



BUSINESS CONDITIONS

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FEDERAL RESERVE BANK OF ST. LOUIS



COURTESY STATE OF TENNESSEE
DEPARTMENT OF CONSERVATION

MANPOWER IN THE EIGHTH DISTRICT

A STUDY, recently completed by this bank, indicates that although the manpower situation in the Eighth Federal Reserve District is becoming increasingly tight as a result of the heavy demands of Selective Service, agriculture, and essential war and civilian industry, the labor reserves of the district are sufficient to meet basic needs except for certain highly skilled technicians.

This does not mean that there are no areas of labor shortage within the district. According to the most recent classification of the War Manpower Commission, Evansville, Indiana, and Pine Bluff, Arkansas, are rated as shortage areas. Louisville, Kentucky, and Texarkana, Arkansas-Texas, are expected to face labor shortages in the near future. St. Louis, Missouri, and Aberdeen, Mississippi, are rated as being regions of potential labor shortage after six months. In addition to these areas there are several smaller centers of war activity, such as Grenada and Greenwood, Mississippi; Dyersburg, Tennessee; and Camp Campbell, Kentucky-Tennessee, where shortages of particular types of workers are in evidence or in prospect.

By and large, however, the district has sufficient manpower reserves. In most of the areas mentioned above the necessary manpower to meet demands is at hand locally if it can be drawn into the labor market. It should not be inferred, however, that the solution to the district's manpower problem is simple. As is true for the nation as a whole the district's need for men and women on the farms and in the factories is great and pressing. It must be emphasized that most of the available reserve is still only potential and vigorous and determined effort is necessary to shift these people into the labor market.

In April, 1940, according to the Census, the total civil population of the Eighth Federal Reserve District was 10,176,000 persons, of whom 7,612,000 were over fourteen years of age. Of these, slightly over 3,800,000 were considered in the labor force. Total employment was 3,258,000 with non-agricultural employment of 2,031,000 and agricultural employment of 1,227,000. There were 557,000 unemployed. After allowance for the number of persons physically or mentally unable to work and those unable to work because of the necessity of caring for minor children, there were probably some 1,400,000 potential workers who were not in the labor market.

Between April, 1940, and December, 1942, the total population in the Eighth District normally would have increased by some 300,000 persons. As a result of withdrawals for the armed services, how-

ever, it is estimated that the civil population on the latter date had declined to approximately 9,930,000 persons with less than 3,800,000 in the labor force. Since virtually all withdrawals were men between 18 and 38 who normally would be in the labor market, the composition of the labor force in the district changed considerably. The number of women in the labor force increased by more than 200,000 while the number of men fell by some 300,000. Total employment was up more than 400,000 as compared with April, 1940, despite the fact that agricultural employment was seasonally at a low ebb. The gain in non-agricultural employment was 600,000 persons. Unemployment declined to less than 100,000. Since many of the potential workers in the district had been attracted into the labor market, the potential labor reserve by December, 1942, was reduced to about 1,100,000.

Prospects of meeting district demand for manpower in 1943 appear relatively satisfactory. In the first place it seems unlikely that total non-agricultural employment in the Eighth District will increase appreciably beyond the level of December, 1942, when it was about 2,600,000 persons. Undoubtedly there will be changes in composition of such employment as workers continue to shift from non-essential or less essential lines of activity to more essential industry. For example, employment at major war plants located in the Eighth Federal District is expected to increase by 66,000 by the close of 1943. Presumably many smaller war plants and a number of essential civilian industries will also increase their employment during the same period. However, declines in employment levels at non-essential plants, plus shifts from declining construction and distribution activities, should offset almost completely the anticipated increase in the war and essential civilian industries.

Secondly, the outlook for agricultural labor has improved. There had been considerable concern over shortages of agricultural labor in the nation and for a time there seemed to be a probability that this district would face a shortage. However, except for a few scattered sections, there now seems to be a sufficient supply of agricultural labor available at seasonal peaks to harvest major district crops, despite the decline in efficiency of the district's agricultural labor force resulting from many of the more experienced farmers taking jobs in war plants and many of the younger and stronger farm workers going into the armed forces.

To meet the requirements for agricultural labor,

it appears necessary to have about as many farm family workers in the district as has been normal in the past. This condition should be fulfilled as far as numbers are concerned but there will be considerably more women and children working on farms than in previous years. These family workers will be supplemented by a land army raised from imported farm workers, migratory harvest crews and women and school children from nearby towns and cities. Already plans are under way in certain sections of the district to mobilize a considerable force of harvest workers from among the school children of the area. At this time, such harvest workers are already in the berry and truck crop fields of the district.

Finally, with the exception of Evansville and possibly Louisville, there would seem to be no need for any appreciable in-migration of workers to meet the labor demand in the industrial areas of the district. By marshalling the labor reserves available

locally, the other district cities should obtain sufficient workers for war and essential civilian industry. As mentioned previously, some relatively small movement of highly skilled workers may be necessary in order to fill the demand for a particular technical skill in certain cities. In general, however, thorough in-plant training, up-grading, job diversification, adoption of less rigid hiring specifications particularly in regard to race and sex, and, above all, a more intensive effort to attract the potential labor supply into the labor market should result in meeting essential needs. The most satisfactory way to mobilize such latent reserves is through voluntary action on their part resulting from appeals to patriotism, fairly high wage scales, and reasonably pleasant working conditions. In view of the tremendous administrative problems involved, it is to the interest of all parties concerned that methods requiring compulsion be avoided as long as possible.

GENERAL INDUSTRIAL SITUATION

For some months industrial production in the United States has been at such a high level that further gains have been thought difficult, if not well-nigh impossible, to attain, yet output of United States industry continues to grow in volume month after month. In April the Federal Reserve seasonally adjusted index of industrial production rose to another new peak, standing at 203 per cent of the 1935-1939 average. The gain in the past month was one point and the index in April was 36 points above its level in November, 1941, the month before Pearl Harbor. Output of durable goods, which serves as a rough indicator of war production, rose 2 points in the month and was 81 points above the pre-war level. Output of non-durables continued to hold at about the level reached last fall.

Treasury expenditures for war in April broke all previous records, totaling almost \$7.2 billion. The daily rate of expenditures was \$279 million and exceeded the previous high registered in March by \$16 million per day. On the basis of latest Treasury reports, expenditures for war in May will decline from April outlays.

The War Production Board in March reported that its index of munitions output stood at 530 (November, 1941 = 100). Despite the extremely high level of munitions production in the first quarter of 1943, only 18 per cent of the year's scheduled output was forthcoming in that period. To meet the requirements for 1943, W. P. B. reported that it will be necessary to expand war production in each of the last three quarters of the year

by 50 per cent more than in the first quarter.

In the Eighth District industrial production in April continued at the high levels of recent months. Although production of steel was down slightly due to the necessity of repairing overworked furnaces, most other production series kept by this bank registered increases over March. Every whiskey distillery in Kentucky was in operation producing industrial alcohol. Munitions output in the district was up appreciably with employment at major war plants increasing approximately 1.2 per cent. Consumption of industrial electric power was 4 per cent below March which was a longer work month but exceeded consumption in April, 1942 by 31 per cent. Output of coal at Eighth District mines was somewhat lower than in March but was up 10 per cent as compared with last April. District lumber output continued slightly under that of a year ago but is slowly rising in volume. Labor shortage is given as the principal retarding factor.

Primary distribution in the district was maintained in heavy volume during April. Carloadings of all railroads operating in the Eighth District were up slightly in the four-week period ending April 24 as compared with the previous four weeks, but were 2 per cent below those of the comparable weeks last year. As mentioned in this bulletin previously, carloading figures are not a true reflection of freight movement now since cars are loaded much more heavily and move over longer distances than was the case in the past. Load interchanges at St. Louis in April were 2 per cent greater than in March and were 6 per cent above a year earlier.

At Louisville, interchanges exceeded the previous month by 2 per cent but were 6 per cent less than a year earlier.

Construction activity in the Eighth District, as measured by dollar volume of awards, during the first four months of 1943 was 10 per cent below the corresponding period of 1942 due to tapering off of the program of military cantonment and industrial facility building. Greater impetus to the downward movement of construction from 1942 levels came May 12 when W. P. B. ordered a halt to virtually all war plant construction which cannot be completed by October 1. Contrary to national experience, dollar volume of construction contract awards in this district in April was unchanged from April, 1942 and was up 84 per cent from the low level of March. Dollar volume of building permits granted in the major Eighth District cities in April was down 27 per cent from March and 39 per cent from a year ago.

MANUFACTURING

Iron and Steel—Steel ingot production in the Eighth District, which had been maintained for seven consecutive weeks at 101.2 per cent of rated capacity, declined due to necessary furnace repairs during the first half of May to 94.5 per cent, the low point for the year. The drop was temporary, however, and a higher rate of operations should be resumed shortly.

The scrap situation in St. Louis improved during the last half of April and by mid-May was moderately easier. Most melters maintained current operations without drawing on reserves and several were able to add to already comfortable inventories. The quality of scrap improved as a larger proportion was received from railroads, industrial plants, and agricultural sources. Despite the recent increase in hourly wages, yard labor continued scarce, resulting in some delay in scrap preparation.

Shoes—Production of shoes in the Eighth District during 1943 is expected to be substantially less than in 1942. March output of 7,158,369 pairs in the district represented a gain of 3 per cent over February although it was 9 per cent below a year earlier. The seasonally adjusted index of shoe production in the Eighth District in March was 132.6 per cent of the 1924-1926 average as compared with 130.5 per cent a month earlier and 146.0 in March, 1942.

Whiskey—For the second consecutive time all 60 Kentucky distilleries were in operation on April 30, producing alcohol for war purposes. A year ago 56 distilleries were in production. Rumors that a limited amount of whiskey production will be per-

mitted in the near future are discounted by trade sources which point out that corn marketings remain low despite upward revision in ceiling prices and that alcohol production has not yet built up a sufficient backlog to supply anticipated war demand.

Continued heavy withdrawals of whiskey have reduced the balance in United States warehouses to 453 million gallons, the smallest amount since December, 1937. The strong demand for whiskey for consumption is forcing distilleries and distributors to ration their product in order to maintain advertised brands on the market.

RETAIL AND WHOLESALE TRADE

Strongly influenced by expanded consumer purchasing power, higher priced lines of merchandise, and the late Easter shopping period, dollar volume of department store sales in the Eighth District in April advanced 9 per cent over March levels and was 15 per cent greater than in April, 1942. In sharp contrast to recent months, the increase in sales from March to April was fairly uniform in district cities except for St. Louis and Little Rock. As measured against a year ago, department store sales continued to show above average increases in Evansville, Little Rock, and Memphis.

Consumer buying interest continues most pronounced in such lines as women's clothing and piece goods, while purchases of house furnishings are considerably below a year earlier. Sales at retail furniture stores in the Eighth District registered an increase of 14 per cent from March to April but were 3 per cent below April, 1942. The drop from a year ago in furniture sales at both department and furniture stores is attributable largely to the inability of stores to obtain merchandise.

Stocks at retail prices at department stores in April were 2 per cent under March and 28 per cent under a year ago. Furniture store stocks declined 4 per cent and 10 per cent, respectively in the month and the year.

Sales of all wholesalers and jobbers whose statistics are available to this bank, showed a decline from March to April of 4 per cent and were 6 per cent below April, 1942. Wholesalers' stocks dropped 2 per cent in the month and were 33 per cent under the level of a year earlier.

AGRICULTURE

General Conditions—Throughout the Eighth District abnormally low temperatures and dry weather in April delayed land preparation and retarded the progress of early crops. Late frost and severe freezes in many sections of the district caused damage to fruits, especially peaches and strawberries, and to some truck crops. In early May very heavy

rains fell throughout the area and further delayed planting of spring crops. By mid-month serious flood conditions were reported throughout this section. In Arkansas the swollen Arkansas and White Rivers inundated thousands of acres of farm lands in the worst floods in a century. The flooding Missouri, Mississippi, Ohio and Wabash Rivers were reported to have covered two million acres in Missouri, Illinois and Indiana. Great crop damage is reported but stock loss has not been extensive due to movement to higher territory. At this writing prospects of water damage had increased but it was impossible to ascertain the full extent of the losses which undoubtedly are heavy. Certainly considerable replowing and replanting will be necessary in all lowland areas.

Cash farm income for Eighth District states in March totaled \$245 million or 35 per cent over a year ago, primarily reflecting higher prices. The mid-April level of farm prices in the United States was at 185 per cent of the 1909-1914 average, the highest point in twenty-three years, increasing 2 per cent over the previous month and 23 per cent over April 15, 1942. Price increases in Eighth District states were not greatly at variance with national experience.

Cotton—Cotton acreage allotments this year in the United States were fixed originally at 22.5 million acres with an additional 10 per cent allowed later to offset prospective decreases from last year's heavy yields. Although no official Government estimates of 1943 cotton acreage are yet available, certain private estimates have been made. The New York Journal of Commerce reported that on May 12, indicated plantings of cotton in the United States were 22,903,000 acres, or 407,000 acres less than officially estimated in cultivation on July 1, 1942. The May 12 estimate was 267,000 acres less than was reported on April 7. In the four important Eighth District cotton states, farmers' intentions on May 12 were to plant almost the same acreage as was in cultivation last July 1.

At the beginning of May reports from Arkansas indicated that cotton planting was virtually complete on all prospective acreage except where cover crops were not yet ready to be plowed under. Undoubtedly much replanting will be necessary in Arkansas as considerable cotton land was flooded by mid-May. Mississippi planting was well under way by May 1, but in Tennessee was behind schedule.

Cotton prices during the past month moved within a narrow range reflecting to some extent the joint announcement of April 24 by the War Food Administration and the Office of Price Administration

that Commodity Credit Corporation cotton would be offered for sale to stabilize cotton prices. On the Memphis spot market, prices of middling 15/16 cotton declined during the month ending May 15 from a high of 21.05c per pound to a low of 20.55c per pound on the closing date. Trading was light during the last half of April but improved moderately during the first two weeks of May. Demand centered chiefly around grades of strict low middling and higher, in staple lengths of 15/16 and 1-3/32.

Livestock—Receipts of livestock during April at National Stock Yards were 4 per cent less than in March and 5 per cent below the corresponding month last year. April shipments of livestock to feeder lots and to other markets were 11 per cent lower than the previous month but were 87 per cent above a year ago. Inspected slaughter in the St. Louis area during April was 2 per cent above March, but was 20 per cent below April, 1942.

Declines of from 2 to 5 per cent in number of cattle on feed on April 1 were reported in Eighth District corn-belt states. Hazards of cattle feeding increased as a result of the narrowing spread between prices of feeder and fat cattle, price ceilings, and the difficulty in securing adequate supplies of high protein feeds. The shortages of all types of livestock feed, including concentrates, was moderately eased at mid-May by availability of green feeds and pastures. The recent advance in corn price ceilings resulted in a rise in corn prices, but failed to increase offerings appreciably. Demand for ground feed wheat exceeds available supply in some localities, as it is being used in ever increasing quantities due to shortage of available corn. Increased demand for oats and grain sorghums has advanced prices of these feed grains to levels un-reached in recent years.

Tobacco—Wet weather during April in the burley district had an adverse effect on young plants. Development of beds and preparation of fields for planting are about two weeks later than usual. The very wet weather of early May further retarded preparation of the soil for the new crop. It is anticipated, however, that with favorable conditions ample time still remains for preparation and planting of all authorized acreage. Insect damage to young plants is reported, but it is the general opinion that there will be a sufficient quantity of plants available.

In the Green River and Stemming District, plant growth and preparation of the ground are also approximately two weeks behind schedule. Reports indicate an abundance of plants which should be

ready for setting by the time the fields are prepared and indications are that full acreage allotments will be planted. Dark-fired tobacco districts have experienced the same unfavorable weather and at the beginning of May the preparation for planting the new crop was about 10 days later than usual.

BANKING AND FINANCE

Bank investment accounts rose substantially between April 14 and May 12, reflecting purchases of securities offered in the Second War Loan Drive. At reporting member banks in this district, holdings of certificates rose \$44 million, while holdings of Government bonds increased \$36 million in the four-week period. Total holdings of Government securities at these banks on May 12 amounted to about \$1,100 million which was more than double the amount of a year ago. Loan volume at the reporting banks registered little change over the period. Security loans increased by only \$1 million, evidencing little borrowing to purchase the Treasury issues of April.

The Treasury announced that total sales of securities in the Second War Loan Drive aggregated \$18,533 million, of which \$12,550 million went to non-bank sources, \$5,048 million to banks, and \$935 million to dealers, brokers, and U. S. Government trust and investment accounts. Sales to banks were limited to the amount allotted and bank offerings were heavily over-subscribed.

The major emphasis in the campaign was on sales to non-bank investors whose total subscriptions amounted to over \$12.5 billion, or 157 per cent of the \$8 billion original goal. The following table shows quotas and sales to non-bank investors for various regions within the Eighth District.

Non-Bank Sales — Eighth Federal Reserve District By Major Regions — Second War Loan Drive

(In Millions of Dollars)			
	Quota	Sales	Per Cent of Quota
Arkansas.....	\$ 20.2	\$ 37.1	184%
Illinois.....	25.5	58.3	229
Indiana.....	14.2	20.5	144
Kentucky.....	44.2	62.2	141
Mississippi.....	7.7	13.4	173
Tennessee.....	23.1	34.3	149
Missouri (outstate).....	21.6	30.7	142
Metropolitan St. Louis.....	93.5	169.9	182
Totals*.....	\$250.0	\$426.4	171%

*These totals do not fully agree with those announced by the Treasury Department on May 10, 1943, largely because tabulation of all sales made during the drive, and allocations between Federal Reserve Districts, had not been completed by that date.

Since the last issue of this review the Mutual Trust and Deposit Company, New Albany, Ind., has become a member of the Federal Reserve System.

(In thousands of dollars)	CASH FARM INCOME				
	March		Cumulative for 3 months		
	1943	1942	1943	1942	1941
Arkansas.....	\$14,312	\$11,494	\$ 52,239	\$ 38,667	\$ 22,219
Illinois.....	91,125	69,101	253,711	201,933	126,617
Indiana.....	51,320	37,440	136,373	104,771	68,088
Kentucky.....	15,890	11,759	100,230	63,515	46,247
Mississippi.....	12,048	7,765	40,409	29,595	18,527
Missouri.....	41,818	31,620	125,775	94,597	60,157
Tennessee.....	18,232	12,664	65,313	48,473	32,627
Totals.....	244,745	181,843	774,050	581,551	374,482

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Apr., 1943	Mar., 1943	Apr., 1942	Apr., 1943	Mar., 1943	Apr., 1942
Cattle and Calves.....	91,353	97,112	97,695	49,471	51,057	31,272
Hogs.....	259,002	257,111	264,125	89,850	103,707	42,921
Horses and Mules.....	3,680	4,599	1,807	3,677	4,534	1,791
Sheep.....	29,091	40,327	38,600	3,573	5,722	2,453
Totals.....	383,126	399,149	402,227	146,571	165,020	78,437

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Apr., 1943	Mar., 1943	Apr., 1942	Apr., '43 comp. with Mar., '43	Apr., '42
All Commodities.....	103.7	103.4	98.7	+ 0.3%	+ 5.1%
Farm Products.....	123.9	122.8	104.5	+ 0.9	+ 18.6
Foods.....	108.4	107.4	98.7	+ 0.9	+ 9.8
Other.....	96.6	96.5	95.6	+ 0.1	+ 1.0

COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	Mar. 15, 1943	Feb. 15, 1943*	Sept. 15, 1939	Mar. 15, '43 comp. with Feb. 15, '43	Sept. 15, '39
United States.....	122.8	121.0	100.6	+ 1.5%	+ 22.1%
St. Louis.....	121.8	119.9	100.4	+ 1.6	+ 21.3
Memphis.....	125.6	**	100.4		+ 25.1

*Revised. **Not available.

COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	Mar. 16, 1943	Feb. 16, 1943	Mar. 17, 1942	Mar. 16, '43 comp. with Feb. 16, '43	Mar. 17, '42
U. S. (51 cities).....	137.4	133.6	118.6	+ 2.8%	+ 15.9%
St. Louis.....	138.9	134.4	122.9	+ 3.3	+ 13.0
Little Rock.....	137.4	131.5	120.1	+ 4.5	+ 14.4
Louisville.....	132.6	129.0	119.3	+ 2.8	+ 11.1
Memphis.....	144.8	129.6	117.8	+ 11.7	+ 22.9

INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS

Bureau of Labor Statistics (1937=100)	Mar., 1943	Feb., 1943	Mar., 1942	Mar., '43 comp. with Feb., '43	Mar., '42
Evansville.....	238.2	227.8	82.0	+ 4.6%	+ 190.5%
Louisville.....	126.4	122.6	103.1	+ 3.1	+ 22.6
Memphis.....	151.1	149.9	110.8	+ 0.8	+ 36.4
St. Louis.....	147.9	147.2	126.6	+ 0.5	+ 16.8

BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number 1943	Number 1942	Cost 1943	Cost 1942	Number 1943	Number 1942	Cost 1943	Cost 1942
Evansville.....	8*	54	\$ 32*	\$ 289	100	136	\$ 39	\$ 40
Little Rock.....	18	59	2	101	121	139	17	33
Louisville.....	164	212	422	423	24	61	12	68
Memphis.....	159	92	377	65	241	318	84	174
St. Louis.....	83	224	160	640	146	194	62	143
April Totals.....	432	641	993	1,518	632	848	214	458
March.....	278	711	559	4,723	615	676	1,100	736

*Conversions.

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	April, '43	Mar., '43	April, '42	April, '43 comp. with Mar., '43	April, '42
Total 8th Dist.....	\$ 39,734	\$ 21,604*	\$ 39,681	+ 84%	- 0 - %

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

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Custom-ers*	Apr., 1943	Mar., 1943	Apr., 1942	April, 1943 compared with	
		K.W.H.	K.W.H.	K.W.H.	Mar., 1943	Apr., 1942
Evansville.....	40	9,626	9,734	3,855	- 1%	+ 150%
Little Rock.....	35	2,119	2,518	2,424	- 16	- 13
Louisville.....	82	15,678	15,394	14,671	+ 2	+ 7
Memphis.....	31	5,834	6,200	4,870	- 6	+ 20
Pine Bluff.....	20	7,110	5,944	776	+ 20	+ 816
St. Louis.....	134	86,989	92,676	70,259	- 6	+ 24
Totals.....	342	127,356	123,466	96,855	- 4	+ 31

*—Selected industrial customers.

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

First nine days							
Apr., '43	Mar., '43	Apr., '42	May, '43	May, '42	4 mos., '43	4 mos., '42	
145,251	143,022	137,038	43,785	42,898	563,948	501,126	

Source: Terminal Railroad Association of St. Louis.

WHOLESALE			
Lines of Commodities	Net Sales		Stocks
Data furnished by Bureau of Census, U. S. Dept. of Commerce.	April, 1943 compared with Mar., '43	Apr., '42	April 30, 1943 comp. with April 30, 1942
Automotive Supplies.....	+ 8%	+ 24%%
Boots and Shoes.....	- 13	- 28	....
Drugs and Chemicals.....	- 4	+ 14	....
Dry Goods.....	- 7	+ 19	-28
Electrical Supplies.....	+ 9	- 29	-70
Furniture.....	- 19	- 43	-65
Groceries.....	- 11	+ 9	-19
Hardware.....	+ 5	- 26	-30
Plumbing Supplies.....	- 24	- 22	....
Tobacco and its Products.....	+ 6	+ 12	....
Miscellaneous.....	+ 8	+ 5	-24
Total all lines*.....	- 4	- 6	-33

*Includes certain lines not listed above.

DEPARTMENT STORES					
	Net Sales		Stocks	Stock Turnover	
	April, 1943 compared with Mar., '43	4 mos.'43 to same period '42	Apr. 30,'43 comp. with Apr. 30,'42	Jan. 1, to April 30, 1943	1942
Ft. Smith, Ark....	+12%	+36%	+35%	- 2%	1.40 1.13
Little Rock, Ark.	+ 7	+31	+42	- 0 -	1.56 1.13
Quincy, Ill.....	-20	+21	+10	....	....
Evansville, Ind....	-15	+48	+48	....	....
Louisville, Ky....	+15	+17	-15	- 33	1.83 1.29
St. Louis, Mo....	+ 4	+ 3	+ 3	- 33	1.43 1.22
Springfield, Mo....	-18	+25	+20	- 32	1.33 .86
Memphis, Tenn....	-13	+40	+29	- 20	1.57 1.02
*All other cities..	+21	+ 9	+12	- 3	1.55 1.12
8th F. R. District.	+ 9	+15	+13	- 28	1.52 1.19

*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: April, 1943—26; March, 1943—27; April, 1942—26.
Outstanding orders of reporting stores at the end of April, 1943, were 58 per cent greater than on the corresponding date a year ago.

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

	Instalment Accounts			Instalment Accounts	
	Excl. Instal. Accounts	%		Excl. Instal. Accounts	%
Fort Smith.....	63%		St. Louis.....	37%	74%
Little Rock... 21	59		Other cities.. 28	61	
Louisville... 37	64		8th F. R. Dist. 34	68	
Memphis... 42	60				

INDEXES OF DEPARTMENT STORE SALES AND STOCKS					
8th Federal Reserve District (1923-1925 average = 100)					
	April, 1943	March, 1943	Feb., 1943	April, 1942	
	Sales (daily average), Unadjusted.....	136	124	143	120
Sales (daily average), Seasonally adjusted... 129	138	166	120		
Stocks, Unadjusted.....	92	94	91	125	
Stocks, Seasonally adjusted.....	90	92	96	90	

SPECIALTY STORES					
	Net Sales		Stocks	Stock Turnover	
	April, 1943 compared with Mar., '43	4 mos.'43 to same period '42	Apr. 30,'43 comp. with Apr. 30,'42	Jan. 1, to April 30, 1943	1942
Men's Furnishings +28%	+34%	- 0 - %	- 9%	1.09	1.13
Boots and Shoes.. +22	- 5	+ 4	- 25	3.03	2.42

Percentage of accounts and notes receivable outstanding April 1, 1943, collected during April:
Men's Furnishings.....63% Boots and Shoes.....54%

CHANGES IN PRINCIPAL ASSETS AND LIABILITIES FEDERAL RESERVE BANK OF ST. LOUIS				
(In thousands of dollars)	May 12, 1943	Change from April 14, 1943		May 13, 1942
	Industrial advances under Sec. 13b.....\$	-	7	-	8
Other advances and rediscounts.....	50	+ 20	+ 50	
U. S. securities.....	411,451	+ 27,724	+293,851	
Total earning assets.....	411,501	+ 27,737	+293,893	
Total reserves.....	616,333	- 33,787	-27,207	
Total deposits.....	480,027	+ 17,194	+ 69,530	
F. R. Notes in circulation.....	557,058	+ 8,724	+208,833	
Industrial commitments under Sec. 13b..	1,864	+ 81	- 331	

FEDERAL RESERVE OPERATIONS DURING APRIL, 1943		
(Incl. Louisville, Memphis, Little Rock branches)	Pieces	Amounts
Checks (cash items) handled.....	6,410,105	\$2,396,797,633
Collections (non-cash items) handled.....	107,317	43,182,621
Transfers of funds.....	5,003	556,729,475
Currency received and counted.....	12,729,892	57,359,534
Coin received and counted.....	14,653,554	1,255,441
Rediscounts, advances and commitments.....	1	100,000
New issues, redemptions, and exchanges of securities as fiscal agent of U. S. Govt., etc.	868,978	477,564,977
Coupons clipped from securities in custody...	12,760	.....

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.....	1/2 % 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).....	1 1/2 % 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 1 1/2 % 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.....	2 1/2 % 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 1/2 % 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 1/4 % 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)	May 12, 1943	Change from April 14, 1943	
	1943	1943	May 13, 1942
Total loans and investments.....	\$1,442,523	+ 90,098	+448,635
Commercial, industrial, agricultural loans	202,850	- 1,345	- 56,278
Open market paper.....	6,310	- 1,483	- 16,491
Loans to brokers and dealers in securities	4,415	+ 565	+ 582
Other loans to purchase and carry securities	9,340	+ 505	+ 786
Real estate loans.....	65,995	- 98	+ 6,658
Loans to banks.....	330	+ 955	+ 83
Other loans.....	60,017	+ 1,647	+ 14,033
Total loans.....	349,257	+ 1,164	+ 80,265
Treasury bills.....	169,683	+ 19,124	+ 97,106
Certificates of indebtedness.....	220,387	+ 44,358	+206,871
Treasury notes.....	109,881	+ 2,818	+ 67,826
U. S. bonds.....	436,901	+ 35,988	+170,605
Obligations guaranteed by U. S. Govt..	35,377	+ 6,757	+19,798
Other securities.....	121,037	+ 1,367	+ 6,290
Total investments.....	1,093,266	+ 91,262	+528,900
Balances with domestic banks.....	128,751	+ 513	- 58,233
Demand deposits—adjusted*.....	824,959	+731,321	+162,560
Time deposits.....	198,803	+ 1,933	+ 14,956
U. S. Government deposits.....	220,803	+174,603	+200,111
Interbank deposits.....	515,753	- 39,757	+ 11,960

*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.

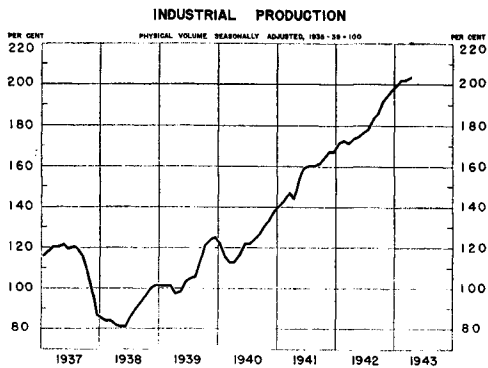
DEBITS TO INDIVIDUAL ACCOUNTS					
(In thousands of dollars)	Apr., 1943	Mar., 1943	Apr., 1942	Apr., '43 comp. with Mar., '43 Apr., '42	
	El Dorado, Ark....\$	12,386	\$ 12,069	\$ 7,293	+ 3%	+ 70%
Fort Smith.....	21,757	21,264	18,089	+ 2	+ 20
Helena, Ky.....	2,691	2,826	1,877	- 5	+ 43
Little Rock, Ark....	78,458	68,917	62,966	+ 14	+ 25
Pine Bluff, Ark....	16,578	17,895	17,076	- 7	- 3
Texarkana, Ark.-Tex.	19,235	19,039	26,921	+ 1	- 29
E. St. L.-Nat. S. Y., Ill.	75,994	77,374	66,592	+ 2	+ 14
Quincy, Ill.....	15,146	14,288	11,788	+ 6	+ 28
Evansville, Ind....	84,437	82,931	41,305	+ 2	+104
Louisville, Ky....	330,488	301,614	224,989	+ 10	+ 47
Owensboro, Ky....	10,056	9,979	7,433	+ 12	+ 35
Greenville, Miss..	8,511	9,354	5,977	- 9	+ 42
St. Louis, Mo....	1,040,413	941,836	805,313	+ 10	+ 29
Sedalia, Mo.....	3,909	3,674	3,078	+ 6	+ 27
Springfield, Mo....	26,960	25,152	21,572	+ 7	+ 25
Memphis, Tenn....	248,161	258,354	201,777	- 4	+ 23
Totals.....	1,995,180	1,865,566	1,524,046	+ 7	+ 31
Alton, Ill.....	12,463	13,016	.....	- 4	.....
Paducah, Ky....	8,487	7,954	.....	+ 7	.....
Cape Girardeau, Mo.	5,022	4,863	.....	+ 3	.....
Hannibal, Mo....	4,771	4,257	.....	+ 12	.....
Jefferson City, Mo.	24,469	17,754	.....	+ 38	.....
Jackson, Tenn....	8,820	8,149	.....	+ 8	.....

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT				
	Apr., '43	Mar., '43	Apr., '42	Apr., '43 comp. with Mar., '43 Apr., '42
Number.....	8	11	28	-27%
Liabilities.....	\$ 56,000	\$ 99,000	\$172,000	-43

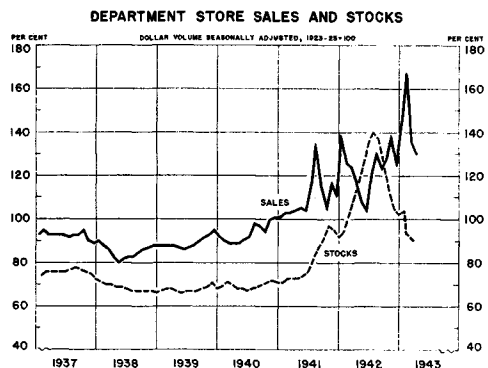
Source: Dun and Bradstreet.

NATIONAL SUMMARY OF CONDITIONS

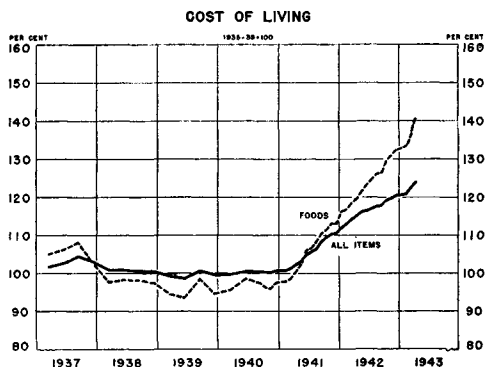
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



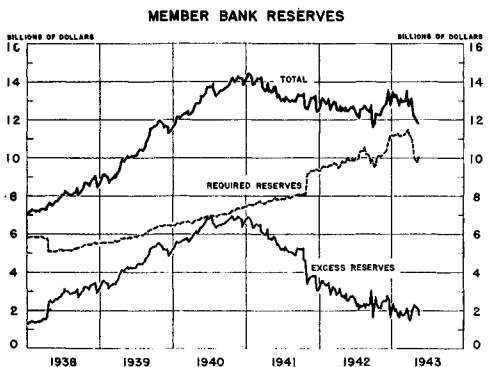
Federal Reserve Index. Monthly figures, latest shown is for April, 1943.



Federal Reserve indexes. Monthly figures, latest sales shown are for April, 1943, stocks for March, 1943.



Bureau of Labor Statistics' indexes. Last month in each calendar quarter through September, 1940, monthly thereafter. Mid-month figures, latest shown are estimates by Federal Reserve for April, 1943.



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for May 12, 1943.

Industrial activity in April and the early part of May increased somewhat further, and retail trade was maintained in large volume.

Industrial production—The Board's index of total industrial output rose slightly in April, reflecting further increases in activity in war industries, while output in most other lines showed little change.

Production of armaments in the machinery and transportation equipment industries rose to new high levels. Activity at steel mills increased somewhat further. Lumber production showed the usual seasonal rise in April and was at a level about 10 per cent less than a year ago, when problems of maintaining an adequate labor supply in the industry began to develop. In the cement industry, where production usually advances sharply during the spring months, production has shown little change this year, reflecting chiefly the restricted volume of current construction activity.

Total output of manufactured foods in April continued below the seasonally adjusted peak level reached at the end of last year. Meatpacking and flour production showed decreases in April, while output of dairy products and other manufactured food products was maintained. Volume of output in chemical plants continued to gain. Production of other non-durable manufactures showed little change.

There was a decline in bituminous coal production in the last week of April, following the breaking-off of negotiations for a new wage contract, but output increased in the early part of May. Production of coal in March had been at an exceptionally high level. Stocks on May 1 were considerably higher than a year ago and for bituminous coal were estimated to be equivalent to 55 days' supply for industrial purposes. In May the Government took over the bituminous coal mines.

Value of construction contracts awarded declined in April, reflecting reductions in contracts for Federal work, according to the F. W. Dodge Corporation. Total residential awards in March and April were at the lowest levels for these months in a number of years.

Distribution—Sales at department and variety stores increased in April, but the rise was less than usually occurs when Easter falls late in the month. Mail-order sales, principally to persons in small towns and rural areas, showed about the usual seasonal rise. Value of sales in April continued at a level substantially higher than a year ago but, with prices higher, the physical volume of goods sold was probably about the same as in the corresponding period last year.

Carloadings of revenue freight were maintained in large volume in April and the first week of May. Ore shipments showed a seasonal rise beginning in the last half of April, a month later than in 1942 when the movement was unusually early.

Commodity Prices—Wholesale prices of most commodities showed little change from the middle of April to the middle of May. Retail food prices continued to advance sharply in the latter part of March and the early part of April and the indexes showed increases of 6 per cent as compared with January. Retail prices of most other items in the cost of living showed smaller increases in that period. Plans for more effective enforcement of price ceilings have been announced.

Bank credit—During May, as the Treasury made disbursements out of war loan accounts, which had been built up during the recent drive, there was a growth of bank deposits subject to reserve requirements and a decrease in member bank excess reserves. Continued withdrawals of currency also reduced bank reserves. Nevertheless, the reserves of member banks were sufficient to enable them to make substantial repurchases of bills which had been sold to the Reserve Banks under option. In addition, the Federal Reserve System sold some bonds in response to a market demand.

Government security holdings at reporting member banks in 101 leading cities increased by 4.3 billion dollars in the four weeks ending May 12. These increases reflected purchases of new issues during the War Loan drive, as well as substantial market purchases.

In New York City, loans to brokers and dealers for purchasing or carrying securities increased by 860 million dollars during the three weeks of the War Loan drive, and subsequently declined in the first three weeks of May; these changes reflected almost entirely activity in loans for purchasing or carrying Government securities, which on May 19 amounted to 580 million dollars of the total 1,020 million dollars outstanding; other loans to brokers and dealers by New York City banks rose by 90 million dollars from the end of March to May 19.