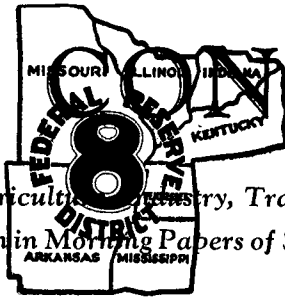


BUSINESS



CONDITIONS

Monthly Review of Agriculture, Forestry, Trade and Finance
Released for Publication in Morning Papers of September 1, 1944

FEDERAL RESERVE BANK OF ST. LOUIS



COURTESY STATE OF TENNESSEE,
DEPARTMENT OF CONSERVATION

GENERAL INDUSTRIAL SITUATION

THE spectacular advances of allied armies in Europe bring hope of victory in this war theatre in 1944. This would mean that our full striking power could be turned to the Asiatic-Pacific phase of the war.

On the economic front, the end of the European War, according to WPB, will be accompanied by a sharp cutback in war production schedules, perhaps by as much as 35 per cent from current output. Already, the 1944 overall munitions program has been reduced by about 4 per cent.

The latest WPB report indicates that June output of munitions declined 1 per cent from May and fell short of the June schedule, fixed earlier this year, by 3 per cent. Performance in individual munitions lines varied considerably. Of twenty individual programs listed, output in the first six months of 1944 was equal to more than half of the annual scheduled output for ten programs and between 47 per cent and 49 per cent for six others. Aerial bombs, naval ammunition, automotive vehicles and tractors, and very heavy trucks were the only lines in which six months' output was 45 per cent or less of annual volume scheduled.

The most striking fact brought out by the recent WPB report is that even though schedules for peak months in 1944 may be above current output levels for most major munitions categories, they average no higher than actual production in November, 1943, and for ships, guns, and vehicles, at least, are well below the peak monthly output attained earlier. This means that maintenance of a production level previously achieved should insure our armed forces of sufficient materials for the balance of the war.

The final WPB order of a series of four, permitting resumption of civilian durable goods, has been

issued. While no great quantity of goods is likely to be produced before the end of the European war, primarily because of small allocations of metals, this is definitely a beginning to reconversion activity and is a hopeful sign that the eventual major shift back to non-war goods may be eased somewhat by gradual transition now.

Resumption of the slightly downward trend in industrial activity in this district apparently occurred in the past month when output was below the level of both a month and a year earlier. Consumption of industrial electric power at major cities of the district in July was 3 per cent below June and 7 per cent below July, 1943. Steel and coal production was down in the month, and, with declining munitions output, held the general level of industrial production here below June, despite continued high activity in some other lines, especially electrical machinery, chemicals and meat packing.

Most recent changes in the district munitions picture have to do with declines in cargo plane production schedules. A continuing surplus of aluminum ingots has resulted in the closing of additional pot lines and will probably cut back both bauxite and alumina output in this district.

In view of these developments, coupled with previous curtailments of output in ammunition and explosives lines in this district, there seems to be little likelihood that overall munitions output here will again climb to its previous peak even though national production does. Supporting this view is the continued scheduled drop in number of workers at major war plants in the area, a decline not expected to be fully offset by increases in manufacturing employment in other lines.

DISTRICT SURVEY

MANUFACTURING

Iron and Steel—Total steel output in the St. Louis district in July was below the level of both a month and a year ago. Steel ingot production was up somewhat with ingot open hearths operating at an average rate of 81 per cent of capacity as compared with 79 per cent in June. Castings production, however, fell off as unauthorized work stoppages cut down output substantially at large foundries in the district.

The intensive campaign to recruit foundry workers continues. Labor shortage of both skilled foundrymen and steel mill workers is a limiting factor in

steel production in this area. Both scrap and pig iron supply continue adequate for all essential purposes and it seems very unlikely that raw material shortages will impede output for the balance of the war.

Shoes—Eighth District shoe factories in July produced 14 per cent less shoes than in June and 12 per cent less than in July, 1943, according to preliminary reports. The decided easing of the overall labor situation in the region enables shoe producers to obtain considerably more help than a year earlier. Leather raw materials for shoes are also in considerably greater supply than in 1943.

Final production figures for June indicate Eighth District shoe production was 7,242,000 pairs as compared with 7,208,000 pairs in May and 7,100,000 pairs in June, 1943. For the first seven months of 1944 estimated district shoe production was down 0.2 per cent from the comparable period in 1943.

While total civilian shoe output in 1944 is running ahead of 1943 manufacture, there have been substantial changes in volume of different types of shoes. As compared with 1943, about 30 per cent less leather-soled shoes are being produced while more than four times as many shoes with soles other than leather or rubber are currently being manufactured. Men's shoe output is down sharply from 1943 while boys', girls', and infants' shoes are being made in considerably more volume.

Whiskey—At the close of July only four of Kentucky's 60 distilleries were not in operation. This was six more than were in production a month earlier. For almost two years Kentucky distilleries have been producing alcohol for use in the war program, but beginning August 1 production of whiskey and neutral spirits for civilian consumption was resumed under a holiday period extending throughout the month. It is expected that about 40 million gallons of whiskey and neutral spirits will be produced during August, as most distilleries with sufficient water supplies will operate on a 24 hour day production basis.

Most of the production during August will be concentrated in neutral spirits which can be distilled from almost any grain available and can be used immediately for blending with whiskey now in warehouses. Since it will not be possible for distillers to use any corn for whiskey production, no straight Kentucky bourbon will be produced. Some of the whiskey will be distilled from a combination of wheat, rye and barley. After aging two years this type will be available for bottling as straight whiskey.

Miscellaneous Manufacturing—Measured by volume of employment, munitions production in the Eighth District in July was somewhat below the June level, and was well below a year earlier. Chemicals (other than ammunition) output was maintained at an exceptionally high level during July. Manufacture of electrical apparatus primarily designed for military uses also increased appreciably over the comparable month last year. Meat packing activity remains very high. Federally inspected slaughter at St. Louis in July was 4 per cent above July, 1943. Production of lumber at district mills was substantially below peak production in 1943.

EMPLOYMENT

The employment situation in the Eighth District eased further in July with some reduction in the number of workers employed on munitions contracts. Other non-agricultural employment also dropped seasonally in the month, while agricultural employment increased somewhat.

The latest War Manpower Commission classification of labor market areas includes only eight located within the Eighth District. Slightly less than one-third of the district population lives in these rated areas. In the past three months five areas have been dropped from the list of rated communities because they were both labor surplus areas and regions which had no substantial volume of war contracts. Two cities, Louisville and Pine Bluff, continue to be rated as areas of possible labor stringency, although the former city now reports that it has passed the critical period in labor supply.

As of August 1, of the total population residing in rated labor market areas, 71 per cent was in labor surplus areas and 10 per cent was in regions that expect no labor shortage. None of the district population was in a labor shortage area. This situation is in sharp contrast to that obtaining January 1, when only 25 per cent of the rated area population was in regions having a labor surplus.

RETAIL TRADE

Although July sales of retail trade lines reporting to this bank declined from the June level, the decrease in most lines was less than seasonal. As compared with July, 1943, dollar volume of sales in July of this year was higher at district department and shoe stores, but was lower at men's and women's clothing stores and at furniture stores.

For the first seven months of 1944 retail sales in this district have run ahead of volume in the comparable period of 1943. At department stores the gain has been about 8 per cent. There are substantial differences in percentage gain among the various cities of the district with Quincy and Springfield running well above the district average, and St. Louis and Little Rock registering increases substantially below it. Evansville this year has been showing a decline from its 1943 sales level. This city has probably been the most seriously affected of all district cities by cutbacks in the war production program.

AGRICULTURE

General Farming Conditions—During July, Eighth District crop prospects deteriorated considerably as a result of serious drouth conditions over a large portion of the area. At the beginning of August,

rainfall, particularly in the territory west of the Mississippi River, somewhat relieved the drouth, but for the most part the area east of the river continued to experience exceptionally dry weather. As in the 1930 season, the drouth apparently centered in Kentucky and Tennessee. During July, rainfall in Kentucky and Tennessee was less than half of normal, and in Indiana and Illinois was only slightly more than half of normal. Missouri, Arkansas and Mississippi had about 75 per cent of normal precipitation in the month. The extreme dryness was intensified by abnormally high temperatures.

Generally speaking, Eighth District crops that still remain for harvest, except cotton, were badly hurt by the drouth. The cotton crop, however, was benefited by the dry weather which tended to minimize possible weevil infestation. In Mississippi, for example, weevil infestation this year was only one-third as great as usual.

Prices received by farmers at mid-July were slightly lower than both a month and a year earlier. Downturns in prices of grains, truck crops and meat animals were offset by price rises for cotton, fruit, milk and eggs. The July index of prices received by farmers in the United States was 2.6 per cent below the peak reached in April, 1943. Since April, 1944 the index each month has been slightly lower than in the preceding month. In the Eighth District, prices received by farmers in July apparently declined slightly more than those for the country as a whole.

In the district, July 1 crop indications pointed to substantially higher production than in 1943 when crops were badly curtailed by severe flood and prolonged drouth. The adverse weather of July, however, so reduced district prospects for 1944 production that it is unlikely that output in this area will rise appreciably more than the national average increase over 1943.

According to the Bureau of Agricultural Economics, total cash receipts from farm marketings in 1944 may be 3 per cent greater than in 1943. The income increase estimated will be due entirely to prospective gains in crop production. No significant changes in income from livestock are anticipated. Income from hogs will drop appreciably, but this decline should be offset by an increase in income from cattle.

Cotton—Weather, during July and early August, was generally favorable for development of the cotton crop. There was sufficient rain to bring about a rapid maturing of the crop, but the weather was

dry enough to hold down weevil infestation to a minimum. According to the August 1 estimate of the U. S. Department of Agriculture, cotton production in the Eighth District in 1944 will total 3,146,000 bales, or 71,000 bales less than the short production of 1943. The total district decrease from a year ago is about equal to the indicated production decline in Mississippi. Arkansas and Tennessee production is expected to be down slightly from 1943, but this will be almost completely offset by increased output in Missouri, where yields are expected to be up 10 per cent from a year ago. The decline in production in district cotton states results entirely from decreased acreage. Yields in Arkansas and Tennessee are expected to be 6 per cent and 4 per cent, respectively, above 1943 yields, while in Mississippi the 1944 prospective yield is unchanged from that of a year earlier.

The farm price of cotton during the 1943-1944 marketing season averaged about 0.9c per pound below parity. Partly because cotton has been below parity the recent amendments to the Price Control Act were passed. These are expected to benefit considerably the cotton producer. Under one of these amendments the Commodity Credit Corporation recently announced details of the 1944 cotton loan program. On a net weight basis, the loan rate on 15/16 middling cotton will be 21.40c per pound. This is based on 92.5 per cent of the parity price as of July 15, 1944, or 21.08c per pound, gross weight, 7/8 middling.

Feed Crops and Grains—The extreme dry weather of July caused most of the various feed and grain crops in the Eighth District to deteriorate substantially. According to the August 1 estimate of the U. S. Department of Agriculture, district corn production will be 337,053,000 bushels, or 37,000,000 bushels less than was forecast on July 1, and 25,000,000 bushels less than the 1943 harvest. The winter wheat harvest, which is virtually completed in the district, is currently estimated at 51,973,000 bushels, some 900,000 bushels less than the July 1 estimate, but 24,000,000 bushels greater than 1943 output. District oat production on August 1 is indicated at 51,308,000 bushels. The prospective harvest declined 300,000 bushels in the past month, and is now 14,700,000 bushels less than the 1943 harvest. Tame hay in the district in 1944 is now indicated at 7,551,000 tons, 400,000 tons less than in 1943. During July, prospects declined by 900,000 tons. The prospective soybean crop on August 1 was estimated at about 6 per cent less than the 1943 harvest. Among the cereals, only rice prospects improved in July

with the 1944 Arkansas rice crop currently estimated at 13,132,000 bushels, as compared with 12,864,000 bushels on July 1, and a 1943 harvest of 11,891,000 bushels.

Among Eighth District states, Missouri and Mississippi generally were least affected by grain and feed crop deterioration during July. The Missouri corn, wheat and oat crops forecast on August 1 were identical with the July 1 estimates. Tame hay prospects dropped, but were not much below 1943 production while soybean prospects were about 20 per cent better than the 1943 crop. Mississippi wheat and oats prospects were unchanged from July 1, while declines in prospects of other crops were not very great. The major declines in corn crop prospects occurred in Arkansas, Indiana, Tennessee and Kentucky. In the latter state, the decrease in the month was about one-third of the entire crop forecast of July 1.

Fruits and Vegetables—While the abnormal temperatures and lack of rainfall adversely affected almost all district crops during July, the fruit and vegetable harvests of the district evidently will not be materially lower than was forecast earlier this year. Much of the district fruit and vegetable production was already harvested prior to the worst period of the drouth, and rainfall subsequent to August 1 has benefited late gardens to some extent. Among the important truck crops for commercial processing, Eighth District states now expect to produce about 21 per cent more tomatoes than in 1943, about 5 per cent more sweet corn, but some 6 per cent less snap beans. Production of most late truck crops for shipment to the fresh market is expected to be somewhat lower than in 1943. For the country as a whole, aggregate production of commercial truck crops is expected to be about 3.25 million tons, or 21 per cent greater than 1943 and 15 per cent more than ten-year average output.

Production of white and sweet potatoes in the district in 1944 will be less than in 1943, according to August 1 estimates of the U. S. Department of Agriculture. For the district proper indicated white potato output for 1944 is 9,263,000 bushels, as compared with 13,254,000 bushels in 1943. Sweet potato production in district states in 1944 is expected to be 12,980,000 bushels, in contrast to 14,612,000 bushels last year.

Peach and pear output in the Eighth District in 1944 is appreciably greater than in 1943. The peach crop is almost three times as large as a year earlier, while the pear crop is up about 70 per cent. Output of commercial apples and grapes is expected to be

somewhat less than in 1943. Watermelon production is up sharply from a year earlier.

Livestock—Total meat production in the United States in 1944 is expected to break all records with 25 billion pounds dressed weight produced. This would be 4 per cent greater than output in 1943. Beef and veal production will be appreciably higher than in 1943, while pork production is expected to be down slightly. Average weights of slaughtered hogs are down sufficiently to offset the increase in numbers. Lamb and mutton production is expected to be off 10 per cent.

The number of cattle on feed for market in corn belt states on August 1 this year was 41 per cent smaller than a year earlier, according to the U. S. Department of Agriculture. In the Eighth District portion of the corn belt the number of cattle on feed, relative to a year earlier, was smaller than for the corn belt as a whole. The sharp reduction in the number of cattle on hand on August 1 is due primarily to a shorter feeding period on the average. The official lamb crop report, as of July 1, 1944, indicated that 1944 production in district states would be off 6 per cent from 1943 output, or slightly more than the reduction for the nation as a whole.

The feed situation, relative to livestock numbers, will be materially better in the 1944-45 feeding year than in 1943-44. Feed supplies, per animal unit, are expected to be up about 9 per cent in the coming year. District pasture conditions are currently reported as very poor, with drouth over much of the district causing pastures to deteriorate rapidly.

Tobacco—In common with most other district crops, tobacco prospects deteriorated somewhat during the extremely dry weather of July. According to the latest Government estimate, Eighth District output of all types of tobacco in 1944 will be 267,284,000 pounds. This is 2,200,000 pounds less than indicated a month earlier, but 4,900,000 pounds more than was produced last year. The reduction in prospects took place mostly in Tennessee.

In several of the burley growing sections of Kentucky, widely scattered rains fell during early August, with the most heavy precipitation coming in central and northeast Kentucky. Considerably more rainfall is needed, however, to bring about any general improvement in the crop. Continued sunshine and abnormally warm weather, coupled with lack of moisture, has seriously affected the burley crop in various areas, and there are numerous reports of plants badly burned on bottom leaves. District burley production this year should be about

2 per cent greater than in 1943, on an acreage some 20 per cent larger than last year.

Hot, dry weather prevailed throughout the entire dark-fired tobacco district during July and the growth of the crop has been very slow, although leaves have a good color. In early August, some sections received scattered showers, and the crop in general is reported as withstanding the drouth better than the burley crop. Yields are expected to be good this year, despite the drouth, but acreage reductions will reduce dark-fired tobacco production by approximately 20 per cent.

The one sucker tobacco crop is doing fairly well, and a good percentage was topped during the first week of August. Rain is badly needed, however. If rainfall occurs with other good growing conditions, the yield on one sucker may equal that of the 1943 crop. Acreage is up and total production should be up about 8 per cent.

BANKING AND FINANCE

Banking and credit conditions during late July and August continued to be dominated by Treasury operations. While the Fifth War Loan Drive for marketable issues closed July 8, there were still substantial sales of U. S. savings bonds and notes during the balance of July. Government war loan accounts at commercial banks reached a peak in the first part of July, and since that time have been drawn down somewhat. As a result of Government spending of the funds private deposits rose. Primarily because of the continued rise of currency in circulation and the growth in private deposits, against which legal reserve requirements apply, the banks, particularly those in the cities, have suffered a depletion of excess reserves. Consequently, they have liquidated some of their short term securities. At the same time there was a substantial decrease in loan volume, due primarily to repayment of loans to purchase and carry Government securities.

On August 16 demand deposits adjusted of 24 weekly reporting member banks were \$74 million greater than on July 12, while U. S. Government deposits, mostly War Loan accounts, were off \$62 million. Total investments of the reporting member banks increased \$36 million in the five week period with certificate and bond holdings rising \$52 million, while bill holdings dropped \$15 million. Total loans fell \$19 million.

Since the last issue of this review, the St. Matthews Bank, St. Matthews, Kentucky, converted to the St. Matthews National Bank and has become a member of the Federal Reserve System.

CASH FARM INCOME

(In thousands of dollars)	June		Cumulative for 6 months		
	1944	1943	1944		1942
			1944	1943	1942
Arkansas.....	\$ 14,836	\$ 12,673	\$ 98,178	\$101,598	\$ 83,997
Illinois.....	89,839	88,183	583,671	526,811	417,455
Indiana.....	50,939	48,732	318,138	297,311	227,836
Kentucky.....	19,820	21,811	185,657	157,680	103,802
Mississippi.....	13,857	9,808	85,440	80,615	55,658
Missouri.....	52,176	52,539	309,454	275,371	205,000
Tennessee.....	22,739	20,295	143,189	124,096	87,307
Totals.....	264,206	254,041	1,723,737	1,563,482	1,181,055

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	July, 1944	June, 1944	July, 1943	July, 1944	June, 1944	July, 1943
	Cattle and Calves...	165,939	137,756	107,999	76,898	71,680	60,840
Hogs...	266,064	282,025	281,271	55,259	50,821	100,843
Horses and Mules...	1,205	2,224	2,687	1,245	2,221	2,676
Sheep.....	134,304	148,745	159,188	59,560	81,184	67,208
Totals...	567,512	570,750	551,145	192,962	205,906	231,567

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	July, 1944	June, 1944	July, 1943	July, '44 comp. with June, '44	July, '43
All Commodities..	104.1	104.3	103.2	- 0.2%	+ 0.9%
Farm Products..	124.1	125.0	125.0	- 0.7	- 0.7
Foods.....	105.8	106.5	107.2	- 0.7	- 1.3
Other.....	98.5	98.5	96.9	- 0.0	+ 1.7

COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	July 15, 1944	June 15, 1944	Sept. 15, 1942	July 15, '44 comp. with June 15, '44	Sept. 15, '42
United States..	126.1	125.4	117.8	+ 0.6%	+ 7.0%
St. Louis...	125.5	124.3	116.6	+ 1.0	+ 7.6

COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	July 15, 1944	June 15, 1944	Sept. 15, 1942	July 15, '44 comp. with June 15, '44	Sept. 15, '42
U. S. (51 cities)...	137.4	135.7	126.6	+ 1.3%	+ 8.5%
St. Louis.....	141.9	138.7	126.7	+ 2.3	+ 12.0
Little Rock.....	135.8	133.8	129.2	+ 1.5	+ 5.1
Louisville.....	133.4	132.9	124.2	+ 0.4	+ 7.4

INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS

Bureau of Labor Statistics (1937=100)	June, 1944	May, 1944	June, 1943	June, '44 comp. with May, '44	June, '43
Evansville.....	257.2	252.0	293.7	+ 2.1%	- 12.4%
Louisville.....	138.1	138.3	128.7	- 0.1	+ 7.3
Memphis.....	179.3	179.2	157.8	+ 0.1	+ 13.6
St. Louis.....	133.8	135.7	159.1	- 1.4	- 15.9

BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number		Cost		Number		Cost	
	1944	1943	1944	1943	1944	1943	1944	1943
Evansville.....	17	6	\$ 19	\$ 21	110	280	\$ 28	\$116
Little Rock....	39	18	7	4	231	128	53	23
Louisville....	48	48	105	95	49	36	55	12
Memphis.....	381	100	145	150	84	378	57	128
St. Louis.....	87	100	178	189	201	143	123	96
July Totals....	572	272	454	459	675	965	316	375
June Totals....	373	229	650	342	859	1,102	381	291

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	July, '44	June, '44	July, '43	July, '44 comp. with June, '44	July, '43
Total 8th Dist.	\$ 9,269	\$ 8,997†	\$ 8,720†	+ 3%	+ 6%

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

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Custom-ers*	July, 1944	June, 1944	July, 1943	July, 1944 compared with	
		K.W.H.	K.W.H.	K.W.H.	June, 1944	July, 1943
Evansville....	40	7,789	7,890	11,159	-1.3%	- 30.2%
Little Rock...	35	3,245	3,286	2,932	-1.2	+ 10.7
Louisville....	82	17,858	17,409	16,749	+2.6	+ 6.6
Memphis.....	31	6,350	6,184	6,208	+2.7	+ 2.3
Pine Bluff....	19	7,148	7,546	5,350	-5.3	+ 33.6
St. Louis....	138	86,324	89,821	95,483	-3.9	- 9.6
Totals.....	345	128,714	132,136	137,881	-2.6	- 6.6

* Selected industrial customers.

	DEPARTMENT STORES			Stocks		
	Net Sales		Stocks on Hand	Stock Turnover		
	July, 1944 compared with June, '44	7 mos. '44 to same period '43	July, 31, '44 comp. with July 31, '43	Jan. 1 to July 31, 1944	1943	
Ft. Smith, Ark.	-6%	+14%	+14%	-4%	2.53	2.25
Little Rock, Ark.	-4	+10	+4	-9	2.76	2.47
Quincy, Ill.	-8	+28	+20	.....	.....	.....
Evansville, Ind.	-16	-15	-5	.....	.....	.....
Louisville, Ky.	-18	+14	+13	+24	3.04	3.16
St. Louis, Mo.	-13	+6	+6	+1	2.54	2.43
Springfield, Mo.	+1	+27	+24	.....	.....	.....
Memphis, Tenn.	-10	+12	+14	+5	2.80	2.59
*All other cities.	-1	+10	+5	-4	2.52	2.40
8th F. R. Dist.	-12	+9	+8	+2	2.65	2.54

*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: July, 1944—24; June, 1944—26; July, 1943—26.

Outstanding orders of reporting stores at the end of July, 1944, were 10 per cent less than on the corresponding date a year ago.

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

	Instalment Accounts		Excl. Instal. Accounts	
	%		%	
Fort Smith	61%		41%	73%
Little Rock	29	59	37	72
Louisville	37	62	32	65
Memphis	41	57	36	66

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

	8th Federal Reserve District			
	July, 1944	June, 1944	May, 1944	July, 1943
Sales (daily average), Unadjusted ¹	160	170	197	137
Sales (daily average), Seasonally adjusted ¹	216	189	197	185
Stocks, Unadjusted ²	106	105	101	103
Stocks, Seasonally adjusted ²	113	109	100	110

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

SPECIALTY STORES

	Net Sales		Stocks on Hand		Stock Turnover	
	July, 1944 compared with June, '44	7 mos. '44 to same period '43	July, 31, '44 comp. with July 31, '43	Jan. 1 to July 31, 1944	1943	
	Men's Furnishings	-45%	-10%	+9%	+1%	1.76	2.00
Boots and Shoes	-16	+34	+8	-12	4.98	5.09

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

Men's Furnishings	58%	Boots and Shoes	54%
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Trading days: July, 1944—24; June, 1944—26; July, 1943—26.

RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	July, 1944 compared with June, '44	July, '43	July 31, 1944 compared with June 30, '44	July 31, '43	July, '44	July, '43
	St. Louis Area ¹	-11%	-3%	+2%	+9%	46%	43%
St. Louis	-10	-4	+2	+8	47	44
Alton	-18	1	*	*	47	42
Louisville Area ²	-25	+3	-19	-16	29	26
Louisville	-27	+4	-0	-19	27	24
New Albany	-18	+1	-44	-8	36	32
Memphis	-14	-7	+15	-35	29	39
Little Rock	-5	-8	+4	-28	28	29
Springfield	-2	+10	*	*	40	34
Pine Bluff	-14	-18	*	*	36	33
Fort Smith	-13	-54	*	*	*	*
Evansville	-26	-19	+6	+10	45	39
8th Dist. Totals ³	-14	-6	-3	-13	36	35

*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, Missouri; and Dyersburg, Tennessee.

PERCENTAGE DISTRIBUTION OF SALES

	July, '44	June, '44	July, '43
Cash Sales	19%	20%	20%
Credit Sales	81	80	80
Total Sales	100	100	100

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

First nine days						
July, '44	June, '44	July, '43	Aug., '44	Aug., '43	7 mos. '44	7 mos. '43
161,755	160,734	160,326	47,900	46,642	1,121,440	1,011,178

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.		July, 1944 compared with July, '43	
	July, 1944 compared with June, '44	July, '43	July, 1944 compared with July, 1943	
Automotive Supplies	+4%	+31%%	
Boots and Shoes	-8	-20	....
Drugs and Chemicals	-5	-0	....
Dry Goods	+4	-2	+4	
Electrical Supplies	-3	+4	+29	
Groceries	-5	-0	-4	
Hardware	-7	+10	-8	
Machinery, Equipment and Supplies	-9	+10	+33	
Plumbing Supplies	-14	-0	....
Tobacco and its Products	-7	-11	....
Miscellaneous	-5	+8	+14	
Total all lines**	-3	+2	+4	

*Preliminary.
**Includes certain lines not listed above.

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	July, '44	June, '44	July, '43	July, '44 comp. with June, '44	July, '43
Number	1	2	19	-50%	-80%
Liabilities	\$127,000	\$41,000	\$176,000	+210	+159

Source: Dun and Bradstreet.

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

(In thousands of dollars)	Change from		
	Aug. 16, 1944	July 19, 1944	Aug. 18, 1943
Industrial advances under Sec. 13b	\$.....	.....	.....
Other advances and rediscounts	5,520	+680	+3,095
U. S. securities	644,878	+35,678	+270,559
Total earning assets	650,398	+34,998	+273,654
Total reserves	686,158	-5,180	-11,704
Total deposits	527,174	+14,325	+59,562
F. R. notes in circulation	816,900	+13,959	+205,727
Industrial commitments under Sec. 13b	48	-0	-1,720

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS

(In thousands of dollars)	Change from		
	Aug. 16, 1944	July 12, 1944	Aug. 18, 1943
Total loans and investments	\$1,707,219	+16,773	+256,386
Commercial, industrial, agricultural loans*	220,264	+5,544	+10,933
Loans to brokers and dealers in securities	6,204	+2,116	+2,104
Other loans to purchase and carry securities	33,020	-18,483	+24,531
Real estate loans	64,590	+798	+1,327
Loans to banks	1,177	+847	+867
Other loans	76,283	+4,233	+16,339
Total loans	401,538	-19,337	+53,447
Treasury bills	66,473	-15,006	-37,425
Certificates of indebtedness	342,320	+28,614	+117,182
Treasury notes	225,508	+2,271	+76,744
U. S. bonds	539,535	+23,296	+61,740
Obligations guaranteed by U. S. Govt.	21,979	+1,067	+10,516
Other securities	109,866	+410	+4,786
Total investments	1,305,681	+36,110	+202,939
Balances with domestic banks	117,416	+5,244	+2,796
Demand deposits—adjusted**	940,160	+74,274	+1,463
Time deposits	250,250	+6,284	+40,293
U. S. Government deposits	309,026	+62,368	+177,522
Interbank deposits	520,779	+557	+40,709
Borrowings	5,500	+1,500	+3,225

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

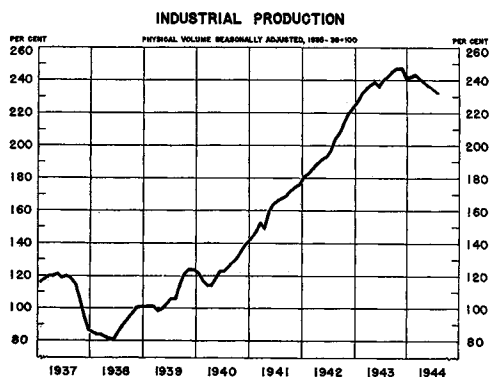
Above figures are for 24 member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville. Their resources comprise approximately 75% of the resources of all member banks in this district.

DEBITS TO INDIVIDUAL ACCOUNTS

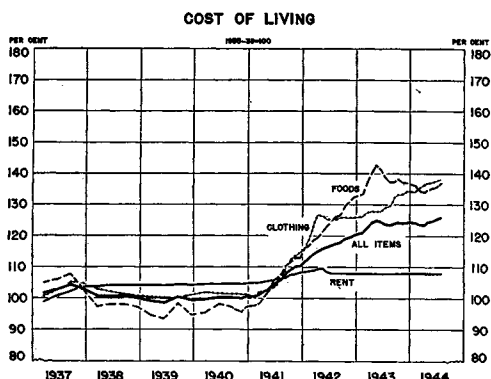
(In thousands of dollars)	July, 1944	June, 1944	July, 1943	July, '44 comp. with June, '44	July, '43
El Dorado, Ark.	\$9,439	\$10,816	\$11,232	-13%	-16%
Fort Smith, Ark.	21,947	24,056	20,229	-9	+8
Helena, Ark.	3,595	3,791	3,458	-5	+4
Little Rock, Ark.	67,092	70,677	63,540	-5	+6
Pine Bluff, Ark.	13,417	15,972	13,721	-16	-2
Texarkana, Ark.-Tex.	10,601	11,160	7,927	-5	+34
Alton, Ill.	14,252	16,953	12,663	-16	+13
E. St. L.-Nat. S. Y., Ill.	78,975	82,377	75,962	-4	+4
Quincy, Ill.	18,204	18,990	15,523	-4	+17
Evansville, Ind.	107,725	110,219	87,918	-2	+23
Louisville, Ky.	361,035	428,571	320,605	-16	+13
Owensboro, Ky.	17,601	17,829	14,660	-1	+20
Paducah, Ky.	8,069	10,666	7,156	-24	+13
Greenville, Miss.	7,922	10,471	6,518	-24	+24
Cape Girardeau, Mo.	4,796	5,457	4,594	-12	+4
Hannibal, Mo.	4,821	5,163	4,207	-7	+15
Jefferson City, Mo.	29,100	22,548	18,771	+29	+55
St. Louis, Mo.	959,123	1,208,519	906,089	-21	+6
Sedalia, Mo.	5,226	6,876	4,818	-24	+8
Springfield, Mo.	31,564	33,568	26,995	-6	+17
Jackson, Tenn.	8,260	8,930	7,978	-8	+4
Memphis, Tenn.	238,457	249,804	207,083	-5	+15
Totals	2,021,221	2,373,383	1,841,647	-15	+10

NATIONAL SUMMARY OF CONDITIONS

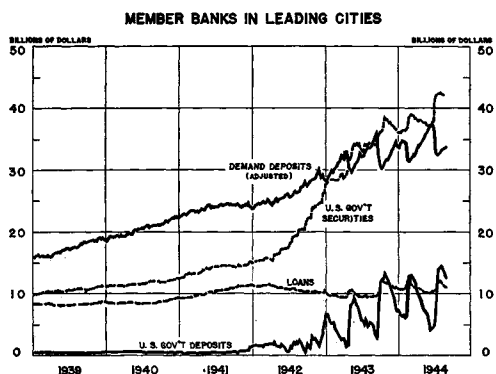
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



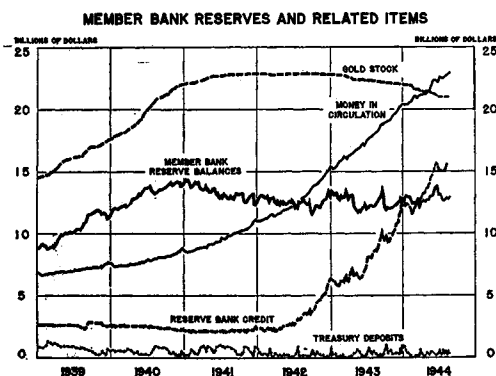
Federal Reserve index. Monthly figures, latest shown is for July, 1944.



Bureau of Labor Statistics' indexes. Last month in each calendar quarter through September, 1940, monthly thereafter. Mid-month figures, latest shown are for July, 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 August 16, 1944.



Wednesday figures, latest shown are for August 16, 1944.

Industrial production and employment declined slightly further in July. Wholesale commodity prices generally continued to show little change, while the cost of living increased somewhat.

Industrial production—Output at factories and mines continued to decline slightly in July and the Board's seasonally adjusted index was 233 per cent of the 1935-39 average as compared with 235 in June. The decrease in industrial production largely reflected small declines in a number of industries due to continued minor readjustments in the munitions program and to manpower shortages.

Output of steel and of nonferrous metals declined further in July to levels respectively 8 per cent and 20 per cent below the high levels of last autumn. A small decrease in activity in transportation equipment industries reflected partly the indirect effects of manpower shortages in foundries and continued readjustments in the shipbuilding and aircraft industries. In August a cut-back in aircraft production was announced which was expected to result in the immediate release of 20,000 aircraft workers and the gradual release of 100,000 more during the balance of this year.

Production of manufactured dairy products and meats, after allowance for seasonal change, was maintained in July while output of other food products declined slightly. Cotton consumption showed little change from the rate of the last two months. Activity in the rubber products industry continued to decline slightly in July and supplies of heavy truck and bus tires available for civilians during the third quarter were substantially below estimated needs. Output of chemicals likewise continued to decline slightly.

Crude petroleum output and metal mining were maintained in large volume during July. Coal production dropped 5 per cent from the level of the preceding month, but for the year through August 12 was approximately 8 per cent above the corresponding period of last year, reflecting uninterrupted operations, longer working hours, and a great expansion of strip mining.

So far this year the value of construction contracts awarded, as reported by the F. W. Dodge Corporation for 37 states, has fluctuated around 160 million dollars a month—the lowest level since early 1935.

Distribution—Department store sales declined considerably less than is usual in July, and have continued in August at a higher level than a year ago.

Freight carloadings continued to rise in July and were maintained at a high level during the first two weeks in August. There were considerable increases in shipments of grain, forest products, and miscellaneous freight, offset partly by a small decrease in coal shipments.

Agriculture—Dry weather during July in the east central area has reduced somewhat national prospects for corn, hay, and potatoes. Aggregate crop production, however, is likely to exceed last year by 5 per cent, reflecting chiefly a record wheat crop 35 per cent larger than last year.

Total production of all feed grains is estimated at 112 million tons compared with 115 million tons produced in 1943. While hay production, except in the drought areas, has been large, it will provide a smaller supply per animal unit than has been available in any of the last 6 years.

Crop prospects for most fruits and vegetables, except potatoes, are better than last year. Tobacco production is indicated as being above average and cotton yields may be good as dry weather has held the boll weevil in check.

Bank credit—In the five weeks following the close of the Fifth War Loan Drive, loans by banks for purchasing and carrying U. S. Government securities declined sharply; calls on war loan deposits and subsequent Treasury expenditures increased adjusted demand deposits and consequently required reserves; the rapid outflow of currency into circulation was renewed; and excess reserves declined.

In the five weeks from July 12 through August 16 loans to brokers and dealers for purchasing and carrying Government securities declined 500 million dollars to about the pre-drive level. Loans to others for purchasing and carrying Government securities declined about the same amount, but are still considerably larger than before the drive. Commercial loans continued to show little change.

Treasury war loan balances at all depositories declined in the five-week period by 2.7 billion dollars. At weekly reporting banks, Government deposits fell by 2.2 billion during the same period and adjusted demand deposits increased by 1.4 billion. Time deposits continued the steady increase that has been in progress for more than a year.