



# MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF DECEMBER 31, 1936

FEDERAL RESERVE BANK OF ST. LOUIS

## District Summary

	Dec. 1, 1936, comp. with Nov. 1, 1936	1923-1935 average
<b>Agriculture:</b>		
Estimated yield of 7 crops.....	+ 0.7%	-32.6%
<b>Live Stock:</b>	Nov. 1936 comp. with Oct. 1936 Nov. 1935	
Receipts at National Stock Yards.....	+ 8.6%	+29.6%
Shipments from aforesaid Yards.....	- 5.1	+16.9
<b>Production and Distribution:</b>		
Sales by mfrs. and wholesalers.....	-13.3	+ 7.6
Department store sales.....	-15.0	+ 9.8
Car loadings.....	- 2.1	+21.6
<b>Building and Construction:</b>		
Bldg. permits, incl. repairs { Number.....	-11.4	+29.0
Cost.....	+29.5	+55.3
Value construc. contracts awarded.....	-29.1	+30.8
<b>Miscellaneous:</b>		
Commercial failures { Number.....	- 3.8	-26.5
Liabilities.....	+62.2	+45.9
Consumption of electricity.....	- 5.3	+15.9
Debits to individual accounts.....	-13.3	+ 7.0
<b>Member Banks (24):</b>	Dec. 16, '36 comp. with Nov. 18, '36 Dec. 18, '35	
Gross deposits.....	+ 0.9%	+14.1%
Loans.....	+ 3.3	+20.3
Investments.....	+ 3.2	+10.7

THE marked upward swing in commerce and industry in the Eighth District, noted in recent issues of this Review, continued at an accelerated pace during the past thirty days, and at mid-December the situation as a whole was more encouraging than at any time since the beginning of the recovery period. Practically all of the measurements employed to gauge business conditions indicate that the betterment has been comprehensive, extending to both production and distribution of commodities and the compensation for and volume of service performed. Manufacturing activities in a majority of lines, including durable goods, have been maintained at approximately the high levels which have obtained since the late summer. Important interests in certain classifications, notably iron and steel, have signified that they will omit or curtail the usual closing in December for inventorying, repairs, etc., pressure for deliveries by customers necessitating continuous operations. Activities in the textile industry have been well sustained, and

the same is true of lumber, glass, quarry products and mining. As contrasted with the similar period a year and two years earlier, marked improvement was noted in the employment situation, with the increased number of workers employed being accompanied by a relatively greater improvement in payrolls. For the first time in a number of years, compensation of employees of numerous business concerns have been augmented by bonuses, as well as higher wage and salary payments.

With the exception of boots and shoes, all wholesaling and jobbing lines investigated by this bank showed a larger volume of sales in November this year than last, and in some classifications the total for the month was the largest since 1929. Reports covering the first half of December indicate that volume for the full month will measurably exceed that for December, 1935. However, interest in merchandising centered chiefly in the retail trade, which since the first week in November has developed notable improvement as contrasted with the similar period during the preceding several years. Demand for commodities of all descriptions is on an extensive scale. Christmas holiday trade got under way earlier than usual, and was stimulated in considerable degree by the favorable weather. Retailers in both the large urban centers, and the country report that while gift buying has been largely of necessities, sales of confections, toys, jewelry and other luxury goods have been in larger volume than in any season since the predepression era.

Under generally favorable weather conditions, harvesting and housing of late crops made rapid progress and these operations were accomplished with a minimum of loss to quantity and quality. Latest returns indicate no material variations from forecasts of yields made by the U. S. Department of Agriculture in its earlier reports. Winter wheat was seeded somewhat later than usual, and in the principal growing areas the plant has made good growth and is in strong position for entering the dormant period. The tobacco markets opened in early Decem-

ber for sale of the 1936 crop with fair offerings, and average prices the highest in recent years. Prices of farm products as a whole have advanced further. In the second week of December cotton advanced to the highest point of the present crop year, and wheat prices were the highest recorded in seven years.

According to officials of railroads operating in this district, freight traffic opposed strong resistance to the usual seasonal influences and continued in greater volume than at any similar period since 1930. As contrasted with a year earlier, increases were recorded in all classifications, with the most pronounced gains shown in ore, coke, forest products and miscellaneous freight. Reflecting the high rate of activities at metal smelting establishments, the movement of metallurgical coke reached the highest volume in recent years during November and early December. As has been the case during each month earlier this year, passenger traffic of the reporting lines in November showed a substantial increase over the corresponding month in 1935. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in November was slightly less than in October and 14 per cent smaller than in November, 1935. For the first eleven months this year, cumulative tonnage was 7.0 per cent greater than during the comparable period a year ago.

Reports relative to collections during the past thirty days reflected no change from the favorable trends earlier in the year. Wholesaling and jobbing interests in the chief distributing centers report December 1 settlements as comparing favorably with a year earlier. Liquidation with both merchants and bankers in the typical cotton and rice areas continued in substantial volume. Opening of the tobacco markets for the 1936 crop with large initial offerings and relatively high prices, tended to stimulate the collections in the tobacco districts. In the main, retailers in the principal urban centers report they are getting in their money promptly, with marked improvement in installment payments as contrasted with last year. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
November, 1936.....	9.5%	52.5%	36.7%	1.3%
October, 1936.....	9.8	52.8	36.0	1.4
November, 1935.....	2.7	50.8	42.6	3.2

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 25 involving liabilities of \$553,000, which compares with 26 insolvencies with

liabilities of \$379,000 and 34 defaults for a total of \$341,000 in November, 1935.

## Detailed Survey

### MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		11 months 1936 comp. with same period 1935	Stocks Nov. 30, 1936 comp. with Nov. 30, 1935
	Nov. 1936 compared with Oct. '36	Nov. '35		
Boots and Shoes.....	-7.0%	-9.0%	-3.7%	+7.9%
Drugs and Chemicals..	-14.1	+19.0	+11.3	+11.9
Dry Goods.....	-17.5	+23.1	+14.8	+24.0
Electrical Supplies....	-2.9	+49.5	+20.1	+28.7
Furniture.....	-21.6	+42.1	+29.6	-0.1
Groceries.....	-12.2	+4.7	+5.4	+8.4
Hardware.....	-19.4	+16.1	+11.9	+12.9
All above lines.....	-13.3	+7.6	+5.9	+15.3

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in November was 394,890 against 224,628 in October, and 395,059 in November, 1935.

**Boots and Shoes** — The decrease in November sales of 9.0 per cent under the same month last year, as shown in the above table, was due to exceptionally heavy contract business by two of the leading interests during the earlier period. However, with the exception of November, 1935, the volume this year was the largest for the month since 1929. The decrease in the month-to-month comparison was seasonal in character, and about the usual proportions. The trend of prices of finished goods was upward in sympathy with the steady rise in raw materials during the past several months.

**Clothing** — November sales of the reporting interests were approximately one-fifth greater than during the preceding month and 6.0 per cent in excess of November a year ago. Inventories decreased 33.0 per cent between November 1 and December 1, and on the latest date were 10.5 per cent smaller than a year earlier. The movement of seasonal apparel through retail channels generally in the district has been in greater than expected volume, and reordering of men's suits and topcoats since mid-November is reported in considerable volume. Sales of work clothes, including uniforms and overalls, during October and November, were the largest in volume for any two-month period since the pre-depression era.

**Drugs and Chemicals** — November sales in this classification were the largest for that month since 1929. The increase over a year ago was distributed through all lines, but particularly pronounced in luxury and holiday goods. As has been the case during the past eighteen months, demand for heavy drugs and chemicals from the general manufacturing trade continued to expand. According to two of the leading reporting interests, sales of cosmetics

and kindred lines during the present season have been the largest in their experience.

**Dry Goods** — In spite of the mild fall weather, which tended to hold down purchasing of seasonal merchandise, November sales of the reporting firms were the largest for the month since 1929, and exceeded those of a year ago by more than 23 per cent. Reports covering the first half of December indicate an increase over a year earlier about equal to that recorded in November. The advance in prices of raw cotton have tended to stimulate advance ordering of fabrics based on that staple. Since mid-November there has been a substantial volume of reordering, particularly of typical holiday goods.

**Electrical Supplies** — With the exception of materials for new building and public utility extensions, sales of electrical supplies in November, according to the reporting firms, maintained the high levels which have characterized preceding months this year. Outstanding in the increase over a year ago of approximately 50 per cent were sales in the general category of household appliances, radio material and lamps. The recent advance in prices of copper, lead and zinc were reflected in a firmer tendency in commodities based largely on those metals.

**Furniture** — As in the case of other important lines investigated by this bank, sales of furniture by the reporting firms in November exceeded the total for that month during all years since 1929. A steadily increasing demand is reported for higher priced and quality lines of furniture, rugs and carpets. Purchasing of holiday goods was in the largest volume in late years, and reorders have taxed the capacity of numerous producers to effect deliveries.

**Groceries** — November sales of the reporting interests represented the largest aggregate for the month since 1930. The movement of holiday goods generally through the district exceeded expectations, and in many instances shortage of certain descriptions of merchandise prevented filling of belated orders. Bakery products and confections generally were reported more active than a year and two years earlier.

**Hardware** — The steady betterment in business in this classification, which has marked the recovery period, continued during November, sales of the reporting interests for that month being the largest for any November since 1929. Demand for holiday goods, sporting goods line, toys, etc., was the most active in recent years. Reflecting the advance in metals and other raw materials, the trend of finished goods prices was upward. Reports covering the first half of December indicate that total volume for the

full month will exceed that of a year ago by approximately 12 per cent.

**Iron and Steel Products** — Contrary to the usual seasonal precedent, activities in the iron and steel industry in this era during November and the first half of December continued the upward trend which marked the preceding eighteen months. The betterment extended to virtually all divisions of the industry, but was particularly outstanding in production and distribution of standard finished steel items, steel and iron castings and raw materials. While purchasing of plates, sheets, bars and other rolled items was stimulated by announcement of higher prices to become effective on January 1, demand was based principally on heavy consumption, actual and potential. This fact was emphasized by the urgent pressure for deliveries upon steel and iron producers by their customers. Purchasing of equipment and a diversity of commodities by the railroads has steadily increased since early summer, and has reached the highest volume in recent years. Automotive requirements also accounted for heavy tonnages, releases from that source being freer than at any time this year. Farm implement and tractor manufacturers stepped up their operations, which at mid-December were at the highest rate since last spring. While there was a slight recession in production at stove foundries from the early November peak, output was unusually large for this time of year. Due to extensive backlogs and pressure for shipments, a number of important stove and implement interests have decided to omit the usual closing down for inventory and repairs. Activities at plants fabricating structural steel declined somewhat, which is usual at this time of year. Warehouse and jobbing interests reported November sales about on a parity with the preceding month, but approximately 12 per cent larger than for that month in 1935. Purchasing from these interests was increased by fill-in orders from miscellaneous manufacturers who are affected by deferred mill deliveries. Machinery and tool makers reported little change from the high rate of operations earlier in the year. Price movements were sharply upward, advances announced affecting a broad assortment of steel commodities. In most instances the higher quotations will be effective January 1. The price of pig iron was advanced \$1.00 per ton, effective November 23. Reflecting scarcity and heavy demands, scrap iron and steel prices advanced sharply, heavy melting steel at mid-December reaching a point equal to the high in 1929. For the country as a whole, November production of pig iron according to the magazine "Steel", was at the highest

average daily rate since May, 1930. Total output in November was 2,949,942 tons, against 2,991,794 tons in October and 2,066,293 tons in November, 1935. The decrease in the month-to-month comparison was accounted for by the fact that November was a one-day shorter month than October. Steel ingot production in the United States in November totaled 4,337,412 tons, as compared with 4,545,001 tons in October and 3,150,409 in November, 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	
	Nov. 1936	11 mos. 1936	Nov. 30, '36	Nov. 30, '36	Jan. 1, to	Nov. 30,	Nov. 30,
	compared with	to same	comp. with	comp. with	Nov. 30,	1936	1935
	Oct. 1936	Nov. 1935	period '35	Nov. 30, '35	1936	1935	1935
El Dorado, Ark.....	13.9%	+ 7.5%	+ 3.0%	— 2.7%	2.49	2.33	
Ft. Smith, Ark.....	32.7	+ 6.0	+ 16.1	+ 1.6	2.42	2.20	
Little Rock, Ark.....	8.1	+ 9.5	+ 15.0	+ 1.9	2.79	2.39	
Louisville, Ky.....	21.7	+ 7.7	+ 14.8	+ 12.3	3.98	3.55	
Memphis, Tenn.....	16.4	+ 21.2	+ 15.1	+ 6.9	3.22	2.81	
Pine Bluff, Ark.....	16.5	+ 8.0	+ 7.9	+ 0.1	3.61	2.86	
St. Louis, Mo.....	13.6	+ 7.8	+ 11.3	— 0.4	3.81	3.54	
Springfield, Mo.....	9.8	+ 9.2	+ 8.7	+ 3.2	2.41	2.23	
All Other Cities.....	11.2	+ 5.7	+ 8.9	+ 4.5	2.88	2.85	
8th F. R. District.....	15.0	+ 9.8	+ 12.5	+ 2.6	3.60	3.28	

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

	Installment Accounts			Excl. Inst'l Accounts	
	%	53.8%		%	36.4%
El Dorado.....			Pine Bluff.....		
Fort Smith.....	39.5		Springfield.....	37.5	
Little Rock.....	16.0	38.9	St. Louis.....	21.1	59.1
Louisville.....	12.0	50.8	Other Cities.....	16.3	48.4
Memphis.....	18.7	45.0	8th F. R. Dist.....	18.4	52.5

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

	Net Sales			Stock on Hand		Stock Turnover	
	Nov. 1936	11 mos. 1936	Nov. 30, '36	Nov. 30, '36	Jan. 1, to	Nov. 30,	Nov. 30,
	compared with	to same	comp. with	comp. with	Nov. 30,	1936	1935
	Oct. 1936	Nov. 1935	period '35	Nov. 30, '35	1936	1935	1935
Men's Furnishings.....	13.6%	+ 12.8%	+ 12.7%	+ 3.1%	2.43	2.31	
Boots and Shoes.....	24.9	+ 7.0	+ 15.5	+ 10.1	6.24	5.29	

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

Men's Furnishings.....	48.5%	Boots and Shoes.....	43.7%
------------------------	-------	----------------------	-------

### MINING

Demands created by sustained industrial activity, heavy freight movements and large coking requirements were responsible for a considerably smaller than seasonal decrease in bituminous coal production in this general area from October to November, also for the country as a whole. At mines in fields of this area, output in November was 3.0 per cent less than in October and 16.0 per cent greater than a year ago; for the first eleven months this year tonnage lifted exceeded that of the same period in 1935 by 12.0 per cent. Estimated production of soft coal for the country as a whole during November was 40,615,000 tons, against 43,284,000 tons (revised figure) in October and 33,404,000 tons

in November, 1935. Daily average production in November was greater than in October, the decrease in total output being due to the fact that there were 27 working days in October and only 23.1 in November. During the eleven months to December 1, United States production amounted to 386,490,000 tons against 333,936,000 tons for the like period in 1935. At Illinois mines in November, 4,741,897 tons were produced, as against, 4,799,164 tons in October and 3,942,278 tons in November, 1935. There were 166 mines in operation and 37,801 men on payrolls in November, as against 162 active mines and 36,833 operatives during the preceding month.

### AGRICULTURE

The December 1 report of the U. S. Department of Agriculture, which gives final estimates of production, reflected only minor variations from the November 1 forecasts of principal crops in the Eighth District. Effects of the record drouth of late spring, summer and early fall are emphasized in the final summing up, yields of all crops other than winter wheat and cotton being below average. Particularly outstanding are shortages of feed and fodder crops, the output of corn being, with the exception of 1934, the smallest in recent years. Killing frosts, which materialized later in the season than is ordinarily the case, permitted successful harvesting of late crops, which operations were completed with a minimum loss of quality and quantity. At mid-December breaking of ground for cotton and rice was somewhat in advance of the usual seasonal schedule. Wheat and other fall cereals were planted later than usual, but auspicious weather and soil conditions, and early reports indicate that they have made good progress. The wheat plant shows good color and root growth, and is generally in a strong position for entering the cold weather. In all the principal winter wheat growing sections, according to early reports, acreage of winter wheat seeded is considerably greater than was planted in the fall of 1935. The determination of farmers to increase their acreage is ascribed to success of the crop this year, high prices realized, and successive failures of corn and other field crops. Indications also point to heavier acreages of soy beans and other forage crops. Despite the smaller yields of most crops, income of farmers this season, according to the U. S. Department of Agriculture, will be considerably larger than during the past several years, owing to the higher prices realized by producers. As of December 5, the farm products group in the Bureau of Labor Statistics' Price Index stood at 86.7 per cent of the 1926 average, which compares with 84.2

per cent on November 7, 79.1 per cent on December 7, 1935, 71.7 per cent on December 8, 1934 and 44.7 per cent on December 10, 1932. With a few exceptions, the supply of farm labor for husking corn and other late farm work, was adequate. Average wages paid this season were the highest since the predepression era.

**Cotton** — In its report based on conditions as of December 1, the U. S. Department of Agriculture estimates the total cotton yield in the Eighth District at 3,402,000 bales, an increase of 2.3 per cent over the November 1 forecast, and comparing with 2,243,000 bales in 1935 and the 13-year (1923-1935) average of 2,701,000 bales.

Harvesting of the crop had been practically completed in the second week of December, so that the final estimate will show little variation from the December 1 figure. As a whole the crop began under unfavorable conditions because of excessive early spring precipitation, followed by drouth, which resulted in poor stands. However, the favorable summer weather brought marked betterment, and about August 1 prospects were for the largest crop of record. The late summer and fall drouth considerably reversed these auspicious prospects, causing rapid deterioration throughout the district. Good harvesting weather and the late frost date materially helped the situation and resulted in yields above earlier expectations. Subsequent to the Government's December 1 report prices advanced, and reached a new high on the crop in the second week of that month. In the St. Louis market the middling grade ranged from 13.00c to 13.35c between November 16, and December 15, closing at 13.25c on the latest date, which compares with 13.20c on November 16, and 11.05c on December 16, 1935. Sales of fertilizer tags in states of this district for the period January-November, inclusive, were approximately one-fourth larger than for the comparable period in 1935 and one-half greater than in 1934. Indicating the rapidity with which the present crop is moving from producers' hands, combined receipts at Arkansas and Missouri compresses from August 1 to December 11 totaled 1,234,513 bales, against 789,833 bales during the like interval a year earlier. Stocks on hand as of December 11, totaled 638,559 bales against 638,428 bales on the same date in 1935.

**Live Stock** — Most recent reports from various sections of the district indicate that the condition of livestock is fair to good. A factor of importance in the present status has been the relatively mild and open season to the middle of December. Pastures have been serviceable to a later date than usual,

which fact has allowed farmers to conserve their stocks of prepared feeds. Marketing of all classes of livestock increased substantially during November and early December as contrasted with the like period a year ago, with the exception of cattle. During the month there were declines in wholesale prices of dressed lamb and veal, and slight increases in most cuts of beef and fresh pork.

According to the U. S. Department of Agriculture, latest developments give further indications of a sharp reduction in cattle feeding this winter and next spring as compared with a year earlier. Feed prices advanced during November and prices of feeder cattle remained high in relation to fat cattle in view of the high feed costs. Shipments of stocker and feeder cattle, inspected at stockyards, into the Corn Belt States during November were 10 per cent smaller than a year ago and, with the exception of 1934, were the smallest for the month in 18 years. During the July-November period such shipments were 13 per cent smaller than last year and also the smallest for the period in 18 years.

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

	Receipts			Shipments		
	Nov., 1936	Oct., 1936	Nov., 1935	Nov., 1936	Oct., 1936	Nov., 1935
Cattle and Calves.....	136,578	154,266	158,999	69,864	83,278	80,968
Hogs .....	274,994	232,203	157,482	149,201	149,062	109,629
Horses and Mules.....	6,645	6,673	4,682	7,061	5,963	4,628
Sheep .....	68,007	54,408	53,921	9,701	10,219	6,423
Total.....	486,224	447,550	375,084	235,827	248,522	201,648

**Tobacco** — On December 7, the Burley market for sale of the 1936 crop opened at Lexington, Ky. While weather conditions prior to the opening were generally unfavorable for preparation of the leaf, initial offerings were of sufficient size to make the sale representative and significant. From the the attitude of buyers, both manufacturers and exporters, it was apparent that they had determined to purchase freely, and competition was active on everything offered. The average price of the first day's sales was \$28.64 per 100 pounds, or about \$8.00 higher than on the opening day last year. In 1934 the initial day's average price was \$18.94 and in 1933, \$11.99. Other Burley markets opened on December 8, with average prices even higher than those realized at Lexington. Since opening of the markets, prices have advanced rapidly, with fine grades bringing as high as \$105.00 per cwt. Some entire crops averaged \$60.00 and certain markets showed a general average of \$27.50 to \$53.00 for their daily sales.

The Green River dark tobacco at Owensboro and the One Sucker market at Russellville opened later in the month with relatively light offerings,

but prices averaging well over a year ago. The opening sale of Green River tobacco averaged \$11.94, as compared with \$5.93 on opening date last year. The Stemming district averaged \$12.04 as compared with \$7.00 last year, and the One Sucker Crop averaged \$16.00 as compared with \$6.77, a year ago. The crop in each of these districts is reported as being the smallest produced in many years. No date had been set for opening of the dark fired markets, however, a considerable quantity of this grade has been purchased direct from farmers at their barns at high prices.

### COMMODITY PRICES

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

	High	Low	Close	
			Dec. 15, 1936	Dec. 16, 1935
Wheat				
*Dec. ....per bu..	\$1.38½	\$1.17	\$ 1.36½	\$ 1.03½
*May .....	1.32½	1.13½	1.32½	1.00½
*July .....	1.20	1.02½	1.20	.88¾
*No. 2 red winter ..	1.38½	1.22½	1.38½	1.03
*No. 2 hard ..	1.38	1.22	1.38	1.12
Corn				
*Dec. ....	1.29½	.97	1.17	.59
*May .....	1.22½	.91	1.13½	.59½
*July .....	1.18¼	.87¾	1.10	.61½
*No. 2 Mixed ....	1.09	1.05½	1.08	.63½
*No. 2 White ....	1.10½	1.05	1.08	.66¾
Oats				
*No. 2 White ....	.53½	.46½	.53½	.29¾
Flour				
Soft Patent.....per bbl.	6.50	5.45	6.00@ 6.50	6.75@7.30
Spring .....	8.15	7.25	7.95@ 8.15	8.35@8.55
Middling Cotton...per lb.	.1335	.1300	.1325	.1105
Hogs on hoof.....per cwt.	10.35	6.75	7.00@10.15	6.50@9.60

\*Nominal quotations.

### TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 91,107 loads in November, as against 93,067 loads in October, and 74,901 loads in November, 1935. During the first nine days of December the interchange amounted to 28,708 loads, which compares with 25,726 loads during the like interval in November, and 21,836 loads during the first nine days of December a year ago. Passenger traffic of the reporting roads in November showed an increase of 14 per cent in the number of tickets sold and 15 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 49 weeks this year, or to December 5, totaled 34,032,646 loads against 29,820,130 loads for the corresponding period in 1935, and 29,291,876 loads in 1934. The Federal Barge Line, which operates between St. Louis and New Orleans, carried 128,200 tons in November against 128,931 tons in October and 148,665 tons in November, 1935. Cumulative tonnage for the first eleven months this year was 1,548,025 tons, an increase of 7.0 per cent over the 1,447,322 tons han-

dled during the same period last year. Shipments by express as reported by the Railway Express Agency showed increases in November over the same month last year of approximately 10 per cent in the number of shipments handled and 15 per cent in revenue.

### BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in November was 63.2 per cent more than in October, and 56.4 per cent greater than in November, 1935. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in November amounted to \$10,863,600 which compared with \$15,327,500 in October, and \$15,706,957 in November, 1935. Building figures for November, follow:

	New construction				Repairs, etc.			
	Permits		*Cost		Permits		*Cost	
	1936	1935	1936	1935	1936	1935	1936	1935
Evansville ..	49	18	\$ 57	\$ 117	114	61	\$ 70	\$ 29
Little Rock ..	22	9	90	32	72	62	37	21
Louisville ..	72	108	727	278	51	58	17	15
Memphis ....	217	120	704	56	144	150	40	85
St. Louis....	117	173	289	711	219	134	171	74
Nov. Totals	477	428	1,867	1,194	600	465	335	224
Oct. "	812	582	1,144	968	677	682	557	389
Sept. "	795	477	1,590	815	639	989	466	546

\*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 November as being 5.3 per cent smaller than in October and 15.9 per cent greater than in November, 1935. Detailed figures follow:

	No. of Custom- ers	Nov., 1936	Nov., 1936	Nov., 1936	Nov., 1935	Nov., 1935
		*K.W.H.	*K.W.H.	comp. with Oct., 1936	*K.W.H.	comp. with Nov., 1935
Evansville ....	40	3,074	2,970	+ 3.5%	2,530	+21.5%
Little Rock..	35	1,878	2,076	— 9.5	1,570	+19.6
Louisville ....	82	8,727	9,029	— 3.3	8,092**	+ 7.8
Memphis .....	31	2,492	2,590	— 3.8	2,264	+10.1
Pine Bluff....	20	898	1,089	—17.5	954	— 5.9
St. Louis.....	188**	22,575	24,087**	— 6.3	18,797**	—20.1
Totals .....	396**	39,644	41,841**	— 5.3	34,207**	+15.9

\*In thousands.

\*\*Revised figures.

### LIFE INSURANCE

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

(In thousands of dollars)	Nov., 1936	Oct., 1936	Nov., 1935	Jan.-Nov., 1936	Jan.-Nov., 1935	Cumul. change
Arkansas.....	\$ 2,546	\$ 2,671	\$ 1,945	\$ 27,263	\$ 27,503	— 0.9%
Illinois.....	37,830	38,411	39,624	427,610	455,583	— 6.1
Indiana.....	9,620	9,994	11,141	113,293	124,369	— 8.9
Kentucky.....	4,875	5,204	4,721	54,543	58,341	— 6.5
Mississippi.....	3,038	3,034	2,152	26,269	24,272	+ 8.2
Missouri.....	13,643	12,707	13,156	153,842	161,087	— 4.5
Tennessee.....	5,218	5,463	5,074	58,009	60,451	— 4.0
Totals.....	76,770	77,484	77,833	860,829	911,606	— 5.6
United States...	477,569	491,316	494,705	5,366,834	5,605,655	— 4.3

## MONEY AND BANKING

The past thirty days have been marked by a continuance of the gradual expansion in demand for credit which has been in effect in this district since late summer. The betterment has extended to virtually all classes of borrowers, but is most outstanding in the case of mercantile interests which are accumulating inventories of goods for spring distribution. Seasonal loans to seed dealers are reported in larger volume than at any similar period in recent years. While liquidation of grain handling and flour milling interests has been in substantial volume, the high price of wheat and a general disposition to hold stocks resulted in a higher aggregate of loans in this category at mid-December than a year and two years earlier. Marketing of the tobacco crop and high average prices realized at initial sales has been reflected in considerable liquidation of loans based on that commodity. Demand for currency, as reflected in the circulation of this bank and issue of Government currency, is the greatest in history.

During the four week period ended December 16, total loans and investments of reporting member banks in the principal cities increased 3.2 per cent. The increase was accounted for mainly by loans, and more specifically by "All other loans", which latter represent chiefly commercial and industrial borrowing. Gross deposits continued to move upward, and at 957 million dollars on December 16, recorded an all time high. Reserve balances declined 5.3 per cent, but at mid-December were 4.8 per cent greater than a year earlier.

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

(In thousands of dollars)	Dec. 16, 1936	Nov. 18, 1936	Dec. 18, 1935
<b>Loans and discounts (incl. rediscounts):</b>			
Secured by U. S. Gov't obligations			
and other stocks and bonds.....	\$ 78,679	\$ 77,140	\$ 64,989
All other loans and discounts.....	206,875	199,373	172,289
<b>Total loans and discounts.....</b>	<b>285,554</b>	<b>276,513</b>	<b>237,278</b>
<b>Investments:</b>			
U. S. Gov't securities.....	232,679	225,317	208,218
Other securities.....	172,878	167,565	158,252
<b>Total investments.....</b>	<b>405,557</b>	<b>392,882</b>	<b>366,470</b>
<b>Demand deposits.....</b>	<b>771,436</b>	<b>762,034</b>	<b>661,619</b>
<b>Time deposits.....</b>	<b>185,196</b>	<b>186,240</b>	<b>176,978</b>
<b>Gross deposits.....</b>	<b>956,632</b>	<b>948,274</b>	<b>838,597</b>
<b>Reserve balances with F. R. Bank.....</b>	<b>121,252</b>	<b>127,880</b>	<b>115,644</b>
<b>Cash in vault.....</b>	<b>12,607</b>	<b>11,311</b>	<b>12,603</b>
<b>Bills payable and rediscounts with Federal Reserve Bank.....</b>			
<b>Number of banks reporting.....</b>	<b>24</b>	<b>24</b>	<b>24</b>

The total resources of these banks comprise approximately 62.8% of all member banks in this district.

The aggregate amount of savings held by selected banks on December 2, was 0.5 per cent larger than on November 4, and 4.6 per cent in excess of the total on December 4, 1935.

While the trend of interest rates was slightly firmer, quotations showed practically no change as compared with a month ago. At downtown St. Louis banks as of the week ended December 15, rates charged were as follows: Customers' prime commercial paper, 1 to 6 per cent; collateral loans, 2 to 6 per cent; loans secured by warehouse receipts, 1½ to 5½ per cent and cattle loans, 4¼ 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)	Dec. 18, 1936	Nov. 18, 1936	Dec. 18, 1935
Industrial advances under Sec. 13b.....	\$ 461	\$ 488	\$ 400
Other advances and rediscounts.....	146	146	41
Bills bought (including participations).....	87	87	80
U. S. securities.....	115,809	115,809	108,200
<b>Total earning assets.....</b>	<b>116,503</b>	<b>116,530</b>	<b>108,721</b>
<b>Total reserves .....</b>	<b>271,215</b>	<b>269,469</b>	<b>248,560</b>
<b>Total deposits .....</b>	<b>194,127</b>	<b>196,815</b>	<b>187,862</b>
<b>F. R. Notes in circulation.....</b>	<b>186,194</b>	<b>181,363</b>	<b>162,539</b>
<b>Industrial commitments under Sec. 13b .....</b>	<b>1,134</b>	<b>1,287</b>	<b>2,265</b>
<b>Ratio of reserve to deposit and F. R. Note liabilities.....</b>	<b>71.3%</b>	<b>71.3%</b>	<b>70.9%</b>

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)	Nov., 1936	Oct., 1936	Nov., 1935	Nov. 1936 Oct. 1936	comp. with Nov. 1935
<b>East St. Louis and Natl.</b>					
Stock Yards, Ill.....	\$ 31,208	\$ 34,649	\$ 29,034	— 9.9%	+ 7.5%
El Dorado, Ark.....	3,758	4,473	3,506	—16.0	+ 7.2
Evansville, Ind.....	32,919	29,155	23,206	+12.9	+41.9
Fort Smith, Ark.....	11,170	12,465	9,508	—10.4	+17.5
Greenville, Miss.....	7,087	10,122	4,973	—30.0	+42.5
Helena, Ark.....	2,888	3,869	2,030	—25.4	+42.3
Little Rock, Ark.....	36,709	44,176	27,992	—16.9	+31.1
Louisville, Ky.....	156,747	167,845	142,261	— 6.6	+10.2
Memphis, Tenn.....	172,355	232,294	145,347	—25.8	+18.6
Owensboro, Ky.....	5,520	5,587	5,215	— 1.2	+ 5.8
Pine Bluff, Ark.....	10,004	16,110	8,482	—37.9	+17.9
Quincy, Ill.....	7,408	8,098	6,423	— 8.5	+15.3
St. Louis, Mo.....	541,762	604,803	545,697	—10.4	— 0.7
Sedalia, Mo.....	1,881	2,017	1,842	— 6.7	+ 2.1
Springfield, Mo.....	12,484	15,903	11,703	—21.5	+ 6.7
*Texarkana, Ark.....	7,546	9,055	6,320	—16.7	+19.4
<b>Totals.....</b>	<b>1,041,446</b>	<b>1,200,621</b>	<b>973,539</b>	<b>—13.3</b>	<b>+ 7.0</b>

\*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

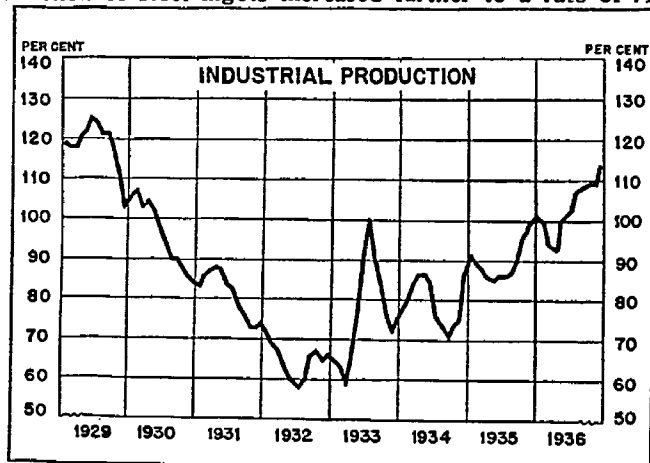
Production, wage payments, and the distribution of commodities to consumers increased considerably from October to November.

Wholesale commodity prices have advanced steadily since the end of October.

**Production and Employment**—The Board's index of industrial production, which makes allowance for changes in the number of working days in the month and for the usual seasonal variations, was 114 per cent of the 1923-1925 average in November, as compared with 109 per cent in October. Output of both durable and nondurable manufactures showed a considerable rise. Production of steel ingots increased further to a rate of 79 per

seasonal declines were reported and there were increases in employment at cotton and woolen textile mills and at meat-packing plants.

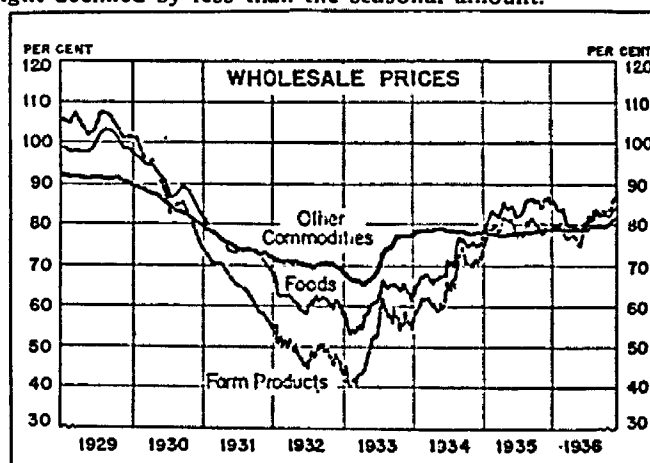
**Distribution**—Department store sales increased substantially in November, and there was also a rise in sales at variety stores and at chain grocery stores. Sales by general merchandise stores and mail order houses serving rural areas declined from the high level reported for October. Freight-car loadings showed a smaller than seasonal decrease in November, loadings of coal, coke, and grain increased contrary to the usual seasonal tendency; shipments of miscellaneous commodities and of most other classes of freight declined by less than the seasonal amount.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through November, 1936. Latest figure, November, preliminary 114.

cent of capacity in November, and output of automobiles also increased. Figures for the first three weeks of December indicate continued expansion in output of both steel and automobiles. In the plate glass industry, where there has been a strike, production was sharply reduced in November and activity at lumber mills declined, reflecting the effects of the maritime shipping strike on the Pacific Coast. Increases in output were reported at meat-packing establishments and textile mills; sugar meltings and output of tobacco products declined by less than the usual seasonal amount. At mines, coal production increased and output of crude petroleum and iron ore showed a smaller than seasonal reduction.

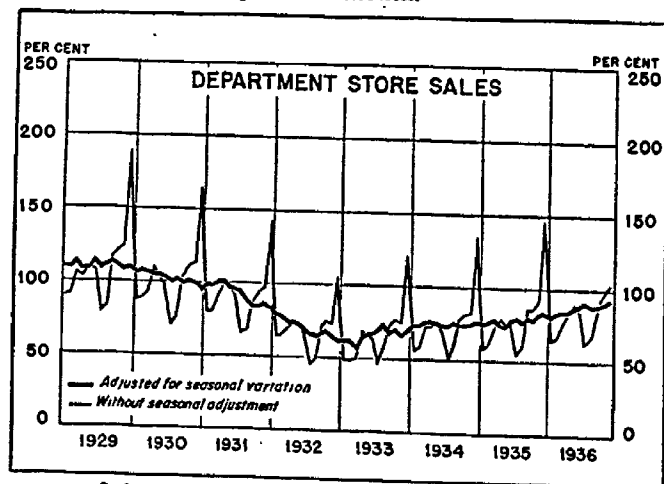
Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, continued about the same rate in November as in the previous month.



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 December 19, farm products 87.7; foods 85.1; other commodities 82.2.

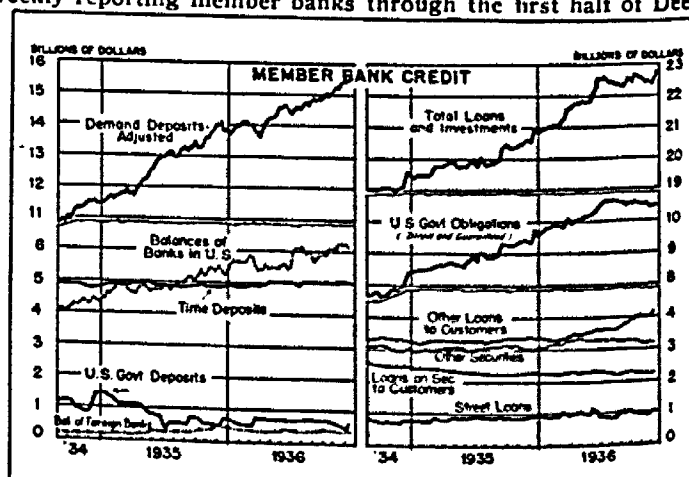
**Commodity Prices**—The general level of wholesale commodity prices continued to advance from the middle of November to the third week of December. There were substantial increases in the prices of wheat, flour, nonferrous metals, and rubber. Prices of wool, cotton yarns, and worsted yarns advanced somewhat further and cotton, pig iron, and steel scrap prices also increased in this period.

**Bank Credit**—The reserve position of member banks in recent weeks has been influenced largely by temporary seasonal developments in connection with holiday currency requirements and mid-December financing by the United States Treasury. Notwithstanding the increased demand for currency for Christmas shopping, there was a further growth in demand deposits at weekly reporting member banks through the first half of December.



Indexes of value of sales, 1923-1925 average = 100. By months, January, 1929, through November, 1936. Latest figures, November, unadjusted 104, adjusted 93.

Factory employment showed little change from October to November, although a decrease is usual at this season of the year, and the Board's seasonally adjusted index advanced to 96 per cent of the 1923-1925 average. The number employed at factories producing durable goods continued to increase, with the largest expansion in the automobile and machinery industries. There was a decline in employment at lumber mills and in the glass industry. In the nondurable goods industries as a group, employment showed a smaller decline than is usual in November. At shoe factories and establishments producing wearing apparel smaller than



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, through December 16, 1936. Loans on real estate, loans to banks, and acceptances and commercial paper bought included in total loans and investments but not shown separately.

ber, reflecting additions to monetary gold stock as well as a sharp increase in bank loans. At reporting banks outside New York City holdings of Government securities increased by \$140,000,000 in the four weeks ending December 16, while at New York City banks they showed a further small decline. There was an increase of \$100,000,000 in loans to brokers and dealers in securities in New York City, largely for the purpose of buying United States Government securities. Commercial loans showed a further increase of \$150,000,000, carrying the total volume of such loans to a level \$800,000,000 higher than a year ago.