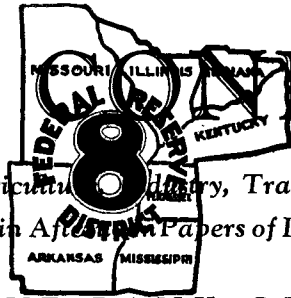


BUSINESS



CONDITIONS

Monthly Review of Agriculture, Industry, Trade and Finance
Released for Publication in *Agriculture* Papers of December 1, 1944

FEDERAL RESERVE BANK OF ST. LOUIS



COURTESY OF INTERNATIONAL HARVESTER COMPANY

GENERAL INDUSTRIAL SITUATION

DECEMBER 7, 1944, will mark the third anniversary of this nation's actual participation in World War II. By the end of the first year the powerful drive of the German-Italian-Japanese combination finally had been halted; by the close of the second, Italy had been knocked out of the war; and at the finish of the third, Allied armies are across the eastern and western frontiers of Germany, while Allied land, sea, and air power has reconquered vast areas of the Pacific and United States troops again fight in the Philippines.

Much of the credit for these accomplishments belongs to United States industry. Even though actual munitions production prior to December, 1941, was almost negligible compared with current output, mobilization of industrial resources began long before Pearl Harbor. In 1940 physical output of our factories and mines, even under the stimulus of six months of defense contracts, was but 25 per cent greater than average production in the five-year period, 1935-1939. In November, 1943, at the peak of our war production effort, the rate of output on an annual scale was double the 1940 average. That month saw durable manufactures, most of which were for war, produced at an annual rate 170 per cent greater than in 1940.

Since the fall of 1943, munitions production has been held at a fairly stable level, with a quarterly average rate almost eight times that of 1941 and more than 16 times that of 1940. This munitions program has been largely superimposed upon an expanding civilian economy, while in addition a military establishment of more than 11 million men and women was being formed.

The attainment of virtual capacity operations of our industrial plant would be remarkable even without the necessary difficulties such as rapid changes in requirements and in types of products needed attendant upon any war program. The smooth running of the industrial machine, in view of these necessary but frictional changes, has been phenomenal.

A recent release of the War Production Board highlights some of these changes in programming. For example, the aircraft program in the first quarter of 1943 accounted for 21 per cent of the value of total munitions output. This program was scheduled for more rapid expansion than the total program and for the first three quarters of 1944 accounted for more than 30 per cent of the value of total munitions output. Due to changes necessitated

by combat experience and a relatively low loss ratio, the aircraft program in the last quarter of this year will account for only 27 per cent of total value. Ammunition output in 1943 averaged slightly more than 10 per cent of the total value of munitions and was originally scheduled for a sharp drop in 1944. Due to more rapid use than was expected, however, ammunition requirements have been revised upward and for the last quarter of 1944 will represent more than 12 per cent of total output.

The general stability of output of munitions in the past year has been accompanied by a substantial decline in employment in munitions factories. Since January, 1944, employment and man hours in war plants have declined 9 per cent, while total output (quarterly production at an annual rate) is off only 1 per cent. This means that worker productivity has risen appreciably in the period.

In this district experience has been somewhat similar to national experience during the war period. The similarity, however, is primarily in direction rather than in magnitude of change. On the basis of previous industrialization, the district received more than its share of new plant in the construction era of the war program. Its initial supply contracts were also larger than might have been expected. As the war program grew, however, the district proportion of total contracts let fell steadily until, on a cumulative basis, its share dropped below the proportion that its prewar manufacturing production bore to the national total. This was due partly to the concentration of awards in the heavy industry centers of the nation and partly to the fact that much of the district expansion was in facilities that came in for early curtailment of operations. In any event current district munitions output is off appreciably more from the peak than is national production.

In October district industrial activity was slightly higher than in September but was down from a year ago. Consumption of industrial electric power in major district cities increased seasonally 6 per cent over September, and was up 2 per cent over October, 1943. As mentioned, munitions output was down from the peak level of last fall, and the drop in this category was not completely offset by increases in other manufacturing lines. October steel production moved up slightly, as did output of whiskey, shoes, meat packing, coal, and some few munitions lines.

MANUFACTURING

Iron and Steel—Output of steel mills and foundries during October averaged somewhat less per week than in the preceding month. Ingot-producing furnaces in the St. Louis area operated at an average rate of 74 per cent of capacity in October, as contrasted with 81 per cent during September. In early November, however, the operating rate was increased somewhat.

The relatively low operating rate in terms of capacity production is due in part to the necessity for frequent repairs to furnaces largely overworked during the past three years; in part to the shutdown of others because of high cost operations that make production unprofitable at current prices; and in part to a relative shortage of labor, particularly in a few essential lines. As contributory factors, unauthorized strikes and, more recently, lessened demand in terms of future orders for the war program have retarded operations. The very recent increase in war demand, however, should result in maintenance of a higher operating rate for the next few months.

Shoes—Output of shoe factories in the Eighth District during October moved up seasonally 6 per cent, according to preliminary reports, and production was 11 per cent above October, 1943. For the first ten months of this year district shoe production was 2 per cent greater than in the comparable period of 1943. Final shoe production figures for September indicate that 6,950,000 pairs were produced in that month, as compared with 6,736,000 pairs in September, 1943.

Whiskey—Two more Kentucky distilleries were in operation at the close of October than at the end of the previous month, and three more than on the comparable date a year earlier. Production of all distilleries is again concentrated in industrial alcohol for the war program.

A recent announcement of the War Production Board authorized another whiskey production holiday for the month of January, 1945. Trade sources estimate that between 20 million and 25 million proof gallons of whiskey will be produced in Kentucky during the coming holiday, and it is probable that straight bourbon whiskey will be produced in view of the bumper corn crop this year.

Miscellaneous Manufacturing—Munitions production at district war plants continues at a very high level, but, as has been true since last fall, is running below the peak period. Indications are that production of certain lines in this area will be increased somewhat in the near future in view of changed schedules for heavy artillery ammunition

and explosives. Substantial facilities for such output are located here. Declining programs are expected to more than offset this gain, however, so that total munitions output will continue to decrease slowly.

Meat packing activity moved up seasonally in October as the fall runs of hogs came in heavier volume and there was continuation of heavy cattle and calf slaughter. At St. Louis federally-inspected slaughter in terms of animal units killed in October was 13 per cent above September but was fractionally lower than October, 1943. Output of lumber at district mills, despite very heavy demand, is running well below production attained both a year and two years ago.

OIL AND MINING

Production of crude petroleum in the Eighth District so far in 1944 is slightly below 1943 output despite heavy war demand. Available production data by states is not completely current, but for the first eight months of this year crude petroleum output in the district was 1 per cent below the comparable period of 1943, with output in only two months of 1944 greater than in the corresponding months a year earlier. On the basis of daily average production at district fields both September and October production were also lower than in September and October, 1943.

While output of crude petroleum in 1944 has been below 1943, drilling activity in both established and unproved fields has been greater this year. Through October, 1944, there were 2,569 oil well completions in the district compared with 2,249 in the same period in 1943. About one in every six wells drilled this year was a wildcat well with 458 completions of this type, 49 of which were producers. Activity has been greater in every district producing state except Arkansas, with the heaviest gain in drilling in Kentucky.

Coal production at district mines in October was 4 per cent above September, and was 11 per cent over October, 1943. Among other mining activities, production of Arkansas bauxite is currently running well below peak wartime levels, while output of zinc, manganese, and lead is not as heavy as in 1943.

EMPLOYMENT

Manufacturing employment in the important centers of the district currently is running below the wartime peak, with the largest decreases, both relative and absolute, occurring in St. Louis and Evansville. It is anticipated that employment in district factories will decrease slowly throughout the balance of the war period, as gains in a few munitions

lines probably will not be sufficient to offset declines in others.

There has been no appreciable change in the rating of major labor markets in the district in the past month. With the possible exception of Louisville, Kentucky and Pine Bluff, Arkansas, general labor shortages are not evident in any district city, although shortages in particular lines are still apparent and will probably continue, at least until the close of the European war.

RETAIL TRADE

Dollar sales volume of the various retailing lines whose statistics are available to this bank moved up contraseasonally in October and was well above the level of a year earlier. Part of the gain over September was due to the concentration of considerable holiday buying in early October to meet the mid-month deadline for mailing overseas gifts. Apparently, however, early holiday gift shopping for the armed forces will not curtail buying volume during the normal period, for sales since mid-October have run as much above a year ago as those in the previous month. This heavy volume of purchasing reflects maintenance of high consumer income despite heavy wartime income and excise taxes and the Treasury anti-inflation program.

Department store sales in October were 7 per cent above September and 12 per cent above October, 1943. For the first ten months of this year sales at district department stores ran 11 per cent greater than in the comparable period of 1943. Gains over October, 1943, were greatest at Springfield and Louisville stores with most other major cities approximating the district average. At Evansville, sales continued to show a slight decline from 1943.

Among other retail lines, district furniture stores registered sales increases of 17 per cent and 19 per cent, respectively, over a month and a year ago, while men's furnishings store sales were up 17 per cent and 10 per cent in the same intervals. Women's apparel store sales in St. Louis were off 4 per cent in the month and were slightly below the level of a year earlier. Shoe store volume was down 2 per cent from September but was 3 per cent greater than October, 1943.

AGRICULTURE

General Farming Conditions—Warm weather without much rain was very favorable for late maturing crops and for harvesting operations in October. Mean temperatures in every section of the district averaged above normal in October, while precipitation in many sections was less than half of normal. The long harvest season this year has been particularly helpful in view of the relative shortage

of agricultural labor, particularly in certain localities.

Production of major crops in the district during 1944 will apparently be at a record level, despite an exceptionally wet spring that delayed planting, and midsummer drouth which, if continued, would have sharply reduced district yields. Since early September the very favorable weather has steadily raised prospective yields of major district crops, and, with most of the crops now harvested, 1944 yields are in general much higher than in 1943.

Cash farm income in district states in September totaled \$334 million, as compared with \$270 million in August and \$347 million in September, 1943. For the first nine months of this year cash income of farmers ran 6 per cent above the comparable period in 1943.

During the war years the rise in cash farm income in the district has been relatively greater than that in the nation. There has been a slightly greater concentration on crops in the district, as compared with the country as a whole, during the past four years, with the result that district cash income from crops currently represents a greater proportion of total cash income than it did in 1940. Partly as a result of this condition, 1944 cash farm income in the district is likely to show a relatively greater gain than that for the nation. A more potent factor in the rise over last year's income, however, is the greater than average rise in output in the district this year. In 1943 heavy floods and prolonged drouth curtailed district crop production severely.

Cotton—October weather was favorable for cotton picking in the district and further increased prospective yields. The November 1 estimate of the U. S. Department of Agriculture indicated a 1944 district cotton crop of 3,830,000 bales, 193,000 bales more than was forecast on October 1, and 613,000 bales more than was produced in 1943. More than half of the prospective national gain in cotton production in the past month was concentrated in the district and about two-thirds of the increase over 1943 is due to greater district production.

The 1944 cotton crop in the district is appreciably later than last year, and due to this factor and a reported labor shortage at most gins and compresses, handling of the crop is considerably behind the schedule of former years. Through October 31 total ginnings were slightly larger than in 1943, with those of every major cotton-producing state of the district, except Mississippi, appreciably larger. Relative to total production, however, district ginnings were well behind a year ago. Through October 70 per cent of the district crop had been ginned this year, in contrast to 82 per cent in 1943.

On the whole, the grade of the 1944 crop in the district apparently will be somewhat lower than in 1943. Grade in Missouri and Tennessee is slightly higher than a year earlier, but in Arkansas and Mississippi is slightly lower. Average staple, however, in every state except Missouri is running longer than in 1943.

Presumably due to uncertainties regarding the outlook for cotton prices, movement of the crop into the loan and purchase program of the Commodity Credit Corporation has not been as heavy as anticipated. Through November 11 loans had been reported on 779,000 bales of 1944 crop cotton, and in the purchase program reports covering a slightly longer period indicated purchases of some 65,000 bales. In 1943, by mid-November more than 1,500,000 bales had moved into the loan.

Feed Crops and Grains—Upward revision in prospective corn yield in the district led to a November 1 estimate of the U. S. Department of Agriculture of 380,851,000 bushels, 3,501,000 bushels more than was indicated a month earlier, and 18,779,000 bushels more than was produced in 1943. Increased prospects in Arkansas, Indiana, Kentucky and Tennessee offset slight declines in Mississippi and Missouri in the past month. Soybean prospects improved substantially in October, with much of the gain concentrated in Missouri. The Arkansas rice harvest this year is now expected to total 14,204,000 bushels, as compared with 11,891,000 bushels in 1943. Production estimates for winter wheat, oats and hay in 1944 were unchanged on November 1 from a month earlier, since harvests were virtually complete.

The feed situation for the coming year is much more favorable than last year, with feed grain crop supply practically at last year's level, and with the number of animal units to be fed sharply below last year. Pastures have held up quite well this fall, with consequent saving of feed supplies for later months.

Fruits and Vegetables—Aggregate tonnage of commercial truck crops in the United States for the entire 1944 season is expected to be 7.8 million tons, or 11 per cent more than the former record of 7.0 million tons produced in 1942 and 17 per cent greater than 1943 output. Acreage for harvest in 1944 is 18 per cent greater than in 1943, while average yields are slightly lower.

Favorable weather in October lifted prospective yields for district crops of white and sweet potatoes. Indicated production of white potatoes in the district on November 1 was 59,000 bushels more than

on October 1, but the 1944 crop is still 3,966,000 bushels short of last year. Prospective output of sweet potatoes in Eighth District states improved 484,000 bushels in the month to a total only 705,000 bushels short of 1943.

Livestock—The number of cattle fed for market during the coming winter and spring is expected to be little different from the number fed a year earlier. The volume of stocker and feeder cattle shipped into states of the Corn Belt in the four-month period, July through October, 1944, was 1 per cent greater than last year. In district Corn Belt states shipments were slightly lower in Missouri and Indiana and slightly higher in Illinois. Movement of cattle into feed lots in November and December will thus determine whether feeding operations in terms of units handled this year will be larger or smaller than a year ago. With total feed grain supplies about the same as a year earlier, and with supply per animal unit much higher, cattle finishing in the coming season, however, should be somewhat more extensive than in the past year.

Feeding of lambs this season is down sharply. On the basis of present indications, the volume of lambs fed this season will be the smallest in ten years, with movement into Corn Belt states in the July-October period 16 per cent below 1943.

Tobacco—According to the November 1 estimate of the U. S. Department of Agriculture, output of all types of tobacco in the Eighth District this year will be 321,877,000 pounds, as compared with 262,416,000 pounds in 1943. Favorable weather during October resulted in an increase in prospective yields which lifted production estimates 6,871,000 pounds. The major indicated increase in the past month was concentrated in burley tobacco, although prospects for both Eastern and Western area dark-fired crops also improved appreciably.

Favorable weather in the first part of November made conditions good for the curing of air-cured tobacco, particularly burley. At that time most of the burley crop had been housed and only a small percentage was damaged by frost which came in late October. The earlier cuttings were sufficiently cured for stripping, but the later cuttings will require the balance of the month to cure properly. Burley tobacco markets are scheduled to open December 11, a week later than originally reported, because buyers cannot move from flue-cured markets as early as expected.

In the Eastern and Western dark-fired districts the bulk of the tobacco was harvested in good condition and has been curing well, although some

houseburn has been reported. Dry weather has prevailed in these regions and growers hoped for some rainy days to accelerate curing of the later cuttings.

One-sucker tobacco was all harvested before frost and is curing rapidly. Weather conditions have been good in the Green River district with leaf above average size and good body.

BANKING AND FINANCE

The major factor affecting banking during the past month was anticipation of the Sixth War Loan Drive which opened officially for marketable issues on November 20. The Treasury continued substantial withdrawals from War Loan accounts, while Government spending built up private deposits, especially those of business which held them for investment in drive securities. At 24 reporting member banks in this district, U. S. Government deposits on November 15 dropped to \$137 million, a net decrease of \$41 million in the previous four weeks, while demand deposits adjusted at the same banks rose \$44 million to a new peak of \$1,089 million. The pre-drive level of Government deposits in June, 1944, was \$130 million.

The Treasury has announced quotas by states for the Sixth War Loan Drive. The following table gives for states partly or wholly contained in this district, quotas for total sales, sales to individuals, and E bond sales.

SIXTH WAR LOAN DRIVE QUOTAS (In millions of dollars)

State	Total	Individuals	E bonds
Arkansas.....	\$ 44	\$ 28	\$ 17
Illinois.....	1,034	351	174
Indiana.....	239	120	68
Kentucky.....	104	55	27
Mississippi.....	47	30	18
Missouri.....	276	118	63
Tennessee.....	117	61	30

Demand for bank credit in the district in the past month was somewhat greater than in the previous month, particularly for commercial loans. As compared with a year ago, total loans were also up, with most of the increase in loans to purchase and carry securities. Such loans, however, have been dropping steadily since the last drive. Total investments in Government securities of weekly reporting banks increased \$14 million during the past month. Nearly all the gain was in Treasury bills and certificates.

Since the last issue of this Review, The Citizen's Bank of Owensville, Owensville, Missouri and The Citizen's Bank of Windsor, Windsor, Missouri have become members of the Federal Reserve System.

CASH FARM INCOME

(In thousands of dollars)	September		Cumulative for 9 months		
	1944	1943	1944	1943	1942
	Arkansas.....	\$ 35,533	\$ 35,023	\$ 168,211	\$165,307
Illinois.....	78,072	85,591	848,977	808,334	641,049
Indiana.....	61,358	66,974	500,802	477,173	374,298
Kentucky.....	20,584	21,901	254,129	225,737	157,737
Mississippi.....	47,248	53,643	154,808	173,328	129,730
Missouri.....	67,913	59,835	497,232	449,230	353,459
Tennessee.....	23,054	23,823	207,947	183,180	141,538
Totals.....	333,762	346,790	2,632,106	2,482,289	1,945,447

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Oct., 1944	Sept., 1944	Oct., 1943	Oct., 1944	Sept., 1944	Oct., 1943
	Cattle and Calves.....	232,652	211,271	195,218	116,694	108,273
Hogs.....	229,530	188,105	257,425	50,040	47,843	82,732
Horses and Mules.....	3,266	2,452	3,641	3,260	2,446	3,587
Sheep.....	79,933	75,613	87,444	15,183	11,455	12,034
Totals.....	545,381	477,441	543,728	185,177	170,017	202,638

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Oct., 1944	Sept., 1944	Oct., 1943	Oct., '44 comp. with Sept., '44	Oct., '43
All Commodities..	104.1	104.0	103.0	+0.1%	+ 1.1%
Farm Products..	123.4	122.7	122.2	+0.6	+ 1.0
Foods.....	104.2	104.2	105.1	- 0 -	- 0.9
Other.....	98.7	98.6	97.3	+0.1	+ 1.4

COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	Oct. 15, 1944	Sept. 15, 1944	Sept. 15, 1942	Oct. 15, '44 comp. with Sept. 15, '44	Sept. 15, '42
United States.....	126.4	126.5	117.8	- 0 - %	+ 7.3%
St. Louis.....	124.6	125.2	116.6	- 0.5	+ 6.9

COST OF FOOD

Bureau of Labor Statistics (1935=100)	Oct. 15, 1944	Sept. 15, 1944	Sept. 15, 1942	Oct. 15, '44 comp. with Sept. 15, '44	Sept. 15, '42
U. S. (51 cities)...	136.4	137.0	126.6	- 0.4%	+ 7.7%
St. Louis.....	138.0	139.8	126.7	- 1.3	+ 8.9
Little Rock.....	135.4	137.4	129.2	- 1.5	+ 4.8
Louisville.....	131.0	131.7	124.2	- 0.5	+ 5.5
Memphis.....	144.9	146.5	129.7	+ 1.1	+11.7

COAL PRODUCTION

(In thousands of tons)	Oct., '44	Sept., '44	Oct., '43	Oct., '44 comp. with Sept., '44	Oct., '43
Illinois.....	6,065	5,685	6,408	+ 6.7%	- 5.4%
Indiana.....	2,350	2,217	2,380	+ 6.0	- 1.3
Kentucky.....	5,716	5,597	5,451	+ 2.1	+ 4.9
Other dist. states..	1,751	1,726	1,573	+ 1.4	+11.3
Total.....	15,882	15,225	15,812	+ 4.3	+ 0.4

BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number		Cost		Number		Cost	
	1944	1943	1944	1943	1944	1943	1944	1943
Evansville.....	19	254	\$ 21	\$ 238	104	125	\$ 53	\$ 92
Little Rock.....	30	13	76	7	242	122	60	28
Louisville.....	80	60	201	111	32	33	44	83
Memphis.....	409	76	545	15	209	474	70	194
St. Louis.....	95	63	326	268	182	146	374	76
Oct. Totals.....	633	466	1,169	630	769	900	601	473
Sept. Totals.....	424	204	790	370	778	996	510	465

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Custom-ers*	Oct., 1944	Sept., 1944	Oct., 1943	October, 1944 compared with	
		K.W.H.	K.W.H.	K.W.H.	Sept., 1944	Oct., 1943
		Evansville.....	40	7,992	7,905	10,080†
Little Rock....	35	3,220	3,375	2,807	- 5	+ 15
Louisville.....	82	17,522	17,668	17,197	- 1	+ 2
Memphis.....	31	6,795	6,491	6,457	+ 5	+ 5
Pine Bluff.....	19	8,363	7,647	7,302	+ 9	+ 15
St. Louis.....	138	97,599	89,926	95,008†	+ 9	+ 3
Totals.....	345	141,491	133,014	138,851†	+ 6	+ 2

*Selected industrial customers. †Revised.

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Oct., '44	Sept., '44	Oct., '43	Oct., '44 comp. with Sept., '44	Oct., '43
Total 8th Dist... \$	11,812	\$ 13,004†	\$ 8,218†	- 9%	+ 44%

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

	DEPARTMENT STORES			Stocks on Hand	Stock Turnover	
	Net Sales		10 mos.'44 compared with period '43			
	Oct., 1944 compared with Sept., '44	Oct., '43				
Ft. Smith, Ark.	+ 4%	+ 8%	+ 16%	— 3%	3.72	3.20
Little Rock, Ark.	+ 3	+ 11	+ 8	— 7	4.08	3.45
Quincy, Ill.	+ 1	+ 13	+ 21	—	—	—
Evansville, Ind.	+ 8	— 1	— 2	—	—	—
Louisville, Ky.	+ 11	+ 22	+ 16	+ 13	4.33	4.39
St. Louis, Mo.	+ 7	+ 11	+ 9	— 0	3.73	3.47
Springfield, Mo.	+ 9	+ 25	+ 25	—	—	—
Memphis, Tenn.	+ 8	+ 12	+ 14	+ 8	4.06	3.75
*All other cities.	+ 8	+ 11	+ 9	— 8	3.69	3.38
8th F. R. Dist.	+ 7	+ 12	+ 11	+ 2	3.88	3.60

*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: October, 1944—26; September, 1944—25; October, 1943—26.

Outstanding orders of reporting stores at the end of October, 1944, were 8 per cent greater than on the corresponding date a year ago.

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

	Instalment Accounts		Excl. Instal. Accounts		Instalment Accounts	Excl. Instal. Accounts
	Accounts	Accounts	Accounts	Accounts		
Fort Smith... %	65	65	40	80	40	80
Little Rock... 38	61	61	47	74	47	74
Louisville... 45	66	66	41	69	41	69
Memphis... 58	65	65	47	70	47	70

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

8th Federal Reserve District

	Oct., 1944	Sept., 1944	Aug., 1944	Oct., 1943
	Sales (daily average), Unadjusted ¹	221	212	178
Sales, (daily average), Seasonally adjusted ¹	215	193	207	188
Stocks, Unadjusted ²	115	113	111	113
Stocks, Seasonally adjusted ²	102	107	112	101

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

SPECIALTY STORES

	Net Sales		10 mos.'44 compared with period '43	Stocks on Hand	Stock Turnover	
	Oct., 1944 compared with Sept., '44	Oct., '43				
	Men's Furnishings	+17%				+10%
Boots and Shoes	— 2	+ 3	+ 9	+ 22	6.92	7.05

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

Men's Furnishings.....	64%	Boots and Shoes.....	50%
------------------------	-----	----------------------	-----

Trading days: October, 1944—26; September, 1944—25; October, 1943—26.

RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	Oct., 1944 compared with Sept., '44	Oct., '43	Oct. 31, 1944 compared with Sept. 30, '44	Oct. 31, '43	Oct., '44	Oct., '43
	St. Louis Area ¹	+ 8%	+ 12%	— 0	+ 21%	51%
St. Louis.....	+ 8	+ 11	— 0	+ 21	53	48
Louisville Area ²	+ 34	+ 36	— 5	+ 16	32	27
Louisville.....	+ 35	+ 35	— 6	+ 19	31	27
Memphis.....	+ 31	+ 32	+ 8	— 8	27	25
Little Rock.....	+ 35	+ 16	— 1	+ 22	30	29
Springfield.....	+ 15	+ 50	*	*	53	31
Fort Smith.....	+ 31	+ 19	*	*	*	*
Pine Bluff.....	+ 30	+ 26	*	*	41	34
Evansville.....	— 3	+ 26	— 15	+ 5	49	40
8th Dist. Totals ³	+ 17	+ 19	— 3	+ 9	41	36

*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 Henderson, Hopkinsville, Owensboro, Kentucky; Columbus, Greenwood, Starkville, Mississippi; Cape Girardeau, Hannibal, Missouri; and Dyersburg, Tennessee.

PERCENTAGE DISTRIBUTION OF SALES

	Oct., '44	Sept., '44	Oct., '43
	Cash Sales.....	20%	19%
Credit Sales.....	80	81	81
Total Sales.....	100	100	100

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

Oct., '44	Sept., '44	Oct., '43	First nine days		10 mos.'44	10 mos.'43
			Nov., '44	Nov., '43		
159,728	148,479	166,389	47,731	47,862	1,592,168	1,497,910

Source: Terminal Railroad Association of St. Louis.

Lines of Commodities	WHOLESALE*		Stocks
	Net Sales		
	October, 1944 compared with Sept., '44	Oct., '43	
Automotive Supplies.....	+ 6%	+ 35%%
Boots and Shoes.....	+ 21	+ 21
Drugs and Chemicals.....	+ 9	+ 10
Dry Goods.....	— 4	— 14	— 21
Electrical Supplies.....	— 6	— 6	+ 22
Furniture.....	— 23	— 12
Groceries.....	+ 4	+ 4	+ 1
Hardware.....	+ 6	+ 16	+ 12
Plumbing Supplies.....	— 1	+ 10
Tobacco and its Products.....	— 1	+ 21
Miscellaneous.....	+ 2	+ 3	+ 24
Total all lines**	+ 3	+ 2	— 2

*Preliminary.

**Includes certain lines not listed above.

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	Oct., '44	Sept., '44	Oct., '43	Oct., '44 comp. with Sept., '44	Oct., '43
	Number.....	4	2	5	+100%
Liabilities.....	\$ 49,000	\$ 21,000	\$ 30,000	+133	+ 63

Source: Dun and Bradstreet.

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

(In thousands of dollars)	Nov. 15, 1944	Oct. 18, 1944	Nov. 17, 1943
	Industrial advances under Sec. 13b.....	\$
Other advances and rediscounts.....	8,875	+ 875	+ 5,025
U. S. securities.....	679,886	+ 82,015	+ 233,559
Total earning assets.....	688,761	+ 82,890	+ 238,584
Total reserves.....	799,780	— 19,912	+ 78,229
Total deposits.....	590,676	+ 19,470	+ 90,778
F. R. notes in circulation.....	904,182	+ 31,158	+ 221,133
Industrial commitments under Sec. 13b..	55	+ 5	— 282

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS

(In thousands of dollars)	Nov. 15, 1944	Oct. 18, 1944	Nov. 17, 1943
	Total loans and investments.....	\$1,736,352	+ 30,227
Commercial, industrial, agricultural loans*	251,632	+ 15,857	+ 6,435
Loans to brokers and dealers in securities.	8,045	+ 722	+ 1,557
Other loans to purchase and carry securities	23,213	+ 3,518	+ 13,081
Real estate loans.....	65,965	+ 201	+ 1,780
Loans to banks.....	2,241	+ 1,128	+ 1,742
Other loans.....	79,564	+ 2,027	+ 3,944
Total loans.....	430,660	+ 16,417	+ 12,185
Treasury bills.....	62,673	+ 12,429	— 39,009
Certificates of indebtedness.....	337,279	+ 2,831	+ 73,485
Treasury notes.....	235,410	— 48	+ 86,332
U. S. Bonds.....	541,041	+ 1,650	+ 24,562
Obligations guaranteed by U. S. Govt..	19,974	— 4,026	— 14,357
Other securities.....	109,315	+ 974	— 1,738
Total investments.....	1,305,692	+ 13,810	+ 129,275
Balances with domestic banks.....	122,465	+ 6,128	+ 3,398
Demand deposits — adjusted**.....	1,088,898	+ 44,220	+ 182,403
Time deposits.....	269,599	+ 5,763	+ 54,732
U. S. Government deposits.....	136,557	+ 40,713	+ 128,588
Interbank deposits.....	602,548	+ 47,274	+ 76,283
Borrowings.....	8,500	+ 1,500	+ 4,650

*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.

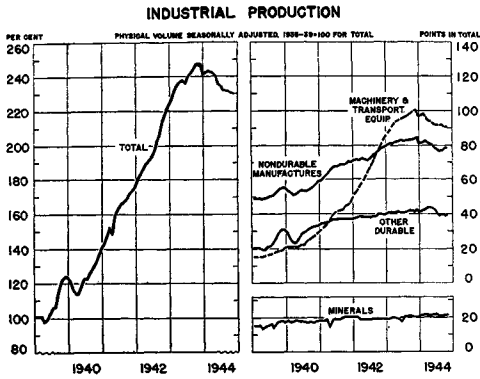
DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)	October, 1944	September, 1944	October, 1943	Oct., '44 comp. with Sept., '44	Oct., '43
El Dorado, Ark.....	\$ 9,568	\$ 9,582	\$ 9,053	— 0	+ 6%
Fort Smith, Ark.....	23,316	22,145	20,382	+ 5	+ 14
Helena, Ark.....	6,038	4,329	6,127	+ 39	— 1
Little Rock, Ark.....	81,626	73,426	81,253	+ 11	— 0
Pine Bluff, Ark.....	22,459	18,351	20,204	+ 22	+ 11
Texarkana, Ark.-Tex.	11,434	11,540	9,699	— 1	+ 18
Alton, Ill.....	12,687	13,642	12,328	— 7	+ 3
E. St. L.-Nat. S. Y., Ill.	81,308	77,652	84,731	+ 5	— 4
Quincy, Ill.....	16,678	16,689	15,550	— 0	+ 7
Evansville, Ind.....	96,741	99,742	102,560	— 3	— 6
Louisville, Ky.....	318,848	327,356	446,935	— 3	— 29
Owensboro, Ky.....	17,975	16,768	14,024	+ 7	+ 28
Paducah, Ky.....	8,097	7,916	7,405	+ 2	+ 9
Greenville, Miss.....	11,586	9,521	11,052	+ 22	+ 5
Cape Girardeau, Mo..	5,859	4,856	5,066	+ 21	+ 16
Hannibal, Mo.....	4,971	4,784	4,232	+ 4	+ 17
Jefferson City, Mo..	30,528	25,845	19,338	+ 18	+ 58
St. Louis, Mo.....	986,444	968,492	956,489	+ 2	+ 3
Sealia, Mo.....	5,833	5,560	5,310	+ 5	+ 6
Springfield, Mo.....	33,073	33,552	29,840	— 1	+ 11
Jackson, Tenn.....	13,524	11,487	12,520	+ 18	+ 8
Memphis, Tenn.....	342,024	244,204	311,573	+ 40	+ 10
Totals.....	2,140,617	2,007,259	2,185,871	+ 7	— 2

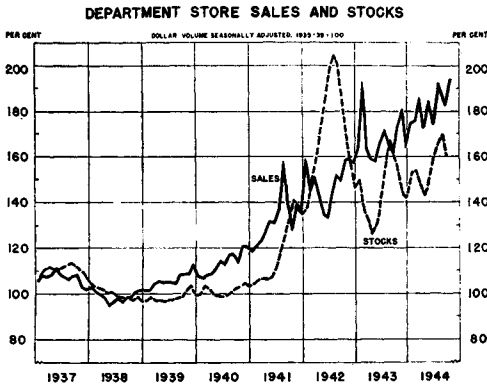
(Completed November 25, 1944)

NATIONAL SUMMARY OF CONDITIONS

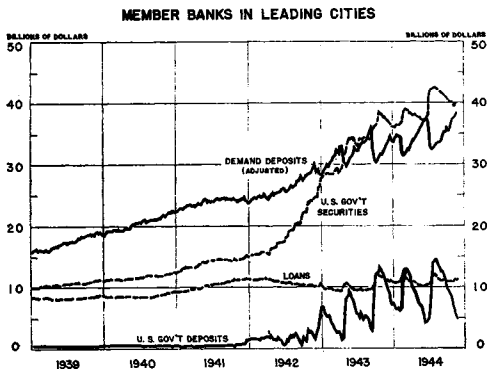
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



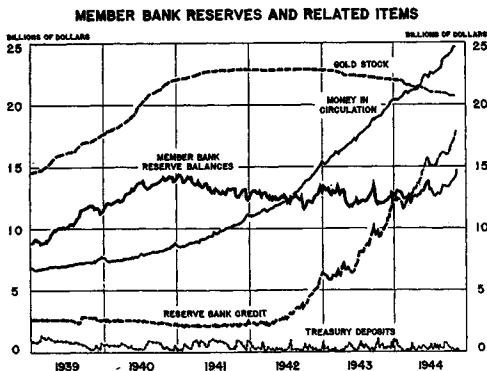
Federal Reserve index. Monthly figures, latest shown are for October, 1944.



Federal Reserve indexes. Monthly figures, latest shown are for October, 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 November 15, 1944.



Wednesday figures, latest shown are for November 15, 1944.

Output and employment at factories and mines showed little change from September to October. Value of department store trade increased further in October and the early part of November, while commodity prices were stable.

Industrial production—The Board's seasonally adjusted index of industrial production was 230 per cent of the 1935-39 average in October as compared with 231 in September. Output of durable manufactures continued to decline slightly, while production of nondurable goods and minerals was maintained at the level of the preceding month.

At steel mills production increased slightly in October but for the month was 7 per cent below the peak of a year ago. Production of copper and other nonferrous metals continued to decline, with output of aluminum and magnesium curtailed more than 50 per cent from the peak rates reached at the end of last year. In the machinery and transportation equipment industries activity declined slightly in October. Lumber production showed little change in October from the September rate which was 10 per cent above the pre-war level. Output of lumber and also pulpwood has been limited during the past two years because of the difficulty of recruiting labor in these industries.

Activity at cotton textile mills and at shoe factories declined in October, while output of manufactured food products increased, after allowance for the customary seasonal changes. The rise in food manufacturing was mainly at canneries and was made possible by increased farm production of fruits and vegetables. Newsprint consumption showed a greater than seasonal increase in October. Output of chemicals, rubber products, and other nondurable goods continued at about the level of the preceding month.

Output of coal and crude petroleum was maintained, while production of iron ore continued to decline seasonally.

Distribution—Department store sales increased considerably in October and were 13 per cent larger than last year, which is about the same year-to-year increase that has prevailed in recent months. In the first half of November sales rose further and exceeded by 8 per cent the exceptionally high level of a year ago.

Railroad freight traffic was maintained at a high level during October and the early part of November.

Bank credit—On the eve of the opening of the Sixth War Loan Drive bank deposits and currency owned by individuals, partnerships, and corporations were larger than at any previous time. Such holdings of deposits and currency have increased in recent months as the Treasury expended funds raised during the Fifth War Loan Drive.

Adjusted demand deposits of individuals, partnerships, and corporations at reporting banks in 101 cities increased by around 6 billion dollars between July 12 and November 15; this brought the total outstanding to a level about a billion dollars above that reached before the Fifth War Loan Drive. Time deposits increased by about a billion dollars. At country banks outside the leading cities it is estimated that demand and time deposits are slightly more than three billion dollars larger than they were prior to the Fifth Drive. Currency in circulation has increased by about 2.5 billion since the middle of June.

As a result of the deposit expansion, the average level of reserves required by all member banks rose sharply during the inter-drive period and are about a billion dollars greater than at the beginning of the Fifth Drive. Reserve funds to meet the increasing requirements, as well as a currency outflow, were supplied largely through substantial additions to the Government security portfolio of the Reserve Banks; holding were increased by over 3 billion dollars between July 12 and November 15. Member bank borrowings at the Reserve Banks also increased as they had done prior to the Fifth Drive. Excess reserves, which increased during the war loan drive, declined at a fairly rapid rate immediately following the close of the drive and then fluctuated generally around a billion dollars. About three-fourths of these excess reserves are held by country banks.

At reporting banks in 101 cities, bill and certificate holdings declined by around 2¾ billion dollars during the inter-drive period reflecting sales, largely to the Reserve Banks, as member banks adjusted their reserve positions. Bond holdings were increased by around 800 million dollars.

Loans to brokers and dealers for purchasing or carrying Government securities, which had declined in August to a level comparable to that prevailing prior to the Fifth Drive, fluctuated somewhat over the following period but began to increase early in November. Other loans for purchasing or carrying Government securities continued to decline. Loans for handling other securities, reflecting substantial flotations of new corporate issues, increased during the late fall. Commercial loans also rose.