



MONTHLY REVIEW

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

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District Summary

	April 1, 1936, comp. with output 1935	Av. 1928-32
Agriculture:		
Estimated produc. of Winter Wheat	+ 2.1%	+ 6.4%
	Mar. 1936 comp. with Feb. 1936	Mar. 1935
Live Stock:		
Receipts at National Stock Yards	+ 0.7%	- 1.4%
Shipments from aforesaid Yards	- 0.6	+ 19.7
Production and Distribution:		
Sales by mfrs. and wholesalers	+ 19.9	+ 6.9
Department store sales	+ 26.0	+ 6.7
Car loadings	+ 6.1	+ 14.6
Building and Construction:		
Bldg. permits, incl. repairs	{ Number... +171.6	+ 15.9
	{ Cost..... +109.1	+ 8.4
Value construc. contracts awarded	+ 81.2	+ 63.1
Miscellaneous:		
Commercial failures	{ Number..... - 18.0	- 4.7
	{ Liabilities..... - 29.2	+ 24.3
Consumption of electricity	+ 2.9	+ 5.6
Debits to individual accounts	+ 9.7	+ 8.2
Member Banks (24):	Apr. 15, '36 comp. with Mar. 18, '36	Apr. 17, '35
Gross deposits	+ 0.9%	+ 13.4%
Loans	+ 2.0	+ 4.6
Investments	+ 1.9	+ 9.4

A large majority of business measurements and actual statistics of commercial and manufacturing interests reporting to this bank during March and the first half of April reflected a continuance of the upward trends in Eighth District trade and industry which have been more or less steadily in progress in recent months. These results were achieved in the face of unfavorable weather and flood conditions in certain sections of the area. Output of manufacturing establishments, except where affected by seasonal influences, was in excess of the preceding month, and in most instances greater than a year ago. Continued active demand for merchandise of all descriptions was reflected in the heavy volume of goods distributed through both wholesale and retail channels and the increase in freight traffic handled by railroads operating in the district. The showing made during the first quarter of the year was the most favorable in many respects for any like period since the pre-depression era. Owing to adverse weather conditions the Easter trade was slow in getting under way, but during the

week or ten days immediately preceding the holiday, there was a rush to fill postponed requirements, with the result that retail trade volume exceeded that of a year ago by a fair margin.

Activities in the heavy goods industries gained in more than the seasonal amount during March and early April. Despite the heavy volume of shipments of finished and semifinished materials from the iron and steel plants, backlogs as of April 1 were somewhat larger than a month earlier. This was true particularly of specialty manufacturers, including farm implements, tractors, household appliances and certain descriptions of machinery. Demand for iron and steel goods for use in the rural area expanded measurably as contrasted with the preceding thirty days. Production and orders in the lumber industry were reported in larger volume than a year ago, and the movement of building materials generally was in considerable volume. Somewhat greater than the usual seasonal recession in production of bituminous coal was noted from February to March, ascribable partly to the unusually heavy output during the first and second months of the year. March sales of automobiles exceeded those of February, also March a year ago. Consumption of electric current by industrial users in March was appreciably larger than a month and a year earlier.

Taken as a whole, weather conditions during March and the first ten days of April were unfavorable for crops and agricultural operations generally. Considerable damage was done to fruits and vegetables by the early April freezes, and prospects for peaches and apples were sharply reduced. Withal, preparations for planting spring crops, particularly in the south, were about even with the usual seasonal schedule at mid-April. In spite of the severe winter, the winter wheat crop came through in good shape. Based on conditions as of April 1, the U. S. Department of Agriculture estimates the crop in states of this district at 88,033,000 bushels, an increase of 2 per cent over a year ago and of 6 per cent above the 5-year (1928-1932) average. Demand for farm labor was more active than a year ago, with wage rates substantially higher.

March retail trade, as reflected in sales of department stores in the principal cities, was 26 per cent greater than in February and 6.7 per cent in excess of the March, 1935, total; cumulative total for the first quarter showed an increase of 7.4 per cent over the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in March were approximately 20 per cent and 7 per cent greater, respectively, than a month and a year earlier; first quarter sales of these firms were slightly below the like period in 1935. The dollar value of building permits for new construction in selected cities was 97 per cent greater than in February, but slightly less than a year ago; cumulative total for the first quarter showed an increase of about 4 per cent over the first three months of 1935. Dollar volume of construction contracts let in the Eighth District in March was 81 per cent more than in February and 63 per cent above the March, 1935, total; first quarter volume this year was 58 per cent in excess of the like interval in 1935.

According to officials of railroads operating in this district, the volume of freight traffic handled during the first quarter was well in excess of the like periods a year and two years earlier. Increases over a year ago were recorded in all classifications except livestock and merchandise L.C.L. A considerable part of the total increase was accounted for by coal and coke, an unusually heavy movement of which fuels was occasioned by the long, severe winter. Passenger traffic of the reporting roads in March developed somewhat greater than the usual seasonal increase, attributable in large measure to heavier tourist travel than in recent years. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in March was about 30 per cent greater than a year ago, and cumulative volume for the first three months was about one-fourth greater than in the like period in 1935.

Reports relative to collections during March and the first half of April generally reflect a continuance of the upward trends which have been in effect in recent months. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
March, 1936.....	2.9%	44.2%	48.6%	4.3%
February, 1936.....	2.4	39.0	42.6	16.0
March, 1935.....	2.4	36.8	52.8	8.0

Commercial failures in the Eighth Federal Reserve District in March, according to Dun and Bradstreet, numbered 41 and involved liabilities of

\$511,000, which compares with 50 defaults in February, with liabilities of \$722,000 and (revised figures) 43 insolvencies for a total of \$411,000 in March, 1935. (The 1935 figures are being revised, in order to delete the real estate, insurance and brokerage house failures which are not included in data for 1936.)

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Mar. 1936 compared with Feb. '36 Mar. '35		3 months 1936 comp. with same period 1935	Mar. 31, 1936 comp. with Mar. 31, 1935
Boots and Shoes.....	+26.9%	+ 1.7%	- 9.8%	+20.8%
Drugs and Chemicals..	+10.1	+11.8	+12.2	+10.0
Dry Goods.....	+12.2	+10.4	+ 0.5	- 8.8
Electrical Supplies.....	+23.5	+ 9.5	+12.6	+ 8.6
Furniture.....	+11.0	+12.5	+15.9	+13.6
Groceries.....	+12.8	+ 3.3	+ 1.8	- 8.4
Hardware.....	+29.4	+13.4	+ 3.2	+ 9.3
All above lines.....	+19.9	+ 6.9	- 1.8	+ 2.3

Automobiles — Combined passenger car, truck and taxicab production in the United States in March was 424,571 against 290,964 in February and 429,793 in March, 1935.

Boots and Shoes — Conforming with the usual seasonal trend, sales of the reporting firms in March were greater than during the preceding month. The extent of the increase, however, was considerably less than the average during the past decade. The movement of styled goods and Easter specialties was interfered with by unfavorable weather, and the volume was below expectations. Prices were firm at the levels prevailing during the two preceding months. Inventories decreased sharply from March 1 to April 1, but were about one-fifth greater than a year ago.

Clothing — March sales of the reporting clothiers were 36 per cent larger than in February and 22 per cent in excess of the March, 1935, total. Stocks on April 1 were 7 per cent smaller than a month earlier, and 18 per cent larger than a year ago. Advance sales of apparel for summer and early fall distribution are reported in slightly larger volume than at the corresponding time a year and two years earlier. Clearance of Easter merchandise at retail was below expectations due to unfavorable weather. Sales of work clothing were reported below the volume a year ago.

Drugs and Chemicals — During the first quarter of the present year the trend of sales of drugs and chemicals has been consistently upward. This fact is reflected in an increase of approximately 12 per cent in sales of firms reporting to this bank during the first three months as contrasted with the similar interval in 1935. While increases have been

general in all lines, most pronounced gains were reported in chemicals used by the general manufacturing trade. Aside from lower quotations in the solvents group, no major price changes were recorded.

Dry Goods — Business ascribable to Easter requirements was curtailed by adverse weather conditions. However, betterment in other descriptions of merchandise resulted in increases of March sales of the reporting firms of 12.2 per cent and 10.4 per cent, respectively, as compared with a month and a year ago. Early April volume was about on a parity with a year ago, but with the arrival of seasonable weather in the past ten days, orders have picked up appreciably.

Electrical Supplies — March sales of the reporting interests, which showed substantial increases over the preceding month and a year ago, were the largest for the month in any of the twelve years during which these records have been maintained. There has been a steady broadening in demand for refrigeration, household appliances and radio material. First quarter sales were bolstered by heavier requirements of the building industry.

Flour — Production at the twelve leading mills of the district in March totaled 187,242 barrels, against 220,229 barrels in February and 203,764 barrels in March, 1935. As was the case during the preceding thirty days, purchasing of all grades of flour was chiefly on a requirement basis. Export business was confined mainly to routine transactions with Latin-American countries. Prices declined slightly, reflecting the lower values of cash wheat. Mill operations were from 48 to 50 per cent of capacity.

Furniture — March sales of the reporting firms showed about the usual seasonal increase over February and for the sixteenth successive month were larger than for the corresponding period a year earlier. The principal factor in the increases during recent months has been household furniture and furnishings. Marked improvement was also noted in demand for office furniture and equipment. Inventories decreased 4.9 per cent between March 1 and April 1 and on the latter date were 13.6 per cent larger than a year ago.

Groceries — Steady betterment in demand for groceries in the rural areas was noted during the past thirty days, reflecting largely seasonal demands of farmers. Lateness of the shipping season for early vegetables and fruits had a stimulating effect on ordering of canned goods and preserved foods.

Hardware — Business in this classification maintained the upward trends which have been in effect

during the past eighteen months. Notable betterment was reported in builders' tools and hardware, paints and kindred lines. Purchasing of hand implements, garden and dairy supplies and poultry equipment was reported in larger volume than in any like period since 1930.

Iron and Steel Products — The iron and steel industry in this district during the past thirty days carried further the almost continuous improvement which has been in effect since last fall. Specifications on seasonal materials, particularly for building, were in sizeable volume, and new buying also expanded notably. Requirements of the automotive industry were outstanding, releases of castings being freer than at any time this year. Purchasing by the railroads of a variety of commodities was in considerable volume, and betterment was reported in takings by the petroleum industry. Reports of warehouse interests and jobbers indicate March business the largest for the month since 1930, and since April 1 there has been a further expansion in new orders placed. Makers of farm implements report first-quarter production and shipments the highest in more than a decade; backlogs acquired by them are sufficient to support the present rate of activities through the early summer. Price increases on sheets, strips and wire, which became effective April 1, had a moderately stimulating effect on purchasing of these commodities throughout March. Otherwise prices on finished and semi-finished steel were steady. Deliveries of pig iron to district melters during March continued in heavy volume, but some falling off in new buying was noted, and contracting for second quarter requirements is on a conservative scale. Further advances were recorded in prices of scrap iron and steel, a number of important items reaching new highs on the present upward movement. For the country as a whole, according to the magazine "Steel", production of pig iron in March totaled 2,046,121 tons, the highest since last December, comparing with 1,838,932 tons in February and 1,770,990 tons in March, 1935. Steel ingot production in the United States during March amounted to 3,346,489 tons, against 2,967,803 tons in February and 2,868,141 tons in March a year ago.

MINING

Production of bituminous coal in fields of the district declined sharply in March, and total output was measurably below that of a year ago. The decrease from February was partly due to the extraordinarily heavy production during the first two months of the year, also to the usual seasonal influ-

ences. The cold snap in early April stimulated consumption of heating coal, and resulted in some reordering by retail yards. A number of mines in Arkansas have closed down, with little likelihood of resuming operations until next fall. Stocks of steam grades continue excessive, with prices depressed. According to the United States Bureau of Mines, the tonnage of soft coal lifted in this general area in March was 9,440,000 tons, a decrease of 32 per cent and 22 per cent, respectively, as contrasted with a month and a year earlier. Activities in the Tri-State lead and zinc district continued at a high rate during March and the first half of April. For the country as a whole March production of zinc amounted to 42,483 tons, against 36,228 tons in February and 36,735 tons in March, 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
	Mar. 1936	3 mos. 1936	Mar. 31, '36	Jan. 1, to	
	compared with Feb. 1936	to same period '35	comp. with Mar. 31, '35	Mar. 31, 1936	
El Dorado, Ark.....	+14.2%	- 2.8%	+ 6.8%	.62	.65
Fort Smith, Ark.....	+25.6	+20.3	+ 8.8	.59	.56
Little Rock, Ark.....	+10.9	+13.9	+16.5	-10.6	.65 .52
Louisville, Ky.....	+37.7	+ 9.1	+ 9.6	- 1.7	.95 .85
Memphis, Tenn.....	+25.9	+ 8.6	+ 7.9	+ 0.1	.75 .69
St. Louis, Mo.....	+25.8	+ 4.6	+ 5.7	+ 2.3	.97 .96
All Other Cities.....	+27.6	+12.0	+12.1	+ 5.9	.68 .65
8th F. R. District.....	+26.0	+ 6.7	+ 7.4	+ 0.3	.89 .84

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

El Dorado, Ark.....47.9%	Memphis, Tenn.....40.2%
Fort Smith, Ark.....39.6	St. Louis, Mo.....52.7
Little Rock, Ark.....34.8	All Other Cities.....40.2
Louisville, Ky.....49.4	8th F. R. District.....47.7

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

	Net Sales			Stock on Hand	Stock Turnover
	Mar. 1936	3 mos. 1936	Mar. 31, '36	Jan. 1, to	
	compared with Feb. 1936	to same period '35	comp. with Mar. 31, '35	Mar. 31, 1936	
Men's Furnishings.....	+21.2%	+19.7%	+11.7%	+10.2%	.56 .56
Boots and Shoes.....	+60.7	+ 9.1	+10.2	- 0.7	1.33 1.08

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

Men's Furnishings.....34.7%	Boots and Shoes.....37.9%
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AGRICULTURE

Eighth District crop prospects as of April 1, according to the U. S. Department of Agriculture and the agricultural departments of the several states, appear to be somewhat more favorable than on that date in any of the preceding three years. However, the outlook is not particularly bright because of the freezes and storms which occurred

during the final week of March and the first ten days of April. The progress of farm work has been quite extensive. The unusually severe and prolonged winter made pastures late in starting and the recent drop in temperatures, following the mild early March, resulted in considerable damage to fruit buds in widely extended areas. The cold weather also caused appreciable losses of young lambs. Quite generally through the district soil conditions are very favorable for working, and seeding of spring crops.

Farmers generally are preparing their programs with a considerable degree of optimism, and in most sections are disposed to expand their operations, though developments in the new Soil Conservation scheme are likely to result in some modification of their plans. With dairy and poultry products bringing unusually good returns in relation to the cost of feed, and with mainly favorable weather conditions in March, both milk production per cow, and egg production per hen, showed the largest increases during that month than appear in the 12-year record. Stocks of wheat on farms are unusually low, but reserves of feed grains are somewhat greater than average at this season, though not excessive.

Flood conditions of more or less severity occurred in the valleys of the Ohio and Wabash Rivers. The rise of the Mississippi River and some of its tributaries south of the Ohio River caused overflows and damage in Arkansas, Mississippi, Tennessee and Kentucky, but in this general area to the middle of April, major flood conditions were absent.

Winter Wheat—In its report as of April 1, the U. S. Department of Agriculture estimates production of winter wheat in states including the Eighth District at 88,033,000 bushels, which compares with 86,251,000 bushels harvested in 1935, and the 5-year (1928-1932) average of 82,742,000 bushels. Combination of the extremely cold winter, Hessian fly infestation, smothering in low spots due to ice covering and chinch bugs has resulted in a very spotted condition of the crop, and abandonment is expected to be the heaviest since 1917. Over scattered areas growth has been retarded by dry weather in March and occasional cold spells in that month and early April. Stocks of wheat on farms in these states are estimated at only 8,288,000 bushels as against 12,365,000 bushels on April 1, 1935, and the 5-year average of 10,828,000 bushels.

Corn—In states of this district, intentions of farmers are to plant somewhat larger acreages of corn than a year ago, but less than the 1928-1932 average. Almost universally the condition of seed

corn is the worst in a number of years, and farmers are being urged to carefully test all grain before planting. Stocks of corn on farms in these states are estimated by the U. S. Department of Agriculture in its April 1 report at 257,185,000 bushels, as against 160,555,000 bushels on the same date in 1935, and the 5-year average of 274,168,000 bushels.

Fruits and Vegetables — Peach prospects were further reduced by the freezes at the end of March and early April. In many important producing areas, particularly in Illinois and Missouri, the injury amounts to a virtual failure of the present year's crop. In addition, reports from many sections indicate that trees were killed and are being grubbed out by orchardists. Buds of apples, cherries and other tree fruits sustained considerable damage, and while it is too early to estimate the extent of the injury, it is expected that crops will be considerably reduced. The low temperatures also wrought much damage to early truck gardens, necessitating extensive replanting. Strawberries are believed to have come through the winter in fairly good shape. The condition of the early potato crop as of April 1 in 10 southern states averaged 76.3 per cent of normal, about the same as a year ago and 1.2 points below the 9-year (1924-1932) average of 77.5 per cent on the same date.

Live Stock — Increases in wholesale prices of dressed meats, which resulted in higher quotations on most grades of livestock, featured the general livestock situation in this area during March and early April. The movement to market of all species other than sheep and lambs in March was in excess of a month and a year earlier. The late season is reflected in later than usual marketing of lambs. Complaints of mortality among the early lamb crop as a result of the April freezes have been received from some sections. As a rule feed supplies are adequate, though not as a whole excessive. Pasture growth has been backward, particularly in the northern tiers of the district, but in the immediate past rains and warmer weather have served to materially help the situation.

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

	Receipts			Shipments		
	Mar., 1936	Feb., 1936	Mar., 1935	Mar., 1936	Feb., 1936	Mar., 1935
Cattle and Calves.....	91,949	91,128	84,619	53,760	45,356	46,221
Hogs	205,604	198,749	190,808	132,413	139,997	107,711
Horses and Mules.....	9,806	4,727	8,666	8,843	4,703	7,704
Sheep	26,559	37,011	54,480	5,048	11,217	5,446
Totals.....	333,918	331,615	338,573	200,064	201,273	167,082

Cotton—Until the second week of April, weather conditions were unfavorable for preparations for the new crop in this general area. However, exten-

sive work had been done before the cold weather, and according to reports from Arkansas, Mississippi and Southern Missouri, preparations are somewhat ahead of the seasonal schedule. In the northern two-thirds of the district, seeding does not become general before mid-April, so that weather conditions during the last half of the month will largely determine the timeliness of the start of the major portion of the crop. Continued heavy sales of fertilizer tags indicate that this year's crop will be extensively fertilized. In states of the Eighth District fertilizer tag sales in March, according to the National Fertilizer Association, were about one-fourth larger than a year ago, and for the period January-March the total was 11.8 per cent and 21.5 per cent greater, respectively, than a year and two years earlier. Prices of cotton fluctuated considerably during the past thirty days. In the St. Louis market the middling grade ranged from 10.75c to 11.50c per pound between March 17 and April 15, closing at 10.95c on the latest date, which compares with 11.50c on March 16 and 11.65c on April 15, 1935. Combined receipts at Arkansas and Missouri compresses from August 1, 1935, to April 10, 1936, totaled 985,750 bales, against 938,863 bales during the like interval a year earlier. Stocks on hand as of April 10 totaled 416,438 bales, against 455,888 bales on March 13, and 579,316 bales on the corresponding April date in 1935.

Tobacco — Official figures of the 1935 burley tobacco crop indicate that 238,620,295 pounds were sold at an average of \$19.05 per cwt., which compares with 257,086,324 pounds for the 1934 crop at an average of \$16.94. In the Green River and Stemming districts, approximately 10,000,000 pounds were sold at a general average of \$7.00 per cwt. In the dark fired districts of Kentucky and Tennessee, it was reported as of April 1, that about 36,000,000 pounds had been sold on the Eastern District markets at an average of \$8.84 per cwt., and about 9,500,000 pounds in the Western District markets at an average of \$6.58 per cwt. The Western District markets closed on April 10.

Deliveries to the Clarksville and Springfield markets continue and prices for district types, both light and dark are firm, especially for the better grades. According to reports of the Growers' Co-operative Association, the dark fired districts have disposed of about 15,000,000 pounds of their holdings to domestic nicotine manufacturers.

Owing to the wet season the progress of preparations for the new crop has been retarded, and indications are that setting of tobacco plants will be about three weeks late, the usual time for setting

being about May 10. Early April conditions were unfavorable for plant beds because of excessive precipitation and freezing temperatures. Withal, according to latest reports, the plants have not been seriously damaged, though their development has been backward.

COMMODITY PRICES

Range of prices in the St. Louis market between March 17, 1936, and April 15, 1936, with closing quotations on the later date and on April 15, 1935, follows:

	High	Low	Close	
			April 15, 1936	April 15, 1935
Wheat				
May .....per bu..	\$1.02½	\$.97¾	\$ 1.01¾	\$.98¾
*July .....	.93¾	.87¾	.93¾	.97¾
*Sept. ....	.92	.84½	.92	.98¾
*No. 2 red winter ..	1.06	1.01½	1.06	.99½ @ 1.00
*No. 2 hard ..	1.07	1.03	1.06	1.07¾
Corn				
May .....	.61¾	.58½	.61¾	.90¾
*July .....	.61½	.59½	.61¾	.84½
*Sept. ....	.61½	.59	.60¾	.80¾
*No. 2 mixed .....	.66	.61½	.65½	.92½
*No. 2 white .....	.68¾	.64¾	.65¾	.95½
Oats				
May .....	.27	.25¾	.27	.49½
*No. 2 white .....	.31½	.25¾	.28½	.54
Flour				
Soft patent.....per bbl.	6.00	5.00	5.00 @ 5.70	5.95 @ 6.45
Spring	7.15	6.65	6.80 @ 6.65	7.60 @ 7.75
Middling Cotton...per lb.	.1150	.1075	.1095	.1165
Hogs on hoof.....per cwt.	11.00	6.00	11.00 @ 10.75	5.00 @ 9.00

*Nominal quotations.

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in March as being about 2.9 per cent in excess of February, and 5.6 per cent greater than in March, 1935. Detailed figures follow:

	No. of Customers	Mar., 1936		Mar. 1936 comp. with Feb. 1936	Mar., 1935	
		*K.W.H.	*K.W.H.		*K.W.H.	Mar. 1935 comp. with Mar. 1935
Evansville	40	2,937	2,992	- 1.8%	2,975	- 1.3%
Little Rock... ..	35	1,511	1,414	+ 6.9	1,370	+10.3
Louisville	82	7,473	8,188	-10.0	7,349**	+ 1.7
Memphis	31	1,802	2,076	-13.2	1,829	- 1.5
Pine Bluff... ..	20	785	758	+ 3.6	504	+55.6
St. Louis.....	197	18,396	16,553**	+11.1	17,122**	+ 7.4
Totals.....	405	32,904	31,981**	+ 2.9	31,149**	+ 5.6

*In thousands (000 omitted).

**Revised figures.

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 87,029 loads in March, which compares with 82,007 in February and 75,939 loads in March, 1935. During the first nine days of April the interchange amounted to 25,444 loads, against 24,700 loads during the corresponding period in March and 21,720 loads during the first nine days of April, 1935. Passenger traffic of the reporting roads in March was 4 per cent greater in volume of revenue and 11.5 per cent in passengers carried, than during the same month in 1935. For the country as a whole, loadings of revenue freight for the first 14 weeks

this year, or to April 4, totaled 8,521,081 cars, against 8,050,374 cars for the comparable period in 1935 and 8,124,238 cars in 1934. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 141,100 tons, the highest since last November, and comparing with 102,363 tons in February and 108,468 tons in March, 1935.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in March was 96.8 per cent larger than in February and 1.1 per cent smaller than the March, 1935, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March amounted to \$14,007,051 which compares with \$7,729,827 in February, and \$8,587,110 in March, 1935. Building figures for March, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1936	1935	1936	1935	1936	1935	1936	1935
Evansville ..	48	41	\$ 53	\$ 45	113	78	\$ 38	\$ 27
Little Rock 30	24	24	44	22	92	125	24	32
Louisville ..	93	52	190	173	97	96	60	35
Memphis ...	205	146	272	670	167	193	136	91
St. Louis....	356	243	780	455	236	242	264	167
Mar. Totals	732	506	1,339	1,365	705	734	522	352
Feb.	191	369	682	510	338	475	208	301
Jan.	201	243	742	784	395	569	272	267

*In thousands.

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 4.8 per cent in combined postal receipts for the first three months this year over the corresponding period in 1935 and a decrease of 10.5 per cent over the final quarter of 1935. Detailed figures follow:

	For Quarter Ended				Mar. 1936 comp. with Mar. 1935
	Mar. 31, 1936	Dec. 31, 1935	Sept. 30, 1935	Mar. 31, 1935	
Evansville	\$ 163,050	\$ 159,162	\$ 135,476	\$ 143,020	+14.0%
Little Rock.....	195,931	189,016	176,788	186,668	+ 4.9
Louisville	684,432	745,353	631,488	648,588	+ 5.5
Memphis	557,012	649,085	481,232	535,118	+ 4.1
St. Louis.....	2,457,735	2,791,218	2,214,149	2,357,124	+ 4.3
Totals.....	4,058,160	4,533,834	3,639,133	3,870,518	+ 4.8

LIFE INSURANCE

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

(In thousands of dollars)	Mar., 1936	Feb., 1936	Mar., 1935	Jan.-Mar., 1936	Inc., 1935	Cumul. change
Arkansas.....	\$ 2,427	\$ 2,299	\$ 2,418	\$ 7,147	\$ 8,442	-15.3%
Illinois.....	41,619	38,632	45,829	121,335	145,050	-16.3
Indiana.....	11,112	9,492	11,258	30,723	35,457	-13.4
Kentucky.....	5,299	4,355	5,895	14,818	17,351	-14.6
Mississippi.....	2,328	1,936	2,466	6,342	6,893	- 8.0
Missouri.....	15,475	12,966	16,718	42,561	50,908	-16.4
Tennessee.....	5,300	4,858	5,390	15,014	18,100	-17.0
Totals.....	83,560	74,538	89,974	237,940	282,201	-15.7
United States...	525,043	460,463	545,450	1,464,524	1,724,568	-15.1

MONEY AND BANKING

Eighth District banking and financial developments during the past thirty days included moderate expansion in demand for credit, a slight increase in gross deposits of commercial banks in the large cities and a further upward movement in investments of these institutions. Country banks in many localities, but particularly in the south, have reduced their balances with city correspondents, in order to accommodate agricultural customers. Agricultural requirements generally, however, continue to reflect the late season. Liquidation of loans by mercantile interests was in considerable volume, especially in lines with which April is an important collection month. About the average seasonal reduction in commitments by grain handling and flour milling interests was noted. Demand for funds for conditioning livestock for market continues in fair volume.

Member Banks—Total loans and investments of reporting member banks in the principal cities increased 1.9 per cent between March 18 and April 15, and on the latter date were 9.4 per cent greater than a year ago. Gross deposits of these banks declined sharply in the week ended March 18, reflecting Government financing operations, but turned upward again in the second week of April and at the end of the four-week period were 9 per cent and 13.4 per cent greater, respectively, than a month and a year earlier. Reserve balances showed little change during the period, but continued substantially larger than a year ago.

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)	Apr. 15, 1936	Mar. 18, 1936	Apr. 17, 1935
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations, and other stocks and bonds.....	\$ 68,866	\$ 66,305	\$ 62,687
All other loans and discounts.....	164,079	162,171	159,992
Total loans and discounts.....	232,945	228,476	222,679
Investments:			
U. S. Gov't securities.....	244,596	237,006	223,354
Other securities.....	155,606	155,873	132,697
Total investments.....	400,202	392,879	356,051
Demand deposits.....	663,851	657,092	569,255
Time deposits.....	179,697	178,953	174,872
Gross deposits.....	843,548	836,045	744,127
Reserve balances with F. R. Bank.....	95,994	95,676	80,567
Cash in vault.....	10,718	10,729	9,379
Bills payable and rediscounts with Federal Reserve Bank.....			
Number of banks reporting.....	24	24	24

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

The aggregate amount of savings deposits held by selected banks as of April 1, were slightly higher than on March 4, and 5.1 per cent in excess of the total on April 3, 1935.

There was no appreciable change in interest rates as contrasted with the past several months. At downtown St. Louis banks rates charged as of the week ended April 15 were as follows: Customers prime commercial paper 1½ to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 1½ to 5¾ 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)	Apr. 17, 1936	Mar. 17, 1936	Apr. 17, 1935
Industrial advances under Sec. 13b.....	\$ 512	\$ 504	\$ 543
Other advances and rediscounts.....	15	21	16
Bills bought (including participations).....	87	87	99
U. S. securities.....	123,200	123,200	108,200
Total earning assets.....	123,814	123,812	108,858
Total reserves	229,074	226,293	181,707
Total deposits	183,575	180,858	142,657
F. R. Notes in circulation.....	162,486	162,661	140,461
Industrial commitments under Sec. 13b	1,966	1,950	1,487
Ratio of reserve to deposit and F. R. Note liabilities.....	66.2%	65.9%	64.2%

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)	Mar., 1936	Feb., 1936	Mar., 1935	Mar. 1936 comp. with Feb. 1936	Mar. 1935
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 26,990	\$ 26,522	\$ 23,698	+ 1.8%	+13.9%
El Dorado, Ark.....	3,729	3,396	3,709	+ 9.8	+ 0.5
Evansville, Ind.....	26,194	22,633	19,180	+15.7	+36.5
Fort Smith, Ark.....	10,368	9,034	8,361	+14.8	+24.0
Greenville, Miss.....	3,812	3,443	4,044	+10.7	— 5.7
Helena, Ark.....	1,271	1,096	1,474	+16.0	—13.8
Little Rock, Ark.....	35,390	28,066	28,423	+26.1	+24.5
Louisville, Ky.....	149,614	139,026	139,467	+ 7.6	+ 7.3
Memphis, Tenn.....	101,713	95,151	100,643	+ 6.9	+ 1.1
Owensboro, Ky.....	5,076	4,195	4,532	+21.0	+12.0
Pine Bluff, Ark.....	6,960	5,549	5,886	+25.4	+18.2
Quincy, Ill.....	7,070	5,610	5,641	+26.0	+25.3
St. Louis, Mo.....	532,050	486,017	497,981	+ 9.5	+ 6.8
Sedalia, Mo.....	1,893	1,854	1,756	+ 2.1	+ 7.8
Springfield, Mo.....	13,340	11,651	11,610	+14.5	+14.9
*Texarkana, Ark.....	6,094	5,658	4,700	+ 7.7	+29.7
Totals.....	931,564	848,901	861,105	+ 9.7	+ 8.2

*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

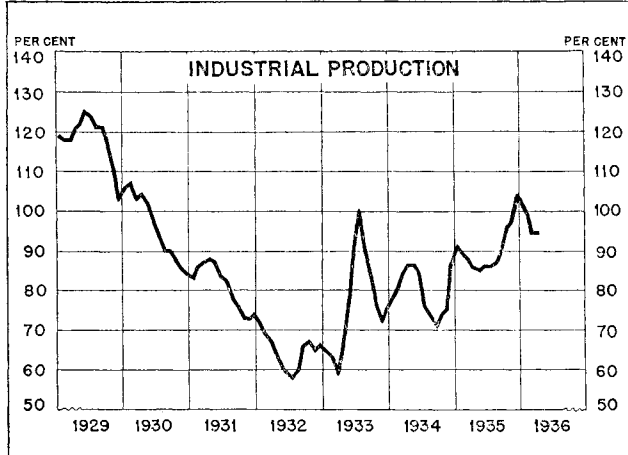
Production and employment at factories increased from February to March, while output of minerals declined. There was considerable expansion in retail trade.

Production and Employment—The Board's combined index of industrial production, which includes both manufacturing and mining and makes allowance for seasonal changes, remained unchanged in March at the February figure of 94 per cent of the 1923-1925 average. Production of automobiles rose sharply in March to a total of 425,000 passenger cars and trucks and continued to increase during April. There was a seasonal increase in output of steel in March, followed in the first three weeks of

publicly-owned projects continued considerably smaller than in December and January, when the dollar volume of such contracts was relatively high.

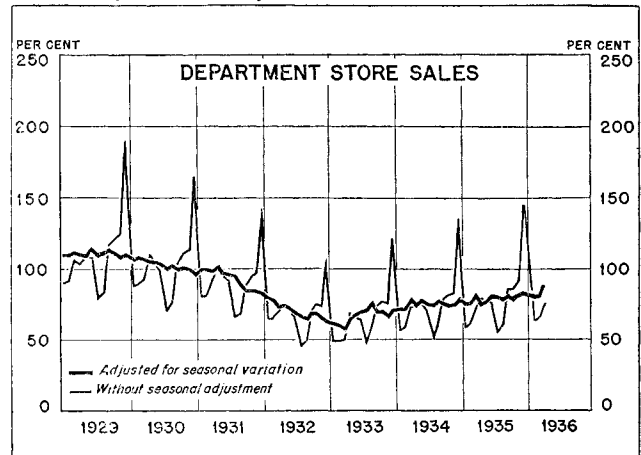
Distribution—Retail trade, which had been reduced in January and February by unusually severe weather, increased considerably in March. Sales at department and variety stores and by mail order houses serving rural areas showed a more than seasonal increase. The number of new automobiles sold was also larger than in February.

Freight-car loadings of most classes of commodities increased from February to March by more than the usual seasonal amount.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January, 1929 through March, 1936. Latest figure, preliminary 94.

April by a rapid rise in activity. Estimates of the rate of production in that period averaged around 67 per cent of capacity as compared with the rate of 59 per cent reported for March. Production of cement and lumber increased more than seasonally from February to March; activity at meat packing establishments and at silk mills also increased, although a decline is usual in these industries at this time of the year. There was little change in output at cotton textile mills, while at woolen mills activity decreased by more than the usual amount. Production of anthracite and bituminous coal showed a substantial reduction from the relatively high level of February and this decrease accounted for the decline in total output at mines.

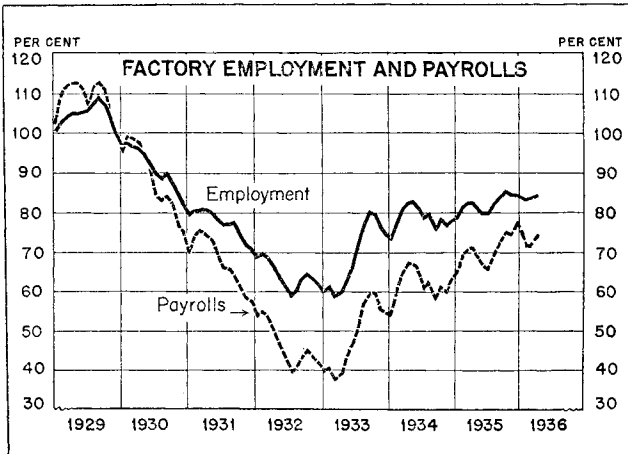


Indexes of value of sales, 1923-1925 average=100. By months, January, 1929 through March, 1936. Latest figures, March, preliminary adjusted 88, unadjusted 78.

Total loadings declined somewhat from the relatively high level of the three preceding months, however, reflecting a sharp reduction in shipments of coal.

Commodity Prices—The general level of wholesale commodity prices, which had declined somewhat between the third week of February and the middle of March, showed relatively little change in the following four weeks. Retail prices of foods declined during March.

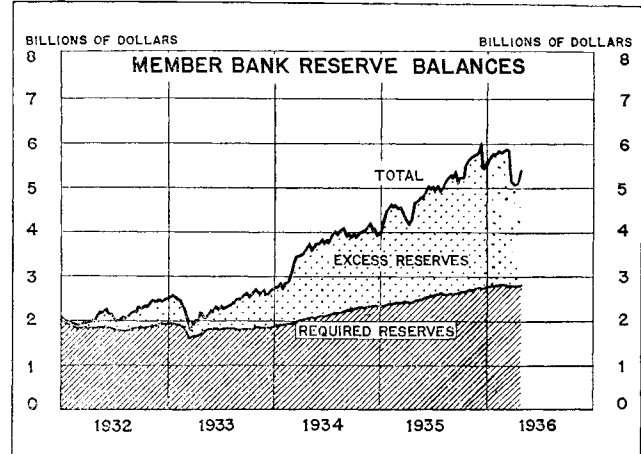
Bank Credit—Excess reserves of member banks, after declining sharply in the last half of March, increased by about \$300,000,000 in the first three weeks of April to a total of \$2,640,000,000.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average=100. By months, January, 1929 through March, 1936. Latest figures, March, preliminary, factory employment 84.2, factory payrolls 75.7.

Factory employment increased by more than the usual seasonal amount from the middle of February to the middle of March, and payrolls showed a larger increase. Employment increased in the machinery industries, at saw mills, and at establishments producing wearing apparel. There was a decrease in the number of workers at plants producing rubber tires and tubes, where a strike was in progress in the middle of March. At automobile factories the number employed declined slightly, while payrolls showed a considerable increase.

The value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, showed a seasonal increase from February to March. Awards for residential building increased seasonally and contracts for other private construction advanced to the highest point since 1931. Value of awards for



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required and excess reserves, January 6, 1932, through April 15, 1936.

This increase, like the preceding decline, was due chiefly to operations of the Treasury. After the middle of March Treasury balances at the Federal Reserve banks were built up through the collection of taxes and receipts from the sale of new securities; in April these balances were drawn upon to meet expenditures. Partly as a result of these expenditures, deposits at reporting member banks in leading cities, which had declined in March, increased in the first half of April, when total loans and investments of these banks also increased. From February 26, to April 15, total loans and investments of reporting member banks showed an increase of about \$800,000,000, reflecting increases of \$380,000,000 on investments, of \$180,000,000 in loans to brokers and dealers in securities, and of \$240,000,000 in so-called "other" loans, which include loans for commercial, industrial, and agricultural purposes.