



# MONTHLY REVIEW

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

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## District Summary

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

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

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

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

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

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

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

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

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

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

## Detailed Survey

### MANUFACTURING AND WHOLESALING

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

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

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

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

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

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

Visiting merchants at the chief distributing centers during the first half of January were less numerous than a year ago, and purchasing, according to the reporting firms, is on a more conservative basis.

**Electrical Supplies** — Improvement in this classification noted during preceding months in 1935, continued through December and the first half of January. The betterment extended to virtually all lines, but was particularly marked in household appliances, radio material and the general run of holiday goods.

**Flour** — Production at the twelve leading mills of the district in December totaled 151,892 barrels, the smallest for any month in more than five years and comparing with 165,989 barrels in November and 253,355 barrels in December, 1934. Considerable confusion throughout the trade followed the Supreme Court's decision in the Hoosac Mills Case. Since the opinion was handed down advance buying has been practically at a standstill and prices have declined sharply.

**Furniture** — The movement of holiday goods and specialties considerably exceeded expectations, and substantially bolstered December sales of the reporting interests, the total showing the smallest decrease from November noted in recent years. Orders booked at the furniture markets in Chicago and Grand Rapids were reported in considerable volume, and included a wide variety of goods.

**Groceries** — Belated orders for holiday goods during the first half of December materially augmented total sales of the reporting interests during that month. While the usual seasonal decline from November was in evidence, an increase of approximately 10 per cent in dollar volume over a year ago was recorded. Since the first week in January there has been some recession in purchasing by retailers, particularly of commodities based on raw materials affected by the Supreme Court's AAA decision.

**Hardware** — December sales of the reporting firms represented the largest total for that month since 1929. The movement of builders' tools and hardware, paints, varnishes, roofing materials and kindred lines during the final quarter of 1935 was in larger volume than during any similar period in recent years.

**Iron and Steel Products** — In common with some other sections of the country, the slowing down in activities which usually marks the iron and steel industry in this area during the final month of the year and the holiday and inventorying periods, was considerably less in evidence than in past seasons. Some sections of the industry failed

entirely to reflect the seasonal trend, notably specialty manufacturers such as stoves, heating apparatus, farm implements and some other types of machinery. The December movement of pig iron to district melters was the largest for the month in recent years, and completed the heaviest final quarter tonnage since 1929. A factor in the extraordinarily heavy movement was the desire on the part of purchasers to get in all iron under contract prior to January 1, when an advance in price of \$1.00 per ton became effective. Demand for sheets, plates, bars and other rolled steel products is reported as being well sustained and diversified. Inquiries for advance shipments since the first week in January have developed noticeable expansion. New orders and releases for automotive materials, particularly castings, have declined somewhat from the high levels which obtained during the preceding several months. Steel foundries specializing in railroad castings report moderate improvement in actual orders placed, and noticeable betterment in inquiries and prospects. Outlet for iron and steel through the building industry has shown steady expansion in recent months, with public works figuring prominently in business placed. Operations at fabricating plants, after a recession during the holiday period, have been increased to approximately 30 per cent of capacity. At mid-January, mills producing steel ingots in this section were operating at a slightly higher rate than a month earlier. Iron and steel jobbers and warehouse interests report December volume about on a parity with November, but 14 per cent greater than in December, 1934. Reversing the customary seasonal trend, pig iron production for the country as a whole increased from November to December. Output for the latest month, according to the magazine "Steel," was 2,116,534 tons, against 2,066,293 tons in November and 1,028,006 tons in December, 1934. Production for the year 1935 amounted to 21,041,521 tons, which compares with 15,977,679 tons in 1934 and 13,221,707 tons in 1933. Steel ingot production in the United States in December totaled 3,081,807 tons, against 3,153,247 tons in November and 1,964,257 tons in December, 1934. In 1935 ingot production amounted to 33,425,576 tons against 25,599,257 tons in 1934.

#### MINING

More seasonable weather, coupled with unusual industrial activity throughout the district had a stimulating effect on the bituminous coal industry during December and the first half of January. Prices as a whole showed little change as contrasted with the preceding month. Stocks of coal above ground are still in considerable volume. According

to the United States Bureau of Mines, the tonnage lifted at mines in this general area during December showed an increase of 3.3 per cent over the preceding month and of 2.6 per cent over December, 1934. Total production of soft coal for the country as a whole in 1935 is estimated at 368,120,000 tons, an increase of 2.4 per cent and of 10.3 per cent, respectively, over 1934 and 1933.

## RETAIL TRADE

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

	Net Sales			Stock on Hand Dec. 31, '35 comp. with Dec. 31, '34	Stock Turnover Jan. 1, to Dec. 31, 1935 1934
	Dec. 1935 Nov. 1935	12 mos. 1935 Dec. 1934	12 mos. 1935 to same period '34		
El Dorado, Ark.....	+60.3%	—1.4%	+2.2%	—2.2%	2.71 2.74
Evansville, Ind.....	+51.9	—13.9	—13.7	—15.6	2.30 2.01
Fort Smith, Ark.....	+55.6	+1.0	+2.2	+0.7	2.51 2.45
Little Rock, Ark.....	+40.1	+1.0	—0.8	+1.2	2.68 2.63
Louisville, Ky.....	+58.6	+6.2	+4.7	—3.4	4.10 3.93
Memphis, Tenn.....	+73.1	+2.5	+0.3	—0.6	3.24 3.31
St. Louis, Mo.....	+44.5	+2.8	+1.2	+4.4	4.09 3.89
Springfield, Mo.....	+36.9	+8.2	+8.2	+8.5	2.58 2.08
All Other Cities.....	+42.4	—2.3	+4.1	+3.9	3.27 3.20
8th F. R. District.....	+49.6	+2.8	+1.3	+2.2	3.73 3.59

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

El Dorado, Ark.....	42.1%	Memphis, Tenn.....	44.5%
Fort Smith, Ark.....	36.1	Springfield, Mo.....	23.7
Little Rock, Ark.....	36.4	St. Louis, Mo.....	55.5
Louisville, Ky.....	50.1	All Other Cities.....	40.4
8th F. R. District.....	49.8%		

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

	Net Sales			Stock on Hand Dec. 31, '35 comp. with Dec. 31, '34	Stock Turnover Jan. 1, to Dec. 31, 1935 1934
	Dec. 1935 Nov. 1935	12 mos. 1935 Dec. 1934	12 mos. 1935 to same period '34		
Men's Furnishings.....	+37.2%	+3.7%	+1.6%	—0.1%	2.71 2.58
Boots and Shoes.....	+25.6	+5.5	+10.2	+6.8	6.17 6.56

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

Men's Furnishings.....	31.9%	Boots and Shoes.....	37.9%
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**Automobiles**—For the second consecutive month, distribution of automobiles in the Eighth District, according to dealers reporting to this bank, showed a contraseasonal increase over the preceding month. The total for December was more than two and one-half times greater than a year earlier, and the highest for the month since 1930. Increases in both the month-to-month and yearly comparisons reflected the broad expansion in vehicle assemblies during the closing months of 1935 incident to the earlier introduction of new models and the program of manufacturers for stabilizing the industry. Truck sales in December decreased 24 per cent from November, but were more than three-fourths larger than in December, 1934, and for the year aggregate truck sales recorded an increase of 15 per cent over a year earlier.

Sales of new passenger cars by the reporting interests in December were 16 per cent larger than in November and 252 per cent in excess of the December, 1934, total. Sales for the year exceeded those in 1934 by approximately one-half and were only about 1 per cent less than the 10-year (1925-1934) average. Stocks of new cars on dealers' floors on January 1, were 18 per cent larger than a month earlier and more than twice as large as a year ago. Sales of used cars increased 11 per cent from November to December and the total for the latest month was 22 per cent larger than in December, 1934. Stocks of salable secondhand cars on January 1 were 30 per cent and 42 per cent larger, respectively, than a month and a year earlier. According to dealers reporting on that item in December, deferred payment sales constituted 43 per cent of their total sales, against 46 per cent in November and 53 per cent in December, 1934.

## AGRICULTURE

According to the U. S. Department of Agriculture, rental and benefit payments to farmers in states entirely or partly within the Eighth Federal Reserve District, during the fiscal year July 1, 1934 through June 30, 1935, and the fiscal period July 1, 1935 through September 30, 1935, (the latest available figures) are given in the following tables:

### FISCAL YEAR JULY 1, 1934, THROUGH JUNE 30, 1935

	*Cotton	*Corn-Hogs	*Sugar	*Tobacco	*Wheat	*Total
Arkansas.....	\$11,268	\$ 1,206	\$....	\$.....	\$ 2	\$ 12,477
Illinois.....	39,284	12	1	2,511	41,808	
Indiana.....	24,633	76	184	1,906	26,799	
Kentucky.....	62	4,316	.....	8,328	231	12,936
Mississippi.....	12,622	56	.....	.....	.....	12,677
Missouri.....	2,237	24,293	.....	119	1,553	28,203
Tennessee.....	4,223	3,479	.....	2,026	120	9,848
Totals.....	30,412	97,267	88	10,658	6,323	144,748

### FISCAL PERIOD JULY 1, 1935, THROUGH SEPT. 30, 1935

	*Cotton	*Corn-Hogs	*Rice	*Sugar	*Tobacco	*Wheat	*Total
Arkansas.....	\$ 917	\$ 234	\$567	\$....	\$.....	\$.....	\$ 1,719
Illinois.....	5,288	.....	4	.....	354	5,647	
Indiana.....	4,607	.....	6	62	1,308	5,983	
Kentucky.....	17,978	451	.....	2,401	74	2,944	
Mississippi.....	2,198	33	.....	.....	.....	2,230	
Missouri.....	153	5,223	.....	78	275	5,728	
Tennessee.....	830	648	.....	396	33	1,907	
Totals.....	22,076	16,484	567	10	2,937	2,044	26,158

\*In thousands (000 omitted).

Eighth District weather conditions during the past thirty days were the most seasonable for the winter to date, and in the main were favorable for growth of fall sown grains and for farm work of all descriptions. Routine farm work is for the most part well up to the usual seasonal schedule. In the south considerably more land has been prepared for next spring's planting than is usually the case at mid-January. Marketing of tobacco has progressed rapidly with prices for the most part satisfactory to producers and above average levels a year ago. The rice crop had been completely harvested at mid-December, and it is estimated that

only about one-fourth of the crop still remains in farmers' hands unsold. Prices have been well sustained. Prices of farm products generally were higher, the U. S. Bureau of Labor Statistics index for the agricultural group on January 4, being 80.9 per cent of the 1926 average against 80.6 per cent on December 28 and 71.0 per cent on January 6, 1934. Marked advances in grains, livestock and poultry subgroups were primary factors in contributing to the rise.

**Corn**—Stocks of corn held on farms (for grain) in states including the Eighth District on January 1 are estimated by the U. S. Department of Agriculture at 445,158,000 bushels, which compares with the very small reserves of 284,114,000 bushels a year ago, and the 5-year (1928-1932) average of 461,625,000 bushels. Storage quality of much of the corn now held is rather poor, and in some states, particularly Missouri and southern Illinois, feeding has been more liberal than usual.

**Cotton**—In its December 1 report the U. S. Department of Agriculture estimated the Eighth District cotton crop at 2,298,000 bales, with total farm value of \$128,182,000, the value being based on the average price for the marketing season to December 1. This compares with 2,323,000 bales, with farm value of \$142,679,000 in 1934; 2,350,000 bales valued at \$113,270,000 in 1933; 2,635,000 bales valued at \$75,256,000 in 1932 and 3,597,000 bales with value of \$109,529,000 in 1931. In addition to the proceeds from sales of their cotton, producers' incomes have been augmented by rental and benefit payments. From the beginning of the marketing season, the crop has moved rapidly, producers being for the most part disposed to sell their stocks rather than to place them in the Government loan. Prices during the past thirty days, while somewhat below the same time last year, were maintained at or around the relatively high levels prevailing earlier in the season. In the St. Louis market the middling grade ranged from 10.75c to 11.65c per pound between December 17 and January 15, closing at 11.65c on the latter date, which compares with 10.75c on December 15 and 12.45c on January 15, 1934. Combined receipts at Arkansas and Missouri compresses from August 1, 1935, to January 17, 1936, totaled 917,673 bales, against 894,279 bales for the corresponding period a year earlier. Stocks on hand as of January 17 were 577,337 bales, against 623,466 bales on December 13, and 686,087 bales on the corresponding January date in 1935.

**Live Stock**—The condition of livestock generally through the district is reported to have main-

tained the high average which marked the fall and early winter. Marketing has been on a fairly extensive scale, receipts of cattle, sheep and hogs at district markets in December showing a substantial increase over the preceding month, though a slight decline under the December, 1934, total.

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

	Receipts			Shipments		
	Dec., 1935	Nov., 1935	Dec., 1934	Dec., 1935	Nov., 1935	Dec., 1934
Cattle and Calves.....	154,315	158,999	103,292	75,847	80,968	48,725
Hogs .....	218,379	157,482	274,974	140,560	109,629	171,821
Horses and Mules.....	3,768	4,682	7,381	3,799	4,628	7,082
Sheep .....	65,636	53,921	38,538	8,182	6,423	9,963
Totals.....	442,098	375,084	424,185	228,388	201,648	237,591

The following table shows comparative receipts and shipments for the years, 1933, 1934, and 1935.

	Receipts			Shipments		
	1935	1934	1933	1935	1934	1933
Cattle and Calves .....	1,640,606	1,815,505	1,118,339	937,839	986,967	552,441
Hogs .....	2,026,420	2,960,207	3,327,464	1,285,647	1,786,574	1,857,274
Horses and Mules .....	69,710	84,165	69,026	69,403	84,134	69,152
Sheep .....	764,620	649,531	658,652	143,706	152,798	145,562
Totals.....	4,501,356	5,509,408	5,173,481	2,436,595	2,010,473	2,624,429

**Winter Wheat**—The U. S. Department of Agriculture estimates that the combined areas of wheat seeded last fall in states partly or entirely within the Eighth District was 6,717,000 acres, which compares with 6,510,000 acres planted in the autumn of 1934 and the 5-year (1927-1931) average of 6,264,000 acres. Wheat stocks on farms in these states as of January 1 totaled 16,627,000 bushels, against 21,493,000 bushels a year earlier and the 5-year (1928-1932) average of 22,582,000 bushels. Weather conditions during December and the first half of January have been in the main auspicious for the growing crop. Snow covering has been generally lacking, but temperatures have not been sufficiently low to cause fear of winter killing.

## COMMODITY PRICES

Range of prices in the St. Louis market between December 16, 1935 and January 15, 1936, with closing quotations on the latter date and on January 15, 1935, follow:

			Close	
			Jan. 15, 1936	Jan. 15, 1935
Wheat				
May .....	per bu.	\$1.07	\$1.01	\$ 1.03½
July .....	"	.90¾	.88½	.84¾
*Sept. ....	"	.89½	.86½	.83
*No. 2 red winter	"	1.11	1.07	.97½
*No. 2 hard	"	1.19½	1.15½	1.01½
Corn				
May .....	"	.62¼	.59½	.60¼
July .....	"	.63½	.60¼	.61¼
*Sept. ....	"	.62½	.60¾	.61¼
*No. 2 mixed	"	.69½	.61	1.00
*No. 2 white	"	.72¼	.59	.68¾
Oats				
*No. 2 white	"	.34½	.29½	.32½
Flour				
Soft patent.....	per bbl.	7.45	5.80	6.35
Spring ".....	"	8.80	7.30	8.45
Middling Cotton.....	per lb.	.1165	.1075	.1165
Hogs on hoof.....	per cwt.	10.50	6.50	9.90
*Nominal quotations.				

## TRANSPORTATION

The St. Louis Terminal Railway Ass'n., which handles interchanges for 28 connecting lines, interchanged 75,413 loads in December, against 74,901 loads in November and 63,078 loads in December, 1934. During the first nine days of January the interchange amounted to 21,174 loads, as against 21,836 loads during the comparable period in December, and 19,150 loads during the first nine days of January, 1935. In 1935 the Association interchanged 900,581 loads, an increase of approximately 9 per cent over the preceding year. Passenger traffic of the reporting lines in December decreased 2.5 per cent below the same month a year earlier. For the country as a whole loadings of revenue freight in 1935 totaled 31,518,372 cars, against 30,845,960 cars in 1934 and 29,220,052 cars in 1933. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in December was 98,400 tons, against 148,665 tons in November and 76,311 tons in December, 1934. In 1935 the Barge Line handled 1,545,722 tons, the largest in its history, and comparing with 1,127,384 tons in 1934 and 1,206,302 in 1933. Colder weather, coupled with the unusually high rate of industrial activity, tended to bolster the movement of coal, coke, and other seasonal commodities during December and the first weeks of January.

## CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial consumers in December as being about 2.7 per cent smaller than in November and 34.5 per cent greater than in December, 1934. Detailed figures follow:

No. of Customers	Dec., 1935 *K.W.H.	Nov., 1935 *K.W.H.	Dec. 1935 comp. with Nov. 1935	Dec., 1934 *K.W.H.	Dec. 1935 comp. with Dec. 1934
Evansville .... 40	2,631	2,530	+ 4.0%	1,968	+33.7%
Little Rock.... 35	1,337	1,570	-14.8	1,295	+ 3.2
Louisville .... 82	7,564	8,023	- 5.7	6,270**	+20.6
Memphis ..... 31	2,438	2,264	+ 7.7	1,778	+37.1
Pine Bluff.... 20	813	954	-14.8	652	+24.7
St. Louis.....195**	19,221	19,594**	- 1.9	13,319**	+44.3
Totals.....403**	34,004	34,935**	- 2.7	25,282**	+34.5

The following table shows comparative figures of consumption of electric current by selected industrial customers, for the years 1935 and 1934:

	1935 K.W.H.	1934 K.W.H.	1935 comp. with 1934
Evansville, Indiana.....	29,952,000	25,615,000**	+16.9%
Little Rock, Arkansas.....	20,666,000	19,469,000**	+ 6.1
Louisville, Kentucky.....	93,546,000	81,631,000**	+14.6
Memphis, Tennessee.....	21,494,000	20,614,000**	+ 4.3
St. Louis, Missouri.....	222,665,000	196,716,000**	+13.2
Totals.....	388,323,000	344,045,000**	+12.9

\*In thousands (000 omitted).

\*\*Revised figures.

## BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in

December was 166.2 per cent greater than in November and 473.6 per cent greater than the December, 1934, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in December amounted to \$19,483,998 which compares with \$15,706,957 in November and \$8,424,558 in December, 1934.

For the year the construction contracts totaled \$131,451,388 as compared with \$108,242,663 in 1934.

Building figures for December follow:

	New construction				Repairs, etc.			
	Permits 1935	Permits 1934	*Cost 1935	*Cost 1934	Permits 1935	Permits 1934	*Cost 1935	*Cost 1934
Evansville ..	11	0	\$ 75	\$ 0	36	79	\$ 23	\$ 15
Little Rock ..	6	10	8	36	36	124	10	48
Louisville ..	33	25	106	143	51	32	98	13
Memphis ...	99	77	187	57	105	161	118	88
St. Louis....	141	60	2,802	318	101	93	1,616	46
Dec. Totals	290	172	3,178	554	329	489	1,865	210
Nov. "	428	332	1,194	550	465	605	224	237
Oct. "	582	390	968	754	682	869	389	428

\*In thousands (000 omitted).

The following table shows the comparative totals for the years 1935 and 1934:

	New construction				Repairs, etc.			
	Permits 1935	Permits 1934	*Cost 1935	*Cost 1934	Permits 1935	Permits 1934	*Cost 1935	*Cost 1934
Totals .....	5,536	3,624	\$14,244	\$7,131	7,655	7,983	\$5,645	\$3,483

\*In thousands (000 omitted).

## POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 24.6 per cent in combined postal receipts for the final quarter of 1935 over the preceding three months, and an increase of 5.8 per cent as contrasted with the last quarter of 1934. Detailed figures follow:

	Dec. 31, 1935	Sept. 30, 1935	June 30, 1935	Dec. 31, 1934	Dec. 1935 comp. with Dec. 1934
Evansville .....	\$ 159,162	\$ 135,476	\$ 141,852	\$ 142,938	+11.4%
Little Rock.....	189,016	176,788	172,805	184,394	+ 2.5
Louisville .....	745,353	631,488	669,314	665,248	+12.0
Memphis .....	649,085	481,232	514,179	596,177	+ 8.8
St. Louis.....	2,791,218	2,214,149	2,477,195	2,695,692	+ 3.5
Totals.....	4,533,834	3,639,133	3,975,345	4,284,449	+ 5.8

The following table shows the comparative totals for the years 1935, 1934 and 1933:

	1935	1934	1933	1935 comp. with 1934	1935 comp. with 1933
Totals.....	\$16,018,830	\$15,147,110	\$14,735,994	+5.8%	+8.7%

## LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during December, the preceding month, and a year ago, together with the cumulative totals for 1935 and last year are shown in the following table:

(In thousands of dollars)	Dec., 1935	Nov., 1935	Dec., 1934	1935	1934	Cumul. change
Arkansas.....	\$ 2,598	\$ 1,945	\$ 2,682	\$ 30,101	\$ 30,926	- 2.7%
Illinois.....	47,420	39,624	46,985	503,003	522,555	- 3.7
Indiana.....	11,988	11,141	11,517	136,357	128,635	+ 6.0
Kentucky.....	5,784	4,721	5,867	64,125	61,531	+ 4.2
Mississippi.....	2,749	2,152	3,122	27,021	29,476	- 8.3
Missouri.....	15,437	13,156	16,584	176,524	199,444	-11.5
Tennessee.....	6,055	5,094	6,369	66,506	68,701	- 3.2
Totals.....	92,031	77,833	93,126	1,003,637	1,041,268	- 3.6
United States...	575,600	494,705	589,845	6,181,255	6,182,765	- 0.03

## MONEY AND BANKING

Routine seasonal factors were the chief influences in Eighth District banking and financial conditions during the past thirty days; nothing notable occurred to change trends obtaining during the similar period immediately preceding and the past several months. Demand for credit from all sources remained quiet, and liquidation with banks in the principal cities was in excess of new commitments and renewals. Borrowings of country banks from their city correspondents and the Federal Reserve bank were negligible; in practically all sections of the district country financial institutions are seeking investments for their surplus funds. In the tobacco sections there has been a considerable volume of liquidation of loans based on that commodity, reflecting unusually rapid marketing of the 1935 crop. Quite generally through the district demand for funds to finance livestock operations continue in considerable volume.

**Member Banks** — Loans and investments of the reporting member banks in the principal cities increased 3.6 per cent between December 18, and January 15, and on the latter date the total was 12.8 per cent greater than on the corresponding report date a year earlier. The increase in the month-to-month comparison was due entirely to heavier investments, loans showing slight recession. Deposits of these banks continued the sharply upward movement which prevailed last year, and at mid-January recorded an all time high. Total reserves declined during the four-week period, but on January 15, were slightly higher than at the same time in 1935.

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

(In thousands of dollars)	Jan. 15, 1936	Dec. 18, 1935	Jan. 16, 1935
<b>Loans and discounts (incl. rediscounts):</b>			
Secured by U. S. Gov't obligations, and other stocks and bonds.....	\$ 66,270	\$ 64,989	\$ 68,749
All other loans and discounts.....	170,295	172,289	163,025
<b>Total loans and discounts.....</b>	<b>236,565</b>	<b>237,278</b>	<b>231,774</b>
<b>Investments:</b>			
U. S. Gov't securities.....	232,961	208,218	195,186
Other securities.....	156,028	158,252	127,577
<b>Total investments.....</b>	<b>388,989</b>	<b>366,470</b>	<b>322,763</b>
<b>Demand deposits.....</b>	<b>675,871</b>	<b>661,619</b>	<b>569,534</b>
<b>Time deposits.....</b>	<b>177,847</b>	<b>176,978</b>	<b>171,569</b>
<b>Gross deposits.....</b>	<b>853,718</b>	<b>838,597</b>	<b>741,103</b>
<b>Reserve balances with F. R. Bank.....</b>	<b>110,023</b>	<b>115,644</b>	<b>109,158</b>
<b>Cash in vault.....</b>	<b>10,940</b>	<b>12,603</b>	<b>8,272</b>
<b>Bills payable and rediscounts with Federal Reserve Bank.....</b>			
<b>Number of banks reporting.....</b>	<b>24</b>	<b>24</b>	<b>24</b>

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

The aggregate amount of savings deposits in selected banks on January 1, was slightly larger

than on December 4, and 11.2 per cent in excess of the total on January 2, 1935.

Interest rates continued at, or around the low levels of recent months. As of the week ended January 15, rates charged at downtown St. Louis banks were as follows: Customers' prime commercial paper,  $1\frac{1}{2}$  to  $5\frac{3}{4}$  per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 2 to  $5\frac{1}{2}$  per cent and cattle loans,  $4\frac{1}{2}$  to 6 per cent.

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

(In thousands of dollars)	Jan. 17, 1936	Dec. 17, 1935	Jan. 17, 1935
Industrial advances under Sec. 13b.....	\$ 428	\$ 400	\$ 451
Other advances and rediscounts.....	18	41	28
Bills bought (including participations).....	87	80	105
U. S. securities.....	123,200	108,200	93,200
<b>Total earning assets.....</b>	<b>123,733</b>	<b>108,721</b>	<b>93,784</b>
<b>Total reserves .....</b>	<b>215,640</b>	<b>247,982</b>	<b>224,484</b>
<b>Total deposits .....</b>	<b>171,417</b>	<b>188,264</b>	<b>173,366</b>
<b>F. R. Notes in circulation.....</b>	<b>161,014</b>	<b>162,055</b>	<b>138,450</b>
<b>Industrial commitments under Sec. 13b .....</b>	<b>2,169</b>	<b>2,265</b>	<b>1,210</b>
<b>Ratio of reserve to deposit and F. R. Note liabilities.....</b>	<b>64.9%</b>	<b>70.8%</b>	<b>72.0%</b>

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)	Dec., 1935	Nov., 1935	Dec., 1934	Dec. 1935 comp. with Nov. 1935	Dec. 1934
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 30,548	\$ 29,034	\$ 21,176	+ 5.2%	+44.3%
El Dorado, Ark.....	4,400	3,506	3,629	+25.5	+21.2
Evansville, Ind.....	24,925	23,206	19,492	+ 7.4	+27.9
Fort Smith, Ark.....	10,787	9,508	8,590	+13.5	+25.6
Greenville, Miss.....	4,250	4,973	4,089	-14.5	+ 3.9
Helena, Ark.....	1,944	2,030	1,938	- 4.2	+ 0.3
Little Rock, Ark.....	33,113	27,992	26,090	+18.3	+26.9
Louisville, Ky.....	153,364	142,261	137,241	+ 9.2	+13.2
Memphis, Tenn.....	135,785	145,347	114,615	- 6.6	+18.5
Owensboro, Ky.....	4,877	5,215	4,645	- 6.5	+ 5.0
Pine Bluff, Ark.....	7,546	8,482	6,109	-11.0	+23.5
Quincy, Ill.....	6,784	6,423	6,055	+ 5.6	+12.0
St. Louis, Mo.....	568,720	545,697	498,581	+ 4.2	+14.1
Sedalia, Mo.....	2,290	1,842	1,807	+24.3	+26.7
Springfield, Mo.....	12,453	11,703	11,157	+ 6.4	+11.6
*Texarkana, Ark.....	6,925	6,320	6,558	+ 9.6	+ 5.6
<b>Totals.....</b>	<b>1,010,711</b>	<b>973,539</b>	<b>871,772</b>	<b>+ 3.8</b>	<b>+15.9</b>

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

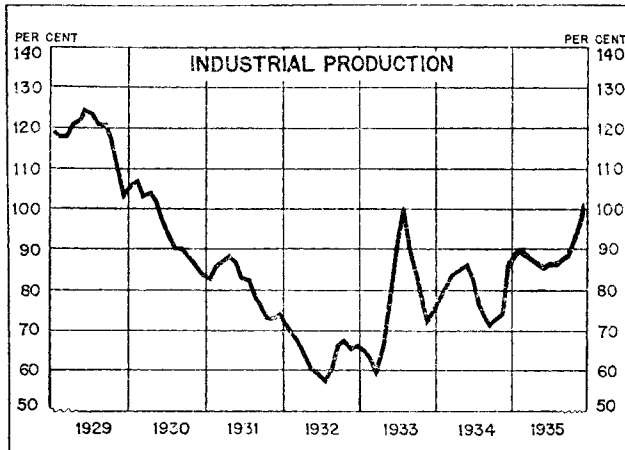
Note — Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of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

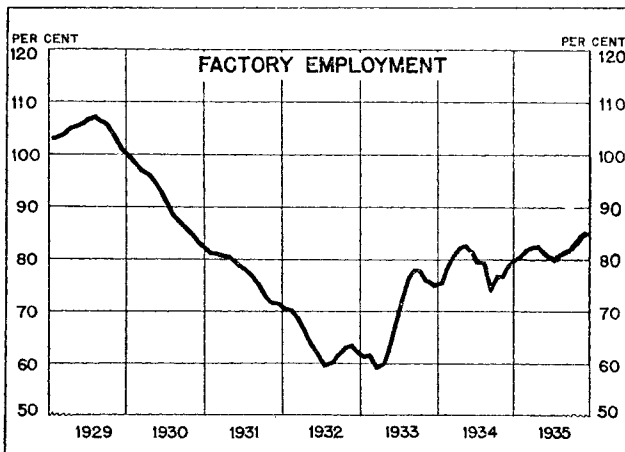
Industrial production and employment showed a further increase in December, when allowance is made for the usual seasonal changes, and distribution of commodities to consumers was in increased volume.

**Production and Employment**—The Board's seasonally adjusted index of industrial production, which takes account of the considerable decline that usually occurs in December, advanced



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929, through December, 1935. Latest figures December, preliminary 103; November, revised, 98.

from 98 per cent of the 1923-1925 average in November to 103 per cent in December, the highest level reached by this index since the spring of 1930. As in other months during the last half of 1935, the rise in the index was due in large part to increases in output of durable manufactures, particularly iron and steel and automobiles. During the first half of January production of steel and automobiles increased somewhat, following declines in the holiday period. Output at mines was also larger in December, than in November. Activity at cotton and silk textile mills declined less than is usual in December, while at woolen mills there was a more than seasonal decrease in operations. Output at shoe factories increased.



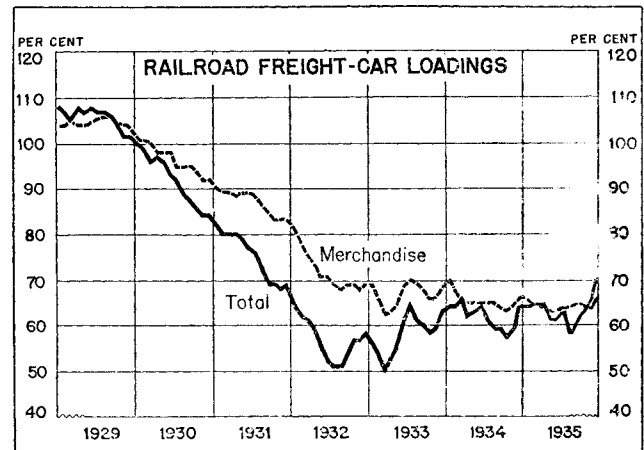
Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929, through December, 1935. Latest figure, December 85.6.

Factory employment showed little change between the middle of November and the middle of December, when a slight decline is customary. The number employed continued to increase at steel mills, automobile factories, foundries and machine shops, and at railroad car-building plants. There was also an increase in employment at shoe factories. Seasonal declines were reported by many other important industries. Factory payrolls were larger in the middle of December than a month earlier.

The value of construction contracts awarded increased sharply

in December, according to figures of the F. W. Dodge Corporation, although a decline is usual in that month. There was further substantial growth in the volume of awards for publicly-financed projects and residential building also increased.

**Distribution**—Sales at department stores and variety stores, as well as sales by chain stores and mail order houses serving rural areas, showed larger increases than are usual in December.

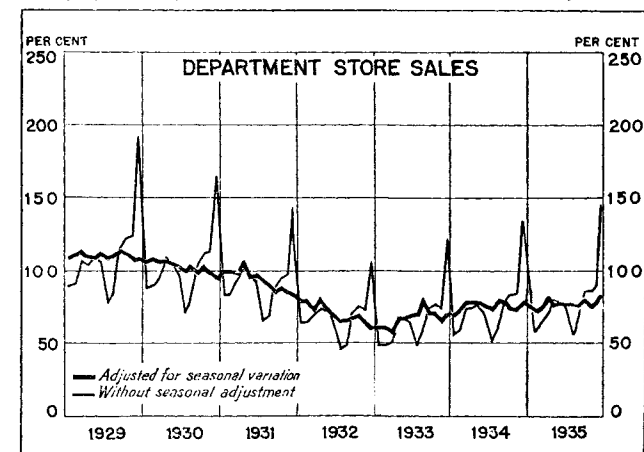


Indexes of number of cars loaded, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through December, 1935. Latest figures December total 71; merchandise 66.

Freight-car loadings decreased by less than the usual seasonal amount in December, and the Board's adjusted index increased from 66 per cent of the 1923-1925 average in November to 71 per cent, continuing the advance begun last August.

**Commodity Prices**—The general level of wholesale prices showed little change during December. In the first three weeks of January there was some decline in the general index, reflecting in part lower prices for cotton and gray goods, flour, pork, and silk. Prices of hogs, rubber, and petroleum increased.

**Bank Credit**—Excess reserves of member banks, which declined by \$600,000,000 in the third week of December, increased



Indexes of value of sales, 1923-1925 average = 100. By months, January, 1929, through December, 1935. Latest figures December, preliminary, adjusted 84, unadjusted 145.

by \$320,000,000 during the following five weeks, reflecting the usual seasonal return flow of currency from circulation, a decline in Treasury balances with the Federal Reserve banks, and a small increase in monetary gold stock. On January 22 excess reserves totaled \$3,030,000,000, as compared with the peak of \$3,300,000,000 on December 11, 1935.

Changes in the condition of reporting member banks in leading cities between December 18 and January 15, reflected largely the influences of seasonal factors.