Monthly Review

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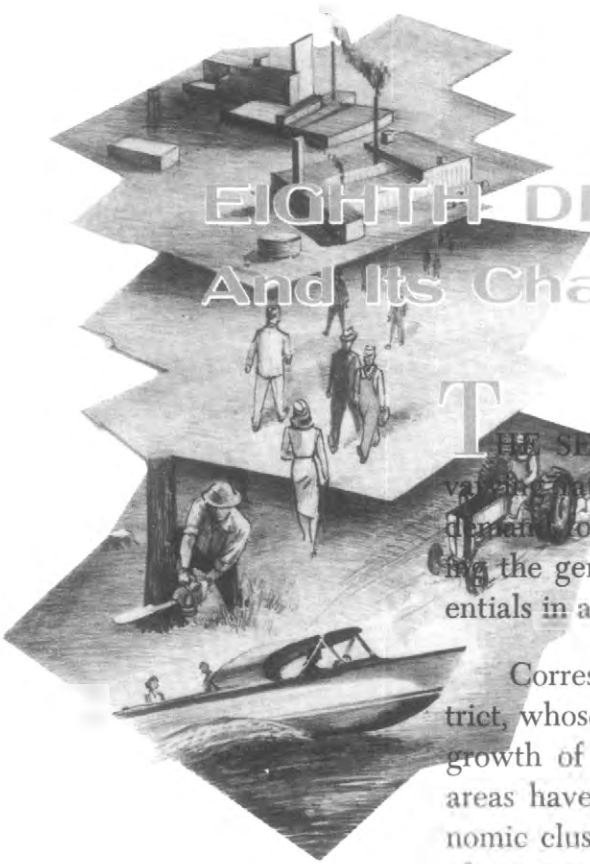


EIGHTH DISTRICT INCOME
And Its Changing Geographic Pattern

THE SECULAR EXPANSION of the American economy has featured varying rates of regional growth, as the nation has experienced shifts in the demand for final products as well as varying productivity gains. Accompanying the general rise in the standard of living has been a narrowing of differentials in area per capita income.

Corresponding shifts have occurred in the Eighth Federal Reserve District, whose income pattern has been shaped by nationwide forces. Continued growth of metropolitan centers and large productivity gains in most rural areas have been complemented by the industrial transformation of new economic clusters, such as northeast Mississippi, the Paducah-Calvert City area of western Kentucky, and resort areas around lakes of the district.

Federal Reserve Bank of St. Louis

Survey of Current Conditions—p. 130

The secular expansion of the American economy has featured varying rates of regional growth, . . .

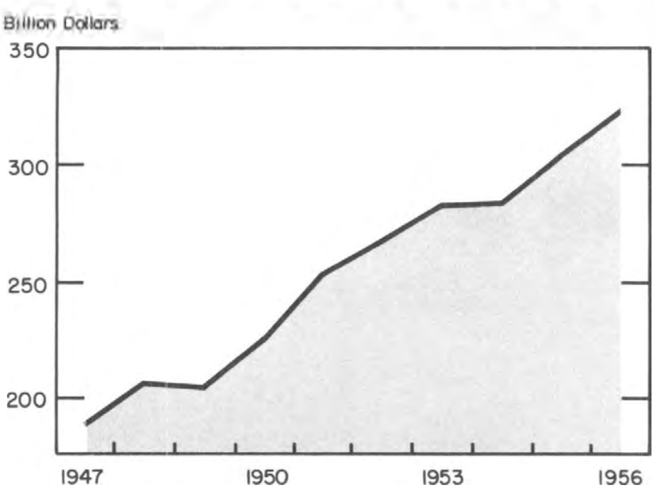
THE REAL OUTPUT of the nation has more than doubled over the past quarter of a century, and on a per capita basis it has increased by three-fifths. During the postwar decade, personal income in current dollars has grown from $190 billion in 1947 to an annual rate of $347 billion in August 1957, an increase of 83 per cent. Even after adjustments for changes in the value of the dollar, the increase amounted to a gain of 44 per cent in consumer purchasing power within the short space of ten years. As stated in a recent report of the Twentieth Century Fund: "The United States has not merely climbed to a new plateau but is ascending heights whose upper limit is not yet measurable, and at an accelerated rate of speed. Our long-run trend is unmistakably upward."

This secular expansion of the national economy has been accompanied by changes in the geographic distribution of personal income. Relative declines in the Northeast (New England and Middle Atlantic States) have been compensated by gains in the South and West. The share of national income going to the Great Lakes States also moved ahead while that of the Plains States declined.

. . . as the nation has experienced shifts in the demand for final products . . .

Shifts in the regional structure of American industry reflect changing requirements for foreign exports, for the national security program, for capital investment and for the many different ways in which the American consumer enjoys his rising standard of living. Foreign exports play a relatively minor role in the United States economy, whose income is generated primarily by internal growth. Yet, for each region within the national economy, local "exports" to other regions of the domestic economy are important determinants of total income growth, as these exports earn funds to pay for "imports" from other regions and thus to support local consumption. The smaller the area under investigation, the more significant exports become in relation to purely local transactions.[1]

Growth of Personal Income in United States



Differences in regional growth thus reflect differences in the national demand for regional exports. Requirements of the national security program have had their greatest impact on regions with new government defense installations and plants producing military hardware; both have increased more rapidly in the South and West than elsewhere in the country. The postwar boom in capital expenditures has accounted in part for the sustained strength of the Great Lakes Area with its large concentration of heavy industry. Growing consumer expenditures have benefited particularly the regions exporting tourist accomodation, such as the all-year vacation resorts of California and Florida.

In addition to changes in the relative importance of each industry as a source of national income, there have occurred important geographic shifts in the location of American industry. An increased share of the nation's farm income, for instance, has accrued to the Far West. Government income disbursments also have increased more rapidly in the South and West than elsewhere in the country. Substantial growth of manufacturing in the Far West, the Southeast, and Southwest, has been a key factor in the relative income gains of these sections.

. . . as well as varying productivity gains.

Regional variations in economic growth reflect varying rates of productivity growth as well as shifts in the national demand for regional products. Innovations and improvements in production techniques have raised efficiency of American industry more than sixfold over the last hundred years. Gains in output per man-hour have been most important in the commodity-producing industries, such as agriculture, mining and manufacturing. These gains in turn have permitted an increasing share of national effort to go into trade and service industries where productivity gains probably have been less spectacular.

[1] In this article the words "export" and "import" denote regional rather than international movements of goods and services.

Eighth District Position Among Major Regions of the United States

Source: *Personal Income by States since 1929*, A Supplement to the *Survey of Current Business*, National Income Division, Office of Business Economics, United States Department of Commerce, Washington, 1956.

Note: The regional classification of states used on this map and in the text is a new one prepared by a Department of Commerce working group and has been proposed as a uniform system for the reporting of economic and social data. The regional groupings were based primarily on homogeneity of the states from the standpoints of income characteristics, industrial composition of the employed labor force in 1950 and certain "noneconomic" characteristics.

Recently, for the first time in the nation's history, the number of people employed in the production of goods was surpassed by the number of workers employed in everything else: government, trade, services, finance, utilities, transportation. There were 27 million workers employed in construction and in commodity-producing industries in 1956 while 31 million workers were employed in other activities.

The share of total personal income originating in agriculture has declined from 9 per cent in 1947 to 4 per cent in 1956. This national decline in the relative role of agriculture explains the lagging growth of major agricultural areas, such as the Plains where farm income still amounts to 11 per cent of total income. In the Mideast, by contrast, its share is but 1 per cent of the total.

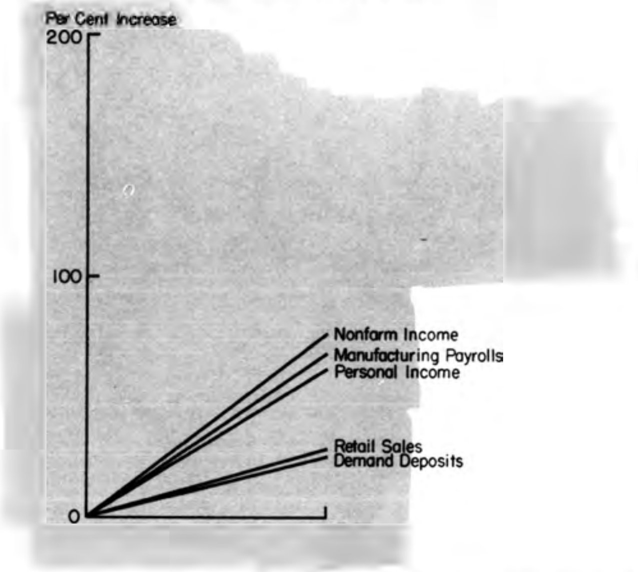
Regions specializing in export industries with large productivity gains may show lagging total income growth because of weakness in demand for the product, despite sizable gains in per capita output. On the other hand, regions specializing in education, tourism and other labor intensive service industries, with relatively slow rates of improvement in output per manhour, have provided much of the employment for a growing labor force.

Accompanying the general rise in the standard of living has been a narrowing of differentials in area per capita income.

One of the great revolutions in the American economy over the last generation has been the narrowing of differentials in the size distribution as well as the regional distribution of national per capita income. There has been a tendency for areas of comparatively low per capita incomes to achieve relative gains and for high income areas to register increases of below-average proportion. This equalization has been facilitated by the large-scale migration of workers from areas of low labor productivity to new opportunities elsewhere. Each year about one-fifth of the American people move from one home to another. In 1956 some 33 million people were in this category.[2] Of this total, 22 million remained in the same county, 6 million moved to a different county in the same state, and 5 million moved to another state. People between the ages of 20 to 24 moved the most; 4 in every 10 of this group changed residence during the year. In the year the Southeast lost about 280,000 persons through net migration, while the West gained 170,000. During the last three years, a total of 1,500,000 moved from the South to the Great Lakes region.

[2] *Mobility of the Population of the United States, March 1955-1956*, United States Bureau of the Census, Series P-20, No. 73, March, 1957.

Corresponding shifts have occurred in the Eighth Federal Reserve District, . . .



Source for these and following chart-maps is explained in detail in footnote 3, bottom of page 129.

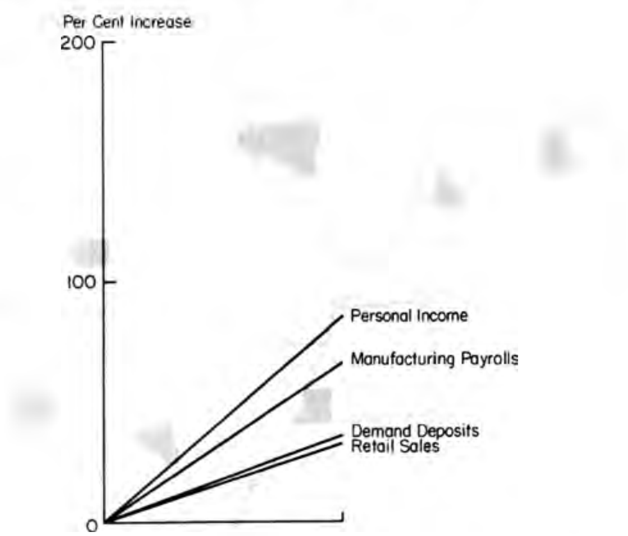
The Eighth Federal Reserve District contains parts of the Plains region (Missouri), the Great Lakes States (southern Illinois and Indiana), and the Southeast (Arkansas, western Kentucky and Tennessee, northern Mississippi). Its income thus reflects the many counter-movements in these large subregions. Total personal income of the district grew more slowly in the postwar years than did personal income nationally, increasing about 62 per cent between 1947 and 1956 as compared to a 72 per cent increase for the nation. On a per capita basis, however, it increased at approximately the national rate of 47 per cent. Only 6.6 per cent of the American people are living in the Eighth District now as against 7 per cent in 1947 and almost 8 per cent a generation ago. As noted earlier, these differences in movements of total and per capita income appear characteristic of agricultural areas where increases in farm output have been accomplished with a smaller labor force.

. . . whose income pattern has been shaped by nationwide forces.

Just as the large regions of the nation have grown at varying rates in response to shifts in national demand and differential productivity gains, so have the smaller areas within the district shown wide variation in income growth as shown by the maps on pages 126 and 127. Small areas are even more dependent on exports than are large regions, as local income growth is determined by sales of local goods and services to surrounding regional and national markets. Outside funds earned through exports and spent locally in time generate additional income in secondary local industries, such as retail trade, business services, transportation and public utilities.

As local exports are based on the development and utilization of specific resources and production facilities, some relative shift in the location of industry will inevitably accompany income growth. Three of the principal geographic patterns of district income growth are: First, metropolitan centers have continued to grow faster than much of the rest of the district. Second, some areas with less favorable demand for their export specialty, such as agriculture, have shown lagging total income growth. However, in these areas, there has been a sizable rise in per capita income as a result of rapid productivity gains and out-migration. Third, in some areas labor force and capital resources have been channeled into new export pursuits. Examples of such transformation in local industrial structure can be seen in northeast Mississippi, the Paducah-Calvert City area of western Kentucky and resort areas distributed widely through the district.

Continued growth of metropolitan centers . . .



The continued growth of metropolitan centers, in the district as well as the nation, has been one of the outstanding features of postwar economic growth. The supply and variety of labor skills and supporting business services in these centers have facilitated the start of new as well as the expansion of old industries. Nationally, about 6 out of every 10 manufacturing workers were employed in the 62 largest metropolitan areas of more than 40,000 manufacturing employees each in 1954. There was considerable variation within major industry groups, however. On the one extreme, more than 8 out of 10 workers in the transportation equipment and instruments groups were found in metropolitan centers. In contrast, less than 2 out of 10 workers in the lumber group, and 3 out of 10 in the textiles group were employed in metropolitan areas.

The metropolitan centers of the Eighth District had 35 per cent of the district population and 61 per cent of manufacturing employment in 1954. As much as 71 per cent of all district manufacturing payrolls were received by the residents of these areas. In absolute terms, manufacturing payrolls in district metropolitan centers increased by $700 million, and outside these areas by $300 million, from 1947 to 1954. Residents of metropolitan St. Louis received more than 40 per cent of all district manufacturing payrolls in 1954, followed by Louisville (14 per cent), Memphis (6 per cent) and Evansville (6 per cent).

Metropolitan growth has been most outstanding in Louisville, whose income more than doubled in the postwar period. Little Rock income grew by 87 per cent, St. Louis by 83 per cent, Memphis and Evansville by 69 per cent, Fort Smith 68 per cent and Springfield 62 per cent. The rapid growth of metropolitan payrolls reflected a shift toward industries paying higher wage rates in addition to expanding employment. Thus, in district metropolitan centers the average annual factory pay per worker increased from $2,640 in 1947 to $4,100 in 1954, or by 55 per cent, while in the remainder of the district it increased only from $1,720 to $2,540, or by 47 per cent.

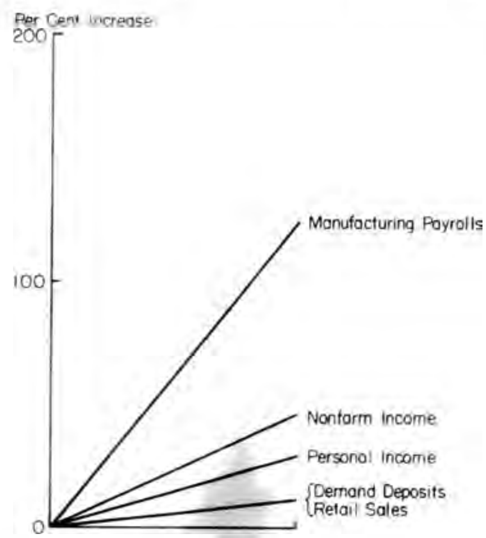
Retail sales provide still another measure of metropolitan growth. Sales in metropolitan centers increased from 42.8 per cent of the district total in 1948 to 44.4 per cent in 1954. St. Louis maintained its lead as a district trade center, both in absolute and relative terms, as St. Louis sales increased by more than $500 million over this period, rising from 21.7 per cent of the district total in 1948 to 22.7 per cent in 1954.

Within the large metropolitan areas, industrial expansion and migration generally benefited the suburbs rather than the central cities. District commerce and industry participated in the great suburban shift of the postwar era when about 6 million acres were bulldozed out of United States farm land into suburban use, and the suburban population soared by more than one-third. This trend is well illustrated by St. Louis County which, excluding the area of St. Louis City, has shown a particularly large postwar income gain.

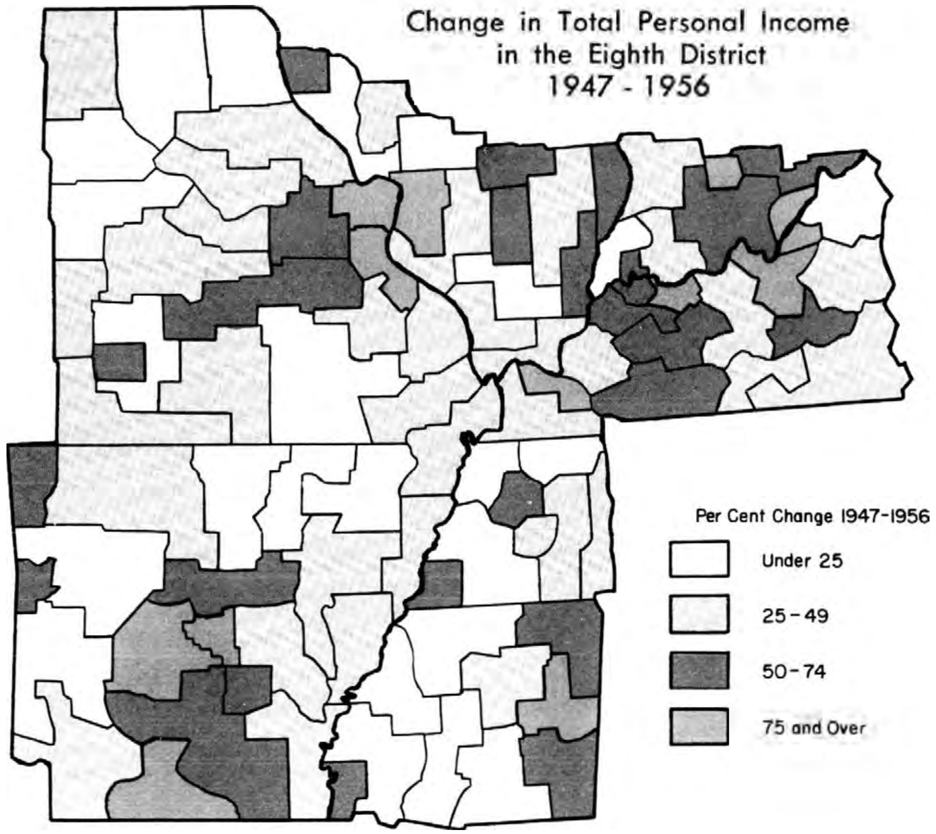
. . . and large productivity gains in most rural areas . . .

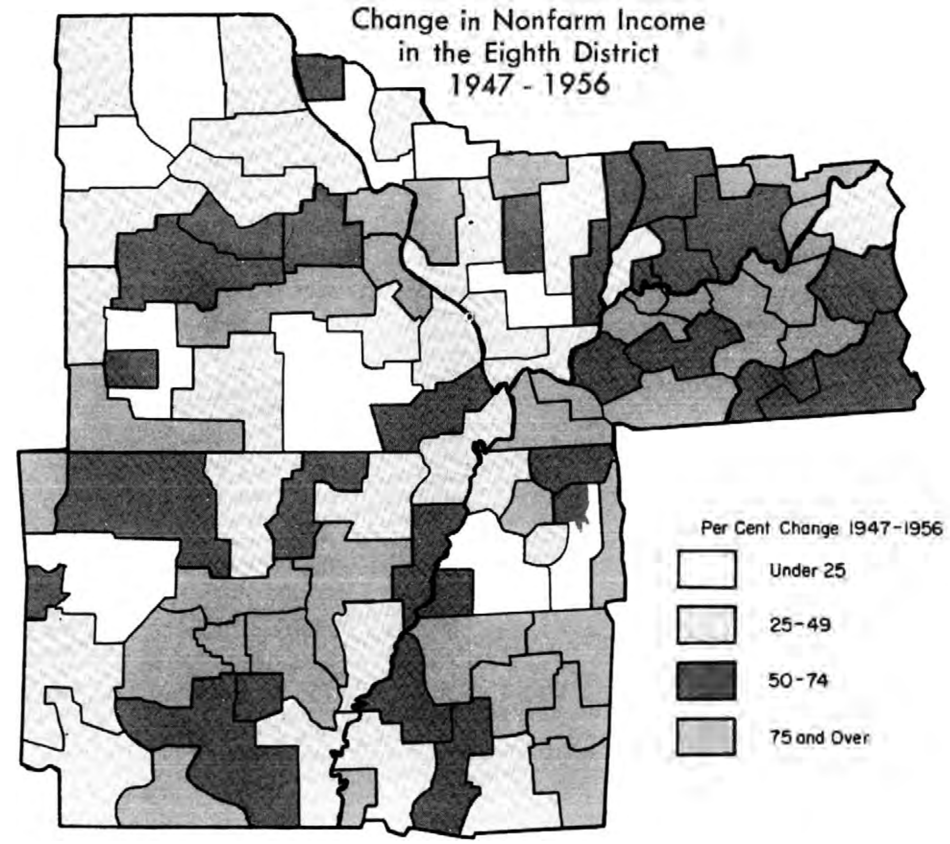
In many district areas the principal economic development of the postwar years has been the technological revolution in agriculture. National increases in farm productivity over the last generation have been said to equal the total productivity gains of the 120 years between 1820 and 1940. Within the district these developments have taken their most dramatic form in the Delta where mechanization and consolidation of farms have taken place at extremely rapid rates.

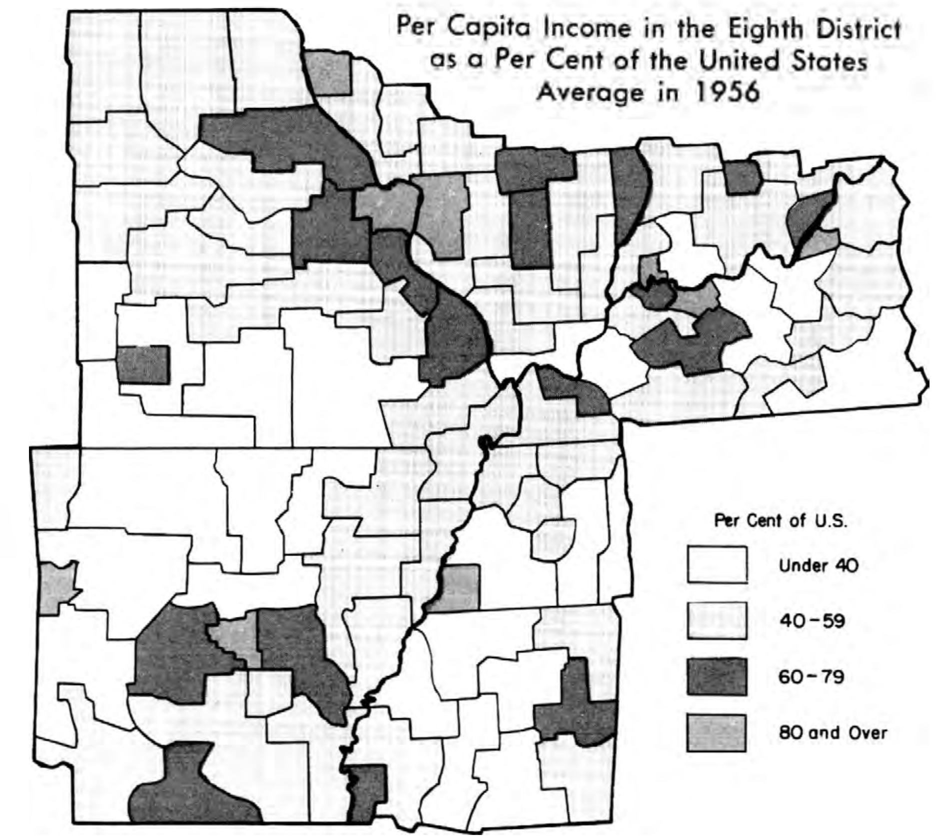
In the eight Delta counties of Mississippi indicated on the map below, the number of farms declined by



15,600, or 29 per cent, between 1945 and 1954. The number of tractors in the area more than tripled, replacing more than 40,000 mules and horses. Over this period the total value of farm products sold in these eight counties increased by 70 per cent. Average sales per farm, however, increased by 140 per cent, rising from about $1,660 per farm in 1944 to $4,000 in 1954. The increase in net income per farm may not have been as great as the increase in the gross sales, because the changes in technique have required increasing equipment costs and larger outlays for materials. Nevertheless, the Delta example illustrates well the manner in which consolidation and







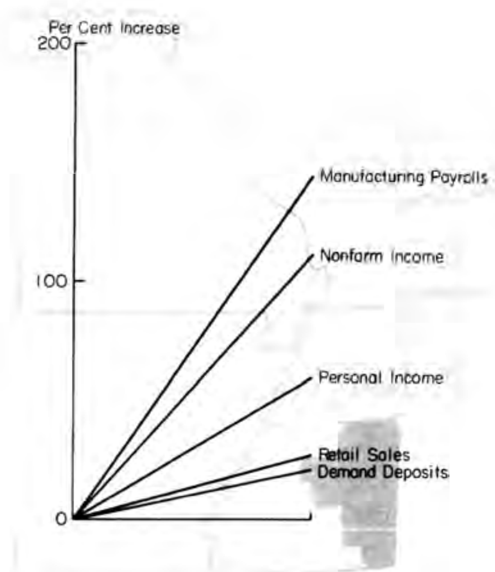
mechanization of farms may reduce farm population and employment while increasing per capita incomes of the farmers who remain.

Although developments in the Delta have been dominated by productivity improvements in agriculture, there are other changes under way as well. Manufacturing employment in the eight counties increased by 47 per cent between 1947 and 1954, an increase well above the average for the district or the nation. However, the growth of manufacturing and other nonfarm employment has been sufficient to absorb only a small fraction of the people leaving farms, and the area has consequently experienced large out-migration.

. . . have been complemented by the industrial transformation of new economic clusters such as northeast Mississippi . . .

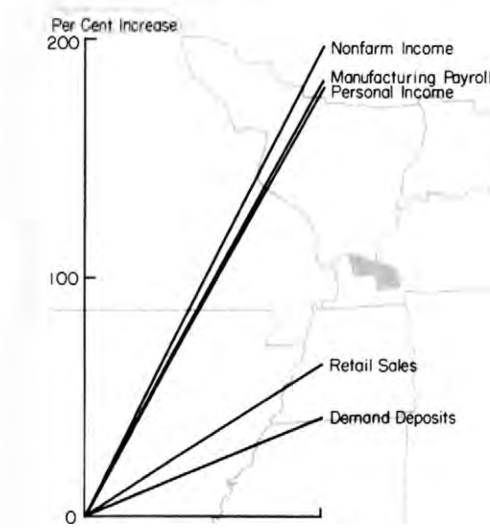
In northeast Mississippi, by comparison, a marked transformation is occurring as new export industries develop. Northeast Mississippi was for many years principally engaged in cotton farming and lumbering, with some production of fruit and livestock. More recently, increasing attention has been given to dairying. The clay-sand hills of northeast Mississippi have not experienced, however, such wide increases in farm productivity as has the Delta. The growth in value of farm production, in total and per farm, has been considerably smaller than in the Delta.

Though farming has remained important, it is now supplemented by other sources of income. Columbus Air Force Base and other defense installations have added to Government payrolls. More importantly,



manufacturing has been growing fast in all sixteen counties of this area. From 1947 to 1954, manufacturing employment in northeast Mississippi increased from 11,800 to 18,500, or by 58 per cent. The largest growth was in apparel, with 35 plants each employing more than 100 workers in 1954, more than double the number of such plants in 1947. The number of furniture plants in this size group increased from one to four during the same period. Two metals fabricating plants, an electrical machinery plant and a shoe plant were also added in these years. Announcements of major plant expansions or additions since 1954 indicate continued expansion of the area's industrial capacity. The largest plant proposed for the area is a $30 million kraft paper mill to be built near Columbus on the Tombigbee River. This plant is expected to employ 500 people and should greatly improve utilization of the area's forest resources. Among other large projects announced since 1954 are eight furniture plants, five apparel plants, four plants in the fabricated metals group, four in electrical machinery, three in leather goods, two in chemicals, one in food processing and one to produce felts for use in paper-making. Many of these projects involve local financial participation under the Mississippi "Balance Agriculture With Industry" plan.

. . . the Paducah-Calvert City area of western Kentucky, . . .

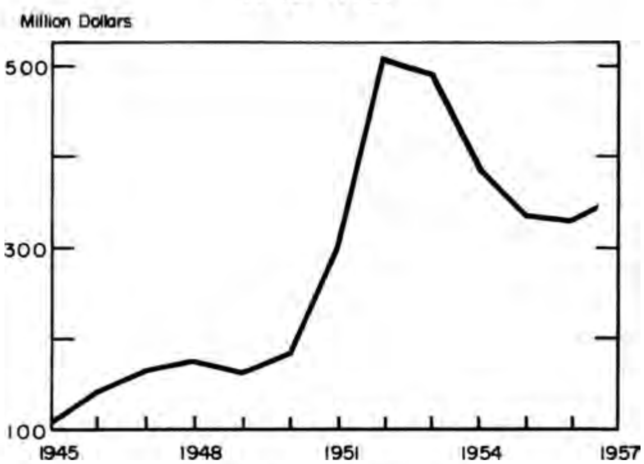


The Paducah-Calvert City area of western Kentucky is the most outstanding example of rapid transformation of industrial structure in the district. At the end of the war the area was largely agricultural, with a large railroad shop and some manufacturing of shoes, apparel and machinery in Paducah. Paducah was a substantial city of more than 30,000 population but had not grown since 1930. Calvert City was a small rural trade town of about 300 population. Today the area produces clothing, radio parts, automobile radiators, textile machinery, fissionable materials for the Atomic Energy Commission and a wide variety of chemicals. Between 1947 and 1956 total personal income in the area nearly tripled.

Construction of the AEC plant and the associated Shawnee Steam Plant near Paducah brought a tremendous influx of construction workers. At the peak in 1953 about 25,000 were employed. The behavior of debits at Paducah banks (see below) over the construction period illustrates the expansion and contraction of business activity in the area. Now that the project has been completed it provides employment for more than 2,000 people. In this case the new export industry grew out of national defense needs and required a massive investment of government funds.

At Calvert City an interlocking complex of chemical plants is growing. The first plant, built in 1948, was intended to produce hydrofluoric acid with electric power from the TVA Kentucky Dam and fluorspar from nearby deposits. In the years since then, plants producing ferroalloys, calcium carbide, acetylene, chlorine, oxygen, and a wide range of other chemical products have been attracted to the area. At mid-1957 chemical plant additions estimated to cost about $75 million to $100 million were under construction there. One of the principal attractions for most of the new plants in the complex has been the possibility of drawing materials from the other plants or of selling some products to them.

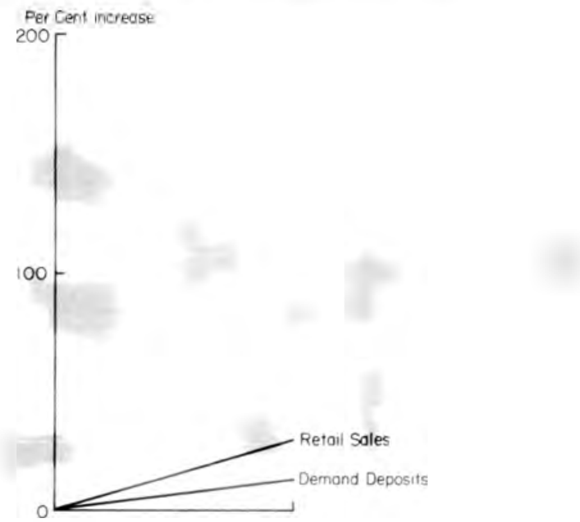
Total Annual Debits at Paducah Banks 1945 - 1957



Note: Debits to demand deposit accounts of individuals, partnership and corporations and states and political subdivisions.

While atoms and chemicals have been the main impetus for growth of the Paducah-Calvert City area, recreation has helped. The building of Kentucky Dam in the late 'thirties made the area a major center for fishing and other water sports.

. . . resort areas around lakes of the district.



Through the postwar period, gains in personal income have been accompanied by more leisure time, so that the recreation business has been one of the most rapidly growing export industries. Nearly one-tenth of the national income is now spent on goods and services for leisure time use. While the number of vacation weeks climbed from 43 million in 1947 to 70 million in 1956, total outlays for domestic vacations and week-ends soared from $5.4 billion to more than $10 billion. Never before has there been a society so bent on travel and sport, nor one so well supplied with money and leisure time. Across the nation 75 million people roamed this summer, crisscrossing 34 billion vacation miles in 24 million vehicles, seeking out new sights as well as the old familiar places.

Though direct measures of all the tourist services provided in these areas are not available, changes in local retail sales provide some approximations. Taken as a group, the lake areas on the map above showed a sales gain of 30 per cent between 1948 and 1954, as compared to a district average of 28 per cent. However, some of the areas included are so new that their growth had not yet been reflected in retail sales by the time of the 1954 Census. Others did much better than the group. Sales around Kentucky Lake increased by 51 per cent, and still further growth of this area is expected after completion of Barkley Dam on the Cumberland, which will create 118-mile-long Lake Barkley. Tourist expenditures of $13 million annually have been estimated for the new Lake Barkley area at the start. The Pickwick Lake area of Tennessee and Mississippi also registered a sales gain of more than 50 per cent over the postwar period. The White River country of Missouri and Arkansas contains Lakes Taneycomo, Bull Shoals and Norfork. The Missouri portion of this area recorded a sales increase of 48 per cent, while Arkansas gained only 7 per cent. This difference reflects the influence of construction payrolls in 1948, which boosted sales in the Arkansas portion of the area during the construction of Bull Shoals Dam. The Missouri counties are currently benefiting from construction expenditures at Table Rock Dam which will form another addition to the area's recreational resources. Sales around Lake of the Ozarks, long established as a major district tourist attraction, gained 35 per cent.

In all these areas, local income growth can be traced to larger sales to the national market. In turn, sales growth depends on the more efficient use of local goods and services. Local economic development thus proceeds in spurts; it presupposes some local organization of productive effort to compete in the national market but in turn facilitates further local growth as income earned by exports is spent locally. With a successful take-off, economic development may become self-enforcing as growth of the local base attracts new export industries. Such a chain reaction can be observed in many parts of the district. It explains the continued growth of metropolitan centers, which offer a well-established base of complementary local services, as well as the development of new industrial clusters.

[8] Sources for this chart-map and subsequent ones are:

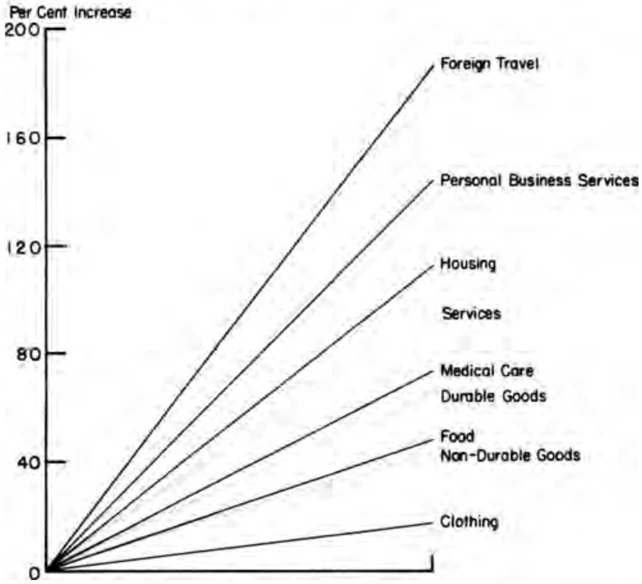
Personal income and nonfarm income, 1947-1956, estimated by Federal Reserve Bank of St. Louis.

Manufacturing payrolls, 1947-1954, from *Census of Manufactures*, 1947 and 1954.

Retail sales, 1948-1954, from total sales of retail establishments in *Census of Retail Trade*, 1948 and 1954.

Demand deposits, June 30, 1949 to June 30, 1956, are demand deposits of individuals, partnerships and corporations from *Distribution of Bank Deposits by Counties*, Board of Governors of the Federal Reserve System.

Growth of Selected Personal Consumption Expenditures 1947 - 1956



Source: 1947—*National Income, 1954*, A Supplement to the *Survey of Current Business*, Table 30, p. 207.
1956—*Survey of Current Business*, July 1957, Table 30, p. 21.

Commodity-producing industries, such as agriculture, mining and manufacturing, typically ship part of their output to other regions of the country and thus earn outside funds for local consumption. As productivity in the basic commodity-producing industries has increased, to the extent that less workers are needed for a vastly larger output, other export industries have gained in importance throughout the nation, as illustrated by the mounting expenditures for education, recreation and other services. It is this shift from employment in agriculture to employment in production of other goods and services required by the rising American standard of living which explains many of the recent changes in the geographic pattern of income distribution in the Eighth District.

WERNER HOCHWALD,
A. J. MEIGS.

Survey OF CURRENT CONDITIONS

Released for Publication October 1

WHILE the national and Eighth District economies continue to manifest over-all stability of income and employment, major labor markets in the district appear to be subject to a conjuncture of pressures including a slackening in the demand for certain consumer durables and cutbacks in defense outlays. The volume of employment, a readily discernible economic pressure point, reflects the contractive nature of the forces at work.

Seasonal layoffs in district automobile plants, associated with model changeovers, were general in September. Since their effects will abate as production of the 1958 models gets under way late in September and the beginning of October, they should not exert any significant longer run influence.

The present irresolute demand for certain home appliances, however, could have a more significant impact on the level of district income and output. In particular, disappointing sales of refrigerators and the resulting buildup of inventories were advanced as reasons for recent reductions approximating 3,500 persons in the work forces in Louisville and Evansville. The layoffs are for an indefinite period.

The problem of district unemployment may be aggravated slightly in the near future as a result of the Defense Department's economy program. Sporadic announcements concerning the closing of various military and military-related operations have been made during the past month. Although the magnitude of these cutbacks can only be approximated at this time, indications are that some 8,000 district jobs will be eliminated in the next several months, largely in the St. Louis and Louisville areas. Should the entire program be carried through, some softness will be added to the Eighth District economy. However, since the reductions approximate only 0.8 per cent of the employed in these two metropolitan areas, their effects should not be too severe. Furthermore, offsets in the form of a pickup in construction or in durable goods production, or a continuation of increases in employment in services, other branches of government or trade may absorb the workers released by Defense Department cutbacks.

No doubt, the immediate impact of a decline in employment will be cushioned, at least partially, by an increase in unemployment compensation payments. In this fashion the adverse effects on the flow of consumer spending will be moderated.

Since most of the longer run developments emanating from layoffs in consumer durable and defense-related production are scheduled to begin during the latter part of September, their effects have not yet been felt and presumably will not be felt for some time. Thus most indexes of district business activity are changed little from last month although they are generally running at less than year-ago rates.

The St. Louis area steel operations during the first three weeks in September were at about 80 per cent of capacity, up slightly from the August rate but down a substantial 11 per cent from the comparable period in 1956.

Livestock slaughtering in the St. Louis area appears to be continuing the slight decline noted in August. Southern pine production is holding at about the August rate and in addition is only slightly below the level of last year's operations.

The agricultural estimates for the Eighth District during September foresee somewhat larger production from district farms than was envisaged in August. However, here too, as in the industrial section, prospects point to a smaller output than was produced in 1956.

Prices of major district farm commodities declined about 3 per cent during the four weeks ending September 21 although they remained about 2 per cent above year-ago levels.

Total loans at Eighth District weekly reporting banks contracted about $30 million or 2 per cent during the four weeks ended September 18. The decline centered in net repayments by businesses offset in part by moderate increases in advances to consumers and real estate owners. Most major types of commercial and industrial concerns shared in the business loan contraction. Commodity dealers made the heaviest net repayments, primarily at banks in Memphis; however, this reduction represented in most part the reversal of the unusually large net additions in the previous four weeks. The sizable net borrowings by commodity dealers in August were primarily to purchase the cotton sold by the Commodity Credit Corporation. Manufacturers of textiles, apparel and leather and sales finance companies also made large net repayments in the four weeks under review. On the other hand, food, liquor and tobacco mannufacturers added more to their outstanding indebtedness than is usual for this time of year.

In general, the national economy also continued to move sidewise in September. Most economic indicators give further evidence of high-level stability although some soft spots are still evident.

Slight increases in wage and salary disbursements in nonmanufacturing industries together with gains in proprietors' income combined to raise personal income approximately 0.3 per cent during August, according to preliminary reports.

This slight growth, which essentially served to maintain the high levels of income previously attained, contributed to a further rise in retail sales in the nation during August, thus continuing a growth pattern of about one per cent per month which began early this year. District department store sales in the first two weeks of September remained somewhat larger than a year earlier. The gain, however, reflected increases in the St. Louis area which more than compensated for declines in the remainder of the district.

The Federal Reserve's seasonally adjusted index of industrial production remained unchanged in August, for the third successive month, adding further to the general impression of stability.

A gain of $800 million in public construction and a small increment in private nonresidential construction pushed total construction outlays, on a seasonally adjusted basis, to an all-time high in August. Private residential construction was unchanged from July, however.

The District Record

VARIOUS INDICATORS OF INDUSTRIAL ACTIVITY

	August 1957	August 1957* compared with July 1957	August 1957* compared with Aug. 1956
Steel Ingot Rate, St. Louis area (Operating rate, per cent of capacity)	79	— 2%	—14%
Coal Production Index—8th Dist. (Seasonally adjusted, 1947-49=100)	91.2 p	+19	— 6
Crude Oil Production—8th Dist. (Daily average in thousands of bbls.)	315.3	+ 2	—18
Freight Interchanges at RRs—St. Louis (Thousands of cars—25 railroads—Terminal R. R. Assn.)	104.7	+ 5	— 2
Livestock Slaughter—St. Louis area (Thousands of head—weekly average)	121.0	+22	— 6
Lumber Production—S. Pine (Average weekly production—thousands of bd. ft.)	218.1	+ 8	+ 4
Lumber Production—S. Hardwoods (Operating rate, per cent of capacity)	85	+15	—11

* Percentage change is shown in each case. Figures for the steel ingot rate, Southern hardwood rate, and the coal production index, show the relative percentage change in production, not the drop in index points or in percents of capacity.

p Preliminary.

BANK DEBITS[1]

Six Largest Centers:	August 1957 (In millions)	August, 1957 compared with July 1957	August, 1957 compared with August 1956
East St. Louis—National Stock Yards, Ill.	$ 147.1	— 5%	+ 3%
Evansville, Ind.	188.6	— 5	+ 4
Little Rock, Ark.	203.3	— 4	+ 5
Louisville, Ky.	899.9	— 4	— 3
Memphis, Tenn.	884.9	+15	+12
St. Louis, Mo.	2,292.3	—10	— 2
Total—Six Largest Centers	$4,616.1	— 4%	+ 1%
Other Reporting Centers:			
Alton, Ill.	$ 38.2	— 6%	— 7%
Cape Girardeau, Mo.	18.5	—0—	+ 1
El Dorado, Ark.	31.7	— 4	+ 9
Fort Smith, Ark.	58.2	— 3	+ 5
Greenville, Miss.	28.6	+ 4	+ 5
Hannibal, Mo.	12.0	— 2	+13
Helena, Ark.	8.7	— 5	+ 6
Jackson, Tenn.	26.0	+ 4	— 5
Jefferson City, Mo.	95.7	—15	+24
Owensboro, Ky.	48.7	+ 4	+ 8
Paducah, Ky.	31.1	+ 3	+16
Pine Bluff, Ark.	42.3	— 2	+20
Quincy, Ill.	41.0	— 9	+ 8
Sedalia, Mo.	17.3	+ 5	+11
Springfield, Mo.	96.0	— 6	+ 4
Texarkana, Ark.	20.3	—10	— 7
Total—Other Centers	$ 614.3	— 5%	+ 8%
Total—22 Centers	$5,230.4	— 4%	+ 2%

INDEX OF BANK DEBITS—22 Centers

Seasonally Adjusted (1947-1949=100)

1957 August	1957 July	1956 August
180.1	186.6	176.8

[1] Debits to demand deposit accounts of individuals, partnerships and corporations and states and political subdivisions.

EIGHTH DISTRICT WEEKLY REPORTING MEMBER BANKS

(In millions of dollars)

Assets	Sept. 18, 1957	Change from Aug. 21, 1957
Loans[1]	$1,641	$—31
Business and Agricultural	856	—25
Security	55	—10
Real Estate	280	+ 1
Other (largely consumer)	476	+ 3
U.S. Gov't. Securities	817	—24
Other Securities	223	—0—
Loans to Banks	28	—0—
Cash Assets	913	+72
Other Assets	44	+ 2
Total Assets	$3,666	$+19
Liabilities and Capital		
Demand Deposits of Banks	$ 696	$+34
Other Demand Deposits	2,002	—0—
Time Deposits	603	+ 1
Borrowings and Other Liab.	73	—16
Total Capital Accounts	292	—0—
Total Liab. and Capital	$3,666	$+19

Principal Changes in Commercial and Industrial Loans[2]

Business of Borrower	Net Change During 4 Weeks Ended 9-18-57
Manufacturing and Mining:	
Food, liquor and tobacco	$+ 9
Textiles, apparel and leather	— 5
Metals and metal products	— 3
Petroleum, coal, chemicals and rubber	+ 1
Other	— 3
Trade Concerns:	
Wholesale	+ 1
Retail	+ 2
Commodity dealers	—20
Sales finance companies	— 5
Public Utilities (including transportation)	— 2
Construction	— 1
All Other	— 2
Total	$—28

[1] Loans are adjusted to exclude loans to banks; the total is reported net; breakdowns are reported gross.

[2] Changes in business loans by industry classification from a sample of banks holding roughly 90% of the total commercial and industrial loans outstanding at Eighth District weekly reporting member banks.

CASH FARM INCOME

(In thousands of dollars)	July 1957	Percentage Change: July '57 from July '56	Jan. thru July[2] 1957 compared with 1956	Jan. thru July[2] 1957 compared with 1955
Arkansas	$ 25,898	+ 1%	—19%	+12%
Illinois	172,131	—11	+ 6	+15
Indiana	106,351	— 3	+ 3	+ 2
Kentucky	31,170	— 2	+ 5	— 7
Mississippi	23,874	+ 9	—17	+11
Missouri	96,075	— 4	+ 1	+13
Tennessee	28,198	— 2	— 5	+ 7
7 States	483,697	— 5	—0—	+ 9
8th District[1]	195,688	— 3	— 4	+ 9

Source: State data from USDA preliminary estimates unless otherwise indicated.

[1] Estimates for Eighth District revised based on 1954 Census of Agriculture.

[2] January thru July 1955 and 1956 revised.

CONSTRUCTION CONTRACTS AWARDED IN EIGHTH FEDERAL RESERVE DISTRICT *

(Value of contracts in thousands of dollars)

	July 1957	June 1957	July 1956
Total	$127,375	$111,818	$120,805
Residential	58,969	45,295	48,448
Nonresidential	38,330	44,202	49,156
Public Works and Utilities	30,076	22,321	23,201

* Based upon reports by F. W. Dodge Corporation.

DEPARTMENT STORES

	Net Sales: August, 1957 compared with July, '57	Net Sales: August, 1957 compared with Aug., '56	Net Sales: 8 mos. '57 to same period '56	Percentage of Accounts and Notes Receivable Outstanding July 31, '57, collected during August: Instal. Accounts	Excluding Instalment Accounts
8th F.R. District Total	+20%	+ 4%	+ 1%	15	46
Fort Smith Area, Ark.[1]	+20	+ 5	— 1	------	40
Little Rock Area, Ark.	+23	—0—	— 2	13	41
Quincy, Ill.	+32	—0—	— 4	------	------
Evansville Area, Ind.	+25	+ 5	+ 1	------	------
Louisville Area, Ky., Ind.	+14	+ 2	— 1	14	41
Louisville (City)	+13	— 1	— 5	------	------
Paducah, Ky.[1]	+10	+ 9	+ 6	------	------
St. Louis Area, Mo., Ill.	+23	+ 7	+ 2	16	58
St. Louis (City)	+25	+ 4	— 2	------	------
Springfield Area, Mo.	+ 8	+ 3	+ 4	------	------
Memphis Area, Tenn.	+19	— 4	— 1	13	34
All Other Cities[2]	+ 8	— 4	— 1	------	------

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

Outstanding orders of reporting stores at the end of August, 1957 were unchanged from the corresponding date a year ago.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
8TH DISTRICT

	Aug. 1957	July 1957	June 1957	Aug. 1956
Sales (daily average), unadjusted[3]	119	104	116	118
Sales (daily average), seasonally adjusted[3]	131	135	119	129
Stocks, unadjusted[4]	n.a.	129	128	136
Stocks, seasonally adjusted[4]	n.a.	141	139	136

n.a. Not Available.

[3] Daily average 1947-49=100

[4] End of Month average 1947-49=100

Trading days: August, 1957—27.3; July, 1957—26; August, 1956—27.

RETAIL FURNITURE STORES

	Net Sales: August, 1957 compared with July,'57	Net Sales: August, 1957 compared with Aug.'56
8th Dist. Total[1]	+ 6%	— 5%
St. Louis Area	—0—	— 4
Louisville Area	+23	—10
Memphis Area	+17	—22
Little Rock Area	+27	+30
Springfield Area	+ 8	— 4

[1] In addition to the following cities shown separately in the table, the total includes stores in Blytheville, Fort Smith, Pine Bluff, Arkansas; Owensboro, Kentucky; Greenwood, Mississippi; Evansville, Indiana, and Cape Girardeau, Missouri.

Note: Figures shown are preliminary and subject to revision.