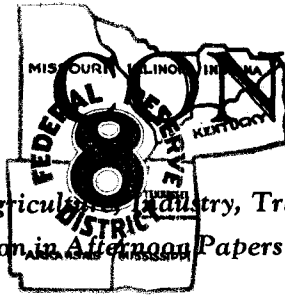


# BUSINESS CONDITIONS



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



CAUFIELD AND SHOOK PHOTO

## BANKING AND FINANCE

SINCE June 12, the dominant factor shaping banking conditions has been the Fifth War Loan Drive. Total subscriptions to this financing through July 19, were \$19.6 billion. With sales of savings bonds and notes counted until the end of July, the final total should exceed \$20 billion or \$4 billion over the quota set. The excess over quota is due entirely to corporation subscriptions which through July 19, were \$14.1 billion or 141 per cent of quota. Sales to individuals through the same date were \$5.5 billion or 92 per cent of quota. E bond sales have lagged with but 78 per cent of quota attained by July 19.

With only ten business days to go five of the seven states contained in whole or a part within the Eighth District were ahead of the national average on per cent of total quota attained and five were ahead on per cent of individual sales quota attained. The following table shows for the district states sales and per cent of quota for E bonds, individual subscriptions, and total subscriptions in the drive through July 19.

### RESULTS OF FIFTH WAR LOAN DRIVE

Through July 19, 1944  
(Sales in millions of dollars)

	E Bonds		Individual Subscriptions		Total Subscriptions	
	Sales	Per Cent of Quota	Sales	Per Cent of Quota	Sales	Per Cent of Quota
Arkansas.....	\$ 16	75	\$ 37	105	\$ 63	113
Illinois.....	152	74	328	81	1,363	123
Indiana.....	60	79	123	92	340	121
Kentucky.....	25	81	108	178	202	171
Mississippi.....	18	92	45	133	92	164
Missouri.....	59	79	141	97	429	136
Tennessee.....	29	80	101	158	213	160
United States.....	2,328	78	5,530	92	19,598	122

The drive's major effect on banking was to shift funds from accounts of individuals, partnerships and corporations to War Loan accounts. Between June 14, and July 19, demand deposits adjusted at 24 weekly reporting member banks in the major

cities of the district dropped \$81 million or 8 per cent. During the same time U. S. Government deposits rose \$226 million. This shift of funds in the large city banks was relatively greater than at banks in rural areas. Generally the use of War Loan accounts is neither so extensive nor so intensive in the rural banks as in the urban institutions since the former, being relatively less fully invested, have larger excess reserves.

The transfer of funds from private deposits requiring reserves to Government accounts not requiring reserves freed substantial funds for investment. Since this shift is mainly temporary investments were concentrated in bills and certificates, much of the latter being February issues purchased by non-bank investors in the last drive and resold recently to allow greater participation in this financing. Bill holdings on July 19 were \$10 million greater than on June 14, at the reporting banks, while certificate holdings gained \$65 million in the same period. In addition to these investment gains the small participation allowed banks in the drive plus some open market purchases of longer issues raised note and bond holdings by \$23 million.

Loan volume also increased substantially in the past five weeks mostly due to heavy borrowing for the purpose of purchasing and carrying Government securities. At weekly reporting banks loans for this purpose rose \$46 million from June 14 to July 5, but dropped \$25 million in the next two weeks.

Since the last issue of this review the following state banks have become members of the Federal Reserve System: Chrisney State Bank, Chrisney, Indiana, and Sac River Valley Bank, Stockton, Missouri. The newly formed First National Bank of Ursa, Ursa, Illinois has also been added to the roster of Eighth District member banks.

### GENERAL INDUSTRIAL SITUATION

Industrial activity in this district in June held at a level virtually unchanged from May but was somewhat below that of a year earlier. This general stability, evident for the past two months, may continue for some little time in the future before industrial output again begins the gradual decline to its probable postwar level. The arresting of the downward movement apparently is only temporary and should not be taken as a reversal or permanent halting of the trend dominant since the fall of 1943. Even the maintenance of the present level will mean that, in comparison with corresponding months in

1943, district production will fall relatively since activity through the third quarter of last year was rising rather steadily.

The major indication of the trend toward declining industrial output in the Eighth District is found in the month to month decreases in manufacturing employment. Despite sizable additional munitions contracts being let in the district, and scheduled expansions in certain other lines, overall war plant employment continues to drop. The decline in number of workers is not accompanied by an exactly corresponding drop in production since gains in

efficiency have led to an increase in productivity per worker, but increased productivity probably has not offset completely the decreased manufacturing working force.

The consistent easing of the overall labor supply situation in this district, despite substantial withdrawals for military service, points to a general slackening in the demand for labor due mostly to lower levels of manufacturing output. At present Louisville is the only major district city facing a possible labor shortage in the future. Of the other five metropolitan areas in this district, St. Louis, Memphis, Little Rock and Springfield are all labor surplus areas, and Evansville, for a time the major boom town of this section, is now classed as a city which will have a small labor surplus for at least the coming six months. In this latter city manufacturing employment in June was off 20 per cent from its June, 1943 level.

The resumption of manufacture of some civilian items, as recently authorized by WPB, probably will

not have much effect on the overall production level. Such output would have to be substantially larger than reasonably may be anticipated to offset the sharp drops due to curtailed war production schedules. From such surveys as have been made, post-war manufacturing output in this district will be considerably below wartime peak. The beginning of civilian durables manufacture, however, should definitely slow down the decline to the forecast peacetime level.

Evidencing present stability in industrial output at a level below a year ago, June consumption of industrial electric power in the major cities of the district was 1 per cent greater than May but 4 per cent below June, 1943. Steel output was somewhat greater than in May when strikes curtailed production but was well below last June. Industrial alcohol distillation was off from both May and June, 1943. Shoe production was up from both a month and a year ago, as was chemicals output. Lumber cut was down appreciably from last year.

## **DISTRICT SURVEY**

### **MANUFACTURING**

**Iron and Steel**—Production of steel in this district during June was in somewhat greater volume than in May. Ingot producing furnaces were operated at 79 per cent of capacity in June as compared with 71 per cent of capacity during May. Indications are that the rate of operations will increase somewhat in coming months, although there seems to be little likelihood that it will approach the very high levels of last year.

Publicity attendant upon the current high demand for steel which brought some imports from Britain sharply focuses attention upon idle open-hearths in this vicinity. Below capacity operations seem to be due to three primarily uncontrollable factors: some high cost furnaces cannot be operated profitably under present price structure; the very heavy demands made upon furnaces in general have tended recently to keep them down for repairs for appreciably longer periods than usual; and the lack of skilled labor to operate rolling mills at capacity keeps ingot production at a point below its full capacity. One other serious limiting factor is the series of labor stoppages which have forced closings periodically at several mills and foundries.

**Shoes**—Eighth District shoe production in June was somewhat greater than in May and in June, 1943. Preliminary reports indicate that gains from a month and a year ago were 0.5 per cent and 2 per cent, respectively. With material supply eased

considerably and labor obtainable in greater numbers, shoe producers are in better position than in 1943. Shoe factories, however, still are experiencing some difficulties in obtaining adequately trained labor since wage rates are somewhat lower in these establishments than in munitions plants.

Final figures on output of shoes in the Eighth District in May showed 7,207,000 pairs produced as compared with 6,647,000 pairs in April and 6,409,000 pairs in May, 1943. For the first half of 1944 indicated shoe production in this district was 0.5 per cent over the comparable period in 1943.

**Whiskey**—Of 60 Kentucky distilleries 50 were in operation at the end of June compared with 51 on May 31, and 53 on June 30, 1943. Full production capacity is still being devoted to war alcohol output.

During August distilleries will be allowed to produce whiskey or alcohol for blending purposes. Trade reports now indicate that the bulk of production during the whiskey holiday period will be alcohol for blending. Present shortage of corn makes it very unlikely that any straight bourbon whiskey will be produced. Alcohol can be distilled from various other grains which are available.

The selection of August as the month for whiskey production probably will not permit full utilization of distillery capacity in Kentucky. The shortage of water during the summer months makes it especially difficult for Kentucky distillers, particularly those in outlying areas, to operate at all.

**Miscellaneous Manufacturing**—Production of munitions in this district continues to register declines from month to month. Chemicals output other than ammunition and explosives, however, is still expanding. Manufacture of electrical equipment also is above 1943 levels.

Heavy livestock marketings continue at National Stock Yards and meat packing activity remains high. Packers still are experiencing some difficulties in obtaining sufficient labor for capacity operations. Lumber output, especially soft woods, remains well below 1943 and 1942 levels.

#### **RETAIL TRADE**

Dollar sales volume of all retail trade lines reporting to this bank declined sharply in June from the exceptionally high level of May and was somewhat below volume of June, 1943. Sales in June are normally below May but the drop this year was more than seasonal in extent. Part of the decrease may be attributed to the effect of the Fifth War Loan Drive which deflected some consumer purchasing power to investment in securities.

Despite the sizable decline in June volume, sales for the first half of 1944 ran well ahead of the comparable period in 1943. At department stores the gain for the first six months averaged 9 per cent. Among the more important cities of the district the major increases to date this year have come at Quincy, Illinois, and Springfield, Missouri, but above average gains were also registered at Memphis, Louisville and Fort Smith. At St. Louis, Little Rock and Evansville, sales increases for the first half of this year run well below the district average.

Among the various reporting retail trade lines June sales at department stores in the district were off 14 per cent from May but were 3 per cent above June, 1943. Declines from a month earlier were very uniform among the more important district cities. At St. Louis women's apparel shops, sales fell 27 per cent in the month and were 9 per cent below the corresponding month last year. District men's furnishings store sales registered sales decreases of 17 per cent and 15 per cent, respectively, from a month and a year ago. Shoe store sales in the district in June were down 9 per cent from May but maintained their June, 1943 volume. Furniture stores suffered sales declines of 11 per cent from a month earlier and 3 per cent from last June.

#### **AGRICULTURE**

**General Farming Conditions**—During June and early July crop development in many sections of the Eighth District was retarded by abnormally high temperatures and lack of rainfall. This type of

weather was beneficial to the cotton crop but generally held back growth of most other crops. Drouth conditions spreading westward from the southern Atlantic coast were more pronounced in those portions of the district east of the Mississippi River than in the western regions. If lack of rainfall continues, the final harvest of district crops will be affected. If beneficial rains are received in the near future, however, crop development should not suffer to any great extent from the lack of moisture during the early portion of the growing season.

According to the July 1 report of the U. S. Department of Agriculture, aggregate 1944 crop production in the United States will be about the same as in 1943. In this district prospects were much better on July 1 than on the corresponding date a year earlier and, in general, may be rated as fair to good in contrast to fair to poor prospects in 1943. Only small areas in central Missouri and central Kentucky were rated as having poor prospects this year whereas in 1943 these sections plus more sizable ones in southeastern and northwestern Arkansas and southwestern Missouri were rated as having poor prospects. Last year only small portions of district farm land were classed as having good to excellent crop prospects. This year virtually all of western Missouri, a strip of Illinois along the Mississippi River, the territory forming the junction of Arkansas, Tennessee, Kentucky and Missouri, and portions of central and north Arkansas are listed as having good to excellent prospects.

**Cotton**—According to the July 1 estimate of the U. S. Department of Agriculture cotton acreage in cultivation on that date totalled 20,472,000 or 6.7 per cent less than acreage in cultivation on the same date in 1943. In cotton producing states in this district, the July 1 report indicated 5,195,000 acres in cultivation or 5.6 per cent less than the 5,501,000 acres on the same date a year ago. Reduction in 1944 acreage is attributed primarily to excessive and continued rainfall and low temperatures at seeding time but the relative shortage of labor available for chopping and the potential shortage for harvesting also was a factor. In some cases cotton acreage was shifted to crops requiring less hand labor, this being true mainly of the larger farms.

During the past month weather was generally favorable to the progress of the cotton crop in this district. Late planted cotton is usually more susceptible to weevil and other insect damage than is an early planted crop and this damage is intensified by cool, damp weather. The abnormally warm dry weather that prevailed during June was helpful in

minimizing insect danger. Rainfall would help now, however, as the crop needs some moisture.

Cotton consumption in the United States during the present marketing year will probably run under 10 million bales as compared with 11.1 million bales in the preceding season. In May the daily mill rate of cotton consumption was the lowest since October, 1940. Cotton spindles in June operated at 119 per cent of capacity as compared with 119 per cent in May and 130 per cent in June, 1943.

Recent changes in the price control act are generally accepted as aiding cotton growers. Provisions relating to cotton provide that cloth ceilings be based on a price for cotton that will reflect parity to the producer and that such ceilings be applied to each major item which will have the effect of raising ceilings on several items.

**Fruits and Vegetables**—Production of most fruits and vegetables in this district in 1944 is expected to be larger than in 1943. However, output of white potatoes, sweet potatoes and tomatoes will be down appreciably from 1943. According to the July 1 crop estimate, production of white potatoes in the Eighth District this year will be 9,898,000 bushels or 26 per cent below the 13,254,000 bushels harvested in 1943 and 16 per cent below the ten year (1933-42) average production. Production of sweet potatoes in Eighth District states this year is indicated at 14,612,000 bushels as compared with 16,438,000 bushels in 1943. District output this year will decline 11 per cent from 1943 and will be 10 per cent below the ten year (1933-42) average production. Tomato production for the fresh market will not be much below last year in district states but tomatoes grown for commercial processing are expected to be in much shorter supply. Acreage of tomatoes for processing in 1944 averages less than two-thirds of 1943 acreage in Arkansas, Kentucky, Tennessee and Missouri although it is about the same as last year in Illinois and Indiana.

Production of fruit in states in this district will be sharply higher this year than in 1943, but will be less than average production in the preceeding ten years. According to the latest crop report output of peaches indicated for 1944 is 6,512,000 bushels as compared with 2,499,000 bushels in 1943 and the 7,109,000 bushels averaged in the period 1933-1942. Pear production for this year is estimated at 1,500,000 bushels in contrast to 902,000 bushels in 1943 and the ten year (1933-42) average of 2,210,000 bushels. The apple harvest will be 5,729,000 bushels, down sizably from the 5,809,000 bushels picked in 1943 and off considerably from average output of

7,621,000 bushels. Watermelon output is expected to total 9,053,000 melons, up 30 per cent from last year's harvest and 12 per cent from average output.

**Feed Crops and Grains**—Weather during the past month was not particularly favorable to the development of grain and feed crops as the abnormally high temperatures and lack of rainfall retarded progress to some degree and probably added somewhat to the general lateness of the crops this year.

According to the July 1 estimate of the U. S. Department of Agriculture, 1944 production of most feed crops and grains in this district will be greater than in 1943. Corn output this year is indicated at 374,058,000 bushels as compared with a 1943 harvest of 362,072,000 bushels. The 1944 winter wheat crop estimated at 52,867,000 bushels will be 88 per cent over the 28,034,000 bushels produced in 1943. The Arkansas rice crop for 1944 is estimated at 12,864,000 bushels as compared with 11,891,000 bushels produced last year. District tame hay production in 1944 is indicated at 8,443,000 tons or 7 per cent more than the 1943 crop of 7,927,000 tons. Production of oats in 1944, however, will be appreciably below the 1943 harvest, 51,595,000 bushels as compared with 65,969,000 last year. Soybean output will also probably be off, since 1944 acreage in district states is 2 per cent below 1943.

Pasture condition as of July 1 in this district was appreciably worse than at the comparable time last year. About half of district pasture land was reported as only fair to poor. Only in the western parts of Arkansas and Missouri were pastures reported in good condition. A year ago good pasture conditions prevailed throughout the district portions of Kentucky, Indiana, Illinois and Missouri and over approximately half of Arkansas.

On July 7, WFA announced wheat loan rates on the 1944 crop would be increased from 85 per cent to 90 per cent of parity. This means an increase of 7 cents per bushel in all of the 1944 wheat loan rates previously announced. This will reflect a national average of about \$1.35 per bushel at the farm.

**Livestock and Livestock Products**—The wartime peak in livestock production was evidently reached in 1943. The 1944 spring pig crop in the United States is estimated at 55,925,000 head or 24 per cent off from that of 1943. Indications are that the fall pig crop will be down even more, 33 per cent below 1943. In the district the decline in livestock production will not be as great as in the nation as a whole. In the three major district corn belt states, Illinois, Indiana and Missouri, reductions from the previous year in both the spring pig crop and the

estimated fall crop are relatively less than the national average.

The heavy movement of livestock to market continues. Receipts of livestock at National Stock Yards in June totalled 571,000 animals as compared with 535,000 in May and 487,000 in June, 1943. The gain was due almost entirely to increases in cattle and sheep marketings as hog receipts were down sharply from both a month and a year ago. Federally inspected livestock slaughter at St. Louis in June was up 3 per cent from a month earlier and 22 per cent above a year ago. Slaughter of cattle and calves was almost double that of last June.

The outlook for feed supplies in this district for the 1944-1945 feeding year is somewhat more favorable than it was during the current year. Grain and feed crop production in 1944 is expected to be greater than in 1943 while the number of consuming animal units will be smaller. Reserves of feed supplies will be taxed heavily, however, and at the end of the present crop year feed grain reserves of the nation are expected to be only 67 per cent of volume at the close of the preceding year.

**Tobacco**—Production of all types of tobacco in the Eighth District in 1944 was estimated by the U. S. Department of Agriculture on July 1 to be 269,447,000 pounds or 3 per cent more than the 262,416,000 pounds produced in 1943. The indicated increase is due to gains forecast for burley and one-sucker tobacco output which more than offset appreciable decreases expected for dark-fired types. Burley production is expected to be up 4 per cent, one-sucker up 12 per cent, while dark-fired output is indicated at only 83 per cent of 1943. Acreage of both burley and one-sucker in 1944 is considerably greater than in 1943, but anticipated yields of these types will be substantially smaller. Both acreage and estimated yield of dark-fired tobacco types this year are well below those of last year.

Weather conditions in the Eighth District tobacco producing states during the past month were not conducive to the best progress of the crop. The continued lack of rain in the burley district has caused much irregularity in growth of the crop as a whole. In the first part of July burley plants varied in growth from those just beginning to those having about a dozen leaves. The dry weather, however, has permitted careful cultivation of the crop which on the whole is considered fair but good general rains now would prove of great benefit. Local showers recently fell in portions of other tobacco growing areas of the district. These have been helpful but have not improved outlook appreciably.

#### CASH FARM INCOME

(In thousands of dollars)	May		Cumulative for 5 months		
	1944	1943	1944	1943	1942
Arkansas . . .	\$ 16,509	\$ 21,538	\$ 83,342	\$ 88,925	\$ 41,180
Illinois . . .	102,622	97,563	493,842	438,628	230,003
Indiana . . .	54,947	57,434	267,199	248,579	121,787
Kentucky . . .	18,739	19,736	165,837	135,869	62,933
Mississippi . .	13,794	18,692	71,583	70,807	32,053
Missouri . . .	54,295	52,347	257,278	222,832	109,688
Tennessee . .	21,513	20,957	120,450	103,801	50,144
Totals . . .	282,419	288,267	1,459,531	1,309,441	647,788

#### RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	June, 1944	May, 1944	June, 1943	June, 1944	May, 1944	June, 1943
Cattle and Calves . .	137,756	105,384	87,474	71,680	53,739	50,766
Hogs . . . . .	282,025	349,735	331,699	50,821	49,125	80,989
Horses and Mules . .	2,224	1,914	2,982	2,221	1,907	2,918
Sheep . . . . .	148,745	77,745	65,011	81,184	29,656	14,545
Totals . . . . .	570,750	534,778	487,166	205,906	134,427	149,218

#### WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	June, 1944	May, 1944	June, 1943	June, '44 comp. with May, '44	June, '44 comp. with June, '43
All Commodities . .	104.3	104.0	103.8	+ 0.3%	+ 0.5%
Farm Products . . .	125.0	122.9	126.2	+ 1.7	+ 1.0
Foods . . . . .	106.5	105.0	109.6	+ 1.4	+ 2.8
Other . . . . .	98.5	98.5	96.8	- 0 -	+ 1.8

#### COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	June 15, 1944	May 15, 1944	Sept. 15, 1942	June 15, '44 comp. with May 15, '44	June 15, '44 comp. with Sept. 15, '42
United States . . .	125.4	125.0	117.8	+ 0.3%	+ 6.5%
St. Louis . . . . .	124.3	123.8	116.6	+ 0.4	+ 6.6
Memphis . . . . .	129.2	*	119.3	.....	+ 8.3

\*Not available.

#### COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	June 15, 1944	May 15, 1944	Sept. 15, 1942	June 15, '44 comp. with May 15, '44	June 15, '44 comp. with Sept. 15, '42
U. S. (51 cities) . .	135.7	135.5	126.6	+ 0.1%	+ 7.2%
St. Louis . . . . .	138.7	137.8	126.7	+ 0.7	+ 9.5
Little Rock . . . .	133.8	133.9	129.2	+ 0.1	+ 3.6
Louisville . . . . .	132.9	130.8	124.2	+ 1.6	+ 7.0
Memphis . . . . .	144.7	143.0	129.7	+ 1.2	+ 11.6

#### COAL PRODUCTION

(In thousands of tons)	June, '44	May, '44	June, '43	June, '44 comp. with May, '44	June, '44 comp. with June, '43
Illinois . . . . .	5,956	5,912	4,577	+ 0.7%	+ 30.1%
Indiana . . . . .	2,104	2,151	1,533	+ 2.2	+ 37.2
Kentucky . . . . .	5,064	5,314	3,816	+ 4.7	+ 32.7
Other dist. states . .	1,534	1,723	1,238	+ 11.0	+ 23.9
Total . . . . .	14,658	15,041	11,164	+ 2.5	+ 31.3

#### BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number		Cost		Number		Cost	
	1944	1943	1944	1943	1944	1943	1944	1943
Evansville . . . .	17	9	\$ 40	\$ 22	156	448	\$ 68	\$ 60
Little Rock . . . .	26	18	51	7	216	114	44	16
Louisville . . . . .	27	31	74	60	49	42	42	19
Memphis . . . . .	227	113	312	200	239	321	88	98
St. Louis . . . . .	76	58	173	53	199	177	139	98
June Totals . . . .	373	229	650	342	859	1,102	381	291
May Totals . . . .	545	327	720	743	858	1,160	355	280

#### VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	June, '44	May, '44	June, '43	June, '44 comp. with May, '44	June, '44 comp. with June, '43
Total 8th Dist. . .	\$ 9,466	\$ 5,317*	\$ 10,172*	+ 7%	+ 78%

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

#### CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	June, 1944		May, 1944		June, 1943		June, 1944 compared with May, 1944		June, 1944 compared with June, 1943	
	Custom-ers*		K.W.H.		K.W.H.		K.W.H.		K.W.H.	
	No. of	June, 1944	No. of	June, 1944	No. of	June, 1943	June, 1944	May, 1944	June, 1944	June, 1943
Evansville . . . .	40	7,890	40	6,821	40	10,701†	+16%	+16%	+16%	+26%
Little Rock . . . .	35	3,286	35	2,892	35	2,469	+14	+14	+14	+33
Louisville . . . . .	82	17,409	82	16,780	82	15,621	+4	+4	+4	+11
Memphis . . . . .	31	6,184	31	6,722	31	6,130	+8	+8	+8	+1
Pine Bluff . . . . .	19	7,546	19	7,841	19	6,682	+4	+4	+4	+13
St. Louis . . . . .	138	89,821	138	89,996	138	96,656†	-0-	-0-	-0-	-7
Totals . . . . .	345	132,136	345	131,052	345	138,259†	+1	+1	+1	+4

\*Selected industrial customers. †Revised.



	DEPARTMENT STORES			Stocks	Stock	
	Net Sales			on Hand	Turnover	
	June, 1944 compared with		6 mos.'44 to same period '43	June 30,'44 comp. with June 30,'43	Jan. 1 to June 30, 1944	1943
	May, '44	June, '43				
Ft. Smith, Ark.	-19%	+10%	+15%	— 6%	2.22	1.99
Little Rock, Ark.	-19	+ 3	+ 3	— 6	2.44	2.22
Quincy, Ill. ....	-15	+10	+19	.....	...	....
Evansville, Ind. . .	-18	-14	+ 2	.....	...	....
Louisville, Ky. ....	- 8	+ 8	+13	+ 30	2.71	2.80
St. Louis, Mo. ....	-13	- 1	+ 6	+ 9	2.24	2.15
Springfield, Mo. . .	-13	+20	+24	.....	...	....
Memphis, Tenn. ....	-15	+11	+15	+ 7	2.50	2.31
*All other cities. . .	-13	+ 1	+ 4	+ 3	2.19	2.12
8th F. R. Dist. . . .	-14	+ 3	+ 9	+ 8	2.35	2.25

\*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: June, 1944—26; May, 1944—26; June, 1943—26.

Outstanding orders of reporting stores at the end of June, 1944, were 11 per cent less than on the corresponding date a year ago.

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

	Instalment Accounts	Excl. Instal. Accounts	Instalment Accounts	Excl. Instal. Accounts
Fort Smith...	61%		43%	75%
Little Rock...	27	59	38	71
Louisville...	35	62	30	65
Memphis...	40	61	36	67

#### INDEXES OF DEPARTMENT STORE SALES AND STOCKS 8th Federal Reserve District

	June, 1944	May, 1944	Apr., 1944	June, 1943
Sales (daily average), Unadjusted <sup>1</sup> .....	170	197	183	166
Sales (daily average), Seasonally adjusted <sup>1</sup> .....	189	197	173	184
Stocks, Unadjusted <sup>2</sup> .....	105	101	103	94
Stocks, Seasonally adjusted <sup>2</sup> .....	109	100	100	98

<sup>1</sup>Daily average 1935-39=100.

<sup>2</sup>Monthly average 1923-25=100.

	SPECIALTY STORES			Stocks	Stock	
	Net Sales		on Hand	Turnover		
	June, 1944 compared with May, '44	June, '43	6 mos. '44 to same period '43	June 30, '44 comp. with June 30, '43	Jan. 1 to June 30, 1944 1943	
Men's Furnishings	-17%	-15%	- 9%	+ 52%	1.60	1.82
Boots and Shoes	- 9	- 1	+ 5	+ 14	4.26	4.64

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

Men's Furnishings.....	60%	Boots and Shoes.....	53%
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Trading days: June, 1944—26; May, 1944—26; June, 1943—26.

RETAIL FURNITURE STORES						
	Net Sales		Inventories		Ratio of Collections	
	June, 1944 compared with May, '44		June 30, 1944 compared with June 30, '43		June, '44	June, '43
	June, '43	June, '43	May 31, '44	June 30, '43	June, '44	June, '43
St. Louis Area <sup>1</sup> .....	— 9%	— 5%	+ 2%	—10%	36%	34%
St. Louis.....	— 9	— 4	+ 2	—10	36	33
Louisville Area <sup>2</sup> .....	—10	+ 2	- 0 -	— 3	25	23
Louisville.....	— 7	+ 2	— 4	— 5	24	23
Memphis.....	—17	+ 1	— 4	—40	24	20
Little Rock.....	—14	— 6	+11	—37	27	28
Fort Smith.....	—25	—16	*	*	*	*
Pine Bluff.....	—26	— 2	*	*	32	33
Springfield.....	—15	—10	*	*	32	32
Evansville.....	—15	—13	— 7	- 0 -	57	40
8th Dist. Totals <sup>3</sup> .....	—11	— 3	+ 2	—19	33	30

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

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

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

<sup>3</sup>In addition to above cities, includes stores in Henderson, Hopkinsville, Owensboro, Kentucky; Columbus, Greenville, Greenwood, Starkville, Mississippi; Cape Girardeau, Hannibal, Missouri; and Dyersburg, Tennessee.

#### PERCENTAGE DISTRIBUTION OF SALES

	June, '44	May, '44	June, '43
Cash Sales.....	20%	20%	18%
Credit Sales.....	80	80	82
Total Sales.....	100	100	100

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

	June, '44	May, '44	June, '43	July, '44	July, '43	6 mos. '44	6 mos. '43
160,934	158,800	145,625	44,747	44,906	959,685	850,852	

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.	June, 1944 compared with May, '44    June, '43		June, 1944 compared with June, 1943	
Automotive Supplies.....	+ 5%	+ 36%	....	%
Drugs and Chemicals.....	+ 5	+ 3	....	
Dry Goods.....	- 16	- 12	+ 4	
Electrical Supplies.....	- 5	+ 2	+ 2	
Furniture.....	- 3	+ 8	....	
Groceries.....	- 1	+ 1	- 4	
Hardware.....	+ 7	+ 12	- 0	
Machinery, Equipment and Supplies..	- 8	- 3	- 0	
Plumbing Supplies.....	- 10	- 7	....	
Tobacco and its Products.....	- 0	- 2	+ 2	
Miscellaneous.....	+ 4	+ 12	- 6	
Total all lines*	- 4	+ 1	- 0	

\*Includes certain lines not listed above.

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

	June, '44	May, '44	June, '43	June, '44 comp. with May, '44	June, '43
Number.....	2	2	4	- 0 - %	+242%
Liabilities.....	\$ 41,000	\$ 12,000	\$132,000	- 50	-69

Source: Dun and Bradstreet.

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

	July 19, 1944	June 21, 1944	July 21, 1943
(In thousands of dollars)			
Industrial advances under Sec. 13b.....	\$ .....	...	...
Other advances and rediscounts.....	6,200	- 31,500	+ 4,650
U. S. securities.....	609,200	+ 32,601	+249,094
Total earning assets.....	615,400	+ 1,101	+253,744
Total reserves.....	691,338	+ 498	- 26,070
Total deposits.....	512,849	+ 5,080	+ 23,095
F. R. notes in circulation.....	802,941	+ 8,101	+210,591
Industrial commitments under Sec. 13b..	48	- 0 -	- 1,569

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

	July 19, 1944	June 21, 1944	July 21, 1943
(In thousands of dollars)			
Total loans and investments.....	\$1,694,443	+138,563	+259,730
Commercial, industrial, agricultural loans*	219,053	+ 21,677	+ 14,548
Loans to brokers and dealers in securities.	6,897	+ 1,741	+ 2,414
Other loans to purchase and carry securities	38,605	+17,507	+ 29,572
Real estate loans.....	64,051	+ 205	- 2,003
Loans to banks.....	1,395	+1,212	+ 1,057
Other loans.....	80,327	+ 2,862	+ 22,768
Total loans.....	410,328	+ 42,780	+ 68,356
Treasury bills.....	69,394	+23,414	- 44,785
Certificates of indebtedness.....	327,705	+50,729	+111,360
Treasury notes.....	229,678	+ 3,500	+ 83,277
U. S. bonds.....	528,576	+18,591	+ 59,646
Obligations guaranteed by U. S. Govt..	20,910	- 793	-10,697
Other securities.....	107,852	+ 342	- 7,427
Total investments.....	1,284,115	+ 95,783	+191,374
Balances with domestic banks.....	120,574	+ 6,813	+ 4,469
Demand deposits — adjusted**.....	878,613	+40,469	+ 31,915
Time deposits.....	245,052	+ 3,329	+ 38,895
U. S. Government deposits.....	359,922	+175,675	+209,389
Interbank deposits.....	508,047	+18,710	+ 17,896
Borrowings.....	6,000	-31,450	+ 4,500

\*Includes open market paper.

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

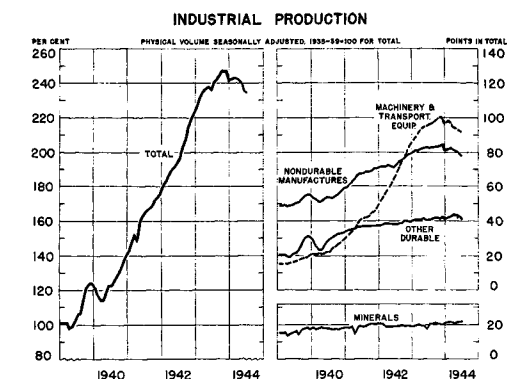
Above figures are for 24 member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville. Their resources comprise approximately 75% of the resources of all member banks in this district.

	DEBITS TO INDIVIDUAL ACCOUNTS				
	June, 1944		June, 1943		June, '44 comp. with June, '43
	June, 1944	May, 1944	June, 1943	May, '44	
(In thousands of dollars)					
El Dorado, Ark.....	\$ 10,816	\$ 9,034	\$ 10,765	+19.7%	+ 0.5%
Fort Smith, Ark.....	24,056	21,841	19,430	+10.1	+23.8
Helena, Ark.....	3,791	3,629	3,279	+ 4.5	+15.6
Little Rock, Ark.....	70,677	67,769	62,091	+ 4.3	+13.8
Pine Bluff, Ark.....	15,972	15,082	14,013	+ 5.9	+14.0
Texarkana, Ark.-Tex.	11,160	10,008	7,824	+11.5	+42.6
Alton, Ill.....	16,953	12,460	12,382	+36.1	+36.9
E. St. L.-Nat. S. Y., Ill..	82,377	80,582	75,604	+ 2.2	+ 9.0
Quincy, Ill.....	18,990	16,607	15,844	+14.3	+19.9
Evansville, Ind.....	110,219	107,509	81,449	+ 2.5	+35.3
Louisville, Ky.....	428,571	318,749	328,918	+34.5	+30.3
Owensboro, Ky.....	17,829	16,374	13,451	+ 8.9	+32.5
Paducah, Ky.....	10,666	8,128	8,368	+31.2	+27.5
Greenville, Miss.....	10,471	6,889	6,632	+20.5	+57.9
Cape Girardeau, Mo..	5,457	4,746	4,845	+15.0	+12.6
Hannibal, Mo.....	5,163	4,535	4,118	+13.8	+25.4
Jefferson City, Mo..	22,518	23,911	16,277	- 5.8	+38.3
St. Louis, Mo.....	1,208,519	1,305,286	952,285	- 7.4	+26.9
Sedalia, Mo.....	6,876	6,160	5,744	+11.6	+19.7
Springfield, Mo.....	33,568	34,801	29,068	- 3.5	+15.5
Jackson, Tenn.....	8,930	8,546	8,032	+ 4.5	+11.2
Memphis, Tenn.....	249,804	225,255	228,785	+10.9	+ 9.2
Totals.....	2,374,975	2,309,701	1,909,204	+ 2.8	+24.4

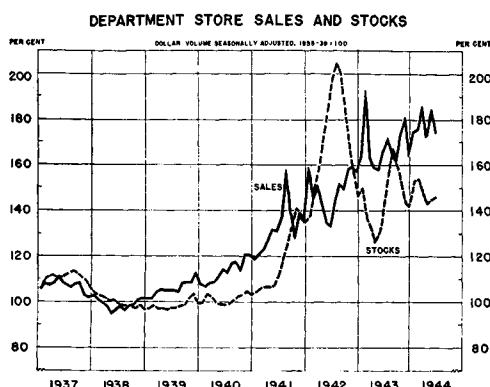
(Completed July 25, 1944)

# NATIONAL SUMMARY OF CONDITIONS

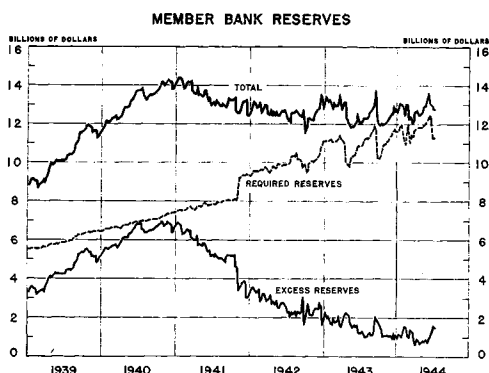
## BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



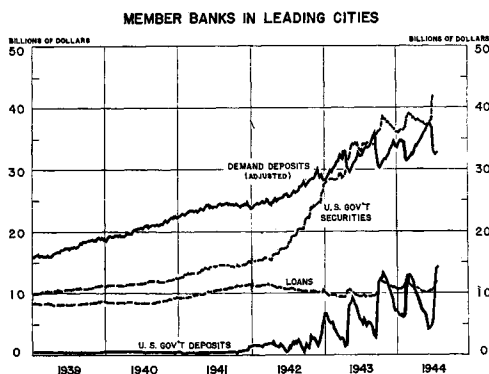
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for June, 1944.



Federal Reserve indexes. Monthly figures, latest shown are for June, 1944 for sales and May, 1944 for stocks.



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for July 12, 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 July 12, 1944.

Employment and production at factories continued to decline slightly in June; output of minerals was maintained in record volume. Retail trade and commodity prices showed little change in June and the early part of July.

**Industrial production**—The Board's seasonally adjusted index of industrial production was 235 per cent of the 1935-39 average in June as compared with 237 in May and 243 in the first quarter.

Steel production declined 4 per cent from the rate in May, reflecting partly manpower shortages. Output of nonferrous metals dropped 8 per cent, largely owing to the continued planned curtailment of aluminum and magnesium production. The lifting on July 15 of some of the restrictions on use of these metals was the initial step in a program to prepare for limited reconversion to peacetime output. Activity in the machinery and transportation equipment industries in June was maintained at the level of the preceding month. Increasing emphasis was reported on output of heavy artillery and artillery shells and of tanks. Lumber production continued to decline and was approximately 10 per cent below June, 1943.

Production of nondurable goods was maintained in June. Meatpacking activity declined further from the exceptionally high level in the first quarter, but output of most other food products continued to rise seasonally. Refinery output of gasoline advanced further and reached the earlier record level of December, 1941. Activity in cotton textile mills and in the chemical and rubber industries showed little change in June.

Mine production of metals and coal was maintained in large volume and crude petroleum production continued to rise to new record levels.

**Distribution**—Department store sales declined more than seasonally in June, following a considerable increase in May, and the Board's index was 175 per cent of the 1935-39 average as compared with 183 in May and an average of 177 in the first four months of this year. Value of sales in the first half of 1944 was 7 per cent greater than in the first half of 1943. In the early part of July sales were 9 per cent larger than a year ago.

Railroad freight carloadings showed little change in June and the first three weeks of July after allowance for seasonal movements.

**Commodity prices**—Legislation extending Federal price controls for one year was enacted June 30; certain restrictive provisions were relaxed, especially those relating to prices of cotton products. Prices of most commodities in wholesale and retail markets have recently shown little change.

**Agriculture**—Well over a billion bushels of wheat and almost 3 billion bushels of corn were in prospect on July 1. This is an improvement over June 1 prospects and aggregate crop production in 1944 may be about the same as in 1943 and larger than any year prior to 1942.

The number of chickens raised this year was 19 per cent smaller than last year; the spring pig crop was 24 per cent smaller and the fall crop may be a third smaller than in 1943. Marketings of cattle, however, have been normal in relationship to the numbers and unless marketings are increased during the rest of this year no material reduction of the large numbers of cattle on farms will occur.

**Bank credit**—As payments for securities purchased during the Fifth Drive transferred funds from private deposits to reserve-exempt Government accounts, the average level of required reserves at all member banks declined by close to 1¼ billion dollars. Reserve balances were reduced by about 800 million dollars and excess reserves rose by around 400 million. Reserve funds were absorbed through declines in Reserve Bank holdings of Government securities, by a moderate increase in currency, and by temporary increases in Treasury deposits at the Reserve Banks. Over the four weeks ending July 12, money in circulation rose by 230 million dollars, which is a smaller rate of growth than prevailed in recent months, reflecting the influence of the war loan drive.

During the Fifth Drive, between June 14 and July 12, Government security holdings at reporting member banks in 101 leading cities increased by 4.7 billion dollars. Additions to bank holdings resulted from purchases of securities from investors who were adjusting their positions prior to subscriptions during the drive, from increased purchases of Treasury bills, and from subscriptions to new securities in limited amounts.

Loans for purchasing and carrying Government securities increased by 1.8 billion dollars over the Fifth War Loan, an increase larger than that of any other drive. Of the total amount advanced by banks in 101 cities, loans to brokers and dealers accounted for 500 million and loans to others for 1.3 billion.

Accompanying purchases of securities during the Fifth Drive, adjusted demand deposits declined by 4.7 billion dollars at banks in 101 cities. Government deposits at these same banks increased by 10.5 billion dollars. The difference reflected the effect of the increase in bank loans and investments.