



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

	May 1, 1937, comp. with output	
	1936	Av. 1928-32
Agriculture:		
Estimated produc. of Winter Wheat	+21.3%	+57.5%
Live Stock:	April, 1937, comp. with Mar. 1937 Apr. 1936	
Receipts at National Stock Yards	+ 2.5%	+25.5%
Shipments from aforesaid Yards	- 1.8	+ 5.9
Production and Distribution:		
Sales by mfrs. and wholesalers	-11.5	+31.8
Department store sales	- 4.4	+10.3
Car loadings	- 7.8	+13.4
Building and Construction:		
Bldg. permits, incl. repairs	{ Number...+ 6.0	+28.0
	{ Cost.....+30.0	- 0.8
Value construc. contracts awarded	- 2.2	- 4.2
Miscellaneous:		
Commercial failures	{ Number.....-19.2	-16.0
	{ Liabilities.....-25.0	-30.1
Consumption of electricity	+ 7.0	+15.6
Debits to individual accounts	- 4.5	+21.9
Member Banks (24):	May 12,'37 comp. with Apr. 14,'37 May 13,'36	
Gross deposits	- 3.8%	+ 4.9%
Loans	+ 0.5	+25.4
Investments	- 4.1	- 6.5

INDUSTRY and commerce in the Eighth District during late April and the first half of May developed little change from the similar period immediately preceding when the general level was the highest attained in the recovery movement. Such minor changes as occurred were the result of seasonal influences, with the principal factor making for decreased activities being the unusually cool, wet weather which persisted into the third week of May. The movement through retail channels of certain lines of merchandise, notably apparel, boots and shoes, and groceries was restricted to some extent by the late spring and this reacted adversely on the wholesaling and and jobbing trade and certain phases of productive activity. However, in practically all lines of manufacturing investigated by this bank production in April was measurably greater than a year earlier, and in several important classifications, including iron and steel, building materials and electrical supplies, output was the highest for the month since the predepression era. April production of bituminous coal in this area decreased sharply from March, and was also smaller

than in April, 1936. The drop in the month-to-month comparison was occasioned by heavy demands of industrial interests in March to fortify their inventories against possible strikes at mines. Output of lumber, cement, glass and other building materials continued at the high rates which marked earlier months this year.

As evidenced by car-loadings and statistics of the several groups of wholesaling and jobbing interests reporting to this bank, distribution of commodities continued well above the volume at the corresponding time a year ago. Decreases from March to April in all lines were reported, but the declines were seasonal, and in a majority of instances less than the average during the past decade. The decline in commodity prices has caused some hesitation on the part of retailers in making advance commitments. However, in a majority of lines, the volume of forward orders on books of the reporting firms continues above that of a year and two years earlier. Preliminary reports indicate a moderate increase in nonagricultural employment from March to April, and since May 1 settlement of a number of strikes has added to the number of persons employed at industrial plants. According to the Bureau of Agricultural Economics, total employment on farms increased seasonally during April, but due to the lateness of the season, the level of employment is still somewhat below last year.

Preparations for and planting of spring crops are generally from two to three weeks behind the seasonal schedule. Almost continuous rains have made fields unworkable, and in the northern stretches of the district at mid-May less than half of intended acreage of corn and some other crops had been seeded. However, in face of the inauspicious spring weather, agricultural prospects as a whole in the district are the most promising in a number of years. Early unofficial reports indicate increased plantings of practically all the principal crops over a year ago. Farm income was greatly benefitted by the rise in prices of major farm products prior to April and larger expenditures than in recent years

are being made for fertilizer, implements and other farm equipment. Abundant precipitation has greatly improved subsoil conditions, making up the cumulative deficiency caused by successive drouth years.

The volume of retail trade in this district during April, as reflected in sales of department stores in leading cities, was 4.4 per cent smaller than in March and 10.3 per cent greater than in April, 1936; cumulative total for the first four months was 12.4 per cent in excess of that for the comparable period last year. Combined sales in April of all wholesaling and jobbing firms reporting to this bank were 11.5 per cent less than in March and 31.8 per cent greater than in April, 1936; for the first four months the aggregate exceeded that of the same interval in 1936 by 31.2 per cent. The dollar value of permits for new buildings in the principal cities in April was 42.7 per cent greater and 10.5 per cent smaller, respectively, than a month and a year earlier, and for the first four months this year there was an increase of 3.4 per cent as compared with the like period in 1936. Dollar value of construction contracts let in the Eighth District in April was 2.2 per cent less than in March and 4.2 per cent smaller as compared with April, 1936; for the first four months cumulative total exceeded that for the similar period last year by 16.7 per cent.

According to officials of railroads operating in this district, all classifications of freight handled during April, with the exception of grain and grain products, continued the upward trend noted during the preceding month. Total volume exceeded that of any April since 1931. Following successful labor negotiations between coal mine operators and the unions, there was a falling off in bituminous coal production, which was reflected in late April in a curtailed movement of that commodity. Passenger traffic of the reporting lines in April recorded gains over both a month and a year earlier. Tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 30 per cent greater than a month earlier and 10 per cent less than a year ago. For the first four months this year cumulative total was 11 per cent below the like period in 1936.

The general status of collections in the district during April and the first half of May showed little change as contrasted with earlier months in the year. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
April, 1937.....	4.5%	44.5%	44.0%	7.0%
March, 1937.....	3.6	46.3	43.9	6.2
April, 1936.....	2.7	53.4	42.5	1.4

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 21, involving liabilities of \$207,000, against 26 insolvencies in March with liabilities of \$276,000 and 25 defaults for a total of \$296,000 in April, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		4 months 1937 comp. with same period 1936	Stocks Apr. 30, 1937 comp. with Apr. 30, 1936
	April, 1937 compared with Mar. '37	Apr. '36		
Boots and Shoes.....	-10.1%	+54.3%	+44.5%	-14.2%
Drugs and Chemicals..	- 2.1	+15.7	+28.3	+31.5
Dry Goods.....	-18.1	+ 7.2	+14.1	+63.0
Electrical Supplies.....	-17.6	+44.8	+53.3	+68.9
Furniture.....	-12.5	+29.4	+44.8	+14.0
Groceries.....	- 3.0	+12.4	+11.5	+18.8
Hardware.....	-13.1	+31.1	+29.9	+35.3
All above lines.....	-11.5	+31.8	+31.2	+35.6

Automobiles — Combined passenger car, truck and taxicab production in the United States in April was 536,334 against 494,276 (revised) in March and 502,674 (revised) in April, 1936.

Boots and Shoes — The decrease in sales of the reporting firms from March to April was seasonal in character, but slightly greater than the average during the past decade. The April total, however, was the highest for the month since 1931. Retailers generally through the trade area were disposed to augment inventories in anticipation of higher prices.

Clothing — The late spring, with heavy precipitation and unusually low temperatures, have had a tendency to hold down the movement of apparel through retail channels, and this condition has reacted upon sales of wholesalers and jobbers. Withal, sales of the reporting clothiers in April were 28 per cent larger than for the same month a year earlier, though 14 per cent below the March total this year. Stocks as of May 1 were practically unchanged as compared with a month and a year earlier. Production during April and early May was restricted by scattered strikes.

Drugs and Chemicals — Increases in sales in this classification over a year earlier, which have marked recent months, continued during April and the first half of May. Unusually heavy infestation of insect and fungus pests, incident to the late, wet spring, has been reflected in heavy purchasing of spraying materials. There was a slight easing in prices during early May, but the average continued measurably above a year ago.

Dry Goods — While preliminary reports of the reporting interests covering the first half of May indicate a moderate increase over a year ago, there has developed a quite definite price resistance. Retailers

are purchasing less freely, with the result that spot sales were reported in smaller volume than heretofore. Advance orders on books of the reporting firms as of May 1 were measurably higher than a year ago.

Electrical Supplies — Sales of the reporting interests during April, while showing about the expected seasonal decline from March, were the largest for any April since these records began in 1924. Local strikes during April interfered with production, and deliveries on certain lines of commodities are backward. Sales of electric fans and some other seasonal goods have been retarded by the late spring.

Furniture—Expansion in building of new homes and purchasing to replenish stocks damaged by the spring floods were reported important factors in the gain in April sales over the same month in 1936. A further increase in demand for office furniture and equipment was noted in the principal cities. Prices showed little change from a month earlier, but were measurably higher than a year ago.

Groceries — April sales of the reporting firms were the largest for the month since 1931. Lateness of the spring has adversely affected sales of farm supplies and other merchandise consumed chiefly in the rural areas. The recent downturn in prices has caused hesitation on the part of retailers in making advance commitments.

Hardware — The sharp expansion in residential building this spring is reflected in an active demand for builders' tools and hardware, paints, varnishes and kindred lines. Despite the late spring, sales of hand implements and other items for the country have moved in considerable volume, with reports of reordering by country distributors fairly large.

Iron and Steel Products — In virtually all sections of the iron and steel industry, activities during the past thirty days have been maintained at the high rate which has obtained during the past several months. The slowing down in operations in certain quarters, occasioned by local strikes, was counterbalanced by expansion in working schedules at plants not so handicapped. Following announcement that present steel prices would be continued through the third quarter, there was some slowing down in new ordering, but the mills for the most part have backlogs of sufficient size to hold production at the current high rate for a number of weeks, and in many important instances, well into the fall. Specialty makers, notably of farm implements, stoves, machine tools and heating apparatus, report

orders booked the most favorable for this particular period since the predepression era. Manufacturers of railroad cars have stepped up their operations noticeably during the past sixty days. One leading car builder has resumed operations at a district plant which had been closed for seven years and supplied employment to approximately 700 men. Rolling mills are still extended from two to four weeks on deliveries. Iron and steel warehouse and jobbing interests report a moderate recession in business from March to April, but the decrease was less than usual, despite the record volume in March, when sales were stimulated by anticipation of price advances. Jobbing foundries reported decreased operations, caused by strikes at electrical manufacturing establishments and those of some other important customers. Outlet through the building industry has broadened seasonally, though lack of lettings of public work projects has adversely affected steel fabricating plants, where operations at mid-May were at about 50 per cent of capacity. Buying of pig iron in April and early May was in relatively light volume, due to prior coverage of a majority of melters, but shipments were maintained at the highest levels of the recovery period. Sharp price declines were recorded in scrap iron and steel. At mid-May heavy melting steel was off about \$4 per ton from the top, reached around April 1. For the entire country production of pig iron in April, according to the magazine "Steel", totaled 3,404,060 tons, against 3,470,470 tons in March, the decrease being caused by the shorter month. In April, 1936, 2,409,474 tons were produced. Steel ingot production in the United States in April amounted to 5,071,875 tons, which compares with 5,216,666 tons in March and 3,932,605 tons in April, 1936.

MINING

Apprehension of a strike at bituminous coal mines caused railroads and industrial interests to build up large inventories during March, and production during that month was the highest for any single month in recent years. Following the successful termination of labor negotiations, such fears were dispelled, which situation was reflected in a sharp decrease in production during April, generally through the country. At mines in this area output of bituminous coal in April decreased 56 per cent below the March total and 16 per cent below production in April, 1936. For the first four months this year, however, cumulative tonnage was approximately 4 per cent greater than for the like interval in 1936. For the entire country estimated production of soft coal was 25,735,000 tons, against 51,315,000 tons in March and 30,452,000 tons in April, 1936.

For the year to May 1, cumulative tonnage amounted to 160,100,000 tons, which compares with 142,930,000 tons for the first four months of 1936. At Illinois mines in April, 1,967,339 tons were produced, against 6,518,304 tons in March and 3,023,452 tons in April, 1936. There were 120 mines in operation in April and 27,473 men on payrolls, against 164 active mines and 38,004 operatives in March.

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			Stocks	Stock
	compared with			on Hand	Turnover
	Apr. 1937	4 mos. 1937	Apr. 30, '37	Jan. 1, to	
Mar. 1937	Apr. 1936	to same	comp. with	Apr. 30,	
	Apr. 1936	period '36	Apr. 30, '36	1937	1936
El Dorado, Ark.....	+10.2%	+10.9%	+ 6.2%	+ 6.1%	.90 .85
Ft. Smith, Ark.....	-16.2	-11.3	+ 3.6	+ 5.8	.80 .83
Little Rock, Ark.....	6.7	+ 8.2	+ 9.4	+21.8	.85 .91
Louisville, Ky.....	8.3	+17.7	+ 7.5	+18.3	1.24 1.35
Memphis, Tenn.....	-14.4	+ 4.3	+12.7	+16.8	1.00 1.00
Pine Bluff, Ark.....	+ 5.4	+13.2	+13.6	+15.3	1.11 1.22
St. Louis, Mo.....	0.3	+11.5	+13.9	+17.0	1.31 1.34
Springfield, Mo.....	1.1	+15.0	+12.5	+28.1	.76 .80
All Other Cities.....	-20.3	- 8.7	+ 6.2	+ 7.1	.98 .97
8th F. R. District.....	4.4	+10.3	+12.4	+18.1	1.19 1.23

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

	Installment	Excl. Instal.		Installment	Excl. Instal.
	Accounts	Accounts		Accounts	Accounts
El Dorado.....	%.....67.6%		Pine Bluff.....	%.....35.1%	
Fort Smith.....	.....38.7		Springfield.....	.....29.1	
Little Rock.....	15.2.....37.8		St. Louis.....	19.5.....56.3	
Louisville.....	12.1.....45.9		Other Cities.....	17.6.....45.3	
Memphis.....	18.4.....42.7		8th F. R. Dist.....	17.3.....49.7	

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

	Net Sales			Stocks	Stock
	compared with			on Hand	Turnover
	Apr. 1937	4 mos. 1937	Apr. 30, '37	Jan. 1, to	
Mar. 1937	Apr. 1936	to same	comp. with	Apr. 30,	
	Apr. 1936	period '36	Apr. 30, '36	1937	1936
Men's Furnishings.....	-32.5%	-21.1%	+ 6.2%	+16.6%	.84 .82
Boots and Shoes.....	-22.5	- 8.2	+16.4	+11.9	2.01 2.04

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

Men's Furnishings.....	35.7%
Boots and Shoes.....	40.5%

AGRICULTURE

Generally throughout the Eighth District, spring weather has been adverse to progress of agricultural operations, preparations for and planting of crops at mid-May being from two to three weeks behind the usual seasonal schedule. During April and the first half of May, precipitation was excessive and temperatures below normal. According to the U. S. Weather Bureau, in many sections April rainfall was the heaviest for the month since 1929, and reports covering the first half of May indicate a continuance of these conditions, though in a somewhat less marked degree. In addition to retarded farm work incident to wet weather, a considerable amount of damage has been wrought by over-

flowing of rivers and streams. Latest advices from a number of localities indicate that much replanting of cotton, potatoes and certain other crops will be necessary. On the other hand the moisture has proved extremely beneficial to pastures and fall planted cereals, the condition of which underwent noticeable betterment from March to April. Sub-soil conditions in this area are the best in a number of years, the abundant rains having served to make up for deficient moisture resulting from successive years of drouth.

Despite the handicap of a late spring, agricultural prospects for the district as a whole are the most promising in a number of years. There is still ample time for seeding corn, cotton and other spring crops, and an increasing demand for farm products, according to the U. S. Department of Agriculture, coupled with shortages which are largely due to drouths, is encouraging producers in many areas, as indicated by heavily increased purchasing of lime, fertilizer and equipment. The farm labor situation showed little change as contrasted with the preceding thirty days. Generally a decrease from a year ago is indicated, not only for family workers but hired help. Wage scales paid are from 8 to 11 per cent higher than a year ago. Rather sharp declines in prices of certain farm products took place in late April, a number of which were seasonal in character. As of May 1, the farm products group of the Bureau of Labor Statistics Price Index stood at 91.5 per cent of the 1926 average, a decline of 1.2 per cent from the preceding week, and comparing with 96.0 per cent on April 3, 1937; 77.1 per cent on May 2, 1936; 81.1 per cent on May 4, 1935, and 46.4 per cent on April 29, 1933.

Cotton—In the most southern stretches of the district planting of the new cotton crop had been virtually completed at mid-May, and in face of wet, cool weather, considerable progress had been made further north. There have been scattered complaints of slow germination, due to the low temperatures, and it is evident that considerable replanting will be necessary. In all states of the district, reports from county agents, trade associations, bankers and other unofficial sources, indicate larger acreages than a year ago, estimates ranging from 10 to 15 per cent. The mild, open winter and late, wet spring have served to encourage insect pests. The emergence of boll weevil is reported considerably greater than a year ago, and cut worms have done considerable damage to cotton and feed crops, particularly oats. According to the National Fertilizer Association, sales of fertilizer tags in states including the Eighth District during the ten-month period, July-April

were 50 per cent and 74 per cent greater, respectively, than during the similar periods a year and two years earlier. Cotton prices in late April and the first half of May declined to the lowest point since last February. In the St. Louis market the middling grade ranged from 12.90c to 13.70c per pound between April 15 and May 15, closing at 13.00c on the latest date, which compares with 13.75c on April 15 and 11.00c on May 15, 1936. The movement out of district warehouses slowed up noticeably during the past three weeks. At Arkansas and Missouri compresses combined receipts from August 1, 1936, to May 7, 1937, totaled 1,345,041 bales, against 970,755 bales for the corresponding period a year earlier. Stocks on hand as of May 7 amounted to 202,111 bales, which compares with 264,094 bales on April 9 and 381,988 bales on the corresponding date a year ago.

Fruits and Vegetables—As of mid-May the general condition of fruits and vegetables in this district was considerably more promising than a year earlier and somewhat above the 10-year average. Outlook for apples is in the main favorable. Winter injury was light, and the bloom universally heavy, though cloudy weather interfered to some extent with pollination. Orchardists are resorting to intensive spray programs and cultivation. The outlook for peaches is generally favorable. In its May 1 report the U. S. Department of Agriculture estimates the production of peaches in this area at 2,290,000 bushels, an increase of 226,000 bushels over the number harvested in 1936, and comparing with the 1928-1932 average of 2,300,000 bushels.

Livestock—Lateness of the spring has served to accentuate the general shortage of feed. Farmers have been obliged to carry their herds later than usual on prepared rations, particularly in areas more acutely affected by last year's drouth. In its report as of May 1, the U. S. Department of Agriculture estimates reserve stocks of hay on farms in states partly or entirely within the Eighth District at 1,201,000 tons, against 2,343,000 tons on the same date in 1936, and the 5-year May 1 average (1928-1932) of 2,019,000 tons. The improvement in the condition of pastures since the middle of April has materially helped the situation.

Milk production per cow increased more rapidly than usual in April, according to the report, and indications point to a further increase during May. As compared with the usual seasonal trend, increases in milk production per cow during April were particularly notable this year in Kentucky, Missouri and Arkansas.

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

	Receipts			Shipments		
	Apr., 1937	Mar., 1937	Apr., 1936	Apr., 1937	Mar., 1937	Apr., 1936
Cattle and Calves.....	94,383	101,756	95,262	49,771	52,321	58,365
Hogs	221,027	243,838	183,533	122,088	133,945	115,588
Horses and Mules.....	3,813	7,452	3,930	3,884	7,819	4,988
Sheep	85,051	41,268	39,452	25,084	10,482	10,732
Totals.....	404,274	394,314	322,177	200,827	204,567	189,673

Tobacco—Continued rains during the first half of May, generally accompanied by cool weather, retarded growth and development of tobacco plants. In certain localities plants in beds are plentiful and appear healthy while elsewhere less favorable conditions obtain. However, with the number of beds sown, there is every assurance that there will be sufficient plants for the increased acreage this year.

Revised figures of acreage, production, and value of the 1935 and 1936 tobacco crops in states including the Eighth District are shown in the following table:

	Acreage Harvested		Production		Value	
	1935	1936	1935	1936	1935	1936
	Acres		Thousand Lbs.		In Thousands	
Indiana	7,600	6,400	6,580	4,480	\$ 1,165	\$ 1,197
Missouri	4,100	3,900	3,895	2,632	475	842
Kentucky	291,000	306,700	226,718	216,438	34,910	62,910
Tennessee	105,200	93,000	88,678	76,205	12,767	18,977
Totals.....	407,900	410,000	325,871	299,755	49,317	83,926

Winter Wheat—There was moderate improvement in the condition of winter wheat in states of the Eighth District during April. According to the report of the U. S. Department of Agriculture, based on conditions as of May 1, total indicated yield in these states is 132,669,000 bushels, an increase of 377,000 bushels over the April 1 forecast, and comparing with 109,399,000 bushels harvested in 1936, and the 5-year average (1928-1932) of 84,231,000 bushels. Generally the crop is in good condition, though there are complaints of rank growth from excessive moisture, with consequent weakening of stems. Because of the mild, open winter, damage from cold was relatively light, and abandonment of acreage from all causes below average. Stocks of wheat in interior mills and elevators in this district were the smallest in recent years, the total on April 1 being estimated at 4,085,000 bushels, against 5,270,000 bushels a year ago, and the average for the 1934-1936 period of 7,279,000 bushels.

FARM REAL ESTATE VALUES

Farm real estate values, which have exhibited a steady upward trend since 1933, continued to advance during the twelve months ended March 1, 1937. The preliminary index of average value per acre for the entire country, prepared by the U. S. Bureau of Agricultural Economics, stood at 85 per

cent of 1912 to 1914 period on March 4, or 4 per cent above a year earlier and 16 per cent over the 1933 low point. Increases since 1933 may be attributed largely to improved farm incomes, which have risen approximately a billion dollars a year during the last four years. Relieved farm credit conditions have also contributed to the betterment.

The following table shows the estimated value per acre, in terms of pre-war average value, for states including the Eighth Federal Reserve District as of March 1, with comparisons:

	(State average value in 1912-1914 = 100%)										
	1920	1925	1930	1931	1932	1933	1934	1935	1936	1937	
Indiana.....	161	102	80	72	60	53	56	61	66	70	
Illinois.....	160	115	91	80	66	54	59	61	65	70	
Missouri.....	167	112	92	79	67	55	57	58	60	60	
Kentucky.....	200	140	127	115	97	80	81	87	89	98	
Tennessee.....	200	137	123	114	96	79	84	91	97	100	
Mississippi.....	218	136	122	112	92	73	82	90	92	97	
Arkansas.....	222	160	141	118	104	80	86	88	92	92	

COMMODITY PRICES

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

	High	Low	Close	
			May 15, 1937	May 15, 1936
Wheat				
*May .....per bu.	\$1.34¾	\$1.21¾	\$ 1.27¾	\$
*July	1.21¼	1.14¼	1.17¾	.84¾
*Sept.	1.19¼	1.13	1.16¾	.84½
*No. 2 red winter ..	1.44	1.30	1.33½	1.01@1.01½
*No. 2 hard ..	1.37	1.25¼	1.31	1.10
Corn				
*May	1.36¾	1.22¾	1.30¾	.63¾
*July	1.23½	1.13¼	1.20	.61¾
*Sept.	1.14¾	1.08½	1.10¾	.58½
*No. 2 Mixed	1.41	1.29	1.35	.67
*No. 2 White	1.41	1.31	1.31	.69
Oats				
*Sept. ....	.42	.39¼	.39¾	.....
*No. 2 White ....	.57½	.53	.57	.29½
Flour				
Soft Patent.....per bbl.	7.05	6.20	6.20@ 6.70	4.90@5.60
Spring ".....	8.80	7.70	7.70@ 8.10	6.40@6.55
Middling Cotton...per lb.	.1370	.1290	.1300	.1100
Hogs on hoof.....per cwt.	11.10	7.15	9.60@11.00	8.25@9.55

*Nominal quotations.

TRANSPORTATION

Both freight and passenger traffic of railroads operating in this district during April and the first two weeks in May continued well ahead of the corresponding period in 1936 and of all similar periods since 1931. The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 97,454 loads in April, against 105,712 loads in March and 85,959 loads in April, 1936. During the first nine days of May the interchange amounted to 27,068 loads, which compares with 30,566 loads during the like interval in April and 26,352 loads during the first nine days of May, 1936. Passenger traffic of the reporting lines in April showed an increase over the same month a year earlier of 18 per cent in the number of tickets sold and 16 per cent in revenue. For the entire country loadings of revenue freight for the first eighteen weeks this year, or to May 1, totaled 12,836,303 loads, against 11,116,376 loads during

the like interval in 1936 and 10,375,946 loads in 1935. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 171,000 tons, which compares with 130,954 tons in March and 188,133 tons in April, 1936; cumulative tonnage for the first four months was 470,580 tons against 528,960 tons for the comparable period a year ago.

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 42.7 per cent more than in March and 10.5 per cent smaller than the April, 1936, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in April amounted to \$16,054,600 which compares with \$16,416,800 in March and \$16,760,791 in April, 1936. Building figures for April follow:

	New construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1937	1936	1937	1936	1937	1936	1937	1936
Evansville....	66	77	\$ 91	\$ 422	207	118	\$ 83	\$ 40
Little Rock	39	18	173	30	127	69	67	15
Louisville....	99	106	306	537	82	99	31	49
Memphis	327	150	973	462	244	214	87	103
St. Louis....	330	344	624	969	240	181	266	97
April Totals	861	695	2,167	2,420	900	681	534	304
Mar.	789	732	1,519	1,339	873	705	551	522
Feb.	334	191	951	682	618	338	371	208

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in April as being 7.0 per cent greater than in March and 15.6 per cent more than in April, 1936. Detailed figures follow:

	(K.W.H. in thous.)	No. of Customers	Apr., 1937	Mar., 1937	Apr. 1937 comp. with Mar. 1937	Apr., 1936	Apr. 1937 comp. with Apr. 1936
			K.W.H.	K.W.H.	%	K.W.H.	%
Evansville....	40	3,648	3,702	—	1.5%	2,824	+ 29.2%
Little Rock..	35	1,787	1,902	—	6.0	1,702	+ 5.0
Louisville....	82	9,221	8,705	+ 5.9	7.796*	+ 18.3	
Memphis	31	2,448	2,378	+ 2.9	1,743	+ 40.4	
Pine Bluff....	20	1,103	1,021	+ 8.0	463	+ 138.2	
St. Louis.....	188	22,563	20,590	+ 9.6	20,741	+ 8.8	
Totals.....	396	40,770	38,298	+ 7.0	35,269	+ 15.6	

*Revised.

LIFE INSURANCE

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

(In thousands of dollars)	Apr., 1937	Mar., 1937	Apr., 1936	Cumulative Totals 1937	Cumulative Totals 1936	Cumul. change
Arkansas.....	\$ 4,287	\$ 4,124	\$ 3,651	\$ 15,535	\$ 14,756	+ 5.3%
Illinois.....	54,282	59,537	46,844	208,622	187,345	+ 11.4
Indiana.....	15,900	16,769	13,625	57,849	53,496	+ 8.1
Kentucky.....	7,339	7,401	6,429	23,736	25,702	— 7.6
Mississippi.....	4,082	3,918	3,200	14,351	11,999	+ 19.6
Missouri.....	21,654	22,390	18,136	77,971	72,151	+ 8.1
Tennessee.....	9,332	10,566	7,567	34,473	29,579	+ 16.5
Totals.....	116,876	124,705	99,452	432,537	395,028	+ 9.5
United States...	692,062	722,631	596,754	2,539,666	2,324,332	+ 9.3

Note: Figures have been revised to represent all insurance companies in the U. S. Previous figures were for 54 companies which represented 85% of insurance companies in U. S.

MONEY AND BANKING

The banking situation in this district during the past thirty days was featured by a further moderate expansion in demand for credit from the principal borrowing groups. Reflecting generally favorable collections, liquidation by mercantile and manufacturing interests was in considerable volume, but new loans and renewals at commercial banks exceeded settlements by a fair margin. Despite the late spring, there was a noticeable increase in demand for funds to finance agricultural operations, particularly in the south. Farmers are using more bank credit than a year ago because of having to purchase more and higher priced feed. In the immediate past there has been a scattered demand from country banks for loans from city correspondents. Quite generally throughout the district there was a brisk demand for building and real estate loans.

Member Banks—Between April 14 and May 12, total loans and investments of reporting banks in the principal cities declined 2.1 per cent, but on the latter date were 5.2 per cent higher than a year ago. There was a moderate increase in loans during the four-week period and the total of this item was approximately one-fourth higher than at the corresponding period in 1936. Gross deposits declined sharply during late April and early May, reaching a new low for the year on May 5. Total reserve balances, which had declined in March, turned upward at mid-April and on May 12 were 4.5 per cent and 35.9 per cent greater, respectively, than a month and a year earlier.

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

(In thousands of dollars)	May 12, 1937	Apr. 14, 1937	May 13, 1936
Loans and discounts (incl. rediscounts):			
Secured by U. S. Gov't obligations and other stocks and bonds.....	\$ 78,945	\$ 76,926	\$ 69,056
All other loans and discounts.....	214,227	214,710	164,769
Total loans and discounts.....	293,172	291,636	233,825
Investments			
U. S. Gov't securities.....	219,249	230,102	242,714
Other securities.....	156,100	161,445	158,789
Total investments.....	375,349	391,547	401,503
Demand deposits.....	699,015	734,150	664,296
Time deposits.....	186,976	187,299	179,961
Gross deposits.....	885,991	921,449	844,257
Reserve balances with F. R. Bank.....	138,028	132,054	101,557
Cash in vault.....	11,138	10,662	11,578
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 May 5 were 0.5 per cent greater than on April 7 and 7.4 per cent in excess of the total on May 6, 1936.

Interest rates showed little change as contrasted with the preceding thirty days. At downtown St. Louis banks rates charged as of the week ending May 15 were as follows: Customers' prime commercial paper, 1¼ to 6 per cent; collateral loans, 2 to 6 per cent; interbank loans, 4 per cent; loans secured by warehouse receipts, 1¾ to 5½ 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)	May 21, 1937	Apr. 21, 1937	May 21, 1936
Industrial advances under Sec. 13b.....	\$ 336	\$ 342	\$ 565
Other advances and rediscounts.....	399	206	2
Bills bought (including participations).....	112	86	87
U. S. securities.....	111,385	110,236	123,200
Total earning assets.....	112,232	110,870	123,854
Total reserves	285,476	285,227	221,159
Total deposits	213,385	211,020	177,460
F. R. Notes in circulation.....	177,812	179,179	160,780
Industrial commitments under Sec. 13b	1,201	1,004	1,835
Ratio of reserve to deposit and F. R. Note liabilities.....	73.0%	73.1%	65.4%

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
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- (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)	Apr., 1937	Mar., 1937	Apr., 1936	Apr., 1937 Mar. 1937	comp. with Apr. 1936
East St. Louis and Natl.					
Stock Yards, Ill.....	\$ 34,604	\$ 34,819	\$ 26,998	— 0.6%	+28.2%
El Dorado, Ark.....	5,310	4,870	4,233	+ 9.0	+25.4
Evansville, Ind.....	33,132	33,250	26,214	— 0.4	+26.4
Fort Smith, Ark.....	12,146	12,339	9,595	— 1.6	+26.6
Greenville, Miss.....	4,868	5,664	3,909	—14.1	+24.5
Helena, Ark.....	1,766	1,853	1,308	— 4.7	+35.0
Little Rock, Ark.....	39,031	42,976	33,639	— 9.2	+16.0
Louisville, Ky.....	175,986	188,799	149,619	— 6.8	+17.6
Memphis, Tenn.....	130,987	149,398	99,535	—12.3	+31.6
Owensboro, Ky.....	5,395	6,407	4,650	—15.8	+16.0
Pine Bluff, Ark.....	10,726	8,512	7,079	+26.0	+51.5
Quincy, Ill.....	9,343	8,520	7,150	+ 9.7	+16.5
St. Louis, Mo.....	616,200	622,600	513,133	— 1.0	+20.1
Sedalia, Mo.....	2,081	1,906	1,923	+ 9.2	+ 8.2
Springfield, Mo.....	16,003	16,327	12,834	— 2.0	+24.7
*Texarkana, Ark.....	9,357	8,276	6,064	+13.1	+54.3
Totals.....	1,106,935	1,146,516	907,883	— 4.5	+21.9

*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.

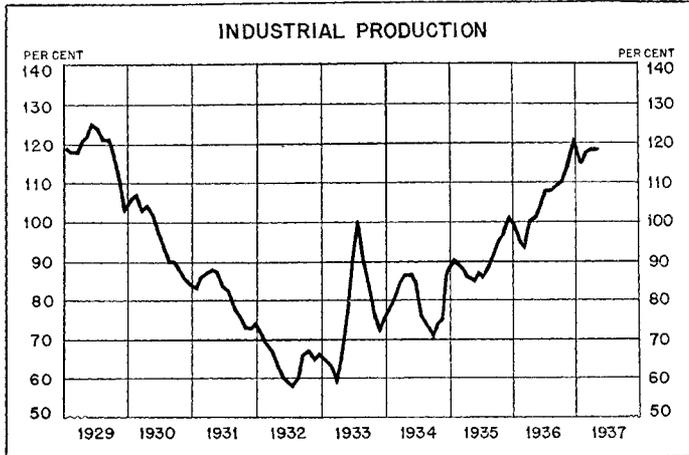
NATIONAL SUMMARY OF BUSINESS CONDITIONS

BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Production, Employment, and Trade—The Board's seasonally adjusted index of industrial production in April continued at 118 per cent of the 1923-1925 average. Manufacturing production rose further, reflecting increased output of durable goods. Activity at steel mills was at a rate slightly higher than in March and about equal to that in the peak month of 1929. Automobile production continued to expand. In the first three weeks of May output in these industries was maintained at the levels reached at the close of April. Increases in output in April were also re-

In April sales at department stores showed little change and mail order sales were also maintained at the March level, while sales at variety stores declined.

Commodity Prices—The general level of the wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined from 88.3 per cent of the 1296 average at the beginning of April to 86.9 per cent in the middle of May. Prices of nonferrous metals, steel scrap, cotton, and rubber declined considerably and there were also decreases in the prices of grains,



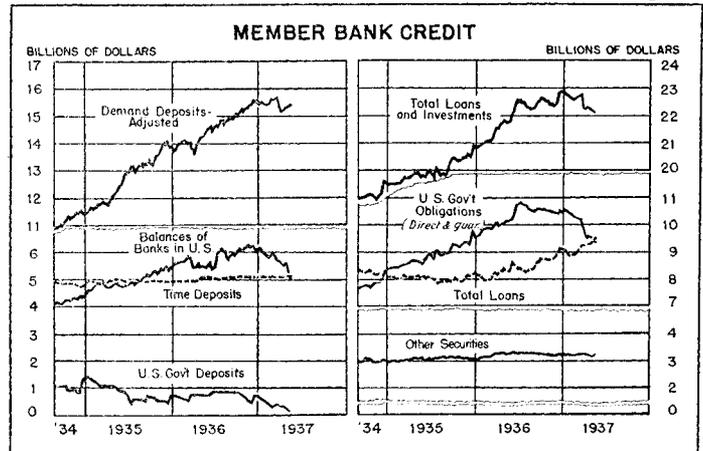
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100.

By months, January, 1929, through April, 1937. Latest figure April 118.

ported for lumber and plate glass. At textile mills, where output has been at a high level in recent months, there was a slight reduction in activity.

At bituminous coal mines output declined sharply following an increase in March, when consumers accumulated stocks of coal in anticipation of a strike. Crude petroleum output which has risen sharply from November to March, showed further growth in April. Production of most metals also increased.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased more than seasonally from March to April and continued higher than a year ago, reflecting, as in earlier months of the year, a larger volume of residential

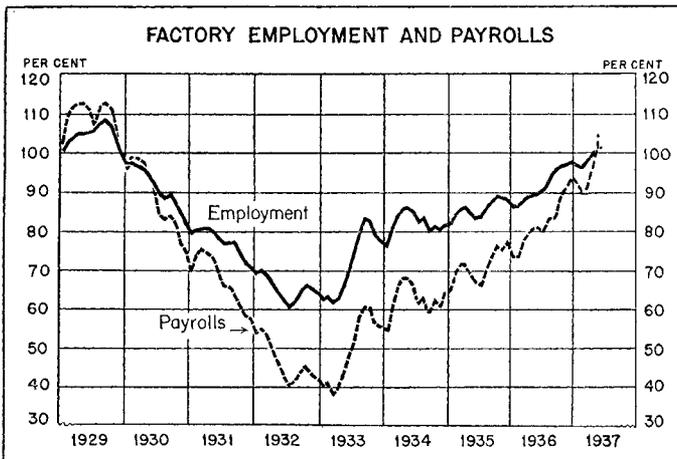


Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, to May 19, 1937.

cotton goods, silk, hides, and chemicals, while prices of shoes and clothing showed further small advances. Since the middle of May prices of hogs and pork have advanced sharply and grain prices have also risen.

Bank Credit—Following upon the final increase in reserve requirements, which became effective on May 1, excess reserves of member banks declined from \$1,600,000,000 to about \$900,000,000, and in the first three weeks of May fluctuated around the new level.

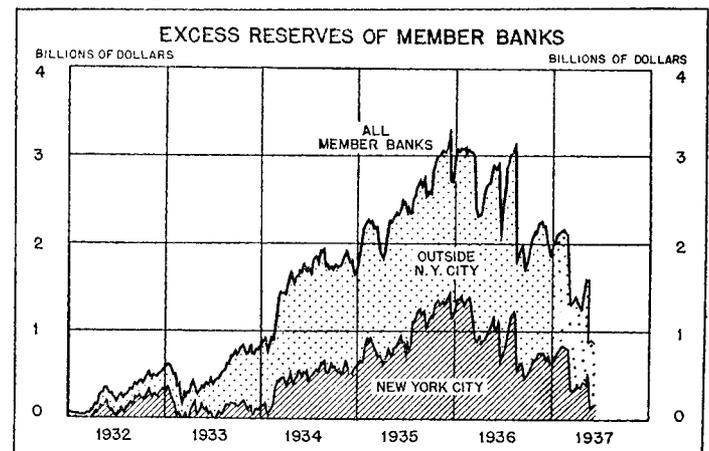
Adjustments by banks to the new requirements were reflected in a decrease in interbank balances and in a small increase in borrowings. The Federal Reserve System in April purchased \$96,000,000 of United States Government securities, for the purpose of easing the adjustment to the new requirements and preserving orderly conditions in the money market.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through April, 1937. Indexes compiled by the United States Bureau of Labor Statistics. Latest figures, April, employment 102.2, payrolls 104.8.

building and of other privately-financed work. Contracts awarded for publicly-financed construction have been considerably smaller in the first four months of this year than in the corresponding period of 1936.

Employment rose further between the middle of March and the middle of April. There was a considerable growth in the number of persons employed in manufacturing and on the railroads, little change in those employed in the public utility industries and in trade, and a decline at bituminous coal mines. At factories the principal increases in employment were reported by the steel, machinery, and automobile industries, while the number employed in the clothing industry declined. Working forces at textile mills were maintained, although a decrease is usual at this season. Factory payrolls increased more than employment, reflecting chiefly further increases in wage rates.



Wednesday figures of estimated excess reserves for all member banks and for New York City, January 6, 1932, to May 19, 1937.

Total loans and investments of reporting member banks showed a small decline from the middle of April through May 19. Holdings of United States Government obligations and other securities showed some decline, which was offset in part by increases in loans. While domestic interbank and United States Government deposits declined further, balances of foreign banks and other demand and time deposits at reporting member banks increased.

Money Rates—The open-market rate on 90-day bankers' acceptances, which between January and the latter part of March had advanced from 3/16 to 9/16 per cent, was reduced to 1/2 per cent on May 7, and the rate on nine-months Treasury Bills declined to .62 per cent on May 24 compared with a high point of .74 per cent on May 3. Other short-term rates have shown little change in recent weeks. Yields on long-term Treasury and other high-grade bonds have declined somewhat.