



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF MAY 29, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

Volume of Major Operations of Federal Reserve Bank of St. Louis

<i>During Year 1935</i>	<i>Pieces Handled</i>	<i>Aggregate Amounts</i>
Checks (cash items) handled.....	49,274,000	\$10,693,371,000
Collections (noncash) handled:		
U. S. Govt. coupons paid.....	1,384,000	21,300,000
Other collection items.....	363,000	456,378,000
Transfers of funds.....	59,000	2,957,092,000
Paper currency received and counted.....	114,755,000	435,460,000
Coin received and counted.....	107,870,000	12,126,000
Federal Reserve notes issued by Federal Reserve Agt. to bank	8,390,675	93,050,000
Rediscounts, advances and commitments.....	242	6,674,000
New issues, redemptions, and exchanges, as fiscal agent:		
U. S. obligations, for Treasury	467,000	752,267,000
Other securities, for Farm Credit Admn. and H.O.L.C.	188,000	124,191,000
Collateral to Government de- posits received for custody....	6,000	82,967,000
Coupons clipped from securities in custody	166,000	

(Above from Annual Report of the bank)

District Summary

FAVORABLE trends have continued in trade and industry in the Eighth Federal Reserve District. In a number of manufacturing lines, recent gains were carried further forward. Retail trade as a whole developed improvement over a month and a year earlier. These results were achieved in face of very unfavorable weather conditions in early April, which had the effect of retarding distribution of all descriptions of apparel and certain other seasonal commodities. Wholesale and jobbing trade in April, according to interests reporting to this bank, decreased in volume from March to April, and total sales of all lines investigated were below those of April a year ago. The major part of the decline was encountered early in the month, betterment during the final ten days or two weeks failing to offset the smaller volume during the first half of the period. Responding to more favorable weather

since May 1, the principle wholesale classifications report a notable pickup in orders for both prompt and future shipment, combined volume indicating an increase of approximately 10 per cent over the comparable interval in 1935.

Operations at steel mills, foundries and other ferrous metal working plants were well maintained. Output of farm implement, tractor, stove and household appliances, tool and some other specialty makers continued at the high rate which has been in effect since last winter. Production and sales of lumber, fire clay products and other building materials reflected the further expansion in construction activities. Employment as a whole, but particularly in the building trades and on farms, increased during April, and was measurably greater than a year ago. Utilities companies in the principle cities reported increases in use of electric power by industrial customers over a month and a year earlier. There was a slight decrease from March to April in production of bituminous coal in fields of the district, but the tonnage lifted was considerably greater than in April, 1935. Sales of automobiles, in April, according to dealers reporting to this bank, exceeded those of a month and a year earlier by a substantial margin, and the improvement continued in the first half of May.

Weather during April and early May was too dry for the best results to agriculture, but it permitted of rapid progress in preparation for and planting of spring crops. Winter wheat deteriorated during the month, and indications as of May 1, were for a smaller yield in states of this district than a year ago, but larger than the 5-year (1928-1932) average. Owing to the unusually cold winter and more particularly to early April freezes, tree fruit crops will be below average; gardens and commercial truck crops are late. The condition of live-stock generally as of mid-May was reported as being satisfactory. Prices of farm products underwent little change as contrasted with the preceding thirty days.

Retail trade in April, as reflected in sales of department stores in the principal cities was 5.8 per cent and 15.5 per cent greater, respectively, than a month and a year earlier and for the first four months this year the cumulative total was 9.6 per cent in excess of that for the comparable period in 1935. Combined sales of all wholesaling and jobbing firms reporting to this bank in April showed a decrease of 10.4 per cent under the preceding month and of 5.0 per cent below April a year ago; for the first four months the aggregate was 2.3 per cent less than for the same period in 1935. The dollar value of permits for new construction in the five cities of the district in April was 80.7 per cent greater than in March and 152.9 per cent larger than for the same month in 1935; cumulative total for the first four months this year was 34.6 per cent larger than for the same interval in 1935. The dollar value of construction contracts let in the Eighth District in April was 19.6 per cent greater than in March, and 92.8 per cent more than in April last year.

Debits to checking accounts in the principle cities of the district in April were 2.6 per cent less than in March, but 8.8 per cent greater than in April, 1935; for the first four months this year the cumulative total was 13 per cent greater than for the comparable period a year ago.

The volume of freight traffic handled by railroads operating in this district, according to officials of the reporting lines, showed considerably more than the usual seasonal increase during April and the first two weeks of May. For the first four months this year aggregate volume was the highest for any similar period since 1931. The movement of livestock continued below a year ago, but with that exception and a small decline in merchandise L.C.L., all classifications of freight recorded substantial increases. Passenger traffic continued the betterment noted in recent months and was well above a year ago, which fact is ascribed partly to reduced fares and greatly improved facilities and service. Tonnage handled by the Federal Barge Line in April between St. Louis and New Orleans was 33 per cent and 22 per cent greater, respectively, than a month and a year earlier.

The general status of collections during April and the first half of May showed little change from the favorable record of recent months. Wholesaling and jobbing interests in the chief distributing centers with which April is an important settlement month, reported returns as comparing favorably with a year ago. Questionnaires addressed to representative interests in the several lines distributed

through the district show the following results:

	<u>Excellent</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
April, 1936.....	2.7%	53.4%	42.5%	1.4%
March, 1936.....	2.9	44.2	48.6	4.3
April, 1935.....	2.3	36.8	55.2	5.7

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 25 and involved liabilities of \$296,000, which compares with 41 defaults with liabilities of \$511,000 in March and 42 insolvencies for a total of \$471,000 (revised figures) in April, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	April, 1936 compared with		4 months 1936 comp. with same period 1935	Apr. 30, 1936 comp. with Apr. 30, 1935
	Mar. '36	Apr. '35		
Boots and Shoes.....	-14.9%	-18.7%	-11.8%	+21.6%
Drugs and Chemicals..	0.7	+14.1	+13.9	+11.8
Dry Goods.....	-14.1	+2.7	+1.1	-7.3
Electrical Supplies.....	2.5	+5.7	+13.3	+14.2
Furniture.....	1.5	+14.7	+17.1	+1.0
Groceries.....	0.8	+1.6	+1.4	-13.5
Hardware.....	-7.3	+3.6	+3.8	+5.5
All above lines.....	-10.4	-5.0	-2.3	+1.8

Automobiles — Combined passenger car, truck and taxicab production in the United States in April was 502,775 against 424,571 in March, and 477,691 in April, 1935.

Boots and Shoes — April results were disappointing, owing chiefly to the unseasonably cold weather prevailing during the early part of that month. The decrease in sales from March to April, shown in the above table was seasonal in character, but considerably larger than usual. The decline shown in the comparison with last year was partly attributable to the difference in Easter dates. There was a slight easing in raw material prices, but no change in finished products as compared with thirty days earlier.

Clothing — Sales of the reporting firms in April were about one-fifth smaller than in March, but 11 per cent in excess of the April total a year ago. Inventories declined 7 per cent between April 1 and May 1, and on the latest date were 15 per cent greater than a year earlier. The late spring and prevalence of cold weather had the effect of retarding the movement of seasonal apparel through retail channels. Since May 1, there has been a decided quickening in ordering of women's and children's clothing for late summer and fall distribution. Moderate price increases on certain lines of men's clothing was reported.

Drugs and Chemicals — An outstanding feature in the continued increase in sales in this classification over a year ago was the heavy demand for heavy

drugs and chemicals from the general manufacturing trade. Improvement as contrasted with a year ago was also noted in sales of insecticides, fertilizers and kindred lines. In anticipation of heavy late summer requirements, the reporting firms have been increasing their inventories, stocks on hand as of May 1, being approximately 12 per cent greater than on the same date in 1935.

Dry Goods — Unfavorable weather and price uncertainty with reference to certain lines were mainly responsible for the decrease of 14.1 per cent in April sales of the reporting interests under the preceding month. The increase of 2.7 per cent over a year ago was fairly well spread over all lines, but most pronounced in women's ready-to-wear garments, men's shirts and light underwear. Inventories as of May 1 were smaller than a year ago. Since the first day of May ordering for both prompt and future shipments has developed noticeable improvement, the aggregate volume running close to 10 per cent ahead of the same period a year ago.

Electrical Supplies — A contraseasonal decline in sales of the reporting firms took place from March to April, attributed to backwardness in the movement of fans and other seasonal commodities. Demand for radio material continued brisk and requirements generally for household appliances remained at the high levels of recent months. Sales during the first four months this year have been substantially assisted by the broader outlet through the building industry.

Furniture — For the seventeenth successive month, April sales of the reporting furniture interests recorded an increase over the corresponding month a year earlier. Heavier sales were general through all lines, but as has been the case since last fall, increases were most pronounced in household furniture and furnishings, reflecting the expansion in residential construction, repairing and reequipping of homes.

Flour — Production at the twelve leading mills of the district in April totaled 166,969 barrels, which compares with 193,485 barrels in March, and 200,569 barrels in April, 1935. Demand from practically all classes of buyers continued on a necessity basis, with little disposition to invest or speculate in futures. Export trade was extremely quiet. Prices followed closely changes in the spot wheat market, and averaged slightly lower than during the preceding thirty days. Wheat stocks held by mills in states of this district are the smallest in a number of years, the total on April 1, being 12 per cent and 32 per

cent smaller, respectively, than a year and two years earlier.

Groceries — A slight decline in sales of the reporting firms in this classification took place from March to April, but the total was in excess of that of April, 1935. Demand in the rural areas centered chiefly in staples, as is usual at this season. Backwardness of the shipping season for early fruits and vegetables had a stimulating effect on canned goods. Prices averaged about steady with the preceding thirty days.

Hardware — April business of the reporting firms fell below the volume of the preceding month, but continued ahead of the same month a year ago. Price changes were reported negligible, and collections good. Sales of building items were the largest for the month since 1931.

Iron and Steel Products — Following three months of steady expansion, operations in the iron and steel industries as a whole in this general area increased further during April and the first half of May. Improvement extended to practically all sections of the industry, but was outstanding in the case of specialty manufacturers, notably stoves and heating apparatus, farm implements, household appliances and certain descriptions of machinery. Increased orders for steel castings from the railroads and other consuming groups was reflected in a higher rate of activities at steel mills than since the spring of 1930. Mills producing ingots also stepped up their schedules and in early May production was at the highest rate this year. The melt of pig iron in April was about on a parity with the preceding month, but measurably greater than a year ago. Shipments of pig iron to melters continued heavy, but new purchasing fell below the high levels of recent months. Producers and distributors of finished steel, including sheets, plates, bars, rods, etc., for the most part reported specifications in sufficient volume to balance heavy current shipments. Noticeable improvement in demand for galvanized material from the rural areas and general manufacturing trade was reported. The season to date for tin plate has been the most satisfactory experienced in a number of years. Jobbing foundries reported a substantial accretion to orders booked, with miscellaneous demands predominating. Commodities for distribution in the farming areas, such as wire and wire products, roofing, machine shop supplies and repair materials are moving in considerable volume. Outlet through the building industry showed about the usual seasonal expansion, lack of public works projects being offset by private

construction work. Jobbing and warehouse interests report April sales volume the largest for the month since 1931, with the early May movement slightly bettering the average daily rate in April. The trend of prices of both raw and finished materials was steady, an exception being iron and steel scrap, which declined rather sharply in early May from the high levels prevailing in March and April. For the country as a whole, production of pig iron in April, according to the magazine "Steel", totaled 2,410,080 tons, against 2,046,121 tons in March, and 1,671,556 tons in April, 1935. Production of steel ingots in the United States in April amounted to 3,942,254 tons, which compares with 3,342,619 tons in March, and 2,640,602 tons in April, 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
	Apr. 1936 compared with Mar. 1936	4 mos. 1936 compared with Apr. 1935	4 mos. 1936 to same period '35	Apr. 30, '36 comp. with Apr. 30, '35	Jan. 1, to Apr. 30, 1936
El Dorado, Ark.....	+ 6.7%	+ 1.4%	- 4.6%	- 6.0%	.85
Fort Smith, Ark.....	+ 1.7	+ 20.9	+ 14.1	+ 13.2	.81
Little Rock, Ark.....	+ 6.8	+ 13.2	+ 15.6	- 7.6	.90
Louisville, Ky.....	+ 6.3	+ 13.0	+ 10.7	- 1.3	1.35
Memphis, Tenn.....	+ 4.2	+ 6.0	+ 7.4	- 1.1	1.02
St. Louis, Mo.....	+ 6.1	+ 19.0	+ 9.3	+ 0.2	1.35
All Other Cities.....	+ 4.1	+ 8.0	+ 10.8	+ 4.7	.95
8th F. R. District.....	+ 5.8	+ 15.5	+ 9.6	- 0.8	1.23

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

El Dorado, Ark.....	47.6%	Memphis, Tenn.....	41.9%
Fort Smith, Ark.....	37.2	St. Louis, Mo.....	55.6
Little Rock, Ark.....	36.3	All Other Cities.....	42.9
Louisville, Ky.....	45.9	8th F. R. District.....	49.4

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

	Net Sales			Stock on Hand	Stock Turnover
	Apr. 1936 compared with Mar. 1936	4 mos. 1936 compared with Apr. 1935	4 mos. 1936 to same period '35	Apr. 30, '36 comp. with Apr. 30, '35	Jan. 1, to Apr. 30, 1936
Men's Furnishings.....	+ 28.2%	+ 5.0%	+ 9.4%	+ 7.0%	.82
Boots and Shoes.....	+ 26.9	+ 5.0	+ 8.2	- 2.4	2.03

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

Men's Furnishings.....	34.6%	Boots and Shoes.....	40.2%
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MINING

Soft coal production in fields of the Eighth District during April decreased about the expected seasonal amount from March, but the April total was approximately 41 per cent greater than for the same month a year ago, and cumulative total for the first four months this year was greater by 9 per cent than for the comparable period in 1935. In Illinois 141 mines were in operation during April, and 3,023,452 tons were lifted, which compares with 3,733,144 tons in March, and 1,904,470 tons in April,

1935. The shipping season on the Great Lakes was later in opening than usual, and a heavy movement of coal to upper lake ports is anticipated because of reduced stocks occasioned by the long and severe winter. For the country as a whole production of bituminous coal in April was estimated by the U. S. Bureau of Mines at 30,350,000 tons, against 31,233,000 tons in March, and 21,970,000 tons in April, 1935. For the calendar year to the end of April, the output was 142,288,000 tons, against 132,257,000 tons for the corresponding period in 1935. Production of lead and zinc at Tri-State mines continued around the recent high levels, and for the country as a whole, April output of zinc totaled 43,252 tons, against 42,483 tons in March, and 35,329 tons in April, 1935.

AGRICULTURE

Chiefly as a result of inadequate rainfall and unseasonably low temperatures during the early part of the month, Eighth District crop prospects declined during April, according to the U. S. Department of Agriculture and the agricultural departments of the several states. However, the dry, clear weather was favorable for field work, and general planting of spring crops at mid-May was well along toward completion. Seed bed preparation for row crops generally has been one of the best on record, and for the most part subsoil conditions are reported good. Since the first day of May there has been very marked improvement in conditions, owing principally to warmer weather and fairly general precipitation. Corn planting has made rapid progress, and the early seeded fields are up to good stands. Under the more seasonable weather, pastures have undergone considerable betterment after the late start of the early spring. Farm labor requirements showed somewhat greater than the average seasonal increase of the past several years. More family labor is being used and a larger number of hired workers were employed than a month ago or in May, 1935. Prices of farm products were well sustained, that group of commodities in the index of the Bureau of Labor Statistics standing at 77.1 per cent of the 1926 average on May 2, as against 76.3 per cent on April 4, and 81.1 per cent on May 4, 1935. According to producers and distributors of farm implements, county agents and country bankers, replacement of farm equipment this season has been on a larger scale than in a number of years. For the country as a whole, present prospects point to a light crop of winter wheat, the fifth light crop in succession, to nearly an average crop of rye, to a hay crop which has had an unfavorable start but which still has an opportunity to recover.

Corn — Planting of corn generally through the district has been pushed forward rapidly under favorable weather conditions, and even in the most northern stretches the work had been practically completed at mid-May. In many sections the crop is reported up to a good stand, and May rains have materially assisted germination and growth. Universally fields are clean, and more intensively cultivated than has been the case in late years. The quality of seed corn is below the usual standard.

Cotton — Under very favorable weather conditions since the middle of April preparations for and planting of the new cotton crop have made rapid forward strides. With the exception of a few localities, seeding had been virtually completed at mid-May, which is somewhat ahead of the average schedule. In the southern two-thirds of the district the crop is up to a good start, and generally the recent high temperatures and scattered rainfall have materially assisted germination and growth. Fields are universally clean and well prepared, and reports from a number of important growing areas indicate that there has been a marked improvement in the variety of seeds used for planting. Chopping has made good progress in Arkansas and Mississippi. Unofficial reports relative to acreage still vary rather broadly, but all agree that there will be a substantial increase over last year, possibly as high as 15 per cent. Despite the increased use of tractors, it is estimated that the replacement of mules and horses in this area will be the largest in a number of years. In states of this district, according to the National Fertilizer Association, sales of fertilizer tags for the period January-April were 10.6 per cent and 30.2 per cent larger, respectively, than for the comparable periods a year and two years earlier. Prices of spot cotton fluctuated over a narrow range. In the St. Louis market the middling grade ranged from 10.75c to 11.05c per pound between April 16, and May 15, closing at 11.00c on the latest date, which compares with 10.95c on April 15, and 12.00c on May 15, 1935. Combined receipts at Arkansas and Missouri compresses from August 1, 1935, to May 1, 1936, totaled 1,005,137 bales, against 943,303 bales, for the corresponding period a year earlier. Stocks on hand as of May 1, were 396,140 bales against 662,038 bales on the like date in 1935.

Fruits and Vegetables — Indications are for generally small fruit yields in states of this district. Serious damage to tree fruits, notably peaches and apples, resulted from the early April freezes. The combined peach crop of Arkansas and Mississippi, based on the May 1 condition, is estimated at 1,117,-

000 bushels, against 1,840,000 bushels last year and the 5-year (1928-1932) average of 2,080,000 bushels. In the more northern states prospects are even less favorable than in Arkansas and Mississippi. The movement of strawberries from the southern states was under way, and while yields are smaller than a year ago, higher prices will equalize returns of growers. Truck gardens are generally late, due to cold weather earlier in the season, but prospects have been considerably improved by more favorable conditions since the first of May.

Live Stock — During April the wholesale meat trade was featured by slightly lower prices for most smoked pork products and dressed veal, with increases in prices of most other meats. The livestock trade was featured by sharp advances in lambs and by generally lower prices for other species. Weather and feed conditions during April in most localities were unfavorable for a normal development of early lambs. In the Corn Belt states April was too cool and dry; pastures were short or lacking during most of the month. May rains and higher temperatures have materially improved conditions. Hay crops have gotten a poor start, and indications point to smaller yields than a year ago. However, the shortage will be largely offset by the liberal carryover, which in states of this district is estimated by the U. S. Department of Agriculture in its May 1, report at 2,063,000 tons, against 1,104,000 tons a year earlier and the 1928-1932 average of 1,941,000 tons.

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

	Receipts			Shipments		
	Apr., 1936	Mar., 1936	Apr., 1935	Apr., 1936	Mar., 1936	Apr., 1935
Cattle and Calves.....	95,262	91,949	100,804	58,365	53,760	58,976
Hogs	183,533	205,604	187,207	115,588	132,413	117,875
Horses and Mules.....	3,930	9,806	6,295	4,988	8,843	6,977
Sheep	39,452	26,559	61,935	10,732	5,048	17,798
Totals.....	322,177	333,918	356,241	189,673	200,064	201,626

Tobacco — Plants are growing slowly and are irregular in size but generally healthy. In some localities they are fairly well advanced and plentiful, while elsewhere plants are small and condition leaves something to be desired. However, in all the principal growing areas there are sufficient plants to permit of carrying out planting intentions. Setting of the plants has begun in a limited way, and will be general in the first week of June.

Offerings of dark fired tobacco in the Springfield and Hopkinsville districts have been small. There is sufficient demand for common and medium grades of leaf seconds and lugs to absorb all offerings at the same range of prices previously paid. May 15 was set as closing date of the market in the eastern dark fired district.

Winter Wheat—Based on conditions as of May 1, the U. S. Department of Agriculture estimated 1936 production of winter wheat in states including the Eighth District at 86,106,000 bushels, a decrease of approximately 10 per cent from the April 1 forecast, and comparing with 86,251,000 bushels harvested in 1935 and the 5-year (1928-1932) average of 82,742,000 bushels. Effects of the extremely cold winter are showing up as the crop develops, and effects of Hessian fly damage in Illinois and elsewhere are more extensive than was believed earlier in the season. In all states of the district acreage abandonment is greater than a year ago, but with the exception of Indiana is less than the 10-year (1923-1932) average. Numerous fields with very thin stands will go to harvest, which fact will tend to reduce the general average yield per acre. April this year was one of the driest in a quarter of a century, but when rainfall has been moderate in April, yields of wheat in most years have been usually average or above, and recent precipitation has been beneficial for the crop.

COMMODITY PRICES

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

	High	Low	Close	
			May 15, 1936	May 15, 1935
Wheat				
*July .....per bu..\$	.97½	\$.83¼	\$.84½	\$.90½
*Sept. ....	.92½	.83	.84½	.91½
No. 2 red winter " "	1.11½	.99	1.01@1.01½	.92¾
No. 2 hard " "	1.11½	.94½	1.10	1.03¾
Corn				
May .....	.65¾	.61¾	.63½	.88¾
July .....	.63¾	.60¾	.61¾	.83
*Sept. ....	.62¾	.58½	.58½	.77½
*No. 2 Mixed Corn " "	.71	.62	.67	.88
*No. 2 White " "	.73¾	.64¾	.69	.90½@.91½
Oats				
*May .....	.27¾	.25¼	.25½	.44½
*No. 2 White ....	.30½	.27¾	.29½	.45½
Flour				
Soft Patent.....per bbl.	5.80	4.90	4.90@5.60	5.95 @6.45
Spring ".....	7.10	6.40	6.40@6.55	7.55 @7.70
Middling Cotton...per lb.	.1105	.1075	.1100	.1200
Hogs on Hoof.....per cwt.	11.00	8.00	8.25@9.55	5.00 @9.35

*Nominal quotations.

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 85,959 loads in April, which compares with 87,029 loads in March, and 75,298 loads in April, 1935. During the first nine days of May the interchange amounted to 26,352 loads, against 25,444 loads during the corresponding period in April, and 20,954 loads during the first nine days of May, 1935. Passenger traffic of the reporting roads in April was one-fourth greater in the number of passengers carried and 16 per cent larger in revenue, than during the same month a year ago. For the country as a whole, loadings of revenue freight for the first 19 weeks this year, or to May 9, totaled 11,792,146

cars, against 10,950,966 cars for the comparable period in 1935 and 11,113,672 cars in 1934. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 187,800 tons, the largest for any single month of record, and comparing with 141,100 tons in March and 154,070 tons in April, 1935.

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in April as being about 7.0 per cent in excess of March and 9.2 per cent greater than in April, 1935. Detailed figures follow:

	No. of Customers	Apr., 1936 *K.W.H.	Mar., 1936 *K.W.H.	Apr. 1936 comp. with Mar. 1936	Apr., 1935 *K.W.H.	Apr. 1936 comp. with Apr. 1935
Evansville	40	2,824	2,937	- 3.8%	2,673	+ 1.9%
Little Rock...	35	1,702	1,511	+12.6	1,523	+11.8
Louisville	82	7,818	7,473	+ 4.6	7,741**	+ 1.0
Memphis	31	1,743	1,802	- 3.3	1,728	+ 0.9
Pine Bluff....	20	463	785	-41.0	326	+42.0
St. Louis.....	197	20,645	18,396	+12.2	18,243**	+13.2
Totals.....	405	35,195	32,904	+ 7.0	32,234**	+ 9.2

*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 April was 80.7 per cent larger than in March and 152.9 per cent larger than the April, 1935, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$16,760,791 which compares with \$14,007,051 in March and \$8,689,387 in April, 1935. Building figures for April, follow:

	New construction		Repairs, etc.	
	Permits 1936	1935	*Cost 1936	*Cost 1935
Evansville ..	77	46	\$ 422	\$ 196
Little Rock	18	7	30	8
Louisville ...	106	58	537	168
Memphis ...	150	193	462	127
St. Louis....	344	225	969	458
April Totals	695	529	2,420	957
March " "	732	506	1,339	1,365
Feb. " "	191	369	682	510
Permits	118	115	40	44
*Cost	69	106	15	19
Permits	99	77	49	51
*Cost	214	252	103	90
Permits	181	195	97	113
*Cost	681	745	304	317
Permits	705	734	522	352
*Cost	338	475	208	301

*In thousands.

LIFE INSURANCE

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

(In thousands of dollars)	Apr., 1936	Mar., 1936	Apr., 1935	Jan.-Apr., 1936	Inc., 1935	Cumul. change
Arkansas.....	\$ 2,400	\$ 2,427	\$ 3,022	\$ 9,547	\$ 11,464	-16.7%
Illinois.....	40,283	41,619	44,255	161,618	189,305	-14.6
Indiana.....	10,649	11,112	12,561	41,372	48,018	-13.8
Kentucky.....	4,968	5,299	6,390	19,786	23,741	-16.7
Mississippi.....	2,303	2,328	2,228	8,645	9,121	-5.2
Missouri.....	14,450	15,475	14,949	57,011	65,857	-13.4
Tennessee.....	5,394	5,300	5,526	20,408	23,626	-13.6
Totals.....	80,447	83,560	88,931	318,387	371,132	-14.2
United States...	506,207	525,043	540,280	1,970,731	2,264,848	-13.0

MONEY AND BANKING

Changes in Eighth District banking and finance during the past thirty days were negligible and reflected no variation from trends which marked earlier months this year. Borrowings by customers of the banks in the principal urban centers were generally counterbalanced by liquidation of prior commitments, leaving loans at approximately the same levels as at the end of the preceding month. Following the usual seasonal trend, balances of country banks with their city correspondents declined slightly. Reflecting seasonal agricultural needs, particularly in the south, loans of country banks increased to some extent, but these institutions were in the main able to handle the business without recourse upon their city connections. In sections where early fruit and truck crops are extensively raised there has been a considerable volume of liquidation, both with banks and merchants.

Member Banks—Between April 15, and May 13, loans and investments of reporting member banks in the principal cities recorded a slight increase, and on the latter date were approximately 4 per cent greater than a year ago. Deposits, after turning downward in late April, moved upward during the first half of May, and throughout the four-week period continued substantially greater than during the like interval in 1935. Reserve balances of these banks increased, and at \$101,557,000 on May 13, were about 50 per cent larger than on the corresponding report date a year earlier.

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)	May 13, 1936	April 15, 1936	May 15, 1935
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations, and other stocks and bonds.....	\$ 69,056	\$ 68,866	\$ 60,471
All other loans and discounts.....	164,769	164,079	157,083
Total loans and discounts.....	233,825	232,945	217,554
Investments:			
U. S. Gov't securities.....	242,714	244,596	256,538
Other securities.....	158,789	155,606	136,183
Total investments.....	401,503	400,202	392,721
Demand deposits.....	664,296	663,851	579,927
Time deposits.....	179,961	179,697	175,445
Gross deposits.....	844,257	843,548	755,372
Reserve balances with F. R. Bank.....	101,557	95,994	68,127
Cash in vault.....	11,578	10,718	9,137
Bills payable and rediscounts with Federal Reserve Bank.....			
Number of banks reporting.....	24	24	24

The total resources of these banks comprise approximately 63.4% of all member banks in this district.

The aggregate amount of saving deposits held by selected banks on May 6, was 0.7 per cent larger than on April 1, and 4.3 per cent in excess of the total on May 1, 1935.

Interest rates remained at or around the low levels which have obtained in recent months. At downtown St. Louis banks rates charged as of the week ended May 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.

Federal Reserve Operations—Changes in the principal assets and liabilities of this bank appear in the following table:

(In thousands of dollars)	May 18, 1936	April 18, 1936	May 18, 1935
Industrial advances under Sec. 13b.....	\$ 520	\$ 512	\$ 558
Other advances and rediscounts.....	2	15	14
Bills bought (including participations).....	87	87	81
U. S. securities.....	123,200	123,200	108,200
Total earning assets.....	123,809	123,814	108,853
Total reserves	228,982	235,947	162,391
Total deposits	183,841	191,301	126,063
F. R. Notes in circulation.....	162,076	162,408	138,683
Industrial commitments under Sec. 13b	1,880	1,966	1,650
Ratio of reserve to deposit and F. R. Note liabilities.....	66.2%	66.7%	61.3%

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)	Apr., 1936	Mar., 1936	Apr., 1935	Apr., 1936 comp. Mar. 1936	Apr. 1935
East St. Louis and Natl. Stock Yards, Ill. \$	26,998	\$ 26,990	\$ 24,712	+ 0.1%	+ 9.3%
El Dorado, Ark.....	4,233	3,729	3,962	+13.5	+ 6.8
Evansville, Ind.....	26,015	26,194	19,594	— 0.7	+32.8
Fort Smith, Ark.....	9,595	10,368	8,287	— 7.5	+15.8
Greenville, Miss.....	3,909	3,812	3,489	+ 2.5	+12.0
Helena, Ark.....	1,308	1,271	1,531	+ 2.9	+14.6
Little Rock, Ark.....	33,639	35,390	27,901	+ 4.9	+20.6
Louisville, Ky.....	149,619	149,614	140,802	+ 0.1	+ 6.3
Memphis, Tenn.....	99,535	101,713	94,187	— 2.1	+ 5.7
Owensboro, Ky.....	4,650	5,076	3,929	— 8.6	+18.4
Pine Bluff, Ark.....	7,079	6,960	5,023	+ 1.7	+40.9
Quincy, Ill.....	7,150	7,070	6,676	+ 1.1	+ 7.1
St. Louis, Mo.....	513,133	532,050	474,828	— 3.6	+ 8.1
Sedalia, Mo.....	1,923	1,893	1,808	+ 1.6	+ 6.4
Springfield, Mo.....	12,834	13,340	12,235	— 3.8	+ 4.9
*Texarkana, Ark.....	6,064	6,094	5,252	— 0.5	+15.5
Totals.....	907,684	931,564	834,216	— 2.6	+ 8.8

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

Note—Above figures include total debits charged by banks to checking accounts, savings accounts, certificate of deposit accounts, and trust accounts, of individuals, firms, corporations and U. S. Government. Charges to accounts of banks, debits in settlement of clearing house balances, payments of cashiers' checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

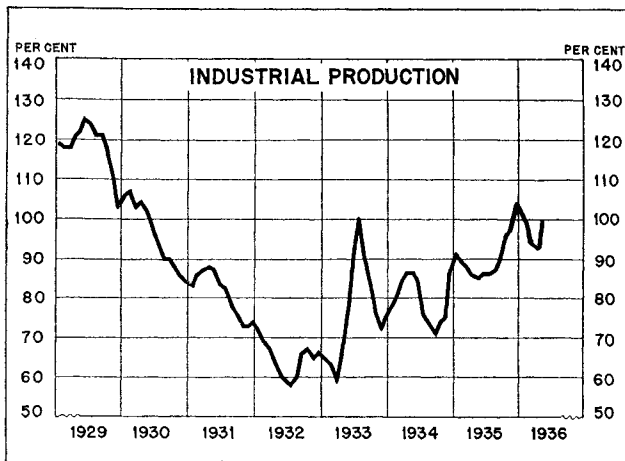
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Industrial production increased in April reflecting principally larger output of steel and of automobiles. Employment and payrolls in the durable goods industries showed advances.

Production and Employment—Volume of industrial production as measured by the Board's seasonally adjusted index, increased from 93 per cent of the 1923-1925 average in March to 100 per cent in April. The average rate of production at steel

building were in considerably larger volume, and privately-financed projects other than residential continued to increase.

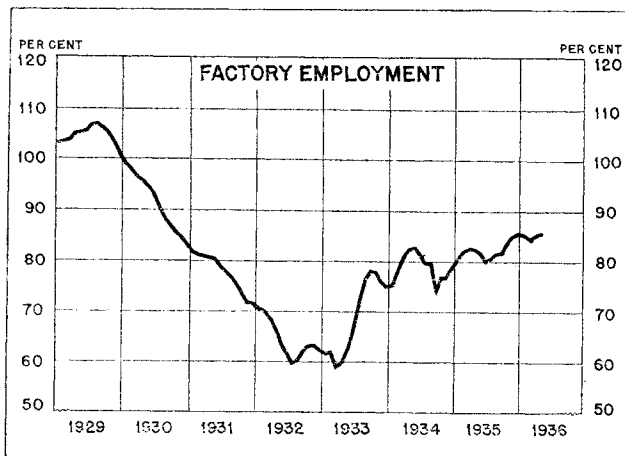
Distribution—Retail trade showed a seasonal increase in April, following a considerable advance in March. Department store sales rose by less than the usual seasonal amount, while at variety stores and mail-order houses there were further increases. Freight car loadings increased from March to April.



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

mills in April was 69 per cent of capacity as compared with 59 per cent for the preceding month. At automobile factories output amounted to 503,000 passenger cars and trucks and, except for the spring months of 1929, was larger than in any previous month. In the first three weeks of May activity in both the steel and automobile industries was maintained at about the levels reported for April.

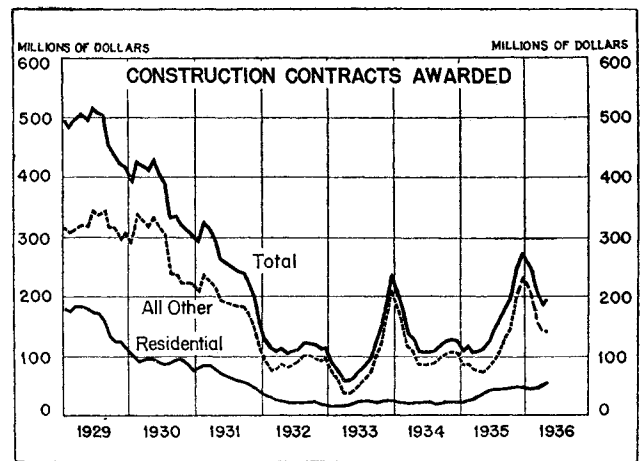
Output of nondurable manufactures in April was slightly larger than in March, due chiefly to increases at cotton textile mills, meat packing establishments, and tobacco factories. Activity at woolen and silk mills declined. Bituminous coal production showed little change from March to April, although a considerable decrease is usual at this season, while at anthracite mines there was a sharp rise from the low level of March. Output of crude petroleum continued to increase.



Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through April, 1936. Latest figures, April 84.9, revised figures January, 84.8, February 83.8 and March 84.2.

Factory employment and payrolls were larger in the middle of April than a month earlier. Increases in the number of workers were general in the durable goods industries, with the most marked advances at steel mills and at plants producing machinery, automobiles, and building materials. There was an increase in employment at rubber tire factories, which in March had been affected by a strike, while at woolen mills employment declined.

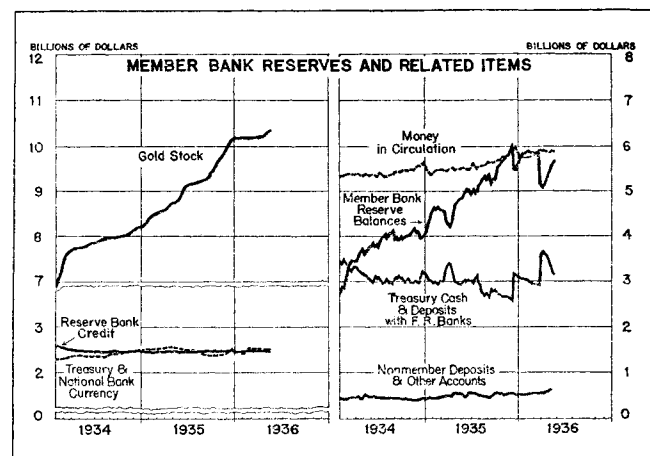
Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, increased in April by somewhat more than the usual seasonal amount. Contracts for residential



Three-month moving averages of F. W. Dodge data for value of contracts awarded in 37 Eastern States, adjusted for seasonal variation. Latest figures April, preliminary, total 198.1, residential 53.9, all other 144.2.

Commodity Prices—Wholesale prices of commodities showed little change during April and declined during the early part of May, reflecting decreases in the prices of farm products and foods, while prices of other commodities as a group continued to show little change.

Bank Credit—Excess reserves of member banks have increased steadily since the latter part of March and by May 20 amounted to \$2,860,000,000. The growth was due in April to Treasury disbursements from accumulated balances and in May to continued disbursements together with substantial imports of gold. Treasury disbursements and gold imports have also been reflected in a sharp increase of deposits at reporting member banks in leading cities since the beginning of April. Adjusted demand deposits at these banks increased to a new high level and time deposits rose to the highest figure in three years. Hold-



Wednesday figures. January 31, 1934, through May 20, 1936.

ings of United States Government obligations by the reporting banks have increased further, while holdings of other securities and loans to customers have remained at the levels reached early in April. Loans to brokers and dealers in securities, which increased considerably in March and April, declined in the first half of May.

The rate charged on call loans with stock exchange collateral was raised on May 11, by New York City banks from $\frac{3}{4}$ of one per cent to one per cent and that on time loans from one per cent to $1\frac{1}{4}$ per cent. Rates on other open market loans have continued at low levels.