



# MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF NOVEMBER 30, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

## District Summary

	Nov. 1, 1936,	comp. with
	Oct. 1,	1923-1935
	1936	average
<b>Agriculture:</b>		
Estimated yield of 7 crops.....	+ 1.6%	-33.1%
<b>Live Stock:</b>		
Receipts at National Stock Yards.....	+ 9.7%	+ 2.9%
Shipments from aforesaid Yards.....	+ 8.1	+11.0
<b>Production and Distribution:</b>		
Sales by mfrs. and wholesalers.....	- 0.6	+15.8
Department store sales.....	+19.2	+27.9
Car loadings.....	+ 7.6	+ 9.3
<b>Building and Construction:</b>		
Bldg. permits, incl. repairs { Number.....	+ 3.8	+17.8
{ Cost.....	-17.3	+25.4
Value construc. contracts awarded....	-33.7	+ 6.0
<b>Miscellaneous:</b>		
Commercial failures { Number.....	+52.9	-29.7
{ Liabilities.....	+36.8	-20.5
Consumption of electricity.....	- 2.2	+21.4
Debits to individual accounts.....	+16.6	+17.8
<b>Member Banks (24):</b>		
Gross deposits.....	+ 0.8%	+11.6%
Loans.....	+ 1.5	+19.4
Investments.....	- 1.6	+ 9.8

GENERAL business in the Eighth District during October and the first weeks of November carried further forward the upward trends which, in greater or lesser degree, have characterized the past eighteen months. Virtually all measurements employed in gauging trade and industrial conditions reflected notable progress in the direction of recovery, and in a number of instances, production and distribution of commodities reached the highest levels since the predepression era. The betterment in concrete results extended as well to sentiment in the business community and general public and was reflected in freer and more confident purchasing of a wide variety of goods by merchants and ultimate consumers. The volume of retail trade in October increased over the preceding month and a year ago. Reports covering the first half of November indicate substantial gains in all sections of the district over the same period in 1935. All wholesaling and jobbing lines investigated by this bank recorded increases in October over that

month in 1935 and a number showed contraseasonal increases over September this year.

Activities in the iron and steel industry, which during the summer months had failed to develop the usual seasonal contraction, have expanded steadily since early fall, and at mid-November reached the peak of the upward movement. Consumption of pig iron and scrap by district mills and foundries in October was the largest for the month since 1930. Production of bituminous coal in fields of the district was measurably higher in October than a month and a year earlier. Consumption of electric current by industrial users in the principal centers, while falling slightly below September, was approximately one-fifth greater than in October, 1935. Distribution of automobiles also declined from September to October, but for the latest month was about one-fifth larger than a year ago. Shipments and production of lumber maintained their recent high levels and were considerably above a year ago. Activities at textile mills showed little change in October as contrasted with the preceding month. Taken as a whole, marked improvement in employment conditions was evident.

October and early November weather was in the main auspicious for maturing and harvesting of late crops. Moderate improvement took place in prospects for a number of productions, including tobacco, corn, potatoes and pastures. Marked betterment in the prospective yield of cotton from September to October was reflected in the U. S. Department of Agriculture's report as of November 1. Withal, late harvesting returns are emphasizing the dire effects of the drouth which prevailed in the district during the late spring, summer and early autumn. Excepting wheat and cotton, all crops will be considerably below average. Shortages of feed grains are outstanding, and yields of fruits and vegetables are the smallest in recent years. Late fall rains have resulted in almost ideal conditions for preparing seed beds and planting winter wheat and other fall grains. Harvesting of cotton and corn has progressed rapidly, and at mid-November the

tobacco crop had been cut and housed. Prices of farm products have been maintained at the relatively high levels of recent months.

Measured by sales of department stores in the principal cities of the district, retail trade in October was 19.2 per cent greater than in September and 27.9 per cent larger than in October, 1935; cumulative total for the first ten months this year exceeded that of the comparable period in 1935 by 12.8 per cent. Combined sales of all wholesaling and jobbing firms reporting to this bank in October were 0.6 per cent less than in September, but 15.8 per cent larger than in October a year ago; for the ten months this year the total was 5.7 per cent above that for the same time in 1935. The dollar value of permits issued for new buildings in the five largest cities in October was 28.1 per cent less than in September and 18.1 per cent more than for the same month in 1935; for the first ten months the cumulative amount was 43.3 per cent larger than a year ago. The value of construction contracts let in the Eighth District in October was one-third less than in September, but 6.0 per cent greater than in October, 1935; cumulative total for the first ten months this year was 81.9 per cent in excess of that for the like interval in 1935.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, continued in considerably greater volume than during the preceding five years. During the closing weeks of October and the first half of November, tonnage handled showed much less than the usual seasonal decline. For the first ten months this year cumulative loadings were the largest for any similar period since 1930. Increases over a year ago were recorded in all classifications, but were most pronounced in fuels, ore, forest products and miscellaneous freight L. C. L. Southern roads have been benefited by the large cotton crop and early movement of that staple to market. During October passenger traffic of the reporting roads continued the steady betterment noted during earlier months this year. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in October showed an increase of 1.3 per cent over September and a decrease of 16.3 per cent as compared with October, 1935. For the first ten months this year, cumulative tonnage was 9.3 per cent larger than for the same period a year ago.

Generally through the district, collections during the past thirty days maintained the high averages of the past eighteen months. Merchants and bankers in the cotton areas reported a considerable

volume of liquidation including debts of long standing. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

		Excellent	Good	Fair	Poor
October, 1936.....		9.8%	52.8%	36.0%	1.4%
September, 1936.....		5.4	52.7	40.5	1.4
October, 1935.....		3.4	45.5	48.9	2.2

Commercial failures in the Eighth Federal Reserve District in October, according to Dun and Bradstreet, numbered 26, involving liabilities of \$379,000, which compares with 17 defaults in September with liabilities of \$277,000 and 37 insolvencies for a total of \$477,000 in October, 1935.

### Detailed Survey

#### MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	compared with Sept. '36	Oct. '35 Oct. 1936	10 months 1936 comp. with same period 1935	Oct. 31, 1936 comp. with Oct. 31, 1935
Boots and Shoes.....	-13.6%	+ 0.6%	- 3.2%	+ 3.8%
Drugs and Chemicals..	+ 7.6	+26.8	+11.0	+ 4.9
Dry Goods.....	+ 6.0	+31.5	+13.8	+11.3
Electrical Supplies.....	+19.5	+40.5	+17.5	+12.8
Furniture.....	- 1.4	+27.1	+27.2	+22.2
Groceries.....	- 0.5	+ 5.5	+ 5.4	+ 7.0
Hardware.....	+16.2	+22.9	+11.5	+ 2.8
All above lines.....	- 0.6	+15.8	+ 5.7	+ 7.3

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in October was 224,628 against 135,130 in September, and 272,043 in October, 1935.

**Boots and Shoes** — The decline in sales from September to October, shown in the above table, was seasonal in character, but somewhat larger than the usual experience. This was attributed to the extraordinarily heavy purchasing during the earlier month. October production also declined to a somewhat greater extent than is ordinarily the case, but output compared favorably with the corresponding period last year. Prices were unchanged during the past thirty days, but the average continued from 2 to 3 per cent above a year ago.

**Clothing** — October sales of the reporting clothiers showed an increase of 1.0 per cent over the preceding month, and the total was approximately one-fourth greater than in October, 1935. Inventories decreased 11.0 per cent between October 1 and November 1, and on the latest date were 14 per cent greater than a year earlier. The movement of heavyweight apparel through retail channels has picked up since November 1 under stimulus of more seasonable weather. Ordering for distribution next spring is reported in measurably larger volume than at the same time last year.

**Drugs and Chemicals** — Business in this classification continued the steady betterment of recent

months, October sales of the reporting interests representing the highest total since October, 1929. Practically all lines participated in the sales gain, but most outstanding were heavy drugs and chemicals for the manufacturing trade and luxury goods.

**Dry Goods** — October sales of the reporting firms showed a contraseasonal increase over September, and the total for the month was the largest since 1929. Reports covering the first half of November indicate an increase over the same period last year of about 25 per cent. Ordering of all seasonal merchandise has responded to the colder weather since the last week in October.

**Electrical Supplies** — Following the precedent of every preceding month this year with the exception of February, October sales of the reporting firms were larger than those of the corresponding period a year earlier, and the total for the month exceeded that for all years since 1929. This trend followed that of the country as a whole, a compilation by the U. S. Department of Commerce showing the value of orders booked for electrical goods in the United States during the first three quarters this year as being one-third larger than for the same interval in 1935 and greater than for any similar period in 1929.

**Flour** — Production at the twelve leading mills of the district in October totaled 202,294 barrels, against 184,494 barrels (revised figure) in September and 226,607 barrels in October, 1935. Further moderate expansion was noted in the domestic trade, jobbers and large baking interests being more disposed to cover future requirements. Prices showed little change as contrasted with the preceding thirty days.

**Furniture** — About the usual seasonal decrease in sales volume from September to October occurred, but the October total was the largest for that month since 1929. Ordering of holiday goods was reported the most active in recent years, and backlogs have been augmented by bookings at the Chicago furniture market, held in early November.

**Groceries** — A slight falling off in sales volume in this classification was recorded in October as compared with September, contrary to the usual seasonal trend; however, the aggregate was the largest for any October since 1930. According to the reporting firms, advance ordering of holiday goods and luxuries generally was the largest in recent years.

**Hardware** — Sales of the reporting interests in October were the largest for any month this year,

and exceeded all October totals since 1929. Virtually all lines have participated in the improvement, but gains have been most marked in builders' tools and hardware, paints, varnishes and kindred lines.

**Iron and Steel Products** — The rate of operations at iron and steel plants in this district during the past thirty days underwent further expansion, and in some sections of the industry, reached the highest levels since 1929. The accelerated pace extended to both production and distribution and to finished as well as semi-finished materials. Steel casting plants further stepped up their activities, particularly those specializing in railroad work. The increase in output of automobiles was reflected in freer specifications on castings and other materials going into their manufacture. Operations at stove plants were at the highest rate in recent years, a majority of foundries operating six days per week, and reporting backlogs sufficiently large to maintain that rate during the next three or four months. Schedules at farm implement and tractor plants were increased in greater than the usual seasonal amount during early November. Other interests reporting steady or increased operations were manufacturers of household appliances, freight cars, electrical equipment, boilers and heating apparatus. Demand for sheets, plates, bars and other rolled materials continues at the recent high levels, with producers still in arrears on deliveries. Production of steel ingots at mills in this area decreased from 74 per cent of capacity to 68 per cent during the closing week in October. There was also a seasonal recession in the movement of building materials, less noticeable, however, than during the past several years. Warehouse and jobbing interests reported October sales approximately 6 per cent larger than in September, and 8 per cent in excess of the October, 1935, total. Shipments of pig iron to district melters during October reached the largest aggregate for any month this year, and were the highest for the month since 1930. Due to heavy consumption and scarcity, iron and steel scrap prices advanced to the highest levels in recent years. Otherwise price changes since early October were negligible. For the country as a whole, production of pig iron in October, according to the magazine "Steel" totaled 2,991,794 tons, the highest for any month since May, 1930, and comparing with 2,728,257 tons in September and 1,978,379 tons in October, 1935. Steel ingot production in the United States in October amounted to 4,545,001 tons, against 4,161,108 tons in September and 3,142,759 tons in October, 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	Stock
	Oct. 1936		10 mos. 1936	on Hand	Turnover
	Sept. 1936	Oct. 1935	to same period '35	Oct. 31, '36 comp. with Oct. 31, '35	Jan. 1, to Oct. 31, 1936 1935
El Dorado, Ark.....	+34.2%	+27.3%	+ 2.5%	+ 4.5%	2.25 2.11
Ft. Smith, Ark.....	+63.8	+38.0	+17.4	— 0.5	2.18 1.96
Little Rock, Ark.....	+33.9	+36.5	+15.8	— 1.9	2.48 2.10
Louisville, Ky.....	+37.5	+28.1	+15.7	+ 5.6	3.67 3.21
Memphis, Tenn.....	+41.9	+28.2	+14.4	+ 2.2	2.90 2.53
Pine Bluff, Ark.....	+48.7	+19.6	+ 7.9	—16.4	3.23 2.52
St. Louis, Mo.....	+ 8.3	+27.1	+11.7	+ 6.0	3.44 3.21
Springfield, Mo.....	+27.1	+20.7	+ 8.6	+ 0.1	2.18 2.02
All Other Cities.....	+35.2	+19.6	+ 9.3	— 6.2	2.62 2.56
8th F. R. District.....	+19.2	+27.9	+12.8	+ 4.1	3.25 2.96

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

	Installment	Excl. Inst'l		Installment	Excl. Inst'l
	Accounts	Accounts		Accounts	Accounts
El Dorado.....	%	48.8%	Pine Bluff.....	%	36.6%
Fort Smith.....		44.5	Springfield.....		40.2
Little Rock.....	16.0	38.6	St. Louis.....	18.4	56.6
Louisville.....	13.4	50.1	Other Cities.....	16.3	47.2
Memphis.....	20.1	47.6	8th F. R. Dist.....	17.5	51.8

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

	Net Sales			Stock	Stock
	Oct. 1936		10 mos. 1936	on Hand	Turnover
	Sept. 1936	Oct. 1935	to same period '35	Oct. 31, '36 comp. with Oct. 31, '35	Jan. 1, to Oct. 31, 1936 1935
Men's Furnishings.....	+58.7%	+28.4%	+12.7%	+ 6.7%	2.17 2.07
Boots and Shoes.....	— 3.5	+24.1	+16.4	+10.0	5.76 4.79

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

Men's Furnishings.....	35.5%	Boots and Shoes.....	39.4%
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## MINING

Further improvement took place in the coal industry during October and the first weeks of November, due mainly to the continued high rate of industrial activity. At bituminous coal mines in this general area, production was 7.7 per cent and 28.2 per cent greater, respectively, than a month and a year earlier. United States output of soft coal in October was estimated at 42,935,000 tons, as against 37,200,000 tons in September and 37,768,000 tons in October, 1935. During the ten months to November 1, production amounted to 345,526,000 tons as compared with 300,532,000 tons for the comparable period in 1935. At Illinois mines in October, 4,799,164 tons were lifted, as against 3,517,873 tons in September and 4,534,015 tons in October, 1935. There were 162 mines in operation and 36,833 men on payrolls in October, an increase of 13 in the number of mines active and of 2,444 operatives as compared with the preceding month.

## AGRICULTURE

Weather conditions generally throughout the Eighth District during October and the first half of November were favorable for maturing and harvesting of late growing crops. As a result, moderate

improvement in prospects took place in several important crops, including cotton, tobacco, corn, potatoes and pastures. However, late harvesting returns serve to emphasize the effects of the devastating drouth which prevailed over virtually the entire area during the late spring, summer and early autumn. Yields of a majority of the principal productions, according to the U. S. Department of Agriculture, will be considerably below average. Feed grain crops are particularly short, output of corn being 38 per cent below the 13-year (1923-1935) average. Cattle and sheep feeding operations will be considerably less than a year ago. Lateness of killing frost permitted of development of certain vegetable crops, notably white potatoes, and home gardens were serviceable later into the season than was anticipated. Withal, the prospects for a light supply of canned and stored vegetables have resulted in the planting of largely increased acreage of winter vegetables in the south, present indications pointing to supplies of these vegetables being about 40 per cent above average.

Conditions have been ideal for preparing seed beds and sowing fall planted grains. Seeding of winter wheat has advanced rapidly, with excellent soil conditions, germination has been satisfactory, and generally good stands are the rule in the principal producing areas. Harvesting of cotton and tobacco has made good progress, and prospects for the former crop have bettered substantially from the September 1 estimate. Prices of farm products have been maintained approximately at their recently high levels. As of November 7, the farm products group in the Bureau of Labor Statistics Index stood at 84.2 per cent of the 1926 average, which compares with 77.5 per cent and 71.1 per cent, respectively, a year and two years earlier and 46.6 per cent on November 12, 1932.

Rental and benefit payments made in connection with Government agricultural adjustment programs during the first three quarters of 1936 in states partly or entirely within the Eighth District are given in the third column of the following table. The first two columns refer to payments made from the inception of the program in May, 1933, through the dates given.

## RENTAL AND BENEFIT PAYMENTS

States	Through Sept. 30, 1936	Through Dec. 31, 1935	Jan. 1, 1936 Through Sept. 30, 1936
Arkansas .....	\$ 37,317,831	\$ 35,313,740	\$ 2,004,091
Illinois .....	69,739,503	56,886,049	12,853,453
Indiana .....	42,787,559	36,126,464	6,661,096
Kentucky .....	23,723,749	20,631,910	3,091,839
Mississippi .....	35,383,305	34,379,868	1,003,437
Missouri .....	51,807,941	42,522,601	9,285,340
Tennessee .....	21,234,659	19,263,792	1,970,866
Totals.....	281,994,547	245,124,424	36,870,122

In states including the Eighth District, according to the Department of Agriculture, prospective crop yields combined, per acre, of 33 important crops, expressed in a percentage of the 10-year (1921-1930) average yield, were as follows: Indiana, 84; Illinois, 77; Missouri, 61; Kentucky, 76; Tennessee, 101; Mississippi, 154; Arkansas, 120.

**Corn** — Favorable fall conditions, with killing frosts delayed until late October, permitted corn which was not earlier dried beyond repair by drouth or stunted by insect pests to fully mature, with the result that there was moderate betterment in prospects in this area from September to October. In its report based on conditions as of November 1, the U. S. Department of Agriculture estimates the Eighth District yield at 200,377,000 bushels, an increase of 5,311,000 bushels over the October 1 forecast and comparing with 262,799,000 bushels harvested in 1935 and the 13-year (1923-1935) average of 326,193,000 bushels. At mid-November husking had been completed over much of the district, and returns emphasize the extremely uneven yields this season, caused by the record drouth, heavy insect infestation and uneven quality of seed. The acreage of corn harvested for silage and fodder is quite generally the largest of record.

**Cotton** — Prospects in this district improved to the extent of 366,000 bales between October 1 and November 1, the Government report as of the latest date placing the yield at 3,326,000 bales, against 2,960,000 bales on October 1, and comparing with 2,243,000 bales harvested in 1935 and the 13-year average of 2,701,000 bales. The increase in prospective results, according to the report, was due to fall weather that was almost ideal for maturing and picking the crop. When average weather conditions prevail there is usually some loss of open cotton in the fields, but this season practically no losses of this kind have occurred. Sales of spot cotton declined seasonally in early November, but continued relatively large for this time of year. Orders for finished goods at the mills also receded somewhat, but the backlog of orders already booked is sufficiently large to keep operations at their present high rate for some weeks to come. Following the Government report, prices declined moderately, the recession being attributed to the improved production prospects it reflected. In the St. Louis market the middling grade ranged from 12.70c to 13.25c per pound between October 16 and November 16, closing at 13.20c on the latest date, as against 13.00c on October 15, and 11.65c on November 15, 1935.

Combined receipts at Arkansas and Missouri warehouses from August 1 to November 13 totaled 1,076,697 bales, against 604,223 bales for the corresponding period a year ago. Stocks on hand as of November 13 totaled 693,456 bales as compared with 633,424 bales on the same date in 1935.

**Fruits and Vegetables** — Production of all fruits and vegetables for the year has been far below average, and in some sections the smallest of record. The unusually cold winter, followed by the prolonged drouth were responsible for the shortage. White potato prospects improved slightly during October, but the crop is still small, the U. S. Department of Agriculture in its November 1 report estimating the yield at 8,468,000 bushels, against 13,707,000 bushels harvested in 1935 and the 13-year (1923-1935) average of 13,617,000 bushels. In states of the Eighth District the sweetpotato crop is estimated at 15,638,000 bushels, against 19,768,000 bushels in 1935 and the 5-year (1928-1932) average of 17,483,000 bushels. In these states apple production is forecast at 5,155,000 bushels, of which 2,322,000 bushels represent 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 total and 6,512,000 bushels commercial crop; pears, 877,000 bushels, against 1,813,000 bushels in 1935 and 5-year average of 1,624,000 bushels; grapes, 22,730 tons, against 32,606 tons in 1935 and 5-year average of 32,065 tons; peanuts, 31,120,000 pounds, against 34,465,000 pounds in 1935 and 5-year average of 29,894,000 pounds.

**Live Stock** — Generally through the district the condition of live stock is reported good to excellent. Marked betterment in pastures, the mild weather through October and ample water supplies have been factors in the high mid-November condition. There was little change in the cattle feeding situation about November 1 as contrasted with a month earlier. According to the U. S. Department of Agriculture, a sharp decrease in cattle feeding during the winter and spring of 1936-1937 from a year earlier is in prospect. Shipments of stocker and feeder cattle into the Corn Belt states during October were much smaller than in that month a year earlier.

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

	Receipts			Shipments		
	Oct., 1936	Sept., 1936	Oct., 1935	Oct., 1936	Sept., 1936	Oct., 1935
Cattle and Calves.....	154,266	157,975	199,238	83,278	86,767	109,038
Hogs .....	232,203	180,560	162,266	149,062	121,226	91,446
Horses and Mules.....	6,673	4,857	4,922	5,963	5,519	5,657
Sheep .....	54,408	64,449	68,389	10,219	16,549	17,819
Totals.....	447,550	407,841	434,815	248,522	230,061	223,960

**Rice** — The Government November 1 forecast for production of rice in Arkansas is 7,738,000 bushels, unchanged from a month earlier and 1,390,000 bushels more than was harvested in 1935, but 764,000 bushels under the 5-year (1928-1932) average.

**Tobacco** — Prospects of tobacco in this district underwent moderate improvement during October under influence of more auspicious weather conditions. In its November 1 report the U. S. Department of Agriculture estimates the crop at 179,829,000 pounds, an increase of 2,095,000 pounds over the October 1 forecast, and comparing with 189,075,000 pounds harvested in 1935 and the 13-year average (1923-1935) of 288,410,000 pounds. Low temperatures have tended to retard handling of the crop, but did no actual damage. The burley crop is being stripped and latest reports indicate generally light color, as a whole it is not classed as heavy-bodied. The Lexington, Kentucky, market is scheduled to open on December 7, with liberal offerings in prospect. No definite dates have been set for opening of the dark fired markets.

### COMMODITY PRICES

Range of prices in the St. Louis market between October 15, 1936 and November 16, 1936, with closing quotations on the latter date and November 15, 1935, follows:

	High	Low	Close	
			Nov. 16, 1936	Nov. 15, 1935
<b>Wheat</b>				
*Dec. ....per bu..	\$1.18¾	\$1.13¾	\$ 1.18¼	\$ .99
*May .....	1.16½	1.12½	1.15¾	.99¾
*July .....	1.02¾	.98½	1.02¾	.92¼
*No. 2 red winter ..	1.23½	1.19	1.23½	1.03½
*No. 2 hard ..	1.23½	1.19	1.23¼	1.08
<b>Corn</b>				
*Dec. ....	1.18½	.95	1.05¾	.61½
*May .....	1.14	.90¾	.98½	.60¾
*July .....	1.10¾	.86¾	.94¾	.61¾
*No. 2 Mixed ..	1.12	1.03	1.12	.81
*No. 2 White ....	1.19	1.04	1.09	.83¾
<b>Oats</b>				
*No. 2 White ....	.47½	.43¾	.47½	.29½
<b>Flour</b>				
Soft Patent.....per bbl.	5.90	5.35	5.45 @ 5.90	6.70 @ 7.20
Spring .....	7.55	7.15	7.25 @ 7.35	8.20 @ 8.35
Middling Cotton...per lb.	.1325	.1270	.1320	.1165
Hogs on hoof.....per cwt.	10.30	6.00	7.50 @ 9.60	7.50 @ 9.75

\*Nominal quotations.

### TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 93,067 loads in October, against 86,506 loads in September and 85,118 loads in October, 1935. During the first nine days of November the interchange amounted to 25,726 loads, as compared with 26,971 loads during the corresponding period in October, and 22,944 loads during the first nine days of November, 1935. Passenger traffic of the reporting lines continued the steady improvement noted during previous months this year, October showing an increase of 17.0 per cent in the number

of tickets sold and of 18.0 per cent in revenue as compared with the same month in 1935. For the country as a whole, loadings of revenue freight for the first 45 weeks this year, or to November 7, totaled 31,033,533 cars, against 27,332,082 cars for the corresponding period in 1935 and 27,105,230 cars in 1934.

### BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in October was 28.1 per cent less than in September, and 18.2 per cent more than in October, 1935. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in October, amounted to \$15,327,500 which compared with \$23,101,362 in September, and \$14,460,689 in October, 1935. Building figures for October follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1936	1935	1936	1935	1936	1935	1936	1935
Evansville ..	49	44	\$ 115	\$ 48	124	102	\$ 48	\$ 42
Little Rock	32	19	109	23	103	92	37	38
Louisville ..	124	82	525	236	98	89	63	48
Memphis ....	298	179	3,306	143	146	204	69	145
St. Louis....	309	258	756	518	206	195	340	116
Oct. Totals	812	582	1,144	968	677	682	557	389
Sept. "	795	477	1,590	815	639	989	466	546
Aug. "	620	523	2,571	1,559	615	621	557	372

\*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 October as being 2.2 per cent less than in September, and 21.4 per cent larger than in October, 1935. Detailed figures follow:

	No. of Customers	Oct., 1936	Sept., 1936	Oct., 1936	Oct., 1935	Oct., 1936
		*K.W.H.	*K.W.H.	comp. with Sept., 1936	*K.W.H.	comp. with Oct., 1935
Evansville ....	40	2,970	2,264	+31.2%	2,129	+39.5%
Little Rock..	35	2,076	2,469	-15.9	1,802	+15.2
Louisville ....	82	9,029	9,137	-1.2	8,557	+5.5
Memphis .....	31	2,590	2,513	+3.1	1,713	+51.2
Pine Bluff ...	20	1,089	708	+53.8	926	+17.6
St. Louis.....	185	23,891	25,477**	-6.2	19,167	+24.6
Totals.....	392	41,645	42,568**	-2.2	34,294	+21.4

\*In thousands.  
\*\*Revised figures.

### LIFE INSURANCE

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

(In thousands of dollars)	Oct., 1936	Sept., 1936	Oct., 1935	Jan.-Oct., 1936	Jan.-Oct., 1935	Cumul. change
Arkansas.....	\$ 2,671	\$ 2,150	\$ 2,487	\$ 24,717	\$ 25,558	- 3.3%
Illinois.....	38,411	33,276	38,442	389,780	415,959	- 6.3
Indiana.....	9,994	8,425	11,091	103,673	113,228	- 8.4
Kentucky.....	5,204	4,754	5,225	49,668	53,620	- 7.4
Mississippi.....	3,034	2,278	2,263	23,231	22,120	+ 5.0
Missouri.....	12,707	11,227	12,536	140,199	147,931	- 5.2
Tennessee.....	5,463	5,354	4,965	52,791	55,357	- 4.6
Totals.....	77,484	67,464	77,009	784,059	833,773	- 6.0
United States...	491,316	426,344	501,850	4,889,265	5,110,950	- 4.3

## MONEY AND BANKING

Eighth District banking and financial conditions during the past thirty days continued the general trends which began in the late summer. Quite generally bankers report increased demand for credit, coming in large measure from small business enterprises to be employed in merchandising fields. Agricultural demand also broadened somewhat, particularly in the tobacco, cotton and rice areas. There was a fair volume of liquidation of loans by grain handling and flour milling interests, but total commitments in this category are still considerably higher than a year ago. In the case of country banks in the south, a favorable development this fall has been the paying off or reduction of numerous loans of long standing. Banks in the principal cities report a substantial volume of liquidation by their commercial and industrial clients. Reflecting improved business conditions, demand for currency reached the highest level in recent years.

**Member Banks** — Between October 14 and November 11, total loans of the reporting member banks in the principal cities increased 1.5 per cent, and on the latest date were 19.4 per cent greater than a year ago. The increase was mainly in "all other loans" which represent chiefly commercial and industrial borrowing. Investments increased slightly, but continued measurably above a year earlier. Gross deposits moved sharply upward, reaching an all time peak at mid-November. Reserve balances also increased, and with exception of the third week in October, were the highest of record.

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)	Nov. 11, 1936	Oct. 14, 1936	Nov. 13, 1935
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations			
and other stocks and bonds.....	\$ 77,636	\$ 76,282	\$ 62,846
All other loans and discounts.....	198,919	196,095	168,839
Total loans and discounts.....	<u>276,555</u>	<u>272,377</u>	<u>231,685</u>
Investments:			
U. S. Government securities.....	224,226	229,397	212,027
Other securities.....	166,677	167,782	144,056
Total investments.....	<u>390,903</u>	<u>397,179</u>	<u>356,083</u>
Demand deposits.....	758,958	752,268	667,113
Time deposits.....	186,002	185,524	179,397
Gross deposits.....	<u>944,960</u>	<u>937,792</u>	<u>846,510</u>
Reserve balances with F. R. Bank.....	130,181	130,491	127,874
Cash in vault.....	12,198	11,838	11,411
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 November 4 was 0.4 per cent larger than on October 7 and 4.8 per cent in excess of the total on November 6, 1935.

The trend of interest rates was slightly firmer. At downtown St. Louis banks as of the week ended November 15, the following rates prevailed: Customers' prime commercial paper, 1 to 5½ per cent; collateral loans 2½ to 6 per cent; loans secured by warehouse receipts, 1½ to 5¼ 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)	Nov. 20, 1936	Oct. 20, 1936	Nov. 20, 1935
Industrial advances under Sec. 13b.....	\$ 488	\$ 515	\$ 403
Other advances and rediscounts.....	146	46	21
Bills bought (including participations).....	87	87	79
U. S. securities.....	115,809	115,809	108,200
Total earning assets.....	<u>116,530</u>	<u>116,457</u>	<u>108,703</u>
Total reserves .....	267,222	269,796	233,241
Total deposits .....	193,846	198,808	181,163
F. R. Notes in circulation.....	<u>181,862</u>	<u>179,877</u>	<u>153,849</u>
Industrial commitments under Sec. 13b	1,287	1,294	2,320
Ratio of reserve to deposit and F. R. Note liabilities.....	71.1%	71.2%	69.6%

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 rediscounts, 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)	Oct., 1936	Sept., 1936	Oct., 1935	Oct. 1936 comp. with Sept. 1936	Oct. 1935 with Sept. 1935
East St. Louis and Natl.					
Stock Yards, Ill. \$	34,649	\$ 31,288	\$ 31,566	+10.7%	+ 9.8%
El Dorado, Ark. ....	4,473	4,404	4,015	+ 1.6	+11.4
Evansville, Ind. ....	29,155	24,965	22,539	+16.8	+29.4
Fort Smith, Ark. ....	12,465	11,201	10,061	+11.3	+23.9
Greenville, Miss. ....	10,122	7,904	7,071	+28.1	+43.1
Helena, Ark. ....	3,869	2,957	2,719	+30.8	+42.3
Little Rock, Ark. ....	44,176	44,222	32,855	— 0.1	+34.5
Louisville, Ky. ....	167,845	158,580	144,662	+ 5.8	+16.0
Memphis, Tenn. ....	232,294	170,425	169,972	+36.3	+36.6
Owensboro, Ky. ....	5,587	4,947	5,315	+12.9	+ 5.3
Pine Bluff, Ark. ....	16,110	12,938	11,551	+24.5	+39.5
Quincy, Ill. ....	8,098	7,599	6,593	+ 6.6	+22.8
St. Louis, Mo. ....	604,803	523,366	548,183	+15.6	+10.3
Sedalia, Mo. ....	2,017	1,874	1,901	+ 7.6	+ 6.1
Springfield, Mo. ....	15,903	14,225	13,282	+11.8	+19.7
*Texarkana, Ark. ....	9,055	8,445	6,966	+ 7.2	+30.0
Totals.....	<u>1,200,621</u>	<u>1,029,340</u>	<u>1,019,251</u>	<u>+16.6</u>	<u>+17.8</u>

\*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 cashier's checks, charges to expense and miscellaneous accounts, corrections and similar charges, are not included.

# NATIONAL SUMMARY OF BUSINESS CONDITIONS

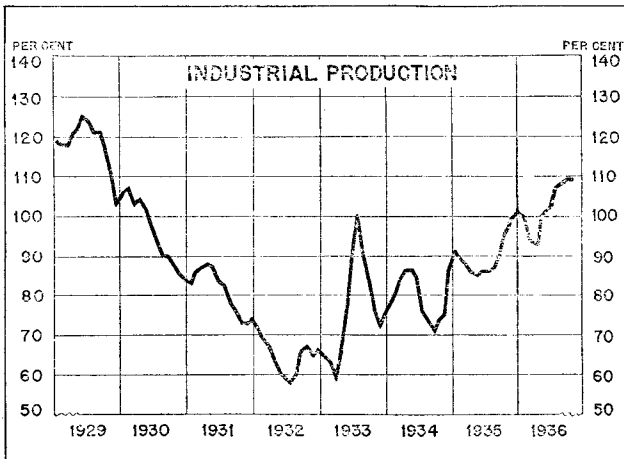
## BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Volume of industrial production increased seasonally in October and there was a substantial rise in employment and payrolls. Prices of a number of industrial raw materials and finished products have advanced.

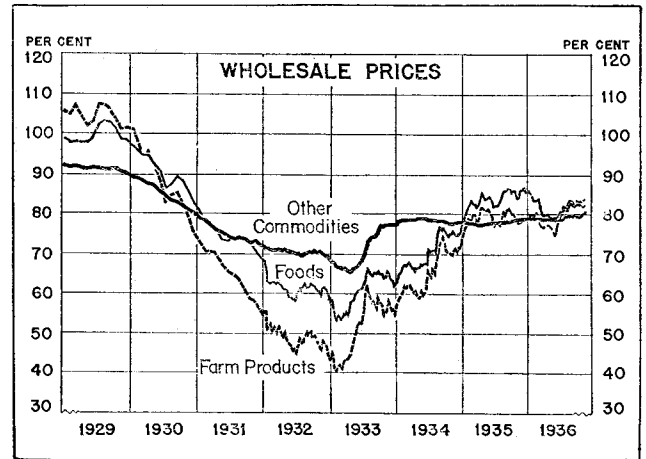
**Production and Employment**—In October the Board's seasonally adjusted index of industrial production was at 109 per cent of the 1923-1925 average, about the level of the three preceding months. Steel production was in larger volume than in any other month since 1929, and the rate of activity was sustained in the first three weeks of November. Output of automobiles rose sharp-

**Distribution**—Sales by department stores and by mail order houses serving rural areas increased from September to October by a larger amount than is usual at this season. Variety store sales showed a less than seasonal rise. Freight-car loadings increased further in October, reflecting chiefly a larger volume of shipments of miscellaneous freight and of coal.

**Commodity Prices**—The general levels of wholesale commodity prices advanced somewhat during the first three weeks of November, following two and a half months of little change. Since the middle of October prices of a number of industrial raw mate-



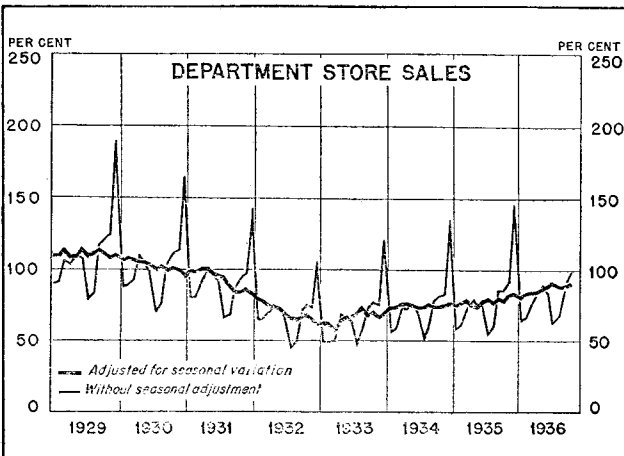
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through October, 1936. Latest figure, October, preliminary 109.



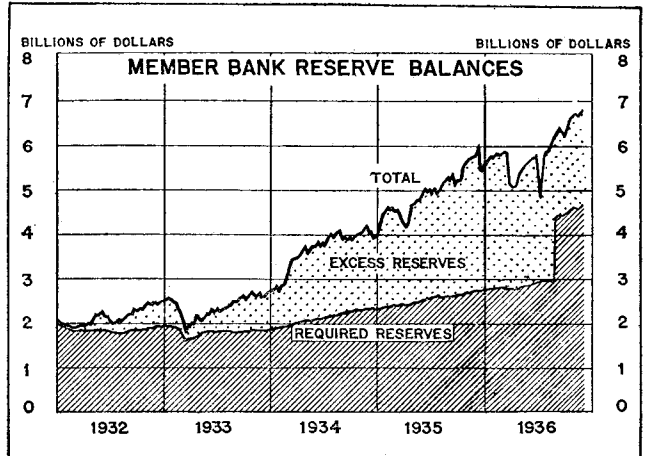
Indexes compiled by the United States Bureau of Labor Statistics, 1926 = 100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figures are for week ending November 21, farm products, 85.2; foods, 84.5; other commodities, 81.2. rials, particularly nonferrous metals, hides, rubber, silk, and wood, have shown a considerable rise and there have also been a substantial increases in the prices of some finished products, including automobile tires, glass, woolen goods, and cotton goods.

ly from September to October. The increase in this period was less than a year ago, reflecting the fact that this year the date of the shift to production of new models was less uniform among the leading producers, but in the first three weeks of November production increased further and was larger than last year. Activity at textile mills, which usually increases in October, declined slightly from the high level of September. In the meat packing industry output showed a further increase. Coal production increased seasonally, and production of crude petroleum continued at recent high levels.

**Bank Credit**—Member bank reserves increased in the four weeks ended November 18, chiefly as the result of transfers of gold to the United States. On that date member bank reserves were \$2,270,000,000 larger than legal requirements, the highest level since the increase in reserve requirements which became effective in the middle of August.



Indexes of value of sales, 1923-1925 average = 100. By months, January, 1929, through October, 1936. Latest figures, October, preliminary, unadjusted 99, adjusted 90.



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required and excess reserves, January 6, 1932, through November 18.

Factory employment increased by more than the usual seasonal amount between the middle of September and the middle of October. Increases in employment were general among the durable goods industries, with the largest expansion reported at factories producing automobiles and machinery, while changes in employment in the nondurable goods industries were largely of a seasonal character. Factory payrolls rose by considerably more than the usual seasonal amount. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was slightly smaller in October than in September, with a decline in public-owned projects partly offset in the total by an increase in awards for private non-residential construction.

Adjusted demand deposits at weekly reporting member banks in leading cities have continued to increase, and on November 18 amounted to about \$15,400,000,000. Since the end of last May these deposits have increased by over \$800,000,000, reflecting a rise in deposits outside New York City. Time deposits at reporting banks have remained at about the \$5,000,000,000 level. Holdings of United States Government obligations at reporting banks have recently declined somewhat further. Since the end of June the decline has amounted to about \$300,000,000 and has been at New York City, with little change elsewhere. Holdings of other securities have declined in recent weeks, reflecting chiefly a reduction in the amount held by New York City banks. Loans to customers have shown some further increase.