

# BUSINESS CONDITIONS



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FEDERAL RESERVE BANK OF ST. LOUIS

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*Harvest*

COURTESY J. I. CASE COMPANY

## RECENT TRENDS IN EIGHTH DISTRICT POPULATION

**B**ETWEEN April, 1940, and March, 1943, it is estimated that total population in the Eighth District grew by some 150,000 persons, or about 1.5 per cent. This compares with a 3.2 per cent gain for the nation in the same period. Between May, 1942, and March, 1943, Eighth District population is estimated to have declined fractionally, while total United States population was increasing by 1 per cent. Due to heavy withdrawals for the armed forces, civilian population, in both the district and the nation, has declined since April, 1940, but there has been a relatively greater decrease in the district than in the United States. Civil population in the Eighth District declined about 4.3 per cent, while the decline for the entire nation amounted to 2.3 per cent. Inasmuch as the district civil population is showing a significantly greater percentage decline than that of the United States, it would seem that there has been some out-migration of persons from this district to other parts of the country.

Probably more significant, at present, than the indicated out-migration from the district to other sections is the shift in population within the district itself. The table below shows the civilian population in six Eighth District metropolitan areas in 1940, 1942, and 1943. The March, 1943, figures are estimates of the Bureau of Census based on the registration for War Ration Book Two, and are adjusted to independent estimates of national population derived by the Bureau. Inasmuch as considerable numbers of people registered late for the second ration book, there will probably be some final corrections for the March, 1943, figures. For example, on the basis of available evidence, it seems likely that in the St. Louis area the March, 1943, population is understated so that the final figure will show a slight increase in population since May, 1942, rather than a decline. Other areas in the district may conceivably have their population figures revised downward.

The civilian population for the six metropolitan areas combined gained about 6 per cent from April, 1940, to May, 1942, while the total district decline was almost 1 per cent, thus indicating a rather strong movement from the rural areas to the large

cities as a result of the war production boom in the major cities. Between May, 1942, and March, 1943, the population increase in the six areas combined was fractional, but the decline in district civilian population was much more marked than in the previous two-year period.

When the metropolitan areas are considered separately, it is evident that those which are strongly engaged in war production are exhibiting the greatest population rises. Evansville has shown a rather steady increase from April, 1940, to March, 1943. St. Louis and Louisville, which benefited quite early from the defense-war program, showed a much greater population increase in the period from 1940 to 1942 than in the following year. In Little Rock, where the construction program for industrial and military facilities was quite extensive, the population increased more percentage-wise than in any other metropolitan area in the district between April, 1940, and May, 1942, but in the following year an actual decline was registered. Little Rock is classified as a labor surplus area, and in addition to withdrawals for the armed forces, there has probably been an out-migration of workers into other sections. Memphis, which entered rather late into the war program, shows a population decline for the first two years after April, 1940, but a very pronounced increase in the next year. Springfield, which has been relatively untouched by the war building and manufacturing program, has seen its population decline in both periods as some out-migration, probably to war production centers, and withdrawals for military services have not been counterbalanced by any influx of workers for war plants.

**CIVILIAN POPULATION OF EIGHTH DISTRICT  
METROPOLITAN COUNTIES**

State	(in thousands)					
	April, 1940	May, 1942	March, 1943	May,'42 comp. with April,'40	Mar.,'43 comp. with May,'42	Mar.,'43 comp. with April,'40
Evansville.....	158	167	171	+ 5.7%	+ 2.4%	+ 8.2%
Little Rock.....	156	175	171	+12.2	- 2.3	+ 9.6
Louisville.....	451	496	502	+10.0	+ 1.2	+11.3
Memphis.....	358	353	383	- 1.4	+ 8.5	+ 7.0
St. Louis.....	1,430	1,520	1,504	+ 6.3	- 1.1	+ 5.2
Springfield.....	91	90	87	- 1.1	- 3.3	- 4.4
Total.....	2,644	2,801	2,818	+ 5.9	+ 0.6	+ 6.6

Source: Bureau of the Census.

## FURNITURE STORE TRADE

Since May, 1942, the Federal Reserve System has been collecting data on sales, stocks, collections, and receivables from a sample of the larger and more important furniture stores in the United States. Prior to that time, similar data had been collected

from a smaller sample of stores by the Department of Commerce. In this district, at present, there are about seventy furniture stores which furnish this bank with monthly reports on their operations. These stores are scattered throughout the district

and their sales in 1941 totaled approximately 33 per cent of all furniture store sales in the district. Since furniture distribution is handled by a relatively large number of fairly small units, this is reasonably good coverage. Beginning with this issue, a regular monthly table on furniture store operations will be published in this Review.

For most of 1942, sales at furniture stores registered a consistent decline from 1941 levels. This decrease was due primarily to the application of stricter instalment credit terms under Regulation W, since most furniture store sales are on an instalment basis. From the beginning of 1943, however, there has been an upward trend in furniture store sales. With the exception of March and April, each month this year has registered a gain over the corresponding month a year earlier. In August, 1943, sales were 14 per cent over August, 1942.

The sales of most reporting furniture stores in this district are concentrated in such lines as living-room, dining-room, and bed-room suites, in contrast to department stores whose house furnishings department sales show considerable volume in soft lines, such as bedding, draperies, etc., and in major household appliances. Department store sales of house furnishings, exclusive of major household appliances, have shown no appreciable increase for the first eight months of 1943 over the comparable period in 1942. Despite the difficulty of obtaining

merchandise, furniture store sales in the district apparently have been maintained better than the sale of like goods at department stores.

As might be expected, the heavy volume of purchasing power engendered by the war program, and the relatively strict credit terms now in existence, have caused cash sales to increase sharply over last year's levels. In August, cash sales were 26 per cent greater than a year ago. For the last eight months of 1942, credit sales showed a rather steady decline in importance since cash sales increased relatively while total sales were declining. However, with the upward movement in total sales this year, goods bought on credit are in appreciably greater volume than a year earlier.

The imposition of stricter credit terms has resulted in a rise of the collection ratio at furniture stores in the district. The August, 1943, collection ratio was 34 per cent as compared with 24 per cent a year ago. Accounts receivable in 1943 have averaged almost 40 per cent less than in the comparable period a year earlier.

Furniture store stocks at retail value, in August, amounted to about four months' supply at the current rate of sale, contrasted with approximately a six months' supply at the beginning of the year. At the end of August, inventories were 19 per cent below December, 1942.

### **GENERAL INDUSTRIAL SITUATION**

For the past several months, the level of industrial activity in this district has been relatively stable. Consequently, the gain over the comparable period a year ago, when activity was rising at a rapid rate, has narrowed considerably as the year has advanced. While manufacturing employment in war industry continues to expand, most of the increase comes from transfer of workers from such lines as trade, service, and construction. The over-all level of district employment has shown no marked change since last December.

This lack of pronounced gain from month to month has also, of course, been characteristic of national industrial activity since January. The Federal Reserve adjusted index of industrial production in August stood at 203 per cent of the 1935-39 average, having gained but 2 per cent since the beginning of the year. As measured by the index, output of durable goods increased 5 per cent in the past eight months, while production of non-durables actually dropped slightly.

There has been a comparatively low volume of Government war supply contracts which has flowed

into the region since the beginning of the defense-war program. Large supply contracts (those over \$50,000 in value and excluding food contracts) valued at about \$3.3 billion were let in the period from June, 1940, through June, 1943. This is but 2.5 per cent of the total dollar value of large contracts let in the nation in the same period. In 1939, the value of manufactures in the district totaled \$2.4 billion, or 4.2 per cent of the nation's value of manufactures. It is probable that the relative importance of the district in war supply contracts secured is understated by the 2.5 ratio of district to nation, because this region may have shared to a greater relative degree in smaller contracts and food contracts. It seems unlikely, however, even when this is considered, that the district share of supply contracts has approached its 1939 ratio of manufacturing value.

The passing of the construction phase of the defense-war program has released a considerable amount of labor in the district and should result in an ample supply of workers for war plants generally, although certain local and specific shortages may well continue. This area, in contrast to its

rather light volume of supply contracts, received a very heavy volume of facility awards. About \$1.8 billion has been spent by the Government for industrial facilities alone since June, 1940, and this total is swelled considerably by the addition of military facility awards. Close to 7 per cent of the industrial construction program of the nation was concentrated in this district.

In August, industrial activity in the Eighth District declined moderately from the July level, but held well above last August. Industrial electric power consumed in the major cities was 4 per cent

greater than in July and 19 per cent more than in August, 1942. Due to a strike, steel output dropped off from July. Lumber production was up slightly in the month, but remained below the level of last year. Industrial alcohol was turned out in less volume as seven distilleries went out of production. Output of shoes, according to preliminary reports, was up 5 per cent from July, but showed no change from a year ago. Mining of bituminous coal increased 3 per cent from July and was 19 per cent above August, 1942.

### DISTRICT SURVEY

#### MANUFACTURING

**Iron and Steel**—Output of steel ingots and castings in this district in August and early September was at a lower rate than the preceding month and the corresponding period a year ago. The drop in production is attributable to a one-week strike at the largest plant in this district. On August 30, the rate of steel ingot operations in this area fell to 79.9 per cent of capacity, the lowest scheduled weekly rate since December 22, 1941. The rate rebounded to approximately its normal war-time level in the week of September 6 and at mid-September, was at 101.2 per cent of capacity.

The scrap situation is still the cause of considerable worry in this district. The supply is falling off at present, and mill inventories decline slightly from week to week. Trade sources state that the major cause of curtailed supply is a shortage of yard labor for handling and processing scrap. The local situation is rendered particularly serious because of the additional steel making capacity that will come into production soon with the consequent need for additional scrap supply. It is expected that a considerable addition to steel ingot capacity will come into operation within the next six weeks when three large new open-hearths are lighted. Additional castings capacity is also expected to be in production in the near future.

**Whiskey**—Kentucky distilleries in August continued the production of industrial alcohol for the war program. Despite all rumors that a limited production of whiskey would be allowed, the War Production Board announced, on September 15, that there was not a sufficient supply of industrial alcohol on hand, in view of increased requirements for alcohol for synthetic rubber, to allow the resumption of whiskey distilling. Also, the grain shortage makes it impolitic to use corn for whiskey. Reports indicate that most distillers favor continuance of industrial alcohol production and that most of the pressure for resumption of whiskey output came

from wholesalers and retailers because of the shortage of whiskey stocks.

Only 50 distilleries in Kentucky were in operation on August 31 as compared with 57 a month earlier and 51 last year. The reduction in the number producing alcohol from a month ago is due primarily to drouth conditions as many plants depend upon natural sources of supply for water. A contributing factor to the curtailment in operations is, however, a series of machinery breakdowns due to equipment being kept in almost uninterrupted operation for a long period of time.

#### AGRICULTURE

**General Conditions**—In this district, crop production prospects of seven major field crops on September 1 were slightly improved, with a gain of 1 per cent over predictions a month earlier, but expectations are 6 per cent below last year's production. The major factor in the increase from the August 1 estimate was an indicated gain of 20 million bushels in corn. Wheat and potato prospects were unchanged, oats declined moderately, while hay and cotton prospects worsened considerably. Forecasts for these seven major crops are, however, 14 per cent above the ten-year average.

Upturns in prices received by farmers for chickens, eggs, cotton, cottonseed, dairy products, and grains raised the general national level of farm product prices 5 points during the month ended August 15. Prices of fruit and truck crops were the only group to show a decline. For the first time since August last year, the general level of prices paid by farmers for commodities failed to advance. The parity index increased 3 points to 117 at mid-August. Prices for farm products in the Eighth District also experienced a gain of from one to three points, for the month ended August 15. The greatest increases were in the southern part of the district. Tennessee and Arkansas reported gains of 2 and 3 points, respectively.

**Cotton**—Weather throughout the cotton-growing area of the Eighth District in August was generally unfavorable for good crop development, and the U. S. Department of Agriculture estimate of 1943 cotton production in this district was down sharply from the August 1 estimate. Cotton output in the district at present is indicated at 3,291,000 bales, down 9 per cent from the estimate of a month earlier and comparing with 3,922,000 bales harvested in 1942. The yield per acre has been cut sharply by the long and continued drouth. In the cotton-growing states of the district, September 1 condition varied from 56 per cent to 73 per cent of normal, as compared with a range of 78 per cent to 83 per cent on September 1, 1942. However, one favorable result of the abnormally hot, dry weather of July and August is the very low rate of weevil infestation reported. Picking of cotton has become general throughout the district. Labor supply appears to be adequate in most sections, but picking costs are up sharply from a year ago.

**Fruits and Vegetables**—Eighth District prospects of vegetable yield remained far below the national average yield on September 1. Production of snap beans will average one-third less than 1942 production, although acreage planted was greater than 1942. The prolonged drouth conditions throughout the central section of this district reduced the tomato crop by as much as 50 per cent in some areas. White potato output is off 1 per cent from last year. Green peas and other vegetables also showed marked decreases.

Fruit production also has suffered considerably. Apple prospects on September 1 were estimated at 20 per cent lower than last year, grapes around 10 per cent, and peaches, 50 per cent below 1942 production.

**Grains**—The feed situation in the Eighth District appears to be exceedingly short in relation to animal population. Drouth in most states, especially Arkansas, has not only retarded the growth of grain crops, but has damaged pastures, further aggravating the supply situation. Some effort, however, has been made to relieve conditions by shipments of Government grain, primarily wheat.

September 1 estimates of the U. S. Department of Agriculture indicate a 1943 district corn harvest of 344,730,000 bushels, a gain of 20 million bushels over the August 1 forecast but some 50 million bushels short of 1942 output. Oat prospects on September 1 indicated a crop of 65,861,000 bushels, about 1,100,000 bushels less than was forecast a month earlier and 11 million bushels less than last year. Hay prospects dropped sharply in the month

with a forecast crop of 7,546,000 tons as compared with the 1942 harvest of 9,327,000 tons. With the wheat harvest over, prospects remained unchanged from August 1 at 28,695,000 bushels, up 2,300,000 bushels from last year. Arkansas rice is indicated at 13,230,000 bushels as compared to 13,770,000 bushels estimated on August 1 and 13,515,000 bushels produced in 1942.

**Livestock**—August livestock receipts at National Stock Yards were off 6 per cent from July, but were 5 per cent above last August. Hog marketings dropped 58,000 head in the month and were 33,000 head less than last year. Sheep and lamb receipts decreased 13,000 head from July. Cattle and calf marketings were up sharply by 47,000 animals from a month earlier but failed to attain last year's numbers by 15,000 head. Total shipments declined 14 per cent from July numbers but were up 7 per cent from August, 1942. Cattle shipments gained over July, while hog and sheep shipments declined. Federally inspected livestock slaughter in August was 14 per cent less than in July but 7 per cent greater than in August, 1942.

**Tobacco**—Total tobacco production in the Eighth District was estimated on September 1 by the U. S. Department of Agriculture to be 251,821,000 pounds, or 3 per cent less than the estimate made a month earlier. Indicated production in 1943, however, is 4 per cent above the 1942 harvest.

In the burley section, a long period of dry weather was relieved by general rainfall in the first part of September. These rains were beneficial to tobacco standing in the fields, but it is believed that the late tobacco is too small to develop and mature properly. Approximately 75 per cent of the burley crop had been harvested by September 10. Farmers experienced some initial difficulty in securing an adequate supply of labor, but sufficient labor finally was obtained.

In the dark-fired section, recent rains proved very helpful to the crop which has made good progress in general. Good weather conditions for the remainder of the season may bring the late tobacco to a satisfactory yield. About two-thirds of the crop has been cut, and is, for the most part, of medium size and good quality.

Drouth conditions have also affected Green River district tobacco. By September 10, approximately one-half of the crop had been housed. Good quality is expected of the early plantings, but indications are that the late plantings will be inferior.

#### **COST OF LIVING**

In August, for the third straight month, the cost of living index for the United States declined. From

mid-July to August 15, the decrease was 0.5 per cent and left the index only 4.6 per cent above the level of September, 1942. Virtually all of the drop was due to declining food prices which fell 1.3 per cent. Over the three-month period, food costs have fallen 4.1 per cent, partially reflecting seasonal price declines of vegetables and fruits, and partially due to the OPA program of rollback of butter and meat prices by means of subsidies to processors. OPA has announced that it plans to issue shortly a schedule of lower ceilings on apples, oranges, onions, potatoes, lard, vegetable oils, and peanut butter. This move is expected to decrease the cost of living index about 2.5 per cent more and bring it closer to the September, 1942, level which is the announced objective of OPA retail price policy. OPA estimates that subsidies to carry out this program will amount to some \$100 million a year.

In St. Louis, the cost of living index on August 15 was 0.4 per cent below the level of a month earlier, but 5.1 per cent above September, 1942. Food costs in St. Louis declined 1.0 per cent in the month. In other district cities covered by the cost of food index, changes from a month earlier ranged from a 0.1 per cent decline in Louisville, to a 1.8 per cent increase in Little Rock.

### EMPLOYMENT

While localized labor shortages have been reported in sections of the Eighth District, the outlook for the district as a whole appears to be more favorable than for the nation. The labor needs of district farmers have been largely met, although shortages of a spasmodic nature have been reported in several sections of the district. Arkansas is faced with a shortage of labor for the rice harvest, but the completion of wheat harvesting and cotton picking may release additional farm labor for the rice harvest.

The net demand for local labor in the St. Louis area is expected to increase considerably during the next few months. The normal supply of labor is practically exhausted, but there is a potential labor supply more than sufficient to meet additional war demands if it can be successfully recruited. In Little Rock, supply seems adequate to meet labor requirements during the next six months. In Pine Bluff, however, the labor shortage is critical and in-migration of workers is seriously hampered by the lack of adequate housing facilities. Evansville, currently rated as a labor shortage area, and Louisville, a potential shortage area, continue to register employment gains although additional supply becomes increasingly difficult to obtain. Memphis is reported able to meet most labor needs with relative ease.

### CASH FARM INCOME

(In thousands of dollars)	July		Cumulative for 7 months		
	1943	1942	1943	1942	1941
Arkansas.....	\$13,452	\$11,126	\$115,050	\$ 95,123	\$ 57,417
Illinois.....	96,822	77,682	623,633	495,137	345,615
Indiana.....	55,368	42,079	352,679	269,915	181,950
Kentucky.....	24,337	18,459	182,017	122,261	89,144
Mississippi.....	7,059	6,866	87,674	62,524	44,843
Missouri.....	59,849	46,745	335,220	251,745	171,984
Tennessee.....	19,305	15,205	143,401	102,512	72,541
Totals.....	276,192	218,162	1,839,674	1,399,217	963,494

### RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Aug., 1943	July, 1943	Aug., 1942	Aug., 1943	July, 1943	Aug., 1942
Cattle and Calves.....	154,937	107,999	169,940	84,301	60,840	84,961
Hogs.....	228,385	281,271	195,258	85,193	100,843	53,960
Horses and Mules.....	3,675	2,687	2,033	3,655	2,676	1,982
Sheep.....	135,444	159,188	126,340	41,323	67,208	46,589
Totals.....	522,441	551,145	493,571	214,472	231,567	187,492

### WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Aug., 1943	July, 1943	Aug., 1942	Aug., '43 comp. with July, '43	Aug., '42
All Commodities..	103.1	103.2	99.2	— 0.1%	+ 3.9%
Farm Products..	123.5	125.0	106.1	— 1.2	+16.4
Foods.....	105.8	107.2	100.8	— 1.3	+ 5.0
Other.....	97.1	96.9	95.6	+ 0.2	+ 1.6

### COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	Aug. 15, 1943	July 15, 1943	Sept. 15, 1942	Aug. 15, '43 comp. with July 15, '43	Sept. 15, '42
United States.....	123.2	123.8	117.8	— 0.5%	+ 4.6%
St. Louis.....	122.6	123.1	116.6	— 0.4	+ 5.1

### COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	Aug. 17, 1943	July 13, 1943	Sept. 15, 1942	Aug. 17, '43 comp. with July 13, '43	Sept. 15, '42
U. S. (51 cities)...	137.2	139.0	126.6	— 1.3%	+ 8.4%
St. Louis.....	140.2	141.6	126.7	— 1.0	+10.7
Little Rock.....	137.6	135.2	129.2	+ 1.8	+ 6.5
Louisville.....	134.7	134.9	124.2	— 0.1	+ 8.5
Memphis.....	148.0	147.7	129.7	+ 0.2	+14.1

### INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS

Bureau of Labor Statistics (1937=100)	July, 1943	June, 1943	July, 1942	July, '43 comp. with June, '43	July, '42
Evansville.....	230.0	231.9	85.7	— 0.8%	+168.4%
Louisville.....	130.7	128.7	102.5	+ 1.6	+27.5
Memphis.....	162.1	157.8	128.9	+ 2.7	+ 25.8
St. Louis.....	161.5	159.1	139.0	+ 1.5	+ 16.2

### BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number 1943	Cost 1942	Number 1943	Cost 1942	Number 1943	Cost 1943	Number 1942	Cost 1942
Evansville.....	40	48	\$ 122	\$ 161	175	98	\$ 52	\$ 38
Little Rock.....	19	16	5	10	125	83	26	20
Louisville.....	73	60	125	102	39	46	15	26
Memphis.....	91	48	41	24	389	175	195	72
St. Louis.....	65	162	54	765	145	191	86	163
August Totals..	288	334	347	1,062	873	593	374	319
July Totals.....	272	256	459	517	965	450	375	289

### VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Aug., '43	July, '43	Aug., '42	Aug., '43 comp. with July, '43	Aug., '42
Total 8th Dist..	\$ 8,971	\$ 8,720*	\$ 65,777	+ 3%	— 86%

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

### CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Customers*	Aug., 1943	July, 1943	Aug., 1942	August, 1943 compared with July, 1943	August, 1943 compared with August, 1942
Evansville....	40	11,223	11,073	5,194	+ 1%	+116%
Little Rock...	35	3,037	2,932	2,971	+ 4	+ 2
Louisville....	82	17,092	16,749	16,404	+ 2	+ 4
Memphis.....	31	6,343	6,208	5,516	+ 2	+ 15
Pine Bluff....	20	6,433	5,350	1,298	+20	+396
St. Louis.....	134	98,644	94,327	88,175	+ 5	+ 12
Totals.....	342	142,772	136,639	119,558	+ 4	+ 19

\*Selected industrial customers.

DEPARTMENT STORES						Stock	
Net Sales			Stocks on Hand			Turnover	
August, 1943 July, '43	August, 1943 Aug., '42	8 mos. '43 to same period '42	Aug. 31, '43 comp. with Aug. 31, '42	Jan. 1, to Aug. 31, 1943			
Ft. Smith, Ark..	+ 6%	+23%	+31%	+ 7%	2.47	1.99	
Little Rock, Ark.	+ 8	+ 7	+34	+ 26	2.73	2.23	
Quincy, Ill. ....	+19	+13	+17	....	....	....	
Evansville, Ind..	- 3	+18	+42	....	....	....	
Louisville, Ky....	+ 9	+17	+18	- 29	3.51	2.23	
St. Louis, Mo....	+12	- 0	+ 7	- 13	2.75	2.07	
Springfield, Mo.	+ 4	+27	+28	- 3	2.58	1.60	
Memphis, Tenn..	+16	+22	+31	+ 2	2.94	1.95	
*All other cities.	- 6	- 5	+10	+ 4	2.62	2.13	
8th F. R. Dist..	+10	+ 7	+16	- 7	2.85	2.08	

\*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: August, 1943—26; July, 1943—26; August, 1942—26. Outstanding orders of reporting stores at the end of August, 1943, were 220 per cent greater than on the corresponding date a year ago.

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

Instalment Accounts	Excl. Instal. Accounts	Instalment Accounts	Excl. Instal. Accounts
Fort Smith....%	64%	Quincy.....	30%
Little Rock... 25	55	St. Louis....	38
Louisville.... 36	64	Other cities..	27
Memphis.... 40	57	8th F. R. Dist.	35

#### INDEXES OF DEPARTMENT STORE SALES AND STOCKS 8th Federal Reserve District (1923-25 average = 100)

	Aug., 1943	July, 1943	June, 1943	Aug., 1942
Sales (daily average), Unadjusted.....	122	108	132	114
Sales (daily average), Seasonally adjusted...	163	156	143	152
Stocks, Unadjusted.....	111	103	94	121
Stocks, Seasonally adjusted.....	112	110	98	128

#### SPECIALTY STORES

Net Sales			Stocks on Hand		Stock Turnover	
August, 1943 July, '43	August, 1943 Aug., '42	8 mos. '43 to same period '42	Aug. 31, '43 comp. with Aug. 31, '42	Jan. 1, to Aug. 31, 1943		
Men's Furnishings	- 9%	-15%	+ 3%	- 19%	2.13	1.77
Boots and Shoes..	+ 6	-20	- 6	- 28	5.59	4.77

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

Men's Furnishings.....	47%*	Boots and Shoes.....	53%
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\*Preliminary.

#### RETAIL FURNITURE STORES

Net Sales			Inventories		Ratio of Collections	
August, 1943 July, '43	August, 1943 June, '42	August 31, '43 July 31, '43	August 31, '43 Aug. 31, '42	Aug., '43	Aug., '42	Aug., '42
St. Louis Area <sup>1</sup> .	- 0.4%	+20.2%	- 3.0%	-32.9%	50%	36%
St. Louis.....	- 0.2	+24.7	- 3.0	-32.9	52	37
Alton.....	- 2.9	-18.1	*	*	*	*
Louisville Area <sup>2</sup> .	+ 7.2	+16.8	+ 4.1	-30.7	28	17
Louisville....	+14.3	+23.9	+ 1.8	-38.3	28	16
New Albany....	-16.8	- 7.7	+10.0	- 1.0	27	23
Memphis.....	- 3.1	+21.7	- 5.4	-29.3	23	17
Little Rock....	+ 4.3	+ 6.6	- 4.3	-18.2	31	22
Springfield....	+13.1	+22.4	*	*	*	*
Pine Bluff....	-11.8	-22.9	*	*	33	27
8th Dist. Total <sup>3</sup> .	+ 1.3	+14.0	- 0.4	-27.6	34	24

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

<sup>1</sup>Includes St. Louis, Missouri; East St. Louis, and Alton, Illinois.

<sup>2</sup>Includes Louisville, Kentucky; New Albany, and Jeffersonville, Indiana.

<sup>3</sup>In addition to above cities, includes stores in Blytheville, Fort Smith, Arkansas; Evansville, Indiana; Henderson, Hopkinsville, Owensboro, Paducah, Kentucky; Columbus, Greenville, Greenwood, Starkville, Mississippi; Hannibal, Missouri; and Dyersburg, Tennessee.

#### PERCENTAGE DISTRIBUTION OF SALES

	Aug., '43	July, '43	Aug., '42
Cash Sales.....	20%	21%	18%
Credit Sales.....	80	79	82
Total Sales.....	100	100	100

#### LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

First nine days							
Aug., '43	July, '43	Aug., '42	Sept., '43	Sept., '42	8 mos. '43	8 mos. '42	
161,951	160,326	150,409	46,342	42,315	1,173,129	1,093,704	

Source: Terminal Railroad Association of St. Louis.

WHOLESALE			Stocks	
Lines of Commodities			Net Sales	
Data furnished by Bureau of Census, U. S. Dept. of Commerce.			August, 1943 July, '43	August, 1943 Aug., '42
Automotive Supplies.....	+ 4%	+ 25%	....%	....%
Drugs and Chemicals.....	+ 1	+ 8	....	....
Dry Goods.....	+ 14	+ 12	- 32	- 32
Electrical Supplies.....	+ 18	+ 35	- 55	- 55
Furniture.....	+ 25	+ 21	....	....
Groceries.....	+ 3	+ 7	- 12	- 12
Hardware.....	+ 16	+ 3	- 16	- 16
Plumbing Supplies.....	+ 1	+ 25	....	....
Tobacco and its Products.....	+ 3	+ 15	....	....
Miscellaneous.....	+ 3	+ 15	- 42	- 42
Total all lines*	+ 10	+ 5	- 30	- 30

\*Includes certain lines not listed above.

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

	Aug., '43	July, '43	Aug., '42	Aug., '43 comp. with July, '43	Aug., '42
Number.....	3	5	28	- 40%	-89%
Liabilities.....	\$ 70,000	\$ 49,000	\$219,000	+ 43	-68

Source: Dun and Bradstreet.

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

(In thousands of dollars)	Sept. 15, 1943	Aug. 18, 1943	Sept. 16, 1942
Industrial advances under Sec. 13b.....	\$ 9,600	+ 7,175	+ 9,480
Other advances and rediscounts.....	361,220	+ 13,099	+183,302
U. S. securities.....	370,820	+ 5,924	+192,768
Total earning assets.....	743,300	+ 45,438	+ 85,705
Total reserves.....	493,093	+ 25,481	+ 71,590
F. R. Notes in circulation.....	636,868	+ 25,695	+224,235
Industrial commitments under Sec. 13b..	1,598	- 170	+ 435

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

(In thousands of dollars)	Sept. 15, 1943	Aug. 18, 1943	Sept. 16, 1942
Total loans and investments.....	\$1,490,014	+ 39,181	+399,510
Commercial, industrial, agricultural loans*	227,084	+ 17,753	+ 4,797
Loans to brokers and dealers in securities.	5,159	+ 1,059	+ 1,965
Other loans to purchase and carry securities	8,617	+ 128	+ 1,239
Real estate loans.....	64,847	+ 1,070	+ 2,599
Loans to banks.....	580	+ 270	+ 232
Other loans.....	66,444	+ 6,500	+ 2,784
Total loans.....	372,731	+ 24,640	+ 4,024
Treasury bills.....	109,280	+ 5,382	+ 16,956
Certificates of Indebtedness.....	219,804	+ 5,334	+111,274
Treasury notes.....	149,859	+ 1,095	+ 94,295
U. S. bonds.....	489,626	+ 11,831	+188,909
Obligations guaranteed by U. S. Govt..	34,865	+ 2,370	+ 240
Other securities.....	113,849	+ 803	+ 7,660
Total investments.....	1,117,283	+ 14,541	+403,534
Balances with domestic banks.....	121,918	+ 7,298	+ 20,417
Demand deposits—adjusted**.....	921,229	+ 20,394	+151,630
Time deposits.....	211,804	+ 1,847	+ 24,363
U. S. Government deposits.....	173,825	+ 42,321	+160,797
Interbank deposits.....	505,327	+ 25,257	+ 46,123
Borrowings.....	9,600	+ 7,325	+ 9,600

\*Includes open market paper.

\*\*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

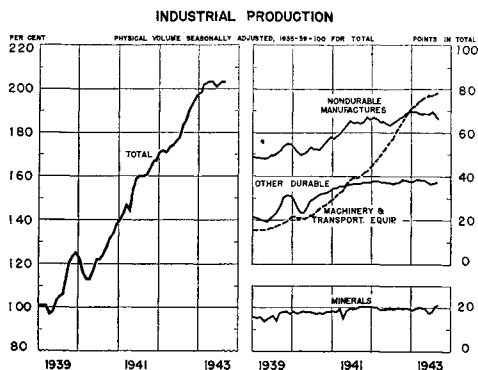
(In thousands of dollars)	Aug., 1943	July, 1943	Aug., 1942	Aug., '43 comp. with July, '43	Aug., '42
El Dorado, Ark.....	\$ 9,666	\$ 11,232	\$ 8,500	- 14%	+ 14%
Fort Smith, Ark.....	20,386	20,229	16,321	+ 1	+ 25
Helena, Ark.....	3,284	3,458	2,512	- 5	+ 31
Little Rock, Ark.....	60,633	63,540	63,409	- 5	- 4
Pine Bluff, Ark.....	13,004	13,721	24,696	- 5	- 47
Texarkana, Ark.-Tex.	15,614	15,058	15,556	+ 4	- 0
Alton, Ill.....	12,673	12,663	11,917	- 0	+ 6
E. St. L.-Nat. S. Y., Ill.	75,067	75,962	74,076	- 1	+ 1
Quincy, Ill.....	13,799	15,523	11,479	- 11	+ 20
Evansville, Ind.....	88,702	87,918	58,957	+ 1	+ 50
Louisville, Ky.....	285,486	320,605	264,451	- 11	+ 8
Owensboro, Ky.....	12,492	14,660	11,826	- 15	+ 6
Paducah, Ky.....	7,013	7,156	8,243	- 2	- 15
Greenville, Miss.....	6,446	6,518	5,608	- 1	+ 15
Cape Girardeau, Mo..	4,694	4,594	4,052	+ 2	+ 16
Hannibal, Mo.....	3,828	4,207	3,761	- 9	+ 2
Jefferson City, Mo..	22,863	18,771	16,546	+ 22	+ 38
St. Louis, Mo.....	885,183	906,089	803,780	- 2	+ 10
Sedalia, Mo.....	4,985	4,818	4,210	+ 3	+ 18
Springfield, Mo.....	26,623	26,995	23,314	- 1	+ 14
Jackson, Tenn.....	7,566	7,978	6,282	- 5	+ 20
Memphis, Tenn.....	183,242	207,083	167,093	- 12	+ 10
Totals.....	1,763,249	1,848,778	1,606,589	- 5	+ 10

(Completed September 25, 1943)

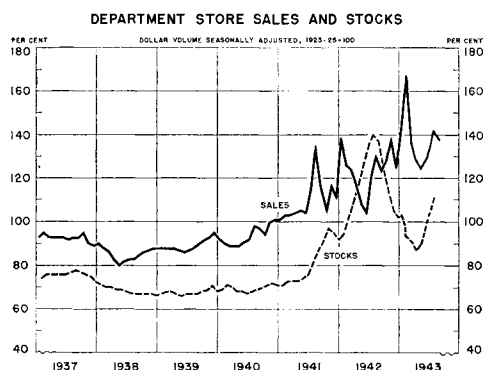


# NATIONAL SUMMARY OF CONDITIONS

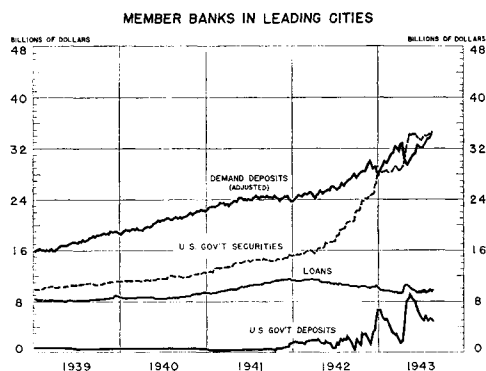
## BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



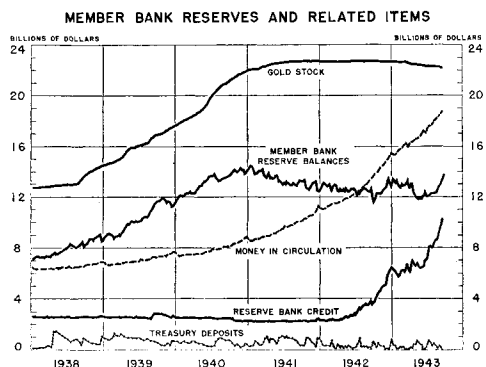
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for August, 1943.



Federal Reserve indexes. Monthly figures, latest shown are for July, 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 September 15, 1943.



Wednesday figures, latest shown are for September 15, 1943.

Industrial activity and war expenditures were maintained in August at a high level. Commodity prices showed little change. Retail trade continued in large volume.

**Industrial production**—Output of manufactures and minerals showed little change in August and the Board's seasonally adjusted total index of industrial production remained at the July level. Production of durable manufactures increased. Output of iron and steel continued to advance and reached the peak levels achieved earlier this year. There were further slight increases in activity at war plants in the transportation equipment industries. Output of other durable products showed little change.

Production of nondurable goods declined in August, reflecting further decreases in output of textile, leather, and food products. Cotton consumption in August was about 15 per cent lower than the same period a year ago and was at the lowest level since the beginning of 1941. Leather output has also declined in recent months and is currently close to prewar levels. Activity at meatpacking plants showed the usual seasonal decline in August but preliminary figures indicate that output was about one-fifth larger than a year ago. Output of most other manufactured foods declined somewhat further. Production of petroleum, coke, and rubber products continued to advance in August while chemical production showed little change. Production of crude petroleum continued to rise and in August was in the largest volume on record. Lake shipments of iron ore likewise reached a record level. Production of coal and metals was maintained in large volume.

**Distribution**—Department store sales continued large in August and the first half of September. Increases during this period were less than seasonal, however, following maintenance of sales at a comparatively high level during July. For the year to date value of sales at department stores has been about 13 per cent greater than in the corresponding period last year, reflecting in part price increases. Inventories at department stores have increased in recent months and are now somewhat higher than at the beginning of this year, indicating that receipts of new merchandise have been in excess of the value of goods sold.

**Commodity prices**—The general level of wholesale commodity prices continued to show little change in August and the early part of September. Prices of lumber and newsprint were increased, while prices of fruits and vegetables showed further seasonal declines.

In retail food markets prices of apples and fresh vegetables declined further from mid-July to mid-August. The Bureau of Labor Statistics cost of living index declined one-half of one per cent as decreases in foods were partly offset by small increases in retail prices of other goods and services.

**Agriculture**—General crop prospects declined slightly in August according to official reports. The forecast for corn production was raised by 3 per cent to almost 3 billion bushels, while prospects for other feed crops declined. Production of cotton indicated on September 1 was 11.7 million bales as compared with a crop of 12.8 million last season.

**Bank credit**—In mid-September excess reserves of member banks rose sharply to about 2 billion dollars from the average level of about 1.1 billion which had prevailed in the latter part of August and early in September. This increase was due in part to the fact that the Treasury was making disbursements out of temporary borrowing from Reserve Banks on special certificates in anticipation of tax collections and receipts from the Third War Loan Drive. It also reflected in part a substantial decrease in required reserves at the middle of the month when funds from individual and corporate deposits were transferred to Government loan accounts which are not subject to reserve requirements. During the four weeks ended September 15 the Reserve System holdings of Government securities increased by about 1 billion dollars in addition to the special certificates taken directly from the Treasury. Most of the increase was in the form of Treasury bills sold to the Reserve Banks with sellers retaining the option to repurchase. Over this four-week period currency in circulation increased by about 560 million dollars to a total of 18.8 billion outstanding.

In the last two weeks of August and the first week of September, reporting member banks in 101 leading cities showed a net decline in security holdings as a result of the sale of bills to the Reserve System. In the week ending September 15, however, some non-banking holders sold securities to the banks in anticipation of purchases during the Drive, and bank holdings also increased through repurchase of bills from the Reserve System.

Commercial loans, which had expanded by 100 million dollars in July and in August, increased by 250 millions during the week ending September 15. This increase in commercial loans was shared by both New York and other reporting member banks. In the week ending the 15th, loans to brokers and dealers in New York City increased 370 million dollars, most of which was for purchasing and carrying Government securities, and there was also an increase in loans on securities to others.