



MONTHLY REVIEW

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

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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 Sep. 1935	comp. with 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 Oct. 16, '35	comp. with 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 Sept. '35	Oct. '34	10 months ending Oct. 31, 1935 comp. to 1934	Oct. 31, 1935 compared to 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-

ceeded those of the same month a year earlier. The October total, incidentally, was the highest for the month since 1930. Betterment was general through the entire line, but most marked in household appliances, building installations and radio material. Prices were in the main steady.

Flour — Production at the twelve leading mills of the district in October totaled 226,607 barrels, against 201,436 barrels (revised figure) in September and 276,952 barrels in October, 1934. Conditions in the trade underwent no changes worthy of note as contrasted with the preceding month. The large baking interests have apparently covered their immediate requirements and are not disposed to anticipate future needs in view of uncertainty in the wheat market. Prices declined in the second week in November, reflecting the downturn in cash wheat values. Mill operations were at from 45 to 50 per cent of capacity.

Furniture — The gain of approximately one-fourth in October sales of the reporting firms over a year ago was ascribed chiefly to the broadened demand for household furniture and furnishings. Orders placed with manufacturers and wholesalers by time payment houses were in considerably heavier volume than a year and two years earlier. Retailers generally are more disposed than heretofore to replenish depleted stocks. Purchasing of radio cabinets and other goods in the luxury category is reported in larger volume than at any similar period since 1930.

Groceries — Generally through the district, ordering of holiday goods is reported in larger volume than since pre-depression times. Almost universally retailers are replenishing stocks of canned goods and other varieties of preserved foods. Purchasing of staples, flour, sugar, coffee, etc., continues largely on a hand-to-mouth basis.

Hardware — Increases in sales of the reporting group of merchants during October over both a month and a year earlier were attributed mainly to improved purchasing power in the rural areas incident to heavy crop production, high prices for farm products and rental and benefit payments received from the Government. There has been a well defined betterment in demand for building materials, including paints, varnishes and kindred lines.

Iron and Steel Products — The iron and steel industry in this district during October and the first half of November was marked by a continuation of the upward trend in activity which has been in effect since early summer. Betterment extends pretty generally to all sections of the industry, with

a number of stimulating influences present which were not in evidence during the like periods in the preceding three years. Among these were the notable increase in building operations, early introduction of new automobile models, an unusually heavy demand for commodities consumed in the rural areas and heavy requirements of manufacturers of stoves, heating apparatus, household appliances and other specialty makers. After a short lull for taking inventory, farm implement and machinery builders have resumed operations at a rate about equal to that in September. Purchasing by the railroads, actual and prospective, served to moderately accelerate activities at steel foundries specializing in railroad castings. A strong contraseasonal movement in raw materials developed. Pig iron shipments to melters in the district, after rising sharply in October, at mid-November were more than one-fourth above the October rate. A corresponding increase was noted in shipments of metallurgical coke. The trend of prices was upward, with several specific advances recorded. Pig iron advanced \$1 per ton, and semi-finished \$2 per ton. Average prices of scrap iron and steel have advanced to the highest levels since the fall of 1930. For the country as a whole, production of pig iron in October, according to the magazine "Steel", totaled 1,979,609 tons, the largest since May, 1934, and comparing with 1,770,259 tons in September and 951,353 tons in October, 1934. Steel ingot production in the United States in October amounted to 3,116,148 tons, against 2,829,835 tons in September and 1,481,902 tons in October, 1934.

MINING

Production of bituminous coal in this general area was stimulated by increased industrial requirements and the usual seasonal influences. Tonage lifted in October was about one-fourth larger than in September and 14 per cent greater than a year ago.

In Illinois thirty-two coal mines reported increases of 6.1 per cent in the number of employees and 40.2 per cent in total wage payments during October as compared with September.

RETAIL TRADE

Automobiles — Following the unvaried precedent of the past decade, Eighth District distribution of automobiles declined from September to October according to dealers reporting to this bank. The extent of the decrease, however, was considerably less than average. There was a general disposition on the part of prospective purchasers to await the appearance of new models before filling requirements. In all parts of the district, sentiment is very optimistic; reports covering the first half of Novem-

AGRICULTURE

ber indicate that the new models are being well received and sales exceeding expectations. Demand for trucks of all descriptions continues active, October sales recording an increase of 12 per cent over a year ago.

October sales of new passenger cars by the reporting dealers were 13 per cent less than in September, but 3 per cent in excess of the October, 1934, total. Stocks held by dealers receded to the lowest point in recent years, the policy being to rid floors of old models before the arrival of the latest made machines. Inventories as of November 1 were about one-fourth smaller than a month earlier and 31 per cent less than a year ago. Demand for used cars continued brisk. Sales of secondhand cars in October were 8 per cent less than in September, but about 20 per cent greater than a year ago. Stocks of salable secondhand cars on November 1 were 8 per cent smaller than a month earlier and 18 per cent larger than on November 1, 1934. According to dealers reporting on that item, deferred payment sales in October constituted 46 per cent of total sales, against 48 per cent in September and 48 per cent in October, 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	Stock
	10 mo. ended			on Hand	Turnover
	Oct. 1935 Sept. 1935	Oct. 1934	Oct. 31,'35 to same period '34	Oct. 31,'35 comp. to Oct. 31,'34	Jan. 1, to Oct. 31, 1935 1934
El Dorado, Ark.....	+ 7.7%	- 0.5%	+ 3.5%	+ 1.2%	2.11 2.12
Evansville, Ind.....	+ 31.7	+ 0.8	-14.2	-20.5	1.79 1.55
Fort Smith, Ark.....	+28.0	+ 6.4	+ 2.6	+ 3.6	1.90 1.85
Little Rock, Ark.....	+13.0	- 2.7	- 1.3	+ 1.2	1.97 1.94
Louisville, Ky.....	+16.5	+ 5.5	+ 3.9	- 1.3	3.12 3.01
Memphis, Tenn.....	+33.2	+ 0.2	- 0.1	- 4.7	2.43 2.52
St. Louis, Mo.....	+ 3.1	+15.0	+ 0.6	- 3.4	3.16 2.98
Springfield, Mo.....	+18.3	+12.6	+ 7.2	+ 2.4	2.02 1.59
All Other Cities.....	+26.0	+12.4	+ 4.9	+ 8.8	2.47 2.39
8th F. R. District....	+10.2	+ 9.4	+ 0.8	- 2.5	2.85 2.74

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

El Dorado, Ark.....	47.5%	Memphis, Tenn.....	45.6%
Fort Smith, Ark.....	39.2	Springfield, Mo.....	25.6
Little Rock, Ark.....	36.3	St. Louis, Mo.....	54.8
Louisville, Ky.....	52.4	All Other Cities.....	41.6
8th F. R. District.....	50.1%		

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

	Net Sales Comparison			Stocks	Stock
	10 mo. ended			on Hand	Turnover
	Oct. 1935 Sept. 1935	Oct. 1934	Oct. 31,'35 to same period '34	Oct. 31,'35 comp. to Oct. 31,'34	Jan. 1, to Oct. 31, 1935 1934
Men's Furnishings....	+35.0%	+ 8.0%	+ 1.6%	-1.8%	2.06 1.94
Boots and Shoes.....	- 5.9	+20.6	+ 9.9	+18.2	4.91 5.28

Percentage of collections in October to accounts and notes receivable first day of October, 1935:

Men's Furnishings.....	32.4%	Boots and Shoes.....	39.8%
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Weather conditions throughout the Eighth District during October and the first half of November were unusually varied, being very favorable for certain crops and agricultural operations in some localities, while elsewhere quite the contrary was the case. Taken as a whole, however, official reports of the U. S. Department of Agriculture and of the agriculture departments of the several states, as of November 1, tend to confirm earlier indications relative to the general crop situation. These reports reflect yields of the principal productions mainly larger than a year ago, and in the case of certain important crops, outputs will exceed the average of recent years. Mid-October weather was auspicious for harvesting of late crops, though frosts occurring during the first week of that month were unusually early and caused considerable damage to corn, cotton and some fruits and vegetables.

Conditions as a whole improved from September to October in Indiana and Illinois, while in all other states located partly or entirely within the district prospects deteriorated, the decline ranging from 0.2 per cent in Kentucky to 6.1 per cent in Tennessee. However, in all these states, with the exception of Missouri and Tennessee, the November 1 condition was above the 10-year (1921-1930) average. The indicated combined yield per acre of 33 important crops expressed as a percentage of the 10-year average in the seven states as of November 1 was as follows: Indiana, 108.7; Illinois, 104.4; Missouri, 91.0; Kentucky, 101.8; Tennessee 97.3; Mississippi, 116.7; Arkansas, 101.6.

Conditions for preparing seed beds and planting winter wheat and other fall sown grains were less favorable than a year earlier, excessive rains interfering with field work. The moisture, however, served to assist germination and growth; early sown wheat is generally up to good stands, with color and root growth fair. Prices of farm products declined, the decrease being occasioned mainly by lowered values of wheat and hogs. As of early November, however, the average was measurably higher than a year and two years earlier. Except in certain southern counties, farm labor conditions were less favorable than during the preceding thirty days, due to the harvest season drawing to a close.

Corn—Eighth District corn prospects improved further in October, the U. S. Department of Agriculture in its report based on conditions as of November 1 estimating the yield at 259,373,000 bushels, an increase of about 6,424,000 bushels over the October 1 forecast and comparing with 167,923,000 bushels harvested in 1934 and the 12-year aver-

age (1923-1934) of 333,142,000 bushels. Weather during the fall was in the main favorable and permitted a large part of the crop to mature prior to frost. However, conditions did not favor rapid drying, which coupled with lateness of the crop, resulted in relatively little husking being accomplished.

Cotton—As was the case with the country as a whole, Eighth District cotton prospects declined during October. Most of the loss was in Arkansas, Tennessee and Missouri, where early frosts occurred and other unfavorable conditions checked development of the late crop. The U. S. Department of Agriculture in its November 1 report estimates production in this district at 2,322,000 bales, a decrease of 142,000 bales under the October 1 forecast and comparing with 2,323,000 bales harvested in 1934 and the 12-year average of 2,738,000 bales. Responding to a good demand, both foreign and domestic, the current movement of cotton has been active. A considerable part of the movement is directly from gins to markets and ports, indicating that very little cotton is going into storage. Prices have developed a firm tendency. In the St. Louis market the middling grade ranged from 10.75c to 11.65c per pound between October 15 and November 15, closing at 11.65c on the latest date, which compares with 10.90c on October 15 and 12.15c on November 15, 1934. Receipts at Arkansas and Missouri compresses from August 1 to November 15 totaled 649,831 bales, against 744,171 bales for the corresponding period a year ago. Stocks on hand as of November 15 totaled 657,647 bales, against 615,318 bales on October 11 and 730,173 bales on the November date in 1934.

Fruits and Vegetables—Taken as a whole there was little change in the conditions during October as indicated by the U. S. Department of Agriculture's report as of November 1. All fruit crops this year are large, heavily exceeding yields in 1934 and in the case of a number of species, greater than the average of recent years. Apple production in states including the Eighth District is estimated at 17,886,000 bushels, of which 9,415,000 bushels represent commercial crop, against 9,519,000 bushels harvested in 1934, with commercial crop of 4,080,000 bushels, 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 grape crop was estimated at 33,671 tons, against 35,101 tons in 1934 and the 5-year average of 32,065 tons; sweet potatoes 15,993,000 bushels, against 18,692,000 bushels in 1934 and the 5-year average of 16,456,000 bushels; peanuts, 37,845,000 pounds, against 42,045,000

pounds in 1934 and the 5-year average of 29,894,000 pounds. In the district proper the white potato crop is estimated at 12,701,000 bushels, which compares with 9,681,000 bushels produced in 1934 and the 12-year average (1923-1934) of 13,609,000 bushels. Plans for next season's commercial potato acreage in the five intermediate states of this district indicate that the commercial or shipping acreage will be greater by about 2.4 per cent than the acreage harvested in 1935 and slightly above the 5-year (1930-1934) average. Production of strawberries in states including the Eighth District in 1935 totaled 2,782,000 crates, the farm value of which was \$5,818,000, which compares with 4,290,000 crates in 1934 with farm value of \$5,363,000 and the 5-year (1929-1933) average of 3,249,000 crates with farm value of \$7,107,000. The acreage for picking in 1936, as reported by commercial growers in these states, is estimated at 59,490 acres, an increase of about 4 per cent over the acreage picked in 1935, but 27 per cent below the 5-year (1930-1934) average.

Live Stock—The condition of livestock generally through the district maintained the high average which has marked preceding months this year. While pastures deteriorated somewhat during October and the first half of November, they still furnished considerable help and in many sections farmers were able to economize on prepared feeds. Demand for cattle and hogs for conditioning was active and indications are that feeding will be on a larger scale than a year ago. The highest summer and fall egg prices since 1929 favored liberal feeding of hens and the November 1 production of eggs was the largest reported on that date in the eleven years of record. The number of hens and pullets of laying age is gradually recovering from the drastic reduction made last fall and winter; the present number appears to be about 2 per cent greater than a year ago.

October developments tend to support the belief that cattle feeding during the winter of 1935-36 will be on a more extensive scale than in the 1934-35 winter. Shipments of stocker and feeder cattle from stockyards' markets into the Corn Belt States in October were 40 per cent larger than in the same month last year. For the four months, July to October, such shipments were about 5 per cent larger than in 1934 and above the 5-year (1930-1935) average. On the other hand developments in October indicate a decrease in lamb feeding in the Corn Belt States.

Milk production, which declined sharply in September, receded further during October. The rate of decrease was greater than in the same season in

any of the past ten years. Hog prices continued to decline and in early November reached the lowest levels since last spring.

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

	Receipts			Shipments		
	Oct., 1935	Sept., 1935	Oct., 1934	Oct., 1935	Sept., 1935	Oct., 1934
Cattle and Calves.....	199,238	204,036	166,746	109,038	119,769	102,061
Hogs	162,266	120,871	270,264	91,446	75,266	166,348
Horses and Mules.....	4,922	6,398	9,273	5,657	5,647	10,022
Sheep	68,389	73,875	83,011	17,819	23,329	28,417
Totals.....	434,815	405,180	529,294	223,960	224,011	306,848

Tobacco—Eighth District tobacco prospects improved moderately during October under influences of favorable weather and intensive effort on the part of planters to secure their crops. Based on November 1 conditions, the U. S. Department of Agriculture estimates the yield in this district at 214,769,000 pounds, an increase of approximately 1 per cent over the October 1 forecast and comparing with 206,861,000 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 October 15, 1935 and November 15, 1935, with closing quotations on the latter date and on November 15, 1934, follow:

	High	Low	Close	
			Nov. 15, 1935	Nov. 15, 1934
Wheat				
*Dec. ....per bu.	\$1.04½	\$.97	\$.99	\$ 1.01
*May	1.03½	.94¼	.99½	1.00½
*July .....	.93¾	.87	.92¼	.95¾
No. 2 red winter	1.09	1.01½	1.03½	1.01
No. 2 hard “	1.14	1.05	1.08	1.07½
Corn				
*Dec. ....	.62	.58	.61½	.82½@ .82½
*May .....	.60½	.57½	.60½	.83½@ .84
*July .....	.61½	.58½	.61½	.83¼@ .83½
*No. 2 mixed	.87½	.76	.81	.86¼
*No. 2 white	.89¾	.78¾	.83¾	.93½
Oats				
*No. 2 white	.31	.28¾	.29½	.57½
Flour				
Soft patent.....per bbl.	7.40	6.70	6.70@7.20	6.70 @7.00
Spring “	9.00	8.20	8.20@8.35	7.40 @7.65
Middling Cotton.....per lb.	.1165	.1075	.1165	.1215
Hogs on hoof.....per cwt.	10.80	7.00	7.50@9.75	3.00 @6.10

*Nominal quotations.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in October was 18.8 per cent greater than in September and 28.4 per cent larger than the October, 1934, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in October amounted to \$14,460,689 which compares with \$12,016,826 in September and \$10,734,338 in October, 1934.

Building figures for October follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	44	1	\$ 48	\$ 4	102	331	\$ 42	\$ 146
Little Rock ..	19	21	23	46	92	149	38	32
Louisville ..	82	37	236	137	89	49	48	50
Memphis ...	179	136	143	197	204	147	145	112
St. Louis....	258	195	518	370	195	193	116	88
Oct. Totals	582	390	968	754	682	869	389	428
Sept. “	477	298	815	728	989	1,044	546	550
Aug. “	523	318	1,559	690	621	807	372	210

*In thousands (000 omitted).

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 85,118 loads in October, the greatest number for any month this year and comparing with 75,732 loads in September and 72,060 loads in October, 1934. During the first nine days of November the interchange amounted to 22,944 loads, against 24,053 loads during the like period in October and 20,391 loads during the first nine days of November, 1934. Passenger traffic of the reporting lines in October was 1.32 per cent greater than during the same month a year ago. For the country as a whole, loadings of revenue freight for the first 44 weeks this year, or to November 2, totaled 26,701,004 cars, against 26,510,440 cars for the corresponding period in 1934 and 24,861,297 cars in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in October was 154,700 tons, the largest since December, 1931, and comparing with 143,287 tons in September and 100,129 tons in October, 1934. For the first ten months this year total loadings of the Federal Barge Line were 1,300,122 tons against 951,405 tons for the comparable period in 1934.

CONSUMPTION OF ELECTRICITY

Public utilities companies in the five largest cities of the district report consumption of electric current by selected industrial consumers in October as being about 1.3 per cent greater than in September and 17.3 per cent larger than in October, 1934. Detailed figures follow:

	No. of Customers	Oct., 1935	Sept., 1935	Oct. 1935 comp. to Sept. 1935	Oct., 1934	Oct. 1935 comp. to Oct. 1934
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	2,129	2,210	+ 3.7%	1,590	+33.9%
Little Rock....	35	1,802	2,004	+10.1	1,702	+ 5.9
Louisville	82	8,557	7,891	+ 8.4	6,941	+23.3
Memphis	31	1,713	1,653	+ 3.6	1,867	- 8.2
St. Louis.....	194**	20,011	20,020**	- 0.05	17,065	+17.3
Totals.....	382**	34,212	33,778**	+ 1.3	29,165	+17.3

*In thousands (000 omitted).

**Revised figures.

LIFE INSURANCE

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

(In thousands of dollars)	Oct., 1935	Sept., 1935	Oct., 1934	Jan.-Oct., 1935	Jan.-Oct., 1934	Cumul. change
Arkansas.....	\$ 2,487	\$ 1,906	\$ 2,352	\$ 25,558	\$ 26,038	- 1.8%
Illinois.....	38,442	33,085	43,032	415,959	435,265	- 4.4
Indiana.....	11,091	10,117	11,042	113,228	107,341	+ 5.5
Kentucky.....	5,225	4,381	4,981	53,620	50,715	+ 5.7
Mississippi.....	2,263	2,059	2,197	22,120	23,889	- 7.4
Missouri.....	12,536	11,892	15,019	147,931	169,181	-12.6
Tennessee.....	4,965	5,059	5,209	55,357	57,345	- 3.5
Totals.....	77,009	68,499	83,832	833,773	869,774	- 4.1
United States..	501,850	413,716	494,782	5,110,950	5,116,629	- 0.1

MONEY AND BANKING

Save for certain phases affected by seasonal influences, Eighth Federal Reserve District banking and financial conditions during October and the first half of November underwent no changes from the trends which have been in effect since the end of last summer. Deposits continued to increase and there was a further expansion in borrowings from industrial and commercial sources. Inquiries with respect to future commitments from these groups, also from real estate interests were more strongly in evidence than has been the case in a number of months. Liquidation generally throughout the district was in considerable volume, particularly in the typical cotton and rice areas, where these crops are being marketed rapidly.

Member Banks — Between October 16 and November 13 reporting member banks in the principal cities reported an increase of 0.6 per cent in total loans, continuing the steady upturn which commenced in the middle of August. Gross deposits of these banks again moved sharply upward during the four-week period, recording a new all-time high on the latest report date. Total investments continued to amount and at \$356,083,000 on November 13 were 2 per cent and 12 per cent greater, respectively, than a month and a year earlier. Reserve balances also recorded a new record 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)	Nov. 13, 1935	Oct. 16, 1935	Nov. 14, 1934
Loans and discounts (incl. rediscounts)			
Secured by U. S. Govt. obligations and other stocks and bonds.....	\$ 63,409	\$ 63,718	\$ 70,744
All other loans and discounts.....	168,276	166,538	162,359
Total loans and discounts.....	231,685	230,256	233,103
Investments			
U. S. Gov't securities.....	212,027	210,997	194,889
Other securities.....	144,056	138,053	123,040
Total investments.....	356,083	349,050	317,929
Demand deposits.....	667,113	643,886	553,781
Time deposits.....	179,397	178,586	174,280
Gross deposits.....	846,510	822,472	728,061
Reserve balances with F. R. Bank	127,874	120,064	106,109
Cash in vault.....	11,411	10,557	9,523
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 per cent of all member banks in this district.

The aggregate amount of savings deposits held by selected banks on November 6 was approximately 1 per cent greater than on October 2 and 10.5 per cent in excess of the November 7, 1934, total.

At downtown city banks in St. Louis as of the week ending November 15, interest rates were as follows: Customers' prime commercial paper, 1¼

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 seasonal demand for currency, circulation of the Federal Reserve Bank of St. Louis increased 2.1 per cent between October 18 and November 18. As of the latest date there was little change as compared with a month earlier in reserve credit outstanding, but the total on November 18 was 15.4 per cent greater than on the same date in 1934.

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

(In thousands of dollars)	Nov. 18, 1935	Oct. 18, 1935	Nov. 17, 1934
Industrial advances under Sec. 13b.....	\$ 403	\$ 430	\$ 377
Other advances and rediscounts.....	47	29	539
Bills bought (including participations)...	79	80	115
U. S. securities.....	108,200	108,200	93,200
Total earning assets.....	108,729	108,739	94,231
Total reserves	232,380	232,492	213,952
Total deposits	180,047	183,181	158,393
F. R. Notes in circulation.....	154,633	151,412	143,961
Industrial commitments under Sec. 13b	2,320	2,027	910
Ratio of reserve to deposit and F. R. Note liabilities.....	69.4%	69.5%	70.8%

Rates charged by the Federal Reserve Bank of St. Louis remain unchanged 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)	Oct., 1935	Sept., 1935	Oct., 1934	Oct. 1935 comp. to Sept. 1935	Oct. 1934
East St. Louis and Natl.					
Stock Yards, Ill. \$	31,566	28,852	21,713	+ 9.4%	+45.4%
El Dorado, Ark.....	4,015	3,542	3,948	+13.4	+ 1.7
Evansville, Ind.....	22,539	20,400	16,857	+10.5	+33.7
Fort Smith, Ark.....	10,061	8,095	9,100	+24.3	+10.6
Greenville, Miss.....	7,071	4,557	5,257	+55.2	+34.5
Helena, Ark.....	2,719	1,847	3,207	+47.2	-15.2
Little Rock, Ark...	32,855	26,164	27,335	+25.6	+20.2
Louisville, Ky.....	144,662	128,301	126,437	+12.8	+14.4
Memphis, Tenn.....	169,972	105,758	142,718	+60.7	+19.1
Owensboro, Ky.....	5,315	4,463	3,560	+19.1	+49.3
Pine Bluff, Ark.....	11,551	8,932	8,684	+29.3	+33.0
Quincy, Ill.....	6,593	6,024	5,908	+ 9.4	+11.6
St. Louis, Mo.....	548,183	466,800	458,700	+17.4	+19.5
Sedalia, Mo.....	1,901	1,790	1,615	+ 6.2	+17.7
Springfield, Mo.....	13,282	11,342	11,196	+17.1	+18.6
*Texarkana, Ark...	6,966	5,403	5,875	+28.9	+18.6
Totals.....	1,019,251	832,270	852,110	+22.5	+19.6

*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.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

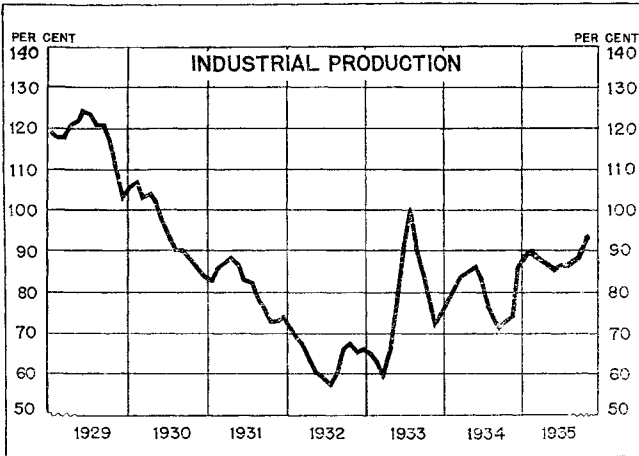
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Industrial production increased more than seasonally in October; there was also a considerable advance in factory employment and payrolls. There was a continuous inflow of gold from abroad and an increase in bank deposits.

Industrial Production and Employment—Volume of output at factories and mines, as measured by the Board's seasonally adjusted index of industrial production, increased from 89 per cent of the 1923-1925 average in September to 94 per cent in October, reflecting larger output in a wide range of industries. Automobile production, which had been at a low level in September when preparations were being made for the manufacture of new models,

building and in other types of construction, but the volume is still at a relatively low level.

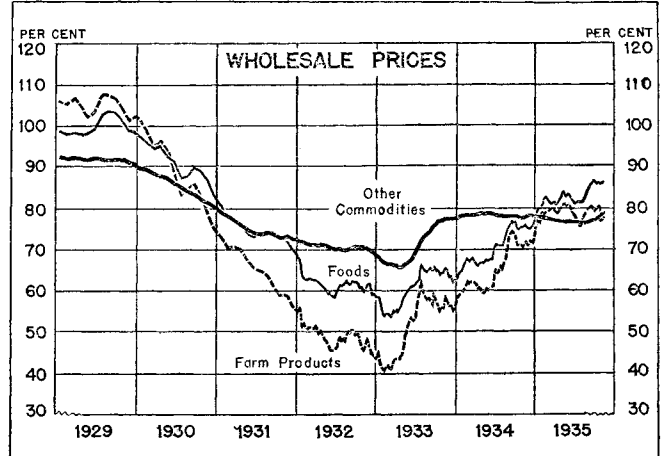
Distribution—Railroad freight-car loadings increased by a considerable amount from September to October reflecting principally larger shipments of coal and miscellaneous freight. In the early part of November car loadings were at a lower level than in October, chiefly as a consequence of seasonal developments. Department store sales which usually increase at this season, showed little change from September to October on a daily average basis, and the Board's seasonally adjusted index declined from 81 per cent of the 1923-1925 average to 77 per cent.



Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.) Latest figure October, preliminary 94.

increased rapidly during October and the early part of November. At steel mills, activity increased slightly in this period, contrary to the usual seasonal tendency, and in the third week of November operations were at about 54 per cent of capacity. Lumber production showed little change. Among the industries producing nondurable manufactures, the principal changes in output were increases of considerably more than the usual seasonal amount at cotton mills, woolen mills, and meat packing establishments. At mines output of bituminous coal was in larger volume than in other recent months and output of crude petroleum continued to increase.

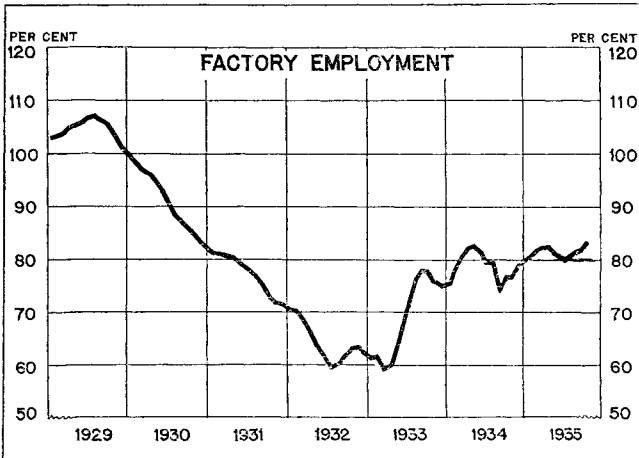
Factory employment, which ordinarily shows little change at this season, increased considerably between the middle of September and the middle of October, reflecting substantial increases in the industries producing durable manufactures. The



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 November 16, farm products 77.8, foods 84.9, other commodities 79.0.

Commodity Prices—The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, was slightly lower in October and the early part of November than in the latter part of September, reflecting reductions in the prices of farm products and food offset in part in the index by an advance in prices of other commodities, particularly hides and leather products and textiles. Prices of hogs and pork showed a decrease, as is usual at this season, while cotton advanced.

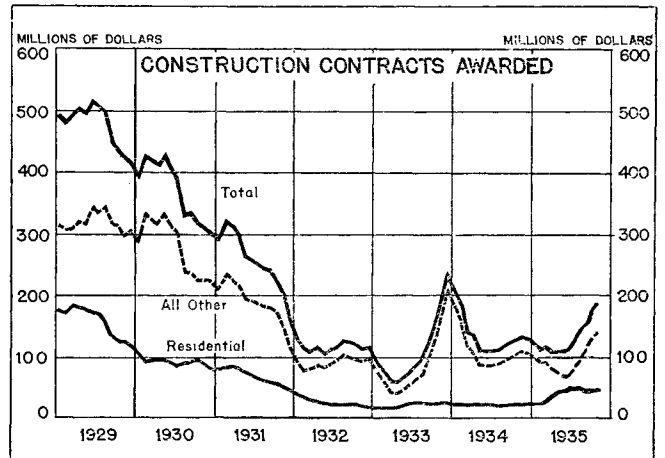
Bank Credit—Excess reserves of member banks increased further by \$190,000,000 during the five-week period ended November 20, reflecting a continued inflow of gold from abroad. At the end of the period excess reserves were at a new high level of over \$3,000,000,000. Total loans and investments of reporting banks



Index of factory employment, adjusted for seasonal variation. (1923-1925 average = 100.) Latest figure October, preliminary 83.7.

most marked expansion was in the automobile industry and there were smaller increases at railroad repair shops and in the iron and steel, machinery and non-ferrous metals industries. Employment at canning factories showed a considerable decline, largely of a seasonal character.

Total value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a considerable increase in October followed by a slight decline in the first half of November. In this six-week period total contracts were substantially larger than a year ago, reflecting marked increases both in residential



Three-month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figures October, preliminary total 190.4, residential 46.7, all other 143.7.

in 101 leading cities increased by \$190,000,000 during the five weeks ended November 20, reflecting principally an increase in holdings of United States Government securities. Adjusted demand deposits of these banks showed an increase of \$550,000,000 for the period. The call money rate on New York Stock Exchange loans was increased from 1/4 of 1 per cent to 3/4 of 1 per cent in the last week of October. At the same time the rate on time loans was increased from 1/4 of 1 per cent to 1 per cent, but few loans have been made. Other money rates have remained at former low levels.