

MONTHLY REVIEW

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

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District Summary

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

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

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

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

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

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

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

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

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

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

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

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

Detailed Survey

MANUFACTURING AND WHOLESALING

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

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

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

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

for spring delivery is reported in slightly smaller volume than at this time last year.

Drugs and Chemicals — For the fifth consecutive month November sales of the reporting firms exceeded those of the corresponding period a year earlier. The movement of seasonal merchandise, including holiday goods, continued in considerable volume. Demand for heavy chemicals and drugs from the general manufacturing trade showed strong resistance to seasonal recessionary influences, and in certain lines virtually no decline has taken place. The trend of prices was upward. Mild weather has held down sales of denatured alcohol and other anti-freeze preparations.

Dry Goods — The decrease of 12 per cent in November sales below October of the reporting firms was about the average size. The decline under a year ago was attributed mainly to the mild fall and winter, which tended to restrict purchasing of all descriptions of cold weather goods. Prices showed little change during the past thirty days, but continued well above the average at this time a year ago. Advance sales of holiday goods were reported in larger volume than since 1930.

Electrical Supplies — As during each preceding month this year, with the exception of January, sales of the reporting firms showed an increase over the same period a year earlier, and the total was the largest for the month since 1930. Building installations, line and pole hardware, household appliances and radio material were among the lines contributing most heavily to the increase.

Flour — Production at the twelve leading mills in November totaled 165,989 barrels, against 266,607 barrels in October and 216,628 barrels in November, 1934. Demand generally during the past thirty days developed moderate improvement. Purchasing by the retail trade was more active, reflecting holiday requirements. Prices during November varied only slightly but an easier trend was noted after the first week in December, owing to the decline in cash wheat values. Mill operations were at from 40 to 45 per cent of capacity.

Furniture — According to the reporting firms, demand for radio cabinets and the general run of holiday goods during the past three months was the best experienced since pre-depression times. The improvement noted earlier in the year in household furniture and furnishings was well sustained. Sales of office furniture and equipment and seating for theaters and other purposes during the first eleven months this year were reported approximately one-fourth greater than a year ago.

Groceries — Advance sales of holiday goods, according to the reporting interest, were the largest in a number of years, and since December 1 there has been a substantial volume of reordering by both city and country retailers. The increase in total sales over a year ago, noted in the above table, was accounted for in large measure by heavier purchasing of confections and luxury goods of all descriptions. Total dollar volume of sales in November was the largest for that month since 1930, and 16 per cent greater than in November, 1932, the low point recorded for the month in recent years.

Hardware — Sales of holiday, sporting goods and seasonal merchandise generally in November were measurably above the average for that month in recent years. Some contraction, seasonal in character, was noted in the movement of builders' tools and hardware as contrasted with the preceding month. Price changes during the past thirty days were negligible, with the average as of December 1 slightly higher than a year ago.

Iron and Steel Products — The upward trend in activities in the iron and steel industry in this district, noted during the past several months, continued throughout November, and at a slightly moderated pace, during the first half of December. In point of production and shipments by mills, foundries, machine shops and other ferrous metal working plants, November recorded the largest aggregate volume for that particular month since 1930. The slight slowing down noted in early December was ascribable mainly to seasonal influences, such as inventory retrenchment, repairs, etc. In a number of instances however, there has been little, if any curtailment in operations. Activities at stove and heating apparatus plants have receded somewhat, but the average rate is considerably higher than at this season in a number of years. Farm implement manufacturers have also pushed operations to finish work on actual orders, and in the case of tractor builders and makers of some other descriptions of machinery, stock is being made up in anticipation of demands next spring. Jobbing foundries specializing in automotive castings are operating at a high rate, and report releases on a freer scale than in a number of months. This is true particularly of malleable shops. Demand for finished steel continues brisk, but since early December specifications and shipments have decreased somewhat, due mainly to the decision of steelmakers to continue current prices through the first quarter. Iron and steel jobbing and warehouse interests reported November sales about on a parity with the preceding month and about 12 per cent greater

than the November, 1934 total. Purchasing by the railroads has broadened further, particularly in bridge supplies and materials for repair shops. Operations at iron and steel fabricating plants during November showed little change from the preceding month. Following advances during the preceding four weeks, scrap iron prices tended to stabilize at mid-December. Shipments of pig iron to district melters in November slightly exceeded the October total, and the movement during the first half of December will insure the largest final quarter aggregate in recent years. For the country as a whole November production of pig iron, according to the magazine "Steel", totaled 2,066,293 tons, the highest since October, 1930, and comparing with 1,978,379 tons in October and 957,906 tons in November, 1934. Steel ingot production in the United States in November amounted to 3,153,247 tons, against 3,146,446 tons (revised figure) in October, and 1,610,625 tons in November, 1934.

MINING

Continued broad demand from industrial sources was reflected in a less than seasonal decrease in production of bituminous coal in this general area from October to November. Mild temperatures tended to hold down consumption for heating purposes. Tonnage lifted by local mines in November was 3.5 per cent less than in October, but approximately 16 per cent greater than in November, 1934.

Stocks of soft coal held by industrial consumers, according to the U. S. Bureau of Mines, declined 5.8 per cent during October, total supplies at the end of that month being 30,250,000 tons. This compares with 32,104,000 tons at the end of the preceding month. The current recession is a continuation of the gradual tapering in stocks which has obtained since June 30, when a peak of 33,827,000 tons was attained.

RETAIL TRADE

Automobiles — Distribution of automobiles in the Eighth District, according to dealers reporting to this bank, showed a contraseasonal increase from October to November. The total for the month was approximately one-half greater than a year ago and the largest for any November since 1929. The increase in the month-to-month comparison is attributed in large measure to the earlier holding of automobile shows and introduction of new models than has been the case in preceding years. From the point of attendance and orders booked, shows held in cities of this district were reported to have been successful beyond best expectations. While replacement buying still predominates, many deal-

ers comment on the unusually large number of first purchasers accommodated. Sales of trucks decreased 12 per cent during November as compared with the preceding month, but the total was 39 per cent greater than in November, 1934.

November sales of new passenger cars by the reporting dealers were larger by 22 per cent and 47 per cent, respectively, than a month and a year earlier. For the most part dealers have disposed of prior models, and are in good position from an inventory viewpoint to handle the new makes. Stocks of new cars on dealers' floors as of December 1 were about 12 per cent larger than a month earlier and 6 per cent greater than a year ago. Sales of used cars in November were 12 per cent larger than during the preceding month and approximately one-fourth greater than in November, 1934. Stocks of salable secondhand cars increased 9 per cent between November 1 and December 1 and on the latest date were 32 per cent larger than a year ago. According to dealers reporting on that item, deferred payment sales in November constituted 46 per cent of total sales, the same as in October and comparing with 51 per cent in November, 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			Stock	Stock	
	Nov. 1935	11 mos. 1935	Nov. 30, '35	on Hand	Turnover	
	compared with	to same	comp. with	Jan. 1, to	Nov. 30,	
Oct. 1935	Nov. 1934	period '34	Nov. 30, '34	1935	1934	
El Dorado, Ark.....	+ 2.1%	- 4.2%	+ 2.8%	+ 1.6%	2.33	2.34
Evansville, Ind.....	- 9.0	- 9.2	-13.7	-19.1	1.99	1.72
Fort Smith, Ark.....	-18.6	+ 0.3	+ 2.4	+ 2.1	2.12	2.07
Little Rock, Ark.....	+13.9	+ 0.6	+ 1.1	+ 0.6	2.24	2.20
Louisville, Ky.....	+ 2.3	+ 8.6	+ 4.4	+ 2.3	3.45	3.32
Memphis, Tenn.....	-11.1	+ 0.03	- 0.1	- 2.9	2.70	2.78
St. Louis, Mo.....	+ 3.2	+ 3.4	+ 0.9	+ 3.4	3.51	3.33
Springfield, Mo.....	- 0.4	+16.3	+ 8.1	+ 3.8	2.23	1.77
All Other Cities.....	+ 1.2	+ 8.1	+ 5.3	+ 5.2	2.78	2.68
8th F. R. District....	+ 1.3	+ 3.3	+ 1.1	+ 1.7	3.17	3.05

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

El Dorado, Ark.....	50.8%	Memphis, Tenn.....	45.7%
Fort Smith, Ark.....	36.9	Springfield, Mo.....	26.5
Little Rock, Ark.....	40.9	St. Louis, Mo.....	56.3
Louisville, Ky.....	51.6	All Other Cities.....	37.0
8th F. R. District.....	51.1%		

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

	Net Sales			Stock	Stock	
	Nov. 1935	11 mos. 1935	Nov. 30, '35	on Hand	Turnover	
	compared with	to same	comp. with	Jan. 1, to	Nov. 30,	
Oct. 1935	Nov. 1934	period '34	Nov. 30, '34	1935	1934	
Men's Furnishings.....	- 1.7%	- 1.0%	+ 1.3%	+ 6.4%	2.31	2.20
Boots and Shoes.....	-13.0	+20.2	+10.8	+15.5	5.42	5.77

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

Men's Furnishings.....	37.3%	Boots and Shoes.....	40.1%
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AGRICULTURE

Weather conditions during the past thirty days were variable, but in the main favorable for agricultural operations. During November in some localities rains interfered with farm routine and the husking and cribbing of corn, but taken as a whole, work has progressed well, and at mid-December was up to the seasonal schedule. In the main producing areas, the condition of winter wheat is reported satisfactory, growth having been promoted by the mild fall and early winter. The rice harvest was completed under auspicious conditions, and final threshing returns tend to verify earlier estimates of production. Prices received by producers, plus Government benefit payments, are giving rice planters the best returns in several years. Harvesting of the white potato crop had been completed at the end of November, and previous estimates of production were somewhat reduced by the early October frost. The movement of potatoes to market has been stimulated by the relatively high prices. The sweet potato crop is turning out about as expected, and marketing has progressed under generally favorable conditions. Quantitatively the pecan crop is above average, but quality is below that of the past several years.

In its report, based on conditions as of December 1, the U. S. Department of Agriculture estimates the total value of the 64 principal 1935 crops in states partly or entirely within the Eighth District at \$1,001,927,000, an increase of 3.4 per cent over the preceding year and an increase of 29.2 per cent over the 4-year (1931-1934) average. Estimated values for 1935, 1934 and the 4-year average by states are given in the following table:

	1935	1934	4-year average
Indiana.....	\$ 146,876,000	\$153,712,000	\$106,024,000
Illinois.....	273,931,000	218,569,000	174,256,000
Missouri.....	127,712,000	103,569,000	109,830,000
Kentucky.....	108,274,000	118,840,000	93,510,000
Tennessee.....	99,948,000	124,423,000	94,433,000
Mississippi.....	137,983,000	143,669,000	102,739,000
Arkansas.....	107,203,000	106,155,000	94,984,000
Totals.....	1,001,927,000	968,937,000	775,778,000

Cotton — Due to unfavorable conditions for maturing and picking of the unusually large proportion of late cotton, prospects for the crop in the Eighth District declined from October to November. Based on the December 1 condition, the U. S. Department of Agriculture estimates the total yield in the district at 2,298,000 bales, a decrease of 24,000 bales from the November 1 forecast and comparing with 2,323,000 bales produced in 1934 and the 12-year (1923-1934) average of 2,738,000 bales. Except in limited areas where planting was unusually late, the crop had been completely harvested by the middle of December. The heavy infestation of leaf worms in mid-summer and early fall, was checked

by extensive poisoning, but added noticeably to the cost of producing the crop in many localities. Marketing of cotton by producers continued on an extensive scale and under an active demand, current offerings were readily absorbed. As compared with the preceding thirty days, the trend of prices was higher. In the St. Louis market the middling grade ranged from 11c to 11.60c per pound between November 16 and December 16, closing at 11.05c on the latest date, which compares with 11.55c on November 16 and 12.60c on December 17, 1934. Combined receipts at Arkansas and Missouri comprises from August 1 to December 13 totaled 757,885 bales, against 708,595 bales for the corresponding period a year ago. Stocks on hand as of December 13 amounted to 623,466 bales, which compares with 657,647 bales on November 15, and 641,128 bales on the corresponding December date in 1934.

Live Stock — Owing to the mild, open winter to date, abundant feed, fodder, and relatively good pasturage, the condition of livestock generally through the district maintained the high average which marked earlier months of the year. Receipts of hogs in November and early December continued unusually small, but the movement of cattle and lambs was well sustained. During the past several weeks prices for livestock were higher, and generally higher quotations were recorded on fresh meats.

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

	Receipts			Shipments		
	Nov., 1935	Oct., 1935	Nov., 1934	Nov., 1935	Oct., 1935	Nov., 1934
Cattle and Calves.....	158,999	199,238	123,128	80,968	109,038	63,976
Hogs	157,482	162,266	292,433	109,629	91,446	170,301
Horses and Mules.....	4,682	4,922	8,304	4,628	5,657	8,553
Sheep	53,921	68,389	44,154	6,423	17,819	9,845
Totals.....	375,084	434,815	468,019	201,648	223,960	252,675

Tobacco — In its December report, the U. S. Department of Agriculture estimates the Eighth District tobacco crop at 203,668,000 pounds, which is 11,001,000 pounds less than the November 1 forecast, and compares with 206,861,000 pounds harvested in 1934 and the 12-year average (1923-1934) of 296,688,000 pounds. Burley tobacco markets opened early in December and the crop is moving rapidly. Offerings have been large and operations of manufacturers indicate that they are pleased with the quality of the crop, particularly smoking types, which predominate. Incomplete figures for the first week's sales show approximately 28,000,000 pounds taken at a general average of \$19.25 per cwt.; during the corresponding week in 1934, 13,785,032 pounds were sold at an average of \$18.94 per cwt.

The one sucker markets opened November 27 with moderate offerings of fair quality, which sold at an average of about \$6.50 per cwt., which is about the same average price received for rehandling tobacco brought last season. As the market progressed, prices of all grades, especially medium length leaf, moved to higher levels.

The Owensboro market opened November 26 for the sale of Green River tobacco with a large percentage of the moderate offerings being common to medium grades. The average on opening sales was \$6.75 per cwt., which contrasts with the opening average last year of \$9.20. However, it is the general opinion that quality of the initial offerings is below the standard of this year's crop as a whole.

At mid-December markets for the sale of fired dark tobacco had not opened at Hopkinsville, Clarksville, Springfield and the western districts. While there was considerable tobacco on the loose leaf floors, weather for stripping and handling the fired dark leaf was not entirely favorable.

COMMODITY PRICES

Range of prices in the St. Louis market between November 15, 1935, and December 16, 1935, with closing quotations on the latter date and on December 17, 1934, follow:

	Close			
	High	Low	Dec. 16, 1935	Dec. 17, 1934
Wheat				
*Dec. ....per bu.	\$1.04 5/8	\$.98	\$1.03 3/4	\$.98 3/4
May	1.03 1/2	.98	1.00 5/8	.98 1/2
*July .....	.95	.87 3/4	.88 3/4	.91 3/4
No. 2 red winter ..	1.08	1.01	1.03	1.03 1/2
No. 2 hard ..	1.12	1.06 1/2	1.12	1.06
Corn				
*Dec. ....	.62 3/4	.57 3/4	.59	.90 1/2
May .....	.61 5/8	.58 3/4	.59 1/2	\$.87 5/8 @ .87 1/2
*July .....	.62 3/8	.58 3/4	.61 1/2	\$.84 5/8 @ .84 1/2
*No. 2 mixed .....	.73	.63 1/2	.63 1/2	.95 1/2
*No. 2 white .....	.75 3/4	.66 1/2	.66 1/4	1.03
Oats				
*No. 2 white .....	.32	.29 3/4	.29 3/4	.60
Flour				
Soft patent.....per bbl.	7.35	6.55	\$6.75 @ 7.30	6.50 @ 6.80
Spring	8.60	8.15	8.35 @ 8.55	7.20 @ 7.45
Middling Cotton...per lb.	1.160	.1100	.1105	.1260
Hogs on hoof.....per cwt.	9.95	6.50	6.50 @ 9.60	2.00 @ 6.35

*Nominal quotations.

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 74,901 loads in November, against 85,118 loads in October and 64,308 loads in November, 1934. During the first nine days of December the interchange amounted to 21,836 loads, which compares with 22,944 loads during the comparable period in November and 18,144 loads during the first nine days of December a year ago. Passenger traffic of the reporting lines in November was 8 per cent greater than during the same month a year ago. For the country as a whole loadings of revenue freight for the first 49 weeks this year, or to December 7, totaled 29,836,922 cars, against 29,291,876 cars for the corresponding period in 1934 and 27,674,404 cars in 1933. Estimated tonnage of the

Federal Barge Line between St. Louis and New Orleans in November was 147,200 tons, against 153,832 tons in October and 99,668 tons in November, 1934. For the first eleven months this year the total tonnage of the Federal Barge Line was 1,447,322 tons, against 1,051,073 tons for the comparable period in 1934.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in November was 23.3 per cent greater than in October and 117.1 per cent greater than the November, 1934, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in November amounted to \$15,706,957 which compares with \$14,460,689 in October and \$8,424,558 in November, 1934.

Building figures for November follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1935	1934	1935	1934	1935	1934	1935	1934
Evansville ..	18	12	\$ 117	\$ 1	61	129	\$ 29	\$ 29
Little Rock ..	9	13	32	3	62	118	21	23
Louisville ..	108	31	278	50	58	47	15	65
Memphis ...	120	135	56	56	150	113	85	38
St. Louis....	173	141	711	440	134	198	74	82
Nov. Totals	428	332	1,194	550	465	605	224	237
Oct. "	582	390	968	754	682	869	389	428
Sept. "	477	298	815	728	989	1,044	546	550

*In thousands (000 omitted).

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial consumers in November as being about 0.6 per cent smaller than in October and 28.1 per cent greater than in November, 1934. Detailed figures follow:

	No. of Custom-ers	Nov., 1935	Oct., 1935	Nov. 1935 comp. with Oct. 1935	Nov., 1934	Nov. 1935 comp. with Nov. 1934
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	2,530	2,129	+18.8%	1,597	+58.4%
Little Rock....	35	1,570	1,802	-12.9	1,441	+9.0
Louisville	82	8,023	8,557	-6.2	6,537	+22.7
Memphis	31	2,264	1,713	+32.2	1,651	+37.1
Pine Bluff.....	20	954	926	+3.0	826	+15.5
St. Louis.....194**	19,573	20,011	-2.2	15,204**	+28.7	
Totals.....402**	34,914	35,138	-- 0.6	27,256**	+28.1	

*In thousands (000 omitted).

**Revised figures.

LIFE INSURANCE

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

(In thousands of dollars)	Nov., 1935	Oct., 1935	Nov., 1934	Jan.-Nov., 1935	Jan.-Nov., 1934	Cumul. change
Arkansas.....	\$ 1,945	\$ 2,487	\$ 2,206	\$ 27,503	\$ 28,244	-2.6%
Illinois.....	39,624	38,442	40,305	455,583	475,570	-4.2
Indiana.....	11,141	11,091	9,777	124,369	117,118	+6.2
Kentucky.....	4,721	5,225	4,949	58,341	55,664	+4.8
Mississippi.....	2,152	2,263	2,465	24,272	26,354	-7.9
Missouri.....	13,156	12,536	13,679	161,087	182,860	-11.9
Tennessee.....	5,094	4,965	4,987	60,451	62,332	-3.0
Totals.....	77,833	77,009	78,368	911,606	948,142	-3.9
United States..	494,705	501,850	476,291	5,605,655	5,592,920	+0.2

MONEY AND BANKING

Aside from a further moderate expansion in demand for credit from commercial and industrial sources, statistics and general data bearing on Eighth District banking and financial conditions reflected little change from trends noted earlier in the fall. Liquidation at banks in the principal centers was in considerable volume, reflecting high efficiency in collections of mercantile and manufacturing interests. Marketing of the tobacco crop is progressing rapidly, and because of the heavy volume of sales, warehousemen and commission firms have been obliged to borrow more money than usual at this time.

Member Banks—Total loans of reporting member banks in the principal cities increased 2.2 per cent between November 13 and December 11, the major part of the gain being accounted for in the category of all other loans. Partly reflecting withdrawals of Christmas savings, gross deposits declined slightly, but continued substantially larger than a year ago. Reserve balances decreased 3.6 per cent, but on December 11 were 28 per cent larger than on the corresponding report date in 1934. A slight decrease in total investments took place during the four-week period.

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

(In thousands of dollars)	Dec. 11, 1935	Nov. 13, 1935	Dec. 12, 1934
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations, and other stocks and bonds.....\$	65,053	\$ 63,409	\$ 69,071
All other loans and discounts.....	171,821	168,276	163,171
Total loans and discounts.....	236,874	231,685	232,242
Investments:			
U. S. Gov't securities.....	199,906	212,027	199,732
Other securities.....	152,943	144,056	126,022
Total investments.....	352,849	356,083	325,754
Deposits:			
Demand deposits.....	663,039	667,113	549,631
Time deposits.....	177,661	179,397	168,579
Gross deposits.....	840,700	846,510	718,210
Reserve balances with F. R. Bank	123,334	127,874	96,075
Cash in vault.....	12,043	11,411	9,440
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 held by selected banks on December 4 was approximately 1 per cent greater than on November 6, and 7 per cent in excess of the total on December 5, 1934.

Interest rates showed little change as contrasted with the preceding thirty days. As of the week ending December 15, rates charged by downtown St. Louis banks were as follows: Customers' prime commercial paper, 1½ to 6 per cent; collateral loans, 3½ to 6 per cent; loans secured by warehouse re-

ceipts, 2 to 5 per cent and cattle loans 4½ to 6 per cent.

Federal Reserve Operations—There was practically no variation in the total amount of reserve credit extended by the Federal Reserve Bank of St. Louis between November 18 and December 18, but during that period the volume was substantially greater than a year earlier. Reflecting the usual holiday demand for currency, the circulation of this bank increased sharply and at 163 million dollars on December 18 was 5.1 per cent and 12.9 per cent larger, respectively than a month and a year earlier.

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

(In thousands of dollars)	Dec. 18 1935	Nov. 18, 1935	Dec. 18, 1934
Industrial advances under Sec. 13b.....\$	400	\$ 403	\$ 428
Other advances and rediscounts.....	41	47	580
Bills bought (including participations).....	80	79	115
U. S. securities.....	108,200	108,200	93,200
Total earning assets.....	108,721	108,729	94,323
Total reserves	248,560	232,380	213,577
Total deposits	187,862	180,047	156,593
F. R. Notes in circulation.....	162,539	154,633	143,980
Industrial commitments under Sec. 13b	2,265	2,320	1,026
Ratio of reserve to deposit and F. R. Note liabilities.....	70.9%	69.4%	71.1%

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

- 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.
- 4½% 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)	Nov., 1935	Oct., 1935	Nov., 1934	Nov. 1935 comp. with Oct. 1935	Nov. 1934
East St. Louis and Natl.					
Stock Yards, Ill.....\$	29,034	\$ 31,566	\$ 20,229	— 8.0%	+43.5%
El Dorado, Ark.....	3,506	4,015	3,370	—12.7	+ 4.0
Evansville, Ind.....	23,206	22,539	16,574	+ 3.0	+40.0
Fort Smith, Ark.....	9,508	10,061	8,370	— 5.5	+13.6
Greenville, Miss.....	4,973	7,071	4,619	—29.7	+ 7.7
Helena, Ark.....	2,030	2,719	2,432	—25.3	—16.5
Little Rock, Ark.....	27,992	32,855	24,805	—14.8	+12.8
Louisville, Ky.....	142,261	144,662	116,073	— 1.7	+22.6
Memphis, Tenn.....	145,347	169,972	116,491	—14.5	+24.8
Owensboro, Ky.....	5,215	5,315	3,817	— 1.9	+36.6
Pine Bluff, Ark.....	8,482	11,551	6,141	—26.6	+38.1
Quincy, Ill.....	6,423	6,593	5,826	— 2.6	+10.2
St. Louis, Mo.....	545,697	548,183	433,213	— 0.5	+26.0
Sedalia, Mo.....	1,842	1,901	1,557	— 3.1	+18.3
Springfield, Mo.....	11,703	13,282	10,541	—11.9	+11.0
*Texarkana, Ark.....	6,320	6,966	5,067	— 9.3	+24.7
Totals.....	973,539	1,019,251	779,125	— 4.5	+25.0

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

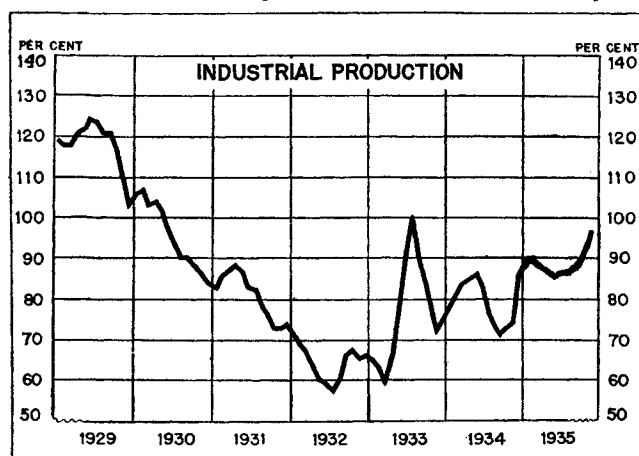
Note—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers' 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 and employment, which usually decline at this season, showed little change from October to November. Distribution of commodities to consumers increased more than seasonally.

Production and Employment—The Board's seasonally adjusted index of industrial production advanced from 95 per cent

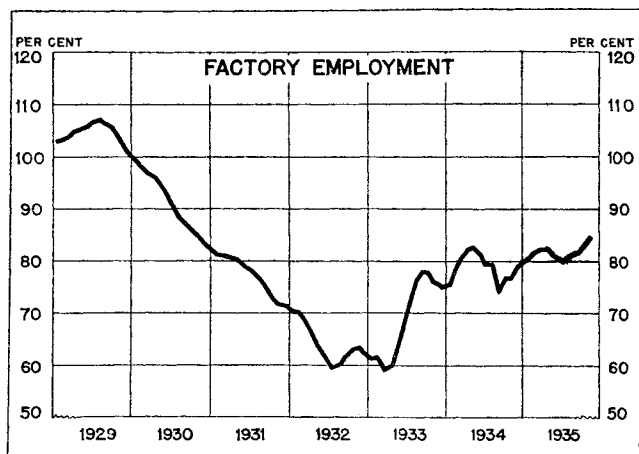


Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.) Latest figure November, preliminary 97.

of the 1923-1925 average in October to 97 per cent in November. Output of industries producing durable goods continued to increase substantially in November, while activity in most other industries declined somewhat. Output of steel increased further during November to a higher rate than in any previous month this year and this high level was maintained during the first three weeks of December. Automobile production in November continued the sharp increase which began after the change to new models in September. Activity at silk mills and at woolen mills declined.

Factory employment and payrolls, which usually decline from the middle of October to the middle of November, showed little change for that period this year. Increases in employment were reported for the automobile, iron and steel, machinery, railroad car, and cotton textile industries and at railroad repair shops. There were larger than seasonal declines at sawmills, shoe factories, silk and rayon mills, and establishments producing wearing apparel.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued to increase in November and

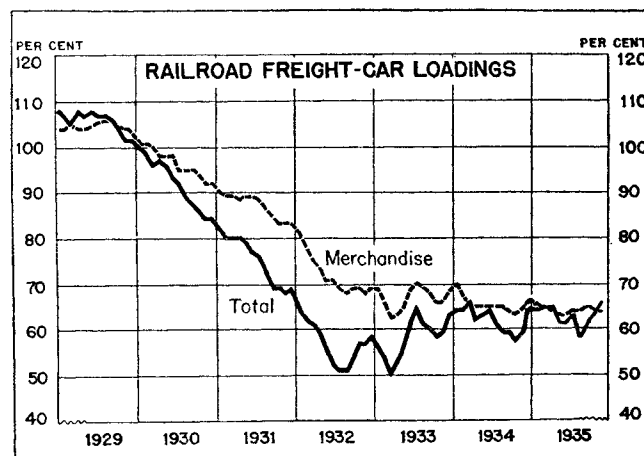


Index of factory employment, adjusted for seasonal variations. (1923-1925 average = 100.) Latest figures November, preliminary 84.7.

the first half of December. There was a decline, largely seasonal, in residential building, while other types of construction showed an increase.

Agriculture—Crop production in 1935, according to final estimates by the Department of Agriculture, showed an increase of about 20 per cent in volume over the drought year of 1934, and the farm value of 64 crops amounted to \$5,120,000,000, compared with \$4,780,000,000 last season. The cotton crop, which has been

reduced in recent months by bad weather, is now estimated at 10,734,000 bales, compared with the exceptionally small output of 9,636,000 bales in 1934. Cash farm income from marketings of crops and livestock and from Government rental and benefit payments is estimated at about \$6,800,000,000 for the calendar year 1935, as compared with \$6,387,000,000 last year.



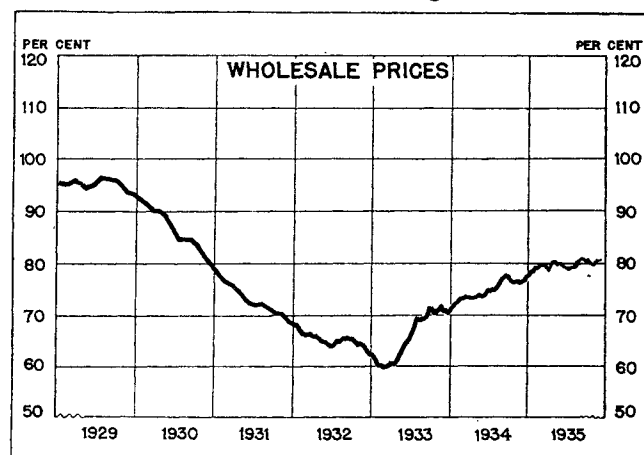
Cars of revenue freight loaded as reported by the American Railway Association. Index numbers adjusted for seasonal variations (1923-1925 average = 100.) Latest figures November: Total 66, Merchandise 64.

Distribution—Freight-car loadings decreased by less than the usual seasonal amount during November, reflecting principally a smaller decline in shipments of miscellaneous freight than is customary at this time of year. Value of department store sales, on a daily average basis, increased from October to November.

Commodity Prices—The general level of wholesale commodity prices, after a decline during October, increased during November and showed little change during the first two weeks of December.

Bank Credit—Excess reserves of member banks, which had increased to a new high level of \$3,310,000,000 on December 11, largely as the result of continued gold imports, declined considerably during the week ending December 18, as a consequence of seasonal demands for currency and a large increase in Treasury balances with the Federal Reserve banks, in connection with mid-December fiscal operations.

Changes in condition of reporting banks in 101 leading cities during the four weeks ending December 18 reflected principally the influence of new Government financing. These banks showed



Index of the United States Bureau of Labor Statistics, (1926 = 100.) by months 1929 to 1931; by weeks 1932 to date. Latest figure for week ended Dec. 14, 80.8. increases of \$310,000,000 in holdings of United States Government securities, of \$110,000,000 in loans to brokers and dealers in securities, and of \$200,000,000 in United States Government deposits. Adjusted demand deposits showed a further growth of \$270,000,000 in the three weeks ending December 11 and declined by \$250,000,000 in the following week, as a result of withdrawals for holiday currency demands, income tax payments, and the purchase of new Government securities.