



# MONTHLY REVIEW

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

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## "THE FEDERAL RESERVE SYSTEM TODAY"

The explanatory booklet regarding the Federal Reserve System has been revised under the above title. Copies will be furnished by this bank upon request.

### District Summary

	Feb. 1936	comp. with
	Jan. 1936	Feb. 1935
<b>Live Stock:</b>		
Receipts at National Stock Yards.....	28.3%	+ 8.5%
Shipments from aforesaid Yards.....	23.8	+ 6.9
<b>Production and Distribution:</b>		
Sales by mfrs. and wholesalers.....	14.0	- 7.9
Department store sales.....	+ 6.2	+11.4
Car loadings.....	+ 1.8	+23.7
<b>Building and Construction:</b>		
Bldg. permits, incl. repairs { Number.....	11.2	-37.3
Cost.....	12.2	+ 9.7
Value construc. contracts awarded.....	36.6	+13.8
<b>Miscellaneous:</b>		
Commercial failures { Number.....	+42.9	+25.0
Liabilities.....	+79.2	+13.7
Consumption of electricity.....	+ 0.7	+10.4
Debits to individual accounts.....	12.7	+19.3
<b>Member Banks (24):</b>	Mar. 11, 1936	comp. with
	Feb. 12, '36	Mar. 13, '35
Gross deposits.....	+ 0.1%	+11.3%
Loans.....	+ 0.7	- 0.3
Investments.....	0.1	+15.9

**T**RADER and industry in the Eighth District during February and the first half of March, while reflecting some spottiness, as a whole developed further moderate improvement. Through February a relatively more favorable exhibit was made by production than distribution of commodities. This was attributable in large measure to the prolonged and extremely cold weather throughout the entire area, which had the effect of interfering with communications and retarding routine purchasing of merchandise, both at wholesale and retail. In the principal distributing centers the number of visiting merchants was relatively small, and there was a general tendency to postpone ordering of goods for spring and summer consumption. On the other hand, the low temperatures resulted in heavy calls for certain lines, the clearance of which, in numerous instances, was more thorough than has been the case in a number of years. The movement of heavy-weight apparel, fuels, some descriptions of drugs and chemicals and other typical cold weather goods was in sufficient volume to partly offset the reduced

purchasing in other classifications of merchandise. In a number of wholesaling and jobbing lines investigated by this bank, advance orders as of March 1, were in smaller volume than at that time a year ago. Since that date, however, there has been a notable improvement in buying for distant and immediate delivery, with merchandise for the Easter trade figuring prominently in the upward trend.

Production at manufacturing plants as a whole showed a somewhat greater than seasonal increase. This was true particularly in the iron and steel industry, where activities were stimulated by broadening in requirements of railroads and other consuming groups. Shipments of pig iron and other raw materials to foundries and mills in the district during February increased moderately over January, and were measurably larger than a year ago. February production of bituminous coal in fields of the district increased sharply, reflecting the heavy reduction of retail stocks incident to the long cold spell. Output of lumber mills and new orders booked developed a moderate increase. Little change from the preceding thirty days was noted in production at textile plants. Among the other industries, increases were reported by cooperage plants, beverage manufacturers, glass factories, fire-clay product interests, oil refineries and flour mills.

Until the last week of February, agricultural operations made relatively little headway, owing to the severe cold weather, accompanied in most sections by snow and ice. Since that time, however, mild weather has permitted of field work, and a considerable amount of plowing and preparation for spring crops has been accomplished, particularly in the south. Reports relative to the effects of the unusually cold winter on fall sown grains, orchards and other crops vary widely, both with reference to locality and species. It is still too early to estimate the extent of damage done. Almost universally reports indicate the most favorable conditions of surface and subsoil in a number of years. Floods have been confined to relatively small areas, and due to the earliness of the season, little injury has resulted.

The volume of retail trade in February, as reflected in sales of department stores in the principal cities, was 6.2 per cent greater than in January, and 11.4 per cent larger than in February, 1935; cumulative total for the first two months this year was 8.2 per cent in excess of the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in February were 14 per cent and 8 per cent smaller, respectively, than a month and a year earlier; for the first two months this year the total was 6 per cent below that of the same interval a year ago. The dollar value of permits issued for new building in selected cities of the district in February was 8.1 per cent less than in January, and 33.7 per cent greater than in February, 1935; cumulative total for the first two months was greater by 10.4 per cent than for the same period last year. Construction contracts let in the Eighth District in February were 36.6 per cent smaller than in January, and 13.8 per cent above the February, 1935, total; for the first two months this year the aggregate was 55 per cent in excess of that of the same period a year ago.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, during February and the first part of March continued to exceed the volume handled during the like periods in all years since 1931. As compared with a year and two years earlier, all classifications showed increases, with the exception of livestock and merchandise, L.C.L. Reflecting the prolonged spell of extremely cold weather, the volume of coal and coke hauled in February was the largest for that month in recent years. Passenger traffic of the reporting roads in February, both in point of revenue and lumber of tickets sold, was measurably larger than during the corresponding period in 1935. Tourist travel constituted an important element in the increase.

Generally through the district reports relative to collections during the past thirty days reflected a moderate slowing down as contrasted with the high rate which has obtained in recent months. This was true particularly in the rural areas, where the prolonged cold weather interfered with communications and prevented farmers from going to town. In the main distributing centers wholesalers reported early March settlements relatively less favorable than a year ago. With the rapid marketing of tobacco, liquidation continued on an extensive scale, in sections where that crop is an important one. Questionnaires addressed to representative interests in the several lines scattered through the

district showed the following results:

	Excellent	Good	Fair	Poor
February, 1936.....	2.4%	39.0%	42.6%	16.0%
January, 1936.....	1.3	45.0	41.3	12.4
February, 1935.....	4.2	39.2	51.8	4.8

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 50 and involved liabilities of \$722,000, which compares with 35 defaults in January, with liabilities of \$403,000 and 40 insolvencies for a total of \$635,000 in February, 1935.

## Detailed Survey

### MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks
	Feb. 1936 compared with Jan. '36	2 months 1936 comp. with same period 1935	Feb. 29, 1936 comp. with Feb. 28, 1935
Boots and Shoes.....	-24.3%	-18.1%	+21.7%
Drugs and Chemicals..	- 5.3	+ 8.8	+ 5.3
Dry Goods.....	- 7.4	- 4.5	- 2.8
Electrical Supplies.....	+19.0	+16.3	-45.5
Furniture.....	+20.1	+ 3.0	+25.9
Groceries.....	- 5.7	- 1.0	-23.9
Hardware.....	-13.3	- 3.8	+ 5.6
All above lines.....	-14.0	- 7.9	+ 2.8

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in February was 290,964 against 367,252 in January and 335,667 in February, 1935.

**Boots and Shoes** — The decrease in sales of the reporting interests from January to February, shown in the above table, was seasonal in character, but slightly greater than the average during the past decade. This was attributable partly to the unusually large January volume, that month showing an increase of approximately 45 per cent over its predecessor. Unfavorable weather contributed to the decreases in both the month-to-month and yearly comparisons. Ordering of all classes of shoes has developed a noticeable pickup since the last week in February.

**Clothing** — February sales of the reporting clothiers were 15.5 per cent smaller than in January, but 8 per cent greater than the February, 1935, total. Inventories showed somewhat larger than the expected seasonal increase, stocks on March 1, being 9 per cent and 28 per cent larger, respectively, than a month and a year earlier. Clearance through retail channels of heavyweight apparel was reported generally more complete than has been the case in a number of seasons. Advance ordering of clothing for spring and early summer distribution was in slightly smaller volume than at this time a year ago. Price changes as contrasted with the preceding thirty days were negligible.

**Drugs and Chemicals** — For the eighth consecutive month, February sales of the reporting firms

showed an increase over the corresponding period a year earlier. Betterment extended generally through all lines, but was most pronounced in seasonal merchandise. Ordering of insecticides, fertilizers and kindred materials for spring distribution was reported in considerable volume. Prices showed little change during the past thirty days, advances being about counterbalanced by declines.

**Dry Goods**—Cold weather had the effect of considerably reducing the number of visiting merchants at the main distributing centers during the February marketing season, which fact was reflected in a smaller volume of sales for that month than a month and a year earlier. Since March 1, however, marked improvement in purchasing has taken place, and reports covering the first half of this month indicate moderate increases over a year ago.

**Electrical Supplies**—Contrary to the usual seasonal trend, February sales in this classification showed an increase of 19 per cent over the preceding month, and for the thirteenth consecutive month, the total exceeded that of the corresponding period a year earlier by a substantial margin. Expansion in demands of public utilities companies and certain sections of the construction industry were mentioned as contributing factors to the increase in sales as contrasted with a year ago.

**Flour**—Production at the twelve leading mills of the district in February totaled 220,229 barrels, against 198,690 barrels in January, and 200,755 barrels in February, 1935. General conditions in the trade developed no marked changes as compared with the preceding several months. Buying is mainly on a necessity basis, and stocks in all positions remain of moderate size. Prices followed closely the movement of the cash wheat market, and jobbers have not been disposed to follow the advance.

**Furniture**—Business in this classification continued the steady improvement of recent months, February sales of the reporting firms being 20 per cent and 3 per cent greater, respectively, than a month and a year earlier. Further broadening was noted in demand for household furniture and furnishings. Demand for office furniture and equipment also underwent moderate betterment. Retailers are more disposed to replenish stocks and fill out assortments than has been the case for a number of months.

**Groceries**—Severe weather which prevailed throughout the district during February had a detrimental effect on distribution of groceries, sales of the reporting firms showing a small contraseasonal decline for that month as compared with January. Demand for canned goods was stimulated by late-

ness of the movement of early fruits and vegetables. Purchasing by retailers in the rural areas has picked up noticeably since the return of milder temperatures during early March.

**Hardware**—For the first time in eight months, February sales of the reporting interests failed to exceed the volume of the corresponding period a year earlier. Adverse weather conditions, which slowed down all outdoor activities, constituted a factor in the recession in trade volume. Demand for certain lines, notably household appliances, hand implements and builders' tools and hardware, maintained the betterment of the preceding several months.

**Iron and Steel Products**—Taken as a whole, activities in the iron and steel industry in this district during the past thirty days increased moderately over the similar period immediately preceding, and were at a measurably higher rate than at this time a year ago. An indication of improvement was the heavy deliveries of pig iron, iron and steel scrap and other raw materials to the mills and foundries during February and early March. This movement was accomplished despite the interferences with communications by the sub-zero temperatures which obtained through most of February. While miscellaneous requirements still predominate in orders booked, there has been further expansion in purchasing by the railroads and building industry. Placement of substantial tonnages with the fabricating plants was reflected in an increase in the rate of operations to 50 per cent of capacity at mid-March as contrasted with 35 per cent earlier in the year. Producers and distributors of sheets, plates and other flat rolled materials report steady expansion in demand for their goods. Releases of automotive materials, including castings, are reported to have expanded noticeably since March 1, and in addition a fair volume of new orders has been booked. Manufacturers of farm implements, tractors, and road machinery report a continuance of the high rate of activities which has featured recent months, with some plants operating at full capacity. Following settlement of labor difficulties in the stove industry, which virtually suspended operations during January, production has steadily increased. Unfinished orders held by the stove makers on March 1, were the largest for that date since 1930. Spring demands for iron and steel were reflected in expansion in sales of warehouse and jobbing interests, February volume being reported approximately 8 per cent above January and about one-fourth greater than a year ago. Prices of finished and semi-finished materials were firm, changes announced being mainly on the

side of stabilization of quoted levels. Pig iron prices were unchanged, while further advances were recorded in certain grades of iron and steel scrap. For the country as a whole, according to the magazine, "Steel", production of pig iron in February totaled 1,838,932 tons, against 2,039,304 tons in January and 1,614,905 tons in February, 1935. Steel ingot production in the United States in February was 2,967,803 tons, which compares with 3,049,439 tons in January and 2,777,765 tons in February, 1935.

## 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	Stock Turnover
	Feb. 1936	2 mos. 1936	Feb. 29, '36	Jan. 1, to	
	compared with	to same	comp. with	Feb. 29,	
	Jan. 1936	Feb. 1935	period '35	Feb. 28, '35	1936 1935
El Dorado, Ark.....	+ 0.3%	— 2.4%	— 9.0%	— 2.7%	.40 .44
Fort Smith, Ark.....	+22.2	— 5.0	— 2.1	— 0.2	.35 .35
Little Rock, Ark.....	+20.0	+23.3	+18.2	—10.2	.42 .33
Louisville, Ky.....	+16.2	+15.4	+ 9.5	— 2.4	.58 .51
Memphis, Tenn.....	— 5.9	+ 6.4	+ 7.3	+ 0.1	.48 .44
St. Louis, Mo.....	+ 5.5	+10.6	+ 7.3	+ 2.0	.61 .59
All Other Cities.....	+ 9.1	+17.1	+12.1	+ 4.8	.42 .40
8th F. R. District.....	+ 6.2	+11.4	+ 8.2	— 0.2	.56 .56

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

El Dorado, Ark.....	70.9%	Memphis, Tenn.....	41.1%
Fort Smith, Ark.....	34.4	St. Louis, Mo.....	51.1
Little Rock, Ark.....	36.1	All Other Cities.....	39.3
Louisville, Ky.....	47.6	8th F. R. District.....	47.0

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

	Net Sales			Stock on Hand	Stock Turnover
	Feb. 1936	2 mos. 1936	Feb. 29, '36	Jan. 1, to	
	compared with	to same	comp. with	Feb. 29,	
	Jan. 1936	Feb. 1935	period '35	Feb. 28, '35	1936 1935
Men's Furnishings.....	— 2.5%	+12.6%	+ 7.4%	+21.6%	.36 .38
Boots and Shoes.....	+15.3	+11.1	+10.7	— 6.9	.77 .60

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

Men's Furnishings.....	37.2%	Boots and Shoes.....	38.7%
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## MINING

February coal production figures for Eighth District fields reflect the heavily increased demand for heating purposes incident to the prolonged severe cold weather. Total tonnage lifted was the largest for the month in a number of years, and in sections of Illinois, Kentucky, Arkansas and Missouri, many mines increased their outputs to capacity levels in order to meet calls from the domestic trade. This tended to further augment supplies of steam coal, which were already excessive, and prices of steam grades continued depressed. According to the United States Bureau of Mines the tonnage of soft coal lifted in this general area in February was

7 per cent more than in January and about one-fourth greater than in February, 1935. Total production in the United States in February was estimated at 41,290,000 tons, against 39,330,000 tons in January and 34,834,000 tons in February, 1935. Despite interference caused by the cold weather, activities at the lead and zinc mines in the Tri-State area continued at a relatively high rate. For the country as a whole February zinc production totaled 36,228 tons, which compares with 41,917 tons in January and 33,468 tons in February, 1935.

## AGRICULTURE

The report of the U. S. Department of Agriculture relative to planting intentions as of March 1, 1936, indicates that in states including the Eighth District, acreages of the principal field crops will be measurably larger than in each of the two preceding years, but about 5 per cent below the 5-year (1928-1932) average. As contrasted with 1935, increases are particularly marked in the case of corn, oats, barley, tame hay, tobacco and rice. Intentions of farmers to plant soy beans, sweet and white potatoes are smaller this year than last. Total acreage of the chief crops, exclusive of winter wheat and cotton, is estimated to be 6.6 per cent greater than in 1935, 8.3 per cent larger than in 1934, and 4.7 per cent below the 5-year average. The acreage actually harvested in 1936 may turn out to be smaller or larger than the indicated acreage, by reason of weather conditions, price changes, the soil conservation program and the effect of the intentions report itself upon farmers' programs.

The following comparative table shows intended plantings in 1936 by farmers in states of this district, also, the number of acres of the several crops harvested in the two preceding years and the five year average (1928-1932):

	1928-32 Avg.	1934	1935	1936
Barley.....	480,000	161,000	207,000	240,000
Corn.....	29,706,000	25,917,000	25,353,000	27,841,000
Oats.....	8,520,000	5,976,000	7,060,000	7,455,000
Peanuts.....	60,000	86,000	75,000	73,000
Potatoes.....	304,000	341,000	354,000	341,000
Rice.....	168,000	136,000	138,000	160,000
Soy Beans.....	1,729,000	2,622,000	3,274,000	2,998,000
Sweet Potatoes.....	181,000	199,000	197,000	183,000
Tame Hay.....	10,650,000	10,292,000	9,803,000	10,232,000
Tobacco.....	636,000	448,000	429,000	476,000
Totals.....	52,434,000	46,178,000	46,890,000	49,999,000

Since the last week in February, when Eighth District farms emerged from the grip of one of the coldest winter seasons of record, weather conditions have been generally very favorable for agricultural operations of all descriptions. Mild temperatures and high winds served to bring the frost out of the ground; plowing and preparations for spring planting have made fair headway. However, these operations except in the south, were still behind the usual seasonal schedule at mid-March. Scattered reports

reflect damage in greater or lesser degree to peaches, plums, early truck crops, strawberries and fall sown grains. The sub-zero temperatures also caused considerable mortality among early lamb and pig crops. Quite generally moisture has been in ample volume for all purposes and soil conditions in practically all localities are reported better than has been the case at this particular season in a number of years. During early February the movement to market and distribution of farm products was seriously interfered with by snow storms and ice-covered highways rather generally and difficulty in keeping roads open, especially in the northern tiers of the district.

Winter wheat in the northern part of the district was protected by snow during the severe weather up to the third week of February. Reports from this general area indicate that little damage was done, as winter grains continued in a dormant stage since last December. Further south, however, the condition of winter wheat is considered less certain owing to fly damage last fall, as well as uneven or lack of snow coverage during the period of low temperatures. Almost universally, wheat reserves on farms are very small for this time of year. Farm supplies of corn and oats are considerably larger than a year ago. Quite generally the seed corn situation is the most unfavorable in years. There are numerous complaints of poor germination of corn for seed.

**Cotton** — Preparations for the crop generally in this district have progressed fairly, despite the interruption to work occasioned by the cold weather. Much plowing had been accomplished prior to the drop in temperatures, and since the change for the better in weather conditions, work has been pushed in all sections. Sales of fertilizer tags indicate that this year's crop will be heavily fertilized. According to the National Fertilizer Association, January-February sales of fertilizer tags in states of the Eighth District were slightly below the same period in 1935, but more than one-fourth greater than during the comparable period in 1934. Both domestic and export demand for spot cotton was well maintained and the total movement to foreign countries for the season to March 13, was substantially greater than for the same period a year ago. Prices fluctuated in a narrow range. In the St. Louis market the middling grade ranged from 11.15c to 11.50c per pound between February 15, and March 16, closing at 11.50c on the latter date, which compares with 11.45c on February 15, and 11.10c on March 15, 1935. Combined receipts at Missouri and Arkansas compresses from August 1, 1935, to March 13, 1936,

totalled 919,170 bales, against 930,886 bales for the corresponding period a year earlier. Stocks on hand as of March 13, totalled 455,888 bales, against 516,933 bales on February 14, and 609,957 bales on the corresponding March date in 1935. A survey made by the Arkansas Cotton Trade Association, of the 12c loan cotton in Arkansas compress-warehouses disclosed as of February 28, that the total was 357,735 bales.

**Live Stock** — Quite generally through the district, livestock is rated in fair condition, with feed supplies ample as a rule. Owing to the prolonged cold spell and curtailed outside grazing heavier feeding than usual has been necessary. The movement to market of cattle, sheep and hogs combined fell below the January total, but was measurably larger than in February a year ago.

The early spring lamb crop in 1936 in the principal early lambing areas is about 6 per cent larger than the early crop of 1935, according to reports received by the U. S. Department of Agriculture around March 1. On an average the condition of the crop was somewhat lower on March 1, than a year ago.

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

	Receipts			Shipments		
	Feb., 1936	Jan., 1936	Feb., 1935	Feb., 1936	Jan., 1936	Feb., 1935
Cattle and Calves.....	91,128	135,460	79,874	45,356	73,683	45,167
Hogs .....	198,749	277,032	188,627	139,997	175,207	131,741
Horses and Mules.....	4,727	5,686	8,838	4,703	6,053	9,201
Sheep .....	37,011	44,581	28,264	11,217	9,342	2,228
Totals.....	331,615	462,759	305,603	201,273	264,285	188,337

**Tobacco** — The Burley auction markets have closed, with unofficial figures showing that over 237,000,000 pounds were disposed of at an average of \$19.14 per cwt., which compares with an average of \$17.17 for the 1934 crop. Due to decreased acreage a smaller crop of Burley tobacco was grown in 1935 than in 1934.

Slightly over 8,000,000 pounds of tobacco have been sold in the Green River and Stemming districts at an average of approximately \$7.15 per cwt., as compared with \$8.55 for the 1934 crop. Weather conditions have prolonged the selling season.

For the season, final figures of the one-sucker tobacco show approximately 12,000,000 pounds sold at an average of about \$8.17, as compared with approximately 17,000,000 pounds of the 1934 crop at an average of \$6.75 per cwt. Prices remained firm to the end of the market, with all grades in good demand.

In the eastern dark-fired district approximately 22,000,000 pounds were sold at an average of \$9.00 per cwt., as against an average of \$9.87 for the 1934 crop. The sale of about 6,500,000 pounds in the

western district is reported at an average of \$6.50 per cwt., which compares with an average of \$8.55 for the 1934 crop. Little foreign buying and light domestic sales were accountable for the lower average.

Considerable progress has been made in the preparation of plant beds, and the number layed out as of mid-March indicate a disposition this year to plant an increased acreage of burley and one-sucker grades.

Stocks of tobacco in the United States and Puerto Rico owned by dealers and manufacturers amounted to 2,367,290,000 pounds on January 1, which compares with 2,223,884,000 pounds on January 1, 1935, an increase of 143,406,000 pounds.

### COMMODITY PRICES

Range of prices in the St. Louis market between February 15, 1936 and March 16, 1936, with closing quotations on the latter date and on March 15, 1935, follows:

	High	Low	Close	
			Mar. 16, 1936	Mar. 15, 1935
Wheat				
May .....	per bu. \$1.04 1/4	\$1.01 1/4	\$ 1.03	\$ .90 1/4
*July .....	.93 1/4	.88	.93 1/4	.87 1/4
*Sept. ....	1.00 1/2	.87 1/2	.92 1/4	.87 1/4
*No. 2 red winter ..	1.12	1.06	1.05 1/2 @ 1.06	.92 @ .92 1/4
*No. 2 hard ..	1.13	1.07	1.07	.98 3/4
Corn				
May .....	.61 3/4	.60 1/4	.60 3/4	.81
*July .....	.62 3/4	.61 1/2	.61 1/2	.77 1/2
*Sept. ....	.62 3/4	.61 1/2	.61 3/4	.74 3/4
*No. 2 mixed .....	.69 1/2	.64 1/2	.64 1/2	.....
*No. 2 white .....	.72 3/4	.67 1/4	.67 1/4	.....
Oats				
*May .....	.32 1/2	.27 1/4	.27	.46 1/2 @ .46 1/4
*No. 2 white .....	.34	.27 3/4	.32	.51 1/2
Flour				
Soft patent.....	per bbl. 6.30	5.30	5.30 @ 6.00	5.85 @ 6.35
Spring .....	7.15	6.90	7.00 @ 7.15	7.20 @ 7.35
Middling Cotton.....	per lb. .1150	.1115	.1150	.1110
Hogs on hoof.....	per cwt. 11.15	6.00	6.00 @ 10.85	5.00 @ 9.30

\*Nominal quotations.

### TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 82,007 loads in February, against 80,558 loads in January, and 66,318 loads in February, 1935. During the first nine days of March, the interchange amounted to 24,700 loads, which compares with 23,662 loads during the corresponding period in February, and 22,143 loads during the first nine days of March, a year ago. Passenger traffic of the reporting roads increased 27 per cent in volume of revenue and 37 per cent in number of tickets sold during February, as contrasted with the same month in 1935. The increase was ascribed in large measure to the severe cold weather in February, which tended to cut down travel over the highways in automobiles and buses. For the country as a whole, loadings of revenue freight for the first nine weeks this year, or to February 29, totaled 5,488,229 cars, against 5,096,599 cars for the corresponding interval in 1935 and 5,103,273 cars in 1934. Estimated ton-

nage of the Federal Barge Line between St. Louis and New Orleans in February, was 104,900 tons, the largest for the month since 1932, and comparing with 97,697 tons in January, and 78,105 tons in February, 1935. The increases over the preceding three years was achieved in the face of extreme, cold weather, which caused the Mississippi River to freeze, above Cairo, Illinois.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in February was 8.1 per cent smaller than in January and 33.7 per cent larger than the February, 1935, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February amounted to \$7,729,827 which compares with \$12,183,762 in January, and \$6,794,335 in February, 1935. Building figures for February, follow:

	New construction				Repairs, etc.			
	Permits 1936	Permits 1935	*Cost 1936	*Cost 1935	Permits 1936	Permits 1935	*Cost 1936	*Cost 1935
Evansville ..	3	21	\$ 2	\$ 16	38	36	\$ 36	\$ 15
Little Rock ..	13	8	19	3	39	90	8	22
Louisville ..	15	30	43	105	58	60	40	43
Memphis ...	112	161	386	82	92	138	57	123
St. Louis....	48	149	232	304	111	151	67	98
Feb. Totals	191	369	682	510	338	475	208	301
Jan. ....	201	243	742	784	395	569	272	267

\*In thousands.

### CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in February as being about 0.7 per cent larger than in January, and 10.4 per cent greater than in February, 1935. Detailed figures follow:

	No. of Custom-ers	Feb., 1936	Jan., 1936	Feb. 1936 comp. with Jan. 1936	Feb., 1935	Feb. 1936 comp. with Feb. 1935
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville ....	40	2,992	2,978	+ 0.5%	2,521	+18.7%
Little Rock....	35	1,414	1,379	+ 2.5	1,323	+ 6.9
Louisville ....	82**	8,188	7,862	+ 4.1	7,276**	+12.5
Memphis .....	31	2,076	1,897	+ 9.4	1,810	+14.7
Pine Bluff.....	20	758	567	+33.7	601	+26.1
St. Louis.....	197**	16,550	17,058**	- 3.0	15,423**	+ 7.3
Totals.....	405**	31,978	31,741**	+ 0.7	28,954**	+10.4

\*In thousands (000 omitted).

\*\*Revised figures.

### LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during February, the preceding month, and a year ago, together with the cumulative totals for the first two months this year and the comparable period in 1935 are shown in the following table:

(In thousands of dollars)	Feb., 1936	Jan., 1936	Feb., 1935	Jan.-Feb., 1936	Jan.-Feb., 1935	Cumul. change
Arkansas.....	\$ 2,299	\$ 2,421	\$ 2,621	\$ 4,720	\$ 6,024	-21.6%
Illinois.....	38,632	41,084	46,204	79,716	99,221	-19.6
Indiana.....	9,492	10,119	11,474	19,611	24,199	-19.0
Kentucky.....	4,355	5,164	5,300	9,519	11,456	-16.9
Mississippi.....	1,936	2,078	1,917	4,014	4,427	- 9.3
Missouri.....	12,966	14,120	15,304	27,086	34,190	-20.8
Tennessee.....	4,858	4,856	5,464	9,714	12,710	-23.6
Totals.....	74,538	79,842	88,284	154,380	192,227	-19.7
United States...	460,463	479,018	533,784	939,481	1,179,118	-20.3

## MONEY AND BANKING

Aside from slight changes, traceable to seasonal influences, trends in Eighth District banking and finance during February and the first half of March were practically identical with those during the similar period immediately preceding, and in fact, since the beginning of the present year. From all the principal borrowing groups, including mercantile and industrial interests, demands for credit continued in limited volume. Loanable resources of the commercial banks in both the large cities and the country underwent further expansion. In the principal industrial and distributing centers there was a considerable volume of liquidation. Payment of loans based on tobacco and rice were reduced further; there was also a noticeable reduction in cotton loans. Due to lateness of the season, call for funds for financing agricultural operations was in less than the usual seasonal volume.

**Member Banks**—Between February 12, and March 11, total loans and investments of reporting member banks in the principal cities increased 0.3 per cent, the change being due entirely to larger loans, investments showing a slight decrease. Deposits continued the upward course of recent months, and at \$855,894,000 on March 11, represented the highest total ever recorded. Reserves of these banks declined 9.4 per cent during the four-week interval, but continued measurably higher than at the corresponding period during recent years. Holdings of United States Government bonds increased moderately.

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)	Mar. 11, 1936	Feb. 12, 1936	Mar. 13 1935
<b>Loans and discounts (incl. rediscounts):</b>			
Secured by U. S. Gov't obligations, and other stocks and bonds.....	\$ 66,672	\$ 65,819	\$ 68,104
All other loans and discounts.....	162,698	161,887	162,004
<b>Total loans and discounts.....</b>	<b>229,370</b>	<b>227,706</b>	<b>230,108</b>
<b>Investments:</b>			
U. S. Gov't securities.....	228,726	224,975	203,914
Other securities.....	154,673	158,462	127,022
<b>Total investments.....</b>	<b>383,399</b>	<b>383,437</b>	<b>330,936</b>
<b>Demand deposits.....</b>	<b>676,966</b>	<b>676,385</b>	<b>586,142</b>
<b>Time deposits.....</b>	<b>178,928</b>	<b>178,801</b>	<b>173,541</b>
<b>Gross deposits.....</b>	<b>855,894</b>	<b>855,186</b>	<b>759,683</b>
<b>Reserve balances with F. R. Bank.....</b>	<b>113,256</b>	<b>124,977</b>	<b>108,858</b>
<b>Cash in vault.....</b>	<b>11,587</b>	<b>11,100</b>	<b>8,896</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 held by selected banks as of March 4, was 0.3 per cent

greater than a month earlier and 5.8 per cent larger than on March 6, 1935.

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

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

(In thousands of dollars)	Mar. 18, 1936	Feb. 18, 1936	Mar. 18, 1935
Industrial advances under Sec. 13b.....	\$ 504	\$ 475	\$ 491
Other advances and rediscounts.....	21	18	55
Bills bought (including participations).....	87	87	105
U. S. securities.....	123,200	123,200	108,200
<b>Total earning assets.....</b>	<b>123,812</b>	<b>123,780</b>	<b>108,851</b>
<b>Total reserves .....</b>	<b>227,336</b>	<b>224,908</b>	<b>200,527</b>
<b>Total deposits .....</b>	<b>180,939</b>	<b>181,766</b>	<b>161,623</b>
<b>F. R. Notes in circulation.....</b>	<b>162,343</b>	<b>161,260</b>	<b>140,476</b>
<b>Industrial commitments under Sec. 13b .....</b>	<b>1,950</b>	<b>2,009</b>	<b>1,418</b>
<b>Ratio of reserve to deposit and F. R. Note liabilities.....</b>	<b>66.2%</b>	<b>65.6%</b>	<b>66.4%</b>

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

- 2% per annum for rediscounts and advances to member banks, under Sections 13 and 13a.
- 2½% per annum for advances to member banks, under Section 10b.
- 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)	Feb., 1936	Jan., 1936	Feb., 1935	Feb. 1936 comp. with Jan. 1936	Feb. 1935
<b>East St. Louis and Natl.</b>					
Stock Yards, Ill.....	\$ 26,522	\$ 30,669	\$ 20,452	—13.5%	+29.7%
El Dorado, Ark.....	3,396	3,839	3,571	—11.5	— 4.9
Evansville, Ind.....	22,633	26,626	16,834	—15.0	+34.4
Fort Smith, Ark.....	9,034	10,256	7,923	—11.9	+14.0
Greenville, Miss.....	3,443	4,186	3,912	—17.7	—12.0
Helena, Ark.....	1,096	1,448	1,316	—24.3	—16.7
Little Rock, Ark.....	28,066	30,364	22,488	— 7.5	+24.8
Louisville, Ky.....	139,026	160,128	117,229	—13.2	+18.6
Memphis, Tenn.....	95,151	118,809	90,223	—19.9	+ 5.5
Owensboro, Ky.....	4,195	5,256	4,619	—20.2	— 9.2
Pine Bluff, Ark.....	5,549	7,965	4,588	—30.3	+20.9
Quincy, Ill.....	5,610	5,976	4,675	— 6.1	+20.0
St. Louis, Mo.....	486,017	544,533	397,804	—10.7	+22.2
Sedalia, Mo.....	1,854	1,966	1,506	— 5.7	+23.1
Springfield, Mo.....	11,651	13,634	9,753	—14.5	+19.5
*Texarkana, Ark.....	5,658	6,679	4,846	—15.3	+16.8
<b>Totals.....</b>	<b>848,901</b>	<b>972,334</b>	<b>711,739</b>	<b>—12.7</b>	<b>+19.3</b>

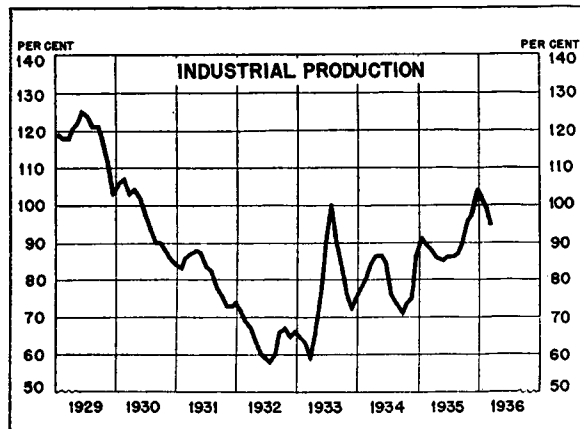
\*Includes one bank in Texarkana, Texas, not in Eighth District.

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

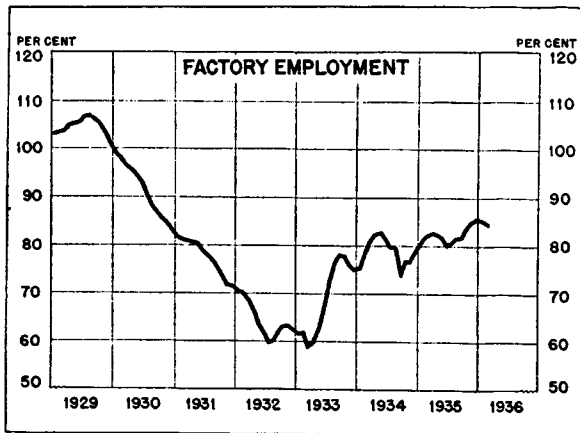
**Production and Employment**—Daily average output in basic industries was about the same in volume in February as in January. Since usually there is an increase in manufacturing activity at this season the Board's seasonally adjusted index of factory output showed a decline. Output at mines increased. There was a substantial further decrease in automobile production in February and the rate of operations at steel mills increased by less than the usual seasonal amount. In the first half of March production of steel expanded seasonally and output of automobiles showed a more than seasonal increase. There was little change



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through February, 1936. Latest figure February, preliminary 95.

in the volume of lumber cut in February although an increase usually occurs in that month. At woolen mills production increased by about the seasonal amount while activity at cotton textile mills which is usually larger in February than in January decreased and at silk mills there was a larger than seasonal decline. Output at meat packing establishments also declined. There was a substantial increase in the mining of both anthracite and bituminous coal, while output of crude petroleum declined somewhat.

Factory employment increased by less than the usual seasonal amount between the middle of January and the middle of February. There was little change in the number of workers at steel mills and a decrease in the number employed at automobile facto-

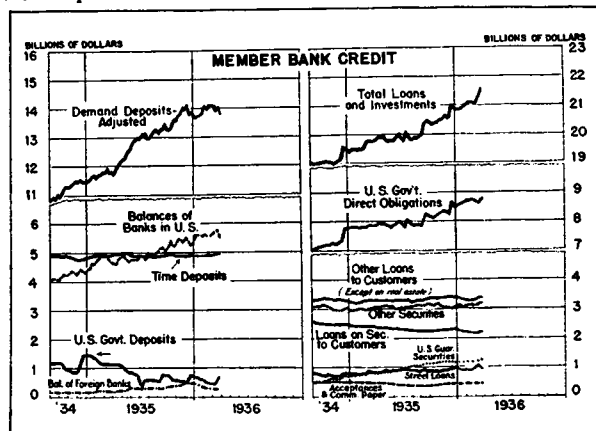


Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through February, 1936. Latest figure February, 84.

ries, although increases are usual in these industries in February. Employment declined at silk and rayon textile mills and showed a smaller than seasonal increase at shoe factories. Increases in employment were reported for railroad repair shops, for printing and publishing establishments and for factories producing wearing apparel. Factory payrolls, which are usually larger in the middle of February than a month earlier, showed no change.

The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined further in February. Awards for residential construction showed little change, and there was a decrease in the value of awards for all other contracts, a large part of which are for public projects.

**Distribution**—Department store sales showed little change from January to February and, after allowance for seasonal variation, were approximately at the same level as that prevailing last summer and autumn. Freight-car loadings increased by a small seasonal amount in February. Loadings of coal were considerably larger than in January, while shipments of miscellaneous freight declined, and the Board's seasonally adjusted index of total loadings remained at the January figure of 70 per cent of the 1923-1925 average, as compared with 71 per cent in December and an average of 63 per cent for 1935.

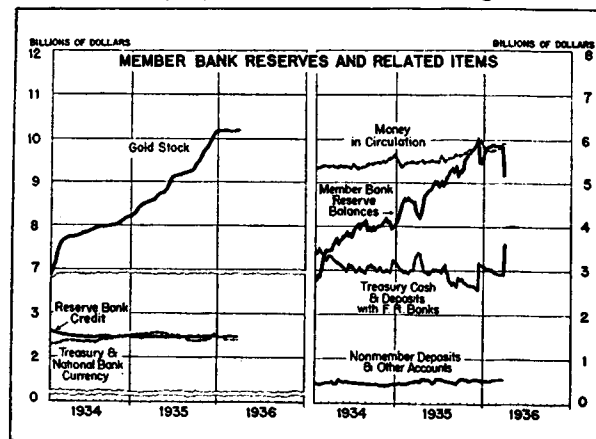


Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, through March 18, 1936.

**Commodity Prices**—The general level of wholesale commodity prices declined somewhat during the latter part of February and the first half of March, following a six month period of little change. The recent downward movement reflected declines in prices of farm products and foods.

**Bank Credit**—Excess reserves of member banks decreased by \$650,000,000 during the four-weeks ending March 18, and on that date amounted to \$2,400,000,000. This decrease reflected chiefly a transfer of funds to Treasury deposits at the Reserve banks in connection with receipt of income taxes and of cash payments for newly-issued Government securities.

Loans and investments of reporting member banks in leading cities increased rapidly in March and on the eighteenth of the



Wednesday figures. January 31, 1934, through March 18, 1936.

month were \$525,000,000 higher than four weeks earlier. Of this increase \$190,000,000 represented a growth in holdings of direct and guaranteed obligations of the United States Government and an increase of \$80,000,000 in other investments. Security loans both to brokers, dealers and to others increased; there was a substantial growth in so-called "other loans," which include loans for commercial purposes. Adjusted demand deposits of reporting member banks declined by \$340,000,000 during the four weeks ending March 18. Balances held for domestic banks increased at the turn of the month as banks in the interior sold Government securities in New York in anticipation of maturities. During the week ending March 18, balances declined, partly as the result of banks throughout the country purchasing in the New York market Government securities issued on March 16.