



MONTHLY REVIEW

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

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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	June 1, 1936, comp. with output 1935	Av. 1928-32
Agriculture:		
Estimated produc. of Winter Wheat	+ 0.2%	+ 4.5%
Live Stock:	May, 1936	comp. with Apr. 1936
Receipts at National Stock Yards	+ 7.4%	- 2.0%
Shipments from aforesaid Yards	- 9.0	- 14.7
Production and Distribution:		
Sales by mfrs. and wholesalers	+ 8.6	- 18.4
Department store sales	- 1.7	+ 10.3
Car loadings	+ 3.1	+ 20.8
Building and Construction:		
Bldg. permits, incl. repairs	{ Number... - 6.8	+ 3.1
	{ Cost..... + 7.7	+ 34.8
Value construc. contracts awarded	- 2.1	+ 102.4
Miscellaneous:		
Commercial failures	{ Number..... + 60.0	- 11.1
	{ Liabilities..... + 62.2	+ 76.0
Consumption of electricity	+ 6.9	+ 9.2
Debits to individual accounts	+ 9.2	+ 9.3
Member Banks (24):	June 10,'36	comp. with May 13,'36
Gross deposits	- 0.5%	+ 11.3%
Loans	- 0.4	+ 6.7
Investments	- 8.7	+ 3.3

NOTWITHSTANDING drouth conditions of greater or lesser severity and the customary slowing down in certain manufacturing lines incident to the hot weather, industry and trade in the Eighth District during May, and the first half of June, reflected a continuance of the steady improvement which has characterized recent months. In a number of types of productive activity operations reached approximately the highest levels since the predepression era. The betterment extended to both durable goods and commodities for ordinary consumption and as has been the case throughout this year, was most pronounced in the former category. A particularly favorable exhibit was made by the iron and steel industry, operations at steel mills and foundries in the first half of June being at the highest rate for any like period since 1931. This situation reflects heavier demands by the railroads, in construction projects, farm implement and tractor, refrigeration, and some other important consuming groups, as well as broad miscellaneous needs. The movement of lumber, cement, quarry

products, glass and other building materials was in considerable volume, and substantially greater than during the corresponding interval in 1935. Employment conditions as a whole underwent noticeable improvement, being affected by absorption of workers in agricultural and other seasonal occupations.

Distribution of wholesale merchandise in May, as indicated by firms reporting to this bank, exceeded by a large margin the volume of the preceding month; in all lines investigated, except boots and shoes, and groceries, increases were recorded over May a year ago. Outstanding gains in the comparison with last year were achieved in the drug and chemical, hardware, electrical supplies and furniture classifications. Retail trade showed about the expected decrease from April, but was in measurably larger volume than in May, 1935. Retail sales of automobiles declined slightly from April to May, but the May total was approximately one-fourth greater than for the same month a year ago. A noteworthy feature in the retail trade generally, according to the reporting interests, is the broader diversity of merchandise being bought, an instance being sport goods and vacation supplies, sales of which this season have been in larger volume than in any year since 1930.

In agriculture during the past thirty days the dominating influence was dry weather, which in many localities reduced prospects for certain crops, principally vegetables and fruits. Taken as a whole, however, Eighth District prospects are for average or better yields of the principle productions. Winter wheat improved from May to June, and indications are for an output slightly above a year ago and 4.5 per cent greater than the 5-year (1928-1932) average. Corn planting has been completed and stands, while spotted, are in the main favorable. Tobacco planting has been delayed somewhat by the drouth. Cotton has made good to excellent progress, with cultivation unusually thorough and up to the seasonal schedule. Prospects for fruits, particularly peaches, apples, pears and cherries, continue among the most discouraging in recent years, and a great

many of the vegetable crops will be short. Rains since June 1, have benefited the situation generally.

As reflected in sales of department stores in the principle cities, the volume of retail trade in May was 1.7 per cent smaller than April, and 10.3 per cent greater than in May, 1935; cumulative total for the first five months this year was 9.8 per cent in excess of that for the comparable period in 1935. Combined sales of all wholesaling and jobbing interests reporting to this bank in May were 8.6 per cent larger than in April, and 18.4 per cent less than the May, 1935, total; cumulative total for the first five months fell 6.2 per cent under that of the like interval a year ago. The dollar value of permits issued for new buildings in the five largest cities in May was 31.7 per cent smaller than in April and 17.3 per cent greater than in May, 1935; aggregate for the first five months this year exceeded that of the same period in 1935 by 42 per cent. Dollar value of construction contracts let in the Eighth Federal Reserve District in May was 2.1 per cent smaller than in April, and 102.4 per cent larger than in May a year ago; for the first five months this year cumulative total was 75.5 per cent greater than for the like period in 1935.

According to officials of railroads operating in this district, the volume of freight traffic handled during May, and the first two weeks of June, was the heaviest for any like period since 1931. As contrasted with a year ago, there were slight decreases in the movement of live stock, but increases in all other classifications, with particularly favorable exhibits being made by grain and grain products, ore, forest products and miscellaneous freight. Stimulated by the heaviest vacation travel in recent years, passenger business of the reporting roads continued the steady upward trend which has been in effect for the past several months. For the year to the end of May, the cumulative total of merchandise L.C.L., showed a moderate decline as compared with a year ago, which fact is ascribable partly to heavier shipments by trucks. Tonnage handled by the Federal Barge Lines in May between St. Louis and New Orleans was 5.8 per cent greater than in April and 31.4 per cent larger than in May, 1935; and incidentally the heaviest for any month in the history of the service.

Reports relative to collections generally indicate a continuance of the high rate of efficiency which has prevailed throughout the present year. Wholesalers in the principle distributing centers report that numerous customers are anticipating their bills. City retail collections, as indicated by department store reports, continue satisfactory.

Questionnaires addressed to representative interests in the several lines scattered through the district, showed the following results:

	Excellent	Good	Fair	Poor
May, 1936.....	2.9%	47.8%	47.8%	1.5%
April, 1936.....	2.7	53.4	42.5	1.4
May, 1935.....	6.3	41.0	44.4	8.3

Commercial failures in the Eighth Federal Reserve District in May, according to Dun and Bradstreet, numbered 40 and involved liabilities of \$480,000, against 25 defaults with liabilities of \$296,000 in April, and 45 insolvencies for a total of \$272,000 in May, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	May, 1936 compared with Apr. '36	May '35	5 months 1936 comp. with same period 1935	May 31, 1936 comp. with May 31, 1935
Boots and Shoes.....	+18.4%	-39.9%	-20.0%	+25.1%
Drugs and Chemicals.....	-4.2	+9.2	+13.0	+11.9
Dry Goods.....	+0.8	+5.9	+2.0	-6.3
Electrical Supplies.....	+14.7	+9.2	+12.7	+0.9
Furniture.....	+4.2	+22.3	+16.8	-6.6
Groceries.....	-5.2	-9.3	-0.7	-12.7
Hardware.....	+14.6	+10.0	+5.1	+3.9
All above lines.....	+8.6	-18.4	-6.2	+1.5

Automobiles — Combined passenger car, truck and taxicab production in the United States in May was 460,565 against 502,775 in April, and 364,662 in May, 1935.

Boots and Shoes — The decline of approximately 40 per cent in May sales of the reporting firms under the same month a year ago is attributable to an extraordinarily heavy volume in May, 1935. In that month an increase of 42.7 per cent over the previous year was recorded, and an increase of 61.8 per cent over April, 1935. The increase in the month-to-month comparison was seasonal, but somewhat larger than average. Ordering since the last week in May, has been in considerable volume, and indicates a fair increase for the entire month over the corresponding period last year. Prices of both finished goods and raw materials showed no appreciable change compared with the past month.

Clothing — Reversing the usual seasonal trend, sales of the reporting clothiers in May, showed an increase of 35.5 per cent over the preceding month, and the total was 12 per cent greater than in May, 1935. Inventories increased further, stocks on June 1, being 16 per cent and 37 per cent greater, respectively, than a month and a year ago. The movement of summer apparel, both men's and women's, through retail channels has responded to the more seasonable weather, and a fair volume or reordering was reported, particularly by retailers in the south. Moderate betterment in sales of work clothing, especially in rural areas, has taken place since April.

Drugs and Chemicals—A moderate decline was shown in sales of the reporting firms in this classification during May, under the preceding month, but for the eleventh consecutive month, the total was in excess of that for the same month a year earlier. A slight falling off in demand for heavy drugs and chemicals from the general manufacturing trade was noted, but this was counterbalanced by heavy ordering of seasonal merchandise, including soda fountain supplies and equipment. Purchasing of insecticides continues in considerable volume, reflecting the unusually heavy numbers of insect pests throughout this area.

Dry Goods—In practically all sections of the district, business in this classification followed the customary seasonal precedent, May sales of the reporting interests showing a moderate increase over the month before, as well as a substantial gain over the May, 1935, total. Inventories decreased in both the month-to-month and yearly comparisons. Ordering since June 1, has shown a noticeable pickup, the volume during the first half of the month indicating an increase over the corresponding period a year ago. Purchasing, however, is mainly for prompt shipment, volume of advance buying being below the average at this period during the past decade.

Electrical Supplies—Firms in this classification report continuance of the steady expansion in business which has been in effect for the past eighteen months or more. May sales of the reporting group recorded increases over a month and a year earlier, and the total was the largest for the month since these records began in 1924. Outstanding in the betterment has been the movement of household appliances, including refrigeration and washing machines, etc. As in earlier months this year, electrical installations in new homes and other classes of buildings have figured importantly in volume of business.

Flour—Production at the twelve leading mills of the district in May totaled 178,866 barrels, against 191,390 barrels (revised figure) in April, and 185,595 barrels in May, 1935. More activity was noted than during the preceding thirty days, consumer stocks being mainly light; there was more of a disposition than heretofore to replenish depleted inventories. However, following the usual precedent, numerous buyers were holding off awaiting more definite knowledge relative to the new wheat crop. A slight expansion in export inquiry was noted in certain quarters, but bids from abroad were mainly out of line with millers' views and relatively little flour was worked for foreign shipment.

Furniture—Sales and shipments of furniture in May, according to the interests reporting to this bank, were the largest for any month this year, and incidentally the sales volume was the largest for the month since 1929. Outstanding in the upturn is improved demand for household furniture and furnishings, in both the large cities and the country. General business improvement is reflected in heavier purchasing of office furniture and equipment.

Groceries—Some slowing down in ordering of both staple goods and luxuries was noted during May, most pronounced in the areas affected by the drouth. Country merchants were disposed to purchase with more caution until more definite information to prospective crop yields is available. Taken as a whole, prices showed only minor changes as compared with the preceding thirty days.

Hardware—The increases in May sales of the reporting firms over the preceding month and a year ago extended generally through all lines, but in the comparison with a year ago were most outstanding in the case of builders' hardware and tools, paints, varnishes, roofing and kindred commodities. Three leading interests report demand for sport goods this season has been the best since predepression times.

Iron and Steel Products—Activities at mills, foundries, machine shops and other ferrous metal working plants in this district during May, and the first half of June, continued at the high average rate which obtained during the similar period immediately preceding. Less than the usual seasonal slowing down in certain lines was noted and in some instances was entirely absent. Recessions where they occurred were offset by increased production at mills specializing in commodities for the railroad and building industries. Operations at mills producing ingots at mid-June were 4 points higher than a month earlier and at the highest points of the year. Some slowing down at stove foundries occurred during May, but since the first week in June, schedules have been increased in response to additional orders booked for fall delivery. Tractor and farm implement interests report the volume of orders during the first five months this year, the largest since the 1929 peak. Releases by the automotive industry have receded slightly since June 1, but this recession has been more than offset by structural, railroad, agricultural and miscellaneous specifications. Announcement of advances in sheets, plates and some other steel products, effective July 1, had a stimulating effect on ordering of the items affected in order to take advantage of the lower prevailing prices. Shipments of pig iron to melters

in the district during May, were about on a parity with the preceding month, but measurably greater than in May, 1935. Producers have continued current pig iron prices into the third quarter, and a number of important consumers have entered the market to cover their requirements for that period. Iron and steel jobbing and warehouse interests report a steady volume of trade and purchasing well diversified. Demand for sheets, including galvanized material and tin plate, is reported brisk and well above a year ago. Operations at fabricating plants were steady. While structural steel awards declined, backlogs are sufficient to sustain the present rate of activity through the next two or three months. Scrap iron and steel prices continued to decline through May and early June, but in the immediate past the downturn was halted, and symptoms of strengthening were apparent in certain grades. For the country as a whole, according to the Magazine "Steel", production of pig iron in May amounted to 2,659,643 tons, a gain of 250,169 tons, or 10.4 per cent over the 2,409,474 tons of the preceding month and comparing with 1,735,577 tons produced in May, 1935. Steel ingot production in the United States in May, totaled 4,046,253 tons, against 3,942,254 tons in April, and 2,633,661 tons in May, 1935.

MINING

Production of soft coal in fields of the Eighth District in May declined from April about the average seasonal amount, but the May output, according to the U. S. Bureau of Mines, was approximately 3 per cent greater than in that month a year ago; the cumulative total for the first five months this year was 7.8 per cent greater than for the comparable period in 1935. In Illinois, according to the Illinois State Department of Mines and Minerals, there were 123 mines in operation during May, a decrease of 18 from April, and 2,333,640 tons were produced, which compares with 3,023,452 tons in April and 2,419,909 tons in May, 1935. Following the Supreme Court decision in the Guffey Act, numerous consumers who had postponed advance commitments have come into the market for their requirements. For the country as a whole, production of bituminous coal in May was estimated at 28,678,000 tons, which compares with 30,318,000 tons in April and 26,849,000 tons in May, 1935. For the calendar year to the end of May output amounted to 170,934,000 tons as against 159,106,000 tons for the comparable period in 1935.

RETAIL TRADE

Department Stores — The condition of retail trade is reflected in the following comparative state-

ments showing activities in the leading cities of the district:

	Net Sales			Stock on Hand	Stock Turnover	
	May, 1936 compared with		5 mos. 1936 to same period '35	May 31, '36 comp. with	Jan. 1, to May 31, 1936	
	Apr. 1936	May 1935		May 31, '35	1936	
El Dorado, Ark.....	+17.0%	+ 0.7%	— 3.4%	— 6.8%	1.13	1.12
Fort Smith, Ark.....	+ 0.5	+22.0	+15.8	+ 4.5	1.04	.96
Little Rock, Ark.....	+15.7	+17.1	+15.9	— 6.7	1.19	.95
Louisville, Ky.....	+ 1.0	+17.6	+12.2	— 1.3	1.75	1.53
Memphis, Tenn.....	+ 9.5	+ 6.7	+ 7.2	— 1.8	1.32	1.22
St. Louis, Mo.....	— 7.6	+ 8.2	+ 9.0	— 0.3	1.70	1.60
Springfield, Mo.....	+19.2	+11.6	+13.5	—12.6	1.09	.94
All Other Cities.....	+11.2	+23.6	+11.0	+ 6.8	1.27	1.26
8th F. R. District.....	— 1.7	+10.3	+ 9.8	— 1.2	1.57	1.44

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

El Dorado, Ark.....	45.8%	Memphis, Tenn.....	42.1%
Fort Smith, Ark.....	36.2	Springfield, Mo.....	32.8
Little Rock, Ark.....	36.5	St. Louis, Mo.....	56.0
Louisville, Ky.....	51.4	All Other Cities.....	41.4
8th F. R. District.....	50.3%		

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

	Net Sales			Stock on Hand	Stock Turnover	
	May, 1936 compared with		5 mos. 1936 to same period '35	May 31, '36 comp. with	Jan. 1, to May 31, 1936	
	Apr. 1936	May 1935		May 31, '35	1936	
Men's Furnishings....	+ 0.9%	+25.1%	+12.9%	+ 4.6%	1.07	1.03
Boots and Shoes.....	+ 0.4	+27.4	+13.0	+ 2.3	2.77	2.28

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

Men's Furnishings.....	32.8%	Boots and Shoes.....	41.0%
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AGRICULTURE

According to the U. S. Department of Agriculture and the agricultural departments of the several states, Eighth District crop prospects as a whole declined in May. The deterioration was attributable almost solely to lack of precipitation, though in some localities visitation of insect pests was a contributing factor. Dry conditions were unusually spotty, with even adjoining counties showing marked difference in crop progress. Most severely affected by the drouth were sections of Tennessee, Kentucky, Arkansas and Indiana, but injury here was not as extensive as in other parts of the country.

Except in extremely dry sections, and where acreage abandonment was large, conditions favored development of winter wheat, prospects in states of this district having improved slightly from May to June. Oats and other spring grains have done well, though lack of rain is reflected in some thin and irregular stands. Prospects for an unusually short fruit crop in the Eighth District continue, and have been accentuated by the dry weather. In numerous important growing sections peaches, apples and pears are a virtual failure, and elsewhere the conditions range from fair to poor. Prices of farm products advanced during May and early June; that group of commodities in the Bureau of Labor

Index standing at 76.5 per cent of the 1926 average on June 6, against 76.2 per cent on May 9, 77.4 per cent on May 16, and 79.9 per cent on June 8, 1935. Labor employed on farms on June 1, showed about the average seasonal increase over a month earlier, with generally an adequate supply, though other projects have absorbed farm labor at prices difficult for farmers to pay.

Corn — Practically all of the district corn crop had been planted by the end of May, weather favoring rapid progress of field work, and as a whole cultivation is somewhat ahead of the seasonal schedule. Universally fields are clean, and stands, though varying, average fair to good. Throughout the district rains are badly needed for development of the crop, though since June 1, precipitation in many sections has been adequate to carry on for the next few weeks. Relatively best crops are in river and creek bottoms, stands in uplands being spotty.

Cotton — Except in limited areas of this district acutely affected by the drouth, the cotton crop made good progress. In Arkansas and Missouri, as in other sections, weather has been too dry for other crops, but almost ideal for cotton. Cultivation has been intensive, right up to the seasonal schedule and stands almost universally the best at this time in a number of years. Chopping has been practically completed, and there are relatively few complaints of insect troubles, though insects other than those classified as cotton enemies were seldom more numerous than during the present season. According to the National Fertilizer Association sales of fertilizer tags in states of the Eighth District in May were 65.5 per cent greater than for the same month last year, and for the period January-May the total was 16.4 per cent and 34.4 per cent greater, respectively, than for the same periods in 1935 and 1934. Demand for raw cotton continued active, with the trend of prices upward. Throughout the 12c loan cotton movement, the price remained firm, with slight advances noted through each contract month. In the St. Louis market the middling grade ranged from 11.00c to 11.50c per pound between May 15, and June 15, closing at 11.50c on the latest date, which compares with 11.00c on May 15, and 11.65c on June 15, 1935. Combined receipts at Arkansas and Missouri compresses from August 1, 1935 to May 29, 1936, totaled 1,019,358 bales, against 959,700 bales for the corresponding period a year earlier. Stocks on hand as of May 29, were 346,759 bales against 396,140 bales on May 1, and 546,720 bales on the like date in 1935.

Fruits and Vegetables — According to June 1 indications, the production of fruits generally and

some important vegetables in the Eighth District will be rather light in 1936. The extremely low temperatures of last winter caused further loss of apple and peach trees and the freezes in early April destroyed fruit buds in many leading producing sections. The forecast for peach production in states of the district, based on the June 1 condition, is for 2,223,000 bushels, which would be among the smallest since 1921, and compares with 8,656,000 bushels produced in 1935 and the 5-year (1928-1932) average of 7,056,000 bushels. Pear production is forecast at 975,000 bushels, against 1,813,000 bushels harvested last year and the 5-year average of 1,624,000 bushels. The low June 1 conditions of apples suggests one of the smallest crops in recent years. In certain commercial orchards in Missouri, Illinois and Indiana, the crop is practically nil. Cherries and plums range from small crops to complete failure. The strawberry yield was drastically reduced by the drouth, but raisers were partly compensated by the relatively high prices received. Commercial truck crops also suffered from the dry weather, and the same is true of home gardens, the condition of which on June 1, was the lowest for the date in recent years. Indications are for a white potato crop smaller than a year ago and the 5-year average. Grapes have suffered relatively little from the drouth, and prospects point to an average crop, though early and extensive insect visitations have cut prospects in many localities. Planting of sweet potatoes and setting of tomato plants has been delayed by the dry spell. While recent precipitation has helped the situation, general rains are needed to prevent further retrogression.

Live Stock — The condition of livestock is reported generally good, though in many localities adequate stock water was lacking and it has been necessary to supply the deficiency by hauling. The condition of hay and pastures in states of the district on June 1, was somewhat lower than a year ago and the 10-year (1923-1932) average.

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

	Receipts			Shipments		
	May, 1936	Apr., 1936	May, 1935	May, 1936	Apr., 1936	May, 1935
Cattle and Calves.....	99,965	95,262	110,911	58,995	58,365	67,831
Hogs.....	183,048	183,533	165,903	100,705	115,588	116,300
Horses and Mules.....	2,699	3,930	4,265	2,376	4,988	4,198
Sheep.....	60,290	39,452	71,985	10,517	10,732	13,906
Totals.....	346,002	322,177	353,064	172,593	189,673	202,235

Tobacco — Considerable apprehension exists among farmers because of the prolonged period of scant rainfall, which has served to delay planting of all types of tobacco. Growers have endeavored to save plants in beds by watering; as of June 12,

practically all the setting accomplished was by machines, which provide for watering the plants as they are set. Very little progress has been made in the hill lands. There have been complaints of cut worms destroying plants, necessitating replanting, which will result in uneven stands.

In the Blue Grass district and in Central Kentucky counties, considerable progress has been made, and as of June 12, it was estimated that 65 per cent of the intended acreage was planted. In other Kentucky counties and elsewhere where Burley tobacco is raised, not more than 30 to 35 per cent of intended acreage was planted as of that date. In the Owensboro Stemming district about 50 per cent of the crop had been planted, with a fairly good stand, and the supply of plants is ample to set the remainder of the crop when conditions permit. As of June 12, in the Eastern Dark Fired tobacco district about 75 per cent of the intended crop was planted, and in the Western district about 85 per cent was planted.

COMMODITY PRICES

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

	High	Low	Close	
			June 15, 1936	June 15, 1935
Wheat				
July .....	.87½	.82¼	.87¼	.77
Sept. ....	.88¼	.82¾	.88¼	.77½
Dec. ....	.90½	.85¾	.90½	.79¾
No. 2 red winter "	1.02	.94	.96	.83½
No. 2 hard "	1.17½	1.04½	1.04½	.92
Corn				
July .....	.62½	.59¾	.62¾	.80½
Sept. ....	.59½	.57¾	.59½	.74½
*Dec. ....	.55½	.52	.54¾	.62¾
*No. 2 Mixed Corn " .....	.67½	.61	.64	.86
*No. 2 White " .....	.72½	.65¾	.72½	.90½
Oats				
*July .....	.25¾	.23¾	.25¾	.34
*No. 2 White " .....	.29½	.27	.28½	.40½
Flour				
Soft Patent.....per bbl.	5.60	4.50	4.50@ 4.90	5.40@ 5.90
Spring "	6.85	6.40	6.65@ 6.85	6.85@ 7.70
Middling Cotton...per lb	.1150	.1100	.1150	.1165
Hogs on Hoof.....per cwt.	10.35	8.25	8.40@ 10.30	8.40@ 9.80

*Nominal quotations.

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 88,616 loads in May, against 85,959 loads in April and 73,378 loads in May, 1935. During the first nine days of June the interchange amounted to 26,330 loads, against 26,352 loads during the first nine days of May, and 22,336 loads in the corresponding period in 1935. Passenger traffic of the reporting roads in May was one-fourth greater in the number of passengers carried and one-fifth larger in revenue, than during the same month a year ago. For the entire country loadings of revenue freight for the first 23 weeks this year, or

to June 6, totaled 14,499,703 cars, against 13,324,706 cars for the comparable period in 1935, and 13,548,417 cars in 1934. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in May, was 199,100 tons, the largest recorded for any month in the history of the service, and comparing with 188,133 in April, and 151,530 in May, 1935.

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in May as being about 6.9 per cent in excess of April, and 9.2 per cent greater than in May, 1935. Detailed figures follow:

	No. of Customers	May, 1936	Apr., 1936	May, 1936 comp. with Apr., 1936	May, 1935	May, 1936 comp. with May, 1935
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	2,922	2,824	+ 3.5%	2,958	- 1.2%
Little Rock....	35	1,959	1,702	+15.1	1,710	+14.6
Louisville	82	8,410	7,818	+ 7.6	7,798**	+ 7.8
Memphis	31	1,947	1,743	+11.7	1,549	+25.7
Pine Bluff....	20	408	463	-11.9	325	+25.5
St. Louis.....	199	22,065	20,721**	+ 6.5	20,163**	+ 9.4
Totals.....	407	37,711	35,271**	+ 6.9	34,503**	+ 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 May was 31.7 per cent smaller than in April and 17.3 per cent more than the May, 1935 total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in May, amounted to \$16,409,189 which compares with \$16,760,791 in April, and \$8,106,129 in May, 1935. Building figures for May, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1936	1935	1936	1935	1936	1935	1936	1935
Evansville ..	50	46	\$ 113	\$ 196	112	115	\$ 38	\$ 44
Little Rock	17	7	14	8	84	106	35	19
Louisville ..	87	58	230	168	77	77	24	51
Memphis ...	160	193	741	127	149	252	79	90
St. Louis....	287	225	554	458	260	195	100	113
May Totals	601	519	1,652	904	682	725	276	340
April ..	695	529	2,420	957	681	745	304	317
Mar. " "	732	506	1,339	1,365	705	734	522	352

*In thousands.

LIFE INSURANCE

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

(In thousands of dollars)	May, 1936	Apr., 1936	May, 1935	Jan.-May, Inc., 1936	Jan.-May, Inc., 1935	Cumul. change
Arkansas.....	\$ 2,609	\$ 2,400	\$ 2,573	\$ 12,156	\$ 14,037	-13.4%
Illinois.....	38,937	40,283	40,539	200,555	229,844	-12.7
Indiana.....	10,910	10,649	11,003	52,282	59,021	-11.4
Kentucky.....	4,746	4,968	5,455	24,532	29,196	-16.0
Mississippi.....	2,196	2,303	2,188	10,841	11,309	-4.1
Missouri.....	14,982	14,450	15,396	71,993	81,253	-11.4
Tennessee.....	5,087	5,394	5,627	25,495	29,253	-12.8
Totals.....	79,467	80,447	82,781	397,854	453,913	-12.4
United States...	503,530	506,207	500,380	2,474,261	2,765,228	-10.5

MONEY AND BANKING

During the past thirty days the demand as a whole from mercantile and industrial sources developed no change from the quiet conditions which have prevailed in recent months. As has been the case for a considerable while, high efficiency of collections, coupled with relatively small commitments for distant requirements, has enabled merchants and manufacturers to finance themselves to a large extent with their own resources. Seasonal demand for financing agricultural operations has been less in evidence than during past years. Country banks for the most part are in an unusually liquid position and able to meet all demands upon them without recourse upon their city correspondents. Grain handlers and flour milling interests are arranging credit lines for the present crop, but thus far loans in that category have not increased perceptibly. Liquidation in the important early truck and fruit areas continues in considerable volume.

Member Banks—Loans and investments of the reporting member banks in leading cities declined 5.7 per cent between May 13, and June 10; "other securities" increased 4.6 per cent while Governments decreased 17.4 per cent. Gross deposits changed only slightly during the four week period, but contained measurably higher than a year ago. Reserve balances increased sharply and on June 10, were the highest since last February, and more than one-fourth greater than on the corresponding report date in 1935.

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

(In thousands of dollars)	June 10, 1936	May 13, 1936	June 12, 1935
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations, and other stocks and bonds.....	\$ 69,021	\$ 69,056	\$ 58,546
All other loans and discounts.....	163,798	164,769	159,625
Total loans and discounts.....	232,819	233,825	218,171
Investments:			
U. S. Gov't securities.....	200,446	242,714	219,002
Other securities.....	166,087	158,789	135,989
Total investments.....	366,533	401,503	354,991
Demand deposits.....	659,483	664,296	579,373
Time deposits.....	180,952	179,961	175,739
Gross deposits.....	840,435	844,257	755,112
Reserve balances with F. R. Bank.....	121,465	101,557	96,165
Cash in vault.....	11,248	11,578	9,652
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 savings deposits held by selected banks on June 3, was 0.6 per cent larger than on May 6, and 3.5 per cent greater than on June 5, 1935.

Interest rates remained around the low levels of recent months. At downtown St. Louis banks rates charged, as of the week ended June 15, were as follows: Customers' prime commercial paper, 1½ to 5¾ per cent; collateral loans, 1½ to 6 per cent; loans secured by warehouse receipts, 2 to 5 per cent; interbank loans, 3½ per cent and cattle loans, 4 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)	June 19, 1936	May 19, 1936	June 19, 1935
Industrial advances under Sec. 13b.....	\$ 563	\$ 565	\$ 517
Other advances and rediscounts.....	110	2	14
Bills bought (including participations)...	87	87	81
U. S. securities.....	123,200	123,200	108,200
Total earning assets.....	123,960	123,854	108,812
Total reserves	254,943	224,916	199,981
Total deposits	203,849	180,835	166,585
F. R. Notes in circulation.....	167,547	161,348	138,801
Industrial commitments under Sec. 13b	1,845	1,835	1,794
Ratio of reserve to deposit and F. R. Note liabilities.....	68.6%	65.7%	65.5%

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)	May, 1936	Apr., 1936	May, 1935	May, 1936 comp. with Apr. 1936	May 1935
East St. Louis and Natl.					
Stock Yards, Ill. \$	27,629	\$ 26,998	\$ 26,529	+ 2.3%	+ 4.1%
El Dorado, Ark.....	3,792	4,233	3,718	-10.4	+ 2.0
Evansville, Ind.....	26,691	26,214*	20,638	+ 1.8	+ 29.3
Fort Smith, Ark.....	9,271	9,595	8,058	- 3.4	+15.1
Greenville, Miss.....	4,063	3,909	3,162	+ 3.9	+28.5
Helena, Ark.....	1,453	1,308	1,341	+11.1	+ 8.4
Little Rock, Ark.....	29,857	33,639	31,818	-12.2	- 6.2
Louisville, Ky.....	142,679	149,619	138,844	- 4.6	+ 2.8
Memphis, Tenn.....	105,954	99,535	87,803	+ 6.3	+20.7
Owensboro, Ky.....	4,742	4,650	4,207	+ 2.0	+12.7
Pine Bluff, Ark.....	6,400	7,079	5,608	- 9.6	+14.1
Quincy, Ill.....	7,464	7,150	6,377	+ 4.4	+17.0
St. Louis, Mo.....	598,707	513,133	547,852	+16.7	+ 9.3
Sedalia, Mo.....	1,898	1,923	1,897	- 1.3	+ 0.1
Springfield, Mo.....	13,900	12,834	13,887	+ 8.3	+ 0.1
**Texarkana, Ark.	6,594	6,064	4,809	+ 8.7	+37.1
Totals.....	991,094	907,883*	906,548	+ 9.2	+ 9.3

*Revised figure.

**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

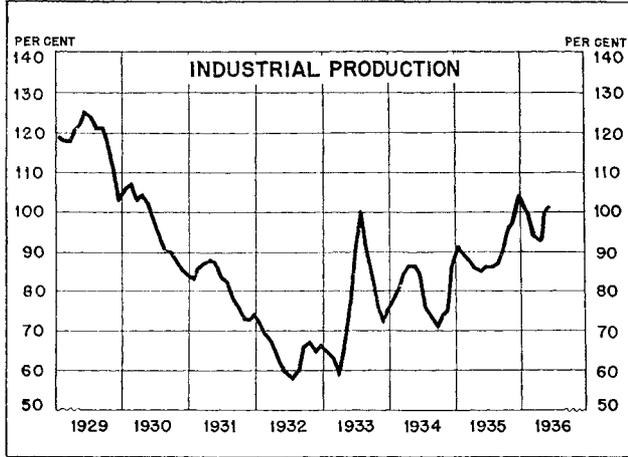
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Volume of industrial production, which had increased sharply in April, was maintained in May, and there was an increase in distribution of commodities to consumers.

Production and Employment—The Board's seasonally adjusted index of industrial production in May was 101 per cent of the 1923-1925 average, as compared with 100 per cent in April. Production of durable manufactures increased further, reflecting

larger than a year ago when residential building was first beginning to increase from the extremely low level of the depression.

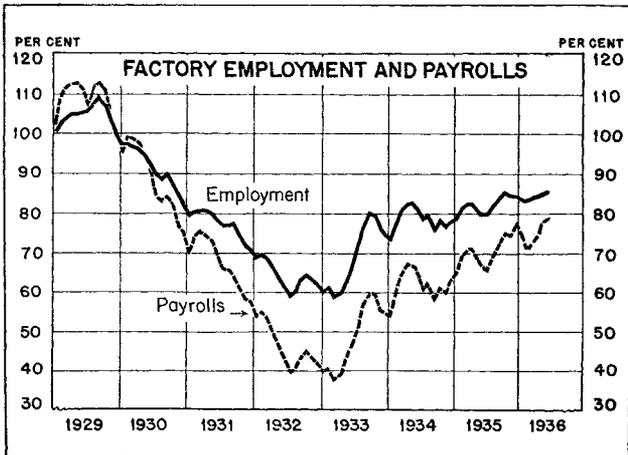
Distribution—Department store sales, which usually decline at this season, increased from April to May and there was also a rise in sales at variety stores and mail order houses. Freight-car loadings increased by slightly more than the usual seasonal amount.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through May, 1936. Latest figure May, preliminary, 101.

larger output of steel and lumber, partly offset in the total by a reduction in the output of automobiles from the high level of April. At steel mills, the rate of activity in May was higher than at any other time since the spring of 1930. This level has been maintained in June, reflecting in part some accumulation of steel by fabricators in advance of the effective date of recently announced price increases. Declines in production were reported for many nondurable manufactures; at woolen mills, however, activity increased. Output of bituminous coal declined from April to May, while output of crude petroleum continued in large volume.

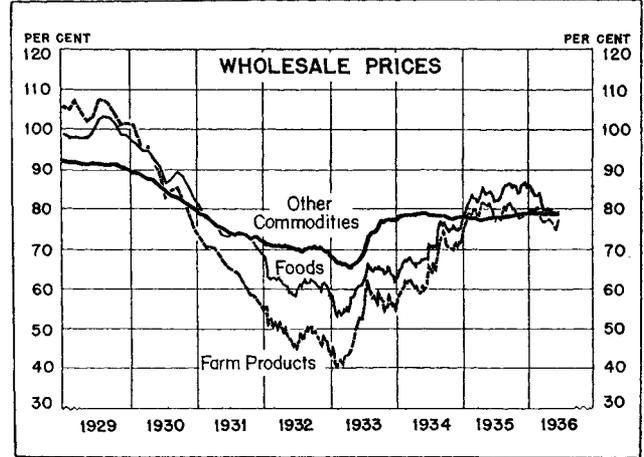
Factory employment increased slightly between the middle of April and the middle of May, contrary to the usual seasonal tendency. Increases were reported at plants producing iron and steel products, machinery, and most other durable manufactures. Changes in employment in industries producing nondurable man-



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through May, 1936. Latest figure May, employment 85.6, payrolls 79.2.

ufactures were largely of a seasonal nature. Factory payrolls were somewhat larger in the middle of May than a month earlier.

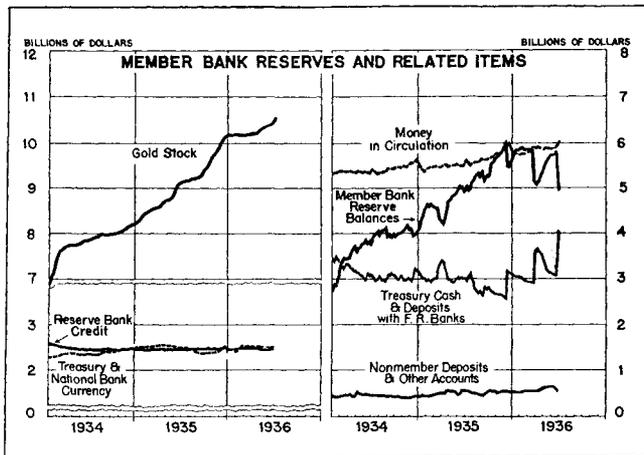
Total value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, declined slightly from April to May. Awards for residential building continued to increase and in May, as in other months this year, were substantially



Indexes compiled by the United States Bureau of Labor Statistics, 1926 = 100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figures are for week ending June 20, farm products 77.4, foods 79.7, other commodities 78.7.

Commodity Prices—Wholesale prices of commodities, which had declined from the middle of April to the middle of May, have advanced somewhat since that time and in the week ending June 20, were at 78.7 per cent of the 1926 average, according to the index of the Bureau of Labor Statistics. In recent weeks, prices of livestock and livestock products, grains, flour, and textile raw materials, and finished products have advanced. For many steel products price increases have been announced to take effect early in the third quarter.

Bank Credit—Excess reserves of member banks, after a slow increase in May and the early part of June, declined by \$900,000,000 in the week ending June 17. The reduction in excess reserves was due principally to an increase in the deposits maintained at the Reserve banks by the Treasury, which received large payments for new securities issued, as well as quarterly tax install-



Wednesday figures, January 31, 1934 through June 17, 1936.

ments. At that time the Treasury began to distribute checks and adjusted service bonds to veterans. There was an increase in the demand for currency in connection with the cashing of these bonds and checks.

United States Government obligations held by reporting member banks in leading cities, which had increased somewhat in May and early June, showed a further sharp increase in the week ending June 17, in connection with the new issue of Government securities. Bank loans also increased.