



# 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

<b>Agriculture:</b>		Fall 1937 comp. with 1936 (1927-31 Av.)	
Winter wheat acreage sown.....	-13.7%	+33.2%	
<b>Livestock:</b>		Jan. 1938 comp. with Dec. 1937 Jan. 1937	
Receipts at National Stock Yards.....	+ 8.9%	- 2.9%	
Shipments from aforesaid Yards.....	+ 4.9	+ 5.2	
<b>Production and Distribution:</b>			
Sales by mfrs. and wholesalers.....	+34.4	- 9.3	
Department store sales.....	-52.8	+ 4.0	
Car loadings.....	+ 4.4	-17.3	
<b>Building and Construction:</b>			
Bldg. permits, incl. repairs {	Number.....+21.4	+ 7.6	
	Cost.....-38.5	- 2.4	
Value constr. contracts awarded.....	- 5.4	-27.2	
<b>Miscellaneous:</b>			
Commercial failures {	Number.....+78.6	+92.3	
	Liabilities.....- 6.0	+90.8	
Consumption of electricity.....	- 9.7	-19.5	
Debits to individual accounts.....	-11.8	- 1.6	
<b>Member Banks (24):</b>		Feb. 16, '38 comp. with Jan. 19, '38 Feb. 17, '37	
Gross deposits.....	+ 0.2%	- 5.7%	
Loans.....	- 2.8	+10.7	
Investments.....	- 0.02	-18.8	

**W**HILE general business in the Eighth District during January and the first weeks of February continued the downward trends which marked the closing quarter of 1937, and were present throughout the country, available statistics and information reflect more gradual declines and in some instances stabilization at the lower levels, both with reference to volume of business transacted and prices. During the first half of January the rate of operations in some industries was moderately increased from depressed levels in late December and distribution of merchandise through retail channels also turned slightly upward. Through the entire area retail trade was handicapped by unseasonably warm weather, accompanied by rains in many sections, and these conditions extended well into February. The effect was particularly marked in the movement of heavy apparel, fuels, certain drugs and chemicals and other winter goods. Decreases in sales volume extended as well to wholesaling and jobbing lines investigated by this bank, all of which, with the exception of electrical supplies, reported a reduced volume of sales in January as compared with a year and two years earlier.

Inventories of merchandise in the hands of distributors are as a rule of moderate proportions, which fact has been emphasized in the immediate past by numerous orders specifying prompt shipment. This is true particularly of nondurable goods, notably dry goods, shoes, groceries, apparel and drugs. There is a general disposition, however, to purchase only sufficient goods to fill immediate or definite prospective requirements. With an insignificant number of exceptions, the volume of advance orders on books of wholesalers reporting to this bank as of February 1 was measurably below that of a year ago, and the average for the date during the past several years. In turn this attitude of hesitancy has ramified to manufacturers, who are making up only limited quantities of their products for which they have not actual orders. Commitments for raw and semi-finished materials are universally reported on an extremely conservative scale.

Activities in the iron and steel industry in this area developed moderate betterment during January as contrasted with December, but as a whole were considerably below the average in other recent months. Unfilled orders were further reduced, despite small shipments, and new business is being sparingly placed. Miscellaneous demands predominate in current orders, revival of purchasing by the chief consuming groups having failed to appear. At mid-February steel ingot production was at 27 per cent of capacity, which compares with 21 per cent during January and 15 per cent in the late December. Demand for building materials continues dull. Reflecting reduced industrial activities and smaller demands for heating purposes incident to the mild winter, production of bituminous coal at district mines in January was smaller by 22 per cent and 18 per cent, respectively, than a month and a year earlier. Employment and payrolls receded further, with decreases extending to virtually all industries.

Taken as a whole the agricultural situation in the district during the past thirty days underwent no changes of moment as contrasted with the similar period immediately preceding. Weather condi-

tions during the winter have been in the main favorable for growth and development of fall sown crops. Precipitation has been abundant and well distributed, with the result that soil conditions are more favorable than has been the case in a number of years. Considerable progress has been made in preparing for planting spring crops, but acreage intentions and farm plans generally are more uncertain than is usual for this season, owing to the decline in prices of farm products and a disposition of farmers to await action on the Government's agricultural program.

As reflected in sales of department stores in the principal cities, the volume of retail trade in January was 52.8 per cent less than in December and 4.0 per cent greater than in January, 1937. Combined sales of all reporting wholesaling and jobbing firms in January were 34.4 per cent greater than in December and 9.3 per cent less than in January a year ago. The dollar value of construction contracts let in the Eighth District in January was 5.4 per cent smaller than in December and 27.2 per cent below that in January, 1937. The dollar value of permits issued for new buildings in the chief cities in January was 42.7 per cent smaller than in December and 2.9 per cent larger than in January, 1937.

According to officials of railroads operating in this district, freight traffic during January declined somewhat more than seasonally and total loadings were measurably smaller than for that month a year and two years earlier. The downward trend continued in the first half of February, with heaviest declines in the miscellaneous freight, merchandise L. C. L. and coal classifications. In only grain, grain products and livestock were increases recorded over a year ago. The increase in the movement of grain was accounted for partly by heavy forwardings of corn. After unbroken increases since October, 1935, passenger traffic of the reporting roads for the month of January showed a decrease as compared with a year earlier. The decrease is attributed to depression in general business. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 10 per cent greater than in December and 12 per cent larger than in January, 1937. The heavy increase in the comparison with a year ago was caused by flood conditions existing during the earlier period.

Quite generally through the district, reports relative to collections during the past thirty days reflect less favorable conditions than have obtained in recent months. Wholesale merchants report more numerous requests for extensions, and fewer customers taking advantage of discounts. In the tobacco

districts, where marketing of the crop is nearing completion, liquidation with both merchants and country banks was in considerable volume. Retailers in the large urban centers report payments spotty, particularly with reference to goods purchased on installment. Reports of closer credit policies and more intensive collection efforts are received from a number of localities. Questionnaires addressed to representative interests in the several lines scattered through the district show the following results:

		Excellent	Good	Fair	Poor
January, 1938.....		0.8%	34.8%	48.7%	15.7%
December, 1937.....		2.0	33.8	44.0	20.2
January, 1937.....		2.5	46.4	40.6	10.5

Commercial failures in the Eighth Federal Reserve District in January, according to Dun and Bradstreet, numbered 50, involving liabilities of \$454,000, which compares with 28 defaults in December with liabilities of \$483,000 and 26 insolvencies for a total of \$238,000 in January, 1937.

### *Detailed Survey* **MANUFACTURING AND WHOLESALING**

Lines of Commodities	Net Sales		Stocks
	January, 1938 comp. with Dec. 1937	Jan. 1937	Jan. 31, 1938 comp. with Jan. 31, 1937
Boots and Shoes.....	+89.6%	— 1.5%	+21.8%
Drugs and Chemicals.....	— 8.7	— 4.6	— 1.9
Dry Goods.....	+25.5	—25.2	—12.3
Electrical Supplies.....	—28.4	+ 8.5	+24.1
Furniture.....	—28.3	—31.4	+64.0
Groceries.....	—11.2	—15.7	—14.8
Hardware.....	+24.3	— 7.4	— 7.2
All Above Lines.....	+34.4	— 9.3	+ 8.7

**Automobiles** — Combined passenger car, truck and taxicab production in the United States in January totaled 210,450 against 498,721 in December and 380,055 in January, 1937.

**Boots and Shoes** — The increase in sales from December to January, shown in the above table, was seasonal, but about one-third greater than has been the experience in recent years. The volume of orders for prompt delivery has increased somewhat since February 1, but advance purchasing for late spring and summer distribution is backward. While no specific changes in prices of finished goods were announced, the trend was lower in sympathy with raw materials.

**Clothing** — Sales volume declined noticeably during the closing months of 1937, and while seasonal factors helped to hold up trade in January the total for that month was about two-thirds smaller than a year earlier. Price and style uncertainties, together with the recession in general business, have adversely affected advance buying.

**Drugs and Chemicals** — As has been the case since the early fall, decreases in sales in this classifi-

cation during January as compared with a year earlier were accounted for to a large extent by a reduction in demand for heavy drugs and chemicals by the general manufacturing trade. Movement of seasonal merchandise was adversely affected by the unusually mild winter.

**Dry Goods** — Sales of the reporting interests showed less than the usual seasonal betterment from December to January, and the total for the month was the smallest since 1933. Reports covering the first half of February reflect a moderate pickup in spot orders. Price trends were lower.

**Electrical Supplies** — The decreases from December to January was generally distributed through the entire line, but most pronounced in radio materials, building installations and household appliances.

**Furniture** — Production, which receded sharply in December, continued to decline in January. Purchasing by retailers is mainly on an immediate requirement basis, with large stock orders almost entirely absent.

**Groceries** — January sales of the reporting firms were the smallest for the month since 1933. Slack purchasing is attributed to uncertainty relative to prices and the general business recession. Inventories of certain lines, notably canned goods, are reported in considerably larger volume than a year ago.

**Hardware** — The movement of seasonal merchandise of all descriptions has been adversely affected by the unusually high temperatures which have prevailed through most of the winter. Builders' tools and hardware, paints, varnishes and kindred lines continued quiet, and demand for commodities used chiefly in the rural areas was reported the smallest for this particular season in a number of years.

**Iron and Steel Products** — In contrast with the very low rate of activities in December, moderate improvement in the iron and steel industry in this district developed during January and the first half of February. The volume of business in virtually all branches of the industry, however, was substantially less than during the corresponding period a year ago. Orders placed for new products, including iron and steel castings, were small in the aggregate, and represented almost exclusively materials needed for immediate use. In numerous instances rush specifications accompanied new business placed, indicating depleted consumer inventories. In the case of the most important consuming groups, including railroads, automobiles and the farm implement industry, purchasing policies continue ultra

conservative. Takings by the carriers consisted chiefly of shop and repair items, orders for equipment being practically nil. This development was felt keenly by steel casting plants in the area, which are largely dependent on the railroads for business. Outlet through the building industry continues narrow, which fact was reflected in an operating rate at fabricating yards of only 20 to 30 per cent of capacity. Despite reduced schedules and relatively light shipments, backlogs were further reduced. January business of warehouse and jobbing interests was reported in slightly larger volume than during the preceding month, but approximately one-fourth smaller than in January, 1937. Individual orders, while fairly numerous, are small in size, resulting in reduced profit margins. Since the closing week of January, the sheet situation has improved slightly, due to freer specifications. Activities in the stove industry continue at a low ebb, consisting mainly of repair work and preparation of patterns for new models. Relatively the highest rate of operations is at farm implement and tractor plants. Purchasing of tin plate is in considerably smaller volume than a year ago, packers of food being disposed to await developments before making commitments. Operations at steel mills producing ingots were at 27 per cent of capacity at mid-February, against 21 per cent in January and 15 per cent at the close of 1937. January deliveries of pig iron to district melters were somewhat larger than in December, but the movement represented chiefly tonnage carried over from last year, new buying being confined to occasional small lots for prompt shipment. Scrap iron prices eased in early February, under lack of demand and requests of mills and foundries to hold back deliveries on outstanding contracts. Production of pig iron for the entire country in January, according to the magazine "Steel", totaled 1,439,191 tons, the smallest for any month since December, 1934, and comparing with 1,503,474 tons in December, and 3,219,741 tons in January, 1937. Steel ingot production in the United States in January amounted to 1,732,266 tons, against 1,472,241 tons in December, and 4,724,894 tons in January, 1937.

#### TRANSPORTATION

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 78,568 loads in January, against 75,273 loads in December and 94,928 loads in January, 1937. During the first nine days of February the interchange amounted to 22,682 loads, which compares with 20,832 loads during the corresponding period in January and 30,361 loads during the first nine days of February, 1937. Passenger traffic of the

reporting roads in January fell 6 per cent in number of passengers carried and 4 per cent in revenue as compared with the corresponding month a year ago. For the entire country loadings of revenue freight for the first five weeks this year, or to February 5, totaled 2,821,163 cars, against 3,385,676 cars for the like period in 1937 and 3,054,413 cars in 1936. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in January was 176,000 tons, against 159,680 tons in December and 79,418 tons in January, 1937. The large increase in January over a year ago was accounted for largely by flood conditions during the earlier period which seriously hampered navigation.

### 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	Stock	
	January, 1938		on Hand	Turnover	
	comp. with	Jan. 1937	Jan. 31, 1938	Jan. 1, to	Jan. 31,
	Dec. 1937	Jan. 1937	Jan. 31, 1937	1938	1937
El Dorado, Ark.....	55.2%	+ 6.3%	+ 5.7%	.22	.21
Ft. Smith, Ark.....	61.7	— 2.6	+ 0.5	.19	.19
Little Rock, Ark.....	62.0	— 3.4	— 5.5	.19	.19
Louisville, Ky.....	58.2	+ 51.4	— 14.0	.31	.19
Memphis, Tenn.....	57.5	+ 3.6	+ 1.2	.25	.25
Pine Bluff, Ark.....	61.9	— 12.2	— 0.7	.16	.16
Quincy, Ill.....	64.3	+ 6.2	+ 16.4	.18	.20
St. Louis, Mo.....	48.2	+ 0.2	— 7.2	.31	.30
Springfield, Mo.....	56.6	— 0.8	— 6.8	.17	.17
All Other Cities.....	67.9	— 12.1	— 3.8	.17	.22
8th F. R. District.....	52.8	+ 4.0	— 5.8	.28	.27

Percentage of accounts and notes receivable outstanding January 1, 1938, collected during January, by cities:

	Installment			Installment	
	Accounts	Excl. Instal. Accounts		Accounts	Excl. Instal. Accounts
El Dorado.....%	71.7%		Pine Bluff.....%	36.6	
Fort Smith.....	34.9		Quincy.....	50.5	
Little Rock.....	14.1	34.2	St. Louis.....	18.6	55.2
Louisville.....	11.2	50.9	Springfield.....		25.6
Memphis.....	22.6	43.0	Other Cities.....	12.2	37.5
			8th F. R. Dist.....	17.0	49.5

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

	Net Sales		Stocks	Stock	
	January, 1938		on Hand	Turnover	
	comp. with	Jan. 1937	Jan. 31, 1938	Jan. 1, to	Jan. 31,
	Dec. 1937	Jan. 1937	Jan. 31, 1937	1938	1937
Men's Furnishings.....	56.1%	+ 5.6%	— 1.4%	.18	.18
Boots and Shoes.....	52.2	+ 4.9	+ 4.8	.38	.39

Percentage of accounts and notes receivable outstanding January 1, 1938, collected during January:

Men Furnishings.....	33.9%	Boots and Shoes.....	41.1%
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### MINERALS

**Coal**—Effects of the depression, which began last autumn, became increasingly apparent in the record of bituminous coal distribution during January and the first half of February, most of the major movements turning downward during that period. Reduced industrial demand in its effect on production in this area was accentuated by smaller con-

sumption for heating purposes occasioned by the unusually mild winter. Estimated production of soft coal in the United States in January was only 30,173,000 tons, as against 36,226,000 tons in December and 40,940,000 tons in January, 1937. Output at mines in this general area in January fell 22 per cent and 18 per cent, respectively, below a month and a year earlier. Illinois mines produced 4,230,976 tons in January, which compares with 5,221,852 tons in December and 5,279,062 tons in January, 1937. There were 140 mines in operation in January and 35,754 men on payrolls, against 152 active mines and 37,006 operatives in December.

**Petroleum**—In 1937 thirteen new oil pools were opened in the Central Coal Basin area of Illinois. In the course of the year 157 wells were completed, of which 59 were dry wells. Total oil production in Illinois for the year, according to the U. S. Bureau of Mines, was 7,426,000 barrels, against 4,475,000 barrels in 1936. Drilling and exploitation continues on a considerable scale in the new Illinois fields.

In states including the Eighth District production of crude petroleum in December was 4.5 per cent and 63 per cent greater, respectively, than a month and a year earlier; total output for 1937 was larger by 19 per cent than in 1936. Detailed figures by states are given in the following table:

	Production					Stocks	
	(In thous. of bbls. Dec.'37	Nov.'37	Dec.'36	1937	1936	Dec.'37	Dec.'36
Arkansas .....	1,309	1,286	828	11,681	10,469	2,541	3,514
Illinois .....	1,085	990	392	7,426	4,470	10,913	11,260
Indiana .....	73	66	71	826	820	2,962	2,447
Kentucky ...	437	436	493	5,484	5,633	953	823
Totals.....	2,904	2,778	1,784	25,417	21,392	15,369	18,044

### AGRICULTURE

Total cash income from the sale of farm products and from Government payments in states including the Eighth District in 1937 is estimated by the U. S. Bureau of Agricultural Economics at \$1,713,014,000, an increase of \$92,949,000, or 5.7 per cent over the preceding year. The greater part of the increase over 1936 was due to income from crops. While prices of virtually all farm products declined drastically during the closing months of the year, the largely increased production of all the principal crops more than counterbalanced the smaller returns per unit received.

The estimates of cash income from agriculture indicate the amount of money available to farmers for paying taxes and interest and for purchasing commodities and services used in operating their farms and in supporting their families. The value of products produced and consumed on the farm as food or fuel is an addition to the cash income, and the total from these is included in gross income. The analysis of income, however, is not complete until expenses of production are subtracted from

gross income, to obtain the farmer's net income. Detailed figures by states are given in the following table:

(In thousands dollars)	1937				1936	
	Income from crops	Income from livestock and its products	Cash farm income	Govt. payments	Cash income and Govt. payments	Cash income and Govt. payments
Indiana .....	\$ 81,325	\$209,525	\$290,850	\$ 9,712	\$300,562	\$279,209
Illinois .....	204,300	302,300	506,600	15,401	522,001	488,869
Missouri .....	74,100	197,125	271,225	13,376	284,601	270,564
Kentucky .....	83,350	67,500	150,850	11,347	162,197	129,708
Tennessee .....	70,850	57,850	128,700	8,404	137,104	120,365
Mississippi .....	130,150	26,275	156,425	11,611	168,036	189,014
Arkansas .....	100,300	26,750	127,050	11,463	138,513	142,336
Totals.....	744,375	887,325	1,631,700	81,314	1,713,014	1,620,065

**General Conditions**—Weather conditions throughout the district during the late fall and to mid-February have been variable, but in the main favorable for growth of fall planted crops and progress of all descriptions of agricultural operations, including feeding of livestock for market and dairying. Precipitation has been abundant and well distributed, and soil conditions are the best at this particular season in many years. Loss of moisture incident to successive years of drouth has been largely made up, and handicaps which have beset farmers in recent seasons should be to a considerable extent eliminated at the time of spring planting.

In the northern sections preparation of the soil for planting spring crops has made considerable progress, and except where rains interfered with field work, these operations are well abreast of the seasonal schedule. In the cotton sections preparations are not so far advanced, there having been a general disposition on the part of planters to await definite announcement of the Government farm program before proceeding with their work. Generally the supply of farm labor is in excess of requirements, with wage scales lower than those prevailing at this time a year ago.

**Corn** — Due to the heavy production, more corn has been fed to livestock this season than during the preceding several years. In all the principal producing sections there is an abundance of choice seed corn for spring planting. Stocks of corn on farms as of January 1 in Eighth District states totaled 708,909,000 bushels, against 327,344,000 bushels on the same date in 1937 and the 5-year average (1928-1932) of 479,513,000 bushels.

**Cotton** — Owing to unfavorable weather, uncertainty relative to acreage intentions and a disposition to await action on the Government's 1938 farm program, preparations for the new crop at mid-February were generally behind those at the same time a year ago. Quite generally in the cotton areas supplies of feed and forage are in liberal volume, and reports from many sections indicate intentions of farmers to plant large acreages of corn, beans

and other feed and forage crops this season. In states of this district ginnings of the 1937 crop to January 16 totaled 5,108,996 bales, as compared with 3,834,772 bales a year earlier. Of the quantity ginned this season, 1,352,104 bales were received by the Commodity Credit Corporation, through January 27, through loans averaging 8.38c per pound. Despite a continued quiet demand and decline in prices of other commodities, prices of raw cotton were well sustained. In the St. Louis market the middling grade ranged from 7.92c to 8.75c per pound between January 15 and February 15, closing at 8.75c on the latter date, which compares with 8.65c on January 15 and 11.45c on February 15, 1937. Receipts at Arkansas compresses between August 1, 1937, and February 4, 1938, totaled 1,673,962 bales against 1,250,502 bales for the same period a year earlier. Stocks on hand as of February 1 totaled 943,417 bales, against 949,708 bales on January 7, and 532,360 bales on the corresponding date in 1937. Of the cotton on hand as of February 4, 418,264 bales were in the 9-cent loan.

**Livestock**—The unusually mild winter has been beneficial to the livestock industry in this general area and reports indicate that the condition of herds is universally high, with a minimum of losses from disease. Despite the sharp break in prices the movement to market was about the expected seasonal proportions. Demand for stocker and feeder cattle continued active. According to the annual survey of the U. S. Department of Agriculture, the aggregate number of livestock on farms in states including the Eighth District on January 1 was approximately 1.8 per cent larger than at the beginning of 1937. Owing, however, to the smaller average prices the estimated value of these animals on January 1 was .6 per cent smaller than a year earlier. The total of cattle, sheep, swine, horses and mules at the opening of the year was 34,505,000 head, having an estimated value of \$960,821,000, which compares with 33,898,000 head, with value of \$996,362,000, on January 1, 1937. There were slight decreases in the number of horses and mules, and increases in the other three species.

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

	Receipts			Shipments		
	Jan., 1938	Dec., 1937	Jan., 1937	Jan., 1938	Dec., 1937	Jan., 1937
Cattle and Calves.....	99,078	104,406	119,050	59,911	71,630	60,508
Hogs .....	251,480	223,373	271,063	153,215	136,512	146,706
Horses and Mules.....	7,576	2,160	7,445	7,200	2,304	7,317
Sheep .....	68,804	62,143	42,020	11,027	10,162	5,302
Totals.....	426,938	392,082	439,578	231,353	220,608	219,833

**Fruits and Vegetables** — Available reports from scattered sections of the district indicate that fruit trees came through the winter to mid-February in excellent condition; however, the mild temperatures

of late January and early February caused premature development of buds and foliage generally, and some apprehension was felt for the safety of peaches and other fruits should extreme low temperatures follow. Indicated acreage of strawberries in states including the Eighth District in 1938 is 54,060 acres, which compares with 41,200 acres in 1937 and the 5-year (1933-1937) average of 59,880 acres. Farmers in the chief producing sections have taken good care of their fields, and beds are in much better condition than at the same time last year. Intentions to plant white potatoes indicate that in the early states, Mississippi, Arkansas, Kentucky and Missouri, acreage will be 17,600 acres or 11.6 per cent less than in 1937, but 7.3 per cent larger than the 5-year (1928-1932) average.

**Tobacco** — The 1937 burley crop has been practically all sold; as of mid-February only three markets remained open, and these were expected to close before the end of the month. Prices were very irregular and sales were mainly of left-over and inferior grades. Notwithstanding the sharp recession in prices since the first of the year, gross cash receipts are expected to equal, if not exceed the total for the 1936 crop, due to the fact that the 1937 crop turned out larger than anticipated. For the 1936 crop the average price for burley reached a high average of \$35.50 per cwt. The average price for the 1937 crop was \$22.00 per cwt. or \$13.50 below that of the preceding year.

The one sucker and air cured markets are also terminating their activities for the season. Recent prices were irregular and tending downward, with an average about \$8.01 per cwt. In the western dark fired districts sales have been heavy, with prices holding firm at an average around \$8.10 per cwt.

### COMMODITY PRICES

Range of prices in the St. Louis market between January 15, 1938 and February 15, 1938, with closing quotations on the latter date and on February 15, 1937, follows:

	High	Low	Close	
			Feb. 15, 1938	Feb. 15, 1937
Wheat				
*May .....per bu..	.98	\$.93½	\$.93½	\$ 1.02
*July .....	.93½	.88	.88	.88½
*Sept. ....	.93	.88	.88	.87½
*No. 2 red winter ..	1.05	.98½	.98½	1.08½
*No. 2 hard ..	1.06	.99½	.99½	1.10
Corn				
*May .....	.60¾	.58½	.59	.61½
*July .....	.62	.59	.60	.62¾
*Sept. ....	.62	.59½	.60½	.62¾
*No. 2 mixed .....	.63	.58	.58	.66½
*No. 2 white .....	.64	.59	.59	.69½
Oats				
*May .....	.34¾	.33½	.33½	
*July .....	.32½	.30½	.31½	
*Sept. ....	.33¾	.30½	.31½	
*No. 2 white .....	.36	.30½	.35	.33
Flour				
Soft patent.....per bbl.	5.25	4.80	4.80@5.05	5.30@ 6.00
Spring " .....	6.80	6.10	6.10@6.45	6.90@ 7.05
Middling Cotton...per lb.	.0875	.0792	.0875	.1145
Hogs on Hoof.....per cwt.	9.20	6.15	6.75@8.75	9.15@11.10
*Nominal quotations.				

**Winter Wheat** — Stocks of wheat on farms in states including the Eighth District on January 1 totaled 28,265,000 bushels, against 14,383,000 bushels on the same date in 1937 and the 5-year average (1928-1932) of 22,814,000 bushels.

### CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in January as being 9.7 per cent less than in December and 19.5 per cent smaller than in January, 1937. Detailed figures for January follow:

(K.W.H. in thous.)	No. of Customers	Jan., 1938 K.W.H.	Dec., 1937 K.W.H.	Jan., 1937 K.W.H.	January, 1938 compared with Dec. 1937	Jan. 1937
Evansville .....	40	2,071	3,049	2,883	—32.1%	—28.2%
Little Rock..	35	1,749	1,931	1,903	— 9.4	— 8.1
Louisville .....	82	6,748	7,967	7,624	—15.3	—11.5
Memphis .....	31	2,336	2,338	2,623	— 0.1	—10.9
Pine Bluff.....	20	844	974	1,026	—13.3	—17.7
St. Louis.....	194	17,396	18,248	22,649	— 4.7	—23.2
Totals.....	402	31,144	34,507	38,708	— 9.7	—19.5

The following figures compiled by the Federal Power Commission show kilowatt production for lighting and industrial purposes for the country as a whole:

	By water power	By fuels	Totals
December, 1937.....	3,556,872,000	6,172,855,000	9,729,727,000
November, 1937.....	3,629,595,000	5,922,145,000	9,551,740,000
December, 1936.....	3,618,422,000	6,859,245,000	10,477,667,000

### BUILDING

The dollar value of building permits issued for new construction in the five largest cities of the district in January was 42.7 per cent smaller than in December and 2.9 per cent larger than in January, 1937. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth Federal Reserve District in January amounted to \$11,986,000 which compares with \$12,676,300 in December and \$16,458,600 (revised figure) in January, 1937. Building figures for January follow:

(Cost in thousands)	New Construction				Repairs, etc.			
	Permits 1938	Permits 1937	Cost 1938	Cost 1937	Permits 1938	Permits 1937	Cost 1938	Cost 1937
Evansville....	6	17	\$ 28	\$ 109	60	44	\$ 33	\$ 35
Little Rock	16	10	25	44	56	40	22	20
Louisville....	38	54	205	150	55	25	50	52
Memphis.....	106	150	124	132	117	104	226	111
St. Louis.....	110	122	260	189	117	67	114	272
Jan. Totals..	276	353	642	624	405	280	445	490

### LIFE INSURANCE

Sales of new, paid-for, ordinary life insurance in states including the Eighth District during January, the preceding month, and a year ago, are shown in the following table:

(In thousands of dollars)	Jan., 1938	Dec., 1937	Jan., 1937	Jan. 1938 comp. with Jan. 1937
Arkansas .....	\$ 2,939	\$ 4,321	\$ 3,918	—25.0%
Illinois .....	42,417	51,329	45,583	— 6.9
Indiana .....	11,570	15,209	12,232	— 5.4
Kentucky .....	6,543	7,109	4,918	+33.0
Mississippi .....	2,524	4,106	3,250	—22.3
Missouri .....	16,414	19,565	16,802	— 2.3
Tennessee .....	6,191	8,524	7,232	—14.4
Totals .....	88,598	110,163	93,935	— 5.7
United States.....	493,815	634,470	547,883	— 9.9

## MONEY AND BANKING

During the past thirty days liquidation of loans at commercial banks continued in considerable volume. Settlements were well diversified, both with reference to geographic location and the several borrowing groups. Demand for credit from mercantile and industrial sources, while showing a sharp recession from the peak levels last fall, was still in measurably larger volume than at the corresponding period in 1937. Quite generally through the district, but more particularly in the tobacco areas, country banks further reduced their indebtedness with city correspondents and many of these banks were seeking investment for surplus funds. There was about the expected seasonal reduction of loans based on livestock. Reflecting large supplies of corn and other feed crops, however, demand for funds to condition cattle and hogs for market continues active. In some sections of the district there has been a moderate quickening in inquiries for building and real estate loans in anticipation of early spring requirements. Interest rates remained practically unchanged.

**Member Banks**—Total loans and investments of reporting member banks in the leading cities decreased 1.4 per cent in the four-week period ended February 16. The decrease was accounted for almost entirely in the loans item, there being only a small fractional recession in investments. As compared with a year earlier, the volume of loans at the end of the period was 10.7 per cent greater and investments 18.8 per cent smaller. Gross deposits declined sharply during the second week in February, as compared with a year earlier, but on February 16 were about the same level as a month earlier. Reserve balances were 3.6 per cent higher.

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

(In thousands of dollars)	Feb. 16, 1938	Jan. 19, 1938	Feb. 17, 1937
<b>Loans—total</b> .....	<b>\$311,199</b>	<b>\$320,073</b>	<b>\$281,113</b>
Commercial, industrial, and agricultural:			
On securities.....	48,726	50,469	*
Otherwise secured and unsecured.....	143,566	148,101	*
Open market paper.....	10,484	10,566	*
Loans to brokers and dealers.....	4,274	4,398	5,401
Other loans to purchase or carry securities	12,719	12,538	*
Real estate loans.....	46,905	46,763	43,690
Loans to banks.....	6,556	7,267	5,368
On securities.....	11,233	11,393	*
Otherwise secured and unsecured.....	26,736	28,578	*
<b>Investments—total</b> .....	<b>334,092</b>	<b>334,149</b>	<b>411,489</b>
U. S. Govt. obligations.....	190,810	192,458	239,842
Obligations guaranteed by U. S. Govt.....	47,957	47,441	59,171
Other securities.....	95,325	94,250	112,476
<b>Gross deposits</b> .....	<b>908,191</b>	<b>906,012</b>	<b>963,552</b>
Demand deposits.....	718,002	715,679	775,717
Time deposits.....	190,189	190,333	187,835
<b>Borrowings</b> .....			

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 in selected banks on February 2 was 0.1 per cent small-

er than on January 5 and 3 per cent greater than on February 3, 1937.

At downtown St. Louis banks interest rates charged as of the week ended February 15 were as follows: Customers' prime commercial paper, 1½ to 5¾ per cent; collateral loans, 2 to 6 per cent, loans secured by warehouse receipts, 1½ to 5½ per cent; interbank loans 3½ to 4 per cent and 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 January, 1938, is indicated by the following figures:

	Pieces	Amounts
Checks (cash items) handled.....	4,584,079	\$1,021,805,024
Collections (non-cash items) handled.....	104,081	31,134,509
Transfers of funds.....	5,338	290,263,669
Currency and coin received and counted.....	25,192,588	39,613,931
Rediscounts, advances and commitments.....	33	2,187,230
New issues, redemptions, and exchanges of securities as fiscal agent of U. S. Govt., etc.	12,466	16,072,324
Bills and securities in custody—coupons clipped	14,131	.....

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

(In thousands of dollars)	Feb. 18, 1938	Jan. 18, 1938	Feb. 18, 1937
Industrial advances under Sec. 13b.....	\$ 202	\$ 235	\$ 351
Other advances and rediscounts.....	409	57	63
Bills bought (including participations).....	2	2	86
U. S. securities.....	114,478	114,445	116,054
<b>Total earning assets</b> .....	<b>115,091</b>	<b>114,739</b>	<b>116,554</b>
<b>Total reserves</b> .....	<b>291,918</b>	<b>302,715</b>	<b>267,850</b>
<b>Total deposits</b> .....	<b>224,298</b>	<b>232,270</b>	<b>203,518</b>
<b>F. R. Notes in circulation</b> .....	<b>178,074</b>	<b>178,475</b>	<b>178,059</b>
Industrial commitments under Sec. 13b.....	485	326	1,295
Ratio of reserve to deposit and F. R. Note liabilities.....	72.5%	73.7%	70.2%

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:

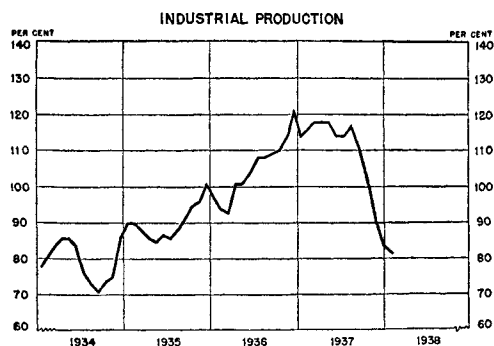
(In thousands of dollars)	Jan., 1938	Dec., 1937	Jan., 1937	Jan. 1938 comp. with Dec. 1937	Jan. 1937
<b>East St. Louis and Natl.</b>					
Stock Yards, Ill.....	\$ 30,604	\$ 34,285	\$ 34,026	—10.7%	—10.1%
El Dorado, Ark.....	4,950	5,820	4,438	—14.9	+11.5
Evansville, Ind.....	28,633	32,862	31,013	—12.9	—7.7
Fort Smith, Ark.....	12,654	13,682	12,634	—7.5	+0.2
Greenville, Miss.....	5,341	6,258	6,249	—14.7	—14.5
Helena, Ark.....	1,831	2,533	1,734	—27.7	+5.6
Little Rock, Ark.....	32,297	38,364	36,117	—15.8	—10.6
Louisville, Ky.....	168,585	176,187	154,486	—4.3	+9.1
Memphis, Tenn.....	128,600	140,385	138,361	—8.2	—7.1
Owensboro, Ky.....	6,698	7,021	7,003	—4.6	—4.2
Pine Bluff, Ark.....	8,499	10,613	8,085	—19.9	+5.1
Quincy, Ill.....	7,469	8,366	7,464	—10.7	+0.1
St. Louis, Mo.....	543,700	636,440	549,520	—14.6	—1.1
Sedalia, Mo.....	1,910	2,337	2,544	—18.3	—24.9
Springfield, Mo.....	13,458	13,740	16,056	—2.1	—16.2
Texarkana, Ark.-Tex.	7,822	8,422	9,163	—7.1	—14.6
<b>Totals</b> .....	<b>1,003,051</b>	<b>1,137,315</b>	<b>1,018,893</b>	<b>—11.8</b>	<b>—1.6</b>

(Completed February 23, 1938)

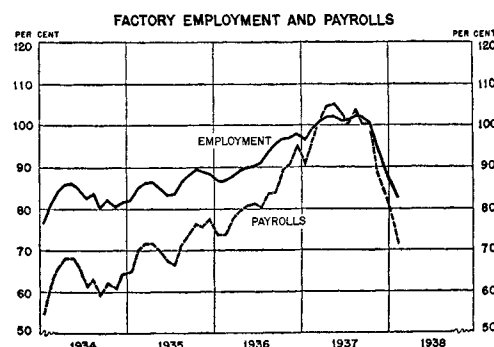


# NATIONAL SUMMARY OF BUSINESS CONDITIONS

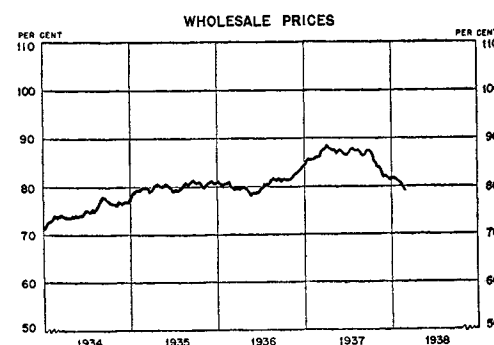
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



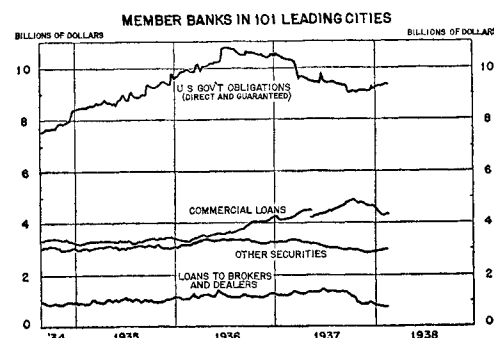
Index of physical volume of production, adjusted for seasonal variation, 1923-25 average = 100. By months, January, 1934, through January, 1938. Latest figure January, 1938, 81.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-25 average = 100. By months, January, 1934 through January, 1938. Latest figures, January, 1938, employment 82.5, payrolls 71.1. Indexes compiled by the United States Bureau of Labor Statistics.



Index compiled by the United States Bureau of Labor Statistics, 1926 = 100. By weeks, 1934 through week ending February 19, 1938. Latest figure, all commodities 79.4.



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, through February 16, 1938. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as then reported.

The decline in business activity, which had been rapid during the last quarter of 1937, continued in January, but at a slower rate.

**Production**—Volume of industrial production, as measured by the Board's seasonally adjusted index, was at 81 per cent of the 1923-1925 average in January as compared with 84 per cent in December. Output of durable goods continued to decline, reflecting chiefly considerable decreases in production of automobiles and plate glass and a further decline in output of lumber. Steel ingot production increased somewhat, the output for January averaging 30 per cent of capacity. In the first three weeks of February, activity at steel mills showed little change at about 31 per cent of capacity, while production of automobiles was at a lower rate than in January.

In the textile industries, activity at silk and rayon mills in January showed a sharp rise from the low levels reached in December. At cotton mills, however, there was less than the usual seasonal increase and output of woollen products continued in small volume. Shoe production, which also had been at a low rate in December, increased considerably in January, and activity at meat-packing establishments rose somewhat further. Output of tobacco products remained at a high level, while sugar meltings declined. At mines, bituminous coal production was considerably smaller than in December, and there was also a reduction in output of nonferrous metals. Petroleum production continued at the high level of other recent months.

Value of construction contracts awarded in January was smaller than in December and somewhat below the level maintained during the last four months of 1937, according to figures of the F. W. Dodge Corporation. Contracts awarded for public projects increased somewhat further, while awards for private work continued to decline, reflecting a further decrease in residential building and a sharp reduction in awards for factory construction. In the first half of February awards for private projects were at about the same rate as in January, while those for public work showed a sharp decline.

**Employment**—Factory employment and payrolls declined substantially further between the middle of December and the middle of January. In the durable goods industries, decreases in employment were general and were particularly large at factories producing automobiles, steel, and machinery. Employment in nondurable goods industries showed a somewhat smaller decline than in previous months. There was some increase in the number employed at shoe factories and little change in the food industries as a group, but in other nondurable goods industries employment continued to decrease. Employment on the railroads, in mining, and in the construction industry also declined.

**Distribution**—Department store sales showed a seasonal decrease from December to January, while sales at variety stores and mail order sales declined by more than the usual seasonal amount.

Freight-car loadings continued to decline in January, reflecting principally a reduction in shipments of coal.

**Commodity Prices**—Prices of steel scrap and nonferrous metals declined from the middle of January to the third week of February, following some advance in December and the early part of January. There were further decreases in some other basic commodities, while prices of cotton and silk advanced. Livestock products continued downward and a number of finished industrial products declined further. Prices of pig iron and most finished steel products have been reaffirmed for second quarter delivery.

**Bank Credit**—During the first three weeks of February excess reserves of member banks were little changed from the level of \$1,400,000,000 reached at the end of January, following the post-holiday return of currency from circulation. During January there were substantial reductions in commercial loans and brokers' loans and moderate increases in investments at reporting member banks in 101 leading cities. In the first three weeks of February loans and investments of these banks showed little change.

**Money Rates**—Rates on Treasury bills and yields on Treasury notes and bonds continued in February at the low levels reached in the latter part of January.