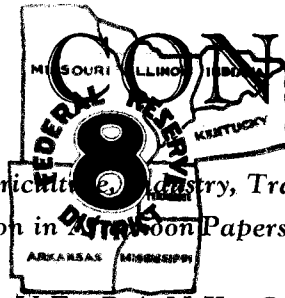


BUSINESS CONDITIONS

Monthly Review of Agriculture, Industry, Trade and Finance
Released for Publication in *St. Louis Post-Dispatch* Papers of April 3, 1944



FEDERAL RESERVE BANK OF ST. LOUIS



COURTESY TRANSCONTINENTAL & WESTERN AIR, INC.

GENERAL INDUSTRIAL SITUATION

READJUSTMENTS in production schedules of some district war industries continued during February as a result of national replanning of war output. The shifts resulted in some decline in over-all industrial production, which is now somewhat under peak output reached last fall. The general level of activity, however, continues higher than a year ago.

The trend in industrial output in this area seems likely to decline slightly during the balance of the war period. Manufacturing activity at St. Louis, Evansville, and some smaller district cities recently has shown declining tendencies. In these cities war contracts have been cut back and not fully replaced by new war work. These trends do not indicate that war production in the United States is diminishing, but rather that the district's share in the national war output is smaller than earlier because much of the war production in this area consists of those military products which are now in adequate or near-adequate supply. There have been some indications recently that smaller manufacturing establishments in various cities of the district may be permitted materials to produce civilian durable goods but such output, if allowed at all, promises to be small.

Consumption of electricity by selected industrial users at district cities declined 1 per cent in February, but was 6 per cent above February, 1943. Most of the decrease from a month ago occurred at St. Louis and Evansville. Steel operations dropped slightly in February from a month earlier, but output was about equal to that in the same month last year. Lumber production last month held steady with an increase in southern pine output offsetting a decline in production of hardwoods. Cutting of

both softwoods and hardwoods is well below last year's level due to continued shortages in manpower, trucks, tires, and other equipment.

Primary distribution of materials increased in February from both a month and a year ago, the increase from last year being due to heavier loading of cars. Car loadings of principal railroads operating in the Eighth District were 3 per cent greater than January, but were about the same as February, 1943. Load interchanges at St. Louis in the past month were down 1 per cent from the previous month, but were up fractionally compared with February, 1943. At Louisville, load interchanges in February were up 11 per cent compared with both a month and a year earlier. Some relief was recently afforded the strained transportation system by the opening up of river traffic on the Mississippi. Barge lines have materially increased their fleets by new cargo boats which are being built through cooperation with the Defense Plant Corporation.

The Alien Property Custodian patent library containing files on 40,000 patents formerly owned by enemy and occupied countries and now available under license to American companies will be in St. Louis at the Mark Twain Hotel from April 25 to 28. The patents are classified so that visitors will be able to review only those patents in their lines of interest. A technical staff will be on hand to assist manufacturers in consulting the files. Further information on the patent library may be obtained from regional offices of the Smaller War Plants Corporation which is the joint sponsor.

DISTRICT SURVEY

MANUFACTURING

Iron and Steel—Due to furnace shutdowns in the St. Louis area in early February, district steel mills operated at about 81 per cent of capacity compared with 83 per cent in January, and slightly over 100 per cent in February, 1943. The decline in rate from a year ago was due primarily to an increase in rated capacity, while actual number of furnaces operated was no greater than last year. Actual tonnage output in February was about the same as in February, 1943. In early March, however, steel ingot operations dropped to 72 per cent of capacity which brought production down to a level significantly under volume a year ago. Decreased ingot output

at district steel mills does not reflect any appreciable over-all letup in demand for steel, but is due primarily to closing of certain relatively high-cost furnaces.

Bad weather during February retarded the movement of scrap, but most grades are in adequate supply and no shutdowns are anticipated because of scrap shortages. Pig iron supply is now relatively easy as compared with one or two years ago.

Shoes—According to final reports, Eighth District shoe production in January amounted to 6,704,071 pairs compared with 6,888,377 in December, and 6,806,872 in January, 1943. Preliminary figures indicate that district shoe output in February, 1944,

increased 3 per cent from January levels, but was down slightly from a year ago.

Production of civilian shoes continues to be appreciably smaller than last year with no immediate prospects for increases because of shortages of leather and tanning materials. Although an increase in cattle slaughter during recent months has tended to augment the supply of hides, the new military combat boot now in production requires considerably more leather than earlier models. Output of non-leather footwear, however, is expected to show further increases this year.

Whiskey—At the end of February, 52 of Kentucky's 60 distilleries were in operation compared with 45 the previous month, and 57 on February 28, 1943. Current demand for industrial alcohol continues at a very high level, and there seems little prospect of resumption of whiskey production this year. Industrial alcohol requirements in 1944 for manufacture of synthetic rubber, smokeless powder, and other essential military products will amount to 632 million barrels, or almost three times 1942 consumption. In an effort to relieve pressure against grain supplies, particularly wheat, the Government is completing arrangements to use about 18 million bushels of surplus lower-grade white potatoes for conversion into industrial alcohol.

Miscellaneous Manufacturing—Output of ammunition and explosives in the district during recent months has dropped sharply as a result of cutbacks in schedules. Production of chemicals other than explosives is still increasing in response to war and essential civilian demand. Tool and die manufacture in the important St. Louis center is down slightly reflecting shortages of skilled workers. Slaughter of federally inspected meat in the St. Louis area last month, although down 13 per cent from January, was 54 per cent greater than in February, 1943.

OIL AND MINING

Oil—Preliminary figures indicate that the number of oil well completions in all fields in February was less than in January, but the percentage of oil-producing wells drilled to total completions was somewhat greater. Activity as measured by total wells drilled was above the level of February, 1943. Cumulative total wells completed this year in established fields in Eighth District States through March 4 amounted to 470 compared with 443 in the like period of 1943. There were 75 exploratory or wildcat wells, of which 71 were dry, drilled in the first two months of 1944. In February wildcat completions totaled 37 as compared with 38 in January.

Daily production of crude oil in Eighth District states during February averaged about 7 per cent less than PAW certified rates. Certified production rates for March are slightly less than last month with an increase in Illinois more than offset by decreases in Indiana and Kentucky. In an effort to stimulate oil production, the Government recently relaxed a regulation which permitted only two sand wells or one limestone well to each 40 acres. Under the present revision four sand wells or two limestone wells may be drilled on each 40 acres.

Mining—Despite labor shortages and unfavorable weather conditions, output of manganese at mines in the Batesville-Cushman field, Arkansas, is continuing at high levels. February production amounted to about 1,410 tons compared with 1,555 tons of ore mined in January, when weather conditions were more favorable. Coal production during February was 7 per cent less than a month earlier, but about the same as in February, 1943. The decline from a month ago resulted largely from decreased output in Illinois, due to unfavorable mining conditions. In order to augment coal stocks in the United States, which are at extremely low levels, WMC is now carrying on an intensive recruiting campaign for mine labor through the U. S. Employment Service offices.

EMPLOYMENT

Over-all industrial employment in the Eighth District continues at a high level, although there has been considerable shifting within manufacturing groups. Recent cutbacks in production of ammunition and explosives, particularly in St. Louis, have intensified these shifts. Most workers released from cutback war plants have been absorbed by still expanding war industry and essential civilian factories which have in general been undermanned. Trade and service establishments can also absorb considerable numbers of workers. St. Louis is now classified as a labor surplus area, although there are some shortages in certain types of labor such as skilled steel workers and toolmakers. At Evansville, shifts in production considerably eased the labor stringency which had persisted during the past several months, and that city is now classified by WMC as an area of adequate labor supply, except for highly skilled workers. Louisville and Pine Bluff remain potential shortage areas, while Quincy and some other smaller cities also have relatively tight labor situations. Most rated district cities, however, are now considered surplus areas.

AGRICULTURE

General Conditions—Seasonal work in agriculture so far this year is further advanced than in the

comparable period of 1943. Favorable weather in January permitted completion of many routine tasks, and freed farm labor for soil preparation and spring planting in February and early March. Snow and rain in that period, however, retarded farm activity in many district areas. Planting of vegetables in Mississippi and Arkansas was somewhat delayed. Winter wheat, however, greatly benefited from the moisture and a large part of the damage from fall and winter drouth has now been offset. In southern Illinois sowing of spring oats has begun. Although heavy rains occurred in most sections of the district, no serious floods were reported. The lower White and Wabash river valleys were flooded moderately but damage was slight.

Agricultural employment in the United States on February 1, 1944, according to the U. S. Department of Agriculture, was 8,383,000 compared with 8,202,000 a month earlier, and 8,369,000 on February 1, 1943. The increase from a year earlier resulted from additions of family workers, as the number of hired workers has declined. Although the over-all supply of farm laborers in the district is apparently adequate to meet most needs this year, there probably will be localized difficulties which may hamper some farm activities. The Government has extended its recruiting program for farm labor which should produce additions to the agricultural labor force. Also, recent cutbacks in production of certain military items may release experienced farm laborers. It is estimated that, in order to achieve this year's national production goals, about 287,000 more farm laborers will be required in 1944 than in 1943.

Prices received by Eighth District farmers were generally lower in mid-February compared with a month earlier. Increases in prices of most grains, sweet potatoes, and meat animals were largely offset by declines in prices of eggs, milk, and tobacco. Changes in prices received by farmers ranged from a decline of 9 per cent in Tennessee to an increase of 1 per cent in Arkansas.

Cotton—Cotton spindles in the United States in January were operated at 124 per cent of capacity, up 9 points from December operations, but down 16 points from January, 1943. Mill consumption of cotton this marketing season through January, 1944, is 10 per cent below last season, but in the past several weeks there has been some indication of increased activity. The labor supply at mills has recently shown some tendency to ease, and reports indicate that difficulties in maintaining an adequate force of experienced textile workers are likely to be less acute in the future. Upward revisions in manufacturers' ceilings on sheets and certain other cot-

ton textiles widened mill margins on these items and should stimulate output. As a result of decreased mill activity and heavy military purchases, cotton textile supplies are at a relatively low level. Recent Lend-Lease orders for over 91 million square yards of cotton fabrics will further reduce the supply of textiles, and quantities available for the civilian market this year will be considerably less than in 1943.

Activity on the Memphis spot cotton market increased during the past month, but prices show no appreciable change from a year ago. In mid-February the price of 15/16 middling cotton was 20.50c per pound compared with 19.75c on January 15 and 20.45c on February 15, 1943. The rate at which cotton is being pledged on CCC loans continues to decline, and repayments to increase, due to higher cotton prices.

Fruits and Vegetables—According to preliminary acreage estimates and reports of farmers' planting intentions, acreage of most commercial vegetables in the Eighth District this spring should be appreciably greater than 1943 harvested acreage. General increases in plantings are indicated for asparagus, cabbage, onions, and other commercial crops, but the number of acres sown to spinach and white potatoes may be less than last year. In Tennessee, most tomato seeds have been sown in hot beds and some are up to good stands despite excessive rains and cloudy weather. Transplanting of tomatoes in Mississippi will probably begin late in March.

The district strawberry crop will be considerably less than in 1943 due to a decline in 1944 planted acreage. In Arkansas, where most of the district crop is grown, only 9,400 acres will be cultivated this year compared with 17,000 acres harvested in 1943. The decline is due primarily to the drouth last summer which killed many beds. Heavy rainfall last month, however, revived some plants and those remaining seem to be in good shape. Condition of strawberries in Tennessee on March 1 is reported to be about 10 points below last year due to drouth last summer and fall, but recent rainfall and high temperatures have promoted early development of plants. Hard freezes in early March injured the Arkansas fruit crop somewhat, but the full extent of the damage is not yet known. Peach, pear, and plum trees are in full bloom in some sections of Arkansas, and buds are well developed in other areas.

Livestock—Despite record marketings of hogs and fairly heavy sales of other meat animals during the past year, livestock numbers on farms in Eighth District states on January 1, 1944, were still of record

proportions. All classes of livestock except sheep, horses, and mules were considerably above the large numbers reported on farms a year ago, although the increase was less in the district than in the United States. Hogs and pigs showed the greatest increase during 1943, and at the beginning of this year there were about 25 million head in Eighth District states, an increase of 2.5 million head, or 11 per cent, compared with a year ago. The number of cattle and calves, including dairy cows, increased 4 per cent during the year from 13.9 million head to 14.4 million head, but sheep and lambs decreased 8 per cent. Chicken and turkey numbers on January 1, 1944, were 5 per cent and 7 per cent greater, respectively, compared with January 1, 1943.

The large increase in the number of livestock during the past year has resulted in an unusually heavy disappearance of feed, and on January 1, 1944, stocks of corn and oats per grain-consuming animal unit in the United States were at the lowest point since 1938. In Eighth District states the number of grain-consuming animal units on farms on January 1, 1944, was 7 per cent greater than a year earlier, while stocks of corn and oats were 14 per cent less than on January 1, 1943. Stocks per animal unit in district states were off 30 per cent from last year compared with a decline of 20 per cent in the United States, indicating that the feed situation is more acute regionally than nationally.

Demand for feed in the Eighth District continues unabated. Mild weather during most of the winter materially relieved the feed shortage, but unfavorable weather in February and early March required considerable feedlot feeding. Storms and bad roads, together with a shortage of box cars, checked primary movement of grain to market and in the second week of March the corn supply situation was becoming critical.

Tobacco—Marketing of the 1943 burley tobacco crop is practically complete. Only five Kentucky markets remained open on March 10. Sales this season generally have been at top prices, but some lower grades sold below ceilings. Through March 10, total season's marketings of Kentucky burley amounted to 278,744,199 pounds at an average price of \$44.92 per hundred pounds. Last season's gross sales amounted to 253,098,831 pounds and averaged \$42.11 per hundred. Income from the 1943 Kentucky burley tobacco crop will be approximately 17 per cent greater than 1942 income.

Prices of a number of grades on Eastern District fire-cured tobacco markets continued to decline, but because of increased offerings of good quality heavy leaf in the latter part of February and early March

the general average price was maintained. Season's sales of Eastern District fire-cured tobacco through March 10 totaled 31,337,056 pounds, averaging \$22.69 per hundred pounds. Marketings of Western District fire-cured tobacco through March 10 amounted to 11,070,561 pounds at an average price of \$21.00 per hundred pounds. Most of the Western District and about three-fourths of the Eastern District crops have been sold.

All one-sucker and Green River tobacco markets are now closed. Sales of one-sucker tobacco for the season amounted to 16,703,296 pounds and averaged \$24.95 per hundred pounds, or \$9.23 above the average price for the 1942 crop. Green River tobacco sales this season were the smallest ever recorded, but the average price was more than double that of last year. Season's sales of Green River tobacco totaled 10,940,130 pounds and averaged \$29.49.

RETAIL TRADE

Dollar volume of sales in retail trade lines reporting to this bank in February was up slightly from January, but off substantially from last February which was an unusually high month. Consequently the decline this year was to be expected and does not indicate that the peak in retail sales has been reached. Sales of weekly reporting department stores in the first two weeks of March ran 13 per cent above those of the comparable period last year. Part of this gain is probably due to the earlier date of Easter this year, but it also shows that the pressure of consumer buying power in this area has not been lessened by layoffs at major war plants or continued heavy withdrawals for military service.

At district department stores, dollar sales in February were down 8 per cent from last year, but were 2 per cent above January. A heavy buying wave in February, 1943, lifted sales in that month 39 per cent over February, 1942, and 110 per cent over February, 1939. The 8 per cent gain from January, 1943, to January, 1944, was cancelled by the drop from a year earlier in February so that dollar volume of sales for the first two months this year was unchanged from last year's level.

Furniture stores in the district registered an increase of 13 per cent in dollar sales from January, but were off 9 per cent from February, 1943. Continued difficulty in obtaining merchandise and the almost complete loss of household appliance sales are the major factors accounting for the drop from a year ago. At men's furnishings stores, sales were down 6 per cent from January and 37 per cent less than last year. St. Louis women's apparel store sales declined 6 per cent from a month earlier, and

were off 30 per cent from February, 1943. District shoe store sales were off 13 per cent and 12 per cent, respectively, from a month and a year earlier.

Stocks at most reporting retail stores increased substantially during February, and with the exception of furniture and men's furnishings stores, were considerably above last year's level.

BANKING AND FINANCE

Banking developments in the Eighth District during the past month have been dominated by the shifts in deposits after the Fourth War Loan Drive and the March income tax payments. Banks experienced an increase in required reserves as a result of the expansion in private deposits as the Government made payments from the War Loan Deposit Accounts upon which no reserves are required and which had been built up by purchases of securities during the drive. Payment of income taxes following March 15 resulted in substantial loss of reserves by district banks.

In the four weeks ending March 15, adjusted demand deposits at 24 reporting banks in major Eighth District cities increased \$67 million, while their U. S. Government deposits declined \$65 million. In the following week demand deposits of the banks declined \$20 million, reflecting income tax payments. In order to replenish reserves the member banks sold Treasury bills to the Federal Reserve Bank, and on March 22 bill holdings of reporting district banks were \$35 million less than a month earlier. In addition, during the early part of March, the St. Louis banks sold substantial amounts of bills maturing in June to the Federal Reserve Bank. These bills will be used by bank customers for tax purposes over the June 1 Missouri State personal property tax date.

During the month ending March 22, total investments at reporting banks decreased by \$37 million. Some of the decline in bill holdings was offset by purchases of Treasury certificates of indebtedness. Exchanges and sales also produced substantial shifts in holdings of bonds, notes, and guaranteed securities. Total investments on March 22 were \$188 million above the comparable date a year ago with all the rise due to increased holdings of Government securities. On March 22, commercial, industrial, and agricultural loans had declined \$11 million from a month previous, but were \$14 million above the comparable date in 1943. Total loans were down \$15 million and up \$38 million, respectively, from a month and a year ago.

Since the last issue of this Review the English State Bank of English, Indiana, and the Citizens Bank of Pacific, Missouri, have become members of the Federal Reserve System.

PETROLEUM

(In thousands of barrels)	Production			Stocks	
	Dec., 1943	Nov., 1943	Dec., 1942	Dec., 1943	Dec., 1942
Arkansas	2,428	2,412	2,298	.....	.....
Illinois	6,761	6,699	7,759	14,053	9,170
Indiana	416	414	490	3,853	3,203†
Kentucky	673	740	497	1,924	1,846
Totals	10,278	10,265	11,044	20,750	14,219†

†Revised.

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Feb., 1944	Jan., 1944	Feb., 1943	Feb., 1944	Jan., 1944	Feb., 1943
Cattle and Calves	89,556	112,467	81,497	35,704	44,077	40,795
Hogs	345,919	372,587	217,738	92,515	96,228	88,324
Horses and Mules	4,444	3,946	5,308	4,438	3,883	5,245
Sheep	18,717	33,041	38,356	805	789	7,548
Totals	458,636	522,041	342,899	133,462	144,977	141,912

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Feb., 1944	Jan., 1944	Feb., 1943	Feb., '44 comp. with Jan., '44	Feb., '43
All Commodities ..	103.6	103.3	102.5	+ 0.3%	+ 1.1%
Farm Products ..	122.5	121.8	119.0	+ 0.6	+ 2.9
Foods	104.5	104.9	105.8	- 0.4	- 1.2
Other	98.0	97.8	96.2	+ 0.2	+ 1.9

COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	Feb. 15, 1944	Jan. 15, 1944	Sept. 15, 1942	Feb. 15, '44 comp. with Jan. 15, '44	Sept. 15, '42
United States	123.7	124.1	117.8	- 0.3%	+ 5.0%
St. Louis	122.3	122.9	116.6	- 0.5	+ 4.9

COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	Feb. 15, 1944	Jan. 15, 1944	Sept. 15, 1942	Feb. 15, '44 comp. with Jan. 15, '44	Sept. 15, '42
U. S. (51 cities) ..	134.5	136.1	126.6	- 1.2%	+ 6.2%
St. Louis	136.0	137.9	126.7	- 1.4	+ 7.3
Little Rock	135.3	134.7	129.2	+ 0.4	+ 4.7
Louisville	131.2	132.6	124.2	- 1.1	+ 5.6
Memphis	142.6	146.0	129.7	- 2.3	+ 9.9

INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS

Bureau of Labor Statistics (1937=100)	Jan., 1944	Dec., 1943	Jan., 1943	Jan., '44 comp. with Dec., '43	Jan., '43
Evansville	273.9	308.2	245.7	-11.1%	+ 11.5%
Louisville	130.5	138.2	123.6	- 5.6	+ 5.6
Memphis	180.1	180.5	154.9	- 0.2	+ 16.3
St. Louis	152.7	158.2	146.9	- 3.5	+ 3.9

BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number 1944	Cost 1943	Number 1944	Cost 1943	Number 1944	Cost 1944	Number 1943	Cost 1943
Evansville	12	\$..	\$ 28	54	245	\$ 15	\$ 178	
Little Rock	24	15	3	115	68	21	23	
Louisville	38	78	88	22	31	18	24	
Memphis	126	120	141	274	218	157	65	
St. Louis	56	32	89	137	122	137	751	
February Totals ..	244	257	321	602	684	381	1,041	
January Totals ..	664	196	1,130	443	485	313	215	

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Feb., '44	Jan., '44	Feb., '43	Feb., '44 comp. with Jan., '44	Feb., '43
Total 8th Dist. ...	\$ 6,139	\$ 9,021†	\$ 14,846†	- 32%	- 59%

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

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Custom-ers*	Feb., 1944	Jan., 1944	Feb., 1943	February, 1944 compared with Jan., 1944	February, 1944 compared with Feb., 1943
Evansville	40	7,832	8,830	8,653	-11%	- 9%
Little Rock	35	3,327	2,423	3,029	+37	+ 10
Louisville	82	16,760	16,334	15,676	+ 3	+ 7
Memphis	31	6,285	6,543	5,751	- 4	+ 9
Pine Bluff	19	7,462	6,325	5,378	+18	+ 39
St. Louis	138	87,675	90,387	83,613	- 3	+ 5
Totals	345	129,341	130,842	122,300	- 1	+ 6

*Selected industrial customers.

DEPARTMENT STORES

	Net Sales			Stocks on Hand		Stock Turnover	
	February, 1944 compared with			Feb. 29, '44 comp. with		Jan. 1 to Feb. 29, 1944	
	Jan., '44	Feb., '43	2 mos. '44 to same period '43	Feb. 28, '43	Feb. 28, '43	1944	1943
Ft. Smith, Ark.	+11%	-8%	-2%	+15%	†	0.98†	1.11
Little Rock, Ark.	+20	-20	-10	+8		1.12	1.15
Quincy, Ill.	+5†	+5†	+12†	....	....	....	....
Evansville, Ind.	+1	-5	+6	....	....	....	....
Louisville, Ky.	+4	-3	+2	+17		1.18	1.27
St. Louis, Mo.	-2	-10	-3	+3		1.01	1.01
Springfield, Mo.	-0	+14	+26	....	....	....	....
Memphis, Tenn.	+9	+1	+7	+12		1.15	1.18
*All other cities.	-3	-8	-2	+27		0.91	1.12
8th F. R. Dist.	+2†	-8†	-0-†	+8†		1.05†	1.08

*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.

†Preliminary.

Trading days: February, 1944—25; January, 1944—25; February, 1943—24.

Outstanding orders of reporting stores at the end of February, 1944, were 29 per cent greater than on the corresponding date a year ago.

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

	Instalment Accounts	Excl. Instal. Accounts	Instalment Accounts	Excl. Instal. Accounts
Fort Smith....%	62%		St. Louis....	37%
Little Rock..	31	63	Other cities..	27
Louisville....	33	62	8th F.R. Dist.	35
Memphis.....	38	52		64

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

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

	Feb., 1944	Jan., 1944	Dec., 1943	Feb., 1943
Sales (daily average), Unadjusted.....	126	123	225	143
Sales (daily average), Seasonally adjusted..	146	154	136	166
Stocks, Unadjusted.....	98	91	88	91
Stocks, Seasonally adjusted.....	103	104	95	96

SPECIALTY STORES

	Net Sales			Stocks on Hand		Stock Turnover	
	February, 1944 compared with			Feb. 29, '44 comp. with		Jan. 1 to Feb. 29, 1944	
	Jan., '44	Feb., '43	2 mos. '44 to same period '43	Feb. 28, '43	Feb. 28, '43	1944	1943
Men's Furnishings	-6%	-37%	-29%	-0-%		0.58	0.75
Boots and Shoes	-13	-12	-9	+42		1.48	2.24

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

Men's Furnishings.....60% Boots and Shoes.....52%

Trading days: February, 1944—25; January, 1944—25; February, 1943—24.

RETAIL FURNITURE STORES

	Net Sales			Inventories		Ratio of Collections	
	February, 1944 compared with			February 29, 1944 compared with		Feb. 24, 1944	
	Jan., '44	Feb., '43	Jan. 31, '44	Feb. 28, '43	Feb., '44	Feb., '43	Feb., '43
St. Louis Area ¹ .	+17%	-10%	-3%	-40%	25%	25%	
St. Louis....	+18	-10	-3	-40	25	25	
Louisville Area ² .	+12	-11	+4	-12	29	23	
Louisville....	+13	-13	+3	-23	29	22	
New Albany..	+11	-4	+7	+20	29	23	
Memphis.....	+29	+12	+2	-37	25	20	
Little Rock....	-6	-13	-4	-33	25	25	
Fort Smith....	+11	+20	*	*	*	*	
Pine Bluff.....	+20	+16	+4	+4	33	26	
Evansville....	+7	-27	+4	-7	44	35	
8th Dist. Totals ³ .	+13	-9	-1	-30	26	25	

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

¹Includes St. Louis, Missouri; East St. Louis, and Alton, Illinois.

²Includes Louisville, Kentucky; New Albany, and Jeffersonville, Indiana.

³In addition to above cities, includes stores in Blytheville, Arkansas; Henderson, Hopkinsville, Owensboro, Kentucky; Columbus, Greenville, Greenwood, Starkville, Mississippi; Hannibal and Springfield, Missouri.

PERCENTAGE DISTRIBUTION OF SALES

	Feb., '44	Jan., '44	Feb., '43
Cash Sales.....	19%	20%	18%
Credit Sales.....	81	80	82
Total Sales.....	100	100	100

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

First nine days						
Feb., '44	Jan., '44	Feb., '43	Mar., '44	Mar., '43	2 mos. '44	2 mos. '43
154,775	156,563	136,318	47,316	40,964	311,338	275,675

Source: Terminal Railroad Association of St. Louis.

WHOLESALE

Lines of Commodities	Net Sales			Stocks	
	February, 1944 compared with			Feb. 29, 1944 compared with	
	Jan., '44	Feb., '43	Feb. 28, 1943	Jan., '44	Feb., '43
Data furnished by Bureau of Census, U. S. Dept. of Commerce.					
Automotive Supplies.....	-8%	+19%%		
Boots and Shoes.....	-4	+26	....	
Drugs and Chemicals.....	-1	-1	....	
Dry Goods.....	+8	+4	-2		
Electrical Supplies.....	+7	+16	....	
Groceries.....	+2	+6	+18		
Hardware.....	+11	+8	-15		
Plumbing Supplies.....	-5	+9	....	
Tobacco and its Products.....	-0	+2	....	
Miscellaneous.....	-30	-15	-15		
Total all lines*	-0	+3	-6		

*Includes certain lines not listed above.

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	Feb., '44	Jan., '44	Feb., '43	Feb., '44 comp. with Jan., '44	Feb., '43
Number.....	2	1	10	+100%	-80%
Liabilities.....	\$ 9,000	\$ 10,000	\$193,000	-10	-95

Source: Dun and Bradstreet.

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

(In thousands of dollars)	Change from		
	Mar. 22, 1944	Feb. 23, 1944	Mar. 24, 1943
	1944	1944	1943
Industrial advances under Sec. 13b.....	\$ .....	.....	7
Other advances and rediscounts.....	7,510	+7,785	+7,435
U. S. securities.....	662,099	+116,023	+295,788
Total earning assets.....	669,609	+108,238	+303,216
Total reserves.....	577,463	-136,992	-67,151
Total deposits.....	509,906	+37,963	+29,977
F. R. notes in circulation.....	745,864	+13,353	+210,167
Industrial commitments under Sec. 13b..	2	-14	-1,683

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS

(In thousands of dollars)	Change from		
	Mar. 22, 1944	Feb. 23, 1944	Mar. 24, 1943
	1944	1944	1943
Total loans and investments.....	\$1,572,147	-52,428	+225,861
Commercial, industrial, agricultural loans*	234,567	-10,724	+14,200
Loans to brokers and dealers in securities.	4,547	+1,258	+1,047
Other loans to purchase and carry securities	26,887	+3,982	+18,000
Real estate loans.....	64,107	+408	+1,854
Loans to banks.....	400	+443	+110
Other loans.....	64,874	+753	+6,684
Total loans.....	395,382	-15,246	+38,187
Treasury bills.....	56,911	+35,015	-82,031
Certificates of indebtedness.....	276,333	+11,318	+99,151
Treasury notes.....	213,629	+38,416	+103,277
U. S. bonds.....	502,757	-27,274	+101,806
Obligations guaranteed by U. S. Govt..	19,784	-22,277	-22,078
Other securities.....	107,351	+2,350	-12,451
Total investments.....	1,176,765	+37,182	+187,674
Balances with domestic banks.....	114,372	+7,191	+17,745
Demand deposits—adjusted**.....	906,576	+40,235	+2,463
Time deposits.....	227,637	+3,147	+30,703
U. S. Government deposits.....	254,777	-48,941	+196,245
Interbank deposits.....	482,126	-38,321	-59,590
Borrowings.....	7,500	-7,785	+7,500

*Includes open market paper.

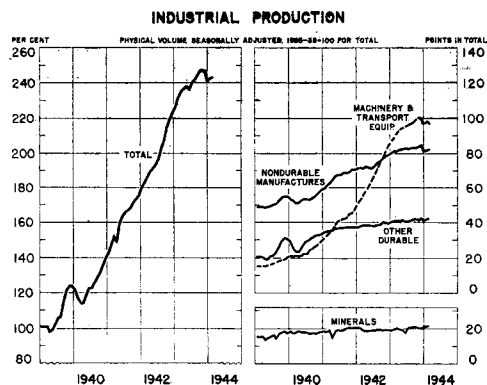
**Other than interbank and Government deposits, less cash items on hand or in process of collection.

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.

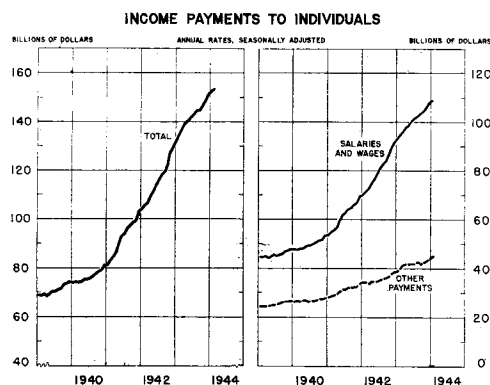
DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)	Feb., 1944	Jan., 1944	Feb., 1943	Feb., '44 comp. with Jan., '44	Feb., '43
	1944	1944	1943	Jan., '44	Feb., '43
	1944	1944	1943	Jan., '44	Feb., '43
El Dorado, Ark.....	\$ 9,700	\$ 9,334	\$ 10,301	+4%	-6%
Fort Smith, Ark.....	19,497	22,764	20,261	-14	-4
Helena, Ark.....	4,204	4,379	2,352	-4	+79
Little Rock, Ark.....	68,329	73,771	58,780	-7	+16
Pine Bluff, Ark.....	15,923	19,203	16,299	-17	-2
Texarkana, Ark.-Tex.	18,754	18,502	13,288	+1	+41
Alton, Ill.....	12,958	14,098	9,667	-8	+34
E. St. L.-Nat. S. Y., Ill.	79,507	81,334	63,808	-2	+25
Quincy, Ill.....	17,197	16,757	11,609	+3	+48
Evansville, Ind.....	102,472	106,006	65,515	-3	+56
Louisville, Ky.....	321,851	362,156	268,198	-11	+20
Owensboro, Ky.....	15,153	19,546	9,698	-22	+56
Paducah, Ky.....	8,147	8,030	7,216	+2	+13
Greenville, Miss.....	11,289	12,870	7,295	-12	+55
Cape Girardeau, Mo..	5,065	5,843	3,670	+13	+38
Hannibal, Mo.....	4,532	4,489	3,389	+1	+34
Jefferson City, Mo..	22,697	22,168	23,670	+2	-4
St. Louis, Mo.....	935,750	997,761	742,195	-6	+26
Sedalia, Mo.....	5,969	5,517	3,390	+8	+76
Springfield, Mo.....	27,550	30,197	21,450	-9	+28
Jackson, Tenn.....	8,701	8,966	6,981	-3	+25
Memphis, Tenn.....	236,708	278,287	233,357	-15	+1
Totals.....	1,951,953	2,121,978	1,602,389	-8	+22

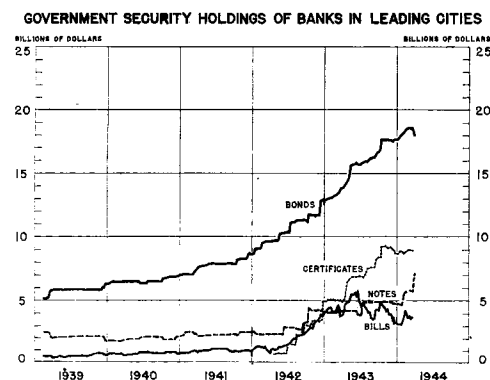
(Completed March 24, 1944)



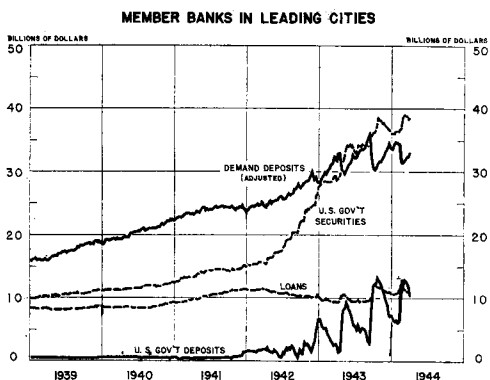
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for February, 1944.



Based on Department of Commerce estimates. Wages and salaries include military pay. Monthly figures raised to annual rates, latest shown are for January, 1944.



Excludes guaranteed securities. Data not available prior to February 8, 1939; certificates first reported on April 15, 1942. Wednesday figures, latest shown are for March 15, 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 March 15, 1944.

NATIONAL SUMMARY OF CONDITIONS

BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Industrial activity was maintained at a high level in February and the early part of March. Commodity prices and retail sales showed little change.

Industrial production—Output at factories and mines was at about the same rate in February as in January and the Board's seasonally adjusted index advanced 1 point to 243 per cent of the 1935-39 average.

Steel production continued to advance in February and in the first three weeks of March. Output of nonferrous metals showed little change as curtailment of aluminum production offset increases in output of other metals. Magnesium production was ordered curtailed, beginning in March, by approximately 3,000,000 pounds per month or 7 per cent of January output. Activity in the machinery, transportation equipment and other durable goods industries showed little change from January to February.

Output of textile products was maintained at the January level and production of most manufactured food products declined less than is usual at this season. Butter and cheese production continued to increase seasonally in February. The volume of hogs slaughtered under Federal inspection declined 6 per cent from the exceptionally high January level; a much larger decline is usual in this month. Chemical production continued to decline as output of small arms ammunition and explosives was further curtailed.

Fuel production rose slightly in February to a level 10 per cent above the same month last year. Output of bituminous coal and crude petroleum was maintained at a high level, and anthracite coal production increased 19 per cent as a result of a seven-day work week in effect for the month of February.

Distribution—Total retail sales in February continued about as large as in January and exceeded somewhat the volume of a year ago. At department stores sales in February were about 10 per cent smaller than last year when there was a buying wave in clothing. During the first three weeks of March department store sales exceeded the volume of a year ago, reflecting in part the earlier date of Easter this year.

Freight carloadings, after allowance for seasonal changes, were maintained during February and the first two weeks in March in the unusually large volume reached in December and January.

Commodity prices—Prices of cotton and livestock increased somewhat from the middle of February to the middle of March while most other wholesale commodity prices showed little change.

Retail food prices declined 1 per cent from mid-January to mid-February owing chiefly to seasonal decreases in prices of eggs and citrus fruit. Retail prices of most other goods and service advanced slightly.

Bank credit—During the latter part of February and the first half of March the average level of excess reserves at all member banks fluctuated around one billion dollars. Member bank reserve requirements increased by about 400 million dollars as the result of private deposit expansion which, in turn, was the result of Treasury disbursements from war loan accounts which require no reserves. Money in circulation increased 400 millions and the gold stock declined by 130 millions. Funds to meet these demands were supplied by additions to Reserve Bank Security holdings and a temporary decline in Treasury deposits at the Reserve Banks. In the four weeks ended March 15, Government security holdings of the Federal Reserve Banks rose by 720 million dollars, reflecting mainly substantial increases in bill holdings under repurchase option; note and certificate holdings also increased.

At reporting member banks in 101 leading cities Government security holdings declined by 540 million dollars during the four weeks ended March 15. Holdings of notes rose 1.5 billion dollars while bonds and guaranteed obligations declined as the result of an exchange of maturing and redeemable issues for a new 1½ per cent note issue. Holdings of bills also declined, reflecting principally sales to the Reserve Banks. Loans to brokers, dealers, and others for purchasing or carrying Government securities, which had increased moderately during the Fourth War Loan Drive, fell by 340 million dollars in the following four weeks. Commercial loans also declined somewhat.

Adjusted demand deposits rose by 1.9 billion dollars during the four weeks ending March 15, representing a gain of more than half of the funds withdrawn from such accounts during the drive. Government deposits at these banks fell by 2.6 billion dollars in the month following the drive.