



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

	July 1, 1936, comp. with Yield 1935	1923-1935 average
Agriculture:		
Estimated yield of 6 crops.....	+ 0.3%	— 23.4%
Live Stock:	June, 1936 comp. with May 1936	June, 1935
Receipts at National Stock Yards.....	+14.8%	+ 17.8%
Shipments from aforesaid Yards.....	+16.6	+ 13.0
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 0.6	+ 24.8
Department store sales.....	+ 6.2	+ 12.5
Car loadings.....	+ 3.2	+ 17.2
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	— 5.3	— 0.2
Cost.....	+39.0	+ 32.3
Value construc. contracts awarded.....	+59.9	+164.8
Miscellaneous:		
Commercial failures { Number.....	—17.5	+ 13.8
Liabilities.....	— 7.7	+ 97.8
Consumption of electricity.....	+ 6.6	+ 11.0
Debits to individual accounts.....	+ 5.7	+ 9.1
Member Banks (24):	July 15, '36 comp. with June 17, '36	July 17, '35
Gross deposits.....	+ 6.6%	+ 16.0%
Loans.....	+ 1.7	+ 13.9
Investments.....	+ 3.0	+ 9.7

DURING June and the first half of July, Eighth District trade and industry opposed strong resistance to the usual seasonal slacking influences, and effects of severe drouth and heat conditions. Activities generally were maintained at the high levels of recent months, or close to them, and in a large majority of phases, increases were recorded over the corresponding interval a year earlier. Taken as a whole the first half of the present year was characterized by notable strides in the direction of business recovery. In both production and distribution of commodities, as indicated by investigations made by this bank, results achieved were the most favorable for any six-month period in five years. Outstanding factors in the upward swing included: Broadened building and construction operations; sharp gains in production of durable goods, notably lumber, quarry products, glass, cement and additional building materials; augmented demands for machinery, machine tools, farm implements, chemicals and drugs, electrical goods, furniture and furnishings, motor vehicles and

parts, hardware, foods, textiles and their products; notable improvement in the bituminous coal industry in fields of the district and marked expansion in most sections of the iron and steel industry.

Volume of sales in June in wholesaling and jobbing lines investigated showed somewhat less than the usual decline from May, and in several important classifications, contraseasonal increases were recorded. With the exception of clothing, all June totals exceeded those of the same month in 1935. Distribution through retail channels was stimulated by extraordinary demand for all descriptions of summer goods, incident to the prolonged spell of abnormally high temperatures. Reordering of such merchandise was in considerable volume, and in some cases difficulty was experienced in meeting requirements because of depleted stocks. Payment of soldiers' bonus money also tended to quicken retail trade in many localities, particularly in the rural areas. Sales of passenger automobiles in June were greatly in excess of a month and a year earlier, with the turnover of used cars making a particularly favorable showing. Operations in the iron and steel industry continued on unusually high schedules for this time of year. Shipments of farm implements, stoves and household appliances were the heaviest for the month in a number of years. The employment situation during June underwent further moderate improvement owing to higher than usual schedules at many industrial plants and accretions to agricultural workers incident to wheat harvest.

The agricultural situation in the district continued to be dominated by severe drouth and abnormally high temperatures. Prospects as a whole declined during June, and insufficiency of precipitation, accompanied by scorching heat since July 1, have further lowered prospective yields. Winter wheat turned out well, both in point of quantity and quality, and the condition of cotton is in the main above average at this season. Outlook for fruits and vegetable crops is the poorest in recent

years. Pastures have been ruined over wide areas, and livestock have suffered from the extreme heat and lack of water. As a partial offset to the unfavorable conditions in farmers incomes, has been the sharp upturn in prices of farm products.

Volume of retail trade in June, as reflected by sales of department stores in the principal cities, was 6.2 per cent less than in May and 12.5 per cent larger than in June, 1935; cumulative total for the first half of 1936 was 10.2 per cent greater than that for the comparable period a year ago. Combined June sales of all wholesaling and jobbing firms reporting to this bank were 0.6 per cent and 24.8 per cent larger, respectively, than a month and a year earlier; first half cumulative total was 1.9 per cent less than for the first six months of 1935. The dollar value of permits issued for new buildings in the five largest cities in June was 30.8 per cent less than in May and 26.3 per cent greater than in June, 1935; for the first six months the total was 39.9 per cent greater than for the first half of 1935. Dollar value of construction contracts let in the Eighth Federal Reserve District during June was 59.9 per cent greater than in May, and 164.8 per cent more than in June, 1935.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, soared to new high levels for the year in late June and the volume was the largest for any like period since 1931. With the exception of coal, the movement of which receded seasonally during the period, increases were shown in all classifications. Loadings of grain were bolstered by the early movement of winter wheat, the output of which in this area is measurably larger than a year ago. The movement of forest products continued its gain over a year and two years earlier and the same was true of the ore and miscellaneous freight classifications. For the first half of this year loadings of miscellaneous freight showed an increase of approximately 13 per cent over the total for the first six months of 1935. Extraordinarily heavy vacation travel continues to be reflected in passenger traffic of the reporting roads, June showing an increase of about one-fourth over last year. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in June was 24 per cent less than in May, but 14 per cent greater than in June, 1935, and for the first half of the year an increase of 23.5 per cent was shown over the like interval in 1935.

The general status of collections during June and the first half of July showed no change from

the favorable trends which have obtained in recent months. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
June, 1936.....	3.8%	56.0%	37.5%	2.7%
May, 1936.....	2.9	47.8	47.8	1.5
June, 1935.....	4.3	40.0	51.9	3.8

Commercial failures in the Eighth Federal Reserve District in June, according to Dun and Bradstreet, numbered 33 and involved liabilities of \$443,000, against 40 defaults with liabilities of \$480,000 in May, and 29 failures for a total of \$224,216 in June, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALE

Lines of Commodities	Net Sales			Stocks
	June, 1936 compared with May '36	June '35	6 months 1936 comp. with same period 1935	June 30, 1936 comp. with June 30, 1935
Boots and Shoes.....	+ 2.8%	+29.5%	-14.0%	+ 9.2%
Drugs and Chemicals..	- 0.8	+14.0	+13.2	+33.5
Dry Goods.....	- 4.3	+30.9	+ 5.5	- 5.8
Electrical Supplies....	+ 0.9	+ 7.9	+12.0	+ 8.2
Furniture.....	+ 8.8	+50.2	+21.8	- 4.1
Groceries.....	+ 8.0	+ 7.4	+ 0.6	- 1.7
Hardware.....	- 2.2	+25.1	+ 8.2	+ 4.4
All above lines.....	+ 0.6	+24.8	- 1.9	+ 1.3

Automobiles — Combined passenger car, truck and taxicab production in the United States in June was 454,487 against 460,565 in May, and 356,340 in June, 1935.

Boots and Shoes — June sales of the reporting firms, which showed a contraseasonal increase of 2.8 per cent over May, represented the largest total for the month since 1930. The increase in the month-to-month comparison was attributed partly to a substantial volume of reordering of summer footwear, and in lesser degree to a pickup in buying for future delivery.

Clothing — The movement of summer apparel through retail channels during June and the first half of July was in considerable volume, and resulted in heavy reordering of goods in that category. June sales of the reporting clothiers declined in the usual seasonal amount from May to June, and the total was 14 per cent smaller than a year ago. During the first half of this year, the volume of sales exceeded that of the like interval in 1935 by 26.8 per cent.

Drugs and Chemicals — For the twelfth consecutive month, June sales in this classification showed an increase over the corresponding period a year earlier. Volume for the first half of the year, which was about one-eighth greater than for the same period in 1935, closely approximated the peak first half year level reached in 1929.

Dry Goods — The upturn in the market for raw cotton was reflected in active purchasing of fabrics based on that staple. This movement, coupled with belated covering of requirements for fall merchandise was largely accountable for the substantial increase in June sales of the reporting firms over a year ago shown in the above table.

Electrical Supplies — Sales of the reporting firms in this classification for the first half of 1936 were 12 per cent greater than for the first six months of 1935, and the largest for any similar period since these records began in 1924. Improvement in business has proceeded with practically no backset during the past eighteen months, and has extended in a greater or lesser degree to virtually all lines of commodities handled.

Flour — Production at the twelve leading mills of the district in June totaled 142,722 barrels, against 178,866 barrels in May, and 169,519 barrels in June, 1935. Between-season quietness prevailed in the flour trade during the past thirty days. Prices advanced during early July.

Furniture — Stimulated by expansion in new building and replacement of furniture and furnishings in old homes, sales of reporting interests in this classification have moved steadily upward during the past ten months, volume during the first half of this year being the largest for any similar period since the predepression era.

Groceries — Increases in June sales over both a month and a year earlier, according to the reporting firms, reflect improvement in general business, and in lesser degree, heavier purchasing of canned goods and other prepared foods occasioned by the reduced movement of fresh fruits and vegetables incident to the drouth. The trend of prices is upward.

Hardware — June sales of the reporting interests were about one-fourth larger than a year ago, and in the first half of the year, volume exceeded that of the like period in 1935 by 8.2 per cent. Increased building operations proved an important factor in sales during the first six months.

Iron and Steel Products — Unabated heavy consumption and demand for iron and steel products was reflected in relatively higher rate of operations at foundries, mills, machine and specialty shops and other ferrous metal working plants in this area through June and early July than is usual at this time of year. Due to efforts to complete orders booked, closing of plants for mid-year inventory, vacations, repairs, etc., was of shorter duration than in past years. The announcement by leading steel

manufacturers that on July 1, price advances from \$2.00 to \$3.00 per ton would be instituted on some important commodities had the effect of markedly increasing buying of the items affected. The publicity given to labor problems in the industry caused some uncertainty, and the placing of moderate tonnages as a protection against possible steelworks suspensions. Increased activities at steel foundries were attributable in large measure to a broadened purchasing by the railroads. One steel foundry, which had been idle since September, 1934, resumed operations on June 15, with a complement of approximately 500 workers, and is now pouring steel for railroad equipment. Ingot operations in the area during the second week in July were 70 per cent of capacity, two points higher than a month earlier. Activities at jobbing foundries continued at the high rate which has characterized the past several months. Some slowing down, attributable to seasonal influences took place in the farm implement industry. As a whole, production in this industry during the first half of this year was the largest for any like period since the peak reached in 1929. Tractor manufacturers continued to operate at capacity, the sustained high rate being permitted by heavy demands from highway construction interests. At malleable plants, operations during the period were approximately one-half greater than a year ago. Fabricators of structural steel reported the placement of a fair volume of new orders which, added to backlogs, will insure the present rate of operations through the next sixty days. June shipments of pig iron to melters in the district were about on a parity with May, but the largest for June since 1930. For the entire country production of pig iron in June, according to the magazine "Steel" totaled 2,595,882 tons, against 2,659,643 tons in May, and 1,558,463 tons in June, 1935. Steel ingot production in the United States in June amounted to 3,984,845 tons, which compares with 4,046,253 tons in May and 2,258,664 tons in June, 1935.

MINING

According to the U. S. Bureau of Mines, production of soft coal in fields of the Eighth District in June fell 1.8 per cent below May and 7.0 per cent below June, 1935; the cumulative total for the first half of 1936 was 5.7 per cent in excess of the comparable period a year earlier. June production at Illinois mines, according to the Illinois State Department of Mines, totaled 2,587,551 tons, which compares with 2,333,640 tons in May and 2,887,963 tons in June, 1935. There were 123 mines in operation and 30,427 men on payrolls in June. U. S. bitumi-

nous coal production in June was estimated at 29,415,000 tons, against 28,541,000 tons in May and 30,117,000 tons in June, 1935. For the calendar year to the end of June output amounted to 200,212,000 tons, which compares with 189,223,000 tons during the first half of 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	
	June, 1936	6 mos. 1936	June 30, '36	June 30, '36	Jan. 1, to	June 30,	June 30,
	compared with	to same	comp. with	June 30, '35	June 30,	1936	1935
	May 1936	June 1935	period '35	June 30, '35	1936	1935	1935
El Dorado, Ark.....	13.8%	+ 8.6%	— 1.5%	— 7.2%	1.38	1.34	
Fort Smith, Ark.....	16.0	+15.0	+15.7	+ 4.1	1.25	1.16	
Little Rock, Ark.....	12.4	+17.0	+16.1	— 6.2	1.45	1.16	
Louisville, Ky.....	9.2	+16.2	+13.3	+ 0.9	2.16	1.87	
Memphis, Tenn.....	2.7	+18.6	+ 9.2	— 3.3	1.64	1.48	
St. Louis, Mo.....	5.0	+ 9.8	+ 9.2	+ 1.0	2.06	1.93	
Springfield, Mo.....	12.3	+ 5.0	+11.8	— 7.6	1.34	1.17	
All Other Cities.....	10.0	+11.7	+11.1	+ 2.9	1.56	1.53	
8th F. R. District.....	6.2	+12.5	+10.2	— 0.5	1.91	1.74	

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

	Installment Accounts	Excl. Inst'l Accounts		Installment Accounts	Excl. Inst'l Accounts
	%	%		%	%
El Dorado.....	56.0	56.0	Memphis.....	19.5	42.2
Fort Smith.....	39.6	39.6	Springfield.....	35.9	35.9
Little Rock.....	18.1	37.4	St. Louis.....	19.1	55.5
Louisville.....	14.9	52.0	Other Cities.....	18.9	42.8
			8th F. R. Dist.....	18.4	50.2

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

	Net Sales			Stock on Hand		Stock Turnover	
	June, 1936	6 mos. 1936	June 30, '36	June 30, '36	Jan. 1, to	June 30,	June 30,
	compared with	to same	comp. with	June 30, '35	June 30,	1936	1935
	May 1936	June 1935	period '35	June 30, '35	1936	1935	1935
Men's Furnishings.....	2.6%	+15.9%	+13.5%	+10.2%	1.32	1.27	
Boots and Shoes.....	16.0	+20.1	+14.2	+10.1	3.49	2.90	

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

Men's Furnishings.....	40.0%	Boots and Shoes.....	40.4%
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AGRICULTURE

As a whole, crop prospects in the Eighth District declined during June, the area being adversely affected by one of the worst drouths of record, accompanied by abnormally high temperatures. These conditions persisted in many sections during the first half of July, causing further sharp deterioration. However, very severe injury has not been universal, either with reference to geographic locations or the several crops. Some localities received precipitation ranging from showers to good rains. This has been true particularly since late June, especially, in Mississippi, Arkansas and Tennessee. Likewise the outlook for certain crops, even at mid-July was not beyond ability to undergo fair revival under general rains. Most drastically affected were fruit and truck crops, pastures, hay, small grains and in some localities, tobacco.

Winter wheat, while hard hit by the severe winter, had a fairly favorable spring and was well matured before the drouth became serious, with the result that the output in states of this district will exceed that of a year ago and the 5-year (1928-1932) average. Cotton generally is in fine shape, some important growing areas having the best prospects in recent years. Tobacco, which was set under unfavorable conditions, has revived somewhat under recent rains. The rice crop promises to be larger than a year ago. Production of tree fruits will be among the smallest ever recorded, and in some important growing areas these crops are a virtual failure.

As an offset to reduced yields and generally unfavorable conditions in their effect on farm incomes, has been the sharp advance in prices of farm products and relief measures taken by the Government. Grains and many other commodities moved to the highest levels in many months. Cotton at mid-July sold at the highest point since August, 1934. Farm employment increased seasonally during the past thirty days, with average wage scales somewhat higher than a year ago. Since late June there have been increasing reports of damage from insect pests, the infestation of grasshoppers in some areas being the worst in recent years.

Corn—In its report based on conditions as of July 1, the U. S. Department of Agriculture forecasts a yield of 280,778,000 bushels of corn in the Eighth District, which compares with 262,799,000 bushels harvested in 1935 and the 13-year (1923-1935) average of 326,193,000 bushels. Continuance of the extreme heat through the first half of July, has reduced prospects materially in many sections, and universally drenching rains were badly needed. In states of the district stocks of corn on farms totaled 131,164,000 bushels, an increase of 58 per cent over a year earlier, but 4 per cent below the 5-year (1928-1932) average.

Cotton—In its initial report of the season, the U. S. Department of Agriculture estimates as of July 1, the area of cotton under cultivation in states including the Eighth District at 6,519,000 acres, an increase of 625,000 acres, or 10.6 per cent over the acreage in cultivation on the same date in 1935, but a decrease of 2,074,000 acres or 24.1 per cent under the 10-year (1924-1933) average. In this district conditions during the past thirty days have been almost ideal for progress of the crop, though in some sections dry weather has caused backwardness in growth. Color is good, which with a strong tap root, is common to practically the entire crop.

Fields are highly cultivated and clean; hot, dry weather has had the effect of holding weevils and other insect infestation to a minimum; blooming and fruiting appear over a rapidly broadening area. Demand for raw cotton was fully up to mid-season expectations. In the St. Louis market the middling grade ranged from 11.60c to 13.40c per pound between June 16, and July 16, closing at 13.30c on the latest date, which compares with 11.50c on June 16, and 11.65c on July 15, 1935. Receipts at Arkansas compresses from August 1, 1935, to July 10, 1936, totaled 962,958 bales, against 823,459 bales for the corresponding period a year ago. Stocks on hand as of July 10, were 282,650 bales, against 461,647 bales on the corresponding date in 1935.

Fruits and Vegetables — Fruit prospects deteriorated further during June and early July, under influences of searing heat and lack of rainfall and, according to the U. S. Department of Agriculture, are the poorest since 1921. Similar conditions obtain in vegetables, both commercial truck crops for market and for canning and manufacture. Particularly hard hit have been farm and home gardens. Based on July 1 conditions the apple crop in states entirely or partly within this district, is estimated at only 4,709,000 bushels, which compares with 18,284,000 bushels in 1935 and the 5-year (1928-1932) average of 14,937,000 bushels. As in the case of other tree fruits, apples sustained serious injury from the unusually severe winter. Drouth and heavy depredations of insect and fungus pests later in the season further lowered prospective yields. The peach crop in Eighth District states is forecast at 2,314,000 bushels, against 8,656,000 bushels in 1935 and the 5-year average of 7,056,000 bushels; pears, 866,000 bushels, against 1,813,000 bushels in 1935, and the 5-year average of 1,624,000 bushels; grapes 26,960 tons against 32,606 tons in 1935 and the 5-year average of 32,065 tons; sweet potatoes, 15,372,000 bushels, against 19,768,000 bushels in 1935 and the 5-year average of 17,483,000 bushels. In the Eighth District proper the white potato crop is estimated at 8,178,000 bushels, which compares with 13,707,000 bushels harvested in 1935 and the 13-year (1923-1935) average of 13,617,000 bushels.

Live Stock — The condition of livestock generally through the district was adversely affected by the drouth and extreme heat. Milk and egg production declined sharply in many sections, and considerable mortality was reported among work and meat animals. Because of the extremely low condition of pastures, farmers in many instances have been obliged to resort to feeding prepared rations

in a greater amount than at the same season in a number of years, with the exception of 1934. The tame hay crop will be short, output in this district being estimated at 4,439,000 tons, a decrease of 24 per cent under the 1935 production and 32 per cent below the 13-year (1923-1935) average. In numerous localities, wells, creeks and other sources of water were exhausted; farmers have been obliged to haul supplies for livestock and frequently for home use.

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

	Receipts			Shipments		
	June, 1936	May, 1936	June, 1935	June, 1936	May, 1936	June, 1935
Cattle and Calves.....	123,989	99,965	115,613	75,982	58,995	74,679
Hogs	154,651	183,048	134,915	98,543	100,705	82,901
Horses and Mules.....	3,320	2,699	4,034	2,823	2,376	3,873
Sheep	115,417	60,290	82,673	23,962	10,517	16,676
Totals.....	397,377	346,002	337,235	201,310	172,593	178,129

Oats — In its July report, the U. S. Department of Agriculture forecasts a crop of 33,215,000 bushels of oats for the Eighth District, which compares with 38,122,000 bushels harvested in 1935, and a 13-year (1923-1935) average of 49,704,000 bushels. Stocks of oats on farms in states of the district as of July 1, totaled 29,889,000 bushels, against 10,613,000 bushels a year earlier and the 5-year average of 24,260,000 bushels.

Tobacco — The present year's tobacco crop in the Eighth District is estimated by the U. S. Department of Agriculture at 180,385,000 pounds, as against 189,075,000 pounds harvested in 1935 and the 13-year average (1923-1935) of 288,410,000 pounds. Owing to drouth conditions, transplanting was backward, both stand and growth are irregular, with the July 1 condition of the crop one of the lowest for the date on record. Rains during the first half of July have resulted in local improvement, but general precipitation was sorely needed. Universally farmers have endeavored to overcome unfavorable weather conditions by intensive cultivation, fields were rarely in finer condition. Burley tobacco in the Blue Grass region of Kentucky has been particularly hard hit by the drouth, scant growth having taken place since transplanting. Elsewhere conditions are spotty and irregular, with sections favored by rains showing relatively good promise, while in the areas lacking precipitation, indications are for short yields to practical failure.

Winter Wheat — Threshing of wheat has been rapidly pushed since the last week in June, and at mid-July had been completed over the major part of the district. Initial returns from the machines indicate yields of greater size and finer quality than were thought likely earlier in the season. While severely hurt by the unusually cold winter, the crop

had a favorable spring, cool weather with ample moisture, and was progressing well to maturity before the drouth and heat wave became serious. The indicated short crop for the entire country coupled with a small carryover, has been reflected in a sharp upturn in wheat prices and producers in this area should realize substantial profits on their grain. Based on July 1 conditions, the Eighth District crop is estimated by the U. S. Department of Agriculture at 55,187,000 bushels, against 51,017,000 bushels harvested in 1935, and the 13-year average (1923-1935) of 49,098,000 bushels.

COMMODITY PRICES

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

			Close	
	High	Low	July 15, 1936	July 15, 1935
Wheat				
*Julyper bu.	\$1.08½	\$.86½	\$ 1.03½	\$.81
*Sept. " "	1.08½	.87¾	1.05	.81½
*Dec. " "	1.10	.90	1.06	.82½
*No. 2 red winter	1.11½	.95½	1.09½	.84½@ .85
*No. 2 hard " "	1.13½	1.00	1.10¼	.89
Corn				
*July " "	.79	.62½	.85	.84½
*Sept. " "	.82½	.59¾	.82½	.76½
*Dec. " "	.77½	.54¾	.77¾	.64½
*No. 2 Mixed Corn	.92	.65	.92	.88
*No. 2 White " "	1.03	.70	1.00	.90¾
Oats				
*July " "	.39½	.26	.37½	.33¾
*No. 2 White " "	.41	.30	.40½	.35½
Flour				
Soft Patent.....per bbl.	5.15	4.45	4.75@ 5.15	5.70 @ 6.10
Spring " " "	8.20	6.65	8.00@ 8.20	7.25 @ 7.40
Middling Cotton.....per lb	.1340	.1160	.1330	.1165
Hogs on Hoof.....per cwt.	11.15	7.40	7.50@ 10.40	6.50 @ 10.15
*Nominal quotations.				

*Nominal quotations.

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 4.9 per cent in combined postal receipts for the second quarter of this year over the corresponding period in 1935, and an increase of 2.8 per cent as compared with the first three months this year. Detailed figures follow:

	For Quarter Ended			June, 1936
	June 30, 1936	Mar. 31, 1936	Dec. 31, 1935	
Evansville.....	\$ 155,946	\$ 163,050	\$ 159,162	\$ 141,852 + 9.9%
Little Rock.....	192,596	195,931	189,016	172,805 +11.5
Louisville.....	681,523	684,432	745,353	669,314 + 1.8
Memphis.....	551,163	557,012	649,085	514,179 + 7.2
St. Louis.....	2,588,927	2,457,735	2,791,218	2,477,195 + 4.5
Totals.....	4,170,155	4,058,160	4,533,834	3,975,345 + 4.9

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 91,445 loads in June, against 88,616 loads in May, and 77,999 loads in June, 1935. Passenger traffic of the reporting roads in June was one-fourth larger in the number of passengers carried and 18.5 per cent greater than during the same month a year ago. For the entire country, loadings of revenue freight for the first 27 weeks this year, or to July 4, totaled 17,240,629 cars, against 15,631,855 cars for the comparable period in 1935 and

15,957,364 cars in 1934. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in June was 151,500 tons, against 199,615 tons in May, and 132,582 tons in June, 1935. During the first half of this year cumulative total was 879,560 tons, which compares with 712,445 tons during the first six months of 1935.

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in June as being 6.6 per cent in excess of May, and 24.1 per cent greater than in June, 1935. Detailed figures follow:

	No. of Custom-ers	June, 1936	May, 1936	June, 1936 comp. with May, 1936	June, 1935	June, 1936 comp. with June, 1935
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville.....	40	2,882	2,922	+ 1.4%	2,544	+13.3%
Little Rock...	35	1,996	1,959	+ 1.9	1,894	+ 5.4
Louisville.....	82	8,981	8,410	+ 6.8	7,741**	+16.0
Memphis.....	31	2,000	1,947	+ 2.7	1,554	+28.7
Pine Bluff.....	20	474	408	+16.2	422	+12.3
St. Louis.....	197	23,972	22,170**	+ 8.1	18,335**	+30.7
Totals.....	405	40,305	37,816**	+ 6.6	32,490	+24.1

*In thousands.

**Revised figures.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in June was 30.8 per cent smaller than in May, and 26.3 per cent more than the June, 1935, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in June, amounted to \$26,236,217 which compares with \$16,409,189 in May, and \$9,907,682 in June, 1935. Building figures for June, follow:

	New construction				Repairs, etc.			
	Permits 1936	Permits 1935	*Cost 1936	*Cost 1935	Permits 1936	Permits 1935	*Cost 1936	*Cost 1935
Evansville ..	49	26	\$ 92	\$ 39	106	73	\$ 59	\$ 25
Little Rock	22	20	70	45	95	124	47	45
Louisville ..	82	82	190	219	74	97	23	40
Memphis ...	183	128	376	114	175	202	73	86
St. Louis....	206	285	416	489	223	181	206	120
June Totals	542	541	1,144	906	673	677	408	316
May ".....	601	519	1,652	904	682	725	276	340
April ".....	695	529	2,420	957	681	745	304	317

*In thousands.

LIFE INSURANCE

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

(In thousands of dollars)	June, 1936	May, 1936	June, 1935	Jan.-June, Inc., 1936	Jan.-June, Inc., 1935	Cumul. change
Arkansas.....	\$ 2,571	\$ 2,609	\$ 2,420	\$ 14,727	\$ 16,457	—10.5%
Illinois.....	42,107	38,937	40,192	242,662	270,036	—10.1
Indiana.....	11,700	10,910	10,845	63,982	69,866	— 8.4
Kentucky.....	5,182	4,746	5,074	29,714	34,270	—13.3
Mississippi.....	2,578	2,196	2,296	13,419	13,605	— 1.4
Missouri.....	16,153	14,982	14,641	88,146	95,894	— 8.1
Tennessee.....	5,198	5,087	5,066	30,693	34,319	—10.6
Totals.....	85,489	79,467	80,534	483,344	534,447	— 9.6
United States...	532,994	503,530	490,268	3,007,255	3,255,496	— 7.6

MONEY AND BANKING

The past thirty days were marked by moderate improvement in general demand for credit in the Eighth District. However, liquidation by mercantile and industrial interests continued on a large scale, and in the case of many banks were in sufficient volume to offset new borrowings and renewals. The seasonal demand for funds to finance the winter wheat crop was less in evidence than during past seasons. In many instances flour milling interests were financing their requirements with their own resources and money held from the processing taxes. Deposits and reserves of the commercial banks continued to increase, and at mid-July both items reached new peaks for the year. Following announcement by the Board of Governors of the Federal Reserve System of an increase of 50 per cent in reserve requirements, effective August 15, discount rates on acceptances showed moderately firming tendency.

Member Banks — Between June 17 and July 15, total loans and investments of reporting member banks in the principal cities increased 2.5 per cent and on the latest date were 11.2 per cent greater than a year earlier. Gross deposits increased sharply and at \$886,227,000 on July 15 represented an all time high. Reserve balances also moved sharply upward, and at the end of the four week period were larger by 25.2 per cent and 13 per cent, respectively, than a month and a year earlier. Holdings of Government securities increased 2.4 per cent and all other securities 4 per cent between the above dates.

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)	July 15, 1936	June 17, 1936	July 17, 1935
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations			
and other stocks and bonds.....	\$ 69,896	\$ 69,090	\$ 57,406
All other loans and discounts.....	166,255	163,074	149,910
Total loans and discounts.....	236,151	232,164	207,316
Investments:			
U. S. Gov't securities.....	225,525	220,294	219,872
Other securities.....	169,394	162,949	140,112
Total investments.....	394,919	383,243	359,984
Demand deposits.....	702,379	650,154	586,981
Time deposits.....	183,848	181,033	176,988
Gross deposits.....	886,227	831,187	763,969
Reserve balances with F. R. Bank.....	126,579	101,074	111,995
Cash in vault.....	11,301	11,378	9,602
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.

Aggregate amount of savings deposits held by selected banks on July 1 was 1.7 per cent greater

than on June 3, and 4.6 per cent in excess of the total on July 3, 1935.

Interest rates showed little change from the recent low levels. At St. Louis downtown banks rates charged, as of the week ended July 15, were as follows: Customers' prime commercial paper 1½ to 5 per cent; collateral loans 2 to 6 per cent; loans secured by warehouse receipts, 1 to 5 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)	July 18, 1936	June 18, 1936	July 18, 1935
Industrial advances under Sec. 13b.....	\$ 550	\$ 563	\$ 472
Other advances and rediscounts.....	75	110	4
Bills bought (including participations).....	87	87	80
U. S. securities.....	129,927	123,200	108,200
Total earning assets.....	130,639	123,960	108,756
Total reserves	251,568	257,350	208,622
Total deposits	203,362	209,878	168,909
F. R. Notes in circulation.....	172,870	166,177	140,929
Industrial commitments under Sec. 13b	1,817	1,845	1,909
Ratio of reserve to deposit and F. R. Note liabilities.....	66.9%	68.4%	67.3%

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)	June, 1936	May, 1936	June, 1935	June, 1936 comp. with May 1936	June 1935
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 31,959	\$ 27,629	\$ 26,713	+15.7%	+19.6%
El Dorado, Ark.....	3,910	3,792	3,156	+ 3.1	+23.9
Evansville, Ind.....	27,859	26,691	20,762	+ 4.4	+34.2
Fort Smith, Ark.....	10,547	9,271	7,122	+13.8	+48.1
Greenville, Miss.....	4,129	4,063	2,774	+ 1.6	+48.8
Helena, Ark.....	1,305	1,453	1,233	-10.2	+ 5.8
Little Rock, Ark.....	32,413	29,857	29,020	+ 8.6	+11.7
Louisville, Ky.....	160,428	142,679	139,964	+12.4	+14.6
Memphis, Tenn.....	109,244	105,954	84,867	+ 3.1	+28.7
Owensboro, Ky.....	4,986	4,742	4,212	+ 5.1	+18.4
Pine Bluff, Ark.....	7,502	6,400	5,629	+17.2	+33.3
Quincy, Ill.....	7,976	7,464	6,457	+ 6.9	+23.5
St. Louis, Mo.....	622,443	598,707	608,257	+ 4.0	+ 2.3
Sedalia, Mo.....	2,035	1,898	1,808	+ 7.2	+12.6
Springfield, Mo.....	14,318	13,900	12,960	+ 3.0	+10.5
*Texarkana, Ark.....	6,732	6,594	5,637	+ 2.1	+19.4
Totals.....	1,047,786	991,094	960,571	+ 5.7	+ 9.1

*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

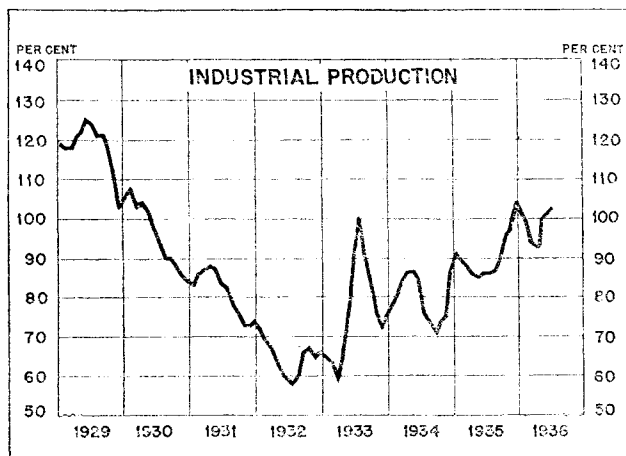
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Volume of production, employment, and trade was sustained in June at the May level, although usually there is a decline at this season. Wholesale prices of commodities advanced between the middle of May and the third week of July, reflecting in part the effects of the drought.

Production and Employment—The Board's seasonally adjusted index of industrial production increased from 101 per cent of the 1923-25 average in May to 103 per cent in June. Steel

cultivation on July 1 was estimated by the Department of Agriculture at 30,600,000 acres compared with 27,900,000 acres last year and an average of 41,400,000 acres in the years 1928-1932.

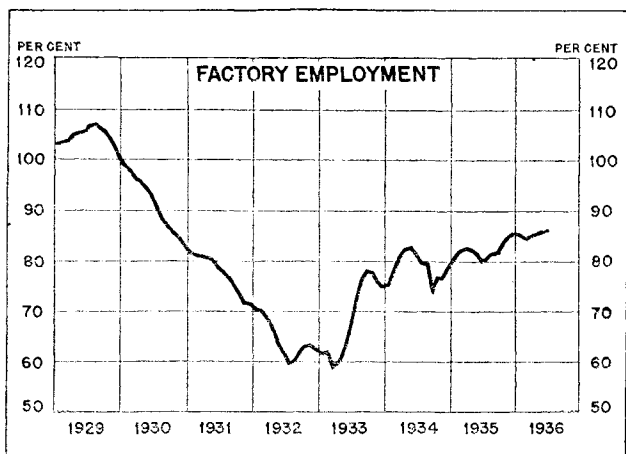
Distribution—Freight-car loadings increased seasonally in June, and the distribution of commodities to consumers was maintained at the May level. In recent months retail trade as measured by sales of automobiles and by the volume of business of department, variety, and mail order stores has expanded considerably.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929 through June, 1936. Latest figure June, preliminary 103.

production continued around 70 per cent of capacity in June and the first three weeks of July, although a considerable decline is usual at this season. Output of automobiles declined seasonally. The cut of lumber showed a seasonal rise in June following a substantial increase in the preceding month. Production increased at woolen mills and was sustained at cotton mills, where a decline is usual in June. Output of foods increased.

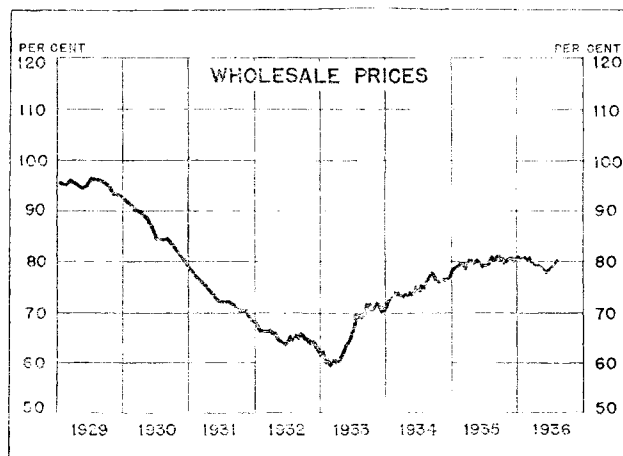
Factory employment and payrolls showed a slight increase between the middle of May and the middle of June, contrary to seasonal tendency. Steel mills and plants producing machinery employed more workers, and at automobile factories there was less than the seasonal decline. At textile mills employment was unchanged, although a decline is usual in June, while the clothing industries reported a decrease in the number employed. Total



Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through June, 1936. Latest figure June, 86.3.

value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased somewhat from May to June and continued to be substantially larger than a year ago. There was a further increase in residential building.

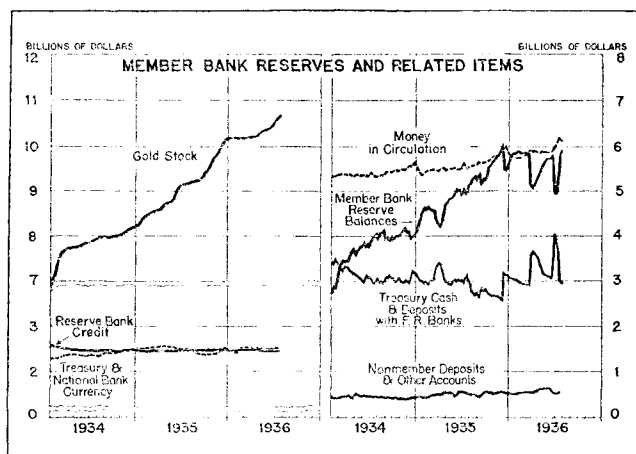
Agriculture—Crop estimates by the Department of Agriculture on the basis of July 1 conditions indicated little change from last year for wheat and corn, and considerable declines for oats, hay, potatoes, and tobacco. Since July 1 prospects have been reduced by extreme drought over wide areas. Cotton area in



Index compiled by the U. S. Bureau of Labor Statistics, 1926 = 100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending July 18, 80.1.

Commodity Prices—The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced about 3 per cent between the middle of May and the third week of July, following a decline about the same amount earlier in the year. Prices of wheat, flour, feed, grains, and dairy products advanced sharply, owing primarily to the drought, and there were increases also in the prices of hogs and pork, cotton and cotton textiles, silk, rubber, copper, and finished steel.

Bank Credit—Gold imports, which had been in large volume in May and June, declined in July. Funds held by the Treasury as cash and on deposit with Federal Reserve banks declined, as the result of disbursements in connection with the cashing of veterans' service bonds. Consequently reserve balances of mem-



Wednesday figures, January 31, 1934, through July 22, 1936.

ber banks, which had declined in June, rose once more to their previous level. Total loans and investments of reporting member banks in leading cities, after increasing sharply at the end of May and the early part of June, declined somewhat in the four weeks ending July 15, reflecting largely a reduction in loans to security brokers and dealers in New York City. Balances held for domestic banks increased by \$800,000,000 during the period, as a consequence of redeposit with reporting banks of a considerable part of funds acquired by banks through Treasury disbursements.