MONTHLY REVIEW

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

RELEASED FOR PUBLICATION ON THE MORNING OF FEBRUARY 27, 1937

FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

	Jan. 1937 comp. with Dec. 1936	Jan. 1936
Live Stock:		
Receipts at National Stock Yards	— 7.1%	— 5.0%
Shipments from aforesaid Yards	— 4.3	—16.8
Production and Distribution:		
Sales by mfrs. and wholesalers	+28.4	+29.3
Department store sales	—56.2	+ 9.7
Car loadings	— 0.5	+17.8
Building and Construction:		
Bldg. permits, incl. repairs — Number	—35.4	+ 6.2
Bldg. permits, incl. repairs — Cost	—87.1	+ 9.9
Value construc. contracts awarded	+46.2	+35.2
Miscellaneous:		
Commercial failures — Number	—18.7	—26.0
Commercial failures — Liabilities	+ 5.8	—40.9
Consumption of electricity	+ 2.0	+32.8
Debits to individual accounts	—18.5	+ 4.8
Member Banks (24):	Feb. 10,'37 comp. with Jan. 13,'37	Feb. 12,'36
Gross deposits	— 0.5%	+12.6%
Loans	— 1.0	+22.6
Investments	— 0.2	+ 6.9

GAUGED by available statistics, data and a majority of measurements usually employed in determining business changes, quite distinctly improving tendencies developed in activities in the Eighth District during January and the first half of February. Demand for merchandise of all descriptions continued on an extensive scale, and while distribution through both wholesale and retail channels in January showed about the average seasonal decline from December, the total for the month was measurably larger than in January, 1936, also larger for that month in all years since the predepression period. In a number of manufacturing lines the steady expansion of recent months was carried further forward. This was true particularly of durable goods, and more especially the iron and steel industry. The melt and deliveries of pig iron to melters in this area during January recorded the highest totals for any month since 1930, and the daily average during the first two weeks of February exceeded that of the entire month of January. There was a moderate decrease in production of bituminous coal in fields of this general area, due in part to disabilities occasioned by the flood. For the same reason lumber output decreased moderately, but new orders and shipments continue well in excess of production. Consumption of electric power by industrial users in the principal manufacturing centers, other than those affected by floods, showed increases in January over a month and a year earlier.

Without exception all wholesale lines investigated by this bank showed January sales larger than a year ago, with particularly favorable exhibits being made by boots and shoes, furniture, electrical supplies, and dry goods. Generally moderate retail stocks and the relatively early date of Easter had a stimulating effect on ordering apparel, dry goods, boots and shoes, and some other lines. There was a moderate increase in employment during January, and since the first of February the number of idle workers has been reduced by settlement of labor difficulties in the automotive industry, increased schedules in iron and steel plants, and seasonal agricultural activities. The trend of wholesale prices showed little change during the past thirty days, but as of the week ended February 13 the Bureau of Labor's index was 5 per cent higher than a year ago.

In January and February the most disastrous flood of record occurred in the valley of the Ohio River and its tributaries. The brunt of the inundation was sustained by territory within the Eighth District, mainly in the states of Kentucky, Indiana, Missouri and Illinois. According to a compilation made by the American National Red Cross, 216 counties were flooded in greater or lesser degree, of which 135 were located in this district. Of the 1,099,384 persons whose homes were flooded, 766,752 were in the Eighth District. As yet no complete survey has been made to determine actual losses caused by the high water, but in this area unofficial estimates run from $350,000,000 to as high as $500,000,000, including all descriptions of property, but excluding loss to business from disrupted trade and lessened purchasing power. Rehabilitation work commenced with the recession of the floods and has made marked progress in both the cities and rural areas. The fact that the floods came so early in the year is a saving factor in that the terrain in most of the affected territory should be sufficiently dry in time to permit of planting spring crops.

As measured by sales of department stores in the leading cities, the volume of retail trade in January was 56.2 per cent less than in December, but 9.7 per cent greater than in January, 1936. Combined sales of all wholesaling and jobbing firms reporting to this bank in January were 28.4 per cent and 29.3 per cent greater, respectively, than a month and a year earlier. The value of permits let for new construction in the principal cities in January was 92.5 per cent less than in December and 15.9 per cent smaller than in January a year ago. Construction contracts let in the Eighth District in January were 46.2 per cent greater than in December and 35.2 per cent larger than in January, 1936.

The movement of freight during January and the first half of February by railroads operating in this district, according to the reporting lines, was in larger volume than in any similar period since 1931. As compared with a year ago there were notable increases in the forest products, ore, merchandise L. C. L. and miscellaneous freight classifications and decreases in grain and grain products, coal and coke. The relatively mild winter was responsible for the smaller movement of fuels. In addition to serious delays in the movement of freight in the flooded areas, particularly at Ohio River crossings, railroads that were affected sustained substantial damage to roadbeds and equipment. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in January was smaller by 24 per cent than in December and by 19 per cent than in January, 1936.

Reports relative to collections during the past thirty days reflect spottiness and generally less satisfactory results than during the preceding eighteen months. This was ascribed to effects of the flood and interference with the usual facilities of trade. Wholesalers in St. Louis and other large distributing centers report February settlements in relatively smaller volume than a year ago, with a number of requests for extensions. Except in sections affected by the high waters, retail payments continue at recent high levels. Questionnaires addressed to representative interests scattered through the district show the following results:

	Excellent	Good	Fair	Poor
January, 1937	2.5%	46.4%	40.6%	10.5%
December, 1936	6.1	60.6	31.8	1.5
January, 1936	1.3	45.0	41.3	12.4

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and Bradstreet, numbered 26, involving liabilities of $238,000, as against 32 insolvencies in December with liabilities of $225,000 and 35 defaults for a total of $403,000 in January a year ago.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales: January, 1937 comp. with Dec. 1936	Net Sales: January, 1937 comp. with Jan. 1936	Stocks: Jan. 31, 1937 comp. with Jan. 31, 1936
Boots and Shoes	+89.8%	+45.0%	—15.0%
Drugs and Chemicals	—10.8	+15.1	+31.7
Dry Goods	+12.9	+14.6	+35.6
Electrical Supplies	—52.2	+59.0	+38.1
Furniture	—11.4	+65.9	+ 6.4
Groceries	—11.3	+ 4.3	+ 5.8
Hardware	— 2.5	+17.1	+51.1
All Above Lines	+28.4	+29.3	+23.1

Automobiles — Combined passenger car, truck and taxicab production in the United States in January was 379,843 against 498,721 in December, and 364,004 in January, 1936.

Boots and Shoes — Reversing the experience of a year ago, January sales of the reporting interests, as shown in the above table, recorded a substantial gain over the same month a year earlier. The decrease in January, 1936, as compared with January, 1935, was attributable to an extraordinarily heavy volume of advance buying during the earlier period in anticipation of price advances. The increase from December to January was seasonal in character and of about the average proportions. Reflecting the relatively heavy manufacturing operations of the past several months, stocks as of February 1 were 8.3 per cent greater than a month earlier, but 15 per cent less than a year ago. In sympathy with raw materials, the trend of prices was upward, with specific advances announced by several interests on certain of their products.

Clothing — January sales of the reporting firms were about one-fourth smaller than in December, but 7 per cent greater than the January, 1936, total. Inventories continue to increase, stocks as of February 1 being 26 and 19 per cent larger, respectively, than a month and a year earlier. Advance ordering of apparel for spring and early summer distribution was reported in measurably larger volume than at this time last year, or during the preceding several seasons. The unusually mild winter, especially in January and early February, has had a detrimental effect on the movement of heavy weight clothing, and clearance of goods in this category is expected to be less thorough than a year ago.

Drugs and Chemicals — Heavy calls for remedial drugs from the flood areas and prevalence of illness generally throughout the district were in large measure accountable for the increase of 15 per cent in January sales of the reporting interests over the same month a year ago. Demand for heavy drugs and chemicals by the general manufacturing trade was reported well in excess of the usual seasonal volume. Prices as a whole showed little change during the past thirty days, but were considerably higher than at the same time last year.

Dry Goods — Sales of the reporting interests in January, which showed an increase of 14.6 per cent over the corresponding period a year earlier, were the largest for any January, with the exception of 1934, since 1930. Retail stocks are in the main of moderate size, and there is a general disposition to replenish and fill out assortments in anticipation of heavy spring and summer demands. The trend of prices during the past thirty days was slightly upward. While no accurate estimate is available at this time, losses of dry goods stocks due to the floods were in heavy volume, particularly in Louisville, Evansville and Paducah.

Electrical Supplies — While showing more than the ordinary seasonal decline from December to January, sales of the reporting firms were 59 per cent greater than in January last year and the largest for the month since these records started in 1924. In the yearly comparison improvement extended to practically all lines. Orders booked during the first half of February indicate an increase for the month over a year earlier about equal to that achieved in January.

Furniture — The steady increase in sales of household furniture and furnishings, which has been in effect for the past eighteen months or more, continued during the opening month this year, and was in a large measure accountable for the increase in January sales over a year ago. The decrease from December to January was seasonal in character, but considerably smaller than the average during the past decade. Reflecting the sharp upturn in lumber and other raw materials, the trend of prices was higher.

Groceries — January volume of the reporting firms in this classification was considerably bolstered by heavy calls for emergency supplies for the flood areas. This condition has continued through the first half of February. Routine business held up well during January, and for the eighth consecutive month showed an increase over the corresponding month a year earlier. Inventories increased moderately between January 1 and February 1.

Hardware — Mild weather in January tended to hold down sales of seasonal merchandise, but demand for staple lines, including builders' hardware and tools, paints and kindred commodities increased. Recent advances in the price of steel, lead, zinc and some other raw materials were reflected in an upward trend in prices based on these products.

Iron and Steel Products — The rate of activities at iron and steel plants in the district was stepped up further during January and the first half of February. The usual seasonal recession concomitant with closing of plants for inventory and repairs was little in evidence, a large majority of mills and foundries having sufficient unfilled orders to warrant continuous operations. Outstanding in the improvement over the like period a year ago, and during the preceding several years, was the high rate of production at steel casting plants, due in large part to the heavy volume of orders received from railroads and builders of freight cars. Deliveries of sheets, plates, bars and other rolled steel products are still backward, in some instances from two to four weeks. In the immediate past there has been some slowing down in activities at the stove plants, occasioned by inability to secure deliveries of sheets. Farm implement interests are for the most part working on full time schedules with advance orders as of February 1 the largest for that date since 1929. January business of iron and steel warehouse and jobbing interests was slightly larger than in December and approximately 8 per cent in excess of the volume in January, 1936. Since the second week in February there has been a heavy call for a variety of materials out of store for rehabilitation work in the flood areas. With the exception of scrap iron and steel, prices of both raw and finished materials were unchanged as compared with the preceding month. The upturn in scrap followed the steady and marked advance which had been in effect during the preceding several months. Certain important grades, including heavy melting steel and malleable iron, moved to the highest levels in more than a decade. An exception to the general brisk demand was in the case of building materials, particularly standard structural shapes. Operations at steel plants in the area producing steel ingots were at 82 per cent of capacity, the highest point of the recovery period. Shipments of pig iron to district melters in January were approximately 6 per cent greater than in December and the highest for the month since 1930. For the entire country, production of pig iron in January, according to the magazine "Steel" totaled 3,219,741 tons, the best since May, 1930, and comparing with 3,125,192 tons in December and 2,029,304 tons in January, 1936. Steel ingot production in the United States in January totaled 4,736,697 tons against 4,431,645 tons in December and 3,045,946 tons in January, 1936.

MINING

The usual seasonal influences, plus floods and the unusually mild weather were reflected in a contraction in output of bituminous coal during January. At mines in fields of this general area production in January was smaller by 9 per cent than in December and by 4 per cent than in January, 1936. Estimated production of soft coal for the country as a whole in January was 39,610,000 tons, which compares with 44,487,000 tons lifted in December and 39,330,000 tons in January, 1936. There was one less working day in January this year than last. At Illinois mines in January 5,279,062 tons were produced, which compares with 5,733,619 tons in December and 5,227,017 tons in January a year ago. There were 159 mines in operation in January and 38,361 men on payrolls as against 170 active mines and 38,295 operatives in December.

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	
	January, 1937 comp. with		Jan. 31, 1937 comp. with	Jan. 1, to Jan. 31,	
	Dec. 1936	Jan. 1936	Jan. 31, 1936	1937	1936
El Dorado, Ark.	—51.7%	+ 0.5%	— 3.4%	.21	.21
Ft. Smith, Ark.	—62.3	+10.4	— 0.9	.19	.18
Little Rock, Ark.	—63.7	+ 5.2	+14.3	.19	.20
Louisville, Ky.	—72.7	—20.1	+11.0	.22	.29
Memphis, Tenn.	—61.0	+ 8.4	+10.9	.25	.26
Pine Bluff, Ark.	—64.4	+ 2.5	+25.4	.22	.31
St. Louis, Mo.	—51.9	+13.7	+18.5	.30	.31
Springfield, Mo.	—59.3	+ 5.8	+ 6.3	.17	.17
All Other Cities	—64.3	+ 8.7	+ 2.4	.21	.20
8th F. R. District	—56.2	+ 9.7	+15.2	.27	.28

Percentage of collections in January to accounts and notes receivable first day of January, 1937, by cities:

	Installment Accounts	Excl. Instal. Accounts		Installment Accounts	Excl. Instal. Accounts
El Dorado	%	67.3%	Pine Bluff	%	46.3%
Fort Smith		37.1	Springfield		22.3
Little Rock	13.9	31.2	St. Louis	19.2	55.7
Louisville	8.5	44.1	Other Cities	16.0	47.5
Memphis	18.8	43.7	8th F. R. Dist.	16.8	48.9

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

	Net Sales		Stock on Hand	Stock Turnover	
	January, 1937 comp. with		Jan. 31, 1937 comp. with	Jan. 1, to Jan. 31,	
	Dec. 1936	Jan. 1936	Jan. 31, 1936	1937	1936
Men's Furnishings	—63.7%	— 6.3%	+ 2.3%	.17	.19
Boots and Shoes	—51.0	+15.7	+27.2	.41	.40

Percentage of collections in January to accounts and notes receivable first day of January, 1937, follows:

Men's Furnishings 31.1%   Boots and Shoes 35.1%

AGRICULTURE

Generally throughout the Eighth District during the late fall and winter to mid-February weather conditions have been unusually variable, but on the whole favorable for crop development and all descriptions of agricultural operations. Precipitation has been ample and well distributed, with the result that in many sections, moisture deficiency resulting from drouth in recent years, notably in 1936, has to a considerable extent been made up. Except in the areas affected by the severe floods of late January and February, farm work is mainly up to the seasonal schedule. Due to the auspicious weather conditions in the early fall, abundant labor and the stronger financial position of farmers, more ground has been broken for cotton, rice and other field crops than in a number of years. The condition of fall sown grain crops is for the most part favorable, there being a minimum of reports of winter kill. The only damage of a serious nature was in the flooded areas, but reports from a number of counties affected by the high water indicate that the winter wheat crop may be partly saved if average weather conditions prevail to harvest.

The flood area was confined chiefly to the valley of the Ohio River and its tributaries, the territory above the confluence of the Mississippi and the Ohio rivers being little affected. The situation in the principal flood territory, however, was the worst ever experienced, record high stages of water being recorded at all stations from which reports are received by the U. S. Department of Agriculture Weather Bureau. Destruction of farm equipment, buildings, machinery, feed and fodder in many sections was almost complete. Due to strenuous efforts and timely warnings, the losses of livestock were relatively light, conditions considered. The principal needs of farmers in the flood sections are for emergency supplies of food, feeds and fodder to temporarily carry on, and eventually, assistance in the rehabilitation of their plants. Owing to earliness of the floods, the soil should be sufficiently dry to permit the sowing of spring crops. In the upper regions of the most acutely affected areas, the waters have drained rapidly, and rehabilitation work has gotten well under way.

The U. S. Bureau of Agricultural Economics reports that employment on farms of crop reporters increased more than usual during January with relatively mild weather prevailing east of the Mississippi during the latter part of the month.

On February 1, total employment amounted to 272 persons per 100 farms, compared with 263 a month earlier and 269 persons a year ago. Ordinarily, employment rises but little from its year-end low point to February 1, and for the 5 years 1931-35 the average increase in this period has amounted to only 4 persons per 100 farms.

Cotton — Preparations for the new crop, except in the flood areas, are well along, owing to favorable conditions last fall. While the high water occasioned much suffering and property loss in certain sections of the cotton area, the soil itself will be greatly benefitted by the overflow; planters consider it fortunate that the floods came early instead of late in the season. Actual damage to cotton in warehouses has been negligible, many thousands of bales in the threatened area having been moved to points of safety. Demand for raw cotton continued active during the past thirty days and prices remained at or around the highest levels of the present season. Both domestic and foreign mills apparently continued to operate at a relatively high rate, with domestic mill consumption ahead of that a year ago. In the St. Louis market the middling grade ranged from 13.10c to 13.50c per pound between January 15 and February 15, closing at 13.10c on the latest date, which compares with 13.45c on January 15 and 11.65c on January 15, 1936. As indicating the rapid movement of the crop, receipts at Arkansas and Missouri compresses combined from August 1, 1936, to February 5, 1937, totaled 1,301,583 bales, against 864,351 bales for the corresponding period a year earlier. Stocks on hand as of February 5 totaled 428,057 bales against 525,293 bales on the same date in 1936.

According to statistics compiled by the National Fertilizer Association, farmers in states including the Eighth District will use more fertilizer this season than in either 1936 or 1935.

Livestock — Except in the flooded areas, where more or less heavy losses of farm animals were sustained, the condition of livestock generally through the district maintained the high average which characterized earlier stages of the season. During January and early February, the livestock, and meat trade was featured by declines ranging from 12 to 24 per cent in the wholesale prices of most cuts of fresh pork, and little change in prices of beef, veal and dressed lamb.

Receipts of cattle declined slightly from December and were smaller than in January, 1936. January receipts of hogs showed little change from a year ago, but were measurably smaller than in December.

The annual survey of the U. S. Department of Agriculture disclosed only negligible changes in the total number and value of all livestock on farms in states including the Eighth District between January 1, 1936 and 1937, but an increase of 3 per cent in the number and 48 per cent in value on the opening day this year as compared with January 1, 1935. The aggregate number of cattle, horses and mules, sheep, and swine on the first day of this year was 33,928,000, with total farm value of $970,755,000, which compares with 33,990,000 head, with farm value of $969,408,000 a year earlier and 32,974,000 head, worth $657,147,000 on January 1, 1935.

In the 11 Corn Belt States the number of cattle on feed on January 1, 1937, was 23 per cent smaller than the number on feed a year earlier, according to estimates of the Bureau of Agricultural Economics. The number on feed January 1, this year, however, was estimated to be about 10 per cent larger than the number on feed January 1, 1935, following the 1934 drouth. The number on feed on January 1, 1937, in the Western States was somewhat larger than a year earlier and nearly twice as large as on January 1, 1935.

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

	Receipts			Shipments		
	Jan., 1937	Dec., 1936	Jan., 1936	Jan., 1937	Dec., 1936	Jan., 1936
Cattle and Calves	119,050	127,956	135,460	60,508	69,581	73,683
Hogs	271,063	284,041	277,032	146,706	147,874	175,207
Horses and Mules	7,445	4,536	5,686	7,317	5,817	6,053
Sheep	42,020	56,728	44,581	5,302	6,337	9,342
Totals	439,578	473,261	462,759	219,833	229,609	264,285

Tobacco — Marketing of tobacco was seriously interfered with by floods, and in Kentucky and Tennessee a number of important markets suspended operations temporarily. Demand for all grades continued active, and prices generally have been maintained at, or around the high levels noted earlier in the season. It is estimated that about 200,000,000 pounds of burley tobacco have been sold

In the eastern fired district fully 40 per cent of the crop has been sold and in the western district from 40 to 45 per cent. One sucker markets have resumed selling and between 1,000,000 to 1,500,000 pounds have been disposed of.

Available information indicates considerable damage to tobacco from the high water. In the main, floods affected stocks in hands of manufacturers, rather than producers and warehouses. While no official estimates have been made it is believed losses will amount to several millions of dollars. The loss to one manufacturer alone is estimated at $1,000,000. It is definitely known that losses were sustained by all cigarette manufacturers in Louisville. One authority estimates the loss of burley tobacco in

Kentucky cities in the Ohio Valley at 25,000 to 50,000 hogsheads.

Efforts are being made to reclaim water-soaked and damp tobacco. Certain experts believe such leaf can be reclaimed and be serviceable as a lower grade. Others, however, are of the opinion that only a very small part of the damaged stocks can be made useful except for making nicotine and other by-products.

COMMODITY PRICES

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

	High	Low	Close Feb. 15, 1937	Close Feb. 15, 1936
Wheat				
*May ....per bu..	$1.33¾	$1.23⅛	$ 1.33	$ 1.02
*July .... "	1.35	.99⅞	1.35	.88⅞
*Sept. .... "	1.12	1.04¼	1.12	.87⅞
*No. 2 red winter "	1.46½	1.37	1.46½	1.08½
*No. 2 hard " "	1.45	1.34½	1.44½	1.10
Corn				
*May .... "	1.27¼	1.22¾	1.26⅛	.61½
*July .... "	1.25⅜	1.19¼	1.25⅜	.62¾
*Sept. .... "	1.17¼	1.11¾	1.14⅜	.62¾
*No. 2 Mixed .... "	1.16	1.12½	1.13½	.66½
*No. 2 White .... "	1.17	1.13½	1.17	.69¼
Oats				
*No. 2 White .... "	.57	.53	.55½	.33
Flour				
Soft Patent........per bbl.	7.00	5.95	6.50@ 7.00	5.30@ 6.00
Spring " .... "	8.60	7.95	8.40@ 8.60	6.90@ 7.05
Middling Cotton...per lb.	.1350	.1310	.1310	.1145
Hogs on hoof......per cwt.	10.65	6.00	6.00@10.40	9.15@11.10

*Nominal quotations.

TRANSPORTATION

Despite handicaps of flood conditions, transportation statistics in the Eighth District covering January and the first part of February indicate a continuance of the heavy volume of freight and passenger traffic which featured the closing months of last year. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 94,928 loads in January, the largest number of any month in recent years with the exception of December when 95,438 loads were interchanged. In January, 1936, there were 80,558 loads handled. During the first nine days of February the interchange amounted to 30,361 loads, as against 28,708 loads during the corresponding interval in January and 23,662 loads during the first nine days of February, 1936. Passenger traffic of the reporting lines in January increased 21 per cent in the number of passengers carried and 28 per cent in revenue as compared with the same month a year ago. The increase is seasonal in nature, but somewhat above the average of recent years. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 79,000 tons, against 103,455 tons in December and 97,697 tons in January, 1936. Express business in this area in January showed an increase of 5 per cent in volume of shipments handled and of 15 per cent in revenue as compared with the same month last year. For the first six weeks this year, or to February 6, loadings of revenue freight for the country totaled 3,991,912 cars, against 3,596,239 cars for the corresponding period in 1936 and 3,357,434 cars in 1935.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in January was 92.4 per cent less than in December and 15.9 per cent smaller than the January, 1936, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January amounted to $16,477,600, which compares with $11,268,300 in December, and $12,183,762 in January, 1936.

Production of portland cement for the country as a whole during 1936 totaled 111,815,000 barrels against 76,472,000 barrels in 1935. Stock of finished portland cement on hand at the end of 1936 was 22,842,000 barrels compared with 22,949,000 barrels at the close of 1935.

Building figures for January follow:

(Cost in thousands)	New construction Permits 1937	New construction Permits 1936	New construction Cost 1937	New construction Cost 1936	Repairs, etc. Permits 1937	Repairs, etc. Permits 1936	Repairs, etc. Cost 1937	Repairs, etc. Cost 1936
Evansville ..	17	18	$ 109	$ 15	44	40	$ 35	$ 23
Little Rock	10	15	44	38	40	37	20	23
Louisville ..	54	40	150	363	25	51	52	49
Memphis	150	24	132	62	104	174	111	115
St. Louis....	122	104	189	264	67	93	272	62
Totals....	353	201	624	742	280	395	490	272
	1936	1935	1936	1935	1936	1935	1936	1935
December ..	479	290	$8,274	$3,178	501	329	$ 344	$1,865
November ..	477	428	1,867	1,194	600	465	335	224

CONSUMPTION OF ELECTRICITY

Public utilities companies in five large cities of the district report consumption of electric current by selected industrial customers in January as being 2.0 per cent larger than in December and 32.8 per cent more than in January, 1396. Detailed figures follow:

(K.W.H. in thous.)	No. of Customers	Jan., 1937 K.W.H.	Dec., 1936 K.W.H.	Jan. 1937 comp. with Dec. 1936	Jan., 1936 K.W.H.	Jan. 1937 comp. with Jan. 1936
Evansville	40	2,883	3,211	—10.1%	2,978	— 3.2%
Little Rock..	35	1,903	1,879	+ 1.3	1,379	+38.0
Louisville........No figures because of flood conditions.						
Memphis	31	2,623	2,320	+13.1	1,897	+38.3
Pine Bluff.....	20	1,026	1,036	— 1.0	567	+81.0
St. Louis......	186	22,373	21,749	+ 2.9	16,371	+36.7
Totals......	312	30,808	30,195	+ 2.0	23,192	+32.8

FLOOD CONDITIONS IN EIGHTH FEDERAL RESERVE DISTRICT

	Number of Counties Flooded	Number of Counties Refugees Only	Number of Counties Total Affected	Persons whose homes are flooded	Refugees under care in or out of camps
Arkansas	18	5	23	105,624	52,532
Illinois	11	7	18	57,586	37,003
Indiana	18	6	24	156,930	17,596
Kentucky	51	13	64	362,651	169,799
Mississippi	13	0	13	1,975	6,968
Missouri	14	3	17	49,734	20,839
Tennessee	10	6	16	32,252	13,571
Totals............	135	40	175	766,752	318,308

Note: Source of data from American Nat'l Red Cross as of Feb. 9, 1937.

MONEY AND BANKING

Demand for credit from commercial and industrial sources in the Eighth District showed slightly recessionary trends during the past thirty days as contrasted with the preceding several months. However, the volume of loans of commercial banks continued measurably above that at the same period a year and two years earlier. In the large cities liquidation by mercantile interests has been on an extensive scale, payments to a majority of banks exceeding the aggregate of new loans and extensions. Liquidation at country banks was also in considerable volume, and borrowing by those institutions from their city correspondents is negligible. As a result of flood conditions, banks in Louisville and a number of other cities were closed from ten days to two weeks. Upon resumption of normal business, a majority of banks in the flood area reported they had received more money on deposit than they paid.

Member Banks — Reporting member banks in the principal cities of the district showed a decrease in total loans of 1.0 per cent between January 13 and February 10, but on the latest date the total was 22.6 per cent greater than a year earlier. Gross deposits decreased slightly, but on February 10 were 12.7 per cent greater than on the corresponding report date in 1936. Reserve balances continued to move upward and at $140,206,000 on February 10 recorded an all time high, and an increase of 12.2 per cent over a year ago. Total investments showed practically no change during the four week period.

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)	Feb. 10, 1937	Jan. 13, 1937	Feb. 12, 1936
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations and other stocks and bonds	$ 75,981	$ 76,703	$ 65,819
All other loans and discounts	203,146	205,253	161,887
Total loans and discounts	279,127	281,956	227,706
Investments			
U. S. Gov't securities	239,616	238,491	224,975
Other securities	170,362	172,421	158,462
Total investments	409,978	410,912	383,437
Demand deposits	776,015	783,182	676,385
Time deposits	187,920	185,346	178,801
Gross deposits	963,935	968,528	855,186
Reserve balances with F. R. Bank	140,206	130,678	124,977
Cash in vault	11,102	12,126	11,100
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 February 3 was 1.5 per cent greater than on January 6, and 7.4 per cent in excess of the total on February 5, 1936.

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

(In thousands of dollars)	Feb. 19, 1937	Jan. 19, 1937	Feb. 19, 1936
Industrial advances under Sec. 13b	$ 351	$ 409	$ 474
Other advances and rediscounts	63	139	18
Bills bought (including participations)	86	86	87
U. S. Securities	116,054	116,119	123,200
Total earning assets	116,554	116,753	123,779
Total reserves	271,038	273,916	220,106
Total deposits	205,583	205,867	176,962
F. R. Notes in circulation	177,906	179,444	161,019
Industrial commitments under Sec. 13b	1,295	1,313	2,009
Ratio of reserve to deposit and F. R. Note liabilities	70.7%	71.1%	65.1%

Following is a complete schedule of rates of this bank for accommodations under the Federal Reserve Act:

(1) Rediscounts and advances to member banks, under Sections 13 and 13a .... 2 % per annum
(2) Advances to member banks, under Sec. 10b .... 2½ % per annum
(3) Rediscounts, purchases and advances to member banks, nonmember banks and other financing institutions, under Section 13b:
  (a) On portion for which financing institution is obligated .... 3½ % per annum
  (b) On remaining portion .... 4 % per annum
(4) Commitments, not exceeding six months, to member banks, nonmember banks and other financing institutions, to rediscount, purchase or make advances, under Section 13b .... ½ % flat
(5) Advances to established industrial or commercial businesses, under Section 13b .... 4% to 5½ % per annum
(6) Advances to individuals, firms and corporations, including nonmember banks, secured by direct obligations of the United States, under Section 13 .... 4 % per annum

Interest rates were for the most part unchanged as compared with the preceding thirty days. At downtown St. Louis banks as of the week ended February 15, rates charged were as follows: Customers' prime commercial paper, 1½ 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:

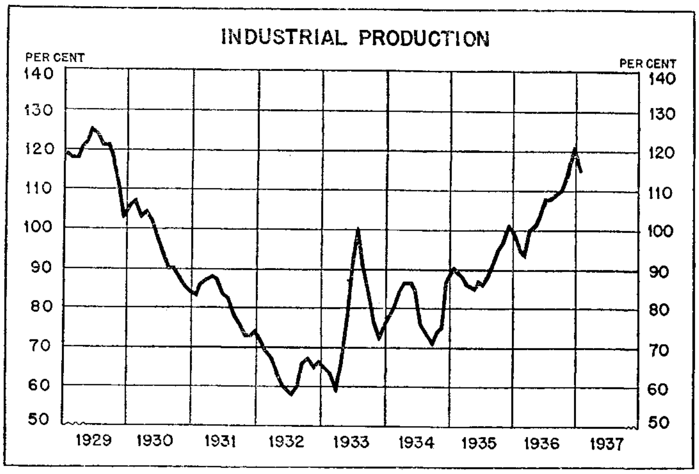
(In thousands of dollars)	Jan., 1937	Dec., 1936	Jan., 1936	Jan. 1937 comp. with Dec. 1936	Jan. 1937 comp. with Jan. 1936
East St. Louis and Natl. Stock Yards, Ill.	$ 34,026	$ 37,067	$ 30,669	— 8.2%	+10.9%
El Dorado, Ark.	4,438	5,020	3,839	—11.6	+15.6
Evansville, Ind.	31,013	36,960	26,626	—16.1	+16.5
Fort Smith, Ark.	12,634	13,700	10,256	— 7.8	+23.2
Greenville, Miss.	6,249	8,048	4,186	—22.4	+49.3
Helena, Ark.	1,734	2,652	1,448	—34.6	+19.8
Little Rock, Ark.	36,117	42,845	30,364	—15.7	+18.9
Louisville, Ky.	154,486	205,613	160,128	—24.9	— 3.5
Memphis, Tenn.	138,361	171,073	118,809	—19.1	+16.5
Owensboro, Ky.	7,003	7,087	5,256	— 1.2	+33.2
Pine Bluff, Ark.	8,085	9,563	7,965	—15.5	+ 1.5
Quincy, Ill.	7,464	9,397	5,976	—21.6	+24.9
St. Louis, Mo.	549,520	673,620	544,533	—18.4	+ 0.9
Sedalia, Mo.	2,544	2,776	1,966	— 8.4	+29.4
Springfield, Mo.	16,056	15,992	13,634	+ 0.4	+17.8
*Texarkana, Ark.	9,163	9,371	6,679	— 2.2	+37.2
Totals	1,018,893	1,250,784	972,334	—18.5	+ 4.8

*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, corporation 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.

(Completed February 25, 1937)

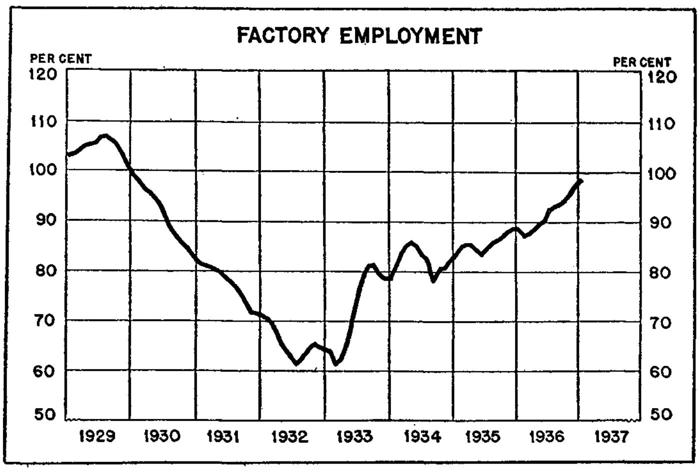
Production and Employment — Volume of industrial production, which usually increases at this time of year, declined from December to January, and the Board's seasonally adjusted index was 115 per cent of the 1923-1925 average as compared with 121 in December and 114 in November. Steel production increased, though by less than the usual seasonal amount, and was larger in January than at any other time during the recovery period. In the first three weeks of February output of steel increased somewhat further. Output of automobiles was curtailed by strikes in January and the first half of February, but after the strikes were settled production rose sharply. At lumber mills there was a considerable decrease in activity in January, reflecting in part the



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100.
By months, January, 1929, through January, 1937. Latest figure January, 115.

effects of unusually cold weather in the western lumber regions. Production of plate glass declined further in January, but toward the end of the month the strikes which had restricted output since October were settled. At textile mills activity declined from the exceptionally high level reached in December, and in the meatpacking industry there was also a decrease, while output at shoe factories increased. Mineral production was smaller in January than in December, reflecting a reduction in output of coal. There was a further rise in output of crude petroleum.

Value of construction contracts awarded showed a considerable rise in January, according to figures of the F. W. Dodge Corporation, and was substantially larger than a year ago. The most marked increases over December were in factory building, which recently has been in larger volume than at any time since 1930, and in residential building. The increase in residential building was largely in publicly-financed apartment construction.

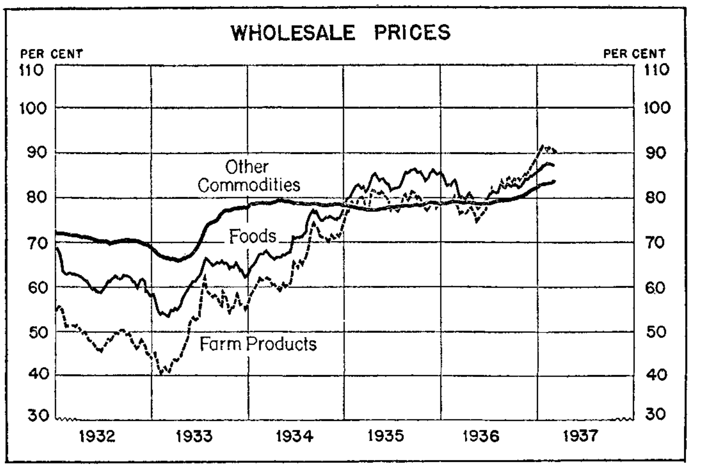


Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100.
By months, January, 1929, through January, 1937. Latest figure January, 98.8.

Factory employment and payrolls showed about the usual seasonal decline between the middle of December and the middle of January. Among the durable goods industries there were increases in employment at blast furnaces and steel mills and at foundries and machine shops, while in the automobile industry there was a considerable decline. In industries producing nondurable goods employment declined by less than the usual seasonal amount, with increases at textile mills and in the chemical industries, and seasonal reductions in working forces in most other lines.

Distribution — Department store sales showed the usual seasonal decrease in January, while sales at variety stores and mail order houses declined considerably more than is usual. Car-loadings of revenue freight also declined in January, reflecting in part the effects of floods. There were substantial declines in shipments of forest products, coal, and miscellaneous freight.

Commodity Prices — The general level of wholesale commodity prices, which, according to the Bureau of Labor Statistics, had advanced more than 5 per cent from the end of October to the middle of January, showed little change from the middle of January to the third week of February. Prices of agricultural commodities declined slightly, while industrial commodities as a group

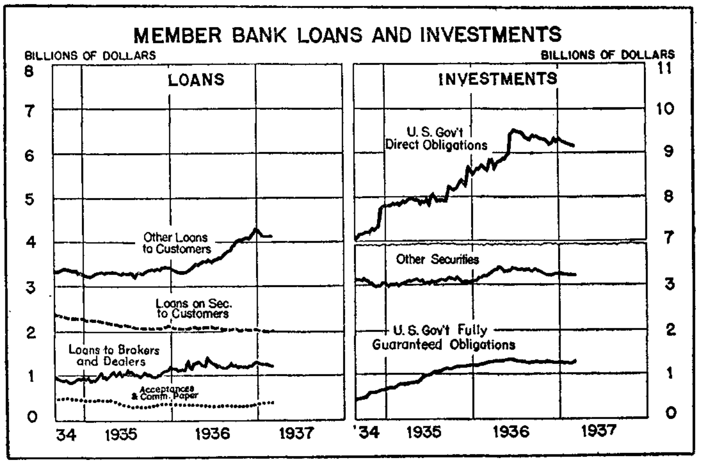


Indexes compiled by the U. S. Bureau of Labor Statistics 1926 = 100.
By weeks, 1932 to date. Latest figures are for week ending February 20, 1937, farm 91.4, foods 86.9, other 84.2.

continued to advance. There were substantial increases in nonferrous metals, lumber, and petroleum and smaller increases in a wide variety of finished products, while prices of glass and certain cotton textiles declined, following rapid increases in other recent months.

Bank Credit — Total loans and investments of weekly reporting member banks in leading cities declined somewhat further during the four weeks ending February 17, reflecting principally a decrease in holdings of United States Government obligations. Commercial loans, following a seasonal decline in January, increased at reporting banks outside New York City and remained practically unchanged in New York.

On January 31, the Board of Governors raised reserve requirements for member banks by 33⅓ per cent, half of the increase to become effective on March 1 and half on May 1. This action completes the use of the Board's authority under the law



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, through February 17.
Loans on real estate and loans to banks excluded.

to raise reserve requirements. Excess reserves of member banks showed little change in the five weeks ending February 24; there was a further increase at New York City banks and a decline at banks elsewhere.

The rate on bankers' acceptances was raised 1/16 of 1 per cent on February 1, following a similar increase on January 16. Market yields on short and medium term Treasury obligations also increased slightly in January and the early part of February, while yields on long-term Government bonds showed little change.