



# 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

	Mar. 1937 Feb. 1937	comp. with Mar. 1936
<b>Live Stock:</b>		
Receipts at National Stock Yards.....	-20.3%	+18.1%
Shipments from aforesaid Yards.....	+16.0	+ 2.3
<b>Production and Distribution:</b>		
Sales by mfrs. and wholesalers.....	+27.8	+33.0
Department store sales.....	+40.0	+21.5
Car loadings.....	+10.9	+25.5
<b>Building and Construction:</b>		
Bldg. permits, incl. repairs { Number.....	+74.6	+15.7
Cost.....	+57.1	+69.3
Value construc. contracts awarded.....	+61.2	+17.2
<b>Miscellaneous:</b>		
Commercial failures { Number.....	+36.8	-36.6
Liabilities.....	+70.4	-46.0
Consumption of electricity.....	+24.7	+16.1
Debits to individual accounts.....	+23.5	+23.1
<b>Member Banks (24):</b>	Apr. 14,'37 Mar. 17,'37	comp. with Apr. 15,'36
Gross deposits.....	- 1.4%	+ 9.2%
Loans.....	+ 1.2	+25.2
Investments.....	- 4.7	- 2.2

**E**IGHTH District business activity expanded further during March and the first half of April, this period being marked by the highest levels thus far reached in the recovery movement. Taken as a whole commerce and industry during the first quarter showed notable improvement over the first three months of 1936, as reflected by the larger volume of commodity distribution, both through wholesale and retail channels, increased industrial production, heavier freight movements, higher industrial employment and payrolls, expansion in construction activity and larger profits and incomes. In the iron and steel industry activities in March were at the highest rate for the month since 1930, with practically all branches of the industry sharing in the betterment. At a number of important plants, notably steel mills, jobbing foundries and establishments manufacturing railroad equipment, working schedules have been stepped up further since April 1. Output of bituminous coal at mines in this area recorded increases in March over both a month and a year earlier; there were also moderate gains in production at lead and zinc mines in the Tri-State field. March production of lumber was measurably above that

of a year ago, with new orders and shipments slightly exceeding current output. Consumption of electricity by industrial users in the principal cities was about one-fourth greater than in February and 16 per cent more than in March, 1936.

Of the wholesale and jobbing lines investigated by this bank, March sales volume without exception showed substantial increases over the preceding month and a year earlier. Increases in the month-to-month comparison were for the most part seasonal in character, but considerably greater than the average during the past decade. In the case of electrical supplies March sales were the largest for the month of record, while in the hardware classification the March volume represented the highest total for any month since October, 1929. Inventories at wholesale establishments as of April 1 were approximately 28 per cent in excess of those on the same date in 1936, purchasing in recent months having been on a freer scale in anticipation of heavier customer demands and price advances. Postal receipts for the first quarter this year were 5.5 per cent larger than for the comparable period in 1936, and closely approximated the peak first quarter in 1929.

Weather conditions to mid-April were in the main unfavorable to growth and development of crops and agricultural operations generally. Soil preparation and planting of spring crops are almost universally behind the seasonal schedule, but there remains ample time for completing these operations and with average weather to harvest, favorable results may be obtained. Farmers have been greatly encouraged by the high level of prices of farm products and are formulating their spring programs with a considerable degree of optimism. This fact is emphasized by the U. S. Department of Agriculture's estimates of planting intentions and heavy purchasing of fertilizers and farm equipment. There has been a moderate, but general increase in demand for farms and farm labor. Wage schedules paid to farm hands as of April 1 were reported 11 per cent above a year ago.

As indicated by sales of department stores in leading cities of the district, volume of retail trade in March was 40 per cent greater than in February and 21.5 per cent more than in March, 1936; cumulative sales for the first quarter were 13.2 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing firms reporting to this bank in March were 27.8 per cent and 33 per cent greater, respectively, than a month and a year earlier, and for the first quarter the aggregate was 29.6 per cent in excess of that for the first three months of 1936. The value of permits issued for new construction in the chief cities in March was 59.7 per cent larger than in February and 13.4 per cent more than in March, 1936; for the first quarter cumulative total was greater by 15.6 per cent than for the same interval in 1936. Dollar value of construction contracts let in the Eighth District in March exceeded that of a month and a year earlier by 61.2 per cent and 17.2 per cent, respectively; cumulative total for the first quarter was 27 per cent above that for the like period last year.

Freight traffic of railroads operating in this district, according to officials of the reporting lines, was in larger volume during March and early April than in any similar period since 1931. During the first quarter this year all classifications of freight handled showed gains over a year earlier, with the exception of grain and grain products. Despite the mild winter, loadings of coal and coke recorded a sharp increase over the March volume during the past five years. The movement of miscellaneous freight during the first three months this year was approximately one-fourth greater than in the first quarter of 1936. Reflecting extensive advertising campaigns, betterment in general business conditions and improved service, passenger traffic of the reporting roads in March continued the steady gains of recent months. Tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 47 per cent greater than in February and 6 per cent less than in March a year ago; for the first quarter cumulative tonnage fell 12 per cent below that of the comparable period in 1936.

Reports relative to collections during the past thirty days reflect no recession from the generally satisfactory results which have marked recent months. In the chief distributing centers wholesalers and jobbers of boots and shoes, dry goods and other lines with which April is an important settlement month, report collections as comparing favorably with a year ago, when payments were relatively the largest since 1930. Retail merchants

in the urban centers report results generally favorable, while in the country somewhat spotty conditions are reflected, due to weather conditions and preoccupation of farmers with spring work. Questionnaires addressed to representative interests in the several lines scattered through the district disclose the following results:

	Excellent	Good	Fair	Poor
March, 1937.....	3.6%	46.3%	43.9%	6.2%
February, 1937.....	3.0	42.4	37.2	18.4
March, 1936.....	2.9	44.2	48.6	4.3

Commercial failures in the Eighth Federal Reserve District in March, according to Dun and Bradstreet, numbered 26, involving liabilities of \$276,000, which compares with 19 insolvencies in February with liabilities of \$162,000 and 41 defaults for a total of \$511,000 in March, 1936.

### Detailed Survey

#### MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	March, 1937 compared with Feb. '37	Mar. '36	3 months 1937 comp. with same period 1936	Mar. 31, 1937 comp. with Mar. 31, 1936
Boots and Shoes.....	+40.6%	+45.9%	+41.6%	-14.5%
Drugs and Chemicals..	+18.1	+24.3	+17.4	+26.9
Dry Goods.....	+3.5	+12.1	+16.0	+55.6
Electrical Supplies.....	+57.0	+67.2	+53.6	+62.3
Furniture.....	+27.2	+32.8	+48.7	+10.5
Groceries.....	+16.8	+13.7	+9.6	+19.7
Hardware.....	+39.7	+40.5	+30.0	+25.8
All above lines.....	+27.8	+33.0	+29.6	+28.4

**Automobiles**—Combined passenger car, truck and taxicab production in the United States in March was 494,014 against 363,833 in February and 420,971 in March, 1936.

**Boots and Shoes**—March sales of the reporting firms were the largest for the month since 1930, and with the exception of January this year, represented the highest total recorded in any month since May, 1935. Increases in both the month-to-month and yearly comparisons shown in the above table, extended generally through all lines, but was most pronounced in women's and children's footwear and styled goods. In sympathy with the advance in raw materials, the trend of prices was upward, with specific increases announced in certain of their numbers by several important manufacturers. Despite the recent high rate of production, inventories decreased sharply from February to March.

**Clothing**—March sales of the reporting clothiers showed an increase of 27 per cent and 19 per cent, respectively, as compared with a month and a year earlier. Inventories continued to decrease, stocks as of April 1 being 15 per cent smaller than on March 1 and 5 per cent less than on April 1, 1936. Advance ordering for late spring and sum-

mer delivery was reported moderately in excess of the volume at the corresponding period a year earlier. Demand for work clothes, while still generally active, is reported in somewhat smaller volume than at the corresponding time a year ago. No change in prices was reported during March as compared with the preceding month.

**Drugs and Chemicals**—Advance sales of insecticides, fertilizers and kindred lines this year were reported in substantially larger volume than average during the past decade. Demand for heavy drugs and chemicals was maintained at the high levels which have obtained since last fall. The general average of prices showed little change worthy of note during the past thirty days, but was approximately 8 per cent higher than a year ago.

**Dry Goods**—Purchasing of seasonal merchandise during March and early April was held in check to some extent by unfavorable weather. However, advance buying generally was ahead of a year ago, being stimulated by anticipation of higher prices later in the season. Demand for ready-to-wear garments for women and children was reported in considerable volume, particularly in the south. Collections were almost universally satisfactory.

**Electrical Supplies**—The notable expansion in this classification which has marked the recovery period continued at an accelerated rate during March. Sales of the reporting interest for that month were the largest for any month since these records started in 1924. As compared with a year ago, improvement was outstanding in demand for electrical installations in new buildings, particularly small homes in the suburbs of large cities and in small towns. Advance sales of fans have been adversely affected by the unusually late spring. Refrigeration, radio and air conditioning materials are reported moving in even greater volume than heretofore.

**Furniture**—In response to demand for equipping new homes, retail distributors have been purchasing on a freer scale than has been the case in a number of years. There has also been an active demand for office furniture and equipment, theater seating, and a number of other special lines. Price trends have moved steadily upward since the first of the year, chiefly in sympathy with higher raw material and labor costs. As of April 1, according to the reporting firms, average prices of finished products were approximately 8 per cent above levels obtaining a year ago.

**Groceries**—The unusually late spring has had the effect of holding down purchasing of groceries

and supplies generally in the farm areas. Retailers are waiting more definite crop prospects before increasing their commitments. Withal, March sales of the reporting firms showed substantial increases over a month and a year earlier. Demand for canned goods has been active, due partly to the belated movement of fresh fruits and vegetables.

**Hardware**—March sales of the reporting firms were the largest for the month since 1927 and represented the highest total for any single month since October, 1929. The steady improvement during recent months extends generally through all lines, including specialties, such as sporting goods and outing supplies. The movement of builders' hardware and tools, paints, varnishes and kindred lines is reported in substantial volume. Hand implements, garden supplies and the general line of commodities used chiefly in the rural areas are reported in active demand.

**Iron and Steel Products**—The average rate of activities at mills, foundries, machine shops and other ferrous metal working plants in this area during the past thirty days was slightly above the high levels of the preceding several months. While some important industries reported a slight falling off in new orders, specifying against materials contracted for during the first quarter more than offset any decrease in new business, and backlogs are of sufficient magnitude to assure the present pace well into the summer. Mills, as a rule, have sold all their second quarter production, and are booking new orders only at prices prevailing at time of delivery. An outstanding feature of the situation is the broad diversification of requirements, both with reference to commodities and buyers. Producers and distributors of sheets, plates, bars and other rolled materials are still from two to four weeks in arrears on deliveries, with customer pressure for shipments even more keen than heretofore. Despite some requests for delay in shipments of castings, occasioned by labor difficulties, jobbing foundries report shipments during March the largest for any month since the predepression era. March sales of iron and steel warehouses, and jobbers were well ahead of the February total, partly due to anticipatory buying before the effective date of the price advance on a number of important items. While new buying of pig iron fell off, owing to previous coverage by melters and the fact that blast furnace interests had sold practically all of their March output, deliveries during March were the largest for any month of record in this area. The movement during the first quarter also made a new record, and was approximately 50 per cent greater

than the aggregate during the first three months of 1936. Prices of scrap iron and steel continued to advance during March, heavy melting steel and some other important grades recording a new high on the present upward movement. Purchasing of a variety of commodities by the railroads represented an unusually high volume. At steel casting plants, operations were stepped up during the first half of April, while at mills producing ingots were unchanged at 82 per cent of capacity. Pig iron production for the entire country in March, according to the magazine "Steel", was at the rate of 111,233 tons daily, compared with 107,857 tons in February. This was the highest daily rate since October, 1929, when it was 115,747 tons. Total March output was 3,448,228 tons, against 3,020,006 tons in February and 2,046,121 tons in March, 1936. Steel ingot production in the United States in March was 5,229,431 tons, against 4,424,659 tons in February and 3,342,619 tons in March, 1936.

### 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 Mar. 31, '37 comp. with Mar. 31, '36	Stock Turnover	
	Mar. 1937	3 mos. 1937	to same		Jan. 1, to	Mar. 31,
	Feb. 1937	Mar. 1936	period '36		Mar. 31,	1937 1936
El Dorado, Ark.....	+ 17.3%	+ 7.4%	+ 4.3%	+ 0.8%	.65	.62
Ft. Smith, Ark.....	+ 36.0	+ 13.8	+ 10.0	+ 15.9	.61	.60
Little Rock, Ark.....	+ 31.4	+ 21.5	+ 9.9	+ 20.3	.63	.67
Louisville, Ky.....	+ 129.8	+ 34.9	+ 3.0	+ 15.3	.85	.96
Memphis, Tenn.....	+ 42.7	+ 27.7	+ 16.0	+ 14.7	.76	.74
Pine Bluff, Ark.....	+ 14.3	+ 17.2	+ 13.8	+ 19.6	.80	.89
St. Louis, Mo.....	+ 29.9	+ 18.2	+ 14.8	+ 18.9	.96	.97
Springfield, Mo.....	+ 51.7	+ 13.7	+ 11.5	+ 28.3	.55	.57
All Other Cities.....	+ 44.8	+ 23.7	+ 12.6	+ 7.4	.75	.70
8th F. R. District..	+ 40.0	+ 21.5	+ 13.2	+ 17.6	.87	.89

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

	Installment Accounts		Excl. Instal. Accounts		Installment Accounts		Excl. Instal. Accounts
	%				%		
El Dorado.....	62.1			Pine Bluff.....	37.6		
Fort Smith.....	37.6			Springfield.....	29.7		
Little Rock.....	16.1	38.8		St. Louis.....	20.9	55.2	
Louisville.....	14.0	47.4		Other Cities.....	16.2	46.1	
Memphis.....	20.9	43.1		8th F. R. Dist.....	19.0	49.5	

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

	Net Sales			Stock on Hand Mar. 31, '37 comp. with Mar. 31, '36	Stock Turnover	
	Mar. 1937	3 mos. 1937	to same		Jan. 1, to	Mar. 31,
	Feb. 1937	Mar. 1936	period '36		Mar. 31,	1937 1936
Men's Furnishings..	+ 70.2%	+ 49.9%	+ 19.2%	+ 11.6%	.67	.56
Boots and Shoes.....	+ 114.1	+ 50.3	+ 30.8	+ 13.3	1.46	1.33

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

Men's Furnishings.....	37.8%	Boots and Shoes.....	39.1%
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### MINING

Output of bituminous coal by mines in this general area during March was 27 per cent and

61 per cent greater, respectively, than a month and a year earlier, and for the first quarter this year cumulative production was 9 per cent greater than for the comparable period in 1936. Estimated production of soft coal for the entire country in March was 50,720,000 tons, against 42,110,000 tons in February and 31,527,000 tons in March, 1936. For the year to April 1, production amounted to 133,770,000 tons, which compares with 112,476,000 tons during the first quarter of 1936. Inventory figures as of March 1, the latest available date, show total stocks in consumers' hands to be 46,785,000 tons, against 43,499,000 tons on January 1 and 29,542,000 tons on March 1, 1936. At Illinois mines in March, 6,518,304 tons were produced, which compares with 5,390,630 tons in February and 3,733,144 tons in March, 1936. There were 164 mines in operation in March and 38,004 men on payrolls, against 161 active mines and 38,055 operatives in February.

### AGRICULTURE

The season to mid-April in states of the Eighth District has been, on the whole, inauspicious for growth and development of crops and agricultural operations generally. According to the U. S. Department of Agriculture and agencies in the several states, the cold weather in March retarded the growth of pastures, lengthened the feeding period and rendered more acute the feed shortage in the drouth area and sections affected by the recent floods. It also delayed spring work on farms over a wide area, and did more or less damage to fruits and vegetables in the southern stretches of the district. Alternate freezing and thawing also appears to have caused considerable injury to winter grains and grasses. While temporarily delaying routine work, the abundant moisture has greatly benefited soil and subsoil conditions; the deficiency in many sections created by successive drouth years has been largely made up. Soil preparations for and planting of spring crops is universally behind the seasonal schedule, but there remains ample time to complete these operations, and under average weather conditions to harvest, favorable results may be obtained.

Except in limited areas, affected by floods and other local conditions, farmers have been greatly encouraged by the rising prices of farm products, and are formulating their spring programs with a considerable degree of optimism. This fact is emphasized by the official estimates of planting intentions as of March 1, heavy purchasing of fertilizers and enlargement of farm equipment and facilities. According to surveys made by the Department of Agriculture there has been a moderate, but general

increase in demand for farms and farm labor. As of April 1, farm wages were approximately 11 per cent higher than at the same time a year ago.

Stocks of wheat and corn on farms on April 1 are reported the smallest for that date during the twelve years for which records are available; stocks of oats were well below average. In states including the Eighth District, farm stocks of all wheat as of April 1 were only 6,611,000 bushels, against 9,010,000 bushels a year earlier, and 1928-32 April 1 average of 10,846,000 bushels. Favorable prices, and in some areas the use of wheat as food for livestock, have been factors contributing to the small holdings of this grain. In these states April 1 farm stocks of corn were estimated at 161,341,000 bushels, against 278,351,000 bushels on the same date in 1936, and the 1928-1932 average of 273,504,000 bushels. Oats stocks were estimated at 54,727,000 bushels, against 62,351,000 bushels on April 1, 1936, and the 5-year average of 68,851,000 bushels.

#### RENTAL AND BENEFIT PAYMENTS

Rental and benefit payments made in connection with the Government agricultural adjustment program in 1936 to farmers in states partly or entirely within the Eighth Federal Reserve District, segregated as to the several commodities, are given in the following table. In addition substantial amounts were received by farmers in these states in connection with the soil conservation control program.

	Cotton	Wheat	Tobacco	Corn-Hogs	Total
Arkansas .....	\$1,665,743	\$ 2,185	\$ 128	\$ 367,945	\$ 3,036,001
Illinois .....	1,770	2,613,387	559	11,637,107	14,252,833
Indiana .....	0	1,920,571	37,854	5,732,792	7,691,217
Kentucky ..	4,251	293,707	1,440,671	1,744,686	3,483,315
Mississippi ..	919,164	0	0	33,602	952,766
Missouri ....	527,318	1,688,692	63,977	8,032,049	10,312,036
Tennessee ..	243,618	126,436	835,743	980,905	2,186,702
Totals ..	3,361,864	6,644,978	2,378,932	28,529,086	40,914,860

**Cotton**—Latest information from the principal cotton producing areas of this district indicates that progress for and planting of the new crop are from two to four weeks late. In the uplands considerable plowing has been accomplished, but relatively little ground has been broken in the fertile river bottoms and lowlands. Owing to the high cost of mules, labor and other essentials, the expense of making this year's crop, it is estimated, will be the highest in recent years. According to the National Fertilizer Association, sales of fertilizer tags in states including the Eighth District during the eight-month period, July-March, were 43 per cent and 70 per cent greater, respectively, than during the similar periods a year and two years earlier. Responding to a continued active domestic and export demand, prices of raw cotton advanced further, reaching the highest levels recorded in seven years. In the

St. Louis market the middling grade ranged from 13.75c to 14.50c per pound between March 16 and April 15, closing at 13.75c on the latest date, which compares with 14.25c on March 15, and 10.95c on April 15, 1936. Receipts at Arkansas and Missouri compresses, combined, from August 1, 1936, to April 9, 1937, totaled 1,337,119 bales, as against 957,780 bales for the corresponding period a year earlier. Stocks on hand as of April 9 were 264,094 bales as compared with 413,593 bales on the same date in 1936.

**Livestock**—The number of cattle on feed for market in the Corn Belt States on April 1 was approximately one-third smaller than the number on the like date in 1936. Heaviest decreases were in areas most acutely affected by the drouth last year. Marketing of cattle in recent weeks has been speeded up because of backward pastures and the advance in prices of feed grains and other concentrated feeds.

The early lamb crop in this area made about the usual seasonal progress during March and early April despite the handicap of scant feed supplies and late pastures. The season is generally backward and marketings will be late.

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

	Receipts			Shipments		
	Mar., 1937	Feb., 1937	Mar., 1936	Mar., 1937	Feb., 1937	Mar., 1936
Cattle and Calves.....	101,756	81,427	91,949	52,321	39,635	53,760
Hogs .....	243,838	235,906	205,604	133,945	124,201	132,413
Horses and Mules.....	7,452	6,993	9,806	7,819	7,217	8,843
Sheep .....	41,268	26,092	26,559	10,482	5,334	5,048
Totals.....	394,314	350,422	333,918	204,567	176,387	200,064

**Tobacco**—Deliveries to loose leaf markets of the unsold portion of dark fired tobacco, both in the eastern and western districts, have been slow, partly because of unfavorable weather and pre-occupation of farmers in preparing the land for this year's crop. In the dark fired districts the demand for lugs is unusually active and certain grades are bringing higher prices than medium leaf bought during the earlier part of the year. No definite dates have been announced for closing the dark fired markets. Generally the condition of plants in beds at mid-April was reported as being satisfactory. As indicated by the number of plant beds, the Government's estimate as of March 1 relative to acreage increase is being fully verified with reference to all the principal types. Latest estimates place the 1936 burley crop sales at 232,154,091 pounds and the average price at \$35.48 per hundred pounds.

**Winter Wheat**—In its report based on conditions as of April 1, the U. S. Department of Agriculture estimates the 1937 winter wheat crop in

states of this district at 132,292,000 bushels, which compares with 109,399,000 bushels harvested in 1936 and the 5-year average (1928-1932) of 84,231,000 bushels. Winter killing has been in evidence in all states, but most marked in Illinois, where abandonment of acreage is unusually heavy.

### COMMODITY PRICES

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

	High	Low	Close	
			April 15, 1937	April 15, 1936
Wheat				
*May .....	\$1.34¾	\$1.23½	\$ 1.34¾	\$ 1.01¾
*July .....	1.29	1.10¾	1.21¾	.93¾
*Sept. ....	1.26¾	1.08¾	1.19¾	.92
*No. 2 red winter ..	1.49	1.41	1.41¾	1.06
*No. 2 hard ..	1.46	1.37	1.37	1.06
Corn				
*May .....	1.45½	1.25¾	1.28¾	.61¾
*July .....	1.37	1.20	1.20	.61¾
*Sept. ....	1.29¾	1.10¾	1.10¾	.60¾
*No. 2 Mixed ....	1.42	1.16	1.37	.65½
*No. 2 White ....	1.41½	1.18	1.37½	.65½
Oats				
*No. 2 White ....	.57½	.52	.57½	.28½
Flour				
Soft Patent.....per bbl.	7.35	6.55	6.55 @ 7.05	5.00 @ 5.70
Spring " .....	8.80	8.10	8.60 @ 8.80	6.80 @ 6.65
Middling Cotton...per lb.	14.50	13.75	13.75	10.95
Hogs on hoof.....per cwt.	10.50	5.00	7.00 @ 10.20	11.00 @ 10.75

\*Nominal quotations.

### POSTAL RECEIPTS

Returns from the five largest cities of the district show an increase of 5.5 per cent in combined postal receipts for the first three months this year over the corresponding period in 1936 and a decrease of 16.5 per cent over the final quarter of 1936. Detailed figures follow:

Quarter Ending	Mar. 31, 1937	Dec. 31, 1936	Mar. 31, 1936	Comp. first Qrs. 1937-1936
Evansville .....	\$ 147,364	\$ 184,324	\$ 163,050	- 9.6%
Little Rock .....	209,729	212,756	195,931	+ 7.0
Louisville .....	661,208	833,957	684,432	- 3.4
Memphis .....	658,025	869,507	557,012	+18.1
St. Louis .....	2,603,591	3,027,321	2,457,735	+ 5.9
Totals.....	4,279,917	5,127,865	4,058,160	+ 5.5

### TRANSPORTATION

There was a sharp increase in the volume of freight handled by railroads operating in this area during March as compared with the preceding month and the corresponding period a year ago. The gain from February to March was expected, as February, due to unprecedented flood conditions in the Ohio Valley, could not be considered as a representative month. However, the increase shown in the comparison with last year was the result of a general increase. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 105,712 loads in March, against 95,288 loads in February and 87,029 loads in March, 1936. During the first nine days of April the interchange amounted to 30,566 loads, as compared with 29,607 loads during the corresponding period in March and 25,444 loads during the first nine days of April, 1936. Passenger traffic of

the reporting lines in March showed an increase over a year earlier of approximately one-fourth in both the number of tickets sold and revenue. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in March was 131,100 tons, against 89,062 tons in February and 139,677 tons in March, 1936; for the first quarter this year cumulative tonnage was 299,580 tons as against 341,160 tons for the first three months of 1936.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in March was 59.7 per cent more than in February and 13.4 per cent greater than the March, 1936, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in March amounted to \$16,416,800, which compares with \$10,192,900 in February and \$14,007,051 in March, 1936. Building figures for March follow:

(Cost in thousands)	New construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1937	1936	1937	1936	1937	1936	1937	1936
Evansville....	43	48	\$ 44	\$ 53	229	113	\$ 145	\$ 38
Little Rock	35	30	96	44	133	92	66	24
Louisville ...	88	93	266	190	54	97	68	60
Memphis ....	292	205	583	272	218	167	116	136
St. Louis....	331	356	530	780	239	236	156	264
Mar. Totals	789	732	1,519	1,339	873	705	551	522
Feb. " .....	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 March as being 24.7 per cent larger than in February and 16.1 per cent more than in March, 1936. Detailed figures follow:

(K.W.H. in thous.)	No. of Customers	Mar., 1937 K.W.H.	Feb., 1937 K.W.H.	Mar. 1937 comp. with Feb. 1937	Mar. 1936 K.W.H.	Mar. 1937 comp. with Mar. 1936
Evansville....	40	3,702	2,921	+ 26.7%	2,937	+26.0%
Little Rock	35	1,902	1,834	+ 3.7	1,511	+25.9
Louisville ...	82	8,705	3,269	+166.3	7,469*	+16.5
Memphis ....	31	2,378	2,077	+ 14.5	1,802	+32.0
Pine Bluff....	20	1,021	1,029	- 0.8	785	+30.1
St. Louis....	187	20,567	19,839	+ 3.7	18,458	+11.4
Totals.....	395	38,275	30,697	+ 24.7	32,962	+16.1

\*Revised.

### LIFE INSURANCE

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

(In thousands of dollars)	Mar., 1937	Feb., 1937	Mar., 1936	Cumulative 1937	Total 1936	Cum. change
Arkansas.....	\$ 2,640	\$ 2,097	\$ 2,427	\$ 7,271	\$ 7,147	+ 1.7%
Illinois.....	50,882	42,166	41,619	132,245	121,335	+ 9.0
Indiana.....	12,618	9,873	11,112	31,775	30,723	+ 3.4
Kentucky.....	5,667	3,168	5,299	12,624	14,818	-14.8
Mississippi.....	2,886	2,360	2,328	7,600	6,342	+19.8
Missouri.....	17,383	13,435	15,475	44,244	42,561	+ 4.0
Tennessee.....	6,958	5,263	5,300	17,255	15,014	+14.9
Totals.....	99,034	78,362	83,560	253,014	237,940	+ 6.3
United States...	604,257	487,819	525,043	1,554,443	1,464,524	+ 6.1

## MONEY AND BANKING

Volume of demand for credit in the Eighth District for commercial, industrial and agricultural purposes continued to expand slightly during the past thirty days, and throughout the period was measurably greater than a year ago. While liquidation has been in substantial volume, new borrowings and renewals have kept pace with payments at the commercial banks, with the result that aggregate loans have been maintained moderately above levels prevailing earlier in the year. Liquidation by flour milling, grain handling interests and field seed firms is reported of about the usual seasonal proportions. Due to lateness of the season, demand for funds to finance agricultural operations is less in evidence than is usually the case at this time of year. Quite generally throughout the district there is an active demand for real estate and building loans. Interest rates, while exhibiting a slightly firmer trend, showed little actual change as contrasted with the preceding thirty days.

**Member Banks**—In the four-week period ended April 14, total loans of reporting member banks in the principal cities increased 1.2 per cent and at the end of the period were about one-fourth greater than a year earlier. The increase was mainly in "all other loans", which represent chiefly industrial and commercial borrowing. The sharp decline in gross deposits, which began in late February and continued through March, was halted in early April, and on the second report date of April were only 1.4 per cent below the mid-March level.

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)	Apr. 14, 1937	Mar. 17, 1937	Apr. 15, 1936
<b>Loans and discounts (incl. rediscounts):</b>			
Secured by U. S. Gov't obligations and other stocks and bonds.....	\$ 76,926	\$ 77,660	\$ 68,866
All other loans and discounts.....	214,710	210,396	164,079
<b>Total loans and discounts.....</b>	<b>291,636</b>	<b>288,056</b>	<b>232,945</b>
<b>Investments</b>			
U. S. Gov't securities.....	230,102	243,134	244,596
Other securities.....	161,445	167,674	155,606
<b>Total investments.....</b>	<b>391,547</b>	<b>410,808</b>	<b>400,202</b>
<b>Demand deposits.....</b>	<b>734,150</b>	<b>745,645</b>	<b>663,851</b>
<b>Time deposits.....</b>	<b>187,299</b>	<b>189,170</b>	<b>179,697</b>
<b>Gross deposits.....</b>	<b>921,449</b>	<b>934,815</b>	<b>843,548</b>
Reserve balances with F. R. Bank.....	132,054	130,112	95,994
Cash in vault.....	10,662	9,830	10,718
Bills payable and rediscounts with Federal Reserve Bank.....			
<b>Number of banks reporting.....</b>	<b>24</b>	<b>24</b>	<b>24</b>

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

The aggregate amount of savings deposits held by selected banks on April 7 was 0.6 per cent greater than on March 3 and 7.6 per cent in excess of the total on April 1, 1936.

At downtown St. Louis banks as of the week ended April 15, interest rates charged were as follows: Customers' prime commercial paper, 1½ to 6 per cent; collateral loans, 2½ to 6 per cent; loans secured by warehouse receipts, 2 to 5 per cent and cattle loans, 5 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)	Apr. 20, 1937	Mar. 20, 1937	Apr. 20, 1936
Industrial advances under Sec. 13b.....	\$ 342	\$ 345	\$ 512
Other advances and rediscounts.....	163	152	15
Bills bought (including participations).....	86	86	87
U. S. securities.....	109,703	116,629	123,200
<b>Total earning assets.....</b>	<b>110,294</b>	<b>117,212</b>	<b>123,814</b>
<b>Total reserves.....</b>	<b>278,629</b>	<b>263,439</b>	<b>233,945</b>
<b>Total deposits.....</b>	<b>202,877</b>	<b>197,845</b>	<b>187,905</b>
<b>F. R. Notes in circulation.....</b>	<b>179,400</b>	<b>178,985</b>	<b>162,196</b>
<b>Industrial commitments under Sec. 13b.....</b>	<b>1,004</b>	<b>1,287</b>	<b>1,965</b>
<b>Ratio of reserve to deposit and F. R. Note liabilities.....</b>	<b>72.9%</b>	<b>69.9%</b>	<b>66.8%</b>

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)	Mar., 1937	Feb., 1937	Mar., 1936	Mar., 1937 Feb. 1937	comp. with Mar. 1936
<b>East St. Louis and Natl.</b>					
Stock Yards, Ill.....	\$ 34,819	\$ 30,280	\$ 26,990	+15.0%	+29.0%
El Dorado, Ark.....	4,870	3,645	3,729	+33.6	+30.6
Evansville, Ind.....	33,250	22,966	26,194	+44.8	+26.9
Fort Smith, Ark.....	12,339	11,282	10,368	+9.4	+19.0
Greenville, Miss.....	5,664	4,372	3,812	+29.6	+48.6
Helena, Ark.....	1,853	1,206	1,271	+53.6	+45.8
Little Rock, Ark.....	42,976	31,848	35,390	+34.9	+21.4
Louisville, Ky.....	188,799	141,616	149,614	+33.3	+26.2
Memphis, Tenn.....	149,398	119,002	101,713	+25.5	+46.9
Owensboro, Ky.....	6,407	5,478	5,076	+17.0	+26.2
Pine Bluff, Ark.....	8,512	7,527	6,960	+13.1	+22.3
Quincy, Ill.....	8,520	7,101	7,070	+20.0	+20.5
St. Louis, Mo.....	622,600	519,700	532,050	+19.8	+17.0
Sedalia, Mo.....	1,906	2,143	1,893	+11.1	+0.7
Springfield, Mo.....	16,327	12,517	13,340	+30.4	+22.4
*Texarkana, Ark.....	8,276	7,405	6,094	+11.8	+35.8
<b>Totals.....</b>	<b>1,146,516</b>	<b>928,088</b>	<b>931,564</b>	<b>+23.5</b>	<b>+23.1</b>

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

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



# NATIONAL SUMMARY OF BUSINESS CONDITIONS

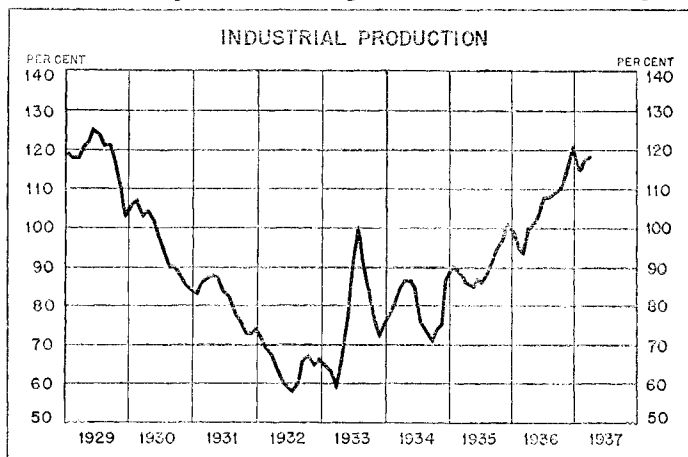
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

**Production and Employment**—Industrial production increased from February to March and the Board's seasonally adjusted index advanced from 116 per cent of the 1923-1925 average to 118 per cent. The rise reflected a sharp increase in output of minerals, chiefly coal, and an increase of somewhat more than the usual seasonal amount in manufacturing. The larger output of coal in March was due in part to stocking by consumers in anticipation of a possible strike at bituminous coal mines on April 1, when the agreement between mine operators and the miners' union expired. A new agreement was reached on April 2,

of nondurable manufactures showed slightly more than the usual seasonal rise.

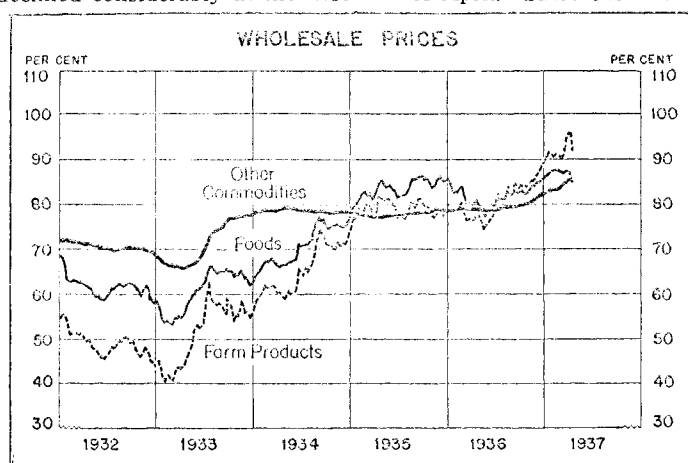
**Distribution**—Distribution of commodities to consumers showed about the usual seasonal increase from February to March. Mail-order sales expanded considerably but the rise in department store sales was less than seasonal, considering the early date of Easter this year.

**Commodity Prices**—Prices of nonferrous metals, steel scrap, rubber, cotton, and wheat, which had advanced rapidly in March, declined considerably in the first half of April. Since the middle



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through March, 1937. Latest figure March 118.

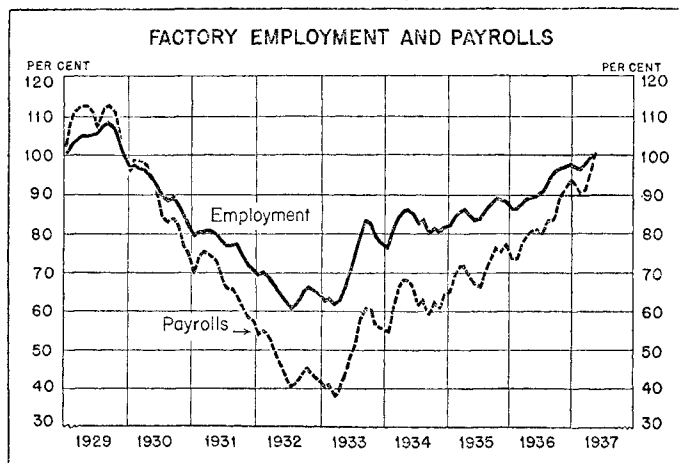
but, owing partly to the previous accumulation of stocks, production in the first ten days of April showed a sharp decline. During March activity at steel mills increased seasonally and in the first three weeks of April was over 90 per cent of capacity. In the automobile industry output showed about the usual seasonal increase in March and the first three weeks of April, considerable fluctuations during this period being largely in response to developments in the labor situation. Lumber production expanded considerably in March, and there was a sharp rise in output of nonferrous metals. Cotton consumption, which has been at an unusually high level in recent months, increased further in March and in actual amount was larger than in any previous month. Production at woolen mills and shoe factories continued in large volume. Value of construction contracts awarded in March, as reported by the F. W. Dodge Corporation, was at about the same level as in February and substantially higher



Indexes compiled by the United States Bureau of Labor Statistics 1926 = 100. By weeks, 1932 to date. Latest figures for week ending April 17, farm 92.4, foods 85.3, other 86.5.

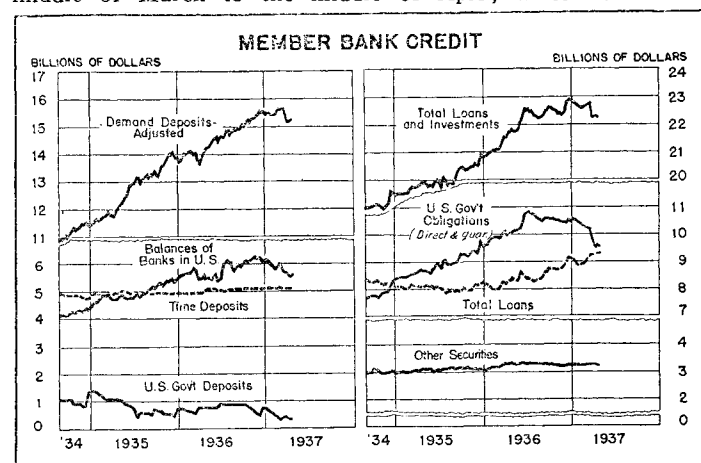
of March prices of coke, tin plate, and rayon have advanced and there have been smaller increases in a wide variety of other industrial products. Dairy products have declined, reflecting in part seasonal developments.

**Bank Credit**—In the four-week period from March 24 to April 21 excess reserves of member banks increased from \$1,270,000,000 to \$1,590,000,000, reflecting principally disbursements by the Treasury from balances with Federal Reserve banks and purchases of U. S. Government obligations by the Federal Reserve System. The bulk of the increase in excess reserves was at banks in New York City and Chicago. Total loans and investments of reporting member banks, which had declined sharply in March, reflecting sales of U. S. Government obligations, showed little change in the two weeks ending April 14. Loans to brokers and dealers in securities declined from the middle of March to the middle of April, while other loans,



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through March, 1937. Latest figures, March, employment, 101.0, payrolls, 101.2.

than a year ago. Privately-financed work increased, while the amount of publicly-financed work continued to decline. The increase in privately-financed projects reflected a larger volume of residential building and of factory and commercial construction. Employment and payrolls increased by considerably more than the usual seasonal amount between the middle of February and the middle of March. The expansion in payrolls was larger than in employment, reflecting in part a further rise in wage rates. In manufacturing, the principal increases in employment were in industries producing durable goods, particularly steel, machinery, and lumber. The number employed in the production



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, to April 14, 1937.

which include loans for commercial, industrial, and agricultural purposes, showed a substantial increase. These loans have increased almost continuously over the past year.

Demand deposits, after declining in March, increased somewhat in the first half of April, and there was an increase in foreign bank balances, reflecting an inward movement of short-term funds from abroad.

**Money Rates**—The rate on prime commercial paper advanced from  $\frac{3}{4}$  per cent to 1 per cent in the latter part of March. Bond yields, which had advanced sharply in March, showed no pronounced change in the first three weeks of April.