

BUSINESS



CONDITIONS

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FEDERAL RESERVE BANK OF ST. LOUIS



CITY ART MUSEUM OF ST. LOUIS,
CHARLES TREFT PHOTO

GENERAL INDUSTRIAL SITUATION

DURING the past month industrial activity in the Eighth District was at a level somewhat below both a month and a year earlier. Manufacturing employment for some time has been running well below the peak reached in the fall of 1943 and fell somewhat more in the past month. Worker productivity has risen appreciably in the past year, but not sufficiently to offset the decline in number of workers. Consumption of industrial electric power in major district cities in November was 3 per cent and 5 per cent, respectively, below last month and November, 1943.

The outlook for industry in the Eighth District over the next several months is somewhat obscure. The various lines of war production are scheduled to move at widely differing rates of change and in some cases in divergent directions. Civilian goods output, for a short time characterized by expansionist trends, is now virtually frozen at existent levels. These conditions are subject to change in the light of war's requirements and future changes may be quite radical. To add to the difficulty of judging the course of industry in the short-run future is the uncertainty concerning the war in Europe, the basic reason for the existing conditions.

For the past year national munitions output, as measured by the WPB index, has been relatively stable, with a very slight declining trend. The current rate of war production is about 5 per cent below the peak reached in the winter of 1943-44. This decline has been due mostly to planned decreases in certain lines.

In view of the present situation in Europe and the step-up in the Pacific campaign, certain military requirements have been sharply revised. On a national scale it seems unlikely that over-all war production will be affected to any great extent by this new programming. An attempt is being made to bring the total output of munitions back to a

point approximating peak levels, but the major effort involves sharp increases in various munitions categories. Consequently, certain lines will assume greater relative importance in total war production. Among them are the "critical" programs such as artillery ammunition, bombs, heavy trucks, tanks, etc. While these and some other programs are scheduled to expand at a rapid rate, other lines are scheduled for contraction. On balance, then, total war output may well change very little.

This kind of situation does not apply to a particular region, for concentration of certain types of war manufacture in a locality causes that locality to be more strongly affected by scheduled changes for these lines than is the nation as a whole. The Eighth District, as noted previously in this Review, has much of its major war facilities in explosives and ammunition plants. When these programs were cut back about a year ago, district war output fell off appreciably more than did national production. Subsequent curtailment in aircraft and shipbuilding programs of the type carried on here accentuated the declining trend in the district.

The recently increased programs for explosives and ammunition may be expected to raise total district output appreciably in coming months, although part of the gain will be offset by other declining munitions lines. On balance, however, there should be an over-all increase.

It should be noted that this appraisal is subject to certain implicit conditions. First, and most important, is the course of the war in Europe. Second is the ability to obtain workers for plants scheduled for expansion. Difficulties in restaffing facilities are proving to be almost as great as those attendant upon the original staffing. New plants, in particular, are experiencing considerable difficulty in obtaining workers, even though this entire area is apparently a labor surplus region.

DISTRICT SURVEY

MANUFACTURING

Iron and Steel—Steel ingot production in the Eighth District during November was at an average rate of 79 per cent of capacity, as compared with 74 per cent during October. Castings output at district foundries continued at close to peak levels. Scrap and pig iron supply flowed to both mills and foundries in sufficient volume to maintain inventories adequate for sustained operations at present rates.

Outstanding orders for steel production in this district are somewhat lower than they were a year

ago. Better scheduling has cut down the unwieldy backlog of orders to a point where it is more manageable. With the contraction in the shipbuilding program, it is possible that more steel production during 1945 may go into indirect war use and civilian production.

Shoes—Eighth District factories in November, according to preliminary reports, produced 1 per cent less shoes than in October but 11 per cent more than in November, 1943. On the basis of performance during the first eleven months of this year,

shoe production in the district in 1944 will be about 3 per cent greater than in 1943. Final October figures indicate total output of shoes at district factories for that month to be 7,382,852 pairs, as compared with 6,640,176 pairs in October, 1943.

Whiskey—At the close of November, 51 Kentucky distilleries were in operation, as compared with 52 on October 31 and 45 on November 30, 1943. Distilleries continue to produce industrial alcohol for the war program. Since October, 1942 only one month has been devoted to producing whiskey, August, 1944, but another holiday in January, 1945 has been scheduled. No definite order has yet been issued by the War Food Administration concerning the release of corn for use during the January holiday, although rumors persist that such action will be taken.

Miscellaneous Manufacturing — Production of munitions in the Eighth District during November was at about the same level as a month earlier, but well below the peak reached in the fall of 1943. Recent modifications of munitions schedules may result in an increase in total output during coming months. Chemicals production, exclusive of ammunition, continues at close to peak levels.

Output of lumber at district mills remains below the high level reached in 1942, with production currently running well below orders, so that stocks continue to be reduced. Difficulties in obtaining labor and transportation are given as the primary factors curtailing operations.

Packing house activity moved up seasonally in November, with federally-inspected slaughter at St. Louis, in terms of animal units, 6 per cent greater than in October. As compared with a year earlier, however, slaughter was off 15 per cent. The heavy fall hog runs seasonally increased hog slaughter, but hog killing was considerably less than in November, 1943.

RETAIL TRADE

On the basis of performance in the first eleven months of 1944, the dollar volume of retail trade lines reporting to this bank will break all records this year. In department store trade, sales in November were 19 per cent larger than in November, 1943 and were up more than seasonally, 17 per cent, from October volume. In the first two weeks of December, sales ran 21 per cent ahead of the comparable period last year. For the entire year department store dollar volume in the district should approximate \$270 million, more than 10 per cent over 1943 and about 80 per cent greater than in the prewar year, 1939.

Part of the gain over 1943 and about half the increase over 1939 is due to absolute price rises. A good share of the remainder reflects purchases of higher priced lines, both because of consumer choice and because of disappearance of lower priced lines, additions of unnecessary and in some cases unwanted characteristics to a particular item so as to bring a larger dollar purchase price, and the like. These are, for all practical purposes, price increases. Consequently, there may have been little or no change in physical volume of merchandise sold in 1944 as compared with 1943, and considerably less than the increase over 1939 indicated by adjusting for absolute price changes.

The increase in sales over 1943 is particularly striking in view of the following factors which might be expected to retard them: (1) large numbers of men in overseas service, (2) lessened volume of durable goods for sale, (3) decline in employment since last year, (4) increase in taxes, and (5) heavy individual purchases of Government securities.

Among the individual cities of the district, sales increases over 1943 vary considerably. Springfield and Quincy are running about double the district average, while Louisville, Memphis, and Fort Smith are about half again as large. St. Louis and Little Rock are just about on the average, while Evansville shows virtually no change from a year ago.

AGRICULTURE

General Farming Conditions—Activity in Eighth District agriculture is currently moving toward its seasonal low. Under more usual conditions, harvesting of all major field crops would have been completed, fall plowing and land preparation finished, and winter cover crops started some time ago. This year, however, the late planting season, the summer drouth, and the long, favorable harvest combined to extend the season well beyond its normal closing. At mid-December small portions of major crops were still in the fields. As a result, final estimates of 1944 crop production are still subject to some change.

Weather during most of November continued to be very favorable for harvesting operations, a decided benefit this year with heavy crops, certain local labor shortages, dependence upon family farm workers, and relative shortage of mechanical equipment. Temperatures over most of the district averaged above normal and rainfall, except in central and western Missouri and most of Arkansas, was less than normal. In early December colder weather set in and heavy snow fell over much of the district, effectively stopping farm routine.

District farm income in 1944 should reach a record high. Crop output apparently was at an all-time peak, with prices high enough to lift income from crops well beyond that of any previous year. Livestock marketings this year are not so heavy as last, but in effect the decline in hog and sheep sales has been more than offset by increased cattle marketings and by higher prices. In Eighth District states cash income for October was \$497 million, as compared with \$456 million in October, 1943. For the first ten months of 1944, cash income in district states ran 7 per cent above the like period a year earlier.

At mid-November the index of prices received by farmers in the United States reached 196 per cent of the 1909-14 average, up 2 points from both a month and a year earlier. Downturns in hog, cotton and corn prices in the month were more than offset by price increases in other commodities. Prices paid by farmers did not rise sufficiently to offset the gain in prices received, so that the parity ratio increased 1 point to 115. Prices received by farmers are currently running about 80 per cent above the level of the immediate prewar years, with crop prices up about 95 per cent and livestock prices up about 75 per cent.

Cotton—The December 1 report of the U. S. Department of Agriculture estimated a domestic cotton crop of 12,359,000 bales, more than 900,000 bales in excess of the 1943 crop and within 100,000 bales of the average crop produced in the ten-year period 1933-42. In major district cotton-growing states the 1944 crop is expected to total 4,450,000 bales, about 3,865,000 bales of which are grown in the district proper. In the past month the United States estimate for the 1944 crop increased 39,000 bales, while that for the district rose by about 35,000 bales. Indicated production for Missouri was up 50,000 bales and for Arkansas up 10,000 bales over November 1, while the Mississippi harvest was expected to be 30,000 bales below the November 1 forecast.

The national lint yield per acre this year is expected to be 295 pounds, 23 pounds above the previous record set in 1942, and 68 pounds above the ten-year (1933-42) average. The 1944 crop was raised on 6,300,000 acres less than in the ten-year (1933-42) period. Acreage this year was the smallest since 1895. In the Eighth District the 1944 yield will approximate 415 pounds per acre, ranging from 389 in Arkansas to 528 in Missouri. The 1944 record yield compares with a district average of some 330 pounds per acre in 1943 and about 300 pounds per acre in the 1933-42 period.

Production of cottonseed in the district this year will be about 1,750,000 tons. District income from both lint and seed of the 1944 crop should come close to \$500 million, or about 30 per cent of total cash farm income for the region's farmers.

Harvesting of cotton was still being carried on at mid-December in certain parts of the district. This year's exceptionally long and favorable picking season has permitted fairly efficient utilization of the lessened farm labor force and very little cotton is expected to be left in the fields. Augmentation of the regular farm labor force by war prisoners has proved very helpful in some sections.

Ginning and compressing of the crop has proved the major bottleneck in the district this year. With a greatly increased crop and a labor shortage at gins and compresses, many have been embargoed for long periods. Through November 30 only 84 per cent of the district crop had been ginned, as compared with 93 per cent in 1943. On the basis of 1944 ginnings through November, this year's district crop will grade appreciably better than last year's and will average slightly longer in staple.

Livestock—Information more current than was available a month ago indicates that more cattle will be fed for market this season than last in the United States. As a whole, feeding in Corn Belt states will be up somewhat, while feeding in other states will be at least as large as last winter. In the district, feeding operations may be slightly lower than a year ago, with sharp reductions in feeding indicated for Missouri and Indiana. Illinois feeding activity is expected to be higher this season than last.

Milk production in November was 5 per cent greater than in November, 1943, to reach a record high for the month. As of December 1, milk production per cow in the United States was 12.4 pounds per day, 4 per cent more than a year earlier, and 6 per cent more than the ten-year (1933-42) average. Average production per cow in the district was some 2 pounds less than the national average, but the gains over a year ago and the ten-year average were more pronounced, 6 per cent and 10 per cent, respectively.

Feeding of milk cows on December 1, 1944 was heavier than a year earlier and the December 1 average for the previous ten years. For the nation as a whole 4.74 pounds of grain and concentrates were fed to each milk cow on December 1, compared with 4.66 pounds a year earlier and 4.01 pounds on the December 1 average (1933-42). Only in 1942, in recent years, has this feeding quantity been exceeded on December 1. The amount of grain and concentrates fed on the average in the district is

not as large as that for the nation as a whole, reflecting mostly lighter feeding in the southern sections. District feeding, however, has increased relatively more than the national average in the past year.

Production of eggs in the United States for the first eleven months of 1944 totaled 54.1 million, 6 per cent more than in the comparable period in 1943 and almost equivalent to entire 1943 output. The number of layers in November was fractionally lower than a year ago, but production per layer was about 10 per cent higher this November than last. District states egg production for eleven months of 1944 totaled 11.2 million, 4 per cent more than in eleven months of 1943. Production per layer has not been up as much in the district as in the nation. During November the increase over a year earlier was 7 per cent, with district laying flocks about 1 per cent smaller than last year.

Tobacco—Marketing of the record district tobacco crop began early in December. As reported previously in this Review, the 1944 crop of tobacco of all types in the Eighth District is currently estimated at 322 million pounds, some 60 million pounds more than was produced in 1943 and about 79 million pounds more than the average harvest from 1933 to 1942. The important burley crop is very large this year, some 20 per cent greater than in 1943 and some 40 per cent more than in the ten-year (1933-42) period.

All burley markets opened simultaneously in Kentucky on December 11. In former years the market at Lexington, Kentucky has opened one day prior to the other markets. Ceiling prices under which the market began sales are identical with those in effect last year and range from \$62 per cwt. for best grade wrapper to \$9 per cwt. for lowest grade non-descript. Under these ceilings the 1943 burley crop averaged \$44.92 per cwt. in Kentucky. This year's crop is generally believed to be below 1943 quality and hence trade sources estimate that the season average price will run lower than last year by perhaps \$1.50 to \$3.00 per cwt.

Opening week sales of burley averaged \$44.50 per cwt., \$2.65 less than the opening week average in 1943. Sales in the first week this season totaled 81 million pounds, as compared with 48 million pounds last year. Prices at market openings usually run somewhat higher than season averages. A very small percentage of sales was at prices under ceilings, but far above loan rates. With the substantial spread between the cooperative associations' loan rates and ceiling prices and the heavy demand for tobacco, virtually none of the crop is expected to be

marketed through the associations.

The Green River tobacco marketing season opened on December 7 at Owensboro and on December 8 at Henderson and Madisonville. The 1944 crop of this type tobacco is about 14 million pounds, 35 per cent more than the 1943 crop. Sales for the week ending December 12 averaged \$26.37 per cwt., \$7.00 higher than last year's opening week average. Offerings in the first week were generally of higher quality than in the comparable period of 1943.

Marketing of the one-sucker crop began on December 8. The 1944 crop is estimated at 22 million pounds, or 5 million pounds more than in 1943. Average sales for the first five days was \$23.14 per cwt., or \$1.66 less than in the comparable period in 1943. General quality of offerings was about the same as last year.

No grades of Green River or one-sucker tobacco were frozen for insecticide manufacture this season. A support price, however, has been established for certain grades and buyers may purchase these grades provided the bid price is above support price. The Commodity Credit Corporation will automatically take up tobacco for diversion to by-product manufacture if bid prices are below support prices. Most supported grades have been bid in by buyers so far. Both CCC purchases and association deliveries have been very light.

BANKING AND FINANCE

Influenced predominantly by the Sixth War Loan Drive, banking in the Eighth District during the past month followed the general pattern of previous drives. Payment for heavy security purchases reduced private deposits and built up War Loan accounts. This shift to reserve-exempt deposits freed funds, which were promptly utilized by the banks to purchase Government securities for their own account.

Coincident with the drive period, heavy farm marketings swelled deposit totals at country banks, which in turn slightly increased correspondent balances at city banks. At weekly reporting member banks located in the large cities of the district, private demand deposits fell \$97 million from November 15 to December 13. In the same period U. S. Government deposits, mostly War Loan balances, rose \$165 million and interbank deposits gained \$6 million.

The Sixth War Loan Drive opened for marketable issues on November 20 and extended through December 16. Sales of U. S. savings bonds and notes for all of November and December are to be counted in the drive totals, which are not yet avail-

able. The table below shows latest available figures for the drive in Eighth District states.

SALES SIXTH WAR LOAN DRIVE
Through December 21, 1944
 (Amounts in millions of dollars)

| Entire State | Individuals | | | | Corporations and Associations | | | | Grand Total | | | |
|--------------|-------------|-------|-------|-------|-------------------------------|-----|-------|-------|-------------|-------|-------|-----|
| | Series E | | Total | | Sales | | Quota | | % | | | |
| | Sales | Quota | % | Sales | Quota | % | Sales | Quota | % | % | | |
| Arkansas. | \$ 16 | \$ 17 | 91 | \$ 31 | \$ 28 | 111 | \$ 25 | \$ 16 | 155 | \$ 56 | \$ 44 | 127 |
| Illinois... | 135 | 174 | 78 | 315 | 351 | 90 | 1,084 | 683 | 159 | 1,399 | 1,034 | 135 |
| Indiana... | 54 | 68 | 80 | 110 | 120 | 91 | 224 | 119 | 188 | 334 | 239 | 140 |
| Kentucky. | 20 | 27 | 73 | 58 | 55 | 106 | 90 | 49 | 183 | 148 | 104 | 142 |
| Mississippi | 19 | 18 | 104 | 37 | 30 | 125 | 30 | 17 | 176 | 67 | 47 | 143 |
| Missouri.. | 51 | 63 | 81 | 119 | 118 | 101 | 272 | 158 | 172 | 391 | 276 | 142 |
| Tennessee. | 25 | 30 | 83 | 60 | 61 | 99 | 135 | 56 | 242 | 196 | 117 | 167 |

Every district state has more than achieved its over-all quota and to date has exceeded it by more than the national average. Sales to individuals and sales of E bonds have lagged in most district states, but the final tabulation, which will include large dollar amounts of E bond purchases under payroll deduction plans in the last half of December, will probably show that every district state reached its quota for individuals and that most of them attained their E bond quotas.

Bank holdings of Government securities increased sharply during the period of the drive and may be expected to show additional gains when figures for the latter part of December become available. As in past drives, the marketable issues, aside from the very long bonds, are eligible for bank holdings after the drive closes for them. Prior to this time, however, banks purchased substantial blocks of securities being sold by nonbank investors to obtain funds for subscriptions in the current drive. Total investments at weekly reporting banks rose \$81 million from November 15 to December 13. Bond and note portfolios gained \$91 million. Bills and certificates, combined, were off \$13 million, as banks utilized them to adjust reserve balances and waited to buy the new certificates.

Loans for the purpose of purchasing and carrying securities showed the pronounced rise characteristic of drive periods in the four weeks ending December 13. They did not, however, increase as much as in the Fifth War Loan, indicating that banks in general were attempting to follow Treasury requests. There was also some increase in commercial, industrial, and agricultural loans, most of it at southern city and country banks, where considerable commodity financing swelled loan totals.

Since the last issue of this Review the following district banks have become members of the Federal Reserve System: The Elberfeld State Bank, Elberfeld, Indiana; and the Community Bank of Warsaw, Warsaw, Missouri.

CASH FARM INCOME

| (In thousands of dollars) | October | | Cumulative for 10 months | | |
|---------------------------|---------------|-----------|--------------------------|------------|------------|
| | 1944 | 1943 | 1944 | 1943 | 1942 |
| | Arkansas..... | \$ 77,716 | \$ 56,670 | \$ 245,927 | \$ 221,977 |
| Illinois..... | 116,466 | 128,230 | 965,443 | 936,564 | 769,484 |
| Indiana..... | 63,667 | 65,387 | 564,469 | 542,560 | 440,881 |
| Kentucky..... | 22,187 | 21,437 | 276,316 | 247,174 | 175,920 |
| Mississippi..... | 93,100 | 74,715 | 247,908 | 248,043 | 204,248 |
| Missouri..... | 82,026 | 70,641 | 579,258 | 519,871 | 427,563 |
| Tennessee..... | 42,225 | 38,814 | 250,172 | 221,994 | 176,333 |
| Totals..... | 497,387 | 455,894 | 3,129,493 | 2,938,183 | 2,400,576 |

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

| | Receipts | | | Shipments | | |
|-----------------------|------------------------|------------|------------|------------|------------|------------|
| | Nov., 1944 | Oct., 1944 | Nov., 1943 | Nov., 1944 | Oct., 1944 | Nov., 1943 |
| | Cattle and Calves..... | 189,393 | 232,652 | 170,164 | 85,439 | 116,694 |
| Hogs..... | 264,880 | 229,530 | 360,233 | 57,198 | 50,040 | 88,134 |
| Horses and Mules..... | 2,429 | 3,266 | 2,729 | 2,423 | 3,260 | 2,717 |
| Sheep..... | 62,787 | 79,933 | 84,181 | 2,282 | 15,183 | 9,744 |
| Totals..... | 519,489 | 545,381 | 617,307 | 153,342 | 185,177 | 175,587 |

WHOLESALE PRICES IN THE UNITED STATES

| Bureau of Labor Statistics (1926=100) | Nov., 1944 | Oct., 1944 | Nov., 1943 | Nov., '44 comp. with Oct., '44 | Nov., '43 |
|---------------------------------------|------------|------------|------------|--------------------------------|-----------|
| All Commodities.. | 104.4 | 104.1 | 102.9 | + 0.3% | + 1.5% |
| Farm Products.. | 124.4 | 123.4 | 121.4 | + 0.8 | + 2.5 |
| Foods..... | 105.1 | 104.2 | 105.8 | + 0.9 | - 0.7 |
| Other..... | 98.8 | 98.7 | 97.4 | + 0.1 | + 1.4 |

COST OF LIVING

| Bureau of Labor Statistics (1935-39=100) | Nov. 15, 1944 | Oct. 15, 1944 | Sept. 15, 1942 | Nov. 15, '44 comp. with Oct. 15, '44 | Sept. 15, '42 |
|--|---------------|---------------|----------------|--------------------------------------|---------------|
| United States..... | 126.5 | 126.4 | 117.8 | - 0.0% | + 7.4% |
| St. Louis..... | 124.9 | 124.6 | 116.6 | + 0.2 | + 7.1 |

COST OF FOOD

| Bureau of Labor Statistics (1935-39=100) | Nov. 15, 1944 | Oct. 15, 1944 | Sept. 15, 1942 | Nov. 15, '44 comp. with Oct. 15, '44 | Sept. 15, '42 |
|--|---------------|---------------|----------------|--------------------------------------|---------------|
| U. S. (51 cities)... | 136.5 | 136.4 | 126.6 | + 0.1% | + 7.8% |
| St. Louis..... | 138.5 | 138.0 | 126.7 | + 0.4 | + 9.3 |
| Little Rock..... | 136.3 | 135.4 | 129.2 | + 0.7 | + 5.5 |
| Louisville..... | 131.0 | 131.0 | 124.2 | - 0.0 | + 5.5 |
| Memphis..... | 144.9 | 144.9 | 129.7 | - 0.0 | + 11.7 |

COAL PRODUCTION

| (In thousands of tons) | Nov., '44 | Oct., '44 | Nov., '43 | Nov., '44 comp. with Oct., '44 | Nov., '43 |
|------------------------|-----------|-----------|-----------|--------------------------------|-----------|
| Illinois..... | 5,939 | 6,065 | 5,990 | - 2% | - 1% |
| Indiana..... | 2,309 | 2,350 | 2,064 | - 2 | + 12 |
| Kentucky..... | 5,750 | 5,716 | 4,942 | + 1 | + 16 |
| Other dist. states. | 1,743 | 1,751 | 1,761 | - 0.0 | - 1 |
| Totals..... | 15,741 | 15,882 | 14,757 | - 1 | + 7 |

BUILDING PERMITS

| (Cost in thousands) | New Construction | | | | Repairs, etc. | | | |
|---------------------|------------------|------|-------|-------|---------------|------|-------|-------|
| | Number | | Cost | | Number | | Cost | |
| | 1944 | 1943 | 1944 | 1943 | 1944 | 1943 | 1944 | 1943 |
| Evansville..... | 17 | 22 | \$ 31 | \$ 49 | 114 | 178 | \$ 77 | \$ 71 |
| Little Rock..... | 29 | 21 | 70 | 25 | 189 | 79 | 40 | 18 |
| Louisville..... | 53 | 47 | 262 | 84 | 26 | 41 | 17 | 70 |
| Memphis..... | 264 | 110 | 303 | 90 | 295 | 383 | 188 | 293 |
| St. Louis..... | 91 | 56 | 72 | 43 | 165 | 122 | 360 | 114 |
| Nov. Totals..... | 454 | 256 | 828 | 291 | 789 | 803 | 682 | 566 |
| Oct. Totals..... | 633 | 466 | 1,169 | 639 | 769 | 900 | 601 | 473 |

CONSUMPTION OF ELECTRICITY

| (K.W.H. in thous.) | No. of Custom-ers* | Nov., 1944 | Oct., 1944 | Nov., 1943 | November, 1944 compared with Oct., 1944 | Nov., 1943 |
|--------------------|--------------------|------------|------------|------------|---|------------|
| | | K.W.H. | K.W.H. | K.W.H. | | |
| Evansville..... | 40 | 8,227 | 7,992 | 10,298† | + 3% | - 20% |
| Little Rock... | 35 | 3,055 | 3,220 | 2,853 | - 5 | + 7 |
| Louisville..... | 82 | 17,497 | 17,522 | 17,801 | - 0. | + 2 |
| Memphis..... | 31 | 6,717 | 6,795 | 6,754 | - 1 | + 1 |
| Pine Bluff..... | 19 | 8,197 | 8,363 | 8,103 | - 2 | + 1 |
| St. Louis..... | 138 | 93,098 | 97,599 | 98,181† | - 5 | - 5 |
| Totals..... | 345 | 136,791 | 141,491 | 143,990 | - 3 | - 5 |

* Selected industrial customers. † Revised.

| | DEPARTMENT STORES | | | Stocks | | |
|--------------------|--|-------------------------------------|--|-------------------------------|------------------|------|
| | Net Sales | | on Hand | Turnover | | |
| | Nov., 1944 compared with Oct., '44 | 11 mos.'44 to same period '43 | Nov. 30,'44 comp. with Nov. 30,'43 | Jan. 1 to Nov. 30, 1944 | Nov. 30, 1943 | |
| Ft. Smith, Ark. | +13% | +22% | +16% | — 6% | 4.24 | 3.60 |
| Little Rock, Ark. | +13 | +23 | + 9 | — 7 | 4.63 | 3.87 |
| Quincy, Ill. | +17 | +18 | +21 | — | — | — |
| Evansville, Ind. | +16 | +12 | — 1 | — | — | — |
| Louisville, Ky. | +17 | +20 | +17 | + 10 | 4.97 | 5.00 |
| St. Louis, Mo. | +19 | +18 | +10 | — 4 | 4.26 | 3.91 |
| Springfield, Mo. | + 8 | +44 | +27 | — | — | — |
| Memphis, Tenn. | +15 | +22 | +15 | + 5 | 4.60 | 4.22 |
| *All other cities. | + 5 | +19 | +10 | — 10 | 4.18 | 3.78 |
| 8th F. R. Dist. | +17 | +19 | +12 | — 2 | 4.42 | 4.05 |

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

Outstanding orders of reporting stores at the end of November, 1944, were 17 per cent greater than on the corresponding date a year ago.

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

| | Instalment Accounts | | Excl. Instal. Accounts | |
|-----------------------|---------------------|----------|------------------------|----------|
| | Accounts | Accounts | Accounts | Accounts |
| Fort Smith | 66% | 66% | 42% | 78% |
| Little Rock | 36 | 67 | 49 | 76 |
| Louisville | 41 | 68 | 42 | 71 |
| Memphis | 54 | 64 | 47 | 71 |

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

| | 28th Federal Reserve District | | | |
|---|-------------------------------|------------|-------------|------------|
| | Nov., 1944 | Oct., 1944 | Sept., 1944 | Nov., 1943 |
| Sales (daily average), Unadjusted ¹ | 268 | 221 | 212 | 224 |
| Sales (daily average), Seasonally adjusted ¹ | 235 | 215 | 193 | 197 |
| Stocks, Unadjusted ² | 108 | 115 | 113 | 109 |
| Stocks, Seasonally adjusted ² | 96 | 102 | 107 | 98 |

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

SPECIALTY STORES

| | Net Sales | | Stocks on Hand | Stock Turnover | | |
|-------------------|------------------------------------|-------------------------------|------------------------------------|-------------------------|------|------|
| | Nov., 1944 compared with Oct., '44 | | Nov. 30,'44 comp. with Nov. 30,'43 | Jan. 1 to Nov. 30, 1944 | | |
| | Nov., '43 | 11 mos.'44 to same period '43 | Nov. 30,'43 | 1944 | 1943 | |
| Men's Furnishings | +18% | +20% | - 0 - % | + 6% | 2.90 | 3.00 |
| Boots and Shoes | + 4 | +16 | + 9 | + 20 | 7.56 | 7.71 |

Percentage of accounts and notes receivable outstanding November 1, 1944, collected during November:
Men's Furnishings 63% Boots and Shoes 58%
Trading days: November, 1944—25; October, 1944—26; November, 1943—25.

RETAIL FURNITURE STORES

| | Net Sales | | Inventories | | Ratio of Collections | |
|-------------------------------|------------------------------------|-------------------------------|--|-------------|----------------------|-----------|
| | Nov., 1944 compared with Oct., '44 | | Nov. 30, 1944 compared with Oct. 31, '44 | | Nov., '44 | |
| | Nov., '43 | 11 mos.'44 to same period '43 | Nov. 30,'43 | Nov. 30,'43 | Nov., '44 | Nov., '43 |
| St. Louis Area ¹ | + 4% | +14% | - 3% | +21% | 47% | 42% |
| St. Louis | + 4 | +14 | - 3 | +21 | 47 | 42 |
| Louisville Area ² | - 6 | +28 | +14 | - 4 | 29 | 27 |
| Louisville | - 5 | +28 | +15 | - 5 | 28 | 27 |
| Memphis | + 4 | +32 | +14 | -20 | 28 | 26 |
| Little Rock | - 8 | +11 | - 2 | -20 | 30 | 30 |
| Springfield | -12 | +41 | * | * | 42 | 34 |
| Fort Smith | + 2 | +43 | * | * | * | * |
| Pine Bluff | + 4 | +23 | * | * | 38 | 34 |
| 8th Dist. Totals ³ | + 2 | +23 | - 1 | - 6 | 37 | 34 |

*Not shown separately due to insufficient coverage, but included in Eighth District totals.
¹Includes St. Louis, Missouri, and Alton, Illinois.
²Includes Louisville, Kentucky; New Albany, and Jeffersonville, Indiana.
³In addition to above cities, includes stores in Blytheville, Arkansas; Evansville, Indiana; Henderson, Hopkinsville, Owensboro, Kentucky; Columbus, Greenville, Greenwood, Starkville, Mississippi; Cape Girardeau, Hannibal, Missouri; and Dyersburg, Tennessee.

PERCENTAGE DISTRIBUTION OF SALES

| | Nov., '44 | Oct., '44 | Nov., '43 |
|------------------------|-----------|-----------|-----------|
| Cash Sales | 24% | 21% | 22% |
| Credit Sales | 76 | 79 | 78 |
| Total Sales | 100 | 100 | 100 |

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

| First nine days | | | | | |
|-----------------|-----------|-----------|-----------|-----------|------------|
| Nov., '44 | Oct., '44 | Nov., '43 | Dec., '44 | Dec., '43 | 11 mos.'44 |
| 157,366 | 159,728 | 163,121 | 45,262 | 48,490 | 1,749,534 |
| | | | | | 1,661,031 |

Source: Terminal Railroad Association of St. Louis.

WHOLESALES*

| Lines of Commodities | Net Sales | | Stocks |
|---|--|-------|---|
| | November, 1944 compared with Oct., '44 | | Nov. 30, 1944 compared with Nov. 30, 1943 |
| Automotive Supplies | + 10% | + 36% | ... % |
| Drugs and Chemicals | — 6 | + 4 | — |
| Dry Goods | — 16 | + 15 | -27 |
| Electrical Supplies | + 7 | + 27 | +33 |
| Furniture | + 11 | + 17 | — |
| Groceries | + 3 | + 12 | - 6 |
| Hardware | + 7 | + 8 | + 9 |
| Machinery, Equipment and Supplies | — 5 | + 14 | + 25 |
| Plumbing Supplies | — 2 | — 0 - | — |
| Tobacco and its Products | — 1 | — 4 | - 2 |
| Miscellaneous | + 11 | + 1 | + 9 |
| Total all lines** | — 8 | — 0 - | -11 |

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

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

| Number | Nov., '44 | Oct., '44 | Nov., '43 | Nov., '44 comp. with Oct., '44 | Nov., '43 |
|--------|-----------------------|-----------|-----------|--------------------------------|-----------|
| | Liabilities | 1 | 4 | 5 | — 75% |

Source: Dun and Bradstreet.

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

| (In thousands of dollars) | Change from | | |
|---|---------------|---------------|---------------|
| | Dec. 13, 1944 | Nov. 15, 1944 | Dec. 15, 1943 |
| Industrial advances under Sec. 13b | \$ | — | — |
| Other advances and rediscounts | 22,200 | + 13,325 | + 14,300 |
| U. S. securities | 804,985 | + 125,099 | + 302,709 |
| Total earning assets | 827,185 | + 138,424 | + 317,009 |
| Total reserves | 678,087 | -121,693 | - 36,471 |
| Total deposits | 599,115 | + 8,439 | + 72,506 |
| F. R. notes in circulation | 921,803 | + 17,621 | + 207,698 |
| Industrial commitments under Sec. 13b | 55 | - 0 - | 282 |

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS

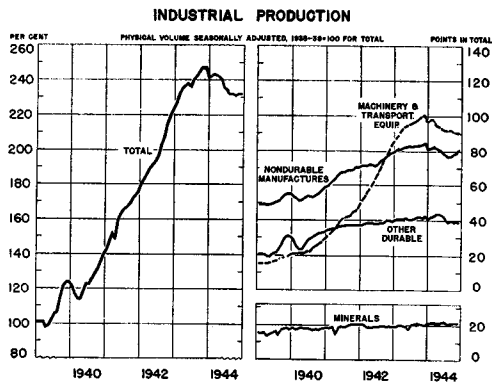
| (In thousands of dollars) | Change from | | |
|--|---------------|---------------|---------------|
| | Dec. 13, 1944 | Nov. 15, 1944 | Dec. 15, 1943 |
| Total loans and investments | \$1,859,935 | + 123,583 | + 305,816 |
| Commercial, industrial, agricultural loans* | 259,175 | + 7,543 | + 952 |
| Loans to brokers and dealers in securities | 7,771 | + 274 | + 1,338 |
| Other loans to purchase and carry securities | 50,347 | + 27,134 | + 39,957 |
| Real estate loans | 65,486 | + 479 | + 1,278 |
| Loans to banks | 4,250 | + 2,009 | + 946 |
| Other loans | 85,839 | + 6,275 | + 14,740 |
| Total loans | 472,868 | + 42,208 | + 59,211 |
| Treasury bills | 72,260 | + 9,587 | + 4,845 |
| Certificates of indebtedness | 314,211 | - 23,068 | + 52,874 |
| Treasury notes | 304,534 | + 69,124 | + 159,879 |
| U. S. Bonds | 563,410 | + 22,369 | + 41,655 |
| Obligations guaranteed by U. S. Govt. | 19,958 | - 16 | - 14,371 |
| Other securities | 112,694 | + 3,379 | + 1,723 |
| Total investments | 1,387,067 | + 81,375 | + 246,605 |
| Balances with domestic banks | 120,365 | + 2,100 | + 7,243 |
| Demand deposits — adjusted** | 1,013,156 | - 75,742 | + 57,841 |
| Time deposits | 268,707 | + 892 | + 53,111 |
| U. S. Government deposits | 300,777 | + 164,220 | + 115,657 |
| Interbank deposits | 608,264 | + 5,716 | + 85,069 |
| Borrowings | 22,000 | + 13,500 | + 14,100 |

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

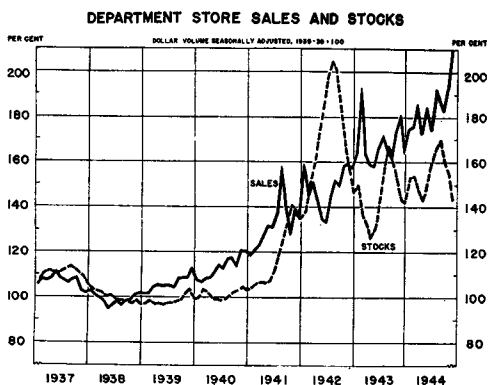
Above figures are for 24 member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville. Their resources comprise approximately 75% of the resources of all member banks in this district.

DEBITS TO INDIVIDUAL ACCOUNTS

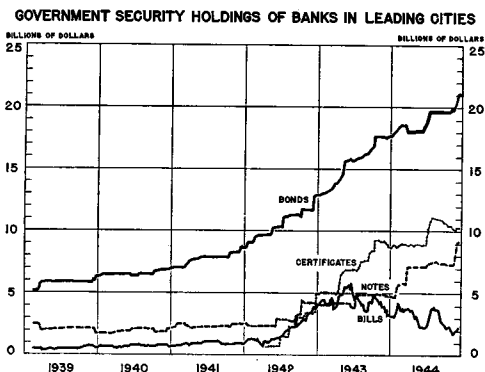
| (In thousands of dollars) | November, 1944 | October, 1944 | November, 1943 | Nov., '44 comp. with Oct., '44 | Nov., '43 |
|------------------------------------|----------------|---------------|----------------|--------------------------------|-----------|
| El Dorado, Ark. | \$ 9,686 | \$ 9,568 | \$ 8,931 | + 1% | + 8% |
| Fort Smith, Ark. | 25,990 | 23,316 | 20,691 | +11 | +26 |
| Helena, Ark. | 5,877 | 6,038 | 5,187 | - 3 | +13 |
| Little Rock, Ark. | 77,269 | 81,626 | 66,151 | - 5 | +17 |
| Pine Bluff, Ark. | 21,215 | 22,459 | 18,254 | + 6 | +16 |
| Texarkana, Ark.-Tex. | 12,176 | 11,434 | 9,028 | + 6 | +35 |
| Alton, Ill. | 14,390 | 12,687 | 12,547 | +13 | +15 |
| E. St. L.-Nat. S. Y., Ill. | 84,554 | 81,308 | 88,924 | + 4 | - 5 |
| Quincy, Ill. | 17,612 | 16,678 | 16,169 | + 6 | + 9 |
| Evansville, Ind. | 96,707 | 96,741 | 101,249 | - 0 - | - 4 |
| Louisville, Ky. | 351,620 | 318,848 | 329,723 | +10 | + 7 |
| Owensboro, Ky. | 19,938 | 17,975 | 12,661 | +11 | +57 |
| Paducah, Ky. | 8,539 | 8,097 | 7,382 | + 5 | +16 |
| Greenville, Miss. | 12,387 | 11,586 | 10,935 | + 7 | +13 |
| Cape Girardeau, Mo. | 5,105 | 5,859 | 4,800 | -13 | + 6 |
| Hannibal, Mo. | 4,964 | 4,971 | 4,028 | - 0 - | +23 |
| Jefferson City, Mo. | 18,196 | 30,528 | 20,064 | -40 | - 9 |
| St. Louis, Mo. | 1,105,418 | 986,444 | 985,751 | +12 | +12 |
| Sedalia, Mo. | 5,980 | 5,833 | 5,309 | + 3 | +13 |
| Springfield, Mo. | 33,623 | 33,073 | 28,238 | + 2 | +19 |
| Jackson, Tenn. | 10,903 | 13,524 | 10,181 | -19 | + 7 |
| Memphis, Tenn. | 307,213 | 342,024 | 269,991 | -10 | +14 |
| Totals | 2,249,362 | 2,140,617 | 2,036,194 | + 5 | +10 |



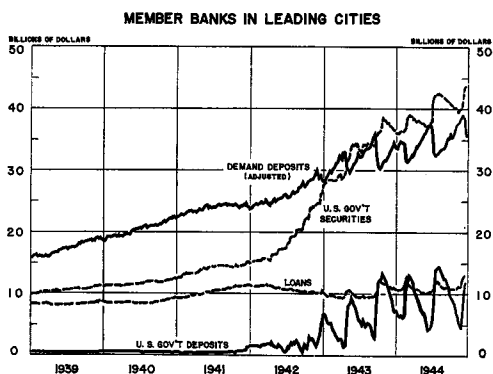
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for November, 1944.



Federal Reserve indexes. Monthly figures, latest shown are for November, 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 December 13, 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 December 13, 1944.

NATIONAL SUMMARY OF CONDITIONS

BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Output at factories and mines showed little change from October to November. Retail trade expanded further to new record levels.

Industrial production—Industrial output in November and the early part of December was maintained at approximately the same level that had prevailed during the previous four months. Production of durable goods declined slightly in November, while output of other manufactured goods, especially war supplies, increased somewhat further and mineral production was maintained in large volume. Output of critical war equipment was larger in November than in October but was still behind schedule, according to the War Production Board.

Activity in the durable goods industries, particularly machinery, transportation equipment, and lumber, continued to be limited in part by manpower shortages. Employment in the transportation equipment industries has declined by about one-fifth during the past twelve months, but total output of aircraft, ships, and combat and motor vehicles has declined by a much smaller amount owing to greater efficiency.

In most nondurable goods industries, production was somewhat greater in November than in the previous month. Activity at explosive and small-arms ammunition plants increased, reflecting enlarged war production schedules, and output in most other branches of the chemical industry also expanded, reaching levels above those of a year ago. Production in the petroleum refining and rubber industries, chiefly for war uses, increased somewhat in November.

Output of manufactured foods showed less decline than is usual for this season and was as large as in November, 1943. In the textile industry, output at woolen and worsted mills continued to advance in October from the reduced level of operations prevailing during the summer. Cotton consumption in November was above October and rayon deliveries were at a new record level.

Mineral production was maintained in November. Coal output was one-fifth larger than in November, 1943 when operations were sharply reduced by a work stoppage. In the early part of December, however, coal production was nearly 10 per cent less than in the same period last year.

Distribution—Value of department store sales in November was 14 per cent above the exceptionally high level last year, about the same year-to-year increase which prevailed in the previous four months. In the first half of December, sales were about 20 per cent larger than last year. All Federal Reserve districts have shown large increases over last year in pre-Christmas sales.

Railroad freight carloadings, adjusted for seasonal changes, were maintained at a high level in November and the first two weeks of December. Shipments of most classes of freight, however, were not quite as great as the exceptionally large movement of freight during the same period of last year.

Commodity prices—Changes in wholesale prices of agricultural and industrial products were mostly upward in November and the early part of December. Retail prices of foods and various other commodities were slightly higher in November than in October. During the past year there has been a slight upward tendency in prices of most commodities, both in wholesale and retail markets.

Bank credit—Banking developments during the four weeks ended December 13 were largely determined by the Sixth War Loan Drive. Government deposits at weekly reporting banks in 101 cities increased by approximately 8 billion dollars while adjusted demand deposits of individuals and business were drawn down about 2.6 billions in payment for securities purchased. The reporting banks added 3.7 billion dollars to their holdings of Government securities and increased their loans by 1.7 billion.

As a result of the transfer of deposits of individuals and businesses to war loan accounts, reserves required by member banks declined by about 700 million dollars from the beginning of the Drive through mid-December. In addition, reserve funds were supplied to the banking system through the purchase by the Federal Reserve Banks of 640 million dollars of Government securities. These additional reserves were used in part to reduce member bank borrowings at the Reserve Banks, which had risen to nearly 600 million dollars in the latter part of November, and to meet the demand for currency. This demand, though slackened somewhat by the War Loan Drive, amounted to 450 million dollars for the four weeks ended December 13. Excess reserves increased by 300 million dollars, principally at country banks.