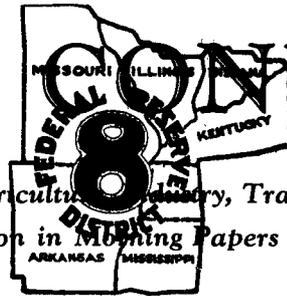


BUSINESS CONDITIONS



Monthly Review of Agriculture, Industry, Trade and Finance
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FEDERAL RESERVE BANK OF ST. LOUIS



COURTESY OF INTERNATIONAL HARVESTER COMPANY

WAR-TIME CHANGES IN EIGHTH DISTRICT POPULATION

SINCE 1940 the Eighth District population has undergone considerable change as a result of military and industrial mobilization of manpower for war. The principal changes that have occurred are: (1) a decline in Eighth District civilian population, (2) a significant out-migration from the district as a whole, (3) a substantial shift from outlying rural areas to the major industrial centers, and (4) a moderate population decline in certain minor district cities.

From 1920 to 1940, population in the Eighth District increased, but at a rate substantially below that of the nation as a whole. The lag in district population growth was especially marked between 1920 and 1930, when it is estimated that about one million persons moved out of the district. In the following decade the population loss through out-migration was probably not more than 125,000 persons.

From April, 1940 to November, 1943, the Eighth District population declined 8 per cent due to withdrawals of men and women for the armed forces and an exodus of population from the region to major war centers outside the district. It is estimated that district withdrawals for the armed forces from April, 1940 to November, 1943, totaled about 700,000, and that net migration out of the district was about 250,000. The actual net loss in population in the three and a half years after April, 1940, was, however, only 800,000 since normal population gain due to an excess of births over deaths was approximately 150,000.

The rural areas showed the greatest declines in population despite the fact that the rate of military withdrawals in those areas was less than in the more industrialized sections, largely because of the preferred status of agricultural labor. The movement from the rural sections to the urban centers of the district and to war production centers outside the district has accounted for a substantial part of the population loss in those sections.

In April, 1940, about one-fourth of the Eighth Dis-

trict population was concentrated in the six major metropolitan areas. With the war accelerating the normal shift of population from rural to urban areas, about 30 per cent of the district population was located in the six metropolitan regions in November, 1943. As compared with 1940, these areas combined showed a gain of 6 per cent in civil population. Evansville and Louisville registered the largest relative gains of 14 per cent and 13 per cent, respectively. Little Rock and Memphis increased population by about 6 per cent each, while the gain in St. Louis was 4 per cent. Springfield lost about 7 per cent of its population between April, 1940, and May, 1943. In that city war-time industrial expansion has not been great, while the other district cities are important centers of war production.

Dr. Philip M. Hauser, of the Bureau of the Census, has classified 137 metropolitan areas throughout the country into seven groups, indicating post-war population prospects. Classification of cities is based on long term population growth and war-time population changes. Within this district, Evansville, Little Rock, and Memphis are classified as cities with excellent prospects of retaining their rapid war-time population growth. St. Louis is listed as having a good chance of retaining its war-time population growth. Louisville's prospects are more difficult to appraise and are regarded as depending largely on the city's ability to convert its war plants to peace-time manufacture. Springfield is classified as having excellent prospects of making a post-war comeback.

Civilian Population in the Eighth District

(In thousands of persons)	November, 1943	Change from April, 1940	
		Number	Per Cent
Arkansas.....	1,736	-212	-10.9
Illinois.....	1,181	-124	- 9.5
Indiana.....	639	- 0 -	- 0 -
Kentucky.....	1,376	- 90	- 6.1
Mississippi.....	978	-132	-11.9
Missouri.....	2,632	-228	- 8.0
Tennessee.....	835	- 23	- 2.7
Total.....	9,377	-809	- 8.0

GENERAL INDUSTRIAL SITUATION

Evidence continues to accumulate that the peak in industrial activity in this district during the war period has been passed. There are now no rated labor shortage areas in the district and manufacturing employment has declined slightly from the peak reached last fall. So far there has been no appreciable drop in over-all employment since net releases from district war plants have been absorbed

fairly readily by other manufacturing and non-manufacturing lines.

Preliminary reports indicate that, nationally, output of munitions picked up somewhat in March with airplane production breaking all previous records. War production in this district, however, did not parallel the national rise. Most war output in this region consists of ammunition and explosives

which probably will decline in volume for the duration. There has been some offset to decreases in scheduled output of these lines through contracts for electronic equipment and landing craft, but this has not been sufficient to maintain the high level of over-all munitions production reached last fall.

In March, for the first time since the outbreak of war in Europe, consumption of electrical power by selected industrial users in the major cities of the district declined from the level of a year earlier. March consumption of electricity was up fractionally from February due to a longer work month, but was off 3 per cent from March, 1943. This drop in power consumption reflects a decline in the rate

of operations at major manufacturing plants in this region.

During March, steel output at district mills and foundries was in somewhat less volume than in February and in March, 1943. Lumber production picked up seasonally, but continues to hold at a level below both 1943 and 1942. Output of coal at district mines was off slightly from February despite a longer work month, and was 2 per cent below production a year earlier. High test gasoline production in district refineries continued in exceptionally heavy volume. It is reported that 100-octane gasoline output has about reached the level necessary for military requirements.

DISTRICT SURVEY

MANUFACTURING

Iron and Steel—Production of steel in this area during March was in somewhat less volume than in February. Spasmodic work stoppages at various steel plants in this region held actual production below scheduled output. The rate of ingot operations at mills working in this district averaged 76 per cent for the month as compared with 82 per cent in February.

Scrap collection in the St. Louis region continues in sufficient volume to keep mills supplied with reasonable working inventories. The supply of pig iron, also, is adequate for all essential operations. The major limiting factors in steel output in this area currently seem to be lack of orders for the production of high-cost furnaces and necessary repairs to overworked furnaces. Demand for finished steel products continues strong, but with the exception of plates current orders are being filled more rapidly than at this time last year.

Shoes—Preliminary reports indicate that shoe production in this district in March was up seasonally 6 per cent from February, and was slightly above March, 1943. The final figures for February show output of 6,926,000 pairs as compared with 6,704,000 pairs in January. Shoe manufacturers in this district are currently finding it easier to secure labor as layoffs at the large munitions plants, particularly in St. Louis, have resulted in a greater supply of manufacturing workers for non-munitions industries. Material shortage, however, still continues to be a serious limiting factor in shoe output.

Whiskey—At the end of March, 51 of 60 Kentucky distilleries were in operation producing industrial alcohol. A month earlier, 52 distilleries were in production, while on March 31, 1943, all distilleries were operating.

Discussion continues concerning the resumption

of whiskey production by the distilleries now producing industrial alcohol for war. A recent proposal to the War Production Board suggests that whiskey production be authorized for two or three days each month. This plan is presented as more feasible than a previous one recommending uninterrupted production of whiskey for thirty days because it would allow coopers to supply cooperage necessary for storing whiskey as needed, whereas it would be very difficult now for them to meet requirements for a full month's production.

Miscellaneous Manufacturing—Activity at meat packing plants in the Eighth District remained at a very high level in March with record runs of hogs continuing at stockyards of the district. Output of packers in 1944 will average somewhat higher than in 1943. Production of chemicals, other than munitions, continues to expand in this region. Munitions output, however, has been dropping slowly from the peak reached last fall, so that over-all production of chemicals is probably slightly less than it was six months ago.

OIL AND MINING

Oil—Final reports for February indicate that oil well completions in established fields in Eighth District states amounted to 235 compared with 232 in January. Total oil wells completed this year in established fields through April 8 amounted to 695 compared with 704 in the same period of 1943. A large increase in activity in Kentucky was offset by a drop in number of drillings in Illinois.

Daily average oil production in Eighth District states during March was about 6 per cent under PAW certified production rates, and approximately 8 per cent less than daily average production in March, 1943. Major reasons given for reduced output this year are labor and equipment shortages, drilling restrictions, and some lack of incentive due to high production costs in relation to oil prices.

Mining — Production of zinc in the North Arkansas field continued slow during February and the first half of March, but output is expected to show a good increase early this summer with the completion of three new concentrating plants. Shortage of miners continued to retard coal production. Output of coal last month was 1 per cent under February production, and 2 per cent less than in March, 1943. An increase in coal tonnage from mines in Tennessee and Indiana was more than offset by declines in other district states.

EMPLOYMENT

According to the latest report of the War Manpower Commission (April 1) not a single labor market area within the Eighth Federal Reserve District is classified as a labor shortage area. There are, however, three regions within the district, Louisville, Quincy, and Pine Bluff, that are listed as potential shortage areas, and reports from these areas indicate that labor supply is fairly tight. Among the other important district cities, Memphis, Evansville, and Owensboro are currently rated as areas with adequate labor supply, while St. Louis, Little Rock, Springfield, Paducah, and Fort Smith are classified as labor surplus areas. In general, it seems that labor supply is no longer a deterring factor in output of war goods in the district.

Non-agricultural employment in the district is being maintained at a relatively stable level as reductions in working forces at major district war plants are, for the most part, being absorbed by less essential manufacturing and by non-manufacturing lines. Manufacturing employment has fallen slightly in the past six months, while the number of non-manufacturing workers has increased to some extent. Agricultural employment in the district is showing a seasonal expansion.

AGRICULTURE

General Conditions — Frequent rains and muddy fields in much of the district in March and early April, which considerably delayed spring plowing and planting, may result in some shifting of planting intentions. For example, the delay in oat plantings may result in some acreage intended for oats being sown to beans or other crops. An increase in the support price for soybeans announced after farmers' planting intentions were surveyed may result in greater soybean acreage than was indicated early in March.

As a result of snow and rain in February and additional moisture in March and early April, winter wheat has shown marked improvement compared with conditions last fall and winter, when extreme drouth in many parts of the district retarded growth.

Indicated production of winter wheat in Eighth District states on April 1 amounted to 86.5 million bushels compared with 52.9 million bushels produced in 1943, or an increase of 63 per cent. A good part of the increase from last year results from an expansion of 28 per cent in acreage seeded, but indicated yield per acre on April 1 is considerably above last year.

Changes from a month ago in prices received by Eighth District farmers range from a decline of 1 per cent in Tennessee to increases of 1 per cent in Illinois and 2 per cent in Arkansas. Prices of milk, eggs, and tobacco were generally lower while increases in prices of meat animals, grains, and chickens occurred in most district states.

Cash farm income in Eighth District states in February amounted to \$268 million compared with \$383 million in January, and \$219 million in February, 1943. Gains in cash farm income from a year ago were registered for all district states except Arkansas.

Cotton — Planting of the 1944 cotton crop in principal Eighth District states is now more than three weeks later than normal due to continuing wet weather. This development, together with a possible farm labor shortage in the major plantation areas, might result in an abbreviated crop this year. However, with reasonable weather conditions for the balance of the season, production of cotton in 1944 should approach or exceed 1943 output which was greatly reduced because of very unfavorable weather.

Domestic mill consumption of cotton in the United States for the eight month period August, 1943 through March, 1944, was almost 10 per cent less than consumption in the same period a year earlier. Although demand for cotton cloth and yarn is appreciably greater than supply, mill activity remains below a year ago. Cotton spindles in the United States during February operated at about 123 per cent of capacity compared with 124 per cent in January and 140 per cent in February, 1943. The decreased activity is attributed to narrowed profit margins. Labor shortage has also contributed to reduced textile output. In order to increase the effective supply of labor, the WMC in early April authorized a 48-hour work week for the cotton textile industry effective May 14.

Due to the lack of mill demand for cotton, trading on the Memphis spot cotton market last month was slow, and although prices in March averaged somewhat higher than in the preceding month, they continued below those a year ago. The price of 15/16 middling cotton at the end of March was

20.85c per pound compared with 20.35c at the close of February and 21.30c on March 31, 1943.

Fruits and Vegetables—Excessive rainfall over much of the district during March and early April delayed planting of many vegetable crops. Although farmers' planting intentions, which were expressed last month, indicated increases in acreage of cabbage, onions, and some other vegetables, subsequent rains made soil preparation difficult and plantings in some sections of the district may be less than originally intended. Cabbage acreage in Tennessee will be greater than last year, but stands in Mississippi are poor to fair, and prospects now point to below-average yields. Indications are that potato acreage in Arkansas and Tennessee may fall below March 1 intentions. In Mississippi, potato plantings are as much as two weeks late with some rotting of seed in the ground due to wet soil. The green pea crop in Mississippi this year will be small as a result of reduced acreage and below-normal growth.

Cold, freezing weather in the latter part of March and early April practically destroyed the peach crop in northwestern Arkansas, and heavily damaged cherry orchards. Apples and strawberries, however, escaped serious injury, and damage to peaches in other parts of the state appears to be less than first reports indicated. Freezing rains in southern Illinois and Indiana and western Kentucky caused considerable damage to peaches and, in lesser degree, to apples and strawberries. Due to extreme drouth last summer and fall and a shortage of plants in some areas, the district strawberry crop this year will be much smaller than last year.

Livestock and Livestock Products—Although the feed situation has eased somewhat as a result of the ideal condition of grain and native pastures, supplies of feed grains and feedstuffs are far below demand. Bad roads, lack of sufficient box cars, together with the fact that farmers in March were beginning their spring plowing and planting, retarded the movement of feed grains to market. Corn movement during the month was slow and supplies for feed were further reduced by a WFA order requiring 35 per cent of all corn on hand or received by country elevators in surplus producing areas to be set aside for processors. Demand for feedstuffs by poultry feeders and dairy farmers is increasing seasonally, and substantial increases in dairy feed subsidy payments for March and April have further intensified feed consumption and demand. Stocks of grain on farms in Eighth District states on April 1 were considerably less than stocks a year ago. Declines from April 1, 1943 stocks

amounted to 17 per cent for corn, 4 per cent for wheat, 17 per cent for oats, and 29 per cent for soybeans.

Continued shortage of corn for feeding, elimination of support prices on hogs weighing 270 to 330 pounds, and the threat of floods in some areas resulted in heavy hog marketings at National Stockyards last month. Hog receipts during March were 10 per cent greater than February, and 48 per cent above a year ago.

Tobacco—Income from tobacco in the 1943-44 marketing season just ended reached an all-time high. On the basis of gross sales of 278,923,920 pounds at an average price of \$44.92 per hundred pounds, income from Kentucky burley this season amounted to \$125 million, or 17 per cent greater than the \$107 million received in 1942-43. Although sales of Eastern District and Western District fire-cured tobaccos were less than last year, higher average prices resulted in a substantial increase in income. Eastern District tobacco income from the 1943 crop amounted to \$8.0 million as against \$6.5 million for the 1942 crop, while income from Western District tobacco this season amounted to \$2.4 million, or 26 per cent greater than last year. Despite relatively small one-sucker and Green River tobacco crops in 1943, record high prices resulted in increases of 48 per cent and 58 per cent, respectively, in income compared with the preceding year.

According to farmers' intentions as of March 1, tobacco acreage in 1944 will be about 19 per cent greater than in 1943, due mostly to an expansion of 21 per cent in burley tobacco acreage. Prospective acreage of Eastern District and Western District fire-cured tobacco is only slightly greater than last year, but an increase of 33 per cent in acreage of both one-sucker and Green River tobaccos is indicated for 1944.

RETAIL TRADE

A sharp seasonal increase in sales from February to March was reported by all lines of retail stores whose figures are available to this bank. Percentage-wise the increase was most marked at men's and women's apparel stores. Women's apparel and department stores which have large sales of women's clothing registered impressive gains over March, 1943, but the increases for other reporting lines were moderate. The sizable increases in sales over a year ago reflect primarily the earlier date of Easter this year, which had the effect of concentrating most sales of apparel in March. In 1943, with a very late Easter, heavy seasonal buying went on throughout most of April. Sales increases at men's furnishings stores are surprising since 11

million men in uniform have gone out of the market.

For the first quarter of this year, department store sales in the district were 7 per cent greater than in the comparable period in 1943. Quincy, Springfield, Memphis, and Louisville show the largest cumulative gain over a year ago among the more important district cities. Sales at Little Rock and Evansville showed little change from the abnormally high level of the first quarter of 1943.

At St. Louis, dollar sales at women's apparel stores in March were up 50 per cent from February, and were 22 per cent above March, 1943. Men's furnishings sales in the district increased 60 per cent over a month earlier, and were 7 per cent above a year ago. Retail shoe sales rose 41 per cent and 6 per cent, respectively, from a month and a year earlier. District furniture store sales showed virtually no change from last year's level, but were up about one-fifth over February. The general trend of sales in the smaller district furniture stores seems to be downward at present, but performance at several of the very large stores in the major cities tends to hold the general level of sales this year about equal to last.

BANKING AND FINANCE

Despite a seasonal increase in loans at rural banks, general demand for bank credit in the Eighth Federal Reserve District declined somewhat during the past month. At 24 reporting member banks located in the major cities of the district, total loans dropped \$24 million with most of the decline in commercial, industrial, and agricultural loans, and the balance in loans to purchase and carry securities. As compared with a year ago, total loan volume at these banks was up \$18 million.

Investment holdings of the reporting member banks declined slightly in the past month, but were about \$160 million greater than a year earlier. A decline in holdings of certificates of indebtedness was almost completely offset by increases in bill, note, and bond holdings.

The Treasury drew heavily upon its War Loan Accounts at district banks in the past month. As a result United States Government deposits at the 24 reporting member banks declined \$50 million. The return flow of funds to the city banks was about half as large as withdrawals of Government deposits, with demand deposits adjusted at the reporting banks gaining \$26 million.

Since the last issue of this review the Osage Valley Bank, Warsaw, Missouri; the Hermann Bank, Hermann, Missouri; and the Smackover State Bank, Smackover, Arkansas have become members of the Federal Reserve System.

CASH FARM INCOME

(In thousands of dollars)	February		Cumulative for 2 months		
	1944	1943	1944	1943	1942
Arkansas.....	\$ 13,854	\$ 15,079	\$ 36,464	\$ 37,927	\$ 28,021
Illinois.....	95,374	78,926	196,949	162,586	145,516
Indiana.....	52,103	41,735	105,384	85,053	73,812
Kentucky.....	21,393	17,950	112,820	84,340	54,306
Mississippi.....	12,522	10,559	32,580	28,361	30,647
Missouri.....	49,260	38,283	105,323	83,957	70,423
Tennessee.....	23,006	16,831	61,426	47,081	39,465
Totals.....	267,512	219,363	650,946	529,305	442,190

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Mar., 1944	Feb., 1944	Mar., 1943	Mar., 1944	Feb., 1944	Mar., 1943
Cattle and Calves.....	92,796	89,556	97,112	38,818	35,704	51,057
Hogs.....	379,603	345,919	257,111	99,723	92,515	103,707
Horses and Mules.....	2,913	4,444	4,599	2,902	4,438	4,534
Sheep.....	21,064	18,717	40,327	1,535	805	5,722
Totals.....	496,376	458,636	399,149	142,978	133,462	165,020

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Mar., 1944	Feb., 1944	Mar., 1943	Mar., '44 comp. with Feb., '44	Mar., '43
All Commodities..	103.8	103.6	103.4	+ 0.2%	+ 0.4%
Farm Products	123.6	122.5	122.8	+ 0.9	+ 0.7
Foods.....	104.6	104.5	107.4	+ 0.1	- 2.6
Other.....	98.1	98.0	96.5	+ 0.1	+ 1.7

BUREAU OF LABOR STATISTICS (1935-39=100) COST OF LIVING

	Mar. 15, 1944	Feb. 15, 1944	Sept. 15, 1942	Mar. 15, '44 comp. with Feb. 15, '44	Sept. 15, '42
United States.....	123.8	123.7	117.8	+ 0.1%	+ 5.1%
St. Louis.....	122.5	122.3	116.6	+ 0.2	+ 5.1

BUREAU OF LABOR STATISTICS (1935-39=100) COST OF FOOD

	Mar. 15, 1944	Feb. 15, 1944	Sept. 15, 1942	Mar. 15, '44 comp. with Feb. 15, '44	Sept. 15, '42
U. S. (51 cities) ..	134.1	134.5	126.6	- 0.3%	+ 5.9%
St. Louis.....	135.9	136.0	126.7	- 0.1	+ 7.3
Little Rock.....	133.2	135.3	129.2	- 1.6	+ 3.1
Louisville.....	129.7	131.2	124.2	- 1.1	+ 4.4
Memphis.....	141.0	142.6	129.7	- 1.1	+ 8.7

INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS

Bureau of Labor Statistics (1937=100)	Feb., 1944	Jan., 1944	Feb., 1943	Feb., '44 comp. with Jan., '44	Feb., '43
Evansville.....	257.0	273.9	265.7	- 6.2%	- 3.3%
Louisville.....	139.5	130.7	122.6	+ 6.7	+ 13.8
Memphis.....	181.8	180.1	149.9	+ 0.9	+ 21.3
St. Louis.....	151.3	152.7	147.2	- 0.9	+ 2.8

BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number		Cost		Number		Cost	
	1944	1943	1944	1943	1944	1943	1944	1943
Evansville.....	19	..	\$ 53	\$..	64	167	\$ 32	\$ 75
Little Rock.....	23	25	3	14	191	73	155	833
Louisville.....	54	27	96	50	35	18	85	10
Memphis.....	302	162	324	332	306	229	222	83
St. Louis.....	96	64	150	163	155	128	277	99
March Totals...	494	278	626	559	751	615	771	1,100
February Totals...	244	257	321	699	602	684	318	1,041

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Mar., '44	Feb., '44	Mar., '43	Mar., '44 comp. with Feb., '44	Mar., '43
Total 8th Dist. . . .	\$ 7,690	\$ 5,771†	\$ 21,604†	+ 33%	- 64%

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

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Custom-ers*	Mar., 1944	Feb., 1944	Mar., 1943	March, 1944 compared with Feb., 1944	March, 1944 compared with Mar., 1943
Evansville....	40	8,041	7,832	9,367†	+ 3%	- 14%
Little Rock....	35	2,605	3,327	2,518	- 22	+ 3
Louisville....	82	16,811	16,760	15,394	- 0	+ 9
Memphis.....	31	6,732	6,285	6,200	+ 7	+ 9
Pine Bluff....	19	6,542	7,462	5,944	- 12	+ 10
St. Louis.....	138	89,245	87,675	94,134†	+ 2	- 5
Totals.....	345	129,976	129,341	133,557†	- 0	- 3

*Selected industrial customers. †Revised.

DEPARTMENT STORES					Stocks on Hand		Stock Turnover	
Net Sales			Stocks on Hand		Stock Turnover			
March, 1944 compared with Feb., '44			3 mos. '44 to same period '43		Mar. 31, '44 comp. with Mar. 31, '43		Jan. 1, to Mar. 31, 1944	
Feb., '44	Mar., '43	Mar., '44	Mar. 31, '44	Mar. 31, '43	Mar. 31, '44	Mar. 31, '43	1944	1943
Ft. Smith, Ark.	+19%	+21%	+5%	+6%	1.03	1.06		
Little Rock, Ark.	+18	+17	-1	-2	1.22	1.17		
Quincy, Ill.	+33	+35	+21	.....	.....	.....
Evansville, Ind.	+42	+14	+9	.....	.....	.....
Louisville, Ky.	+37	+27	+11	+18	1.33	1.30		
St. Louis, Mo.	+33	+19	+5	+6	1.11	1.03		
Springfield, Mo.	+31	+29	+27	.....	.....	.....
Memphis, Tenn.	+25	+32	+16	+7	1.26	1.15		
*All other cities.	+32†	+15†	+4†	+12†	0.99†	1.06†		
8th F. R. Dist.	+31†	+22†	+7†	+7†	1.16†	1.10†		

*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: March, 1944—27; February, 1944—25; March, 1943—27.

Outstanding orders of reporting stores at the end of March, 1944, were 6† per cent greater than on the corresponding date a year ago.

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

Instalment Accounts		Excl. Instal. Accounts		Instalment Accounts		Excl. Instal. Accounts	
Fort Smith... %	64%	Quincy.....	45%	83%			
Little Rock.. 34	63	St. Louis....	46	74			
Louisville... 40	65	Other cities..	32	73†			
Memphis.... 43	61	8th F.R. Dist.	41	69†			

†Preliminary.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

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

	Mar., 1944	Feb., 1944	Jan., 1944	Mar., 1943
Sales (daily average), Unadjusted.....	152	126	123	124
Sales (daily average), Seasonally adjusted..	162	146	154	138
Stocks, Unadjusted.....	101	98	91	94
Stocks, Seasonally adjusted.....	99	103	104	92

SPECIALTY STORES

Net Sales			Stocks on Hand		Stock Turnover	
March, 1944 compared with Feb., '44			3 mos. '44 to same period '43		Mar. 31, '44 comp. with Mar. 31, '43	
Feb., '44	Mar., '43	Mar., '44	Mar. 31, '44	Mar. 31, '43	1944	1943
Men's Furnishings	+60%	+7%	-17%	+7%	0.68	0.75
Boots and Shoes	+41	+6	-3	+20	1.73	2.11

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

Men's Furnishings.....66% Boots and Shoes.....57%

Trading days: March, 1944—27; February, 1944—25; March, 1943—27.

RETAIL FURNITURE STORES

Net Sales		Inventories		Ratio of Collections	
March, 1944 compared with Feb., '44		March 31, 1944 compared with Feb. 29, '44		Mar., '44 Mar., '43	
Feb., '44	Mar., '43	Feb. 29, '44	Mar. 31, '43	Mar., '44	Mar., '43
St. Louis Area ¹ .	+23%	+5%	+6%	-22%	48% 41%
St. Louis.....	+22	+7	+6	-22	50 42
Louisville Area ²	+33	+5	+2	-12	33 26
Louisville....	+40	+4	+2	-25	34 26
New Albany..	+14	+8	+2	+28	29 26
Memphis.....	+26	+13	+6	+46	27 21
Little Rock....	+7	+11	-0.	-43	30 28
Evansville....	+20	+23	+6	+5	49 40
Pine Bluff....	+35	+12	*	*	38 32
8th Dist. Totals ³ .	+24	+1	+1	-24	38 32

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

PERCENTAGE DISTRIBUTION OF SALES

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

LOADS INTERCHANGED FOR 25 RAILROADS

ST. LOUIS

First nine days		3 mos. '44		3 mos. '43	
Mar., '44	Feb., '44	Mar., '43	Apr., '44	Apr., '43	3 mos. '43
166,097	154,775	143,022	48,559	43,019	477,435
				418,697	

Source: Terminal Railroad Association of St. Louis.

WHOLESALE				
Lines of Commodities		Net Sales		Stocks
Data furnished by Bureau of Census, U. S. Dept. of Commerce.		March, 1944 compared with Feb., '44		Mar. 31, 1944 compared with Mar. 31, 1943
Feb., '44	Mar., '43	Feb., '44	Mar., '43	Mar. 31, 1944 compared with Mar. 31, 1943
Automotive Supplies.....	-2%	+43%%	
Boots and Shoes.....	-6	+5	.....
Drugs and Chemicals.....	+12	+1	.....
Dry Goods.....	+6	+7	-9	
Electrical Supplies.....	+35	+28	.....
Furniture.....	+17	+21	.....
Groceries.....	+5	+5	-16	
Hardware.....	+7	+7	-8	
Plumbing Supplies.....	+26	+2	.....
Tobacco and its Products.....	+16	+2	+14	
Miscellaneous.....	+13	+7	-11	
Total all lines*	+8	+4	-4	

*Includes certain lines not listed above.

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	Mar., '44	Feb., '44	Mar., '43	Mar., '44 comp. with Feb., '44	Mar., '43
Number.....	1	2	11	-50%	-91%
Liabilities..... \$	1,000	\$ 9,000	\$ 99,000	-89	-99

Source: Dun and Bradstreet.

CHANGES IN PRINCIPAL ASSETS AND LIABILITIES

FEDERAL RESERVE BANK OF ST. LOUIS

(In thousands of dollars)	Apr. 19, 1944	Change from	
		Mar. 22, 1944	Apr. 21, 1943
Industrial advances under Sec. 13b.....\$	.....	.....	.....
Other advances and rediscounts.....	13,000	+ 5,490	+ 13,000
U. S. securities.....	652,227	- 9,872	+275,277
Total earning assets.....	665,227	- 4,382	+288,277
Total reserves.....	589,861	+ 12,398	- 71,759
Total deposits.....	502,186	- 7,720	- 3,397
F. R. notes in circulation.....	760,137	+ 14,273	+212,442
Industrial commitments under Sec. 13b..	48	+ 46	- 1,735

PRINCIPAL RESOURCE AND LIABILITY ITEMS

OF REPORTING MEMBER BANKS

(In thousands of dollars)	Apr. 19, 1944	Change from	
		Mar. 22, 1944	Apr. 21, 1943
Total loans and investments.....	\$1,547,353	- 24,794	+176,699
Commercial, industrial, agricultural loans*	216,011	- 18,556	+ 4,240
Loans to brokers and dealers in securities.	4,448	- 99	+ 114
Other loans to purchase and carry securities	21,658	- 5,229	+ 12,767
Real estate loans.....	63,418	- 689	+ 2,896
Loans to banks.....	1,300	+ 900	+ 235
Other loans.....	64,655	+ 219	+ 4,680
Total loans.....	371,990	- 23,892	+ 18,442
Treasury bills.....	59,929	+ 3,018	- 99,923
Certificates of indebtedness.....	261,903	+ 14,430	+ 83,600
Treasury notes.....	219,218	+ 5,589	+105,296
U. S. bonds.....	505,524	+ 2,767	+102,994
Obligations guaranteed by U. S. Govt..	21,693	+ 1,909	+ 21,011
Other securities.....	107,596	+ 245	- 12,699
Total investments.....	1,175,863	+ 902	+158,257
Balances with domestic banks.....	112,931	- 1,441	+ 17,882
Demand deposits—adjusted**.....	933,023	+ 26,447	+102,547
Time deposits.....	232,256	+ 4,619	+ 34,577
U. S. Government deposits.....	203,398	- 51,379	+ 75,485
Interbank deposits.....	471,559	- 10,567	+ 72,482
Borrowings.....	13,000	+ 5,500	+ 13,000

*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.

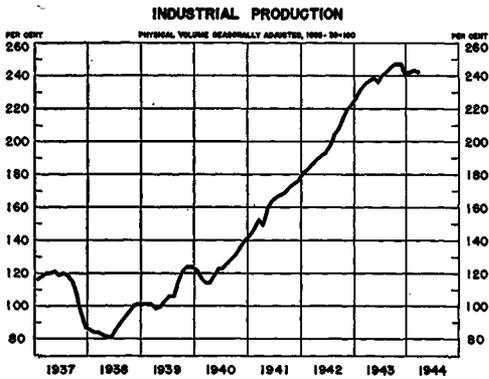
DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)	Mar., 1944	Feb., 1944	Mar., 1943	Mar., '44 comp. with Feb., '44	Mar., '43
El Dorado, Ark.....\$	10,304	\$ 9,700	\$ 12,069	+ 6%	- 15%
Fort Smith, Ark.....	22,205	19,497	21,264	+ 14	+ 4
Helena, Ark.....	4,049	4,204	4,251	+ 4	+ 5
Little Rock, Ark.....	75,519	68,329	68,917	+ 11	+ 10
Pine Bluff, Ark.....	17,032	15,923	17,895	+ 7	- 1
Texarkana, Ark.-Tex.	9,937	9,838	11,237	+ 1	+ 12
Alton, Ill.....	13,640	12,958	13,016	+ 5	+ 5
E. St. L.-Nat. S. Y., Ill.	86,749	79,507	77,374	+ 9	+ 12
Quincy, Ill.....	18,374	17,197	14,288	+ 7	+ 29
Evansville, Ind.....	110,937	102,472	82,931	+ 8	+ 34
Louisville, Ky.....	324,376	321,851	301,613	+ 1	+ 8
Owensboro, Ky.....	13,588	15,153	12,791	+ 10	+ 6
Paducah, Ky.....	8,269	8,147	7,954	+ 1	+ 4
Greenville, Miss.....	8,395	11,289	9,354	+ 26	+ 10
Cape Girardeau, Mo..	5,151	5,065	4,863	+ 2	+ 6
Hannibal, Mo.....	4,509	4,532	4,257	- 1	+ 6
Jefferson City, Mo..	18,571	22,697	17,754	+ 18	+ 5
St. Louis, Mo.....	996,801	935,750	941,835	+ 7	+ 6
Sedalia, Mo.....	6,291	5,969	5,436	+ 5	+ 16
Springfield, Mo.....	30,850	27,550	25,152	+ 12	+ 23
Jackson, Tenn.....	9,034	8,701	8,149	+ 4	+ 11
Memphis, Tenn.....	251,803	236,708	258,354	+ 6	+ 3
Totals.....	2,046,384	1,943,037	1,920,754	+ 5	+ 7

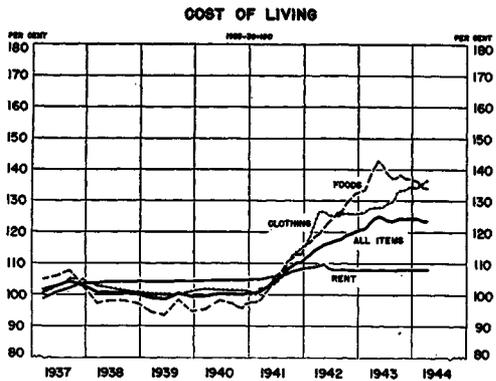
(Completed April 24, 1944)

NATIONAL SUMMARY OF CONDITIONS

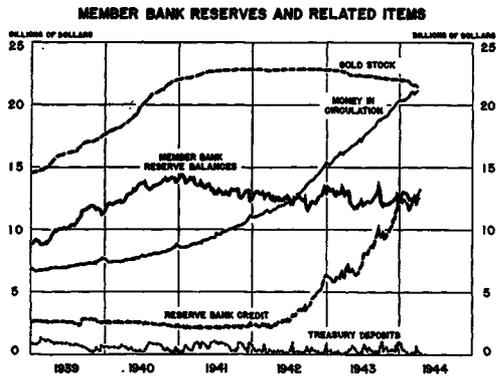
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



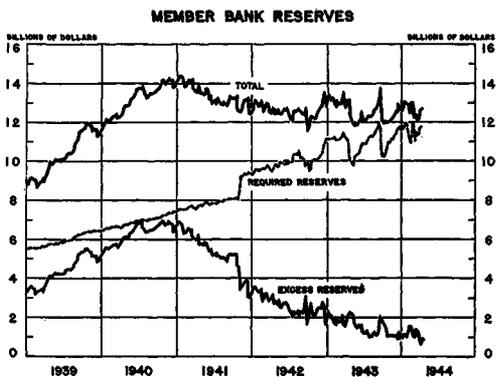
Federal Reserve index. Monthly figures, latest shown is for March, 1944.



Bureau of Labor Statistics' indexes. Last month in each calendar quarter through September, 1940, monthly thereafter. Mid-month figures, latest shown are for March.



Wednesday figures, latest shown are for April 19, 1944.



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for April 19, 1944.

Industrial production—Output of manufactures and minerals was slightly smaller in March than in the previous two months and the Board's index of total industrial production declined 2 points to 242 per cent of the 1935-39 average.

Steel production advanced somewhat further in March and the first three weeks of April. Output of lumber was maintained at the level of the first two months of the year and production in the first quarter is indicated to be 3 per cent larger than in the first quarter of 1943.

The number of aircraft delivered increased about 4 per cent above the level of the preceding 4 months to a new high of 9,118 planes. Deliveries of merchant ships continued to rise from the low January rate and in March were at approximately the level of a year ago. Output of other products in the machinery and transportation equipment industries declined somewhat in March.

Output of nondurable manufactures, as measured by the Board's index, declined about 1 per cent in March. This decline was due largely to the continued drop in small arms ammunition production. Manufactured food production was 11 per cent greater than in March of last year.

Coal production declined 6 per cent in March from the exceptionally high rate in February due partly to the return to a six-day work week in anthracite mines and partly to a continuation of manpower shortages in both hard and soft coal mines. Output of crude petroleum and metals was maintained in large volume.

The value of construction contracts awarded in March, according to reports of the F. W. Dodge Corporation, was slightly greater than in January and February, but was still lower than in any corresponding month since 1935.

Distribution—Department store sales increased more than seasonally in March and continued at a high level in the first half of April. Sales in March were about 18 per cent larger than in the corresponding month last year, reflecting in part the earlier date of Easter this year and the heavy buying of jewelry, cosmetics, furs, and other items before higher tax rates became effective on April 1.

Freight carloadings declined slightly in March from the high level of earlier months, owing chiefly to a drop in the movement of coal and grain products. Total loadings were maintained in the first half of April.

Commodity prices—The general level of wholesale commodity prices advanced slightly from the middle of March to the middle of April. Federal maximum prices for cement, lumber, and various other industrial commodities were increased.

Retail food prices showed little change from February to March, while retail prices of most other commodities continued to advance slightly.

Bank credit—Continued growth in currency and the transfers from Treasury war-loan deposits to deposits subject to reserve requirements resulted in a decline in excess reserves of member banks and in substantial purchases of Government securities by the Reserve Banks during March and the first three weeks of April. Owing to special factors, excess reserves declined to a low point of 600 million dollars at the end of March but increased in April and on April 19 were about 900 million dollars, somewhat less than had generally been held in recent months.

Federal Reserve Bank holdings of U. S. Government securities were at a new high level of 12.7 billion dollars on April 19, after increasing by half a billion in the preceding four weeks. Most of the growth was in holdings of Treasury bills.

Reporting member banks in 101 leading cities reduced their holdings of Treasury bills by 325 million dollars in the four weeks ending April 12, while holdings of other Government securities showed little change. The greater part of the decline in bill holdings in the four-week period occurred at banks outside New York and Chicago, but there were wide fluctuations within the period reflecting transactions at Chicago banks associated with the April 1 personal property tax assessment date in Illinois. Loans for purchasing or carrying Government securities continued to decline, as repayments were made on funds advanced during the Fourth War Loan Drive; these loans to brokers and dealers have fallen by 450 million dollars since the end of the drive and are now less than at any time in recent months; loans to others, which rose by 600 million during the drive have subsequently declined by 400 million. Commercial loans declined by 210 million over the month.

Adjusted demand deposits, which declined somewhat in the latter half of March, increased during the first half of April, bringing the total outstanding to about a billion less than the level prior to the opening of the drive. Government deposits at these same banks fell by 1.5 billion dollars during the four weeks ended April 12.