WAR PRODUCTION FINANCING

FOR the purpose of expediting war production, the President, on March 26, 1942, issued Executive Order No. 9112 establishing a new procedure for financing war production contracts. Under this order the War Department, the Navy Department, and the Maritime Commission are authorized to guarantee loans, discounts, advances, or commitments made by the Federal Reserve Banks, the Reconstruction Finance Corporation, or other financing institutions for the purpose of financing contractors, subcontractors, or others whose production is deemed necessary, appropriate, or convenient for the prosecution of the war. The statement released by the White House in connection with the Executive Order emphasized that the guarantees and loans to be made by the Government Departments would not be subject to peace-time credit rules but would be made by production men, wherever additional financing is essential for increased production.

The Federal Reserve Bank of St. Louis is authorized to act as agent of the War Department, Navy Department or Maritime Commission in carrying out the provisions of the Executive Order. It will be the purpose of this bank to cooperate in every way possible in the administration of the program and the accomplishment of its objectives. To this end the bank has set up a War Finance Agency and invites all banks, member and nonmember, and all other financing institutions in the district to bring to its attention all cases, large or small, where extraordinary financing seems required to enable any enterprises of which they have knowledge to produce for the war effort.

Banks and other financing institutions are thus to be given the opportunity to employ their lendable funds in such financing, secured by such guarantees and safeguards as may be necessary and appropriate to any particular case. Where a guarantee is considered necessary by the financing institution and is authorized, the fee charged for such guarantee will be a percentage of the rate of interest or discount charged, and will vary according to the size of loan and the portion of it covered by the guarantee.

SUMMARY OF EIGHTH DISTRICT

Conversion of industrial facilities to war manufacture continues to dominate the industrial scene in the Eighth District as in the United States. Indicative of the rapid acceleration of the war effort, Treasury outlays for war purposes in March totaled $2,800,000,000. On a daily average basis this sum represents a 15 per cent increase over the February outlay and a 33 per cent gain over January expenditures.

The seasonally adjusted index of industrial production prepared by the Board of Governors of the Federal Reserve System remained at 172 per cent of the 1935-1939 average in March. A year ago the index was at 147. Perhaps more significant in measuring actual volume of production was the rise of the unadjusted index from 166 to 168. The index for durable manufactures in March registered a gain of six points over the February level, reflecting entirely heightened war production. It is anticipated that virtually all production of consumers durable goods requiring critical metals will be halted within the next three months, and that plants now producing such items will be converted to producing goods either for war or for essential civilian requirements. The March level of the index for non-durables was unchanged from the February figure.

Building activity in the Eighth District in March, as measured by dollar value of permits granted, increased 96 per cent over the total for February but was 23 per cent below a year ago. Value of construction contracts awarded in the Eighth District in March was 32 per cent above February, but 19 per cent below March, 1941. A substantial portion of the increase from a month ago represents low cost housing projects in war production centers and plant facilities for war production.

The volume of department store trade in the Eighth District in March showed a sizable gain from the February total and was well above the level of March, 1941. Increases over February ranged down from 54 per cent in Evansville, to 26 per cent in Memphis. Sales of all reporting stores in the district were 35 per cent greater in March, 1941. For the first week in April ending with Easter, sales of reporting stores continued to gain, but have since shown some decline although buying continues at high levels.

Sales in March of all wholesalers in the Eighth District whose statistics are available to this bank increased 7 per cent over February and were 33 per cent above a year ago. Wholesalers' stocks decreased 3 per cent during the month but on March 31 were 20 per cent above those of the corresponding date last year.
DETACHED SURVEY OF DISTRICT

IRON AND STEEL

The rate of ingot operations in the St. Louis area during late March and early April was at an appreciably higher level than during the preceding monthly period. As of mid-April the rate of operations was at 85.2 per cent of capacity, which compares with 98 per cent a year earlier. At the end of March operations were at 93.2 per cent.

The scrap situation has eased somewhat in this area as warmer weather has facilitated the collection and processing of scrap. Mills and foundries still find it difficult to build up adequate backlogs of scrap, but supplies are greater now than at any time in the past three months.

Another blast furnace is being rehabilitated and construction of 49 coke ovens is underway at Granite City, Illinois. Production of pig iron should begin at the new furnace within three months. Its capacity will be approximately 500 tons per day. With this furnace in production the supply of hot metal for the Granite City mills and foundries should further alleviate the threat of scrap shortages.

Tests have been made on iron ore from the southern Missouri region and it is hoped that it will prove possible to open up this region again for commercial mining of iron ore.

Demand for all steel products continues strong. Demand for plates is easing somewhat as more plate tonnage is being turned out by strip mills and as orders with low priority ratings are cancelled. There is heavy demand for bars, sheets and strip.

Steel ingot production in the United States reached another new peak in March with 7,392,911 tons being produced, which compares with 6,521,056 tons produced in February and 7,124,003 tons produced in March, 1941. Output during the first quarter of 1942 was 4 per cent above that of the corresponding quarter of 1941.

WHISKEY

On March 31, 56 of the 59 distilleries in Kentucky were in operation, two more than at the close of the preceding month. This represents a new high in number of distilleries in operation since repeal of the Eighteenth Amendment. Most distilleries are producing at near-capacity levels, due in part to anticipation of future conversion to production of industrial alcohol. A recent request that all distilleries in Jefferson County produce only high wines, which are distillates of high alcohol content, for a four-day period was an indication of coming conversion. This product is to be shipped to another plant for processing into alcohol suitable for the manufacture of smokeless powder.

Demand for bulk whiskey remains strong at firm and profitable prices. Demand for high wines for blending purposes is also good. Some of this latter product is being chemically treated to purify it and improve its taste and is to be used in place of alcohol for the production of gin and cordials.

TRANSPORTATION

Carloadings of all railroads operating in the Eighth District for the four-week period ending March 28 were 1 per cent below those of the previous four-week period, but 5 per cent above the corresponding period last year. Loads interchanged by the Terminal Railroad Association for twenty-five railroads at St. Louis in March were 19 per cent more than in February and 28 per cent above those for March, 1941. Cumulative total of interchanges for the first three months of 1942 was 27 per cent above the corresponding period of last year. Federal Barge Line tonnage moved between St. Louis and New Orleans on the Mississippi River in March increased 53 per cent over February but was 22 per cent below tonnage moved in March, 1941.

AGRICULTURE

Farming Conditions—Weather throughout March and early April in the Eighth District was generally unfavorable for farm operations. At mid-April especially, heavy rains in the more southern sections of the district have caused streams to rise and have increased the danger of floods. Farm work in general is reported as being about two weeks late in most sections. Soil moisture is abundant with some areas reporting the best subsoil condition in years. Frosts in late March caused some damage to fruits, especially early peaches.

Cash farm income, including government payments, in the United States in February amounted to $1,986,925,000, or $600,553,000 more than in February, 1941. For Eighth District states cash farm income plus benefit payments in February totaled $187,823,000, or 46 per cent above a year ago.

Farm employment on April 1 totaled 9,483,000 persons, which was 97,000 less than on April 1, 1941. In Eighth District States, there were 2,338,000 employed on farms on April 1. The supply of farm workers in these states on April 1 was about 63 per cent of normal while demand for such labor was 99 per cent of normal. In Eighth District States increases in monthly farm wage rates without board over a year ago ranged from 21.5 per cent in Tennessee to 31.3 per cent in Arkansas and averaged 24.2 per cent, as compared with the countrywide increase of 26 per cent.
Prices received by farmers on March 15 in the United States were 1 per cent above a month earlier and 42 per cent above a year ago. The greatest price increases in the past month were registered by fruits and meat animals, while prices of dairy and poultry products showed declines. Prices received by farmers in Eighth District states on March 15 showed slightly better gains than for the United States in comparison with a month earlier, and in comparison with a year earlier, in the south especially, were considerably greater than those for the country as a whole.

Prospective plantings of spring crops for 1942 in Eighth District states are shown in the table given below. The increase in soy bean and peanut acreage is particularly noteworthy. Although Illinois and Indiana are the two principal soy bean producing states in the district, soy beans are now being planted in appreciable acreage in the more southern areas of the district.

PROSPECTIVE PLANTINGS FOR 1942

<table>
<thead>
<tr>
<th>Crop</th>
<th>Eighth District States</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1930-39</td>
<td>1941</td>
</tr>
<tr>
<td>Corn — all</td>
<td>29,154</td>
<td>26,064</td>
</tr>
<tr>
<td>Oats</td>
<td>7,745</td>
<td>7,907</td>
</tr>
<tr>
<td>Barley</td>
<td>3,65</td>
<td>610</td>
</tr>
<tr>
<td>Cowpeas*</td>
<td>1,063</td>
<td>1,296</td>
</tr>
<tr>
<td>All Sorghums</td>
<td>678</td>
<td>649</td>
</tr>
<tr>
<td>Tame Hay**</td>
<td>11,573</td>
<td>13,531</td>
</tr>
<tr>
<td>Soy beans*</td>
<td>1,397</td>
<td>5,342</td>
</tr>
<tr>
<td>Peanuts</td>
<td>103</td>
<td>91</td>
</tr>
<tr>
<td>Potatoes</td>
<td>314</td>
<td>279</td>
</tr>
<tr>
<td>Sweet Potatoes</td>
<td>226</td>
<td>174</td>
</tr>
<tr>
<td>Tobacco — all</td>
<td>547</td>
<td>426</td>
</tr>
<tr>
<td>Rice</td>
<td>165</td>
<td>214</td>
</tr>
</tbody>
</table>

* Acreage partly duplicated in hay acreage.
** Acreage harvested.

Cotton—Heavy rains in late March and early April have retarded cotton crop preparations in most areas of the district. Reports indicate that much breaking of land will have to be done over. Very little planting has been done to date. Recent high water has threatened portions of cotton land in this area.

Fertilizer shortage of some seriousness has developed. The Mississippi Delta region reports a decline of approximately 50 per cent in available fertilizer. Difficulties are anticipated in producing the longer staple cotton requested under the Government program unless fertilizer supplies can be increased. Spot cotton market activity in recent weeks has raised the price of cotton to very high levels. Between March 17 and April 15 the price of 15/16 middling grade on the Memphis market ranged between 19.45¢ and 20.50¢ per pound closing on the latter date at 20.25¢.

According to the United States Department of Agriculture the gain in cotton prices over a year ago is due primarily to three factors: (1) The large increase in consumer purchasing power, (2) the extremely heavy demand for cotton textiles resulting from large military and civilian requirements together with reduced imports of raw and manufactured fibres, and (3) the heavy movement of the 1941 domestic crop into Government loan, which coupled with private withholding of cotton made the total domestic supply this year about the same as last.

Domestic mill operations remained at exceptionally high levels throughout March. United States cotton consumption in March was 966,631 bales. Demand for cotton goods continues greatly in excess of productive capacity. The rate of operations for March was at 134 per cent of capacity as compared with 117 per cent in March, 1941.

Livestock—Receipts of cattle, hogs and sheep in March at the National Stock Yards were substantially larger than in February and considerably above those of March, 1941. Despite this, prices of cattle and hogs moved up sharply during the month. The average price of hogs at the National Stock Yards between March 17 and April 15 ranged from $13.10 to $14.32 per cwt., closing on the latter date at $14.21 per cwt. For the comparable period a year ago the range was from $7.69 to $8.82 per cwt.

Unfavorable weather has hurt development of the early spring lamb crop in Missouri and Tennessee. Death losses in these states have been above average. Prospects for spring pastures are reported as good but to date there has been a shortage of green feed. In Kentucky pastures have furnished good feed and early lambs have developed well and are in good condition.

Cattle on feed on April 1, 1942 in Corn Belt states were 2 per cent less than on the corresponding date a year ago. This is the first year since 1937 that the number on feed on April 1 was below the number of the previous year. Cattle on feed in Illinois and Indiana were 5 per cent and 10 per cent, respectively, below the number reported last April, while those in Missouri were 3 per cent greater than a year ago.

Tobacco—Weather in Kentucky during the latter part of March was favorable enough to enable burley tobacco growers to make good progress in preparing for the 1942 crop. Burning and sowing of plant beds were practically completed by April 1. The heavy rains of the second week in April benefited plant beds, which needed moisture.

Burning and sowing of plant beds for Green River and stemming district tobacco are reported as proceeding satisfactorily. One sucker plant beds are reported in fairly good condition and progress is being made in preparing the fields for the new crops. Reports indicate the full acreage allotments for both of these types of tobacco will be planted.
The final auction sales of Eastern District fire-cured tobacco will be held on April 22. Volume of sales and quality of offerings have been declining steadily. Sales for the season through April 16 amounted to 38,278,884 pounds at an average price of $13.99 per cwt. Western District fire-cured markets will be closed by April 18. Volume and quality of offerings continue to decline and the season average price dropped by April 9 to $12.00 per cwt. For the season to April 9 total sales of this type amounted to 12,302,172 pounds.

Winter Wheat—Prospects for the winter wheat crop on the whole continue favorable. For the United States the April 1 report indicates a yield of 15.1 bushels per seeded acre as compared with 14.7 bushels a year ago and 11.8 bushels for the 10-year (1930-39) average. In Missouri and Illinois wheat crop prospects on April 1 point to the smallest crops in many years. Yields in both of these states are below average, and unfavorable weather last winter prevented completion of seeding some of the intended acreage. Abandonment in these states is expected to be greater than usual. Other wheat producing states in the district report the crop in good condition with indicated yields approximating those of 1941. Despite the small size of the 1942 wheat crop in the United States, the July 1 carryover is expected to be 630,000,000 bushels which would be an increase of 245,000,000 bushels over July 1, 1941.

COST OF LIVING AND PRICES

The cost of living in large cities in the United States continued to rise from mid-February to mid-March. The rate of increase in the past month was 1.5 per cent which was greater than that for the month between January 15 and February 15. Since March 15, 1941 cost of living in the United States has risen 12.9 per cent. This rise is expected to continue, reflecting the earlier advance in wholesale prices and the scarcity of an increasing number of consumer items. Rising freight rates also are exercising some effect on living costs. Cost of living in St. Louis rose 2.1 per cent in the month and was 13.4 per cent above a year ago. In Memphis the rise from a year ago was 14.6 per cent.

Food costs in the United States rose 1.5 per cent between February 17 and March 17 and were 20.5 per cent above the corresponding date last year. Increases resulted primarily from rises in prices of pork, fruit, and canned vegetables and were offset in part by seasonal declines in prices of butter, eggs and certain fresh vegetables. Food costs in St. Louis in the past month rose 2.5 per cent to lead all Eighth District cities covered by the index in gain. Compared with a year ago, food costs in Little Rock have risen more than in the other Eighth District cities with an increase of 25.6 per cent being registered.

The index of wholesale commodity prices (1926 = 100) rose to a new high since September, 1928 in the week ending April 11 when the index for all commodities stood at 98.1. Increases from a month earlier in prices of farm products and hides and leather products accounted for much of the rise.

EMPLOYMENT

Total civil non-agricultural employment in February declined to 39,842,000 from the January total of 38,871,000, a drop of 0.1 per cent. The February figure was, however, 6.4 per cent above the total of 37,448,000 for February, 1941. The decline of 29,000 from January was accounted for by seasonal decreases in employment in mines, construction, transportation and utilities, and trade, and was offset in part by sizable increases in manufacturing and Government employment.

Non-agricultural employment in Eighth District States in February was 5,550,000, the same as in January, but 8.4 per cent above the total for February, 1941. Only two Eighth District States, Kentucky and Missouri, registered decreases from a month earlier. All were above the figure for February, 1941. The greatest increase from a year ago was shown by Arkansas, where the employment gain was 19.5 per cent.

Fragmentary returns from scattered centers in this area indicate some rise in employment during March as war plants continue to absorb more workers. The WPA estimates that unemployment in March in the United States declined by 400,000, as 1,400,000 new workers entered the labor market and the total gain in all employment was 1,800,000.

BANKING AND FINANCE

Demand for credit in the Eighth District during the past month has been somewhat lighter than in the corresponding period last year. Many banks report commercial loans being paid back faster than new ones are granted. Total loan volume of reporting member banks in this district declined 3 per cent from March 18 to April 15 although it was 13 per cent above the level of mid-April, 1941. Investments of the district's reporting member banks showed a 6 per cent increase from mid-March totals reflecting primarily the issuance of Treasury Certificates of Indebtedness and increases in holdings of Treasury bills. Volume of investments at these banks now stands at a new all time peak. Total loans and investments continue to gain in volume and on April 15 stood at $981,000,000.
Through the first week in April, gross deposits declined from the high reached March 11, but increased sharply and reached a new peak on April 15 when they stood at $1,471,000,000.

In connection with the Administration of Regulation W, this bank has begun the collection of statistics relating to consumer instalment loans made by banks and outstanding balances of such paper. The report for the month ended March 31 makes it possible to draw the first tentative conclusions concerning the trend of bank instalment credit. The following table shows outstanding balances of consumer instalment credit for 23 banks in this district on quarterly dates. These banks held approximately half of all bank instalment paper outstanding in this district.

**CONSUMER INSTALMENT CREDIT OUTSTANDING AT 23 EIGHTH DISTRICT BANKS**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Mar. 31, 1942</th>
<th>Change from March 31, 1941</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>113,818</td>
<td>$9,966 $28,021 $21,074 $18,894</td>
</tr>
<tr>
<td>Illinois</td>
<td>61,934</td>
<td>42,925 145,316 95,169 102,762</td>
</tr>
<tr>
<td>Indiana</td>
<td>35,761</td>
<td>23,650 73,812 50,291 47,365</td>
</tr>
<tr>
<td>Kentucky</td>
<td>15,103</td>
<td>10,046 24,306 54,306 45,911</td>
</tr>
<tr>
<td>Mississippi</td>
<td>14,202</td>
<td>9,430 30,647 18,828 20,829</td>
</tr>
<tr>
<td>Missouri</td>
<td>30,969</td>
<td>21,888 70,423 46,890 45,262</td>
</tr>
<tr>
<td>Tennessee</td>
<td>16,037</td>
<td>11,035 39,465 26,632 22,180</td>
</tr>
</tbody>
</table>

**RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS**

<table>
<thead>
<tr>
<th>Item</th>
<th>Mar., Feb., Mar., Apr. 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle and Calves</td>
<td>65,685 77,363 80,306 $28,764 17,172 22,713</td>
</tr>
<tr>
<td>Hogs</td>
<td>256,976 912,192 242,602 36,680 80,388 65,851</td>
</tr>
<tr>
<td>Horse and Mules</td>
<td>1,577 2,688 5,113 1,527 2,553 1,774</td>
</tr>
<tr>
<td>Sheep</td>
<td>11,018 11,018 11,128 4,438 3,910 2,631</td>
</tr>
</tbody>
</table>

**WHOLESALE PRICES IN THE UNITED STATES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Mar., Apr., May 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodities</td>
<td>98.1 97.1 96.9 95.9 94.9</td>
</tr>
<tr>
<td>Farm Products</td>
<td>104.2 103.7 103.6 103.5 103.4</td>
</tr>
<tr>
<td>Foods</td>
<td>97.0 97.2 95.8 95.7 95.6</td>
</tr>
<tr>
<td>Other</td>
<td>95.3 95.6 95.2 95.1 95.0</td>
</tr>
</tbody>
</table>

**BUILDING PERMITS**

<table>
<thead>
<tr>
<th>Type</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>New houses, apartments</td>
<td>121,911 110,541</td>
</tr>
<tr>
<td>Retail stores</td>
<td>121,911 110,541</td>
</tr>
<tr>
<td>Other</td>
<td>121,911 110,541</td>
</tr>
</tbody>
</table>

**VALUE CONSTRUCTION CONTRACTS LET**

<table>
<thead>
<tr>
<th>States</th>
<th>Mar., Apr., May 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Illinois</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Missouri</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Tennessee</td>
<td>48,250 50,000 51,340</td>
</tr>
</tbody>
</table>

**CONSUMPTION OF ELECTRICITY**

<table>
<thead>
<tr>
<th>States</th>
<th>Mar., Apr., May 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Illinois</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Missouri</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Tennessee</td>
<td>48,250 50,000 51,340</td>
</tr>
</tbody>
</table>

**PRODUCTION OF BITUMINOUS COAL**

<table>
<thead>
<tr>
<th>States</th>
<th>Mar., Apr., May 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Illinois</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Missouri</td>
<td>48,250 50,000 51,340</td>
</tr>
<tr>
<td>Tennessee</td>
<td>48,250 50,000 51,340</td>
</tr>
</tbody>
</table>
LOADS INTERCHANGE FOR 25 RAILROADS AT ST. LOUIS

First nine days
Mar.'42 Feb.'42 Mar.'41 April,'42 April,' 41 3 mos.'42 3 mos.'41
13,909 112,794 104,953 13,909 112,794 104,953

Sources: Terminal Railroad Association of St. Louis.

WHOLESALEING

Lines of Commodities Net Sales Stocks
Data furnished by Bureau of Census, U. S. Dept. of Commerce.

Mar. 1942 April, '42
8th F. R. District +35 +35
Chicago, Ill. +63 +62
Memphis, Tenn. +26 +29
Springfield, Mo... +35 +36

*Includes certain lines not listed above.

DEPARTMENT STORES

Net Sales Stocks on Hand Stock Turnover

Mar. 31, 1942 Mar. 31, 1942 Feb., Mar.,'42

Ft. Smith, Ark. +40% +52% +49% +42% +88.75
Little Rock, Ark. +30% +42% +41% +41% +87.95
E. St. Louis, Ill. +34% +44% +43% +44% +90.16
Quincy, Ill. +35% +23% +24% +25% +91.93
Evansville, Ind. +16% +16% +16% +16% +92.40
Louisville, Ky. +17% +17% +17% +17% +92.12
St. Louis, Mo. +30% +30% +30% +30% +97.05
Springfield, Mo... +35% +9% +35% +9% +65.68
Jackson, Tenn. +26% +50% +26% +26% +93.21
Memphis, Tenn. +4% +29% +4% +29% +81.43
*All other cities... +47% +47% +47% +47% +78.71
8th F. R. District +35% +26% +35% +26% +93.10

INDICES OF DEPARTMENT STORE SALES AND STOCKS

8th Federal Reserve District (1922＝100)

Sales (daily average), Unadjusted 125 101 110 97
Sales (daily average), Seasonally adjusted 130 118 131 107
Stocks, Unadjusted 110 110 107 78
Stocks, Seasonally adjusted 110 110 107 78

DEBITS TO INDIVIDUAL ACCOUNTS

(Thousands of dollars)

El Dorado, Ark. $7,520 $6,405 $5,530 17% 36%
Fort Smith... 20,508 17,836 13,561 15 16
Helena... 2,108 2,085 1,813 5 16
Little Rock... 66,540 55,547 51,552 19 29
Pine Bluff... 21,793 19,608 17,027 35 24
Texarkana-Ark.-Tex. 29,171 26,851 8,180 10 231

PRINCIPAL RESOURCE AND LIABILITY ITEMS

FEDERAL RESERVE BANK OF ST. LOUIS

DEBITS TO INDIVIDUAL ACCOUNTS

(Thousands of dollars)

El Dorado, Ark.$ 7,520 $6,405 $5,530 17% 36%
Fort Smith... 20,508 17,836 13,561 15 16
Helena... 2,108 2,085 1,813 5 16
Little Rock... 66,540 55,547 51,552 19 29
Pine Bluff... 21,793 19,608 17,027 35 24
Texarkana-Ark.-Tex. 29,171 26,851 8,180 10 231

FLAT RATES OF TAXES FOR ACCOMMODATIONS UNDER THE FEDERAL RESERVE ACT

Advances to banks, secured by direct obligations of the United States, under paragraph 13 of section 13a... 1% per annum
Advances to member banks, secured by direct obligations of the United States, or by such Government guaranteed obligations as are eligible for collateral, under paragraph 8 of section 13c... 1% per annum
Repossession advances, and other advances to member banks under sections 13a and 13c... 1% per annum
Advances to member banks under section 10(b)... 1% per annum
Advances to individuals, firms, and corporations other than banks, secured by direct obligations of the United States, under paragraph 13 of section 13... 3% per annum

Industrial advances to member banks, nonmember banks, and other financing institutions under section 13a... 1% to 3% per annum
(b) On portion for which such institution is obligated 2% to 3% per annum
No charge to financing institution. Federal Reserve Bank will retain interest collected from borrower.

Advances to established industrial or commercial (35% to 50% per annum)
Advances to persons in which business is established (1% to 3%) and other financing institutions, under section 13b...

Commercial, industrial, agricultural loans.$270,839 $243,944 30,695
Loans with a holder and brokers or dealers.$29,082 $28,750 3,332
Other loans to purchase and carry securities.$10,233 $10,233 0
Real estate loans.$58,797 $58,797 0
Loans to banks.... 191 21 171

 könst... 321 41 280

Transaction and other advances to member banks... 1/4% per annum

(Completed April 24, 1943)
Industrial activity continued at a high rate in March and the first half of April. Distribution of commodities to consumers was maintained in large volume and commodity prices advanced further.

**Production** — Volume of industrial production increased seasonally in March and the Board’s adjusted index remained at 172 per cent of the 1935-39 average. Output of durable manufactured products, now mostly war materials, continued to advance, reflecting mainly increased activity in the iron and steel, machinery, aviation, and shipbuilding industries. Production of lumber and cement, which had been maintained at unusually high levels during the winter months, increased less than seasonally in March.

In most industries manufacturing nondurable goods activity was sustained at earlier high levels. In some, however, notably wool textiles and petroleum refining, there were declines owing to restrictions on production for civilian use and, in the case of petroleum products, to transportation difficulties. Mineral production declined in March and the first half of April, reflecting sharp curtailment in output of crude petroleum. Coal production, which usually declines at this season, was maintained in large volume. The Great Lakes shipping season opened in the latter part of March and the first boatload of iron ore reached lower Lake ports 12 days earlier than the record set last year. Shipments during the coming season are expected to exceed considerably the total of 80 million gross tons brought down the Lakes last year.

Value of construction contract awards continued to increase in March, according to figures of the F. W. Dodge Corporation, and the level of the first quarter of 1942 was the highest in recent years, being some 30 per cent above that of the corresponding period last year. Awards for public work amounted to close to 80 per cent of the total and in the residential field accounted for 52 per cent of the value of all projects. Publicly-financed contracts for factory construction showed a sharp increase, partly offset in the total by a decline in private factory construction.

On April 9, the War Production Board issued an order which required explicit permission of the Government for initiation of all new private construction involving expenditures in excess of specified small amounts and not covered by specific priority ratings.

**Distribution** — Value of retail trade in March continued at the high level of other recent months, making allowance for customary seasonal changes. Sales at department and variety stores increased by somewhat less than the usual seasonal amount while sales by mail-order houses rose more than seasonably.

On the railroads total loadings of revenue freight were maintained in large volume in March and the first half of April. Shipments of coal and coke declined less than seasonally and ore loadings increased sharply, while grain shipments declined further from the peak reached in January. Loadings of miscellaneous merchandise, which had been unusually large in the preceding three months, increased less than seasonally.

**Commodity Prices** — The general level of wholesale commodity prices advanced 1½ per cent further from the middle of March to the middle of April. Among manufactured products, finished consumers’ goods, such as foods, clothing, and shoes, continued to show the largest price increases. Prices of most raw materials were unchanged or showed increases, which in a number of cases reflected the raising of Federal maximum price levels. There were declines in prices of wheat and of a few other commodities, including gasoline at Gulf ports and turpentine.

In retail markets maximum prices were fixed in this period for a number of electrical products, most of which will no longer be produced for civilian use after May 31. Prices of many other commodities and services advanced further.

**Bank Credit** — During the four weeks ending April 15 holdings of Government securities at banks in leading cities increased by nearly 700 million dollars, while commercial loans declined somewhat, following a rise in previous weeks. Changes in member bank reserves and deposits reflected principally the temporary effects of Treasury operations in connection with income tax collection and the sale of certificates of indebtedness. Money in circulation continued to increase.

**United States Government Security Prices** — Following an advance from the mid-February low, prices of U. S. Government bonds remained relatively steady in the first half of April.