



MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE AFTERNOON OF JANUARY 30, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Dec. 1936	comp. with Nov. 1936	Dec. 1935
Live Stock:			
Receipts at National Stock Yards.....	— 2.7%	+ 7.0%	
Shipments from aforesaid Yards.....	— 2.6	+ 0.5	
Production and Distribution:			
Sales by mfrs. and wholesalers.....	— 14.5	+22.3	
Department store sales.....	+ 63.6	+18.6	
Car loadings.....	+ 4.8	+26.6	
Building and Construction:			
Bldg. permits, incl. repairs { Number.....	— 16.5	+52.3	
{ Cost.....	+291.4	+70.9	
Value construc. contracts awarded....	+ 3.7	—42.2	
Miscellaneous:			
Commercial failures { Number.....	+ 25.0	— 3.0	
{ Liabilities.....	— 59.3	—44.2	
Consumption of electricity.....	— 2.5	+15.9	
Debits to individual accounts.....	+ 20.1	+23.8	
Member Banks (24):			
	Jan. 13,'37	comp. with	Jan. 15,'36
	Dec. 16,'36	Jan. 15,'36	
Gross deposits.....	+ 1.2%	+13.4%	
Loans.....	— 1.3	+19.2	
Investments.....	+ 1.3	+ 5.6	

EIGHTH District commerce and industry during the past thirty days continued the notable improvement which had marked earlier months in 1936. Allowing for seasonal factors the rate of business activity during December was at the highest level for the year and represented the peak of the recovery period. As a whole industrial production declined in considerably less than the usual seasonal amount, and in a number of important phases of manufacturing, there was no evidence of the recession which ordinarily occurs at this time of year. Bolstered by the heaviest holiday trade since the predepression era, retail distribution in December expanded to the highest volume of the year, and for that particular month since 1929. Cumulative retail sales for 1936 were approximately 12 per cent in excess of volume for the preceding year. All wholesaling and jobbing lines investigated by this bank showed increases in December over a year earlier, and five important classifications, including drugs and chemicals, furniture, groceries and hardware, recorded contraseasonal gains over November. Combined total, for the year of wholesaling and jobbing firms reporting to this bank was the highest since 1930. Reflecting the heavy volume

of commodity distribution, freight traffic of railroads operating in this district was 18.5 per cent greater than in 1935, and the highest since 1931. Riverborne traffic in 1936 was 7 per cent greater than in 1935, and heaviest in the history of Federal Barge Line between St. Louis and New Orleans.

The revival in building during 1936 was reflected in notable expansion in demand for all descriptions of building materials. Production of lumber, glass, cement, fire-clay products, stone, etc., in this general area, according to preliminary reports, exceeded that of the preceding year, and represented the largest total since the predepression era. Activities in the iron and steel industry increased steadily through 1936, and the rate since resumption of operations following the holidays has reached levels which obtained at mid-December, at which time the peak of the year was recorded. Betterment extended to virtually all sections of the industry. Shipments to and consumption of pig iron by district melters in 1936 represented the highest totals since 1929. At the end of the year ingot production at mills in this area was at 80 per cent of capacity. Production of bituminous coal at mines in fields of the district increased contraseasonally from November to December, and for the twelve months of 1936, tonnage lifted was greater by 12 per cent than in 1935. Although employment in industry averaged only about 8 per cent above 1935, available statistics indicate payrolls increased from 12 to 16 per cent.

Agricultural incomes of farmers in states partly or entirely within the Eighth Federal Reserve District, according to the U. S. Department of Agriculture estimates, was 23 per cent greater in 1936 than in 1935, and approximately 63 per cent in excess of the average for the 4-year (1932-1935) period. These results were achieved in face of the severest drouth of record in this general area, and do not include revenue derived from livestock and livestock products. Quite generally, but more particularly in the southern states, the economic status of farmers at the end of 1936 was the most favorable in a number of years. While practically all crops, other than cotton and wheat were below average, deficiency

in yield was more than counterbalanced by high prices realized by producers. Tobacco markets for the 1936 crop, which opened in December have been featured by the highest average prices in recent years. While weather in the immediate past has been unfavorable for field work, preparation for spring crops and general farm routine is up to the usual seasonal schedule. Condition of winter wheat as of January 1 was reported in the main favorable.

Gauged by sales of department stores in principal cities, volume of retail trade in December was 63.6 per cent greater than in November and 18.6 per cent in excess of the December, 1935, total; for the year 1936 the volume was 12.3 per cent greater than in 1935. Combined December sales of all wholesaling and jobbing firms reporting to this bank were 14.5 per cent less than in November, but 22.3 per cent greater than in December, 1935; for the year, sales of these firms were 7 per cent larger than the 1935 total. The value of permits let for new buildings in the five largest cities in December was about three and one-half times larger than in November and 160 per cent greater than in December, 1935; for the year 1936 the total was 74 per cent in excess of that for the preceding 12-month period. Construction contracts let in the Eighth District in December were 4 per cent larger than in November but 42 per cent below December last year; for 1936 the aggregate was one-half larger than in 1935.

Feight traffic of railroads operating in this district, according to officials of the reporting lines, showed considerably less than the average seasonal decline during the past thirty days. The volume exceeded that of any similar period since 1930, and for the twelve months of 1936 aggregate tonnage handled was the largest since 1931. Increases during the thirty-day period over a year earlier were recorded in all classifications, but were particularly noticeable in merchandise L. C. L., forest products, ore and miscellaneous freight. Passenger traffic of the reporting roads continued at an accelerated pace the steady gains of earlier months in 1936, being bolstered by the heaviest holiday and tourist travel since the predepression era. Tonnage handled in December by the Federal Barge Line between St. Louis and New Orleans fell 40 per cent below November, but was 5 per cent greater than in December, 1935; the total for 1936 exceeded that of the preceding year by approximately 7 per cent.

Collections generally throughout the district maintained the high level of efficiency which has marked the past eighteen months. Rapid marketing of the tobacco crop and high prices realized by producers have resulted in considerable volume of liqui-

dation with both merchants and banks in the typical tobacco areas. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
December, 1936.....	6.1%	60.6%	31.8%	1.5%
November, 1936.....	9.5	52.5	36.7	1.3
December, 1935.....	4.8	51.0	42.2	3.5

Commercial failures in the Eighth Federal Reserve District in December, according to Dun and Bradstreet, numbered 32, involving liabilities of \$225,000, which compare with 25 insolvencies in November with liabilities of \$553,000 and 33 failures for a total of \$403,000 in December, 1935. In 1936 there were 372 failures with total liabilities of \$4,709,000, against 415 defaults in 1935 involving \$4,259,000 of liabilities. In the depression year 1932 the number of failures was 1,467, with liabilities of \$45,568,526.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Dec. 1936 compared with		12 months 1936	Dec. 31, 1936
	Nov. '36	Dec. '35	comp. with same period 1935	comp. with Dec. 31, 1935
Boots and Shoes.....	-23.2%	+10.4%	- 2.9%	- 6.1%
Drugs and Chemicals..	+ 3.8	+19.5	+12.1	+ 7.2
Dry Goods.....	-28.3	+32.4	+16.0	+25.7
Electrical Supplies.....	+21.6	+28.0	+20.0	+90.3
Furniture.....	+ 8.4	+63.5	+32.2	+ 6.3
Groceries.....	+ 6.5	+15.2	+ 6.1	+21.5
Hardware.....	+ 3.6	+33.2	+13.5	+25.3
All above lines.....	-14.5	+22.3	+ 7.0	+16.6

Automobiles — Combined passenger car, truck and taxicab production in the United States in December was 498,721 against 394,890 in November, and 404,528 in December, 1935.

Boots and Shoes — The decrease in sales from November to December was seasonal in character, but smaller than average during the past several years. In anticipation of heavy spring and summer demands, inventories increased considerably, stocks as of January 1 being approximately 10 per cent greater than a month earlier. While there were no changes in prices of finished goods, the trend was upward in sympathy with the rise in leather and other raw materials.

Clothing — Sales of the reporting firms in December were 12.6 per cent smaller than in November and about one-fourth greater than a year earlier. Inventories continued to expand, stocks on January 1 being 30 per cent and 20 per cent greater, respectively, than a month and a year earlier. Advance ordering of spring and summer lines was reported considerably in excess of the volume a year and two years earlier. Clearance of heavyweight apparel through retail channels was reported the most thorough in recent years.

Drugs and Chemicals — The contraseasonal increase in sales in this classification from November to December was accounted for largely by heavy demand for remedial drugs incident to prevalence of influenza generally through the district. Ordering of these lines during early January showed noticeable expansion. Prices showed no change worthy of note during the past thirty days, but were measurably higher than a year ago.

Dry Goods — Conforming with the usual seasonal precedent, sales of the reporting interests declined from November to December, but as had been the case in all preceding months since February, the December total exceeded that of the corresponding month a year earlier. Orders booked during the first half of January indicate a gain for the month of approximately 30 per cent over a year ago.

Electrical Supplies — Aggregate sales of the reporting firms in 1936 exceeded the volume of all years since 1929. Outstanding in the year's business was the notable expansion in household appliances, building installations, radio material and air-conditioning equipment.

Furniture — Of the wholesaling and jobbing lines investigated by this bank, furniture recorded the most notable recovery during 1936. Total volume of sales for the year was approximately one-third greater than in 1935 and the highest since 1929. Betterment extended through the entire line, but was particularly noticeable in household furniture and furnishings.

Groceries — The increase in sales in this classification from November to December was contrary to the usual seasonal experience and was due to an extraordinarily heavy volume of orders for holiday goods. According to the reporting firms, aggregate sales for the twelve months of 1936 were the highest since 1929.

Hardware — Steady improvement in this classification marked the past year. The December volume, which showed a contraseasonal increase over November, was the largest for the month since 1927. The trend of prices has been upward during the past several months in sympathy with the advances in metals and other raw materials.

Iron and Steel Products — Activities in the iron and steel industry in this area during the past thirty days were at considerably higher rate than at any similar period in a number of years. The usual curtailment in late December and early January for inventory, repairs, etc., was less in evidence than heretofore, and in a number of instances operations were continuous, except for the two holidays, Christ-

mas and New Years. Makers of both standard steel products and specialties entered the new year with substantial backlogs of orders, and with pressure for deliveries, high schedules were the rule. Deliveries of pig iron to district melters in December were the largest for any month in 1936, and represented the highest tonnage for any December since 1929. Activities at steel casting plants specializing in railroad work were stepped up further, and the same was true of builders of freight-cars and other railroad equipment. Jobbing foundries reported a substantial volume of new orders, representing requirements of miscellaneous users as well as overflow work from stove plants and other specialty manufacturers. Producers of sheets, plates, bars and other rolled steel items are still in arrears on deliveries. Ordering of these commodities during the closing weeks of last year were stimulated by announcement of price advances to become effective January 1. An additional advance of 50c per ton on pig iron went into effect on January 1, making a total increase of \$1.50 since November 15. Reflecting a general scarcity and urgent demand, scrap iron and steel prices advanced sharply, certain important grades reaching the highest levels in more than a decade. In the immediate past there has been some slowing down in specifications and new orders from the automotive industry, reflecting interference with production of certain manufacturers incident to labor troubles. Steel ingot production at mills in this general area at mid-January was at 80 per cent of capacity, equal to the highest point reached last year. For the entire country, production of pig iron in December, according to the magazine "Steel" totaled 3,125,192 tons, against 2,949,942 tons in November and 2,115,496 tons in December, 1935. At 30,682,704 tons, production in 1936 was 45.8 per cent in excess of the 21,040,483 tons in 1935. Output of steel ingots in December amounted to 4,431,645 tons, which compares with 4,337,412 tons in November and 3,073,405 tons in December, 1935. Production for the year totaled 46,919,362 tons against 33,417,985 tons in 1935.

MINING

Responding to continued industrial activity, production of bituminous coal continued to expand during December and the first half of January. Important consuming interests are disposed to accumulate stocks against possible labor disturbances during the spring. At mines in fields in this general area, output for December was 12.0 per cent greater than in November and 16.3 per cent in excess of the December, 1935, total; for the twelve months of 1936 the tonnage lifted was 12.0 per cent greater

than in 1935. Estimated production of soft coal for the entire country in December was 44,487,000 tons, which compares with 41,588,000 tons in November and 35,388,000 tons in December, 1935. Total output for 1936 is estimated at 431,950,000 tons against 369,324,000 tons produced in 1935. At Illinois mines in December, 5,733,619 tons were lifted, which compares with 4,741,897 tons in November and 4,763,895 tons in December, 1935. There were 170 mines in operation in December and 38,295 men on payrolls as against 166 active mines and 37,801 operatives in November.

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	
	Dec. 1936	12 mos. 1936	Dec. 31, '36	on Hand	Turnover	
	compared with	to same	comp. with	Jan. 1, to	Dec. 31,	
Nov. 1936	Dec. 1935	period '35	Dec. 31, '35	1936	1935	
El Dorado, Ark.....	+57.8%	+5.8%	+3.4%	+0.5%	2.90	2.71
Ft. Smith, Ark.....	+69.6	+17.7	+16.3	+8.9	2.88	2.61
Little Rock, Ark.....	+51.1	+26.2	+16.6	+7.7	3.31	2.81
Louisville, Ky.....	+81.9	+19.4	+13.2	+16.0	4.56	4.10
Memphis, Tenn.....	+78.6	+21.4	+14.2	+9.6	3.84	3.42
Pine Bluff, Ark.....	+67.1	+25.6	+10.4	+6.3	4.23	3.33
St. Louis, Mo.....	+58.1	+16.8	+11.3	+10.8	4.42	4.09
Springfield, Mo.....	+52.9	+22.0	+10.5	+3.8	2.83	2.58
All Other Cities.....	+70.2	+18.9	+10.4	+1.4	3.48	3.35
8th F. R. District.....	+63.6	+18.6	+12.3	+10.4	4.15	3.78

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

	Installment	Excl. Instal.		Installment	Excl. Instal.
	Accounts	Accounts		Accounts	Accounts
El Dorado.....	%	72.4%	Pine Bluff.....	%	38.3%
Fort Smith.....		38.7	Springfield.....		35.9
Little Rock.....		40.3	St. Louis.....		58.5
Louisville.....		54.1	Other Cities.....		52.8
Memphis.....		47.9	8th F. R. Dist.....		52.2

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

	Net Sales			Stock	Stock	
	Dec. 1936	12 mos. 1936	Dec. 31, '36	on Hand	Turnover	
	compared with	to same	comp. with	Jan. 1, to	Dec. 31,	
Nov. 1936	Dec. 1935	period '35	Dec. 31, '35	1936	1935	
Men's Furnishings.....	+44.7%	+19.0%	+13.6%	+5.5%	2.89	2.71
Boots and Shoes.....	+39.9	+19.3	+15.9	+7.3	7.09	6.02

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

Men's Furnishings.....	35.5%	Boots and Shoes.....	41.2%
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AGRICULTURE

Despite one of the severest and most prolonged drouths of record, Eighth District farm income expanded during 1936 and was, according to Government estimates, 23 per cent greater than in 1935, and approximately 63 per cent in excess of the average for the four years (1932-1935) period. With the exception of winter wheat and cotton, all of the principal crops produced in this area were below average,

and shortages were particularly acute in grain feeds and fodder. Fruit and vegetable crops were the smallest in many years, with virtual failures recorded in some commercial producing sections. The increase in farm revenue was, therefore, ascribable entirely to higher prices received by producers, plus benefit payments paid to farmers by the Government in furtherance of its soil conservation program and other purposes. Marketings of livestock were somewhat larger than in 1935, but fell below 1934, during which earlier year, it will be recalled, drouth conditions occasioned extraordinary shipments of cattle and other meat animals.

In its latest report the U. S. Department of Agriculture estimates the farm value of the 64 principal 1936 crops in states including the Eighth District at \$1,374,027,000 and the acreage harvested of 44 principal crops at 66,814,000 acres. The following comparative table gives the estimated value and acreage by states for 1936 and the two preceding years, slight revisions occurring in the 1934 and 1935 figures:

	Acres Harvested			Farm Value		
	1936	1935	1934	1936	1935	1934
(In thousands)						
Indiana.....	10,326	10,662	9,526	\$ 199,979	\$ 168,258	\$ 153,712
Illinois.....	19,395	19,079	15,735	368,406	326,346	218,569
Missouri.....	12,280	11,115	10,998	150,595	135,785	103,569
Kentucky.....	5,049	5,213	4,743	131,827	116,896	118,840
Tennessee.....	6,178	6,134	5,482	139,698	112,535	124,423
Mississippi.....	7,135	6,797	6,017	226,339	147,362	143,669
Arkansas.....	6,451	6,159	5,533	157,183	112,008	106,155
Totals.....	66,814	65,159	58,034	1,374,027	1,119,190	968,937

These estimates are based on the December 1 farm price, except for some early marketed products, for which price for the marketing season is used.

As a whole the winter to date has been favorable for agricultural activities and the development of fall sown grains. Temperatures have been somewhat below normal, which fact has rendered pastures serviceable to a later date than usual and permitted of conservation of prepared feeds for livestock. Considerable progress has been made in plowing and preparing for spring planting; quite generally farm routine is up to the usual seasonal schedule. In some sections precipitation during the late fall and early winter was below normal, but the deficiency has been largely made up by abundant rains and snow since January 1. Universally farm labor is adequate for all needs, with wage schedules averaging somewhat higher than at the same time during recent years.

Cotton—In the Eighth District proper, production of cotton in 1936 was estimated by the U. S. Department of Agriculture at 3,402,000 bales, with farm value \$208,474,560, the value being based on average price for marketing season to December 1. This compares with 2,243,000 bales, worth \$128,182,000 in 1935; 2,323,000 bales valued at \$142,679,000 in 1934; 2,350,000 bales with value of \$113,270,000

in 1933 and 2,635,000 bales worth \$75,256,000 in 1932. From the beginning of the marketing season the crop has moved rapidly, due to a good demand for the staple and high prices realized by producers. Fall and early winter conditions were ideal for preparing the soil for the new crop, and these operations are somewhat in advance of the ordinary seasonal schedule. Unofficial reports from scattered sections of the territory indicate intentions to plant somewhat larger acreage than were seeded last spring. In 1936 the average rate paid workers for picking cotton was considerably higher than a year earlier. At 69c per 100 pounds of seed cotton, pickers received 11c more per cwt. than in 1935, the highest since 1929. Prices during the past thirty days have continued at the high levels set earlier in the season. In the St. Louis market the middling grade ranged from 13.05c to 13.40c per pound between December 16, and January 15, closing at 13.35c on the latter date, which compares with 13.25c on December 15, and 11.65c on January 15, 1936. As indicating the rapid movement of the crop, combined receipts at Arkansas and Missouri compresses from August 1 to January 8 were 1,271,793 bales as against 875,887 bales during the corresponding period a year earlier. Stocks as of January 8 totaled 552,459 bales against 595,007 bales on the corresponding date in 1936.

Livestock — The conditions of livestock generally through the district is reported good to excellent. Marketing of cattle and hogs decreased slightly from November to December, while the movement of sheep increased during the interim. Prices of all species at mid-January showed little change as contrasted with a month earlier.

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

	Receipts			Shipments		
	Dec., 1936	Nov., 1936	Dec., 1935	Dec., 1936	Nov., 1936	Dec., 1935
Cattle and Calves.....	127,956	136,578	154,315	69,581	69,864	75,847
Hogs	284,041	274,994	218,379	147,874	149,201	140,560
Horses and Mules.....	4,536	6,645	3,768	5,817	7,061	3,799
Sheep	56,728	68,007	65,636	6,337	9,701	8,182
Totals.....	473,261	486,224	442,098	229,609	235,827	228,388

The following table shows comparative receipts and shipments for the years 1934, 1935 and 1936.

(In thousands)	Receipts			Shipments		
	1936	1935	1934	1936	1935	1934
Cattle and Calves.....	1,483	1,641	1,816	826	938	987
Hogs	2,474	2,026	2,960	1,514	1,286	1,787
Horses and Mules.....	62	70	84	62	69	84
Sheep	709	765	650	137	144	153
Totals.....	4,728	4,502	5,510	2,539	2,437	3,011

Tobacco — Selling was resumed in the burley tobacco markets on January 4, with liberal offerings, following the holidays, and after slight irregularity in initial sales, a further advance in prices. On the reopening date from \$70.00 to \$72.00 per cwt. was being readily paid for medium quality and from

\$74.00 to \$76.00 for choice grades. These are high figures when it is known that average price for the 1935 burley crop was \$19.05 per 100 pounds and for the 1931 crop only \$8.63. As of January 8 it was estimated that approximately 120,000,000 pounds of the 1936 burley crop had been sold at an average in excess of \$40.00 per cwt. for the season.

In the one sucker markets demand continued active, with daily prices ranging as high as \$25.00 per cwt. The Green River and stemming markets also report an active demand for all leaf offered. The dark fired markets resumed after the holidays in both eastern and western districts with relatively light offerings. Prices for all grades were higher than last year and the general average for the week of January 8 was about \$3.50 per hundred pounds higher in the eastern district and \$1.50 in the western district than prices paid at opening last year.

Winter Wheat — The area seeded to winter wheat last fall in states partly or entirely within the Eighth District comprised 9,706,000 acres as compared with 7,389,000 acres in 1935; 7,270,000 acres in 1934, and the 5-year average (1927-1931) of 6,337,000 acres. The sharp increase last fall over recent years reflected the need of fall pasturage, the high price of wheat at seeding time, a favorable statistical position and the shift from corn acreage because of successive corn crop failures in recent years. An active export demand and heavy domestic requirements have served to maintain prices at the highest levels in more than seven years. Wheat stocks on farms as of January 1, according to the U. S. Department of Agriculture, totaled 14,383,000 bushels, as against 18,082,000 bushels a year earlier and the 5-year (1928-1932) average of 22,814,000 bushels. January 1 farm stocks of corn and oats were also considerably smaller than the 5-year average.

COMMODITY PRICES

Range of prices in the St. Louis market between December 15, 1936, and January 15, 1937, with closing quotations on the latter date and on January 15, 1936, follow:

	High	Low	Close	
			Jan. 15, 1937	Jan. 15, 1936
Wheat				
*May	per bu. \$1.36¾	\$1.29¾	\$ 1.29¾	\$ 1.03¾
*July	" 1.23¼	1.12¾	1.12¾	.88¾
*Sept.	" 1.14½	1.08¾	1.08¾	.89¾
*No. 2 red winter	" 1.45	1.36½	1.43	1.07
*No. 2 hard "	" 1.44½	1.36	1.41	1.15½
Corn				
*May	" 1.26	1.13¾	1.25¾	.60¾
*July	" 1.21¼	1.09¾	1.20¾	.61¾
*Sept.	" 1.16¾	1.09¾	1.16¾	.61¾
*No. 2 Mixed ...	" 1.16	1.07	1.14½	.61¾
*No. 2 White ...	" 1.14½	1.06½	1.13½	.68¾
Oats				
*No. 2 White ...	" .57½	.52½	.57	.32½
Flour				
Soft Patent.....	per bbl. 6.75	6.00	6.10@ 6.75	5.80@ 6.35
Spring "	" 8.45	7.95	8.15@ 8.35	7.30@ 8.45
Middling Cotton...per lb.	.1340	.1305	.1335	.1165
Hogs on hoof....per cwt.	10.90	7.00	7.50@ 10.60	6.50@ 9.90
*Nominal quotations.				

CONSUMPTION OF ELECTRICITY

Public utilities in six large cities of the district report consumption of electric current by selected industrial customers in December as about 2.5 per cent smaller than in November, and 15.9 per cent greater than in December, 1935. Detailed figures follow:

(K.W.H. in thous.)	No. of Custom-ers	Dec., 1936 K.W.H.	Nov., 1936 K.W.H.	Dec. 1936 comp. with Nov. 1936	Dec., 1935 K.W.H.	Dec. 1936 comp. with Dec. 1935
Evansville	40	3,211	3,074	+ 4.5%	2,631	+22.0%
Little Rock..	35	1,879	1,878	+ 0.05	1,337	+40.5
Louisville	82	8,439	8,727	- 3.3	7,671*	+10.0
Memphis	31	2,320	2,492	- 6.9	2,438	- 4.8
Pine Bluff.....	20	1,036	898	+15.4	813	+27.4
St. Louis.....	186	21,749	22,547	- 3.5	18,451	+17.9
Totals.....	394	38,634	39,616	- 2.5	33,341	+15.9

*Revised.

The following table shows comparative figures of consumption of electric current by selected industrial customers, for the years 1936 and 1935:

(K.W.H. in thousands)	1936 K.W.H.	1935 K.W.H.	1936 comp. with 1935
Evansville, Indiana.....	32,292	29,952	+ 7.8%
Little Rock, Arkansas.....	23,075	20,666	+11.7
Louisville, Kentucky.....	102,269	94,143*	+ 8.6
Memphis, Tennessee.....	25,532	21,494	+18.8
Pine Bluff, Arkansas.....	8,172	6,649	+22.9
St. Louis, Missouri.....	265,183	219,666	+20.7
Totals.....	495,523	392,570	+26.2

*Revised.

TRANSPORTATION

Statistics of transportation in the Eighth District during 1936 make the most favorable showing since the predepression era.

The St. Louis Terminal Railway, which handles interchanges for 28 connecting lines, interchanged 95,438 loads in December, the highest for the year, and comparing with 91,107 loads in November and 75,413 loads in December, 1935. Loads handled in 1936 totaled 1,066,898, an increase of 18.5 per cent over the 900,581 loads handled in 1935.

Passenger traffic of the reporting roads in December showed an increase over a year earlier of 14 per cent in number of passengers carried and 24 per cent in revenue. For the year there were increases of 23 per cent and 20 per cent, respectively, in passengers carried and revenue.

For the entire country loadings of revenue freight in 1936 totaled 36,063,307 cars, the highest since 1932, and comparing with 31,504,134 cars in 1935 and 28,179,952 in the depression year, 1932.

The Federal Barge Line, which operates between St. Louis and New Orleans, carried 103,500 tons in December, against 129,313 tons in November and 98,279 tons in December, 1935. Cumulative total for the year was 1,652,638 tons, the largest of record, and comparing with 1,545,601 tons in 1935.

Express business in this area during December showed an increase of 17 per cent in the volume of shipments handled and of 21 per cent in revenue. The volume of holiday traffic was the largest since 1929.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in December was 343.2 per cent greater than in November and 160.4 per cent larger than in December, 1935. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in December amounted to \$11,268,300 which compares with \$10,863,000 in November and \$19,483,998 in December, 1935. For the year the construction contracts totaled \$197,262,101 and for 1935 \$131,451,388. Building figures for December follow:

(Cost in thousands)	New construction				Repairs, etc.			
	Permits 1936	Permits 1935	Cost 1936	Cost 1935	Permits 1936	Permits 1935	Cost 1936	Cost 1935
Evansville ..	31	11	\$ 40	\$ 75	87	36	\$ 52	\$ 23
Little Rock	23	6	71	8	73	36	25	10
Louisville ..	85	33	357	106	29	51	18	98
Memphis	165	99	2,297	187	152	105	62	118
St. Louis....	175	141	5,509	2,802	160	101	187	1,616
Dec. Totals	479	290	8,274	3,178	501	329	344	1,865
Nov. "	477	428	1,867	1,194	600	465	335	224
Oct. "	812	582	1,144	968	677	682	557	389

The following table shows the comparative totals for the years 1936 and 1935:

(Cost in thousands)	New construction				Repairs, etc.			
	Permits 1936	Permits 1935	Cost 1936	Cost 1935	Permits 1936	Permits 1935	Cost 1936	Cost 1935
Totals	6,712	5,536	\$24,805	\$14,244	7,162	7,655	\$4,740	\$5,645

POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 27.3 per cent in combined postal receipts for the final quarter of 1936 over the preceding three months, and an increase of 13.1 per cent as contrasted with the last quarter of 1935. Detailed figures follow:

Quarter Ending	Dec. 31, 1936	Sept. 30, 1936	Dec. 31, 1935	Comp. last Qrs. 1936 and 1935
Evansville	\$ 184,324	\$ 154,625	\$ 159,162	+ 9.5%
Little Rock.....	212,756	205,372	189,016	+12.6
Louisville	833,957	674,001	745,353	+11.9
Memphis	869,507	599,258	649,085	+34.0
St. Louis.....	3,027,321	2,396,142	2,791,218	+ 8.5
Totals	5,127,865	4,029,398	4,533,834	+13.1

The following table shows the comparative totals for the years 1936, 1935 and 1934:

	1936	1935	1934	1936 comp. with 1935	1936 comp. with 1934
Totals	\$17,385,578	\$16,018,830	\$15,147,110	+ 8.5%	+14.8%

LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during December, the preceding month, and a year ago, together with the cumulative totals for the twelve months during 1936 and the comparable period in 1935 are shown in the following table:

(In thousands of dollars)	Dec., 1936	Nov., 1936	Dec., 1935	For the years 1936	For the years 1935	Cum. change
Arkansas.....	\$ 2,874	\$ 2,546	\$ 2,598	\$ 30,137	\$ 30,101	+ 0.1%
Illinois.....	47,310	37,830	47,420	474,920	503,003	- 5.6
Indiana.....	12,265	9,620	11,988	125,558	136,357	- 7.9
Kentucky.....	5,266	4,875	5,784	59,809	64,125	- 6.7
Mississippi.....	3,500	3,038	2,749	29,769	27,021	+10.2
Missouri.....	16,160	13,643	15,437	170,002	176,524	- 3.7
Tennessee.....	6,589	5,218	6,055	64,598	66,506	- 2.9
Totals.....	93,964	76,770	92,031	954,793	1,003,637	- 4.9
United States...	560,729	477,569	575,600	5,927,563	6,181,255	- 4.1

FINANCIAL

The past thirty days have been marked by a further moderate expansion in demand for credit from general borrowing sources in the Eighth District. Because of the high prices realized for tobacco, requirements in sections where tobacco is an important crop are considerably higher than has been the case in recent years. In the principal wholesaling and jobbing centers, liquidation has been on an extensive scale, with the result that at mid-January there was little change in the loan and discount item as contrasted with a month earlier. Despite a noticeable reduction in commitments of flour milling and grain handling interests, the total volume of this class of loans is considerably larger than a year and two years earlier. The usual augmented demand for funds in late December to meet interest and dividend disbursements was in evidence, but its effect on the entire situation was negligible, these operations amounting largely to a shifting of credits. Requirements of field seed interests are somewhat above the average at this season during recent years.

Member Banks — During the four-week period ended January 13, total loans and investments of reporting member banks in the principal cities increased 0.3 per cent. This increase was accounted for primarily by an increase of 1.3 per cent in total investments, total loans decreasing by the same amount. The drop in total loans was due to a decrease in all other loans; however, this same item showed an increase of 20.5 per cent over a year ago. Gross deposits on January 13 were greater by 13.4 per cent and 1.2 per cent, respectively, than a year and a month earlier. Reserve balances showed an increase of 7.8 per cent during the four weeks and were 18.8 per cent greater than on January 15, 1936.

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)	Jan. 13, 1937	Dec. 16, 1936	Jan. 15, 1936
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations			
and other stocks and bonds.....	\$ 76,703	\$ 78,679	\$ 66,270
All other loans and discounts.....	205,253	206,875	170,295
Total loans and discounts.....	281,956	285,554	236,565
Investments:			
U. S. Gov't securities.....	238,491	232,679	232,961
Other securities.....	172,421	172,878	156,028
Total investments.....	410,912	405,557	388,989
Demand deposits.....	783,182	771,436	675,871
Time deposits.....	185,346	185,196	177,847
Gross deposits.....	968,528	956,632	853,718
Reserve balances with F. R. Bank.....	130,678	121,252	110,023
Cash in vault.....	12,126	12,607	10,940
Bills payable and rediscounts with Federal Reserve Bank.....			
Number of banks reporting.....	24	24	24

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

The aggregate amount of savings deposits held by selected banks on January 6 was 0.1 per cent greater than on December 2, 1936, and 5.9 per cent in excess of the total on January 8, 1936.

Federal Reserve Operations — Changes in the principal assets and liabilities of this bank appear in the following table:

(In thousands of dollars)	Jan. 18, 1937	Dec. 18, 1936	Jan. 18, 1936
Industrial advances under Sec. 13b.....	\$ 409	\$ 461	\$ 476
Other advances and rediscounts.....	139	146	18
Bills bought (including participations).....	86	87	87
U. S. securities.....	116,119	115,809	123,200
Total earning assets.....	116,753	116,503	123,781
Total reserves	273,369	271,215	216,383
Total deposits	204,960	194,127	172,036
F. R. Notes in circulation.....	180,007	186,194	161,017
Industrial commitments under Sec. 13b	1,313	1,134	2,121
Ratio of reserve to deposit and F. R. Note liabilities.....	71.0%	71.3%	65.0%

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.

At downtown St. Louis banks as of the week ended January 15, interest rates charged were as follows: Customers' prime commercial paper 1 to 5 per cent, collateral loans 2 to 6 per cent, loans secured by warehouse receipts 1½ to 5½ per cent, and cattle loans 4½ to 6 per cent.

Debits to Individual Accounts — The following comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	Dec., 1936	Nov., 1936	Dec., 1935	Dec. 1936 comp. with Nov. 1936	Dec. 1935
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 37,067	\$ 31,208	\$ 30,548	+18.8%	+21.3%
El Dorado, Ark.....	5,020	3,758	4,400	+33.6	+14.1
Evansville, Ind.....	36,960	32,919	24,925	+12.3	+48.3
Fort Smith, Ark.....	13,700	11,170	10,787	+22.6	+27.0
Greenville, Miss.....	8,048	7,087	4,250	+13.6	+89.4
Helena, Ark.....	2,652	2,888	1,944	- 8.2	+36.4
Little Rock, Ark.....	42,845	36,709	33,113	+16.7	+29.4
Louisville, Ky.....	205,613	156,747	155,364	+31.2	+32.3
Memphis, Tenn.....	171,073	172,355	135,785	- 0.7	+26.0
Owensboro, Ky.....	7,087	5,520	4,877	+28.4	+45.3
Pine Bluff, Ark.....	9,563	10,004	7,546	- 4.4	+26.7
Quincy, Ill.....	9,397	7,408	6,784	+26.8	+38.5
St. Louis, Mo.....	673,620	541,762	568,720	+24.3	+18.4
Sedalia, Mo.....	2,776	1,881	2,290	+47.6	+21.2
Springfield, Mo.....	15,992	12,484	12,453	+28.0	+28.4
*Texarkana, Ark.....	9,371	7,546	6,925	+24.2	+35.3
Totals.....	1,250,784	1,041,446	1,010,711	+20.1	+23.8

*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

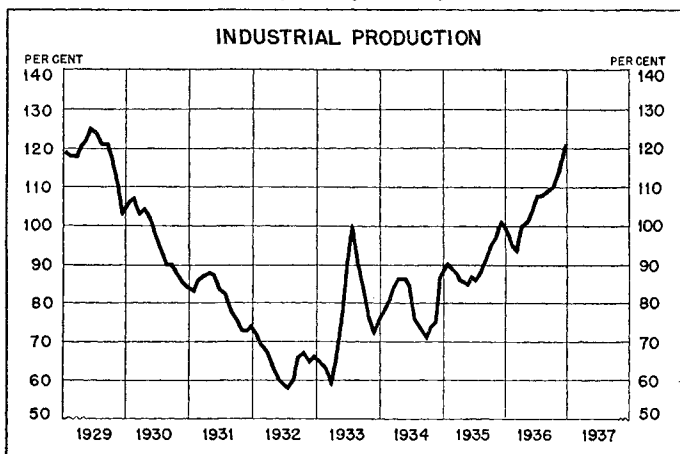
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

The Board's index of industrial production showed a sharp advance in December after allowance is made for the usual seasonal changes. There was a marked expansion in employment and payrolls and retail trade continued at high levels.

Production and Employment—Actual volume of industrial production showed little change from November to December, at a time when a sharp seasonal decline is usual, and the Board's adjusted index advanced from 114 to 121 per cent of the 1923-1925 average. There was a further rise in activity at textile mills to the highest level on record and output of other nondurable manufacturers was maintained. Declines in production of steel and lumber were smaller in December than are usual in that month. At automobile factories there was a marked increase in output. In the first three weeks of January activity at steel mills increased

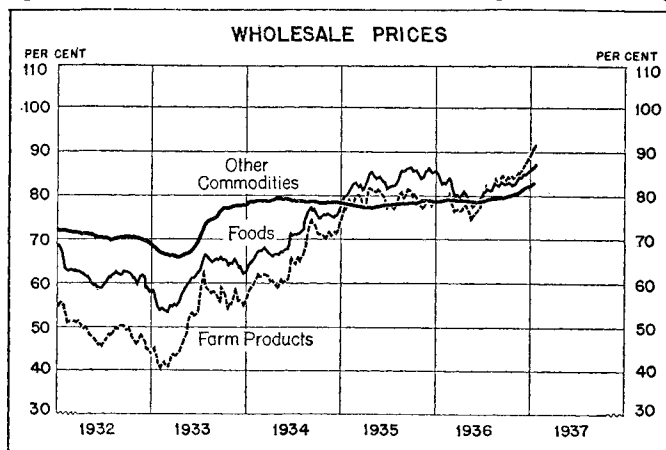
Distribution—Retail sales in December increased seasonally at department stores and by more than the usual seasonal amount at variety stores and mail order houses serving rural areas. Freight-car loadings showed a smaller decrease than is usual in December, and the Board's seasonally adjusted index advanced further.

Commodity Prices—Wholesale prices, for both industrial and agricultural commodities, continued to advance in the second half of December and the first half of January. There were marked increases in prices of industrial raw materials, particularly nonferrous metals, lumber, hides, and wool; prices of a number of finished goods, such as steel products, paper, and textiles also advanced. Since the middle of January there has been a decline in prices of commodities traded in on the organized exchanges.



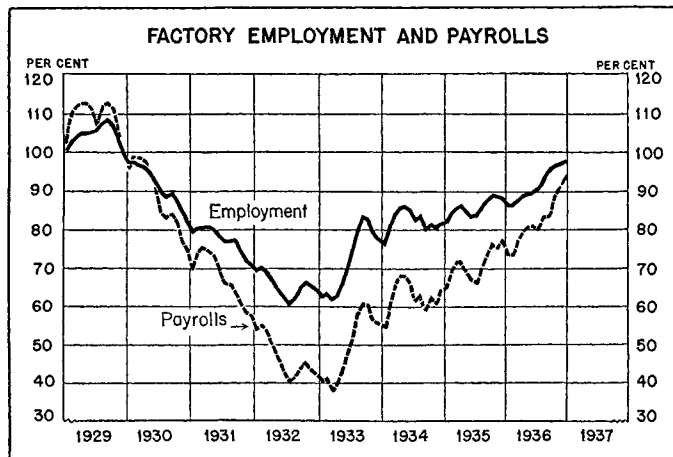
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through December, 1936. Latest figure, December, 1936, 121.

somewhat, but there was a decline in assemblies of automobiles as a result of shutdowns occasioned by strikes. Average daily coal production decreased seasonally from November to December, while output of crude petroleum increased contrary to seasonal tendency. Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, showed a seasonal decrease in December. Factory employment expanded further between the middle of November and middle of December, contrary to the usual seasonal movement. Increases were general among the durable goods industries, with the largest advances at plants



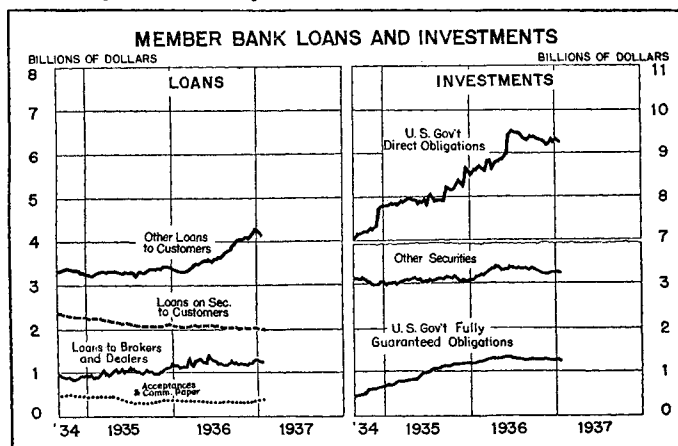
Indexes compiled by the United States Bureau of Labor Statistics, 1926 = 100. By weeks, 1932 to date. Latest figures are for week ending January 16, 1937: Farm products, 92.3; foods, 87.3; other commodities, 83.1.

Bank Credit—Loans and investments of reporting member banks in leading cities declined in the first three weeks of January, as a result of reductions in commercial loans and in loans to brokers. The decrease in loans reflected in part the retirement of notes issued by the Commodity Credit Corporation last July and in part repayment of other loans, which had increased sharply in preceding weeks. Holdings of Government obligations declined further at New York City banks but increased at banks in other leading cities. Demand deposits decreased at the turn of the year, but thereafter increased somewhat, reflecting chiefly the return of currency from holiday use.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through December, 1936. Indexes compiled by the United States Bureau of Labor Statistics. Latest figures; December, unadjusted, employment 97.7; payrolls 94.6.

producing automobiles and machinery. In the nondurable goods industries there were marked increases in the number employed at textile mills and at shoe factories. Reflecting principally higher levels of employment and advances in wage rates, factory payrolls increased sharply in December, particularly at steel mills and in the textile industries. In retail trade, employment rose more than seasonally and in most other non-agricultural pursuits there were increases, when allowance is made for seasonal changes.



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, to January 20, 1937. Loans on real estate and loans to banks excluded.

The rate on 90-day bankers' acceptances was raised 1/16 of 1 per cent on January 13 and now stands at 1/4 of 1 per cent. Market discount rates on Treasury bills have also increased, with bills offered in the week ending January 16 selling at a discount of over 1/3 of 1 per cent, as compared with a rate of about 1/10 of 1 per cent early in December. Excess reserves of member banks increased from \$1,880,000,000 to \$2,130,000,000 in the four weeks ending January 20, reflecting largely the post-holiday return flow of currency from circulation.