



# BUSINESS CONDITIONS

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FEDERAL RESERVE BANK OF ST. LOUIS



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## GENERAL SUMMARY

**T**HE drive for increased output of war goods continues to raise the level of industrial activity to new peaks month after month. The adjusted index of industrial production prepared by the Board of Governors of the Federal Reserve System rose 1 point in March to 203 per cent of the 1935-39 average and was 36 points above November, 1941, the month prior to our entry into the war. The durable goods index which roughly reflects war output gained 3 points in the month and 89 points since the outbreak of war, while the non-durables index declined 2 points in the month and stood only 5 points above the November, 1941 level.

According to Treasury Department figures the United States spent \$7.1 billion for war in March. This was a new record, \$800 million above the previous peak of \$6.3 billion last November, and compares with \$6 billion in February. On a daily average basis March expenditures also set a new record at \$263 million, \$10 million larger than in February. Costs of war during the nine months of the current fiscal year have approximated \$52 billion. Latest available Treasury figures indicate a reduction in outlay for the war in April.

Eighth District industrial activity continued its upward trend during March and early April with further gains in output, primarily for war use, recorded in many lines. Production of steel and lumber continued in huge volume during March and April. Every distillery in Kentucky was in operation in late March, producing industrial alcohol for war purposes. Coal output at district mines dur-

ing March exceeded that of February by 13 per cent and was 28 per cent greater than in the corresponding month last year. Industrial electricity consumption was 10 per cent above February and 35 per cent more than March, 1942. Shoe production was slightly above a month earlier in this district but was below the output of last March.

Primary distribution of goods continued heavy in March, although freight carloadings of railroads operating in the Eighth District were 4 per cent lower in the four-week period ending March 27 than in the preceding four-week period and 1 per cent under last March. Load interchanges of 25 railroads at St. Louis in March were 5 per cent above February and 7 per cent greater than a year ago. During the first nine days of April interchanges exceeded the comparable period of the previous month by 5 per cent and were 9 per cent above a year earlier. Loads interchanged at Louisville were up 9 per cent in the month and 7 per cent in the year.

Value of construction contract awards in March was 45 per cent greater than in February but 67 per cent under the corresponding month last year. Contract awards for non-residential construction represented 73 per cent of the March total. Building permits issued during March in principal Eighth District cities declined 5 per cent in dollar value from the preceding month and were 70 per cent below March, 1942, reflecting virtual elimination of private construction and the decline in new construction of industrial facilities.

## DETAILED SURVEY OF DISTRICT

### MANUFACTURING

**Iron and Steel**—Steel ingot production was maintained at extremely high levels in the Eighth District during March and the first half of April as mills in this area operated at 101.2 per cent of rated capacity for the period of six consecutive weeks ending April 24. Total output of 7,670,187 net tons of steel in the United States during March established a new record, surpassing that of last October by nearly 90,000 tons. First quarter production of 21,920,278 tons was 881,000 tons greater than in the corresponding period of 1942. Latest estimates place steel ingot and castings production in 1943 at an all-time high of 92,000,000 tons, 7 per cent greater than last year.

Scrap was received in fairly large quantities in the St. Louis area during the last half of March and

the early part of April, and most melters maintained current operations without drawing on reserves. The quality of scrap was generally low and number 2 heavy melting steel along with certain other better grades continued scarce. Railroad scrap was in good supply during the month, but receipts declined somewhat in mid-April as compared with a month earlier. The supply of country scrap diminished, reflecting seasonal expansion of farm activity. Preparation of material in yards was hampered by the continuing shortage of trained labor.

**Shoes**—Preliminary reports indicate March shoe production in the Eighth District to be 2 per cent above that of February but 10 per cent less than in March of last year. Output in February amounted to 6,955,222 pairs in this district, a decline of 2 per cent

in the month and 8 per cent in the year. Cumulative output of 13,764,904 pairs during the first two months of the year was 7 per cent under the corresponding period in 1942. The seasonally adjusted index of February shoe production for the district stood at 130.5 per cent of the 1924-26 average as compared with 133.4 a month earlier and 138.7 in February, 1942.

**Whiskey**—All of the 60 distilleries in Kentucky were in operation on March 31, manufacturing alcohol for war purposes. A month earlier 57 distilleries were operating and 56 were in production on March 31 of last year. Reports in early April indicated that a reduction in corn marketings resulting in part from the ceiling prices established in March might lead to curtailment of alcohol output at certain distilleries. This prospect may be obviated by the upward adjustment of corn ceilings effective April 14. Distilleries in the Louisville area are reportedly in a position to process industrial alcohol from wheat, providing sufficient supplies are made available for that purpose. Distillers in smaller cities, however, would be handicapped in using wheat because of inadequate facilities for disposal of the by-product of such manufacture which is considered unsatisfactory for stock feeding purposes.

The demand for bulk whiskey continues strong at ceiling prices with only a limited supply available. The voluntary method of restricting sales has spread further as distributors are endeavoring to stretch their stocks to maintain a supply of whiskey on the market.

#### RETAIL AND WHOLESALE TRADE

Despite the lateness of Easter this year and the high level of buying in February, dollar volume of sales at department stores in this district in March was virtually unchanged from both a month and a year earlier. Normally with Easter coming at the close of April, sales in March would show an appreciable drop from the level obtaining a year earlier because most Easter buying would be concentrated in April rather than March. Recent sales reports indicate that after the first week in April buying at department stores increased strongly.

For the first quarter of this year department store sales in the district were 12 per cent greater than in the comparable period last year. Sales at most cities in the district have been running considerably above last year's level but St. Louis has registered virtually no change. For the past several months buying at department stores has been concentrated in the so-called "soft lines", particularly in women's clothing, white and piece goods. Men's clothing sales, as measured against 1942 sales, were down sharply in March reflecting to some extent the an-

ticipatory buying of February but largely because of the number of men now in the armed services.

Department store stocks at district stores went up slightly in dollar value in March but were about one-fifth smaller than in March, 1942. Due to the inclusion of many higher priced goods in present inventories, physical volume of department store stocks is probably well below that of the comparable period in 1942.

Sales of reporting retail furniture stores in the district in March were 30 per cent above February but 9 per cent below a year earlier. Furniture stocks halted their decline and in March were 4 per cent above February but 8 per cent below a year earlier.

Sales of all wholesalers and jobbers whose figures are available to this bank in March were 9 per cent greater than in February and 2 per cent greater than in March, 1942. Wholesalers' stocks dropped 5 per cent in the month and were 32 per cent below March, 1942.

#### BANKING AND FINANCE

Demand for bank credit in March and the early part of April in the Eighth District followed the general pattern of decline in evidence for nearly a year. Latest reports from bankers throughout the district indicate applications for loans to be far below the volume customary at this time of year. Total loans of reporting member banks in this district declined 3 per cent in the five-week period ending April 21 and were 19 per cent below a year earlier. There had been some anticipation that there would be considerable borrowing over the income tax date, but loan figures reflected no evidence of such borrowing. On March 17 the only loan classifications showing increases above a year earlier were real estate loans and loans to banks.

Investments rose 35 per cent in the month and were 153 per cent above holdings on the corresponding date last year. The increase in investments is primarily attributable to further acquisitions of government securities. Sizable increases in investment accounts will occur in late April when payment is made for the  $\frac{7}{8}$ 's certificates included in the Second War Loan Drive and further gains will come in May on deliveries of the 2 per cent bonds, part of the same financing. Gross deposits at reporting member banks decreased \$39,555,000 in the five-week period ending April 21 to a total of \$1,795,320,000 as compared with \$1,445,952,000 on the corresponding date in 1942. Due to the recent elimination of reserve requirements on war loan accounts, there has been a shift from required into excess reserves at member banks.

## AGRICULTURE

**General Conditions**—Farm production goals for 1943 established by the Department of Agriculture early this year called upon farmers to produce more food and fibre than ever before in our history. The original goals announced in January called for increases over 1942 output for rice, peanuts, dry beans, potatoes, tobacco (except flue-cured), cattle and hog slaughter, lard, milk, poultry and eggs. Although the goals contemplated some over-all increase in acreage, more intensive feeding and cultivation practices and shifts from crops that are less essential or where large carryovers exist were counted on for the bulk of the expansion in production. Consequently, decreases were either planned or expected in output of wheat, corn, oats, sorghums, hay, soybeans, cotton, fruits and vegetables. Subsequent revisions in goals raised expected production of certain crops, notably cotton, corn, and oil bearing crops.

In the Eighth District the 1943 goals for livestock slaughter, poultry, and production of livestock and poultry products are considerably higher than 1942 output and in general exceed the increase called for throughout the nation in these lines. Crop goals in the district for 1943 are much the same in terms of 1942 production as are those for the country as a whole. Cotton output is expected now to be about equal to last year's, although there is less emphasis on long staples. Tobacco production should be greater than in 1942; rice somewhat less. Grains in general will probably not be in as heavy volume as last year, although corn production, originally scheduled for a decrease, is now expected to exceed 1942 output. Fruit and vegetable output on commercial farms should not differ appreciably from last year but the Victory Garden program will undoubtedly increase total supplies of these products.

The table below shows farmers' intended acreages for planting of principal Eighth District crops. The table excludes prospective planting of cotton and of winter wheat; the latter crop for this season is already under cultivation.

**PROSPECTIVE PLANTINGS FOR 1943**

(In thousands of planted acres)	Eighth District States			United States	
	1932-41 Average	1942	1943	1943 as % of 1942	1943 as % of 1942
Corn.....	28,709	27,080	28,773	106	106
Oats.....	8,002	8,683	8,405	97	100
Rice.....	170	268	265	99	100
Barley.....	434	938	761	81	99
Tame Hay*.....	12,280	13,645	13,319	97	100
Cowpeas**.....	1,173	907	704	78	87
Soybeans**.....	4,190	7,644	8,282	108	110
Peanuts.....	106	171	209	122	113
Tobacco (all)....	492	411	433	105	102
Sorghums (all)...	780	698	650	93	103
Potatoes.....	302	291	329	113	114
Sweet Potatoes..	203	160	185	116	115

\*Acreage harvested.

\*\*Grown alone for all purposes. Partly duplicated in hay acreage.

Acreage comparisons may prove inaccurate indicators of actual production in 1943. Generally favorable growing weather last year, together with a rather extended harvest period, produced excellent yields of most crops in this district. The lengthy harvest season enabled farmers to utilize available farm labor to best advantage. Yields in 1943 may not come up to those of a year ago, and a short harvest period coupled with a depleted supply of farm labor might seriously jeopardize output of crops.

The achievement of the goals for livestock and livestock products in the Eighth District will depend largely upon the available supplies of feed and the continuance of favorable price-feed ratios. One possible deterrent to production of dairy products is the shortage of competent dairy workers. However, extensive culling of herds will probably result in increased production of milk per cow which may offset, in some measure, the shortage of dairy workers.

According to estimates of the Census Bureau, agricultural employment in the United States in March was slightly higher than in March of the previous year, although the rise from February was somewhat less than normal. In this district the number of agricultural workers is estimated to be approximately the same as in March, 1942. Reports from various sections of the district indicate that farm labor shortages are still localized rather than general. Generally speaking, however, the quality of agricultural workers appears somewhat lower than in previous years since some of the better qualified agricultural labor force has migrated to war plant centers or has been absorbed into the armed forces. Recent action of the War Manpower Commission and Selective Service in calling for deferment of skilled agricultural workers should prove helpful in meeting farm goals. Also, the recent decision of the War Production Board to allow almost twice as much farm machinery to be produced this year as was originally scheduled should aid, although it may have come too late to affect materially the farm production program this year.

Farm prices continued to move up between February 15 and March 15. The United States index of agricultural prices jumped 3 points in the month to reach 182 per cent of the 1909-14 average and was 36 points higher than it was a year earlier. Prices in Eighth District states increased slightly more percentagewise than did those for the country as a whole. The parity index for the United States in March stood at 113, up 2 points in the month and 16 points above a year earlier.

**Cotton**—Weather conditions in late March and early April were generally favorable for cotton crop preparations in the district, although wet soil was a handicap in some areas. Reports indicate land preparations at April 1 to be slightly below normal but somewhat ahead of last year. With reasonably favorable weather, planting of cotton was expected to become general in this district by mid-April.

During the latter half of March trading on the Memphis spot market was on a fairly broad scale, with merchants and shippers active buyers of grades strict low middling and higher in medium staple lengths. While some buying was in response to new mill orders, most purchases were of a replacement nature. In early April spot market activity slackened and was confined to medium and lower white grades. Offerings from the country were light during the month ending April 15, as farmers were busy with the new crop and most sales were made from primary dealers' stocks. Prices of spot cotton held firm during the last half of March and the first week of April but were off by mid-April following issuance of the executive order affecting commodity prices. Middling 15/16 spot cotton at Memphis ranged between a high of 21.35c per pound and a low of 20.85c per pound in the month ending April 15, closing at 20.95c per pound on that date.

Domestic mill consumption decreased slightly in March from the high level of the winter months, reflecting growing labor shortages and difficulties encountered in replacement and repair of machinery. Total mill consumption in the United States for the eight-month period, August through March, is indicated to be in excess of 7,500,000 bales, an increase of 250,000 bales over last season. At the present rate, total consumption for the 1942-43 season will reach 11,300,000 bales as compared with the previous record of 11,170,000 bales last season and the ten-year (1931-40) average of 6,648,000 bales. Domestic mill inquiries, originating chiefly from southeastern sources, were relatively more numerous in late March and the first half of April, with interest centered in strict low middling and higher grades.

**Grains**—The winter wheat crop in this district was damaged in late March by heavy rains which reached flood proportions in certain lowland areas. Damage was particularly heavy in the Ohio Valley. Milder weather in early April favored the development of the crop in the soft winter wheat area, but condition is spotty varying from fair to good. As the growing season advances the loss from severe winter killing, especially in the eastern section of the district, is becoming more pronounced.

The April 1 estimate places the national winter wheat crop at 558,551,000 bushels, based on an ex-

pected yield of 14.9 bushels per acre. Reduction in winter wheat acreage as a result of weather damage and diversion to other crops was estimated at 10 per cent on April 1 as compared with 7 per cent in 1942. Total acreage planted to winter and spring wheat is expected to approach the national goal of 52,500,000 acres.

Rice crop preparations were well advanced as of March 1, but low temperatures and wet fields delayed seeding operations during the latter part of that month and in early April. A reduced labor force is retarding field work to some extent, but latest reports indicate the supply of workers will be sufficient to carry out March 1 acreage intentions, which are slightly less than planted acreage in 1942.

**Livestock**—Receipts of livestock during March at National Stock Yards were 16 per cent greater than in February and 2 per cent above the corresponding month last year. Hogs and sheep were received in much larger numbers than a month earlier while sheep accounted for nearly three-fourths of the gain over a year ago. Movement of livestock to feeder lots and to other markets resulted in March shipments being 16 per cent and 80 per cent, respectively, above a month and a year earlier. Inspected slaughter of livestock at St. Louis in March was 10 per cent smaller than in the preceding month.

Increases in feed prices during March were relatively greater than for dairy and poultry products with the result that feed ratios at mid-March were slightly less favorable than a month earlier but remained considerably more favorable than a year ago. The livestock feed situation became increasingly serious during March due in part to withholding of corn from the market following establishment of ceilings below parity, or \$1.08 Chicago basis. An increase in ceiling price on corn announced on April 13 is expected to alleviate the stringency in feed markets to some extent. Concentrates and proteins remained scarce throughout March and the first half of April, enhancing the prospect of heavy marketings of partly finished cattle and a decrease in poultry production. The St. Louis feed market continued quiet during the month due to a lack of supplies, and mill feeds were delivered on old orders exclusively.

The early spring lamb crop is expected to be somewhat smaller this year than last, largely as the result of a reduction in breeding stock numbers. Development of the lamb crop in the district states of Kentucky, Missouri, and Tennessee was about average on April 1. Pasture growth was retarded during March by cold, wet weather and while little green feed was available supplies of other feeds on

farms were ample. Marketings of lambs may be delayed somewhat in Kentucky and Tennessee but are expected to begin about the usual time in Missouri.

**Tobacco**—Burning and seeding of plant beds were retarded during the greater part of March by unfavorable weather. Preparation of fields for planting was likewise delayed. Weather conditions improved generally in the tobacco growing region in early April, however, and considerable progress was made in new crop preparations. Latest reports indicate that seed beds remain relatively free of disease. While increases in tobacco acreage have been authorized, it cannot be determined at this time whether growers will avail themselves of permitted increases because of a possible shortage of labor in tobacco producing areas.

Sales of Green River tobacco during the 1942-43 marketing season totaled 14,481,693 pounds at an average price of \$13.71 per cwt. as compared with 13,273,053 pounds sold at an average of \$11.70 per cwt. last season. While the general quality of marketings was about the same as last season, average prices by grades were higher than a year ago for nearly all groups with the lower grades registering the greatest increases. Certain of the lower grades of this type of tobacco were diverted to nicotine manufacturers by government order on January 22 for agricultural and military purposes. The Tobacco Growers' Association received about 14 per cent of this season's marketings, slightly less than last year. For the first year since 1937 marketings of Henderson Stemming District tobacco increased, gross sales amounting to 168,300 pounds at an average of \$12.42 per cwt. as compared with 166,053 pounds sold at \$9.88 per cwt. a year ago. Average prices by grade were generally higher, with little change being noted in the general quality of offerings as compared with last season. Stemming District Tobacco Association receipts of this type of tobacco were considerably less than last season, amounting to 24 per cent of gross sales.

Marketings of one-sucker tobacco during the season just closed surpassed those of last year in volume, general quality, and average price by grades. Gross sales of 17,866,574 pounds were reported at an average of \$15.72 per cwt., compared with 15,302,967 pounds sold at an average of \$11.63 per cwt. a year earlier. The season average price was exceeded only by the \$16.30 per cwt. average of 1936. Only 3½ per cent of total marketings were delivered to the Tobacco Growers Association as compared with more than 10 per cent last season.

(In thousands of dollars)	CASH FARM INCOME					
	February		Cumulative for 2 months			
	1943	1942	1943		1942	
Arkansas	\$15,079	\$11,818	\$ 37,927	\$ 28,021	\$ 21,074	\$ 21,074
Illinois	78,926	63,934	162,586	145,516	95,246	95,246
Indiana	41,735	35,760	85,053	73,812	50,291	50,291
Kentucky	17,950	15,103	84,340	54,306	44,016	44,016
Mississippi	10,559	14,202	28,361	30,647	18,828	18,828
Missouri	38,283	30,969	83,957	70,423	48,890	48,890
Tennessee	16,831	16,037	47,081	39,465	28,632	28,632
Totals	219,363	187,823	529,305	442,190	306,977	306,977

	RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS					
	Receipts			Shipments		
	Mar., 1943	Feb., 1943	Mar., 1942	Mar., 1943	Feb., 1943	Mar., 1942
Cattle and Calves	97,112	81,497	96,685	51,057	40,795	28,764
Hogs	257,111	217,738	256,495	103,707	88,324	56,880
Horses and Mules	4,599	5,308	1,577	4,534	5,245	1,527
Sheep	40,327	38,356	37,446	5,722	7,548	4,438
Totals	399,149	342,899	392,203	165,020	141,912	91,609

Bureau of Labor Statistics (1926=100)	WHOLESALE PRICES IN THE UNITED STATES					
	Mar., 1943	Feb., 1943	Mar., 1942	Mar., '43 comp. with Feb., '43	Mar., '42	
	All Commodities	103.4	102.5	97.6	+ 0.9%	+ 5.9%
Farm Products	122.8	119.0	102.8	+ 3.2	+ 19.5	
Foods	107.4	105.8	96.1	+ 1.5	+ 11.8	
Other	96.5	96.2	95.2	+ 0.3	+ 1.4	

Quarter ending:	POSTAL RECEIPTS			
	Mar. 31, 1943	Dec. 31, 1942	Mar. 31, 1942	Comp. 1st Qtrs. 1943 and 1942
	Evansville	\$234,084	\$ 260,458	\$ 192,206
Little Rock	298,530	329,234	288,913	+ 3
Louisville	850,180	996,727	798,098	+ 7
Memphis	859,484	1,042,436	727,484	+ 18
St. Louis	2,970,158	3,584,192	2,945,928	+ 1
Totals	5,212,436	6,213,047	4,952,629	+ 5

Bureau of Labor Statistics (1937=100)	INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS					
	Jan., 1943	Dec., 1942	Jan., 1942	Jan., '43 comp. with Dec., '42	Jan., '42	
	Evansville	210.5	188.3	81.0	+11.8%	+159.9%
Louisville	123.7	120.4	107.0	+ 2.7	+ 15.6	
Memphis	154.9	156.0	109.9	- 0.7	+ 40.9	
St. Louis	146.9	147.2	121.2	- 0.2	+ 21.2	

(Cost in thousands)	BUILDING PERMITS					
	New Construction				Repairs, etc.	
	Number 1943	Number 1942	Cost 1943	Cost 1942	Number 1943	Cost 1942
Evansville	30	30	\$ 156	\$ 156	167	\$ 75
Little Rock	25	32	14	47	125	833
Louisville	27	209	50	3,655*	18	44
Memphis	162	252	332	296	217	83
St. Louis	64	188	163	569	128	189
Mar. Totals	278	711	559	4,723	615	1,100
Feb. "	257	1,212	699	2,292	615	1,041

(In thousands of dollars)	VALUE CONSTRUCTION CONTRACTS LET					
	Mar., '43	Feb., '43	Mar., '42	Mar., '43 comp. with Feb., '43	Mar., '42	
	Total 8th Dist.	\$ 21,543	\$ 14,846*	\$ 65,351	+ 45%	- 67%

Source: F. W. Dodge Corporation. \*Revised.

(In thousands of tons)	PRODUCTION OF BITUMINOUS COAL					
	Mar., '43	Feb., '43	Mar., '42	Mar., '43 comp. with Feb., '43	Mar., '42	
	United States	56,450	48,920	47,796	+15%	+ 18%
Illinois	6,484	5,690	4,772	+14	+ 36	

(K.W.H. in thous.)	CONSUMPTION OF ELECTRICITY					
	No. of Customers*	Mar., 1943	Feb., 1943	Mar., 1942	March, 1943 compared with Feb., 1943	March, 1943 compared with Mar., 1942
	K.W.H.	K.W.H.	K.W.H.	K.W.H.	Feb., 1943	Mar., 1942
Evansville	40	9,734	8,336	4,364	+17%	+123%
Little Rock	35	2,518	3,029	2,251	- 2	+ 12
Louisville	82	15,394	15,676	15,650	- 2	+ 2
Memphis	31	6,200	5,751	4,852	+ 8	+ 28
Pine Bluff	20	5,944	5,378	1,166	+11	+410
St. Louis	134	92,676	82,328	69,565r	+13	+ 33
Totals	342	132,466	120,498	97,848r	+10.	+ 35

\*—Selected industrial customers. r—Revised.

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS						
First nine days						
Mar., '43	Feb., '43	Mar., '42	Apr., '43	Apr., '42	3 mos., '43	3 mos., '42
143,022	136,318	133,909	43,019	39,634	418,697	364,088

Source: Terminal Railroad Association of St. Louis.



**WHOLESALE**

Lines of Commodities	Net Sales		Stocks
	March, 1943 compared with Feb., '43		Mar. 31, 1943 comp. with Mar. 31, 1942
Automotive Supplies.....	+ 4%	+ 17%	....%
Boots and Shoes.....	+ 13	+ 28	....
Drugs and Chemicals.....	+ 7	+ 9	....
Dry Goods.....	+ 7	+ 29	-24
Electrical Supplies.....	+ 21	+ 29	-71
Furniture.....	+ 11	+ 18	-59
Groceries.....	+ 6	+ 19	-24
Hardware.....	+ 8	+ 27	-36
Machinery, Equipment and Supplies.....	+ 14	+ 9	-14
Plumbing Supplies.....	+ 38	+ 20	....
Tobacco and its Products.....	+ 8	+ 35	+ 5
Miscellaneous.....	+ 5	+ 11	-27
Total all lines*.....	+ 9	+ 2	-32

\*Includes certain lines not listed above.

**DEPARTMENT STORES**

	Net Sales		Stocks on Hand	Stock Turnover
	March, 1943 compared with Feb., '43	3 mos.'43 to same period '42	Mar. 31,'43 comp. with Mar. 31,'42	Jan. 1, to Mar. 31, 1942
Ft. Smith, Ark....	-10%	+13%	+34%	+ 4%
Little Rock, Ark....	-19	+22	+46	+ 1
Quincy, Ill....	+ 3	+ 4	+ 6	+ 8
Evansville, Ind....	+18	+38	+48	....
Louisville, Ky....	+ 5	+ 5	+15	-20
St. Louis, Mo....	+ 1	- 6	+ 2	-21
Springfield, Mo....	+17	+15	+18	-23
Memphis, Tenn....	- 3	+19	+25	-17
*All other cities..	+ 6	- 1	+13	- 5
8th F. R. District	- 0	+ 3	+12	-17

\*El Dorado, Fayetteville, Pine Bluff, Ark; Alton, East St. Louis, Harrisburg, Mt. Vernon, Ill.; Vincennes, Ind.; Danville, Hopkinsville, Mayfield, Paducah, Ky.; Chillicothe, Mo.; Jackson, Tenn.

Trading days: March, 1943—27; Feb., 1943—24; March, 1942—26.

Outstanding orders of reporting stores at the end of March, 1943, were 36 per cent greater than on the corresponding date a year ago.

Percentage of accounts and notes receivable outstanding March 1, 1943, collected during March, by cities:

	Instalment Accounts		Excl. Instal. Accounts	
	Accounts	%	Accounts	%
Fort Smith.....	63%	63%	Quincy.....	..%
Little Rock.. 20	59	59	St. Louis.... 34	72
Louisville... 36	63	63	Other cities.. 27	64
Memphis.... 37	60	60	8th F. R. Dist. 31	67

**INDEXES OF DEPARTMENT STORE SALES AND STOCKS**

8th Federal Reserve District (1923-1925 average = 100)

	Mar., 1943	Feb., 1943	Jan., 1943	March, 1942
	Sales (daily average), Unadjusted.....	124	143	117
Sales (daily average), Seasonally adjusted...	138	166	146	130
Stocks, Unadjusted.....	94	91	95	115
Stocks, Seasonally adjusted.....	92	96	110	113

**SPECIALTY STORES**

	Net Sales		Stocks on Hand	Stock Turnover
	March, 1943 compared with Feb., '43	3 mos.'43 to same period '42	Mar. 31,'43 comp. with Mar. 31,'42	Jan. 1, to Mar. 31, 1942
Men's Furnishings..	- 5%	-37%	-10%	-10%
Boots and Shoes..	+17	-15	+ 9	-18

Percentage of accounts and notes receivable outstanding March 1, 1943, collected during March:

Men's Furnishings.....	61%
Boots and Shoes.....	64%

**CHANGES IN PRINCIPAL ASSETS AND LIABILITIES FEDERAL RESERVE BANK OF ST. LOUIS**

(In thousands of dollars)	Change from		
	Apr. 21, 1943	Mar. 17, 1943	Apr. 22, 1942
Industrial advances under Sec. 13b.....	\$ .....	7	.....
Other advances and rediscounts.....	.....	75	.....
U. S. Securities.....	376,950	+ 13,117	+265,219
Total earning assets.....	376,950	+ 13,035	+265,219
Total reserves.....	661,620	+ 13,157	+ 25,730
Total deposits.....	505,583	+ 21,583	+101,536
F. R. Notes in circulation.....	547,695	+ 10,463	+206,149
Industrial commitments under Sec. 13b..	1,783	+ 98	+ 88

**FEDERAL RESERVE OPERATIONS DURING MARCH, 1943**

(Incl. Louisville, Memphis, Little Rock branches)	Pieces	Amounts
Checks (cash items) handled.....	7,402,274	\$2,547,883,642
Collections (non-cash items) handled.....	135,061	53,023,158
Transfers of funds.....	5,120	622,623,611
Currency received and counted.....	13,762,454	60,846,240
Coin received and counted.....	13,977,035	1,141,617
Rediscounts, advances and commitments.....	.....	.....
New issues, redemptions, and exchanges of securities as fiscal agent of U. S. Govt., etc.	671,826	391,842,765
Coupons clipped from securities in custody...	25,890	.....

**RATES OF THIS BANK FOR ACCOMMODATIONS UNDER THE FEDERAL RESERVE ACT**

Advances to member banks, secured by direct obligations of the United States or by such Government guaranteed obligations as are eligible for collateral, which have one year or less to run to call date or to maturity if no call date, under paragraphs 8 and 13 of section 13..... ½% 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, which have more than one year to run to call date or to maturity if no call date, under paragraphs 8 and 13 of section 13..... 1% per annum

Advances to nonmember banks, secured by direct obligations of the United States, under paragraph 13 of section 13..... 1% per annum

Rediscounts and other advances to member banks under sections 13 and 13a..... 1% per annum

Advances to member banks under section 10(b)..... 1½% per annum

Advances to individuals, partnerships, and corporations other than banks, secured by direct obligations of the United States, under paragraph 13 of section 13.... 2% per annum

Industrial advances to member banks, nonmember banks, and other financing institutions, under section 13b:

(a) On portion for which such institution is obligated { 1% to 1½% per annum

(b) On remaining portion—No charge to financing institution. Federal Reserve Bank will retain interest collected from borrower.

Advances to established industrial or commercial businesses under section 13b..... { 2½% to 5% per annum

Commitments to established industrial or commercial businesses under section 13b..... 10% to 25% of the loan rate charged borrower with a minimum rate of ½% per annum.

Commitments to member banks, nonmember banks, and other financing institutions, under section 13b..... 10% to 25% of the loan rate charged borrower with minimum rate of ¼% per annum provided: that no commitment will be given on loan on which borrower is charged over 5% per annum.

**PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS**

(In thousands of dollars)	Change from		
	Apr. 21, 1943	Mar. 17, 1943	Apr. 22, 1942
Total loans and investments.....	\$1,370,654	- 6,651	+392,912
Commercial, industrial, agricultural loans	204,202	-14,842	- 59,183
Open market paper.....	7,569	- 901	- 15,358
Loans to brokers and dealers in securities	4,562	+ 1,140	+ 637
Other loans to purchase and carry securities	8,891	- 100	+ 1,294
Real estate loans.....	66,314	+ 350	+ 7,157
Loans to banks.....	1,535	+ 1,237	+ 1,363
Other loans.....	59,975	+ 1,118	+ 15,619
Total loans.....	353,048	-11,998	- 82,297
Treasury bills.....	159,852	- 1,412	+109,083
Certificates of indebtedness.....	178,303	+ 1,121	+165,144
Treasury notes.....	113,922	+ 3,540	+ 71,495
U. S. bonds.....	402,530	+ 1,910	+139,527
Obligations guaranteed by U. S. Govt....	42,704	+ 842	-16,007
Other securities.....	120,295	+ 654	+ 5,967
Total investments.....	1,017,606	+ 5,347	+475,209
Balances with domestic banks.....	130,813	+ 1,479	-77,952
Demand deposits—adjusted*.....	830,476	-91,261	+169,771
Time deposits.....	197,679	+ 519	+ 13,901
U. S. Government deposits.....	127,913	+72,812	+ 81,605
Interbank deposits.....	544,041	-17,172	+ 63,975

\*Other than interbank and Government deposits, less cash items on hand or in process of collection.

Above figures are for 24 member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville. Their resources comprise approximately 75% of the resources of all member banks in this district.

**DEBITS TO INDIVIDUAL ACCOUNTS**

(In thousands of dollars)	Mar., 1943	Feb., 1943	Mar., 1942	Mar., '43 comp. with Feb., '43	Mar., '42
El Dorado, Ark....	\$ 12,069	\$ 10,301	\$ 7,520	+ 17%	+ 60%
Fort Smith.....	21,264	20,261	20,508	+ 5	+ 4
Helena.....	2,826	2,352	2,108	+ 20	+ 34
Little Rock,....	68,917	58,780	66,540	+ 17	+ 4
Pine Bluff,....	17,895	16,299	14,473	+ 10	+ 24
Texarkana, Ark.-Tex.	19,039	13,288	29,171	+ 43	+ 65
E. St. L.-Nat. S. Y., Ill.	77,374	63,808	63,759	+ 21	+ 21
Quincy,....	14,288	11,609	12,498	+ 23	+ 14
Evansville,.... Ind.	82,931	65,515	40,895	+ 27	+103
Louisville,.... Ky.	301,614	268,198	244,693	+ 12	+ 23
Owensboro,....	8,979	9,698	7,459	+ 93	+ 20
Greenville,.... Miss.	9,354	7,295	7,007	+ 28	+ 33
St. Louis,.... Mo.	941,836	742,195	810,326	+ 27	+ 16
Sedalia,....	3,674	3,390	3,021	+ 8	+ 22
Springfield,....	25,152	21,450	21,430	+ 17	+ 17
Memphis,.... Tenn.	258,354	233,357	227,976	+ 11	+ 13
Totals.....	1,865,566	1,547,796	1,579,384	+ 21	+ 18
Alton,.... Ill.	13,016	9,667	.....	+ 35	.....
Paducah,.... Ky.	7,954	7,216	.....	+ 10	.....
Cape Girardeau,.... Mo.	4,863	3,670	.....	+ 33	.....
Hannibal,....	4,257	3,389	.....	+ 26	.....
Jefferson City,....	17,754	23,670	.....	- 25	.....
Jackson,.... Tenn.	8,149	6,981	.....	+ 17	.....

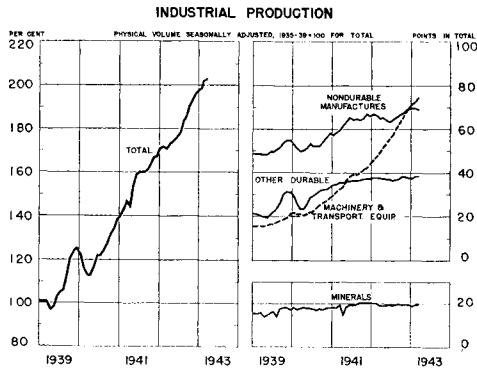
**COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT**

	Mar., '43	Feb., '43	Mar., '42	Mar., '43 comp. with Feb., '43	Mar., '42
Number.....	11	10	39	+ 10%	-72%
Liabilities.....	\$ 99,000	\$193,000	\$482,000	- 49	-79

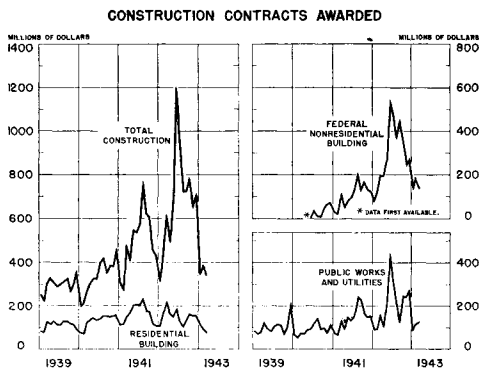
Source: Dun and Bradstreet.

## NATIONAL SUMMARY OF CONDITIONS

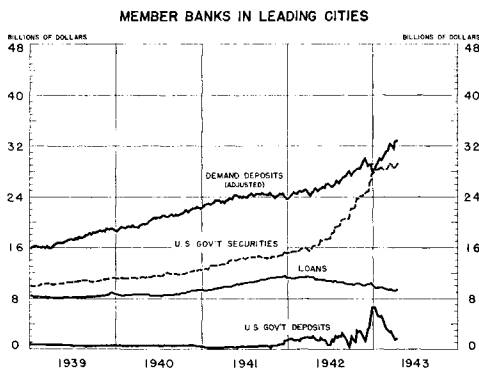
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



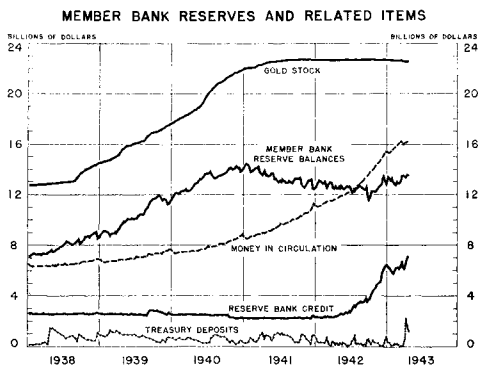
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for March, 1943.



F. W. Dodge data for 37 Eastern states, total includes state and local government and private non-residential building not shown separately. Monthly figures, latest shown are for March, 1943.



Demand deposits (adjusted) exclude U. S. Government and interbank deposits and collection items. Government securities include direct and guaranteed issues. Wednesday figures, latest shown are for April 14, 1943.



Wednesday figures, latest shown are for April 14, 1943.

Industrial activity increased slightly in March and prices of commodities advanced further. Retail trade in March and the first half of April was in large volume, although reduced from the February peak.

**Industrial production**—The Board's seasonally adjusted index of industrial production advanced from 202 per cent of the 1935-39 average in February to 203 in March. The rise in total output continued to reflect chiefly increased production in the machinery and transportation equipment industries producing armaments. At merchant shipyards 146 ships were delivered in March. Completions totaled 1,516,000 deadweight tons, an annual rate of more than 18,000,000 tons.

Steel mills operated at peak levels. Production of lumber, however, increased less than usual in March, continuing the gradual downward trend of production which began a year ago.

Output of fuels reached a new peak in March. Bituminous coal production rose further. Crude petroleum output likewise exceeded the February level as new pipeline facilities for transport of petroleum products to the East Coast were completed.

Output of important nondurable manufactures was maintained in March. In most branches of the wool textile industry production increased to new high levels in February and March following a Federal order allowing an increase in wool consumption for the manufacture of civilian fabrics.

The value of construction contracts awarded in March, according to figures of the F. W. Dodge Corporation, continued at a level considerably lower than that for the year 1942, reflecting chiefly the fact that the construction phase of the war program has been largely completed. Awards for residential building declined for the third consecutive month, while contracts for public works were higher than in February.

**Distribution**—Retail sales, which generally increase from February to March, showed little change this year, following the buying wave that swept the country in February. At department stores, where increases in February had been particularly marked, sales declined in March and the Board's seasonally adjusted index dropped from 167 to 135 per cent of the 1923-25 average. Despite this decline, the index continued above the high level that prevailed in the latter part of last year. In the first half of April department store sales increased by about the usual seasonal amount, making allowance for the late date of Easter this year.

Total carloadings of revenue freight in March remained at the February level and other transportation activity was also maintained in large volume.

**Commodity prices**—Wholesale commodity prices averaged higher in March and the early part of April reflecting advances in prices of farm products, foods, and a number of industrial commodities. Prices in retail markets also increased further from February to March, with relatively sharp advances in food prices.

On April 8 an Executive Order was issued directing that ceiling prices be placed on all commodities affecting the cost of living, that further increases in ceilings be prevented except to the minimum extent required by law, and that excessively high prices be reduced. Following this and announcements of particular Federal actions to safeguard the stabilization of prices, including an order reducing railroad freight rates, wholesale prices of some commodities declined and on April 16 were lower than at the beginning of the month.

**Bank credit**—Excess reserves at all member banks, which decreased during the latter half of March from 2.2 billion dollars to 1.5 billion, subsequently rose to 2.6 billion on April 19. In the first week of April, the increase resulted largely from substantial Reserve Bank purchases of Government securities; subsequently excess reserves were made available by a decline of a billion dollars in required reserves, which resulted primarily from large payments to war loan accounts for Government securities sold to bank customers. This caused a shift from customers' deposits, subject to required reserves, to Government deposits which have recently been exempted from such requirements.

Government security holdings at reporting banks in 101 leading cities increased substantially during the first two weeks of April following declines in the latter part of March, which had resulted mainly from bill sales by banks in New York and Chicago. Holdings of certificates, notes, and bonds increased over the 4-week period ended April 14. Commercial loans at all reporting banks declined by about 210 million over the 4-week period. At New York City banks loans to brokers and dealers increased steadily over the period, especially in the week of the 14th at the beginning of the War Loan Drive. Deposits, other than those of the United States Government, increased further in March and the early part of April, but were drawn down sharply around the middle of April to make payments for purchases of new Government securities.