



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF OCTOBER 30, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Oct. 1, 1936, comp. with Sept. 1, 1935 1936 average	
Agriculture:		
Estimated yield of 7 crops.....	+ 1.5%	— 34.2%
Live Stock:	Sept. 1936 comp. with Aug. 1936	Sept. 1935
Receipts at National Stock Yards.....	+10.9%	+ 0.7%
Shipments from aforesaid Yards.....	+19.3	+ 2.7
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 5.6	+ 19.0
Department store sales.....	+42.3	+ 20.6
Car loadings.....	— 5.5	+ 14.2
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	+16.1	— 2.2
Cost.....	—34.3	+ 51.1
Value construc. contracts awarded.....	+33.4	+ 92.2
Miscellaneous:		
Commercial failures { Number.....	—29.2	— 32.0
Liabilities.....	+28.8	— 14.3
Consumption of electricity.....	— 3.6	+ 26.9
Debits to individual accounts.....	+14.7	+ 23.7
Member Banks (24):	Oct. 14,'36 comp. with Sept. 16,'35	Oct. 16,'35
Gross deposits.....	+ 6.1%	+ 14.0%
Loans.....	+ 3.1	+ 18.3
Investments.....	— 0.3	+ 13.8

TRADER and industry in the Eighth District during September and the first half of October continued at an accelerated pace the steady improvement of recent months and attained by wide margins the highest levels of the recovery movement. Despite the fact that the usual summer recession was little in evidence this year, seasonal expansion in a large majority of lines was earlier and more marked than in the preceding four years. Demand for merchandise of all descriptions was on a large scale and, as indicated by freight-car loadings and statistics of wholesale and retail firms reporting to this bank, distribution in September reached the highest volume for the month since 1930. Industrial production increased in more than the ordinary seasonal amount from August to September, with early October reports indicating further expansion in activities. Employment and payrolls at district factories moved further upward during the period, and the number of workers employed in other activities, including agriculture, coal mining, transportation and retail, also increased. In the

iron and steel industry the rate of activities reached the highest point of the year at mid-October, with a particularly favorable showing being made by foundries specializing in railroad and automobile castings and by manufacturers of specialties, such as stoves, farm implements, household appliances, etc.

While mild weather had a tendency to retard the distribution of seasonal merchandise, all wholesaling and jobbing lines investigated by this bank reported September sales as being larger than a year earlier, and with the exception of groceries, electrical supplies, and furniture, which recorded slight declines, all showed increases over the August volume. Sales of automobiles declined from August to September, but the total for the latest month was more than one-third greater than for the same period in 1935. Consumption of electricity by industrial users in the principal manufacturing centers was approximately one-fourth greater than in September a year ago. Production and shipments at lumber mills were maintained at the recent high levels. The dollar value of building permits issued for new construction in the principal cities in September declined below the August total, but was measurably larger than in September, 1935.

As a whole the agricultural situation underwent improvement during the past six weeks. The betterment was attributable mainly to the distinct breaking of the devastating drouth by abundant rainfall in September and early this month. While the moisture came too late to benefit many important crops, it served to revive pastures, supply stock water deficiencies, help late gardens and put the soil in condition for planting fall grains. Some benefit was derived by the cotton and tobacco crops, both of which are turning out better than expected earlier in the season. Feed and forage crops are short, but sufficient roughage has been salvaged by farmers to enable them to carry their livestock through the winter. Fruit and vegetable crops are the smallest produced in this district for many years, and in some important growing areas, the smallest of record. Prices of farm products were well sustained. As of

October 3, the farm products group of the Bureau of Labor Statistics Index stood at 84.5 per cent of the 1926 average, 2.4 per cent higher than on September 5, and only slightly below the recovery high.

As reflected in sales of department stores in the principal cities of the district, the volume of retail trade in September was 42.3 per cent greater than in August and 20.6 per cent larger than September, 1935; cumulative total for the first three quarters this year was greater by 10.6 per cent than for the comparable period in 1935. Combined sales of all wholesaling and jobbing firms reporting to this bank in September were 5.6 per cent and 19.0 per cent larger, respectively, than a month and a year earlier, and for the first nine months the cumulative total was 4.3 per cent in excess of that for the like period in 1935. The dollar value of permits issued for new buildings in the five largest cities in September fell 42 per cent below August, but was approximately twice as large as a year earlier; cumulative total for the first nine months exceeded that of the comparable period in 1935 by 46 per cent. Dollar value of construction contracts let in the Eighth District in September was one-third greater than in August, and exceeded the September, 1935, amount by 92 per cent; for the first nine months there was an increase of 95 per cent over the comparable interval in 1935.

According to officials of railroads operating in this district, freight traffic handled during the last half of September and the first two weeks of October reached the highest volume for any similar period since 1930. For the first time this year the number of freight-cars loaded on their lines and received from connections exceeded the total recorded in 1931. There was a rather sharp decline in loadings of grain and grain products during the past four weeks, ascribable to crop shortages incident to the drouth. This has been more than counterbalanced by the early and heavy movement of cotton and increases in the coal and coke, ore, forest products and miscellaneous freight classifications. Passenger business of the reporting roads also carried further the steady betterment of recent months. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in September was 8 per cent smaller than in August and 11.5 per cent under the September, 1935, total.

Reports relative to collections during the past thirty days reflected no change worthy of note as contrasted with the similar period immediately preceding. In the principal distributing centers wholesalers and jobbers for the most part reported settlements relatively larger than a year ago. This was

true particularly of boots and shoes, dry goods and other lines with which October is an important collection month. Generally through the south, but especially in the cotton sections, retailers report collections the best in a number of years. Due to the early maturity of the crop and high wages paid cotton pickers, liquidation of indebtedness to merchants and country banks has been in considerable volume. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
September, 1936.....	5.4%	52.7%	40.5%	1.4%
August, 1936.....	2.4	53.0	41.0	3.6
September, 1935.....	4.9	37.8	54.9	2.4

Commercial failures in the Eighth Federal Reserve District in September, according to Dun and Bradstreet, numbered 17, involving liabilities of \$277,000, which compares with 24 defaults in August with liabilities of \$215,000 and 25 insolvencies for a total of \$323,000 in September, 1935.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Sept., 1936 compared with Aug. '36	Sept. '35	9 months 1936 comp. with same period 1935	Sept. 30, 1936 comp. with Sept. 30, 1935
Boots and Shoes.....	+ 8.4%	+20.8%	— 3.6%	+12.2%
Drugs and Chemicals..	+15.8	+17.2	+ 9.6	+ 8.1
Dry Goods.....	+ 2.9	+21.1	+11.0	+ 3.9
Electrical Supplies.....	— 1.5	+24.1	+15.2	+25.9
Furniture.....	— 1.9	+17.4	+25.4	+ 7.5
Groceries.....	— 0.5	+12.0	+ 5.1	+13.2
Hardware.....	+ 4.5	+13.9	+ 9.9	+ 1.3
All above lines.....	+ 5.6	+19.0	+ 4.3	+ 6.5

Automobiles — Combined passenger car, truck and taxicab production in the United States in September was 135,130 against 271,291 in August, and 87,540 (revised figure) in September, 1935.

Boots and Shoes — September sales of the reporting firms were the largest for the month since 1930, and represented the highest dollar value for any month since May, 1935. Betterment extended through practically all lines, but was outstanding in women's and children's styled and specialty footwear. Production declined from August to September, but in less than the usual seasonal amount. Prices were firm, but unchanged from the preceding thirty days.

Clothing — The unseasonably mild weather during September tended to hold down the movement of seasonal apparel through retail channels, particularly women's suits. However, effects of the warm weather were more than counterbalanced by increased demands generally through the district, and September sales of the reporting clothiers were more than one-third larger than for the same month

a year ago. Stocks declined 15 per cent between September 1, and October 1, and on the latest date were 20 per cent larger than a year earlier.

Drugs and Chemicals—Further expansion in requirements of the general manufacturing trade for heavy drugs and chemicals, coupled with continued heavy demand for cosmetics and the general run of luxury goods were largely responsible for the increase of the reporting firms in September over a month and a year earlier. Prices showed little change worthy of note as contrasted with the preceding thirty days.

Dry Goods—For the seventh consecutive month, business in this classification during September showed an increase over the corresponding period a year earlier, besides recording a contraseasonal gain over the preceding month. Warm weather tended to hold down ordering of seasonal merchandise, but considerable improvement in advance buying has taken place since October 1. According to the reporting firms, the volume of advance business at mid-October was about 12 per cent greater than a year ago.

Electrical Supplies—September sales of the reporting firms showed a slight decline under August, but the total was the largest for any September, since 1929. Outlet through the building industry narrowed somewhat, but this was largely counterbalanced by increased sales of radio material, household appliances, refrigeration and air conditioning equipment. Inventories on October 1, were approximately one-fourth larger than a year ago.

Flour—Production at the twelve leading mills of the district in September totaled 189,985 barrels, against 252,162 barrels in August and 201,436 barrels in September, 1935. Moderate improvement in purchasing by the domestic trade was noted during September and the first half of October. Reflecting the relative stability of cash wheat, prices showed little change as contrasted with a month ago.

Furniture—Reversing the usual seasonal trend, September sales of the reporting firms fell slightly below the August total. Since October 1, there has been a sharp pick-up in new orders and inquiries, including radio cabinets, holiday goods and other specialties. Demand for household furniture and furnishings was less outstanding than earlier in the year.

Groceries—Short fruit and vegetable crops, incident to the record drouth this year, greatly reduced home preserving and canning, resulting in an unusually heavy demand for manufactured goods. Retailers and ultimate consumers have been dis-

posed to stock heavily in anticipation of possible price advances. Inventories of the reporting firms as of October 1 were 17 per cent and 13 per cent larger, respectively, than a month and a year earlier. The trend of prices of a majority of commodities continued upwards.

Hardware—Further improvement in business in this classification was reflected in September sales of the reporting interests. Goods for distribution in the rural areas continued the steady expansion which has been in effect during the past eighteen months. Advance ordering of holiday merchandise was reported in measurably larger volume than at the like period a year and two years earlier.

Iron and Steel Products—Activities in the iron and steel industry in this area during the last half of September and the opening weeks of October continued the upward trends which have obtained in varying degree throughout the year. Reports from a large majority of lines within the industry reflect the largest business volume during the first three quarters of any similar period since 1930, and in the case of a number of operations, the highest volume of record. As contrasted with a year and two years earlier, purchasing by the principal consuming groups, notably the railroad, building, automobile and machinery industries, showed notable expansion. Marked gains were also recorded by specialty makers, including stove, farm implement, heating apparatus and household appliance manufacturers. Requirements of miscellaneous users of iron and steel products constituted an important factor in the general improvement, and were reflected in increased activities at jobbing foundries, steel casting plants, and in the warehouse and jobbing trade. Producers of plates, sheets, strip and other flat rolled materials are still behind on deliveries. The movement of tin plate and galvanized material continues in substantial volume, being stimulated by heavy demand from the building industry and general manufacturing trade. Shipments and sales of pig iron to district melters during September reached the highest totals for any month this year, with the exception of March. The rate of production at steel mills making ingots at mid-October was 74 per cent of capacity, the same as a month earlier. Prices of certain steel commodities were advanced \$2 per ton, effective October 1. The general trend of prices was firm, an exception being scrap iron and steel, which in early October receded slightly from the high point of the year, reached during the last week in September. For the country as a whole production of pig iron in September,

according to the magazine "Steel", was 2,729,705 tons, the highest since June, 1930, and comparing with 2,711,726 tons in August, and 1,770,259 tons in September, 1935. Steel ingot production in the United States in September totaled 4,161,108 tons, against 4,195,130 tons in August and 2,825,004 tons in September, 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 Sept. 30, '36 comp. with Sept. 30, '35	Stock Turnover Jan. 1, to Sept. 30, 1936
	Sept. 1936	9 mos. 1936	to same period '35		
	Aug. 1936	Sept. 1935	period '35		
El Dorado, Ark.....	+10.9%	+2.3%	—0.4%	+0.5%	1.98
Ft. Smith, Ark.....	+50.6	+7.6	+13.7	+4.6	1.81
Little Rock, Ark.....	+30.6	+12.3	+12.8	+3.1	2.14
Louisville, Ky.....	+27.1	+17.2	+13.8	+10.3	3.18
Memphis, Tenn.....	+25.5	+21.5	+12.1	+8.5	2.48
Pine Bluff, Ark.....	+18.8	+5.0	+6.0	—12.7	2.76
St. Louis, Mo.....	+52.2	+22.7	+9.6	+5.3	3.02
Springfield, Mo.....	+36.4	+12.4	+6.8	+8.0	1.91
All Other Cities.....	+16.9	+11.0	+9.7	+13.5	2.25
8th F. R. District.....	+42.3	+20.6	+10.6	+6.3	2.83

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

	Installment Accounts	Excl. Inst'l Accounts		Installment Accounts	Excl. Inst'l Accounts
	%	%		%	%
El Dorado.....	48.9%	48.9%	Pine Bluff.....	30.1%	30.1%
Fort Smith.....	35.2	35.2	Springfield.....	32.4	32.4
Little Rock.....	12.2	34.5	St. Louis.....	18.8	51.9
Louisville.....	14.5	51.1	Other Cities.....	10.9	40.6
Memphis.....	19.4	39.1	8th F. R. Dist.....	17.3	46.7

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

	Net Sales			Stock on Hand Sept. 30, '36 comp. with Sept. 30, '35	Stock Turnover Jan. 1, to Sept. 30, 1936
	Sept. 1936	9 mos. 1936	to same period '35		
	Aug. 1936	Sept. 1935	period '35		
Men's Furnishings.....	+52.1%	+9.8%	+10.2%	+0.3%	1.85
Boots and Shoes.....	+64.8	+19.6	+15.4	+3.0	5.12

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

Men's Furnishings.....	33.5%	Boots and Shoes.....	33.1%
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MINING

Production of soft coal at mines in this general area during September, according to the U. S. Bureau of Mines, was more than one-fourth greater than for the same month in 1935 and 6 per cent larger than the tonnage lifted in August this year. At Illinois mines the September output was 3,517,873 tons, which compares with 3,262,884 tons in August and 2,743,253 tons in September, 1935. There were 149 mines in operation and 34,389 men on payrolls in September, an increase of 2,369 in the number of mines active and of 16 in operatives as compared with the preceding month. United States production of soft coal in September was estimated at 36,772,000 tons, as against 33,240,000 tons (re-

vised figure) in August and 25,038,000 tons in September, 1935. During the first nine months this year 302,163,000 tons were produced, against 262,764,000 tons during the like period in 1935.

AGRICULTURE

Taken as a whole Eighth District crop prospects underwent improvement during September and the first half of October. The betterment was attributable almost entirely to definite breaking of the disastrous drouth which had affected virtually the whole area during the late spring, summer and early autumn. Abundant rainfall, above normal in many sections, materialized during the last half of September and early October. Of the principal crops, those showing improvement in condition between September 1, and October 1 were cotton, corn, oats, tobacco, pastures and late vegetables. However, the precipitation came too late to greatly benefit crops generally, and short yields are the rule. This is true particularly of tree fruits, feed, grains, hay and vegetables for market and manufacturing. The rains had the effect of replenishing water supplies for livestock and home use, which in sections most acutely hit by the drouth, were practically exhausted. Fields were also put in excellent condition for plowing and preparing for seeding winter wheat, barley and other fall planted grains. Pastures, according to the U. S. Department of Agriculture, made one of the most remarkable recoveries on record for any single month. Milk production per cow increased from below average on September 1, to the highest October 1 production since 1928.

Prospective crop yields combined per acre of 33 important crops, in all states of the United States, expressed in a percentage of the 10-year (1921-1930) average yield, is estimated by the U. S. Department of Agriculture in its October 1 report, at 84.5 per cent. In states including the Eighth District the percentages of the averages are as follows: Indiana, 84; Illinois, 76; Missouri, 59; Kentucky, 75; Tennessee, 96; Mississippi, 144, and Arkansas, 106. These percentages illustrate accurately the relative severity of the 1936 drouth. Mississippi and Arkansas showed results above average, while all other states were below, with Missouri 41 per cent under the 10-year record. Of the 680 counties in Eighth District states, 329 had been designated as emergency drouth area as of October 3. The supply of farm labor as a general rule was adequate, though in Indiana and parts of Illinois and Missouri, rains tended to pile up farm work and demand for labor exceeded the supply for the first time in many months.

Corn—Eighth District corn prospects increased moderately from August to September, the yield, based on October 1 conditions, being estimated by the U. S. Department of Agriculture at 195,066,000 bushels, an increase of 5,771,000 bushels over the September 1, forecast and comparing with 262,799,000 bushels harvested in 1935 and the 13-year (1923-1935) average of 326,193,000 bushels. Ripening of corn and scattered husking returns tend to emphasize the uneven yield and quality situation. In a limited number of counties, mainly in Indiana and Illinois, average yields are indicated, and from that the crop ranges downward to complete failure. The severe drouth was the chief cause of the short crop, with ravages of insects and varying quality of seed, contributing factors. A large acreage of corn stunted by the adverse season will be used for silage and fodder throughout the district. Quite generally there has been more corn cut for silos or feeding green or cut and shocked for later use than for many years. As of mid-October the crop, even in the most northern counties, was past damage from frost. Stocks of corn on farms in states of this district on October 1 were estimated at 45,002,000 bushels, against 21,671,000 bushels a year earlier and the 5-year (1928-1932) average of 48,549,000 bushels. Prices of corn continued at or around the highest levels recorded in recent years.

Cotton—Rains and favorable temperatures during late September resulted in considerable improvement in cotton prospects in this district, and further improvement has taken place since October 1. The U. S. Department of Agriculture in its October 1 report estimates the yield in the Eighth District at 2,960,000 bales, an increase of 316,000 bales over the September 1 forecast and comparing with 2,243,000 bales harvested in 1935 and the 13-year (1923-1935) average of 2,701,000 bales. Latest ginning reports indicate that the crop is turning out much better than expected in point of quantity, with quality of the staple exceptionally high. The harvest has progressed rapidly, interference by rains being of short duration. The movement from farms and plantations has been one of the most rapid in recent years. Demand for raw cotton continued active with prices well sustained. In the St. Louis market the middling grade ranged from 12.80c to 13.25c per pound between September 16 and October 15, closing at 13.00c on the latter date, which compares with 13.00c on September 15 and 10.90c on October 15, 1935. Receipts at Missouri and Arkansas warehouses combined from August 1 to October 16, totaled 754,234 bales, against 390,713 bales for the corre-

sponding period a year earlier. Stocks on hand as of October 16 totaled 659,748 bales against 615,139 bales on the same date in 1935.

Fruits and Vegetables—The production of fruits of all descriptions and vegetables in the Eighth District this year is far below average, and among the the lowest in recent years. An adverse winter and spring, followed by drouth and extreme heat during the summer and early fall severely cut down yields in all sections, and in some important growing areas resulted in complete failure. White potato prospects in the district proper declined slightly during September, the U. S. Department of Agriculture's October 1 report estimating the output at 8,358,000 bushels, against 13,707,000 bushels harvested in 1935 and the 13-year average of 13,617,000 bushels. In states entirely or partly within this district the sweet potato crop is estimated at 15,915,000 bushels, against 19,768,000 bushels in 1935 and the 5-year (1928-1932) average of 17,483,000 bushels. In these states the apple crop is forecast at only 4,152,000 bushels, of which 2,030,000 bushels represents commercial crop, against 18,302,000 bushels in 1935, with 9,646,000 bushels commercial crop, and the 5-year average of 14,937,000 bushels, of which 6,512,000 bushels were commercial crop; peaches, 2,927,000 bushels, against 8,656,000 bushels in 1935, and the 5-year average of 7,056,000 bushels; pears, 817,000 bushels against 1,813,000 bushels in 1935 and 5-year average of 1,624,000 bushels; grapes, 21,520 tons, against 32,606 tons in 1935 and 5-year average of 32,065 tons; peanuts, 32,385,000 pounds, against 34,465,000 pounds in 1935 and 5-year average of 29,894,000 pounds.

Livestock—The past thirty days have been marked by considerable improvement in the condition of livestock generally through the district. The betterment is attributable to the recent rains, which restored deficient water supplies and revived pastures. Milk production showed a marked increase between September 1 and October 1. Tame hay production in the Eighth District is estimated at 4,217,000 tons against 5,835,000 tons in 1935 and the 13-year (1923-1935) average of 6,550,000 tons.

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

	Receipts			Shipments		
	Sept., 1936	Aug., 1936	Sept., 1935	Sept., 1936	Aug., 1936	Sept., 1935
Cattle and Calves.....	157,975	150,350	204,036	86,767	83,170	119,769
Hogs	180,560	148,050	120,871	121,226	94,484	75,266
Horses and Mules.....	4,857	5,869	6,398	5,519	4,663	5,647
Sheep	64,449	63,486	73,875	16,549	10,452	23,329
Totals.....	407,841	367,755	405,180	230,061	192,769	224,011

Tobacco—Belated rains slightly helped tobacco prospects, the U. S. Department of Agriculture's

October 1 estimate placing the Eighth District yield at 177,734,000 pounds, an increase of 945,000 pounds over the September 1 forecast and comparing with 189,075,000 pounds harvested in 1935 and the 13-year average of 288,410,000 pounds.

COMMODITY PRICES

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

	High	Low	Close	
			Oct. 15, 1936	Oct. 15, 1935
Wheat				
*Dec.per bu.	\$1.20 3/4	\$1.15 1/2	\$ 1.16 3/4	\$ 1.04
*May	1.18 1/2	1.14 1/2	1.15 1/4	1.02 5/8
*July	1.05 5/8	.99 1/2	.99 1/4	.92 7/8
*No. 2 red winter ..	1.24 1/2	1.19	1.23	1.10
*No. 2 hard ..	1.25	1.18 1/2	1.24	1.16
Corn				
*Dec.	1.20 1/4	.95 3/4	1.18 3/4	.61
*May	1.16 3/8	.91	1.14 3/8	.59 5/8
*July	1.11 3/8	1.07 3/4	1.10 3/8	.60 1/4
*No. 2 Mixed	1.17	1.12	1.17	.86 1/2
*No. 2 White	1.25	1.21	1.22	.87
Oats				
*No. 2 White46 1/2	.44	.44 1/2	.32
Flour				
Soft Patent.....per bbl.	6.00	5.35	5.45 @ 5.90	6.90 @ 7.40
Spring "	8.00	7.25	7.25 @ 7.45	8.80 @ 9.00
Middling Cotton...per lb.	.1325	.1280	.1300	.1090
Hogs on Hoof.....per cwt.	10.70	6.75	6.75 @ 10.70	7.50 @ 10.65

*Nominal quotations.

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 10.7 per cent in combined postal receipts for the third quarter of this year over the corresponding period in 1935, and a decrease of 3.4 per cent as compared with the quarter ended June 30, 1936. Detailed figures follow:

	For Quarter Ended			Sept. 1936 comp. with Sept. 1935
	Sept. 30, 1936	June 30, 1936	Mar. 31, 1936	
Evansville	\$ 154,625	\$ 155,946	\$ 163,050	+14.1%
Little Rock.....	205,372	192,596	195,931	+16.2
Louisville	674,001	681,523	684,432	+ 6.7
Memphis	599,258	551,163	557,012	+24.5
St. Louis.....	2,396,142	2,588,927	2,457,735	+ 8.2
Totals.....	4,029,398	4,170,155	4,058,160	+10.7

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 86,506 loads in September, as against 91,507 loads in August and 75,732 loads in September, 1935. During the first nine days of October the interchange amounted to 26,971 loads, an increase of 2,471 loads over the corresponding period in September and comparing with 24,053 loads during the first nine days of October, 1935. Passenger traffic of the reporting lines in September showed an increase of 20.5 per cent in number of tickets sold and of 24.5 per cent in revenue as compared with the same month a year ago. These increases follow steady gains during the past eighteen months, and are ascribable to improvement in general business conditions and heavy vacation travel. For the country as a whole, loadings of revenue freight for the

first 40 weeks this year or to October 3, totaled 26,997,718 cars, against 23,818,058 cars for the corresponding period in 1935 and 23,994,858 cars in 1934. Estimated tonnage of the Federal Barge Line in September, between St. Louis and New Orleans was 126,800 tons, against 137,546 tons in August and 143,287 tons in September, 1935.

BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in September was 41.6 per cent smaller than in August, and 95 per cent larger than the September, 1935, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in September, amounted to \$23,101,362 which compared with \$17,313,100 in August, and \$12,016,826 in September, 1935. Building figures for September follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1936	1935	1936	1935	1936	1935	1936	1935
Evansville ..	194	53	\$ 172	\$ 74	125	458	\$ 79	\$ 186
Little Rock ..	28	12	59	12	90	103	34	41
Louisville ..	135	59	514	238	57	97	27	31
Memphis	200	130	485	98	191	205	172	109
St. Louis.....	238	223	360	393	176	126	154	179
Sept. Totals	795	477	1,590	815	639	989	466	546
Aug. "	620	523	2,571	1,559	615	621	557	372
July "	567	529	1,380	1,104	656	644	491	356

*In thousands.

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in September as being 3.6 per cent less than in August, and 26.9 per cent more than in September, 1935. Detailed figures follow:

	No. of Custom- ers	Sept., 1936	Aug., 1936	Sept., 1936 comp. with Aug., 1936	Sept., 1935	Sept., 1936 comp. with Sept., 1935
		*K.W.H.	*K.W.H.		*K.W.H.	
Evansville	40	2,264	3,141	-27.9%	2,210	+ 2.4%
Little Rock... 35		2,469	2,392	+ 3.2	2,004	+23.2
Louisville 82		9,137	9,098	+ 0.4	7,891	+15.8
Memphis 31		2,513	2,233	+12.5	1,653	+52.0
Pine Bluff.... 20		708	420	+68.6	492	+43.9
St. Louis.....185		25,429	26,815**	- 5.2	19,245**	+32.1
Totals.....393		42,520	44,099**	- 3.6	33,495**	+26.9

*In thousands.

**Revised figures.

LIFE INSURANCE

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

(In thousands of dollars)	Sept., 1936	Aug., 1936	Sept., 1935	Jan.-Sept., 1936	Jan.-Sept., 1935	Cumul. change
Arkansas.....	\$ 2,150	\$ 2,399	\$ 1,906	\$ 22,046	\$ 23,071	- 4.4%
Illinois.....	33,276	35,792	33,085	351,369	377,517	- 6.9
Indiana.....	8,425	9,634	10,117	93,679	102,137	- 8.3
Kentucky.....	4,754	4,676	4,381	44,464	48,395	- 8.1
Mississippi.....	2,278	2,249	2,059	20,197	19,857	+ 1.7
Missouri.....	11,227	12,793	11,892	127,492	135,395	- 5.8
Tennessee.....	5,354	5,157	5,059	47,328	50,392	- 6.1
Totals.....	67,464	72,700	68,499	706,575	756,764	- 6.6
United States...	426,344	451,612	413,716	4,397,949	4,609,100	- 4.6

MONEY AND BANKING

The past thirty days have been marked by further expansion in demand for credit in the Eighth Federal Reserve District. Requirements were more diversified than has been the case in many months, both with reference to classes of borrowers and geographic location. Earliness of the harvest and movement of the cotton crop are reflected in measurably larger commitments of cottonseed milling interests and producers and handlers of the staple than at this particular season during the past several years. There were also evidences of rapidly expanding demand for funds to finance the tobacco crop, harvesting and housing of which is nearing completion. Commercial banks in the large cities reported more active borrowing by industrial and commercial customers than at any time this year. However, liquidation by these interests continued in substantial volume, particularly by wholesalers with whom October is an important settlement month.

Member Banks—Total loans of reporting banks in the principal cities increased 3.1 per cent between September 16 and October 14, the gain being entirely in the category of "all other loans" which reflects mainly borrowing by commercial and industrial interests. Investments decreased slightly, but remained measurably higher than a year ago. Gross deposits continued the upward trend of recent months, and at \$937,792,000 on October 14, represented an all time high. Reserve balances increased 24.6 per cent during the four-week period and at mid-October were 8.7 per cent greater than a year ago.

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

(In thousands of dollars)	Oct. 14, 1936	Sept. 16, 1936	Oct. 16, 1935
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations and other stocks and bonds.....	\$ 76,282	\$ 78,171	\$ 63,068
All other loans and discounts.....	196,095	186,026	167,188
Total loans and discounts.....	272,377	264,197	230,256
Investments:			
U. S. Gov't securities.....	229,397	231,692	210,997
Other securities.....	167,782	166,785	138,053
Total investments.....	397,179	398,477	349,050
Demand deposits.....	752,268	698,871	643,886
Time deposits.....	185,524	184,900	178,586
Gross deposits.....	937,792	883,771	822,472
Reserve balance with F. R. Bank.....	130,491	104,713	120,064
Cash in vault.....	11,838	10,935	10,557
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 October 7, 1936, was 0.4 per

cent greater than on September 2 and 5.3 per cent larger than on October 2, 1935.

At downtown banks in St. Louis interest rates charged as of the week ended October 15 were as follows: Customer's prime commercial paper, 1 to 5½ per cent; collateral loans, 3 to 6 per cent; loans secured by warehouse receipts, 1½ 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)	Oct. 19, 1936	Sept. 19, 1936	Oct. 19, 1935
Industrial advances under Sec. 13b.....	\$ 515	\$ 522	\$ 430
Other advances and rediscounts.....	58	85	29
Bills bought (including participations).....	87	87	80
U. S. securities.....	115,809	129,927	108,200
Total earning assets.....	116,469	130,621	108,739
Total reserves	270,117	250,043	233,959
Total deposits	199,096	200,632	185,472
F. R. Notes in circulation.....	180,427	172,886	151,523
Industrial commitments under Sec. 13b	1,294	1,517	2,027
Ratio of reserve to deposit and F. R. Note liabilities.....	71.2%	66.9%	69.4%

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

- 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 rediscounts, purchase or make advances, under Section 13b.
- 5½% per annum for advances to established industrial or commercial business, 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)	Sept., 1936	Aug., 1936	Sept., 1935	Sept. 1936 comp. Aug. 1936	Sept. 1935
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 31,288	\$ 30,382	\$ 28,852	+ 3.0%	+ 8.4%
El Dorado, Ark.....	4,404	4,092	3,542	+ 7.6	+24.3
Evansville, Ind.....	24,965	27,519	20,400	— 9.3	+22.4
Fort Smith, Ark.....	11,201	9,632	8,095	+ 16.3	+38.4
Greenville, Miss.....	7,904	3,843	4,557	+105.7	+73.4
Helena, Ark.....	2,957	1,384	1,847	+113.7	+60.1
Little Rock, Ark.....	44,222	29,449	26,164	+ 50.2	+69.0
Louisville, Ky.....	158,580	141,576	128,301	+ 12.0	+23.6
Memphis, Tenn.....	170,425	101,824	105,758	+ 67.4	+61.1
Owensboro, Ky.....	4,947	5,219	4,463	— 5.2	+10.8
Pine Bluff, Ark.....	12,938	6,984	8,932	+ 85.3	+44.8
Quincy, Ill.....	7,599	7,488	6,024	+ 1.5	+26.1
St. Louis, Mo.....	523,366	505,754	466,800	+ 3.5	+12.1
Sedalia, Mo.....	1,874	1,856	1,790	+ 1.0	+ 4.7
Springfield, Mo.....	14,225	13,915	11,342	+ 2.2	+25.4
*Texarkana, Ark.....	8,445	6,193	5,403	+ 36.4	+56.3
Totals.....	1,029,340	897,110	832,270	+ 14.7	+23.7

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

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

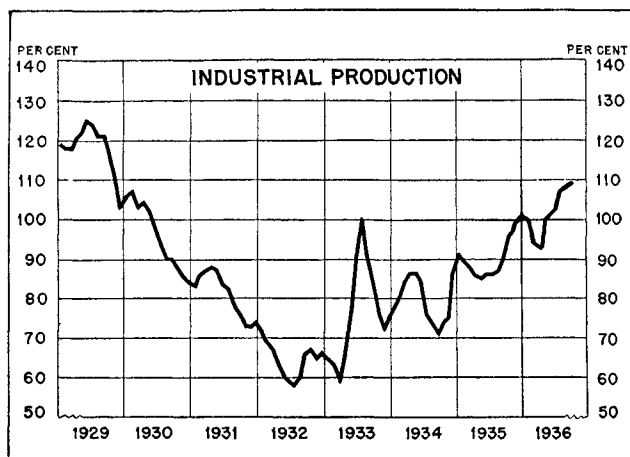
NATIONAL SUMMARY OF BUSINESS CONDITIONS

BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Production and Employment—Industrial output in September, as measured by the Board's seasonally adjusted index, was 109 per cent of the 1923-1925 average, approximately the level of the two preceding months. Output of steel was about the same as in August and in the first three weeks of October the rate of activity rose to a higher level than at any time since 1930. Automobile production showed a sharp seasonal decline in September and a considerable seasonal advance in the first three weeks of October. Production of lumber and cement showed a further rise and increases in activity were also reported at meat-packing establishments and at cotton and silk textile factories. At woolen mills there was little change in production although an increase is usual

the estimate made a month earlier and of 1,000,000 bales from the 1935 crop. Total cash farm income, including all Government payments, is estimated by the Department of Agriculture at \$7,850,000,000 for the calendar year 1936 as compared with \$7,090,000,000 in 1935.

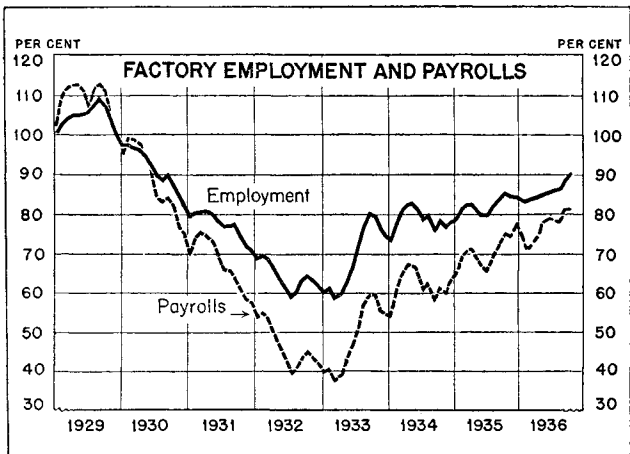
Distribution—Distribution of commodities to consumers increased by more than the usual amount in September, following a less than seasonal rise between July and August. Sales at department and variety stores and by mail order houses serving rural areas were in larger volume in September. Volume of freight carried by railroads increased, reflecting larger shipments of coal, ore, and miscellaneous freight and a decline in loadings of grain.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through September, 1936. Latest figure, September, preliminary, 109.

in September. Output of coal increased more than seasonally, and crude petroleum production continued in large volume.

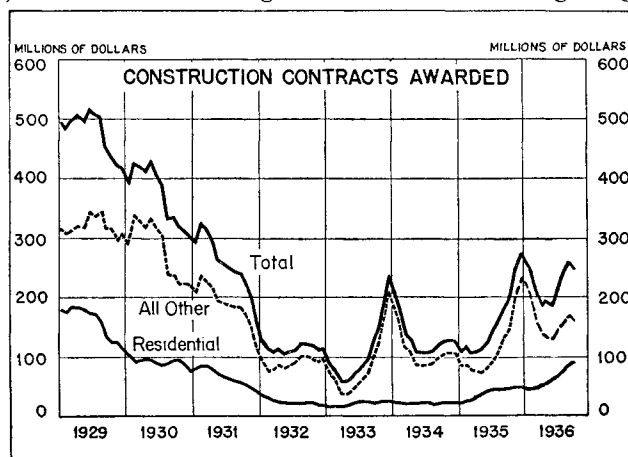
Factory employment increased seasonally in September and payrolls were maintained at the August level. The number employed in most industries producing durable goods continued to increase, while at automobile factories there was a seasonal decline. Employment decreased at woolen mills and showed a smaller increase than is usual at this season at cotton mills and at establishments producing women's clothing.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through September, 1936. Indexes compiled by the U. S. Bureau of Labor Statistics. Latest figures: September, employment, 90.6; payrolls, 81.0.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined somewhat further in September from the relatively high level reached in the middle of the year. There was a decrease in awards for residential building, reflecting chiefly a smaller volume of contracts for apartment construction which in August had included several large publicly-financed projects. Awards for non-residential work declined, partly as a result of a reduction in contracts for public works and utilities which have been in large volume during recent months.

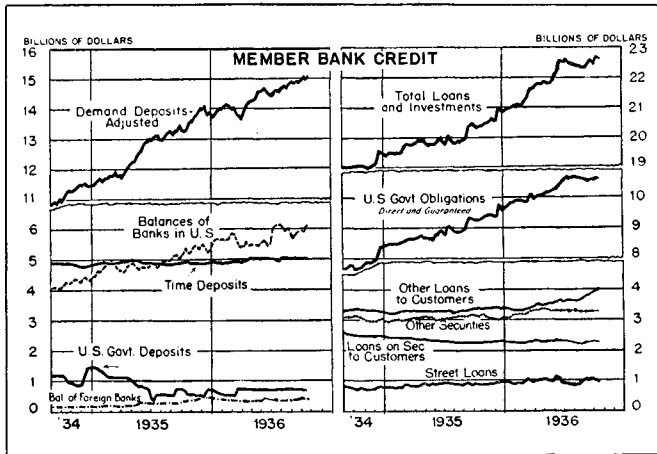
Agriculture—Crop conditions improved somewhat from September 1 to October 1, according to the Department of Agriculture, but estimates for corn and many other crops are still considerably below the harvests of last year. The cotton crop is estimated at 11,600,000 bales, an increase of 500,000 bales from



Three-month moving averages of F. W. Dodge data for value of contracts awarded in 37 Eastern States, adjusted for seasonal variation. Latest figures for September, preliminary total 248.9; residential, 90.4; all other, 158.5.

Commodity Prices—The general level of wholesale commodity prices has shown little change in the last two months. From the middle of September to the third week in October sugar and butter prices declined, and there were decreases also in prices of hogs and pork, as is usual at this season. Price advances were reported for leather and coke and higher prices for some finished and semi-finished steel products became effective on October 1.

Bank Credit—Loans of reporting member banks in leading cities, other than loans on securities, continued to increase in



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, through October 14, 1936. Loans on real estate, loans to banks, and acceptances and commercial paper bought included in total loans and investments but not shown separately.

September and the first half of October. On October 14 the volume of these loans was more than \$400,000,000 larger than on July 29. About half of this increase was at New York City banks and the remainder principally at banks in western and southern cities. Holdings of United States Government obligations have declined in recent weeks at New York City banks and have increased somewhat at other banks. Deposits of reporting banks have continued to increase. Excess reserves of member banks increased by \$410,000,000 in the five weeks ending October 21, reflecting a reduction of \$300,000,000 in Treasury holdings of cash and balances at the Reserve banks and an increase of \$250,000,000 in monetary gold stock, the effects of which were partially offset by a seasonal increase in money in circulation and a further growth in required reserves.