



MONTHLY REVIEW

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

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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Live Stock:	Jan. 1936 Dec. 1935	comp. with 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 construc. 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 Jan. 15, '36	comp. with Feb. 13, '35
Gross deposits.....	+ 0.2%	+ 15.0%
Loans.....	— 3.7	— 1.3
Investments.....	— 1.4	+ 17.6

WEATHER conditions constituted the pre-dominating 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		Jan. 31, 1936 comp. with
	Dec. 1935	Jan. 1935	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

the movement into consumptive channels of heavy-weight apparel of all descriptions. Ordering for spring and early summer distribution is reported in considerable volume, but on a somewhat more conservative scale than a year ago, due mainly to uncertainty relative to prices. Stocks on February 1, were about one-fourth larger than a month earlier, and 20 per cent greater than on February 1, 1935.

Drugs and Chemicals — The demand for certain descriptions of seasonal merchandise in this classification during the past several weeks was reported in larger volume than at any similar period in recent years. Prevalence of illness, incident to the cold weather, greatly augmented sales of remedial drugs. Ordering of denatured alcohol and other antifreeze preparations was in exceptionally heavy volume. Advance buying of insecticides, fertilizers and kindred lines was reported somewhat heavier than a year ago.

Dry Goods — Business in this classification during January, and the first weeks of February, was retarded by effects of the extremely cold weather. Visiting merchants at the chief distributing centers were less numerous than usual at this season. Another factor tending to hold down trade volume was uncertainty relative to prices caused by invalidation of the processing taxes on cotton.

Electrical Supplies — The volume of sales in this classification decreased in less than the expected seasonal amount in January, and for the twelfth consecutive month the total was measurably larger than a year earlier. Demand for household appliances, radio material and small motors continues at the high level of recent months.

Flour — Production at the twelve leading mills of the district in January, totaled 198,690 barrels, against 151,892 barrels in December, and 185,737 barrels in January, 1935. Millers report continued hesitancy on the part of all classes of buyers, attributable in part to uncertainties resulting from elimination of the processing tax. Since its removal, prices have declined in an amount approximately equal to the tax per barrel.

Furniture—January sales of the reporting firms were 6.5 per cent larger than a year ago, the largest for the month since 1932. As contrasted with last year, marked improvement was noted in the demand for household furniture and furnishings. There was no change in prices as contrasted with the preceding thirty days, and the average as of February 1, was about 10 per cent above that on the like date in 1935.

Groceries — The severe cold snap, with accompaniment of ice and snow generally through the dis-

trict, prevented salesmen from completing their rounds and otherwise adversely affected trade. Withal, sales of the reporting firms exceeded those of a year ago, and demand for groceries both in the city and country continues in large volume, with retail stocks for the most part of moderate size.

Hardware—Sales of all descriptions of seasonal merchandise during January, and early February, were the largest for any similar period in a number of years. This fact, coupled with continued ordering of typical commodities for distribution in the rural sections, was largely responsible for the increase in January sales of the reporting interests over a month and a year earlier, as shown in the above table. The Supreme Court's decision in the AAA case has caused hesitancy in purchasing of certain lines, but the number of cancellations has been negligible.

Iron and Steel Products — Activities at steel mills, foundries, machine shops and other ferrous metal working plants receded slightly during the past thirty days. The decrease did not extend to all sections of the industry, however, and was in large measure ascribable to influences of a temporary nature. The long spell of intense cold weather slowed up shipments of iron and steel raw materials, retarded construction work, and in some instances affected plant operations. Labor troubles in the stove industry tied up a number of important plants, which otherwise would have been working on full schedules in order to meet orders booked. A falling off in requirements of the automobile builders was offset by heavier purchasing of a broad variety of materials by the railroads. Orders for new rolling stock were larger than heretofore, and liberal tonnages were engaged for track and repair shop work. The cold weather adversely affected operations at iron and steel fabricating plants, which at mid-February were at 25 per cent of capacity, as against 35 per cent in the second week of last December. Prices of raw materials were uniformly strong, with scrap iron and steel values scoring a further sharp advance. The upturn in waste material was ascribable to scarcity and demands in other consuming districts, also to the heavy drain on stocks through export in recent months. January business of warehouse and jobbing interests was about on a parity with December, and approximately 5 per cent greater than the January, 1935, volume. For the country as a whole, production of pig iron in January, according to the magazine "Steel", totaled 2,028,791 tons, against 2,115,496 tons in December, and 1,478,443 tons in January, 1935. Steel ingot production in the United States in January, amounted

to 3,049,439 tons, which compares with 3,081,807 tons in December, and 2,871,531 tons in January, 1935.

MINING

Shortage of fuel generally through this area as a result of the long spell of extremely cold weather, was reflected in a sharp increase in operations at mines in all fields of the district. The number of workers employed, wages, production and shipments in sections of Illinois, Arkansas, Missouri and Kentucky in January were the highest since 1930, and the rate of activities increased during the first weeks of February. Sharp inroads were made in reserve stocks in all positions. According to the United States Bureau of Mines, the tonnage of bituminous coal lifted in this general area in January was 9 per cent greater than for the same month last year and about one-fifth greater than in December, 1935. Total production of soft coal in the United States in January was estimated at 38,600,000 tons, against 34,829,000 tons in December, and 36,681,000 tons in January, 1935. Production at district lead and zinc mines was lowered somewhat as a result of the cold weather.

RETAIL TRADE

Automobiles — Consumer purchasing of automobiles in the Eighth District during January, according to reports received by this bank, expanded markedly, both as contrasted with the previous month and a year ago. These results were achieved in the face of unfavorable weather and the high volume of sales recorded during December, and January, 1935. While public reaction to the new models generally was favorable, greatest interest was displayed in lower priced cars. Of the January sales, approximately 72 per cent was in that field. Demand for commercial units was also active, truck sales in January showing substantial gains over a month and a year earlier.

Sales of new passenger cars in January, were 79 per cent larger than in December, and 92 per cent in excess of the January, 1935, total. Stocks held by dealers receded slightly from January 1, to February 1, and on the latest date were approximately 60 per cent larger than a year ago. The market for used cars was adversely affected by the prolonged spell of low temperatures, accompanied by ice, snow, and heavy roads. January sales of secondhand vehicles were 8 per cent larger than in December, and 30 per cent greater than in January, 1935. Stocks of usable secondhand cars on February 1, were 22 per cent and 60 per cent larger, respectively, than a month and a year earlier. The ratio of deferred payment sales to total sales in January, of

interests reporting on that detail was 47 per cent, against 43 per cent in December, and 46 per cent in January, 1935.

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		Stock on Hand Jan. 31, 1936 comp. with Jan. 31, 1935	Stock Turnover Jan. 1, to Jan. 31, 1936 1935
	January, 1936 comp. with Dec. 1935	Jan. 1935		
El Dorado, Ark.....	-49.2%	-14.7%	- 0.4%	.21 .24
Fort Smith, Ark.....	-60.4	+ 1.7	- 1.8	.16 .16
Little Rock, Ark.....	-60.1	+12.7	- 9.4	.20 .17
Louisville, Ky.....	-61.3	+ 3.4	- 4.3	.28 .26
Memphis, Tenn.....	-56.4	+ 8.1	- 2.4	.26 .23
St. Louis, Mo.....	-49.5	+ 4.0	+ 5.9	.31 .31
All Other Cities.....	-58.1	+ 7.2	+ 8.5	.20 .20
8th F. R. District.....	-53.7	+ 5.1	+ 1.6	.28 .27

Percentage of collections in January to accounts and notes receivable first day of January, 1936, by cities, follows:

El Dorado, Ark.....	66.7%	Memphis, Tenn.....	43.4%
Fort Smith, Ark.....	35.8	St. Louis, Mo.....	50.5
Little Rock, Ark.....	36.6	All Other Cities.....	41.3
Louisville, Ky.....	48.5	8th F. R. District.....	49.3

Specialty Stores — January results in men's furnishings and boot and shoe lines are shown in the following table:

	Net Sales		Stock on Hand Jan. 31, 1936 comp. with Jan. 31, 1935	Stock Turnover Jan. 1, to Jan. 31, 1936 1935
	January, 1936 comp. with Dec. 1935	Jan. 1935		
Men's Furnishings.....	-53.9%	+ 2.7%	+13.9%	.19 .20
Boots and Shoes.....	-49.6	+10.3	-13.3	.40 .29

Percentage of collections in January to accounts and notes receivable first day of January, 1936, follows:

Men's Furnishings.....	34.6%	Boots and Shoes.....	39.5%
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AGRICULTURE

Weather conditions in the Eighth District during the past thirty days were such as to preclude all descriptions of outdoor work on farms, other than attending to livestock and other seasonal routine. Extreme low temperatures were general in all sections, and north of the Ohio River, ice and snow covered fields. However, in the south considerable soil preparation for planting spring crops was accomplished prior to the cold snap, and abundant moisture has greatly improved soil conditions. While it is too early to form any estimate of effects of the low temperatures on growing grain crops, the fact that snow protection was universal has greatly reduced apprehension relative to winter killing. There have been scattered reports of injury to fruit trees, mainly to peach orchards. Planting of truck crops in the early producing areas has been delayed, and in some southern counties indications point to somewhat smaller acreages than had been planned for last fall. Estimated acreage of strawberries for picking in 1936 in states of this district is 46,350 acres, a reduction of 0.7 per cent from a

year ago and of 25 per cent below the 5-year (1930-1934) average. The farm value of the strawberry crop in these states in 1935 was \$5,816,000.

Rental and benefit payments made by the Agricultural Adjustment Administration to farmers in states partly or entirely within the Eighth Federal Reserve District during the calendar year 1935, are shown in the following table:

(In thousands)	Cotton	Corn-Hogs	Tobacco	Wheat	*All Others	Total
Arkansas....	\$12,159	\$ 1,019	\$ 1	\$ 4	\$ 1,850	\$ 15,033
Illinois.....	3	31,079	1	2,944	45	34,072
Indiana.....	.....	16,643	309	2,186	189	19,327
Kentucky....	119	3,449	11,523	327	.....	15,418
Mississippi..	14,541	69	.....	.....	.....	14,610
Missouri.....	2,226	19,435	224	1,827	2	23,714
Tennessee..	4,639	2,836	2,949	183	18	10,625
Totals.....	33,687	74,530	15,007	7,471	2,104	132,799

*Includes sugar, rice and peanuts.

Cotton—Unusually active farm preparations for the 1936 cotton crop, which had progressed actively during the late fall and early winter, were halted about mid-January by the cold weather, and practically nothing in the way of plowing has been done since. Quite generally through this district farmers plan to increase acreages of food and feed crops, also to expand their holdings of meat animals and poultry. Inquiries for spot cotton decreased in approximately the expected seasonal amount. Prices moved within a narrow range, the middling grade in St. Louis market fluctuating from 11.35c to 11.65c per pound between January 15, and February 15, closing at 11.45c on the latest date, which compares with 11.65c on January 15, and 12.40c on February 15, 1935. Combined receipts at Arkansas and Missouri compresses from August 1, 1935, to February 14, 1936, totaled 896,290 bales, against 914,757 bales for the corresponding period a year earlier. Stocks on hand as of February 14, totaled 516,933 bales, which compares with 577,377 bales on January 17, and 652,039 bales on the corresponding February date in 1935.

Live Stock—Despite the cold weather, the movement to market of livestock during January, and the first half of February, was in seasonal volume. Though wholesale prices of virtually all meats declined, with the exception of veal, prices of hogs and most grades of cattle increased during the past thirty days. Lamb prices declined slightly. Milk production on February 1, according to the U. S. Department of Agriculture, was apparently 2 per cent above the rather low level at that date last year. The 2 per cent reduction in the number of milk cows on farms largely offset the increased production per cow, which was estimated to have been about 4 per cent.

The annual survey of the United States Department of Agriculture showed the aggregate number of livestock on farms in states entirely or

partly within the Eighth Federal Reserve District as of January 1, to be approximately 3.3 per cent greater than on the same date in 1935, but 5.1 per cent below the 5-year (1930-1934) average. The moderate gain in numbers, coupled with sharply higher average prices per head, resulted in an increase of about 48 per cent in the total farm value on January 1 as contrasted with a year ago.

The following comparative table shows the number and value by species in states including the Eighth District:

(In thousands of units)	Number on Farms			Farm Value	
	Av. (1930-34)	1935	1936	1935	1936
Hogs.....	16,068	12,436	13,389	\$ 74,888	\$160,192
All Cattle.....	11,040	11,798	11,868	222,699	369,895
Horses.....	2,470	2,225	2,218	179,766	221,742
Mules.....	1,743	1,647	1,595	156,647	184,343
Sheep and Lambs....	3,940	4,287	4,377	20,182	29,210
Total.....	35,261	32,393	33,447	654,182	965,382

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

	Receipts			Shipments		
	Jan., 1936	Dec., 1935	Jan., 1935	Jan., 1936	Dec., 1935	Jan., 1935
Cattle and Calves.....	135,460	154,315	128,042	73,683	75,847	74,661
Hogs	277,032	218,379	247,970	175,207	140,560	160,147
Horses and Mules.....	5,686	3,768	8,956	6,053	3,799	10,016
Sheep	44,581	65,636	34,411	9,342	8,182	6,601
Totals.....	462,759	442,098	419,379	264,285	228,388	251,425

Tobacco—Throughout the season all types of tobacco have moved with unusual rapidity, and under a steady demand, prices realized were in the main satisfactory.

In addition to the proceeds of their crops, growers' incomes were considerably augmented by rental and benefit payments. In states including this district, such payments for the calendar year of 1935 amounted to \$15,007,000.

Estimated quantities and dollar value of the various types of tobacco from the 1935 crop sold up to February 8, 1936, as compared with the corresponding period a year earlier, from the 1934 crop, are given in the following table:

Class	1935 Crop			1934 Crop		
	**Weight	*Av.	**Value	**Weight	*Av.	**Value
Burley.....	229,010	\$19.44	\$44,519	239,355	\$17.17	\$41,097
One Sucker.....	10,981	8.15	895	12,142	7.00	850
Green River.....	6,403	7.12	456	8,736	8.55	747
Eastern Fired Dist....	12,024	8.92	1,072	13,835	9.87	1,365
Western Fired Dist....	3,547	6.26	222	4,480	8.55	383
Totals.....	261,965	.....	47,164	278,548	.....	44,442

*Per hundred pounds.
**In thousands.

The Eastern Fired District includes the entire Clarksville and Springfield, Tennessee Districts and the Hopkinsville, Kentucky District; the Western Fired District, of the Mayfield, Murray and Paducah, Ky., Districts and the section tributary to Paris, Tennessee.

In addition to the quantities shown in the above table it is estimated that there has been bought in the country direct from farmers in the Eastern

Fired District 4,000,000 pounds and there has been delivered to the Prizing Houses of the Association in the Eastern Fired District approximately 3,000,000 pounds this season.

In the Western District the purchases direct from farmers are estimated at 2,700,000 pounds and the deliveries to the Prizing Houses of the Association are estimated at 3,000,000 pounds. There is no method of ascertaining the price per hundred, either of the country purchases or the deliveries to the Association, but these quantities are regarded as having been disposed of to the extent of being moved from available supply.

Sales in the Stemming District this season were relatively small. Actual poundage figures and average prices per cwt., are not available, but it is estimated that 1,000,000 pounds were sold in this area at an average of about \$7.00 per cwt., as compared with 2,581,876 pounds of the 1934 crop at an average of \$8.46 per cwt.

COMMODITY PRICES

Range of prices in the St. Louis market between January 15, 1936, and February 15, 1936, with closing quotations on the latter date and on February 15, 1935, follow:

	High	Low	Close	
			Feb. 15, 1936	Feb. 15, 1935
Wheat				
May .....per bu..	\$1.05¼	\$1.00¾	1.02	96¼
*July .....	.89	87½	88¾	88¾
*Sept. ....	.88	86¾	87¾	86¾
*No. 2 red winter	1.09½	1.06½	1.08½	98¾
*No. 2 hard	1.16½	1.09	1.10	1.04½
Corn				
May .....	.61¾	.59¾	.61½	.88¾
*July .....	.63	.60¾	.62¾	.83½
*Sept. ....	.62¾	.60½	.62¾	.79¾
*No. 2 mixed	.66½	.63	.66½	.92
*No. 2 white	.69¾	.65¾	.69¾	1.00
Oats				
*May .....	.29¼	.27¾	.29	.51½ @ .51¾
*No. 2 white	.33	.28½	.33	.61
Flour				
Soft patent.....per bbl.	6.35	5.30	5.30 @ 6.00	6.00 @ 6.50
Spring "	7.45	6.90	6.90 @ 7.05	7.35 @ 7.50
Middling Cotton...per lb.	.1165	.1135	.1145	.1240
Hogs on hoof.....per cwt.	11.10	6.50	9.15 @ 11.10	3.50 @ 8.65

*Nominal quotations.

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 80,558 loads in January, against 75,413 loads in December and 70,949 loads in January, 1935. During the first nine days of February, the interchange amounted to 23,662 loads, which compares with 21,174 loads, during the corresponding interval in January, and 21,828 loads during the first nine days of February, 1935. Passenger traffic of the reporting roads increased 4 per cent in revenue and 11 per cent in the number of tickets sold during January as contrasted with the same month a year ago. For the country as a whole loadings of revenue freight for the first six weeks this year, or to February 8, totaled 3,597,047 cars, against 3,357,434 cars

for the corresponding period in 1935, and 3,322,380 cars in 1934. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January, was 96,800 tons, which compares with 98,279 tons in December, and 87,690 tons in January, 1935.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January was 76.7 per cent smaller than in December and 5 per cent less than the January, 1935, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January amounted to \$12,183,762, which compares with \$19,483,998 in December, and \$6,054,924 in January, 1935.

Building figures for January, follow:

	New construction				Repairs, etc.			
	Permits 1936	Permits 1935	*Cost 1936	*Cost 1935	Permits 1936	Permits 1935	*Cost 1936	*Cost 1935
Evansville ..	18	21	\$ 15	\$ 21	40	113	\$ 23	\$ 36
Little Rock	15	6	38	3	37	110	23	25
Louisville ..	40	32	363	146	51	78	49	64
Memphis	24	90	62	30	174	134	115	61
St. Louis....	104	94	264	584	93	134	62	81
Totals								
January.....	201	243	742	784	395	569	272	267
December.....	290	172	3,178	554	329	489	1,865	210
November.....	428	332	1,194	550	465	605	224	237

*In thousands.

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial consumers in January, as being about 7.0 per cent smaller than in December, and 11.9 per cent greater than in January, 1935. Detailed figures follow:

	No. of Customers	Jan., 1936	Dec., 1935	Jan. 1936 comp. with Dec. 1935	Jan., 1935	Jan. 1936 comp. with Jan. 1935
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	2,978	2,631	+13.2%	2,440	+22.0%
Little Rock....	35	1,379	1,337	+3.1	1,425	-3.2
Louisville	82	7,862	7,564	+3.9	7,338**	+7.1
Memphis	31	1,897	2,438	-22.2	1,951	-2.8
Pine Bluff....	20	567	813	-30.3	502	+12.9
St. Louis.....	196	16,976	19,241**	-11.8	14,630**	+16.0
Totals.....	404	31,659	34,024**	-7.0	28,286**	+11.9

*In thousands (000 omitted).

**Revised figures.

LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during January, the preceding month, and a year ago are shown in the following table:

(In thousands of dollars)	Jan., 1936	Dec., 1935	Jan., 1935	Jan., 1936 comp. with Jan., 1935
Arkansas.....	\$ 2,421	\$ 2,598	\$ 3,403	-28.9%
Illinois.....	41,084	47,420	53,017	-22.5
Indiana.....	10,119	11,988	12,725	-20.5
Kentucky.....	5,164	5,784	6,156	-16.1
Mississippi.....	2,078	2,749	2,510	-17.2
Missouri.....	14,120	15,437	18,886	-25.2
Tennessee.....	4,856	6,055	7,246	-33.0
Totals.....	79,842	92,031	103,943	-23.2
United States.....	479,018	575,600	645,334	-25.8

MONEY AND BANKING

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 similar period immediately preceding. Demand for credit accommodations from all the principal borrowing groups remained sluggish. Liquidation at both city and country banks, taken as a whole, was in excess of renewals and new commitments, with the result that their total loans sustained a further moderate decline. This was true particularly in the tobacco producing areas, where rapid marketing of the crop released a considerable volume of loans based on that commodity. Quite generally, country banks are practically out of debt to their city correspondents, and are seeking desirable investments for their surplus funds.

Member Banks—Total loans and investments of the reporting member banks in the principal cities of the district decreased 2.3 per cent between January 15, and February 12, and were 9.8 per cent greater than a year ago. The decrease was due to a smaller volume of loans, investments showing a moderate increase during the four-week period. Reserves maintained by these banks continued to move upward, recording a new all time high on the second report date in February. Gross deposits also moved into new high territory, the total of \$855,186,000 on February 12, represented an increase of 0.2 per cent over January 15, and of 15 per cent over the corresponding week in 1935.

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)	Feb. 12, 1936	Jan. 15, 1936	Feb. 13, 1935
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations, and other stocks and bonds.....	\$ 65,819	\$ 66,270	\$ 67,637
All other loans and discounts.....	161,887	170,295	163,009
Total loans and discounts.....	227,706	236,565	230,646
Investments:			
U. S. Gov't securities.....	224,975	232,961	197,863
Other securities.....	158,462	156,028	128,056
Total investments.....	383,437	388,989	325,919
Demand deposits.....	676,385	675,871	570,961
Time deposits.....	178,801	177,847	172,818
Gross deposits.....	855,186	853,718	743,779
Reserve balances with F. R. Bank.....	124,977	110,023	103,374
Cash in vault.....	11,100	10,940	9,021
Bills payable and rediscounts with Federal Reserve Bank.....			
Number of banks reporting.....	24	24	24

The total resources of these banks comprise approximately 62.3% of all member banks in this district.

The aggregate amount of savings deposits in selected banks on February 5, was 6.6 per cent greater than on the corresponding date in 1935, and 1.1 per cent less than on January 1, 1936.

Reflecting the plethora of loanable funds and slack demand from all sources, interest rates continued at, or around the unprecedented low levels which have obtained in recent months. As of the week ended February 15, rates charged at downtown St. Louis banks were as follows: Customers' prime commercial paper, 1¼ per cent to 5¾ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 1¼ to 5¾ per cent and cattle loans 5 to 6 per cent.

Federal Reserve Operations—The following comparative table shows changes in the principal assets and liabilities of the Federal Reserve Bank of St. Louis:

(In thousands of dollars)	Feb. 18, 1936	Jan. 18, 1936	Feb. 18, 1935
Industrial advances under Sec. 13b.....	\$ 475	\$ 476	\$ 498
Other advances and rediscounts.....	18	18	13
Bills bought (including participations).....	87	87	105
U. S. securities.....	123,200	123,200	108,200
Total earning assets.....	123,780	123,781	108,816
Total reserves	224,908	216,383	204,551
Total deposits	181,766	172,036	167,214
F. R. Notes in circulation.....	161,260	161,017	138,655
Industrial commitments under Sec. 13b	2,009	2,121	1,335
Ratio of reserve to deposit and F. R. Note liabilities.....	65.6%	65.0%	66.9%

The rates of this bank for accommodations under the Federal Reserve Act remain unchanged as follows:

- 2% per annum for rediscounts and advances to member banks, under Sections 13 and 13a.
- 2½% per annum for advances to member banks, under Section 10b.
- 4¼% per annum for rediscounts, purchases and advances to member banks (including nonmember banks and other financing institutions), under Section 13b.
- ½% flat for commitments not exceeding six months to member banks (including nonmember banks and other financing institutions), to rediscount, purchase or make advances, under Section 13b.
- 5½% per annum for advances to established industrial or commercial businesses, under Section 13b.
- 4% per annum for advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under Section 13.
- 5½% per annum for advances to individuals, partnerships and corporations (excluding nonmember banks), 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)	Jan., 1936	Dec., 1935	Jan., 1935	Jan. 1936 comp. with Dec. 1935	Jan. 1935
East St. Louis and Natl. Stock Yards, Ill. \$	30,669	\$ 30,548	\$ 22,388	+ 0.4%	+37.0%
El Dorado, Ark.....	3,839	4,400	4,012	-12.7	- 4.3
Evansville, Ind.....	26,626	24,925	19,848	+ 6.8	+34.1
Fort Smith, Ark.....	10,256	10,787	8,507	- 4.9	+20.6
Greenville, Miss.....	4,186	4,250	3,954	- 1.5	+ 5.9
Helena, Ark.....	1,448	1,944	1,491	-25.5	- 2.9
Little Rock, Ark.....	30,364	33,113	26,118	- 8.3	+16.3
Louisville, Ky.....	160,128	155,364	141,434	+ 3.1	+13.2
Memphis, Tenn.....	118,809	135,785	104,801	-12.5	+13.4
Owensboro, Ky.....	5,256	4,877	5,214	+ 7.8	+ 0.8
Pine Bluff, Ark.....	7,965	7,546	5,056	+ 5.6	+57.5
Quincy, Ill.....	5,976	6,784	5,093	-11.9	+17.3
St. Louis, Mo.....	544,533	568,720	465,544	- 4.3	+17.0
Sedalia, Mo.....	1,966	2,290	1,852	-14.1	+ 6.0
Springfield, Mo.....	13,634	12,453	11,532	+ 9.5	+18.2
*Texarkana, Ark.....	6,679	6,925	5,637	- 3.6	+18.5
Totals.....	972,334	1,010,711	832,483	- 3.8	+16.8

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

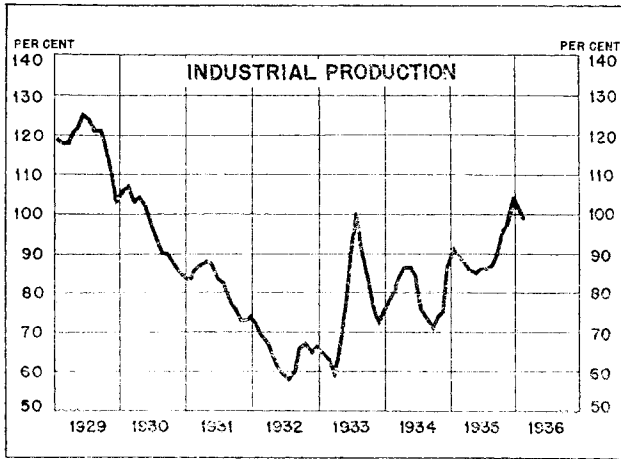
Note—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers'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

NATIONAL SUMMARY OF BUSINESS CONDITIONS

BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

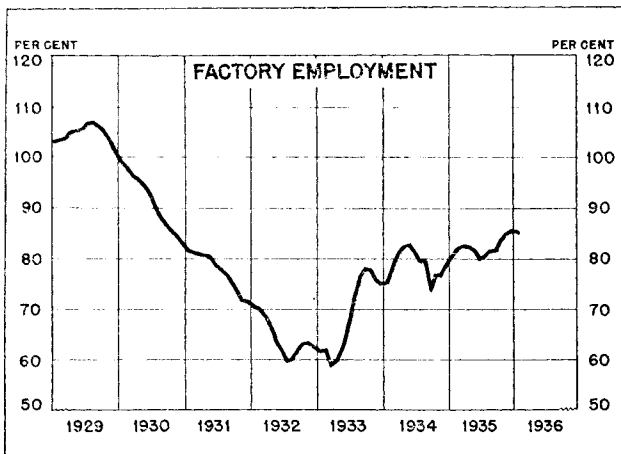
Total volume of industrial production increased in January, but, owing to a decline in activity in the automobile and allied industries from an exceptionally high level in December, the increase was less than is usual at this season.

Production and Employment— Total output at factories increased by a smaller amount than is usual in January, while output at mines showed a seasonal increase. The Board's combined index



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through January, 1936. Latest figure, January, preliminary, 99.

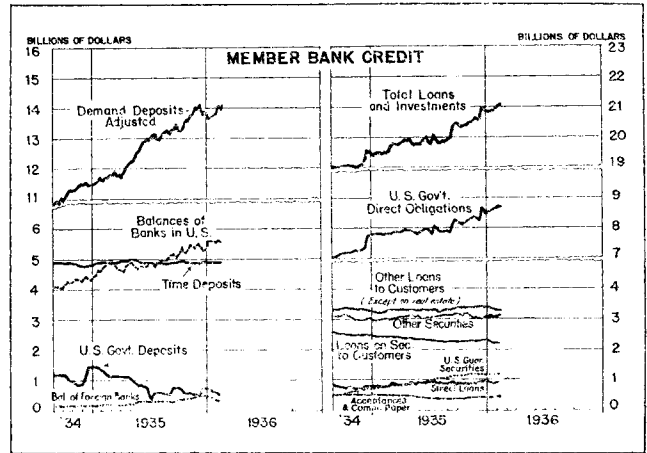
of industrial production, which makes allowance for seasonal changes, declined from 104 per cent of the 1923-1925 average in December to 99 per cent in January. This decrease reflected chiefly sharp reductions in output of steel and of automobiles from the high levels reached in December. In the first three weeks of February the average rate of operations at steel mills showed a smaller increase over the January average than is usual, and at automobile factories output was estimated to be at a lower level than in January. Smaller than seasonal increases in activity were reported at textile mills and at shoe factories, while output of food products was in considerably larger volume in January than a month earlier.



Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through January, 1936. Latest figure, January, 85.

Factory employment showed a small seasonal decrease between the middle of December and the middle of January. At automobile factories the number of workers, which usually increases at this season, was unchanged, and at textile mills employment declined. Factory payrolls decreased by more than the usual amount. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was smaller in January than in December. Awards for publicly-financed projects decreased from the relatively high December figure, and there was a seasonal decline in contracts for residential construction.

Distribution— Retail trade was reduced more than seasonally in January, reflecting in part the influence of unusually severe weather. Sales by department stores, variety stores and mail-order houses all declined by more than the usual seasonal amount. Freight-car loadings showed little change; loadings of coal increased considerably, while rail shipments of miscellaneous freight declined.

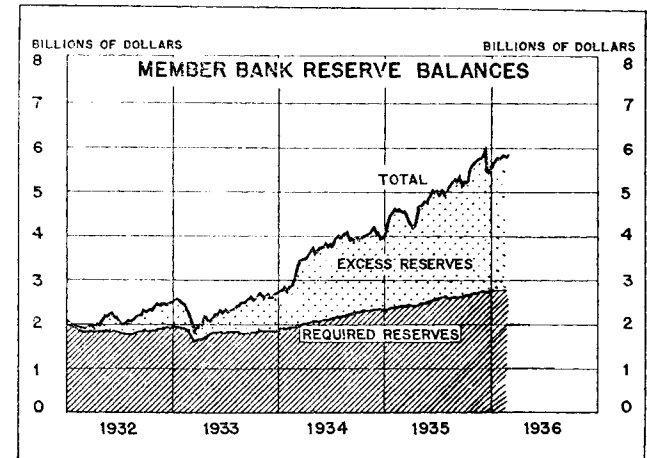


Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, through February 12, 1936.

Commodity Prices— The general level of wholesale commodity prices continued to show little change during January and the first three weeks of February. Prices of cotton textiles, flour, wheat, and silk declined, while prices of hogs, petroleum, coffee, and rubber increased considerably. Retail prices of foods decreased somewhat during January.

Bank Credit— Excess reserves of member banks fluctuated between January 22, and February 19, near a \$3,000,000,000 level, changes principally reflecting fluctuations in Treasury holdings of cash and deposits with Federal Reserve banks.

Investments of weekly reporting member banks in leading cities increased by \$300,000,000 in the four weeks ending February



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required and excess reserves, January 6, 1932, through February 19, 1936.

12, and reached the largest amount ever held by these banks, while loans decreased by \$10,000,000. Holdings of United States Government obligations increased by \$140,000,000; holdings of obligations guaranteed by the Government, by \$50,000,000, and other securities by \$110,000,000. Adjusted demand deposits of reporting member banks, which declined somewhat from the middle of December to the middle of January, increased by \$290,000,000 in the four weeks ending February 12, while United States Government deposits declined by \$150,000,000.