.

At downtown St. Louis banks as of the week ended July 15, interest rates were as follows: Customers' prime commercial paper, 1 to 5½ per cent; collateral loans, 2¾ to 6 per cent; loans secured by warehouse receipts, 2½ to 5 per cent and cattle loans 5 to 6 per cent.

Federal Reserve Operations—There was a further sharp increase in deposits of the Federal Reserve Bank between June 18 and July 18, reflecting the rise in member banks' reserve accounts. Volume of reserve credit outstanding during the period showed little change, but continued substantially greater than a year ago.

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

(In thousands of dollars)	July 18, 1935	June 18, 1935	July 18, 1934
Industrial advances under Sec. 13b.....	\$ 472	\$ 518	\$
Other advances and rediscounts.....	4	64	172
Bills bought (including participations).....	89	81	121
U. S. Securities.....	108,200	108,200	93,200
Total earning assets.....	108,756	108,863	93,493
Total Reserves	208,622	186,804	171,256
Total Deposits	168,909	150,481	125,268
F. R. Notes in circulation.....	140,929	138,985	132,936
Industrial commitments under Sec. 13b	1,909	1,794	.....
Ratio of reserves to deposit and F. R. Note Liabilities.....	67.3%	64.5%	66.3%

Rates charged by this bank remain unchanged as follows:

- 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.

Debits to Individual Accounts—The following comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	June, 1935	May, 1935	June, 1934	June, 1935 comp. to May 1935	June 1934
East St. Louis and Natl.					
Stock Yards, Ill. \$	26,713	\$ 26,529	\$ 21,174	+ 0.7%	+26.2%
El Dorado, Ark.....	3,156	3,718	3,314	-15.1	- 4.8
Evansville, Ind.....	20,762	20,638	18,824	+ 0.6	+10.3
Fort Smith, Ark.....	7,122	8,058	7,348	-11.6	- 3.1
Greenville, Miss.....	2,774	3,162	2,531	-12.3	+ 9.6
Helena, Ark.....	1,233	1,341	1,693	- 8.1	-23.1
Little Rock, Ark.....	29,020	31,818	21,489	- 8.2	+35.0
Louisville, Ky.....	139,964	138,844	135,913	+ 0.8	+ 3.0
Memphis, Tenn.....	84,867	87,803	89,751	- 3.3	- 5.4
Owensboro, Ky.....	4,212	4,207	3,234	+ 0.1	+30.2
Pine Bluff, Ark.....	5,629	5,608	4,490	+ 0.4	+25.4
Quincy, Ill.....	6,457	6,377	5,991	+ 1.3	+ 7.8
St. Louis, Mo.....	608,257	547,852	500,112	+11.0	+21.6
Sedalia, Mo.....	1,893	1,897	1,729	- 4.7	+ 4.6
Springfield, Mo.....	12,960	13,887	11,923	- 6.7	+ 8.7
*Texarkana, Ark..	5,637	4,809	4,811	+17.2	+17.2
Totals	960,571	906,548	834,237	+ 6.0	+15.1

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

Note—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashier's checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.



MONTHLY REVIEW

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

Released for Publication On and After the Morning of August 30, 1935

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FEDERAL RESERVE BANK OF ST. LOUIS

WORKING CAPITAL LOANS

Supplemental information regarding loans and commitments under Section 13b of the Federal Reserve Act, which authorizes the Reserve banks to aid in providing working capital for established industrial or commercial businesses for periods of not exceeding five years:

Application Procedure

The following excerpts from recent article by W. K. Norris, Chairman, Industrial Advisory Committee of the Eighth Federal Reserve District, explains briefly the procedure of applying for accommodations under Section 13b:

"Now as to how to go about it! First go to your own banker and see whether he will give you the accommodation you need. His reason for not lending to you might be unwillingness to tie up his funds for as long a time as you need them, or he may not have sufficient funds available. Then ask him if he would be willing to participate with the Federal Reserve Bank of the district in making a 13b loan. If he does not know all about it, ask him to inquire of the Federal Reserve Bank. The participation arrangements are very flexible. The Reserve bank will make a commitment to take over any part or all of an approved loan from the participating bank on demand, and besides thus furnishing liquidity, it will assume an agreed percentage of any loss not exceeding 80%. It is really good business for the participating bank.

"But if the bank turns down your request, then make your application direct in person or by mail, to the Federal Reserve Bank of your district. Explain your needs fully and frankly. If you seem to be an eligible borrower, if what you want can be construed as working capital, if your past record is good, if there is a reasonable chance of your making money in the future with the help of this loan and of repaying the advance within a reasonable time, and within the limit of five years, then you will make out a regular application form.

"After all necessary information is secured, the case will be referred first to the Industrial Advisory Committee of business men. Under Section 13b such a committee of active business men, otherwise unconnected with the Federal Reserve Banks, must pass on all loan applications. Each borrower is thus dealing in the first instance, with fellow business men who consider his problems from the business man's standpoint. After this committee, the Reserve bank's Discount Committee and officers pass final judgment.

"There is very little red tape and everything is settled in the Reserve bank, with no reference to Washington. Procedure differs somewhat in the different Reserve banks, but, generally speaking, the entire process need not take more than, say, four weeks. Every case, no matter how small or how unusual, is given thorough and sympathetic consideration. Due attention is given to the element of moral risk and to the effect of the loan in promoting employment."

Rates

The rates of the Federal Reserve Bank of St. Louis on industrial loans and commitments, as well as the volume of such accommodations outstanding, are given on page 7 of this Review.

THE same general trends in Eighth District commercial and industrial activity noted during the similar period immediately preceding continued during July and the first half of August. While recessions were noted in certain directions, they were accounted for mainly by the usual seasonal influences. Elsewhere the slowing down which ordinarily takes place in midsummer was little in evidence or entirely absent and distinct improvement was recorded. Production and distribution of commodities, with the exception of a limited number of classifications, exceeded the volumes of the like period a year ago. More seasonable weather materially assisted the movement of merchandise through retail channels, and clearance of summer goods was much more thorough than was thought possible a month or six weeks earlier. In some instances wholesalers and jobbers reported a fair volume of reordering of goods in this category. While advance ordering in a majority of lines is still behind the volume a year ago, ordering for fall and winter distribution since the middle of July has been on a larger scale than earlier in the season. The July volume of all wholesaling and jobbing interests reporting to this bank was in excess of that of the preceding month this year and of July, 1934.

Durable goods, including iron and steel, lumber and the general run of building materials, made an exceptionally good showing for this time of year. In the case of certain specialty manufacturers, notably farm implements, stoves and ranges, household appliances and certain classes of machinery, the rate of operations was well sustained and higher than during any like period since 1930. There was a seasonal curtailment in operations of electrical supply makers, but their volume for the first seven months this year was the largest for any like interval during the past four years. Production of bituminous coal in fields of the district declined from June to July and was measurably smaller than in July, 1934. Distribution of automobiles in July exceeded the totals of a month and a year earlier by a considerable margin. Industrial consumption of electric cur-

rent in the principal cities increased 2.4 per cent over June but was slightly below a year ago.

Weather conditions during July and the first half of August were in the main auspicious for crops and agricultural activities of all descriptions. Yields of most of the important crops, according to the U. S. Department of Agriculture, will be above a year ago and compare favorably with the average of recent seasons. The harvest of winter wheat progressed rapidly. Early threshing returns, however, are disclosing considerable grain of inferior quality, and there are scattered reports of disappointing yields. Corn prospects in this district improved to the extent of about 25,000,000 bushels during July. Cotton made good growth and picking began in the lower tier of counties. Prices of farm products were well sustained and averaged well above levels prevailing at the corresponding period a year ago.

Eighth District retail trade, as reflected in sales of department stores in the principal cities during July, showed an increase of 16.5 per cent as compared with the same month in 1934, but the total was 19.9 per cent smaller than in June this year; cumulative total for the first seven months this year was 0.6 per cent greater than for the same period in 1934. Combined sales of all wholesaling and jobbing firms reporting to this bank in July were 21.5 per cent and 10 per cent greater, respectively, than a month and a year earlier; for the first seven months the total decreased 0.7 per cent under that of the like period in 1934. The value of contracts issued for new buildings in the five largest cities in July was 21.9 per cent and 129.5 per cent greater, respectively, than a month and a year earlier; for the first seven months the total was 69.4 per cent larger than for the same time a year ago. Construction contracts let in the Eighth District during July were 1.5 per cent less than in the preceding month and 0.2 per cent larger than in July, 1934; the cumulative total for the first seven months was 15.2 per cent less than for the same period in 1934. Debits to individual accounts in July decreased 10 per cent from June, but the July total exceeded that of the same month in 1934 by 15.7 per cent; for the first seven months the cumulative total exceeded that of the same period a year ago by 10.7 per cent.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, fell below that of the preceding thirty days and the volume was somewhat below that of the corresponding periods a year and two years earlier. Decreases as compared with last year were most marked in the live stock, grain and grain products classification. For the country as a whole loadings of

revenue freight for the first 32 weeks this year, or to August 10 totaled 18,585,620 cars, against 19,004,226 cars for the same time in 1934 and 17,092,915 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 73,097 loads in July, against 77,999 loads in June and 72,704 loads in July, 1934. During the first nine days of August the interchange amounted to 22,020 loads, which compares with 19,918 loads during the like interval in July and 22,077 loads during the first nine days of August, 1934. Passenger traffic of the reporting roads decreased 5.5 per cent in July as contrasted with the same month a year ago. Estimated tonnage handled by the Federal Barge Line between St. Louis and New Orleans in July was 141,800 tons, against 132,582 tons in June and 108,902 tons in July, 1934.

Reports relative to collections generally reflect the high degree of efficiency which has obtained in recent months. Relatively payments to wholesalers made a more favorable showing than was the case with the retail trade. This was accounted for partly by the absence of numerous customers on vacations, and in the rural areas to preoccupation of farmers with harvest. The winter wheat harvest is progressing rapidly, and the movement to market has been in large volume, resulting in considerable liquidation with both merchants and banks in sections where wheat is the main cash crop. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
July, 1935.....	2.3%	50.7%	40.0%	7.0%
June, 1935.....	4.3	40.0	51.9	3.8
July, 1934.....	2.4	30.2	55.4	12.0

Commercial failures in the Eighth Federal Reserve District, according to Dun and Bradstreet, numbered 29, involving liabilities of \$303,932, against 29 defaults in June with liabilities of \$224,216 and 18 insolvencies for a total of \$148,738 in July, 1934.

MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	July, 1935 compared to July '34	June '35	7 months ending July 31, 1935 compared to 1934	July 31, 1935 compared to July 31, 1934
Boots and Shoes.....	+24.1%	+42.2%	+ 3.0%	+10.3%
Drugs and Chemicals..	+ 3.1	- 3.1	- 4.1	+76.4
Dry Goods.....	-15.5	+19.7	-15.1	- 9.5
Electrical Supplies.....	+12.3	-12.7	+15.8	+10.7
Furniture.....	+47.2	- 4.6	+26.8	- 5.7
Groceries.....	+11.5	+ 4.7	+ 6.2	- 0.6
Hardware.....	+12.2	+11.0	+ 5.8	+12.7
Total.....	+10.0	+21.5	- 0.7	+ 5.7

Boots and Shoes— The increase in sales from June to July was seasonal and of about the average

size. In both the month-to-month and the yearly comparisons increases were general through all lines of footwear, but most marked in women's and children's shoes. Orders booked since August 1 indicate a volume slightly in excess of the corresponding period last year. Prices advanced slightly between June 1 and July 1, and on the latest date were from 3 to 5 per cent higher than a year ago.

Clothing — Belated purchasing of apparel for late fall and winter distribution picked up markedly in July, sales of the reporting firms showing an increase of 47.5 per cent over June. The July total, however, was 4 per cent smaller than a year ago. The spell of hot weather stimulated the movement of lightweight apparel, and some reordering was reported. Inventories increased 36 per cent between July 1 and August 1, and on the latest date were 8 per cent smaller than a year ago.

Drugs and Chemicals — The movement of seasonal merchandise of all descriptions was reported active throughout July and the first half of August. The small contraseasonal decrease from June to July in sales of the reporting firms was ascribed to smaller advance orders. Sales of fertilizers, insecticides and kindred lines so far this season were reported the largest since 1930.

Dry Goods — The decrease of 15.5 per cent in July sales of the reporting interests under the same month last year is accounted for entirely by smaller volume of advance business booked. Uncertainty relative to the cotton processing tax and the outcome of the cotton crop tended to restrict purchasing of fabrics based on that staple.

Electrical Supplies — As has been the case during each preceding month this year, July sales of the reporting firms showed a substantial increase over the corresponding month a year ago. The decrease from June to July shown in the above table was considerably smaller than average. Improvement during the year has been spread over a wide field, but was most outstanding in household appliances and building installations.

Flour — Production at the twelve leading mills of the district in July totaled 172,581 barrels, against 169,519 barrels in June and 205,240 barrels in July, 1934. Business continued quiet during July and early August, buyers being disposed to await arrival of the new wheat crop before making extensive commitments. Prices advanced slightly, following the upturn in cash wheat. Mill operations were at from 45 to 48 per cent of capacity.

Furniture — While showing a slight decline in sales from June to July, business in this classifica-

tion, according to the reporting firms, continued active. Further expansion in household furniture and furnishings was noted. In point of volume of sales and prices, the July furniture markets at Chicago and Grand Rapids were the best in a number of years.

Groceries — Improvement in July sales over both the preceding month and a year ago was attributed in large part to favorable crop prospects and increased purchasing power in the rural areas. Advance ordering of canned goods was reported in somewhat larger volume than at this time a year ago. The trend of prices was upward, with the average measurably higher than a year ago.

Hardware — Demand for goods for consumption in the agricultural sections continued active and further expansion was noted in requirements of the building industry. The movement of cans, jars and other preserving equipment was reported in larger volume than during the preceding three or four years. Inventories declined further, and on August 1 were 2.2 per cent and 12.7 per cent smaller, respectively, than a month and a year earlier.

Iron and Steel Products — Activities in the iron and steel industry in this district during July developed much less than the usual seasonal contraction, and during the first half of August the pace set during the preceding month was well sustained, with moderate expansion in certain lines. The betterment was mainly in the form of heavier shipments and freer specifications on commodities previously acquired. As was the case earlier in the year, relatively the heaviest rate of operations was at plants producing specialties, notably farm implements, stoves and ranges, machinery and household appliances. Progress of the harvesting season has developed increasing need for new equipment, farmers in numerous instances finding it impossible to use their old machinery. Jobbing foundries report business spotty, those making castings for specific industries having heavy orders, while plants depending on miscellaneous work are less busy than heretofore. Automotive requirements continued in substantial volume, and steel plants specializing in railroad work have received some business. The outlet through the building industry shows further moderate expansion, and is measurably broader than at the corresponding period during the three preceding years. Reflecting this activity and heavier rural demands, the movement of sheets, galvanized roofing standard structural shapes, nails and other construction items is reported in considerable volume. July shipments of pig iron to melters in the district slightly exceeded the June total and repre-

sented the largest aggregate for the month since 1930. The movement of tin plate was well sustained, with producers and distributors reporting a fair volume of reordering from the canning industries. Bookings by the warehouse and jobbing interests during the first half of August, contrary to the seasonal precedent, exceeded those of the same period in July. Warehouse prices in the district were steady and unchanged. Scrap iron and steel prices advanced during late July and early in August, owing more to light offerings and sympathy with strength in the eastern markets than to increased consumer demand. For the country as a whole, production of pig iron in July, according to the magazine "Steel", was 1,520,016 tons, against 1,558,463 tons in June and 1,228,544 tons in July, 1934. Steel ingot production in the United States in July amounted to 2,270,224 tons, which compares with 2,230,893 tons in June and 1,489,453 tons in July a year ago.

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
	7 mo. ended		July 31,'35 comp. to July 31,'34	July 31,'35 comp. to July 31,'34	Jan. 1, to July 31, 1935
	July 1935	July 31,'35 comp. to July 1934			
El Dorado, Ark.....	+14.5%	-11.5%	+ 5.8%	+ 4.8%	1.54
Evansville, Ind.....	+ 2.8	-20.4	-15.8	-23.8	1.26
Fort Smith, Ark.....	+20.5	-16.6	+ 2.8	+ 0.4	1.28
Little Rock, Ark.....	+10.0	-15.8	- 1.9	- 8.2	1.35
Louisville, Ky.....	+23.5	-17.9	+ 3.8	+ 1.8	2.15
Memphis, Tenn.....	+ 7.1	-22.0	+ 0.4	+ 2.9	1.65
St. Louis, Mo.....	+18.6	-20.5	+ 0.3	- 7.0	2.16
Springfield, Mo.....	+27.7	-16.0	+ 4.8	-23.6	1.37
All Other Cities.....	+17.0	-22.3	+ 5.7	- 0.7	1.71
8th F. R. District.....	+16.5	-19.9	+ 0.6	- 5.2	1.95

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

PERCENTAGE OF COLLECTIONS BY CITIES

El Dorado, Ark.....	53.1%	Memphis, Tenn.....	40.5%
Fort Smith, Ark.....	33.1	Springfield, Mo.....	22.7
Little Rock, Ark.....	37.3	St. Louis, Mo.....	52.3
Louisville, Ky.....	50.5	All Other Cities.....	32.9
8th F. R. District.....	47.4%		

Retail Stores

	Net Sales Comparison			Stocks on Hand	Stock Turnover
	7 mo. ended		July 31,'35 comp. to July 31,'34	July 31,'35 comp. to July 31,'34	Jan. 1, to July 31, 1935
	July 1935	July 31,'35 comp. to July 1934			
Men's Furnishings	+27.5%	-27.4%	+ 1.0%	-11.4%	1.46
Boots and Shoes	+21.9	-37.9	+ 5.5	-16.2	2.54

AUTOMOBILES

Combined passenger car, truck and taxicab production in the United States in July, was 337,049, against 361,320 in June, and 266,575 in July, 1934.

Contrary to the usual seasonal trend, sales of automobiles in the Eighth District, according to dealers reporting to this bank, were larger in July than during the preceding month. As has been the

case in every preceding month this year, the total was in excess of that of the corresponding period a year earlier. The increase in the month-to-month comparison was attributed partly to intensive selling effort by both dealers and manufacturers and to increased purchasing power in the rural areas. Demand for trucks was more active than in a number of months, July sales being 55.6 per cent and 68 per cent larger, respectively, than a month and a year earlier. The increases in both comparisons were about equally divided between vehicles for light and heavy hauling service.

July sales of new passenger cars by the reporting dealers were 18 per cent larger than in June and more than one-third in excess of the July, 1934 total. Stocks of new passenger cars on August 1 were 4 per cent smaller than a month earlier and 8 per cent less than a year ago. Sales of used cars in July were larger by 8.5 per cent than in June and 30 per cent greater than in July, 1934. Stocks of salable second-hand cars continued to increase, stocks on August 1 being 11 per cent larger than on July 1, and more than twice as large as a year ago. According to dealers reporting on that item, deferred payment sales in July constituted 46 per cent of their total sales, the same as in June, and comparing with 51 per cent in July, 1934.

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in July as being 2.4 per cent larger than in June, and 1 per cent smaller than in July, 1934. Detailed figures follow:

	No. of Customers	July, 1935	June, 1935	July, 1935 comp. to June, 1935	July, 1934	July, 1935 comp. to July, 1934
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	1,883	2,544	-26.0%	2,354**	-20.0%
Little Rock..	35	2,296	1,894	+21.2	2,125	+ 8.0
Louisville	81**	8,097	7,679	+ 5.4	7,492	+ 8.1
Memphis	31	1,517	1,554	- 2.4	2,032	-25.3
St. Louis.....	193**	19,615	18,950**	+ 3.5	19,744**	- 0.7
Totals.....	380**	33,408	32,621**	+ 2.4	33,747**	- 1.0

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

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in July was 21.9 per cent greater than in June, and 129.5 per cent more than in July, 1934. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in July, amounted to \$9,762,589 which compares with \$9,907,682 in June and \$9,738,809 in July, 1934. Production of portland cement for the country as a whole in July, totaled 8,021,000 barrels, against 8,725,000 (revised figure) barrels in June,

and 8,144,000 barrels in July, 1934. Building figures for July, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	46	18	\$ 71	\$ 34	79	220	\$ 61	\$ 37
Little Rock ..	17	10	17	2	116	98	28	20
Louisville ..	68	39	387	219	79	46	35	27
Memphis ...	120	89	145	29	182	108	97	55
St. Louis....	278	125	484	197	188	176	135	89
July Totals	529	281	1,104	481	644	648	356	228
June "	541	307	906	368	677	657	316	210
May "	519	362	904	512	725	790	340	386

*In thousands (000 omitted).

LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during July, the preceding month, and a year ago, together with the cumulative totals for the first seven months this year and the comparable period in 1934 are shown in the following table:

(In thousands of dollars)	July, 1935	June, 1935	July, 1934	Jan.-July, Inc., 1935	Jan.-July, Inc., 1934	Cumul. change
Arkansas.....	\$ 2,085	\$ 2,420	\$ 2,277	\$ 18,542	\$ 19,638	- 5.6%
Illinois.....	38,749	40,192	42,173	308,785	317,972	- 2.9
Indiana.....	11,563	10,845	11,128	81,429	77,830	+ 4.6
Kentucky.....	4,993	5,074	4,890	39,263	36,593	+ 7.3
Mississippi.....	2,178	2,296	1,998	15,783	17,053	- 7.4
Missouri.....	13,929	14,641	16,244	109,823	126,132	-12.9
Tennessee.....	5,077	5,066	5,604	39,396	42,246	- 6.7
Totals.....	78,574	80,534	84,314	613,021	637,464	- 3.8
United States..	483,491	490,268	498,097	3,738,987	3,738,455	+ 0.01

AGRICULTURE

Eighth District crop conditions during July and the early weeks of August underwent some marked changes as a result of existing weather conditions. Taken as a whole, however, earlier favorable prospects were well maintained, and yields of the principal productions will for the most part be measurably above a year ago and compare favorably with the average during the past decade. High temperatures and lack of rain in some localities resulted in damage to certain crops, but the clear weather was ideal for harvesting wheat and haying. According to the August 1 report of the Department of Agriculture, corn, which was so late as to arouse apprehension that early frost might overtake it, grew vigorously during July and is now expected to produce a yield about equal to the 5-year average. For the country as a whole this improvement during July increased the prospective corn crop by 228,000,000 bushels, or 11 per cent. Little of last year's grain remains on farms, but with a record output of grain sorghums, a large hay crop in prospect and with oats and barley together, about equal to the pre-drouth average, the supply of feed is expected to be sufficient to permit of the limited numbers of livestock and poultry on farms to be fed as liberally as during the half dozen years prior to 1933 and still leave an average carryover for next summer. Estimates for other crops show less important changes.

Farm prices in the main continued above last year at the same time, though some items were

lower for the reason that the drouth became very severe last July, with resultant scarcity and a strong upward trend in values of hay, feeds, etc. All live stock prices and quotations on poultry are higher than a year ago. As of July 1, the general level of farm wage rates averaged 99 per cent of pre-war, according to the index constructed by the Crop Reporting Board. This represented an advance of 5 points during the second quarter of the year to a new high July wage index for the 4-year period since 1931.

Corn—Corn prospects in the Eighth District improved to the extent of 23,474,000 bushels during July, according to the estimate of the U. S. Department of Agriculture based on conditions as of August 1. On the latest date the yield was estimated at 251,371,000 bushels, which compares with 167,923,000 bushels harvested in 1934, and the 12-year average (1923-1934) of 333,142,000 bushels. Timely rains and high temperatures during the past thirty days promoted growth and color. However, due to lateness of the planting season, favorable weather will be required to harvest in order to obtain best results.

Cotton—Weather generally during July and the first half of August has been auspicious for progress of the cotton crop in states of this district, and the plant is growing and fruiting rapidly. Picking has begun in the southernmost counties; because of the exceedingly wet, late spring and unusual moisture remaining in the soil, grass and weeds necessitated more than the ordinary amount of farm work. However, with exception of isolated cases, fields have been well cleared. Sales of fertilizer tags in states of this district, for the January-July period this year, were 17 per cent greater than for the like interval in 1934 and 83 per cent in excess of the same seven months in 1933. Prices moved within a narrow range. In the St. Louis market the middling grade fluctuated from 11.00c to 11.60c per pound between July 16 and August 15, closing at 11.25c on the latest date, which compares with 11.55c on July 16 and 13.10c on August 15, 1934. Based on conditions as of August 1 the U. S. Department of Agriculture estimates the Eighth District crop at 2,262,000 bales, against 2,323,000 bales harvested in 1934, and a 12-year average (1923-1934) of 2,738,000 bales. Total receipts at Arkansas and Missouri compresses for the year ended July 26 were 976,535 bales, against 1,167,566 bales for the same period a year ago; shipments were 745,888 bales against 1,109,876 bales a year earlier; stocks on hand as of July 26 totaled 512,218 bales against 302,537 bales on the same date in 1934.

Fruits and Vegetables—The apple crop in states entirely or partly within the Eighth District is substantially larger than a year ago and the 5-year (1928-1932) average. The indicated yield in these states as of August 1 is estimated by the U. S. Department of Agriculture at 18,946,000 bushels, of which 9,667,000 bushels represent commercial crop, against 9,519,000 bushels in 1934, with 4,080,000 bushels commercial crop and a 5-year average of 14,937,000 bushels of which 6,512,000 bushels represent commercial crop. The peach crop in these states is estimated at 9,581,000 bushels, a decrease of 5.5 per cent from the July 1 forecast, and comparing with 6,576,000 bushels harvested in 1934 and a 5-year average of 7,056,000 bushels; pears, 1,918,000 bushels, against 2,067,000 bushels in 1934 and a 5-year average of 1,624,000 bushels; grapes, 35,469 tons against 35,101 tons in 1934, and a 5-year average of 32,065 tons; sweet potatoes, 18,493,000 bushels against 18,692,000 bushels in 1934 and a 5-year average of 16,456,000 bushels. In certain localities truck crops for canning and commercial manufacture were damaged by the extremely high temperatures, and the same was true of home gardens. This injury was not general, and with the heavily increased acreages, supplies are expected to be ample for all purposes. In the district proper the yield of potatoes is estimated at 13,437,000 bushels, which compares with 9,681,000 bushels harvested in 1934, and the 12-year average (1923-1934) of 13,609,000 bushels.

Live Stock—The general condition of live stock in the district underwent further improvement during the past thirty days. Milk production per cow on August 1, according to the U. S. Department of Agriculture, was nearly 11 per cent heavier than on that date during the drouth year and heavier than in any August of the preceding four seasons, all years of poor pastures. Even though the number of milch cows was between 5 and 6 per cent lower than at that time last year, total milk production was fully 5 per cent greater than a year ago and as heavy as at any similar season in recent years. At the same time egg production per 100 hens was reported about 14 per cent heavier than a year ago and 3 per cent greater than the average; fewer hens are being disposed of than last year.

The estimate of hay production in the Eighth District on August 1, was 6,005,000 tons which compares with the small crop of 4,151,000 tons in 1934, and a 12-year average (1923-1934) of 6,609,000 tons. While the condition of pastures on August 1 was slightly below a month earlier, it continued above

the past five years and definitely above the 10-year average. Production of oats in the district is estimated at 42,947,000 bushels, against 18,141,000 bushels harvested in 1934, and the 12-year average of 50,669,000 bushels.

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

	Receipts			Shipments		
	July, 1935	June, 1935	July, 1934	July, 1935	June, 1935	July, 1934
Cattle and Calves.....	133,497	115,613	215,455	77,723	74,679	110,178
Hogs	126,609	134,915	238,076	82,086	82,901	148,846
Horses and Mules.....	3,866	4,034	4,432	3,582	3,873	4,075
Sheep	97,530	82,673	79,867	13,684	16,676	15,308

Tobacco—Eighth District tobacco crop for 1935 is estimated by the U. S. Department of Agriculture at 216,516,000 pounds, an increase of 3,221,000 pounds over the July 1 forecast and comparing with 206,861,000 pounds produced in 1934 and a 12-year average of 296,688,000 pounds. Generally through the district the crop is progressing favorably and indications are for high quality, particularly in the burley sections. Much of the early tobacco has been topped; the late crop is growing slowly.

COMMODITY PRICES

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

	High	Low	Close	
			Aug. 15, 1935	Aug. 15, 1934
Wheat				
Sept. ....per bu..	\$.96½	\$.80½	\$.87¾	\$.98¾
*Dec. ....	.97¼	.82	.89¾	1.01¼
*May .....	.98¾	.90¼	.91½	1.04
No. 2 red winter	1.00	.84½	.91½	.99
No. 2 hard	1.06½	.90	.99½	1.05¾
Corn				
Sept. ....	.80¾	.75¼	.78¾	.75½ @ .75¾
*Dec. ....	.66¾	.56¾	.58¾	.78¾ @ .79
*May .....	.66¾	.57½	.59¾	.83¾
*No. 2 mixed .....	.89½	.82¾	.84½	.78
No. 2 white .....	.92¼	.85½	.87¾	.78 @ .80
Oats				
*No. 2 white .....	.38	.31	.32	.50 @ .51
Flour				
Soft patent.....per bbl.	6.75	5.70	6.10 @ 6.40	6.70 @ 7.00
Spring "	8.30	7.25	8.15 @ 8.30	7.85 @ 8.05
Middling Cotton...per lb.	.1160	.1100	.1125	.1310
Hogs on hoof.....per cwt.	12.10	6.50	8.00 @ 12.10	3.00 @ 6.15

Winter Wheat—Prospects for winter wheat declined slightly during July, the August 1 estimate of the U. S. Department of Agriculture being 45,870,000 bushels, which is 1,367,000 bushels less than the July 1 forecast, and compares with 47,197,000 bushels harvested in 1934 and a 12-year average of 49,938,000 bushels. The decline in production from that indicated on July 1 was due largely to harvesting difficulties and premature ripening, caused by the high temperatures. Threshing is backward, and early returns are disclosing much light weight, poor quality wheat. With the exception of three years, the yield per acre in Illinois is the lowest since 1909.

FINANCIAL

Quite generally through the Eighth District demand for credit continued at the low ebb which has characterized the past several months. Liquidation by commercial and industrial interests has been in about equal volume with new borrowings, with the result that the only negligible change has taken place in loans granted by commercial banks. However, in the immediate past there has been a moderate expansion, seasonal in nature, in requirements of grain handling and flour milling interests, also, for financing live stock conditioning and wool growing operations. Borrowings of country banks from their city correspondents and the Federal Reserve bank were considerably below levels obtaining at the corresponding period in past years. Financing of the cotton movement to the middle of August has been taken care of largely by local banks and other loaning agencies, little recourse upon banks in the large cities for this purpose having been noted.

Member Banks—In the four week period ended August 14, total loans and investments of reporting member banks in the chief cities remained practically unchanged, and on the latest date were about 6 per cent larger than a year ago. Total deposits during the interval declined moderately, and there was a decrease of 12 per cent in reserve balances, which item, nevertheless, on August 14 was approximately one-fourth greater than on the corresponding report date in 1934.

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)	Aug. 14, 1935	July 17, 1935	Aug. 15, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 56,782	\$ 55,713	\$ 76,198
All other loans and discounts....	139,488	140,446	132,788
Total loans and discounts.....	196,270	196,159	208,986
Investments			
U. S. Gov't securities.....	212,422	214,848	193,961
Other securities.....	132,899	130,815	107,133
Total investments.....	345,321	345,663	301,094
Reserve balances with F. R. Bank	95,610	108,515	77,186
Cash in vault.....	9,294	9,051	7,775
Deposits			
Net demand deposits.....	417,605	428,178	341,147
Time deposits.....	169,153	168,984	165,599
Government deposits.....	14,053	13,526	33,185
Total deposits.....	600,811	610,688	539,931
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.

Despite reductions in rates paid on savings accounts, the total amount of such accounts in selected banks on August 7 was practically unchanged from a month earlier, and 12.8 per cent greater than on August 1, 1934.

At downtown St. Louis banks as of the week ended August 15, interest rates were as follows: Customers' prime commercial paper, 1 to 5½ per cent; collateral loans, 2½ to 5½ per cent; loans secured by warehouse receipts, 2 to 5 per cent and cattle loans, 5 to 6 per cent.

Federal Reserve Operations—Total Reserve bank credit outstanding remained practically stationary between July 17 and August 17, but throughout that period the volume was substantially greater than a year ago. There was a sharp decrease in deposits of this bank, but at 157 million dollars as of August 17 the total represented an increase of 13.5 per cent over the same date in 1934.

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

(In thousands of dollars)	Aug. 17, 1935	July 17, 1935	Aug. 17, 1934
Industrial advances under Sec. 13b.....	\$ 449	\$ 472	\$ 2
Other advances and rediscounts.....	64	4	265
Bills bought (Including participations).....	80	80	122
U. S. Securities.....	108,200	108,200	93,200
Total earning assets.....	108,793	108,756	93,589
Total Reserves	198,198	208,766	185,648
Total Deposits	157,143	169,286	138,455
F. R. Notes in circulation.....	143,309	141,084	134,487
Industrial commitments under Sec. 13b	1,929	1,903	.....
Ratio of reserves to deposit and F. R. Note Liabilities.....	66.0%	67.3%	68.0%

Rates charged by the Federal Reserve Bank of St. Louis remain unchanged as follows:

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.

Debits to Individual Accounts—The following comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	July, 1935	June, 1935	July, 1934	July, 1935 comp. to June 1935	July 1934
East St. Louis and Natl. Stock Yards, Ill. \$	26,340	\$ 26,713	\$ 21,034	— 1.4%	+25.2%
El Dorado, Ark.	3,909	3,156	3,720	+23.9	+ 5.1
Evansville, Ind.	23,122	20,762	19,198	+11.4	+20.4
Fort Smith, Ark.	8,231	7,122	7,235	+15.6	+13.8
Greenville, Miss.	3,315	2,774	2,612	+19.5	+26.9
Helena, Ark.	1,212	1,233	1,439	— 1.7	—15.8
Little Rock, Ark.	27,659	29,020	20,149	— 4.7	+37.3
Louisville, Ky.	143,766	139,964	125,841	+ 2.7	+14.2
Memphis, Tenn.	85,734	84,867	87,428	+ 1.0	— 1.9
Owensboro, Ky.	4,243	4,212	3,408	+ 0.7	+24.5
Pine Bluff, Ark.	6,043	5,629	4,404	+ 7.4	+37.2
Quincy, Ill.	5,988	6,457	5,603	— 7.3	+ 6.9
St. Louis, Mo.	505,600	608,257	427,283	—16.9	+18.3
Sedalia, Mo.	1,665	1,808	1,618	— 7.9	+ 2.9
Springfield, Mo.	11,931	12,960	11,610	— 7.9	+ 2.8
*Texarkana, Ark.	5,734	5,637	4,683	+ 1.7	+22.4
Totals.....	864,492	960,571	747,265	—10.0	+15.7

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

Note—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers' checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.



MONTHLY REVIEW

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

Released for Publication On and After the Afternoon of September 30, 1935

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Secretary and Ass't Federal Reserve Agent

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FEDERAL RESERVE BANK OF ST. LOUIS

LOANS TO INDUSTRY

Excerpts from address by Hon. M. S. Szymczak, of the Board of Governors of the Federal Reserve System, over nation-wide radio hookup on September 5, 1935, regarding loans and commitments under Section 13b of the Federal Reserve Act, which authorizes the Reserve banks to aid in providing working capital for established industrial or commercial businesses for periods of not exceeding five years:

Typical Case

"Let me describe a typical loan. A varnish manufacturer with a plant in a medium sized industrial city needed \$25,000 working capital. He needed it for a longer time than his local bank cared to lend without provision for liquidity. Accordingly, an application was made by the local bank, to the Federal Reserve Bank for a commitment. After investigation of the business and the security offered, the application for the commitment was approved.

"A loan of \$25,000 was made by the local bank repayable in equal semi-annual installments . . . The security comprised a lien on plant and equipment, assignment of stock in another corporation and assignment of two life insurance policies. Covering this loan the Federal Reserve Bank gave the local bank a commitment to take over the loan at the local bank's request . . . The local bank is thus enabled to hold a loan of which the liquidity is assured and on which its proportion of loss, if any, will not exceed 20 percent.

Assistance Rendered

"The provisions of Section 13b of the Federal Reserve Act have been in actual operation for more than a year. In that time the Federal Reserve banks have approved nearly 1800 applications, aggregating about \$107,000,000.

"As of June 30, the automobile industry was using over \$7,000,000 of this credit. Manufacturers of metals were using over \$5,000,000. The machinery and machine tool industry was using over \$3,000,000. Textiles were using \$2,500,000. Food products, furniture, hardware, grain, feed, and seeds, paper, rubber, stone, clay, and glass products, hides and leather, chemicals, jewelry, clothing, among many others, are also represented.

"Loans have been made in all amounts. The smallest so far is a loan of \$250., the largest a loan of \$6,000,000. It should be clear, therefore, that the program is one which is open to all business men, large or small, whose businesses are established and whose prospects are such that loans can be justified.

"The measure I have described, Section 13b of the Federal Reserve Act, is a simple one . . . Its purpose is to aid business and industry and to maintain and increase employment. For further information and for application forms, ask your banker, or write to the Federal Reserve Bank of your district."

The commitments outstanding and the working capital loans held by the Federal Reserve Bank of St. Louis, as well as the rates thereon, are given on page 7 of this Review.

REPORTS and statistics covering August and the first half of September indicate that industry and commerce in the Eighth District have continued at an accelerated rate the upward trends noted in the two or three months immediately preceding. Expected seasonal improvement began earlier and was more pronounced in business as a whole than has been the case in any recent year. The betterment extended to sentiment as well as to concrete developments. Both merchants and the public were purchasing more freely and with more apparent confidence than heretofore; according to interests reporting to this bank, buying embraced a broader variety and higher grade of goods. These conditions prevailed in equal measure in the large urban centers and the country. In the rural areas favorable crop prospects and high prices for farm products have had a stimulating effect on trade, while in the large cities the pick-up in industrial and other activities has reacted favorably upon distribution of merchandise.

August sales of all wholesaling and jobbing lines reporting to this bank were slightly lower than a year ago, but substantially larger than the July total this year. In a number of lines contra-seasonal increases were recorded from July to August. While inventories of merchandise held by retailers continue generally light, there was more of a disposition to replenish. The August wholesale volume was augmented by reordering of seasonal goods by retailers who had under-estimated their requirements. Purchasing of raw materials by manufacturers was on a noticeably more liberal scale than earlier in the year. In a number of lines producers were making up stocks of goods in anticipation of demands later on, thus deviating from their recent policy of turning out only enough materials to apply on actual orders.

Taken as a whole, earlier favorable prospects for agriculture in the district were well maintained during the past thirty days. Weather conditions were in the main favorable during the period for harvesting and maturing late crops. Indications are for larger than average yields for the principal

productions. Considerable progress has been made in preparation of the soil for planting of fall grains.

Gauged by sales of department stores in the principal cities, the volume of retail trade in the Eighth District during August was larger by 16.2 per cent than in July and by 1.4 per cent than in August, 1934; cumulative total for the first eight months was 0.7 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing interests reporting to this bank in August were 11.5 per cent larger than in July and 0.8 per cent less than in August last year; for the first eight months this year the aggregate fell 0.7 per cent below that of the same interval in 1934. The value of permits issued for new construction in the five largest cities in August was 41 per cent and 126 per cent greater, respectively, than a month and a year earlier, and cumulative total for the first eight months showed an increase of 78 per cent over the same period in 1934. Construction contracts let in the Eighth District in August were 21.7 per cent larger than in the preceding month and 46.5 per cent above a year ago; for the first eight months the cumulative total was 8.6 per cent less than that for the like period in 1934. Debits to individual accounts in August fell 2.8 per cent below July, but were 21.3 per cent larger than in August last year; an increase of 11.9 per cent was recorded in the cumulative total for the first eight months this year as compared with the same period in 1934.

According to officials of railroads operating in this district, freight traffic during August was slightly greater than in that month a year ago and showed a somewhat larger than seasonal increase over the July volume. A particularly favorable exhibit was made in the miscellaneous freight, ore and forest products classifications. Lateness of the season was reflected in a reduced movement of grain and grain products as contrasted with the same time in 1934. The movement of live stock continues in measurably smaller volume than a year and two years earlier.

The status of collections generally throughout the district during the past thirty days showed little change from the trends noted earlier in the year. While some spottiness and irregularity were noted in certain sections, the average in all lines investigated continued high and compared favorably with the same period a year ago. Payments to retail merchants and banks in the winter wheat sections have picked up in noticeable degree since marketing of the crop began. In the large distributing centers wholesaling and jobbing interests report prompt

settlements by a majority of customers, with many taking advantage of discounts. August collections of the department stores in the principal cities showed about the usual seasonal improvement over July. Questionnaires addressed to representative interests in the several lines distributed through the district showed the following results:

	Excellent	Good	Fair	Poor
August, 1935.....	4.7%	37.2%	53.4%	4.7%
July, 1935.....	2.3	50.7	40.0	7.0
August, 1934.....	3.4	30.7	56.8	9.1

Commercial failures in the Eighth Federal Reserve District in August, according to Dun and Bradstreet, numbered 32, involving liabilities of \$216,665 against 29 defaults in July with liabilities of \$303,932 and 25 insolvencies for a total of \$336,146 in August, 1934.

MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	Aug. 1935 compared to		8 months ending Aug. 31, 1935 comp. to 1934	Aug. 31, 1935 compared to Aug. 31, 1934
	July, '35	Aug., '34		
Boots and Shoes.....	-14.8%	-9.9%	+1.4%	+6.2%
Drugs and Chemicals..	+7.0	+3.0	-6.7	+29.6
Dry Goods.....	+81.8	+0.5	-12.6	-16.1
Electrical Supplies.....	-6.6	+32.3	+18.2	+1.5
Furniture.....	+45.8	+27.5	+26.2	-41.0
Groceries.....	+7.1	+1.4	+5.1	+1.6
Hardware.....	+8.8	+16.2	+7.0	-8.3
Total.....	+11.5	-0.8	-0.7	-5.2

Automobiles — Combined passenger car, truck and taxicab production in the United States in August was 240,051, against 337,044 (revised figure) in July and 234,809 in August, 1934.

Boots and Shoes — The decrease in sales from July to August, as shown in the above table, was contrary to the normal experience, August being usually the month of heaviest sales of the year. While no change in prices was announced, the trend was slightly upward in sympathy with the advance in certain raw materials, including hides and leather. Average prices as of September 1 were from 3 to 5 per cent higher than a year ago. The rate of factory operations showed about the usual seasonal increase in August over the preceding month.

Clothing — August sales of the reporting clothiers were 4.4 per cent larger than for the same month in 1934 and approximately twice as large as the July total this year. The increase in the month-to-month comparison is seasonal in character, but its extent was somewhat greater than the average in recent years. Purchasing of apparel for consumption in the late fall and winter was on a more active scale than earlier in the season, numerous retailers who had postponed filling commitments having entered the market in late August. Inventories as of Sep-

tember 1 were slightly higher than a month earlier and 17 per cent in excess of September 1, 1934.

Drugs and Chemicals — For the second successive month, August sales in this classification showed an increase over the corresponding period in 1934. A fair gain in volume over July was also recorded. In both comparisons the major part of the increases was accounted for by expansion in demands for heavy drugs and chemicals from the general manufacturing trade. A number of firms report advance ordering of holiday goods is beginning earlier than in the past several years. Sales of merchandise in the luxury category are reported in considerable volume.

Dry Goods—August in this line was marked by unusually heavy spot buying, retail merchants purchasing goods which ordinarily they would have acquired earlier in the year through future orders. Favorable crop prospects and high prices for farm products have had a stimulating effect on the trade, and generally through the district, but more particularly in the south, retailers are covering their requirements more freely than has been the case in a number of months.

Electrical Supplies — A seasonal decline of about the average size took place in this classification from July to August. The total for the latest month, however, was substantially larger than a year ago, following the precedent of each preceding month since January. In the comparison with a year ago, a considerable part of the increase was occasioned by broader demands from the building industry and public utilities.

Flour — Production at the twelve leading mills of the district in August totaled 174,991 barrels against 172,581 barrels in July and 248,471 barrels in August, 1934. Business during the last half of August and early in September developed considerable improvement as contrasted with the quiet conditions of the past several months. With more definite knowledge as to the outcome of the wheat crop, jobbers and ultimate consumers were disposed to fill their requirements. Throughout the south, particularly, purchasing was on a more liberal scale. Betterment in export inquiries was noted, but bids were still too far out of line to result in heavy workings. Prices showed little change as compared with the preceding month. Mill operations were at from 45 to 50 per cent of capacity.

Furniture—Expansion in building of new dwellings generally through the district has been an important factor in the steadily increasing sales of the furniture interests reporting to this bank which have marked the past several months. During every

month this year since January the volume of sales has exceeded that of the like period in 1934. Retailers are filling their requirements more freely than heretofore and according to the reporting firms, are purchasing broader assortments and a higher grade of goods in numerous instances.

Groceries — Demand for groceries in the rural areas was reported more active than at any similar period since the depression began. Due to larger fruit and vegetable crops sales of cans, sugar and preserving supplies generally were in larger volume than a year and two years earlier. The recent price advance in certain packinghouse products, notably bacon, hams, lard, etc., has had a tendency to curtail purchasing of these commodities.

Hardware — Builders' tools and hardware were more active during August than in that month during the past several years. Demands for paints, varnishes and kindred lines were also reported in considerable volume. Prices during August and the first half of September showed little change as compared with the similar period immediately preceding. According to a number of important firms, a higher grade of goods is being purchased in the rural areas than has been the case in a number of years.

Iron and Steel Products — Generally in the iron and steel industry in this district, the last half of August and first weeks of September were marked by a pick-up in activities of somewhat greater than the usual seasonal proportions. As has been the case for a number of months, relatively the highest rate of production was maintained at plants of specialty makers, notably of stoves and ranges, household appliances, farm implements and machinery. However, expansion took place in other sections of the industry. Operations at steel casting plants since the Labor Day holiday have increased moderately and schedules at the rolling mills have been advanced to a rate above that obtaining at the end of August. Demands of the automotive industry were seasonally larger and broadening tendencies were reported in requirements of iron and steel for public works and private construction projects. Less than the usual contraction in specifications and purchasing of tin plate was reported and the season to date for that material has been the most satisfactory since 1932. Warehouse and jobbing interests report a better demand for wire and wire products, also for tubular goods, notably boiler tubes. Business of the reporting warehouses in August was 10 per cent larger than in July and about one-fourth in excess of the August, 1934, volume. At mid-September a number

of leading stove manufacturers increased their operations sharply, some plants running two shifts in order to catch up with orders booked.

Shipments of pig iron to district melters continued in large volume; total tonnage in August exceeded that of July by 12 per cent and represents the highest August level in five years. Current pig iron prices have been continued through the fourth quarter and since books were opened for the later delivery, consumers have been more disposed to anticipate their needs than earlier in the year. For the country as a whole, production of pig iron in August, according to the magazine "Steel", totaled 1,759,782 tons, against 1,520,340 tons in July and 1,060,187 tons in August, 1934. Steel ingot production in the United States in August amounted to 2,919,326 tons, against 2,270,224 tons in July and 1,381,350 tons in August, 1934.

RETAIL TRADE

Automobiles — According to the group of dealers reporting to this bank, Eighth District distribution of automobiles in August declined from July but, as during all earlier months this year, the total was substantially greater than for the corresponding period a year earlier. Incidentally the August volume was the largest for that particular month since 1930. Following sharp increases over both a month and a year earlier in July, August sales of trucks showed a decrease of 21 per cent under the preceding month and of 5 per cent under the August, 1934 total. Business in parts and accessories showed no change worthy of note as contrasted with the past several months.

August sales of new passenger cars by the reporting dealers were 15 per cent smaller than in July and 39 per cent greater than in August, 1934. Dealer purchasing policy generally continues on a conservative basis. As of September 1 stocks on hand were 2.5 per cent larger than a month earlier and approximately 10 per cent smaller than a year ago. Business in used cars continued active, being stimulated by auspicious weather conditions and intensive selling campaigns by dealers and manufacturers. August sales of secondhand cars were 6 per cent larger than in June and about one-fourth greater than in August, 1934. Stocks of salable secondhand cars on September 1 decreased slightly as compared with a month earlier, but were approximately 40 per cent larger than a year ago. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in August was 49 per cent, against 46 per cent in July and 51.5 per cent in August, 1934.

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

	Net Sales Comparison			Stocks on Hand	Stock Turnover	
	Aug. 1935 compared to July, 1935		8 mo. ended Aug. 31, '35 to same period '34	Aug. 31, '35 comp. to Aug. 31, '34	Jan. 1, to Aug. 31, 1935	
	July, 1935	Aug. 1934	period '34	1935	1934	
El Dorado, Ark.....	4.4%	+ 6.5%	+ 5.9%	+ 9.1%	1.71	1.68
Evansville, Ind.....	0.3	-11.9	-15.4	-23.3	1.43	1.23
For Smith, Ark.....	+ 3.4	+ 1.6	+ 2.6	- 5.5	1.44	1.37
Little Rock, Ark.....	+10.8	+11.9	- 0.4	- 4.1	1.54	1.48
Louisville, Ky.....	+ 6.6	+ 0.9	+ 3.4	+ 0.1	2.45	2.38
Memphis, Tenn.....	+ 8.7	+ 0.8	+ 0.4	+ 0.9	1.87	1.96
St. Louis, Mo.....	+21.4	+ 0.1	+ 0.3	- 5.4	2.47	2.31
Springfield, Mo.....	+ 8.6	+23.3	+ 7.0	-19.1	1.59	1.21
All Other Cities.....	+13.6	+ 2.8	+ 5.4	+ 1.9	1.94	1.83
8th F. R. District....	+16.2	+ 1.4	+ 0.7	- 4.0	2.22	2.12

Percentage of collections in August to accounts and notes receivable first day of August, 1935, at the reporting department stores in each city, is given below:

El Dorado, Ark.....	45.1%	Memphis, Tenn.....	40.3%
Fort Smith, Ark.....	33.1	Springfield, Mo.....	23.8
Little Rock, Ark.....	32.5	St. Louis, Mo.....	48.7
Louisville, Ky.....	50.6	All Other Cities.....	27.8
8th F. R. District.....	44.6%		

Other Stores — August results in men's furnishing and boot and shoe lines are shown in the following table:

	Net Sales Comparison			Stocks on Hand	Stock Turnover	
	Aug. 1935 compared to July, 1935		8 mo. ended Aug. 31, '35 to same period '34	Aug. 31, '35 comp. to Aug. 31, '34	Jan. 1, to Aug. 31, 1935	
	July, 1935	Aug. 1934	period '34	1935	1934	
Men's Furnishings	5.8%	+ 8.9%	+ 1.9%	- 3.3%	1.62	1.50
Boots and Shoes	+13.0	+ 8.7	+ 8.7	+ 5.4	3.74	4.08

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial customers in August, as being about 10.5 per cent greater than in July and 10.8 per cent more than in August, 1934. Detailed figures follow:

	No. of Customers	Aug., 1935	July, 1935	Aug. 1935 comp. to July, 1935	Aug. 1934	Aug. 1935 comp. to Aug. 1934
		*K.W.H.	*K.W.H.	July, 1935	*K.W.H.	Aug. 1934
Evansville	40	2,458	1,883	+30.5%	2,485**	- 1.1%
Little Rock....	35	2,412	2,296	+ 5.1	2,339	+ 3.1
Louisville	82	8,391	8,097	+ 3.6	7,834**	+ 7.1
Memphis	31	1,488	1,517	- 1.9	1,798	-17.2
St. Louis.....	195**	22,213	19,669**	+12.9	18,899**	+17.5
Totals.....	383**	36,962	33,462**	+10.5	33,355**	+10.8

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

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in August was 41.2 per cent greater than in July and 125.9 per cent more than the August, 1934, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in August amounted to \$11,880,762, which compares with \$9,762,589 in July

and \$8,110,610 in August, 1934. Building figures for August follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	33	26	\$ 112	\$ 15	98	347	\$ 117	\$ 56
Little Rock	17	2	36	1	107	105	35	21
Louisville ..	58	41	563	221	70	46	29	28
Memphis ...	151	76	264	100	173	114	114	27
St. Louis....	264	173	584	353	173	195	77	78
Aug. totals	523	318	1,559	690	621	807	372	210
July	529	281	1,104	481	644	648	356	228
June	541	307	906	368	677	657	316	210

*In thousands (000 omitted).

AGRICULTURE

Taken as a whole, crop prospects in the Eighth District underwent no very important changes during August and the first half of September. Indications, according to the U. S. Department of Agriculture and the agricultural departments of the several states, still are for heavy production, generally exceeding that of a year ago and in the case of certain crops and localities, ahead of the average in recent years. Weather in the main was auspicious for growth and development of crops, also for harvest and preparation of the soil for planting fall grains. In some sections extremely hot, dry weather during early August caused deterioration, mainly to corn, grain sorghums, broom corn and certain fruits and vegetables. On the other hand improvement from July to August was noted in cotton, tobacco, rice and a number of less important productions. Rains in late August and early September, while temporarily retarding the garnering of some crops, materially assisted pastures, commercial vegetables, truck gardens and tilth of the soil. Harvesting and threshing of small grains were virtually completed at mid-September, but late returns indicated no improvement in yields and quality.

The reduction in prospects for corn and sorghums in some areas, due to the drouthy conditions in early August is not believed to be sufficiently great to markedly change the district feed status. Barring unusually early frost, the supply of feed, grain, hay, etc., on farms is expected to be sufficient to permit farmers to feed the customary ration per head to the reduced numbers of live stock and poultry and still have about the usual carry-over at the end of the season.

Prices of farm products were well sustained, an exception being cotton, which declined rather sharply during the past thirty days. The index of the Bureau of Labor Statistics showed the farm products group of commodities to be 79.3 per cent of the 1926 average in August, which compares with 77.1 per cent in July and 69.8 per cent in August, 1934. Reports of Federal Land banks and other agencies indicate an increasing demand for farm lands, with the trend of values moderately upward.

Corn — Prospects for corn in the Eighth District decreased about 4,000,000 bushels during August, according to the estimate of the U. S. Department of Agriculture in its report based on conditions as of September 1. Total output on that date was placed at 247,477,000 bushels, which compares with 167,923,000 bushels harvested in 1934 and the 12-year average (1923-1934) of 333,142,000 bushels. Except in the dry areas, early August was favorable for the corn crop, but too cool weather toward the close tended to delay maturity. Rains and higher temperatures since the third week in August were very beneficial; numerous fields which three weeks previous seemed to promise little, now bid fair to make moderate to good yields. Generally through the district considerable corn has been cut for silos.

Cotton — Whereas the cotton crop for the country as a whole deteriorated slightly during August, prospects in this area improved. In its report based on September 1 conditions, the U. S. Department of Agriculture estimates Eighth District production at 2,395,000 bales, an increase of 133,000 bales over the August 1 forecast and comparing with 2,323,000 bales harvested in 1934 and a 12-year average (1923-1934) of 2,738,000 bales. Picking has become general and reports from scattered sections indicate much high quality staple. Leaf worms appeared earlier than usual and were widespread through the district. The infestation has been largely checked by poisoning, and actual damage done was less than indicated in early August. Following the announcement of the Government's loan rate, there was a rather sharp break in prices of raw cotton. In the St. Louis market the middling grade ranged from 10.40c to 11.40c per pound between August 16 and September 16, closing at 10.50c on the latest date, which compares with 11.40c on August 16 and 12.40c on September 15, 1934. Receipts at Arkansas and Missouri compresses from August 1, totaled 61,200 bales, against 70,339 bales for the same period a year ago. Stocks on hand as of September 13 totaled 496,486 bales, as against 302,018 bales on the same date in 1934.

Fruits and Vegetables — Prospects for fruits and vegetables in this district declined slightly between August 1 and September 1, but for most varieties indicated yields continue well above the average, and a year ago. There was little change in apple prospects during August, the U. S. Department of Agriculture estimating total yield in states of the Eighth District at 18,186,000 bushels, of which 9,459,000 bushels represent commercial crop, against 9,519,000 bushels harvested in 1934, with 4,080,000

bushels commercial crop and the 5-year average (1928-1932) of 14,937,000 bushels of which 6,512,000 bushels were commercial crop. In these states the peach crop is placed at 9,152,000 bushels against 6,576,000 bushels in 1934 and a 5-year average of 7,056,000 bushels; grapes, 34,143 tons, against 35,101 tons in 1934 and the 5-year average of 32,065 tons; sweet potatoes, 17,963,000 bushels, against 18,692,000 bushels harvested in 1934 and the 5-year average of 16,456,000 bushels; peanuts, 39,380,000 pounds, against 42,045,000 pounds in 1934 and a 5-year average of 29,894,000 pounds. In the district proper the white potato crop is estimated at 13,409,000 bushels, which contrasts with 9,681,000 bushels produced in 1934 and the 12-year average of 13,609,000 bushels.

Live Stock — On September 1, totals of milk and egg production were both running about 4 per cent heavier than at the same season last year, notwithstanding the reduction in herds and flocks. Prices of live stock during August and the first half of September were well sustained. Reflecting reduced numbers, receipts of cattle and hogs at markets of this district continued substantially below the same period a year ago.

Production of tame hay in the Eighth District is estimated by the U. S. Department of Agriculture in its September 1 report at 6,060,000 tons, against 4,151,000 tons in 1934 and the 12-year average of 6,609,000 tons. The yield of oats is placed at 41,594,000 bushels which compares with the virtual failure of 18,141,000 bushels in 1934 and the 12-year average of 50,669,000 bushels.

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

	Receipts			Shipments		
	Aug., 1935	July, 1935	Aug., 1934	Aug., 1935	July, 1935	Aug., 1934
Cattle and Calves.....	171,658	133,497	339,350	106,959	77,723	210,898
Hogs	125,383	126,609	170,745	69,985	82,086	125,139
Horses and Mules.....	5,020	3,866	6,281	4,121	3,582	6,548
Sheep	71,521	97,530	52,276	11,614	13,684	18,877

Tobacco — Under mainly seasonable weather, both burley and dark tobacco reached the harvesting and curing periods in reasonably good condition. Cutting, housing and curing of early plantings made considerable progress during the first two weeks of September, despite temporary delays in sections occasioned by rains. As of September 14 it was estimated that 75 per cent of the burley crop had been cut and housed. In the dark-fired district tributary to Clarksville, Springfield and Hopkinsville, 60 to 70 per cent had been housed and in the western district about 65 per cent. There were scattered reports of field fire, but nothing of a serious nature. Eighth District production of tobacco of all types is estimated by the U. S. Department of Agriculture in its report based on September 1 con-

ditions at 218,716,000 pounds, an increase of 2,200,000 pounds over the August 1 forecast, comparing with 206,861,000 pounds harvested in 1934 and the 12-year average of 296,688,000 pounds.

COMMODITY PRICES

Range of prices in the St. Louis market between August 15, 1935 and September 16, 1935, with closing quotations on the latter date and on September 15, 1934, follows:

	High	Low	Close	
			Sept. 16, 1935	Sept. 15, 1934
Wheat				
Sept. ....per bu..	\$.95½	\$.85½	.95½	\$ 1.02½
*Dec. ....	.96½	.87½	.96½	1.03½
*May ....	.97¾	.88¾	.97¾	1.03¾
No. 2 red winter " " " "	1.01	.91	1.01	1.04
No. 2 hard " " " "	1.11½	1.00½	1.11½	1.11
Corn				
Sept. ....	.79¾	.71¾	.79¾	.76
*Dec. ....	.59	.56½	.57½	.76
*May ....	.59¾	.57¾	.58½	.77¾
*No. 2 mixed .....	.86	.74	.84½ @	.79
*No. 2 white .....	.88¾	.76¾	.87¾ @	.83
Oats				
*No. 2 white .....	.33	.28½	.33	.56
Flour				
Soft patent.....per bbl.	6.85	6.10	6.55 @ 6.85	6.90 @ 7.20
Spring "	8.25	8.00	8.10 @ 8.25	7.40 @ 7.55
Middling Cotton...per lb.	.1140	.1040	.1050	.1240
Hogs on hoof.....per cwt.	12.25	7.00	7.50 @ 12.05	4.25 @ 7.25

*Nominal quotations.

TRANSPORTATION

For the country as whole, loadings of revenue freight for the first 36 weeks this year, or to September 7, totaled 21,099,646 cars, against 21,424,385 cars for the corresponding period in 1934 and 19,625,542 cars in 1933. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 76,439 loads in August, which compares with 73,097 loads in July and 78,733 loads in August, 1934. During the first nine days of September the interchange amounted to 20,470 loads, against 22,020 loads during the like period in August, and 22,962 loads during the first nine days of September, 1934. Passenger traffic of the reporting roads decreased 1.9 per cent in August as compared with the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 145,000 against 143,251 tons in July and 120,131 tons in August, 1934.

LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during August, the preceding month, and a year ago, together with the cumulative totals for the first eight months this year and the comparable period in 1934 are shown in the following table:

(In thousands of dollars)	Aug., 1935	July, 1935	Aug., 1934	Jan.-Aug., 1935	Jan.-Aug., 1934	Cumul. change
Arkansas.....	\$ 2,623	\$ 2,085	\$ 2,260	\$ 21,165	\$ 21,898	- 3.8%
Illinois.....	35,647	38,749	40,874	344,432	358,846	- 4.0
Indiana.....	10,591	11,563	9,923	92,020	87,753	+ 4.9
Kentucky.....	4,751	4,993	4,588	44,014	41,181	+ 6.9
Mississippi.....	2,015	2,178	2,572	17,798	19,625	- 9.3
Missouri.....	13,680	13,929	14,849	123,503	140,981	-12.4
Tennessee.....	5,937	5,077	5,328	45,333	47,574	- 4.7
Totals.....	75,244	78,574	80,394	688,265	717,858	- 4.1
United States..	456,397	483,491	483,705	4,195,384	4,222,160	- 0.6

FINANCIAL

The banking and financial situation in the Eighth District during the past thirty days was characterized by moderate improvement in the demand for credit from mercantile and industrial sources. Increased volume of business in both retail and wholesale lines was reflected in more active borrowing than has been the case in a number of months. Requirements for financing the crop movements have increased seasonally, but not as greatly as in the corresponding time in past years. This is particularly true of borrowings of flour milling and grain handling interests, their aggregate commitments being measurably smaller than a year ago. Demands for purchasing and carrying securities decreased during the period and were substantially less than at the same time in 1934. Inquiries for funds to condition live stock for market showed further expanding trends.

Member Banks — Between August 14 and September 11 reporting member banks in leading cities of the district showed an increase of 7.1 per cent in total loans, the gain being chiefly in the classification of "all other loans," which represent mainly accommodations granted commercial and industrial interests. Gross deposits continued the irregularly upward trend which commenced last January and at \$745,832,000 on September 11 recorded an all time high. Total investments decreased 5.6 per cent and total reserve balances increased 12.7 per cent during the four-week period.

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)	Sept. 11, 1935	Aug. 14, 1935	Sept. 12, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 59,622	\$ 56,782	\$ 71,473
All other loans and discounts.....	150,504	139,488	138,507
Total loans and discounts.....	210,126	196,270	209,980
Investments			
U. S. Gov't securities.....	188,481	212,422	182,580
Other securities.....	137,552	132,899	114,455
Total investments.....	326,033	345,321	297,035
Reserve balances with F. R. Bank	107,784	95,610	84,866
Cash in vault.....	10,034	9,294	8,691
Deposits			
Demand deposits.....	576,678	556,257	490,703
Time deposits.....	169,154	169,153	165,807
Gross deposits.....	745,832	725,410	656,510
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.

The aggregate amount of savings deposits held by selected member banks on September 4 was practically unchanged from a month earlier, but larger by 11.3 per cent than on September 5, 1934.

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

Federal Reserve Operations — There was practically no change in the volume of Reserve bank credit outstanding between August 18 and September 18, but throughout the interval the amount was measurably larger than for the like time in 1934. Total deposits of this bank on September 18 were \$2,174,000 less than a month earlier, but \$9,559,000 greater than a year ago.

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

(In thousands of dollars)	Sept. 19, 1935	Aug. 19, 1935	Sept. 19, 1934
Industrial advances under Section 13b.....	\$ 455	\$ 449	\$ 192
Other advances and rediscounts.....	113	64	160
Bills bought (including participations).....	80	80	122
U. S. Securities.....	108,200	108,200	93,200
Total earning assets.....	108,848	108,793	93,674
Total Reserves	196,099	202,870	189,230
Total Deposits.....	152,309	161,461	141,696
F. R. Notes in circulation.....	146,134	143,449	135,439
Industrial commitments under Sec. 13b	1,910	1,929	132
Ratio of reserves to deposit and F. R. Note Liabilities.....	65.7%	66.5%	68.3%

Rates charged by the Federal Reserve Bank of St. Louis remain unchanged as follows:

- 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.

Debits to Individual Accounts — The following comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	Aug., 1935	July, 1935	Aug., 1934	Aug. 1935 comp. to July 1935	Aug. 1934
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 29,184	\$ 26,340	\$ 21,996	+10.8%	+32.7%
El Dorado, Ark.....	3,565	3,909	3,251	- 8.8	+ 9.7
Evansville, Ind.....	22,098	23,122	16,560	- 4.4	+33.4
Fort Smith, Ark.....	8,033	8,231	6,930	- 2.4	+15.9
Greenville, Miss.....	2,940	3,315	2,617	-11.3	+12.3
Helena, Ark.....	1,267	1,212	1,441	+ 4.5	-12.1
Little Rock, Ark.....	25,849	27,659	22,344	- 6.5	+15.7
Louisville, Ky.....	127,458	143,766	116,112	-11.3	+ 9.8
Memphis, Tenn.....	84,033	85,734	79,601	- 2.0	+ 5.6
Owensboro, Ky.....	4,095	4,243	3,275	- 3.5	+25.0
Pine Bluff, Ark.....	7,236	6,043	4,323	+19.7	+67.4
Quincy, Ill.....	6,250	5,988	5,695	+ 4.4	+ 9.7
St. Louis, Mo.....	498,000	505,600	390,897	- 1.5	+27.4
Sedalia, Mo.....	2,015	1,665	1,576	+21.0	+27.9
Springfield, Mo.....	12,334	11,931	10,889	+ 3.4	+13.3
*Texarkana, Ark.....	5,688	5,734	4,773	- 0.8	+19.2
Totals.....	840,045	864,492	692,280	- 2.8	+21.3

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

Note — Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers' checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.



MONTHLY REVIEW

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

Released for Publication On and After the Morning of October 31, 1935

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Ass't Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

DISTRICT SUMMARY

Agriculture (7 crops):		
Est. yield Oct. 1, 1935, comp. with:		
Estimated yield Sept. 1, 1935.....	+ 7.7%	
Yield in 1934.....	+35.9	
Live Stock:		
	Sept. 1935 comp. with	Aug. 1935 Sept. 1934
Receipts at National Stock Yards....	+ 8.5%	-17.2%
Shipments from aforesaid Yards....	+16.3	-30.3
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 1.5	+ 5.8
Department store sales.....	+21.4	- 6.7
Car loadings.....	- 0.9	- 2.5
Building and Construction:		
Number bldg. permits, incl. repairs..	+28.1	+ 9.2
Bldg. permits, incl. repairs—cost....	-29.5	+ 6.5
Value constr. contracts awarded....	+ 1.1	+57.8
Miscellaneous:		
Number commercial failures.....	-21.9	-24.2
Commercial failures—liabilities....	+49.2	-34.4
Consumption of electricity.....	- 8.6	+16.8
Debits to individual accounts.....	- 0.9	+15.2
Member Banks (19):		
	Oct. 9, 1935 comp. with	Sep. 11, '35 Oct. 10, '34
Gross deposits.....	+ 2.7%	+15.6%
Loans	+ 4.3	+ 0.8
Investments	+ 2.6	+12.2

WHILE recessionary trends in certain lines of Eighth District commerce and industry developed during September as contrasted with the preceding month, there were sufficient gains over August to carry further forward the steady improvement in business as a whole which began in the early summer. In a majority of wholesaling and jobbing lines investigated by this bank, volume exceeded that of September last year. Likewise activities in most phases of manufacturing were at a higher rate than during the same period in 1934. While purchasing by retailers continues largely on an immediate shipment basis, there was more of a disposition than heretofore to cover distant requirements. In a number of lines, ordering of holiday goods was reported earlier and on a considerably more extensive scale than during the preceding three or four years. Quite universally, but particularly in the case of furniture, drugs, clothing, boots and shoes, and hardware, a more diversified and higher quality of merchandise is being bought.

Relatively a more favorable showing was made in wholesale than retail distribution, the latter being adversely affected by the unseasonably warm weather during September and the first half of October.

Operations at iron and steel plants were well sustained and shipments of pig iron to melters in the district during September were the largest for any month since 1930. Production of stoves, farm implements and some other steel and iron specialties continued at the high rate which has obtained since the early summer. Activities at steel mills in September were at approximately the same rate as in August. September orders for lumber were reported as being the largest since last April and shipments the heaviest for the month since 1931. Demand for building materials generally continued active. Production at coal mines of the district was curtailed by the strike of bituminous miners; September output showed a contraseasonal decline from August and was appreciably below that of September, 1934. Activities at mines in the lead and zinc belt increased and in the second week of October the price of zinc ore advanced to the highest level since the fall of 1933.

While somewhat mixed, weather conditions, during the past thirty days were as a whole favorable for maturing and harvesting late crops and these products were secured with a minimum of loss in quality and quantity. In its report as of October 1, the U. S. Department of Agriculture showed only minor changes in production estimates from the preceding month. Corn and cotton prospects improved slightly, while there was a moderate decrease in the forecast for tobacco. The condition of live-stock generally through the district was more favorable than a year and two years earlier and prices were well sustained. Prices of farm products generally held at or around the recent high levels, which fact, coupled with Government rental and benefit payments served to substantially better the economic position of the farming community.

As reflected in department store sales in the principal cities, the volume of retail trade in Sep-

tember was larger by 21.4 per cent than in August, but 6.7 per cent below September, 1934; cumulative total for the first three-quarters of this year was slightly below that of the comparable period a year ago. Combined September sales of all wholesaling and jobbing interests reporting to this bank were 1.5 per cent and 5.8 per cent greater, respectively, than a month and a year earlier; for the first nine months this year the total was 0.1 per cent less than for the like period in 1934. The value of permits issued for new buildings in the five largest cities in September was 12 per cent larger than a year ago but 47.7 per cent less than in August this year; for the year to October, the cumulative total exceeded that of the same period in 1934 by 68.9 per cent. The value of construction contracts let in the Eighth District in September was 1.1 per cent more than in August and 57.8 per cent more than in September last year; cumulative total for the first three-quarters was 2.8 per cent less than for the like interval in 1934. Debits to individual accounts decreased 0.9 per cent from August to September, but the September total was 15.2 per cent larger than a year ago; for the first nine months the cumulative total was 12.3 per cent in excess of that for the same time in 1934.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, was adversely affected in September by the reduced movement of coal incident to the strike of bituminous miners. However, since October 1 there has been a noticeable pickup, with indications that volume will exceed that of the like interval in September and in October last year. In a majority of classifications increases were recorded over the same period in 1934, an exception being livestock, loadings of which throughout the year have been measurably below those of a year ago. A particularly favorable exhibit was made in the miscellaneous freight and forest products classifications.

Reports relative to collections during the past thirty days reflected moderate betterment over the similar period immediately preceding and compared favorably with a year ago. Generally through the south, but more particularly in the typical cotton areas, settlements with both banks and merchants were in considerable volume. Wholesalers and jobbers in the leading distributing centers are for the most part getting in their money promptly. This is true particularly of boots and shoes, dry goods and other lines with which October is an important settlement month.

Questionnaires addressed to representative interests in the several lines scattered through the

district show the following results:

	Excellent	Good	Fair	Poor
September, 1935.....	4.9%	37.8%	54.9%	2.4%
August, 1935.....	4.7	37.2	53.4	4.7
September, 1934.....	3.4	40.2	49.4	6.9

Commercial failures in the Eighth Federal Reserve District in September, according to Dun and Bradstreet, numbered 25, involving liabilities of \$323,202, against 32 defaults in August with liabilities of \$216,665 and 33 insolvencies for a total of \$492,749 in September, 1934.

DETAILED SURVEY MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	Sept. 1935 compared to Aug. '35	Sept. '34	9 months ending Sept. 30, 1935 comp. to 1934	Sept. 30, 1935 compared to Sept. 30, 1934
Boots and Shoes.....	+10.1%	+ 9.4%	+ 2.2%	+ 7.7%
Drugs and Chemicals..	+ 9.1	+ 1.1	- 2.6	+26.0
Dry Goods.....	- 9.5	- 1.4	-11.5	- 5.9
Electrical Supplies.....	+ 1.6	+39.0	+20.4	+12.4
Furniture.....	+ 2.4	+48.2	+28.2	-13.6
Groceries.....	- 2.8	- 8.6	+ 3.3	+ 2.2
Hardware.....	+ 1.6	+13.6	+ 7.8	+ 7.1
Total.....	+ 1.5	+ 5.8	- 0.1	+ 3.7

Automobiles — Combined passenger car, truck and taxicab production in the United States in September was 89,805, against 240,051 in August and 168,872 in September, 1934.

Boots and Shoes — Contrary to the usual seasonal trend, September sales of boots and shoes by the reporting firms showed a substantial increase over August and the total was also in excess of that a year ago. Factory operations were maintained at about the same rate as during the preceding thirty days. An encouraging feature of the present situation, according to a number of the reporting interests, was a steadily broadening demand for better quality footwear. Prices of all grades of finished goods were firm in sympathy with the upturn in raw materials.

Clothing — September sales of the reporting clothiers were smaller by 4 per cent than for the same month in 1934 and 3 per cent less than the August total this year. Inventories decreased 19 per cent between September 1 and October 1, and on the latest date were 13 per cent larger than a year ago. Demand for work clothing continued the steady improvement of recent months. The movement of heavyweight apparel through retail channels has been retarded by unusually warm weather and reordering of goods in that category was in limited volume.

Drugs and Chemicals — Steady expansion in requirements of the general manufacturing trade for heavy drugs and chemicals, coupled with earlier and heavier advance ordering of holiday goods than



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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture (7 crops):			
Est. yield Nov. 1, 1935 comp. with:			
Estimated yield Oct. 1, 1935.....	+ 1.3%		
Yield in 1934.....	+27.4		
Live Stock:			
	Oct. 1935	comp. with	
	Sep. 1935	Oct. 1934	
Receipts at National Stock Yards.....	+ 7.3%	-17.9%	
Shipments from aforesaid Yards.....	0.03	-27.0	
Production and Distribution:			
Sales by mfrs. and wholesalers.....	+ 2.9	+ 5.5	
Department store sales.....	+10.2	+ 9.4	
Car loadings.....	+12.4	+18.1	
Building and Construction:			
Number bldg. permits, incl. repairs.....	-13.8	+ 0.4	
Bldg. permits, incl. repairs—cost.....	0.3	+14.8	
Value constr. contracts awarded.....	+20.3	+34.7	
Miscellaneous:			
Number commercial failures.....	+48.0	+ 2.8	
Commercial failures—liabilities.....	+47.7	+10.6	
Consumption of electricity.....	+ 1.3	+17.3	
Debits to individual accounts.....	+22.5	+19.6	
Member Banks (24):			
	Nov. 13, 1935	comp. with	
	Oct. 16, '35	Nov. 14, '34	
Gross deposits.....	+ 2.9%	+16.3%	
Loans.....	+ 0.6	- 0.6	
Investments.....	+ 2.0	+12.0	

THE greater part of available statistics and data generally, bearing on Eighth District commerce and industry during October and the first half of November reflects a continuance of the upward trends which had their rise last summer. The volume of output in industries as a whole increased in about the expected seasonal amount and was accompanied by a moderate upturn in employment in the principal industrial centers. As contrasted with the preceding thirty days and a year ago, distribution through both wholesale and retail channels increased, despite the handicap of very unfavorable weather conditions. As indicated, the betterment in industrial conditions, sales of electric current to industrial customers in the five largest cities of the district recorded gains over the preceding month and a year ago. The rate of operations in the iron and steel industry was well sustained, with manufacturers of certain specialties, notably stoves, farm implements and household appliances, reporting October volume the largest

for the month in recent years. Distribution of automobiles decreased in less than the usual seasonal amount from September to October; with the exception of boots and shoes which showed a small fractional decrease, all wholesaling lines investigated by this bank reported larger dollar volume of sales in October than a year ago.

As was the case last summer and the early fall, increased activity in building operations served to materially assist business conditions as a whole. October building in this district, as reflected in permits issued in the principal cities and construction contracts let developed gains over a month and a year earlier. Lumber orders placed in October receded slightly from the month before, but were measurably larger than in October, 1934. Shipments of pig iron to melters in the district reached a new high for the year in October and were the largest for the month since 1930.

The varied weather conditions prevailing in the Eighth District during October and the first half of November were auspicious for certain crops and agricultural operations, but much less favorable for others. Taken as a whole, however, November 1 reports of the U. S. Department of Agriculture and of the agricultural departments of the several states tended to confirm earlier forecasts relative to the general crop situation. Unusually early frosts in October did considerable damage to cotton, corn and some other productions. The cotton crop is late and preparations for and seeding of fall sown grains were retarded by rain. Farm labor conditions were less favorable than thirty days earlier, due to termination of the harvest season. Prices of farm products remained at or around the recent high levels and economic conditions in the farming community are the best in recent years.

Gaged by sales of department stores in the principal cities, the dollar volume of retail trade in October was greater by 10.2 per cent and 9.4 per cent than a month and a year earlier and the cumulative total for the first ten months this year was approximately 1.0 per cent larger than for the com-

parable period in 1934. Combined October sales of all wholesaling and jobbing firms reporting to this bank exceeded those of the preceding month by 2.9 per cent and were greater by 5.5 per cent than the total for the same month last year; for the first ten months this year the cumulative total showed an increase of 0.6 per cent over the like interval in 1934. The value of permits issued for new construction in the five largest cities of the district in October was 19 per cent greater than in September and 28 per cent larger than for the same month in 1934; for the first ten months of 1935 the total was 64 per cent larger than for the same time in 1934. Construction contracts let in the Eighth District in October were 20 and 35 per cent larger, respectively, than a month and a year earlier and the cumulative total for the first ten months exceeded that of the same period in 1934 by 1.5 per cent. Debits to individual accounts increased 22.5 per cent from September to October and the total for the latest month was 19.6 per cent larger than a year ago; cumulative total for the first ten months exceeded that of the like period in 1934 by 13.1 per cent.

According to officials of railroads operating in this district, freight traffic during the past thirty days showed a measurable increase over the similar period immediately preceding and total volume was the largest for the interval since 1931. The movement of coal and coke was stimulated by the settlement of labor difficulties in fields of the district, also by heavier industrial requirements incident to the improvement in general conditions. Loadings of miscellaneous freight, which embraces most manufactured goods, showed somewhat greater than the usual seasonal betterment. The movement of forest products decreased slightly, but continued appreciably greater than a year and two years earlier.

In virtually all sections of the district collections maintained the high record of efficiency which has marked the past several months. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

		Excellent	Good	Fair	Poor
October	1935.....	3.4%	45.5%	48.9%	2.2%
September,	1935.....	4.9	37.8	54.9	2.4
October,	1934.....	7.6	39.2	48.9	4.3

Commercial failures in the Eighth Federal Reserve District in October, according to Dun and Bradstreet, numbered 37, involving liabilities of \$477,410, which compares with 25 defaults in September with liabilities of \$323,202 and 36 insolvencies for a total of \$431,761 in October, 1934.

Detailed Survey

MANUFACTURING AND WHOLESALING

COMMODITY	NET SALES COMPARISON			STOCKS ON HAND
	Oct. 1935 compared to		10 months ending	Oct. 31, 1935 compared to
	Sept. '35	Oct. '34	Oct. 31, 1935 comp. to 1934	Oct. 31, 1934
Boots and Shoes.....	+ 3.8%	- 0.1%	+ 2.0%	+ 1.1%
Drugs and Chemicals..	+ 3.5	+ 4.0	- 1.9	+13.2
Dry Goods.....	- 1.7	+ 7.3	- 9.1	- 2.4
Electrical Supplies....	+ 3.6	+27.2	+19.6	+ 5.0
Furniture.....	- 4.4	+25.7	+27.9	-12.5
Groceries.....	+ 8.5	+ 0.2	+ 3.2	- 0.4
Hardware.....	+ 6.9	+17.2	+ 8.8	+12.5
Total.....	+ 2.9	+ 5.5	+ 0.6	+ 1.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in October was 275,021 against 89,805 in September and 132,488 in October, 1934.

Boots and Shoes — The increase in boot and shoe sales from September to October, as shown in the above table is contraseasonal in character. Factory operations during the past thirty days receded in about the usual seasonal amount. The trend of prices continued upward in sympathy with the advance in hides and leather.

Clothing — October sales of the reporting clothiers were 30 per cent greater than for the same month in 1934 and 6 per cent below the September total this year. Inventories decreased 7 per cent between October 1 and November 1 and on the latest date were 30 per cent larger than a year ago. The movement of heavyweight apparel through retail channels has been retarded by unseasonably warm weather. Ordering for distribution next spring is reported in somewhat larger volume than at the same time a year and two years earlier.

Drugs and Chemicals — Business in this classification continued to improve, October being the fourth successive month in which sales were larger than a month and a year earlier, according to the reporting group of firms. One leading interest reported its October volume the largest ever experienced in one month with advance orders booked, the greatest since 1928.

Dry Goods — Considerably less than the ordinary recession in sales of the reporting firms from September to October was noted. Warm weather continued to militate against ordering of all descriptions of winter goods. Reordering of merchandise in this general category is reported in unusually small volume. A slightly upward price trend was in evidence, most pronounced in fabrics based on cotton.

Electrical Supplies — As was the case during every preceding month this year, with exception of January, October sales of the reporting firms ex-



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON MORNING OF DECEMBER 31, 1935

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Ass't Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Dec. 1, 1935 comp. with Nov. 1, '35 Yield 1934		
Estimated yield of 7 crops.....	- 3.4%	+ 23.0%	
Live Stock:	Nov. 1935 comp. with Oct. 1935 Nov. 1934		
Receipts at National Stock Yards.....	-13.7%	-19.9%	
Shipments from aforesaid Yards.....	-10.0	-20.2	
Production and Distribution:			
Sales by mfrs. and wholesalers.....	- 6.1	+ 8.6	
Department store sales.....	+ 1.3	+ 3.3	
Car loadings.....	-12.0	+16.5	
Building and Construction:			
Bldg. permits, incl. repairs { Number.....	-27.0	- 4.7	
{ Cost.....	+ 4.5	+80.2	
Value construc. contracts awarded....	+ 8.6	+86.4	
Miscellaneous:			
Commercial failures { Number.....	- 8.1	+41.7	
{ Liabilities.....	-28.6	+20.1	
Consumption of electricity.....	- 0.6	+28.1	
Debits to individual accounts.....	- 4.5	+25.0	
Member Banks (24):	Dec. 11, 1935 comp. with Nov. 13, '35 Dec. 12, '34		
Gross deposits.....	- 0.7%	+17.1%	
Loans.....	+ 2.2	+ 2.0	
Investments.....	- 0.9	+ 8.3	

TAKEN as a whole, commerce and industry in the Eight District during the past thirty days has held the higher ground to which it advanced during the late summer and fall. For the most part the usual measurements of business during November and the first half of December, when adjusted for seasonal changes, reflect continued upward trends and definite improvement over the similar periods during the past several years. Where retrogression was in evidence, it was in phases of the general situation most sensitive to seasonal influences. However, the slowing down due to the time of year was noticeably less pronounced than is ordinarily the case and in a number of instances, almost entirely absent. During November mild weather tended to hold down the movement of certain descriptions of merchandise, both through retail and wholesale channels. Withal, reported volumes in a majority of lines investigated by this bank were in excess of a year ago, and in some classifications the largest since 1930.

In the iron and steel industry and through the metal working industries generally, activities were

at an unusually high rate for this time of year and many interests report backlogs of orders sufficiently large to insure the present pace well into the new year. Through the south improvement was general in the textile industries, and operations in the lumber industry, while below the high point reached in the fall, were on a measurably larger scale than a year and two years earlier. Construction work continued in relatively good volume, with outdoor operations being carried on later into the year than usual, owing to the mild, open winter. The dollar value of new buildings authorized in the principal cities in November showed a substantial increase over the preceding month, and was more than double that of November, 1934.

As usual at this season, interest centered chiefly in retail trade and since the middle of November there has been a noticeable pickup in practically all sections of the district. Christmas shopping got under way earlier than during the preceding several years, and reports covering late November and the first half of December indicate the largest volume since 1929. Universally demand for merchandise is heavy, and a greater variety and better quality of goods than in recent years is being purchased, according to numerous retail interests. Distribution of automobiles showed a contraseasonal increase in November over October and a gain of nearly 50 per cent over November, 1934.

Harvesting and housing of late crops was accomplished under varied, but mainly favorable conditions, and latest returns indicate no wide variations from official yield forecasts made earlier in the season. The tobacco markets have opened and fairly large sales have been effected with average prices somewhat higher than last year or in 1933. Cotton has moved rapidly from producers' hands with prices well sustained. In the principal producing sections, the condition of the growing winter wheat crop is reported favorable. In states of this district estimated values of 1935 agricultural production are appreciably greater than actual values a year earlier.

As reflected by department store sales in the principal cities, dollar volume of retail trade in November was 1.3 per cent greater than in October and 3.3 per cent in excess of the November, 1934, total; cumulative total for the first eleven months this year was 1.1 per cent larger than for the comparable period a year ago. Combined November sales of all wholesaling and jobbing firms reporting to this bank fell 6.1 per cent below October, but were 8.6 per cent greater than for the same period in 1934; cumulative total the first eleven months was 1.3 per cent greater than for the like interval a year earlier. The value of permits issued for new buildings in the five largest cities in November was greater by 23 and 117 per cent, respectively, than a month and a year earlier; the eleven months cumulative total was 68 per cent greater than for the like interval in 1934. Construction contracts let in the Eighth District in November were 8.6 per cent greater than in October and 86.4 per cent larger than in November last year, while for the first eleven months the cumulative total was 8.4 per cent greater than for the like interval in 1934. Debits to individual accounts in November decreased 4.5 per cent from October, but were one-fourth larger than in November, 1934, and for the first eleven months an increase of 14.2 per cent was recorded over the same period a year earlier.

Freight traffic of railroads operating in this district, according to officials of the reporting roads, decreased in somewhat less than the usual seasonal amount during November and early December. Decreases in the movement of grain, grain products and livestock were counterbalanced by heavy loadings of coal, coke and forest products. Reflecting the continued expansion in distribution of commodities of all descriptions, a particularly favorable showing was made by the miscellaneous and merchandise (L.C.L.) classifications. Volume for the year to date is slightly greater than a year earlier and measurably above that of the comparable period in 1933.

Reports relative to collections generally through the district reflect a continuance of the favorable conditions which have obtained during the past eighteen months. Wholesalers and jobbers in the chief distributing centers report December 1 settlements in excess of a year ago. In the south, but more particularly in the cotton and rice areas, liquidation was in considerable volume. Retailers in the large centers report further improvement in collections on installment accounts. Except in scattered and limited areas, affected by peculiar situations,

settlements with both merchants and banks in the rural sections are reported as being on a more satisfactory basis than at any similar period in the past several years. Questionnaires addressed to representative interests in the several lines scattered through the district disclosed the following results:

	Excellent	Good	Fair	Poor
November, 1935.....	2.7%	50.8%	42.6%	3.9%
October, 1935.....	3.4	45.5	48.9	2.2
November, 1934.....	3.2	43.1	50.5	3.2

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 34, involving liabilities of \$340,537, against 37 insolvencies in October with liabilities of \$477,410, and 24 defaults for a total of \$283,561 in November, 1934.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Nov. 1935 compared with Oct. '35	Nov. '34	11 months 1935 comp. with same period 1934	Nov. 30, 1935 comp. with Nov. 30, 1934
Boots and Shoes.....	+ 2.8%	+18.0%	+ 3.3%	+24.6%
Drugs and Chemicals..	- 7.1	+11.8	- 0.8	+ 4.9
Dry Goods.....	-11.8	- 4.5	- 8.6	- 1.5
Electrical Supplies.....	- 3.6	+13.0	+19.0	+26.7
Furniture.....	-15.1	+19.7	+26.4	- 1.0
Groceries.....	-12.3	+ 2.4	+ 3.1	+ 4.6
Hardware.....	-14.5	+ 8.5	+ 8.9	+10.2
All above lines.....	- 6.1	+ 8.6	+ 1.3	+ 7.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in November was 398,024 against 275,021 in October and 83,482 in November, 1934.

Boots and Shoes — The increase in sales from October to November, as shown in the above table, was contraseasonal, and the first of any substantial size recorded in the comparison since 1927. The unusually large November volume was attributed to the general improvement in economic conditions, also to heavy purchasing in anticipation of an expected advance in prices of finished shoes incident to the recent upturn in raw material values. As contrasted with a year ago, prices range from 3 to 7 per cent higher. Eighth district production in November was 6.6 per cent in excess of that for the same month in 1934.

Clothing — November sales of the reporting clothiers were 15 per cent larger than a year ago and 21 per cent below the October total this year. Stocks on December 1 were 15 per cent smaller than a month earlier, but 27 per cent less than on December 1, 1934. More seasonable weather since December 1 has been reflected in a fair volume of reordering of winter apparel and notable improvement in the movement through retail channels. Ordering



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF JANUARY 31, 1936

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Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Ass't Federal Reserve Agent

J. VION PAPIN,
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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Dec. 1935 Nov. 1935	comp. with Dec. 1934
Live Stock:		
Receipts at National Stock Yards...	+ 17.9%	+ 4.2%
Shipments from aforesaid Yards....	+ 13.3	- 3.9
Production and Distribution:		
Sales by mfrs. and wholesalers.....	- 25.1	+ 16.0
Department store sales.....	+ 49.6	+ 2.8
Car loadings.....	+ 0.7	+ 19.6
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	- 30.7	- 6.4
{ Cost.....	+ 255.6	+ 560.1
Value construc. contracts awarded..	+ 24.0	+ 282.9
Miscellaneous:		
Commercial failures { Number.....	- 2.9	- 26.7
{ Liabilities.....	+ 18.4	- 20.3
Consumption of electricity.....	- 2.7	+ 34.5
Debits to individual accounts.....	+ 3.8	+ 15.9
Member Banks (24):	Jan. 15, 1936 Dec. 18, '35	comp. with Jan. 16, '35
Gross deposits.....	+ 1.8%	+ 15.2%
Loans.....	- 0.3	+ 2.1
Investments.....	+ 6.1	+ 20.5

THE improvement in commerce and industry in the Eighth District, which has been in effect since the end of last summer, continued with little interruption during December and the first half of January. In a number of important lines which ordinarily display decreased activity at this time of year, strong resistance to the usual seasonal influences was exhibited and in many instances the expected recession was little in evidence or entirely absent. In practically all lines investigated by this bank the rate of activities, and volume of sales and production in December were measurably above those a year ago, and the average since 1930. This was true as well of durable goods as merchandise for ordinary consumption. A particularly favorable showing was made in the iron and steel and nonferrous metal working industries. Despite large current shipments, order files of many important interests at the first of the year were of sufficient size to insure the present rate of operations during the balance of the first quarter. Reflecting improvement in the building industry, demand for all descriptions of building materials expanded noticeably. Lumber production, while below that of the preceding thirty days, was in measurably

larger volume than a year ago. In the textile industry moderate betterment was noted in a number of miscellaneous lines, and production was also in excess of the like period in 1934. Production of bituminous coal in fields of this district during December recorded increases over the preceding month and a year ago; the total for 1935 was measurably greater than in 1934.

Despite generally unfavorable weather throughout the district, holiday trade got an earlier start than is ordinarily the case. The volume in both the large cities and the country, as measured by December retail statistics, was moderately larger than a year ago and considerably above the average of the years 1931-1933 inclusive. An almost universal comment of merchants reporting to this bank was that a broader variety and higher grade of goods was being purchased than during the preceding several years. Of the wholesaling and jobbing lines investigated, all showed increases in December over the same month in 1934, the gains ranging from 4.5 per cent for dry goods to 33 per cent for boots and shoes. Orders booked since January 1 in a majority of lines indicate a continuance of the increased volume over a year earlier. In the case of certain lines, based on commodities affected by the Supreme Court's decision terminating the Agricultural Adjustment Administration activities, hesitation has developed in ordering, and some cancellations are reported. These manifestations are most noticeable in dry goods, flour and packinghouse products. Employment during December showed no marked changes as contrasted with the preceding month, increased help engaged in retail establishments and other seasonal occupations being counterbalanced by decreases in the number of workers elsewhere.

Eighth District weather conditions during December and the first half of January were varied, but in the main auspicious for agriculture. In the south more land has been prepared for spring crops at mid-January than is usual at that date. Reports relative to the growing winter wheat crop are gen-

erally favorable. Snow covering has been lacking, but temperatures were not sufficiently low to arouse apprehensions relative to winter killing. The tobacco and rice crops are being rapidly marketed, with prices for the most part satisfactory to growers.

The volume of retail trade in December, as reflected by sales of department stores in the principal cities, showed an increase of 49.6 per cent over the preceding month and of 2.8 per cent over December, 1934; for the year 1935 the total was 1.3 per cent larger than in 1934. Combined December sales of all wholesaling and jobbing firms reporting to this bank were one-fourth smaller than in November, but 16 per cent in excess of the December, 1934, total; aggregate sales of these interests in 1935 exceeded those of the year before by 2.2 per cent. The value of permits issued for new construction in the five largest cities in December was more than four times as large as a year earlier and 166 per cent larger than in November; for the year the total was approximately once again as large as in 1934. Construction contracts let in the Eighth District in December were 24.0 per cent larger than in November and 282.9 per cent greater than the December, 1934 total; for the year the aggregate was 21.4 per cent greater than in 1934. Debits to individual accounts in December were larger by 3.8 per cent and 15.9 per cent than a month and a year earlier and the total for 1935 exceeded that of the preceding year by 14.4 per cent.

The high efficiency in collections which has characterized the past eighteen months, according to the various business interests reporting to this bank, continued through December and early January. Some spottiness was noted in retail collections in the large cities, but in the main results were satisfactory. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
December, 1935.....	4.8%	51.0%	42.2%	2.0%
November, 1935.....	2.7	50.8	42.6	3.9
December, 1934.....	7.1	50.6	38.8	3.5

Commercial failures in the Eighth District in December, according to Dun and Bradstreet, numbered 33 involving liabilities of \$403,028, which compares with 34 defaults in November with liabilities of \$340,537 and 45 insolvencies for a total of \$505,509 in December, 1934. In 1935 there were 416 failures with total liabilities of \$4,427,630, against 350 defaults in 1934 with liabilities of \$4,742,867. In 1932 the failures numbered 1,507, involving liabilities of \$45,568,526.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	Dec. 1935 compared with Nov. '35	Dec. '34	12 months 1935 comp. with same period 1934	Dec. 31, 1935 comp. with Dec. 31, 1934
Boots and Shoes.....	-36.7%	+33.0%	+ 4.6%	+20.4%
Drugs and Chemicals..	- 5.2	+ 0.9	- 0.7	+ 2.6
Dry Goods.....	-32.7	+ 4.5	- 7.9	- 3.0
Electrical Supplies.....	+29.5	+24.8	+19.2	+22.7
Furniture.....	- 5.0	+13.2	+23.4	- 7.0
Groceries.....	- 5.3	+ 9.8	+ 3.7	-12.3
Hardware.....	- 9.8	+14.6	+ 9.3	+ 5.7
All above lines.....	-25.1	+16.0	+ 2.2	+ 3.6

Automobiles — Combined passenger car, truck and taxicab production in the United States in December was 407,804 against 398,024 in November and 153,624 in December, 1934. For the year 1935 the total was 4,009,496 against 2,753,111 in 1934 and 1,920,057 in 1933.

Boots and Shoes — The decrease, in sales of the reporting firms from November to December was seasonal in character, but smaller than the average during the past decade. The December total was the largest for that particular month since 1927. The gain in inventories as of January 1 as contrasted with a month and a year earlier reflects heavy recent production in anticipation of demands for spring distribution. Prices advanced approximately 5 per cent during the past thirty days in sympathy with the recent upturn in raw materials.

Clothing — December sales of the reporting clothiers were 31 per cent less than in November, but approximately one-fourth larger than the December, 1934, total. Stocks declined 3 per cent between December 1 and January 1, and on the latest date were 28 per cent greater than a year earlier. Due to the mild winter, manufacturers and jobbers report the volume of reordering of heavy-weight apparel below the average of the past several years. Ordering for spring delivery has picked up moderately since the first week in January, but the volume is still below that at the same time a year and two years ago.

Drugs and Chemicals — While December sales in this classification fell seasonably below November, the total for the sixth successive month exceeded that of a year earlier. Purchasing of holiday merchandise was reported more varied and in larger volume than during the preceding several years. Since the middle of December there has been a marked increase in ordering of remedial drugs.

Dry Goods — Retail stocks were considerably reduced by the holiday trade, but since the Supreme Court's AAA decision considerable hesitancy has developed in filling requirements, owing to uncertainty relative to prices and other phases involved.



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF FEBRUARY 28, 1936

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C. M. STEWART,
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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Live Stock:	Jan. 1936	comp. with
	Dec. 1935	Jan. 1935
Receipts at National Stock Yards.....	+ 4.7%	+ 10.3%
Shipments from aforesaid Yards.....	+15.7	+ 5.1
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+22.2	- 3.9
Department store sales.....	-53.7	+ 5.1
Car loadings.....	+ 6.8	+ 13.5
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	- 3.7	- 26.6
{ Cost.....	-79.9	- 3.5
Value constr. contracts awarded.....	-37.5	+101.2
Miscellaneous:		
Commercial failures { Number.....	+ 6.1	+ 34.6
{ Liabilities.....	- 0.01	+123.3
Consumption of electricity.....	- 7.0	+ 11.9
Debits to individual accounts.....	- 3.8	+ 16.8
Member Banks (24):		
	Feb. 12, 1936	comp. with
	Jan. 15, '36	Feb. 13, '35
Gross deposits.....	+ 0.2%	+ 15.0%
Loans.....	- 3.7	- 1.3
Investments.....	- 1.4	+ 17.6

WEATHER conditions constituted the predominating influence on Eighth District trade and industry during January, and the first half of February. Many days of sub-zero temperatures, accompanied by snow and ice, served to seriously hamper communications and to slow down or completely arrest outdoor construction and other activities. Retail trade as a whole was adversely affected, and most noticeably in the rural areas. This ramified to the detriment of wholesale distribution and in a number of instances tended to curtail production in certain manufacturing lines. However, in spite of the handicap of severe weather, a large majority of the measurements and indicators of business, when adjusted for seasonal changes, reflected a continuance of the improvement which has characterized the past several months. This improvement extended to the psychology of the business community as well as the concrete phases of the situation. In addition, the extreme cold was not an unmixed evil. It had a decidedly stimulating effect upon the movement of certain descriptions of merchandise, notably heavy apparel, fuels, drugs and chemicals. Production of bituminous coal in fields of the district during January was the largest

for the month in a number of years, and the average daily rate during early February exceeded that of the preceding month. Partly as a result of the increased number of workers at these mines, employment in all industries of the district combined, was measurably higher than at the same time a year ago.

While there is a general disposition on the part of merchants to purchase with somewhat greater caution and conservatism than heretofore, demand for commodities continues in large volume, and apparently purchasing power remains at the high level which obtained during the past year. Inventories for the most part, are of moderate size, particularly in the case of goods for current consumption. January sales of wholesale and jobbing interests reporting to this bank, while showing a substantial gain over December, were slightly smaller than a year ago, the decrease being ascribed almost entirely to smaller volume of advance orders. The lines showing increases over last year were clothing, drugs and chemicals, electrical supplies, furniture, hardware, and groceries, while boots and shoes and dry goods recorded declines. Greater than seasonal activities was noted in the iron and steel industry, with relatively the best showing being made by makers of specialties, such as farm implements, household appliances and machinery. Sales of automobiles in January exceeded those of a month and a year earlier. Production of lumber, glass, fire-clay products and other building materials recorded less than the ordinary seasonal recession. Consumption of electricity by industrial users in the principal manufacturing centers was 7.0 per cent less than in December, but 12 per cent greater than in January, 1935. The trend of wholesale prices showed little change during the period, the Bureau of Labor Statistics' index as of February 8, was 80.4 per cent of the 1926 average, which compares with 80.5 per cent on January 11, and 79.1 per cent on February 9, 1935.

Except for essential farm routine, agricultural operations generally through the district were brought to a standstill by the cold snap. Preparations for planting spring crops were suspended, but

in the south this work had made considerable progress earlier, and at mid-February was estimated to be little, if any, in arrears of the seasonal schedule. There were scattered reports of injury to peaches; otherwise fruits are thought to have weathered the low temperatures without material damage. The snow covering has been beneficial to growing grain crops, besides affording subsoil moisture. The movement of livestock to market has been in seasonal volume. Prices of farm products underwent no notable changes during the past thirty days, but continued above the like period a year ago.

As reflected in sales of department stores in the principal cities, the volume of retail trade in January was 53.7 per cent smaller than in December and 5.1 per cent greater than in January, 1935. Combined January sales of all wholesaling and jobbing firms reporting to this bank were 22 per cent greater than in December and 3.9 per cent less than the January, 1935, total. The dollar value of permits issued for new buildings in the five largest cities in January was 76.7 per cent smaller than in December and 5 per cent less than in January a year ago. Construction contracts let in the Eighth District were larger by 101 per cent than for that month in 1935, but 37 per cent below the December, 1935, total. Debits to individual accounts in January fell 3.8 per cent below December, but were 16.8 per cent greater than in January a year ago.

According to officials of railroads operating in this district, freight traffic during the past several weeks has been substantially bolstered by the extraordinarily heavy movement of bituminous coal. Shipments from sections of certain coal fields of the district were the largest for any similar period in recent years. Moderate increases over a year ago were noted in the miscellaneous freight, forest products and ore classifications. Mainly as a result of the augmented loadings of fuel, total volume of freight hauled during January, and the first half of February, exceeded that during any like period since 1931. Operations of the Federal Barge Line between St. Louis and New Orleans was interfered with by ice in the Mississippi River.

Reports relative to collections generally through the district indicated a perceptible slowing down as compared with the high rate of efficiency which has obtained for the past eighteen months or more. This was attributed mainly to the handicap of sub-zero temperatures. In the rural areas cold and impassible roads prevented farmers from getting to town. In the tobacco districts a considerable volume of liquidation has resulted from marketing of that crop. In a number of the large cities, particularly in the

cotton producing area, wholesalers report many customers are withholding payment of obligations contracted prior to the Supreme Court's decision in the AAA case. These purchasers are willing to pay their bills, minus that amount which represented processing taxes, and adhere to this attitude, even though delivery of the merchandise involved had been made prior to the decision. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
January, 1936.....	1.3%	45.0%	41.3%	12.4%
December, 1935.....	4.8	51.0	42.2	2.0
January, 1935.....	6.5	42.6	45.1	5.8

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and Bradstreet, numbered 35 and involved liabilities of \$403,000, which compares with 33 in December, 1935, involving liabilities of \$403,028 and 26 insolvencies for a total of \$180,499 in January, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks
	January, 1936 comp. with Dec. 1935	Jan. 1935	Jan. 31, 1936 comp. with Jan. 31, 1935
Boots and Shoes.....	+44.6%	-12.5%	+28.8%
Drugs and Chemicals.....	+4.5	+21.1	+11.3
Dry Goods.....	+30.1	-3.9	-2.8
Electrical Supplies.....	-37.2	+14.8	-1.1
Furniture.....	-21.3	+6.5	+18.6
Groceries.....	-3.2	+4.0	-9.3
Hardware.....	+9.9	+4.1	-3.2
All Above Lines.....	+22.2	-3.9	+3.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in January was 367,252 against 407,804 in December, and 292,817 in January, 1935.

Boots and Shoes — The volume of sales of the reporting interests in January fell below that of the same month a year and two years earlier, the decline in both instances being accounted for chiefly by advance business. The increase in the month-to-month comparison was slightly less than the average, and contrasts with an increase from December to January a year ago of 119 per cent. Relatively heavy manufacturing operations during the past several months were reflected in inventories as of February 1, which were larger by 20 per cent and 29 per cent, respectively, than a month and a year earlier.

Clothing — January sales of the reporting firms were 15 per cent smaller than for the preceding month and 24 per cent larger than in January, 1935. The seasonable weather during January, and the first half of February, had a stimulating effect on



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF MARCH 30, 1936

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Asst. Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

"THE FEDERAL RESERVE SYSTEM TODAY"

The explanatory booklet regarding the Federal Reserve System has been revised under the above title. Copies will be furnished by this bank upon request.

District Summary

Live Stock:	Feb. 1936	comp. with
	Jan. 1936	Feb. 1935
Receipts at National Stock Yards.....	-28.3%	+ 8.5%
Shipments from aforesaid Yards.....	-23.8	+ 6.9
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-14.0	- 7.9
Department store sales.....	+ 6.2	+11.4
Car loadings.....	+ 1.8	+23.7
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	-11.2	-37.3
{ Cost.....	-12.2	+ 9.7
Value construc. contracts awarded.....	-36.6	+13.8
Miscellaneous:		
Commercial failures { Number.....	+42.9	+25.0
{ Liabilities.....	+79.2	+13.7
Consumption of electricity.....	+ 0.7	+10.4
Debits to individual accounts.....	-12.7	+19.3
Member Banks (24):		
	Mar. 11, 1936	comp. with
	Feb. 12, '36	Mar. 13, '35
Gross deposits.....	+ 0.1%	+11.3%
Loans.....	+ 0.7	- 0.3
Investments.....	- 0.1	+15.9

TRADE and industry in the Eighth District during February and the first half of March, while reflecting some spottiness, as a whole developed further moderate improvement. Through February a relatively more favorable exhibit was made by production than distribution of commodities. This was attributable in large measure to the prolonged and extremely cold weather throughout the entire area, which had the effect of interfering with communications and retarding routine purchasing of merchandise, both at wholesale and retail. In the principal distributing centers the number of visiting merchants was relatively small, and there was a general tendency to postpone ordering of goods for spring and summer consumption. On the other hand, the low temperatures resulted in heavy calls for certain lines, the clearance of which, in numerous instances, was more thorough than has been the case in a number of years. The movement of heavy-weight apparel, fuels, some descriptions of drugs and chemicals and other typical cold weather goods was in sufficient volume to partly offset the reduced

purchasing in other classifications of merchandise. In a number of wholesaling and jobbing lines investigated by this bank, advance orders as of March 1, were in smaller volume than at that time a year ago. Since that date, however, there has been a notable improvement in buying for distant and immediate delivery, with merchandise for the Easter trade figuring prominently in the upward trend.

Production at manufacturing plants as a whole showed a somewhat greater than seasonal increase. This was true particularly in the iron and steel industry, where activities were stimulated by broadening in requirements of railroads and other consuming groups. Shipments of pig iron and other raw materials to foundries and mills in the district during February increased moderately over January, and were measurably larger than a year ago. February production of bituminous coal in fields of the district increased sharply, reflecting the heavy reduction of retail stocks incident to the long cold spell. Output of lumber mills and new orders booked developed a moderate increase. Little change from the preceding thirty days was noted in production at textile plants. Among the other industries, increases were reported by cooperage plants, beverage manufacturers, glass factories, fire-clay product interests, oil refineries and flour mills.

Until the last week of February, agricultural operations made relatively little headway, owing to the severe cold weather, accompanied in most sections by snow and ice. Since that time, however, mild weather has permitted of field work, and a considerable amount of plowing and preparation for spring crops has been accomplished, particularly in the south. Reports relative to the effects of the unusually cold winter on fall sown grains, orchards and other crops vary widely, both with reference to locality and species. It is still too early to estimate the extent of damage done. Almost universally reports indicate the most favorable conditions of surface and subsoil in a number of years. Floods have been confined to relatively small areas, and due to the earliness of the season, little injury has resulted.

The volume of retail trade in February, as reflected in sales of department stores in the principal cities, was 6.2 per cent greater than in January, and 11.4 per cent larger than in February, 1935; cumulative total for the first two months this year was 8.2 per cent in excess of the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in February were 14 per cent and 8 per cent smaller, respectively, than a month and a year earlier; for the first two months this year the total was 6 per cent below that of the same interval a year ago. The dollar value of permits issued for new building in selected cities of the district in February was 8.1 per cent less than in January, and 33.7 per cent greater than in February, 1935; cumulative total for the first two months was greater by 10.4 per cent than for the same period last year. Construction contracts let in the Eighth District in February were 36.6 per cent smaller than in January, and 13.8 per cent above the February, 1935, total; for the first two months this year the aggregate was 55 per cent in excess of that of the same period a year ago.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, during February and the first part of March continued to exceed the volume handled during the like periods in all years since 1931. As compared with a year and two years earlier, all classifications showed increases, with the exception of livestock and merchandise, L.C.L. Reflecting the prolonged spell of extremely cold weather, the volume of coal and coke hauled in February was the largest for that month in recent years. Passenger traffic of the reporting roads in February, both in point of revenue and lumber of tickets sold, was measurably larger than during the corresponding period in 1935. Tourist travel constituted an important element in the increase.

Generally through the district reports relative to collections during the past thirty days reflected a moderate slowing down as contrasted with the high rate which has obtained in recent months. This was true particularly in the rural areas, where the prolonged cold weather interfered with communications and prevented farmers from going to town. In the main distributing centers wholesalers reported early March settlements relatively less favorable than a year ago. With the rapid marketing of tobacco, liquidation continued on an extensive scale, in sections where that crop is an important one. Questionnaires addressed to representative interests in the several lines scattered through the

district showed the following results:

	Excellent	Good	Fair	Poor
February, 1936.....	2.4%	39.0%	42.6%	16.0%
January, 1936.....	1.3	45.0	41.3	12.4
February, 1935.....	4.2	39.2	51.8	4.8

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 50 and involved liabilities of \$722,000, which compares with 35 defaults in January, with liabilities of \$403,000 and 40 insolvencies for a total of \$635,000 in February, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Feb. 1936 compared with Jan. '36	Feb. '35	2 months 1936 comp. with same period 1935	Feb. 29, 1936 comp. with Feb. 28, 1935
Boots and Shoes.....	-24.3%	-18.1%	-15.0%	+21.7%
Drugs and Chemicals..	- 5.3	+ 8.8	+14.9	+ 5.3
Dry Goods.....	- 7.4	4.5	- 4.2	- 2.8
Electrical Supplies.....	+19.0	+16.3	+17.0	-45.5
Furniture.....	+20.1	+ 3.0	+ 8.0	+25.9
Groceries.....	- 5.7	- 1.0	+ 1.5	-23.9
Hardware.....	-13.3	- 3.8	+ 0.3	+ 5.6
All above lines.....	-14.0	- 7.9	- 5.6	+ 2.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in February was 290,964 against 367,252 in January and 335,667 in February, 1935.

Boots and Shoes — The decrease in sales of the reporting interests from January to February, shown in the above table, was seasonal in character, but slightly greater than the average during the past decade. This was attributable partly to the unusually large January volume, that month showing an increase of approximately 45 per cent over its predecessor. Unfavorable weather contributed to the decreases in both the month-to-month and yearly comparisons. Ordering of all classes of shoes has developed a noticeable pickup since the last week in February.

Clothing — February sales of the reporting clothiers were 15.5 per cent smaller than in January, but 8 per cent greater than the February, 1935, total. Inventories showed somewhat larger than the expected seasonal increase, stocks on March 1, being 9 per cent and 28 per cent larger, respectively, than a month and a year earlier. Clearance through retail channels of heavyweight apparel was reported generally more complete than has been the case in a number of seasons. Advance ordering of clothing for spring and early summer distribution was in slightly smaller volume than at this time a year ago. Price changes as contrasted with the preceding thirty days were negligible.

Drugs and Chemicals — For the eighth consecutive month, February sales of the reporting firms



MONTHLY REVIEW

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Conditions in the Eighth Federal Reserve District*

RELEASED FOR PUBLICATION ON THE MORNING OF APRIL 30, 1936

JOHN S. WOOD,
Chairman and Federal Reserve Agent

C. M. STEWART,
Secretary and Ass't Federal Reserve Agent

J. VION PAPIN,
Statistician

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	April 1, 1936, comp. with output 1935		Av. 1928-32	
Agriculture:				
Estimated produc. of Winter Wheat	+ 2.1%	+ 6.4%		
	Mar. 1936 comp. with Feb. 1936	Mar. 1935		
Live Stock:				
Receipts at National Stock Yards	+ 0.7%	- 1.4%		
Shipments from aforesaid Yards	- 0.6	+ 19.7		
Production and Distribution:				
Sales by mfrs. and wholesalers	+ 19.9	+ 6.9		
Department store sales	+ 26.0	+ 6.7		
Car loadings	+ 6.1	+ 14.6		
Building and Construction:				
Bldg. permits, incl. repairs	{ Number... +171.6	+15.9		
	{ Cost..... +109.1	+ 8.4		
Value construc. contracts awarded	+ 81.2	+63.1		
Miscellaneous:				
Commercial failures	{ Number..... - 18.0	- 4.7		
	{ Liabilities..... - 29.2	+24.3		
Consumption of electricity	+ 2.9	+ 5.6		
Debits to individual accounts	+ 9.7	+ 8.2		
Member Banks (24):				
	Apr. 15, '36 comp. with Mar. 18, '36	Apr. 17, '35		
Gross deposits	+ 0.9%	+13.4%		
Loans	+ 2.0	+ 4.6		
Investments	+ 1.9	+ 9.4		

A large majority of business measurements and actual statistics of commercial and manufacturing interests reporting to this bank during March and the first half of April reflected a continuance of the upward trends in Eighth District trade and industry which have been more or less steadily in progress in recent months. These results were achieved in the face of unfavorable weather and flood conditions in certain sections of the area. Output of manufacturing establishments, except where affected by seasonal influences, was in excess of the preceding month, and in most instances greater than a year ago. Continued active demand for merchandise of all descriptions was reflected in the heavy volume of goods distributed through both wholesale and retail channels and the increase in freight traffic handled by railroads operating in the district. The showing made during the first quarter of the year was the most favorable in many respects for any like period since the pre-depression era. Owing to adverse weather conditions the Easter trade was slow in getting under way, but during the

week or ten days immediately preceding the holiday, there was a rush to fill postponed requirements, with the result that retail trade volume exceeded that of a year ago by a fair margin.

Activities in the heavy goods industries gained in more than the seasonal amount during March and early April. Despite the heavy volume of shipments of finished and semifinished materials from the iron and steel plants, backlogs as of April 1 were somewhat larger than a month earlier. This was true particularly of specialty manufacturers, including farm implements, tractors, household appliances and certain descriptions of machinery. Demand for iron and steel goods for use in the rural area expanded measurably as contrasted with the preceding thirty days. Production and orders in the lumber industry were reported in larger volume than a year ago, and the movement of building materials generally was in considerable volume. Somewhat greater than the usual seasonal recession in production of bituminous coal was noted from February to March, ascribable partly to the unusually heavy output during the first and second months of the year. March sales of automobiles exceeded those of February, also March a year ago. Consumption of electric current by industrial users in March was appreciably larger than a month and a year earlier.

Taken as a whole, weather conditions during March and the first ten days of April were unfavorable for crops and agricultural operations generally. Considerable damage was done to fruits and vegetables by the early April freezes, and prospects for peaches and apples were sharply reduced. Withal, preparations for planting spring crops, particularly in the south, were about even with the usual seasonal schedule at mid-April. In spite of the severe winter, the winter wheat crop came through in good shape. Based on conditions as of April 1, the U. S. Department of Agriculture estimates the crop in states of this district at 88,033,000 bushels, an increase of 2 per cent over a year ago and of 6 per cent above the 5-year (1928-1932) average. Demand for farm labor was more active than a year ago, with wage rates substantially higher.

March retail trade, as reflected in sales of department stores in the principal cities, was 26 per cent greater than in February and 6.7 per cent in excess of the March, 1935, total; cumulative total for the first quarter showed an increase of 7.4 per cent over the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in March were approximately 20 per cent and 7 per cent greater, respectively, than a month and a year earlier; first quarter sales of these firms were slightly below the like period in 1935. The dollar value of building permits for new construction in selected cities was 97 per cent greater than in February, but slightly less than a year ago; cumulative total for the first quarter showed an increase of about 4 per cent over the first three months of 1935. Dollar volume of construction contracts let in the Eighth District in March was 81 per cent more than in February and 63 per cent above the March, 1935, total; first quarter volume this year was 58 per cent in excess of the like interval in 1935.

According to officials of railroads operating in this district, the volume of freight traffic handled during the first quarter was well in excess of the like periods a year and two years earlier. Increases over a year ago were recorded in all classifications except livestock and merchandise L.C.L. A considerable part of the total increase was accounted for by coal and coke, an unusually heavy movement of which fuels was occasioned by the long, severe winter. Passenger traffic of the reporting roads in March developed somewhat greater than the usual seasonal increase, attributable in large measure to heavier tourist travel than in recent years. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in March was about 30 per cent greater than a year ago, and cumulative volume for the first three months was about one-fourth greater than in the like period in 1935.

Reports relative to collections during March and the first half of April generally reflect a continuance of the upward trends which have been in effect in recent months. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
March, 1936.....	2.9%	44.2%	48.6%	4.3%
February, 1936.....	2.4	39.0	42.6	16.0
March, 1935.....	2.4	36.8	52.8	8.0

Commercial failures in the Eighth Federal Reserve District in March, according to Dun and Bradstreet, numbered 41 and involved liabilities of

\$511,000, which compares with 50 defaults in February, with liabilities of \$722,000 and (revised figures) 43 insolvencies for a total of \$411,000 in March, 1935. (The 1935 figures are being revised, in order to delete the real estate, insurance and brokerage house failures which are not included in data for 1936.)

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Mar. 1936 compared with Feb. '36 Mar. '35		3 months 1936 comp. with same period 1935	Mar. 31, 1936 comp. with Mar. 31, 1935
	Feb. '36	Mar. '35		
Boots and Shoes.....	+26.9%	+ 1.7%	— 9.8%	+20.8%
Drugs and Chemicals..	+10.1	+11.8	+12.2	+10.0
Dry Goods.....	+12.2	+10.4	+ 0.5	— 8.8
Electrical Supplies.....	+23.5	+ 9.5	+12.6	+ 8.6
Furniture.....	+11.0	+12.5	+15.9	+13.6
Groceries.....	+12.8	+ 3.3	+ 1.8	— 8.4
Hardware.....	+29.4	+13.4	+ 3.2	+ 9.3
All above lines.....	+19.9	+ 6.9	— 1.8	+ 2.3

Automobiles — Combined passenger car, truck and taxicab production in the United States in March was 424,571 against 290,964 in February and 429,793 in March, 1935.

Boots and Shoes — Conforming with the usual seasonal trend, sales of the reporting firms in March were greater than during the preceding month. The extent of the increase, however, was considerably less than the average during the past decade. The movement of styled goods and Easter specialties was interfered with by unfavorable weather, and the volume was below expectations. Prices were firm at the levels prevailing during the two preceding months. Inventories decreased sharply from March 1 to April 1, but were about one-fifth greater than a year ago.

Clothing — March sales of the reporting clothiers were 36 per cent larger than in February and 22 per cent in excess of the March, 1935, total. Stocks on April 1 were 7 per cent smaller than a month earlier, and 18 per cent larger than a year ago. Advance sales of apparel for summer and early fall distribution are reported in slightly larger volume than at the corresponding time a year and two years earlier. Clearance of Easter merchandise at retail was below expectations due to unfavorable weather. Sales of work clothing were reported below the volume a year ago.

Drugs and Chemicals — During the first quarter of the present year the trend of sales of drugs and chemicals has been consistently upward. This fact is reflected in an increase of approximately 12 per cent in sales of firms reporting to this bank during the first three months as contrasted with the similar interval in 1935. While increases have been



MONTHLY REVIEW

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FEDERAL RESERVE BANK OF ST. LOUIS

Volume of Major Operations of Federal Reserve Bank of St. Louis

During Year 1935	Pieces Handled	Aggregate Amounts
Checks (cash items) handled.....	49,274,000	\$10,693,371,000
Collections (noncash) handled:		
U. S. Govt. coupons paid.....	1,384,000	21,300,000
Other collection items.....	363,000	456,378,000
Transfers of funds.....	59,000	2,957,092,000
Paper currency received and counted.....	114,755,000	435,460,000
Coin received and counted.....	107,870,000	12,126,000
Federal Reserve notes issued by Federal Reserve Agt. to bank	8,390,675	93,050,000
Rediscounts, advances and commitments.....	242	6,674,000
New issues, redemptions, and exchanges, as fiscal agent:		
U. S. obligations, for Treasury	467,000	752,267,000
Other securities, for Farm Credit Admn. and H.O.L.C.	188,000	124,191,000
Collateral to Government de- posits received for custody....	6,000	82,967,000
Coupons clipped from securities in custody.....	166,000	

(Above from Annual Report of the bank)

District Summary

FAVORABLE trends have continued in trade and industry in the Eighth Federal Reserve District. In a number of manufacturing lines, recent gains were carried further forward. Retail trade as a whole developed improvement over a month and a year earlier. These results were achieved in face of very unfavorable weather conditions in early April, which had the effect of retarding distribution of all descriptions of apparel and certain other seasonal commodities. Wholesale and jobbing trade in April, according to interests reporting to this bank, decreased in volume from March to April, and total sales of all lines investigated were below those of April a year ago. The major part of the decline was encountered early in the month, betterment during the final ten days or two weeks failing to offset the smaller volume during the first half of the period. Responding to more favorable weather

since May 1, the principle wholesale classifications report a notable pickup in orders for both prompt and future shipment, combined volume indicating an increase of approximately 10 per cent over the comparable interval in 1935.

Operations at steel mills, foundries and other ferrous metal working plants were well maintained. Output of farm implement, tractor, stove and household appliances, tool and some other specialty makers continued at the high rate which has been in effect since last winter. Production and sales of lumber, fire clay products and other building materials reflected the further expansion in construction activities. Employment as a whole, but particularly in the building trades and on farms, increased during April, and was measurably greater than a year ago. Utilities companies in the principle cities reported increases in use of electric power by industrial customers over a month and a year earlier. There was a slight decrease from March to April in production of bituminous coal in fields of the district, but the tonnage lifted was considerably greater than in April, 1935. Sales of automobiles, in April, according to dealers reporting to this bank, exceeded those of a month and a year earlier by a substantial margin, and the improvement continued in the first half of May.

Weather during April and early May was too dry for the best results to agriculture, but it permitted of rapid progress in preparation for and planting of spring crops. Winter wheat deteriorated during the month, and indications as of May 1, were for a smaller yield in states of this district than a year ago, but larger than the 5-year (1928-1932) average. Owing to the unusually cold winter and more particularly to early April freezes, tree fruit crops will be below average; gardens and commercial truck crops are late. The condition of live-stock generally as of mid-May was reported as being satisfactory. Prices of farm products underwent little change as contrasted with the preceding thirty days.

Retail trade in April, as reflected in sales of department stores in the principal cities was 5.8 per cent and 15.5 per cent greater, respectively, than a month and a year earlier and for the first four months this year the cumulative total was 9.6 per cent in excess of that for the comparable period in 1935. Combined sales of all wholesaling and jobbing firms reporting to this bank in April showed a decrease of 10.4 per cent under the preceding month and of 5.0 per cent below April a year ago; for the first four months the aggregate was 2.3 per cent less than for the same period in 1935. The dollar value of permits for new construction in the five cities of the district in April was 80.7 per cent greater than in March and 152.9 per cent larger than for the same month in 1935; cumulative total for the first four months this year was 34.6 per cent larger than for the same interval in 1935. The dollar value of construction contracts let in the Eighth District in April was 19.6 per cent greater than in March, and 92.8 per cent more than in April last year.

Debits to checking accounts in the principle cities of the district in April were 2.6 per cent less than in March, but 8.8 per cent greater than in April, 1935; for the first four months this year the cumulative total was 13 per cent greater than for the comparable period a year ago.

The volume of freight traffic handled by railroads operating in this district, according to officials of the reporting lines, showed considerably more than the usual seasonal increase during April and the first two weeks of May. For the first four months this year aggregate volume was the highest for any similar period since 1931. The movement of livestock continued below a year ago, but with that exception and a small decline in merchandise L.C.L., all classifications of freight recorded substantial increases. Passenger traffic continued the betterment noted in recent months and was well above a year ago, which fact is ascribed partly to reduced fares and greatly improved facilities and service. Tonnage handled by the Federal Barge Line in April between St. Louis and New Orleans was 33 per cent and 22 per cent greater, respectively, than a month and a year earlier.

The general status of collections during April and the first half of May showed little change from the favorable record of recent months. Wholesaling and jobbing interests in the chief distributing centers with which April is an important settlement month, reported returns as comparing favorably with a year ago. Questionnaires addressed to representative interests in the several lines distributed

through the district show the following results:

	Excellent	Good	Fair	Poor
April, 1936.....	2.7%	53.4%	42.5%	1.4%
March, 1936.....	2.9	44.2	48.6	4.3
April, 1935.....	2.3	36.8	55.2	5.7

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 25 and involved liabilities of \$296,000, which compares with 41 defaults with liabilities of \$511,000 in March and 42 insolvencies for a total of \$471,000 (revised figures) in April, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		4 months 1936 comp. with same period 1935	Stocks Apr. 30, 1936 comp. with Apr. 30, 1935
	April, 1936 compared with Mar. '36	Apr. '35		
Boots and Shoes.....	-14.9%	-18.7%	-11.8%	+21.6%
Drugs and Chemicals..	-0.7	+14.1	+13.9	+11.8
Dry Goods.....	-14.1	+2.7	+1.1	-7.3
Electrical Supplies.....	-2.5	+5.7	+13.3	+14.2
Furniture.....	-1.5	+14.7	+17.1	+1.0
Groceries.....	-0.8	+1.6	+1.4	-13.5
Hardware.....	-7.3	+3.6	+3.8	+5.5
All above lines.....	-10.4	-5.0	-2.3	+1.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in April was 502,775 against 424,571 in March, and 477,691 in April, 1935.

Boots and Shoes — April results were disappointing, owing chiefly to the unseasonably cold weather prevailing during the early part of that month. The decrease in sales from March to April, shown in the above table was seasonal in character, but considerably larger than usual. The decline shown in the comparison with last year was partly attributable to the difference in Easter dates. There was a slight easing in raw material prices, but no change in finished products as compared with thirty days earlier.

Clothing — Sales of the reporting firms in April were about one-fifth smaller than in March, but 11 per cent in excess of the April total a year ago. Inventories declined 7 per cent between April 1 and May 1, and on the latest date were 15 per cent greater than a year earlier. The late spring and prevalence of cold weather had the effect of retarding the movement of seasonal apparel through retail channels. Since May 1, there has been a decided quickening in ordering of women's and children's clothing for late summer and fall distribution. Moderate price increases on certain lines of men's clothing was reported.

Drugs and Chemicals — An outstanding feature in the continued increase in sales in this classification over a year ago was the heavy demand for heavy



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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	June 1, 1936, comp. with output	
	1935	Av. 1928-32
Agriculture:		
Estimated produc. of Winter Wheat	+ 0.2%	+ 4.5%
Live Stock:	May, 1936 comp. with Apr. 1936	
Receipts at National Stock Yards	+ 7.4%	- 2.0%
Shipments from aforesaid Yards	- 9.0	- 14.7
Production and Distribution:		
Sales by mfrs. and wholesalers	+ 8.6	- 18.4
Department store sales	- 1.7	+ 10.3
Car loadings	+ 3.1	+ 20.8
Building and Construction:		
Bldg. permits, incl. repairs	{ Number - 6.8	+ 3.1
	{ Cost + 7.7	+ 34.8
Value construc. contracts awarded	- 2.1	+ 102.4
Miscellaneous:		
Commercial failures	{ Number + 60.0	- 11.1
	{ Liabilities + 62.2	+ 76.0
Consumption of electricity	+ 6.9	+ 9.2
Debits to individual accounts	+ 9.2	+ 9.3
Member Banks (24):	June 10, '36 comp. with May 13, '36 June 12, '35	
Gross deposits	- 0.5%	+ 11.3%
Loans	- 0.4	+ 6.7
Investments	- 8.7	+ 3.3

NOTWITHSTANDING drouth conditions of greater or lesser severity and the customary slowing down in certain manufacturing lines incident to the hot weather, industry and trade in the Eighth District during May, and the first half of June, reflected a continuance of the steady improvement which has characterized recent months. In a number of types of productive activity operations reached approximately the highest levels since the predepression era. The betterment extended to both durable goods and commodities for ordinary consumption and as has been the case throughout this year, was most pronounced in the former category. A particularly favorable exhibit was made by the iron and steel industry, operations at steel mills and foundries in the first half of June being at the highest rate for any like period since 1931. This situation reflects heavier demands by the railroads, in construction projects, farm implement and tractor, refrigeration, and some other important consuming groups, as well as broad miscellaneous needs. The movement of lumber, cement, quarry

products, glass and other building materials was in considerable volume, and substantially greater than during the corresponding interval in 1935. Employment conditions as a whole underwent noticeable improvement, being affected by absorption of workers in agricultural and other seasonal occupations.

Distribution of wholesale merchandise in May, as indicated by firms reporting to this bank, exceeded by a large margin the volume of the preceding month; in all lines investigated, except boots and shoes, and groceries, increases were recorded over May a year ago. Outstanding gains in the comparison with last year were achieved in the drug and chemical, hardware, electrical supplies and furniture classifications. Retail trade showed about the expected decrease from April, but was in measurably larger volume than in May, 1935. Retail sales of automobiles declined slightly from April to May, but the May total was approximately one-fourth greater than for the same month a year ago. A noteworthy feature in the retail trade generally, according to the reporting interests, is the broader diversity of merchandise being bought, an instance being sport goods and vacation supplies, sales of which this season have been in larger volume than in any year since 1930.

In agriculture during the past thirty days the dominating influence was dry weather, which in many localities reduced prospects for certain crops, principally vegetables and fruits. Taken as a whole, however, Eighth District prospects are for average or better yields of the principle productions. Winter wheat improved from May to June, and indications are for an output slightly above a year ago and 4.5 per cent greater than the 5-year (1928-1932) average. Corn planting has been completed and stands, while spotted, are in the main favorable. Tobacco planting has been delayed somewhat by the drouth. Cotton has made good to excellent progress, with cultivation unusually thorough and up to the seasonal schedule. Prospects for fruits, particularly peaches, apples, pears and cherries, continue among the most discouraging in recent years, and a great

many of the vegetable crops will be short. Rains since June 1, have benefited the situation generally.

As reflected in sales of department stores in the principle cities, the volume of retail trade in May was 1.7 per cent smaller than April, and 10.3 per cent greater than in May, 1935; cumulative total for the first five months this year was 9.8 per cent in excess of that for the comparable period in 1935. Combined sales of all wholesaling and jobbing interests reporting to this bank in May were 8.6 per cent larger than in April, and 18.4 per cent less than the May, 1935, total; cumulative total for the first five months fell 6.2 per cent under that of the like interval a year ago. The dollar value of permits issued for new buildings in the five largest cities in May was 31.7 per cent smaller than in April and 17.3 per cent greater than in May, 1935; aggregate for the first five months this year exceeded that of the same period in 1935 by 42 per cent. Dollar value of construction contracts let in the Eighth Federal Reserve District in May was 2.1 per cent smaller than in April, and 102.4 per cent larger than in May a year ago; for the first five months this year cumulative total was 75.5 per cent greater than for the like period in 1935.

According to officials of railroads operating in this district, the volume of freight traffic handled during May, and the first two weeks of June, was the heaviest for any like period since 1931. As contrasted with a year ago, there were slight decreases in the movement of live stock, but increases in all other classifications, with particularly favorable exhibits being made by grain and grain products, ore, forest products and miscellaneous freight. Stimulated by the heaviest vacation travel in recent years, passenger business of the reporting roads continued the steady upward trend which has been in effect for the past several months. For the year to the end of May, the cumulative total of merchandise L.C.L., showed a moderate decline as compared with a year ago, which fact is ascribable partly to heavier shipments by trucks. Tonnage handled by the Federal Barge Lines in May between St. Louis and New Orleans was 5.8 per cent greater than in April and 31.4 per cent larger than in May, 1935; and incidentally the heaviest for any month in the history of the service.

Reports relative to collections generally indicate a continuance of the high rate of efficiency which has prevailed throughout the present year. Wholesalers in the principle distributing centers report that numerous customers are anticipating their bills. City retail collections, as indicated by department store reports, continue satisfactory.

Questionnaires addressed to representative interests in the several lines scattered through the district, showed the following results:

	Excellent	Good	Fair	Poor
May, 1936.....	2.9%	47.8%	47.8%	1.5%
April, 1936.....	2.7	53.4	42.5	1.4
May, 1935.....	6.3	41.0	44.4	8.3

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 40 and involved liabilities of \$480,000, against 25 defaults with liabilities of \$296,000 in April, and 45 insolvencies for a total of \$272,000 in May, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		5 months 1936 comp. with same period 1935	Stocks May 31, 1936 comp. with May 31, 1935
	May, 1936 compared with Apr. '36	May '35		
Boots and Shoes.....	+18.4%	-39.9%	-20.0%	+25.1%
Drugs and Chemicals..	-4.2	+9.2	+13.0	+11.9
Dry Goods.....	+0.8	+5.9	+2.0	-6.3
Electrical Supplies....	+14.7	+9.2	+12.7	+0.9
Furniture.....	+4.2	+22.3	+16.8	-6.6
Groceries.....	-5.2	-9.3	-0.7	-12.7
Hardware.....	+14.6	+10.0	+5.1	+3.9
All above lines.....	+8.6	-18.4	-6.2	+1.5

Automobiles — Combined passenger car, truck and taxicab production in the United States in May was 460,565 against 502,775 in April, and 364,662 in May, 1935.

Boots and Shoes — The decline of approximately 40 per cent in May sales of the reporting firms under the same month a year ago is attributable to an extraordinarily heavy volume in May, 1935. In that month an increase of 42.7 per cent over the previous year was recorded, and an increase of 61.8 per cent over April, 1935. The increase in the month-to-month comparison was seasonal, but somewhat larger than average. Ordering since the last week in May, has been in considerable volume, and indicates a fair increase for the entire month over the corresponding period last year. Prices of both finished goods and raw materials showed no appreciable change compared with the past month.

Clothing — Reversing the usual seasonal trend, sales of the reporting clothiers in May, showed an increase of 35.5 per cent over the preceding month, and the total was 12 per cent greater than in May, 1935. Inventories increased further, stocks on June 1, being 16 per cent and 37 per cent greater, respectively, than a month and a year ago. The movement of summer apparel, both men's and women's, through retail channels has responded to the more seasonable weather, and a fair volume or reordering was reported, particularly by retailers in the south. Moderate betterment in sales of work clothing, especially in rural areas, has taken place since April.



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF JULY 30, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	July 1, 1936, comp. with	
Agriculture:	Yield 1935	1923-1935 average
Estimated yield of 6 crops.....	+ 0.3%	- 23.4%
Live Stock:	June, 1936 comp. with	June, 1935
Receipts at National Stock Yards.....	+14.8%	+ 17.8%
Shipments from aforesaid Yards.....	+16.6	+ 13.0
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 0.6	+ 24.8
Department store sales.....	- 6.2	+ 12.5
Car loadings.....	+ 3.2	+ 17.2
Building and Construction:		
Bldg. permits, incl. repairs {	Number... - 5.3	- 0.2
Cost.....	+39.0	+ 32.3
Value construc. contracts awarded.....	+59.9	+164.8
Miscellaneous:		
Commercial failures {	Number..... -17.5	+ 13.8
Liabilities.....	- 7.7	+ 97.8
Consumption of electricity.....	+ 6.6	+ 11.0
Debits to individual accounts.....	+ 5.7	+ 9.1
Member Banks (24):	July 15,'36 comp. with	July 17,'35
Gross deposits.....	+ 6.6%	+ 16.0%
Loans.....	+ 1.7	+ 13.9
Investments.....	+ 3.0	+ 9.7

DURING June and the first half of July, Eighth District trade and industry opposed strong resistance to the usual seasonal slacking influences, and effects of severe drouth and heat conditions. Activities generally were maintained at the high levels of recent months, or close to them, and in a large majority of phases, increases were recorded over the corresponding interval a year earlier. Taken as a whole the first half of the present year was characterized by notable strides in the direction of business recovery. In both production and distribution of commodities, as indicated by investigations made by this bank, results achieved were the most favorable for any six-month period in five years. Outstanding factors in the upward swing included: Broadened building and construction operations; sharp gains in production of durable goods, notably lumber, quarry products, glass, cement and additional building materials; augmented demands for machinery, machine tools, farm implements, chemicals and drugs, electrical goods, furniture and furnishings, motor vehicles and

parts, hardware, foods, textiles and their products; notable improvement in the bituminous coal industry in fields of the district and marked expansion in most sections of the iron and steel industry.

Volume of sales in June in wholesaling and jobbing lines investigated showed somewhat less than the usual decline from May, and in several important classifications, contraseasonal increases were recorded. With the exception of clothing, all June totals exceeded those of the same month in 1935. Distribution through retail channels was stimulated by extraordinary demand for all descriptions of summer goods, incident to the prolonged spell of abnormally high temperatures. Reordering of such merchandise was in considerable volume, and in some cases difficulty was experienced in meeting requirements because of depleted stocks. Payment of soldiers' bonus money also tended to quicken retail trade in many localities, particularly in the rural areas. Sales of passenger automobiles in June were greatly in excess of a month and a year earlier, with the turnover of used cars making a particularly favorable showing. Operations in the iron and steel industry continued on unusually high schedules for this time of year. Shipments of farm implements, stoves and household appliances were the heaviest for the month in a number of years. The employment situation during June underwent further moderate improvement owing to higher than usual schedules at many industrial plants and accretions to agricultural workers incident to wheat harvest.

The agricultural situation in the district continued to be dominated by severe drouth and abnormally high temperatures. Prospects as a whole declined during June, and insufficiency of precipitation, accompanied by scorching heat since July 1, have further lowered prospective yields. Winter wheat turned out well, both in point of quantity and quality, and the condition of cotton is in the main above average at this season. Outlook for fruits and vegetable crops is the poorest in recent

years. Pastures have been ruined over wide areas, and livestock have suffered from the extreme heat and lack of water. As a partial offset to the unfavorable conditions in farmers incomes, has been the sharp upturn in prices of farm products.

Volume of retail trade in June, as reflected by sales of department stores in the principal cities, was 6.2 per cent less than in May and 12.5 per cent larger than in June, 1935; cumulative total for the first half of 1936 was 10.2 per cent greater than that for the comparable period a year ago. Combined June sales of all wholesaling and jobbing firms reporting to this bank were 0.6 per cent and 24.8 per cent larger, respectively, than a month and a year earlier; first half cumulative total was 1.9 per cent less than for the first six months of 1935. The dollar value of permits issued for new buildings in the five largest cities in June was 30.8 per cent less than in May and 26.3 per cent greater than in June, 1935; for the first six months the total was 39.9 per cent greater than for the first half of 1935. Dollar value of construction contracts let in the Eighth Federal Reserve District during June was 59.9 per cent greater than in May, and 164.8 per cent more than in June, 1935.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, soared to new high levels for the year in late June and the volume was the largest for any like period since 1931. With the exception of coal, the movement of which receded seasonally during the period, increases were shown in all classifications. Loadings of grain were bolstered by the early movement of winter wheat, the output of which in this area is measurably larger than a year ago. The movement of forest products continued its gain over a year and two years earlier and the same was true of the ore and miscellaneous freight classifications. For the first half of this year loadings of miscellaneous freight showed an increase of approximately 13 per cent over the total for the first six months of 1935. Extraordinarily heavy vacation travel continues to be reflected in passenger traffic of the reporting roads, June showing an increase of about one-fourth over last year. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in June was 24 per cent less than in May, but 14 per cent greater than in June, 1935, and for the first half of the year an increase of 23.5 per cent was shown over the like interval in 1935.

The general status of collections during June and the first half of July showed no change from

the favorable trends which have obtained in recent months. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1936.....	3.8%	56.0%	37.5%	2.7%
May, 1936.....	2.9	47.8	47.8	1.5
June, 1935.....	4.3	40.0	51.9	3.8

Commercial failures in the Eighth Federal Reserve District in June, according to Dun and Bradstreet, numbered 33 and involved liabilities of \$443,000, against 40 defaults with liabilities of \$480,000 in May, and 29 failures for a total of \$224,216 in June, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	June, 1936 compared with May '36 June '35		6 months 1936 comp. with same period 1935	June 30, 1936 comp. with June 30, 1935
Boots and Shoes.....	+ 2.8%	+29.5%	-14.0%	+ 9.2%
Drugs and Chemicals..	- 0.8	+14.0	+13.2	+33.5
Dry Goods.....	- 4.3	+30.9	+ 5.5	- 5.8
Electrical Supplies....	+ 0.9	+ 7.9	+12.0	+ 8.2
Furniture.....	+ 8.8	+50.2	+21.8	- 4.1
Groceries.....	+ 8.0	+ 7.4	+ 0.6	- 1.7
Hardware.....	- 2.2	+25.1	+ 8.2	+ 4.4
All above lines.....	+ 0.6	+24.8	- 1.9	+ 1.3

Automobiles — Combined passenger car, truck and taxicab production in the United States in June was 454,487 against 460,565 in May, and 356,340 in June, 1935.

Boots and Shoes — June sales of the reporting firms, which showed a contraseasonal increase of 2.8 per cent over May, represented the largest total for the month since 1930. The increase in the month-to-month comparison was attributed partly to a substantial volume of reordering of summer footwear, and in lesser degree to a pickup in buying for future delivery.

Clothing — The movement of summer apparel through retail channels during June and the first half of July was in considerable volume, and resulted in heavy reordering of goods in that category. June sales of the reporting clothiers declined in the usual seasonal amount from May to June, and the total was 14 per cent smaller than a year ago. During the first half of this year, the volume of sales exceeded that of the like interval in 1935 by 26.8 per cent.

Drugs and Chemicals — For the twelfth consecutive month, June sales in this classification showed an increase over the corresponding period a year earlier. Volume for the first half of the year, which was about one-eighth greater than for the same period in 1935, closely approximated the peak first half year level reached in 1929.



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF AUGUST 31, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Aug. 1, 1936, comp. with Yield 1935	1923-1935 average
Agriculture:		
Estimated yield of 7 crops.....	-13.3%	- 78.7%
Live Stock:		
Receipts at National Stock Yards.....	July, 1936 comp. with June 1936 July, 1935	-11.7% + 2.8%
Shipments from aforesaid Yards.....	-14.2	- 2.5
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+15.5	+ 18.9
Department store sales.....	-20.2	+ 10.5
Car loadings.....	+ 2.4	+ 28.1
Building and Construction:		
Bldg. permits, incl. repairs { Number... + 0.7	+ 4.3	
{ Cost..... +20.6	+ 28.2	
Value construc. contracts awarded.....	- 0.04	+167.8
Miscellaneous:		
Commercial failures { Number.....-27.2	- 17.2	
{ Liabilities.....-53.7	- 32.6	
Consumption of electricity.....	+ 7.9	+ 30.9
Debits to individual accounts.....	- 2.9	+ 17.7
Member Banks (24):		
Gross deposits.....	Aug. 12,'36 comp. with July 15,'36 Aug. 14,'35	- 1.3% + 14.9%
Loans.....	+ 7.0	+ 22.4
Investments.....	- 0.1	+ 9.7

INDUSTRY and commerce in the Eighth District during July and the first half of August continued at or about the levels of the similar period immediately preceding, which marked the high point in the recovery movement. This favorable general status was obtained in face of the severest drouth ever experienced in broad stretches of the territory and a prolonged spell of record high temperatures. In the production and distribution of commodities the usual summer slump failed to materialize, or was present in a much lesser degree than during past years. Demand for merchandise of all descriptions continued on a broad scale and apparently purchasing power was sufficiently high to permit of filling requirements. The improvement in business as a whole, coupled with greater confidence in the price structure, was reflected in a marked increase as compared with a year ago in advance buying of both wholesale and retail merchants. In heavy industries, which have figured prominently in business betterment since the first of the year, activities were well sustained, and sub-

stantial additions to raw material supplies were reported. The general trend of prices was upward.

Of the wholesaling and jobbing lines investigated by this bank, July sales of all but furniture showed increases over June, several contrary to the ordinary seasonal trend, while all recorded increases over July, 1935. Less than the usual seasonal decreases was shown in retail trade from June to July, and the volume was measurably higher than a year ago. Sales of automobiles at retail in July exceeded those of a month and a year earlier. Production of bituminous coal in fields of the district was measurably larger in July than in June, also greater in July, 1935. Reports relative to textile mill activity indicate that operations in this industry through July were sustained at the recent high levels. Further expansion in building and construction activities was reflected in brisk demand for lumber, glass, cement and other building materials. Schedules at iron and steel plants were at an unusually high rate for this time of year. At mid-August ingot production by district mills was at 74 per cent of capacity, an increase of 4 per cent over a month earlier. Consumption of electricity by industrial interests in the principal cities in July was 7.9 per cent and 30.9 per cent greater, respectively, than a month and a year earlier.

As an offset to very favorable exhibit made by trade and industry were effects of the devastating drouth and long spell of searing hot weather which persisted with only spotted interruptions in July and through the first weeks of August. Deterioration of crops from June to July in many important farming areas was the most drastic for the period on record. Hardest hit of the several productions were corn, pastures, hay, legumes and fruit and vegetables. The tobacco crop received some relief from scattered rains, but will be one of the smallest in recent years. Corn production in the district, based on August 1 conditions was estimated at 198,815,000 bushels as against the 13-year (1923-35) average of 326,193,000 bushels, and further sharp deterioration has taken place since this forecast was

made. In the typical drouth areas, livestock has suffered from lack of water and pasturage; milk and egg production declined sharply. Winter wheat turned out much better than expected, with district output above a year ago and the 13-year average. The rice crop is also above a year ago, and prospects for cotton are the best in more than a decade. The south was more favored with rains than other sections of the district, and fair to good yields of the several crops are indicated in many counties, particularly in Mississippi and Arkansas.

As reflected in sales of department stores in the principal cities, the volume of retail trade in July was 20.2 per cent less than in June, and 10.5 per cent greater than in July, 1935; for the first seven months this year, cumulative total was 10.1 per cent in excess of that for the comparable period in 1935. Combined July sales of all wholesaling and jobbing firms reporting to this bank were 15.5 per cent and 18.9 per cent larger, respectively, than a month and a year earlier and for the first seven months the cumulative total was 1.1 per cent larger than for the like interval in 1935. The dollar value of permits issued for new buildings in the five largest cities in July was greater by 20.6 per cent than in June and one-fourth larger than in July last year; for the first seven months the cumulative total was 38 per cent above that of the same interval in 1935. Dollar value of construction contracts let in the Eighth District in July was slightly less than in June and 167.8 per cent greater than in July, 1935; cumulative total for the first seven months was 106.2 per cent larger as compared with the same period in 1935.

According to officials of railroads operating in this district, freight traffic handled during the past thirty days showed a contraseasonal increase over the similar period immediately preceding and was the heaviest for the interval since 1931. Passenger traffic continued the steady increases of recent months, and stimulated by extraordinarily heavy vacation travel, the reporting lines recorded the largest volume for the month in recent years. The low stage of water in the Mississippi River seriously hampered barge line service, despite the continuous operation of dredges under supervision of the United States Engineers. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in July was 8.8 per cent less than in June, and 1.2 per cent less than in July, 1935, but for the first seven months this year an increase of 19.8 per cent was shown over the comparable period a year earlier.

Reports relative to collections during July and the first half of August reflected a slight slowing down as a whole as contrasted with the preceding

thirty days. Some backwardness was noted in payments to retailers in the typical drouth areas, where there is more of a disposition to conserve cash, and liquidation was in less than the expected volume. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1936.....	3.6%	55.6%	38.3%	2.5%
June, 1936.....	3.8	56.0	37.5	2.7
July, 1935.....	2.3	50.7	40.0	7.0

Commercial failures in the Eighth Federal Reserve District in July, according to Dun and Bradstreet, numbered 24 and involved liabilities of \$205,000, which compares with 33 defaults with liabilities of \$443,000 in June and 29 insolvencies for a total of \$303,932 in July, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	July, 1936 compared with June, '36 July, '35		7 months 1936 comp. with same period 1935	July 31, 1936 comp. with July 31, 1935
Boots and Shoes.....	+23.1%	+12.1%	-10.2%	+ 8.0%
Drugs and Chemicals..	+ 0.7	+15.6	+13.6	+10.0
Dry Goods.....	+27.0	+38.5	+ 9.8	-10.3
Electrical Supplies....	+ 3.6	+22.2	+13.3	+18.1
Furniture.....	- 7.7	+54.5	+26.0	- 3.8
Groceries.....	+10.1	+14.0	+ 2.7	+ 9.5
Hardware.....	+ 1.3	+15.1	+ 9.3	+14.0
All above lines.....	+15.5	+18.9	+ 1.1	+ 1.5

Automobiles — Combined passenger car, truck and taxicab production in the United States in July was 440,999 against 452,955 (revised figure) in June and 332,109 in July, 1935.

Boots and Shoes — The increase in sales from June to July was a seasonal manifestation, but somewhat smaller than the average during the past decade. However, the July total was the highest for the month since 1933. The trend of prices on both raw and finished materials was upward, though no specific rise in quotations in the latter were recorded.

Clothing — July sales of the reporting clothiers were 10 per cent greater than in June and about one-fourth in excess of the July, 1935 total. Inventories increased further, stocks on hand as of August 1 being 19 and 32 per cent larger, respectively, than a month and a year earlier. Clearance of lightweight apparel through retail channels was reported the best in a number of years, and despite lateness of the season, there was a fair volume of reordering of goods in that category.

Drugs and Chemicals — The prolonged spell of extremely hot weather was reflected in an unusually brisk demand for seasonal merchandise, and was largely responsible for the increase in July sales over a month and a year earlier shown in the above



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF SEPTEMBER 30, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Sept. 1, 1936, comp. with Aug. 1, 1936	1923-1935 average
Agriculture:		
Estimated yield of 7 crops.....	- 2.1%	- 35.1%
Live Stock:		
Receipts at National Stock Yards.....	+ 4.8%	- 1.6%
Shipments from aforesaid Yards.....	+ 11.6	+ 0.1
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 6.8	+ 14.5
Department store sales.....	+ 5.1	+ 2.7
Car loadings.....	- 2.3	+ 19.7
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	+ 1.0	+ 8.0
{ Cost.....	+ 67.2	+ 62.0
Value construc. contracts awarded.....	- 33.8	+ 45.7
Miscellaneous:		
Commercial failures { Number.....	0	- 25.0
{ Liabilities.....	+ 4.9	- 0.9
Consumption of electricity.....	+ 1.4	+ 20.5
Debits to individual accounts.....	- 11.9	+ 6.8
Member Banks (24):		
	Sept. 16, '36 comp. with Aug. 19, '36	Sept. 18, '35
Gross deposits.....	+ 2.7%	+ 13.1%
Loans.....	+ 4.7	+ 19.0
Investments.....	+ 1.2	+ 9.0

EIGHTH District industry and commerce during August and the first half of September carried still further the improvement which has been in progress with practically no interruption since last fall. A number of favorable influences combined to offset the detrimental effects upon general business and sentiment of the disastrous drouth and prolonged spell of high temperatures which prevailed during the late spring and entire summer. Among these beneficial factors was almost complete absence of the usual summer slump in industrial production, more confident and heavier purchasing of commodities by merchants and ultimate consumers, rising prices of many important raw materials, betterment in business of the railroads, manufacturers of automobiles and other descriptions of machinery, a high rate of operations at textile mills, increased production at mines and sustained activities in the building industry. While the upswing in industry extended to both producers' and consumers' goods, relatively the best showing was made by the former group. Best results achieved

in a number of years were reported by manufacturers of iron and steel, lumber, glass, cement and other building materials.

In certain lines, distribution of fall and winter merchandise was retarded by the hot spell, which in most sections of the district continued through the first half of September. However, the clearance of summer goods, notably apparel, electrical supplies, vacation and tourist equipment was the most thorough in recent years. With the exception of boots and shoes, and electrical supplies, all wholesaling and jobbing lines investigated by this bank increased from July to August, and without exception increases over a year ago were recorded. Retail sales of automobiles decreased seasonally in August from the preceding month, but were approximately 3 per cent larger than in August, 1935. Consumption of electric power by industrial users in the principal centers increased substantially over a year ago and building permits issued for new construction in August were largely in excess of a month and a year earlier. Output of bituminous coal in fields of the district reached the highest total for the month in recent years. Employment as a whole showed slightly greater than the usual seasonal increase.

Under influence of the persistent hot weather and practically unbroken drouth, crop prospects sustained further deterioration during August and early September. Of the principal productions those showing heaviest contraction were cotton, corn, tobacco, certain fruits and vegetables, and forage crops. The condition of pastures as of September 1, according to the U. S. Department of Agriculture, was the lowest of record on that date. As of mid-July prospects were for one of the largest and finest cotton crops ever produced in this area. Lack of rainfall and heat during August reduced the estimated yield by more than 500,000 bales. The corn crop will be one of the smallest in late years; feed and forage are generally short crops. Reflecting shortage of pasturage, milk and egg production decreased sharply. Short water and feed supplies resulted in further liquidation of both cattle and hogs. Prices of farm

products continued at their recent high levels, which fact, coupled with drouth relief measures taken by the Government, will materially assist the rural areas.

Gauged by sales of department stores in the principal cities, the volume of retail trade in August was 5.1 per cent greater than in July and 2.7 per cent in excess of August, 1935; for the first eight months cumulative total was greater by 9.2 per cent than during the comparable period in 1935. Combined sales of all wholesale and jobbing firms reporting to this bank in August were 6.8 per cent and 14.5 per cent larger, respectively, than a month and a year earlier; for the first eight months the aggregate was 3 per cent greater than for the same interval in 1935. The dollar value of contracts for new buildings in the five largest cities in August was 86 per cent greater than in July and 65 per cent above that of August, 1935; cumulative total for the first eight months this year was 42 per cent more than for the same period in 1935. Dollar value of construction contracts let in the Eighth District in August was about one-third less than in July and 45.7 per cent larger than in August a year ago; cumulative total for the first eight months was greater by 95.9 per cent than for the same period in 1935.

The upward movement in the volume of freight traffic handled by railroads operating in this district, which has been in progress since the beginning of the year, continued at a somewhat accelerated pace during August and the first half of September. August volume was the largest for that month since 1931, according to officials of the roads. Factors in the recent gains were the unusually early movement of cotton and heavy loading of coal and miscellaneous freight. Passenger traffic of the reporting lines also carried further the upward trends of recent months, reflecting extraordinarily heavy vacation travel and generally improved business conditions. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in August was 2.7 per cent smaller than in July and 4.9 per cent less than in August, 1935. Operations were hampered to a considerable extent by the low stage of water in the Mississippi River, measuring gauges at many points recording all-time low marks for this time of year.

The status of collections generally through the district during the past thirty days while still reflecting a high average, was somewhat less favorable than earlier in the year. This was true particularly in sections most drastically affected by the drouth.

As a whole results in wholesaling lines were more satisfactory than in the retail section of distribution. In the cotton areas, where harvesting of the crop is in progress, liquidation with both merchants and country banks was in considerable volume. About the usual seasonal betterment was shown in collections of department stores in the principal cities during the first half of September. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
August, 1936.....	2.4%	53.0%	41.0%	3.6%
July, 1936.....	3.6	55.6	38.3	2.5
August, 1935.....	4.7	37.2	53.4	4.7

Commercial failures in the Eighth Federal Reserve District in August, according to Dun and Bradstreet, numbered 24, involving liabilities of \$215,000, which compares with 24 defaults in July, with liabilities of \$205,000 and 32 insolvencies for a total of \$217,000 in August, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	Aug., 1936 compared with July, '36	Aug., '35	8 months 1936 comp. with same period 1935	Aug. 31, 1936 comp. with Aug. 31, 1935
Boots and Shoes.....	- 6.7%	+22.7%	- 6.6%	+10.5%
Drugs and Chemicals..	+ 3.1	+12.7	+13.7	+13.8
Dry Goods.....	+40.2	+ 6.8	+ 9.2	+ 2.4
Electrical Supplies.....	-10.2	+23.1	+15.4	+28.5
Furniture.....	+ 5.6	+19.2	+26.4	- 3.5
Groceries.....	+ 3.8	+11.8	+ 4.2	+ 1.8
Hardware.....	+ 5.0	+10.7	+ 9.4	+ 7.5
All above lines.....	+ 6.8	+14.5	+ 3.0	+ 6.5

Automobiles — Combined passenger car, truck and taxicab production in the United States in August was 271,291 against 440,999 in July and 239,994 in August, 1935.

Boots and Shoes — The decrease in sales from July to August was contraseasonal and was ascribed in large measure to the extremely hot weather and backwardness in buying in the drouth areas. Since September 1, there has been a notable pick-up in ordering for advance shipment, sales during the first half of the month being slightly ahead of a year ago. There were no changes in prices of finished goods, but the trend was upward in sympathy with strength in the hide and leather market.

Clothing — August sales of the reporting clothiers were more than double those of the preceding month and 22 per cent greater than in August, 1935. Inventories decreased 11 per cent between August 1 and September 1, and on the latest date were 14.5 per cent larger than a year earlier. While resulting in one of the most thorough clearance of light-weight apparel in recent years, the hot weather of



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF OCTOBER 30, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Oct. 1, 1936, comp. with Sept. 1, 1936	1923-1935 average
Agriculture:		
Estimated yield of 7 crops.....	+ 1.5%	- 34.2%
Live Stock:		
Receipts at National Stock Yards.....	+10.9%	+ 0.7%
Shipments from aforesaid Yards.....	+19.3	+ 2.7
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 5.6	+ 19.0
Department store sales.....	+42.3	+ 20.6
Car loadings.....	- 5.5	+ 14.2
Building and Construction:		
Bldg. permits, incl. repairs {	Number.....+16.1	- 2.2
Cost.....	-34.3	+ 51.1
Value construc. contracts awarded.....	+33.4	+ 92.2
Miscellaneous:		
Commercial failures {	Number.....-29.2	- 32.0
Liabilities.....	+28.8	- 14.3
Consumption of electricity.....	- 3.6	+ 26.9
Debits to individual accounts.....	+14.7	+ 23.7
Member Banks (24):		
Gross deposits.....	+ 6.1%	+ 14.0%
Loans.....	+ 3.1	+ 18.3
Investments.....	- 0.3	+ 13.8

TRADE and industry in the Eighth District during September and the first half of October continued at an accelerated pace the steady improvement of recent months and attained by wide margins the highest levels of the recovery movement. Despite the fact that the usual summer recession was little in evidence this year, seasonal expansion in a large majority of lines was earlier and more marked than in the preceding four years. Demand for merchandise of all descriptions was on a large scale and, as indicated by freight-car loadings and statistics of wholesale and retail firms reporting to this bank, distribution in September reached the highest volume for the month since 1930. Industrial production increased in more than the ordinary seasonal amount from August to September, with early October reports indicating further expansion in activities. Employment and payrolls at district factories moved further upward during the period, and the number of workers employed in other activities, including agriculture, coal mining, transportation and retail, also increased. In the

iron and steel industry the rate of activities reached the highest point of the year at mid-October, with a particularly favorable showing being made by foundries specializing in railroad and automobile castings and by manufacturers of specialties, such as stoves, farm implements, household appliances, etc.

While mild weather had a tendency to retard the distribution of seasonal merchandise, all wholesaling and jobbing lines investigated by this bank reported September sales as being larger than a year earlier, and with the exception of groceries, electrical supplies, and furniture, which recorded slight declines, all showed increases over the August volume. Sales of automobiles declined from August to September, but the total for the latest month was more than one-third greater than for the same period in 1935. Consumption of electricity by industrial users in the principal manufacturing centers was approximately one-fourth greater than in September a year ago. Production and shipments at lumber mills were maintained at the recent high levels. The dollar value of building permits issued for new construction in the principal cities in September declined below the August total, but was measurably larger than in September, 1935.

As a whole the agricultural situation underwent improvement during the past six weeks. The betterment was attributable mainly to the distinct breaking of the devastating drouth by abundant rainfall in September and early this month. While the moisture came too late to benefit many important crops, it served to revive pastures, supply stock water deficiencies, help late gardens and put the soil in condition for planting fall grains. Some benefit was derived by the cotton and tobacco crops, both of which are turning out better than expected earlier in the season. Feed and forage crops are short, but sufficient roughage has been salvaged by farmers to enable them to carry their livestock through the winter. Fruit and vegetable crops are the smallest produced in this district for many years, and in some important growing areas, the smallest of record. Prices of farm products were well sustained. As of

October 3, the farm products group of the Bureau of Labor Statistics Index stood at 84.5 per cent of the 1926 average, 2.4 per cent higher than on September 5, and only slightly below the recovery high.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in September was 42.3 per cent greater than in August and 20.6 per cent larger than September, 1935; cumulative total for the first three quarters this year was greater by 10.6 per cent than for the comparable period in 1935. Combined sales of all wholesaling and jobbing firms reporting to this bank in September were 5.6 per cent and 19.0 per cent larger, respectively, than a month and a year earlier, and for the first nine months the cumulative total was 4.3 per cent in excess of that for the like period in 1935. The dollar value of permits issued for new buildings in the five largest cities in September fell 42 per cent below August, but was approximately twice as large as a year earlier; cumulative total for the first nine months exceeded that of the comparable period in 1935 by 46 per cent. Dollar value of construction contracts let in the Eighth District in September was one-third greater than in August, and exceeded the September, 1935, amount by 92 per cent; for the first nine months there was an increase of 95 per cent over the comparable interval in 1935.

According to officials of railroads operating in this district, freight traffic handled during the last half of September and the first two weeks of October reached the highest volume for any similar period since 1930. For the first time this year the number of freight-cars loaded on their lines and received from connections exceeded the total recorded in 1931. There was a rather sharp decline in loadings of grain and grain products during the past four weeks, ascribable to crop shortages incident to the drouth. This has been more than counterbalanced by the early and heavy movement of cotton and increases in the coal and coke, ore, forest products and miscellaneous freight classifications. Passenger business of the reporting roads also carried further the steady betterment of recent months. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in September was 8 per cent smaller than in August and 11.5 per cent under the September, 1935, total.

Reports relative to collections during the past thirty days reflected no change worthy of note as contrasted with the similar period immediately preceding. In the principal distributing centers wholesalers and jobbers for the most part reported settlements relatively larger than a year ago. This was

true particularly of boots and shoes, dry goods and other lines with which October is an important collection month. Generally through the south, but especially in the cotton sections, retailers report collections the best in a number of years. Due to the early maturity of the crop and high wages paid cotton pickers, liquidation of indebtedness to merchants and country banks has been in considerable volume. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
September, 1936.....	5.4%	52.7%	40.5%	1.4%
August, 1936.....	2.4	53.0	41.0	3.6
September, 1935.....	4.9	37.8	54.9	2.4

Commercial failures in the Eighth Federal Reserve District in September, according to Dun and Bradstreet, numbered 17, involving liabilities of \$277,000, which compares with 24 defaults in August with liabilities of \$215,000 and 25 insolvencies for a total of \$323,000 in September, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Sept., 1936 compared with Aug. '36	Sept. '35	9 months 1936 comp. with same period 1935	Sept. 30, 1936 comp. with Sept. 30, 1935
Boots and Shoes.....	+ 8.4%	+20.8%	- 3.6%	+12.2%
Drugs and Chemicals..	+15.8	+17.2	+ 9.6	+ 8.1
Dry Goods.....	+ 2.9	+21.1	+11.0	+ 3.9
Electrical Supplies.....	- 1.5	+24.1	+15.2	+25.9
Furniture.....	- 1.9	+17.4	+25.4	+ 7.5
Groceries.....	- 0.5	+12.0	+ 5.1	+13.2
Hardware.....	+ 4.5	+13.9	+ 9.9	+ 1.3
All above lines.....	+ 5.6	+19.0	+ 4.3	+ 6.5

Automobiles — Combined passenger car, truck and taxicab production in the United States in September was 135,130 against 271,291 in August, and 87,540 (revised figure) in September, 1935.

Boots and Shoes — September sales of the reporting firms were the largest for the month since 1930, and represented the highest dollar value for any month since May, 1935. Betterment extended through practically all lines, but was outstanding in women's and children's styled and specialty footwear. Production declined from August to September, but in less than the usual seasonal amount. Prices were firm, but unchanged from the preceding thirty days.

Clothing — The unseasonably mild weather during September tended to hold down the movement of seasonal apparel through retail channels, particularly women's suits. However, effects of the warm weather were more than counterbalanced by increased demands generally through the district, and September sales of the reporting clothiers were more than one-third larger than for the same month



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF NOVEMBER 30, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Nov. 1, 1936, comp. with Oct. 1, 1936	1923-1935 average
Agriculture:		
Estimated yield of 7 crops.....	+ 1.6%	-33.1%
Live Stock:		
Receipts at National Stock Yards.....	+ 9.7%	+ 2.9%
Shipments from aforesaid Yards.....	+ 8.1	+11.0
Production and Distribution:		
Sales by mfrs. and wholesalers.....	- 0.6	+15.8
Department store sales.....	+19.2	+27.9
Car loadings.....	+ 7.6	+ 9.3
Building and Construction:		
Bldg. permits, incl. repairs	{ Number...+ 3.8	+17.8
	{ Cost.....-17.3	+25.4
Value construc. contracts awarded.....	-33.7	+ 6.0
Miscellaneous:		
Commercial failures	{ Number.....+52.9	-29.7
	{ Liabilities.....+36.8	-20.5
Consumption of electricity.....	- 2.2	+21.4
Debits to individual accounts.....	+16.6	+17.8
Member Banks (24):		
	Nov. 11, '36	comp. with
	Oct. 14, '36	Nov. 13, '35
Gross deposits.....	+ 0.8%	+11.6%
Loans.....	+ 1.5	+19.4
Investments.....	- 1.6	+ 9.8

GENERAL business in the Eighth District during October and the first weeks of November carried further forward the upward trends which, in greater or lesser degree, have characterized the past eighteen months. Virtually all measurements employed in gauging trade and industrial conditions reflected notable progress in the direction of recovery, and in a number of instances, production and distribution of commodities reached the highest levels since the predepression era. The betterment in concrete results extended as well to sentiment in the business community and general public and was reflected in freer and more confident purchasing of a wide variety of goods by merchants and ultimate consumers. The volume of retail trade in October increased over the preceding month and a year ago. Reports covering the first half of November indicate substantial gains in all sections of the district over the same period in 1935. All wholesaling and jobbing lines investigated by this bank recorded increases in October over that

month in 1935 and a number showed contraseasonal increases over September this year.

Activities in the iron and steel industry, which during the summer months had failed to develop the usual seasonal contraction, have expanded steadily since early fall, and at mid-November reached the peak of the upward movement. Consumption of pig iron and scrap by district mills and foundries in October was the largest for the month since 1930. Production of bituminous coal in fields of the district was measurably higher in October than a month and a year earlier. Consumption of electric current by industrial users in the principal centers, while falling slightly below September, was approximately one-fifth greater than in October, 1935. Distribution of automobiles also declined from September to October, but for the latest month was about one-fifth larger than a year ago. Shipments and production of lumber maintained their recent high levels and were considerably above a year ago. Activities at textile mills showed little change in October as contrasted with the preceding month. Taken as a whole, marked improvement in employment conditions was evident.

October and early November weather was in the main auspicious for maturing and harvesting of late crops. Moderate improvement took place in prospects for a number of productions, including tobacco, corn, potatoes and pastures. Marked betterment in the prospective yield of cotton from September to October was reflected in the U. S. Department of Agriculture's report as of November 1. Withal, late harvesting returns are emphasizing the dire effects of the drouth which prevailed in the district during the late spring, summer and early autumn. Excepting wheat and cotton, all crops will be considerably below average. Shortages of feed grains are outstanding, and yields of fruits and vegetables are the smallest in recent years. Late fall rains have resulted in almost ideal conditions for preparing seed beds and planting winter wheat and other fall grains. Harvesting of cotton and corn has progressed rapidly, and at mid-November the

tobacco crop had been cut and housed. Prices of farm products have been maintained at the relatively high levels of recent months.

Measured by sales of department stores in the principal cities of the district, retail trade in October was 19.2 per cent greater than in September and 27.9 per cent larger than in October, 1935; cumulative total for the first ten months this year exceeded that of the comparable period in 1935 by 12.8 per cent. Combined sales of all wholesaling and jobbing firms reporting to this bank in October were 0.6 per cent less than in September, but 15.8 per cent larger than in October a year ago; for the ten months this year the total was 5.7 per cent above that for the same time in 1935. The dollar value of permits issued for new buildings in the five largest cities in October was 28.1 per cent less than in September and 18.1 per cent more than for the same month in 1935; for the first ten months the cumulative amount was 43.3 per cent larger than a year ago. The value of construction contracts let in the Eighth District in October was one-third less than in September, but 6.0 per cent greater than in October, 1935; cumulative total for the first ten months this year was 81.9 per cent in excess of that for the like interval in 1935.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, continued in considerably greater volume than during the preceding five years. During the closing weeks of October and the first half of November, tonnage handled showed much less than the usual seasonal decline. For the first ten months this year cumulative loadings were the largest for any similar period since 1930. Increases over a year ago were recorded in all classifications, but were most pronounced in fuels, ore, forest products and miscellaneous freight. L. C. L. Southern roads have been benefited by the large cotton crop and early movement of that staple to market. During October passenger traffic of the reporting roads continued the steady betterment noted during earlier months this year. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in October showed an increase of 1.3 per cent over September and a decrease of 16.3 per cent as compared with October, 1935. For the first ten months this year, cumulative tonnage was 9.3 per cent larger than for the same period a year ago.

Generally through the district, collections during the past thirty days maintained the high averages of the past eighteen months. Merchants and bankers in the cotton areas reported a considerable

volume of liquidation including debts of long standing. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

		Excellent	Good	Fair	Poor
October, 1936.....		9.8%	52.8%	36.0%	1.4%
September, 1936.....		5.4	52.7	40.5	1.4
October, 1935.....		3.4	45.5	48.9	2.2

Commercial failures in the Eighth Federal Reserve District in October, according to Dun and Bradstreet, numbered 26, involving liabilities of \$379,000, which compares with 17 defaults in September with liabilities of \$277,000 and 37 insolvencies for a total of \$477,000 in October, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	compared with Sept. '36	Oct. '35	10 months 1936 comp. with same period 1935	Oct. 31, 1936 comp. with Oct. 31, 1935
Boots and Shoes.....	-13.6%	+ 0.6%	- 3.2%	+ 3.8%
Drugs and Chemicals..	+ 7.6	+26.8	+11.0	+ 4.9
Dry Goods.....	+ 6.0	+31.5	+13.8	+11.3
Electrical Supplies.....	+19.5	+40.5	+17.5	+12.8
Furniture.....	- 1.4	+27.1	+27.2	+22.2
Groceries.....	- 0.5	+ 5.5	+ 5.4	+ 7.0
Hardware.....	+16.2	+22.9	+11.5	+ 2.8
All above lines.....	- 0.6	+15.8	+ 5.7	+ 7.3

Automobiles — Combined passenger car, truck and taxicab production in the United States in October was 224,628 against 135,130 in September, and 272,043 in October, 1935.

Boots and Shoes — The decline in sales from September to October, shown in the above table, was seasonal in character, but somewhat larger than the usual experience. This was attributed to the extraordinarily heavy purchasing during the earlier month. October production also declined to a somewhat greater extent than is ordinarily the case, but output compared favorably with the corresponding period last year. Prices were unchanged during the past thirty days, but the average continued from 2 to 3 per cent above a year ago.

Clothing — October sales of the reporting clothiers showed an increase of 1.0 per cent over the preceding month, and the total was approximately one-fourth greater than in October, 1935. Inventories decreased 11.0 per cent between October 1 and November 1, and on the latest date were 14 per cent greater than a year earlier. The movement of heavyweight apparel through retail channels has picked up since November 1 under stimulus of more seasonable weather. Ordering for distribution next spring is reported in measurably larger volume than at the same time last year.

Drugs and Chemicals — Business in this classification continued the steady betterment of recent



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

RELEASED FOR PUBLICATION ON THE MORNING OF DECEMBER 31, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Dec. 1, 1936, comp. with Nov. 1, 1936	1923-1935 average
Agriculture:		
Estimated yield of 7 crops.....	+ 0.7%	-32.6%
Live Stock:		
Receipts at National Stock Yards.....	+ 8.6%	+29.6%
Shipments from aforesaid Yards.....	- 5.1	+16.9
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-13.3	+ 7.6
Department store sales.....	-15.0	+ 9.8
Car loadings.....	- 2.1	+21.6
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	-11.4	+29.0
{ Cost.....	+29.5	+55.3
Value construc. contracts awarded.....	-29.1	+30.8
Miscellaneous:		
Commercial failures { Number.....	- 3.8	-26.5
{ Liabilities.....	+62.2	+45.9
Consumption of electricity.....	- 5.3	+15.9
Debits to individual accounts.....	-13.3	+ 7.0
Member Banks (24):		
	Dec. 16, '36 Nov. 18, '36	comp. with Dec. 18, '35
Gross deposits.....	+ 0.9%	+14.1%
Loans.....	+ 3.3	+20.3
Investments.....	+ 3.2	+10.7

THE marked upward swing in commerce and industry in the Eighth District, noted in recent issues of this Review, continued at an accelerated pace during the past thirty days, and at mid-December the situation as a whole was more encouraging than at any time since the beginning of the recovery period. Practically all of the measurements employed to gauge business conditions indicate that the betterment has been comprehensive, extending to both production and distribution of commodities and the compensation for and volume of service performed. Manufacturing activities in a majority of lines, including durable goods, have been maintained at approximately the high levels which have obtained since the late summer. Important interests in certain classifications, notably iron and steel, have signified that they will omit or curtail the usual closing in December for inventorying, repairs, etc., pressure for deliveries by customers necessitating continuous operations. Activities in the textile industry have been well sustained, and

the same is true of lumber, glass, quarry products and mining. As contrasted with the similar period a year and two years earlier, marked improvement was noted in the employment situation, with the increased number of workers employed being accompanied by a relatively greater improvement in payrolls. For the first time in a number of years, compensation of employees of numerous business concerns have been augmented by bonuses, as well as higher wage and salary payments.

With the exception of boots and shoes, all wholesaling and jobbing lines investigated by this bank showed a larger volume of sales in November this year than last, and in some classifications the total for the month was the largest since 1929. Reports covering the first half of December indicate that volume for the full month will measurably exceed that for December, 1935. However, interest in merchandising centered chiefly in the retail trade, which since the first week in November has developed notable improvement as contrasted with the similar period during the preceding several years. Demand for commodities of all descriptions is on an extensive scale. Christmas holiday trade got under way earlier than usual, and was stimulated in considerable degree by the favorable weather. Retailers in both the large urban centers, and the country report that while gift buying has been largely of necessities, sales of confections, toys, jewelry and other luxury goods have been in larger volume than in any season since the predepression era.

Under generally favorable weather conditions, harvesting and housing of late crops made rapid progress and these operations were accomplished with a minimum of loss to quantity and quality. Latest returns indicate no material variations from forecasts of yields made by the U. S. Department of Agriculture in its earlier reports. Winter wheat was seeded somewhat later than usual, and in the principal growing areas the plant has made good growth and is in strong position for entering the dormant period. The tobacco markets opened in early Decem-

ber for sale of the 1936 crop with fair offerings, and average prices the highest in recent years. Prices of farm products as a whole have advanced further. In the second week of December cotton advanced to the highest point of the present crop year, and wheat prices were the highest recorded in seven years.

According to officials of railroads operating in this district, freight traffic opposed strong resistance to the usual seasonal influences and continued in greater volume than at any similar period since 1930. As contrasted with a year earlier, increases were recorded in all classifications, with the most pronounced gains shown in ore, coke, forest products and miscellaneous freight. Reflecting the high rate of activities at metal smelting establishments, the movement of metallurgical coke reached the highest volume in recent years during November and early December. As has been the case during each month earlier this year, passenger traffic of the reporting lines in November showed a substantial increase over the corresponding month in 1935. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in November was slightly less than in October and 14 per cent smaller than in November, 1935. For the first eleven months this year, cumulative tonnage was 7.0 per cent greater than during the comparable period a year ago.

Reports relative to collections during the past thirty days reflected no change from the favorable trends earlier in the year. Wholesaling and jobbing interests in the chief distributing centers report December 1 settlements as comparing favorably with a year earlier. Liquidation with both merchants and bankers in the typical cotton and rice areas continued in substantial volume. Opening of the tobacco markets for the 1936 crop with large initial offerings and relatively high prices, tended to stimulate the collections in the tobacco districts. In the main, retailers in the principal urban centers report they are getting in their money promptly, with marked improvement in installment payments as contrasted with last year. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
November, 1936.....	9.5%	52.5%	36.7%	1.3%
October, 1936.....	9.8	52.8	36.0	1.4
November, 1935.....	2.7	50.8	42.6	3.2

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 25 involving liabilities of \$553,000, which compares with 26 insolvencies with

liabilities of \$379,000 and 34 defaults for a total of \$341,000 in November, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Nov. 1936 compared with Oct. '36 Nov. '35		11 months 1936 comp. with same period 1935	Nov. 30, 1936 comp. with Nov. 30, 1935
Boots and Shoes.....	- 7.0%	- 9.0%	- 3.7%	+ 7.9%
Drugs and Chemicals..	-14.1	+19.0	+11.3	+11.9
Dry Goods.....	-17.5	+23.1	+14.8	+24.0
Electrical Supplies.....	- 2.9	+49.5	+20.1	+28.7
Furniture.....	-21.6	+42.1	+29.6	- 0.1
Groceries.....	-12.2	+ 4.7	+ 5.4	+ 8.4
Hardware.....	-19.4	+16.1	+11.9	+12.9
All above lines.....	-13.3	+ 7.6	+ 5.9	+15.3

Automobiles — Combined passenger car, truck and taxicab production in the United States in November was 394,890 against 224,628 in October, and 395,059 in November, 1935.

Boots and Shoes — The decrease in November sales of 9.0 per cent under the same month last year, as shown in the above table, was due to exceptionally heavy contract business by two of the leading interests during the earlier period. However, with the exception of November, 1935, the volume this year was the largest for the month since 1929. The decrease in the month-to-month comparison was seasonal in character, and about the usual proportions. The trend of prices of finished goods was upward in sympathy with the steady rise in raw materials during the past several months.

Clothing — November sales of the reporting interests were approximately one-fifth greater than during the preceding month and 6.0 per cent in excess of November a year ago. Inventories decreased 33.0 per cent between November 1 and December 1, and on the latest date were 10.5 per cent smaller than a year earlier. The movement of seasonal apparel through retail channels generally in the district has been in greater than expected volume, and reordering of men's suits and topcoats since mid-November is reported in considerable volume. Sales of work clothes, including uniforms and overalls, during October and November, were the largest in volume for any two-month period since the pre-depression era.

Drugs and Chemicals — November sales in this classification were the largest for that month since 1929. The increase over a year ago was distributed through all lines, but particularly pronounced in luxury and holiday goods. As has been the case during the past eighteen months, demand for heavy drugs and chemicals from the general manufacturing trade continued to expand. According to two of the leading reporting interests, sales of cosmetics



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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF JANUARY 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Dec. 1936	comp. with Nov. 1936	Dec. 1935
Live Stock:			
Receipts at National Stock Yards.....	2.7%	+ 7.0%	
Shipments from aforesaid Yards.....	2.6	+ 0.5	
Production and Distribution:			
Sales by mfrs. and wholesalers.....	14.5	+22.3	
Department store sales.....	+ 63.6	+18.6	
Car loadings.....	+ 4.8	+26.6	
Building and Construction:			
Bldg. permits, incl. repairs { Number.....	16.5	+52.3	
{ Cost.....	+291.4	+70.9	
Value construc. contracts awarded....	+ 3.7	-42.2	
Miscellaneous:			
Commercial failures { Number.....	+ 25.0	- 3.0	
{ Liabilities.....	59.3	-44.2	
Consumption of electricity.....	- 2.5	+15.9	
Debits to individual accounts.....	+ 20.1	+23.8	
Member Banks (24):	Jan. 13,'37 Dec. 16,'36	comp. with Jan. 15,'36	
Gross deposits.....	+ 1.2%	+13.4%	
Loans.....	- 1.3	+19.2	
Investments.....	+ 1.3	+ 5.6	

EIGHTH District commerce and industry during the past thirty days continued the notable improvement which had marked earlier months in 1936. Allowing for seasonal factors the rate of business activity during December was at the highest level for the year and represented the peak of the recovery period. As a whole industrial production declined in considerably less than the usual seasonal amount, and in a number of important phases of manufacturing, there was no evidence of the recession which ordinarily occurs at this time of year. Bolstered by the heaviest holiday trade since the predepression era, retail distribution in December expanded to the highest volume of the year, and for that particular month since 1929. Cumulative retail sales for 1936 were approximately 12 per cent in excess of volume for the preceding year. All wholesaling and jobbing lines investigated by this bank showed increases in December over a year earlier, and five important classifications, including drugs and chemicals, furniture, groceries and hardware, recorded contraseasonal gains over November. Combined total, for the year of wholesaling and jobbing firms reporting to this bank was the highest since 1930. Reflecting the heavy volume

of commodity distribution, freight traffic of railroads operating in this district was 18.5 per cent greater than in 1935, and the highest since 1931. Riverborne traffic in 1936 was 7 per cent greater than in 1935, and heaviest in the history of Federal Barge Line between St. Louis and New Orleans.

The revival in building during 1936 was reflected in notable expansion in demand for all descriptions of building materials. Production of lumber, glass, cement, fire-clay products, stone, etc., in this general area, according to preliminary reports, exceeded that of the preceding year, and represented the largest total since the predepression era. Activities in the iron and steel industry increased steadily through 1936, and the rate since resumption of operations following the holidays has reached levels which obtained at mid-December, at which time the peak of the year was recorded. Betterment extended to virtually all sections of the industry. Shipments to and consumption of pig iron by district melters in 1936 represented the highest totals since 1929. At the end of the year ingot production at mills in this area was at 80 per cent of capacity. Production of bituminous coal at mines in fields of the district increased contraseasonally from November to December, and for the twelve months of 1936, tonnage lifted was greater by 12 per cent than in 1935. Although employment in industry averaged only about 8 per cent above 1935, available statistics indicate payrolls increased from 12 to 16 per cent.

Agricultural incomes of farmers in states partly or entirely within the Eighth Federal Reserve District, according to the U. S. Department of Agriculture estimates, was 23 per cent greater in 1936 than in 1935, and approximately 63 per cent in excess of the average for the 4-year (1932-1935) period. These results were achieved in face of the severest drouth of record in this general area, and do not include revenue derived from livestock and livestock products. Quite generally, but more particularly in the southern states, the economic status of farmers at the end of 1936 was the most favorable in a number of years. While practically all crops, other than cotton and wheat were below average, deficiency

in yield was more than counterbalanced by high prices realized by producers. Tobacco markets for the 1936 crop, which opened in December have been featured by the highest average prices in recent years. While weather in the immediate past has been unfavorable for field work, preparation for spring crops and general farm routine is up to the usual seasonal schedule. Condition of winter wheat as of January 1 was reported in the main favorable.

Gauged by sales of department stores in principal cities, volume of retail trade in December was 63.6 per cent greater than in November and 18.6 per cent in excess of the December, 1935, total; for the year 1936 the volume was 12.3 per cent greater than in 1935. Combined December sales of all wholesaling and jobbing firms reporting to this bank were 14.5 per cent less than in November, but 22.3 per cent greater than in December, 1935; for the year, sales of these firms were 7 per cent larger than the 1935 total. The value of permits let for new buildings in the five largest cities in December was about three and one-half times larger than in November and 160 per cent greater than in December, 1935; for the year 1936 the total was 74 per cent in excess of that for the preceding 12-month period. Construction contracts let in the Eighth District in December were 4 per cent larger than in November but 42 per cent below December last year; for 1936 the aggregate was one-half larger than in 1935.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, showed considerably less than the average seasonal decline during the past thirty days. The volume exceeded that of any similar period since 1930, and for the twelve months of 1936 aggregate tonnage handled was the largest since 1931. Increases during the thirty-day period over a year earlier were recorded in all classifications, but were particularly noticeable in merchandise L. C. L., forest products, ore and miscellaneous freight. Passenger traffic of the reporting roads continued at an accelerated pace the steady gains of earlier months in 1936, being bolstered by the heaviest holiday and tourist travel since the predepression era. Tonnage handled in December by the Federal Barge Line between St. Louis and New Orleans fell 40 per cent below November, but was 5 per cent greater than in December, 1935; the total for 1936 exceeded that of the preceding year by approximately 7 per cent.

Collections generally throughout the district maintained the high level of efficiency which has marked the past eighteen months. Rapid marketing of the tobacco crop and high prices realized by producers have resulted in considerable volume of liqui-

dation with both merchants and banks in the typical tobacco areas. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
December, 1936.....	6.1%	60.6%	31.8%	1.5%
November, 1936.....	9.5	52.5	36.7	1.3
December, 1935.....	4.8	51.0	42.2	3.5

Commercial failures in the Eighth Federal Reserve District in December, according to Dun and Bradstreet, numbered 32, involving liabilities of \$225,000, which compare with 25 insolvencies in November with liabilities of \$553,000 and 33 failures for a total of \$403,000 in December, 1935. In 1936 there were 372 failures with total liabilities of \$4,709,000, against 415 defaults in 1935 involving \$4,259,000 of liabilities. In the depression year 1932 the number of failures was 1,467, with liabilities of \$45,568,526.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Dec. 1936 compared with Nov. '36		12 months 1936 comp. with same period 1935	Dec. 31, 1936 comp. with Dec. 31, 1935
	Nov. '36	Dec. '35		
Boots and Shoes.....	-23.2%	+10.4%	- 2.9%	- 6.1%
Drugs and Chemicals..	+ 3.8	+19.5	+12.1	+ 7.2
Dry Goods.....	-28.3	+32.4	+16.0	+25.7
Electrical Supplies.....	+21.6	+28.0	+20.0	+90.3
Furniture.....	+ 8.4	+63.5	+32.2	+ 6.3
Groceries.....	+ 6.5	+15.2	+ 6.1	+21.5
Hardware.....	+ 3.6	+33.2	+13.5	+25.3
All above lines.....	-14.5	+22.3	+ 7.0	+16.6

Automobiles — Combined passenger car, truck and taxicab production in the United States in December was 498,721 against 394,890 in November, and 404,528 in December, 1935.

Boots and Shoes — The decrease in sales from November to December was seasonal in character, but smaller than average during the past several years. In anticipation of heavy spring and summer demands, inventories increased considerably, stocks as of January 1 being approximately 10 per cent greater than a month earlier. While there were no changes in prices of finished goods, the trend was upward in sympathy with the rise in leather and other raw materials.

Clothing — Sales of the reporting firms in December were 12.6 per cent smaller than in November and about one-fourth greater than a year earlier. Inventories continued to expand, stocks on January 1 being 30 per cent and 20 per cent greater, respectively, than a month and a year earlier. Advance ordering of spring and summer lines was reported considerably in excess of the volume a year and two years earlier. Clearance of heavyweight apparel through retail channels was reported the most thorough in recent years.



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RELEASED FOR PUBLICATION ON THE MORNING OF FEBRUARY 27, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Jan. 1937 Dec. 1936	comp. with Jan. 1936
Live Stock:		
Receipts at National Stock Yards.....	7.1%	- 5.0%
Shipments from aforesaid Yards.....	4.3	-16.8
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+28.4	+29.3
Department store sales.....	-56.2	+ 9.7
Car loadings.....	- 0.5	+17.8
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	-35.4	+ 6.2
{ Cost.....	-87.1	+ 9.9
Value construc. contracts awarded.....	+46.2	+35.2
Miscellaneous:		
Commercial failures { Number.....	-18.7	-26.0
{ Liabilities.....	+ 5.8	-40.9
Consumption of electricity.....	+ 2.0	+32.8
Debits to individual accounts.....	-18.5	+ 4.8
Member Banks (24):	Feb. 10,'37 Jan. 13,'37	comp. with Feb. 12,'36
Gross deposits.....	- 0.5%	+12.6%
Loans.....	- 1.0	+22.6
Investments.....	- 0.2	+ 6.9

GAUGED by available statistics, data and a majority of measurements usually employed in determining business changes, quite distinctly improving tendencies developed in activities in the Eighth District during January and the first half of February. Demand for merchandise of all descriptions continued on an extensive scale, and while distribution through both wholesale and retail channels in January showed about the average seasonal decline from December, the total for the month was measurably larger than in January, 1936, also larger for that month in all years since the predepression period. In a number of manufacturing lines the steady expansion of recent months was carried further forward. This was true particularly of durable goods, and more especially the iron and steel industry. The melt and deliveries of pig iron to melters in this area during January recorded the highest totals for any month since 1930, and the daily average during the first two weeks of February exceeded that of the entire month of January. There was a moderate decrease in production of bituminous coal in fields of this general area, due in part to disabilities occasioned by the flood. For the same reason lumber output

decreased moderately, but new orders and shipments continue well in excess of production. Consumption of electric power by industrial users in the principal manufacturing centers, other than those affected by floods, showed increases in January over a month and a year earlier.

Without exception all wholesale lines investigated by this bank showed January sales larger than a year ago, with particularly favorable exhibits being made by boots and shoes, furniture, electrical supplies, and dry goods. Generally moderate retail stocks and the relatively early date of Easter had a stimulating effect on ordering apparel, dry goods, boots and shoes, and some other lines. There was a moderate increase in employment during January, and since the first of February the number of idle workers has been reduced by settlement of labor difficulties in the automotive industry, increased schedules in iron and steel plants, and seasonal agricultural activities. The trend of wholesale prices showed little change during the past thirty days, but as of the week ended February 13 the Bureau of Labor's index was 5 per cent higher than a year ago.

In January and February the most disastrous flood of record occurred in the valley of the Ohio River and its tributaries. The brunt of the inundation was sustained by territory within the Eighth District, mainly in the states of Kentucky, Indiana, Missouri and Illinois. According to a compilation made by the American National Red Cross, 216 counties were flooded in greater or lesser degree, of which 135 were located in this district. Of the 1,099,384 persons whose homes were flooded, 766,752 were in the Eighth District. As yet no complete survey has been made to determine actual losses caused by the high water, but in this area unofficial estimates run from \$350,000,000 to as high as \$500,000,000, including all descriptions of property, but excluding loss to business from disrupted trade and lessened purchasing power. Rehabilitation work commenced with the recession of the floods and has made marked progress in both the cities and rural areas. The fact that the floods came so early in the

year is a saving factor in that the terrain in most of the affected territory should be sufficiently dry in time to permit of planting spring crops.

As measured by sales of department stores in the leading cities, the volume of retail trade in January was 56.2 per cent less than in December, but 9.7 per cent greater than in January, 1936. Combined sales of all wholesaling and jobbing firms reporting to this bank in January were 28.4 per cent and 29.3 per cent greater, respectively, than a month and a year earlier. The value of permits let for new construction in the principal cities in January was 92.5 per cent less than in December and 15.9 per cent smaller than in January a year ago. Construction contracts let in the Eighth District in January were 46.2 per cent greater than in December and 35.2 per cent larger than in January, 1936.

The movement of freight during January and the first half of February by railroads operating in this district, according to the reporting lines, was in larger volume than in any similar period since 1931. As compared with a year ago there were notable increases in the forest products, ore, merchandise L. C. L. and miscellaneous freight classifications and decreases in grain and grain products, coal and coke. The relatively mild winter was responsible for the smaller movement of fuels. In addition to serious delays in the movement of freight in the flooded areas, particularly at Ohio River crossings, railroads that were affected sustained substantial damage to roadbeds and equipment. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in January was smaller by 24 per cent than in December and by 19 per cent than in January, 1936.

Reports relative to collections during the past thirty days reflect spottiness and generally less satisfactory results than during the preceding eighteen months. This was ascribed to effects of the flood and interference with the usual facilities of trade. Wholesalers in St. Louis and other large distributing centers report February settlements in relatively smaller volume than a year ago, with a number of requests for extensions. Except in sections affected by the high waters, retail payments continue at recent high levels. Questionnaires addressed to representative interests scattered through the district show the following results:

	Excellent	Good	Fair	Poor
January, 1937.....	2.5%	46.4%	40.6%	10.5%
December, 1936.....	6.1	60.6	31.8	1.5
January, 1936.....	1.3	45.0	41.3	12.4

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and

Bradstreet, numbered 26, involving liabilities of \$238,000, as against 32 insolvencies in December with liabilities of \$225,000 and 35 defaults for a total of \$403,000 in January a year ago.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks
	January, 1937 comp. with Dec. 1936	Jan. 1936	Jan. 31, 1937 comp. with Jan. 31, 1936
Boots and Shoes.....	+89.8%	+45.0%	-15.0%
Drugs and Chemicals.....	-10.8	+15.1	+31.7
Dry Goods.....	+12.9	+14.6	+35.6
Electrical Supplies.....	-52.2	+59.0	+38.1
Furniture.....	-11.4	+65.9	+ 6.4
Groceries.....	-11.3	+ 4.3	+ 5.8
Hardware.....	- 2.5	+17.1	+51.1
All Above Lines.....	+28.4	+29.3	+23.1

Automobiles — Combined passenger car, truck and taxicab production in the United States in January was 379,843 against 498,721 in December, and 364,004 in January, 1936.

Boots and Shoes — Reversing the experience of a year ago, January sales of the reporting interests, as shown in the above table, recorded a substantial gain over the same month a year earlier. The decrease in January, 1936, as compared with January, 1935, was attributable to an extraordinarily heavy volume of advance buying during the earlier period in anticipation of price advances. The increase from December to January was seasonal in character and of about the average proportions. Reflecting the relatively heavy manufacturing operations of the past several months, stocks as of February 1 were 8.3 per cent greater than a month earlier, but 15 per cent less than a year ago. In sympathy with raw materials, the trend of prices was upward, with specific advances announced by several interests on certain of their products.

Clothing — January sales of the reporting firms were about one-fourth smaller than in December, but 7 per cent greater than the January, 1936, total. Inventories continue to increase, stocks as of February 1 being 26 and 19 per cent larger, respectively, than a month and a year earlier. Advance ordering of apparel for spring and early summer distribution was reported in measurably larger volume than at this time last year, or during the preceding several seasons. The unusually mild winter, especially in January and early February, has had a detrimental effect on the movement of heavy weight clothing, and clearance of goods in this category is expected to be less thorough than a year ago.

Drugs and Chemicals — Heavy calls for remedial drugs from the flood areas and prevalence of illness generally throughout the district were in large measure accountable for the increase of 15



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RELEASED FOR PUBLICATION ON THE AFTERNOON OF MARCH 31, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Feb. 1937 Jan. 1937	comp. with Feb. 1936
Live Stock:		
Receipts at National Stock Yards.....	-20.3%	+ 5.7%
Shipments from aforesaid Yards.....	-19.8	-12.4
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-15.7	+25.8
Department store sales.....	+ 4.2	+ 7.0
Car loadings.....	+ 0.4	+16.2
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	+50.4	+80.0
{ Cost.....	+18.7	+48.5
Value construc. contracts awarded.....	-38.1	+31.9
Miscellaneous:		
Commercial failures { Number.....	-26.9	-62.0
{ Liabilities.....	-31.9	-77.6
Consumption of electricity.....	-19.1	- 3.4
Debits to individual accounts.....	- 8.9	+ 9.3
Member Banks (24):	Mar. 10,'37 Feb. 10,'37	comp. with Mar. 11,'36
Gross deposits.....	- 2.5%	+ 9.8%
Loans.....	+ 2.0	+24.1
Investments.....	+ 0.03	+ 7.0

BUSINESS activity in the Eighth Federal Reserve District during February and the first half of March increased somewhat as contrasted with the similar period immediately preceding and was measurably higher than a year ago. The rate of improvement in early March was considerably more marked than was the case in February. During the earlier month flood conditions over a broad and important section of the district served to hamper business more or less seriously in the territory affected. However, with the recession of flood waters and rapid progress of rehabilitation operations, near-normal conditions are being restored in larger cities, also in a large part of the rural areas which suffered from the inundation. Despite the mild weather which prevailed during February, distribution of merchandise through retail channels continued in large volume and, according to reports received by this bank, clearance of winter goods was the most complete in recent years. The relatively early Easter date, coupled with generally improved economic conditions, had a stimulating effect on the movement of apparel and other seasonal merchandise.

Taken as a whole, production at manufacturing plants showed a somewhat greater than seasonal increase, with practically all lines recording increases over a year ago. The most favorable showing was made in the iron and steel industry where activities were stimulated by broadening demands of the railroads, farm implement and tractor manufacturers and other important consuming groups. Shipments of pig iron and other raw materials to foundries and mills during February increased moderately over January, and were the largest for the month since 1929. Activities at textile mills were well sustained, and higher than seasonal operations were the rule at plants producing foods and beverages. There was little change from January to February in output of lumber mills in the district, but orders booked continue to exceed current production. There was a slight recession in production of bituminous coal at district mines. Consumption of electricity by industrial users in the chief cities in February decreased under the preceding month and a year ago, the decline was due entirely to flood conditions, all cities other than Louisville and Evansville showed increases over February, 1936. Sales of automobiles showed about the usual seasonal decline from January to February, but the total for the latest month was measurably greater than a year earlier.

Quite generally throughout the district, agricultural operations during the past thirty days have been interfered with by precipitation, and preparations for seeding spring crops at mid-March were behind the usual seasonal schedule. A considerable part of the farm land has drained sufficiently to permit of its being worked, but there are also numerous farms in the bottoms along the Ohio and Mississippi Rivers on which water is still standing and a number of weeks of dry weather will be required to put them in condition for plowing. Tobacco markets for the 1936 crop have been for the most part closed. Average prices received for the crop were the highest in recent years. The condition of the growing wheat crop is reported for the most part favorable. The heavy snows in early March were beneficial for

all fall sown grains, as well as greatly improving subsoil conditions. Prices of farm products generally were sustained at their recent high levels. As of the week ended March 6, the farm products group in the Bureau of Labor Statistics Price Index stood at 86.1 per cent of the 1926 average, which compares with 85.4 per cent on February 6, 79.7 per cent on March 7, 1936 and 60.2 per cent on March 11, 1933.

Gauged by sales of department stores in the leading cities of the district the volume of retail trade in February was 4.2 per cent greater than in January and 7.0 per cent larger than in February, 1936; cumulative sales for the first two months this year were 7.9 per cent above the aggregate for the comparable period a year earlier. Combined sales of all wholesaling and jobbing firms reporting to this bank in February were 15.7 per cent less than in January, but more than one-fourth greater than in February last year; for the first two months this year the total was 27.5 per cent larger than for the like interval in 1936. The value of permits issued for new construction in the chief cities in February was greater by 52 per cent and 39 per cent, respectively, than a month and a year earlier; for the first two months the cumulative total was 10.6 per cent in excess of that for the same period in 1936. The dollar value of construction contracts let in the Eighth District in February was 38.1 per cent less than in January and 31.9 per cent greater than in February, 1936; for the first two months the aggregate was 33.9 per cent greater than for the like period a year ago.

According to officials of railroads operating in this district, freight traffic on their lines during the past thirty days exceeded that of the similar period for all previous years since 1931. In the comparison with a year ago particularly favorable showings were made in livestock, the movement of ore, miscellaneous freight, forest products and merchandise L. C. L. The classifications in which decreases were recorded were grain and grain products, and coal, which decrease was due mainly to the unusually mild winter. Repairs to roadbeds and other property of railroads in the flood zone made rapid progress with the falling stage of the rivers, and in most instances normal service had been restored early in March. Passenger traffic continued the steady gains of recent months. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in February was 12.1 per cent larger than in January and 13.1 per cent smaller than in February a year ago.

With the exception of sections affected by the floods, reports relative to collections reflect a con-

tinuance of the satisfactory conditions which have obtained in this area during the past eighteen months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
February, 1937.....	3.0%	42.4%	37.2%	18.4%
January, 1937.....	2.5	46.4	40.6	10.5
February, 1936.....	2.4	39.0	42.6	16.0

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 19, involving liabilities of \$162,000, as against 36 insolvencies in January, with liabilities of \$238,000 and 50 defaults for a total of \$722,000 in February, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		2 months 1937 comp. with same period 1936	Stocks Feb. 28, 1937 comp. with Feb. 29, 1936
	February, 1937 compared with Jan. '37	Feb. '36		
Boots and Shoes.....	-31.3%	+31.7%	+39.2%	-15.8%
Drugs and Chemicals..	+ 9.9	+18.1	+14.4	+32.1
Dry Goods.....	- 1.2	+22.3	+18.3	+45.0
Electrical Supplies.....	+ 8.0	+32.8	+37.9	+55.4
Furniture.....	+ 7.1	+23.5	+57.4	+10.3
Groceries.....	- 2.5	+ 6.1	+ 4.6	+ 6.5
Hardware.....	- 7.1	+31.4	+23.7	+32.8
All above lines.....	-15.7	+25.8	+27.5	+24.1

Automobiles — Combined passenger car, truck and taxicab production in the United States in February was 363,930 against 379,843 in January, and 287,606 in February, 1936.

Boots and Shoes — The decrease in sales by the reporting interests from January to February was seasonal in character, but somewhat greater than the average experience during the past decade. This was ascribable to the very heavy volume in the opening month of the year, January, 1937, sales showing an increase of 45 per cent over the first month of 1936. Production in February continued at the high rate recorded in January, despite which fact inventories decreased between February 1 and March 1, and on the latest date were approximately 16 per cent less than a year earlier. In sympathy with the upturn in hides and leather, prices of finished goods advanced during February, and averaged about 6 per cent higher than a year ago, or about the same ratio shown by raw materials.

Clothing — Marked betterment was shown in business of the reporting interests in this classification during February, sales for the month recording an increase of 85 per cent over January and 27 per cent over February, 1936. Inventories decreased slightly between February 1 and March 1, and on the latter date were approximately 4 per cent greater than a year ago. In spite of the unusually mild



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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Mar. 1937 Feb. 1937	comp. with Mar. 1936
Live Stock:		
Receipts at National Stock Yards.....	-20.3%	+18.1%
Shipments from aforesaid Yards.....	+16.0	+ 2.3
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+27.8	+33.0
Department store sales.....	+40.0	+21.5
Car loadings.....	+10.9	+25.5
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	+74.6	+15.7
{ Cost.....	+57.1	+69.3
Value construc. contracts awarded....	+61.2	+17.2
Miscellaneous:		
Commercial failures { Number.....	+36.8	-36.6
{ Liabilities.....	+70.4	-46.0
Consumption of electricity.....	+24.7	+16.1
Debits to individual accounts.....	+23.5	+23.1
Member Banks (24):	Apr. 14,'37 Mar. 17,'37	comp. with Apr. 15,'36
Gross deposits.....	- 1.4%	+ 9.2%
Loans.....	+ 1.2	+25.2
Investments.....	- 4.7	- 2.2

EIGHTH District business activity expanded further during March and the first half of April, this period being marked by the highest levels thus far reached in the recovery movement. Taken as a whole commerce and industry during the first quarter showed notable improvement over the first three months of 1936, as reflected by the larger volume of commodity distribution, both through wholesale and retail channels, increased industrial production, heavier freight movements, higher industrial employment and payrolls, expansion in construction activity and larger profits and incomes. In the iron and steel industry activities in March were at the highest rate for the month since 1930, with practically all branches of the industry sharing in the betterment. At a number of important plants, notably steel mills, jobbing foundries and establishments manufacturing railroad equipment, working schedules have been stepped up further since April 1. Output of bituminous coal at mines in this area recorded increases in March over both a month and a year earlier; there were also moderate gains in production at lead and zinc mines in the Tri-State field. March production of lumber was measurably above that

of a year ago, with new orders and shipments slightly exceeding current output. Consumption of electricity by industrial users in the principal cities was about one-fourth greater than in February and 16 per cent more than in March, 1936.

Of the wholesale and jobbing lines investigated by this bank, March sales volume without exception showed substantial increases over the preceding month and a year earlier. Increases in the month-to-month comparison were for the most part seasonal in character, but considerably greater than the average during the past decade. In the case of electrical supplies March sales were the largest for the month of record, while in the hardware classification the March volume represented the highest total for any month since October, 1929. Inventories at wholesale establishments as of April 1 were approximately 28 per cent in excess of those on the same date in 1936, purchasing in recent months having been on a freer scale in anticipation of heavier customer demands and price advances. Postal receipts for the first quarter this year were 5.5 per cent larger than for the comparable period in 1936, and closely approximated the peak first quarter in 1929.

Weather conditions to mid-April were in the main unfavorable to growth and development of crops and agricultural operations generally. Soil preparation and planting of spring crops are almost universally behind the seasonal schedule, but there remains ample time for completing these operations and with average weather to harvest, favorable results may be obtained. Farmers have been greatly encouraged by the high level of prices of farm products and are formulating their spring programs with a considerable degree of optimism. This fact is emphasized by the U. S. Department of Agriculture's estimates of planting intentions and heavy purchasing of fertilizers and farm equipment. There has been a moderate, but general increase in demand for farms and farm labor. Wage schedules paid to farm hands as of April 1 were reported 11 per cent above a year ago.

As indicated by sales of department stores in leading cities of the district, volume of retail trade in March was 40 per cent greater than in February and 21.5 per cent more than in March, 1936; cumulative sales for the first quarter were 13.2 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in March were 27.8 per cent and 33 per cent greater, respectively, than a month and a year earlier, and for the first quarter the aggregate was 29.6 per cent in excess of that for the first three months of 1936. The value of permits issued for new construction in the chief cities in March was 59.7 per cent larger than in February and 13.4 per cent more than in March, 1936; for the first quarter cumulative total was greater by 15.6 per cent than for the same interval in 1936. Dollar value of construction contracts let in the Eighth District in March exceeded that of a month and a year earlier by 61.2 per cent and 17.2 per cent, respectively; cumulative total for the first quarter was 27 per cent above that for the like period last year.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, was in larger volume during March and early April than in any similar period since 1931. During the first quarter this year all classifications of freight handled showed gains over a year earlier, with the exception of grain and grain products. Despite the mild winter, loadings of coal and coke recorded a sharp increase over the March volume during the past five years. The movement of miscellaneous freight during the first three months this year was approximately one-fourth greater than in the first quarter of 1936. Reflecting extensive advertising campaigns, betterment in general business conditions and improved service, passenger traffic of the reporting roads in March continued the steady gains of recent months. Tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 47 per cent greater than in February and 6 per cent less than in March a year ago; for the first quarter cumulative tonnage fell 12 per cent below that of the comparable period in 1936.

Reports relative to collections during the past thirty days reflect no recession from the generally satisfactory results which have marked recent months. In the chief distributing centers wholesalers and jobbers of boots and shoes, dry goods and other lines with which April is an important settlement month, report collections as comparing favorably with a year ago, when payments were relatively the largest since 1930. Retail merchants

in the urban centers report results generally favorable, while in the country somewhat spotty conditions are reflected, due to weather conditions and preoccupation of farmers with spring work. Questionnaires addressed to representative interests in the several lines scattered through the district disclose the following results:

	Excellent	Good	Fair	Poor
March, 1937.....	3.6%	46.3%	43.9%	6.2%
February, 1937.....	3.0	42.4	37.2	18.4
March, 1936.....	2.9	44.2	48.6	4.3

Commercial failures in the Eighth Federal Reserve District in March, according to Dun and Bradstreet, numbered 26, involving liabilities of \$276,000, which compares with 19 insolvencies in February with liabilities of \$162,000 and 41 defaults for a total of \$511,000 in March, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	March, 1937 compared with Feb. '37	Mar. '36	3 months 1937 comp. with same period 1936	Mar. 31, 1937 comp. with Mar. 31, 1936
Boots and Shoes.....	+40.6%	+45.9%	+41.6%	-14.5%
Drugs and Chemicals..	+18.1	+24.3	+17.4	+26.9
Dry Goods.....	+3.5	+12.1	+16.0	+55.6
Electrical Supplies.....	+57.0	+67.2	+53.6	+62.3
Furniture.....	+27.2	+32.8	+48.7	+10.5
Groceries.....	+16.8	+13.7	+9.6	+19.7
Hardware.....	+39.7	+40.5	+30.0	+25.8
All above lines.....	+27.8	+33.0	+29.6	+28.4

Automobiles—Combined passenger car, truck and taxicab production in the United States in March was 494,014 against 363,833 in February and 420,971 in March, 1936.

Boots and Shoes—March sales of the reporting firms were the largest for the month since 1930, and with the exception of January this year, represented the highest total recorded in any month since May, 1935. Increases in both the month-to-month and yearly comparisons shown in the above table, extended generally through all lines, but was most pronounced in women's and children's footwear and styled goods. In sympathy with the advance in raw materials, the trend of prices was upward, with specific increases announced in certain of their numbers by several important manufacturers. Despite the recent high rate of production, inventories decreased sharply from February to March.

Clothing—March sales of the reporting clothiers showed an increase of 27 per cent and 19 per cent, respectively, as compared with a month and a year earlier. Inventories continued to decrease, stocks as of April 1 being 15 per cent smaller than on March 1 and 5 per cent less than on April 1, 1936. Advance ordering for late spring and sum-



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF MAY 29, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	May 1, 1937, comp. with output	
	1936	Av. 1928-32
Agriculture:		
Estimated produc. of Winter Wheat	+21.3%	+57.5%
Live Stock:	April, 1937, comp. with	
Receipts at National Stock Yards	+ 2.5%	+25.5%
Shipments from aforesaid Yards	- 1.8	+ 5.9
Production and Distribution:		
Sales by mfrs. and wholesalers	-11.5	+31.8
Department store sales	- 4.4	+10.3
Car loadings	- 7.8	+13.4
Building and Construction:		
Bldg. permits, incl. repairs	{ Number...+ 6.0	+28.0
	{ Cost.....+30.0	- 0.8
Value construc. contracts awarded	- 2.2	- 4.2
Miscellaneous:		
Commercial failures	{ Number.....-19.2	-16.0
	{ Liabilities.....-25.0	-30.1
Consumption of electricity	+ 7.0	+15.6
Debits to individual accounts	- 4.5	+21.9
Member Banks (24):	May 12,'37 comp. with	
	Apr. 14,'37	May 13,'36
Gross deposits	- 3.8%	+ 4.9%
Loans	+ 0.5	+25.4
Investments	- 4.1	- 6.5

INDUSTRY and commerce in the Eighth District during late April and the first half of May developed little change from the similar period immediately preceding when the general level was the highest attained in the recovery movement. Such minor changes as occurred were the result of seasonal influences, with the principal factor making for decreased activities being the unusually cool, wet weather which persisted into the third week of May. The movement through retail channels of certain lines of merchandise, notably apparel, boots and shoes, and groceries was restricted to some extent by the late spring and this reacted adversely on the wholesaling and and jobbing trade and certain phases of productive activity. However, in practically all lines of manufacturing investigated by this bank production in April was measurably greater than a year earlier, and in several important classifications, including iron and steel, building materials and electrical supplies, output was the highest for the month since the predepression era. April production of bituminous coal in this area decreased sharply from March, and was also smaller

than in April, 1936. The drop in the month-to-month comparison was occasioned by heavy demands of industrial interests in March to fortify their inventories against possible strikes at mines. Output of lumber, cement, glass and other building materials continued at the high rates which marked earlier months this year.

As evidenced by car-loadings and statistics of the several groups of wholesaling and jobbing interests reporting to this bank, distribution of commodities continued well above the volume at the corresponding time a year ago. Decreases from March to April in all lines were reported, but the declines were seasonal, and in a majority of instances less than the average during the past decade. The decline in commodity prices has caused some hesitation on the part of retailers in making advance commitments. However, in a majority of lines, the volume of forward orders on books of the reporting firms continues above that of a year and two years earlier. Preliminary reports indicate a moderate increase in nonagricultural employment from March to April, and since May 1 settlement of a number of strikes has added to the number of persons employed at industrial plants. According to the Bureau of Agricultural Economics, total employment on farms increased seasonally during April, but due to the lateness of the season, the level of employment is still somewhat below last year.

Preparations for and planting of spring crops are generally from two to three weeks behind the seasonal schedule. Almost continuous rains have made fields unworkable, and in the northern stretches of the district at mid-May less than half of intended acreage of corn and some other crops had been seeded. However, in face of the inauspicious spring weather, agricultural prospects as a whole in the district are the most promising in a number of years. Early unofficial reports indicate increased plantings of practically all the principal crops over a year ago. Farm income was greatly benefitted by the rise in prices of major farm products prior to April and larger expenditures than in recent years

are being made for fertilizer, implements and other farm equipment. Abundant precipitation has greatly improved subsoil conditions, making up the cumulative deficiency caused by successive drouth years.

The volume of retail trade in this district during April, as reflected in sales of department stores in leading cities, was 4.4 per cent smaller than in March and 10.3 per cent greater than in April, 1936; cumulative total for the first four months was 12.4 per cent in excess of that for the comparable period last year. Combined sales in April of all wholesaling and jobbing firms reporting to this bank were 11.5 per cent less than in March and 31.8 per cent greater than in April, 1936; for the first four months the aggregate exceeded that of the same interval in 1936 by 31.2 per cent. The dollar value of permits for new buildings in the principal cities in April was 42.7 per cent greater and 10.5 per cent smaller, respectively, than a month and a year earlier, and for the first four months this year there was an increase of 3.4 per cent as compared with the like period in 1936. Dollar value of construction contracts let in the Eighth District in April was 2.2 per cent less than in March and 4.2 per cent smaller as compared with April, 1936; for the first four months cumulative total exceeded that for the similar period last year by 16.7 per cent.

According to officials of railroads operating in this district, all classifications of freight handled during April, with the exception of grain and grain products, continued the upward trend noted during the preceding month. Total volume exceeded that of any April since 1931. Following successful labor negotiations between coal mine operators and the unions, there was a falling off in bituminous coal production, which was reflected in late April in a curtailed movement of that commodity. Passenger traffic of the reporting lines in April recorded gains over both a month and a year earlier. Tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 30 per cent greater than a month earlier and 10 per cent less than a year ago. For the first four months this year cumulative total was 11 per cent below the like period in 1936.

The general status of collections in the district during April and the first half of May showed little change as contrasted with earlier months in the year. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
April, 1937.....	4.5%	44.5%	44.0%	7.0%
March, 1937.....	3.6	46.3	43.9	6.2
April, 1936.....	2.7	53.4	42.5	1.4

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 21, involving liabilities of \$207,000, against 26 insolvencies in March with liabilities of \$276,000 and 25 defaults for a total of \$296,000 in April, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	April, 1937 compared with Mar. '37		4 months 1937 comp. with same period 1936	Apr. 30, 1937 comp. with Apr. 30, 1936
Boots and Shoes.....	-10.1%	+54.3%	+44.5%	-14.2%
Drugs and Chemicals..	- 2.1	+15.7	+28.3	+31.5
Dry Goods.....	-18.1	+ 7.2	+14.1	+63.0
Electrical Supplies.....	-17.6	+44.8	+53.3	+68.9
Furniture.....	-12.5	+29.4	+44.8	+14.0
Groceries.....	- 3.0	+12.4	+11.5	+18.8
Hardware.....	-13.1	+31.1	+29.9	+35.3
All above lines.....	-11.5	+31.8	+31.2	+35.6

Automobiles — Combined passenger car, truck and taxicab production in the United States in April was 536,334 against 494,276 (revised) in March and 502,674 (revised) in April, 1936.

Boots and Shoes — The decrease in sales of the reporting firms from March to April was seasonal in character, but slightly greater than the average during the past decade. The April total, however, was the highest for the month since 1931. Retailers generally through the trade area were disposed to augment inventories in anticipation of higher prices.

Clothing — The late spring, with heavy precipitation and unusually low temperatures, have had a tendency to hold down the movement of apparel through retail channels, and this condition has reacted upon sales of wholesalers and jobbers. Withal, sales of the reporting clothiers in April were 28 per cent larger than for the same month a year earlier, though 14 per cent below the March total this year. Stocks as of May 1 were practically unchanged as compared with a month and a year earlier. Production during April and early May was restricted by scattered strikes.

Drugs and Chemicals — Increases in sales in this classification over a year earlier, which have marked recent months, continued during April and the first half of May. Unusually heavy infestation of insect and fungus pests, incident to the late, wet spring, has been reflected in heavy purchasing of spraying materials. There was a slight easing in prices during early May, but the average continued measurably above a year ago.

Dry Goods — While preliminary reports of the reporting interests covering the first half of May indicate a moderate increase over a year ago, there has developed a quite definite price resistance. Retailers



MONTHLY REVIEW

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Conditions in the Eighth Federal Reserve District*

RELEASED FOR PUBLICATION ON THE MORNING OF JUNE 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	June 1, 1937, comp. with output 1936	Av. 1928-32
Agriculture:		
Estimated produc. of Winter Wheat	+29.6%	+68.3%
Live Stock:	May, 1937, comp. with April, 1937	May, 1936
Receipts at National Stock Yards	+16.0%	+35.5%
Shipments from aforesaid Yards	+36.6	+58.9
Production and Distribution:		
Sales by mfrs. and wholesalers	— 6.8	+13.3
Department store sales	— 2.5	+11.3
Car loadings	— 0.8	+ 9.1
Building and Construction:		
Bldg. permits, incl. repairs	{ Number..... 6.7	+28.1
	{ Cost..... +23.1	+11.2
Value construc. contracts awarded	—17.0	—18.8
Miscellaneous:		
Commercial failures	{ Number..... +33.3	—30.0
	{ Liabilities..... +49.3	—35.6
Consumption of electricity	+ 4.9	+13.0
Debits to individual accounts	+ 1.9	+13.8
Member Banks (24):	June 16,'37, comp. with May 19,'37	June 17,'36
Gross deposits	+ 0.6%	+ 5.0%
Loans	— 2.5	+22.0
Investments	— 4.0	— 6.8

GENERAL business activity in the Eighth District during May and the first half of June was maintained at the relatively high levels which have obtained since early spring. Industrial production as a whole reflected considerably less than the ordinary seasonal contraction, and in certain lines was entirely absent. Relatively the best exhibit was made in the category of durable goods, notably iron and steel products, lumber, glass and quarry products. There was some curtailment in production of textiles, reflecting a reduction in the volume of new business placed. Consumption of electricity by industrial users in the principal cities in May recorded substantial increases over a month and a year earlier. Production of bituminous coal in fields of the district was approximately 14 per cent higher than in April and slightly in excess of output in May, 1936. Debits to individual accounts in May increased 1.9 per cent over April and were 13.8 per cent greater than a year ago; for the first five months this year cumulative total exceeded that of the like period in 1936 by 14.4 per cent. The employment situation under-

went further improvement during the period, reflecting the high rate of activities at manufacturing plants and the absorption of many workers in agricultural and other seasonal occupations. Sales of automobiles in May, according to dealers reporting to this bank, showed about the usual seasonal decline from April, but were larger than in May last year. Further expansion was reported in production of industrial chemicals and allied products. Purchasing of raw materials by certain industries receded somewhat during May, and was not unexpected in view of heavy commitments earlier in the year.

In spite of the handicap of unfavorable shopping weather in May, distribution of commodities through retail channels during that month showed less than the usual decrease from April, and the volume was measurably larger than a year ago. Since the first of June more seasonable temperatures have served to stimulate demands for summer goods, and reports covering the first two weeks of the month indicate larger total than during the same period in 1936. In the immediate past there has been a fair volume of reordering of seasonal merchandise by retailers, notably apparel, tourist and outing supplies, beverages and electrical appliances. In all wholesaling and jobbing lines investigated by this bank, May sales exceeded those of a year ago, the gains ranging from 1.7 per cent in the case of dry goods to 27.1 per cent in electrical supplies. Wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined from 87.4 per cent of the 1926 average on May 1 to 86.7 per cent on June 12, and on the latest date were 8.0 per cent above the average on June 13, 1936.

Taken as a whole, crop prospects in the Eighth District improved during May, and further betterment has taken place since June 1, under influence of more favorable weather. However, over a broad expanse the season to date has been too wet for best results to field crops. Preparations for and planting of spring crops have been from two to three weeks behind the seasonal schedule. The official June 1 forecast for winter wheat in Eighth

District states indicates a yield of 30 per cent greater than a year ago and 68 per cent above the 5-year (1928-1932) average. The abundant moisture has greatly improved pastures and hay crops, and with more plentiful pasturage, the condition of livestock is reported generally good. The number of laborers on farms increased seasonally during the past thirty days, but is still below a year ago. Current wage scales are measurably higher than during the preceding several years. Indications are for above average fruit and vegetable crops.

As indicated by sales of department stores in the principal cities, the volume of retail trade in May was 2.5 per cent less than in April, but 11.3 per cent in excess of the May, 1936, total; for the first five months this year cumulative total was 12.2 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing interests reporting to this bank in May fell 6.8 per cent below April, but were 13.3 per cent larger than the May aggregate last year; for the first five months the cumulative total was greater by 27.6 per cent than during the like interval in 1936. The dollar value of permits issued for new buildings in the principal cities in May was 14.1 per cent less than in April and 12.7 per cent more than in May last year; for the first five months the aggregate was 5.7 per cent greater than for the same segment of 1936. Construction contracts let in the Eighth District in May had an aggregate dollar value smaller by 17 per cent and 19 per cent, respectively, than a month and a year earlier; cumulative total for the first five months of 1937 was 8 per cent larger than in the same period last year.

The volume of freight traffic handled by railroads operating in this district, according to officials of the reporting lines, continued upward during May and represented the highest aggregate for the month since 1930. As contrasted with a year ago, increases were recorded in all classifications other than grain and grain products. As has been the case for the past several months, the most notable gains were made in miscellaneous freight. During the first half of June the movement of iron and steel and some other products was retarded by strikes in the East. Reflecting heavy vacation and tourist travel, passenger traffic of the reporting roads showed sharp increases in May over the same month a year ago. Estimated tonnage handled by the Federal Barge Line between St. Louis and New Orleans in May fell 1 per cent and 11 per cent, respectively, below a month and a year earlier; cumulative tonnage for the first five months this year was 11 per cent smaller than for the comparable period

in 1936. The decreases were attributable in large measure to the smaller volume of iron and steel products transported.

Reports relative to collections in the district during the past thirty days continued to reflect the favorable trends which have marked the preceding several months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
May, 1937.....	5.5%	50.0%	36.5%	8.0%
April, 1937.....	4.5	44.5	44.0	7.0
May, 1936.....	2.9	47.8	47.8	1.5

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 28, involving liabilities of \$309,000, against 21 insolvencies in April with liabilities of \$207,000 and 40 defaults for a total of \$480,000 in May, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	May, 1937 compared with April '37		5 months 1937 comp. with same period 1936	May 31, 1937 comp. with May 31, 1936
	April '37	May '36		
Boots and Shoes.....	- 9.7%	+18.2%	+39.0%	- 7.1%
Drugs and Chemicals..	- 8.3	+13.7	+25.6	+34.7
Dry Goods.....	- 4.6	+ 1.7	+11.8	+72.9
Electrical Supplies.....	+ 1.4	+27.1	+46.8	+42.2
Furniture.....	- 3.8	+23.5	+43.4	+17.2
Groceries.....	- 8.6	+10.9	+11.3	+19.5
Hardware.....	- 1.8	+12.6	+26.0	+31.6
All above lines.....	- 6.8	+13.3	+27.6	+39.9

Automobiles — Combined passenger car, truck and taxicab production in the United States in May was 516,899 against 536,334 in April and 460,512 (revised figure) in May, 1936.

Boots and Shoes — The decline from April to May in sales of the reporting firms, shown in the above table, was contrary to the usual seasonal experience and was attributable to the heavy volume of purchasing during April, largely in anticipation of an advance in prices. Ordering during the first half of June has been in considerable volume, both for spot and forward delivery, and indicates a sizeable increase for the entire month as compared with the same period a year ago. Price advances ranging from 2 to 5 per cent were announced by several important firms.

Clothing — May sales of the reporting clothiers showed a decrease of approximately one-fifth under the preceding month but an increase of 3 per cent over the May, 1936, total. Stocks increased 15 per cent between May 1 and June 1 and on the latest date were slightly lower than a year earlier. Despite unseasonably cool weather, the movement of both men's and women's apparel through retail



MONTHLY REVIEW

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RELEASED FOR PUBLICATION ON THE AFTERNOON OF JULY 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	July 1, 1937, comp. with Yield 1936 1923-36 Av.	
Estimated yield of 6 crops.....	+55.4%	+ 3.7%
Live Stock:	June, 1937, comp. with May, 1937 June, 1936	
Receipts at National Stock Yards.....	-11.7%	+ 4.1%
Shipments from aforesaid Yards.....	-20.0	+ 7.7
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+11.8	+ 26.8
Department store sales.....	- 8.4	+ 9.3
Car loadings.....	- 5.9	- 0.6
Building and Construction:		
Bldg. permits, incl. repairs	{ Number.....- 3.5	+ 30.5
	{ Cost.....+ 8.3	+127.8
Value construc. contracts awarded.....	+37.3	- 30.0
Miscellaneous:		
Commercial failures	{ Number.....-21.4	- 33.3
	{ Liabilities.....-19.4	- 43.8
Consumption of electricity.....	+ 5.8	+ 12.3
Debits to individual accounts.....	+ 2.0	+ 9.8
Member Banks (24):	July 14,'37, comp. with June 16,'37 July 15,'36	
Gross deposits.....	+ 2.1%	+ 0.6%
Loans.....	+ 0.6	+ 20.7
Investments.....	+ 2.7	- 7.2

NOTWITHSTANDING the effect of seasonal depressants, Eighth District business and industry during June and the first half of July continued the upward trends which have characterized earlier months this year. In virtually all branches of activity investigated by this bank, notable increases were recorded over a year ago, and all similar periods since the predepression era. In many lines results achieved during the first half of the present year were the best recorded since the first six months of 1930, and in some instances reached new high levels for the period in which these records have been kept. During June the rate of industrial production as a whole remained approximately the same as in May, when allowance is made for seasonal influences, and there was also little variation in employment and payrolls in the principal industries. Distribution through retail channels decreased in less than the average seasonal amount from May to June, and the June volume was measurably larger than a year ago. These results were obtained in spite of the artificial stimulation to purchasing resulting from the soldiers' bonus payment in June,

1936. Wholesale distribution increased from May to June, with a number of lines showing contraseasonal gains. With the exception of clothing, all lines showed substantial increases over a year ago.

Production of bituminous coal in fields of this general area increased in June over May, and tonnage lifted was measurably greater than in June, 1936. Lumber production at mills of the district was well sustained during June, but, as was the case in May, output exceeded shipments and incoming new orders. Activities in the iron and steel industry were at the highest rate for any like period since 1929. Steel mills and casting plants stepped up their operations during the last half of June in order to expedite deliveries on products urgently needed by customers. At mid-July the rate of operations at mills producing ingots was at 93 per cent of capacity, the highest of the recovery period; comparing with 71 per cent a year earlier and approximately 15 per cent in July, 1932. Estimated melt of pig iron and steel scrap in June was 3 per cent greater than in May and about one-fourth greater than in June, 1936. A sharp increase in output of electrical supply manufacturers in June over the preceding month reflected partly resumption of operations following strikes. Production of glass, fire clay products, cement explosives and other construction materials continued in considerable volume.

Taken as a whole prospects in the district underwent distinct improvement during June and the first half of July, and according to the U. S. Department of Agriculture indications point to above average yields for a majority of the principal productions. The indicated output of winter wheat declined between June 1 and July 1, but, withal, the yield will be much greater than in 1936 and the average during the preceding fourteen years. The condition of corn, cotton, tobacco and legumes as of July 1 was high, and for these crops the forecast is for considerably higher yields than a year ago. Generally cultivation has been intensive, and farmers are employing more fertilizers, insect poisons and modern farm equipment than in any recent season. Prices of farm products were maintained

at or about the high levels obtaining earlier in the year, and reports from practically all sections indicate a higher morale in the agricultural community than has been the case in a number of years.

The volume of retail trade in June, as reflected by sales of department stores in the principal cities, was 8.4 per cent less than in May and 9.3 per cent greater than in June, 1936; cumulative total for the first half of the year was 11.7 per cent in excess of that for the comparable period in 1936. Combined sales of all wholesaling and jobbing interests reporting to this bank in June were 11.8 per cent and 26.8 per cent larger, respectively, than a month and a year earlier and for the first six months the aggregate was 26.5 per cent larger than during the first half of 1936. The dollar value of permits issued for new construction in the principal cities in June was 60.5 per cent larger than in May and 161.1 per cent more than the June, 1936, total; for the first half of 1937 the cumulative total exceeded that of the like period a year ago by 28 per cent. The dollar value of construction contracts let in the Eighth District in June was 37.3 per cent greater than in May and 30 per cent less than in June, 1936; aggregate for the first half of this year was 2.6 per cent less than that for the same interval in 1936.

According to reports of officials of railroads operating in this district, the volume of freight handled during June and the first week of July exceeded that of any similar period since 1930. As contrasted with a year ago, the most outstanding increase was in the miscellaneous freight classification, with ore and coal next in order. A considerable part of the upturn in total loadings since the third week in June was accounted for by the sharp gain in the movement of grain. The heaviest vacation travel in a number of years was accountable for continued notable increase of passenger traffic of the reporting lines. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 13.1 per cent smaller than in May and virtually unchanged as compared with June, 1936.

While collections as a whole are satisfactory, reports covering the past thirty days disclose some spottiness, both with reference to localities and the several industries. Questionnaires addressed to representative interests in the various lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
June, 1937.....	3.7%	51.3%	23.5%	11.5%
May, 1937.....	5.5	50.0	36.5	8.0
June, 1936.....	3.8	56.0	37.5	2.7

Commercial failures in the Eighth Federal Reserve District in June, according to Dun and Bradstreet, numbered 22 involving liabilities of \$249,000, against 28 insolvencies in May with liabilities of \$309,000 and 33 defaults for a total of \$443,000 in June, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	June, 1937 compared with May, '37	June, '36	6 months 1937 comp. with same period 1936	June 30, 1937 comp. with June 30, 1936
Boots and Shoes.....	+19.3%	+37.3%	+38.7%	+ 3.1%
Drugs and Chemicals..	+ 2.0	+11.7	+11.0	+24.6
Dry Goods.....	+11.6	+23.8	+12.8	+62.7
Electrical Supplies.....	+ 3.4	+32.3	+43.9	+42.2
Furniture.....	- 7.5	+ 4.8	+35.6	+18.1
Groceries.....	- 0.3	+ 3.8	+10.4	+17.9
Hardware.....	+ 6.9	+22.6	+25.4	+43.5
All above lines.....	+11.8	+26.8	+26.5	+39.3

Automobiles — Combined passenger car, truck and taxicab production in the United States in June was 497,298 against 516,899 in May and 452,968 in June, 1936.

Boots and Shoes — The increase from May to June in sales of the reporting firms was contraseasonal in character, and the June total was the largest for the month since these records began in 1924. Betterment in both the month-to-month and yearly comparisons was spread through all lines, but most pronounced in sport shoes and styled goods. Production in June was approximately 11 per cent greater than in the preceding month.

Clothing — June sales of the reporting clothiers were 5.7 per cent and 8 per cent smaller, respectively, than a month and a year earlier. Inventories expanded further during June and on July 1 were 40 per cent larger than a month earlier and 9 per cent in excess of the total on July 1, 1936. More seasonable weather since the last week of June has resulted in an active movement of summer apparel through retail channels and a fair volume of reordering of this class of goods.

Dry Goods — Sales of the reporting firms in June were the largest for that particular month since 1929. A considerable part of the increase over a year ago was represented by advance business, ordering by both country and city retailers for late summer and fall delivery having been on a larger scale than during the preceding several seasons. Reflecting the easier trend in certain raw materials, price trends were slightly lower.

Electrical Supplies — Improvement in business in this classification, which has been in effect for the past two years, continued through June and the first half of July. Sales of the reporting interests in June were the largest for the month since these records commenced in 1924.



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF AUGUST 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Aug. 1, 1937, comp. with	
Estimated yield of 7 crops.....	Yield 1936	1923-36 Av.
	+59.8%	+ 6.6%
Live Stock:	July, 1937, comp. with	
Receipts at National Stock Yards.....	June, 1937	July, 1936
Shipments from aforesaid Yards.....	-16.1%	- 1.1%
	-14.6	+ 7.2
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-12.8	- 6.1
Department store sales.....	-22.9	+ 8.4
Car loadings.....	+ 6.2	+ 3.1
Building and Construction:		
Bldg. permits, incl. repairs {	Number.....-15.8	+ 9.1
Cost.....-25.8	+40.1	
Value construc. contracts awarded.....	- 9.6	-34.8
Miscellaneous:		
Commercial failures {	Number.....-22.7	-29.2
Liabilities.....-46.6	-35.1	
Consumption of electricity.....	+ 5.8	+10.0
Debits to individual accounts.....	- 2.5	+10.1
Member Banks (24):	Aug. 11,'37 comp. with	
Gross deposits.....	July 14,'37	Aug. 12,'36
	- 1.8%	+ 0.1%
Loans.....	+ 7.6	+21.5
Investments.....	- 0.5	- 7.6

THE situation of trade and commerce in the Eighth District during July and the first half of August developed no outstanding change as contrasted with the several months immediately preceding. Activities have been well maintained, such slowing trends as have occurred being traceable to seasonal influences. Due to very promising prospects for practically all crops and improvement in income of farmers and other groups, these influences are much less in evidence than is ordinarily the case at this time of year. Distribution of merchandise, as reflected in freight-car loadings, and statistics of wholesale and retail merchants, continues at, or about the highest levels attained in the recovery period, after allowance is made for seasonal factors. In a majority of merchandising and manufacturing lines investigated by this bank, July results were measurably ahead of those for the same month in 1936, and for all years since the predepression era. While advance business in some lines is slightly behind the volume at the same time a year ago, ordering for fall and winter distribution since

the middle of July has been on a larger scale than earlier in the season. Quite generally throughout the district sentiment in the business community was noticeably more optimistic than heretofore.

While pressure from consumers for raw materials and manufactured goods in the heavy industries has eased in a number of instances, durable goods, including iron and steel, lumber, glass and quarry products, made a very favorable showing for this time of year. Steel mills reported a recession in new bookings, but still have backlogs sufficient to maintain the present rate of operations for some weeks to come. Manufacturers of farm implements, railroad equipment, and some other specialties are operating at peak schedules of the year. Though production of soft coal for the entire country in July decreased slightly from a month and a year earlier, output at mines in this area showed increases in both comparisons. Consumption of electric current by industrial users in the principal cities in July recorded a new all-time high, and was 10 per cent greater than a year ago. Lumber production declined in less than the usual seasonal amount and since August 1 there has been a moderate increase in new orders. Meat packing declined rather sharply, and was measurably below the July, 1936, volume.

The agricultural outlook remains favorable, the only outstanding detrimental development during the past thirty days being rather sharp declines in the price of farm products, including wheat, corn, cotton and oats. However, largely increased production of the principal crops, plus Government payments, according to the U. S. Department of Agriculture, indicate aggregate farm income in this district measurably greater than a year ago and all preceding years since the predepression era. The wheat harvest has been completed, and threshing returns reflect considerable variation in quantity and quality, owing to damage from black stem rust and premature ripening. Corn, cotton, tobacco, potatoes, hay, and a majority of fruits and vegetables will be larger crops than a year ago. Tobacco prospects declined slightly from June to July, but the esti-

mated yield of all types is still measurably above the quantity harvested in 1936.

As reflected by sales of department stores in the principal cities, the volume of retail trade in July was 22.9 per cent less than in June and 8.4 per cent greater than in July, 1936; cumulative total for the first seven months was larger by 11.4 per cent than during the comparable period in 1936. Combined sales of all wholesaling and jobbing interests reporting to this bank in July were 12.8 per cent and 6.1 per cent smaller, respectively, than a month and a year earlier and for the first seven months the aggregate was 21.2 per cent in excess of that for the like period in 1936. The dollar value of permits issued for new buildings in the principal cities in July was about one-third less than in June, but 44.8 per cent greater than in July, 1936; cumulative total for the first seven months was 30.4 per cent in excess of that for the same period in 1936. The dollar value of construction contracts let in the Eighth District in July fell 9.6 per cent and 34.8 per cent, respectively, below a month and a year earlier; cumulative total for the first seven months was 9.7 per cent smaller than for the comparable period in 1936.

Bolstered by heavy movements of winter wheat, vegetables, fruits and miscellaneous freight, freight traffic of railroads operating in this district in recent weeks exceeded the volume of all similar periods since 1930. Vacation travel during July was stimulated by advertising campaigns and special tours conducted by the various lines, and passenger traffic continued the steady gains of preceding months this year. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in July was 0.3 per cent more than in June and 8.9 per cent greater than in July, 1936.

Reports relative to collections during July and the first half of August showed a slight recession as compared with the preceding month, and the average was somewhat below that of corresponding month in 1936. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
July, 1937.....	2.5%	48.0%	37.5%	12.0%
June, 1937.....	3.7	51.3	23.5	11.5
July, 1936.....	3.6	55.6	38.3	2.5

Commercial failures in the Eighth Federal Reserve District in July, according to Dun and Bradstreet numbered 17, involving liabilities of \$133,000, against 22 insolvencies with liabilities of \$249,000

in June and 24 failures for a total of \$205,000 in July, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	July, 1937 compared with June, '37 July, '36		7 months 1937 comp. with same period 1936	July 31, 1937 comp. with July 31, 1936
Boots and Shoes.....	-26.3%	-17.8%	+28.4%	- 6.7%
Drugs and Chemicals..	- 6.3	+ 4.8	+11.8	+16.4
Dry Goods.....	+ 7.8	+ 0.6	+10.8	+67.9
Electrical Supplies.....	- 9.7	+14.5	+39.3	+31.2
Furniture.....	-12.9	- 9.0	+27.9	+39.5
Groceries.....	- 0.5	- 8.0	+ 7.4	+ 7.9
Hardware.....	- 6.7	+13.7	+23.6	+30.8
All above lines.....	-12.8	- 6.1	+21.2	+34.1

Automobiles — Combined passenger car, truck and taxicab production in the United States in July was 438,834 against 497,298 in June and 440,731 in July, 1936.

Boots and Shoes — The decline in sales of the reporting interests from June to July, as shown in the above table, was contraseasonal and attributable to unusually heavy purchasing during the two preceding months. Since the first week in August there has been a noticeable pickup in ordering, both for spot and future shipment. Production during July and early August was maintained at the relatively high levels which have obtained in recent months. The trend of prices was slightly upward, with the average of both raw and finished materials well above a year ago.

Clothing — July sales of the reporting clothiers were 8.8 per cent larger than during the preceding month and 12 per cent less than the July, 1936, total. Inventories continued to increase, stocks on hand as of August 1 being 19 per cent greater than a month earlier and about one-fourth larger than on August 1, 1936. The warmer weather since the middle of July has been reflected in a more active movement of lightweight apparel than earlier in the season. Demand for work clothes was reported in larger volume than at any similar period in the past several years.

Drugs and Chemicals — According to reporting firms, the increase in July sales over a year ago was attributable in large measure to expansion in demand for heavy chemicals and drugs by the general manufacturing trade. As has been the case in recent months, the movement of toilet preparations and other luxury goods continued to increase.

Dry Goods — The increase in sales of the reporting firms from June to July was of about the usual seasonal proportions. Since August 1 there has been some slowing down in new buying, attributable mainly to the decline in the price of raw cotton. Withal, advance orders for late fall and winter delivery are reported in larger volume than at any



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF SEPTEMBER 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Sept. 1, 1937, comp. with Yield 1936 1923-36 Av.	
Estimated yield of 7 crops.....	+58.6%	+ 6.2%
Live Stock:	Aug. 1937, comp. with July, 1937 Aug. 1936	
Receipts at National Stock Yards.....	+33.2%	+23.0%
Shipments from aforesaid Yards.....	+50.8	+44.8
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 8.1	— 8.4
Department store sales.....	+ 8.6	+ 8.4
Car loadings.....	— 0.7	+ 4.8
Building and Construction:		
Bldg. permits, incl. repairs { Number...+ 3.4	+11.7	
{ Cost.....-13.3	-27.3	
Value construc. contracts awarded.....	— 5.2	— 6.7
Miscellaneous:		
Commercial failures { Number.....+41.2	.....
{ Liabilities.....+63.2	+ 0.9	
Consumption of electricity.....	— 3.7	+ 4.6
Debits to individual accounts.....	—11.6	+10.4
Member Banks (24):	Sept. 15,'37 comp. with Aug. 18,'37 Sept. 16,'36	
Gross deposits.....	+ 1.6%	— 0.2%
Loans.....	+ 1.7	+18.6
Investments.....	— 3.1	—11.7

WHILE many important lines of industry and commerce in the Eighth District maintained, and in some instances pushed further forward the gains of recent months, business as a whole developed slightly slowing tendencies during August and the first half of September. Activities at numerous manufacturing plants throughout the period showed no recession from the high levels which have been obtaining since last spring, but with a decline in volume of new orders, this pace has been at the expense of backlogs. This is true particularly of the heavy industries, including iron and steel, lumber, glass, quarry products and the general run of building materials. As reflected in returns of reporting merchants and transportation statistics, distribution of commodities continues in substantial volume, and is well extended over the entire area. Of the wholesale and jobbing groups investigated by this bank, drugs and chemicals and hardware recorded increases in August over both a month and a year earlier. Dry goods, furniture and groceries showed increases from July to August, but decreases under a year earlier. Boots and shoes,

an important industry in the area, recorded a smaller volume of sales in August than in the preceding month and a year ago. The sharp decline in prices of farm products, commodities generally and the stock market since mid-August has had a tendency to retard advance commitments in a number of lines.

In the iron and steel industry activities declined somewhat during the last two weeks in August and have receded further since that time. Shipments of pig iron and scrap to district melters in August fell slightly below July, but were approximately 15 per cent greater than in August last year. At mid-August steel ingot production at mills in this area was at 74.2 per cent of capacity as compared with 84 per cent a month earlier. Output of bituminous coal at mines in the district in August declined slightly from July, but was measurably greater than a year ago. Production and shipments of lumber declined from the recent relatively high levels. For the first time in a number of months there was a decline in consumption of electric power by industrial users in the principal centers, but the volume was 4.6 per cent greater than in August, 1936. Industrial employment and payrolls, which had tended upward since early spring, showed no marked change as contrasted with the preceding thirty days.

Dry hot weather prevailing over a considerable area of the district in August and early September reduced prospective yields of corn, hay, tobacco and certain fruit and vegetable crops. Excessive rains to the south interfered with the cotton harvest and in a number of important growing sections, a specific injury to the crop was reported. On the whole, however, the U. S. Department of Agriculture's report, based on conditions as of September 1, tends to confirm earlier estimates of crop yields largely in excess of a year ago, and in the case of certain productions greater than the average of recent years. The season has been particularly favorable for food crops, and production of feed and forage crops is sufficiently large to permit of farmers feeding the usual rations to livestock, with assurance of an adequate carryover at the end of the season. De-

spite the recent declines in prices of farm products, estimates of cash income from farm marketings, including Government payments, indicate a substantial increase over a year ago and an aggregate larger than in any year since 1929.

Gauged by sales of department stores in the principal cities, volume of retail trade in August was 8.6 per cent greater than in July and 8.4 per cent larger than a year ago; for the first eight months cumulative total exceeded that of the like interval in 1936 by 11.0 per cent. Combined sales of all wholesaling and jobbing firms reporting to this bank in August were 8.1 per cent greater than for the preceding month and 8.4 per cent less than a year ago; cumulative total for the first eight months exceeded that of the comparable period in 1936 by 16.9 per cent. The dollar value of contracts issued for new buildings in the principal cities in August was 14.7 per cent and 33.7 per cent smaller, respectively, than a month and a year earlier and for the first eight months the aggregate was 16 per cent greater than for the same period in 1936. The dollar value of construction contracts let in the Eighth District in August was 6.7 per cent smaller than in July and 5.2 per cent smaller than in August a year ago; for the first eight months the cumulative total was smaller by 9.3 per cent than in the like interval in 1936.

Officials of railroads operating in this district report the movement of freight during August and the first two weeks of September in heavier volume than during any similar period since 1930. The movement of grain and grain products was above a year ago and a favorable showing was made by the miscellaneous and merchandise L. C. L. classifications. A moderate gain over a year ago was recorded in the movement of coal, but forwardings of cotton were considerably smaller than during the same period in 1936. Reflecting generally improved economic conditions and intensive advertising campaigns, vacation travel was the heaviest in recent years, August passenger traffic of the reporting lines showed an increase of 9.0 per cent over the same month in 1936. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 1.9 per cent greater than in July and 32.7 per cent larger than in August, 1936; for the year to September 1, the cumulative total was slightly above that for the comparable period in 1936.

Collections generally during the past thirty days showed little change as compared with the two or three preceding months, and volume compared favorably with a year ago. September 1 settlements with wholesalers in the principal distributing centers were well up to expectations, and some im-

provement in retail payments was reported, accounted for partly by the return of numerous customers from vacations. Liquidation with country banks and merchants in the winter wheat areas was in considerable volume. Questionnaires addressed to representative interests in various lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
August, 1937.....	3.3%	53.0%	38.2%	5.5%
July, 1937.....	2.5	51.3	23.5	12.0
August, 1936.....	2.4	53.0	41.0	3.6

Commercial failures in the Eighth Federal Reserve District in August, according to Dun and Bradstreet, numbered 24, involving liabilities of \$217,000, which compares with 17 defaults with liabilities of \$133,000 in July and 24 defaults for a total of \$215,000 in August, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	Aug. 1937 compared with July, '37	Aug., '36	8 months 1937 comp. with same period 1936	Aug. 31, 1937 comp. with Aug. 31, 1936
Boots and Shoes.....	-12.8%	-23.2%	+20.9%	-13.5%
Drugs and Chemicals..	+ 2.4	+ 4.5	+ 9.4	+11.9
Dry Goods.....	+52.3	- 2.7	+ 8.0	+54.0
Electrical Supplies.....	-12.8	+17.7	+36.3	+30.4
Furniture.....	+12.9	- 9.4	+22.1	+28.1
Groceries.....	+ 0.7	- 9.2	+ 5.1	+15.9
Hardware.....	+ 3.2	+11.8	+22.0	+32.1
All above lines.....	+ 8.1	- 8.4	+16.9	+28.9

Automobiles — Combined passenger car, truck and taxicab production in the United States in August was 394,322 against 438,968 (revised figure) in July and 271,274 in August, 1936.

Boots and Shoes — Heavy purchasing by retailers earlier in the year, mainly in anticipation of an advance in prices, was in large measure accountable for the contraseasonal decline in sales of the reporting interests from July to August, shown in the above table. In the comparison with a year ago, declines were quite general through all lines, but relatively the most pronounced in the case of men's heavy shoes. There was no change in prices during the past thirty days, but the average continues above a year ago.

Clothing — August sales of the reporting clothiers were 58 per cent larger than in July and 12 per cent smaller than the August, 1936, total. Stocks decreased 17.2 per cent between August 1 and September 1 and on the latest date were 5.5 per cent larger than a year ago. Advance sales of men's suits and topcoats are reported in considerably larger volume than at the corresponding period a year and two years earlier. The trend of prices in certain lines of apparel was slightly easier, in sympathy with the decline in raw materials.



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF OCTOBER 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Oct. 1, 1937, comp. with Yield 1936 1923-36 Av.	
Estimated yield of 7 crops.....	+ 59.9%	+ 7.0%
Livestock:	Sept. 1937, comp. with Aug. 1937 Sept. 1936	
Receipts at National Stock Yards.....	6.6%	+ 5.8%
Shipments from aforesaid Yards.....	3.0	+17.6
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 3.9	— 7.4
Department store sales.....	+ 46.3	+ 8.2
Car loadings.....	— 8.5	+ 1.5
Building and Construction:		
Bldg. permits, incl. repairs {	Number...+ 1.0	— 2.9
Cost.....	— 8.9	+ 0.8
Value construc. contracts awarded.....	— 14.5	—40.2
Miscellaneous:		
Commercial failures {	Number.....— 33.3	— 5.9
Liabilities.....	+153.5	+98.6
Consumption of electricity.....	— 4.3	+ 2.9
Debits to individual accounts.....	+ 5.7	+ 1.7
Member Banks (24):	Oct. 13,'37 comp. with Sept. 15,'37 Oct. 14,'36	
Gross deposits.....	+ 1.6%	— 4.4%
Loans.....	+ 0.7	+16.0
Investments.....	— 2.9	—13.1

COMMERCE and industry in the Eighth District during September and the first half of October developed further moderate recessionary trends. The contraction, however, was not by any means universal, a number of important distributive and manufacturing lines maintaining, or slightly bettering their favorable records of recent months. Retail trade as a whole was in larger volume in September than either a month or a year earlier and the aggregate for the first three-quarters of 1937 was measurably above that for the comparable period last year. Combined September sales of the wholesaling and manufacturing lines investigated by this bank, while below the volume for that month a year ago, were somewhat larger than in August, and for the first nine months of the year the total was considerably in excess of that for the similar interval in 1936. In the case of non-durable goods, notably dry goods, boots and shoes, wearing apparel, certain drugs and chemicals, etc., distribution was much curtailed by unseasonably low temperatures during the early fall. The sharp decline in prices of farm products, particularly cotton, ad-

versely affected purchasing of commodities in the rural areas. Buying by merchants and the public generally in the immediate past has been on considerably more cautious and conservative lines than earlier in the year.

In the durable goods industries conditions were mixed, and as a whole the trend was downward. Shipments of finished iron and steel goods were fairly well maintained during September, but this activity was at the cost of backlogs accumulated earlier in the year. Placement of new orders was disappointing, except in the case of farm implements, stoves, heating apparatus, and a few additional specialties. Ingot production declined rather sharply at mills in this area, the rate at mid-October being 60 per cent of capacity, against 72.2 per cent a month earlier and 84 per cent at the middle of August. Production and shipments of lumber declined, and this was true also of glass, cement, quarry products and the general run of building materials. Building activities receded, and distribution of automobiles declined in somewhat more than average seasonal amount from August to September. On the other hand, output of bituminous coal mines in this area showed measurable gains in September over the preceding month and a year ago. Consumption of electricity by industrial users in the principal cities in September showed a small increase over the same month in 1936.

Crop prospects in this district underwent no outstanding changes during September and early October. As indicated by the October 1 report of the U. S. Department of Agriculture the major crops held their own or improved slightly during September, the only marked increase being in cotton. The forecast of 4,414,000 bales on October 1 was 535,000 bales more than estimated on September 1, and if realized will be the largest of record. Late crops were garnered under generally favorable conditions, with minimum loss of quantity and quality. Average condition of livestock is high, and farmers are feeding larger rations of prepared feeds than at this time during the preceding several years. The district tobacco crop will be measurably larger than a year

ago, and quality of the leaf is generally high. The price trend of agricultural products continued downward, with particularly sharp declines in cotton and grains.

The volume of retail trade in September, as indicated by sales of department stores in the principal cities, was 46.3 per cent greater than in August and 8.2 per cent larger than in September last year; for the first three-quarters cumulative total was 10.6 per cent in excess of that for the comparable period in 1936. Combined sales of all wholesaling and jobbing firms reporting to this bank in September was 3.9 per cent greater than in August and 7.4 per cent less than a year ago; for the first nine months this year the aggregate was larger by 13.0 per cent than during the like interval in 1936. The dollar value of permits issued for new construction in the principal cities in September was about one-fourth less than in August and 19 per cent below the September, 1936, total; cumulative total for the first three-quarters fell 11.7 per cent under that for the same period a year earlier. The dollar value of construction contracts let in the Eighth District in September was 14.5 per cent and 40.2 per cent smaller, respectively, than a month and a year earlier and cumulative total for the first nine months was 13.8 per cent below that for the same period in 1936.

According to officials of railroads operating in this district, the volume of freight traffic handled during the first three quarters of 1937 exceeded that of any similar period in all years since 1930. While gains were recorded in all classifications, heaviest increases were in coke, ore, forest products, and miscellaneous freight. During late September and the first half of October volume of southern lines was considerably augmented by the unusually heavy movement of cotton. Continuing the trends during earlier months this year, passenger traffic of the reporting lines in September showed a substantial increase over the corresponding month a year earlier. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 9.8 per cent less than in August and 27.6 per cent greater than in September, 1936; for the first nine months this year the cumulative tonnage was 3.5 per cent more than in the comparable period in 1936.

Reports relative to collections during the past thirty days reflected a continuance of the generally satisfactory conditions which have prevailed since the early spring. Questionnaires addressed to representative interests in the several lines scattered

throughout the district showed the following results:

	Excellent	Good	Fair	Poor
September, 1937.....	4.2%	50.0%	40.0%	5.8%
August, 1937.....	3.3	53.0	38.2	5.5
September, 1936.....	5.4	52.7	40.5	1.4

Commercial failures in the Eighth Federal Reserve District in September, according to Dun and Bradstreet, numbered 16, involving liabilities of \$550,000, against 24 insolvencies in August with liabilities of \$217,000 and 17 defaults for a total of \$277,000 in September, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks
	Sept. 1937 compared with Aug. '37	9 months 1937 comp. with same period 1936	Sept. 30, 1937 comp. with Sept. 30, 1936
Boots and Shoes.....	+18.9%	+15.8%	+15.9%
Drugs and Chemicals..	+21.9	+ 8.9	+ 9.1
Dry Goods.....	-10.4	- 6.5	+ 5.7
Electrical Supplies.....	+14.1	+39.1	+36.6
Furniture.....	-16.5	-30.9	+14.4
Groceries.....	+ 5.4	- 8.3	+ 3.1
Hardware.....	- 1.8	+ 5.0	+19.8
All above lines.....	+ 3.9	- 7.4	+13.0
			+25.2

Automobiles — Combined passenger car, truck and taxicab production in the United States in September was 171,203, against 394,322 in August and 135,165 in September, 1936.

Boots and Shoes — The increase in sales from August to September, shown in the above table, was contraseasonal in character and was significant in view of the heavy purchasing by retailers earlier in the year in expectation of price advances. The decrease in the comparison with a year ago was not unduly large when it is considered that the September, 1936, total was the largest for the month since 1930. Prices continued steady and were measurably higher than a year ago.

Clothing — September sales of the reporting firms were 20.5 per cent smaller than in August and about 7 per cent less than the September, 1936, total. Stocks declined moderately between September 1 and October 1 and on the latest date were approximately one-fifth less than a year earlier. The sharp decline in raw silk and cotton has had the effect of restricting ordering of goods based on those staples. Unseasonably warm weather during September and early October tended to retard the movement through retail of heavy clothing, notably men's top-coats and suits.

Dry Goods — The decline in September sales of the reporting firms from the preceding month was seasonal and its extent was somewhat smaller than the average during the past decade. The decrease as compared with a year ago is attributed to the un-



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF NOVEMBER 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Nov. 1, 1937, comp. with Yield 1936 1923-36 Av.	
Estimated yield of 7 crops.....	+63.4%	+ 9.4%
Livestock:	Oct. 1937, comp. with Sept. 1937 Oct. 1936	
Receipts at National Stock Yards.....	- 3.0%	- 6.5%
Shipments from aforesaid Yards.....	- 7.3	+ 1.0
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-14.8	-20.3
Department store sales.....	+ 2.6	- 2.0
Car loadings.....	+ 5.1	- 0.9
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	- 5.2	-11.3
{ Cost.....	-25.0	-71.1
Value construc. contracts awarded.....	- 8.2	-17.2
Miscellaneous:		
Commercial failures { Number.....	+18.8	-26.9
{ Liabilities.....	-68.5	-54.4
Consumption of electricity.....	- 7.2	+ 1.6
Debits to individual accounts.....	+14.8	+ 0.1
Member Banks (24):	Nov. 10, '37 comp. with Oct. 13, '37 Nov. 11, '36	
Gross deposits.....	- 1.7%	- 7.8%
Loans.....	+ 2.0	-16.5
Investments.....	- 2.5	-13.9

RECSSIONARY trends in general business in the Eighth District, which began in the late summer, continued at an accelerated pace during October and the first half of November. Distribution of merchandise and activities at manufacturing establishments underwent sharp contraction from the recently high levels, and in a majority of instances, fell below the rate prevailing at the corresponding period a year ago. In contrast with the first half of the year, purchasing by merchants and the public was on a conservative and cautious scale, and there was a general disposition in all quarters to await developments before expanding commitments. This attitude was emphasized by the decline in commodity prices on both spot and future markets and continued weakness in the security markets. Of the wholesaling and jobbing lines investigated by this bank a large majority showed decreased in volume of October sales as compared with the same month in 1936, also as contrasted with the preceding month this year. Among those recording declines in both comparisons were boots and shoes, dry goods, drugs and chemicals, groceries

and hardware. A relatively much more favorable showing was made in retail trade than in wholesale distribution, both in the large urban centers and the country. October sales of department stores in the principal cities were slightly greater than in September, and only 2.0 per cent below the high total of October a year ago. Retail sales of automobiles, while about one-fourth smaller than in September, were slightly larger than in October, 1936.

Activities in the iron and steel industry declined sharply, reflecting curtailment of new orders being placed with mills, foundries and machine shops. Backlogs are being rapidly reduced, and manufacturers are adjusting their output accordingly. Production of steel ingots at mills in this general area recorded a new low for the year at mid-November. Producers and distributors of building materials, including lumber, glass, fire clay products, cement and quarry products, reported demand for their goods at the lowest ebb since the recovery period. Consumption of electric power by industrial users in the principal cities during October fell slightly below the preceding month and a year ago. Production of bituminous coal at mines of the district was 10.9 per cent larger than in September, but about 2 per cent below that of October, 1936. Contraction in the industrial field was reflected in a decline in employment and payrolls from September to October. As reflected in the dollar value of building permits issued in the leading cities, and contracts let, construction in October showed declines, both as compared with the preceding month and a year earlier.

As a result of ideal fall conditions generally throughout the district, crop prospects improved further during October and the first half of November. Yields of all the major productions, according to the U. S. Department of Agriculture's report based on November 1 conditions, exceeded those of a year ago, and in most instances are larger than the five-year (1928-1932) average. The estimate for cotton for the Eighth District on November 1 was 4,681,000 bales, an increase of 267,000 bales over the October 1 forecast and comparing with 3,404,000 bales produced in 1936. Corn is also a bumper crop,

with per acre yields in Indiana and Illinois the highest since crop reporting began in 1866. The season was especially auspicious for fruits and vegetables, and final harvest returns indicate above average production for virtually all species. Harvesting of tobacco has been completed, and reports from a majority of the chief producing sections indicate a crop above average, both in point of size and quality.

Gauged by sales of department stores in the principal cities, the volume of retail trade in October was 2.6 per cent greater than in September and 2.0 per cent less than in October, 1936; cumulative total for the first ten months this year was 8.9 per cent in excess of that for the comparable period in 1936. Combined sales of all wholesaling and jobbing interests reporting to this bank in October were 14.8 per cent and 20.3 per cent smaller, respectively, than a month and a year earlier; for the first ten months the aggregate was 9.1 per cent greater than for the like interval in 1936. The dollar value of permits issued for new buildings in the principal cities in October was 7.4 per cent smaller than in September and about two-thirds less than in October, 1936; cumulative total for the first ten months was 11 per cent smaller than for the same period last year. Dollar value of construction contracts let in the Eighth District in October was 17.2 per cent and 8.2 per cent smaller than last year and last month, respectively; cumulative total for the year was 14 per cent less than last year.

Freight traffic of railroads operating in this district, according to officials of the reporting roads, declined in more than the expected seasonal amount during October and the first week of November. The volume was slightly less than during the same period in 1936, but still measurably greater than in all other preceding years since 1930. Passenger traffic of the reporting lines again showed a substantial increase in October over the corresponding month a year earlier. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 13 per cent less than in September, but more than 9 per cent greater than in October, 1936; for the first ten months this year the cumulative tonnage shows an increase of 4 per cent over the same interval a year ago.

Reports relative to collections during October and early November reflected less satisfactory results than during preceding months this year. Retailers in the rural areas, particularly in the south, reported some slowing down in payments, ascribed to the decline in prices of cotton. Wholesalers and jobbers in the chief distributing centers reported November 1 settlements somewhat below a year

ago. Fewer customers were taking advantage of cash discounts than heretofore. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

		Excellent	Good	Fair	Poor
October, 1937.....		2.4%	35.1%	52.0%	10.5%
September, 1937.....		4.2	50.0	40.0	5.8
October, 1936.....		9.8	52.8	36.0	1.4

Commercial failures in the Eighth Federal Reserve District in October, according to Dun and Bradstreet, numbered 19, involving liabilities of \$173,000, which compares with 16 insolvencies in September with liabilities of \$550,000, and 26 defaults for a total of \$379,000 in October, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		10 months 1937 comp. with same period 1936	Stocks Oct. 31, 1937 comp. with Oct. 31, 1936
	Oct. 1937 compared with Sept. '37	Oct. '36		
Boots and Shoes.....	-20.3%	-22.0%	+12.0%	-5.5%
Drugs and Chemicals..	-7.2	-5.3	+5.9	+7.8
Dry Goods.....	-15.0	-24.5	+1.4	+32.5
Electrical Supplies.....	-14.0	+0.2	+32.4	+27.0
Furniture.....	+18.1	-18.4	+9.9	+13.2
Groceries.....	-6.4	-1.5	+1.5	+8.5
Hardware.....	-12.2	-20.2	+14.7	+24.4
All above lines.....	-14.8	-20.3	+9.1	+19.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in October was 329,876 against 171,203 in September and 224,688 in October, 1936.

Boots and Shoes — The decrease in sales of the reporting firms from September to October, as shown in the above table, was seasonal in character, but considerably greater than the average during the past several years. The decrease as compared with a year ago is accounted for chiefly in the smaller volume of advance ordering. Prices of finished materials were practically unchanged, and continued measurably higher than a year earlier. Production during October and early November showed somewhat more than the usual seasonal decline.

Clothing — October sales of the reporting interests were 7 per cent smaller than during the preceding month and 2.5 per cent in excess of the October, 1936, total. Inventories continued to decrease during October, stocks on hand as of November 1 being approximately 15 per cent smaller than a month earlier, but 17 per cent in excess of those on the same date in 1936. Purchasing of apparel for spring distribution is reported generally disappointing, due to both price and style uncertainties. The general price trend was downward in sympathy with cotton and other raw materials.

Drugs and Chemicals — The general decline in industrial activities since the late summer was re-



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF DECEMBER 31, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Dec. 1, 1937, comp. with Yield 1936 1923-36 Av.	
Estimated yield of 7 crops.....	+ 62.1%	+ 8.5%
Livestock:	Nov. 1937, comp. with Oct. 1937 Nov. 1936	
Receipts at National Stock Yards.....	+ 3.6%	-10.8%
Shipments from aforesaid Yards.....	- 5.3	+ 0.8
Production and Distribution:		
Sales by mfrs. and wholesalers.....	- 9.7	-16.9
Department store sales.....	- 11.1	- 1.2
Car loadings.....	- 13.0	-11.8
Building and Construction:		
Bldg. permits, incl. repairs {	Number.....	25.2 - 9.3
Cost.....	26.8	-48.4
Value construc. contracts awarded.....	+ 4.0	+21.5
Miscellaneous:		
Commercial failures {	Number.....	+ 31.6
Liabilities.....	+120.2	-31.1
Consumption of electricity.....	- 8.2	- 5.0
Debits to individual accounts.....	- 14.0	- 0.8
Member Banks (24):	Dec. 15,'37 comp. with Nov. 17,'37 Dec. 16,'36	
Gross deposits.....	- 0.1%	- 7.2%
Loans.....	+ 0.01	+13.1
Investments.....	+ 0.7	-16.6

IN common with other sections of the country, Eighth District trade and industry sustained a further downward movement during the past thirty days, and in a number of important classifications, activities at mid-December had receded to the lowest levels of the year, also considerably below levels obtaining at the corresponding period in 1936. In all wholesaling and jobbing lines investigated by this bank, with the exception of drugs and chemicals, the volume of November sales fell below that of a year earlier, and aside from boots and shoes, which showed a small contraseasonal gain, totals were under those recorded in October. Unseasonably warm weather during November tended to retard distribution of all descriptions of fall and winter merchandise, and retail trade, as indicated by sales of department stores in the principal cities, registered declines, both as compared with a month and a year earlier. Holiday shopping during the third week in December was seriously hampered in St. Louis and other sections of the district by a spell of sleet and rainfall, which covered streets and highways with ice and discouraged people from

going out except where absolutely necessary. Reports covering the first half of December reflect these conditions in reduced volume of retail sales and an almost complete absence of reordering from wholesale concerns.

The exhibit made by production was even less favorable than in the case of distribution. There was a sharp contraction in operations at mills, foundries, machine shops and other ferrous metal working plants. Marked curtailment was also reported at glass, cement, fire-clay, and non-ferrous metal smelting establishments. Production of bituminous coal in all fields of the district in November decreased sharply as compared with the preceding month and a year ago. Production and shipments of lumber at southern mills was the smallest in a number of months, with many plants completely idle. Reflecting the decline in prices of lead and zinc, output of ores of these metals at Missouri and Arkansas mines receded further in November and early December. Construction contracts let in the Eighth District in November showed a moderate increase over October also over November, 1936, but building permits issued in the principal cities recorded sharp declines in both comparisons. Industrial consumption of electricity in the chief centers in November was in smaller volume than for any month since last February. Factory employment and payrolls declined, and there was less than the usual seasonal increase in clerical employment at retail establishments.

Save for the low price levels of most farm products, agricultural conditions in the district continued generally favorable. The U. S. Department of Agriculture's report as of December 1, in the main, confirmed forecasts of the principal crops made earlier in the season. Indicated output of cotton in this area is estimated at 4,710,000 bales, an increase of 29,000 bales over the November 1 forecast, and the largest of record. Husking and cribbing of corn had been virtually completed at mid-December, and quality of the large crop is high. Tobacco markets for the 1937 crop opened around December 1 with offerings large, but average prices were meas-

urably below a year ago. The condition of livestock maintained excellent general levels noted earlier in the fall, and meat animals are entering the winter in good flesh. The growing winter wheat crop is reported in fair to good condition.

As reflected in sales of department stores in the principal cities, the volume of retail trade in November was 11.1 per cent smaller than in October and 1.2 per cent less than in November, 1936; cumulative total for the eleven months was 7.8 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing interests reporting in November fell 9.7 per cent and 16.9 per cent, respectively, below a month and a year earlier; for the eleven months the aggregate was 6.6 per cent greater than during the like interval in 1936. The dollar value of permits for new buildings in the principal cities in November was 30.7 per cent smaller than in October and 55.7 per cent less than in November last year; cumulative total for the first eleven months was 3.6 per cent greater than for the like period in 1936. Dollar value of construction contracts let in the Eighth District in November was 4 per cent greater than in October and 21.5 per cent more than in November, 1936; cumulative total for the first eleven month fell 22 per cent below that for the same period a year ago.

According to officials of railroads operating in this district, freight traffic during November and early December declined in somewhat larger than the usual seasonal amount. Reflecting the decline in general industrial activities, the movement of coal, coke and other fuels has receded and there was also a sharp decline in the merchandise L. C. L. and miscellaneous freight classifications as contrasted with the preceding several months. For the first eleven months of the year, however, the volume of miscellaneous freight handled was larger than for the same period in 1936, and of all other years since 1931. Passenger traffic of the reporting lines in November showed a substantial increase over the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 30.9 per cent greater than in October and 43.1 per cent larger than in November, 1936; cumulative total for the first eleven months this year was larger by 7.3 per cent than during the like interval in 1936.

As was the case during the preceding month, reports relative to collections in November reflected less favorable results than during earlier months this year. Wholesalers in the chief distributing centers report some backwardness in payments, particularly in the cotton areas. In the tobacco districts, where

markets opened early in December, there has been a considerable volume of liquidation and slight betterment in collections in the rice growing areas is noted. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
November, 1937.....	1.5%	34.0%	50.5%	14.0%
October, 1937.....	2.4	35.1	52.0	10.5
November, 1936.....	9.5	52.5	36.7	1.3

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 25, involving liabilities of \$381,000, which compares with 19 insolvencies in October with liabilities of \$173,000, and 25 defaults for a total of \$553,000 in November, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	Nov. 1937 compared with Oct. '37	Nov. '36	11 months 1937 comp. with same period 1936	Nov. 30, 1937 comp. with Nov. 30, 1936
Boots and Shoes.....	+ 2.3%	-14.4%	+ 9.6%	-14.9%
Drugs and Chemicals..	- 9.9	+ 2.6	+ 5.8	+ 3.9
Dry Goods.....	-17.2	-25.0	- 1.4	+21.9
Electrical Supplies.....	-11.6	- 4.7	+28.1	+27.7
Furniture.....	-17.6	-14.1	+ 7.8	+25.6
Groceries.....	- 8.2	- 7.5	+ 0.9	+ 1.4
Hardware.....	-20.3	-20.7	+11.5	+ 5.3
All above lines.....	- 9.7	-16.9	+ 6.6	+ 8.7

Automobiles — Combined passenger car, truck and taxicab production in the United States in November was 360,063 against 329,876 in October and 394,987 in November, 1936.

Boots and Shoes — The increase in sales of the reporting firms in November from October was contraseasonal, and was attributed to the belated placement of orders which are usually received earlier in the fall. The decrease as compared with November a year ago was distributed generally through all lines, but most pronounced in seasonal merchandise. The mild fall tended to hold down the movement of the heavier lines through retail channels. The trend of prices was lower, in sympathy with the decline in raw materials, but the average continued measurably above a year ago.

Clothing — November sales of the reporting clothiers were about one-third smaller than in October and 7 per cent below the November total a year ago. Inventories increased and on December 1 were 5 per cent and 50 per cent larger, respectively, than a month and a year earlier. Reflecting the recent declines in textiles, the trend of prices of apparel was lower, with specific reductions on numerous items. Ordering for early spring and summer distribution is reported in considerably smaller volume than at the same time a year ago.



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF JANUARY 28, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Fall 1937 comp. with 1936 (1927-31 Av.)	
Winter wheat acreage sown.....	-13.7%	+ 33.2%
Livestock:	Dec. 1937 comp. with Nov. 1937 Dec. 1936	
Receipts at National Stock Yards.....	- 9.6%	- 17.1%
Shipments from aforesaid Yards.....	- 7.2	- 3.9
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-27.1	- 29.2
Department store sales.....	+56.9	- 5.2
Car loadings.....	- 6.3	- 21.1
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	-43.2	- 42.8
{ Cost.....	+55.4	- 79.5
Value construc. contracts awarded.....	- 3.9	+ 12.5
Miscellaneous:		
Commercial failures { Number.....	+12.0	- 12.5
{ Liabilities.....	+26.8	+114.7
Consumption of electricity.....	- 9.2	- 11.3
Debits to individual accounts.....	+10.1	- 9.1
Member Banks (24):	Jan. 12,'38, comp. with Dec. 15,'37 Jan. 13,'37	
Gross deposits.....	+ 2.6%	- 6.0%
Loans.....	- 1.5	+ 12.9
Investments.....	- 2.5	- 19.7

TRADE and industry in the Eighth District during December and the first half of January continued the recessionary trends which have been in progress since last summer. The rate of decline, however, has been much less acute than during the early fall, and since the turn of the year quite distinct improvement has developed in a number of important lines. Notwithstanding the severe setback during the last half, results achieved in 1937 were more favorable than during the preceding twelve months and all years since 1931. For the month of December virtually all available indices and other measurements used in gauging the status of business recorded decreases as compared with the preceding month, also with the corresponding period a year ago. Aside from department stores and some other branches of retail distribution affected by the holiday trade, all lines of merchandising investigated by this bank showed decreases from a year earlier, and with the exception of electrical supplies and drugs and chemicals, decreases from November were recorded. At industrial plants, particularly those producing durable goods, activities in Decem-

ber were at the low point of the year. This was true particularly of iron and steel, lumber, glass, cement and the entire category of building materials.

Production of bituminous coal at mines in this area during December was about 27 per cent greater than in November, but 4 per cent less than the output for that month a year earlier; during the year tonnage lifted exceeded that of 1936 by 1 per cent. Consumption of electricity by industries in the principal cities in December was smaller by 9.1 per cent and 11 per cent, respectively, than a month and a year earlier and for the year the total was 3.2 per cent smaller than that in 1936. Ingot production at steel plants at the end of December was at 15 per cent of capacity, the low point of the year, and comparing with the peak of 94 per cent at mid-May. In the second week of January the rate had been raised to 21 per cent. Factory employment and payrolls declined in considerably more than the seasonal amount in December, and farm employment and wage scales at the end of the month were measurably below those of a year earlier. Final quarter of 1937 postal receipts in the principal cities fell slightly below the same interval in 1936, but aggregate receipts for the year were 2 per cent greater than in 1936 and approximately 11 per cent in excess of the 1935 total.

The volume of retail trade in December, as reflected in sales of department stores in the principal cities, was 56.9 per cent greater than in November and 5.2 per cent less than in December, 1936. Volume for the year exceeded that of 1936 by 5.8 per cent and was the largest for any year since 1930. Combined sales of all wholesaling and jobbing firms reporting to this bank in December was 27.1 per cent and 29.2 per cent smaller, respectively, than a month and a year earlier and for the year the total was 3.9 per cent larger than in 1936. The dollar value of permits issued for new buildings in the chief cities in December was 35.4 per cent above the preceding month and 86.5 per cent less than in December, 1936; total for the year fell 26.4 per cent below that of 1936. Dollar value of construction contracts let in the Eighth District in December was 4 per cent

less than in November, but 12.5 per cent greater than a year earlier; for the year the total value of construction contracts was smaller by 10.6 per cent than in 1936.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, declined more than seasonally in December from November, and was measurably smaller than in December, 1936. For the twelve months of 1937, however, the volume exceeded that of all years since 1930. Increases over the preceding year were recorded in all classifications other than livestock, most notable gains being, respectively, in ore, forest products, coke, miscellaneous freight and merchandise L. C. L. Since January 1 there has been a moderate upturn in loadings, but the volume continues below 1936. Due to extraordinarily heavy holiday travel, passenger traffic of the reporting roads in December showed a substantial increase over the same period in 1936. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 18 per cent smaller than in November and 55 per cent greater than in December, 1936; total tonnage handled in 1937 exceeded that of the preceding year by 11 per cent.

Reports relative to collections during the past thirty days reflect considerable spottiness, both with reference to the several lines and geographic locations. As a whole results showed no marked change as contrasted with the similar period immediately preceding, but were somewhat less satisfactory than a year ago. In the typical cotton sections merchants report backwardness in payments, ascribed to the decline in raw cotton prices, and the relatively low prices being realized by rice producers are also having a retarding effect on payments. With rapid progress in marketing of tobacco, there has been a considerable volume of liquidation of indebtedness based on that commodity. In the large urban centers, retailers report backwardness in December payments, but improvement is noted since the first of this year. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
December, 1937.....	2.0%	33.8%	44.0%	20.2%
November, 1937.....	1.5	34.0	50.5	14.0
December, 1936.....	6.1	60.6	31.8	1.5

Commercial failures in the Eighth Federal Reserve District in December, according to Dun and Bradstreet, numbered 28, involving liabilities of \$483,000, which compares with 25 defaults in November with liabilities of \$381,000 and 32 insolvencies for a total of \$225,000 in December, 1936.

In 1937 there were 271 failures with liabilities of \$3,378,000 against 372 defaults involving liabilities of \$4,709,000 in 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	Dec. 1937 compared with Nov. '37	Dec. '36	12 months 1937 comp. with same period, 1936	Dec. 31, 1937 comp. with Dec. 31, 1936
Boots and Shoes.....	-36.4%	-28.6%	+ 7.2%	+16.9%
Drugs and Chemicals..	+ 0.5	- 1.0	+ 5.3	+ 6.9
Dry Goods.....	-40.4	-37.6	- 4.0	+ 4.9
Electrical Supplies....	+16.4	-23.2	+21.8	+31.4
Furniture.....	-19.4	-41.7	+ 2.7	+13.3
Groceries.....	- 2.3	-14.9	- 0.5	-11.1
Hardware.....	-12.4	-33.3	+ 7.5	- 5.6
All above lines.....	-27.1	-29.2	+ 3.9	+ 3.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in December totaled 326,234 against 329,876 in November and 498,710 in December, 1936. In 1937 production amounted to 4,809,515, which compares with 4,454,115 in 1936 and 3,946,934 in 1935.

Boots and Shoes — The decrease in sales of the reporting firms from November to December, shown in the above table, was seasonal in character, but considerably smaller than the average during the past several years. Production, which had declined sharply since last August, turned slightly upward in late December and during the first half of January. The trend of prices was lower, with specific reductions reported in a number of lines.

Clothing — December sales of the reporting clothiers were about one-fourth smaller than in November and 22 per cent less than in December, 1936. Stocks decreased 18 per cent between December 1 and January 1, but on the latest date were 21 per cent larger than a year earlier. Mild weather generally through the district, coupled with reduced employment, had the effect of holding down distribution of heavy apparel at retail. Advance orders for spring and summer lines were reported substantially below the volume a year and two years ago.

Drugs and Chemicals — The movement of seasonal goods was reported in approximately the expected volume, but this was more than offset by a sharp recession in demand for heavy drugs and chemicals, incident to curtailed manufacturing activities. Price changes were negligible, but the average was slightly below that at the same time last year.

Dry Goods — December sales of the reporting firms were the smallest recorded for any month in 1937 and the lowest for any December since 1933. The decline from December, 1936, shown in the above table was accounted for in large part by a decline in prices. Reports covering the first half of January indicate a decrease in sales of about one-fourth as compared with the like interval in 1937.



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF FEBRUARY 28, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Agriculture:	Fall 1937	comp. with 1936 (1927-31 Av.)	
Winter wheat acreage sown.....	-13.7%	+33.2%	
Livestock:	Jan. 1938	comp. with Jan. 1937	
Receipts at National Stock Yards.....	+ 8.9%	- 2.9%	
Shipments from aforesaid Yards.....	+ 4.9	+ 5.2	
Production and Distribution:			
Sales by mfrs. and wholesalers.....	+34.4	- 9.3	
Department store sales.....	-52.8	+ 4.0	
Car loadings.....	+ 4.4	-17.3	
Building and Construction:			
Bldg. permits, incl. repairs {	Number.....+21.4	+ 7.6	
Cost.....-38.5	- 2.4		
Value construc. contracts awarded.....	- 5.4	-27.2	
Miscellaneous:			
Commercial failures {	Number.....+78.6	+92.3	
Liabilities.....- 6.0	+90.8		
Consumption of electricity.....	- 9.7	-19.5	
Debits to individual accounts.....	-11.8	- 1.6	
Member Banks (24):	Feb. 16, '38	comp. with Jan. 19, '38	Feb. 17, '37
Gross deposits.....	+ 0.2%	- 5.7%	
Loans.....	- 2.8	+10.7	
Investments.....	- 0.02	-18.8	

WHILE general business in the Eighth District during January and the first weeks of February continued the downward trends which marked the closing quarter of 1937, and were present throughout the country, available statistics and information reflect more gradual declines and in some instances stabilization at the lower levels, both with reference to volume of business transacted and prices. During the first half of January the rate of operations in some industries was moderately increased from depressed levels in late December and distribution of merchandise through retail channels also turned slightly upward. Through the entire area retail trade was handicapped by unseasonably warm weather, accompanied by rains in many sections, and these conditions extended well into February. The effect was particularly marked in the movement of heavy apparel, fuels, certain drugs and chemicals and other winter goods. Decreases in sales volume extended as well to wholesaling and jobbing lines investigated by this bank, all of which, with the exception of electrical supplies, reported a reduced volume of sales in January as compared with a year and two years earlier.

Inventories of merchandise in the hands of distributors are as a rule of moderate proportions, which fact has been emphasized in the immediate past by numerous orders specifying prompt shipment. This is true particularly of nondurable goods, notably dry goods, shoes, groceries, apparel and drugs. There is a general disposition, however, to purchase only sufficient goods to fill immediate or definite prospective requirements. With an insignificant number of exceptions, the volume of advance orders on books of wholesalers reporting to this bank as of February 1 was measurably below that of a year ago, and the average for the date during the past several years. In turn this attitude of hesitancy has ramified to manufacturers, who are making up only limited quantities of their products for which they have not actual orders. Commitments for raw and semi-finished materials are universally reported on an extremely conservative scale.

Activities in the iron and steel industry in this area developed moderate betterment during January as contrasted with December, but as a whole were considerably below the average in other recent months. Unfilled orders were further reduced, despite small shipments, and new business is being sparingly placed. Miscellaneous demands predominate in current orders, revival of purchasing by the chief consuming groups having failed to appear. At mid-February steel ingot production was at 27 per cent of capacity, which compares with 21 per cent during January and 15 per cent in the late December. Demand for building materials continues dull. Reflecting reduced industrial activities and smaller demands for heating purposes incident to the mild winter, production of bituminous coal at district mines in January was smaller by 22 per cent and 18 per cent, respectively, than a month and a year earlier. Employment and payrolls receded further, with decreases extending to virtually all industries.

Taken as a whole the agricultural situation in the district during the past thirty days underwent no changes of moment as contrasted with the similar period immediately preceding. Weather condi-

tions during the winter have been in the main favorable for growth and development of fall sown crops. Precipitation has been abundant and well distributed, with the result that soil conditions are more favorable than has been the case in a number of years. Considerable progress has been made in preparing for planting spring crops, but acreage intentions and farm plans generally are more uncertain than is usual for this season, owing to the decline in prices of farm products and a disposition of farmers to await action on the Government's agricultural program.

As reflected in sales of department stores in the principal cities, the volume of retail trade in January was 52.8 per cent less than in December and 4.0 per cent greater than in January, 1937. Combined sales of all reporting wholesaling and jobbing firms in January were 34.4 per cent greater than in December and 9.3 per cent less than in January a year ago. The dollar value of construction contracts let in the Eighth District in January was 5.4 per cent smaller than in December and 27.2 per cent below that in January, 1937. The dollar value of permits issued for new buildings in the chief cities in January was 42.7 per cent smaller than in December and 2.9 per cent larger than in January, 1937.

According to officials of railroads operating in this district, freight traffic during January declined somewhat more than seasonally and total loadings were measurably smaller than for that month a year and two years earlier. The downward trend continued in the first half of February, with heaviest declines in the miscellaneous freight, merchandise L. C. L. and coal classifications. In only grain, grain products and livestock were increases recorded over a year ago. The increase in the movement of grain was accounted for partly by heavy forwardings of corn. After unbroken increases since October, 1935, passenger traffic of the reporting roads for the month of January showed a decrease as compared with a year earlier. The decrease is attributed to depression in general business. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 10 per cent greater than in December and 12 per cent larger than in January, 1937. The heavy increase in the comparison with a year ago was caused by flood conditions existing during the earlier period.

Quite generally through the district, reports relative to collections during the past thirty days reflect less favorable conditions than have obtained in recent months. Wholesale merchants report more numerous requests for extensions, and fewer customers taking advantage of discounts. In the tobac-

co districts, where marketing of the crop is nearing completion, liquidation with both merchants and country banks was in considerable volume. Retailers in the large urban centers report payments spotty, particularly with reference to goods purchased on installment. Reports of closer credit policies and more intensive collection efforts are received from a number of localities. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

		Excellent	Good	Fair	Poor
January, 1938.....		0.8%	34.8%	48.7%	15.7%
December, 1937.....		2.0	33.8	44.0	20.2
January, 1937.....		2.5	46.4	40.6	10.5

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and Bradstreet, numbered 50, involving liabilities of \$454,000, which compares with 28 defaults in December with liabilities of \$483,000 and 26 insolvencies for a total of \$238,000 in January, 1937.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks
	January, 1938 comp. with		Jan. 31, 1938
	Dec. 1937	Jan. 1937	comp. with Jan. 31, 1937
Boots and Shoes.....	+89.6%	-1.5%	+21.8%
Drugs and Chemicals.....	-8.7	-4.6	-1.9
Dry Goods.....	+25.5	-25.2	-12.3
Electrical Supplies.....	-28.4	+8.5	+24.1
Furniture.....	-28.3	-31.4	+64.0
Groceries.....	-11.2	-15.7	-14.8
Hardware.....	+24.3	-7.4	-7.2
All Above Lines.....	+34.4	-9.3	+8.7

Automobiles — Combined passenger car, truck and taxicab production in the United States in January totaled 210,450 against 498,721 in December and 380,055 in January, 1937.

Boots and Shoes — The increase in sales from December to January, shown in the above table, was seasonal, but about one-third greater than has been the experience in recent years. The volume of orders for prompt delivery has increased somewhat since February 1, but advance purchasing for late spring and summer distribution is backward. While no specific changes in prices of finished goods were announced, the trend was lower in sympathy with raw materials.

Clothing — Sales volume declined noticeably during the closing months of 1937, and while seasonal factors helped to hold up trade in January the total for that month was about two-thirds smaller than a year earlier. Price and style uncertainties, together with the recession in general business, have adversely affected advance buying.

Drugs and Chemicals — As has been the case since the early fall, decreases in sales in this classifi-



BUSINESS CONDITIONS

Monthly Review of Agricultural, Industrial, Trade and Financial Conditions in Eighth Federal Reserve District

RELEASED FOR PUBLICATION ON THE AFTERNOON OF MARCH 30, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

DISTRICT SUMMARY

THE course of Eighth District trade and industry during February and the first half of March was marked by a considerable degree of spottiness and irregularity, and considered as a whole, downward trends which began last fall were still very noticeably in evidence. Production of manufactured goods in a large majority of lines receded further, a notable exception being in iron and steel products, which increased moderately from January to February and have continued the improvement in March. As contrasted with a year ago, all manufacturing lines investigated recorded broad declines in February, and in a number of instances output was the smallest for the month since 1933. Boot and shoe production has moved upward from the low level of December, but is still measurably below a year ago. Unseasonably warm weather, coupled with lessened industrial requirements adversely affected the bituminous coal industry, production at all fields of the district in February showing sharp declines under a month and a year earlier. Output of zinc at district mines, on the other hand, was higher in February than last year, though about 10 per cent below January this year. Consumption of electric power by industrial users in the principal centers declined more than seasonally in February and the first weeks of March. Through the entire classification of building materials, including cement, glass, fire-clay products and lumber, February production fell below that of a month and a year earlier.

Volume of distribution through both retail and

wholesale channels failed to improve, and the exhibit made was no more favorable than in the case of production. The character of buying in all sections of the district continued to reflect extreme conservatism on the part of merchants and ultimate consumers. In all wholesaling and jobbing lines investigated, except boots and shoes, February sales fell considerably below the volume a year and two

years earlier, and in certain classifications were the smallest for the month since 1933. With the exception of a few lines affected directly by seasonal considerations, February volume was smaller than in January. The movement of seasonal merchandise throughout the entire winter has been curtailed by unseasonably mild weather, and recent special sales of such goods have met with indifferent response. Another factor affecting retail volume in

contrast with a year ago was the earlier Easter date in 1937. In the immediate past a moderate pickup in retail trade has taken place, attributable almost entirely to the Easter stimulus. Retail sales of automobiles in February were about 37 per cent greater than in January, but 37 per cent less than in February, 1937; for the first two months this year cumulative total was more than one-third smaller than for the like interval in 1937.

Agricultural conditions in the district underwent no notable changes during the past thirty days as contrasted with the similar period immediately preceding. Preparation of the soil for spring crops has made fair progress where uninterrupted by rains,

	Feb. 1938	comp. with Jan. 1938	Feb. 1937
Livestock:			
Receipts at National Stock Yards.....	-28.7%	-	13.2%
Shipments from aforesaid Yards.....	-24.0	-	0.3
Production and Distribution:			
Sales by mfrs. and wholesalers.....	+ 1.5	-	10.9
Department store sales.....	- 3.1	-	3.3
Car loadings.....	-11.9	-	27.3
Building and Construction:			
Bldg. permits, incl. repairs { Number.....	+30.8	-	6.4
{ Cost.....	+ 5.7	-	13.1
Value construc. contracts awarded.....	-44.2	-	34.4
Miscellaneous:			
Commercial failures { Number.....	+ 4.0	+173.7	
{ Liabilities.....	+ 8.6	+204.3	
Consumption of electricity.....	- 1.1	-	2.1
Debits to individual accounts.....	-17.7	-	11.0
Member Banks (24):			
Gross deposits.....	- 0.7%	-	3.6%
Loans.....	- 1.4	+	6.6
Investments.....	+ 4.9	-	14.7

but taken as a whole these operations are somewhat behind the seasonal schedule. Prices of farm products fluctuated within a relatively narrow range, but throughout the period were measurably below levels obtaining a year ago. Rainfall has been abundant and well distributed and has served to considerably improve subsoil conditions and replenish water supplies depleted by recent drouth years. Late winter floods in Arkansas and sections of Missouri and Tennessee delayed farm work, but are believed to have wrought no permanent damage, areas inundated being chiefly farm lands. Marketing of the tobacco crop has been virtually completed, and while average prices were much lower than for the 1936 crop, returns to farmers are estimated to be somewhat higher because of the larger total yield. Supplies of farm labor are generally in excess of requirements, with wage scales slightly below a year ago.

The volume of retail sales in February, as reflected in sales of department stores in the principal cities, was 3.1 per cent less than in January and 3.3 per cent less than in February, 1937; cumulative total for the first two months was 0.3 per cent greater than for the comparable period in 1937. Combined sales of all wholesaling and jobbing firms whose statistics are available to this bank were 1.5 per cent larger in February than in January and 10.9 per cent less than in February, 1937; cumulative sales for the first two months this year were 10.1 per cent under the same interval a year earlier. The dollar value of permits issued for new construction

in the chief cities in February was 22 per cent larger than in January and 17.5 per cent less than in February, 1937; cumulative total for the first two months was 9.4 per cent smaller than for the same period in 1937. Value of construction contracts let in the Eighth District in February was 44 per cent and 34 per cent smaller, respectively, than a month and a year earlier, and for the first two months the cumulative total was 30 per cent less than for the like interval in 1937.

Reports relative to collections during the past thirty days indicated no change from trends which obtained during the similar period immediately preceding. The general average was below a year and two years earlier, despite the fact that in 1937 settlements in the important Ohio River Valley areas were seriously interfered with by flood conditions. Installment payment houses report backwardness in collections, most pronounced in the principal industrial centers. Questionnaires addressed to representative interests in the several lines show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
February, 1938.....	0.6%	32.5%	44.4%	22.5%
January, 1938.....	0.8	34.8	48.7	15.7
February, 1937.....	2.0	42.4	37.2	18.4

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 52, involving liabilities of \$493,000, which compares with 50 defaults with liabilities of \$454,000 in January and 19 insolvencies for a total of \$162,000 in February, 1937.

DETAILED SURVEY OF DISTRICT

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Feb. 1938 compared with		2 months 1938 comp. with same period 1937	Feb. 28, 1938 comp. with Feb. 28, 1937
	Jan. '38	Feb. '37		
Boots and Shoes.....	- 3.4%	+13.8%	+ 2.8%%
Drugs and Chemicals..	- 7.1	-14.1	- 9.5	- 9.0
Dry Goods.....	+ 4.1	-24.7	-24.9	-11.5
Electrical Supplies.....	- 8.2	-20.8	- 6.3	+ 2.8
Furniture.....	+35.7	-21.4	-25.7	+31.6
Groceries.....	- 1.0	- 4.8	- 9.6	-15.4
Hardware.....	+ 6.3	- 6.6	- 6.9	-10.8
All above lines.....	+ 1.5	-10.9	-10.1	- 8.5

Automobiles — Combined passenger car, truck and taxicab production in the United States in February totaled 186,806 against 210,450 in January and 364,193 in February, 1937.

Boots and Shoes — The decrease in sales of the reporting firms from January to February followed the experience of twelve of the fourteen years since 1924. Its extent, however, was somewhat greater than average. The trend of prices of finished goods was lower in sympathy with the decline in hides and other raw material. Production has been moving

steadily upward from the low point reached last December.

Clothing — Style and price uncertainties, more particularly the latter, are mainly accountable for a decline in February sales as contrasted with a year earlier. The volume of advance ordering is reported in measurably smaller volume than at the same time last season. Unseasonably warm weather in January and February was reflected in a disappointing movement of both men's and women's heavy apparel through retail channels.

Drugs and Chemicals — Conditions in this classification showed little change from the preceding month. Sales volume has been adversely affected by reduced requirements of the general manufacturing trade for heavy drugs and chemicals. In the immediate past some improvement has been noted in demand for insecticides and fertilizers, but advance orders of materials in this category are below seasonal expectations.



BUSINESS CONDITIONS

Monthly Review of Agricultural, Industrial, Trade and Financial Conditions in Eighth Federal Reserve District

RELEASED FOR PUBLICATION ON THE MORNING OF APRIL 29, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

DISTRICT SUMMARY

TAKEN as a whole, commerce and industry in the Eighth District during the past thirty days continued the downward trends which have been in effect in greater or lesser degree since last fall. As a result mainly of seasonal considerations, certain lines developed moderate improvement as contrasted with the similar period immediately preceding. The extent of this betterment, however, was considerably less than is expected at this time of year. In virtually all lines investigated by this bank, volumes in March were appreciably below those of the same period in 1937 and average for the month during the past several years. Reversing conditions a year earlier, when business generally throughout the district was moving rapidly upward, the first quarter of 1938 witnessed a steady contraction in activities and at the end of the three months a large majority of indicators employed for gauging trade and industry recorded the lowest levels since 1932. Production in the heavy industries, such as iron and steel, non-ferrous metals, lumber, cement and the entire classifications of building materials, receded further, despite the apparently more favorable position of consumer and distributor inventories. Total, as well as manufacturing employment, declined somewhat during March and early April. The reduction in unemployed farm help and common laborers engaged in outdoor occupations was more than offset by accretions to the number of idle workers elsewhere.

Reports relative to some of the lesser industries indicated smaller declines in operations from a year ago in comparison with the sharp recession in certain of the more important lines. Likewise some localities, particularly through the south, made a more favorable showing in the matter of general business activity than was the case in the large industrial centers. Lateness of the Easter date this year was partly accountable for the smaller volume of retail sales in March as compared with a year ago. Adverse weather conditions during early April served to hold down the volume of distribution and Easter trade was universally below expectations. The continued downward drift of commodity prices tended to accentuate uncertainties due to other influences and merchants and ultimate consumers are disposed to purchase conservatively and only for immediate

Agriculture:	Apr. 1, 1938 comp. with 1937 Av. 1927-36	
Estimated produc. of Winter Wheat.....	8.6%	+43.1%
Livestock:	Mar. 1938 comp. with Feb. 1938 Mar. 1937	
Receipts at National Stock Yards.....	+ 5.1%	-18.8%
Shipments from aforesaid Yards.....	+ 2.7	-11.7
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 8.4	-17.0
Department store sales.....	+26.4	-12.8
Car loadings.....	+13.9	-25.4
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	+62.9	-12.7
{ Cost.....	+63.1	- 9.5
Value construc. contracts awarded....	+88.3	-23.3
Miscellaneous:		
Commercial failures { Number.....	- 9.6	+80.8
{ Liabilities.....	-34.3	+17.4
Consumption of electricity.....	+13.5	-10.4
Debits to individual accounts.....	+14.9	-17.2
Member Banks (24):	Apr. 13,'38 comp. with Mar. 16,'38 Apr. 14,'37	
Gross deposits.....	- 0.8%	- 2.9%
Loans.....	- 2.1	+ 3.0
Investments.....	- 0.01	-10.6

requirements. Production of bituminous coal, consumption of electricity, car-loadings and building activities during the first quarter were measurably below the same interval in 1937.

The volume of retail trade in March, as reflected by department store sales in the principal cities, was 26.4 per cent more than in February and 12.8 per cent less than in March, 1937; for the first quarter cumulative sales showed a decrease of 5.2 per cent under the like interval last year. Combined sales of all wholesaling and jobbing firms whose statistics are available to this bank, were 8.4 per

cent more than in February and 17.0 per cent less than in March, 1937; for the first three months the cumulative total was smaller by 13.2 per cent than for the same period a year earlier. The dollar value of building permits issued for new construction in the chief cities in March was 90 per cent greater than in February and 1.6 per cent less than in March last year; cumulative total for the first quarter was 5.6 per cent smaller than a year earlier. The dollar value of construction contracts let in the Eighth District during March was 88.3 per cent more, than in February and 23.3 per cent less than in March, 1937; for the first three months the cumulative total was 27.5 per cent smaller than the like period last year.

While still somewhat behind the usual seasonal schedule, spring farm work made good progress during March and the first half of April. Prospects for crops, livestock and pastures in this district appear to be better at this season than in any of the past several years. Milk production showed the largest March increase in fourteen years and egg production also was of record size. Fruit trees came through the winter in good shape, but sub-freezing temperatures since April 1 have caused considerable damage to both fruits and early vegetables. Taking the district in its entirety, there are no signs of general expansion in acreage, and with prices of farm products low, some shifting towards less intensive cultivation is indicated. Farm wage rates during the

first quarter of 1938 made about the usual seasonal increase and average about 2½ per cent higher than a year ago, according to the U. S. Bureau of Agricultural Economics. Reports from farmers indicate a larger number of men seeking employment than last spring.

Mercantile and industrial interests report collections during the past thirty days as showing slight improvement over the similar period immediately preceding, but still much below a year and two years ago. In the large distributing centers wholesalers and jobbers with whom April is an important settlement month, report payments above expectations, with a particularly good showing being made by customers in the cotton and tobacco producing areas. In the large urban centers retailers report more spottiness in collections than has been the case in a number of months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
March, 1938.....	1.2%	34.8%	44.5%	19.5%
February, 1938.....	0.6	32.5	44.4	22.5
March, 1937.....	3.6	46.3	43.9	6.2

Commercial failures in the Eighth Federal Reserve District in March, according to Dun and Bradstreet, numbered 47, involving liabilities of \$324,000, which compares with 52 defaults with liabilities of \$493,000 in February and 26 insolvencies for a total of \$276,000 in March, 1937.

DETAILED SURVEY OF DISTRICT

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Mar. 1938 compared with Feb. '38	Mar. '37	3 months 1938 comp. with same period 1937	Mar. 31, 1938 comp. with Mar. 31, 1937
Boots and Shoes.....	+ 0.4%	-16.3%	- 7.5%	+18.1%
Drugs and Chemicals..	+11.1	-11.1	-10.0	- 7.0
Dry Goods.....	+14.2	-20.3	-23.5	-18.6
Electrical Supplies.....	+33.2	-34.5	-13.5	-13.0
Furniture.....	+41.1	-21.8	-24.2	+ 5.9
Groceries.....	+12.4	-14.1	-11.6	-11.0
Hardware.....	+22.6	-16.1	-12.0	-12.0
All above lines.....	+ 8.4	-17.0	-13.2	- 2.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in March totaled 221,951 against 186,806 in February and 494,121 in March, 1937.

Boots and Shoes — The increase in March sales over the preceding month, as shown in the above table, was seasonal in character, but the smallest recorded in this comparison since these records began in 1924, with the exception of 1934, when a decrease was shown. Since April 1 a fair volume of reordering was reported, mainly of merchandise for the Easter trade. A number of the principal reporting firms have announced a wage cut of 10 per cent

for all their employees to be effective early in May.

Clothing — March sales of the reporting firms were 29 per cent and 2.2 per cent greater, respectively, than a month and a year earlier. The trend of prices continued lower, and throughout the period were measurably below a year ago. Owing to the unusually mild winter and early spring, clearance of heavyweight apparel through retail channels was disappointing.

Drugs and Chemicals — There was little change in the drug and chemical trade from the quiet conditions which have obtained in recent months. Demand for heavy chemicals from the general manufacturing trade was the principal factor in the decrease in March sales under the same month last year.

Dry Goods — Purchasing for prompt shipment has improved perceptibly since mid-March, but advance business on the books of reporting firms as of April 1 was reported about one-third smaller than on the same date in 1937.



BUSINESS CONDITIONS

Monthly Review of Agricultural, Industrial, Trade and Financial Conditions in Eighth Federal Reserve District

RELEASED FOR PUBLICATION ON THE AFTERNOON OF MAY 31, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

DISTRICT SUMMARY

BUSINESS in the Eighth District failed to improve during April, and save in a very limited number of lines which were directly affected by seasonal influences, the volume was under that of the preceding month and the smallest of the present depression. Since May 1 the same general trends have been in effect and about the same rate as during the preceding sixty days. The angle of decline, however, was nothing like as acute as that which reflected conditions during the final quarter of 1937, and in certain branches of industry and distribution of commodities indicated relative stability. As an instance, steel ingot production in this area declined only about three points from mid-April to the third week in May, whereas the decline from October to December, 1937, was approximately 45 per cent. Similar flattening tendencies were noted in glass, lumber, cement and the general run of building materials in the area. Withal production as a whole so far this year is markedly below that of a year earlier; the production index of the Board of Governors, adjusted for seasonal variation, stood at 77 per cent of the 1923-1925 average in April, as against 118 per cent in April, 1937. The total volume of distribution of commodities through wholesale and jobbing channels, as measured by statistics of firms reporting to this bank, decreased 35 per cent from October to December last year, while the loss from January to April this year was approxi-

mately 11 per cent. The momentum of decline in retail distribution is also less precipitous than in the earlier period.

There has been no deviation from the policy of extreme conservatism which has obtained in purchasing of merchandise of all descriptions during the past several months. In all lines investigated,

buying is for immediate requirements only, and with the lower trend in prices there is no incentive for future buying, either of finished goods or raw materials. This situation is reflected in the smallest volume of advance orders on books of producers and distributors recorded at this time in a number of years. There is also a reluctance to expend capital in new enterprise or in expansions and improvements of existing plants and facilities. As contrasted with earlier this year, however, there has been

a substantial reduction in inventories, a considerable portion of which represents goods acquired early last year, when expanding business and expected higher prices were stimulating buying. The employment situation as a whole continued unfavorable, the number of idle workers increasing and payrolls declining. Wage reductions and proposals for reductions were more numerous. April construction contracts in the district were 14 per cent above March, but 10 per cent under last year. Permits issued for new construction in the principal cities were lower in both comparisons.

Agriculture:	May 1, 1938 comp. with 1937 Av. 1927-36	
Estimated produc. of Winter Wheat.....	7.8%	+ 44.3%
Livestock:	April 1938 comp. with Mar. 1938 April 1937	
Receipts at National Stock Yards.....	+ 3.0%	- 18.5%
Shipments from aforesaid Yards.....	1.2	- 11.2
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-12.8	- 20.8
Department store sales.....	+ 5.8	- 4.2
Car loadings.....	-13.8	- 30.3
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	- 2.0	- 19.3
{ Cost.....	-16.1	- 41.8
Value construc. contracts awarded.....	+14.3	- 10.4
Miscellaneous:		
Commercial failures { Number.....	+ 2.1	+128.6
{ Liabilities.....	+52.2	+138.2
Consumption of electricity.....	+ 0.8	- 15.3
Debits to individual accounts.....	- 4.8	- 18.4
Member Banks (24):	May 11, '38 comp. with Apr. 13, '38 May 12, '37	
Gross deposits.....	+ 0.3%	+ 1.3%
Loans.....	- 2.4	+ 0.1
Investments.....	+ 4.8	- 2.2

As reflected in sales of department stores in the principal cities, the volume of retail trade in April was 5.8 per cent larger than in March and 4.2 per cent less than in April, 1937; for the first four months the cumulative total was 4.9 per cent smaller than that for the corresponding period a year ago. Combined sales of all wholesaling and jobbing firms whose statistics are available to this bank were 12.8 per cent and 20.8 per cent smaller, respectively, than a month and a year earlier, and cumulative total for the year to May 1 was 14.9 per cent under that of the like interval in 1937. The dollar value of new building permits issued for new construction in the principal cities in April was about one-fourth less than a month earlier and 45.7 per cent below April, 1937; cumulative total for the first four months was smaller by one-third than in the same period a year earlier. Construction contracts let in the Eighth District in April exceeded those of the preceding month by 14.3 per cent, but were 10.4 per cent below a year ago, and for the first four months this year the cumulative total was 22.8 per cent under that of comparable interval in 1937.

Agricultural conditions throughout the district underwent no marked change between mid-April and the third week in May. Outlook generally is for large production, both of the major and minor crops. The season to date, barring the cold spell in early April, has been favorable for vegetation and livestock. Farm work, except where interfered with by rains, is mainly up to the seasonal schedule. Wheat prospects improved moderately from March to April, and the condition of all winter cereals is high. Planting of corn has progressed rapidly during the past three weeks. As of May 15 about half of the crop had been planted as against only 25 per

cent on the same date last year. As an offset to the favorable outlook for production has been the sharp downward trend in prices of farm products. This fact, coupled with heavy carryover of many productions and a disposition to await final decisions on quotas and other features connected with the Government's agricultural program, has made for much uncertainty relative to ultimate acreages to be planted.

The status of collections in the district during the past thirty days developed no marked change from the trends which have been in evidence during the past several months, and general conditions considered, results made a fairly favorable exhibit as contrasted with a year ago. Payments to wholesalers in the principal distributing centers in April and the first half of May were on the whole about up to expectations. This fact, however, was attributable to much reduced volume of outstanding indebtedness and the general policy of hand-to-mouth purchasing by retail merchants. Considerable spottiness was noted in city retail collections, and in the country settlements were interfered with somewhat by preoccupation of farmers with spring planting operations. Inquiries made in the large urban centers indicate increasing delinquency and backwardness in domestic housing rental payments. Time payment houses report a very noticeable slowing down in collections in recent weeks. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
April, 1938.....	1.8%	30.2%	40.5%	27.5%
March, 1938.....	1.2	34.8	44.5	19.5
April, 1937.....	4.5	44.5	44.0	7.0

DETAILED SURVEY OF DISTRICT

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	April, 1938 compared with Mar. '38	April, '37	4 months 1938 comp. with same period 1937	April 30, 1938 comp. with April 30, 1937
Boots and Shoes.....	-18.4%	-24.2%	-10.1%	-21.1%
Drugs and Chemicals..	-10.3	-15.1	-11.3	-11.8
Dry Goods.....	-21.5	-20.5	-22.9	-25.5
Electrical Supplies.....	+11.8	-19.4	-15.3	+ 3.0
Furniture.....	+ 1.8	-20.0	-22.9	-20.5
Groceries.....	- 4.5	-20.3	-14.1	-17.6
Hardware.....	- 9.7	-19.9	-14.7	-12.6
All above lines.....	-12.8	-20.8	-14.9	-19.9

Automobiles — Combined passenger car, truck and taxicab production in the United States in April totaled 219,314 against 221,951 in March and 536,334 in April, 1937.

Boots and Shoes — The decline in sales in April from March, shown in the above table, was contra-seasonal in character, and the April total was the smallest for the month, with the exception of 1936

and 1932, since these records began in 1924. Production slowed down materially in April and early May, following the more than seasonal gain in April. The trend of prices was lower, with specific reductions in certain lines announced by several interests.

Clothing — Decreases in April sales under a month and a year earlier affected all lines, but most pronounced in outing and sports clothes and work clothes. Clearance of heavy weight apparel through retail channels was universally disappointing, and carryover of goods in this category was reported the heaviest in a number of years.

Drugs and Chemicals — April sales were the smallest for the month since 1935, and reports covering the first half of May reflect a continuance of the recessionary trend. Sales of certain stable lines,



BUSINESS CONDITIONS

Monthly Review of Agricultural, Industrial, Trade and
Financial Conditions in Eighth Federal Reserve District

RELEASED FOR PUBLICATION ON THE MORNING OF JUNE 30, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

DISTRICT SUMMARY

TRADER and industry in the Eighth District during the past thirty days continued the uninterrupted downward trends which have been in effect since early last fall. While in the case of certain activities the declines were seasonal, their extent was too great to be entirely accounted for in this way. In virtually all lines investigated by this bank, May volumes were substantially under those of the same month a year ago, and in some important classifications fell below levels recorded at the most acute period of the 1932 business depression. The downward movement extended to wholesaling, retailing and manufacturing, but was somewhat more pronounced in the production than distribution of merchandise. Except in a very few classifications, affected by seasonal factors, output of manufactures was smaller in May than April, and a number of lines which ordinarily increase their operations at this time of year, failed to show the usual expansion. Owing to lack of orders booked for future delivery, manufacturers are unwilling to make up any considerable stocks of their products and inventory position shows quite general improvement. The continued lower drift of commodity prices served to emphasize the conservative attitude of both merchants and ultimate consumers in the matter of commitments for goods of all descriptions.

No marked change took place in the employment situation as contrasted with the preceding

thirty days, recessionary trends still being in evidence. The increased number of workers employed in agriculture was more than offset by defections in industrial and other occupations. There were noticeable declines from a year earlier in the number employed at district coal mines and in transportation. The production index of the Board of

Governors of the Federal Reserve System, adjusted for seasonal variation, stood at 75 per cent of the 1923-1935 average in May, as against 77 per cent in April and 118 per cent in May, 1937. Consumption of electricity by industrial consumers in the principal cities in May recorded a slight gain over April, but was more than 17 per cent less than a year ago. Output of bituminous coal for the entire country and at mines in this district in May showed decreases under a month and a year earlier. The lumber situation improved slightly in

late May, both with reference to demand and prices, reflecting reduced retail inventories and some expansion in building. May production, however, was about one-third less than a year ago. Automobile sales continued to decline, and total for the first five months this year was the smallest for any similar period since 1932.

As reflected in the U. S. Department of Agriculture's report based on conditions as of June 1, prospects for Eighth District crops are in the main more promising than on that date since 1929. There was some deterioration in winter wheat during May,

Agriculture:	June 1, 1938 comp. with 1937 Av. 1927-36	
Estimated produc. of Winter Wheat.....	-12.1%	+37.6%
Livestock:	May 1938 comp. with April, 1938 May, 1937	
Receipts at National Stock Yards.....	+30.7%	- 8.1%
Shipments from aforesaid Yards.....	+27.9	-16.8
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 0.02	-18.6
Department store sales.....	-12.5	-13.7
Car loadings.....	+ 6.5	-25.1
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	- 9.3	-21.5
{ Cost.....	+12.9	-45.6
Value construc. contracts awarded....	+20.4	+30.0
Miscellaneous:		
Commercial failures { Number.....	-37.5	+ 7.1
{ Liabilities.....	-30.4	+11.0
Consumption of electricity.....	+ 2.3	-17.4
Debits to individual accounts.....	+ 6.7	-14.5
Member Banks (24):	June 15,'38 comp. with May 18,'38 June 16,'37	
Gross deposits.....	+ 1.6%	+ 3.7%
Loans.....	- 3.5	- 0.5
Investments.....	- 2.4	+ 0.6

and adverse weather conditions since June 1 have resulted in further lowering of prospects; withal the yield will be considerably above the 10-year (1927-1936) average. Throughout the district there has been abundant spring rainfall which has had the effect of promoting growth of all vegetation and restoring depleted moisture supplies incident to recent drouth years. In some sections preparations for and planting of spring crops was hampered by wet fields, and as a whole the season is from ten days to two weeks late. Planting of cotton has been completed in the southern sections and with few exceptions the plant has made excellent growth. Fruit and vegetable crops are for the most part of average proportions. The condition of livestock is reported exceptionally good, and outlook for feed and forage crops is the best in recent years.

The volume of retail trade in May, as reflected in sales of department stores in the principal cities, showed a decrease of 12.5 per cent as compared with April, and of 13.7 per cent as compared with May, 1937; for the first five months cumulative total was 6.8 per cent less than for the comparable period in 1937. Combined sales of all wholesaling and jobbing firms whose statistics are available to this bank in May showed practically no change from the preceding month and were 18.6 per cent smaller than a year earlier; for the first five months cumulative total was 15.5 per cent under that of a year ago. The dollar value of building contracts issued for new

construction in the principal cities in May was about one-fourth greater than in April, but 27.5 per cent less than in May, 1937; for the first five months this year cumulative total was smaller by 32 per cent than during the same interval last year. Dollar value of construction contracts let in the Eighth District in May was larger by 20.4 per cent and 30 per cent, respectively, than a month and a year earlier; for the first five months the cumulative was 13 per cent less than for the same period in 1937.

Reports relative to collections in the district during the past thirty days reflect a further slight slowing down, both in the large urban centers and the country. June 1 settlements with wholesalers and jobbers were somewhat spotty, with the stronger accounts paying promptly, and quite a number taking advantage of discounts. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
May, 1938.....	1.0%	28.2%	42.8%	28.0%
April, 1938.....	1.8	30.2	40.5	27.5
May, 1937.....	5.5	50.0	36.5	8.0

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 30, involving liabilities of \$343,000, which compares with 48 defaults in April with liabilities of \$493,000, and 28 insolvencies for a total of \$309,000 in May, 1937.

DETAILED SURVEY OF DISTRICT

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	May, 1938 compared with April '38	May '37	5 months 1938 comp. with same period 1937	May 31, 1938 comp. with May 31, 1937
Boots and Shoes.....	-4.8%	-25.1%	-11.8%	-11.9%
Drugs and Chemicals..	+ 2.1	7.0	-10.5	-14.0
Dry Goods.....	+ 6.0	-10.6	-20.9	-28.8
Electrical Supplies.....	0	-22.4	-17.4	-12.1
Furniture.....	- 3.3	-27.4	-24.0	-19.6
Groceries.....	- 0.3	-12.8	-13.8	-17.4
Hardware.....	- 0.2	-23.9	-16.3	-28.4
All above lines.....	+ 0.02	-18.6	-15.5	-24.0

Automobiles — Combined passenger car, truck and taxicab production in the United States in May totaled 192,068, as against 219,314 in April and 516,899 in May, 1937.

Boots and Shoes — Production in this area during May showed little change from the preceding month, factories operating on an average of from three days to four days per week. A slight upward trend, seasonal in character, has been noted since June 1. As has been the case for a number of months, advance buying is in negligible volume. Retail inventories are light, but there is a general disposition to postpone replenishment as long as possible.

Clothing — According to the reporting clothiers, interest in merchandise for fall and winter distribution is less in evidence than at this particular time during the past several years. The movement of summer apparel through retail channels has been below expectations, owing chiefly to lateness of the season and generally reduced purchasing power. The trend of prices was lower in sympathy with declines in raw materials. May sales of the reporting clothiers were 31.1 per cent less than in April and 2.4 per cent greater than May, 1937.

Drugs and Chemicals — Continued slack demand for heavy drugs and chemicals from the general manufacturing trade was the outstanding influence in the unfavorable showing made by May sales in this classification as contrasted with a year ago. Reordering of insecticides and spraying materials since the end of April was reported in considerable volume. The movement of luxury goods, including cosmetics, perfumes and soda fountain supplies, continued in limited volume.



BUSINESS CONDITIONS

Monthly Review of Agricultural, Industrial, Trade and Financial Conditions in Eighth Federal Reserve District

RELEASED FOR PUBLICATION ON THE AFTERNOON OF JULY 29, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

DISTRICT SUMMARY

THE downward trends in Eighth District trade and industry which have prevailed in greater or lesser degree since last fall, continued through June and the first half of July. In a number of important classifications the rate of decline was somewhat more rapid than during the similar period immediately preceding, but this was accounted for in large part by the usual seasonal influences. Vacations and the closing down of many plants for inventorying, repairs, etc., resulted in a further reduction in factory employment and production fell to the lowest levels recorded so far this year. While the inventory position as a whole continued the steady improvement of recent months, purchasing of commodities by both manufacturers and merchants continued chiefly on a necessity basis. In virtually all lines investigated distribution and production of merchandise in June fell measurably below a year ago. Relatively the decline was more pronounced in production than distribution. In manufacturing, heaviest curtailment was in the durable goods industries, particularly iron and steel, quarry products, lumber and the general category of building materials. While results reflected in statistics of merchants and manufacturers and other business barometers were disappointing, there was a very marked improvement in sentiment in the business community. This attitude was the result of a number of causes, among them the rise in security val-

ues, the favorable crop outlook, evidences of stabilization in commodity prices and heavy Government spending.

Production of bituminous coal at mines in this general area showed little change in June from May, but was about one-fifth smaller than the June, 1937, output. Output of lead and zinc at district mines

in June was about 15 per cent smaller than in May, and 40 per cent less than a year ago. Production of lumber declined slightly at district mills in June, but new orders and shipments were reported heavier than current output, resulting in a further reduction in inventories. Reflecting shutdowns incident to the Independence Day holiday and extremely high temperatures, steel ingot production at district mills declined sharply. Consumption of electricity by industrial users in the principal cities was 5.2 per

cent greater in June than May, but 18 per cent less than in June, 1937.

The favorable prospects for crops in this district which marked earlier months this season, continued through June and early July. In its report based on conditions as of July 1, the U. S. Department of Agriculture forecasts ample supplies of both food and feed crops, with per acre yields of most of the principal productions above their average prior to the drouth period. Wheat prospects declined slightly from May to June, but the yield will be considerably above the 15-year (1923-1937) average.

Agriculture:	July 1, 1938	comp. with
Estimated yield of 6 crops.....	Yield 1937	Av. 1923-37
	6.3%	+ 0.9%
Livestock:	June, 1938	comp. with
Receipts at National Stock Yards.....	May, 1938	June, 1937
Shipments from aforesaid Yards.....	+1.6%	+ 5.8%
Production and Distribution:		
Sales by mfrs. and wholesalers.....	4.3	-23.3
Department store sales.....	6.3	-12.0
Car loadings.....	1.1	-21.3
Building and Construction:		
Bldg. permits, incl. repairs	{ Number.....	5.6
	{ Cost.....	+16.7
Value construc. contracts awarded.....	6.6	-11.5
Miscellaneous:		
Commercial failures	{ Number.....	+40.0
	{ Liabilities.....	+17.2
Consumption of electricity.....	+ 5.2	-18.1
Debits to individual accounts.....	- 0.04	-16.2
Member Banks (24):	July 13,'38	comp. with
Gross deposits.....	June 15,'38	July 14,'37
Loans.....	+ 2.7%	+ 4.4%
Investments.....	- 1.8	- 2.9
	+ 0.02	- 2.0

The acreage planted to cotton this year is smaller than in 1937 and the average, but the condition of the crop is generally good. The tobacco crop has made a favorable start on a substantial reduction from the 10-year average.

As reflected in sales of department stores in the principal cities, the volume of retail trade in June was 6.3 per cent and 12.0 per cent smaller, respectively, than a month and a year earlier, and for the first half of 1938 the cumulative total was 7.7 per cent less than for the comparable period last year. Combined sales of all wholesaling and jobbing firms whose statistics are available to this bank were 4.3 per cent smaller than in May and 23.3 per cent less than in June, 1937; for the first six months aggregate sales were 16.6 per cent smaller than during the first half of 1937. The dollar value of building permits issued for new construction in the principal cities in June were 28.8 per cent greater than in May, but 41.8 per cent less than in June, 1937; for the first six months cumulative volume was 35.0 per cent smaller than that of the same interval last

year. Construction contracts let in the Eighth District during June were 6.6 per cent smaller than in May and 11.5 per cent less than in June, 1937; for the first six months the cumulative total was 12.8 per cent below that for the first half of 1937.

Mercantile and industrial interests report collections during the past thirty days as being somewhat less satisfactory than in the similar period immediately preceding and generally measurably below a year ago. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
June, 1938.....	0.8%	25.0%	40.2%	34.0%
May, 1938.....	1.0	28.2	42.8	28.0
June, 1937.....	3.7	51.3	23.5	11.5

Commercial failures in the Eighth Federal Reserve District in June, according to Dun and Bradstreet, numbered 42, involving liabilities of \$402,000, which compares with 30 failures in May with liabilities of \$343,000 and 22 defaults for a total of \$249,000 in June, 1937.

DETAILED SURVEY OF DISTRICT

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	June, 1938 compared with May '38	June '37	6 months 1938 comp. with same period 1937	June 30, 1938 comp. with June 30, 1937
Boots and Shoes.....	- 6.7%	-30.2%	-13.8%%
Drugs and Chemicals..	+ 5.5	- 6.8	-10.1	- 9.8
Dry Goods.....	-10.2	-22.7	-21.0	-28.7
Electrical Supplies.....	- 6.7	-34.7	-21.0	-24.0
Furniture.....	-16.4	-28.7	-24.8	-42.5
Groceries.....	+ 2.7	-14.4	-13.9	-20.1
Hardware.....	- 1.9	-21.1	-17.2	-18.3
All above lines.....	- 4.3	-23.3	-16.6	-24.2

Automobiles — Combined passenger car, truck and taxicab production in the United States in June totaled 174,667, as against 192,068 in May and 497,298 in June, 1937.

Boots and Shoes — In both the sales comparisons shown in the above table, decreases were general, both with reference to the several lines and territories. Since the last week in June there has been a moderate pickup in sales and, according to two important firms, advance buying has shown decided improvement. There has been about the usual seasonal increase in production since mid-June.

Clothing — June sales of the reporting clothiers were 16.7 per cent smaller than in May and only about half as large as in June, 1937. While the movement of summer apparel during the early season was backward, owing to cool weather, there has been marked betterment since the third week in June. Ordering of heavyweight apparel for winter distribution is reported in smaller volume than at any similar time since 1932.

Drugs and Chemicals — Sales of chemicals for the general manufacturing trade continued at a low ebb, volume for the second quarter averaging about the same as for the March quarter. Fertilizer and insecticide sales, also sales of typical summer goods, made a relatively good showing in June, and largely accounted for the increase of 5.5 per cent shown over the May volume.

Dry Goods — Purchasing in this classification continues on a hand-to-mouth basis, being affected by price uncertainties and the general business depression. There was a further substantial decrease in inventories, and sentiment in the trade was more hopeful than in a number of months.

Electrical Supplies — The movement of fans and other seasonal merchandise was much below expectations. Outlet through the building industry continued narrow. Moderate improvement was noted in sales of household appliances and radio goods.

Furniture — Advance buying for fall and winter distribution is reported negligible. Retail stocks are in the main low, but there is a disposition to await general business improvement before replenishing.

Groceries — Increased purchasing by country retailers, mainly seasonal in character, was accountable for the increase in sales of the reporting firms from May to June, shown in the above table. There has been a heavy call for sugar and preserving supplies and equipment, incident to the large vegetable



BUSINESS CONDITIONS

Monthly Review of Agricultural, Industrial, Trade and Financial Conditions in Eighth Federal Reserve District

RELEASED FOR PUBLICATION ON THE MORNING OF AUGUST 31, 1938

FEDERAL RESERVE BANK OF ST. LOUIS

DISTRICT SUMMARY

MOST of the measurements and statistical series used to gauge business activity in the Eighth District, as well as sales and production figures of commercial and industrial interests reporting to this bank, reflected quite distinct improvement during July and early August as contrasted with the similar period immediately preceding. In addition to concrete results shown, there was a noticeable improvement in sentiment in the business community quite generally throughout the area. In a number of instances, betterment shown in July was contra-seasonal in character and, where seasonal gains were expected, their extent was greater than average in recent years. In distributive lines a relatively better showing was made in wholesaling and jobbing, which fact was accounted for largely by a disposition on the part of retailers to replenish depleted inventories. For the first time in many months, advance orders on books of wholesalers showed moderate increases. Purchasing for late fall and winter distribution was reported to be on a freer and more confident basis than had been expected. While still making an unfavorable showing as contrasted with a year ago, the employment situation as a whole underwent noticeable improvement. This betterment would have been more pronounced except for scattered strikes and the extremely high temperatures which prevailed during part of July.

Production moved upward in a number of im-

portant lines, and orders booked by manufacturers indicate that further progress is likely during the fall. Production of lumber increased during July and early August, and new orders and shipments continued to exceed output. As was the case for the entire country, production of bituminous coal at mines in this area registered a measurable increase

over the preceding month, though the quantity lifted was still substantially below a year ago. Lead and zinc production at district mines in July was about even with the June output. Reflecting greater activity at manufacturing plants, consumption of electric power by industrial users was 5.7 per cent higher in July than June though about one-fifth less than a year ago. Activities in the building industry receded from June to July, but projects which have reached or are nearing the contract stage have broadened and indi-

cations for fall construction activities are more hopeful. Steel production increased, and there were gains in certain building materials, including glass, cement and fireclay products. Sales of beverages, other than hard liquor, increased in July, both as compared with a month and a year earlier.

Taken as a whole, agricultural conditions in the district, as reflected in reports of the U. S. Department of Agriculture and agricultural departments of the several states, underwent no marked changes from June to July. Promises of large yields of the principal feed and food crops which marked

Agriculture:	Aug. 1, 1938 comp. with Yield 1937 Av. 1923-37		
Estimated yield of 7 crops.....	— 6.1%	+	1.4%
Livestock:	July, 1938, comp. with June, 1938 July, 1937		
Receipts at National Stock Yards.....	— 4.4%	+	20.5%
Shipments from aforesaid Yards.....	— 6.5	+	27.3
Production and Distribution:			
Sales by mfrs. and wholesalers.....	+ 5.9	—	12.2
Department store sales.....	— 19.0	—	7.5
Car loadings.....	+ 7.7	—	20.1
Building and Construction:			
Bldg. permits, incl. repairs { Number.....	— 9.5	—	17.4
{ Cost.....	— 20.5	—	37.2
Value construc. contracts awarded.....	— 12.1	—	16.7
Miscellaneous:			
Commercial failures { Number.....	— 2.4	+	141.2
{ Liabilities.....	+ 38.6	+	318.8
Consumption of electricity.....	+ 5.7	—	18.5
Debits to individual accounts.....	— 2.6	—	16.3
Member Banks (24):	Aug. 17, '38 comp. with July 20, '38 Aug. 18, '37		
Gross deposits.....	+ 0.1%	+	6.9%
Loans.....	+ 0.7	—	7.9
Investments.....	+ 2.7	+	2.0

earlier months this year, were well sustained. The wheat harvest has been completed, and early threshing returns indicate high quality and total yield considerably above the average. Indicated corn yield is about average, while all feed and fodder crops are large. Yields of vegetables and certain fruits are higher than average. An exception is the case of apples and peaches, which in many important growing sections are a virtual failure. The condition of livestock remains high, with the movement to market of all species about of expected seasonal proportions. An offset to the large prospective production has been the sharp decline in prices of farm products. especially heavy declines were registered in cotton, corn and wheat, the latter grain selling at the lowest point in more than five years. Since August 1 there have been numerous reports of injury to the tobacco crop from fungus diseases. It is still too early to estimate what effect the infestation will have on the season's production.

As reflected in sales of department stores in the principal cities, the volume of retail trade in July was 19.0 per cent and 7.5 per cent smaller, respectively, than a month and a year earlier and for the first seven months this year the cumulative total fell 7.6 per cent under that of the comparable period in 1937. Combined sales of all wholesaling and jobbing firms reporting to this bank in July were 5.9 per cent ahead of June, but 12.2 per cent smaller

than in July, 1937; cumulative total for the first seven months was 16.1 per cent below that of the same interval in 1937. The dollar value of building permits issued for new construction in the principal cities in July was 21.7 per cent and 31.9 per cent smaller, respectively, than a month and a year earlier, and for the first seven months the total was 35.3 per cent below that of the same period in 1937. Construction contracts let in the Eighth District in July were 12.1 per cent less than in June and 16.7 per cent smaller than a year ago; cumulative total for the seven months this year was 13.4 per cent below that of the same period in 1937.

The same general trends which have featured collections since last spring, continued during July and the early part of August. Questionnaires sent to representative interests in the several lines scattered through the district disclose the following results:

	Excellent	Good	Fair	Poor
July, 1938.....	0.5%	23.8%	37.5%	38.2%
June, 1938.....	0.8	25.0	40.2	34.0
July, 1937.....	2.5	48.0	37.5	12.0

Commercial failures in the Eighth District in July, according to Dun and Bradstreet, numbered 41, involving liabilities of \$557,000, which compares with 42 defaults in June with liabilities of \$402,000 and 17 defaults for a total of \$133,000 in July, 1937.

DETAILED SURVEY OF DISTRICT

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	July, 1938 compared with June '38	July '37	7 months 1938 comp. with same period 1937	July 31, 1938 comp. with July 31, 1937
Boots and Shoes.....	+39.3%	+19.0%	-11.2%%
Drugs and Chemicals..	-11.4	- 8.8	- 9.9	-10.6
Dry Goods.....	+17.3	-22.1	-21.1	-30.9
Electrical Supplies....	+ 0.5	-26.0	-21.6	-22.8
Furniture.....	-31.7	-36.6	-26.3	-36.2
Groceries.....	- 0.5	-16.0	-14.3	- 8.6
Hardware.....	- 9.6	-26.7	-18.8	-17.2
All above lines.....	+ 5.9	-12.2	-16.1	-21.6

Automobiles — Combined passenger car, truck and taxicab production in the United States in July totaled 141,437, as against 174,667 in June and 438,834 in July, 1937.

Boots and Shoes — The increase in sales of the reporting firms from June to July was seasonal in character, but considerably larger than the average during the past decade. Advance buying during late July and the first half of August underwent quite distinct betterment. Work shoes and stable lines were reported more active than styled goods.

Clothing — July sales of the reporting firms were 17 per cent greater than in June, though about one-fourth less than in July, 1937. Inventories showed little change during the month, and as of

August 1 were approximately 10 per cent below a year ago. Slight improvement was noted in demand for working clothes, and advance buying of children's and women's garments was somewhat better than earlier in the season.

Drugs and Chemicals — Sales of drugs and chemicals showed a slight contraseasonal decrease from June to July. In the comparison with a year ago, the major part of the decrease was accounted for by the smaller volume of heavy drugs and chemicals taken by the general manufacturing trade.

Dry Goods — Ordering for fall and winter distribution has developed marked betterment during the past thirty days. Sales of heavyweight underwear and similar lines have exceeded expectations. The decrease in price of raw cotton has tended to retard ordering of fabrics based on that staple.

Electrical Supplies — Seasonal merchandise, including fans and refrigeration, were more active than earlier in the season. Moderate improvement in demand for household appliances, including washing machines, was reported. Outlet through the building industry continued narrow.