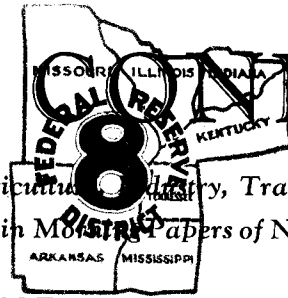


# BUSINESS



# CONDITIONS

Monthly Review of Agricultural, Industry, Trade and Finance  
Released for Publication in *Monetary Papers* of November 3, 1944

FEDERAL RESERVE BANK OF ST. LOUIS

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## GENERAL INDUSTRIAL SITUATION

**I**N every theater and on every front save China, United Nations' forces are steadily pushing Axis armies back. Present military successes are due in no small part to the magnificent war production record of the United States. This year American industry will produce \$67 billion worth of munitions alone. At the same time output of civilian goods and services is running at an extremely high rate relative to the immediate prewar years. This has been accomplished despite addition of more than 10 million men to the armed forces.

Today, with victory in production accomplished, the United States awaits Victory in Europe which will signal the scaling down of our war effort by about one-third. Cutbacks arising from changed requirements and programming have already occurred. Total munitions output currently is running slightly below the peak reached last winter. In this district it is off substantially from a peak reached somewhat earlier than the national peak.

There seems to be little likelihood that war production will increase appreciably again for any extended period. Until V-E Day it is expected to fluctuate within narrow limits. In the Eighth District approximately the same condition is anticipated, although district war output may conceivably decline slightly from the current level before the defeat of Germany. After Victory in Europe district war plants, however, may be cut back substantially more than the national average. War industries important to the district, such as ammunition, explosives, chemicals, and aircraft (exclusive of

super-bombers and naval planes) apparently are scheduled for very heavy cutbacks. The effect of curtailment of war output after V-E Day in the district may conceivably be greater than that following final victory.

Both munitions output and total industrial production in the district are running below the level of a year ago. As noted previously in this Review, the peak in war output came here in the early fall of 1943. Since then the trend in production of war goods has shown an irregular decline. For a time this decline in war manufacture was offset almost completely by increased nonwar output, but for the past few months an over-all drop in industrial activity has been apparent. In September consumption of industrial electric power in the major cities of the district was 5 per cent below that of a year earlier.

Production in certain lines in September held up well in comparison with September, 1943, but declines in other important activities more than offset these gains. September output of steel was somewhat greater than last year, as was shoe production and meat packing. Chemicals (other than munitions) continued at a very high level of output. Alcohol distilling operations were off slightly in September from last year's level. Lumber production remained well below that of the comparable period in both 1942 and 1943. Coal production was down substantially from a year earlier. Other mining activity, particularly bauxite mining, was also off from last year's index.

## DISTRICT SURVEY

### MANUFACTURING

**Iron and Steel**—The operating rate of ingot-producing furnaces in the St. Louis district during September varied considerably from week to week, due mostly to necessary but unscheduled repairs. For the month, furnaces operated at a rate of 81 per cent of capacity, as compared with 86 per cent of capacity during August. While the operating rate in terms of capacity was lower than in September, 1943 actual production was up somewhat. Castings output in September was also heavy. Production of pig iron at blast furnaces continued at a very high level.

Labor difficulties were not very important in curtailing steel output during the month, although very recently reports of unauthorized strikes are again current. The major factors holding back capacity operations in this area continue to be the presence of furnaces held out of production because of high

costs and labor shortages in a few essential lines. Apparently there is no solution to either of these problems, and consequently it is not anticipated that steel production will go much above its current level for the balance of the war period. Scrap supply is in sufficient volume to assure sustained operations at the present rate. The scrap situation has become so much easier than it was earlier in the war period that scrap prices are currently running below ceilings.

**Shoes**—Shoe production in the Eighth District during September declined somewhat with the decrease being contra-seasonal. Preliminary reports indicate that September output was 7 per cent below August but 5 per cent above September, 1943. For the first three-quarters of this year, output of shoes at Eighth District factories was 2 per cent above the comparable period in 1943.

Final shoe production figures for August indicate that 7,662,000 pairs were produced in that month as compared with 6,879,000 pairs in August, 1943.

**Whiskey**—At the close of September, 1944, 50 of 61 distilleries in Kentucky were in operation, 8 less than were producing a month earlier. All distilleries have resumed production of industrial alcohol for the war program. The whiskey production holiday was authorized for August only.

While final figures are not available, it is estimated that 50 million gallons of alcohol, neutral spirits and whiskey were produced in the United States during August. This is about half as much as average annual consumption. A large proportion of August production consisted of alcohol and neutral spirits, which could be used immediately for blending purposes with aged whiskey. Much whiskey now being marketed contains a very high proportion of neutral spirits.

**Miscellaneous Manufacturing**—Output of munitions at district war plants is still running at a very high level, but is well below the peak attained about this time last year. Employment at war plants has fallen substantially since September, 1943. Production has not fallen to the same degree since worker productivity has increased, but actual physical output is off somewhat. Production of chemicals other than munitions continues at a very high level, with more volume being released for essential civilian purposes.

Mill output of lumber remains low relative to demand, as labor shortages and transportation difficulties continue to plague mill operators. Petroleum refining and synthetic rubber production are running close to their scheduled peaks. Meat packing operations remain at a very high level. Federally inspected slaughter of cattle and calves at St. Louis in September was 25 per cent greater than in the comparable month a year earlier. Hog and sheep slaughter was down appreciably, however, and on balance total livestock slaughter was not much changed from last September. Fall hog runs have not started in any particular volume as yet, but hog slaughter may be expected to increase as the spring pig crop begins to flow to market in greater numbers.

#### **EMPLOYMENT**

Total employment in the Eighth District during September was up somewhat from the previous month, due mostly to the seasonal increase in agricultural work. Nonagricultural employment gained slightly during the past month, with the increase primarily attributable also to seasonal conditions.

Employment in manufacturing is currently running about the same as in recent months.

No particular changes have occurred in the labor supply situation in the district during the past month. Spot shortages of agricultural labor continue evident, particularly at the present time in cotton growing areas. Generally, nonagricultural labor is in sufficient supply in almost every major industrial section of the district, although shortages in particular lines continue.

#### **RETAIL TRADE**

September sales volume of retail lines reporting to this bank was up from August, and in the main showed improvement over September, 1943.

At district department stores dollar sales gained 12 per cent in the month and 14 per cent over last year. The increase in the month, however, was somewhat less than seasonal in extent, and the seasonally adjusted index of department stores fell below both July and August. District shoe store sales were up 16 per cent over last month and were 9 per cent greater than a year earlier. September sales at men's clothing stores in the district registered a 45 per cent increase over August, and were up 14 per cent from the corresponding month last year. At St. Louis women's apparel shops a 13 per cent gain over August brought sales volume in September to about the level of 1943. District furniture store sales gained 6 per cent and 10 per cent, respectively, from a month and a year ago.

For the first three quarters of 1944 department store sales were 10 per cent greater than the comparable period of 1943. February of this year was the only month that department stores showed a smaller sales volume than was shown in the same month a year earlier. Among the more important cities of the district cumulative sales increases have been greatest at Quincy, Illinois, and Springfield, Missouri. Evansville has been showing a slight decrease in sales to date, but the rate of decline was lessened by September sales.

Collection ratios at retail stores in the district have held at a high level during 1944. The department store collection ratio on instalment accounts in September was 42 per cent, as compared with 36 per cent a year ago. Charge account collections were 69 per cent of outstandings, or somewhat larger than both a month and a year earlier. At furniture stores 35 per cent of August 30 accounts receivable were collected in September, a ratio 6 points higher than in the comparable month a year earlier. At men's furnishings stores the collection ratio last month was 71 per cent compared with 48 per cent last year.

## AGRICULTURE

**General Farming Conditions** — Ideal weather throughout September and the early part of October has produced an exceptionally good harvesting season in the district this year. Rain in most sections has been infrequent and temperatures have been mild. As a result, to date harvesting operations have not been interrupted to any great extent.

These favorable weather conditions are particularly helpful this year in view of the relatively small number of persons engaged in the harvest. According to the U. S. Department of Agriculture the number of farm workers reached a new low on October 1, with a much higher proportion than usual of family workers.

This year's harvest of crops in the district may be the greatest ever produced. In view of the difficulties encountered during the growing season, the out-turn is particularly remarkable. Delays due to unfavorable weather during the planting season, spot labor shortages, and shortages of farm equipment all combined to curtail production. The excellent harvest is due primarily to very fine weather since late summer and to exceptionally long hours worked by farmers.

Crop prospects in the Eighth District during the past month improved further, as a result of very favorable weather conditions. Prospective gains in 1944 production in the United States were largely concentrated in the central states and the Cotton Belt, a good portion of which lies within the Eighth District. The outlook for corn, soybeans, cotton, tobacco, and white and sweet potatoes improved substantially in the district during the past month. If favorable weather continues for another month, the out-turn of the 1944 crop may well break all previous records.

Due to the exceptionally heavy supplies of truck crops, fruits, and some feed grains, with accompanying lower prices for these products, the index of prices received by farmers in the United States on September 15 was slightly below the level of both a month and a year earlier. The parity price index remained unchanged in the past month. In this district prices on September 15 were little changed from the level of a month earlier, but were down slightly from mid-September, 1943. The rise in cotton prices generally held up the average district price level in the past month despite lower prices of truck crops and grains.

Cash farm income in the United States for the first nine months of 1944 was 6 per cent above the comparable period in 1943. In Eighth District states

August cash farm income was \$270 million, or 9 per cent less than in August, 1943. The cumulative gain for the first eight months of 1944 over the comparable period last year in district states was 8 per cent.

**Cotton** — The October 1 estimate of the U. S. Department of Agriculture indicated an Eighth District cotton crop of 3,637,000 bales, or almost 186,000 bales more than was estimated a month earlier, and 420,000 bales more than was produced last year. About half of the indicated gain in the past month came in Arkansas. Exceptionally good yields account for much of the increase over last year's production. Current yields in the district this year will probably average close to 400 pounds per acre, ranging from 373 pounds per acre in Arkansas to 450 pounds per acre in Missouri. The district yield is about 40 per cent greater than the national average yield. Due to this factor the Eighth District this year will produce more cotton than any other Federal Reserve district, and will account for approximately 31 per cent of the entire United States crop.

The district cotton crop this year is appreciably later than in 1943, except in Missouri. Through September 30, ginnings in district states amounted to 35 per cent of the entire crop, as compared with 52 per cent of the 1943 crop ginned in the comparable period. In Missouri ginnings as a percentage of the crop were ahead of last year, 43 per cent compared with 38 per cent. The exceptionally fine harvest weather has proved very helpful in the cotton-producing areas since considerably less labor is available for the harvest this year than in previous seasons, and as a result a longer picking period is necessary. Reports indicate that gin and compress labor is in very short supply, although so far indications are that the crop is being handled fairly rapidly.

The latest cotton quality report indicates that grade in the two most important producing states of the district, Arkansas and Mississippi, is somewhat lower than in 1943 but that staple averages slightly longer. Grade in Missouri and Tennessee so far in 1944 runs better than in 1943 with staple length in the latter state considerably better than last year.

Cotton prices are currently running well above the level of last year. The recent announcement of the War Food Administration that it would purchase at parity through the Commodity Credit Corporation all 1944 crop cotton for which a loan schedule has been announced had a strong influence on prices. The farm price of cotton in September averaged the highest since July, 1927. On Septem-

ber 15 the farm price of cotton almost reached parity, as compared with 96 per cent of parity in August. It is too early to evaluate the effects of the new program, but indications are that movement of the crop into loan will be curtailed sharply.

**Feed Crops and Grains**—October 1 estimates of the U. S. Department of Agriculture indicate an even more favorable feed grain and hay situation in the Eighth District than has previously been reported. District corn estimates now stand at 377,350,000 bushels as compared with 362,072,000 bushels in 1943, a prospective increase in the past month of 7,049,000 bushels.

The production estimates for winter wheat, oats, and rice remained unchanged on October 1. Oat output is indicated at 52,803,000 bushels, winter wheat at 51,973,000 bushels and rice at 13,400,000 bushels. Both wheat and rice production are up considerably from 1943, but the oat harvest this year will be 13,166,000 bushels smaller. Tame hay prospects are now 8,038,000 tons, 91,000 tons more than was indicated a month earlier and 111,000 tons more than was produced last year. Soybean prospects also improved in the month.

District pasture conditions are generally more favorable than a year ago. This condition, with favorable grazing weather, further enhances district feed supplies.

Nationally the feed situation continues brighter than a year earlier. Total supply of feed grains for the 1944-45 feeding season is 2 per cent lower than that available for the 1943-44 season, but with decreased grain-consuming livestock inventories the supply per animal unit will be 13 per cent to 15 per cent higher. Likewise the supply of concentrated feed per animal unit will be 3 per cent greater for the 1944-45 season than for the previous year.

**Fruits and Vegetables**—Fruit prospects in the district improved further during September and on October 1 indications were that this year's harvest of major fruit crops would run from 50 to 60 per cent greater than in 1943. The 1944 commercial apple crop in Eighth District states is now estimated at 5,851,000 bushels, as compared with 5,809,000 bushels in 1943. Peach production this year will be 7,774,000 bushels, or more than three times as much as the 2,499,000 bushels harvested in 1943. The 1944 pear crop in district states will be 1,581,000 bushels, as compared with 902,000 bushels last year. There will be 26,700 tons of grapes picked in 1944, or 5,400 tons more than in 1943.

Both white potato and sweet potato production

prospects in the district increased during September, but remained well below last year's harvests. In the district proper the October 1 estimate for white potatoes indicated a production of 9,229,000 bushels, or 225,000 bushels more than was forecast a month earlier, but 4,025,000 bushels less than was produced last year. Sweet potato production in Eighth District states in 1944 is now indicated at 15,249,000 bushels—560,000 bushels more than was estimated a month earlier, but 1,189,000 bushels less than was produced last year.

Production of all commercial truck crops for the fresh market is up sharply this year. Nationally the increase over 1943 will be about 17 per cent and over the previous record of 1942 about 11 per cent. Gains in the district apparently will run slightly below the national average. Among commercial truck crops for processing, the important district tomato crop will be much heavier this year, with Kentucky the only district state expecting less production than in 1943. Output of commercial tomatoes in Arkansas and Missouri will be more than double last year's production.

**Livestock**—Very little change has developed since last month in the livestock situation in the district. Hog marketings are relatively light with prices at or near ceiling levels. Weights of hogs marketed are averaging less than a year earlier. Cattle marketings continue heavy with the spread between prices of feeders and fed cattle wide. More cattle are going into feedlots than a year ago with active demand for heavier feeders of better grades, although increasing interest has been directed to medium quality feeders in recent weeks. Demand for feeder calves, while continuing relatively weak, is more active than in recent months. Slaughter of calves will reach an all-time high this year.

**Tobacco**—The Eighth District tobacco crop of all types on October 1 was estimated at 315,006,000 pounds, or 24,073,000 pounds more than was indicated a month earlier, and 52,590,000 pounds more than was produced in 1943. Most of the gain came in the important district burley crop, although dark fire-cured tobacco and one-sucker prospects also improved appreciably.

Cutting and housing of the burley crop was interrupted by several days of general rainfall during the latter part of September. That part of the crop which was housed in September is not curing properly and efforts are being made to prevent houseburn by using charcoal and coke. Houseburn will probably be one of the objectionable features of the current crop. By October 10 approximately 75

per cent of the crop had been housed.

In the dark-fired tobacco regions quality and size of leaves improved considerably in September, due to favorable weather conditions. Although there have been intermittent rains, farmers are harvesting the crop rapidly and by October 10 about four-fifths of the crop had been housed. Curing has been delayed, however, by the unusually wet season.

One-sucker tobacco prospects also improved during September. Most of the crop is already housed. The leaf is reported very large and full of moisture and artificial means are being used to dry out the crop.

### BANKING AND FINANCE

During the four weeks ending October 18 demand deposits in the Eighth District continued to increase due largely to shifts from War Loan accounts accompanying heavy Government spending and to the rising volume of farm marketings.

At 24 reporting member banks U. S. Government deposits dropped \$47 million in the past month while the increase in demand deposits of individuals, partnerships, and corporations exceeded this amount by \$27 million. In the smaller cities and rural sections of the district, heavy farm marketings swelled deposit totals. A sizeable amount of this seasonal rise in deposits at the rural banks was transferred to city correspondents. Interbank deposits at banks in the five major cities in the district increased \$59 million in the period.

A portion of the additional deposits received by the larger banks was absorbed by increased reserve requirements arising from the shift from War Loan balances to accounts requiring reserves. However, sufficient funds remained to enable city banks to increase holdings in Government securities substantially. Total investments of the 24 reporting member banks increased \$28 million in the period just ended.

Demand for bank credit continued light throughout the district. Nearly all loan categories registered some seasonal increase in the month, but total loan volume was down appreciably from the corresponding period a year ago.

Since the last issue of this Review the North Side Bank, Evansville, Indiana has become a member of the Federal Reserve System. Two new banks have replaced two former banks as members. The Citizens Fidelity Bank and Trust Company, Louisville, Kentucky is a consolidation of the Citizens Union National Bank and the Fidelity and Columbia Trust Company. The First National Bank, Batesville, Arkansas is a conversion of the Citizens Bank and Trust Company.

### CASH FARM INCOME

(In thousands of dollars)	August		Cumulative for 8 months		
	1944	1943	1944		1943
			1944	1943	1942
Arkansas.....	\$ 13,599	\$ 15,234	\$ 132,678	\$130,284	\$104,375
Illinois.....	88,597	99,110	770,905	722,743	572,285
Indiana.....	59,634	57,520	439,444	410,199	318,102
Kentucky.....	23,523	21,819	233,545	203,836	139,789
Mississippi.....	10,808	32,011	107,560	119,685	73,491
Missouri.....	55,266	54,175	429,319	389,395	297,166
Tennessee..	18,613	15,956	184,893	159,357	115,734
Totals.....	270,040	295,825	2,298,344	2,135,499	1,621,392

### RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Sept., 1944	Aug., 1944	Sept., 1943	Sept., 1944	Aug., 1944	Sept., 1943
	Cattle and Calves...	211,271	185,748	187,654	108,273	85,575
Hogs.....	188,105	206,615	232,290	47,843	52,854	78,875
Horses and Mules...	2,452	2,050	3,450	2,446	2,073	3,412
Sheep.....	75,613	92,893	109,468	11,455	28,339	22,987
Totals.....	477,441	487,306	532,862	170,017	168,841	211,205

### WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Sept., 1944	Aug., 1944	Sept., 1943	Sept., '44 comp. with Aug., '44	Sept., '43
All Commodities..	104.0	103.9	103.1	- 0. %	+ 0.8%
Farm Products..	122.7	122.6	123.1	- 0. "	- 0.3
Foods.....	104.2	104.8	105.0	+ 0.6	+ 0.8
Other.....	98.6	98.6	97.2	- 0. "	+ 1.4

### COAL PRODUCTION

(In thousands of tons)	Sept., '44	Aug., '44	Sept., '43	Sept., '44 comp. with Aug., '44	Sept., '43
Illinois..	5,685	6,800*	6,408	-16.4%	-11.3%
Indiana..	2,217	2,617*	2,380	-15.3	+ 6.9
Kentucky.....	5,597	6,380*	5,451	-12.3	+ 2.6
Other dist. states..	1,726	1,823*	1,573	+ 5.4	+ 9.7
Total.....	15,225	17,620*	15,812	-13.6	- 3.8

\*Revised.

### INDEXES OF EMPLOYMENT IN MANUFACTURING INDUSTRIES BY METROPOLITAN AREAS

Bureau of Labor Statistics (1937=100)	Aug., 1944	July, 1944	Aug., 1943	Aug., '44 comp. with July, '44	Aug., '43
Evansville.....	269.8	254.6	292.7	+ 6.0%	- 7.8%
Louisville.....	145.3	142.4	131.8	+ 2.0	+ 10.2
Memphis.....	181.1	180.6	165.5	+ 0.3	+ 9.4
St. Louis.....	133.7	133.0	160.7	+ 0.5	- 16.8

### BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number		Cost		Number		Cost	
	1944	1943	1944	1943	1944	1943	1944	1943
Evansville.....	23	4	\$ 37	\$ 10	122	214	\$ 42	\$ 54
Little Rock.....	26	13	57	2	215	107	55	22
Louisville.....	61	51	182	289	32	47	73	36
Memphis.....	234	63	231	10	225	456	68	260
St. Louis.....	80	73	283	59	184	172	272	93
September Totals	424	204	790	370	778	996	510	465
August Totals..	441	288	823	347	792	873	442	374

### CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Custom- ers*	Sept., 1944	Aug., 1944	Sept., 1943	September, 1944 compared with Aug., 1944	
		K.W.H.	K.W.H.	K.W.H.	Sept., 1944	Sept., 1943
Evansville....	40	7,905	8,649	10,464†	- 9%	- 24%
Little Rock...	35	3,375	3,498	3,269	- 4	+ 3
Louisville....	82	17,668	18,073	17,558	- 2	+ 1
Memphis.....	31	6,491	6,843	5,901	- 5	+ 10
Pine Bluff....	19	7,647	7,912	7,200	- 3	+ 6
St. Louis.....	138	89,926	95,389	95,092†	- 6	- 5
Totals.....	345	133,014	140,364	139,484†	- 5	- 5

\*Selected industrial customers. †Revised.

### VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Sept., '44	Aug., '44	Sept., '43	Sept., '44 comp. with Aug., '44	Sept., '43
Total 8th Dist....	\$ 12,297	\$ 13,120†	\$ 10,976†	- 6%	+ 12%

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

	DEPARTMENT STORES			Stocks on Hand	Stock Turnover
	Net Sales				
	Sept., 1944 compared with Aug., '44	Sept., '43	9 mos. '44 period '43		
Ft. Smith, Ark.	+15%	+19%	+17%	- 6%	3.29 2.80
Little Rock, Ark.	+15	+12	+ 7	- 11	3.61 3.07
Quincy, Ill.	+14	+25	+22	.....	.....
Evansville, Ind.	+ 9	+ 1	- 3	.....	.....
Louisville, Ky.	+12	+21	+15	+ 13	3.85 3.95
St. Louis, Mo.	+11	+13	+ 9	- 0	3.31 3.09
Springfield, Mo.	+16	+27	+25	.....	.....
Memphis, Tenn.	+10	+12	+15	+ 6	3.61 3.33
*All other cities.	+13	+16	+ 8	- 9	3.28 3.00
8th F. R. Dist.	+12	+14	+10	+ 1	3.44 3.20

\*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: Sept., 1944—25; August, 1944—27; Sept., 1943—25.

Outstanding orders of reporting stores at the end of September, 1944, were 2 per cent greater than on the corresponding date a year ago.

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

	Instalment Accounts		Excl. Instal. Accounts	Instalment Accounts	Excl. Instal. Accounts
	Sept., '44	Aug., '44			
Fort Smith . . . %	65%	61	Quincy . . . . 38%	78%	
Little Rock . . . 30	61	61	St. Louis . . . . 44	73	
Louisville . . . 42	70	70	Other cities . . 35	67	
Memphis . . . . 50	66	66	8th F.R. Dist. 42	69	

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

	Sept., 1944			
	Sept., 1944	Aug., 1944	July, 1944	Sept., 1943
Sales (daily average), Unadjusted <sup>1</sup>	212	178	160	188
Sales (daily average), Seasonally adjusted <sup>1</sup>	193	207	216	171
Stocks, Unadjusted <sup>2</sup>	113	111	106	112
Stocks, Seasonally adjusted <sup>2</sup>	107	112	113	106

<sup>1</sup>Daily average 1935-39=100.  
<sup>2</sup>Monthly average 1923-25=100.

#### SPECIALTY STORES

	Net Sales			Stocks on Hand	Stock Turnover
	Sept., 1944 compared with Aug., '44				
	Sept., '44	Sept., '43	9 mos. '44 period '43		
Men's Furnishings	+45%	+14%	- 4%	+ 4%	2.21 2.37
Boots and Shoes	+16	+ 9	+ 9	+ 9	6.28 6.29

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

Men's Furnishings . . . . . 71% Boots and Shoes . . . . . 53%

Trading days: Sept., 1944—25; August, 1944—27; Sept., 1943—25.

#### RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	Sept., 1944 compared with Aug., '44		Sept. 30, 1944 compared with Sept. 30, '43		Sept., '44 Sept., '43	
	Sept., '44	Aug., '44	Sept., '44	Sept., '43	Sept., '44	Sept., '43
St. Louis Area <sup>1</sup>	+ 5%	+ 8%	- 0	- 2%	38%	31%
St. Louis . . . . .	+ 3	+ 7	- 0	- 2	37	31
Louisville Area <sup>2</sup>	+ 4	+19	- 0	-13	30	25
Louisville . . . . .	+ 2	+18	+ 1	-14	27	24
New Albany . . . . .	+14	+23	- 2	- 8	47	35
Memphis . . . . .	- 3	+ 4	+ 2	+ 1	26	24
Little Rock . . . . .	- 6	- 0	+ 1	-19	29	28
Fort Smith . . . . .	+12	+16	*	*	39	34
Pine Bluff . . . . .	+12	- 2	*	*	39	34
Evansville . . . . .	+32	+32	+14	+29	53	36
8th Dist. Totals <sup>3</sup>	+ 6	+10	+ 2	- 9	35	29

\*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, Greenwood, Starkville, Mississippi; Cape Girardeau, Hannibal, Springfield, Missouri; and Dyersburg, Tennessee.

#### PERCENTAGE DISTRIBUTION OF SALES

	Sept., '44	Aug., '44	Sept., '43
Cash Sales . . . . .	18%	20%	17%
Credit Sales . . . . .	82	80	83
Total Sales . . . . .	100	100	100

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

First nine days						
Sept., '44	Aug., '44	Sept., '43	Oct., '44	Oct., '43	9 mos. '44	9 mos. '43
148,479	162,521	158,392	44,479	48,846	1,432,440	1,331,521

Source: Terminal Railroad Association of St. Louis.

Lines of Commodities	WHOLESALE*		Stocks
	Net Sales		
	Sept., 1944 compared with Aug., '44	Sept., '43	
Automotive Supplies . . . . .	- 9%	+ 13%	+27%
Boots and Shoes . . . . .	- 25	- 7	.....
Drugs and Chemicals . . . . .	+ 4	- 4	.....
Dry Goods . . . . .	- 11	+ 3	-14
Electrical Supplies . . . . .	+ 2	+ 8	+18
Furniture . . . . .	- 29	- 11	.....
Groceries . . . . .	- 2	+ 3	- 4
Hardware . . . . .	- 0	+ 16	+ 3
Plumbing Supplies . . . . .	+ 9	+ 5	.....
Tobacco and its Products . . . . .	- 9	- 20	.....
Miscellaneous . . . . .	- 13	+ 8	+16
Total all lines** . . . . .	- 9	+ 2	- 3

\*Preliminary.

\*\*Includes certain lines not listed above.

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

	Sept., '44		Sept., '43	
	Sept., '44	Aug., '44	Sept., '43	Sept., '44 comp. with Aug., '44
Number . . . . .	2	2	1	- 0 - %
Liabilities . . . . .	\$ 21,000	\$ 6,000	\$ 11,000	+250

Source: Dun and Bradstreet.

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

(In thousands of dollars)	Change from		
	Oct. 18, 1944	Sept. 20, 1944	Oct. 20, 1943
Industrial advances under Sec. 13b . . . . .	\$ . . . . .	.....	.....
Other advances and rediscounts . . . . .	8,000	+ 2,480	+ 8,000
U. S. securities . . . . .	597,871	- 60,875	+186,468
Total earning assets . . . . .	605,871	- 58,395	+194,468
Total reserves . . . . .	819,692	+104,667	+ 91,323
Total deposits . . . . .	571,206	+18,567	+ 80,989
F. R. notes in circulation . . . . .	873,024	+38,295	+213,306
Industrial commitments under Sec. 13b . . . . .	50	+ 2	- 287

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

(In thousands of dollars)	Change from		
	Oct. 18, 1944	Sept. 20, 1944	Oct. 20, 1943
Total loans and investments . . . . .	\$1,706,125	+ 47,537	+103,501
Commercial, industrial, agricultural loans* . . . . .	235,775	+ 16,825	- 23,712
Loans to brokers and dealers in securities . . . . .	7,323	+ 657	+ 359
Other loans to purchase and carry securities . . . . .	26,731	+ 787	+ 15,822
Real estate loans . . . . .	65,764	+ 1,159	+ 1,072
Loans to banks . . . . .	1,113	- 201	- 2,892
Other loans . . . . .	77,537	+ 476	- 2,195
Total loans . . . . .	414,243	+19,703	- 11,546
Treasury bills . . . . .	50,244	+10,181	- 67,901
Certificates of indebtedness . . . . .	334,448	+ 8,322	+ 93,797
Treasury notes . . . . .	235,458	+ 6,879	+ 85,116
U. S. bonds . . . . .	539,391	+ 5,202	+ 18,878
Obligations guaranteed by U. S. Govt. . . . .	24,000	- 80	- 10,850
Other securities . . . . .	108,341	- 2,670	- 3,993
Total investments . . . . .	1,291,882	+ 27,834	+115,047
Balances with domestic banks . . . . .	116,337	+ 4,518	+ 821
Demand deposits - adjusted** . . . . .	1,044,678	+74,330	+184,741
Time deposits . . . . .	263,636	+ 6,719	+ 51,586
U. S. Government deposits . . . . .	177,270	- 4,028	-152,058
Interbank deposits . . . . .	555,274	+ 58,850	+ 54,147
Borrowings . . . . .	7,000	- 19,500	+ 7,000

\*Includes open market paper.

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

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

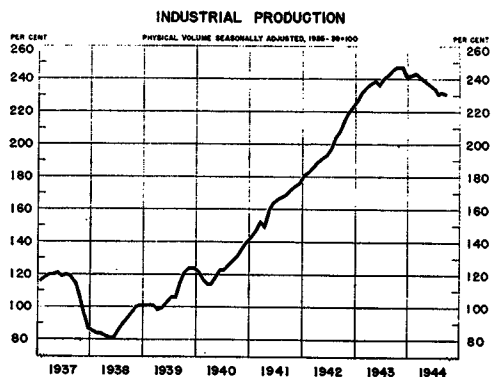
#### DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)	September, 1944	August, 1944	September, 1943	Sept., '44 comp. with Aug., '44	Sept., '43
El Dorado, Ark. . . . .	\$ 9,582	\$ 9,362	\$ 12,147	+ 2%	-21%
Fort Smith, Ark. . . . .	22,145	20,235	24,851	+ 9	-11
Helena, Ark. . . . .	4,329	3,315	5,728	+31	-24
Little Rock, Ark. . . . .	73,426	65,437	78,787	+12	- 7
Pine Bluff, Ark. . . . .	18,351	14,299	21,820	+28	-16
Texarkana, Ark.-Tex. . . . .	11,540	10,950	9,990	+ 5	+16
Alton, Ill. . . . .	13,642	12,874	14,159	+ 6	- 4
E. St. L.-Nat. S. Y., Ill. . . . .	77,652	81,277	84,123	- 4	- 8
Quincy, Ill. . . . .	16,689	15,770	15,977	+ 6	+ 4
Evansville, Ind. . . . .	99,742	106,953	104,933	- 7	- 5
Louisville, Ky. . . . .	327,356	315,073	345,227	+ 4	- 5
Owensboro, Ky. . . . .	16,768	14,705	14,438	+14	+16
Paducah, Ky. . . . .	7,916	7,850	7,453	+ 1	+ 6
Greenville, Miss. . . . .	9,521	6,994	12,806	+36	-26
Cape Girardeau, Mo. . . . .	4,856	4,854	5,854	- 0	-17
Hannibal, Mo. . . . .	4,784	4,923	4,825	- 3	- 1
Jefferson City, Mo. . . . .	25,845	21,205	25,063	+22	+ 3
St. Louis, Mo. . . . .	968,492	950,612	1,090,860	+ 2	-11
Sedalia, Mo. . . . .	5,560	5,486	5,739	+ 1	- 3
Springfield, Mo. . . . .	33,552	31,627	31,314	+ 6	+ 7
Jackson, Tenn. . . . .	11,487	7,701	10,949	+49	+ 5
Memphis, Tenn. . . . .	244,024	209,880	291,119	+16	-16
Totals . . . . .	2,007,259	1,921,382	2,218,162	+ 4	-10

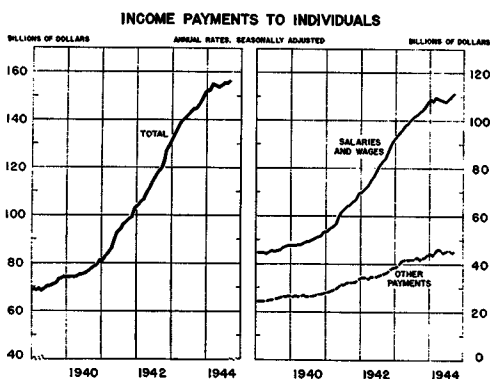


## NATIONAL SUMMARY OF CONDITIONS

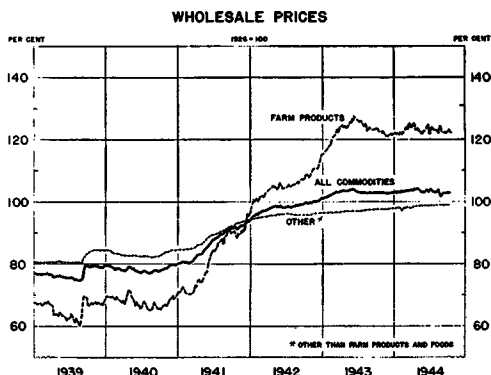
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



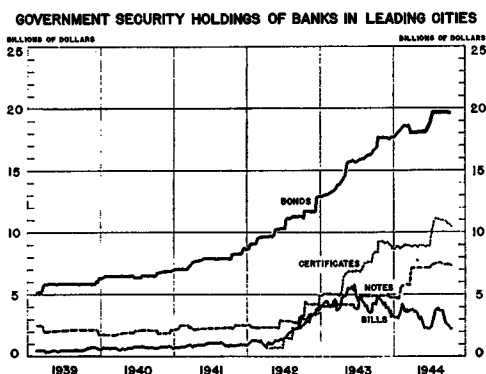
Federal Reserve index. Monthly figures, latest shown is for September, 1944.



Based on Department of Commerce estimates. Wages and salaries include military pay. Monthly figures raised to annual rates, latest shown are for August, 1944.



Bureau of Labor Statistics' indexes. Weekly figures, latest shown are for week ending October 21, 1944.



Excludes guaranteed securities. Data not available prior to February 8, 1939; certificates first reported on April 15, 1942. Wednesday figures, latest shown are for October 18, 1944.

**Industrial production**—Industrial production in September was 231 per cent of the 1935-39 average, according to the Board's seasonally adjusted index, as compared with 232 in August and 230 in July.

Activity in most industries manufacturing durable goods showed slight decreases in September and there were further large declines in production of aluminum and magnesium. Steel output averaged 93.4 per cent of capacity, somewhat below the August rate, but showed an increase during the first 3 weeks of October. Easing of military demand for steel led to some increase in allocations for civilian production during the fourth quarter. Aircraft production and output in the automobile industry were maintained during September at the level of the preceding month.

Output of textile and leather products continued to increase in September from the reduced July level. Shoe production advanced to the highest rate reached since the spring of 1942. Output of manufactured food products, as a group, was maintained at the level of the preceding month after allowance for seasonal change. Butter production continued about 15 per cent below last year. Hog slaughter declined further in September, while cattle slaughter continued to increase more than is usual at this season and reached a record rate for the wartime period—about 50 per cent above the 1935-39 average. Beverage distilleries resumed production of alcohol for industrial purposes in September after turning out an exceptionally large amount of whiskey and other distilled spirits during August.

**Distribution**—Department store sales in September showed about the usual large seasonal increase and were 14 per cent larger than a year ago. In the first half of October sales rose sharply and were 16 per cent above the high level that prevailed in the corresponding period last year, reflecting in part the greater volume of Christmas shopping prior to the overseas mailing deadline.

Loadings of railway freight during September and the first half of October were slightly lower than a year ago owing to decreases in shipments of raw materials, offset in part by increased loadings of war products and other finished goods.

**Commodity prices**—Prices of grains and some other farm products were higher in the third week of October than in the early part of September and there were scattered increases during this period in wholesale prices of industrial products. Prices of steel scrap and nonferrous metal scrap, however, declined; steel scrap was reduced from ceiling levels by 3.40 dollars per ton, or 18 per cent, to the lowest prices offered since August, 1939.

**Agriculture**—Crop production in 1944 will rank with 1942 when the largest production in history was harvested. Corn production is estimated at 3.2 billion bushels; this, together with other feed grains, wheat, and good pastures, will go far to prevent too rapid marketings of livestock. Commercial truck crops for the fresh market will not only exceed 1943 production but appear likely to exceed the 1942 record by about 11 per cent; deciduous fruit production is about 20 per cent above 1943, and citrus fruit production may equal or possibly exceed that of last year in spite of recent storm damage.

**Bank credit**—Expenditure by the Treasury of funds received during the Fifth War Loan Drive continued in large volume during the latter half of September and the first half of October, and United States Government deposits at banks declined. Time deposits at weekly reporting banks in 101 leading cities rose by about 300 million dollars in the five weeks ended October 18, and demand deposits of business and individuals, which decreased somewhat in the latter part of September partly as a result of tax payments, increased again in October. Currency in circulation increased by 660 million dollars in the five weeks ended October 18. This unusually large outflow of currency may have been associated with purchases of overseas Christmas gifts during the period.

Reporting banks in 101 cities reduced their Government security holdings during the five weeks ended October 18 by about 900 million dollars. Treasury bill holdings declined by 370 million dollars and certificate holdings by 530 million. These sales were largely made to meet the currency drain and increased reserve requirements. During the same period the Reserve Banks purchased 680 million dollars in Government securities. Excess reserves continued to fluctuate during this period at a level of close to a billion dollars.

Commercial loans at weekly reporting banks increased steadily during September and early October. Loans to brokers and dealers in securities increased somewhat, reflecting in part large flotations of new corporate issues during the period. Loans to others for purchasing and carrying Government securities, although declining steadily, were in mid-October still about 280 million dollars above their pre-drive level in June.