

BUSINESS CONDITIONS

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



COURTESY STATE OF TENNESSEE,
DEPARTMENT OF CONSERVATION

TERMINATION LOANS

A program of guaranteed loans and commitments, authorized under the Contract Settlement Act of 1944, has just been inaugurated by the Federal Reserve System. Through termination loans—T loans—liquid funds will be provided war production contractors pending final settlement of claims arising from terminated war contracts. Commitments and loans will be made by private financing institutions. Guarantees will be executed by the Federal Reserve banks as fiscal agents of the United States, acting in behalf of the War and Navy Departments and the U. S. Maritime Commission.

The T loan program is a logical extension of the V and VT loan programs, which provide war contractors with financing necessary for production. T loans will serve to unfreeze working capital which may be tied up in raw materials or goods-in-process inventory. Thus they will afford necessary finan-

cing for the transition from wartime to peacetime production.

T loans may be guaranteed after a borrower's war production contracts have been terminated, in contrast to VT loans which must be negotiated prior to cancellation. Commitments for T loans, however, may be guaranteed in advance of cancellation and thus afford a means of insurance against the freezing of working capital which might result from sudden termination of war contracts.

The maximum commitment fee that may be charged a borrower by a financing institution is $\frac{1}{4}$ of 1 per cent per annum. The maximum rate of interest on a T loan is $4\frac{1}{2}$ per cent per annum. The interest charge applies only to that portion of the loan commitment which is actually used by the borrower.

GENERAL INDUSTRIAL SITUATION

THE surge of Allied armies on to German soil sets the stage for the last campaign which will lead to final victory in Europe. With victory in Europe will come substantial cutbacks in war production in this country—cutbacks in a volume which will dwarf those which occurred in the past year resulting from changes in programming and requirements. The War Production Board has announced that when Germany is defeated United States war output will be reduced 40 per cent within three months. This would free substantial quantities of materials for civilian production. It would also free some 4 million workers from war manufacture if present hours were maintained. The War Manpower Commission, however, expects coincidentally to abolish all manpower controls except the 48-hour week in war plants. The number of workers released, therefore, will be less than 4 million, if the standard work week is shortened. The Department of Commerce estimates that a shortened work week, with a one-third cut in war production, would provide less than 3 million workers for civilian enterprise, after allowing for voluntary withdrawals from the labor force and an increase in the minimum amount of labor float.

The 40 per cent cutback in war production after victory in Europe will apply only to the over-all munitions program and not necessarily to any specific component. In this district possibly even more than the full force of the cutback is likely to apply, since much of district war production is concentrated in lines already scheduled for substantial curtailment even if war continues. If this occurs, it

should further ease the already unstrained production capacity of the district and put manufacturers in position to resume as much civilian durable goods output as materials supply will permit. Under the limited orders previously issued by WPB some civilian durables manufacture is already going on in district plants which were formerly on full time war operations.

As mentioned previously in this Review, the peak of war production in this district apparently came in the early fall of 1943, somewhat earlier than the national peak. Since that time, war output in this area has declined rather irregularly, due mostly to substantial cutbacks in production of ammunition and explosives. As a result, the current rate of war production is appreciably below the level of a year ago and the reduction in output of war goods has not been completely offset by an increase in other less essential lines. Reflecting this net decline in production, industrial power consumption in the major cities of the district in August was 3 per cent below that of a year ago.

August industrial activity, however, apparently was somewhat higher than in July, due to a combination of circumstances, some of them seasonal in character. Steel output at district mills and foundries was somewhat higher, due primarily to no necessity for unscheduled furnace repairs and to no important strikes. Distilling operations were at a substantially higher level, as distillers sought to produce as much whiskey as possible during the August holiday period. Shoe production moved up seasonally, as did certain other manufacturing lines.

DISTRICT SURVEY

MANUFACTURING

Iron and Steel—Production of steel at district mills and foundries in August was somewhat greater than in July. Work stoppages played no important part in curtailing steel output, and unscheduled repairs did not prove a serious limiting factor. Production of pig iron at St. Louis area blast furnaces was at a high level.

Current scrap supply is adequate to maintain scheduled mill and foundry operations. Some labor shortages are reported, particularly in skilled lines, but most steel producers have sufficient help on hand to meet production schedules. Most steel is still ear-marked for military requirements, but more production is now going to civilian goods manufacture.

Shoes—Shoe production in the Eighth District during August was up 24 per cent from July, according to preliminary reports. For the first eight months of this year, total output of shoes at Eighth District factories was 1 per cent greater than in the comparable period of 1943. Final shoe production figures for July indicate that 6,279,000 pairs were produced in the district. In July, 1943 there were 6,578,000 pairs produced.

The War Production Board recently announced relaxations on the use of all colors in shoe manufacture and provided that new designs, lasts and patterns may be introduced if the manufacturer can do so without employing additional workers.

Whiskey—During August, 58 of Kentucky's 62 distilleries were in operation, as compared with 56 a month earlier. Preliminary figures indicate manufacture of 12,740,000 gallons of distilled spirits in Kentucky during the August holiday period, in which distilleries were allowed to produce whiskey or distilled spirits for beverage purposes, instead of industrial alcohol.

Production during the holiday period did not include any output of bourbon whiskey, but consisted principally of alcohol and of whiskey in which there was no proportion of a particular grain sufficient to classify the product as other than straight whiskey. Some distilleries were unable to operate full time in August due to water shortages and others were handicapped by inability to obtain sufficient grain shipments in time for full operations.

Miscellaneous Manufacturing—Munitions output at district war plants, while still at a high level, is substantially below the peak reached about this time last year. In particular, production of small arms

ammunition and explosives is running well below last year's output. Chemicals manufacture (other than ammunition) remains at an exceptionally high level. Synthetic rubber production and petroleum refining are close to their scheduled peak operations.

Lumber production at district mills continues to run below output in both 1942 and 1943, although some seasonal rise has occurred. Production could increase sharply to meet strong demand, but difficulty in securing labor and transportation facilities are proving serious limiting factors to output.

Meat packing operations have remained exceptionally high throughout the summer. Federally inspected livestock slaughter at St. Louis in August was 4 per cent above August, 1943.

EMPLOYMENT

Total employment in the Eighth District during the past month was not much changed from July, but was substantially below that of a year earlier. In the month the seasonal rise in agricultural employment largely offset the downward movement of non-agricultural employment. Employment at war plants was off somewhat, but gains in other manufacturing lines offset this decline to some extent.

The labor supply outlook in the district in August was virtually the same as in July. District cities rated as to adequacy of labor supply by the War Manpower Commission on September 1 were classified the same as on August 1. Louisville, Kentucky, and Pine Bluff, Arkansas, are still the only major district cities where supply may not be adequate to meet demand in the future.

RETAIL TRADE

August sales of retail stores reporting to this bank were up sharply from July, and were substantially higher than a year earlier. The gain in the month was due partly to seasonal factors and partly to the greater number of trading days in August. In July most big stores were open three days less than in August. The dollar volume gain in August at department stores was 23 per cent over July, with increases at all major district cities, except Springfield, approximating the district average. Men's furnishings store sales gained 36 per cent over July, St. Louis women's apparel stores registered a 67 per cent increase, and district furniture stores a 5 per cent gain. District shoe store sales were off 4 per cent in the month.

As compared with a year ago, department store sales were up 21 per cent, men's furnishings store sales up 34 per cent, and shoe store sales up 20 per

cent. Sales at district furniture stores in August showed virtually no change from volume of August, 1943, while St. Louis women's stores did slightly less business than a year earlier.

For the year to date, the volume of retail trade in the district has been appreciably greater than in the comparable period of 1943. At department stores, cumulative sales for the first eight months of 1944 were 10 per cent above the like period a year earlier. Among the various district cities, changes ranged from a slight decline in sales at Evansville to a gain of 25 per cent at Springfield, Missouri. St. Louis and Little Rock department store sales ran somewhat below the district average increase while most other major city stores, except in Evansville, were well above it.

AGRICULTURE

General Farming Conditions—During August, weather conditions in the Eighth District were very favorable for development of crops. Precipitation averaged much better than normal, with Missouri, Kentucky and Arkansas especially receiving considerable rainfall. The very welcome moisture substantially improved crop prospects for the district, with indicated yields of cotton, corn, hay, and tobacco, in particular, showing large gains in the month. As a result of the favorable August weather, 1944 production in the district of almost every major crop except oats apparently will surpass last year's harvest.

Most district crops are quite late this year, and the final out-turn of the harvest will depend, to a great extent, upon delay of the fall frosts. An early frost could well destroy a substantial volume of district crops. An important factor, also, particularly with respect to the cotton crop, is the length of the actual harvest season. A long harvest season this year will prove advantageous in view of the relative shortness of farm labor in some sections.

On August 15, average prices received by farmers in the United States were fractionally lower than a month earlier, and were 2 per cent below the level of a year ago. In the Eighth District, farm prices at mid-August were virtually unchanged from the July level, but were down slightly from last August.

With the average price level in the district only slightly below that of last year, cash farm income from crops during the rest of the marketing season should be appreciably greater than in the preceding year, in view of increased crop production. Income from livestock during the remainder of the season is not likely to show any substantial gain. Receipts from increased cattle marketings will do well to offset the decline in hog and sheep marketings.

Cash farm income in district states during July was \$305 million as compared with \$264 million in June and \$276 million in July, 1943. For the first seven months of this year, district cash farm income ran 10 per cent above the comparable period in 1943.

There were, according to the U. S. Department of Agriculture, less people working on farms on September 1, 1944 than on the comparable date a year earlier. Generally speaking, farm labor supply in this district seems to be adequate to harvest district crops if the harvest season is of normal length even though there are reports of local labor shortages.

Cotton—During August, timely rainfall greatly improved the cotton crop. The rain caused some shedding, but checked premature opening of bolls, which generally leads to development of more and larger bolls. Plants are heavily loaded, and stands are satisfactory. Picking is proceeding in the more southern sections of the district, but the crop as a whole is considerably later than usual. Through August 31, ginnings in the major district cotton producing states totaled only 48,224 bales, as compared with 471,624 bales in the same period last year.

The September 1 cotton production estimate of the U. S. Department of Agriculture was sharply higher than the one made a month earlier. For the country as a whole, the 1944 cotton crop is now expected to be 11,483,000 bales, 461,000 bales more than was indicated on August 1, and 56,000 bales more than last year's production. For the Eighth District proper, the 1944 cotton crop is now estimated at 3,451,000 bales, 305,000 bales larger than on August 1 and 34,000 bales more than last year's harvest. Roughly two-thirds of the nation's indicated gain in production in the past month thus came in the Eighth District. Most of the prospective increase in the district was divided fairly equally between Mississippi and Arkansas.

On the basis of scattered ginnings so far this year, the 1944 crop will average somewhat lower in grade and somewhat shorter in staple than in 1943. The grade index on ginnings through August 31 in Mississippi is 100.3, as compared with 102.6 a year earlier. Staple length in thirty-seconds of an inch averages 33.8 in 1944 as compared with 34.1 in 1943.

The rate of cotton consumption in every month so far in 1944 has been lower than in the corresponding month a year earlier. The peak daily rate in cotton consumption came in April, 1942. Currently, consumption is running some 22 per cent below this peak.

Feed Crops and Grains—Breaking of the drouth in large portions of the district in August substan-

tially improved the outlook for most feed and grain crops. According to the September 1 estimate of the U. S. Department of Agriculture, the district corn crop this year will be 370,301,000 bushels, or 33,248,000 bushels more than was estimated a month ago, and 8,229,000 bushels more than was harvested in 1943. Improved weather in Missouri, in particular, led to a substantial upward revision in the corn crop estimate during August.

The oats and hay crops also improved appreciably during August. On September 1 the district oats crop was estimated at 52,803,000 bushels, as compared with 51,308,000 bushels a month earlier, while the September 1 estimate for hay was 7,947,000 tons as compared with an August 1 indication of 7,551,000 tons. Production of hay should be 20,000 tons greater than in 1943, but oats, in spite of the August improvement, will be off 13,166,000 bushels from last year's harvest.

The Arkansas rice crop on September 1 was estimated at 13,400,000 bushels, 268,000 bushels more than a month earlier and 1,509,000 bushels greater than in 1943. With the winter wheat harvest virtually complete, there was no change in the indicated 1944 crop for the district in the month. Production this year is expected to be 51,973,000 bushels, as compared with 28,034,000 in 1943. Soybean prospects in the district declined slightly during August, with improvements in Arkansas and Mississippi being offset by decreases in other district states.

Fruits and Vegetables—The fruit and vegetable season, except for late commercial crops, is virtually over in this district. Production of most crops has been substantially higher than in 1943. Among the fruit crops, peach production in district states in 1944, according to latest estimates, should total 7,660,000 bushels, or three times the 2,499,000 bushels harvested in 1943. The 1944 pear harvest will be 1,563,000 bushels, or 73 per cent more than the 902,000 bushels produced in 1943. Grape production in 1944 will be 26,300 tons, as compared with 21,300 tons in 1943. The commercial apple crop will be slightly lower than last year's—5,765,000 bushels, as compared with 5,809,000 bushels in 1943.

Among the late commercial truck crops, the long summer drouth particularly hurt snap beans, onions and tomatoes, although August rainfall produced some recovery. Both white and sweet potato production in the district this year is well below the 1943 harvest. White potato output in the district proper this year will total 9,004,000 bushels, or 4,250,000 bushels less than in 1943. Despite a favorable August, sweet potato output in district states is ex-

pected to be 1,748,000 bushels less than the 1943 crop of 16,438,000 bushels.

Livestock—Total meat production in the United States in 1944 will be at an all time high although slaughter of the better grades of beef, and all pork and lamb will be lower during the last half of 1944 than a year earlier. Slaughter of the lower grades of cattle and ewes is expected to continue heavy. Turkey production for the year will exceed 1943 by 8 per cent.

The month of August saw a widening spread between market prices of better grades of cattle and those of lower grades. Light offerings of good grades of fed cattle forced top prices to near record heights, a condition that will likely prevail during the remainder of the year. Continued heavy seasonal marketings of lower grades including cows and heifers will probably hold prices of these grades at or below present levels, which are considerably off from a year ago. Lower price of feeder cattle with the higher price of top cattle and the improved feed situation is encouraging a more active demand by farmers for cattle to put in feedlots. Greatest demand is for the heavier feeders of better grades.

Due to drouth conditions some sections of the district may suffer more pronounced feed shortages this season than in 1943. The improved feed situation nationally, however, should tend to relieve any serious distress from these local shortages. Total grain feed production in 1944 is estimated to be 6 per cent below last year, while the 1944 hay crop will total about 5 per cent less than 1943. Grain consuming animal units on farms, however, are 10 per cent to 15 per cent below last year. The feed situation per animal unit, therefore, is improved. Fall pasture conditions, even in sections severely damaged by drouth during the summer, are very favorable, due to abundant early fall rains over most of the district.

Tobacco—Relief from the summer-long drouth in Kentucky and Tennessee came in August, with good general rains received over most portions of the tobacco belt. The burley crop in particular on September 1 showed marked improvement from a month earlier. Harvesting of burley has begun in all sections and with favorable weather for the balance of the season, yields will be much better than were expected earlier in the season, possibly somewhat greater than in 1943. Certain burley areas report labor shortages which may have the effect of lengthening the harvest period.

Tobacco prospects in general in the Eighth District improved substantially during August. The

September 1 estimate of the U. S. Department of Agriculture indicated a total district tobacco crop of all types of 290,933,000 pounds. This is 23,649,000 pounds greater than was estimated on August 1, and 28,517,000 pounds more than was produced in 1943. In major district tobacco producing states the 1944 burley crop is now indicated at 12 per cent larger than in 1943, the one-sucker crop at 8 per cent greater, and the dark fire-cured types at 9 per cent more. With the district tobacco crop as a whole running 11 per cent greater in volume than in 1943, district income from tobacco in the coming marketing year should be substantially greater than in 1943.

In both eastern and western dark-fired tobacco districts the crop is maturing rapidly and should yield fairly well. Some harvesting is going on in these areas. Tobacco in the one-sucker district is not as far along to maturity as in the other type areas.

BANKING AND FINANCE

The over-all level of deposits at Eighth District banks was little changed in the four weeks ending September 13. The Treasury drew heavily upon its War Loan accounts, but the return flow of funds to private deposits about kept pace with Government withdrawals. U. S. Government deposits at 24 weekly reporting member banks in this district declined \$77 million, while demand deposits adjusted gained \$66 million. This shift of funds back to accounts requiring reserves substantially reduced excess reserves at most district banks. In large measure banks in the major cities were able to meet the growth in requirements by permitting excess reserves to decline. To an even greater degree this was true of rural area banks. At St. Louis, however, it was necessary to utilize Treasury bill accounts to adjust reserve positions, and bill holdings at banks in that city dropped \$17 million.

Demand for bank credit in the district dropped slightly from August 16 to September 13 and loans outstanding fell below the volume of both a month and a year earlier. At banks in rural sections, the liquidation of all classifications of loans continues to equal new advances, and at city banks demand for credit is slackening. At the weekly reporting banks loan volume declined \$9 million in the past four weeks. About one-half the decrease was in commercial, industrial, and agricultural loans and the remainder in loans to purchase and carry securities.

Since the last issue of this Review, the Farmers & Merchants Bank, Marianna, Arkansas, and the Hamilton Bank, Hamilton, Missouri, have become members of the Federal Reserve System.

CASH FARM INCOME

(In thousands of dollars)	July		Cumulative for 7 months		
	1944	1943	1944	1943	1942
Arkansas	\$ 20,901	\$ 13,452	\$ 119,079	\$115,050	\$ 95,123
Illinois	98,637	96,822	682,308	623,633	495,137
Indiana	61,672	55,368	379,810	352,679	269,915
Kentucky	24,365	24,337	210,022	182,017	122,261
Mississippi	11,312	7,059	96,752	87,674	62,524
Missouri	64,599	59,849	374,053	335,220	251,745
Tennessee	23,091	19,305	166,280	143,401	102,512
Totals	304,577	276,192	2,028,304	1,839,674	1,399,217

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Aug., 1944	July, 1944	Aug., 1943	Aug., 1944	July, 1944	Aug., 1943
Cattle and Calves	185,748	165,939	154,937	85,575	76,898	84,301
Hogs	206,615	266,064	228,385	52,854	55,259	85,193
Horses and Mules	2,050	1,205	3,675	2,073	1,245	3,655
Sheep	92,893	134,304	135,444	28,339	59,560	41,323
Totals	487,306	567,512	522,441	168,841	192,962	214,472

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Aug., 1944	July, 1944	Aug., 1943	Aug., '44 comp. with July, '44	Aug., '44 comp. with Aug., '43
All Commodities	103.9	104.1	103.1	— 0.2%	+ 0.8%
Farm Products	122.6	124.1	123.0	— 1.2	+ 1.9
Foods	104.8	105.8	105.8	— 0.9	+ 0.9
Other	98.6	98.5	97.1	+ 0.1	+ 1.5

COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	Aug. 15, 1944	July 15, 1944	Sept. 15, 1942	Aug. 15, '44 comp. with July 15, '44	Sept. 15, '42
United States	126.3	126.1	117.8	+ 0.2%	+ 7.2%
St. Louis	124.9	125.5	116.6	— 0.5	+ 7.1

COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	Aug. 15, 1944	July 15, 1944	Sept. 15, 1942	Aug. 15, '44 comp. with July 15, '44	Sept. 15, '42
U. S. (51 cities)	137.7	137.4	126.6	+ 0.2%	+ 8.8%
St. Louis	134.0	134.0	126.7	— 0.1	+ 6.4
Little Rock	137.7	135.8	129.2	+ 1.4	+ 6.6
Louisville	133.4	133.4	124.2	— 0.0	+ 7.4
Memphis	148.3	146.1	129.7	+ 1.5	+ 14.3

COAL PRODUCTION

(In thousands of tons)	Aug., '44	July, '44	Aug., '43	Aug., '44 comp. with July, '44	Aug., '43
Illinois	5,739	5,520	6,408	+ 4.0%	—10.4%
Indiana	2,189	2,239	2,234	— 2.2	+ 2.0
Kentucky	5,358	5,400	6,339	— 0.8	—15.5
Other dist. states	1,536	1,549	1,582	— 0.8	— 2.9
Total	14,822	14,708	16,563	+ 0.8	—10.5

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	7	40	\$ 23	\$ 122	111	175	\$ 37	\$ 52
Little Rock	26	19	76	5	220	125	85	26
Louisville	49	73	152	125	35	39	23	15
Memphis	248	91	358	41	222	389	96	195
St. Louis	111	65	214	54	204	145	201	86
August Totals	441	288	823	347	792	873	442	374
July Totals	572	272	454	459	675	965	316	375

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Customers*	Aug., 1944	July, 1944	Aug., 1943	August, 1944 compared with July, 1944	August, 1944 compared with Aug., 1943
Evansville	40	8,649	7,780	11,223	+ 11%	— 23%
Little Rock	35	3,498	3,245	3,027	+ 8	+ 15
Louisville	82	18,073	17,858	17,092	+ 1	+ 6
Memphis	31	6,843	6,350	6,343	+ 8	+ 8
Pine Bluff	19	7,912	7,148	6,433	+ 11	+ 23
St. Louis	138	95,389	87,428†	100,165†	+ 9	— 5
Totals	345	140,364	129,818†	144,283†	+ 8	— 3

*Selected industrial customers. †Revised.

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Aug., '44	July, '44	Aug., '43	Aug., '44 comp. with July, '44	Aug., '44 comp. with Aug., '43
Total 8th Dist.	\$ 13,327	\$ 9,457†	\$ 9,044†	+ 41%	+ 47%

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

	DEPARTMENT STORES			Stocks	Stock	
	Net Sales			on Hand	Turnover	
	Aug. 1944 compared with		8 mos.'44 to same	Aug. 31,'44 comp. with	Jan. 1 to Aug. 31,	
	July, '44	Aug., '43	period '43	Aug. 31,'43	1944	1943
Ft. Smith, Ark..	+22%	+31%	+17%	— 9%	2.88	2.48
Little Rock, Ark..	+23	+25	+ 6	— 13	3.15	2.72
Quincy, Ill.	+22	+31	+22
Evansville, Ind..	+29	+13	— 3
Louisville, Ky.	+20	+27	+14	+ 22	3.42	3.53
St. Louis, Mo....	+26	+19	+ 8	— 3	2.91	2.73
Springfield, Mo..	+ 8	+32	+25
Memphis, Tenn..	+25	+20	+15	+ 5	3.20	2.93
*All other cities.	+ 3	+21	+ 7	— 5	2.88	2.67
8th F. R. Dist..	+23	+21	+10	— 1	3.03	2.84

*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: August, 1944—27; July, 1944—24; August, 1943—26. Outstanding orders of reporting stores at the end of August, 1944, were 7 per cent less than on the corresponding date a year ago.

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

	Instalment Accounts	Excl. Instal. Accounts	Instalment Accounts	Excl. Instal. Accounts
Fort Smith...	63%	...	39%	75%
Little Rock...	27	59	41	73
Louisville...	40	62	31	70
Memphis...	49	61	39	67

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

	Aug., 1944	July, 1944	June, 1944	Aug., 1943
Sales (daily average), Unadjusted ¹	178	160	170	152
Sales (daily average), Seasonally adjusted ¹	216	216	189	177
Stocks, Unadjusted ²	111	106	105	111
Stocks, Seasonally adjusted ²	112	113	109	112

¹Daily average 1935-39=100.

²Monthly average 1923-25=100.

SPECIALTY STORES

	Net Sales		Stocks	Stock		
			on Hand	Turnover		
	Aug, 1944 compared with July, '44	Aug., '43	8 mos.'44 to same period '43	Aug. 31,'44 comp. with Aug. 31,'43	Jan. 1 to Aug. 31, 1944	1943
Men's Furnishings	+36%	+34%	— 6%	+ 4%	1.94	2.13
Boots and Shoes	+ 4	+20	+ 9	+ 3	5.58	5.59

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

Men's Furnishings.....	62%	Boots and Shoes.....	56%
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Trading days: August, 1944—27; July, 1944—24; August, 1943—26.

RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	Aug., 1944 compared with		Aug. 31, 1944 compared with			
	July, '44 Aug., '43		July 31, '44 Aug. 31, '43		Aug., '44 Aug., '43	
St. Louis Area ¹ .	+ 2%	— 2%	- 0 - %	+ 9 %	48%	46%
St. Louis.....	- 0 -	— 3	- 0 -	+ 9	50	48
Louisville Area ² .	+ 9	+ 4	+11	-12	27	25
Louisville.....	+ 9	+ 3	+11	-12	27	25
Memphis.....	+11	+18	*	*	26	22
Little Rock.....	+10	— 5	- 0 -	-30	31	31
Springfield.....	+ 4	+ 2	*	*	40	36
Pine Bluff.....	+12	+ 4	*	*	34	33
Fort Smith.....	+25	-11	*	*	*	*
Evansville.....	+ 7	+ 7	+11	+16	42	35
8th Dist. Totals ³ .	+ 5	- 0 -	+ 4	-11	37	34

*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

	Aug., '44	July, '44	Aug., '43
Cash Sales.....	21%	20%	19%
Credit Sales.....	79	80	81
Total Sales.....	100	100	100

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

First nine days		8 mos. '44		8 mos. '43	
Aug., '44	July, '44	Aug., '43	Sept., '44	Sept., '43	8 mos. '43
162,521	161,755	161,951	43,520	46,342	1,283,961

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	August, 1944 compared with July, '44 Aug., '43		Aug. 31, 1944 compared with Aug. 31, 1943	
Automotive Supplies	+ 5%	+ 36%	. . . %	
Boots and Shoes	+ 49	+ 22	. . .	
Drugs and Chemicals	+ 6	+ 6	. . .	
Dry Goods	+ 33	+ 2	+17	
Electrical Supplies	+ 4	— 5	+28	
Furniture	+ 16	+ 16	. . .	
Groceries	+ 16	+ 12	— 3	
Hardware	+ 9	— 2	+ 7	
Machinery, Equipment and Supplies	+ 8	+ 8	—14	
Plumbing Supplies	+ 6	+ 4	. . .	
Tobacco and its Products	+ 7	0 -	. . .	
Miscellaneous	+ 19	+ 30	+ 8	
Total all lines**	+ 14	+ 9	+ 6	

*Preliminary.

**Includes certain lines not listed above.

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	Aug., '44	July, '44	Aug., '43	Aug., '44 comp. with July, '44	Aug., '43
Number.....	2	1	3	+100%	— 33%
Liabilities.....	\$ 6,000	\$127,000	\$ 70,000	— 95	— 91

Source: Dun and Bradstreet.

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

	Sept. 19, 1944	Aug. 16, 1944	Sept. 15, 1943
(In thousands of dollars)			
Industrial advances under Sec. 13b.....	\$ 5,520	— 0 -	4,080
Other advances and rediscounts.....	658,746	+ 13,868	+297,526
U. S. securities.....	664,266	+ 13,868	+293,446
Total earning assets.....	715,025	+ 28,867	— 28,275
Total reserves.....	552,639	+ 25,465	+ 59,546
F. R. notes in circulation.....	834,729	+ 17,829	+197,861
Industrial commitments under Sec. 13b..	48	— 0 -	— 1,550

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS

	Sept. 13, 1944	Aug. 16, 1944	Sept. 15, 1943
(In thousands of dollars)			
Total loans and investments.....	\$1,678,172	— 29,047	+188,158
Commercial, industrial, agricultural loans*	215,613	— 4,651	— 11,471
Loans to brokers and dealers in securities.	6,652	+ 448	+ 1,493
Other loans to purchase and carry securities	27,380	— 5,640	+ 18,763
Real estate loans.....	64,531	— 59	— 316
Loans to banks.....	1,345	+ 168	+ 765
Other loans.....	76,887	+ 604	+ 10,443
Total loans.....	392,408	+ 9,130	+ 19,677
Treasury bills.....	49,743	— 16,730	— 59,537
Certificates of indebtedness.....	337,523	+ 4,797	+117,719
Treasury notes.....	231,175	+ 5,667	+ 81,316
U. S. bonds.....	536,041	+ 3,494	+ 46,415
Obligations guaranteed by U. S. Govt..	21,058	— 921	— 13,807
Other securities.....	110,224	+ 358	— 3,625
Total investments.....	1,285,764	+ 19,917	+168,481
Balances with domestic banks.....	111,542	+ 5,874	— 10,376
Demand deposits — adjusted**.....	1,006,070	+ 65,910	+ 84,841
Time deposits.....	255,836	+ 5,586	+ 44,032
U. S. Government deposits.....	231,837	— 77,189	+ 58,012
Interbank deposits.....	509,779	+ 11,000	+ 4,452
Borrowings.....	5,500	—	— 4,100

*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.

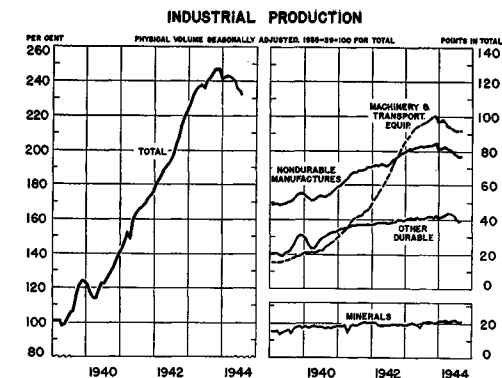
DEBITS TO INDIVIDUAL ACCOUNTS

	August, 1944	July, 1944	August, 1943	Aug., '44 comp. with July, '44	Aug., '43
(In thousands of dollars)					
El Dorado, Ark.....	\$ 9,362	\$ 9,439	\$ 9,666	— 1%	— 3%
Fort Smith, Ark.....	20,235	21,947	20,386	— 8	— 1
Helena, Ark.....	3,315	3,595	3,284	— 8	+ 1
Little Rock, Ark.....	65,437	67,092	60,633	— 2	+ 8
Pine Bluff, Ark.....	14,299	13,417	13,004	+ 7	+10
Texarkana, Ark.-Tex.	10,950	10,601	7,474	+ 3	+47
Alton, Ill.....	12,874	14,252	12,673	—10	+ 2
E. St. L.-Nat. S. Y., Ill.	81,277	78,975	75,067	+ 3	+ 8
Quincy, Ill.....	15,770	18,204	13,799	+13	+14
Evansville, Ind.....	106,953	107,725	88,702	— 1	+21
Louisville, Ky.....	315,073	361,035	285,486	—13	+10
Owensboro, Ky.....	14,705	17,601	12,492	—16	+18
Paducah, Ky.....	7,850	8,069	7,013	— 3	+12
Greenville, Miss.....	6,994	7,922	6,446	—12	+ 9
Cape Girardeau, Mo..	4,854	4,796	4,694	+ 1	+ 3
Hannibal, Mo.....	4,923	4,821	3,828	+ 2	+29
Jefferson City, Mo.....	21,205	29,100	22,863	—27	— 7
St. Louis, Mo.....	950,612	959,123	885,183	— 1	+ 7
Sedalia, Mo.....	5,486	5,226	4,985	+ 5	+10
Springfield, Mo.....	31,627	31,564	26,623	— 0 -	+19
Jackson, Tenn.....	7,701	8,260	7,566	— 7	+ 2
Memphis, Tenn.....	209,880	238,457	185,242	—12	+13
Totals.....	1,921,382	2,021,221	1,755,109	— 5	+ 9

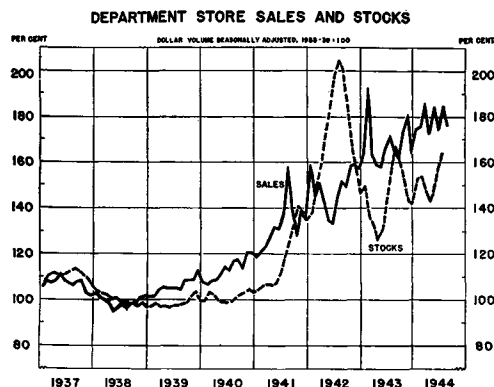
(Completed September 26, 1944)

NATIONAL SUMMARY OF CONDITIONS

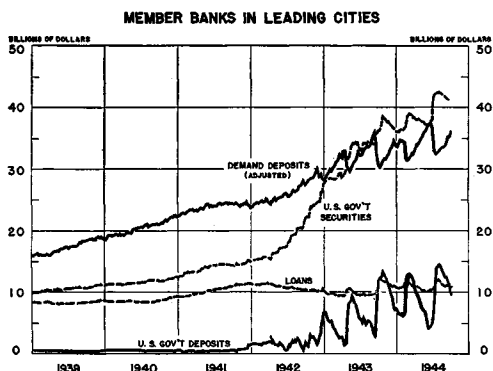
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



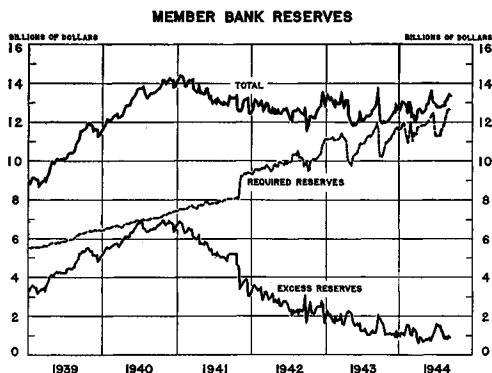
Federal Reserve index. Monthly figures, latest shown is for August, 1944.



Federal Reserve indexes. Monthly figures, latest shown are for August, 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 September 13, 1944.



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for September 13, 1944.

Industrial production—Output at factories and mines was 232 per cent of the 1935-39 average in August as compared with 231 for July, according to the Board's seasonally adjusted index of industrial production. Steel production was maintained, while output of non-ferrous metals continued to decline. Overall, activity in the metal fabricating industries continued at the level of the preceding month. There were large increases in output of heavy trucks, tanks, and some other critical ordnance items in August; aircraft production showed little change; while shipbuilding declined.

Output increased in the shoe, woolen and worsted, and paper industries in August following a drop in July which reflected chiefly the curtailment of operations around the Fourth. Output of manufactured foods, after allowance for seasonal changes, declined in August, largely reflecting decreases in output of meats, dairy products, and sugar products. Distilleries were shifted for the month of August from production of industrial alcohol for war purposes and output of about 50,000,000 proof gallons of beverage spirits was reported. Production of other nondurable goods was maintained at the level of the preceding month.

Minerals output in August rose 2 per cent from July, reflecting increases in coal and crude petroleum. Crude petroleum production was at a rate 11 per cent above the same month last year.

Distribution—Value of department store sales, according to the Board's seasonally adjusted index, was larger in August and the first half of September than in the first half of 1944 and averaged 12 per cent above the corresponding period of last year. In the third quarter the index at 90 per cent above the 1935-39 average has been at the highest level on record.

Carloadings of railroad freight were maintained in large volume in August. During the first three weeks in September loadings were slightly less than during the same period a year ago, owing to decreases in all classes of freight except merchandise in less than carload lots and miscellaneous shipments.

Commodity prices—Wholesale prices of farm products and foods showed small seasonal decreases from the middle of August to the middle of September. Maximum prices of such industrial goods as cotton fabrics, cement, and bricks were increased.

Retail prices of food and other cost of living items increased slightly in August and the average of all items was 2 per cent higher than a year ago, according to the Bureau of Labor Statistics' index.

Agriculture—Crop prospects improved during August and the early part of September and harvests of most major crops are expected to be larger than last season. Marketings of livestock products, which were at a record level earlier this year and 15 per cent higher than during the first six months of 1943, have declined in July and August to about the same level as that prevailing last year.

Bank credit—Bank deposits of businesses and individuals, as well as currency in circulation, have increased since the end of the Fifth War Loan Drive. This increase in the money holdings of businesses and individuals is largely a reflection of the expenditures made by the Treasury from its war loan accounts built up during the drive. Adjusted demand and time deposits at member banks in leading cities increased by nearly 4 billion dollars between the close of the drive and mid-September, or by over three-quarters of the amount of reduction in such funds during the drive. Deposits at non-reporting banks probably increased by nearly 2 billion dollars. Treasury war loan accounts at banks declined by nearly 8 billion dollars.

In the same period loans and investments at weekly reporting member banks in 101 leading cities declined by 2.2 billion dollars. Loans to brokers and dealers for purchasing and carrying Government securities declined to a level approximately equal to that of the pre-drive period. There was, however, a temporary increase in such borrowings in late August and early September presumably associated with market transactions stemming from the Treasury offer to exchange certificates maturing on September 1 and notes maturing on September 15 for new issues. Loans to others for purchasing and carrying securities declined steadily, but on September 13 were still well above the pre-drive level. Government security holdings showed a net decline of 800 million dollars over the period, reflecting mainly substantial bill sales by reporting banks partially offset by some increase in bond holdings.

As the result of the increase in deposits of businesses and individuals, the average level of required reserves at all member banks rose by about a billion dollars between the close of the Fifth Drive and mid-September. In addition, a billion dollar increase in money in circulation and some further decrease in gold stock served to absorb reserve funds.