8
FEDERAL RESERVE DISTRICT

Monthly Review

FEDERAL RESERVE BANK OF ST. LOUIS

Volume XXXIV | MARCH, 1952 | Number 3

Postwar Investment Trends and Secondary Reserve Policies of Eighth District Member Banks

Bank investments expanded rapidly in the 'thirties and early 'forties until by the end of the war investments constituted over three-fourths of bank earning assets. Liquidation was sizable in the earlier postwar years, largely as a result of Treasury operations, loan growth, and monetary policy actions. After the first quarter of 1949, the reduction in investments was halted temporarily, but was resumed in the first half of 1950, accelerating after Korea, largely because of an unprecedented loan expansion and pressure on bank reserves. Over the last nine months of 1951, the trend reversed and investments expanded slightly.

Investment trends also reflect bank policy aimed at more full utilization of available funds, a movement particularly noticeable in postwar years.

Trends in total investments do not apply to each type of investment or to each bank. Individual bank statements show considerable variation in portfolio composition, particularly in the size of their secondary reserves. Partly these differences in size of secondary reserves appear to be related to steadiness of deposit volumes, to size of capital accounts, and to volume of cash assets. Individual characteristics of the loan portfolio and numerous other factors, such as tax changes and anticipated interest rates changes, also influence both secondary reserve and over-all investment policies.

American banking, inheriting its traditions mainly from Nineteenth Century British banking experience, typically has viewed its major credit function as the extension of short-term productive loans. However, from time to time the concept of the commercial banking function has been broadened by legislation, by usage, and by basic economic changes. The structure of commercial bank assets has been influenced strongly by two important economic changes taking place over the past several decades. These are the growth of the Federal debt and the development of broad, sensitive money and capital markets in New York. Thus, while the commercial banker still sees his primary function as meeting the short-term credit needs of private borrowers in his community, his earning asset pattern has changed considerably.

Bank investments expanded rapidly in the 'thirties and early 'forties until by the end of the war investments constituted over three-fourths of bank earning assets.

During the 'twenties, bank resources, both in the Eighth District and nationally, were employed mainly in short-term, commercial loans. In 1929, for example, loans accounted for 71 per cent of the earning assets of Eighth District member banks and 73 per cent for all member banks in the United States.

The severe depression in the early 'thirties brought drastic loan liquidation. Total loans at all member banks dropped from $26 billion at the end of 1929 to $12 billion at the end of 1934 (at member banks in the district they declined from $1 billion to $400 million). Investments in Government securities, on the other hand, rose sharply as deficit financing by the Government enlarged the supply of these securities and the loan contraction freed bank resources. In the five-year period, member banks in the nation increased their holdings of Government obligations from $4 billion to $11 billion. In the Eighth District, Goverment security holdings rose from $100 million to $350 million.

From 1934 to 1941 banks continued to increase their investment portfolios, both absolutely and relative to total earning assets. By the end of 1941, Government securities represented 45 per cent of the earning assets of all member banks in the United States. In the Eighth District, Government security holdings rose from $350 million to $550 million.

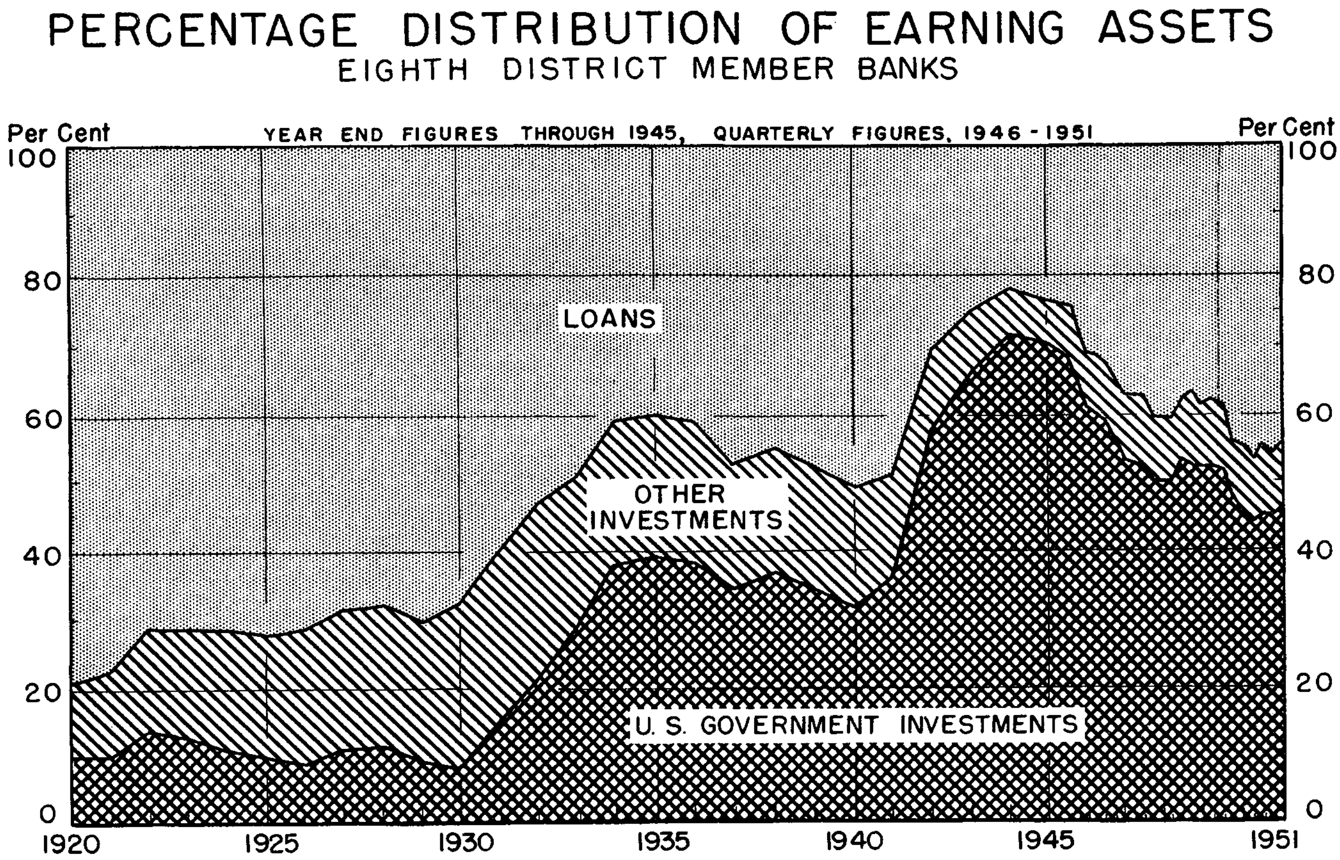
During World War II, loans increased moderately. At the same time there was a huge increase in bank holdings of Government securities. Less than half of the dollar cost of World War II was paid for immediately in taxes. The balance was borrowed, in large part from the commercial banking system. While the banks continued to carry out their lending function and expanded the dollar amount of their loans, the ratio of these loans to total earning assets declined sharply. Total member bank loans rose from $18 billion at the end of 1941 to $23 billion at the end of 1945, and from $750 million to $900 million for district member banks. Government securities, however, jumped from $20 billion at the end of 1941 to $78 billion at the end of 1945. Banks in the district increased Government securities at an even faster rate, from $550 million to over $2.7 billion. Total security holdings (Federal Government and other) were almost $3 billion at the close of 1945. War financing generated a sharp rise in total earning assets but a much more than proportionate rise in the investment share of these assets. As a result, Eighth District member banks had 77 per cent of their earning assets in securities at the end of 1945.

Liquidation was sizable in the earlier postwar years, . . .

In contrast with the prewar and war periods, investments declined almost steadily in the postwar years. The bulk of the reduction in investment portfolios came in the earlier years. By April, 1949, total securities held in district member banks were reduced to $2.1 billion. This represented a decline from 77 to 59 per cent of member bank earning assets. Nationally, the decline was from 79 to 63 per cent. The $900 million decrease in the district was concentrated in short-term Government securities, offset in small part by moderate increases in holdings of municipal and corporate obligations.

. . . largely as a result of Treasury operations, . .

The Treasury, by reducing cash balances and using cash surpluses to retire short-term debt (largely bank-held) and by shifting debt to nonbank investors, operated to reduce bank holdings of the public debt. The Treasury cash balance in all banks, swelled by subscriptions to the Seventh War Loan and the Victory Loan drives, totaled $24 billion at the end of 1945. Of this amount, roughly $700 million was held in Eighth District member banks. In addition, the Treasury operated at a $17 billion cash surplus in the 39-month period. A large share of these funds was used to retire bank-held Government securities. The banking system held only 33 per cent of the Federal debt on March 31, 1949, compared with 42 per cent on December 31, 1945.



. . . loan growth, . . .

The increase in private loans during the 39-month period led to additional bank reduction in Government security holdings. Financing reconversion from war to peace and an expanding level of civilian production generated a strong demand for credit. Except for brief interruptions, bank loans rose throughout the period. District member bank loans rose from $900 million to $1.5 billion. Loans to businesses, farmers, consumers and on real estate all increased. The only offset was a decline in loans for purchasing or carrying U. S. Government obligations.

. . . and monetary policy actions.

In addition, monetary policy in the period had definite effects on banks' investment policies and portfolios. Federal Reserve actions still were inhibited by the aftermath of the war financing. Nevertheless, over the period through March, 1949 System action operated to offset a $4 billion inflow of gold, a $1 billion reduction in money in circulation, and a $1 billion drop in Treasury cash holdings, all of which if not offset would have provided banks with primary reserve funds and enabled them to expand further their investments or loans. In addition, specific System actions, for example, reserve requirement increases, had direct and almost immediate impact on bank security holdings.

After the first quarter of 1949, the reduction in investments was halted temporarily . . .

During the second, third and fourth quarters of 1949 this pattern of liquidation of investments was reversed. Economic uncertainties induced a slackening in business loan demand. Total loans outstanding continued to edge up in the period but at a substantially reduced pace. Further, fiscal and monetary actions ceased to be restrictive. The Federal Government operated at a cash deficit. The Treasury reduced its deposits at Federal Reserve Banks and so added to the supply of bank reserve funds. Three reductions in reserve requirements (May 1-5, June 30-July 1, and August 1-September 1) provided member banks with a large volume of investable funds.

. . . but was resumed in the first half of 1950, . . .

Investment holdings of member banks in the Eighth District, as well as nationally, decreased slightly in the first half of 1950, continuing the general downward trend which characterized the earlier postwar period. Banks liquidated investments as the demand for loans improved and total bank reserves declined. The reserve positions of banks, in the aggregate, were under pressure as a result of Federal Reserve sales of Government bonds and a moderate gold outflow, offset in part by some return flow of currency into banks and System purchases of short-term obligations.

. . . accelerating after Korea, . . .

In the nine months following the outbreak of hostilities in Korea, bank holdings of Government bonds were reduced sharply. An increase in demand for loans resulted in a substantial drop in bank investments. The banks were willing to liquidate some Governments because they still had large holdings; they were able to do so without penalty because of fairly rigid market supports. At the end of June, 1950, Eighth District member banks held $2 billion Government obligations (52 per cent of earning assets); by April 9, 1951 their holdings had declined to less than $1.8 billion (44 per cent of earning assets). Other investments showed little net change at district banks in the nine-month period.

. . . largely because of an unprecedented loan expansion . . .

Loans at all member banks in the district jumped over 24 per cent in the nine-month period. The need to finance the 1950 cotton crop and substantial purchases of stored cotton from the CCC pool, both at high prices, contributed heavily to the loan increase. Business demand for inventory accumulation and working capital requirements (at increasing prices) added to the upswing. In addition, an increase in defense activity led to further financing requirements. And, although the greatest surge in loans went to businesses, increases in real estate and consumer loans also were significant. As a result of the increase in demand for nearly all types of loans, banks shifted readily (and still without penalty) from Governments to loans to take advantage of the spread in yields and to meet the needs of their customers.

. . . and pressure on bank reserves.

In addition to the loan expansion, some pressure was exerted on member bank reserves by other factors. The banks needed additional reserves to meet requirements against expanding deposits and, after January, 1951, to meet an increase in reserve percentage requirements. At the same time, reserve losses resulted from a sizable gold outflow, which amounted to $2.4 billion or about 10 per cent of our monetary gold stock. Pressure on reserves was eased in large part, however, by market-support purchases of Government securities by the Federal Reserve in the period.

Over the last nine months of 1951, the trend reversed and investments expanded slightly.

From March 31, 1951 to the end of 1951, investment trends again shifted direction. Total investments rose $233 million at district member banks, practically all in Government securities. Several factors accounted for this movement. In the first place the banks gained some funds net as a result of gold inflow, Treasury operations and System security purchases, offset only partly by currency outflow. In addition, monetary policy, after the Federal Reserve-Treasury accord of early March, resulted in price declines of Government securities. It no longer became possible to liquidate Governments at fixed supports, in fact liquidation meant penalties in the form of capital losses. At the same time the higher yields on Government securities made them more attractive as earning assets and brought some increased buying interest. On the loan side, the lessened availability of reserves, the Voluntary Credit Restraint Program and selective credit controls operated to reduce loan expansion. The net result was to increase holdings of Governments.

Investment trends also reflect bank policy aimed at more full utilization of available funds, a movement particularly noticeable in postwar years.

To meet their need for funds, commercial banks have always drawn upon excess reserves and other cash balances, borrowed from the Federal Reserve Banks and other banks, and sold investments (largely short-term Government securities). Similarly, inflowing funds have found their way into these same categories, building cash balances, reducing borrowings, and adding to secondary reserve investment holdings. All three methods of adjustment are used today and have been used over the past several decades. But from time to time emphasis has centered on one, then another.

In the 1920's, banks borrowed to make most of their adjustments and reduced their obligations when funds flowed in. Of course, cash balances and investments supplied some of the needed funds and absorbed some of the inflowing funds.

During the 1930's, the rise of large excess cash balances (principally from inflow of gold after devaluation and the dearth of credit-worthy loan demand and investment outlets) cut down on the need to borrow funds from other banks to meet most drains. Member bank borrowings, on call dates, for example, declined from levels in the neighborhood of $3 billion in the early 1920's to some $3 million during 1939. The large volume of non-earning cash balances were not carried just to meet withdrawals of funds. Rather, because cash assets were abnormally high, they served to meet most withdrawals and relatively less use was made of borrowing or sale of investments for this purpose.

Over the 1940's, member bank excess reserve positions were reduced, particularly at the larger city banks, as deposit volumes and earning asset volumes increased under the impact of the war program. The decade witnessed a return to the previously normal situation of fairly full utilization of available resources in lending or investing. The banks adjusted by mid-1943 to working balances of excess reserves between $1 and $1.5 billion in the aggregate. In the first two postwar years, excess reserve balances were pulled down to roughly $1 billion and subsequently to about $700 to $800 million. These balances, of course, served the banks as a first line of defense in meeting any adverse clearing balances, but over the decade many banks, particularly the larger ones, were again developing a technique of keeping more fully invested and selling short-term Government securities to meet the drains on their cash positions. While holding their cash reserve position to near-minimums, banks were able to earn a moderate return on secondary reserve funds and at the same time maintain a cushion between reserve drains and liquidation of loans.

Trends in total investments do not apply to each type of investment or to each bank.

Although investments generally declined in the postwar period, banks increased their ownership of obligations of states and political subdivisions. At the end of the war, district banks had 3 per cent of their earning assets invested in municipals. Six years later, by the end of 1951, they had increased their holdings of these securities to over 6 per cent of earning assets. Nationally, the increase was even greater. A large factor in the gain was the fact that many new high-grade municipal issues were floated in the postwar period; hence a larger supply than before was available for investment. Higher tax rates and a reduced supply of partially tax-exempt Government bonds also made municipals more attractive. The smaller country banks had a larger percentage of their earning assets in municipals (nearly 8 per cent) than reserve city banks (less than 5 per cent).

Over the entire postwar period, corporate security holdings were increased slightly (both absolutely and relative to total earning assets). At district banks, the gain was concentrated in the early postwar years and was about the same at both the larger and smaller banks. Nationally, corporate securities, like municipals, showed a greater percentage increase than districtwise.

Individual bank statements show considerable variation in portfolio composition, . . .

Analysis of investment portfolios shows some other striking differences between banks in the area. For instance, in 1951 (three call dates averaged) one bank had less than 6 per cent of its resources in Governments, while another had 77 per cent. One bank in ten had less than one-quarter of resources in Governments, while two in ten had more than half of the resources so invested. In the aggregate, district banks had one-third of their resources in Government securities.

Average holdings of non-Government securities in 1951 at all member banks in the district were 7 per cent of total assets. Yet the range extended from virtually zero holdings to as much as a third of the total.

. . . particularly in the size of their secondary reserves.

Size of the secondary reserve varies greatly from one institution to another.[1] In the aggregate, banks in the Eighth District had about half of their Government holdings in short-term obligations in 1951. In addition, they held some other securities and a few loans that would meet the liquidity test for secondary reserves. A few banks had virtually all their Government holdings in short-term maturities, whereas others had less than 20 per cent in such securities.

Partly these differences in size of secondary reserves appear to be related to steadiness of deposit volumes, . . .

A comparison of balance sheet items and certain other factors between various banks gives some indication of reasons for differing size of the secondary reserve. For instance, a sample of district member banks having no time deposits in 1951 had an average of 23 per cent of their resources invested in secondary reserves. On the other hand, a sample of member banks with very high ratios of time to total deposits (averaging 64 per cent) had an average of 17 per cent of their assets invested in these secondary reserves. Since demand deposits gener-

[1]Every member bank in the district has a sizable share of its total investments in highly liquid securities. Some bankers call these securities their "secondary reserve." A security is said to be liquid if it can be readily sold without suffering a material loss. To be liquid, a security must be high-grade, one for which there is an active established market, and of relatively short maturity. Short-term is essential, as even the highest grade long-term bonds fluctuate greatly in price in response to interest rate changes. Probably the most nearly liquid investment today is the Treasury bill. Liquid securities (or secondary reserves) make up a fund from which banks meet contingencies, but which in the meantime earn them a moderate return. For the purposes of this study, Treasury bills, certificates of indebtedness and notes were taken as a rough measure of secondary reserves. Of course, longer-term Treasury notes are more properly classified as a part of the investment account.

ally are more volatile than time deposits, it would be expected that a bank with a high percentage of demand deposits would have a larger percentage of its assets in secondary reserves than a bank with a high percentage of time deposits.

Similarly, of district member banks reporting monthly on debits to deposit accounts, those with the highest deposit turnover figures in 1951 (ranging from 18 to 33 times per year) had an average ratio of short-term Government securities to total assets of 14 per cent at the end of 1951. By comparison, those with low deposit turnover ratios (ranging from 4 to less than 8 times per year) had an average ratio of 11 per cent. Not only did the banks with the highest turnover have more secondary reserves but they also had more cash assets (over 29 per cent of total resources) than the banks with the slowest turnover (less than 19 per cent of total resources).

. . . to size of capital accounts, . . .

In addition, analysis of call report balance sheets for 1951 indicates an inverse, but not necessarily a causal, relationship between size of capital accounts and size of secondary reserves. For instance, district member banks with high capital-total asset ratios (averaging 15 per cent) had an average of 11 per cent of total assets in secondary reserves. However, banks with low ratios of net worth to total resources (averaging 4 per cent) had an average of 29 per cent of total assets in secondary reserves.

. . . and to volume of cash assets.

Another major factor considered when determining the size of secondary reserves is the amount of the bank's primary reserve. A bank with large cash assets has less need for secondary reserves than one with a minimum of cash (assuming all other factors equal). District banks with high ratios of cash assets to total assets (ranging from 37 to 51 per cent) had an average of 11.5 per cent of their assets in short-term Governments. On the other hand, banks with small amounts of cash assets (ranging from 13 to 15 per cent) had an average of 19 per cent of their assets in short-term Government securities.

Individual characteristics of the loan portfolio . . .

Another factor influencing the size of secondary reserves is the volume, stability, trend and composition of the loan portfolio. Analysis of condition reports indicates that banks with large amounts of real estate loan tend to have a larger percentage of their assets in secondary reserves than banks with a smaller ratio of real estate loans to total resources. Also, where loans tend to fluctuate irregularly, banks tend to have more secondary reserves than where there is little fluctuation in their loan accounts.

. . . and numerous other factors, such as tax changes and anticipated interest rate changes, also influence both secondary reserve and over-all investment policies.

There are, of course, numerous other factors bearing on individual bank management of secondary reserves. Anticipation of increased (or decreased) reserve requirements seems to influence bank investment policies. Similarly, changes in tax laws, such as the increased normal and surtax rates or reinstitution of excess profits taxes, bear on investment policies of banks, making tax-exempt earnings more attractive and putting some pressure on banks to increase earnings before taxes in order to minimize the shrinkage in earnings after taxes.

Finally, idiosyncracies of individual bank management, persuasion of investment counsellors, peculiarities of geographic location, and a host of other factors also bear on the handling of individual banks' secondary reserves and over-all investment policies. Few, however, escaped the influence of the investment trends noted in the postwar period.

Norman N. Bowsher

Survey of Current Conditions

The first six weeks of 1952 have brought some signs of increase in Eighth District economic activity from the high plateau prevailing throughout most of 1951. In some lines activity increased absolutely—for example, manufacturing employment and production rose reflecting growing defense and defense-supporting output and a more than seasonal revival in industries which have been undergoing inventory adjustment. In other lines where activity normally is low in the first part of the year, the drop from late 1951 was somewhat less than seasonal—for example, in construction and trade. The money supply also contracted less than usual, although net repayment of bank loans was fairly extensive. Wholesale prices, however, continued to drift gently downward.

The record for the district was paralleled in the nation. The Federal Reserve index of industrial production for January showed manufacturing output up, and total industrial production about the same as in December. Retail sales were down about the usual amount. Construction activity seasonally adjusted, was sharply higher.

The level and timing of defense expenditures, the volume of business spending for plant and equipment and consumer attitudes toward spending and saving constitute three factors of strategic importance in the outlook for 1952. In January, the mobilization officials made known a decision to stretch out the period of time in which peak defense operations are to be reached. A $65 billion annual rate is now the goal for first quarter 1953 instead of the close of 1952. (In December, 1951 the annual rate was $45 billion). A slower rise in defense spending should lead to less pressure on supplies of critical materials and smaller-than-anticipated Government expenditures in general.

New plant and equipment expenditures planned for the first quarter of 1952, as indicated by extensive surveys, are about 18 per cent ahead of the comparable period of 1951. Apparently high level activity also will continue into the second quarter.

So far in 1952 consumer spending has been fairly stable and a high level of saving has continued. Neither scarce supplies nor substantially higher prices apparently are anticipated by most consumers.

Thus the opening weeks of 1952 give no indication of any major change in prospects for the immediate future. Activity in the aggregate apparently is higher, after allowance for seasonal movements, but the gain is slight.

EMPLOYMENT

Employment in the Eighth District and in the nation decreased about the normal seasonal amount from December, 1951 to January, 1952. As usual, most of the reduction took place in wholesale and retail trade establishments and in agriculture and construction. Unemployment failed to show an increase equal to the decline in the number of employed persons, because many temporary workers withdrew from the labor force. Unemployment was estimated at 2 million persons (3.3 per cent of the total civilian labor force) in January, an increase of 400,000 over December, but substantially below the 2.5 million estimated to be unemployed in January, 1951.

In Louisville non-agricultural employment dropped seasonally as a result of lower activity in construction, trade, and distilleries. Total non-agricultural employment decreased about two per cent from December, but remained above the January, 1951 level. Manufacturing employment remained about the same as in December, and was five per cent below the level in January, 1951. Employment in ordnance work increased by 500 persons from December to January.

In Evansville employment increased from December to January in contrast to the seasonal drop in other areas. A large gain in manufacturing employment, primarily at refrigerator plants which have partially converted to defense work, more than offset decreases in trade and construction employment. Unemployment showed a decrease of 13 per cent as a result of the improvement in employment conditions in this area.

In Little Rock both manufacturing and non-manufacturing employment declined. Retail trade employment was down seasonally. The decline in construction employment was due to bad weather conditions and the completion of several projects. Manufacturing employment decreased in January due to a temporary layoff in an apparel plant but by February had regained the December level.

In St. Louis total non-agricultural employment decreased seasonally as a result of curtailment of construction activity and post-holiday layoffs in trade establishments. Manufacturing employment increased slightly. Seasonal increases in garment and shoe manufacturing and a sharp increase in defense production more than offset the decreases in food, chemical, and construction materials production.

The recently announced Government policy of awarding Government contracts to firms in areas of heavy unemployment may have a bearing on employment trends in two smaller areas in this district. As has been noted previously, Vincennes, Indiana, and the Herrin-Murphysboro-West Frankfort, Illinois, area have had substantial labor sur-

PRICES

CONSUMER PRICE INDEX*

Bureau of Labor Statistics (1935-39=100)	Jan. 15, 1952	Dec. 15, 1951	Jan. 15, 1951	Jan. 15, 1952 compared with Dec. 15,'51	Jan. 15, 1952 compared with Jan. 15,'51
United States........	189.1	189.1	181.5	–0–%	+ 4%

*New series.

RETAIL FOOD*

Bureau of Labor Statistics (1935-39=100)	Jan. 15, 1952	Dec. 15, 1951	Jan. 15, 1951	Jan. 15, 1952 compared with Dec. 15,'51	Jan. 15, 1952 compared with Jan. 15,'51
U. S. (51 cities).....	232.4	232.2	221.9	–0–%	+ 5%
St. Louis............	244.0	243.9	234.0	–0–	+ 4
Little Rock.........	229.7	229.9	222.7	–0–	+ 3
Louisville...........	218.4	219.1	210.0	–0–	+ 4
Memphis............	237.8	238.9	227.6	–0–	+ 4

*New series.

Wholesale price indexes were not available as this went to press. Figures are being revised by the Bureau of Labor Statistics and will be published next month.

pluses for some time. The United States Department of Labor has designated these two areas, along with 18 other large areas and three smaller ones in the rest of the nation, as having unemployment of six per cent or more of the labor force or where the level of unemployment is expected to reach six per cent within the next two or four months. Government contracts may be awarded to firms in these areas of heavy unemployment even though contractors there could not bid as low as firms in other parts of the nation. Since both of these areas in the Eighth District have plant facilities and labor skills which could be quickly converted to output of military items, their employment prospects have brightened.

INDUSTRY

Industrial activity in the Eighth District in January appeared to be somewhat higher after adjustment for seasonal factors than it was a month earlier. Production of steel ingots, coal, and whiskey were important exceptions to the over-all trend. Defense production continued to give industry a strong underlying support.

Manufacturing — Daily average consumption of electric power by selected industrial firms in six major district cities was up slightly (3 per cent) this January compared with a year earlier. But since many defense plants are not represented in the sample, the full effect of defense production is not reflected in the industrial power consumption data. Principal groups contributing to the gain were wood and paper products manufacturers who used over one-fifth more power this January than a year earlier. But metal fabricators and transportation equipment and stone-clay-glass products manufacturers used less power than in January last year.

A marked decline in the steel ingot production rate in the St. Louis area occurred in December and was continued in January. Current operations were at only 74 per cent of capacity, down from 78 per cent in December, and 91 in November. January operations last year were over 100 per cent of capacity. Mild weather had a favorable effect on accumulation of scrap stock piles, but the cold-rolled sheet market was dull.

Lumber production improved moderately during January. Gains in average weekly production of Southern Pine more than offset some decrease in rate of hardwood operations. Weakening prices in Southern Pine, and a sagging flooring market for hardwoods at the end of January, did little to encourage lumber production. A spotty improvement of the market had developed by mid-February.

Shoe production in the St. Louis area increased more than seasonally on the basis of preliminary estimates. United States output was estimated by the Tanners' Council to be off 13 per cent from January, 1951 and 6 per cent from January, 1950. Not adding any brightness to the picture is the estimate by the National Production Authority that military orders for 1952 will only be one-half the amount ordered last year.

Whiskey production in Kentucky was not high in January and sales were reported as slow. On January 31, thirty of the 63 Kentucky distilleries were in operation. This compared with 27 at the end of December, and 51 at the end of January, 1951. The December production of distilled spirits in Kentucky was the lowest for that month in the last four years.

Mining—Crude oil production in the Eighth District during January was at a rate of 312,000 barrels per day, practically the same as during December and just two per cent above that of January a year earlier. This current rate, however, equals the best production rate attained during any month in the preceding year.

Total coal mined in Western Kentucky and the four producing district states during January was 11 per cent less than a year earlier, but 13 per cent over that of December, a period marked by holidays.

INDUSTRY

CONSUMPTION OF ELECTRICITY*

(K.W.H. in thous.)	Jan., 1952 K.W.H.	Dec., 1951 K.W.H.	Jan., 1951 K.W.H.	January, 1952 compared with Dec.,'51	January, 1952 compared with Jan.,'51
Evansville	17,194	14,354	15,874	+20%	+ 8%
Little Rock	13,746	14,192R	13,487	— 3	+ 2
Louisville	82,494	84,923	81,314	— 3	+ 1
Memphis	30,677	30,774	28,089	–0–	+ 9
Pine Bluff	11,417	11,286	9,182	+ 1	+24
St. Louis	102,835	97,291	102,690R	+ 6	–0–
Totals	258,363	252,820	250,636	+ 2%	+ 3%

*Selected Industrial Customers.
R—Revised.

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

Jan., 52	Dec.,'51	Jan.,'51	First Nine Days Feb.,'52	First Nine Days Feb.,'51	1 mo. '52	1 mo. '51
110,584	105,332	121,922	35,189	9,703	110,584	121,922

Source: Terminal Railroad Association of St. Louis.

CRUDE OIL PRODUCTION—DAILY AVERAGE

(In thousands of bbls.)	Jan.,'52	Dec.,'51	Jan.,'51	January, 1952 compared with Dec.,'51	January, 1952 compared with Jan.,'51
Arkansas	78.3	76.9	80.8	+ 2%	— 3%
Illinois	168.9	168.8	165.1	–0–	+ 2
Indiana	30.7	32.0	29.4	— 4	+ 4
Kentucky	34.2	33.9	30.2	+ 1	+13
Total	312.1	311.6	305.5	–0–%	+ 2%

COAL PRODUCTION INDEX
1935-39=100

Unadjusted			Adjusted		
Jan.,'52	Dec.,'51	Jan.,'51	Jan.,'52	Dec.,'51	Jan.,'51
181.7 P	169.2 P	203.2	156.6 P	162.7 P	175.2

SHOE PRODUCTION INDEX
1935-39=100

Unadjusted			Adjusted		
Dec.,'51	Nov.,'51	Dec.,'50	Dec.,'51	Nov.,'51	Dec.,'50
121.2 P	102.1	152.6	123.6 P	103.1	155.7

P—Preliminary.

Domestic demand was slow due to mild weather and industrial stocks were fat.

Transportation—Railroad freight interchanges at St. Louis in January were 6 per cent more than during December, although volumes continued to run below the year-earlier levels.

CONSTRUCTION

Construction activity declined less than seasonally in January, primarily as a result of expanding industrial and commercial building and construction of military and naval facilities. Nationally, the total value of new construction put in place during January was $2.1 billion, a four per cent drop from December but about two per cent above the January, 1951 total. Reductions in housing, commercial building, highway and some other types of construction have been offset in part by increases over the year in military, industrial and public utility construction.

Residential construction activity, after allowance for seasonal changes, remained at about the same level as in the last half of 1951 and about 20 per cent below the 1950 average. Non-farm housing starts in January totaled 68,000 dwelling units, an increase of 10 per cent above the number started in December but substantially less than the 85,900 units started in January, 1951. The increase may reflect in part builders' efforts to start construction before any possible further curbs are put on residential activity. Continued strength in housing activity for February was indicated by an increase in building permits in January over December.

In the Eighth District construction contracts awarded during January totaled less than those of December, 1951, but were 19 per cent ahead of the value of contracts awarded in January, 1951. The increase over January, 1951 was primarily the result of large public works contracts awarded during January, which more than offset declines in new residential construction. Private non-residential construction also increased somewhat in the Eighth District during January.

Backlogs of proposed construction projects are greater than ever before. The large military construction programs and industrial expansions facilitated by certificates of necessity should help keep construction expenditures at a high level throughout 1952. Recent surveys indicate that private companies plan to increase their capital expenditures, much of it for construction, in 1952 over 1951. The supply of labor, except in small areas such as Paducah, Kentucky, where labor must be imported, is generally adequate. Some metals and metal items are short and expected to remain short. Construction materials, other than metals, are expected to be in good supply.

TRADE

District retail sales in January were down sharply from December levels and also were below those of January, 1951 when the second post-Korea buying wave was in full swing. The decreases from December totals were primarily seasonal in character, in fact in some lines January figures were off less than usual from December. Special and seasonal promotions helped reduce the normal seasonal decline. Generally speaking, sales of hard goods dropped relatively more than did sales of soft goods.

The level of inventories held by district retailers at the end of January reflected the ease with which inventory may currently be replaced. Both furniture stores and department stores held slightly less inventory on January 31 than a year ago. Outstanding orders at the end of January were at a minimum except for seasonal items. There was apparently little necessity of forward buying of either hard goods lines or soft goods merchandise.

Department Stores — Throughout the district, sales during January declined somewhat less than seasonally from December. On a seasonally adjusted basis daily sales in January were 111 per cent of the 1947-49 average. In comparison, they were 107 per cent in December and 128 per cent in January, 1951. "White sales" during the month

CONSTRUCTION

BUILDING PERMITS
Month of January

(Cost in thousands)	New Construction Number 1952	New Construction Number 1951	New Construction Cost 1952	New Construction Cost 1951	Repairs, etc. Number 1952	Repairs, etc. Number 1951	Repairs, etc. Cost 1952	Repairs, etc. Cost 1951
Evansville	44	28	$ 118	$ 94	26	50	$ 18	$ 76
Little Rock	51	91	434	2,758	164	140	157	147
Louisville	95	192	658	2,290	58	49	131	79
Memphis	1,609	1,868	2,659	3,642	165	178	157	575
St. Louis	176	225	1,418	3,964	156	196	379	657
Jan. Totals	1,975	2,404	$5,287	$12,748	569	613	$842	$1,534
Dec. Totals	1,709	2,502	$4,191	$18,196	479	410	$785	$1,563

WHOLESALING

Line of Commodities Data furnished by Bureau of Census U.S. Dept. of Commerce*	Net Sales Jan., 1952 compared with Dec.,'51	Net Sales Jan., 1952 compared with Jan.,'51	Stocks Jan. 31, 1952 compared with Jan. 31, 1951
Automotive Supplies	— 7%	—12%	+20%
Drugs and Chemicals	+17	— 2	—
Dry Goods	+58	—27	—15
Groceries	+17	— 3	— 8
Hardware	+ 3	—30	+16
Tobacco and its Products	— 3	+ 4	+ 3
Miscellaneous	— 4	+ 7	+ 1
Total All Lines**	+ 2%	—16%	-0-%

*Preliminary.
**Includes certain items not listed above.

TRADE

DEPARTMENT STORES

	Net Sales Jan., 1952 compared with Dec.,'51	Net Sales Jan., 1952 compared with Jan.,'51	Stocks on Hand Jan. 31,'52 comp. with Jan. 31,'51	Stock Turnover Jan. 1, to Jan. 31, 1952	Stock Turnover Jan. 1, to Jan. 31, 1951
8th F. R. District...	—51%	—11%	— 6%	.30	.32
Ft. Smith, Ark.[1]....	—59	— 8	+ 3	.27	.29
Little Rock, Ark....	—55	—13	—14	.27	.28
Quincy, Ill.............	—52	—19	— 4	.29	.33
Evansville, Ind......	—58	—10	+ 2	.22	.26
Louisville, Ky........	—60	—12	+ 1	.30	.32
St. Louis Area[1, 2]..	—45	—12	— 7P	.32	.35
Springfield, Mo......	—53	— 3	— 5	.22	.23
Memphis, Tenn......	—51	— 6	— 2	.33	.34
All Other Cities*....	—59	— 6	—0—	.21	.23

*Fayetteville, Pine Bluff, Arkansas; Harrisburg, Mt. Vernon, Illinois; Vincennes, Indiana; Danville, Hopkinsville, Mayfield, Paducah, Kentucky; Chillicothe, Missouri; Greenville, Mississippi; and Jackson, Tennessee.

[1]In order to permit publication of figures for this city (or area), a special sample has been constructed which is not confined exclusively to department stores. Figures for any such nondepartment stores, however, are not used in computing the district percentage changes or in computing department store indexes.

[2]Includes St. Louis, Clayton, Maplewood, Missouri; Alton and Belleville, Illinois.

Outstanding orders of reporting stores at the end of January, 1952, were 32 per cent less than on the corresponding date a year ago.

Percentage of accounts and notes receivable outstanding January 1, 1952, collected during January, by cities:

	Instalment Accounts	Excl. Instal. Accounts		Instalment Accounts	Excl. Instal. Accounts
Fort Smith......	....%	47%	Quincy	25%	57%
Little Rock......	17	44	St. Louis	21	50
Louisville	21	60	Other Cities....	14	46
Memphis	25	45	8th F.R. Dist.	21	49

INDEXES OF DEPARTMENT STORE SALES AND STOCKS.
8th Federal Reserve District

	Jan., 1952	Dec., 1951	Nov., 1951	Jan., 1951
Sales (daily average), unadjusted[3]................	81	168	130	93
Sales (daily average), seasonally adjusted[3]....	111	107	109	128
Stocks, unadjusted[4]	92	105	125	110
Stocks, seasonally adjusted[4]............................	106	119	114	127

[3]Daily average 1947-49=100.

[4]End of Month Average 1947-49=100.

SPECIALTY STORES

	Net Sales Jan., 1952 compared with Dec.,'51	Net Sales Jan., 1952 compared with Jan.,'51	Stocks on Hand Jan. 31,'52 comp. with Jan. 31,'51	Stock Turnover Jan. 1, to January 31, 1952	Stock Turnover Jan. 1, to January 31, 1951
Men's Furnishings........................	—52%	—12%	—1%	.19	.22
Boots and Shoes..............................	—48	— 3	—3	.29	.30

Percentage of accounts and notes receivable outstanding Jan. 1, 1952, collected during January:

Men's Furnishings .... 44% Boots and Shoes............... 46%

Trading days: Jan., 1952—26; December, 1951—25; January, 1951—26.

P—Preliminary.

RETAIL FURNITURE STORES

	Net Sales Jan., 1952 compared with Dec.,'51	Net Sales Jan., 1952 compared with Jan.,'51	Inventories Jan., 1952 compared with Dec.,'51	Inventories Jan., 1952 compared with Jan.,'51	Ratio of Collections Jan.,'52	Ratio of Collections Jan.,'51
8th Dist. Total[1]...	—46%	— 8%	— 8%	—21%	22%	24%
St. Louis Area[2]...	—44	—17	+ 3	—10	30	32
St. Louis..........	—45	—17	+ 3	—10	30	32
Louisville Area[3]..	—45	—18	+ 4	— 7	14	17
Louisville.........	—46	—17	+ 4	— 8	13	16
Memphis.............	—42	— 1	*	*	13	14
Little Rock.........	—32	+ 7	— 7	—11	20	24
Springfield..........	—41	—29	— 2	+ 6	17	15

*Not shown separately due to insufficient coverage, but included in Eighth District totals.

[1]In addition to following cities, includes stores in Blytheville, Pine Bluff, Fort Smith, Arkansas; Hopkinsville, Owensboro, Kentucky; Greenwood, Mississippi; Hannibal, Missouri; and Evansville, Indiana.

[2]Includes St. Louis, Missouri; and Alton, Illinois.

[3]Includes Louisville, Kentucky; and New Albany, Indiana.

PERCENTAGE DISTRIBUTION OF FURNITURE SALES

	Jan.,'52	Dec.,'51	Jan.,'50
Cash Sales	16%	18%	17%
Credit Sales	84	82	83
Total Sales	100%	100%	100%

proved moderately successful and shopping was not limited by the adverse weather experienced during January, 1951 and 1950.

At the end of January, 1952, the retail value of department store inventories was 6 per cent below that on January 31, 1951. The value of orders outstanding on January 31 was substantially below a year ago.

Specialty Stores—Women's specialty store sales volume during January was down about seasonally from December. Although women's specialty shops did not share to any large extent in consumer "scare buying" a year ago, sales this year were about one-sixth under those in January, 1951. The value of inventories held on January 31, was reported at about the same level as a month ago and a year ago.

Men's wear store sales in the district during January were also about one-eighth below those in January, 1951. The retail value of inventories on January 31 was slightly below that of a year ago.

Furniture Stores—January sales at reporting district furniture stores totaled 8 per cent less than in January, 1951. Sales were slow in nearly all lines with least interest shown in major appliances.

The retail value of inventories at reporting stores in the district on January 31 was somewhat less than a month earlier and was 21 per cent lower than on January 31, 1951.

AGRICULTURE

In district states and the nation, livestock numbers on farms increased during 1951. A national increase of 6 million head of cattle during the year brought their numbers to an all-time high. Numbers of hogs, sheep, poultry, and turkeys were moderately higher than a year earlier, and numbers of milk cows, sows, and horses were somewhat lower.

A 7 per cent increase in cattle numbers in district states for the year ending January, 1952 was the same as the national rate. But numbers at the outset of this year had increased in district states by a greater percentage from the 1941 to 1950 average number than for the nation.

Although cattle numbers increased during 1951, the number of milk cows declined in both district

LIVESTOCK ON FARMS IN EIGHTH

(In thousands)	All cattle and calves Jan. 1, 1952	Per cent change from 1951	Per cent change from 1941-50 Ave.
Arkansas..	1,381	+12%	+ 9%
Illinois..	3,550	+ 8	+12
Indiana..	1,886	+ 4	+ 4
Kentucky..	1,722	+ 4	+18
Mississippi..	1,686	+ 7	+12
Missouri..	3,658	+ 9	+17
Tennessee..	1,658	+ 5	+17
District States..	15,541	+ 7	+13
United States..	88,062	+ 7	+11

Source: U.S.D.A. Livestock on Farms, January 1, 1952.

states and the nation and was greater percentage-wise for district states than for the nation. Compared with the average for 1941 to 1950, however, the district states rate was less than that nationally. The decline in milk cow numbers may be nearing an end, since more heifers one to two years old were being kept for milk cows on January 1, 1952 than a year earlier. Heifer calves being kept for milk cows increased 6 per cent during the year both in district states and nationally.

Crop conditions were favorable for the development of 1952 crops in most areas during the month of January. Winter wheat generally was in good to excellent condition. Exception to this was in Texas and Oklahoma, where droughts have persisted. Soil blowing and insect infestation was small.

Prices received by farmers slumped during the month ending January 15. On the latter date the index of prices received was 300, (1910-14=100), the same level as a year earlier. The index declined 5 points from December, 1951 to January, 1952, in contrast to an increase of 14 points during the same month a year earlier. Some further declines occurred after January 15.

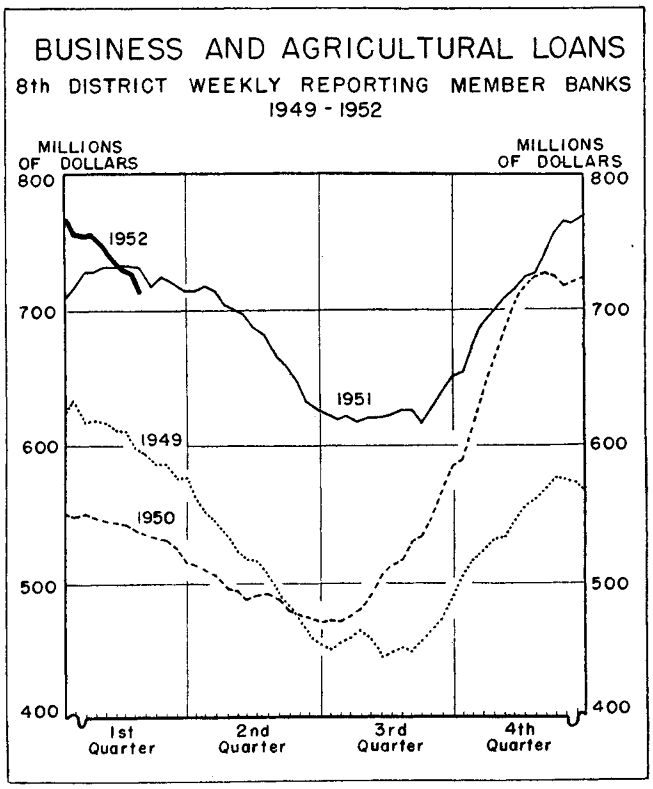
Prices paid by farmers increased 1 per cent (or 3 points) during the month to an index of 287, a new record high. Prices were higher for feeder cattle, feed and food, but were lower for clothing and building materials. In addition, farm wage rates increased 5 per cent, taxes payable per acre 4 per cent, and interest payments 8 per cent. (The tax and interest payment increases were not concentrated in January, of course, but were spread out over the past year. The shift is made statistically in January.) As a result of the lower prices received and higher prices paid, the ratio between prices received and paid (parity ratio) declined from 107 to 105. In January, 1951 it was 110.

BANKING AND FINANCE

In January, bank earning assets and deposits contracted, both districtwise and nationally. The loan decrease centered at large city banks and was mainly in inventory loans for non-defense activities offset, in part, by an increase in defense loans.

District Banking Developments—Earning assets of district member banks declined $30 million during January. The drop was the result of substantial net repayments of loans and a small decline in "other" investments partially offset by increases in Government security holdings.

Loans decreased $45 million in the month. Normally loans do not decline this much in January. All the decrease was at larger urban banks and about three-fourths of it was due to a drop in business loans. The bulk of the net repayments came from commodity dealers (primarily cotton dealers at Memphis). Other businesses with large net repayments were food manufacturers, sales finance companies, wholesalers and retailers. On the other hand, public utilities and metal manufacturers increased their borrowings (a large share going for defense and defense-supporting activities). Loans on real



DISTRICT STATES—JANUARY 2, 1952

Milk cows and heifers (2 years old and older)			Heifers 1 to 2 years old kept for milk cows		Sows and gilts 6 months old and older		All sheep and lambs	
Jan. 1, 1952	Per cent change from 1951	Per cent change from 1941-50 Av.	Jan. 1, 1952	Per cent change from 1951	Jan. 1, 1952	Per cent change from 1951	Jan. 1, 1952	Per cent change from 1951
432	— 1%	—12%	118	+ 8%	102	—11%	41	+11%
922	— 5	—18	267	+ 1	1,080	— 7	726	+20
692	— 2	—12	153	+ 6	708	-0-	457	+ 5
655	— 2	+ 4	108	+ 3	156	—18	668	— 1
571	+ 1	-0-	132	+20	102	— 9	75	+ 3
984	— 1	— 3	205	+ 3	543	—18	1,008	+ 5
668	-0-	+ 4	132	+ 5	175	— 7	274	+ 5
4,924	— 2	— 6	1,115	+ 5	2,866	— 9	3,249	+ 8
23,407	— 1	—10	5,726	+ 4	9,811	— 8	31,725	+ 4

estate and securities and loans to banks and consumers all declined in the month.

Demand deposits fell $162 million in the month, with the bulk of the decline at larger city banks. Roughly half the net withdrawals were in accounts of individuals and businesses; however, both banks and the U. S. Government drew upon their balances in the month. Time deposits were up $9 million in January, with two-thirds of the gain at smaller banks.

Changes in Assets of Life Insurance Companies in 1951—Assets of life insurance companies in the United States rose $4.3 billion in 1951, virtually the same as in 1950. Over 1951, these companies sold, on balance, $2.4 billion Government securities (purchases of $7.1 billion and sales and redemptions of $9.5 billion). Most of the funds obtained last year from resource growth and from net sales of Government securities were used to purchase "other" securities and real estate mortgages. Bulk of the "other" securities purchased were industrial and public utility bonds. A major share of these purchases were obligations of businesses engaged in defense and defense-supporting activities. The mortgage expansion was 45 per cent in conventional type, 34 per cent in VA guaranteed and 21 per cent in FHA insured loans.

ASSETS OF LIFE INSURANCE COMPANIES IN THE UNITED STATES

(In Billions of Dollars)

	Holdings Dec. 31, 1951	Change in 1951	Change in 1950
U.S. Government Securities	10.9	—2.4	—1.8
Other Securities	30.7	+2.9	+2.2
Mortgages	19.3	+3.2	+3.2
Real Estate	1.6	+0.2	+0.2
Policy Loans	2.6	+0.2	+0.2
Cash	1.1	+0.1	+0.1
Other Assets	1.8	+0.1	+0.3
Total	68.0	+4.3	+4.4

AGRICULTURE

CASH FARM INCOME

(In thousands of dollars)	Dec., 1951	December, 1951 compared with Nov., 1951	December, 1951 compared with Dec., 1950	12 month total Jan. to Dec. 1951	compared with 1950	compared with 1949
Arkansas	$ 60,746	33%	—11%	$ 564,523	+14%	+ 5%
Illinois	152,943	— 22	+ 7	2,020,380	+14	+ 3
Indiana	97,628	— 15	+15	1,170,038	+20	+22
Kentucky	147,210	+105	+35	632,799	+23	+18
Mississippi	73,221	22	+ 9	556,484	+21	+13
Missouri	95,199	— 27	— 5	1,214,208	+18	+20
Tennessee	50,776	— 20	17	487,666	+14	+13
Totals	$677,723	11%	+ 7%	$6,646,098	+17%	+12%

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts Jan., 1952	January, '52 compared with Dec.,'51	January, '52 compared with Jan.,'51	Shipments Jan., 1952	January, '52 compared with Dec.,'51	January, '52 compared with Jan.,'51
Cattle and calves	82,959	+12%	— 4%	29,825	+19%	+ 24%
Hogs	359,330	+14	+ 8	121,723	+20	+ 24
Sheep	51,064	+41	+ 28	21,665	+66	+163
Totals	493,353	+16%	+ 7%	173,213	+24%	+ 33%

DEBITS TO DEPOSIT ACCOUNTS

(In thousands of dollars)	Jan., 1952	Dec., 1951	Jan., 1951	Jan., 1952 compared with Dec.,'51	Jan., 1952 compared with Jan.,'51
El Dorado, Ark.	$ 31,734	$ 28,953	$ 28,530	+10%	+11%
Fort Smith, Ark.	47,747	47,746	47,443	-0-	+ 1
Helena, Ark.	10,381	12,751	9,812	—19	+ 6
Little Rock, Ark.	145,536	154,434	149,021	— 6	- 2
Pine Bluff, Ark.	41,258	44,986	34,899	— 8	+18
Texarkana, Ark.*	16,530	17,997	14,128	— 8	+17
Alton, Ill.	30,490	32,129	29,957	— 5	+ 2
E.St.L.-Nat.S.Y., Ill.	138,287	130,087	142,171	+ 6	3
Quincy, Ill.	33,842	33,784	35,910	-0-	6
Evansville, Ind.	140,936	140,771	140,752	-0-	0
Louisville, Ky.	687,396	726,019	667,543	— 5	+ 3
Owensboro, Ky.	43,510	45,404	50,406	— 4	—14
Paducah, Ky.	34,318	35,659	17,800	— 4	+93
Greenville, Miss.	28,956	28,990	31,127	-0-	— 7
Cape Girardeau, Mo.	13,568	13,527	14,658	-0-	— 8
Hannibal, Mo.	9,524	9,364	10,088	+ 2	— 6
Jefferson City, Mo.	73,104	44,224	63,608	+65	+15
St. Louis, Mo.	1,940,929	1,947,797	2,009,686	-0-	— 4
Sedalia, Mo.	11,824	12,173	12,141	— 3	— 3
Springfield, Mo.	69,775	69,384	70,255	+ 1	— 1
Jackson, Tenn.	22,456	23,415	23,041	— 4	— 3
Memphis, Tenn.	737,182	747,248	818,656	— 1	—10
Totals	$4,309,283	$4,346,842	$4,421,632	— 1%	— 3%

*These figures are for Texarkana, Arkansas only. Total debits for banks in Texarkana, Texas-Arkansas, including banks in the Eleventh District, amounted to $37,724.

EIGHTH DISTRICT MEMBER BANK ASSETS AND LIABILITIES BY SELECTED GROUPS

(In Millions of Dollars)	All Member Jan.,'52	All Member Change from: Dec.,'51 to Jan.,'52	All Member Change from: Jan.,'51 to Jan.,'52	Large City Banks[1] Jan.,'52	Large City Banks[1] Change from: Dec.,'51 to Jan.,'52	Large City Banks[1] Change from: Jan.,'51 to Jan.,'52	Smaller Banks[2] Jan.,'52	Smaller Banks[2] Change from: Dec.,'51 to Jan.,'52	Smaller Banks[2] Change from: Jan.,'51 to Jan.,'52
Assets									
1. Loans and Investments	4,293	— 30	+223	2,520	— 35	+108	1,773	+ 5	+115
a. Loans	1,919	— 45	+ 59	1,302	— 45	+ 21	617	-0-	+ 38
b. U.S. Government Obligations	1,997	+ 17	+158	1,040	+ 8	+ 93	957	+ 9	+ 65
c. Other Securities	377	— 2	+ 6	178	+ 2	— 6	199	— 4	+ 12
2. Reserves and Other Cash Balances	1,420	—124	+ 76	869	— 93	+ 31	551	— 31	+ 45
a. Reserves with the F.R. bank	722	— 26	+ 40	471	— 18	+ 15	251	— 8	+ 25
b. Other Cash Balances[3]	698	— 98	+ 36	398	— 75	+ 16	300	— 23	+ 20
3. Other Assets	51	+ 3	+ 1	32	+ 2	+ 2	19	+ 1	— 1
4. Total Assets	5,764	—151	+300	3,421	—126	+141	2,343	— 25	+159
Liabilities and Capital									
5. Gross Demand Deposits	4,326	—161	+231	2,656	—129	+116	1,670	— 32	+115
a. Deposits of Banks	781	— 59	+ 64	737	— 55	+ 59	44	— 4	+ 5
b. Other Demand Deposits	3,545	—102	+167	1,919	— 74	+ 57	1,626	— 28	+110
6. Time Deposits	999	+ 9	+ 40	485	+ 3	+ 9	514	+ 6	+ 31
7. Borrowings and Other Liabilities	75	-0-	— 2	67	— 1	— 4	8	+ 1	+ 2
8. Total Capital Accounts	364	+ 1	+ 31	213	+ 1	+ 20	151	-0-	+ 11
9. Total Liabilities and Capital Accounts	5,764	—151	+300	3,421	—126	+141	2,343	— 25	+159

[1] Includes 13 St. Louis, 6 Louisville, 3 Memphis, 3 Evansville, 4 Little Rock and 4 East St. Louis-National Stock Yards, Illinois, banks.
[2] Includes all other Eighth District member banks. Some of these banks are located in smaller urban centers, but the majority are rural area banks.
[3] Includes vault cash, balances with other banks in the United States, and cash items reported in process of collection.