



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

Agriculture:	Sept. 1, 1937, comp. with Yield 1936 1923-36 Av.	
Estimated yield of 7 crops.....	+58.6%	+ 6.2%
Live Stock:	Aug. 1937, comp. with July, 1937 Aug. 1936	
Receipts at National Stock Yards.....	+33.2%	+23.0%
Shipments from aforesaid Yards.....	+50.8	+44.8
Production and Distribution:		
Sales by mfrs. and wholesalers.....	+ 8.1	— 8.4
Department store sales.....	+ 8.6	+ 8.4
Car loadings.....	— 0.7	+ 4.8
Building and Construction:		
Bldg. permits, incl. repairs {	Number...+ 3.4	+11.7
Cost.....	—13.3	—27.3
Value construc. contracts awarded....	— 5.2	— 6.7
Miscellaneous:		
Commercial failures {	Number.....+41.2	.....
Liabilities.....	+63.2	+ 0.9
Consumption of electricity.....	— 3.7	+ 4.6
Debits to individual accounts.....	—11.6	+10.4
Member Banks (24):	Sept. 15,'37 comp. with Aug. 18,'37 Sept. 16,'36	
Gross deposits.....	+ 1.6%	— 0.2%
Loans.....	+ 1.7	+18.6
Investments.....	— 3.1	—11.7

WHILE many important lines of industry and commerce in the Eighth District maintained, and in some instances pushed further forward the gains of recent months, business as a whole developed slightly slowing tendencies during August and the first half of September. Activities at numerous manufacturing plants throughout the period showed no recession from the high levels which have been obtaining since last spring, but with a decline in volume of new orders, this pace has been at the expense of backlogs. This is true particularly of the heavy industries, including iron and steel, lumber, glass, quarry products and the general run of building materials. As reflected in returns of reporting merchants and transportation statistics, distribution of commodities continues in substantial volume, and is well extended over the entire area. Of the wholesale and jobbing groups investigated by this bank, drugs and chemicals and hardware recorded increases in August over both a month and a year earlier. Dry goods, furniture and groceries showed increases from July to August, but decreases under a year earlier. Boots and shoes,

an important industry in the area, recorded a smaller volume of sales in August than in the preceding month and a year ago. The sharp decline in prices of farm products, commodities generally and the stock market since mid-August has had a tendency to retard advance commitments in a number of lines.

In the iron and steel industry activities declined somewhat during the last two weeks in August and have receded further since that time. Shipments of pig iron and scrap to district melters in August fell slightly below July, but were approximately 15 per cent greater than in August last year. At mid-August steel ingot production at mills in this area was at 74.2 per cent of capacity as compared with 84 per cent a month earlier. Output of bituminous coal at mines in the district in August declined slightly from July, but was measurably greater than a year ago. Production and shipments of lumber declined from the recent relatively high levels. For the first time in a number of months there was a decline in consumption of electric power by industrial users in the principal centers, but the volume was 4.6 per cent greater than in August, 1936. Industrial employment and payrolls, which had tended upward since early spring, showed no marked change as contrasted with the preceding thirty days.

Dry hot weather prevailing over a considerable area of the district in August and early September reduced prospective yields of corn, hay, tobacco and certain fruit and vegetable crops. Excessive rains to the south interfered with the cotton harvest and in a number of important growing sections, a specific injury to the crop was reported. On the whole, however, the U. S. Department of Agriculture's report, based on conditions as of September 1, tends to confirm earlier estimates of crop yields largely in excess of a year ago, and in the case of certain productions greater than the average of recent years. The season has been particularly favorable for food crops, and production of feed and forage crops is sufficiently large to permit of farmers feeding the usual rations to livestock, with assurance of an adequate carryover at the end of the season. De-

spite the recent declines in prices of farm products, estimates of cash income from farm marketings, including Government payments, indicate a substantial increase over a year ago and an aggregate larger than in any year since 1929.

Gauged by sales of department stores in the principal cities, volume of retail trade in August was 8.6 per cent greater than in July and 8.4 per cent larger than a year ago; for the first eight months cumulative total exceeded that of the like interval in 1936 by 11.0 per cent. Combined sales of all wholesaling and jobbing firms reporting to this bank in August were 8.1 per cent greater than for the preceding month and 8.4 per cent less than a year ago; cumulative total for the first eight months exceeded that of the comparable period in 1936 by 16.9 per cent. The dollar value of contracts issued for new buildings in the principal cities in August was 14.7 per cent and 33.7 per cent smaller, respectively, than a month and a year earlier and for the first eight months the aggregate was 16 per cent greater than for the same period in 1936. The dollar value of construction contracts let in the Eighth District in August was 6.7 per cent smaller than in July and 5.2 per cent smaller than in August a year ago; for the first eight months the cumulative total was smaller by 9.3 per cent than in the like interval in 1936.

Officials of railroads operating in this district report the movement of freight during August and the first two weeks of September in heavier volume than during any similar period since 1930. The movement of grain and grain products was above a year ago and a favorable showing was made by the miscellaneous and merchandise L. C. L. classifications. A moderate gain over a year ago was recorded in the movement of coal, but forwardings of cotton were considerably smaller than during the same period in 1936. Reflecting generally improved economic conditions and intensive advertising campaigns, vacation travel was the heaviest in recent years, August passenger traffic of the reporting lines showed an increase of 9.0 per cent over the same month in 1936. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 1.9 per cent greater than in July and 32.7 per cent larger than in August, 1936; for the year to September 1, the cumulative total was slightly above that for the comparable period in 1936.

Collections generally during the past thirty days showed little change as compared with the two or three preceding months, and volume compared favorably with a year ago. September 1 settlements with wholesalers in the principal distributing centers were well up to expectations, and some im-

provement in retail payments was reported, accounted for partly by the return of numerous customers from vacations. Liquidation with country banks and merchants in the winter wheat areas was in considerable volume. Questionnaires addressed to representative interests in various lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
August, 1937.....	3.3%	53.0%	38.2%	5.5%
July, 1937.....	2.5	51.3	23.5	12.0
August, 1936.....	2.4	53.0	41.0	3.6

Commercial failures in the Eighth Federal Reserve District in August, according to Dun and Bradstreet, numbered 24, involving liabilities of \$217,000, which compares with 17 defaults with liabilities of \$133,000 in July and 24 defaults for a total of \$215,000 in August, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales			Stocks
	Aug. 1937 compared with July, '37 Aug., '36		8 months 1937 comp. with same period 1936	Aug. 31, 1937 comp. with Aug. 31, 1936
Boots and Shoes.....	-12.8%	-23.2%	+20.9%	-13.5%
Drugs and Chemicals..	+ 2.4	+ 4.5	+ 9.4	+11.9
Dry Goods.....	+52.3	+ 2.7	+ 8.0	+54.0
Electrical Supplies.....	-12.8	+17.7	+36.3	+30.4
Furniture.....	+12.9	+ 9.4	+22.1	+28.1
Groceries.....	+ 0.7	+ 9.2	+ 5.1	+15.9
Hardware.....	+ 3.2	+11.8	+22.0	+32.1
All above lines.....	+ 8.1	- 8.4	+16.9	+28.9

Automobiles — Combined passenger car, truck and taxicab production in the United States in August was 394,322 against 438,968 (revised figure) in July and 271,274 in August, 1936.

Boots and Shoes — Heavy purchasing by retailers earlier in the year, mainly in anticipation of an advance in prices, was in large measure accountable for the contraseasonal decline in sales of the reporting interests from July to August, shown in the above table. In the comparison with a year ago, declines were quite general through all lines, but relatively the most pronounced in the case of men's heavy shoes. There was no change in prices during the past thirty days, but the average continues above a year ago.

Clothing — August sales of the reporting clothiers were 58 per cent larger than in July and 12 per cent smaller than the August, 1936, total. Stocks decreased 17.2 per cent between August 1 and September 1 and on the latest date were 5.5 per cent larger than a year ago. Advance sales of men's suits and topcoats are reported in considerably larger volume than at the corresponding period a year and two years earlier. The trend of prices in certain lines of apparel was slightly easier, in sympathy with the decline in raw materials.

Dry Goods — Demand for virtually all lines of dry goods continued active, sales of the reporting firms in August being the largest for the month, with the exception of last year, since 1929. Reports covering the first half of September indicate a volume for the entire month about one-fifth greater than in September a year ago. In the immediate past there has been some hesitation in ordering for spring distribution, attributable to the sharp decline in cotton and other raw materials.

Electrical Supplies — While August sales of the reporting firms showed a somewhat greater decline from July than usual, the total for the month was the largest for any August since these records started in 1924, and cumulative sales for the first eight months this year were also the highest of record. The larger than ordinary decline during August was attributable chiefly to the narrowed outlet through the building industry. There was also a recession in sales of household appliances and radio materials.

Furniture — The increase in sales in this classification from July to August was seasonal in character, and about the average size. As has been the case during the past two or three months, there was a recession in demand for household furniture and furnishings. There was also a decline in large stock orders as compared with earlier months this year. Sales of school and hospital furniture and equipment were reported in considerable volume.

Groceries — Demand for groceries in the rural areas was reported more active than at any similar period during the past several years. In anticipation of heavy fall requirements, incident to large crops and increased farm income, retailers were disposed to stock up more freely than heretofore. Throughout the season sales of canning and preserving supplies were in exceptionally heavy volume. Reflecting the decline in farm products, the trend of prices during the past thirty days was noticeably lower.

Hardware — The recession in demand for builders' tools and hardware, paints and kindred lines was more than offset by increased demands for merchandise consumed chiefly in the farming areas. Advance sales of winter goods generally, are reported slightly larger than at the corresponding period a year and two years earlier. Collections are in the main satisfactory. Price changes during the past thirty days were negligible.

Iron and Steel Products — Activities in the iron and steel industry during August were well sustained, and at the highest rate for the month since the predepression era. Since September 1 there has been some slowing down in new orders for both raw

and finished materials, but during the first half of the month shipments have been at about the same average daily rate as in August. Backlogs of steel mills have been noticeably reduced, and deliveries on sheets, plates, bars, strip and other rolled items are more prompt than in a number of months. New ordering is reported to be more conservative than earlier in the year. Schedules at steel casting plants, particularly those specializing in railroad work, continue at the high levels which have been in effect since last spring. Steel ingot production in this area at mid-September was at 74.2 per cent of capacity against 82.0 per cent a month earlier. Manufacturers of stoves and heating apparatus report late August and early September shipments the largest for any similar period in recent years. Makers of farm implements and tractors continue to operate on full time schedules, and are still in arrears in deliveries of certain products. Reports from the jobbing foundries reflect spotty conditions, with operations at mid-September ranging from three to five days per week. Outlet through the building industry developed further contraction. Structural steel fabricating plants in the second week of September were operating at about 50 per cent of capacity, as contrasted with 75 per cent a month earlier. Less than the usual contraction in ordering of tin plate was noted, reflecting heavy requirements of container manufacturers incident to the large fruit and vegetable crops. August sales of warehouse and jobbing interests fell slightly below the July volume, but were the largest for any August since 1930. Aside from a rather sharp decline in iron and steel scrap, prices of both raw and finished materials showed little change as compared with the preceding thirty days. Current pig iron prices were extended into the fourth quarter. Announcement was made that owing to interruption of tungsten ore shipments from China, prices of tool steel containing tungsten will be advanced from 67c to 80c per pound on October 1. Production of pig iron in August, according to the magazine "Steel", reached the highest level since August, 1929. The total output was 3,616,954 tons, against 3,501,359 tons in July and 2,711,726 tons in August, 1936. Production of steel ingots in the United States in August amounted to 4,861,789 tons, against 4,556,596 tons in July and 4,184,287 tons in August, 1936.

MINING

Further liquidation of surplus stocks of bituminous coal accumulated early in 1937 in anticipation of possible strikes was reported by industrial consumers during July. Total stocks held by all classes of industrial consumers declined from

37,736,000 tons at the end of June to 37,000,000 tons at the end of July, a decrease of 2 per cent. In previous years stocks have usually increased during July. Industrial consumption during August continued on a large scale, and during the past several weeks dealers and consumers generally have increased their purchasing in anticipation of a price advance on October 1. Estimated production of soft coal for the entire country in August was 33,665,000 tons, against 31,912,000 tons in July and 33,086,000 tons in August, 1936; for the year to September 1, production amounted to 287,688,000 tons against 265,922,000 tons during the first eight months of 1936. At mines in this general area, August output was 4.7 per cent more than a month earlier and 5.6 per cent smaller than in August, 1936; cumulative production for the first eight months was larger by 2.6 per cent than in the like interval in 1936.

Mines in Illinois produced 3,005,108 tons in August, against 2,732,473 tons in July and 3,262,884 tons in August, 1936. There were 120 mines in operation in August and 27,999 men on payrolls, against 113 active mines and 27,364 men on payrolls during the preceding month.

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 on Hand		Stock Turnover	
	Aug. 1937 July, 1937	8 mos. 1937 compared with Aug. 1936	8 mos. 1937 to same period '36	Aug. 31, '37 comp. with Aug. 31, '36	Jan. 1, to Aug. 31, 1937	1937	1936
El Dorado, Ark.....	- 6.2%	+ 3.7%	+ 9.2%	+ 7.1%	1.90	1.79	
Ft. Smith, Ark.....	+ 5.1	+ 15.6	+ 6.2	- 0.1	1.61	1.63	
Little Rock, Ark.....	+ 13.9	+ 5.1	+ 6.3	+ 18.6	1.68	1.88	
Louisville, Ky.....	+ 3.2	+ 6.0	+ 10.7	+ 15.4	2.62	2.75	
Memphis, Tenn.....	+ 8.1	+ 9.4	+ 11.1	+ 20.8	1.99	2.07	
Pine Bluff, Ark.....	+ 1.7	- 10.7	+ 4.5	+ 12.4	2.17	2.45	
St. Louis, Mo.....	+ 9.3	+ 8.9	+ 11.9	+ 16.0	2.45	2.57	
Springfield, Mo.....	+ 7.7	+ 15.1	+ 11.8	+ 6.0	1.61	1.69	
All Other Cities.....	+ 15.7	+ 6.3	+ 4.7	+ 18.2	1.94	2.01	
8th F. R. District.....	+ 8.6	+ 8.4	+ 11.0	+ 16.4	2.29	2.41	

Percentage of collections in August to accounts and notes receivable on August 1, 1937, by cities:

	Installment Accounts		%	Instal. Accounts	%
	Accounts	Accounts			
El Dorado.....	57.5		57.5		
Fort Smith.....	31.3		31.3		
Little Rock.....	12.1		12.1		
Louisville.....	11.6		11.6		
Memphis.....	21.2		21.2		
Pine Bluff.....				30.2	
Springfield.....				28.6	
St. Louis.....				18.0	
Other Cities.....				13.8	
8th F. R. Dist.....				16.2	

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

	Net Sales			Stocks on Hand		Stock Turnover	
	Aug. 1937 July, 1937	8 mos. 1937 compared with Aug. 1936	8 mos. 1937 to same period '36	Aug. 31, '37 comp. with Aug. 31, '36	Jan. 1, to Aug. 31, 1937	1937	1936
Men's Furnishings.....	- 7.2%	- 3.5%	+ 5.0%	+ 15.6%	1.58	1.65	
Boots and Shoes.....	+ 3.7	+ 15.0	+ 17.0	+ 38.2	4.30	4.42	

Percentage of collections in August to accounts and notes receivable on August 1, 1937:

Men's Furnishings.....	34.0%
Boots and Shoes.....	36.4%

AGRICULTURE

Weather conditions in the Eighth District during August and the first half of September varied widely. Conditions approaching drouth prevailed over extensive areas, while elsewhere rainfall was excessive. The effects of these extremes on crop prospects were detrimental in greater or lesser degree, but, according to the U. S. Department of Agriculture and the agricultural departments of the several states, indications still are for heavy production, generally exceeding that of a year ago, and in the case of certain crops and localities, well above the average in recent years. In a number of important producing sections, the hot, dry weather reduced prospective yields of corn, grain sorghums, legumes, late hay crops and certain fruits and vegetables. Outside the dry area the heavy rains interfered with the garnering of some crops, notably cotton and tobacco, but were of benefit to pastures, commercial vegetables, gardens and tilth of the soil. Harvesting and threshing of small grains had been virtually completed at mid-September, with latest returns indicating no change in earlier official forecasts for wheat, but somewhat heavier yields of oats. Reduction of prospects for corn, soy beans, grain sorghums and late hay in the dry sectors is not believed to be sufficiently drastic to markedly affect the district feed status. Feed crops in the south were almost universally large, and generally throughout the district it is estimated that feed on farms is in ample volume to permit farmers to feed heavier rations to livestock than a year ago, and still have an adequate carryover at the end of the season.

Prices of farm products, including such important items as cotton, corn, wheat and potatoes, declined sharply during the past thirty days. The downturn also affected values of livestock and poultry. As of September 11, the farm products group of the Bureau of Labor Statistics Price Index stood at 84.5 per cent of the 1926 average, a decline of .1 per cent from the preceding week and comparing with 87.5 per cent on August 14; 84.6 per cent on September 12, 1936; 81.2 per cent on September 14, 1935 and 55.9 per cent on September 16, 1933.

Combined receipts from the sale of principal farm products and Government payments to farmers in states including the Eighth District during the periods January-July, 1935, 1936, 1937 and during July, 1936 and 1937, are given in the following table:

(In thousands of dollars)	January-July			July	
	1935	1936	1937	1936	1937
Indiana.....	\$130,413	\$148,889	\$171,328	\$ 27,148	\$ 30,031
Illinois.....	215,484	255,784	286,125	51,537	52,679
Missouri.....	122,881	134,003	143,143	26,251	33,084
Kentucky.....	78,169	62,151	97,546	9,546	11,746
Tennessee.....	55,775	50,884	70,059	7,887	9,092
Mississippi.....	39,342	36,833	61,226	3,423	4,643
Arkansas.....	43,629	33,942	53,767	5,382	5,591
Totals.....	685,693	722,486	883,194	131,174	146,866

Corn — Hot, dry weather during August and the first weeks of September reduced corn prospects materially in the Eighth District and the country as a whole. In this area deterioration was confined chiefly to late planted corn, and more particularly crops on the uplands. However, the district yield will heavily exceed that of 1936, and is measurably larger than the average during the preceding fourteen years. In its report based on conditions as of September 1, the U. S. Department of Agriculture estimated the yield in this district at 356,137,000 bushels, a decrease of 3,569,000 bushels from the August 1 forecast, and comparing with 202,726,000 bushels harvested in 1936 and the 14-year average (1923-1936) of 327,361,000 bushels. In the northern tiers of the district approximately 75 per cent of the corn crop was safe from frost damage at mid-September; silo filling was in full swing and feeding of new corn increasing rapidly.

Cotton — In its September 1 report, the U. S. Department of Agriculture estimates the output of cotton in the Eighth District at 3,879,000 bales, an increase of 143,000 bales over the August 1 forecast and comparing with 3,404,000 bales in 1936 and the 14-year average (1923-1936) of 2,763,000 bales. Picking has become general, but the movement from producers' hands is noticeably slower this year than in 1936. Heavy rains during late August and early September delayed harvesting, and in a number of localities resulted in considerable damage to the crop. A number of gins and mills were temporarily closed down in an effort to reduce losses to staple and seed because of the excessive moisture. A scarcity of pickers is reported from scattered localities in the Mississippi Delta and Arkansas. Prices continued to decline, reaching a new low on the downward movement in the second week of September. In the St. Louis market the middling grade ranged from 8.75c to 10.65c per pound between August 16 and September 15, closing at 8.85c on the latest date, which compares with 10.65c on August 16 and 13.00c on September 15, 1936. Combined receipts at Arkansas and Missouri warehouses from August 1 to September 10 totaled 81,590 bales, as against 147,812 bales during the same period a year ago. Stocks on hand as of September 10 amounted to 218,153 bales, against 357,726 bales on the corresponding date in 1936.

Fruits and Vegetables — Despite deterioration in certain sections where rainfall was inadequate during August and the first half of September, prospects for fruit and vegetable crops in the district as a whole are the most favorable in a number of years. Most vegetable crops for canning, quick

freezing and other manufacture are in abundant supply, with record or near-record packs indicated for several important species. Apple prospects declined somewhat during August, but the yield will still be well above a year ago and the average. In its report based on conditions as of September 1, the U. S. Department of Agriculture estimates the yield of apples in states including the Eighth District at 25,070,000 bushels, a decrease of 159,000 bushels under the August 1 forecast and comparing with 5,590,000 bushels harvested in 1936 and the 5-year (1928-1932) average of 15,199,000 bushels. In these states the peach crop is estimated at 10,538,000 bushels, against the virtual failure of 3,422,000 bushels in 1936 and the 5-year average of 7,265,000 bushels; pears, 3,260,000 bushels, against 1,352,000 bushels in 1936 and the 5-year average of 1,870,000 bushels; grapes, 44,070 tons, against 25,060 tons in 1936 and the 5-year average of 33,010 tons; peanuts, 31,770,000 pounds, against 31,095,000 pounds in 1936 and the 5-year average of 33,113,000 pounds. Sweet potato prospects improved slightly during August, the September forecast being for 19,503,000 bushels, which compares with 15,031,000 bushels in 1936 and the 5-year average of 17,483,000 bushels. In the district proper the white potato crop is estimated at 12,986,000 bushels, against 8,333,000 bushels harvested in 1936 and the 14-year (1923-1936) average of 13,562,000 bushels. Garden crops, melons and truck crops generally have yielded well this year.

Livestock — Reports from practically all sections of the district indicate little change in the condition of livestock during the past thirty days as compared with high average which has obtained since early spring. Pastures deteriorated in a number of sections under lack of moisture and high temperatures during August and early September; however, in the district as a whole the September 1 condition averaged higher than on the same date in seven of the eight years from 1929 to 1936. Hay production in the Eighth District is estimated at 6,058,000 tons, as against 4,447,000 tons in 1936 and the 14-year (1923-1936) average of 6,509,000 tons.

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

	Receipts			Shipments		
	Aug., 1937	July, 1937	Aug., 1936	Aug., 1937	July, 1937	Aug., 1936
Cattle and Calves.....	198,719	143,858	150,350	137,565	93,394	83,170
Hogs	126,231	107,847	148,050	71,578	66,701	94,484
Horses and Mules.....	3,829	3,935	5,869	3,824	3,189	4,663
Sheep	133,509	91,521	63,486	66,130	21,818	10,452
Totals.....	462,288	347,161	367,755	279,097	185,102	192,769

Tobacco — In its report based on September 1 conditions, the U. S. Department of Agriculture estimates Eighth District production of all types of tobacco at 271,906,000 pounds, which is 349,000

pounds below the August forecast and compares with 176,784,000 pounds harvested in 1936 and the 14-year average of 287,796,000 pounds. Quite generally growth of the crop was retarded in August because of lack of precipitation. The dry spell was followed by general rains which improved the condition of late tobacco, but in some localities interfered with cutting and housing. Farmers have taken advantage of every opportunity to harvest and prepare the leaf and as of mid-September approximately two-thirds of the burley crop had been cut and housed. Growers in certain localities have experienced considerable difficulty in procuring labor for harvesting.

In the one sucker district the crop has improved steadily and is maturing satisfactorily. Cutting and housing in the eastern fired district tributary to Hopkinsville, Springfield and Clarksville progressed slowly up to September 10. Farmers are selecting ripe plants and permitting the remainder of the crop to mature before cutting. About 40 per cent of the crop in that district had been cut as of September 16.

COMMODITY PRICES

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

	High	Low	Close	
			Sept. 15, 1937	Sept. 16, 1936
Wheat				
*Sept. ....per bu.	\$1.12	\$1.03	\$ 1.03	\$ 1.16 $\frac{3}{4}$
*Dec.	1.13 $\frac{1}{4}$	1.03 $\frac{1}{4}$	1.04 $\frac{1}{2}$	1.14 $\frac{3}{4}$
*May	1.19 $\frac{1}{2}$	1.04 $\frac{1}{4}$	1.06 $\frac{1}{2}$	1.13 $\frac{3}{4}$
*No. 2 red winter	1.16 $\frac{1}{2}$	1.05	1.08	1.18 $\frac{1}{2}$
*No. 2 hard "	1.10	1.07	1.09 $\frac{1}{2}$	1.19
Corn				
*Sept.	1.08 $\frac{1}{4}$	.94 $\frac{3}{4}$	1.04	1.14 $\frac{3}{4}$
*Dec. ....	.68 $\frac{1}{4}$	.54 $\frac{3}{4}$	.63 $\frac{1}{2}$	.96 $\frac{3}{4}$
*May ....	.70	.62 $\frac{3}{4}$	.65	.92 $\frac{3}{4}$
*No. 2 mixed	1.08	1.04	1.07	1.15
*No. 2 white	1.09	1.06	1.09	1.24
Oats				
*Sept. ....	.32 $\frac{1}{2}$	.29	.32 $\frac{1}{2}$	
*Dec. ....	.31	.29 $\frac{1}{2}$	.30 $\frac{1}{2}$	
*May ....	.32 $\frac{1}{2}$	.30 $\frac{1}{2}$	.32	
*No. 2 white	.34	.31 $\frac{1}{4}$	.32 $\frac{1}{2}$	.46
Flour				
Soft Patent.....per bbl.	6.25	5.45	5.45@ 5.95	5.35@ 5.85
Spring ".....	8.05	7.05	7.05@ 7.45	7.55@ 7.75
Middling Cotton...per lb.	1.065	.0875	.0885	.1300
Hogs on hoof.....per cwt.	12.75	8.75	10.25@ 12.60	7.75@ 10.90

*Nominal quotations.

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 95,935 loads in August, against 96,594 loads in July and 91,507 loads in August, 1936. During the first nine days of September the interchange amounted to 24,759 loads, which compares with 27,937 loads during the corresponding period in August and 24,500 loads during the first nine days of September, 1936. Passenger traffic of the reporting roads in August increased 9 per cent in passengers carried and a like amount in revenue as compared with the same month a year ago. For the entire country, loadings of revenue freight for the

first 36 weeks this year, or to September 4, totaled 26,660,535 cars, against 23,876,296 cars in 1936 and 21,075,543 cars in 1935. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in August was 182,500 tons, against 179,172 tons in July and 137,546 tons in August, 1936; cumulative tonnage for the first eight months this year was 1,164,452 tons as compared with 1,164,325 tons during the like interval in 1936.

CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in August as being 3.7 per cent smaller than in July and 4.6 per cent more than in August, 1936. Detailed figures follow:

(K.W.H. in thous.)	No. of Customers	Aug., 1937	July, 1937	Aug. 1937 comp. with July, 1937	Aug., 1936	Aug. 1937 comp. with Aug. 1936
		K.W.H.	K.W.H.		K.W.H.	
Evansville.....	40	3,078	3,680	-16.4%	3,141	-2.0%
Little Rock..	35	2,398	2,377	+ 0.9	2,392	+ 0.3
Louisville	82	9,916	10,510	- 5.7	9,104	+ 8.9
Memphis	31	2,231	2,112	+ 5.6	2,233	- 0.1
Pine Bluff.....	20	552	743	-25.7	420	+31.4
St. Louis.....	189	28,077	28,596	- 1.8	26,918	+ 4.3
Totals.....	397	46,252	48,018	- 3.7	44,208	+ 4.6

BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in August was 14.7 per cent smaller than in July and 33.7 per cent less than the August, 1936, total. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in August amounted to \$16,160,000 which compares with \$17,054,000 in July and \$17,313,100 in August, 1936. Building figures for August follows:

(Cost in thousands)	New Construction				Repairs, etc			
	Permits		Cost		Permits		Cost	
	1937	1936	1937	1936	1937	1936	1937	1936
Evansville.....	6	55	\$ 210	\$ 149	184	92	\$ 134	\$ 55
Little Rock	126	14	364	41	54	84	37	26
Louisville.....	228	115	431	1,357	213	88	269	46
Memphis.....	25	195	286	520	91	149	46	73
St. Louis.....	283	241	413	504	169	202	84	357
Aug. Totals	668	620	1,704	2,571	711	615	570	557
July	650	567	1,998	1,380	684	656	624	491
June	770	542	2,987	1,144	815	673	549	408

LIFE INSURANCE

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

(In thousands of dollars)	Aug., 1937	July, 1937	Aug., 1936	Cumulative Totals 1937	Cumulative Totals 1936	Cum. change
Arkansas.....	\$ 3,701	\$ 3,861	\$ 3,613	\$ 31,633	\$ 30,451	+ 3.9%
Illinois.....	43,735	46,774	41,454	397,941	368,684	+ 7.9
Indiana.....	13,216	14,019	12,544	115,993	110,349	+ 5.1
Kentucky.....	6,827	7,139	5,953	51,795	51,464	+ 0.6
Mississippi.....	3,250	3,332	3,042	28,760	24,674	+16.6
Missouri.....	16,428	19,842	16,226	156,455	147,108	+ 6.4
Tennessee.....	8,650	8,017	7,313	68,170	60,730	+12.3
Totals.....	95,807	102,984	90,145	850,747	793,460	+ 7.2
United States...	546,067	588,523	534,077	4,950,941	4,687,686	+ 5.6

MONEY AND BANKING

In the Eighth District the banking and financial situation during the past thirty days was characterized by a further improvement in demand for credit. The betterment extended to all the principal borrowing groups, but was most pronounced in the case of mercantile and manufacturing interests, reflecting the usual seasonal expansion in commitments to finance merchandise for fall and winter distribution. Requirements for financing the crop movement increased markedly, particularly in the cotton and tobacco producing areas. Borrowing of country banks from their city correspondents increased moderately, and employment of Federal Reserve accommodation by member banks broadened. In the third week of September bills discounted by this bank rose to the highest point of the year, and the total was approximately eight times larger than at the corresponding period in 1936. Increase in the demand for currency was reported in somewhat greater than the usual seasonal volume.

Member Banks — Between August 18 and September 15, total loans of the reporting member banks increased 1.7 per cent and on the latter date recorded a new high for the year and an increase of 18.6 per cent over the total on the corresponding report date in 1936. Gross deposits, which had declined in August, moved sharply upward during the first half of September, and at the middle of the month were about on a parity with a year earlier. Investments decreased 3.1 per cent and reserve balances increased 5.3 per cent in the four-week period.

Statements of the principal resource and liability items of reporting member banks follow:

(For 24 banks—in thousands of dollars)	Sept. 15, 1937	Aug. 18, 1937	Sept. 16, 1936
Loans—total	\$313,690	\$308,217	\$264,197
Commercial, industrial, and agricultural:			
On securities.....	55,874	54,858	*
Otherwise secured and unsecured.....	136,630	131,462	*
Open market paper.....	11,701	11,451	*
Loans to brokers and dealers.....	5,891	6,070	6,752
Other loans for purch. or carry. securities	12,389	12,484	*
Real estate loans.....	45,869	45,547	43,637
Loans to banks.....	7,554	8,279	8,087
Other loans:			
On securities.....	11,288	11,807	*
Otherwise secured and unsecured.....	26,494	26,259	*
Investments—total	352,046	363,303	398,477
U. S. Gov't obligations.....	205,495	217,243	231,692
Obligations guaranteed by U. S. Gov't....	45,735	45,941	58,258
Other securities.....	100,816	100,119	108,527
Gross deposits	882,352	868,318	883,771
Demand deposits.....	692,203	677,927	698,871
Time deposits.....	190,149	190,391	184,900
Borrowings			

* Comparable figures not available.

(By cities, Sept. 15, 1937)	Number Banks	Loans and Discounts	Investments in Securities	Gross Deposits	Borrowings
St. Louis.....	9	\$185,350	\$242,363	\$557,665	.....
Louisville.....	5	58,521	33,708	125,233	.....
Memphis.....	3	45,041	46,983	123,636	.....
Little Rock.....	4	10,748	12,833	35,205	.....
Evansville.....	3	14,030	16,159	40,613	.....

The resources of these reporting member banks comprise approximately 63.6% of the resources of all member banks in this district.

The aggregate amount of savings deposits held by selected member banks on September 1 declined slightly from a month earlier, but was 5.2 per cent greater than on September 2, 1936.

At downtown St. Louis banks as of the week ending September 15, interest rates charged were as follows: Customers' prime commercial paper, 1½ to 5 per cent; collateral loans, 2½ to 6 per cent; loans secured by warehouse receipts, 2 to 5 per cent; interbank loans, 3½ to 4 per cent and cattle loans 4½ to 6 per cent.

Federal Reserve Operations — Effective September 2 the Federal Reserve Bank of St. Louis established a rate of 1½ per cent per annum on rediscounts of eligible paper for member banks and on member banks' collateral notes, under Section 13 and 13a of the Federal Reserve Act as amended, and also a rate of 2 per cent per annum on advances to member banks under Section 10b of the Act. This is a reduction of one-half per cent in each rate.

Following is a complete schedule of rates of this bank for accommodations:

- (1) Rediscounts and advances to member banks, under Section 13 and 13a.....1½ % per annum
- (2) Advances to member banks, under Section 10b.....2 % 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 United States under Section 13.....4 % per annum

Changes in the principal assets and liabilities of this bank appear in the following table:

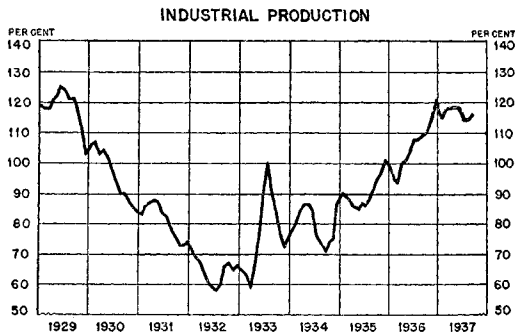
(In thousands of dollars)	Sept. 18, 1937	Aug. 18, 1937	Sept. 18, 1936
Industrial advances under Sec. 13b.....	\$ 267	\$ 301	\$ 523
Other advances and rediscounts.....	682	396	85
Bills bought (including participations).....	85	86	87
U. S. securities.....	111,385	111,385	129,927
Total earning assets	112,419	112,168	130,622
Total reserves	294,197	288,168	249,030
Total deposits	220,302	213,660	198,582
F. R. Notes in circulation.....	180,565	180,104	172,657
Industrial commitments under Sec. 13b	1,037	1,039	1,517
Ratio of reserve to deposit and F. R. Note liabilities	73.4%	73.2%	67.1%

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

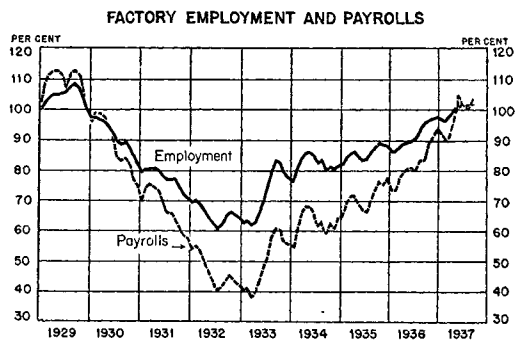
(In thousands of dollars)	Aug., 1937	July, 1937	Aug., 1936	Aug., 1937, comp. with July, 1937	Aug. 1936
East St. Louis and Natl. Stock Yards, Ill.	\$ 37,816	\$ 35,489	\$ 30,382	+ 6.6%	+24.5%
El Dorado, Ark.....	4,943	5,620	4,092	-12.0	+20.8
Evansville, Ind.....	34,038	40,530	27,519	-16.0	+23.7
Fort Smith, Ark.....	10,725	11,524	9,632	- 6.9	+11.3
Greenville, Miss.....	3,849	4,678	3,843	-17.7	+ 0.2
Helena, Ark.....	1,453	1,577	1,384	- 7.9	+ 5.0
Little Rock, Ark.....	32,754	34,488	29,449	- 5.0	+11.2
Louisville, Ky.....	150,903	170,452	141,576	-11.5	+ 6.6
Memphis, Tenn.....	99,844	109,696	101,824	- 9.0	- 1.9
Owensboro, Ky.....	6,162	6,134	5,219	+ 0.5	+18.1
Pine Bluff, Ark.....	7,878	8,980	6,984	-12.3	+12.8
Quincy, Ill.....	8,151	8,664	7,488	- 5.9	+ 8.9
St. Louis, Mo.....	567,750	656,900	505,754	-13.6	+12.3
Sedalia, Mo.....	1,991	1,974	1,856	+ 0.9	+ 7.3
Springfield, Mo.....	14,783	15,798	13,915	- 6.4	+ 6.2
Texarkana, Ark.-Tex.	7,600	8,414	6,193	- 9.7	+22.7
Totals	990,640	1,120,918	897,110	-11.6	+10.4

NATIONAL SUMMARY OF BUSINESS CONDITIONS

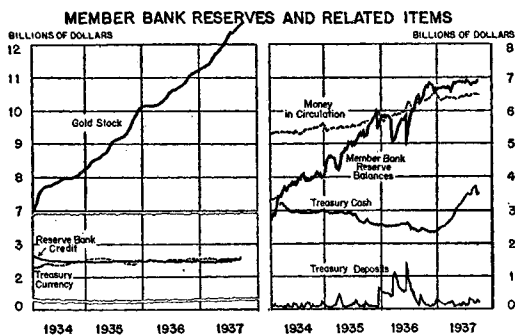
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



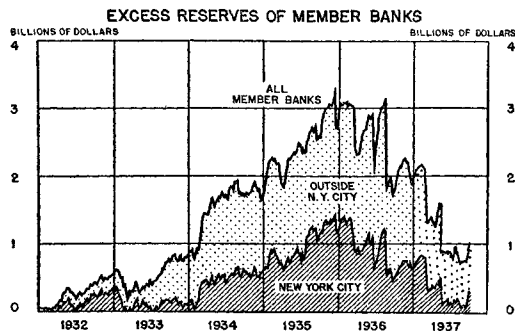
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through August, 1937. Latest figure 117.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through August, 1937. Latest figures employment 102.2, payrolls 103.7.



Wednesday figures, January 3, 1934, through September 22, 1937.



Wednesday figures of estimated excess reserves for all member banks and for New York City, January 6, 1932, through September 22, 1937.

In August industrial activity advanced from the level of the two preceding months and on a seasonally adjusted basis was close to the volume of last spring. Early reports for September indicate a decline in steel output and a seasonal decrease in the production of automobiles.

Production and Employment — Volume of industrial production, as measured by the Board's seasonally adjusted index, was 117 per cent of the 1923-1925 average in August as compared with a level of 114 per cent in June and July and 118 per cent during the spring. Steel production rose slightly further and was close to the high level prevailing before strikes curtailed output in June. Automobile production was maintained in considerably larger volume than is usual in the month preceding the shift to new model production. Lumber output declined, following a period of increase. In the nondurable goods industries output increased in August, reflecting chiefly increases at cotton and woolen textile mills, following considerable declines in the preceding month. Activity at meat packing establishments increased somewhat from an extremely low level. Shoe production showed less than the usual seasonal rise. At mines, output of coal increased less than seasonally, while crude petroleum production continued to expand. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined somewhat in August and the first half of September. Awards for private residential building showed little change and were in about the same volume as in the corresponding period in 1936, while publicly-financed residential building declined and was in considerably smaller volume than last year.

Factory employment, which had increased in July, showed less than a seasonal rise in August. Factory payrolls increased by about the usual seasonal amount. The number employed at steel mills increased somewhat further, while at automobile factories, railroad repair shops, and sawmills employment declined. In the textile industries employment in the production of fabrics decreased somewhat, while employment in the production of wearing apparel increased. Changes in employment in most other manufacturing industries were small.

Agriculture — Department of Agriculture crop estimates, based on September 1 conditions, were about the same as the estimates a month earlier, except for an increase in cotton and a decrease in corn. Output of leading crops is substantially larger than last season. Supplies of livestock and meats are expected by the Department of Agriculture to continue smaller than last year.

Distribution — Mail order sales and sales at department stores showed somewhat less than the usual seasonal increase from July to August. Freight-car loadings continued at the level of the previous month.

Commodity Prices — Cotton prices declined considerably further from the middle of August to the third week of September and there were smaller decreases in cotton goods, silk, hides, steel scrap, copper scrap, and lumber. Prices of livestock and livestock products, after some decline in the latter part of August and the first week of September, advanced sharply in the middle of September.

Bank Credit — Excess reserves of member banks increased in the five-week period ending September 22 from \$800,000,000 to \$1,000,000,000 as the result of a release of gold by the Treasury from its inactive account. The bulk of the increase in excess reserves went to New York City banks and on September 22 these banks had excess reserves of \$350,000,000; Chicago banks had \$50,000,000, and banks elsewhere \$600,000,000. Commercial loans at reporting member banks in 101 leading cities, reflecting in part seasonal demands, continued to increase substantially during the four weeks ending September 15, both in New York City and outside. Holdings of United States Government obligations and of other securities showed a further decrease, with the result that total loans and investments declined somewhat.

Money Rates — Rates on 9-month Treasury bills declined from 0.71 per cent early in September to 0.44 per cent later in the month, and average yields on long-term Treasury notes declined from about 1-5/8 per cent to below 1-1/2 per cent.