



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:	Dec. 1, 1937, comp. with Yield 1936 1923-36 Av.	
Estimated yield of 7 crops.....	+ 62.1%	+ 8.5%
Livestock:	Nov. 1937, comp. with Oct. 1937 Nov. 1936	
Receipts at National Stock Yards.....	+ 3.6%	—10.8%
Shipments from aforesaid Yards.....	— 5.3	+ 0.8
Production and Distribution:		
Sales by mfrs. and wholesalers.....	— 9.7	—16.9
Department store sales.....	—11.1	— 1.2
Car loadings.....	—13.0	—11.8
Building and Construction:		
Bldg. permits, incl. repairs { Number.....	— 25.2	— 9.3
{ Cost.....	—26.8	—48.4
Value construc. contracts awarded....	+ 4.0	+21.5
Miscellaneous:		
Commercial failures { Number.....	+ 31.6	.....
{ Liabilities.....	+120.2	—31.1
Consumption of electricity.....	— 8.2	— 5.0
Debits to individual accounts.....	—14.0	— 0.8
Member Banks (24):	Dec. 15,'37 comp. with Nov. 17,'37 Dec. 16,'36	
Gross deposits.....	— 0.1%	— 7.2%
Loans.....	+ 0.01	+13.1
Investments.....	+ 0.7	—16.6

IN common with other sections of the country, Eighth District trade and industry sustained a further downward movement during the past thirty days, and in a number of important classifications, activities at mid-December had receded to the lowest levels of the year, also considerably below levels obtaining at the corresponding period in 1936. In all wholesaling and jobbing lines investigated by this bank, with the exception of drugs and chemicals, the volume of November sales fell below that of a year earlier, and aside from boots and shoes, which showed a small contraseasonal gain, totals were under those recorded in October. Unseasonably warm weather during November tended to retard distribution of all descriptions of fall and winter merchandise, and retail trade, as indicated by sales of department stores in the principal cities, registered declines, both as compared with a month and a year earlier. Holiday shopping during the third week in December was seriously hampered in St. Louis and other sections of the district by a spell of sleet and rainfall, which covered streets and highways with ice and discouraged people from

going out except where absolutely necessary. Reports covering the first half of December reflect these conditions in reduced volume of retail sales and an almost complete absence of reordering from wholesale concerns.

The exhibit made by production was even less favorable than in the case of distribution. There was a sharp contraction in operations at mills, foundries, machine shops and other ferrous metal working plants. Marked curtailment was also reported at glass, cement, fire-clay, and non-ferrous metal smelting establishments. Production of bituminous coal in all fields of the district in November decreased sharply as compared with the preceding month and a year ago. Production and shipments of lumber at southern mills was the smallest in a number of months, with many plants completely idle. Reflecting the decline in prices of lead and zinc, output of ores of these metals at Missouri and Arkansas mines receded further in November and early December. Construction contracts let in the Eighth District in November showed a moderate increase over October also over November, 1936, but building permits issued in the principal cities recorded sharp declines in both comparisons. Industrial consumption of electricity in the chief centers in November was in smaller volume than for any month since last February. Factory employment and payrolls declined, and there was less than the usual seasonal increase in clerical employment at retail establishments.

Save for the low price levels of most farm products, agricultural conditions in the district continued generally favorable. The U. S. Department of Agriculture's report as of December 1, in the main, confirmed forecasts of the principal crops made earlier in the season. Indicated output of cotton in this area is estimated at 4,710,000 bales, an increase of 29,000 bales over the November 1 forecast, and the largest of record. Husking and cribbing of corn had been virtually completed at mid-December, and quality of the large crop is high. Tobacco markets for the 1937 crop opened around December 1 with offerings large, but average prices were meas-

urably below a year ago. The condition of livestock maintained excellent general levels noted earlier in the fall, and meat animals are entering the winter in good flesh. The growing winter wheat crop is reported in fair to good condition.

As reflected in sales of department stores in the principal cities, the volume of retail trade in November was 11.1 per cent smaller than in October and 1.2 per cent less than in November, 1936; cumulative total for the eleven months was 7.8 per cent greater than for the comparable period a year ago. Combined sales of all wholesaling and jobbing interests reporting in November fell 9.7 per cent and 16.9 per cent, respectively, below a month and a year earlier; for the eleven months the aggregate was 6.6 per cent greater than during the like interval in 1936. The dollar value of permits for new buildings in the principal cities in November was 30.7 per cent smaller than in October and 55.7 per cent less than in November last year; cumulative total for the first eleven months was 3.6 per cent greater than for the like period in 1936. Dollar value of construction contracts let in the Eighth District in November was 4 per cent greater than in October and 21.5 per cent more than in November, 1936; cumulative total for the first eleven month fell 22 per cent below that for the same period a year ago.

According to officials of railroads operating in this district, freight traffic during November and early December declined in somewhat larger than the usual seasonal amount. Reflecting the decline in general industrial activities, the movement of coal, coke and other fuels has receded and there was also a sharp decline in the merchandise L. C. L. and miscellaneous freight classifications as contrasted with the preceding several months. For the first eleven months of the year, however, the volume of miscellaneous freight handled was larger than for the same period in 1936, and of all other years since 1931. Passenger traffic of the reporting lines in November showed a substantial increase over the same month a year ago. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 30.9 per cent greater than in October and 43.1 per cent larger than in November, 1936; cumulative total for the first eleven months this year was larger by 7.3 per cent than during the like interval in 1936.

As was the case during the preceding month, reports relative to collections in November reflected less favorable results than during earlier months this year. Wholesalers in the chief distributing centers report some backwardness in payments, particularly in the cotton areas. In the tobacco districts, where

markets opened early in December, there has been a considerable volume of liquidation and slight betterment in collections in the rice growing areas is noted. Questionnaires addressed to representative interests in the several lines scattered through the district showed the following results:

	Excellent	Good	Fair	Poor
November, 1937.....	1.5%	34.0%	50.5%	14.0%
October, 1937.....	2.4	35.1	52.0	10.5
November, 1936.....	9.5	52.5	36.7	1.3

Commercial failures in the Eighth Federal Reserve District in November, according to Dun and Bradstreet, numbered 25, involving liabilities of \$381,000, which compares with 19 insolvencies in October with liabilities of \$173,000, and 25 defaults for a total of \$553,000 in November, 1936.

Detailed Survey

MANUFACTURING AND WHOLESALING

Lines of Commodities	Net Sales		Stocks	
	Nov. 1937 compared with Oct. '37	Nov. '36	11 months 1937 comp. with same period 1936	Nov. 30, 1937 comp. with Nov. 30, 1936
Boots and Shoes.....	+ 2.3%	-14.4%	+ 9.6%	-14.9%
Drugs and Chemicals..	- 9.9	+ 2.6	+ 5.8	+ 3.9
Dry Goods.....	-17.2	-25.0	- 1.4	+21.9
Electrical Supplies.....	-11.6	- 4.7	+28.1	+27.7
Furniture.....	-17.6	-14.1	+ 7.8	+25.6
Groceries.....	- 8.2	- 7.5	+ 0.9	+ 1.4
Hardware.....	-20.3	-20.7	+11.5	+ 5.3
All above lines.....	- 9.7	-16.9	+ 6.6	+ 8.7

Automobiles — Combined passenger car, truck and taxicab production in the United States in November was 360,063 against 329,876 in October and 394,987 in November, 1936.

Boots and Shoes — The increase in sales of the reporting firms in November from October was contraseasonal, and was attributed to the belated placement of orders which are usually received earlier in the fall. The decrease as compared with November a year ago was distributed generally through all lines, but most pronounced in seasonal merchandise. The mild fall tended to hold down the movement of the heavier lines through retail channels. The trend of prices was lower, in sympathy with the decline in raw materials, but the average continued measurably above a year ago.

Clothing — November sales of the reporting clothiers were about one-third smaller than in October and 7 per cent below the November total a year ago. Inventories increased and on December 1 were 5 per cent and 50 per cent larger, respectively, than a month and a year earlier. Reflecting the recent declines in textiles, the trend of prices of apparel was lower, with specific reductions on numerous items. Ordering for early spring and summer distribution is reported in considerably smaller volume than at the same time a year ago.

Drugs and Chemicals — Throughout November demand for seasonal merchandise of all descriptions was adversely affected by the mild weather. This fact, coupled with the heavily decreased demand for heavy drugs and chemicals from the general manufacturing trade, was largely responsible for the smaller volume of business of the reporting firms in November as contrasted with a month earlier.

Dry Goods — The decrease in sales of the reporting interests in November from the preceding month was seasonal in character, but its extent was considerably greater than during the past several years. As was the case earlier in the season, purchasing of fabrics based on cotton was held in check by the price decline of that staple. Advance ordering is disappointing, and reports covering the first half of December indicate a decrease for the entire month under the same period a year earlier about equal to that shown in November.

Electrical Supplies — For the first time in sixteen months, November sales in this classification failed to show an increase over the corresponding period a year earlier. Ordering of holiday goods was reported in substantial volume and the movement of household appliances and radio material also continued active. Demand from the automotive and building industries contracted further, and purchasing of staple lines was reported on an absolute necessity basis.

Furniture — Demand for radio cabinets and holiday goods generally was reported disappointing and partly accountable for the decreased sales in November as contrasted with a year ago. The movement of household furniture and furnishings was in smaller volume than earlier in the year, and advance orders on books of a number of important interests as of December 1 were at the lowest point of the year. Inventories were measurably larger than a year ago.

Groceries — Advance sales of holiday goods, according to the reporting firms, were in considerably smaller volume than a year ago. This was true particularly in the south, where purchasing last year was on a more liberal scale than at any time since the predepression period. Demand for canned goods and preserved foods generally in the rural areas was held down by the unusually large amount of preserving permitted by heavy yields of vegetables and fruit crops.

Hardware — Sales of the reporting firms in November were the smallest for any month this year and more than one-fifth below the total for the same month in 1936. Virtually all lines shared in the de-

crease, but heaviest losses were noted in building tools, hardware and items for consumption in the rural areas. Since the first week in December colder weather has served to stimulate ordering of seasonal merchandise.

Iron and Steel Products — Seasonal influences, such as inventory-taking, closing of plants for repairs, etc., served to emphasize the general slack demand, and activities in the iron and steel industry in this district during November and the first half of December declined to the lowest level of the year. Almost universally consumers continued to operate principally on inventory; new purchasing of both raw and finished materials was confined to small lots for prompt shipment. The melt of pig iron in November, according to interests reporting to this bank, was the smallest for any month since last February. Unfilled orders of steel mills and foundries as of December 1 were measurably smaller than a month earlier, despite the relatively small shipments to customers during November. Placement of business by the automotive industry was disappointing, and purchasing by the railroads and other important consuming groups was also in small volume. Stove plants were for the most part idle, except for the working of skeleton crews on repairs and the making of patterns. Operations at fabricating yards fell to about 30 per cent of capacity, and jobbing foundries averaged only two to three days work per week. Relatively the best showing was made by the farm implement interests, but even here there was a noticeable decline in activities as contrasted with the early fall. Iron and steel jobbing and warehouse interests reported November volume approximately 10 per cent below October, but about on a parity with November, 1936. Demand for oil country goods continued active and served to partly offset lessened demand from the building industry and the general manufacturing trade. Shipments of pig iron to district melters in November declined slightly from the preceding month, and virtually all the iron moving represented purchases made last spring in anticipation of an advance in price. Throughout November and the first two weeks of December there was a further decline in prices of scrap iron and steel, but in the immediate past the market has tended to flatten out and for the first time in more than thirteen weeks steelmaking scrap showed a slight increase. For the entire country, according to the magazine "Steel", production of pig iron in November totaled 2,007,740 tons, which compares with 2,891,026 tons in October and 2,949,942 tons in November, 1936. The November output was the smallest for any month since February, 1936. Steel ingot production

in the United States in November totaled 2,153,781 tons, the smallest since December, 1934, and comparing with 3,392,691 tons in October and 4,323,025 tons in November, 1936.

RETAIL TRADE

Department Stores—The trend of retail trade in the Eighth District, as reflected in statistics of department stores in the principal cities which report to this bank, is shown in the following comparative statement:

	Net Sales			Stocks on Hand		Stock Turnover	
	Nov. 1937		11 mos. 1937	Nov. 30, '37		Jan. 1, to Nov. 30, 1937	
	compared with Oct. 1937	Nov. 1936	to same period '36	comp. with Nov. 30, '36	Nov. 30, 1937	1937	1936
El Dorado, Ark.....	10.5%	+ 7.2%	+ 8.8%	+ 9.4%	2.60	2.49	
Ft. Smith, Ark.....	25.8	+ 2.5	+ 6.0	+ 4.3	2.41	2.45	
Little Rock, Ark.....	3.5	— 4.0	+ 3.8	+ 7.4	2.48	2.79	
Louisville, Ky.....	14.3	— 2.1	+ 7.7	+ 7.0	3.60	3.84	
Memphis, Tenn.....	13.0	— 3.4	+ 6.7	+ 15.1	2.80	3.04	
Pine Bluff, Ark.....	12.7	— 9.2	+ 1.1	+ 14.5	2.24	2.61	
St. Louis, Mo.....	10.4	— 0.02	+ 8.7	+ 16.3	3.52	3.78	
Springfield, Mo.....	12.6	— 2.7	+ 8.8	+ 1.4	2.31	2.41	
All Other Cities.....	12.4	— 7.5	+ 1.9	+ 4.5	2.71	2.88	
8th F. R. District.....	11.1	— 1.2	+ 7.8	+ 13.4	3.27	3.52	

Percentage of accounts and notes receivable outstanding November 1, 1937, collected during November, by cities:

	Installment Accounts		Excl. Instal. Accounts			Installment Accounts		Excl. Instal. Accounts	
	%	%		%	%
El Dorado.....	56.3		21.1		Pine Bluff.....	34.7		26.7	
Fort Smith.....	42.1		15.2		Springfield.....	57.6		47.8	
Little Rock.....	37.5		10.1		St. Louis.....	51.3			
Louisville.....	49.3		22.0		Other Cities.....				
Memphis.....	44.8				8th F. R. Dist.....				

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

	Net Sales			Stocks on Hand		Stock Turnover	
	Nov. 1937		11 mos. 1937	Nov. 30, '37		Jan. 1, to Nov. 30, 1937	
	compared with Oct. 1937	Nov. 1936	to same period '36	comp. with Nov. 30, '36	Nov. 30, 1937	1937	1936
Men's Furnishings.....	23.9%	— 18.7%	+ 2.6%	+ 5.9%	2.28	2.46	
Boots and Shoes.....	21.1	+ 10.8	+ 15.2	+ 15.9	5.94	6.24	

Percentage of accounts and notes receivable outstanding November 1, 1937, collected during November:

Men's Furnishings.....	36.5%	Boots and Shoes.....	45.7%
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MINING

Generally industrial consumers of bituminous coal continued to add to their stocks of coal during October. The reserve in the hands of these interests has risen from 37,000,000 tons at the end of July to 39,944,000 tons on November 1, an increase of 1,052,000 tons. For the entire country there was a sharp decrease in output during November, estimated production for that month being 35,300,000 tons, against 40,675,000 tons in October and 41,879,000 tons in November, 1936. Despite this decline, however, cumulative production for the first eleven months this year, at 403,037,000 tons represents an increase of 3.8 per cent over the same period in 1936. At mines in this general area November production was 17.9 per cent less than in October and 16.5 per cent below the November, 1936, total; in the first eleven months the tonnage lifted was 1.4

per cent greater than during the same period in 1936. Illinois mines produced 4,489,871 tons in November against 4,651,359 tons in October and 4,741,897 tons in November, 1936. There were 144 mines in operation in November with 36,336 men on payrolls, which compares with 147 active mines and 35,695 operatives in October.

AGRICULTURE

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

(In thousands of dollars)	January-October			October	
	1935	1936	1937	1936	1937
Indiana.....	\$200,585	\$218,578	\$244,682	\$ 21,095	\$ 20,928
Illinois.....	317,236	366,642	402,969	35,053	35,316
Missouri.....	197,071	208,942	227,415	28,879	27,166
Kentucky.....	103,214	85,679	124,443	7,244	7,213
Tennessee.....	83,313	81,014	101,611	15,247	14,918
Mississippi.....	98,519	109,923	124,679	41,814	32,260
Arkansas.....	83,536	79,163	100,567	26,597	26,090
Totals.....	1,083,474	1,149,941	1,326,366	175,929	163,891

During the past thirty days weather was variable and less favorable for agricultural operations than during the similar period immediately preceding. Owing to the very favorable conditions obtaining during October and early November, however, harvesting of the principal crops made excellent progress, and autumn and early winter farm routine has been brought well up to the seasonal schedule. Estimates of crop production in the Eighth District made in its December 1 report by the Department of Agriculture showed little change from the forecasts earlier in the season, and confirmed bumper yields for all of the principal productions. The condition of the growing wheat is reported fair to good, following improvement since November 1, and is entering the cold weather in a strong position. Tobacco markets opened about December 1, with fairly liberal offerings, and the grade generally high. Average prices at the initial sessions were below those obtained last year, but advances have been recorded since the opening dates, and producers are apparently satisfied with the returns. The number of farm workers declined during November by about the seasonal number. The number employed on December 1, however, was reported by the Bureau of Agricultural Economics to be about 5 per cent less than a year earlier.

The decline in the price of farm products has been a great disappointment to farmers, and has considerably lowered income expectations from earlier in the year. As of December 4, the farm products group of the Bureau of Labor Statistics Price Index stood at 73.9 per cent of the 1926 average, which compares with 77.6 per cent on November 6;

86.7 per cent on December 6, 1936; 79.1 per cent on December 7, 1935, and 56.0 per cent on December 9, 1933.

Corn—A fair to good fall season, early maturity, high quality and in some localities increase in the use of mechanical corn pickers were largely accountable for the rapid progress in husking the bumper corn crop in this area. Owing to low prices farmers are disposed to hold their stocks for more favorable markets or for feeding livestock. The U. S. Department of Agriculture in its December 1 report estimates Eighth District corn production at 363,227,000 bushels, which compares with 202,726,000 bushels harvested in 1936 and the 14-year (1923-1936) average of 327,361,000 bushels.

Cotton—Despite unfavorable weather for picking the large proportion of late cotton, prospects for the crop in the Eighth District increased further from October to November, thus assuring the largest output of record for the area. Based on the December 1 condition, the U. S. Department of Agriculture estimates the total yield in the district at 4,710,000 bales, an increase of 29,000 bales over the November 1 forecast and comparing with 3,404,000 bales harvested in 1936 and the 14-year (1923-1936) average of 2,763,000 bales. In addition to the largest total yield of record, the yield per acre also sets a new high. Harvesting of the major portion of the crop had been completed by mid-December, but because of the unsatisfactory price and difficulty of access to the lowlands caused by rains, the percentage left in the fields will probably be larger than in any year since 1926. In Arkansas and Mississippi there has been considerable work done anticipating next season's crop, and in many localities farmers are going ahead breaking soil. Prices of raw cotton improved slightly during the second week of December, but continued greatly below levels obtaining a year ago. In the St. Louis market the middling grade ranged from 7.50c to 7.85c per pound between November 15 and December 15, closing at 7.85c on the latter date, which compares with 7.80c on November 15 and 13.25c on December 15, 1936. Receipts at Arkansas compresses from August 15 to December 10 totaled 1,466,622 bales, as against 1,184,005 bales for the corresponding period a year earlier. Stocks on hand as of December 10 amounted to 950,017 bales, which compares with 617,303 bales on the corresponding date a year ago. In states of the district ginnings of the present crop to December 1 totaled 4,553,844 bales, against 3,774,582 bales during the corresponding period in 1936 and 2,369,887 bales in 1935.

Livestock—Generally throughout the district livestock condition reports continue favorable and farm-feed and forage supplies are the largest in a number of years. Hay production in the Eighth District is estimated by the U. S. Department of Agriculture at 6,162,000 tons against 4,533,000 tons in 1936, and the 14-year (1923-1936) average of 6,509,000 tons.

The Bureau of Agricultural Economics reports that developments during November further indicate that the number of cattle to be fed for market during the present winter and spring season will be substantially larger than the number fed a year earlier. Shipments of stocker and feeder cattle from stockyards markets into the Corn Belt States in November were relatively large; they exceeded shipments in November, 1936, by about one-third and were the largest for the month in six years.

The lamb feeding situation in early December was not greatly different from a month earlier, with indications pointing to a larger number of lambs on feed December 1 this year than last. Until the third week in December weather conditions have been quite favorable for feeding operations and lambs have made good gains; the number reaching marketable condition before the middle of February is expected to be relatively large.

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

	Receipts			Shipments		
	Nov., 1937	Oct., 1937	Nov., 1936	Nov., 1937	Oct., 1937	Nov., 1936
Cattle and Calves.....	135,441	161,253	136,578	86,225	111,123	69,864
Hogs	228,476	186,406	274,994	129,559	115,086	149,201
Horses and Mules.....	2,895	3,820	6,645	3,188	3,374	7,061
Sheep	66,905	67,134	68,007	18,844	21,421	9,701
Totals.....	433,717	418,613	486,224	237,816	251,004	235,827

Tobacco—The burley tobacco markets opened at Lexington, Kentucky on December 6 and various other markets held their initial sales shortly thereafter. Average price of burley sales on the opening day at Lexington was \$22.43 per cwt., which was about \$6.22 under the average on the opening day last season. All interests have been actively participating in the buying and each day since the opening there has been a steady advance in quotations on the better grades, which at mid-December were from \$2 to \$4 per cwt. higher than received at the initial sessions. The average of tobacco sold in other burley markets on December 7 ranged from \$18 to \$25 per cwt.

The one sucker auction sales opened on December 1, with an average price of \$9.50, which compares with an opening average of \$16.75 last year. The markets in the Green River and Stemming district were opened November 30, with an average of

approximately \$10.50 per cwt., as compared with an average last season of \$13.94.

In the eastern and western fired dark districts there has been relatively little activity in preparing the crop for market. As of December 10 it was estimated that not more than one-fourth of the fired crop was down because of cold weather. The markets at Clarksville and Springfield, Tennessee, were scheduled to open on December 14.

In its report based on conditions as of December 1, the U. S. Department of Agriculture estimates production of all types of tobacco in the Eighth District at 280,036,000 pounds, an increase of 1,120,000 pounds over the November 1 forecast and comparing with 176,493,000 pounds harvested in 1937 and the 14-year (1923-1936) average of 287,796,000 pounds. For the entire country the 1937 tobacco crop is estimated at 1,505,762,000 pounds, which compares with 1,154,131,000 pounds in 1936 and the 5-year (1928-1932) average of 1,427,174,000.

COMMODITY PRICES

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

	High	Low	Close	
			Dec. 15, 1937	Dec. 15, 1936
Wheat				
*Dec. ....per bu..	.95¾	.89¾	\$.90¾	\$ 1.36¾
*May .....	.95¾	.90	.93¾	1.32¾
*July .....	.88½	.82¾	.84¾	1.20
*No. 2 red winter ..	.98½	.90½	.92½	1.38½
*No. 2 hard ..	.99½	.91½	.93½	1.38
Corn				
*Dec. ....	.57	.52	.55½	1.17
*May .....	.59¾	.55¾	.59½	1.13¾
*July .....	.61¾	.57¾	.61¾	1.10
*No. 2 mixed ..	.60¾	.52	.60¾	1.08
*No. 2 white ..	.61¾	.50¾	.61¾	1.08
Oats				
*Dec. ....	.33¾	.32¾	.33	
*May .....	.32¾	.31¾	.32	
*July .....	.31¾	.30¾	.31¾	
*No. 2 white ..	.35	.32¾	.33¾	.53¾
Flour				
Soft patent.....per bbl.	5.60	4.80	5.00@5.60	6.00@ 6.50
Spring	6.60	5.90	6.10@6.45	7.95@ 8.15
Middling Cotton...per lb.	.0785	.0750	.0785	.1325
Hogs on Hoof.....per cwt.	8.75	6.40	6.40@8.50	7.00@10.15
*Nominal quotations.				

TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 80,311 loads in November, as against 92,268 loads in October and 91,107 loads in November, 1936. During the first nine days of December the interchange amounted to 23,484 loads, which compares with 25,769 loads during the corresponding interval in November and 28,708 loads during the first nine days of December, 1936. Passenger traffic of the reporting roads in November showed an increase of 10 per cent in the number of passengers carried and of 14 per cent in revenue as compared with the same month last year. For the entire country loadings of revenue freight for the first 49

weeks this year, or to December 4, totaled 36,307,138 cars, against 34,030,953 cars for the corresponding period in 1936 and 29,820,130 cars in 1935. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in November was 185,000 tons, against 141,276 tons in October and 129,313 tons in November, 1936; cumulative tonnage for the first 11 months this year was 1,661,238 tons as against 1,548,025 tons for the like period in 1936.

BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in November was 30.7 per cent smaller than in October and 55.7 per cent less than in November, 1936. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in November amounted to \$13,193,900 which compares with \$12,687,900 in October and \$10,863,600 in November, 1936. Building figures for November follow:

(Cost in thousands)	New Construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1937	1936	1937	1936	1937	1936	1937	1936
Evansville....	12	49	\$ 42	\$ 57	82	114	\$ 39	\$ 70
Little Rock	22	22	22	90	106	72	21	37
Louisville....	79	72	181	727	40	51	103	17
Memphis.....	180	217	321	704	138	144	47	40
St. Louis....	188	117	262	289	147	219	99	171
Nov. Totals	481	477	828	1,867	507	600	309	335
Oct. " "	678	812	1,195	4,811	642	677	359	557
Sept. " "	691	795	1,290	1,590	702	639	782	466

ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in November as being 8.2 per cent smaller than in October and 5.0 per cent less than in November, 1936. Detailed figures follow:

(K.W.H. in thous.)	No. of Customers	Nov., 1937	Oct., 1937	Nov. 1937 comp. with Oct. 1937	Nov., 1936	Nov. 1937 comp. with Nov. 1936
		K.W.H.	K.W.H.		K.W.H.	
Evansville.....	40	2,731	2,984	— 8.5%	3,074	—11.2%
Little Rock..	35	1,808	2,064	—12.4	1,878	— 3.7
Louisville....	82	8,305	9,164	— 9.4	8,693*	— 4.5
Memphis	31	2,292	2,483	— 7.7	2,492	— 8.0
Pine Bluff....	20	1,060	1,198	—11.4	898	+18.0
St. Louis.....	180	21,339	23,017	— 7.3	22,455	— 5.0
Totals.....	388	37,535	40,910	— 8.2	39,490	— 5.0

*Revised.

LIFE INSURANCE

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

(In thousands of dollars)	Nov., 1937	Oct., 1937	Nov., 1936	Cumulative Totals		Cumul. change
				1937	1936	
Arkansas.....	\$ 3,355	\$ 3,567	\$ 3,921	\$ 41,985	\$ 41,796	+ 0.5%
Illinois.....	47,217	45,142	43,901	529,021	495,558	+ 6.8
Indiana.....	13,569	13,387	12,414	154,930	146,717	+ 5.6
Kentucky.....	6,338	7,451	6,137	72,226	70,357	+ 2.7
Mississippi.....	3,629	3,426	4,160	39,125	36,229	+ 8.0
Missouri.....	17,918	16,986	17,221	206,249	195,042	+ 5.7
Tennessee.....	7,399	7,354	7,372	90,501	83,635	+ 8.2
Totals.....	99,425	97,313	95,126	1,134,037	1,069,334	+ 6.1
United States...	573,345	579,704	562,465	6,604,424	6,334,223	+ 4.3

MONEY AND BANKING

There were no important changes in the Eighth District banking and financial situation during the past thirty days as contrasted with the similar period immediately preceding. Borrowing by industrial interests was in smaller volume, but this decline was more than offset by commitments of mercantile concerns and requirements for agricultural financing. Marketing of the tobacco crop is progressing rapidly, which fact was reflected in increased loans to warehousemen. There was also a good demand for loans from country banks in the tobacco areas, principally for supplying funds to farmers for the purpose of marketing their crops. There was a further decrease in commitments of flour milling and grain handling interests, seasonal in character. Since December 1 there has been a noticeable increase in demand for currency for holiday spending, but quite generally the increase is in less than the usual seasonal amount. Interest rates remained at or about the low levels which have prevailed in recent months.

Member Banks—There was a slight increase in total loans of the weekly reporting member banks in the principal cities between November 17 and December 15 and at \$323,076,000 on the latter date were 13.1 per cent above a year ago and the highest in more than four years. Total investments, after declining steadily since last summer, turned slightly upward in the final week of the report period, and on December 15 were 0.7 per cent higher than a month earlier, the increase being entirely in U. S. Government securities. Gross deposits receded slightly and remained measurably below the same interval in 1936. Reserves showed moderate reductions.

Statement of the principal resource and liability items of the reporting member banks follows:

(In thousands of dollars)	Dec. 15, 1937	Nov. 17, 1937	Dec. 16, 1936
Loans—total	\$323,076	\$323,042	\$285,554
Commercial, industrial, and agricultural:			
On securities.....	49,177	51,120	*
Otherwise secured and unsecured.....	147,604	147,860	*
Open market paper.....	9,578	9,677	*
Loans to brokers and dealers.....	4,555	4,840	6,233
Other loans to purchase or carry securities	12,788	13,012	*
Real estate loans.....	46,682	45,978	43,780
Loans to banks.....	9,098	8,757	7,444
Other loans:			
On securities.....	12,045	11,901	*
Otherwise secured and unsecured.....	31,549	29,897	*
Investments—total	338,262	335,818	405,557
U. S. Gov't obligations.....	198,055	193,450	232,679
Obligations guaranteed by U. S. Gov't.....	45,583	46,629	63,483
Other securities.....	94,624	95,739	109,395
Gross deposits	887,449	888,386	956,632
Demand deposits.....	698,254	698,051	771,436
Time deposits.....	189,195	190,335	185,196
Borrowings	500		

Above figures are for 24 member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville. Their resources comprise approximately 61.6% of the resources of all member banks in this district.

*Comparable figures not available.

Aggregate amount of savings deposits held by selected member banks on December 1 was 0.3 per

cent greater than on November 3, and 3.9 per cent larger than on December 2, 1936.

Interest rates were practically unchanged. At downtown St. Louis banks as of the week ended December 15, prevailing rates were as follows: Customers' prime commercial paper, 1½ to 5½ per cent; collateral loans, 2½ to 6 per cent; interbank loans, 3½ per cent; loans secured by warehouse receipts, 1½ to 6 per cent; cattle loans, 4 to 6 per cent.

Federal Reserve Operations—The volume of the major operations of the Federal Reserve Bank of St. Louis (including its Louisville, Memphis and Little Rock branches), during November, 1937, is indicated by the following figures:

	Pieces	Amounts
Checks (cash items) handled.....	4,713,418	\$1,068,530,895
Collections (non-cash items) handled.....	140,199	29,585,526
Transfers of funds.....	5,474	324,964,229
Currency and coin received and counted.....	21,186,418	36,690,599
Rediscounts, advances and commitments.....	12	1,197,000
New issues, redemptions, and exchanges of securities as fiscal agent of U. S. Gov't., etc.	16,090	21,689,023
Bills and securities in custody—coupons clipped	10,295	.....

Changes in the principal assets and liabilities of this bank are shown below:

(In thousands of dollars)	Dec. 18, 1937	Nov. 18, 1937	Dec. 18, 1936
Industrial advances under Sec. 13b.....	\$ 239	\$ 242	\$ 461
Other advances and rediscounts.....	1,174	265	146
Bills bought (including participations)	78	78	87
U. S. securities.....	112,482	112,212	115,809
Total earning assets	113,973	112,797	116,503
Total reserves.....	297,681	292,927	271,215
Total deposits.....	225,790	217,750	194,127
F. R. Notes in circulation.....	183,738	181,113	186,194
Industrial commitments under Sec. 13b	176	183	1,134
Ratio of reserve to deposit and F. R. Note liabilities.....	72.7%	73.4%	71.3%

Following are the rates of this bank for accommodations under the Federal Reserve Act:

- (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 such institution 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

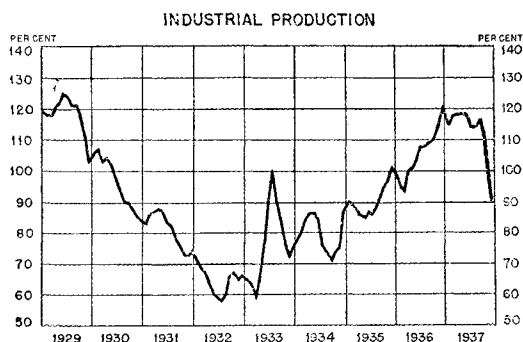
Debits to Individual Accounts—The following comparative table of debits to individual accounts reflects spending trends in this district:

(In thousands of dollars)	Nov., 1937	Oct., 1937	Nov., 1936	Nov. 1937 comp. with Oct. 1937	Nov. 1936
East St. Louis and Natl.					
Stock Yards, Ill. \$	34,809	\$ 40,533	\$ 31,208	—14.1%	+11.5%
El Dorado, Ark.....	4,982	5,229	3,758	— 4.7	+32.6
Evansville, Ind.....	29,953	31,580	32,919	— 5.2	— 9.0
Fort Smith, Ark.....	12,994	14,109	11,170	— 7.9	+16.3
Greenville, Miss.....	6,454	8,260	7,087	—21.9	— 8.9
Helena, Ark.....	2,656	3,267	2,888	—18.7	— 8.0
Little Rock, Ark.....	35,448	42,848	36,709	—17.3	— 3.4
Louisville, Ky.....	151,962	163,666	156,747	— 7.2	— 3.1
Memphis, Tenn.....	135,381	180,626	172,355	—25.0	—21.5
Owensboro, Ky.....	5,750	5,867	5,520	— 2.0	+ 4.2
Pine Bluff, Ark.....	9,957	13,769	10,004	—27.7	— 0.5
Quincy, Ill.....	7,815	8,779	7,408	—11.0	+ 5.5
St. Louis, Mo.....	572,260	656,633	541,762	—12.8	+ 5.6
Sedalia, Mo.....	2,011	2,231	1,881	— 9.9	+ 6.9
Springfield, Mo.....	13,437	15,573	12,484	—13.7	+ 7.6
Texarkana, Ark.-Tex.	7,349	8,597	7,546	—14.5	— 2.6
Totals	1,033,218	1,201,567	1,041,446	—14.0	— 0.8

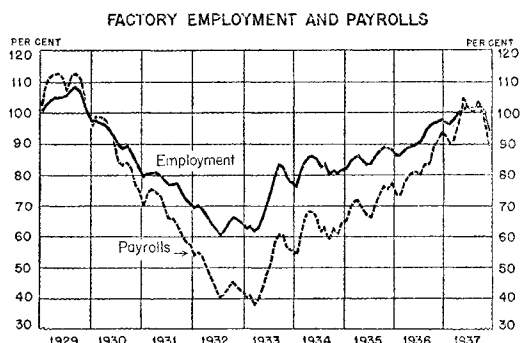
(Completed December 22, 1937)

NATIONAL SUMMARY OF BUSINESS CONDITIONS

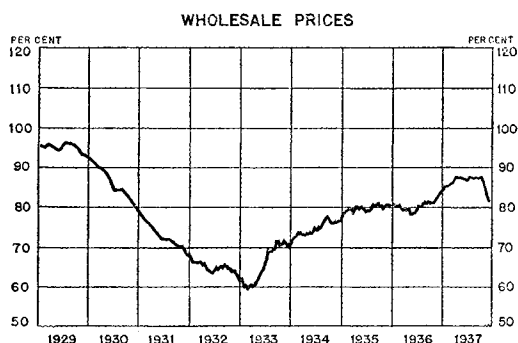
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



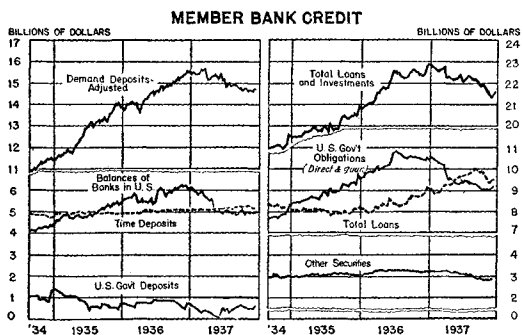
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through November, 1937. Latest figure 90.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1929, through November, 1937. Latest figures, employment 94.7, payrolls 89.3.



Index compiled by the United States Bureau of Labor Statistics, 1926=100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending December 18, 1937, 81.5.



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, through December 15, 1937.

In November, volume of industrial production continued to decline sharply, and employment and payrolls also decreased. During the first half of November commodity prices declined further but for the past month they have been steady.

Production and Employment—Volume of industrial output, as measured by the Board's seasonally adjusted index, declined from 103 per cent of the 1923-1925 average in October to 90 per cent in November, reflecting chiefly a sharp reduction in the manufacture of durable goods. There was a further curtailment of activity at steel mills and output for the month was at a rate of 38 per cent of capacity, a decline of one-third from October. In the first three weeks of December steel production was at about 28 per cent of capacity. Output of lumber and plate glass also declined substantially in November, and automobile production showed considerably less than the usual seasonal increase. Production of nondurable goods, which had decreased by a substantial amount earlier this year, declined further in November, reflecting a continued reduction in output of textiles and shoes, partly offset in the total by an increase in activity at sugar refineries. Output of minerals, as well as manufactures, declined in November. There were marked decreases in output of bituminous coal and in iron ore shipments, while crude petroleum production continued in large volume.

Total value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed little change in November and the first half of December. Awards for privately-financed projects declined, reflecting chiefly a further reduction in residential building, while contracts for publicly-financed work increased.

Employment and payrolls at factories showed an unusually sharp decline between the middle of October and the middle of November, and there were decreases also in the number employed in trade and other nonmanufacturing lines. The Board's seasonally adjusted index of factory employment was at 94 per cent of the 1923-1925 average in November as compared with a level of 102 last summer and 96 in November last year. In the steel, machinery, lumber, and textile industries the number employed decreased by substantially more than the usual seasonal amount, and there was some decline at automobile factories, although an increase is usual at this season. There were declines also in the seasonally adjusted indexes for most other lines, except foods and tobacco which showed little change.

Agriculture—Department of Agriculture estimates recently issued indicate that most crops will be about the same size as forecast earlier, but that cash farm income will be lower than had been anticipated, largely because of price declines both for crops and livestock. Cash income in 1937 is expected to be \$8,500,000,000, as compared with \$7,918,000,000 in 1936. The increase over a year ago is due primarily to increased income from marketings of wheat, tobacco, and fruits and to larger Government payments.

Distribution—Distribution of commodities to consumers, which earlier had been maintained, declined slightly in November. There was a slight decline in sales at department stores, and mail order sales decreased considerably, while sales at variety stores showed little change. Preliminary information for the first half of December indicates that department store sales increased by approximately the usual seasonal amount.

Freight-car loadings declined by considerably more than the seasonal amount in November and the Board's adjusted index for that month was 71 per cent of the 1923-1925 average as compared with 76 per cent in October and an average of 81 per cent in the first half of the year. The decline from October to November reflected principally marked decreases in loadings of coal and miscellaneous freight.

Commodity Prices—The general level of wholesale commodity prices, which had declined sharply from the latter part of September to the third week of November, has shown little change since that time. Prices of nonferrous metals, leather, wool, textile yarns, and finished cotton goods have declined somewhat further in this period, while steel scrap, hides, rubber, cotton, print cloths, and bituminous coal have recently shown some advance.

Bank Credit—Excess reserves of member banks showed a small decline, but for the first three weeks of December remained somewhat over \$1,000,000,000. The increase in demand for currency during December has been smaller than usual, reflecting largely the effects of the recent sharp decline in business activity and payrolls. Total loans and investments of reporting member banks in 101 leading cities increased somewhat during the four weeks ending December 15, reflecting a growth of \$190,000,000 in holdings of United States Government obligations, mostly in New York City. A factor in this increase was the purchase by banks of the December 15 issues of Government securities. Commercial loans, which had begun to decline in October showed a further reduction.