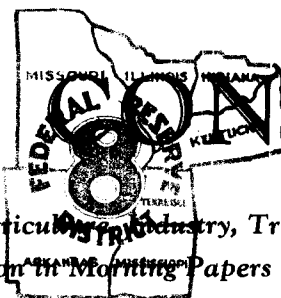


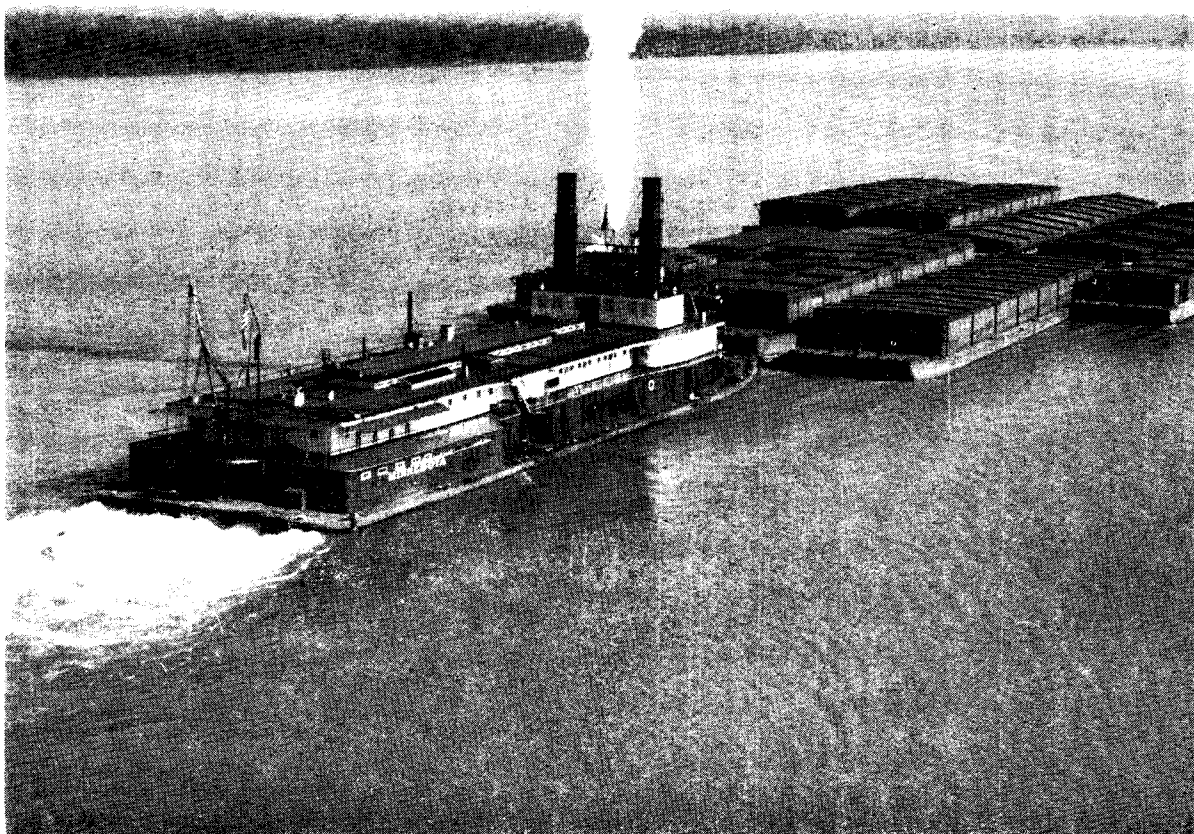
# BUSINESS CONDITIONS

Monthly Review of Agriculture, Industry, Trade and Finance  
Released for Publication in Morning Papers of March 2, 1944



FEDERAL RESERVE BANK OF ST. LOUIS

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COURTESY INLAND WATERWAYS CORPORATION

## GENERAL INDUSTRIAL SITUATION

**T**HE gradual decline in output of munitions in this district, in evidence for the past two months, is being accelerated and it becomes increasingly apparent that wartime industrial expansion in the area has passed its peak. Volume of war production is still high and is well above the level of a year ago but curtailment or abandonment of major war plant activity in ammunition and explosives lines has resulted in a drop in munitions output that has not been offset by still-expanding programs for chemicals, landing craft, and communications equipment. Aircraft production on a national scale is scheduled for sizable gains in 1944, but output in this district will probably not be much greater than in 1943. Aluminum production, in the primary stages important in this district, will do well to hold to its 1943 volume in view of cutbacks in schedules nationally.

Since much of the war activity in this district is concentrated in large ammunition and explosives lines, declines in production schedules react strongly on total district war industry. A TNT plant shutdown and layoffs of ammunition plant workers at St. Louis in December and January released about 10,000 employees. At Evansville some 3,000 ammunition workers were laid off. Other district plants have not attained previously forecast peaks in employment. At mid-February a further reduction of 12,500 ammunition workers at St. Louis was announced. To date there has been no appreciable decline in total manufacturing employment as the result of these cutbacks because the released workers

have largely shifted to other manufacturing lines, some going to other war plants that are still expanding while large numbers went into factories which produce mostly essential civilian goods, particularly shoe plants and food processing establishments. Future lay-offs, however, can probably not be absorbed fully by manufacturing, and a considerable number of workers may move back to trade and service establishments. This will probably mean a sizable drop in wage earnings in this district since the displaced war-plant workers will be unable, for the most part, to find jobs where basic wage rates and over-time hours worked are as high as in those formerly held.

Indicative of decreased manufacturing activity, consumption of industrial electricity in the Eighth District at major cities in January was down 6 per cent from December, but 4 per cent greater than in January, 1943. Steel operations declined slightly from December but continued well above last year's level. Production of coal increased during the month but some other mining activities such as bauxite tended to ease off. Oil output in January was down considerably from January, 1943, due primarily to decreased output in Illinois fields. Lumber production decreased during the month and was at a level considerably below January a year ago. Production of industrial alcohol increased during January, but was less than the same month last year. Activity in miscellaneous manufacturing such as chemicals and meat packing continued at high levels or expanded during the month.

## DISTRICT SURVEY

### MANUFACTURING

**Iron and Steel**—District steel mills in January operated at an average of 82.7 per cent of capacity compared with 86.8 per cent in December. The district steel ingot rate of operations at present is considerably below rates reported last fall but actual tonnage currently produced is about the same as then. The drop in the rate is due primarily to an increase in furnace capacity with reduced use of old furnaces now that new ones are in production.

Now that the steel supply situation has eased generally, the current district output may well represent peak levels for this year. Additional production from new open-hearths for ingots and castings may be offset by shutdowns of some high-cost furnaces. Demand for finished steel is still most heavily concentrated on plates. Since new plate rolling capacity has just come into operation, the

plate supply in this area should be greater in the near future.

The current flow of scrap is somewhat slow because the weather has made collection and processing difficult. Inventories, however, are in sufficient volume to assure continuance of mill operations. Pig iron supplies are relatively plentiful.

**Shoes**—Final reports for district shoe production in 1943 indicate an output of 81,505,221 pairs compared with 83,787,010 pairs in 1942. Preliminary estimates for January are for a decline in output of 2 per cent from December, 1943, and 1 per cent from a year ago. Primary factors responsible for decreased shoe production are shortages of leather, equipment, and manpower. The manpower situation is being eased currently by absorption of some displaced munitions workers. Although there are record numbers of livestock on farms in the nation,

leather supplies are considerably below requirements, and inventories of finished leather are reported to be relatively low. Current heavy marketings of livestock, however, may relieve somewhat the strained leather supply situation. Equipment continues very tight, with replacement parts difficult to obtain.

**Whiskey**—At the end of January, of 60 Kentucky distilleries 50 were in operation compared with 45 on December 31 and 55 on January 31, 1943. All distilleries continue producing industrial alcohol for the war program, and so far there are no indications that any whiskey will be produced this year. Supplies of whiskey decrease steadily and diminishing stocks of alcohol for blending are making it difficult for distilleries to maintain established brands on the market. According to reports, experiments in the use of rye for production of industrial alcohol are in progress, but since the grain contains less starch than wheat it does not yield as much alcohol.

**Miscellaneous Manufacturing**—Meat slaughtering and packing activity was down slightly in January from December, but was at a level considerably higher than a year ago. Output of chemicals in the district advanced further during January and was appreciably above volume last year. With new refineries recently coming into production, manufacture of 100-octane gasoline has expanded greatly.

#### OIL AND MINING

**Oil**—Oil activity in district states during January fell considerably below the contra-seasonally high level reached in December. Total well completions in January amounted to 232 compared with 302 in December. In both months approximately 41 per cent of wells completed were dry holes. Exploratory drilling also slumped during the month with 38 wildcat wells completed during January compared with 62 a month earlier. For the past 3 months the ratio of dry wells to total wildcat wells drilled has been increasing. The ratio was 76 per cent in November, 85 per cent in December, and 95 per cent in January. Through February 5, only 2 out of 46 wildcat wells drilled in the district this year were oil producers.

During January, output of crude oil was considerably below PAW goals, with daily average production during the month approximately 10 per cent under certified rates. Production quotas for February were reduced in all Eighth District oil-producing states except Arkansas where it was increased slightly. In the Smackover, Arkansas area, the ceiling price of crude oil was adjusted upward to 98 cents per barrel, an increase of 15 cents.

**Mining**—Manganese ore production in the Batesville-Cushman field, Arkansas, in January was at the highest monthly level since last spring. During the month 1,555 tons of ore were mined. Production from this field in 1944 is expected to double 1943 output. Last year Arkansas produced 6.8 million tons of bauxite, or about 97 per cent of total domestic output. Production this year will be considerably less since national stockpiles, on the basis of expected consumption rates, are now sufficient for about one year. Coal production in Eighth District states in January was 11 per cent above December output, and up 10 per cent compared with production in January, 1943. Increases from a month ago in coal mined ranged from 6 per cent in Indiana to 20 per cent in Tennessee.

#### EMPLOYMENT

According to the latest available figures non-agricultural employment in the Eighth District at the close of 1943 was about 2 per cent less than a year earlier. Agricultural employment was seasonally low at the end of the year, but indications are that it was somewhat higher than a year earlier.

Despite changes in munitions production schedules which have caused sharp curtailment of employment at several district war plants, the over-all level of manufacturing employment in this area has not declined appreciably in recent months. This is due primarily to the absorption of the displaced war workers by other expanding war industry or by civilian manufacturing. Such drain as has occurred on the manufacturing labor force in this district has come primarily as a result of military withdrawals.

Although there are still some shortages in the district in particular lines of skilled workers, in general the labor situation in this area has eased considerably in recent months. With the demand for war plant labor curtailed, other industry has been able to meet its needs more easily. Indicative of the trend toward an easier labor supply situation, the War Manpower Commission recently reclassified Evansville, Indiana, from Group I (current shortage area) to Group II (potential shortage area). St. Louis is now a labor surplus area as are most other district cities. Louisville, Kentucky, and Pine Bluff, Arkansas, are at present the most stringent labor markets in the district.

#### AGRICULTURE

**General Conditions**—December and January weather was very favorable for farm work and enabled Eighth District farmers to catch up on delayed routine tasks and make preparations for the coming crop season. The outlook for crop produc-

tion this year is not quite as favorable at this time as it was at the beginning of 1942 and 1943. Fall moisture was appreciably below normal, especially in northern Missouri, Kentucky, and most of Tennessee. A few areas seeded to winter wheat, oats, and other cover crops report some damage, although the situation so far is not serious. Harmful results of alternate thawing and freezing in January were minimized by relatively dry ground, but a good many wheat fields are in poor to only fair condition. In other parts of the district satisfactory progress of winter crops is reported. Snow during early February throughout these sections provided some moisture and protective covering.

Farm wage rates in Eighth District states on January 1, 1944, were at the highest level for that month in 20 years of record, according to the U. S. Department of Agriculture. The increase that has occurred in district states since the outbreak of war, however, has been smaller than the national average. Increases in monthly farm wage rates with board from a year ago ranged from 15 per cent in Missouri to 23 per cent in Arkansas and Mississippi. In an effort to keep farm wages under control, WFA in January directed that farm wage boards be set up in each state to establish maximum wages. Ceilings will be set for specific kinds of farm work with maximum wages not to exceed \$2400 a year except with approval of the Food Administrator.

The U. S. Department of Agriculture's index of farm prices held steady from mid-December to mid-January at 196 per cent of the 1909-14 average. Price declines in poultry, eggs, dairy products, and fruit were offset by upturns in prices of grains, hay, cotton, and truck crops. Prices received by farmers averaged 116 per cent of parity, the same as a month earlier, with all principal products except wheat, rye, cotton, hay, peanuts, and oranges at or above parity.

Prices received by Eighth District farmers were higher in the southern portion, steady to slightly higher in the central and northern sections, but somewhat lower in the eastern part of the district. Declines in prices of hogs, cattle, poultry, eggs, dairy products, and tobacco were general throughout the district, while increases in prices of wheat, corn, cotton, sheep, apples, and hay occurred in almost every district state.

Cash farm income in Eighth District states in 1943 amounted to \$3,707,912 or 18 per cent more than the \$3,130,743 which farmers received in 1942. Although crop production in the Eighth District was considerably below 1942 output, income from this source was slightly greater due to higher

prices. Record marketings of livestock boosted total cash farm income to unprecedented levels. Income this year may be expected to be higher than 1943 barring repetition of floods and drouth which seriously damaged crops last year. Crop production is expected to be up enough to offset probable declines in livestock output and it is anticipated that the general level of farm prices will be slightly higher in 1944. Acreage goals in district states this year call for increases of 7 per cent in cotton, 4 per cent in corn, 12 per cent in sorghums, 41 per cent in barley, and 2 per cent in tame hay. The 1944 acreage goal for oats, however, is 12 per cent under 1943 planted acreage.

**Cotton**—On the basis of ginnings through December 12 the 1943 cotton crop in the United States graded higher than the previous year's crop although staple length was somewhat less. In Eighth District states, however, both the average staple length and grade of this season's cotton is lower than that of last year. Due to the severe drouth last summer, the proportion of Arkansas cotton shorter than 15/16 inch amounted to 6.6 per cent in 1943 compared with 2.7 per cent in 1942. The proportion of cotton less than 15/16 inch in Missouri was the same in both years at 0.5 per cent, but the percentages in Mississippi and Tennessee increased from 1.5 and 9.0 in 1942 to 1.9 and 10.2, respectively, in 1943. The grade index was lower in all states with declines ranging from 0.1 per cent in Arkansas to 2.6 per cent in Missouri.

Despite the fact that civilian and military demand for cotton cloth and yarn continue to exceed supply, domestic mill activity this season has been at a level less than last year. Cotton spindles in December, 1943, were operated at 115.3 per cent of capacity compared with 125.3 per cent in November and 128.3 per cent in December, 1942. The lower rate of mill activity is attributed mainly to the high labor turnover, shortage of experienced workers, and the present ceilings on civilian textile products. This condition has had considerable repercussions on the cotton market. Prices have been depressed under last season's level and an unusually large amount of the 1943 cotton crop has been placed in the C. C. loan or otherwise held off the market.

During the past several weeks, however, the cotton market has gained strength due to a revival of merchant and mill interests, contemplated purchase of cotton in the open market for shipment under Lend-Lease, and continued restricted offerings. The spot price of 15/16 middling at Memphis advanced from 19.55c at the end of December to 20.20c at the close of January, but on the latter date the price

was still somewhat lower than a year ago.

**Livestock and Livestock Products**—Although mild weather during most of December and January locally somewhat relieved the tenseness in the feed situation, no appreciable over-all improvement is evident. Feed supplies continue scarce and demand is as urgent as before. Snow and cold weather in parts of the district early in February, moreover, resulted in confinement of livestock feeding to feedlots with consequent heavier utilization of feedstuffs. Stocks of principal grains on farms in Eighth District states on January 1, 1944, averaged about 14 per cent less than grain stocks a year ago. On-farm stocks of soybeans were 36 per cent under the January 1, 1943, level, while oats and corn stocks were down 26 per cent and 10 per cent, respectively, from last year. Stocks of wheat in Eighth District states, however, were 25 per cent higher due to increased production in, and large shipments into, Indiana, Illinois, and Missouri.

Despite the record number of milk cows on farms, production of milk, although at a high level, continues at a rate somewhat below that of a year ago. Milk produced per cow on January 1, 1944, in Eighth District states averaged about 3 per cent less than on the corresponding date a year earlier. Changes from a year ago ranged from a gain of 1 per cent in Tennessee to declines of 9 per cent in Mississippi and Arkansas and 10 per cent in Kentucky. Significant in this connection has been the abnormally sharp seasonal decline since last summer in the percentage of cows milked. On January 1, 1944, the proportion of cows milked in the United States amounted to 64 per cent, the lowest for January 1 since 1925. Feed shortages and high feed prices together with insufficient manpower have been the principal factors limiting milk output.

**Tobacco**—Tobacco markets this season have been characterized by a heavy wartime demand which has caused prices of almost all kinds and grades to sell at ceiling levels. Notable has been the increase in price of fire-cured tobacco resulting from strong domestic demand and heavy purchases for shipment under Lend-Lease. Prices of other classes of tobacco have also averaged higher this season than last.

Through February 11 about 98 per cent of the 1943 burley tobacco crop had been sold at an average price of \$45.56 per hundred pounds. This compares with a seasonal average price of \$42.03 in 1942-43. Cigarette grades of burley have sold at maximum prices, but prices of some inferior grades were well below ceiling. Based on average prices established thus far in the season, income from Kentucky burley should approach \$121 million. This

would amount to an increase of 15 per cent over the \$105 million received by growers in 1942-43.

Eastern District fire-cured markets opened on January 10 and sales proceeded very rapidly through February 4. Due to insufficient factory labor supply and heavy volume of sales, buyers were unable to clear tobacco from auction floors and markets were closed for the week beginning February 7. Cumulative sales of Eastern District fire-cured tobacco through February 4 amounted to 14,892,592 pounds at an average price of \$23.61 per hundred pounds. Over one-third of the crop has been sold. Sales at Western District fire-cured markets through February 11 amounted to 8,821,662 pounds, averaging \$21.33 per hundred with almost one-half of the crop sold. Marketings of one-sucker type tobacco through February 9 totaled 14,905,703 pounds at an average price of \$25.86 per hundred pounds. About 11 per cent of the amount sold has been reserved for manufacture of tobacco by-products. Sales of Green River type tobacco through February 15 amounted to 10,119,911 pounds at an average price of \$29.43 per hundred pounds. Over three-fourths of the one-sucker and Green River crops have been marketed.

#### **RETAIL AND WHOLESALE TRADE**

January sales of retail department, furniture, apparel, and shoe stores in this district registered a sharp seasonal decline from the very high level reached in December, and with the exception of department and women's apparel stores, sales in all lines were below a year ago. The decline from a year ago was particularly marked in men's furnishings sales, possibly reflecting the heavy withdrawals for military service in 1943.

At district department stores, dollar volume of sales in January was down 48 per cent from December, but was 8 per cent above January, 1943. Compared with a year ago, sales increases were most marked at Springfield, Missouri, and Quincy, Illinois, due mostly to the fact that war expansion of retail trade occurred relatively late in these cities. In other major district cities gains from January, 1943 volume ranged from 5 per cent in Little Rock to 19 per cent in Evansville.

The recent lay-offs of war workers, particularly at St. Louis, seem to have had little effect on trade volume. January department store sales in the district's largest city were up 6 per cent over a year ago, while women's apparel store sales rose 11 per cent over January, 1943. In early February, department store trade was off sharply from a year earlier due primarily to the fact that February, 1943 volume was abnormally high as a result of a heavy buying wave. The decline in St. Louis in the first part of

February approximated the district average decrease.

At district furniture stores, January sales volume was 48 per cent less than in December, and was down 14 per cent from January, 1943. District men's furnishing store sales registered a decline of 62 per cent from December and were off 21 per cent from January, 1943. District shoe store sales were off 23 per cent and 5 per cent, respectively, from a month and a year earlier.

Retail store stocks in this district in January were not much changed from December levels which were quite low because of heavy Christmas buying. Department store stocks were up 2 per cent in the month, furniture store stocks were unchanged, but women's apparel shop inventories were down 3 per cent. As compared with a year ago stocks at most stores were off appreciably.

Wholesalers' sales in the district in January were 9 per cent down from the high December level but were 9 per cent above a year earlier. Stocks were off only 2 per cent from December, but were down 7 per cent from January, 1943.

### BANKING AND FINANCE

Eighth District banking during January and early February was influenced primarily by the Fourth War Loan Drive. Since emphasis in the drive was placed on sale of securities to non-bank investors—with the exception that commercial banks holding savings deposits were permitted to subscribe for Series E, F, and G Savings Bonds and the 2¼ and 2½ per cent bonds in amounts up to \$200,000, or 10 per cent of their savings deposits, whichever was smaller—the major effect on banks was to shift funds from private to War Loan Account deposits. This shift resulted in a decline in required reserves and an increase in excess reserves despite continuing pressure on bank reserves from rising money in circulation.

The freeing of funds resulted in an increase in bank investment portfolios during the past month. Much of the gain occurred in Treasury bills which rose \$28 million at the 24 reporting banks. Bond holdings of these banks increased by \$11 million.

General credit demand throughout the district continues to be light. While loans are seasonally low at most rural banks in the area at this time, most bankers expect that the spring rise will be less than normal. At weekly reporting banks, total loans increased \$11 million in the month ending February 16. Commercial, industrial, and agricultural loans dropped fractionally, but were more than offset by a rise of \$12 million in loans for purchasing and carrying securities. Other loan categories showed little change.

### CASH FARM INCOME

(In thousands of dollars)	December		Cumulative for 12 months		
	1943	1942	1943	1942	1941
Arkansas	\$ 34,829	\$ 31,228	\$ 292,348	\$302,747	\$259,117
Illinois	102,739	84,764	1,152,449	952,522	736,385
Indiana	54,088	49,910	657,387	539,871	393,989
Kentucky	62,696	68,318	330,294	257,796	207,051
Mississippi	40,564	34,068	319,652	293,910	230,446
Missouri	63,100	55,544	657,534	540,571	404,102
Tennessee	46,598	37,722	298,248	243,326	203,403
Totals	404,625	361,554	3,707,912	3,130,743	2,434,463

### RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Jan., 1944	Dec., 1943	Jan., 1943	Jan., 1944	Dec., 1943	Jan., 1943
Cattle and Calves	112,467	125,341	98,963	44,077	50,658	46,145
Hogs	372,587	341,945	274,476	96,228	93,075	96,932
Horses and Mules	3,946	2,141	3,478	3,883	2,143	3,457
Sheep	33,041	57,724	51,990	789	3,210	4,351
Totals	522,041	527,151	428,907	144,977	140,086	150,885

### WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Jan., 1944	Dec., 1943	Jan., 1943	Jan., '44 comp. with Dec., '43	Jan., '43
All Commodities	103.3	103.2	101.9	+ 0.2%	+ 1.4%
Farm Products	121.8	121.8	117.0	0	+ 4.1
Foods	104.9	105.8	105.2	- 0.1	- 0.3
Other	97.8	97.6	96.0	+ 0.2	+ 1.9

### COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	Jan. 15, 1944	Dec. 15, 1943	Sept. 15, 1942	Jan. 15, '44 comp. with Dec. 15, '43	Sept. 15, '42
United States	124.1	124.4	117.8	- 0.2%	+ 5.3%
St. Louis	122.9	123.3	116.6	- 0.3	+ 5.4
Memphis	*	127.7	119.3	*	*

\*Not available.

### COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	Jan. 15, 1944	Dec. 15, 1943	Sept. 15, 1942	Jan. 15, '44 comp. with Dec. 15, '43	Sept. 15, '42
U. S. (51 cities)	136.1	137.1	126.6	- 0.7%	+ 7.5%
St. Louis	137.9	139.3	126.7	- 1.0	+ 8.8
Little Rock	134.7	135.5	129.2	- 0.6	+ 4.3
Louisville	132.6	134.0	124.2	- 1.0	+ 6.8
Memphis	146.0	144.5	129.7	+ 1.0	+ 2.6

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

Bureau of Labor Statistics (1937=100)	Dec., 1943	Nov., 1943	Dec., 1942	Dec., '43 comp. with Nov., '43	Dec., '42
Evansville	308.2	312.1	230.4	- 1.2%	+ 33.8%
Louisville	138.3	137.4	120.4	+ 0.7	+ 14.9
Memphis	180.5	178.1	156.0	+ 1.3	+ 15.7
St. Louis	158.2	161.5	147.2	- 2.0	+ 7.5

### BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number 1944	Number 1943	Cost 1944	Cost 1943	Number 1944	Number 1943	Cost 1944	Cost 1943
Evansville	15	5	\$ 63	\$ 2	50	162	\$ 20	\$ 61
Little Rock	8	3	2	1	72	54	22	10
Louisville	30	112	38	235	29	29	69	32
Memphis	527	44	616	14	189	170	90	167
St. Louis	84	32	411	92	103	70	112	45
January Totals	664	196	1,130	344	443	485	313	215
December Totals		363		567		545		298

### VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Jan., '44	Dec., '43	Jan., '43	Jan., '44 comp. with Dec., '43	Jan., '43
Total 8th Dist.	\$ 9,837	\$ 10,461†	\$ 34,998†	- 6%	- 72%

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

### CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Customers*	Jan., 1944	Dec., 1943	Jan., 1943	January, 1944 compared with Dec., 1943	Jan., 1943
Evansville	40	8,830	10,416	9,036†	-15%	- 2%
Little Rock	35	2,423	2,878	2,977	-16	- 19
Louisville	82	16,334	17,194	15,377	+ 5	+ 6
Memphis	31	6,543	6,597	5,847	- 1	+ 12
Pine Bluff	19	6,325	7,342	4,247	-14	+ 49
St. Louis	138	90,387	95,037	87,922†	- 5	+ 3
Totals	345	130,842	139,464	125,406†	- 6	+ 4

\*Selected industrial customers. †Revised.

## DEPARTMENT STORES

	Net Sales		Stocks	Stock
	on Hand		Turnover	
	January, 1944 compared with Dec., '43	Jan., '43	Jan. 31, '44 comp. with Jan. 31, '43	Jan. 1, to Jan. 31, 1944
Ft. Smith, Ark.....	-54%†	+ 7%†	+ 5%†	.32† .32†
Little Rock, Ark.....	-55	+ 5	- 8	.35 .32
Quincy, Ill.....	-49	+21	..	.. ..
Evansville, Ind.....	-50	+19	..	.. ..
Louisville, Ky.....	-50	+ 8	+ 2	.42 .39
St. Louis, Mo.....	-44	+ 6	-10	.36 .30
Springfield, Mo.....	-49	+40	..	.. ..
Memphis, Tenn.....	-54	+13	+ 5	.40 .35
All other cities*.....	-49	+ 6	+28	.33 .34
8th F. R. District.....	-48†	+ 8†	- 4†	.37† .32†

\*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.

†Preliminary.

Trading days: January, 1944—25; December, 1943—26; January, 1943—25.

Outstanding orders of reporting stores at the end of January, 1944, were 38 per cent greater than on the corresponding date a year ago.

Percentage of accounts and notes receivable outstanding January 1, 1944, collected during January, by cities:

	Instalment Accounts	Excl. Instal. Accounts	Instalment Accounts	Excl. Instal. Accounts
Fort Smith.....%	62%		39%	71%
Little Rock... 26	59		35	72
Louisville... 44	62		31	67
Memphis.... 35	60		35	67
			8th F.R. Dist.	

## INDEXES OF DEPARTMENT STORE SALES AND STOCKS

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

	Jan., 1944	Dec., 1943	Nov., 1943	Jan., 1943
Sales (daily average), Unadjusted.....	123	225	183	114
Sales (daily average), Seasonally adjusted..	154	136	157	142
Stocks, Unadjusted.....	91	89	109	95
Stocks, Seasonally adjusted.....	104	95	98	110

## SPECIALTY STORES

	Net Sales		Stocks	Stock
	on Hand		Turnover	
	January, 1944 compared with Dec., '43	Jan., '43	Jan. 31, '44 comp. with Jan. 31, '43	Jan. 1, to Jan. 31, 1944
Men's Furnishings.....	-62%	-21%	-17%	.22 .22
Boots and Shoes.....	-23	- 5	+35	.64 .71

Percentage of accounts and notes receivable outstanding January 1, 1944, collected during January:

Men's Furnishings..... 58% Boots and Shoes..... 54%

Trading days: January, 1944—25; December, 1943—26; January, 1943—25.

## RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	January, 1944 compared with Dec., '43		January 31, 1944 compared with Dec. 31, '43		Jan., '44 Jan., '43	
	Jan., '44	Dec., '43	Jan., '44	Dec., '43	Jan., '44	Jan., '43
St. Louis Area <sup>1</sup> .....	-50.9%	-16.0%	- 0.9%	-34.1%	30.4%	28.5%
St. Louis.....	-50.3	-15.9	- 2.0	-35.6	29.4	27.5
Alton.....	-56.0	-17.6	*	*	39.3	35.4
Louisville Area <sup>2</sup> .....	-54.2	-14.9	+ 0.1	-14.4	28.9	24.3
Louisville.....	-59.1	-14.0	- 2.7	-26.0	28.9	22.0
New Albany.....	-39.3	-16.6	+ 4.0	+ 7.2	29.0	31.0
Memphis.....	-56.1	-15.9	+ 0.7	-38.5	19.5	19.2
Little Rock.....	-28.0	+ 1.7	+ 1.6	-24.7	30.9	25.2
Pine Bluff.....	-41.2	-24.3	*	*	32.6	28.3
8th Dist. Totals <sup>3</sup> .....	-48.1	-13.5	- 0.3	-24.4	29.4	26.0

\*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 Fort Smith, Arkansas; Quincy, Illinois; Evansville, Indiana; Henderson, Hopkinsville, Owensboro, Kentucky; Columbus, Greenville, Greenwood, Starkville, Mississippi; Hannibal, Springfield, Missouri; and Dyersburg, Tennessee.

## PERCENTAGE DISTRIBUTION OF SALES

	Jan., '44	Dec., '43	Jan., '43
Cash Sales.....	21%	26%	20%
Credit Sales.....	79	74	80
Total Sales.....	100	100	100

LOADS INTERCHANGED FOR 25 RAILROADS  
AT ST. LOUIS

	January, '44	December, '43	January, '43	First nine days February, '44	February, '43
156,563	155,864	139,357	50,232	43,839	

Source: Terminal Railroad Association of St. Louis.

## WHOLESALE

Lines of Commodities	Net Sales		Stocks	
	January, 1944 compared with Dec., '43		Jan. 31, 1944 compared with Jan. 31, 1943	
	Jan., '44	Dec., '43	Jan., '44	Dec., '43
Automotive Supplies.....	- 1%	+ 15%	....%	....%
Drugs and Chemicals.....	- 2	+ 13	....	....
Dry Goods.....	- 8	- 0	- 8	....
Electrical Supplies.....	-11	+ 20	....	....
Furniture.....	+ 28	+ 20	....	....
Groceries.....	+ 5	+ 13	+39	....
Hardware.....	+10	+ 22	-20	....
Plumbing Supplies.....	- 3	- 4	....	....
Tobacco and its Products.....	-20	+ 21	....	....
Miscellaneous.....	- 1	+ 9	- 5	....
Total all lines*.....	- 9	+ 9	- 7	....

\*Includes certain lines not listed above.

## COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	Jan., '44	Dec., '43	Jan., '43	Jan., '44 comp. with Dec., '43	Jan., '43
Number.....	1	1	9	- 89%	- 0 - %
Liabilities..... \$	10,000	\$ 1,000	\$ 51,000	- 81	+900

Source: Dun and Bradstreet.

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

	Feb. 16, 1944	Jan. 19, 1944	Feb. 17, 1943
(In thousands of dollars)			
Industrial advances under Sec. 13b.....	\$ .....	.....	7
Other advances and rediscounts.....	10	+ 2,110	- 110
U. S. securities.....	510,315	+ 13,104	+257,358
Total earning assets.....	510,325	+ 8,106	+257,241
Total reserves.....	734,085	- 21,390	- 23,312
Total deposits.....	523,548	+ 22,471	+ 27,333
F. R. notes in circulation.....	732,198	+ 7,184	+208,781
Industrial commitments under Sec. 13b..	16	- 300	- 1,686

PRINCIPAL RESOURCE AND LIABILITY ITEMS  
OF REPORTING MEMBER BANKS

	Feb. 16, 1944	Jan. 19, 1944	Feb. 17, 1943
(In thousands of dollars)			
Total loans and investments.....	\$1,640,134	+ 76,188	+293,947
Commercial, industrial, agricultural loans*	249,000	- 941	+ 9,770
Loans to brokers and dealers in securities.	6,472	+ 942	+ 3,304
Other loans to purchase and carry securities	33,983	+ 11,392	+ 24,969
Real estate loans.....	63,115	- 308	- 1,967
Loans to banks.....	843	+ 756	+ 548
Other loans.....	64,618	+ 206	+ 718
Total loans.....	418,031	+ 10,535	+ 37,342
Treasury bills.....	105,153	+ 28,282	- 25,018
Certificates of indebtedness.....	262,015	- 727	+ 85,791
Treasury notes.....	174,459	+ 29,226	+ 62,340
U. S. bonds.....	592,272	+ 11,112	+139,664
Obligations guaranteed by U. S. Govt..	41,913	- 1,954	+ 6,581
Other securities.....	109,291	- 286	- 11,753
Total investments.....	1,222,103	+ 65,653	+256,605
Balances with domestic banks.....	111,287	- 3,779	- 21,646
Demand deposits—adjusted**.....	860,163	- 94,369	- 20,144
Time deposits.....	223,855	+ 1,004	+ 28,665
U. S. Government deposits.....	319,667	+159,307	+249,778
Interbank deposits.....	548,936	- 9,259	- 13,531
Borrowings.....	.....	- 5,000	.....

\*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

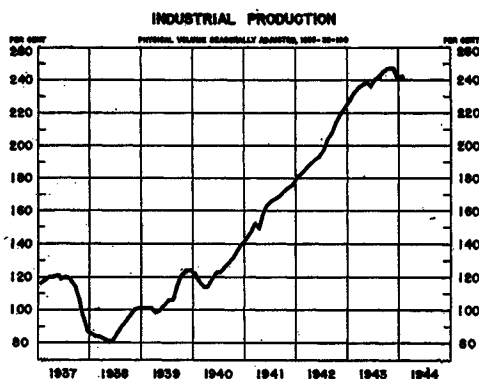
	Jan., 1944	Dec., 1943	Jan., 1943	Jan., '44 comp. with Dec., '43	Jan., '43
(In thousands of dollars)					
El Dorado, Ark.....	\$ 9,334	\$ 11,182	\$ 10,445	- 17%	- 11%
Fort Smith, Ark.....	22,764	22,117	21,338	+ 3	+ 7
Helena, Ark.....	4,379	5,267	2,632	- 17	+ 66
Little Rock, Ark.....	73,771	78,979	66,072	- 7	+ 12
Pine Bluff, Ark.....	19,203	17,585	18,323	+ 9	+ 5
Texarkana, Ark.-Tex.	18,502	21,321	15,070	- 13	+ 23
Alton, Ill.....	14,098	15,355	10,509	- 8	+ 34
E. St. L.-Nat. S. Y., Ill.	81,334	89,475	72,267	- 9	+ 13
Quincy, Ill.....	16,757	18,499	11,906	- 9	+ 41
Evansville, Ind.....	106,006	116,014	69,823	- 9	+ 52
Louisville, Ky.....	362,156	375,209	306,664	- 3	+ 18
Owensboro, Ky.....	19,546	16,387	12,509	+ 19	+ 56
Paducah, Ky.....	8,030	8,286	7,601	- 3	+ 6
Greenville, Miss.....	12,870	13,253	8,186	- 3	+ 57
Cape Girardeau, Mo..	5,843	5,751	4,470	+ 2	+ 31
Hannibal, Mo.....	4,489	4,859	3,961	- 8	+ 13
Jefferson City, Mo...	22,168	18,348	12,054	+ 21	+ 84
St. Louis, Mo.....	997,761	1,067,295	817,503	- 7	+ 22
Sedalia, Mo.....	5,517	6,120	3,229	- 10	+ 71
Springfield, Mo.....	30,197	29,245	22,775	+ 3	+ 33
Jackson, Tenn.....	8,966	11,276	7,650	- 20	+ 17
Memphis, Tenn.....	278,287	280,851	253,667	- 1	+ 10
Totals.....	2,121,978	2,232,674	1,758,654	- 5	+ 21

(Completed February 24, 1944)

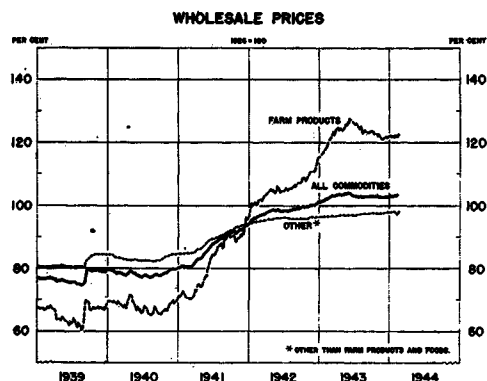


## NATIONAL SUMMARY OF CONDITIONS

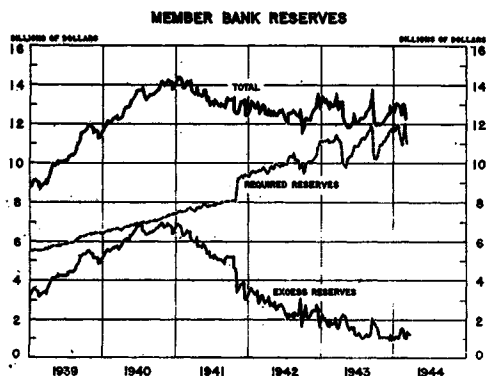
### BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



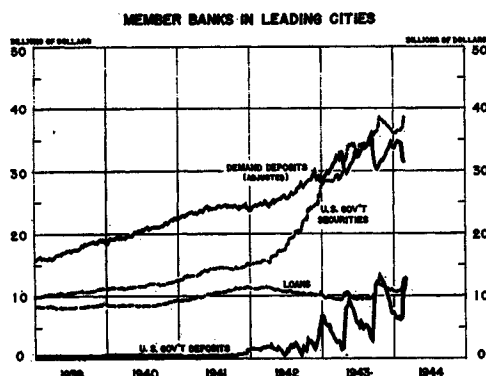
Federal Reserve index. Monthly figures, latest shown is for January.



Bureau of Labor Statistics' indexes. Weekly figures, latest shown are for week ending February 19, 1944.



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for February 16, 1944.



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 February 16, 1944.

Industrial activity was maintained in January following a decline from November to December. Commodity prices were steady and retail sales continued in large volume in January and the first three weeks of February.

**Industrial production**—In January the Board's seasonally adjusted index of industrial production stood at 242 per cent of the 1935-39 average as compared with the peak level of 247 in October and November, 1943.

Steel production increased 4 per cent in January and continued to rise in the first three weeks of February, reflecting large military requirements for landing craft and other invasion equipment as well as increasing use of steel for farm machinery and railroad equipment. Aluminum production was curtailed in January from the peak rate in the last quarter of 1943.

Activity in the transportation equipment group was 5 per cent lower in January than at the peak in November. The largest decline occurred in commercial shipyards, many of which were changing from the production of Liberty ships to Victory and other types of ships. In the automobile industry production of 3,000 trucks was reported during the month under the greatly enlarged civilian truck program for 1944 which calls for the production of 92,000 medium weight and 31,500 heavy trucks during the year.

Output of textiles, shoes, and manufactured foods rose slightly in January, following small declines in December. Chemicals production continued to decline, reflecting a further curtailment of small arms ammunition output. Output of petroleum and rubber products showed little change.

Production of coal increased and crude petroleum output continued at a high level in January and the early part of February. Sunday work was instituted in anthracite mines during February as a measure to increase production, and output for the week ending February 12 was 13 per cent higher than the preceding week.

The value of construction contracts awarded in January, according to reports of the F. W. Dodge Corporation, declined to the lowest level for the month since 1935.

**Distribution**—Value of department store sales in January and the first three weeks of February was maintained at a high level for this season of the year. Sales in January exceeded the large volume of a year ago by about 6 per cent but in February sales were somewhat smaller than last year when a buying wave developed following the announcement of shoe rationing.

Freight carloadings declined less than usual in January and the first half of February, owing chiefly to the heavy volume of coal shipments. Movement of grain continued at the high level of last fall and livestock and lumber shipments were in large volume.

**Commodity prices**—Wholesale prices of most commodities continued to show little change in January and the early part of February. Maximum prices for coke, wood pulp, furniture, and certain other products were increased moderately.

The cost of living index of the Bureau of Labor Statistics declined from 124.4 per cent of the 1935-39 average in December to 124.1 in January.

**Bank credit**—Purchases of securities in the Fourth War Loan Drive by corporations and individuals resulted in a release of required reserves of member banks because funds were drawn from private deposit accounts, which require reserves, to the Government war loan accounts, which are exempt from reserve requirements. As a consequence, member banks repurchased bills from the Reserve Banks, and the latter's holdings of Government securities declined by 520 million dollars.

At reporting member banks in 101 leading cities, adjusted demand deposits decreased by 3.4 billion dollars in the four weeks ending February 16, while U. S. Government deposits increased by 6.9 billion, reflecting purchases of Government securities by bank customers during the war loan drive. Government security holdings at reporting member banks increased 2.8 billion dollars over the four weeks.

Loans to brokers and dealers increased by 320 million during the drive which was substantially less than in either of the two previous campaigns. Loans to others for purchasing or carrying Government securities rose by about 610 million, two-thirds of which was at New York City banks. Commercial loans, which had increased substantially during the Third War Loan Drive, showed little increase during the current period.