



MONTHLY REVIEW

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

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FEDERAL RESERVE BANK OF ST. LOUIS

District Summary

Live Stock:	Feb. 1937	comp. with
	Jan. 1937	Feb. 1936
Receipts at National Stock Yards.....	-20.3%	+ 5.7%
Shipments from aforesaid Yards.....	-19.8	-12.4
Production and Distribution:		
Sales by mfrs. and wholesalers.....	-15.7	+25.8
Department store sales.....	+ 4.2	+ 7.0
Car loadings.....	+ 0.4	+16.2
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	+50.4	+80.0
{ Cost.....	+18.7	+48.5
Value construc. contracts awarded.....	-38.1	+31.9
Miscellaneous:		
Commercial failures { Number.....	-26.9	-62.0
{ Liabilities.....	-31.9	-77.6
Consumption of electricity.....	-19.1	- 3.4
Debits to individual accounts.....	- 8.9	+ 9.3
Member Banks (24):	Mar. 10,'37	comp. with
	Feb. 10,'37	Mar. 11,'36
Gross deposits.....	- 2.5%	+ 9.8%
Loans.....	+ 2.0	+24.1
Investments.....	+ 0.03	+ 7.0

BUSINESS activity in the Eighth Federal Reserve District during February and the first half of March increased somewhat as contrasted with the similar period immediately preceding and was measurably higher than a year ago. The rate of improvement in early March was considerably more marked than was the case in February. During the earlier month flood conditions over a broad and important section of the district served to hamper business more or less seriously in the territory affected. However, with the recession of flood waters and rapid progress of rehabilitation operations, near-normal conditions are being restored in larger cities, also in a large part of the rural areas which suffered from the inundation. Despite the mild weather which prevailed during February, distribution of merchandise through retail channels continued in large volume and, according to reports received by this bank, clearance of winter goods was the most complete in recent years. The relatively early Easter date, coupled with generally improved economic conditions, had a stimulating effect on the movement of apparel and other seasonal merchandise.

Taken as a whole, production at manufacturing plants showed a somewhat greater than seasonal increase, with practically all lines recording increases over a year ago. The most favorable showing was made in the iron and steel industry where activities were stimulated by broadening demands of the railroads, farm implement and tractor manufacturers and other important consuming groups. Shipments of pig iron and other raw materials to foundries and mills during February increased moderately over January, and were the largest for the month since 1929. Activities at textile mills were well sustained, and higher than seasonal operations were the rule at plants producing foods and beverages. There was little change from January to February in output of lumber mills in the district, but orders booked continue to exceed current production. There was a slight recession in production of bituminous coal at district mines. Consumption of electricity by industrial users in the chief cities in February decreased under the preceding month and a year ago, the decline was due entirely to flood conditions, all cities other than Louisville and Evansville showed increases over February, 1936. Sales of automobiles showed about the usual seasonal decline from January to February, but the total for the latest month was measurably greater than a year earlier.

Quite generally throughout the district, agricultural operations during the past thirty days have been interfered with by precipitation, and preparations for seeding spring crops at mid-March were behind the usual seasonal schedule. A considerable part of the farm land has drained sufficiently to permit of its being worked, but there are also numerous farms in the bottoms along the Ohio and Mississippi Rivers on which water is still standing and a number of weeks of dry weather will be required to put them in condition for plowing. Tobacco markets for the 1936 crop have been for the most part closed. Average prices received for the crop were the highest in recent years. The condition of the growing wheat crop is reported for the most part favorable. The heavy snows in early March were beneficial for

all fall sown grains, as well as greatly improving subsoil conditions. Prices of farm products generally were sustained at their recent high levels. As of the week ended March 6, the farm products group in the Bureau of Labor Statistics Price Index stood at 86.1 per cent of the 1926 average, which compares with 85.4 per cent on February 6, 79.7 per cent on March 7, 1936 and 60.2 per cent on March 11, 1933.

Gauged by sales of department stores in the leading cities of the district the volume of retail trade in February was 4.2 per cent greater than in January and 7.0 per cent larger than in February, 1936; cumulative sales for the first two months this year were 7.9 per cent above the aggregate for the comparable period a year earlier. Combined sales of all wholesaling and jobbing firms reporting to this bank in February were 15.7 per cent less than in January, but more than one-fourth greater than in February last year; for the first two months this year the total was 27.5 per cent larger than for the like interval in 1936. The value of permits issued for new construction in the chief cities in February was greater by 52 per cent and 39 per cent, respectively, than a month and a year earlier; for the first two months the cumulative total was 10.6 per cent in excess of that for the same period in 1936. The dollar value of construction contracts let in the Eighth District in February was 38.1 per cent less than in January and 31.9 per cent greater than in February, 1936; for the first two months the aggregate was 33.9 per cent greater than for the like period a year ago.

According to officials of railroads operating in this district, freight traffic on their lines during the past thirty days exceeded that of the similar period for all previous years since 1931. In the comparison with a year ago particularly favorable showings were made in livestock, the movement of ore, miscellaneous freight, forest products and merchandise L. C. L. The classifications in which decreases were recorded were grain and grain products, and coal, which decrease was due mainly to the unusually mild winter. Repairs to roadbeds and other property of railroads in the flood zone made rapid progress with the falling stage of the rivers, and in most instances normal service had been restored early in March. Passenger traffic continued the steady gains of recent months. Tonnage handled by the Federal Barge Line between St. Louis and New Orleans in February was 12.1 per cent larger than in January and 13.1 per cent smaller than in February a year ago.

With the exception of sections affected by the floods, reports relative to collections reflect a con-

tinuance of the satisfactory conditions which have obtained in this area during the past eighteen months. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

	Excellent	Good	Fair	Poor
February, 1937.....	3.0%	42.4%	37.2%	18.4%
January, 1937.....	2.5	46.4	40.6	10.5
February, 1936.....	2.4	39.0	42.6	16.0

Commercial failures in the Eighth Federal Reserve District in February, according to Dun and Bradstreet, numbered 19, involving liabilities of \$162,000, as against 36 insolvencies in January, with liabilities of \$238,000 and 50 defaults for a total of \$722,000 in February, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		2 months 1937 comp. with same period 1936	Stocks Feb. 28, 1937 comp. with Feb. 29, 1936
	February, 1937 compared with Jan. '37	Feb. '36		
Boots and Shoes.....	-31.3%	+31.7%	+39.2%	-15.8%
Drugs and Chemicals..	+ 9.9	+18.1	+14.4	+32.1
Dry Goods.....	- 1.2	+22.3	+18.3	+45.0
Electrical Supplies....	+ 8.0	+32.8	+37.9	+55.4
Furniture.....	+ 7.1	+23.5	+57.4	+10.3
Groceries.....	- 2.5	+ 6.1	+ 4.6	+ 6.5
Hardware.....	- 7.1	+31.4	+23.7	+32.8
All above lines.....	-15.7	+25.8	+27.5	+24.1

Automobiles — Combined passenger car, truck and taxicab production in the United States in February was 363,930 against 379,843 in January, and 287,606 in February, 1936.

Boots and Shoes — The decrease in sales by the reporting interests from January to February was seasonal in character, but somewhat greater than the average experience during the past decade. This was ascribable to the very heavy volume in the opening month of the year, January, 1937, sales showing an increase of 45 per cent over the first month of 1936. Production in February continued at the high rate recorded in January, despite which fact inventories decreased between February 1 and March 1, and on the latest date were approximately 16 per cent less than a year earlier. In sympathy with the upturn in hides and leather, prices of finished goods advanced during February, and averaged about 6 per cent higher than a year ago, or about the same ratio shown by raw materials.

Clothing — Marked betterment was shown in business of the reporting interests in this classification during February, sales for the month recording an increase of 85 per cent over January and 27 per cent over February, 1936. Inventories decreased slightly between February 1 and March 1, and on the latter date were approximately 4 per cent greater than a year ago. In spite of the unusually mild

winter, sales of men's apparel through retail channels showed fair gains over a year ago, and at mid-March the clearance of merchandise in this category was considerably more thorough than had been thought likely earlier in the season. Advance ordering for spring and early summer distribution was reported in measurably larger volume than at the same time a year ago.

Drugs and Chemicals—Business generally through the entire line shared in the improvement indicated in February sales over both a month and a year earlier. Outstanding in the betterment as compared with last year is the case of heavy drugs and chemicals for use by the general manufacturing trade, notably smelting and processing of metals. Sales of proprietary preparations and remedial drugs during the first two months this year were reported in larger volume than in any similar period since 1929.

Dry Goods—Advance orders for fall booked by reporting firms range from 8 to 30 per cent above the corresponding period a year ago. Demand for women's and children's ready-to-wear garments is reported the largest in recent years. Prices of goods in this category show upward trends in sympathy with the advance in raw materials and higher labor costs. Since March 1 there has been some recession in ordering generally, ascribed to unfavorable weather and effects of flood conditions.

Electrical Supplies—Distribution of electrical supplies of all descriptions during the past thirty days maintained the high levels which have marked the past eighteen months or more. Seasonal demand for building installations was less in evidence than a year ago, but there was a heavy call for pole and line hardware for rehabilitation work by public utilities and railroads in the flood areas. Sales of household appliances during early March were reported somewhat larger than for the corresponding period a year ago.

Furniture—Demand for household furniture and furnishings continued in considerable volume and was largely accountable for the increase in February sales of the reporting interests over a year and a month earlier, shown in the above table. Further expansion was noted in ordering of office furniture and equipment. Higher prices of raw materials, notably lumber and metals, were reflected in an upward trend in finished materials.

Groceries—A contraseasonal decrease in sales of the reporting firms in this classification from January to February was accounted for largely by flood conditions and unfavorable weather conditions.

The early movement of southern fruits and vegetables had a detrimental effect on ordering of canned goods. Prices as a whole showed little change during the past thirty thirty days as contrasted with the similar period immediately preceding, but the average continued measurably above a year ago.

Hardware—Sales of the reporting firms showed about the usual seasonal contraction from January to February. Orders booked during the first two weeks of March, however, indicate a substantial gain for the entire month as compared with a year ago. The heavy snows in the second week of March resulted in a heavy call for snow goods, and permitted dealers to move supplies which had been practically dormant for several seasons. Builders' tools and hardware, and kindred lines were reported active.

Iron and Steel Products—Reflecting the continued heavy demands for all descriptions of iron and steel products, there was a further expansion in activities in the industry in this district during the past thirty days. Considering all phases, the rate of activities at mid-March was the highest attained since the predepression era. Backlogs held and orders in immediate prospects are of sufficient size to assure the present pace through the second quarter. An outstanding indication of the strong demand was the sharp advance in prices of both raw and finished materials. Upward revisions ranging from \$3.00 to \$8.00 per ton on steel products, including shapes, plates, strip, bars and other hot and cold rolled items, were put into effect. The price increase followed an advance in wages announced by a majority of producers early in March. Another feature reflecting the high levels of activities was the heavy deliveries of pig iron to melters in the area during February, the total for that month exceeding that of its predecessor and a year ago by a substantial margin. Incidentally February was the sixth successive month of rising shipments. During the first half of March the average daily rate of shipments was slightly greater than in February. The price of pig iron advanced \$2.00 per ton, the boost bringing the market for Number 2 foundry and malleable iron to the highest point since March, 1925. Iron and steel scrap also continued to move upward in price and heavy melting steel also scored a new peak since 1925. While miscellaneous demands are still accounting for the major part of current steel business, the railroads, car builders and implement manufacturers have been heavy buyers. Operations at implement and stove plants increased in February over the month before. Jobbing foundries reported February volume of new orders and ship-

ments the largest for the month since 1929. Activities at plants fabricating structural steel showed no change from the preceding month, when the average was 50 per cent of capacity. Steel ingot production as of mid-March was at 82 per cent of capacity, the same as a month earlier. Deliveries of sheets, plates and some other rolled items are still from three to six weeks in arrears, with increasing pressure from consumers for shipments. Railroad car fabricating shops are operating on high schedules as most roads are anxious to get as quick delivery as possible on cars placed earlier this year. Warehouse and jobbing interests report February sales about 8 per cent larger than a year ago. In the immediate past their volume has been bolstered by demand for a variety of materials for rehabilitation work in the flood areas. Pig iron production for the entire country in February, according to the magazine "Steel," was 3,020,006 tons, a decrease of 6.2 per cent from January, on account of the short month. Daily average rate in February was 107,857 tons, the best since October, 1929, and 3.85 per cent above the rate in January. Steel ingot production in the United States in February totaled 4,092,990 tons, against 4,444,903 tons in January and 2,761,973 tons in February, 1936,

MINING

The unusually mild winter more than offset the heavy industrial consumption of fuels, with the result that production of bituminous coal in this general area during February fell below that of January and of February, 1936. Output of mines in the area during February was 14 per cent less than in the preceding month and 4 per cent below the February, 1936 total; cumulative total for the first two months this year was smaller by approximately 9 per cent than during the comparable period a year earlier. Estimated production of soft coal for the entire country in February was 41,740,000 tons, against 40,940,000 tons in January and 41,154,000 tons in February, 1936. February 1 figures on inventories, the latest available, show an increase of 151,000 tons in stocks of bituminous coal in industrial consumers' hands, over the January 1 total, which was 35,177,000 tons. On February 1, 1936 these stocks amounted to 25,752,000 tons. At Illinois mines in February 5,390,630 tons were produced, which compares with 5,279,062 tons in January and 5,441,892 tons in February, 1936. There were 161 mines in operation in February and 38,055 men on payrolls, as against 159 active mines and 38,361 operatives in January. The sharp advance in prices of lead and zinc was reflected in unusual activity in the Tri-State district. The upturn in prices was accompa-

nied by general advances in wage scales of miners to the highest levels ever paid in that area.

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
	Feb. 1937	2 mos. 1937	Feb. 28,'37	on Hand	Turnover
	compared with Jan. 1937	to same period '36	comp. with Feb. 29,'36	Jan. 1, to Feb. 28, 1937	1936
El Dorado, Ark.....	+ 4.4%	+ 4.6%	+ 2.6%	+ 1.1%	.42 .40
Ft. Smith, Ark.....	+11.3	+ 5.0	+ 7.5	+ 4.8	.37 .36
Little Rock, Ark.....	+17.0	+ 1.1	+ 2.9	+20.6	.39 .43
Louisville, Ky.....	+13.8	-20.9	-20.1	+15.4	.40 .58
Memphis, Tenn.....	4.6	+ 9.8	+ 9.1	+12.1	.47 .48
Pine Bluff, Ark.....	+25.3	+20.4	+11.8	+10.2	.50 .58
St. Louis, Mo.....	+ 3.6	+11.7	+12.7	+16.8	.60 .61
Springfield, Mo.....	- 1.9	+14.3	+ 9.8	+28.1	.32 .33
All Other Cities.....	+13.0	+ 2.5	+ 5.9	+ 8.3	.44 .43
8th F. D. District.....	+ 4.2	+ 7.0	+ 7.9	+15.8	.53 .56

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

	Installment	Excl. Instal.		Installment	Excl. Instal.
	Accounts	Accounts		Accounts	Accounts
El Dorado.....	.....%	.....71.2%	Pine Bluff.....	.....%	.....36.1%
Fort Smith.....	.....35.9		Springfield.....	.....	.....23.7
Little Rock.....	.....14.6	.....36.4	St. Louis.....	.....20.2	.....52.7
Louisville.....	.....9.3	.....26.1	Other Cities.....	.....15.4	.....41.7
Memphis.....	.....17.8	.....41.0	8th F. R. Dist.....	.....17.0	.....44.7

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

	Net Sales			Stock	Stock
	Feb. 1937	2 mos. 1937	Feb. 28,'37	on Hand	Turnover
	compared with Jan. 1937	to same period '36	comp. with Feb. 29,'36	Jan. 1, to Feb. 28, 1937	1936
Men's Furnishings.....	+ 9.3%	+ 7.0%	+ 0.8%	+ 4.3%	.35 .36
Boots and Shoes.....	+13.0	+12.9	+14.1	+29.6	.73 .78

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

Men's Furnishings.....31.7%	Boots and Shoes.....30.4%
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AGRICULTURE

The following comparative table, based on the March 1 report of the U. S. Department of Agriculture, shows intended plantings in 1937 by farmers in states including the Eighth District, also the number of acres of the several crops harvested in the two preceding years and the five-year average (1928-1932):

	Acreage (in thousands)				
	Average 1928-32	Harvested		Indicated for Harvest	
		1935	1936	1937	1937 percent of 1936 harvested
Barley.....	498	222	249	370	148.6
Corn.....	30,100	27,200	29,549	28,579	96.7
Cowpeas.....	870	1,013	1,005	1,103	109.8
Oats.....	8,521	6,971	6,959	6,527	93.8
Peanuts.....	82	121	97	80	82.5
Potatoes.....	304	350	301	295	98.0
Rice.....	168	138	150	154	102.7
Soy Beans.....	1,985	4,085	3,586	3,900	108.8
Sweet Potatoes.....	195	250	209	193	92.3
Tame Hay.....	11,303	11,606	11,197	10,769	96.2
Tobacco.....	629	408	421	529	125.7
Winter Wheat.....	6,337	7,270	7,389	9,706	131.4
Totals.....	60,992	59,634	61,112	62,205	101.8

The purpose of this report is to assist growers generally in making such further changes in their acreage plans as may appear desirable. The acreage actually harvested in 1937 may turn out to be larger or smaller than the indicated acreages shown, by reason of weather conditions, price changes, labor supply, financial conditions, the soil conservation program, and the effect of the intentions report itself upon farmers' actions.

Quite generally through this district early farm operations are somewhat behind the usual seasonal schedule. Weather conditions have been variable and in the main unfavorable for field work. Fair progress in preparing the soil for spring planting was made in the late fall and early winter, but more recently precipitation has interfered with progress in many sections. There have been scattered reports of injury to fruit occasioned by the sharp drop in temperatures during early March, following unusually mild weather during February. It is too early, however, to form any accurate estimate of the damage wrought. The heavy snows during the second week of March were beneficial for the growing winter wheat crop and for vegetation as a whole. Recession of the high water in the flood areas, except in bottom lands bordering the rivers, has permitted of a fair amount of rehabilitation work, though several weeks of dry weather will still be necessary before extensive acreages are in shape to be plowed. Aside from the territory damaged by the floods, the general economic condition of the farming community is the most favorable in recent years, and programs for spring work are being formulated with a considerable degree of optimism.

Cotton — Preparations for the new crop in the Eighth District generally are backward, due to unfavorable farming weather and the floods. However, there remains ample time for accomplishing all preliminary work and seeding. Reports from county agents, trade and planters' associations and other unofficial sources, reflect intentions to plant larger acreages than a year ago. The notably improved financial status of farmers, coupled with high prices obtained for the 1936 crop are the principal incentives for heavier plantings this season. It is apparently the intention of growers to fertilize the crop heavily. According to the National Fertilizer Association, sales of fertilizer tags in states partly or entirely in the Eighth District during the eight-month period, July-February, were 36 per cent and 59 per cent greater, respectively, than during the similar interval a year and two years earlier. Another feature of the 1937 crop will be the more extensive use of tractors. Both domestic and export demand

for raw cotton continued active during the past thirty days, and at mid-March the price reached the highest point since June, 1930. In the St. Louis market the middling grade ranged from 13.00c to 14.25c per pound between February 15, and March 15, closing at 14.25c on the latest date, which compares with 13.00c on February 15, and 11.50c on March 15, 1936. As indicating the rapid movement of the crop, receipts at Arkansas and Missouri compresses combined from August 1, 1936, to March 19, 1937, totaled 1,327,144 bales, as against 896,444 bales for the corresponding period a year earlier. Stocks on hand as of March 19 were 311,374 bales as compared with 441,772 bales on the same date in 1936.

Livestock — The condition of livestock generally through the district underwent no change worthy of note as contrasted with the similar period immediately preceding.

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

	Receipts			Shipments		
	Feb., 1937	Jan., 1937	Feb., 1936	Feb., 1937	Jan., 1937	Feb., 1936
Cattle and Calves.....	81,427	119,050	91,028	39,635	60,508	45,356
Hogs	235,906	271,063	198,749	124,201	146,706	139,997
Horses and Mules.....	6,993	7,445	4,727	7,217	7,317	4,703
Sheep	26,092	42,020	37,011	5,334	5,302	11,217
Totals.....	350,422	439,578	331,515	176,387	219,833	201,273

Tobacco — As of March 5, all burley and one sucker markets had closed. The factories are completing the drying and prizing of the 1936 crop. All available redrying plants, loose leaf warehouses and many country barns are being requisitioned in redrying leaf which was damaged by the floods.

According to most recent unofficial advices the gross sales of the 1936 crop of burley were around 220,000,000 pounds, at an approximate average of \$35.00 per pound, the highest in recent years. Sales in the Green River and stemming districts have been reported at an average of \$14.11 as compared with \$7.15 last year and sales of one sucker tobacco were reported at approximately 10,000,000 pounds at a general average price of \$16.75, as compared with \$8.10 last year. Sales on the Clarksville, Springfield, Hopkinsville and western fired dark district markets continue at advanced prices. The general average on the quantity sold is approximately \$3.00 per 100 pounds higher than sales of the 1935 crop. As of March 12, over 80 per cent of the crop had been sold in both the eastern and western districts and demands continue greater than at any time since the markets opened.

Farmers are occupied in preparing land for the 1937 crop, and the number of plant beds being prepared seem to indicate a considerable increase in planting of both burley and dark tobacco this year as compared with 1936. According to U. S. Dept. of

Agriculture stocks of leaf tobacco in the United States and Puerto Rico owned by dealers and manufacturers on January 1, 1937, totaled 2,205,874,000 pounds compared with 2,372,761,000 pounds on January 1, 1936, a decrease of 166,887,000 pounds. From October 1, 1936, to January 1, 1937, total stocks increased 59,274,000 pounds as compared with an increase of 172,566,000 pounds in the last quarter of 1935.

Flood Injury — The present report is based on stocks of tobacco as they existed prior to the recent flood in the Ohio Valley. Complete data on tobacco affected by the flood waters are unobtainable. The indications are that 30 to 40 thousand hogsheads of burley tobacco representing 30 to 40 million pounds of redried leaf, were partially or all submerged and that about 5,500 hogsheads of fired-cured tobacco, representing about 8 million pounds, suffered similarly. The extent of water injury in packed tobacco is problematical. Considerable quantities are being redried and will be salvaged. An indeterminate quantity of burley and dark tobacco which had not been put in hogsheads are soaked. The percentage of loss in loose tobacco even where not washed away, will be large.

COMMODITY PRICES

Range of prices in the St. Louis market between February 15, 1937, and March 15, 1937, with closing quotations on the latter date and on March 16, 1936, follows:

	High	Low	Close	
			March 15, 1937	March 16, 1936
Wheat				
*May .....per bu..	\$1.31¾	\$1.24%	\$ 1.24%	\$ 1.03
*July	1.16½	1.07	1.09%	.93%
*Sept.	1.14	1.03¾	1.07%	.92%
*No. 2 red winter	1.45	1.38½	1.41	1.05½@ 1.06
*No. 2 hard	1.42½	1.36	1.39	1.07
Corn				
*May	1.25¾	1.21½	1.25¾	.60¾
*July	1.21¾	1.17½	1.21¾	.61¾
*Sept.	1.17½	1.11	1.17½	.61½
*No. 2 Mixed	1.16	1.13	1.15	.64¾
*No. 2 White	1.20	1.14½	1.18	.67¾
Oats				
*No. 2 White	.56	.51	.53½	.32
Flour				
Soft Patent.....per bbl.	7.05	6.30	6.55@ 7.05	5.30 @ 6.00
Spring	8.60	7.95	8.20@ 8.40	7.00 @ 7.15
Middling Cotton...per lb.	.1425	.1300	.1425	.1150
Hogs on hoof.....per cwt.	10.45	5.00	5.00@10.40	6.00 @10.85

*Nominal quotations.

TRANSPORTATION

In face of reduced loadings of coal and other fuel, occasioned by the very mild winter, the volume of freight handled by railroads operating in this area during the past thirty days was measurably greater than during the similar period in recent years. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 95,288 loads in February, against 94,928 loads in January and 82,007 loads in February, 1936. During the first nine days of March the interchange amounted to 29,607 loads, as compared

with 30,361 loads during the corresponding period a month earlier, and 24,700 loads during the first nine days of March, 1936. Passenger traffic of the reporting lines in February showed an increase of 1 per cent in number of tickets sold and of 3 per cent in revenue. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in February was 89,000 tons, as compared with 79,418 tons in January and 102,363 tons in February, 1936.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in February was 52.4 per cent larger than in January and 39.4 per cent more than the February, 1936, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in February amounted to \$10,192,900 which compares with \$16,477,600 in January and \$7,729,827 in February, 1936. Building figures for February follow:

	New construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1937	1936	1937	1936	1937	1936	1937	1936
Evansville....	24	3	\$ 136	\$ 2	102	38	\$ 30	\$ 36
Little Rock	20	13	43	19	103	39	37	8
Louisville....	20	15	55	43	31	58	17	40
Memphis	108	112	259	386	206	92	28	57
St. Louis....	162	48	458	232	176	111	259	67
Feb. Totals	334	191	951	682	618	338	371	208
Jan. "	353	201	624	742	280	395	490	272

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in February as being 19.1 per cent smaller than in January and 3.4 per cent less than in February, 1936. Detailed figures follow:

(K.W.H. in thous.)	No. of Custom-ers	Feb., 1937	Jan., 1937	Feb. 1937 comp. with Jan. 1937	Feb., 1936	Feb. 1937 comp. with Feb. 1936
Evansville.....	40	2,921	2,883	+ 1.3%	2,992	- 2.4%
Little Rock..	35	1,834	1,903	- 3.6	1,414	+29.7
Louisville ..	82	3,269	7,462	-56.2	8,255	-60.4
Memphis	31	2,077	2,623	-20.8	2,076	+ 0.1
Pine Bluff....	20	1,029	1,026	+ 0.3	758	+35.8
St. Louis.....	187	19,839	22,398	-11.4	16,567	+19.8
Totals.....	395	30,969	38,295	-19.1	32,062	- 3.4

LIFE INSURANCE

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

(In thousands of dollars)	Feb., 1937	Jan., 1937	Feb., 1936	Cumulative 1937	Total 1936	Cum. change
Arkansas.....	\$ 2,097	\$ 2,534	\$ 2,299	\$ 4,631	\$ 4,720	- 1.9%
Illinois.....	42,166	39,197	38,632	81,363	79,716	+ 2.1
Indiana.....	9,873	9,284	9,492	19,157	19,611	- 2.3
Kentucky.....	3,168	3,789	4,355	6,957	9,519	-26.9
Mississippi.....	2,360	2,354	1,936	4,714	4,014	+17.4
Missouri.....	13,435	13,226	12,966	26,661	27,086	- 1.6
Tennessee.....	5,263	5,034	4,858	10,297	9,714	+ 6.0
Totals.....	78,362	75,418	74,538	153,780	154,380	- 0.4
United States...	487,819	462,367	460,463	950,186	939,481	+ 1.1

MONEY AND BANKING

Trends in Eighth District banking and financial conditions, which have obtained since last fall, developed little change during the past thirty days. Demand for credit from commercial and industrial interests expanded slightly, but at both city and country banks liquidation of prior commitments continued in considerable volume with the result that aggregate loans showed only a slight increase, though the volume was measurably greater than at the corresponding time a year ago. Banks in cities of the flood area report considerable inquiry for funds to replenish stocks of merchandise reduced by overflow. Marketing of the 1936 tobacco crop was completed in early March, since which time there has been a substantial volume of liquidation of loans based on that commodity. There was also a noticeable reduction in cotton loans.

Member Banks—Between February 10 and March 10, loans and investments of reporting member banks in the principal cities increased 0.8 per cent, the gain being almost entirely in loans. There was a decrease of 2.5 per cent in gross deposits, mainly in deposits credited to domestic banks. Reserve balances with the Federal Reserve bank decreased 4.8 per cent, but on March 10 were 17.8 per cent greater than on the corresponding report date in 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)	Mar. 10, 1937	Feb. 10, 1937	Mar. 11, 1936
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations and other stocks and bonds.....	\$ 77,354	\$ 75,981	\$ 66,672
All other loans and discounts.....	207,256	203,146	162,698
Total loans and discounts.....	284,610	279,127	229,370
Investments			
U. S. Gov't securities.....	242,801	239,616	228,726
Other securities.....	167,319	170,362	154,673
Total investments.....	410,120	409,978	383,399
Demand deposits.....	751,051	776,015	676,966
Time deposits.....	188,633	187,920	178,928
Gross deposits.....	939,684	963,935	855,894
Reserve balances with F. R. Bank.....	133,435	140,206	113,256
Cash in vault.....	10,562	11,102	11,587
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 March 3 was 0.2 per cent greater than on February 3 and 7.3 per cent in excess of the total on March 4, 1936.

No change worthy of note took place in interest rates as compared with the preceding thirty days. At downtown St. Louis banks as of the week ended

March 15, rates charged were as follows: Customers' prime commercial paper, 1 to 6 per cent; collateral loans, 2 to 5½ per cent; loans secured by warehouse receipts, 2 to 5 per cent and cattle loans, 4½ 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)	Mar. 19, 1937	Feb. 19, 1937	Mar. 19, 1936
Industrial advances under Sec. 13b.....	\$ 345	\$ 351	\$ 504
Other advances and rediscounts.....	102	63	21
Bills bought (including participations).....	86	86	87
U. S. securities.....	116,629	116,054	123,200
Total earning assets.....	117,162	116,554	123,812
Total reserves	264,506	271,038	224,410
Total deposits	196,623	205,583	179,487
F. R. Notes in circulation.....	179,117	177,906	162,267
Industrial commitments under Sec. 13b	1,287	1,295	1,950
Ratio of reserve to deposit and F. R. Note liabilities.....	70.4%	70.7%	65.7%

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 Section 13 and 13a.....2 % per annum
- (2) Advances to member banks, under Section 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

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

(In thousands of dollars)	Feb., 1937	Jan., 1937	Feb., 1936	Feb. 1937 Jan. 1937	comp. with Feb. 1936
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 30,280	\$ 34,026	\$ 26,522	—11.0%	+14.2%
El Dorado, Ark.....	3,645	4,438	3,396	—17.9	+ 7.3
Evansville, Ind.....	22,966	31,013	22,633	—25.9	+ 1.5
Fort Smith, Ark.....	11,282	12,634	9,034	—10.7	+24.9
Greenville, Miss.....	4,372	6,249	3,443	—30.0	+27.0
Helena, Ark.....	1,206	1,734	1,096	—30.0	+10.0
Little Rock, Ark.....	31,848	36,117	28,066	—11.8	+13.5
Louisville, Ky.....	141,616	154,486	139,026	— 8.3	+ 1.9
Memphis, Tenn.....	119,002	138,361	95,151	—14.0	+25.1
Owensboro, Ky.....	5,478	7,003	4,195	—21.8	+30.6
Pine Bluff, Ark.....	7,527	8,085	5,549	— 8.1	+35.6
Quincy, Ill.....	7,101	7,464	5,610	— 4.9	+26.6
St. Louis, Mo.....	519,700	549,520	486,017	— 5.4	+ 6.9
Sedalia, Mo.....	2,143	2,544	1,854	—15.8	+15.6
Springfield, Mo.....	12,517	16,056	11,651	—22.0	+ 7.4
*Texarkana, Ark.....	7,405	9,163	5,658	—19.2	+30.9
Totals.....	928,088	1,018,893	848,901	— 8.9	+ 9.3

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

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

NATIONAL SUMMARY OF BUSINESS CONDITIONS

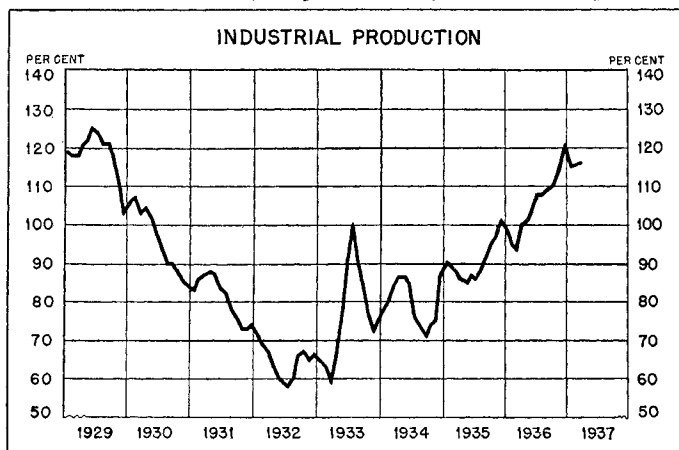
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Volume of production, employment, and trade increased more than seasonally in February and wholesale prices of industrial commodities continued to advance.

Production and Employment—The Board's index of industrial production, which makes allowance for changes in the number of working days and for usual seasonal variations, was 116 per cent of the 1923-1925 average in February as compared with 114 in January and an average of 115 in the last quarter of 1936. At steel mills activity continued to increase in February and the first three weeks of March and, although the growth was somewhat less than seasonal, output currently is about the peak level

vanced from 93 to 95 per cent of the 1923-1925 average. Sales at variety stores also increased more than seasonally, while mail order sales, largely in rural areas, showed less expansion than is usual at this time of year. Total freight-car loadings increased in February and the first half of March, owing in part to seasonal influences.

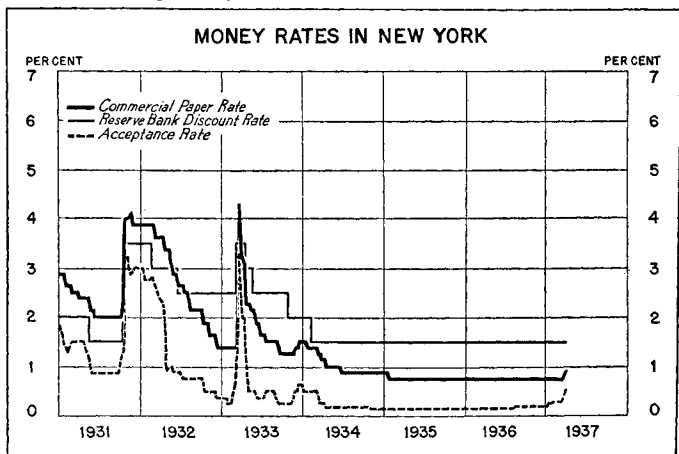
Commodity Prices—The general level of wholesale commodity prices advanced from the middle of February to the third week of March, reflecting principally further substantial increases in the prices of industrial materials. Prices of iron and steel, nonferrous metals, lumber, cotton, rubber, and hides advanced



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through February, 1937. Latest figure February 116.

reached in the summer of 1929. Automobile production, while fluctuating considerably with strikes at important plants, has been larger for the year to date than in the corresponding period last year. Output of plate glass in February showed a sharp rise from the low level of the two preceding months, when strikes curtailed production. At textile mills and shoe factories activity continued at a high level, while output at meat packing establishments declined somewhat further. Mineral production increased, reflecting chiefly greater output of coal and a further rise in crude petroleum production.

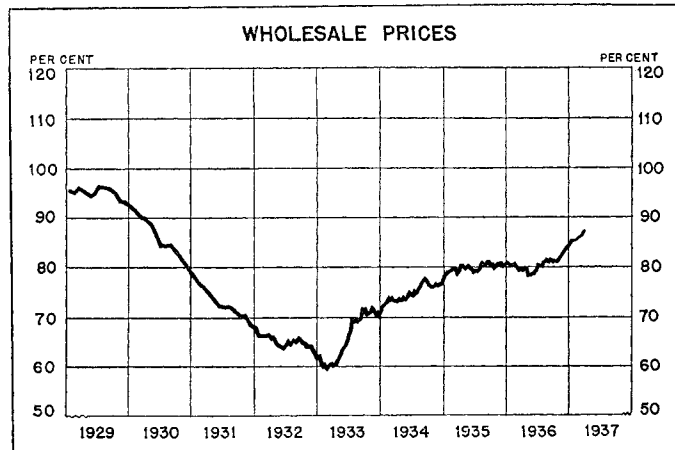
Value of construction contracts awarded this year, according to the F. W. Dodge Corporation, has been considerably larger than a year ago, reflecting an increased volume of private residential building and other types of private construction, while the volume of publicly-financed work has been smaller. Factory



Minimum rate on rediscounts for and advances to member banks by Federal Reserve bank, and weekly prevailing rates on prime commercial paper, 4 to 6 months, and prime bankers' acceptances, 90 days. For weeks ending January 3, 1931, to March 27, 1937.

employment and payrolls increased from the middle of January to the middle of February by more than the usual seasonal amount. The number employed in the machinery industries increased considerably and there were smaller increases at automobile and plate glass factories. In the nondurable goods industries as a group there was a seasonal rise in employment.

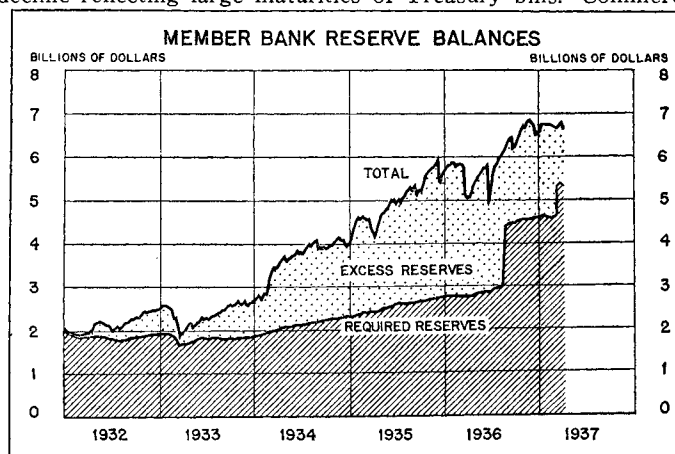
Distribution—Department store sales increased from January to February and the Board's seasonally adjusted index ad-



Index compiled by the United States Bureau of Labor Statistics, 1926 = 100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending March 20, all commodities 87.6.

considerably and there were also increases in the prices of cotton goods, paper, and furniture. Wheat prices have advanced in recent weeks following a decline in the latter part of February.

Bank Credit—On March 1, when the first half of the recent increase in reserve requirements went into effect, excess reserves of member banks declined from \$2,100,000,000 to about \$1,300,000,000. In the next three weeks, which included the March tax collection period, excess reserves showed moderate fluctuations around the new level. In connection with the increase in reserve requirements there were some withdrawals of bankers' balances from city banks, but practically no borrowing by member banks from the reserve banks. Holdings of United States Government obligations at reporting member banks in leading cities declined by \$280,000,000 in the four weeks ending March 17, a part of the decline reflecting large maturities of Treasury bills. Commercial



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required reserves, January 6, 1932, to March 24, 1937.

loans increased further at reporting banks and on March 17 were above last year's high level reached on December 30. Loans to brokers and dealers in securities increased sharply.

Money Rates—Since the beginning of March the rate on 90-day bankers' acceptances advanced from 5/16 of 1 per cent to 9/16 of 1 per cent and commercial paper rose from a flat 3/4 per cent to a range of between 3/4 and 1 per cent. Bond yields, which until recently had been near the extreme low point reached last December, advanced between 1/4 and 1/2 per cent and on March 24 were at about the levels prevailing early in 1936.