

BUSINESS CONDITIONS



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

FEDERAL RESERVE BANK OF ST. LOUIS



COURTESY OF SOIL CONSERVATION SERVICE

GENERAL INDUSTRIAL SITUATION

DURING April industrial activity in the Eighth Federal Reserve District declined slightly from the March level, continuing the slow downward trend that has been evident for the past seven months. Indicative of this gradual decline, consumption of electricity by industrial users in the major cities of the district was off 7 per cent from a month earlier and was 6 per cent below the level of April, 1943. The decrease from March was due primarily to less working days in April, since average daily consumption was about the same in both months, but as compared with a year ago there was an appreciable decline in amount of electricity consumed per day. The sharpest drops occurred in St. Louis and Evansville. Louisville consumption was off slightly, while in Little Rock and Pine Bluff there was a slight increase.

According to the latest report of the War Production Board, over-all munitions output for the balance of 1944 will be slightly above the rate for the first quarter of the year. The increase, however, will result primarily from rising output of munitions lines which are not produced in very great volume in this district. Present national schedules call for substantial expansion of production of aircraft, largest type trucks, airborne electronic equipment, naval combat vessels, landing craft, and heavy artillery. Most ground army items, destroyer escorts, Liberty ships, and radios are scheduled for decreased output. Since war production in this district is concentrated largely in ammunition and explosives, which are declining programs, output of war goods in the area probably will contract slowly for the balance of the year. Aircraft production in this district is not scheduled for the large increases characteristic of the industry as a whole, because emphasis in the aircraft program is on heavy bombers which are not produced in this area. Landing craft and electronic equipment output in the Eighth District is not substantial in relation to national totals.

As a result of the gradually declining level in industrial activity in the district, the manpower situation has eased considerably in the past half year. According to the most recent War Manpower Commission classification, there were no current labor

shortage areas in the Eighth District and only two regions were rated as Group II (possible shortage within six months). In May, 1944, the labor surplus areas contained almost two-thirds of the population of all major labor markets in the district in contrast to only 24 per cent so classified in October, 1943, and 34 per cent in May, 1943.

The War Production Board has specified that most production contracts for durable consumers goods will be placed in labor surplus areas, or in regions where a surplus is expected to exist even after six months expansion. This district is, therefore, in a particularly favorable position to receive contracts for such civilian output as is permitted. Some contracts have been placed in the region already, but so far, release of materials has been small. More materials may be released in the near future, particularly to smaller manufacturers. If the European war should end this fall, a sizable quantity of materials might be allowed to flow into production of durable civilian goods.

REVISION OF DEPARTMENT STORE SALES INDEX

With this issue, the Federal Reserve Bank of St. Louis begins publication of a revised index of department store sales. The new index uses the period 1935-39 as a base, and is much more representative of the trend of department store trade in the district than was the older one. Sales indexes have been calculated for the district as a whole and for St. Louis, Louisville, Memphis, and Little Rock. Indexes of department store sales for Evansville, Springfield, Fort Smith, and Quincy are also in preparation. An index of department store stocks for the Eighth District is contemplated. Tables of back index numbers for the district and the four major cities, together with a brief technical description of the method of computation used, are available upon request to the Research and Statistics Division of this bank.

DISTRICT SURVEY

MANUFACTURING

Iron and Steel—Production of steel ingots and castings in this district in April showed a slight increase over March. The rate of ingot production averaged about 78 per cent of capacity compared

with 76 per cent in March. Among finished steel products plate rolling output was exceptionally high.

Output of steel in the St. Louis area is currently quite low in comparison with the available capacity. Several high-cost furnaces are idle and there is a

lack of skilled open hearth workers. At mid-May production was further reduced because of a strike at a large steel mill.

Scrap supply in the region continues to be adequate although collection and shipment was halted by the high waters in April. Supply of pig iron is in sufficient volume to meet all essential purposes.

Shoes—Shoe output in April dropped 9 per cent from March output. The decline was primarily seasonal. Final figures for March showed production of 7,327,397 pairs as compared with 6,925,668 pairs in February. For the first quarter of this year, 20,957,136 pairs of shoes were produced in the district, or slightly more than the production of 20,923,273 pairs in the comparable period of 1943.

Shoe factories in the district are finding it easier now to secure labor for their operations. The material supply situation is also easing somewhat because of continued heavy livestock slaughter. Hide inventories, however, remain low, as heavy demand for finished leather continues to absorb most of the increased supply.

Whiskey—On April 30, of the 60 distilleries in Kentucky, 52 were in operation, one more than a month earlier. A year ago all 60 distilleries were in production. Output of distilleries continues to be industrial alcohol or high wines.

There are two main reasons for the continued shutdown of some distilling capacity in Kentucky. The prolonged fall and winter drouth which curtailed water supply, forced some of the smaller, outlying distilleries, which depend upon natural water supply for their operations, to close. Certain smaller units that were able to produce only high wines have found that operation relatively unprofitable. If rectifying columns, which would enable these smaller plants to produce high proof industrial alcohol, can be obtained, production may be resumed.

According to most recent reports, there will be no resumption of whiskey production in the immediate future. The great demands of the war program have prevented accumulation of sufficient stocks to permit a resumption of whiskey distillation.

Miscellaneous Manufacturing—Munitions production in the district continues to decline slowly in volume as a result, primarily, of curtailed output of small arms ammunition and explosives. Production of chemicals other than munitions, however, is expanding in response to the heavy demand for military and essential civilian uses. Petroleum refining and production of 100-octane gasoline is also expanding and should reach peaks late this summer.

Despite several unusually high days of hog re-

ceipts at National Stock Yards, slaughter of federally inspected livestock in the St. Louis area in April was slightly below March. Meat packing plants have had some difficulty in securing sufficient labor, and because of shortages of storage facilities and almost completely utilized slaughter capacity, it is not expected that activity will expand beyond the peak reached early this spring. Lumber production at district mills remains at a relatively low level in comparison with 1942 output. Lack of sufficient labor is given as the primary reason for the decreased output.

OIL AND MINING

Oil—As a result of April rains, floods, and mud which hampered operations in many district oil fields, drilling activity during the month in established fields was considerably less than a month earlier. Oil well completions during April amounted to 227 compared with 269 in March. Through the first week of May, 902 wells had been drilled compared with 885 for the same period last year. A large increase in Kentucky drilling operations more than offset declines in other district states, especially in Illinois. In addition, 153 wildcat wells, of which 15 were pool openers, were drilled during the first four months of 1944.

Unfavorable weather last month resulted in a decline of over 10 per cent from a month earlier in daily average oil production, with output averaging some 7 per cent less than PAW certified rates. Production goals for May have been increased slightly due to upward revisions in quotas for Illinois and Indiana.

Mining—Zinc and lead production in the North Arkansas field still continues low, but a large increase in output is expected with the completion of new milling plants in early summer. Coal production during the month was up 3 per cent from March output, and was slightly higher than production a year ago. Factors holding back coal output are unfavorable weather conditions and insufficient mine labor.

EMPLOYMENT

There has been, for the past six months, a progressively easier over-all labor supply in this district, due primarily to declining war production in this area. Currently, no labor market area within this district is rated by the War Manpower Commission as a labor shortage region. Only two district cities, Louisville and Quincy, are classed by WMC as Group II cities (possible shortage within six months). All other district areas, including the major cities of St. Louis, Evansville, Memphis and

Little Rock, are rated as either labor surplus areas or regions which will have a slight surplus of labor even after six months.

With the cut-back in war production schedules, there has been a shift of workers out of war plants into manufacturing for civilian use. For example, in the St. Louis region employment at major war plants in October was some 127,000 workers. By March, 1944, employment of these plants was some 20,000 less than the October peak. Many of the released workers have been absorbed by other manufacturing industry, such as shoes, meat packing, etc.

AGRICULTURE

General Conditions — Eighth District farming operations and progress in growth of many crops were considerably delayed last month as a result of general rains over much of the region which not only made plowing and planting difficult, but caused extensive flooding of many acres of lowland which had already been planted. Heavy rains also badly washed higher ground. In early April some crop land in the northeastern and central part of Mississippi was flooded when the Pearl River and other streams went out of their banks. In the latter part of the month heavy rains caused the Mississippi, Missouri, White, and Ouachita Rivers, and other smaller streams, to overflow and inundate much land, including many acres in crops. The Mississippi and Missouri Rivers flooded more than 1.4 million acres of land in Illinois and Missouri, about half of which was crop acreage. In addition to direct damage to land, approximately 9,000 houses and buildings were destroyed in the two states.

Scattered showers in early May prolonged the recession of flood waters and further delayed farm work. Despite the fact that floods this year in Missouri and Illinois covered about the same amount of land as last year's floods, damage was far below the \$32 million estimated for 1943. Crop damage this spring was much less, both because the floods occurred earlier and because plantings had been considerably delayed by wet soil in March and February. With good planting weather in May and favorable growing weather during the balance of the season, district farmers should have a reasonably good year.

Agricultural employment in the United States is continuing the downward trend evident since the beginning of the war. According to the U. S. Department of Agriculture, farm employment on April 1 was approximately 3 per cent less than April 1, 1943, with most of the decline accounted for by a decrease in the number of hired employees, although

the estimated number of family workers was also somewhat lower than last year. Despite this decline in farm employment and notwithstanding the larger acreage of crop land this year, there is no indication that farm output will suffer greatly from lack of workers, although critical conditions in some areas may develop because of the delay in plantings which will tend to concentrate farm work in a shorter period of time.

In mid-April, for the first time since 1939, prices of farm products in the United States were below the level of the corresponding month a year earlier. Prices received by farmers held steady at 196 per cent of the 1909-14 average and on April 15, farm prices averaged 115 per cent of parity for the third straight month.

Changes from a month ago in prices received by farmers in Eighth District states ranged from unchanged in Missouri and slightly higher in Mississippi and Arkansas to a decline of 2 per cent in Tennessee. Prices of hogs, chickens, eggs, and dairy products were generally lower throughout the district, while prices of cotton, sweet potatoes, wheat, apples, and hay were mostly higher.

Cotton — Due to prolonged wet weather over much of the district cotton-growing area, planting of the 1944 cotton crop is considerably behind schedule. At mid-April, some planting of cotton was under way in Mississippi, Arkansas, and Tennessee, but progress was extremely slow. In the latter part of the month some planting was reported in southeastern Missouri where ground had dried sufficiently to work, but along the lowlands of the Mississippi River, many fields were still water-logged or flooded in early May. Late planting of cotton also tends to increase danger of boll weevil damage.

Mill demand for cotton continues slow, with buying largely on a hand-to-mouth basis. Mill stocks on April 1 were down slightly from levels of a year ago, but they were still high relatively since mill consumption has declined, due mostly to lack of experienced textile workers. Cotton spindles in the United States during April operated at 125 per cent of capacity compared with 122 per cent in March and 133 per cent in April, 1943.

The price of 15/16 middling cotton on the Memphis spot market moved up slightly during early April, but subsequently declined and at the end of the month was 20.70c per pound.

Fruits and Vegetables — Frequent rains during April and early May held back plantings of many truck crops and consequently harvesting this year probably will be later than usual. Lowlands in most

sections of the district were either flooded or saturated with water thus bringing farming activities in these areas to a standstill. However, fair to good progress in plowing, soil preparation, and planting was made during the month on well-drained land. Due to the prolonged delay in getting seed into the ground, acreage of some district vegetable crops may be somewhat less than indicated earlier. Prospects for Irish potatoes are for greatly reduced acreage in Tennessee, low average yields in Mississippi, and spotted stands in Arkansas with some rotting of seed in the ground. Indicated acreage of tomatoes for processing now appears some 40 per cent under 1943 planted acreage. The Mississippi tomato crop is in only fair condition due to excessive rains and hail damage, while plantings in Arkansas, Tennessee, and other district states have been delayed as a result of wet ground. The same general condition holds true for most other vegetable crops, but those which were planted early and on high ground, such as snap beans in southern Arkansas, are up to good stands and making satisfactory growth.

Despite cold weather and freezes in April and early May in many localities, the 1944 outlook for most fruits in Eighth District states is for an increase over last year's output which was considerably reduced as a result of late killing freezes. The peach crop in Arkansas is promising, although some damage resulted from freezing weather last month. Peach prospects in southern Indiana are good, but reports indicate that about one-half of the Kentucky peach crop was killed and considerable peach damage caused in southern Missouri by severe frosts and freezing temperatures. Damage to apples does not seem to have been extensive. The strawberry crop in Eighth District states this year will be short with most berries coming from old beds. Some strawberry weevil and beetle damage is reported in Arkansas and Indiana.

Livestock and Livestock Products—Conditions in the district livestock industry last month were marked by a growing acuteness in the feed situation and continued heavy livestock marketings which caused some local markets to restrict receipts. Although the condition of pastures on May 1 in this district was appreciably better than a year ago—ranging from poor to fair in sections of Missouri, Arkansas, and Mississippi, to good and excellent in the rest of the district—wet weather and flood waters prevented the use of grazing lands, and thus further inroads were made on feed supplies which were already at a low level. Movement of corn to market has picked up considerably, but all receipts

of the grain have been earmarked for industrial users with none available for feed. In an attempt to conserve corn supplies, OPA in the latter part of April reduced ceiling prices on hogs weighing over 240 pounds by 75 cents per cwt.

Some relief in the feed situation was promised in Kentucky, Tennessee, and Mississippi by the allocation of 1,000,000 bushels of Canadian oats of which these states were to receive about one-third. The Commodity Credit Corporation has also allocated an additional amount of oats to flood-stricken areas in Missouri, Illinois, and other district states.

Tobacco—Preparation of ground for the new district tobacco crop was delayed last month due to low temperatures and excessive moisture. However, tobacco seedlings in Tennessee and Kentucky are up and reported to be in a healthy condition with plant development progressing satisfactorily, although some plants in Kentucky seem to be small. Transplanting was begun in early May in some sections of the district, but was held back by wet soil. With favorable weather for the remainder of the month, however, much progress should be made in plant setting.

The outlook in this district now is for a large increase in production of most types of tobacco in 1944 if favorable growing and harvesting weather prevails. Plants seem to be in ample supply and sufficient for the intended acreage. With greater production in prospect and high average prices, Eighth District farmers should receive more income from tobacco in the 1944-1945 season than they did in the record season just ended.

RETAIL TRADE

Dollar volume of sales in retail trade lines reporting to this bank was off somewhat in April from the very high level of March and was below a year earlier. Department and women's apparel store trade dipped sharply in the month and this dollar loss was not offset by sales gains in men's furnishings, shoes, and furniture lines. The decline from a month ago in department store and women's apparel shop sales was primarily seasonal. This year the relatively early Easter date threw the major volume of pre-Easter buying into March while last year there was heavy purchasing in April. Despite this fact, department store sales in April, 1944, were 4 per cent above last year, while women's apparel store sales in St. Louis were off only 3 per cent from a year earlier. Men's furnishings and furniture store sales, however, were both down considerably from last year's level. Shoe store trade in the district was up 4 per cent as compared with April, 1943.

For the first four months of 1944 department store trade in the Eighth District was 6 per cent greater in dollar volume than in the comparable period of 1943. Springfield, Missouri, registered the greatest increase in sales of all district cities. It was trailed rather closely by Quincy, Illinois, which is currently a very active war production center. Sales in the first four months of 1944 in Evansville, Indiana, which has suffered a substantial decrease in war activity in the past six months, were up 5 per cent from the comparable period in 1943. Little Rock, Arkansas, sales volume was unchanged from last year's level although sales in the first four months of 1943 in that city were exceptionally high. St. Louis sales, despite a considerable decline in war activity in the city, were up 4 per cent over the comparable four months last year.

BANKING AND FINANCE

Credit demand in the Eighth District during April and early May showed very little change from the preceding month. Normally, at this time of year, there is an expansion of agricultural credit for the planting season. While the lack of loan expansion so far this year is due in some degree to the lateness of the planting season, probably the strong cash position of the farmer will continue to hold down any large demand for loans.

At 24 reporting member banks, located in the larger cities of the district, total loan volume increased fractionally between April 19 and May 17, and on the latter date was \$23 million greater than a year ago. Commercial, industrial, and agricultural loans declined sharply and at mid-May were slightly under the level of a year earlier. Other loans, however, were up appreciably in the month.

Investments increased slightly in the four week period ending May 17. Bill holdings declined about \$2 million, while Treasury bonds increased some \$3 million. Certificate holdings were up \$7 million while note portfolios dropped by the same amount.

Demand deposits adjusted rose \$28 million in the past month as a result of a flow of funds back into private accounts as the Government drew heavily upon its war loan balances which declined \$47 million. Bank borrowings to replenish reserve losses increased sharply from \$13 million to \$31 million. At this time last year there were no bank borrowings from the Federal Reserve in this district.

Since the last issue of this review, the Bank of Brinkley, Brinkley, Arkansas, and the First-City Bank and Trust Company, Hopkinsville, Kentucky, have become members of the Federal Reserve System.

CASH FARM INCOME

(In thousands of dollars)	March		Cumulative for 3 months		
	1944	1943	1944	1943	1942
Arkansas	\$ 14,269	\$ 14,312	\$ 50,733	\$ 52,239	\$ 38,667
Illinois	103,194	91,125	300,143	253,711	201,933
Indiana	53,623	51,320	159,007	136,373	104,771
Kentucky	18,265	15,890	131,085	100,230	63,515
Mississippi	12,027	12,048	44,607	40,469	29,595
Missouri	48,712	41,818	154,035	125,775	94,597
Tennessee	19,866	18,232	81,292	65,313	48,473
Totals	269,956	244,745	920,902	774,050	581,551

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Apr., 1944	Mar., 1944	Apr., 1943	Apr., 1944	Mar., 1944	Apr., 1943
Cattle and Calves	90,259	92,796	91,353	40,739	38,818	49,471
Hogs	311,514	379,603	259,002	63,331	99,723	89,850
Horses and Mules	2,906	2,913	3,680	2,956	2,902	3,677
Sheep	27,067	21,064	29,091	13,144	1,535	3,573
Totals	431,746	496,376	383,126	120,170	142,978	146,571

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Apr., 1944	Mar., 1944	Apr., 1943	Apr., '44 comp. with Mar., '43	Apr., '43
All Commodities	103.9	103.8	103.7	+ 0.1%	+ 0.2%
Farm Products	123.2	123.6	123.9	- 0.3	- 0.6
Foods	104.9	104.6	108.4	+ 0.3	+ 3.2
Other	98.4	98.1	96.6	+ 0.3	+ 0.9

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

	Apr. 15, 1944	Mar. 15, 1944	Sept. 15, 1942	Apr. 15, '44 comp. with Mar. 15, '44	Sept. 15, '42
United States	124.5	123.8	117.8	+ 0.6%	+ 5.7%
St. Louis	123.5	122.5	116.6	+ 0.8	+ 5.9

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

	Apr. 15, 1944	Mar. 15, 1944	Sept. 15, 1942	Apr. 15, '44 comp. with Mar. 15, '44	Sept. 15, '42
U. S. (51 cities)	134.6	134.1	126.6	+ 0.4%	+ 6.3%
St. Louis	137.4	135.9	126.7	+ 1.1	+ 8.4
Little Rock	132.9	133.2	129.2	- 0.2	+ 2.9
Louisville	131.8	129.7	124.2	+ 1.6	+ 6.1
Memphis	141.3	141.0	129.7	+ 0.2	+ 8.9

INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS

Bureau of Labor Statistics (1937=100)	Mar., 1944	Feb., 1944	Mar., 1943	Mar., '44 comp. with Feb., '44	Mar., '43
Evansville	257.7	257.0	277.1	+ 0.3%	- 7.0%
Louisville	138.6	139.5	126.4	- 0.6	+ 9.7
Memphis	182.5	181.8	150.9	+ 0.4	+ 20.9
St. Louis	145.5	151.3	147.8	- 3.8	- 1.6

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	154	8	\$ 164	\$ 32	145	100	\$ 31	\$ 39
Little Rock	22	18	23	2	184	121	50	17
Louisville	51	164	157	422	47	24	63	12
Memphis	330	159	383	169	195	241	95	84
St. Louis	104	83	243	151	168	146	241	62
April Totals	661	432	970	743	739	632	480	214
March Totals	494	278	626	559	751	615	771	1,100

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Apr., '44	Mar., '44	Apr., '43	Apr., '44 comp. with Mar., '44	Apr., '43
Total 8th Dist.	\$ 7,151	\$ 7,500*	\$ 36,411*	- 5%	- 80%
Source: F. W. Dodge Corporation. *Revised.					

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Custom-ers*	Apr., 1944	Mar., 1944	Apr., 1943	April, 1944 compared with Mar., 1944	April, 1944 compared with Apr., 1943
		K.W.H.	K.W.H.	K.W.H.	Mar., 1944	Apr., 1943
Evansville	40	7,443	8,041	9,297**	- 7%	- 20%
Little Rock	35	2,718	2,605	2,119	+ 4	+ 28
Louisville	82	16,114	16,811	15,678	+ 4	+ 3
Memphis	31	6,398	6,732	5,834	- 5	+ 10
Pine Bluff	19	6,681	6,542	7,110	+ 2	+ 6
St. Louis	138	81,265	89,245	88,327**	- 9	- 8
Totals	345	120,619	129,976	128,365**	- 7	- 6
*Selected industrial customers. **Revised.						

	DEPARTMENT STORES			Stocks	Stock
	Net Sales		on Hand	Turnover	
	April, 1944 compared with Mar., '44	4 mos. '44 to same period '43	Apr. 30, '44 comp. with Apr. 30, '43	Jan. 1 to Apr. 30, 1944	Apr. 30, 1943
Ft. Smith, Ark.	+ 3%	+ 11%	+ 7%	- 0 %	1.41
Little Rock, Ark.	- 4	+ 4	- 0	- 3	1.63
Quincy, Ill.	+ 5	+ 18	+ 20	.....	1.55
Evansville, Ind.	- 3	- 4	+ 5	.....	.....
Louisville, Ky.	- 1	+ 9	+ 10	+ 28	1.78
St. Louis, Mo.	- 12	+ 1	+ 4	+ 13	1.48
Springfield, Mo.	+ 4	+ 14	+ 23	.....	1.43
Memphis, Tenn.	- 8	+ 6	+ 13	+ 8	1.66
*All other cities.	+ 4	+ 1	+ 3	- 3	1.39
8th F. R. Dist.	- 7	+ 4	+ 6	+ 11	1.51

*El Dorado, Fayetteville, Pine Bluff, Ark.; Alton, East St. Louis, Harrisburg, Mt. Vernon, Ill.; Vincennes, Ind.; Danville, Hopkinsville, Mayfield, Paducah, Ky.; Chillicothe, Mo.; Jackson, Tenn.

Trading days: April, 1944—25; March, 1944—27; April, 1943—26. Outstanding orders of reporting stores at the end of April, 1944, were 2 per cent greater than on the corresponding date a year ago.

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

	Instalment Accounts	Excl. Instal. Accounts	Instalment Accounts	Excl. Instal. Accounts
Fort Smith.....%	63%		39%	80%
Little Rock.. 34	63		39	74
Louisville.... 38	61		22	68
Memphis.... 49	61		39	68

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

8th Federal Reserve District

	Apr., 1944	Mar., 1944	Feb., 1944	Apr., 1943
Sales (daily average), Unadjusted ¹	183	185	153	172
Sales (daily average), Seasonally adjusted ¹	173	195	194	157
Stocks, Unadjusted ²	103	101	98	92
Stocks, Seasonally adjusted ²	100	99	103	90

¹Daily average 1935-39=100.
²Monthly average 1923-25=100.

SPECIALTY STORES

	Net Sales		Stocks	Stock
	on Hand		Turnover	
	April, 1944 compared with Mar., '44	4 mos. '44 to same period '43	Apr. 30, '44 comp. with Apr. 30, '43	Jan. 1 to Apr. 30, 1944
Men's Furnishings	+ 6%	- 12%	+ 5%	0.98
Boots and Shoes	+ 19	+ 4	+ 8	2.59

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

Men's Furnishings.....	63%
Boots and Shoes.....	53%

Trading days: April, 1944—25; March, 1944—27; April, 1943—26.

RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	compared with		compared with		Apr., '44	
	April, 1944 Mar., '44	April, '43	April 30, 1944 Mar. 31, '44	April 30, '43	Apr., '44	Apr., '43
St. Louis Area ¹	- 1%	- 9%	+ 3%	- 21%	37%	34%
St. Louis.....	- 2	- 7	+ 3	- 24	35	32
Alton.....	+ 25	- 18	*	*	55	44
Louisville Area ²	+ 30	+ 1	- 5	- 14	32	24
Louisville.....	+ 26	- 2	- 3	- 13	31	24
Memphis.....	- 5	- 4	+ 2	- 46	24	20
Little Rock.....	+ 15	- 8	- 11	- 47	29	29
Fort Smith.....	+ 14	+ 34	*	*	*	*
Pine Bluff.....	- 0	+ 25	*	*	37	32
Evansville.....	+ 23	- 14	- 3	+ 12	54	43
8th Dist. Totals ³	+ 5	- 5	- 2	- 26	34	30

*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; Cape Girardeau, Hannibal, and Springfield, Missouri; and Dyersburg, Tennessee.

PERCENTAGE DISTRIBUTION OF SALES

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

LOADS INTERCHANGED FOR 25 RAILROADS

ST. LOUIS

First nine days						
Apr., '44	Mar., '44	Apr., '43	May, '44	May, '43	4 mos. '44	4 mos. '43
162,716	166,097	145,251	41,892	43,785	640,151	563,948

Source: Terminal Railroad Association of St. Louis.

WHOLESALE*

Lines of Commodities	Net Sales		Stocks
	April, 1944 compared with Mar., '44	Apr., '43	Apr. 30, 1944 compared with Apr. 30, 1943
Automotive Supplies.....	+ 48%	+ 13%%
Boots and Shoes.....	+ 9	- 9	....
Drugs and Chemicals.....	+ 5	- 12	....
Dry Goods.....	- 8	- 7	+ 1
Electrical Supplies.....	+ 29	- 8	....
Furniture.....	+ 23	- 20	+ 4
Groceries.....	+ 5	- 8	+ 16
Hardware.....	+ 3	- 0	- 3
Machinery, Equipment and Supplies..	+ 9	+ 5	+ 40
Plumbing Supplies.....	+ 9	+ 5	....
Tobacco and its Products.....	+ 1	- 8	+ 4
Miscellaneous.....	+ 5	- 13	+ 4
Total all lines**.....	- 2	- 8	+ 3

*Preliminary Report.

**Includes certain lines not listed above.

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	Apr., '44	Mar., '44	Apr., '43	Apr., '44 comp. with Mar., '44	Apr., '43
Number.....	6	1	8	+ 500%	- 25%
Liabilities.....	\$126,000	\$ 1,000	\$ 56,000	+ 11,600	+ 125

Source: Dun and Bradstreet.

CHANGES IN PRINCIPAL ASSETS AND LIABILITIES

FEDERAL RESERVE BANK OF ST. LOUIS

(In thousands of dollars)	Change from		
	May 17, 1944	Apr. 19, 1944	May 19, 1943
Industrial advances under Sec. 13b.....	\$.....	.....	.....
Other advances and rediscounts.....	30,985	+ 17,985	+ 30,935
U. S. securities.....	610,443	- 41,784	+ 191,986
Total earning assets.....	641,428	- 23,799	+ 292,921
Total reserves.....	654,748	+ 64,887	+ 58,968
Total deposits.....	525,980	+ 23,794	+ 64,830
F. R. notes in circulation.....	780,189	+ 20,052	+ 221,596
Industrial commitments under Sec. 13b..	48	- 0	- 1,776

PRINCIPAL RESOURCE AND LIABILITY ITEMS

OF REPORTING MEMBER BANKS

(In thousands of dollars)	Change from		
	May 17, 1944	Apr. 19, 1944	May 19, 1943
Total loans and investments.....	\$1,549,897	+ 2,544	+ 111,823
Commercial, industrial, agricultural loans*	207,411	- 8,600	- 1,878
Loans to brokers and dealers in securities.	4,206	- 242	- 170
Other loans to purchase and carry securities	20,971	- 687	+ 11,827
Real estate loans.....	63,178	- 240	- 2,725
Loans to banks.....	950	+ 350	+ 620
Other loans.....	75,296	+ 10,641	+ 14,905
Total loans.....	372,012	+ 522	+ 22,579
Treasury bills.....	58,206	+ 1,723	- 104,740
Certificates of indebtedness.....	268,614	+ 6,711	+ 48,131
Treasury notes.....	212,503	+ 6,715	+ 102,116
U. S. bonds.....	508,937	+ 3,413	+ 69,110
Obligations guaranteed by U. S. Govt..	20,858	- 835	- 14,264
Other securities.....	108,767	+ 1,171	- 11,109
Total investments.....	1,177,885	+ 2,022	+ 89,244
Balances with domestic banks.....	109,227	+ 3,704	+ 5,061
Demand deposits — adjusted**.....	961,077	+ 28,054	+ 144,477
Time deposits.....	237,562	+ 5,306	+ 37,953
U. S. Government deposits.....	156,751	- 46,647	+ 53,476
Interbank deposits.....	470,308	- 1,251	- 37,462
Borrowings.....	30,985	+ 17,985	+ 30,985

*Includes open market paper.

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

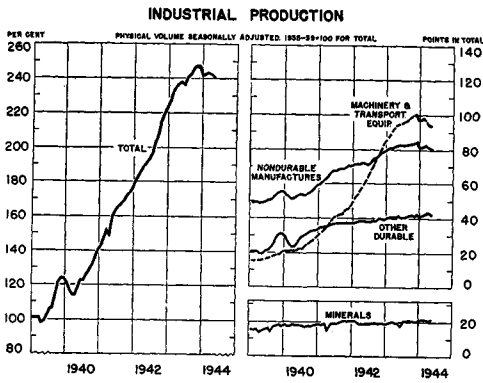
Above figures are for 24 member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville. Their resources comprise approximately 75% of the resources of all member banks in this district.

DEBITS TO INDIVIDUAL ACCOUNTS

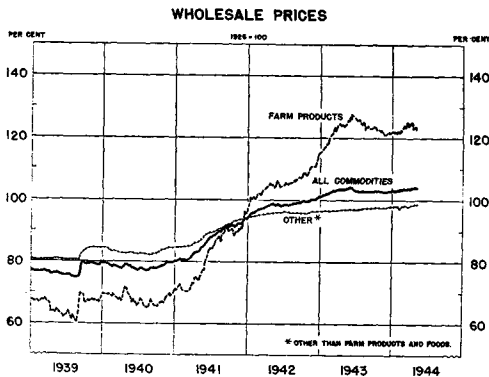
(In thousands of dollars)	Apr., 1944	Mar., 1944	Apr., 1943	Apr., '44 comp. with Mar., '44	Apr., '43
El Dorado, Ark.....	\$ 9,147	\$ 10,304	\$ 12,386	- 11%	- 26%
Fort Smith, Ark.....	20,263	22,205	21,757	- 9	- 7
Helena, Ark.....	3,585	4,049	4,233	- 11	- 15
Little Rock, Ark.....	67,591	75,519	78,458	- 10	- 14
Pine Bluff, Ark.....	14,827	17,032	16,578	- 13	- 10
Texarkana, Ark.-Tex.	8,665	9,937	10,019	- 13	- 14
Alton, Ill.....	12,768	13,640	12,463	- 6	+ 2
E. St. L. Nat. S. Y., Ill.	74,406	86,749	75,995	- 14	- 2
Quincy, Ill.....	16,740	18,374	15,146	- 9	+ 11
Evansville, Ind.....	107,344	110,937	84,437	- 3	+ 27
Louisville, Ky.....	313,039	324,376	330,488	- 3	- 5
Owensboro, Ky.....	13,617	13,588	13,738	- 0	- 1
Paducah, Ky.....	8,195	8,269	8,487	- 1	- 3
Greenville, Miss.....	7,576	8,395	8,511	- 10	- 11
Cape Girardeau, Mo..	4,684	5,151	5,022	- 9	- 7
Hannibal, Mo.....	4,291	4,509	4,771	- 5	- 10
Jefferson City, Mo...	28,513	18,571	24,469	+ 54	+ 17
St. Louis, Mo.....	952,486	996,801	1,040,414	- 4	- 8
Sedalia, Mo.....	5,782	6,291	5,892	- 8	- 2
Springfield, Mo.....	27,795	30,850	26,960	- 10	+ 3
Jackson, Tenn.....	8,592	9,034	8,820	- 5	- 3
Memphis, Tenn.....	220,610	251,803	248,161	- 12	- 11
Totals.....	1,930,576	2,046,384	2,057,205	- 6	- 6

NATIONAL SUMMARY OF CONDITIONS

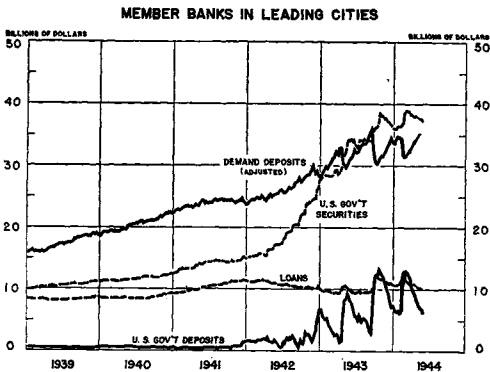
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



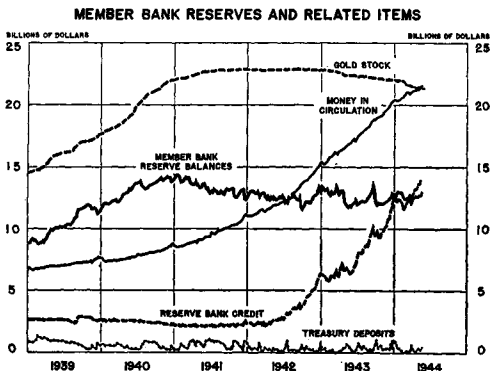
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for April, 1944.



Bureau of Labor Statistics' indexes. Weekly figures, latest shown are for week ending May 13, 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 May 17, 1944.



Wednesday figures, latest shown are for May 17, 1944.

Industrial production—The Board's seasonally adjusted index of output in manufacturing and mining industries was at 240 per cent of the 1935-39 average in April, as compared with 242 in March and 245 in February.

Small declines in output of metals and metal products continued to account for most of the decrease in industrial production. Electric steel production decreased further in April to a level 5 per cent below the same month last year. Production of most nonferrous metals declined, reflecting partly planned curtailments and partly the effects of labor shortages in mines and smelters. A further curtailment of aluminum production was announced in May. Activity at plants producing munitions in the machinery and transportation equipment industries declined somewhat in April. Production under the farm machinery program continued to increase and was reported at a rate above the highest volume recorded in any peacetime year.

Output of nondurable manufactured goods showed little change in April. Activity at cotton mills was maintained at the level of recent months, approximately 15 per cent below the peak level of April, 1942. As a measure to increase production, a 48-hour work week was ordered in the cotton textile industry, effective May 14.

The number of animals slaughtered continued at an exceptionally high level in April, and effective May 3 most meat products were removed from rationing. Output of dairy products continued to rise seasonally and supplies available for civilians increased.

Mineral production was maintained in large volume in April. Production of both bituminous and anthracite coal for the year through May 6 was approximately 5 per cent more than in the same period in 1943.

Crude petroleum production in April continued at a level about 12 per cent above a year ago. Mine production of iron ore showed a large seasonal rise, reflecting the opening on April 10 of the season for lake shipments.

Distribution—Department store sales declined in April and, after allowance for usual seasonal changes, were about 10 per cent below the high level which prevailed in the first quarter of this year. In the first half of May sales were maintained and were considerably larger than in the corresponding period of 1943.

Carloadings of railroad freight in April and the first half of May were maintained in large volume. Grain shipments continued to decline from the exceptionally high levels of January and February. Ore loadings increased sharply in April and were 60 per cent greater than a year ago.

Commodity prices—Wholesale prices of most commodities showed little change from the middle of April to the third week of May. Prices of some industrial commodities were raised.

The cost of living index advanced one-half per cent from mid-March to mid-April, reflecting higher retail prices for foods and furniture and increased excise taxes effective April 1.

Bank credit—From the end of the Fourth War Loan Drive in the second week of February through the middle of May, demand deposits of individuals and businesses at weekly reporting banks increased by about 3 billion dollars. Time deposits also increased appreciably. During the same period war loan accounts at reporting banks declined by more than 6½ billion dollars. Holdings of U. S. Government securities by these banks declined by about 2 billion dollars and loans contracted by more than 1½ billion dollars. A large part of the loan decline was the liquidation of credits extended during the war loan drive. Loans to brokers and dealers are now less than they were before the Fourth War Loan Drive and loans to others for purchasing and carrying U. S. Government securities are down to about pre-drive levels. During the same period commercial loans also declined rapidly.

Sales of U. S. Government securities by commercial banks were paralleled by equivalent purchases by the Federal Reserve System. System holdings are now about 2½ billion dollars larger than they were at the end of the Fourth War Loan Drive. These purchases were made to supply member banks with reserve funds needed to meet a continued increase in currency and the growth in required reserves which resulted from shifts of deposits from Treasury war-loan accounts to other accounts. Some of these needs have been met by a decline in excess reserves. Sharp declines in excess reserves at the end of March and April were associated with unexpectedly large tax receipts and the building up of Treasury balances at Reserve Banks. Currency in circulation, which increased somewhat less rapidly during the first quarter of 1944 than in the same period last year, renewed its rapid outflow late in April and during early May. In the four weeks ending May 17 the currency outflow was over 500 million dollars.