



# 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

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## 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	
	Sept. 11, '35	Oct. 10, '34
Gross deposits.....	+ 2.7%	+15.6%
Loans.....	+ 4.3	+ 0.8
Investments.....	+ 2.6	+12.2

**W**HILE 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 livestock 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	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

has been the case in late years, was largely responsible for the increases in September sales of the reporting firms over a month and a year earlier. Prices averaged steady with the preceding thirty days, advances about counterbalancing declines.

**Dry Goods**—Due to unseasonably warm weather, ordering of seasonal merchandise in this classification was in considerably less than the usual volume. Since the first week in October, however, there has been well defined improvement in purchasing of all lines, reports covering the first half of this month reflecting increases from 5 to 10 per cent over the like interval in 1934. As was the case earlier in the season, however, ordering continues mainly for prompt delivery.

**Electrical Supplies**—The increase of 39 per cent in September sales of the reporting firms over a year ago was of a seasonal nature, but considerably greater than the average during the past decade. An important contributing factor to increase was the broadened demand for building installations of all descriptions. The trend of prices was upward in sympathy with certain important raw materials. September sales of the reporting firms represent the largest total for that month since 1929.

**Flour**—Production at the twelve leading mills of the district in September totaled 189,273 barrels, against 174,991 barrels in August and 300,764 barrels in September, 1934. Demand generally developed further moderate improvement during the past thirty days, large consumers and jobbers being disposed to enlarge their purchases in view of advancing wheat values and the war situation abroad. Export demand was reported more active than heretofore. Prices moved upward and in early October reached the highest point since 1933. Mill operations were at from 45 to 50 per cent of capacity.

**Furniture**—Continuing the steady expansion of recent months, September sales of the reporting furniture firms were approximately one-half larger than a year ago and recorded the highest total for any September since 1929. Improvement was general through the entire line, but most marked in household furniture and furnishings.

**Groceries**—Reversing the usual seasonal trend, sales of the reporting firms in September fell slightly below the month before. This was due mainly to an exceptionally heavy August volume, and to the backward movement of seasonal merchandise caused by the warm weather. Reports covering the first half of October indicate moderate improvement over the same time in 1934, with retailers more disposed to cover their future needs than heretofore.

**Hardware**—Advance ordering for spring distribution was reported on a larger scale than at any similar period since 1930. This is true particularly of goods consumed chiefly in the rural areas. Paints, varnishes and the general line of building materials are reported moving in considerable volume. Prices during the past thirty days showed a slightly upward trend, due to higher quotations on certain important raw materials.

**Iron and Steel Products**—Stimulated by the usual seasonal influences and the high rate of operations of certain specialty manufacturers, activities in the iron and steel industry in this district underwent further improvement during September and the first half of October. Momentum in production of new models achieved by the automobile builders since the end of September released heavier steel tonnage and further broadening tendencies developed in the outlet for a variety of commodities through the building industry. According to jobbing and warehouse interests, demand has broadened, but still is dependent chiefly on miscellaneous requirements. September orders booked by warehouses were approximately 8 per cent greater than in August and about one-fourth in excess of the September, 1934 total. Increased repair and building programs were reflected in a marked improvement in the movement of tubular goods, particularly boiler tubes. Operations at stove foundries were at the highest rate for this season in recent years, some plants working on a six day schedule. Manufacturers of farm implements, household appliances and heating apparatus continued at, or about the same high rate of operations noted during the preceding several months. Heavier steel specifications for public works enabled the fabricating interests in September to step up their operations to 40 per cent of estimated capacity, which compares with 35 per cent in August and 25 per cent in July. Reflecting rising foundry operations and expectations of a price advance, demand for pig iron increased. Shipments to melters in this area during September represented the largest total for any month since August, 1930. For the country as a whole, according to the magazine "Steel", production of pig iron in September totaled 1,770,259 tons, which compares with 1,759,782 tons in August and 899,075 tons in September, 1934. Steel ingot production in the United States amounted to 2,829,835 tons in September against 2,919,326 tons in August and 1,268,977 tons in September a year ago.

#### RETAIL TRADE

**Department Stores**—The condition of retail trade is reflected in the following comparative state-

ments showing activities in the leading cities of the district:

	Net Sales Comparison			Stocks on Hand	Stock Turnover
	Sept. 1935 compared to Aug. 1935		9 mo. ended Sept. 30, '35 to same period '34	Sept. 30, '35 comp. to Sept. 30, '34	Jan. 1, to Sept. 30, 1935 1934
	Aug. 1935	Sept. 1934	period '34	Sept. 30, '34	1935 1934
El Dorado, Ark.....	+16.2%	— 8.5%	+ 4.1%	+ 4.7%	1.90 1.90
Evansville, Ind.....	+ 2.6	—19.9	—15.9	—20.4	1.59 1.39
Fort Smith, Ark.....	+50.1	— 1.9	+ 2.0	+10.2	1.64 1.59
Little Rock, Ark.....	+21.0	— 5.8	— 1.1	— 1.4	1.75 1.71
Louisville, Ky.....	+19.9	+ 5.4	+ 3.7	— 0.1	2.77 2.69
Memphis, Tenn.....	+21.3	— 4.3	— 0.2	— 1.4	2.12 2.22
St. Louis, Mo.....	+21.9	— 9.1	— 1.0	— 0.7	2.82 2.70
Springfield, Mo.....	+ 7.3	+ 2.7	+ 6.4	—10.1	1.80 1.39
All Other Cities.....	+13.7	— 6.1	+ 3.8	+ 9.3	2.17 2.10
8th F. R. District....	+21.4	— 6.7	— 0.3	— 0.8	2.53 2.45

Percentage of collections by cities in September to accounts and notes receivable first day of September, 1935:

El Dorado, Ark.....	52.0%	Memphis, Tenn.....	39.3%
Fort Smith, Ark.....	32.7	Springfield, Mo.....	22.2
Little Rock, Ark.....	33.7	St. Louis, Mo.....	47.4
Louisville, Ky.....	47.0	All Other Cities.....	34.8
8th F. R. District.....	43.5%		

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

	Net Sales Comparison			Stocks on Hand	Stock Turnover
	Sept. 1935 compared to Aug. 1935		9 mo. ended Sept. 30, '35 to same period '34	Sept. 30, '35 comp. to Sept. 30, '34	Jan. 1, to Sept. 30, 1935 1934
	Aug. 1935	Sept. 1934	period '34	Sept. 30, '34	1935 1934
Men's Furnishings .....	+33.5%	— 7.9%	+ 0.6%	+ 2.4%	1.81 1.71
Boots and Shoes .....	+56.5	+ 7.7	+ 8.6	+14.6	4.34 4.72

Percentage of collections in September to Accounts and Notes Receivable first day of September, 1935.

Men's Furnishings.....	33.1%	Boots and Shoes.....	35.6%
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**Automobiles** — Following the seasonal trend, distribution of automobiles in the Eighth District declined from August to September, but according to the group of dealers reporting to this bank, sales again exceeded those of the comparable period in 1934. The decrease in the month-to-month comparison, however, was measurably smaller than the average during the past decade. Demand for trucks, after receding in August, turned upward in September, sales during the latest month being 16 per cent and 20 per cent larger, respectively, than a month and a year earlier.

September sales of new passenger cars by the reporting dealers were 38 per cent smaller than in August and 14 per cent greater than the September, 1934, total. Stocks on dealers' floors continued the steady decline which began in July. Due to the earlier date on which producers will introduce new models, dealers are endeavoring to reduce inventories to a bare necessity basis. Stocks of new cars on October 1 were reported as being 12 per cent smaller than a month earlier and approximately 16 per cent less than a year ago. Trends in the used car market followed those noted in new vehicles. September sales declined 8 per cent from August, but were 32

per cent larger than in September last year. Inventories of salable secondhand cars decreased 7 per cent between September 1 and October 1, and on the latest date were one-third larger than a year earlier. According to dealers reporting on that item, the ratio of deferred payment sales to total sales in September was 48 per cent, as against 49 per cent in August and 50 per cent in September, 1934.

## AGRICULTURE

Eighth District agricultural conditions as a whole in September underwent only minor changes as contrasted with the preceding month and estimates of yields made by the U. S. Department of Agriculture in its report as of October 1, tend to confirm official forecasts made earlier in the season. Weather in the main was favorable for maturing and harvesting late crops, which productions were secured with minimum loss in quantity and quality. The indicated combined yield per acre of 33 important crops in states partly or entirely within this district on October 1, expressed as a percentage of the 10-year (1921-1930) average, in all cases with the exception of Missouri, was above the average. The percentages in the several states were: Indiana, 105.4; Illinois, 102.0; Missouri, 92.1; Kentucky, 102.0; Tennessee, 103.3; Mississippi, 118.4 and Arkansas, 105.0. Prices of farm products were fairly well maintained at the recent relatively high levels, which fact, coupled with Government benefit and rental payments have served to substantially improve the economic and psychological status in the farming community as contrasted with the past several seasons. The morale in the country has been further assisted by improved prices and demand for farm land.

During the last week in September and the early part of October, more or less severe frosts occurred throughout the district, resulting in considerable damage to late corn, truck gardens, certain fruits and some other crops. Soil preparations and seeding of fall grains were delayed to some extent by dry weather over a considerable part of the principal winter wheat areas. However, considerable progress has been made in these operations, needed moisture having been supplied toward the close of September and so far this month. At mid-October it was estimated that about 90 per cent of fall plowing had been completed, compared with the acreage usually plowed by that date and approximately 35 per cent of wheat seeding accomplished. Due to corn harvesting, wheat sowing, haying and the fruit harvest, the farm labor situation during the past thirty days has been favorable.

**Corn**—Reversing conditions in August, prospects for corn in the Eighth District improved moderately in September. In its report as of October 1, the U. S. Department of Agriculture places the district yield at 252,949,000 bushels, a gain of 5,472,000 bushels over the September forecast and comparing with the small crop of 167,928,000 bushels harvested in 1934 and the 12-year average (1923-1934) of 333,142,000 bushels. Clear weather with maximum temperatures as high as 90 degrees after the first week in September favored rapid maturing and drying of medium and early planted corn.

**Cotton**—Under stimulus of more favorable weather for maturing the crop during the past thirty days, prospects for cotton improved further and while late, picking made considerable headway. Based on the October 1 condition, the U. S. Department of Agriculture estimates the Eighth District yield at 2,464,000 bales, an increase of 69,000 bales over the September 1 forecast, and comparing with 2,323,000 bales harvested in 1934 and the 12-year average (1923-1934) of 2,738,000 bales. The low temperatures of late September and early October wrought only negligible injury to upland cotton, but resulted in considerable damage in the lowlands where the plant held moisture. A beneficial effect of the cold weather was to promote the opening of bolls in the lowland. Price fluctuations were narrow, with the tendency of the market apparently to remain firm. In the St. Louis market the middling grade ranged from 10.50c to 11.10c per pound between September 16 and October 15, closing at 10.90c on the latest date, which compares with 10.50c on September 15 and 12.00c on October 16, 1934. Receipts at Missouri and Arkansas compresses from August 1 to October 11 totaled 339,603 bales, against 396,479 bales for the corresponding period a year ago. Stocks on hand as of October 11 totaled 615,318 bales, which compares with 496,486 bales on September 13 and 569,495 bales on the same date in 1934.

**Fruits and Vegetables**—Harvesting of late fruits and vegetables has tended to verify official estimates of yields made earlier in the season. Production of nearly all varieties is substantially larger than a year ago and in many important commercial localities, above the 5-year average. Late potato prospects declined during September because of high temperatures and below normal precipitation in many sections. Sweetpotatoes shared in this decline to a lesser extent and the latter crop will be slightly above average. In states including the Eighth District the apple crop is estimated by the U. S. Department of Agriculture in its October 1

report at 17,634,000 bushels, of which 9,156,000 bushels represents commercial crop, against 9,519,000 bushels in 1934, with 4,080,000 bushels commercial crop and the 5-year average of 14,937,000 bushels, of which 6,512,000 bushels were commercial crop. In these states the peach crop is estimated at 8,686,000 bushels, against 6,576,000 bushels harvested last year and the 5-year average of 7,056,000 bushels; grapes, 33,559 tons, against 35,010 tons in 1934 and the 5-year average of 32,065 tons; sweetpotatoes, 17,019,000 bushels, against 18,692,000 bushels in 1934 and the 5-year average of 16,456,000 bushels; peanuts, 36,960,000 pounds, against 42,045,000 pounds in 1934 and the 5-year average of 29,894,000 pounds. The white potato crop in the district proper is forecast at 13,032,000 bushels, against 9,681,000 bushels produced in 1934 and the 12-year average of 13,609,000 bushels.

**Live Stock**—Reports from practically all parts of the district indicate a continuance of the high physical condition of live stock which has prevailed for the preceding several months. Latest estimates of feed-grain production combined with farm carry-over of such grains indicate that the total supply is 12 to 15 per cent below the 1926-1933 average. The number of units of grain-consuming animals and poultry, according to the U. S. Department of Agriculture, is expected to be about 14 per cent below the average numbers during the same years, so that there should be slightly more than the usual supply of feed grain per unit of live stock. The carryover of old corn on farms as of October 1, was the smallest in more than five years. The Eighth District tame hay crop is estimated at 6,165,000 tons, which compares with 4,151,000 tons produced in 1934 and the 12-year average of 6,609,000 tons. Receipts and shipments at St. Louis as reported by the National Stock Yards were as follows:

	Receipts			Shipments		
	Sept., 1935	Aug., 1935	Sept., 1934	Sept., 1935	Aug., 1935	Sept., 1934
Cattle and Calves.....	204,036	171,658	289,680	119,769	106,959	178,078
Hogs .....	120,871	125,383	220,176	75,266	69,985	115,410
Horses and Mules.....	6,398	5,020	10,238	5,647	4,121	9,204
Sheep .....	73,875	71,521	68,941	23,329	11,614	18,744
Totals.....	405,180	373,582	589,035	224,011	192,679	321,436

**Tobacco**—Prospects for tobacco in this district changed little between September 1 and October 1, the U. S. Department of Agriculture's report, based on conditions as of the latest date, forecasting a crop of 213,377,000 pounds, which compares with 206,861,000 pounds produced in 1934 and the 12-year average of 296,688,000 pounds. Cutting, housing and curing of all types of tobacco progressed satisfactorily during the last half of September under auspicious weather conditions. The earlier cuttings of burley tobacco indicate medium to good quality

and a suitable smoking crop. Cold weather, accompanied by high winds during the opening days of October interfered somewhat with curing operations. This condition has been since remedied by a sharp rise in temperatures and fairly general precipitation.

Scattered reports indicate that the one sucker, air cured crop is curing satisfactorily and promises to be attractive for manufacturing and rehandling purposes. Due to unfavorable weather in early October, firing of the crop in the eastern and western dark fired districts did not progress as rapidly as it should have. Quality of the leaf varies somewhat, but general average is reported good.

**Commodity Prices** — Range of prices in the St. Louis market between September 16, 1935 and October 15, 1935, with closing quotations on the latter date and on October 15, 1934, follow:

		High	Low	Close	
				Oct. 15, 1935	Oct. 15, 1934
Wheat					
*Dec.	per bu.	\$1.09½	\$ .97¾	1.04	\$ 1.00
*May	"	1.07	.92¾	1.02¾	1.00
*July	"	.97	.92¾	.92¾	.96¾
No. 2 red winter	"	1.16½	1.05½	1.10	1.02½ @ 1.03
No. 2 hard	"	1.27	1.13¾	1.16	1.08¾
Corn					
*Dec.	"	.65¼	.57¾	.61	.76¾
*May	"	.62½	.56¾	.59¾	.78¾
*July	"	.63¾	.58¾	.60¾	.79
No. 2 mixed	"	.90	.82½	.86½	.79¼
No. 2 white	"	.91¾	.84½	.87	.85¾
Oats					
*No. 2 white	"	.34½	.32	.32	.58
Flour					
Soft patent	per bbl.	7.75	6.55	6.90 @ 7.40	6.70 @ 7.00
Spring	"	9.20	8.10	8.80 @ 9.00	7.40 @ 7.65
Middling Cotton	per lb.	1.110	1.050	1.090	1.185
Hogs on hoof	per cwt.	12.10	7.00	7.50 @ 10.65	3.00 @ 5.85

\*Nominal quotations.

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in September was 47.7 per cent smaller than in August and 12 per cent more than the September, 1934, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in September amounted to \$12,016,826, which compares with \$11,880,762 in August and \$7,616,894 in September, 1934. Building figures for September follow:

	New construction				Repairs, etc.			
	Permits 1935	1934	*Cost 1935	1934	Permits 1935	1934	*Cost 1935	1934
Evansville ..	53	4	\$ 74	\$ 85	458	337	\$ 186	\$ 109
Little Rock ..	12	8	12	7	103	145	41	31
Louisville ..	59	40	238	340	97	63	31	21
Memphis ...	130	95	98	52	205	135	109	68
St. Louis....	223	151	393	244	126	364	179	321
Sept. Totals	477	298	815	728	989	1,044	546	550
Aug. "	523	318	1,559	690	621	807	372	210
July "	529	281	1,104	481	644	648	356	228

\*In thousands (000 omitted).

## TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 75,732 loads in September, which compares with 76,439 loads in August and 77,661 loads in September, 1934. During the first nine days of

October the interchange amounted to 24,053 loads, against 20,470 loads during the like period in September and 20,981 loads during the first nine days of October, 1934. Passenger traffic of the reporting roads in September was 1.4 per cent less than during the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in September was 139,900 tons, against 146,439 tons in August and 112,860 tons in September, 1934. For the country as a whole, loadings of revenue freight for the first 40 weeks this year, or to October 5, totaled 23,845,295 cars against 23,994,858 cars for the corresponding period in 1934, and 22,277,053 cars in 1933.

## CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial consumers in September as being about 8.6 per cent smaller than in August and 16.8 per cent more than in September, 1934. Detailed figures follow:

	No. of Custom- ers	Sept., 1935 *K.W.H.	Aug., 1935 *K.W.H.	Sept. 1935 comp. to Aug. 1935	Sept., 1934 *K.W.H.	Sept. 1935 comp. to Sept. 1934
Evansville ....	40	2,210	2,458	—10.1%	1,848**	+19.6%
Little Rock....	35	2,004	2,412	—16.9	1,846	+ 8.6
Louisville ....	82**	7,891	8,391	— 6.0	7,024**	+12.3
Memphis .....	31	1,653	1,488	+11.1	1,685	— 1.1
St. Louis.....	195**	20,029	22,212**	— 9.8	16,536**	+21.1
Totals.....	383**	33,787	36,962**	— 8.6	28,939**	+16.8

\*In thousands (000 omitted).

\*\*Revised figures.

## POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 5.5 per cent in combined postal receipts for the third quarter of this year, over the corresponding period in 1934 and a decrease of 33.6 per cent under the quarter ended June 30, 1935. Detailed figures follow:

	Sept. 30, 1935	June 30, 1935	Mar. 31, 1935	Sept. 30, 1934	Sept. 1935 comp. to Sept. 1934
Evansville .....	\$ 135,476	\$ 141,852	\$ 143,020	\$ 133,923	+ 1.2%
Little Rock.....	176,788	172,805	186,668	167,554	+ 5.5
Louisville .....	631,488	669,314	648,588	560,684	+12.6
Memphis .....	481,232	514,179	535,118	449,545	+ 7.0
St. Louis.....	2,214,149	2,477,195	2,357,124	2,136,137	+ 3.7
Totals.....	3,639,133	3,975,345	3,870,518	3,447,843	+ 5.5

## LIFE INSURANCE

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

(In thousands of dollars)	Sept., 1935	Aug., 1935	Sept., 1934	Jan.-Sept., 1935	Jan.-Sept., 1934	Cumul. change
Arkansas.....	\$ 1,906	\$ 2,623	\$ 1,788	\$ 23,071	\$ 23,686	— 2.6%
Illinois.....	33,085	35,647	33,387	377,517	392,233	— 3.8
Indiana.....	10,117	10,591	8,546	102,137	96,299	+ 6.1
Kentucky.....	4,381	4,751	4,553	48,395	45,734	+ 5.8
Mississippi.....	2,059	2,015	2,067	19,857	21,692	— 8.5
Missouri.....	11,892	13,680	13,181	135,395	154,162	—12.2
Tennessee.....	5,059	5,937	4,562	50,392	52,136	— 3.7
Totals.....	68,499	75,244	68,084	756,764	785,942	— 3.7
United States..	413,716	456,397	399,687	4,609,100	4,621,847	— 0.3

## FINANCIAL

Seasonal requirements of commercial and industrial interests and for financing agricultural operations were reflected in a further expansion in demand for credit in the Eighth District during late September and the first half of October. Loanable resources of the commercial banks, however, continued at the high levels of recent months and there was no appreciable change in interest rates. Liquidation at banks in the large cities was in considerable volume, reflecting heavy payments to wholesaling lines with which October is an important settlement month. In some sections country banks increased their borrowings from city correspondents, mainly to accommodate agricultural customers. Quite generally through the district there has been a better demand for conditioning live stock for market than in a number of years. Commitments of flour milling and grain handling interests increased slightly, due to the upturn in cash wheat.

**Member Banks**—Total loans of reporting member banks in leading cities of the district continued the upward trend which began in August. Between September 11 and October 9 this item increased 4.3 per cent and on the latest date was 0.8 per cent greater than a year earlier. The increase was mainly in the category of "all other loans," which represents largely accommodations to business interests. Gross deposits continued sharply upward, reaching a new record high on October 9. Total investments increased 2.6 per cent and reserve balances 3.8 per cent. The latter item, at \$111,895,000 on the latest report date, represented a new all time high.

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)	Oct. 9, 1935	Sept. 11, 1935	Oct. 10, 1934
<b>Loans and discounts (incl. rediscounts)</b>			
Secured by U. S. Gov't. obligations and other stocks and bonds....	\$ 61,517	\$ 59,622	\$ 70,905
All other loans and discounts....	157,553	150,504	146,345
<b>Total loans and discounts.....</b>	<b>219,072</b>	<b>210,126</b>	<b>217,250</b>
<b>Investments</b>			
U. S. Gov't securities.....	205,970	188,481	181,453
Other securities.....	128,461	137,552	116,578
<b>Total investments.....</b>	<b>334,431</b>	<b>326,033</b>	<b>298,031</b>
<b>Demand deposits.....</b>	<b>596,410</b>	<b>576,678</b>	<b>497,173</b>
<b>Time deposits.....</b>	<b>169,522</b>	<b>169,154</b>	<b>165,560</b>
<b>Gross deposits.....</b>	<b>765,932</b>	<b>745,832</b>	<b>662,733</b>
Reserve balances with F. R. Bank	111,895	107,784	86,294
Cash in vault.....	10,153	10,034	8,072
Bills payable and rediscounts with Federal Reserve Bank.....			
<b>Number of banks reporting.....</b>	<b>19</b>	<b>19</b>	<b>19</b>

The aggregate amount of savings deposits held by selected banks on October 2 was 0.9 per cent greater than on September 4, and 11.7 per cent in excess of the October 3, 1934, total.

At downtown St. Louis banks as of the week ended October 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 5½ per cent and cattle loans, 4¾ to 6 per cent.

**Federal Reserve Operations**—Reflecting the continued upward trend in member banks' reserve accounts, there was a sharp increase in deposits of the Federal Reserve bank between September 16 and October 16. As of the latest date there was virtually no change in the volume of reserve credit outstanding from a month earlier.

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

(In thousands of dollars)	Oct. 16, 1935	Sept. 16, 1935	Oct. 16, 1934
Industrial advances under Sec. 13b.....	\$ 433	\$ 455	\$ 363
Other advances and rediscounts.....	4	113	178
Bills bought (Including participations).....	80	80	122
U. S. Securities.....	108,200	108,200	93,200
<b>Total earning assets.....</b>	<b>108,717</b>	<b>108,848</b>	<b>93,863</b>
<b>Total Reserves .....</b>	<b>228,763</b>	<b>202,900</b>	<b>204,997</b>
<b>Total Deposits .....</b>	<b>179,707</b>	<b>159,475</b>	<b>150,576</b>
<b>F. R. Notes in circulation.....</b>	<b>150,716</b>	<b>146,239</b>	<b>141,462</b>
<b>Industrial commitments under Sec 13b .....</b>	<b>1,977</b>	<b>1,907</b>	<b>530</b>
<b>Ratio of reserves to deposit and F. R. Note Liabilities.....</b>	<b>69.2%</b>	<b>66.4%</b>	<b>70.2%</b>

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

- 2 per centum per annum for rediscounts and advances to member banks, under the terms of Sections 13 and 13a.
- 2½ per centum per annum for advances to member banks, under the terms of Section 10(b).
- 4½ per centum per annum for rediscounts, purchases and advances to member banks (including nonmember banks and other financing institutions), under the terms of Section 13b.
- ½ per centum flat for commitments not exceeding six months to member banks (including nonmember banks and other financing institutions), to rediscount, purchase or make advances, under the terms of Section 13b.
- 5½ per centum per annum for advances to established industrial or commercial businesses, under the terms of Section 13b.
- 4 per centum per annum for advances to individuals, firms or corporations (including nonmember banks), secured by direct obligations of the United States, under the terms of Section 13.
- 5½ per centum per annum for advances to individuals, partnerships and corporations (excluding nonmember banks), under the terms of 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)	Sept., 1935	Aug., 1935	Sept., 1934	Sept. 1935 comp. to Aug. 1935	Sept. 1934
East St. Louis and Natl.					
Stock Yards, Ill..	\$ 28,852	\$ 29,184	\$ 21,816	— 1.1%	+32.3%
El Dorado, Ark.....	3,542	3,565	3,609	— 0.6	— 1.9
Evansville, Ind.....	20,400	22,098	15,751	— 7.7	+29.5
Fort Smith, Ark.....	8,095	8,033	7,630	+ 0.8	+ 6.1
Greenville, Miss.....	4,557	2,940	3,844	+55.0	+18.5
Helena, Ark.....	1,847	1,267	2,341	+45.8	—21.1
Little Rock, Ark.....	26,164	25,849	22,342	+ 1.2	+17.1
Louisville, Ky.....	128,301	127,458	115,491	+ 0.6	+11.1
Memphis, Tenn.....	105,758	84,033	103,037	+25.9	+ 2.6
Owensboro, Ky.....	4,463	4,095	3,668	+ 9.0	+21.7
Pine Bluff, Ark.....	8,932	7,236	6,853	+23.4	+30.3
Quincy, Ill.....	6,024	6,250	5,431	— 3.6	+10.9
St. Louis, Mo.....	466,800	498,000	392,720	— 6.3	+18.9
Sedalia, Mo.....	1,790	2,015	1,541	—11.2	+16.2
Springfield, Mo.....	11,342	12,334	10,789	— 8.0	+ 5.1
*Texarkana, Ark..	5,403	5,688	5,281	— 5.0	+ 2.3
<b>Totals.....</b>	<b>832,270</b>	<b>840,045</b>	<b>722,144</b>	<b>— 0.9</b>	<b>+15.2</b>

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

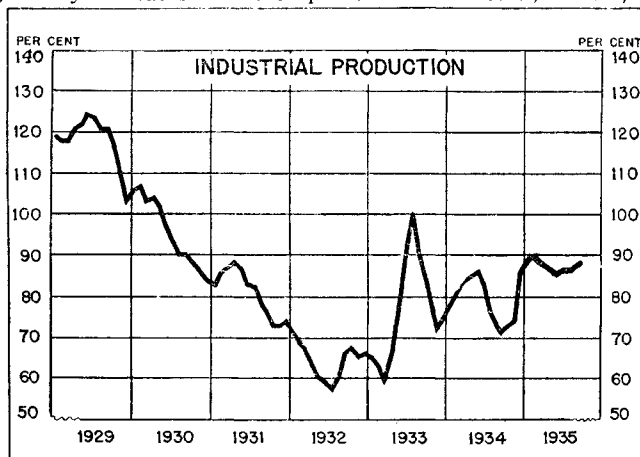
**Note**—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of 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

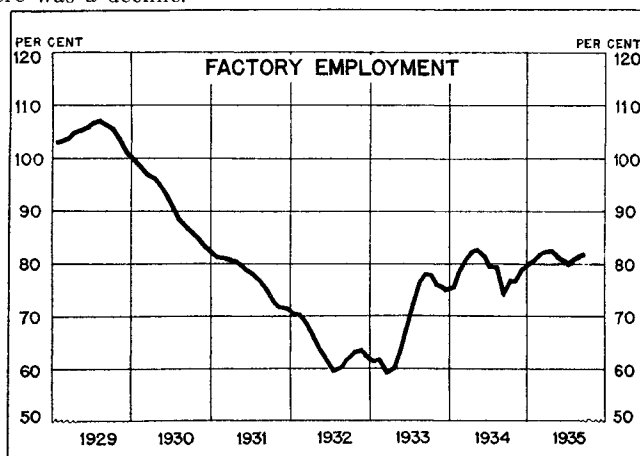
**INDUSTRIAL PRODUCTION**—Employment increased in September and distribution of commodities to consumers was in larger volume, reflecting in part seasonal influences. The general level of wholesale prices showed little change.

**PRODUCTION AND EMPLOYMENT**—Output at factories and mines, as measured by the Board's seasonally adjusted index of industrial production, advanced from 87 per cent of the 1923-1925 average in August to 88 per cent in September, reflecting chiefly increases in the output of iron and steel, lumber, cotton and silk textiles, and anthracite, offset in part in the total by declines in the production of automobiles and woolen textiles. At steel mills activity increased from 49 per cent of capacity in August to 51 per cent in September and during the first three weeks of October continued at about the September level. At automobile factories a sharp decline in output during September, as preparations were made for new models, was followed in the early part of October by a rapid advance. Lumber production continued to increase in September in the cotton textile industry, where output had been at a relatively low level since April, activity showed a marked increase in September and there was also an increase in output at silk mills, while at woolen mills, where activity has been at an exceptionally high level for several months, there was a decline.



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

Index of factory employment, adjusted for seasonal variation. (1923-1925 average=100.) Latest figures, adjusted, September, 81.9, revised, August 81.7.

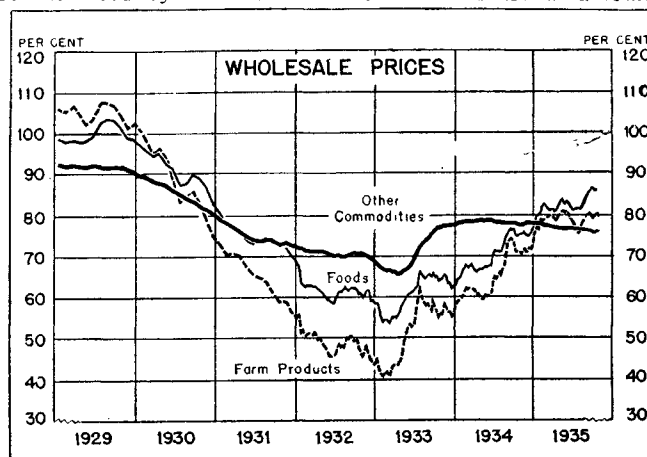


Index of factory employment, adjusted for seasonal variation. (1923-1925 average=100.) Latest figures, adjusted, September, 81.9, revised, August 81.7.

Factory employment showed a seasonal increase between the middle of August and the middle of September. The number employed at foundries and in the lumber, non-ferrous metals and machinery industries increased substantially, while in the automobile industry there was a considerable decline. At cotton mills employment showed a seasonal increase and at silk and rayon mills there was an increase of more than the usual seasonal amount, while employment at woolen mills and shoe factories declined.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was about the same in the six weeks ending October 15 as in the previous six weeks, reflecting an increase in residential building, partly of a seasonal character, and a slight decline in other types of construction.

**DISTRIBUTION**—Freight-car loadings showed an increase of more than the usual seasonal amount in September and increased further in the first half of October. Department store sales also increased by more than the estimated seasonal amount in

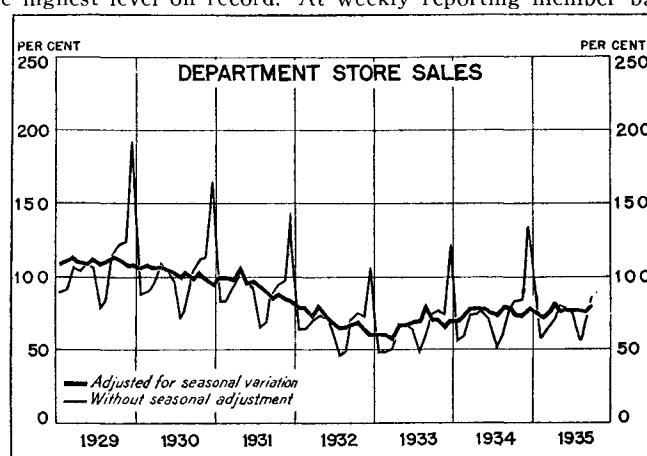


Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months 1929 to 1931; by weeks 1932 to date. Latest figures for week ended October 19, farm products 79.5; foods 85.6; other commodities 78.4

September, and for the third quarter the average of the Board's seasonally adjusted index was 80 per cent of the 1923-1925 average as compared with 75 per cent a year ago.

**COMMODITY PRICES**—The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, showed little change during September and the first three weeks of October. Prices of grains decreased in the middle of October, following considerable advances, while prices of silk, hides, and copper increased throughout the period.

**BANK CREDIT**—Reserves of member banks continued to increase during the five weeks ending October 23, reflecting chiefly imports of gold from abroad. At the end of the period reserves in excess of legal requirements at \$2,930,000,000 were at the highest level on record. At weekly reporting member banks



Indexes of daily average value of sales. (1923-1925=100.) Latest figures, September, preliminary, adjusted 82; unadjusted 86.

in 91 leading cities adjusted demand deposits increased by \$40,000,000 during the four weeks ending October 16, while United States Government deposits declined and inter-bank balances rose to a new high level. Loans on securities decreased by \$40,000,000, while other loans including commercial credits, increased by \$80,000,000. Yields on both short-term and long-term Government obligations increased from the last week in August to the first part of October and subsequently declined. Other short-term open-market money rates remained at previous low levels.