



# BUSINESS CONDITIONS

*Monthly Review of Agriculture, Industry, Trade and Finance  
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FEDERAL RESERVE BANK OF ST. LOUIS



*State Capitol, Frankfort, Kentucky*

## SUMMARY OF EIGHTH DISTRICT

<b>Agriculture:</b>		May 1, 1939, comp. with 1938 Av. 1928-37	
Estimated produc. of winter wheat.....	-23.5%	-	4.7%
<b>Live Stock:</b>		Apr., 1939, comp. with Mar., 1939 Apr., 1938	
Receipts at National Stock Yards.....	-	3.9%	- 1.7%
Shipments from aforesaid Yards.....	- 8.2	+	1.9
<b>Production and Distribution:</b>			
Sales by mfrs. and wholesalers.....	-11.4	-	0.2
Department store sales.....	+ 0.8	+	0.5
Car loadings.....	- 4.4	+	14.6
<b>Building and Construction:</b>			
Bldg. permits, incl. repairs {	Number	-10.6	- 0.3
Cost	- 5.1	+	43.9
Value construction contracts awarded..	+12.7	+	46.5
<b>Miscellaneous:</b>			
Commercial failures {	Number.....	-27.3	- 36.0
Liabilities.....	+311.4	+	150.0
Consumption of electricity.....	+ 2.5	+	14.0
Debits to individual accounts.....	- 6.0	+	3.3
<b>Member Banks (24):</b>		May 10, '39, comp. with Apr. 12, '39 May 11, '38	
Gross deposits.....	- 1.6%	+	8.8%
Loans.....	+ 1.3	+	6.2
Investments.....	+ 1.5	+	10.3

COMMERCE and industry in the Eighth District in April and the first half of May underwent no marked changes as contrasted with the similar period immediately preceding. Such variations as occurred were traceable in large measure to seasonal influences, and as a whole activities were measurably above levels obtaining at the same time a year ago. Production receded slightly in April from March, but decreases were by no means universal, some lines continuing the upward trends which began last winter. Distribution of merchandise, as indicated by car loadings of railroads operating in the district and statistics of manufacturers and merchants available to this bank, was well sustained, despite the handicap of a late spring which restricted the movement through retail channels of certain seasonal goods, notably apparel, boots and shoes and groceries.

While conservative buying of both manufactured goods and raw materials continues the rule, there was more of a disposition in many quarters to provide for future needs, and throughout the business community there were evidences of greater confidence than at any time since the upward swing in business began in the late summer of last year. Inventories continued the downward trend of earlier months this year, and in numerous instances are at levels where replenishment cannot much longer be delayed. This is true particularly of raw materials held by durable goods industries, which have substantially reduced stocks acquired last year.

April production of bituminous coal in this area decreased sharply from March, and was also much

smaller than a year ago. In both comparisons the decline in output was attributable to the closing of mines incident to the labor dispute in the Appalachian region. In all fields of this district reopening of mines became general at mid-May and production by the end of the month is expected to be close to normal.

Included in favorable developments during April was a notable increase in building activities, as reflected in permits issued and actual construction contracts let, the latter reaching the highest point since last January. In line with the improved building situation, production and shipments of building materials expanded in more than the seasonal amount. Output of lumber increased from March to April and was measurably greater than a year ago. In states of this district production of Portland cement in March, the latest available figures, was 20 per cent greater than for the same month in 1938. Increased activities were reported at glass, fire clay, and paint factories. April sales of plumbing and heating supplies and accessories were 8 per cent and 9 per cent greater, respectively, than a month and a year earlier.

Retail trade in April, as reflected by department store sales in the chief cities, was moderately higher than in March and a year ago, and cumulative total for the first four months was larger by 2 per cent than in the comparable period in 1938. Stimulated by spring farm operations and the substantial volume of Government benefit payments to farmers, rural retail sales in April, as reported by the U. S. Department of Commerce, were 5 per cent and 11 per cent greater, respectively, than a month and a year earlier.

Owing to the late spring, preparations for and planting of crops are generally from two to three weeks in arrears of the seasonal schedule. Frequent rains during April and early May made fields unworkable, while low temperatures retarded development of all vegetation. Withal agricultural prospects as a whole in this district are the most promising in a number of years. Prices of farm products fluctuated in minor degree only during April, but at mid-May corn and cotton prices advanced sharply to the highest levels of the season.

Commercial failures in the Eighth Federal Reserve District in April, according to Dun and Bradstreet, numbered 32, involving liabilities of \$1,659,000, which compares with 44 defaults with liabilities of \$412,000 in March and 50 insolvencies for a total of \$678,000 in April, 1938.

**DETAILED SURVEY OF DISTRICT**

**MANUFACTURING AND WHOLESALING**

Lines of Commodities Data furnished by Bureau of Census, U. S. Dept. of Commerce.	Net Sales		Stocks
	April, 1939 compared with		Apr. 30, 1939 comp. with
	Mar., '39	Apr. '38	Apr. 30, 1938
Boots and Shoes.....	-12.7%	-16.0%	.....%
Drugs and Chemicals.....	-14.5	+ 3.0	.....
Dry Goods.....	-21.1	+ 1.4	- 6.9
Electrical Supplies.....	- 6.3	+13.7	- 7.1
Furniture.....	- 2.6	+ 5.2	- 1.6
Groceries.....	-11.4	+ 2.8	- 1.4
Hardware.....	- 9.6	+ 5.4	- 9.8
Plumbing Supplies.....	+ 9.3	+ 8.0	- 6.3
Tobacco and its Products.....	- 1.4	+ 4.4	- 1.7
Miscellaneous.....	- 2.9	+32.5	- 0.1

Decreases from March to April shown in the above table were in the main seasonal in character, but in the case of dry goods, boots and shoes and groceries, were somewhat greater than average. This was accounted for in part by the early Easter date, which had the effect of abnormally swelling March sales. Unseasonably cool weather throughout April also tended to hold down volume in certain lines. Since the first of May there has been a noticeable pickup in ordering of drugs and chemicals, groceries, dry goods and some other lines, reflecting more seasonable weather and improvement in general business conditions. Collections in April were reported considerably better than a year ago, and compared favorably with March.

**Automobiles**—Combined passenger car, truck and taxicab production in the United States in April totaled 337,372 against 371,940 in March and 219,314 in April, 1938.

**Iron and Steel Products**—Tapering off in certain seasonal requirements, together with lessened new demands from some important consuming groups, were reflected in a further moderate recession in activities in the iron and steel industry in this area as contrasted with the year's high levels of February and early March. The slowing down, however, was by no means general, operations in some branches having maintained or slightly bettered the rate attained earlier in the year. In all lines investigated new orders placed were on an immediate requirement basis, there being no disposition anywhere to provide against future needs.

Shipments and the melt of pig iron in April were about on a parity with March, and have shown little change during the first half of May. New ordering of pig iron and purchasing of scrap, however, have receded quite noticeably since the last week of April. Shipments of metallurgical coke have made a better showing than in the case of other raw materials, owing principally to the desire on the part of melters to provide against possible interference with the movement later on. Steel ingot production

at mills in this area at mid-May was at 39 per cent of capacity, as against 41.4 per cent a month earlier and 33.3 per cent a year ago.

Operations at stove foundries increased seasonally in late April and continued upward through the first half of May. Steady operations were reported at farm implement plants, with the exception of one, which has closed down until mid-June for remodeling and repairs. Generally bars, sheet, plates, strip and other flat rolled materials were reported moving slowly, an exception being tin plate and reinforcing concrete bars, which continue relatively active. Gains in building construction were reflected in a broadening in demand for a variety of steel products. Jobbing and warehouse interests report April volume slightly below March.

Pig iron production for the entire country in April, according to the magazine "Steel", totaled 2,063,080 tons, as against 2,393,255 tons in March and 1,388,008 tons in April, 1938. The daily average output in April was the smallest since October last year. Steel ingot production in the United States in April amounted to 2,986,985 tons, against 3,396,021 tons in March and 1,919,042 tons in April, 1938.

**MINING AND OIL**

Production of bituminous coal for the entire country during April was less than one-third as large as in March, and about one-half smaller than in April, 1938. The sharp decreases in both comparisons were attributable to cessation of production in the Appalachian region. In this general area output was relatively high, especially during the final week of April, when there was a sudden spurt of activity at all operating mines. According to the National Bituminous Coal Commission, output of soft coal for the entire country in April totaled 10,747,000 tons, as against 35,290,000 tons in March and 21,671,000 tons in April, 1938. The series previously published in this Review, showing percentage changes in production in Eighth District fields, was interrupted by absence of statistics covering the month of April.

April output of Illinois mines was 3,427,278 tons, which compares with 4,022,967 tons in March and 2,167,039 tons in April, 1938. There were 106 mines in operation during April, with 29,098 men on payrolls, as against 116 active mines and 31,373 operatives in March.

**Petroleum**—March output of crude oil in states of the Eighth District was 16.9 per cent more than in February and 120.8 per cent greater than in

March, 1938. Cumulative total for the first three months this year was 123.5 per cent in excess of the corresponding period in 1938. Stocks on April 1 were 0.9 per cent and 3.4 per cent greater, respectively, than a month and a year earlier. Detailed production and stocks by states are given in the following table:

(In thousands of barrels)	Production			Cumulative		Stocks	
	Mar., 1939	Feb., 1939	Mar., 1938	1939	1938	Mar., 1939	Mar., 1938
Arkansas.....	1,679	1,483	1,562	4,755	4,183	2,279	2,659
Illinois.....	5,380	4,542	1,330	14,368	3,566	11,918	10,998
Indiana.....	59	59	73	175	209	3,192	3,271
Kentucky.....	437	380	457	1,337	1,274	1,138	998
Totals.....	7,555	6,464	3,422	20,635	9,232	18,527	17,926

### 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 Apr. 30, 1939 comp. with Apr. 30, 1938	Stock Turnover Jan. 1. to Apr. 30, 1939 1938
	April, 1939 compared with Mar., 1939	4 mos. 1939 to same period 1938	Apr. 30, 1939 comp. with Apr. 30, 1938		
Ft. Smith, Ark.....	-9.2%	+1.4%	+2.1%	+3.8%	.86
Little Rock, Ark.....	+9.1	+1.7	+4.7	-1.6	1.00
Louisville, Ky.....	+4.7	-1.5	-0.1	-7.9	1.27
Memphis, Tenn.....	+1.9	+4.2	+5.4	-4.7	1.08
Pine Bluff, Ark.....	+2.4	+13.0	+17.2	+0.4	.86
Quincy, Ill.....	-2.0	+8.2	+3.8	-17.3	1.19
St. Louis, Mo.....	-0.7	-0.3	+1.0	-5.9	1.48
Springfield, Mo.....	+5.3	-10.9*	-0.6	+5.8	.97
All Other Cities.....	+6.8	+5.1	+13.3	-14.6	1.03
8th F. R. District.....	+0.8	+0.5	+2.0	-5.6	1.32

\*The decrease shown under a year ago was due to a special situation which tended to raise sales volume in the earlier period.

Percentage of accounts and notes receivable outstanding April 1, 1939, collected during April, by cities:

	Installment Accounts	Excl. Instal. Accounts		Installment Accounts	Excl. Instal. Accounts
Ft. Smith.....%		39.4	Quincy.....%		49.5
Little Rock.....	17.6	36.7	St. Louis.....	21.4	57.8
Louisville.....	14.8	48.3	Other Cities.....	15.6	44.7
Memphis.....	27.9	41.8	8th F. R. Dist.	20.6	50.8

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

	Net Sales			Stocks on Hand Apr. 30, 1939 comp. with Apr. 30, 1938	Stock Turnover Jan. 1. to Apr. 30, 1939 1938
	April, 1939 compared with Mar., 1939	4 mos. 1939 to same period 1938	Apr. 30, 1939 comp. with Apr. 30, 1938		
Men's Furnishings....	+14.5%	-4.1%	-0.03%	-8.7%	.85
Boots and Shoes....	+13.5	-10.9	-0.1	-3.7	2.25

Percentage of accounts and notes receivable outstanding April 1, 1939, collected during April:

Men's Furnishings.....	36.8%	Boots and Shoes.....	39.1%
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### TRANSPORTATION

Freight traffic of railroads operating in this district, according to officials of the reporting lines, continued during April and the first week in May to run well above the volume recorded during the cor-

responding period a year ago. The movement of coal was in relatively greater volume than on eastern railroads, as production at bituminous mines in this area not affected by the labor dispute was materially increased. In recent weeks loadings of miscellaneous freight—the most significant class with regard to the general freight movement—have averaged well above a year ago.

The St. Louis Terminal Railway Association, which handles interchanges for 28 connecting lines, interchanged 77,911 loads in April, which compares with 81,497 loads in March and 67,958 loads in April, 1938. During the first nine days of May the interchange amounted to 23,759 loads, as against 22,370 loads during the corresponding period in April and 21,102 loads during the first nine days of May, 1938. Passenger traffic of the reporting roads in April was unchanged in number of passengers carried and 2.5 per cent greater in revenue as compared with the same month a year ago.

For the entire country loadings of revenue freight for the first 17 weeks this year, or to April 29, totaled 9,822,512 cars, as against 9,285,152 cars for the corresponding period in 1938 and 12,176,978 cars in 1937. Estimated tonnage of the Federal Barge Line between St. Louis and New Orleans in April was 169,400 tons, against 136,450 tons in March and 186,495 tons in April, 1938; cumulative tonnage for the first four months this year was 613,467 tons, against 705,084 tons for the corresponding period in 1938.

### AGRICULTURE

Combined receipts from the sale of principal farm products and Government benefit payments to farmers in states including the Eighth District during the period January-March, 1937, 1938 and 1939, and during March, 1938 and 1939, are given in the following table:

(In thousands of dollars)	March		Cumulative for 3 months		
	1939	1938	1939	1938	1937
Indiana.....	\$20,051	\$19,070	\$ 59,025	\$ 56,821	\$ 69,311
Illinois.....	44,815	33,018	127,256	102,770	116,149
Missouri.....	17,348	15,074	50,893	46,767	50,233
Kentucky.....	7,490	15,861	44,718	60,376	61,008
Tennessee.....	7,871	11,965	28,422	35,992	38,721
Mississippi.....	9,541	7,047	30,398	29,253	36,468
Arkansas.....	5,866	7,537	15,460	25,095	26,108
Totals.....	\$112,982	\$109,572	\$356,172	\$357,074	\$397,998

**General Farming Conditions**—Taken as a whole, the season to mid-May in the Eighth Federal Reserve District has been adverse to progress of agricultural operations, preparations for and planting of spring crops being from two to three weeks behind the usual seasonal schedule. During April and the first half of May excessive rains delayed field work and low temperatures militated against growth and development of all descriptions of vege-

tation. In addition to holding back work, the wet weather accounted for considerable actual damage, particularly in the lowlands along rivers and creeks, where overflows necessitated replanting of cotton, potatoes, corn and certain other crops. On the other hand, the abundant moisture proved very beneficial to pastures and fall planted grains, the condition of which has undergone notable improvement since the late winter. In all states of the district the condition of pastures as of May 1, according to the U. S. Department of Agriculture, was above the 10-year (1928-1937) average.

Notwithstanding the handicap of a late spring, crop prospects generally through the district are the most promising in a number of years, with indications for yields adequate for all requirements. Ample time remains for completing the intended planting of corn, cotton and other productions where such operations have been delayed. The farm labor situation developed no change worthy of note as contrasted with the preceding thirty days.

The general level of farm products prices showed little variation between April 8 and May 6, but continued measurably below the corresponding periods in recent years. As of the week ended May 6, the farm products group of the U. S. Bureau of Labor Statistics index stood at 63.6 per cent of the 1926 average, which compares with 63.8 per cent on April 8; 67.4 per cent on May 8, 1938; 91.0 per cent on May 8, 1937; 76.2 per cent on May 9, 1936, and 80.8 per cent on May 11, 1935.

**Cotton**—Taken as a whole, weather conditions have been less favorable this season than last for planting the new cotton crop, and this work is from ten days to two weeks in arrears of the usual seasonal schedule. Rains have delayed field work, and temperatures were too low to permit rapid advancement of the crop. Some replanting has been necessitated by flood conditions in river and creek bottom lands. According to the National Fertilizer Association, sales of fertilizer tags in states including the Eighth District during the first four months this year were 2.2 per cent and 12.6 per cent smaller, respectively, than in the corresponding periods a year and two years earlier.

Reflecting a more active demand for spot cotton from domestic mills, prices turned upward, advancing during the second week in May to the highest levels of the season. Trading was limited by scant offerings, for while stocks are of record size, "free" cotton is reported to be the second smallest in volume at this particular time in fifteen years, the balance being in Government loans. In the St. Louis market the middling grade ranged from 7.90¢ to

8.70¢ per pound between April 15 and May 15, closing at 8.60¢ on the latter date, which compares with 7.70¢ on April 15 and 8¢ on May 16, 1938.

**Fruits and Vegetables**—Prospects for fruit in this district are above average. Frosts in early April caused spotted damage to tree fruits, particularly to peaches, early apples and cherries. Generally speaking, however, the frost damage has been found to be much less severe than anticipated. In Arkansas and Mississippi, the only states for which an official estimate has been made, the combined peach crop is placed at 3,920,000 bushels, against 3,512,000 bushels last year and the 10-year (1928-1937) average of 2,451,000 bushels. Tree fruits came through the winter with a minimum of damage. Acreages of commercial vegetable crops this year are expected to be smaller than last, because of the heavy carryover of canned products. The condition of early potatoes in the south as of May 1 was slightly below a year earlier but about a point higher than the average for that date.

**Livestock**—Through April and early May the general condition of livestock maintained the high levels which marked the preceding eight or ten months. Abundant feed and forage crops, coupled with improvement in pasturage, tended to make for an unusually healthy condition among herds. Stocks of tame hay on farms as of May 1 were about the largest of record, being 23 per cent greater than a year ago and 87 per cent above the 10-year average.

Weather conditions were fairly favorable for early lambs in Missouri and other early lambing areas in the Corn Belt states. Marketings of new crop lambs are expected to be at least as early as last year. In states of the Eighth District milk production per cow on May 1 was 4.8 per cent less than in 1938 but 2.8 per cent above the 10-year average.

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

	Receipts			Shipments		
	Apr., 1939	Mar., 1939	Apr., 1938	Apr., 1939	Mar., 1939	Apr., 1938
Cattle and Calves.....	84,253	84,943	87,000	49,297	49,361	53,254
Hogs.....	198,806	218,725	188,121	120,121	138,511	107,764
Horses and Mules.....	2,339	3,069	2,409	1,891	3,118	2,412
Sheep.....	38,500	30,288	52,014	10,510	7,168	14,984
Totals.....	323,898	337,025	329,544	181,819	198,158	178,414

**Tobacco**—As of mid-May tobacco plants were reported to be smaller than usual at that time owing to retarded growth caused by cold weather. The plants, however, are healthy but in need of hot weather for further satisfactory development. Planting intentions are still uncertain, but generally Government quotas will be observed.

According to the final report of the U. S. Department of Agriculture, gross sales of burley tobacco from the 1938 crop totaled approximately 351,500,000 pounds at an average of \$19.01 per cwt. Total gross sales from the 1937 crop reached slightly more than 419,000,000 pounds at an average of \$20.28 per cwt.

First hand sales of dark air-cured tobacco in the 1938-1939 season totaled about 32,000,000 pounds at an average of \$7.99 per cwt., against 46,500,000 pounds last season at an average of \$8.16 per cwt.

In the one sucker area, total first hand sales in the 1938-1939 season approximated 15,500,000 pounds at an average of \$5.83 per cwt., as against 24,750,000 pounds at an average of \$7.38 per cwt. in the preceding season.

On the three type Green River markets, first hand sales totaled about 14,500,000 pounds at an average of \$9.60 per cwt., compared with about 19,000,000 pounds at an average of \$9.04 per cwt. in the 1937-1938 season.

Stocks of leaf tobacco owned by dealers and manufacturers in the United States and Puerto Rico on April 1, 1939, amounted to 2,362,890,000 pounds, compared with 2,433,592,000 pounds on April 1, 1938. Total stocks increased only about 20,000,000 pounds between January 1 and April 1 this year, whereas total stocks increased over 211,000,000 pounds during the same period last year.

**Winter Wheat**—In its report based on conditions as of May 1, the U. S. Department of Agriculture estimated production of winter wheat in states of the Eighth District at 90,189,000 bushels, which compares with 117,879,000 bushels raised in 1938 and the 10-year (1928-1937) average of 94,640,000 bushels. Generally the crop is in good condition, though there are scattered reports of rank growth caused by excessive moisture, with consequent weakening of stems. In the second week in May wheat prices advanced to the highest point since last June.

### WHISKEY

There are at present 27 distilleries in operation out of 59 in Kentucky, as compared with 33 in production a month earlier. This reduction is seasonal in character and reflects completion of "spring runs" of whiskey.

It is reported through trade sources that bulk whiskey still commands an uncertain and cheap market. On the other hand, the market is more stable and less price cutting is practiced in quality product case goods three and four years old. Whis-

key firms selling established brands are reported doing increased business at smaller margins of profit. In the main distillers hold top-heavy inventories of cheap blends and young whiskies.

### COMMODITY PRICES

Range of prices in the St. Louis market between April 15, 1939, and May 15, 1939, with closing quotations on the latter date and on May 16, 1938, follows:

	High	Low	Close	
			May 15, 1939	May 16, 1938
<b>Wheat</b>				
*May.....per bu.....	\$ .76 <sup>3</sup> / <sub>4</sub>	\$ .65 <sup>5</sup> / <sub>8</sub>	.75	\$ .81 <sup>1</sup> / <sub>2</sub>
*July.....	.71 <sup>1</sup> / <sub>2</sub>	.64 <sup>5</sup> / <sub>8</sub>	.71 <sup>3</sup> / <sub>4</sub>	.77 <sup>3</sup> / <sub>8</sub>
*Sept.....	.71 <sup>1</sup> / <sub>2</sub>	.64 <sup>5</sup> / <sub>8</sub>	.71 <sup>3</sup> / <sub>4</sub>	.78 <sup>3</sup> / <sub>8</sub>
No. 2 red winter "	.84 <sup>1</sup> / <sub>2</sub>	.76 <sup>3</sup> / <sub>2</sub>	.83	.82
No. 2 hard "	.78 <sup>1</sup> / <sub>4</sub>	.73	.78	.83
<b>Corn</b>				
*May.....	.47 <sup>1</sup> / <sub>2</sub>	.43 <sup>1</sup> / <sub>2</sub>	.467 <sup>1</sup> / <sub>8</sub>	.58
*July.....	.48 <sup>1</sup> / <sub>2</sub>	.45	.48	.50 <sup>1</sup> / <sub>8</sub>
*Sept.....	.48 <sup>1</sup> / <sub>2</sub>	.45 <sup>3</sup> / <sub>4</sub>	.48 <sup>3</sup> / <sub>4</sub>	.60 <sup>1</sup> / <sub>8</sub>
No. 2 mixed....	.55 <sup>1</sup> / <sub>4</sub>	.48	.51	.58
No. 2 white....	.59	.54 <sup>1</sup> / <sub>2</sub>	.59	.59
<b>Oats</b>				
*May.....	.34 <sup>5</sup> / <sub>8</sub>	.29	.32 <sup>1</sup> / <sub>2</sub>	.28 <sup>1</sup> / <sub>2</sub>
*July.....	.32 <sup>3</sup> / <sub>8</sub>	.26 <sup>7</sup> / <sub>8</sub>	.31 <sup>1</sup> / <sub>4</sub>	.26 <sup>1</sup> / <sub>4</sub>
*Sept.....	.30 <sup>7</sup> / <sub>8</sub>	.26 <sup>1</sup> / <sub>4</sub>	.29 <sup>3</sup> / <sub>8</sub>	.26
No. 2 white....	.37	.33	.36	.31
<b>Flour</b>				
Soft patent.....per bbl....	5.65	3.90	4.50 @ 5.65	4.15 @ 4.40
Spring ".....	5.85	5.25	5.55 @ 5.85	5.75 @ 6.15
Middling Cotton...per lb....	.0870	.0790	.0860	.0800
Hogs on Hoof....per cwt..	7.11	6.67	6.76	8.14

\*Nominal quotations.

### BUILDING

The dollar value of permits issued for new construction in the five largest cities of the district in April was 3.4 per cent less than in March and 58.7 per cent greater than in April, 1938. According to statistics compiled by the F. W. Dodge Corporation, construction contracts let in the Eighth District in April amounted to \$21,069,000 which compares with \$18,696,000 in March and \$14,384,000 in April, 1938. Building figures for April follow:

(Cost in thousands)	New Construction				Repairs, etc.			
	Permits 1939	Permits 1938	Cost 1939	Cost 1938	Permits 1939	Permits 1938	Cost 1939	Cost 1938
Evansville....	23	16	\$ 71	\$ 55	136	128	\$ 62	\$ 37
Little Rock...	25	24	67	66	92	92	43	17
Louisville....	104	99	221	215	60	69	31	34
Memphis.....	297	209	516	313	196	291	110	147
St. Louis.....	265	284	907	474	220	210	235	215
Apr. Totals...	714	632	1,782	1,123	704	790	481	450
Mar. ".....	918	706	1,845	1,494	668	745	540	380
Feb. ".....	571	372	2,582	785	365	519	256	364

### CONSUMPTION OF ELECTRICITY

Public utilities companies in six large cities of the district report consumption of electric current by selected industrial customers in April as being 2.5 per cent greater than in March and 14.0 per cent more than in April, 1938. Detailed figures follow:

(K. W. H. in thous.)	No. of Customers	Apr., 1939		Apr., 1938		April, 1939 compared with	
		K.W.H.	Mar., 1939	K.W.H.	Mar., 1938	Mar., 1939	Apr., 1938
Evansville.....	40	3,303	3,261	2,195	2,195	+ 1.3%	+50.5%
Little Rock.....	33	1,861	2,016	1,773	1,773	- 7.7	+ 5.0
Louisville.....	82	8,126	8,390	7,413	7,413	- 3.1	+ 9.6
Memphis.....	31	2,296	2,234	1,958	1,958	+ 2.8	+17.3
Pine Bluff.....	20	899	796	678	678	+12.9	+32.6
St. Louis.....	209	24,259	23,050	21,712	21,712	+ 5.2	+11.7
Totals.....	415	40,744	39,747	35,729	35,729	+ 2.5	+14.0

## BANKING AND FINANCE

The banking and financial situation in the Eighth District during the past thirty days has been marked by a moderate expansion in demand for credit, noticeable at both city and country banks, but more pronounced at the latter. Otherwise trends which had been in effect during the preceding several months remained virtually unchanged. Reflecting generally good collections by mercantile and manufacturing interests, liquidation of current loans was in considerable volume, but new commitments and renewals at the large city banks exceeded settlements by a fair margin.

Despite lateness of the spring, there was a noticeable increase in demand for funds to finance seasonal agricultural operations, particularly in the south. As has been the case since last winter, inquiries for loans to purchase and condition livestock for market are still in considerable volume. The amount of bankers' dollar acceptances outstanding in this district continued to recede, and as of May 1 were 10 per cent and 36 per cent smaller, respectively, than a month and a year earlier.

**Member Banks**—Between April 12 and May 10, total loans and investments of reporting member banks in the principal cities increased 1.4 per cent and on the latter date were 8.5 per cent higher than a year ago. Gross deposits fluctuated rather broadly during the four-week period and at its close were 1.6 per cent lower, but still about 8.8 per cent greater than a year ago.

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

(In thousands of dollars)	May 10, 1939	Apr. 12, 1939	May 11, 1938
<b>Loans—total</b> .....	<b>\$311,556</b>	<b>\$307,476</b>	<b>\$293,387</b>
Commercial, industrial, and agricultural.....	187,781	184,270	173,022
Open market paper.....	2,747	2,817	9,399
Loans to brokers and dealers.....	4,978	4,790	5,101
Other loans to purchase or carry securities.....	13,163	11,719	12,471
Real Estate loans.....	49,050	49,540	46,980
Loans to banks.....	3,784	3,600	7,289
Other loans.....	50,103	50,740	39,125
<b>Investments—total</b> .....	<b>494,902</b>	<b>398,856</b>	<b>367,155</b>
Treasury bills.....	41,830	26,999	218,855
Treasury notes.....	47,871	54,113	218,855
U. S. bonds.....	151,972	156,096	156,096
Obligations guaranteed by U. S. Gov't.....	64,641	62,448	54,608
Other securities.....	93,588	99,200	93,692
<b>Gross deposits</b> .....	<b>976,510</b>	<b>992,410</b>	<b>897,606</b>
Demand deposits.....	785,226	802,223	710,279
Time deposits.....	191,284	190,187	187,327
<b>Borrowings</b> .....	<b>.....</b>	<b>.....</b>	<b>.....</b>

Above figures are for 24 member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville. Their resources comprise approximately 62.0% of the resources of all member banks in this district.

The aggregate amount of savings deposits held by selected member banks on May 3 was 0.6 per cent larger than on April 5 and 3.1 per cent in excess of the total on May 4, 1938.

Interest rates remained unchanged at or about the record low levels of recent months. At downtown St. Louis banks as of the week ended May 15,

rates charged were as follows: Customers prime commercial paper, 1½ to 5¼ per cent; collateral loans, 2 to 5¾ per cent; loans secured by warehouse receipts, 2 to 5 per cent, and interbank loans, 2¼ to 5 per cent.

**Federal Reserve Operations**—The volume of the major operations of the Federal Reserve Bank of St. Louis, during April, 1939, is indicated below:

(Incl. Louisville, Memphis, Little Rock branches)	Pieces	Amounts
Checks (cash items) handled.....	5,453,827	\$1,042,670,400
Collections (non-cash items) handled.....	118,436	23,853,148
Transfers of funds.....	4,320	256,667,789
Currency received and counted.....	8,256,712	27,588,778
Coin received and counted.....	7,431,500	822,138
Rediscounts, advances and commitments.....	6	196,100
New issues, redemptions, and exchanges of securities as fiscal agent of U. S. Gov't, etc.....	11,480	15,137,897
Bills and securities in custody—coupons clipped.....	11,180	.....

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

(In thousands of dollars)	May 19, 1939	Apr. 19, 1939	May 19, 1938
Industrial advances under Sec. 13b.....	\$ 20	\$ 20	\$ 205
Other advances and rediscounts.....	56	85	.....
Bills bought (including participations).....	2	2	2
U. S. securities.....	124,174	124,174	119,220
<b>Total earnings assets</b> .....	<b>124,252</b>	<b>124,281</b>	<b>119,427</b>
Total reserves.....	336,091	329,228	317,005
Total deposits.....	275,154	268,362	255,941
F. R. Notes in circulation.....	180,758	179,221	175,307
Industrial commitments under Sec. 13b.....	599	599	508
Ratio of reserve to deposit and F. R. Note liabilities.....	73.7%	73.6%	73.5%

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

- (1) Rediscounts and advances to member banks, under Sections 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 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

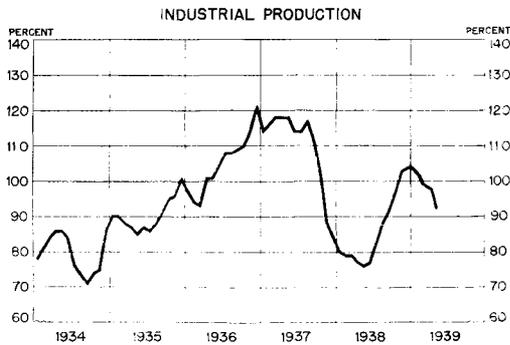
On May 1 the Chemical Bank, Sweet Springs, Mo., became a member of the System, making three admissions of State banks since March 16 this year.

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

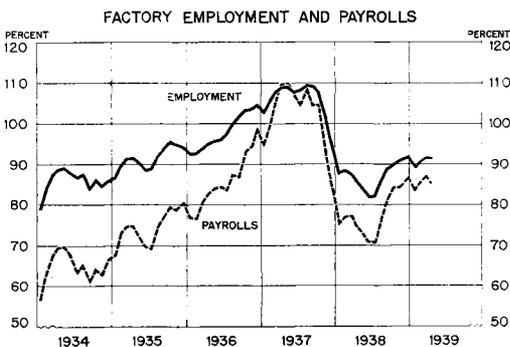
(In thousands of dollars)	Apr., 1939	Mar., 1939	Apr., 1938	Apr., 1939 comp. with Mar., 1939	Apr., 1938
East St. Louis and Nat'l Stock Yards, Ill. . . . .	\$ 31,747	\$ 33,447	\$ 28,916	— 5.1%	+ 9.8%
El Dorado, Ark. . . . .	5,149	5,542	5,805	— 7.1	— 11.3
Evansville, Ind. . . . .	29,406	28,555	26,620	+ 3.0	+ 10.5
Fort Smith, Ark. . . . .	10,499	11,147	10,480	— 5.8	+ 0.2
Greenville, Miss. . . . .	4,853	5,177	4,131	— 6.3	+ 17.5
Helena, Ark. . . . .	1,489	1,735	1,435	— 14.2	+ 3.8
Little Rock, Ark. . . . .	34,891	38,583	32,237	— 9.6	+ 8.2
Louisville, Ky. . . . .	137,502	152,577	137,035	— 9.9	+ 0.3
Memphis, Tenn. . . . .	107,452	112,486	102,579	— 4.5	+ 4.8
Owensboro, Ky. . . . .	7,285	7,069	5,074	+ 3.1	+ 43.6
Pine Bluff, Ark. . . . .	6,806	9,608	7,647	— 29.2	— 11.0
Quincy, Ill. . . . .	8,335	8,125	7,353	+ 2.6	+ 13.4
St. Louis, Mo. . . . .	526,483	555,334	513,450	— 5.2	+ 2.5
Sedalia, Mo. . . . .	1,889	2,093	1,783	— 9.7	+ 5.9
Springfield, Mo. . . . .	12,796	13,377	12,636	— 4.3	+ 1.3
Texarkana, Ark.-Tex. . . . .	7,079	8,219	6,476	— 13.9	+ 9.3
<b>Totals</b> .....	<b>\$933,661</b>	<b>\$ 993,074</b>	<b>\$ 903,657</b>	— 6.0	+ 3.3

# NATIONAL SUMMARY OF BUSINESS CONDITIONS

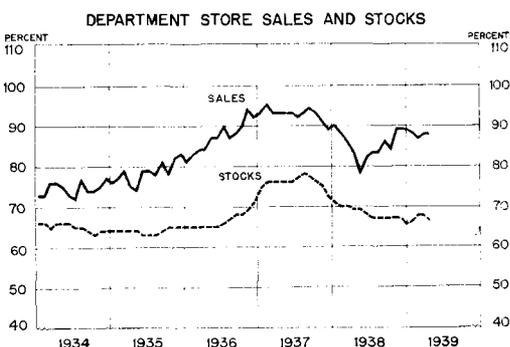
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



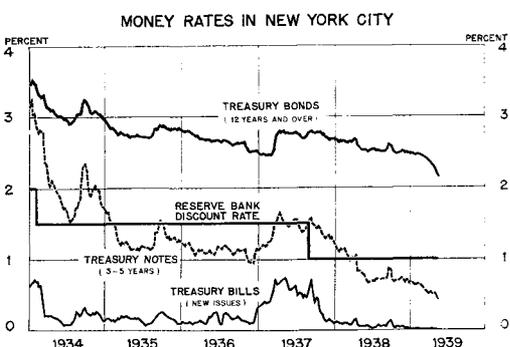
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to April, 1939. Latest figure, 92.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to April, 1939. Latest figures, employment 91.3, payrolls 85.



Indexes of value of sales and stocks, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to April, 1939. Latest figures, sales 88, stocks 66.



For weeks ending January 6, 1934, to May 20, 1939.

Volume of industrial production declined sharply in April reflecting chiefly shutdowns at bituminous coal mines and reduction in activity at textile mills. Retail purchases by consumers were maintained.

**Production**—In April the Board's seasonally adjusted index of output at factories and mines was at 92 per cent of the 1923-1925 average, compared with 98 in March and 77 a year ago. In the steel industry production declined in April and the first three weeks of May but in the fourth week ingot output increased to 48½ per cent of capacity, about the rate prevailing a month earlier. Around the middle of May substantial concessions were made in prices of some types of steel and it is reported that a considerable volume of orders for steel was placed during this period.

Automobile production in April was at about the same rate as in March, although there usually is some increase, and in May output declined owing in part to the fact that stocks of new cars were larger than is usual at this time of the year. Plate glass production decreased sharply in April following smaller declines earlier in the year. In the lumber industry output increased somewhat in April, while cement production, which had risen sharply in February and March, showed less than the usual increase. Textile production declined sharply in April, particularly at woolen mills, where output had been at a high level, and in the silk goods industry where further curtailment reflected in part recent high prices for raw silk. Output of shoes showed a decrease from the high level maintained during the first quarter of this year. At flour mills and sugar refineries activity increased further, while in most other non-durable goods lines changes in output were largely seasonal in character.

Bituminous coal production was in small volume during April and the first half of May as most mines were closed pending settlement of contract negotiations between mine operators and workers. After the middle of May agreements were reached at most mines and output began to increase rapidly. Production of anthracite, which had been reduced in March, increased sharply in April and crude petroleum production rose further. In the first half of May anthracite production was maintained but petroleum output declined somewhat.

Value of construction contracts awarded, according to the F. W. Dodge Corporation, was larger in April than in March, owing chiefly to a rise in awards for public projects. Contracts for private construction showed little change in the aggregate as private residential contracts declined, contrary to seasonal tendency, while contracts for commercial, factory, and other private construction increased. In the first half of May awards for private work increased somewhat while the volume of public contracts declined.

**Employment**—Employment in nonagricultural pursuits declined somewhat from the middle of March to the middle of April reflecting a sharp drop at bituminous coal mines offset in part by seasonal increases in construction and trade. At factories the number employed showed little change while payrolls declined considerably because of fewer hours of work.

**Distribution**—In April, distribution of commodities to consumers showed about the usual seasonal increase. The Board's adjusted index of department store sales remained at 88 per cent of the 1923-1925 average, about the level that has prevailed since last autumn. Railroad freight-car loadings declined sharply owing mainly to a reduction in shipments of coal. Loadings of miscellaneous freight showed less than the usual seasonal rise.

**Commodity Prices**—Prices of grains and cotton advanced from the middle of April to the third week of May and there were also increases in prices of silk, hides, and bituminous coal. Prices of copper and steel scrap, on the other hand, were reduced and substantial concessions were granted in prices of several leading steel products.

**Bank Credit**—Total loans and investments at reporting member banks in 101 leading cities, which had increased in April, declined during the first half of May. The decline was at New York City banks and reflected a reduction in loans to security brokers and dealers and redemption of obligations of New York state and city governments. After increasing substantially in April, demand deposits at banks in leading cities showed little change in the first half of May. Bank reserves increased further in May to a new high level.

**Money Rates**—Prices of United States Government bonds and notes increased sharply during the last half of April and the first three weeks of May to new high levels. The average yield on long-term Treasury bonds declined from 2.34 per cent on April 11 to 2.13 per cent on May 22. Other money rates showed little change.