

BUSINESS CONDITIONS



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FEDERAL RESERVE BANK OF ST. LOUIS



JNO. J. RALEIGH PHOTO

GENERAL INDUSTRIAL SITUATION

DURING January, industrial activity in the St. Louis Federal Reserve District increased.

While the upswing from December was somewhat seasonal in character, there was also a gain in war manufacturing in the district and the general level of activity was higher than a year earlier. New munitions contracts have been awarded to the district, particularly in explosives and ammunition, the fields in which district war activity is largely concentrated.

Despite the effect of the new contracts to increase production, war activity in the district is still characterized by divergent trends, a condition that seems likely to exist for the balance of the war period. While ammunition and explosives production is expanding at present, other war lines are declining, particularly shipbuilding and certain types of aircraft production.

This district apparently is becoming a focal point for rocket ammunition manufacture. A new rocket plant for the Navy is under construction in southern Arkansas and rocket powder and rocket motor contracts have been awarded to several manufacturers in the district. Considerable facilities expansion accompanies the new contracts. Expenditures of the armed forces for rocket ammunition are ex-

pected to be at a very high rate in 1945.

The divergent trends of war manufacture in the district largely account for the spot labor shortages that are arising in several sections, despite the general over-all surplus of labor throughout the district and in most areas. It has proved difficult to obtain transfers of laid-off workers from war plants where activity is declining to others where activity is expanding.

Consumption of industrial electric power in major cities of the district during January was 8.3 per cent more than in December and 11.9 per cent more than in January, 1944. The amount of industrial electric power used by reporting concerns during January was the largest of record.

Manufacturing lines other than munitions are showing irregular movements, although some over-all seasonal increase is in evidence. Among the more important industries, January output of steel was about the same as a year earlier, production of shoes and whiskey was higher than in January, 1944, while output of lumber and meat was lower. Petroleum production was appreciably higher than in the comparable month a year earlier, and January output of coal was 5 per cent more than in January, 1944.

DISTRICT SURVEY

MANUFACTURING

Steel—Output of steel at mills and foundries in the St. Louis district in January was about the same as in December. Ingot-producing furnaces operated at 79 per cent of capacity in January, the same rate as in November and December, 1944. As has been mentioned before in this Review, the rate of operations has been appreciably lower since new furnaces came into production about a year ago. This reflects, however, mostly an expansion in capacity rather than a decrease in actual production.

Labor currently appears to be the major factor curtailing steel operations. Part of the demand for labor is for relatively skilled workers, but most of it is for common labor. Difficulty in obtaining the desired number of workers, even with a general surplus of labor in the region, is characteristic of the present spotty labor shortages.

Shoes—Shoe output at Eighth District factories in January, according to preliminary reports, totaled 7,419,000 pairs, 16 per cent above December and 13 per cent more than in January, 1944. Final shoe production figures for December indicate an output of 6,541,000 pairs in that month and a total of 84,-

189,000 pairs for the entire year 1944. Production in 1944 was 3 per cent above 1943.

Both the labor and materials supply situations in the shoe industry eased materially in the past year. Shoe factories are now able to obtain more workers, and with the increase in cattle slaughter, the supply of hides for leather is in larger volume.

Whiskey—At the end of January, 53 Kentucky distilleries were in operation, the same number as were producing at the close of December and 3 more than were operating on January 31, 1944. January marked the second month since October, 1942 in which distilleries were allowed to produce whiskey or neutral spirits for beverage purposes.

Most distilleries took full advantage of the January holiday. Adequate supplies of water were available and enough corn was supplied so that bourbon whiskey could be produced. January production of bourbon whiskey, however, will not relieve the present tight supply situation, as the whiskey must be aged before it is released. Trade reports indicate that distillers generally are decreasing the amount of bonded whiskey released for sale.

Miscellaneous Manufacturing — Production of munitions at district war plants in January continued at a very high level, with the general trend upward, reflecting the granting of large new supply contracts for ammunition and ordnance in this region. Chemicals output (exclusive of ammunition and explosives) also was maintained in good volume.

Output of lumber at district mills continued well below demand, with shipments generally exceeding production, so that inventories were further depleted. Meat packing activity in the St. Louis region in January declined from the December level. The number of animals slaughtered under federal inspection in January totaled 465,000, as compared with 549,000 in December and 645,000 in January, 1944. The decrease in slaughter activity was partly seasonal, but reflects primarily a very sharp decline in the volume of hog slaughter as compared with a year earlier.

OIL AND MINING

Oil production at wells in district states rose in January, with output in that month 5 per cent more than in December and 6 per cent more than in January, 1944. On a daily average output basis, production averaged 327,600 barrels in January, 1945, as compared with 325,600 barrels in December and 322,500 barrels in January, 1944.

New drilling activity so far in 1945 is slightly less than in the comparable period of 1944. Completions in all district fields through February 10 totaled 298, with 144 producers resulting. In the first six weeks of 1944, there were 310 completions and 168 producing wells. Drilling activity in Illinois has increased sharply this year, while the number of wells drilled in Kentucky so far in 1945 is well below the total for the comparable period last year.

Output of coal at mines located in district states was also larger in January than a month and a year earlier. About 17.2 million tons were produced in January, as compared with 15.1 million tons in December and 16.4 million tons in January, 1944. Illinois and Tennessee output in January, 1945 was slightly below last January's production, but all other district states showed increases as compared with a year earlier.

EMPLOYMENT

Nonagricultural employment in the Eighth District during January was down seasonally from the year-end peak, with most of the decline reflecting a decrease in trade employment. Agricultural employment was also at a seasonal low point in January.

Manufacturing employment in the district is increasing somewhat at the present time, with vir-

tually all of the rise due to increased employment at certain war plants where activity is expanding. At the more important Eighth District war plants total employment in January was 255,000 workers, up 2 per cent from December but down 10 per cent from January, 1944.

The War Manpower Commission's ratings of labor market areas within the Eighth District have been unchanged for some months and there appears little likelihood that classifications will change in the near future. St. Louis, Memphis and Little Rock are currently rated as labor surplus areas, Evansville as a region where there is little likelihood of a labor shortage, and Louisville as an area which may in the future have a labor stringency.

RETAIL TRADE

After the high point reached in December, dollar volume of retail trade lines reporting to this bank declined seasonally in January. Sales in January were well above the level of January, 1944 and preliminary reports indicate a continuation of the increase over a year earlier. The sales gain over 1944, which itself was the peak year of trade in the district, reflects maintenance of large income payments arising from the activity generated by the war program and may mark increased reluctance on the part of the general public to add to their already extremely large savings. It may also reflect to some extent the present war activity in the region and a belief that war jobs are going to last for some appreciable time.

Sales gains over a year ago were evident in all lines of trade reporting to the bank, with the relative increase in furniture store sales the most spectacular. At furniture stores in the district January, 1945 dollar sales were 44 per cent greater than in January, 1944 and were only 29 per cent below December, 1944. At district department stores January sales were up 21 per cent from a year earlier, but were down 47 per cent from a month earlier.

During January most retail lines added to inventories which had been depleted by the extremely heavy buying of the Christmas period. January stocks at department stores were 5 per cent above December, at furniture stores were up the same amount, and at shoe stores were up 16 per cent. Women's apparel stores and men's furnishings stores stocks were both appreciably below the December level. In every retail line noted, with the exception of furniture stores, inventories at the close of January, 1945 were below a year earlier. Furniture store stocks were unchanged in dollar value from January 31, 1944.

COST OF LIVING

After holding fairly stable for a 12-month period following April, 1943, the index of living costs in large cities of the United States edged upward during the latter part of 1944 and on January 15, 1945 was 26.3 per cent above the prewar level, increasing 2.4 per cent in the past year. On January 15 living costs in St. Louis were 25.1 per cent above September, 1939 and 2.2 per cent above January, 1944. In Memphis the cost of living index in December, 1944, the latest available date, was 29.7 per cent above September, 1939 and 2.0 per cent above December, 1943.

In an earlier period when cost of living was rising most sharply, the factor primarily responsible for its increase was rising food costs. Food costs, however, have been held fairly stable during the past year, and on January 15 the index of food costs in the United States was only 0.9 per cent above a year earlier. Among the four Eighth District cities for which food cost indexes are calculated, changes from January, 1944 ranged from -0.5 per cent to $+1.9$ per cent.

With food costs holding fairly constant during the past year, the factors responsible for the increase in the index are rising costs of clothing and of house furnishings. Since January, 1944 clothing costs have increased 6.2 per cent and house furnishings costs 11.9 per cent.

AGRICULTURE

General Farming Conditions—Weather during January and early February throughout most of the district was not particularly favorable for farm routine work, and as a result, farm chores are somewhat behind normal schedule. Snow covered much of the ground in the area north of the Ohio River and cold rains fell in many sections in the southern portion of the district.

The recently announced crop goals for 1945 call for some 300 million acres of cultivated crops and 64 million acres of hay. These goals are slightly larger than the 295 million acres of crops and the 60 million acres of hay cultivated in 1944. Live-stock goals call for a slight increase in hogs, milk, and cattle slaughter, but for no increase in hen numbers.

Among the more important crops, corn, cotton, hay, oats, soybeans, tobacco and wheat acreage goals for 1945 will be somewhat larger than actual planted acreage in 1944, while rice and sorghum acreage will be somewhat less. Both sweet potato and white potato acreage goals call for larger plantings than in 1944, as do truck crops for processing. Fresh

market truck crop goals are somewhat smaller than 1944 planted acreage.

Attainment of the goals for 1945 will depend, to a marked extent, upon weather conditions and adequate labor supply. Yields of many important district crops were at record levels in 1944, and in some cases were so high that it is problematical whether they can be reached again in 1945. The farm labor situation remains somewhat obscure, in view of present proposals to draft a considerable number of farm workers for military service. Reports from many sections of the district, however, state that the outlook for farm labor is not bright under present conditions and that a fair proportion of 1944 crops still stands in the fields due to lack of a sufficient harvest force.

At mid-January the parity ratio was 117, the same as a month and a year ago. The index of prices received by farmers moved up slightly in the month and was 5 points above the level of a year earlier. The index of prices paid by farmers increased relatively as much, however, so that the parity index remained unchanged. In states in the Eighth District, farm price behavior was much like that for the nation as a whole, with prices increasing very slightly in the past month but up appreciably from a year earlier.

The final report on cash farm income for 1944 showed that for Eighth District states the total was \$3,947 million, 6 per cent more than in 1943. With the outlook for slightly higher prices in 1945, it is probable that cash farm income in the district during the coming year will run somewhat above the 1944 level, unless production falls off appreciably.

Cotton—For the country as a whole, the 1945 cotton acreage goal is slightly higher than actual acreage in cultivation last July 1, but is appreciably smaller than the 1944 goal. The goal for the coming season is 20,507,000 acres, some 150,000 acres more than were in cultivation July 1, 1944 but about 1,800,000 acres less than the 1944 goal and 1943 planted acreage.

In the Eighth District, the 1945 cotton acreage goal is also somewhat larger than 1944 planted acreage but well below the 1944 goal. Among the cotton-growing states of the district, 1945 goals for Mississippi and Tennessee are 8 per cent and 7 per cent, respectively, larger than July 1, 1944 cultivated acreage, while those for Arkansas and Missouri are, respectively, 3 per cent and 8 per cent smaller.

Since even planting intentions of farmers are not yet known, it is too early to appraise prospects for this year's district cotton crop. Certain factors, however, point at this time to a somewhat smaller

crop than in 1944. The farm labor situation in the cotton-growing areas is likely to worsen rather than to improve, and the same will probably be true of gin and compress labor supply. These conditions may tend to reduce plantings since the 1944 crop, despite the long and favorable harvest season, has not yet been fully picked and ginned. At mid-December about 15 per cent of the crop still was unginned, and latest reports indicate that perhaps as much as 300,000 bales still stand in the fields. In addition, the record-breaking yields of 1944 may not be attained this year and weather, as always, is uncertain.

The district cotton crop in 1944 was somewhat better in grade and longer in staple than in 1943. On the basis of ginnings through mid-December, the 1944 crop averaged about 1/32 inch longer in staple and 1.5 points higher in grade than a year earlier. The most pronounced improvements in grade came in Missouri and Tennessee, and the latter state also increased staple length more than others.

Average staple in the district is appreciably longer than that for the country as a whole and considerably less short staple cotton (under 15/16 inch) is grown here than in most other sections. Of the 1944 crop, the amount of ginnings less than 15/16 inch ranged from 0.1 per cent of the total in Missouri to 3.5 per cent in Tennessee, in contrast to an average of 13.8 per cent for the United States.

Livestock—The annual inventory of livestock on farms indicates that livestock numbers declined considerably in 1944, with the numbers of all species, as well as chickens and turkeys, on January 1, 1945 below levels of a year earlier. The most marked decreases were in numbers of hogs, sheep and chickens.

The general decline in livestock numbers reflects primarily the tight feed situation of 1944 and the less favorable ratio of livestock prices to feed prices. The present feed outlook is much brighter than it was a year earlier, with stocks of grain on farms appreciably higher than at the opening of 1944 and with grain-consuming animal units down in number. The supply of feed grain per animal unit (including turkeys) on January 1, 1945 was 27 per cent larger than a year earlier and slightly above January 1, 1943. Hay supplies per animal unit were, however, slightly lower.

The decline in livestock numbers is reflected in the volume of shipments into National Stockyards. In the last three months (November and December, 1944 and January, 1945) receipts of all livestock at

National Stockyards were 16 per cent below the comparable period a year earlier. Most of the decline was due to lessened receipts of hogs, which were down 25 per cent.

At the close of January, ceiling prices on live cattle were announced and put into effect by OPA. The program provides for an "over-riding ceiling" for various zones, a "drove compliance" (the maximum limit on the amount which a slaughterer may pay for all cattle slaughtered in a monthly accounting period), an order to control maximum percentages of good and choice cattle (dressed weight basis) which may be slaughtered in the monthly period, and incorporates, with revised prices, the joint OPA-WFA order of December 18, 1943 certifying maximum and minimum prices of cattle by grades.

Under the "over-riding ceiling" (\$17.90 per cwt. at St. Louis and National Stockyards) no cattle may be sold above that point. Its purpose is to prevent retail slaughterers and others with special outlets from outbidding wholesale slaughterers for top grades. After July 2, 1945 the "over-riding ceiling" is to be reduced by 50c per cwt.

Tobacco—Tobacco markets this year have operated under great difficulties due to congestion at redrying plants, manpower shortages, and weather conditions. As a result, some market openings were delayed, some markets operated on a part-time basis, and many closed from time to time. Despite this situation and a record-breaking production, the crop has moved fairly rapidly, and by mid-February the bulk of the burley, Green River, and one-sucker crops had been sold. Eastern and Western dark-fired markets which opened much later than those handling other varieties had sold somewhat more than half of the total crop by that date.

During most of January and February burley markets operated on a two-hour day sales schedule. Offerings, however, were about normal volume and sales through February 16 at Kentucky and Tennessee markets totaled 487 million pounds. The season average price through mid-February at Kentucky markets was \$44.44 per cwt. Since mid-January the average price has declined, as quality of offerings has dropped with an increase in the amount of nondescript grades and tobacco in doubtful keeping order. Seventeen burley markets had closed by February 16 and others were scheduled for closing in the following week. Some markets, however, expect to operate well into March.

Most of the one-sucker and Green River crops had been marketed by mid-February, with season

average prices through February 7 for one-sucker holding at slightly under \$22 per cwt. and for Green River at just below \$25 per cwt. Eastern and Western dark-fired market averages for the season through February 17 were \$24.65 per cwt. and \$22.11 per cwt., respectively.

BANKING AND FINANCE

In the six-week period from the close of the Fifth War Loan Drive to mid-February, total deposits in Eighth District banks showed very little change. At weekly reporting banks located in the larger cities of the district deposits declined slightly in the period, but this decrease was more than offset by gains at banks in smaller cities and rural areas. Receipts from farm marketings continue to swell deposit totals at the rural institutions.

While the over-all deposit level held fairly stable in the six-week period, there were relatively pronounced changes within the deposit structure. Demand deposits, which had been drawn down appreciably during the War Loan Drive, resumed their upward movement, retarded temporarily to some extent at mid-January by income tax payments. U. S. Government balances, mostly War Loan accounts, which reached a high point at the close of the year, declined considerably as the Treasury drew them down to pay for huge Government purchases. Time deposits continued their steady growth characteristic of the past year. Bankers' balances fluctuated somewhat in the period.

Bank investments increased, mostly in Government securities, in the period from the close of December to mid-February. At weekly reporting banks the total net rise was about \$30 million, with all but \$5 million in U. S. Governments. Treasury note and bond holdings rose \$60 million, as the larger banks generally were quite active in purchasing in the market. Certificates were also bought to some degree, particularly around mid-January, when bill holdings were allowed to decline sharply. By mid-February, however, pressure on reserves forced some selling of certificates, while bill balances reached about their currently normal level.

Loan demand at both city and country banks is fairly light at the present time. At the urban institutions loan volume in January and early February dropped steadily. At rural banks proceeds of farm marketings continued to be applied on loans, which are currently at a seasonal low point.

Since the last issue of this Review the Farmers Savings Bank, Marshall, Missouri, became a member of the Federal Reserve System.

CASH FARM INCOME

(In thousands of dollars)	December		Cumulative for 12 months		
	1944	1943	1944	1943	1942
Arkansas.....	\$ 34,201	\$ 34,829	\$ 339,562	\$292,348	\$302,747
Illinois.....	99,990	102,739	1,178,325	1,152,449	952,522
Indiana.....	51,543	54,088	675,542	657,387	539,871
Kentucky.....	67,369	62,696	364,244	330,294	257,796
Mississippi.....	26,680	40,564	345,159	319,652	293,910
Missouri.....	58,037	63,100	714,696	657,534	540,571
Tennessee.....	44,369	46,598	329,165	298,248	243,326
Totals.....	382,189	404,614	3,946,693	3,707,912	3,130,743

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Jan., 1945	Dec., 1944	Jan., 1944	Jan., 1945	Dec., 1944	Jan., 1944
Cattle and Calves.....	135,500	114,972	112,467	56,240	57,318	44,077
Hogs.....	279,771	259,802	372,587	98,064	79,780	96,228
Horses and Mules.....	2,294	1,704	3,946	2,282	1,698	3,883
Sheep.....	44,228	49,976	33,041	5,843	4,617	789
Totals.....	461,793	426,454	522,041	162,429	143,413	144,977

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Jan., 1945	Dec., 1944	Jan., 1944	Jan., '45 comp. with Dec., '44	Jan., '44
All Commodities..	104.9	104.7	103.3	+0.2%	+1.5%
Farm Products..	126.2	125.5	121.8	+0.6	+3.6
Foods.....	104.7	105.5	104.9	-0.8	-0.2
Other.....	99.1	98.9	97.8	+0.2	+1.3

COST OF LIVING

Bureau of Labor Statistics (1935-39=100)	Jan. 15, 1945	Dec. 15, 1944	Jan. 15, 1944	Jan. 15, '45 comp. with Dec. 15, '44	Jan. 15, '44
United States.....	127.1	127.0	124.1	+0.1%	+2.4%
St. Louis.....	125.6	125.3	122.9	+0.2	+2.2
Memphis.....	*	130.2	*	.....	.....

*Not available.

COST OF FOOD

Bureau of Labor Statistics (1935-39=100)	Jan. 15, 1945	Dec. 15, 1944	Jan. 15, 1944	Jan. 15, '45 comp. with Dec. 15, '44	Jan. 15, '44
U. S. (51 cities)...	137.3	137.4	136.1	-0.1%	+0.9%
St. Louis.....	140.3	139.5	137.9	+0.6	+1.7
Little Rock.....	137.3	137.0	134.7	+0.2	+1.9
Louisville.....	131.9	132.0	132.6	-0.1	-0.5
Memphis.....	147.1	145.6	146.0	+1.0	+0.8

COAL PRODUCTION

(In thousands of tons)	Jan., '45	Dec., '44	Jan., '44	Jan., '45 comp. with Dec., '44	Jan., '44
Illinois.....	6,545	6,127	6,777	+7%	-3%
Indiana.....	2,523	2,430	2,364	+4	+7
Kentucky.....	6,270	5,247	5,442	+19	+15
Other dist. states..	1,938	1,633	1,855	+19	+4
Totals.....	17,276	15,437	16,438	+12	+5

BUILDING PERMITS

(Cost in thousands)	New Construction				Repairs, etc.			
	Number		Cost		Number		Cost	
	1945	1944	1945	1944	1945	1944	1945	1944
Evansville.....	6	15	\$ 22	\$ 63	47	50	\$ 34	\$ 20
Little Rock.....	23	8	20	2	147	72	66	22
Louisville.....	15	30	120	38	23	29	16	69
Memphis.....	227	527	327	616	227	189	134	90
St. Louis.....	70	84	80	411	123	103	149	112
Jan. Totals.....	341	664	569	1,130	567	443	399	313
Dec. Totals.....	360	363	1,171	567	382	545	336	298

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Customers*	Jan., 1945	Dec., 1944	Jan., 1944	January, 1945 compared with Dec., 1944	Jan., 1944
		K.W.H.	K.W.H.	K.W.H.		
Evansville....	40	8,343	8,120	8,754	+3%	-5%
Little Rock....	34	3,166	2,982	2,423	+6	+31
Louisville....	82	16,573	16,726	16,334	+1	+1
Memphis.....	31	7,385	6,973	6,543	+6	+13
Pine Bluff....	19	7,696	7,831	6,325	+2	+22
St. Louis.....	141	103,772	93,081	90,944	+10	+14
Totals.....	347	146,935	135,713	131,323	+8	+12

*Selected industrial customers.

VALUE CONSTRUCTION CONTRACTS LET

(In thousands of dollars)	Jan., '45	Dec., '44	Jan., '44	Jan., '45 comp. with Dec., '44	Jan., '44
Total 8th Dist....	\$ 8,949	\$ 16,100†	\$ 9,021	-44%	-1%

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

DEPARTMENT STORES

	Net Sales		Stocks on Hand	Stock Turnover	
	January, 1945 compared with		Jan. 31, '45	Jan. 1, to	
	Dec., '44	Jan., '44	Jan. 31, '44	1945	1944
Ft. Smith, Ark.....	-57%	+18%	+11%	.37	.32
Little Rock, Ark.....	-53	+26	+2	.44	.34
Quincy, Ill.....	-55	+7	..	..	..
Evansville, Ind.....	-56†	+3†	..	..	..
Louisville, Ky.....	-47	+26	-10	.55	.42
St. Louis, Mo.....	-42	+19	-4	.45	.36
Springfield, Mo.....	-48	+32	..	..	..
Memphis, Tenn.....	-52	+23	-1	.49	.40
*All other cities.....	-49	+16	-14	.45	.33
8th F. R. District.....	-47†	+21†	+3†	.46†	.36†

*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: January, 1945—26; December, 1944—25; January, 1944—25.

Outstanding orders of reporting stores at the end of January, 1945, were 59 per cent greater than on the corresponding date a year ago.

Percentage of accounts and notes receivable outstanding January 1, 1945, collected during January, by cities:

	Instalment Accounts		Excl. Instal. Accounts	
	Accounts	%	Accounts	%
Fort Smith... ..	63%	39%	72%	72%
Little Rock... 30	60	37	72	72
Louisville... 36	61	29†	62†	62†
Memphis... 43	63	37†	67†	67†

†Preliminary.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

8th Federal Reserve District

	Jan., 1945	Dec., 1944	Nov., 1944	Jan., 1944
	Sales (daily average), Unadjusted ¹	173†	333	268	149
Sales (daily average), Seasonally adjusted ¹	211†	207	235	182
Stocks, Unadjusted ²	88	83	108	91
Stocks, Seasonally adjusted ²	101	90	96	104

¹Daily average 1935-39=100.

²Monthly average 1923-25=100.

†Preliminary.

SPECIALTY STORES

	Net Sales		Stocks on Hand	Stock Turnover	
	January, 1945 compared with		Jan. 31, '45	Jan. 1, to	
	Dec., '44	Jan., '44	Jan. 31, '44	1945	1944
Men's Furnishings.....	-61%	+25%	-17%	.32	.22
Boots and Shoes.....	-37	+2	-8	.62	.64

Percentage of accounts and notes receivable outstanding January 1, 1945, collected during January:

Men's Furnishings.....55% Boots and Shoes.....57%

Trading days: January, 1945—26; December, 1944—25; January, 1944—25.

RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	January, 1945 compared with		January, 1945 compared with		of	
	Dec., '44	Jan., '44	Dec. 31, '44	Jan. 31, '44	Jan., '45	Jan., '44
St. Louis Area ¹	-16%	+68%	-1%	+22%	42%	38%
St. Louis.....	-9	+72	+1	+22	44	40
Louisville Area ²	-55	+27	+7	+10	28	29
Louisville.....	-56	+27	+6	+10	28	29
Memphis.....	-47	+61	*	*	31	29
Little Rock.....	-33	+10	+1	-13	31	36
Springfield.....	-28	+2	*	*	29	32
Fort Smith.....	-39	+20	*	*	*	*
Pine Bluff.....	-45	+20	*	*	33	32
8th Dist. Totals ³	-29	+44	+5	-0-	35	34

*Not shown separately due to insufficient coverage, but included in Eighth District totals.

¹Includes St. Louis, Missouri; East St. Louis, and Alton, Illinois.

²Includes Louisville, Kentucky; New Albany, and Jeffersonville, Indiana.

³In addition to above cities, includes stores in Blytheville, Arkansas; Evansville, Indiana; Henderson, Hopkinsville, Owensboro, Kentucky; Columbus, Greenville, Greenwood, Starkville, Mississippi; Hannibal, Missouri; and Dyersburg, Tennessee.

PERCENTAGE DISTRIBUTION OF SALES

	Jan., '45	Dec., '44	Jan., '44
Cash Sales.....	25%	28%	23%
Credit Sales.....	75	72	77
Total Sales.....	100	100	100

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

Jan., '45	Dec., '44	Jan., '44	First nine days Feb., '45	Feb., '44
155,942	154,325	156,563	45,828	50,232

Source: Terminal Railroad Association of St. Louis.

WHOLESALE*

Lines of Commodities	Net Sales		Stocks
	January, 1945 compared with		
	Dec., '44	Jan., '44	
Automotive Supplies.....	+9%	+36%	...%
Drugs and Chemicals.....	+1	+3	...%
Dry Goods.....	-1	+9	-27
Electrical Supplies.....	-30	+7	-39
Groceries.....	+10	+15	-11
Hardware.....	-8	+9	-2
Plumbing Supplies.....	-0-	+35	...%
Tobacco and its Products.....	-16	+13	...%
Miscellaneous.....	-2	+8	+20
Total all lines**.....	-2	+1	-16

*Preliminary.

**Includes certain lines not listed above.

COMMERCIAL FAILURES IN EIGHTH F. R. DISTRICT

	Jan., '45	Dec., '44	Jan., '44	Jan., '45 comp. with Dec., '44	Jan., '44
Number.....	4	1	1	...%	+300%
Liabilities.....	\$ 54,000	\$.....	\$ 10,000	.....	+440

Source: Dun and Bradstreet.

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

(In thousands of dollars)	Change from		
	Feb. 14, 1945	Jan. 17, 1945	Feb. 16, 1944
Industrial advances under Sec. 13b.....	\$.....	.....	.....
Other advances and rediscounts.....	17,600	+13,300	+17,590
U. S. securities.....	807,298	+1,292	+296,983
Total earning assets.....	824,898	+12,008	+314,573
Total reserves.....	688,780	+18,199	+45,305
Total deposits.....	587,191	+3,281	+63,643
F. R. notes in circulation.....	936,542	+9,502	+204,344
Industrial commitments under Sec. 13b..	55	-0-	+39

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS

(In thousands of dollars)	Change from		
	Feb. 14, 1945	Jan. 17, 1945	Feb. 16, 1944
Total loans and investments.....	\$1,866,538	-25,017	+226,404
Commercial, industrial, agricultural loans*	260,716	+7,121	+11,716
Loans to brokers and dealers in securities.....	7,589	+604	+1,117
Other loans to purchase and carry securities.....	34,351	+2,714	+368
Real estate loans.....	64,813	+322	+1,698
Loans to banks.....	1,138	+880	+295
Other loans.....	81,468	+3,271	+16,850
Total loans.....	450,075	+14,912	+32,044
Treasury bills.....	42,377	+3,443	+62,776
Certificates of indebtedness.....	290,994	+22,804	+28,979
Treasury notes.....	346,379	+7,605	+171,920
U. S. Bonds.....	599,146	+10,373	+69,874
Obligations guaranteed by U. S. Govt.....	18,816	+7,172	+23,097
Other securities.....	118,751	+5,336	+9,460
Total investments.....	1,416,463	+10,105	+194,360
Balances with domestic banks.....	118,075	+2,161	+6,788
Demand deposits—adjusted**.....	1,041,571	+21,180	+181,408
Time deposits.....	282,275	+5,598	+58,420
U. S. Government deposits.....	267,319	+21,909	+52,348
Interbank deposits.....	604,786	+24,526	+55,850
Borrowings.....	17,500	-14,900	+17,500

*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.

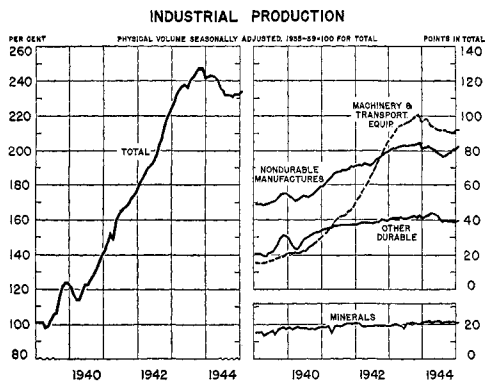
DEBITS TO INDIVIDUAL ACCOUNTS

(In thousands of dollars)	January, 1945	December, 1944	January, 1944	Jan., '45 comp. with Dec., '44	Jan., '44
El Dorado, Ark.....	\$ 11,099	\$ 12,150	\$ 9,334	-9%	+19%
Fort Smith, Ark.....	26,269	26,100*	23,130*	+1	+14
Helena, Ark.....	5,503	5,692	4,379	+3	+26
Little Rock, Ark.....	85,901	89,631	73,771	-4	+16
Pine Bluff, Ark.....	19,331	21,777	19,203	-11	+1
Texasarkana, Ark.-Tex.	12,110	14,514	9,654	-17	+25
Alton, Ill.....	15,738	16,409	14,098	-4	+12
E. St. L.-Nat. S. Y., Ill.	86,739	83,513	81,334	+4	+7
Quincy, Ill.....	16,327	18,554	16,757	-12	-3
Evansville, Ind.....	101,013	115,229	106,006	-12	+5
Louisville, Ky.....	403,152	444,557*	370,032*	-9	+9
Owensboro, Ky.....	25,261	23,313	19,546	+8	+29
Paducah, Ky.....	8,783	9,407	8,030	-7	+9
Greenville, Miss.....	12,108	12,864	12,870	-6	-6
Cape Girardeau, Mo.....	7,836	6,210	5,843	+26	+34
Hannibal, Mo.....	5,521	5,547	4,489	-0-	+23
Jefferson City, Mo.....	52,040	18,640	22,309*	+179	+133
St. Louis, Mo.....	1,084,646	1,133,975*	997,761	-4	+9
Sedalia, Mo.....	6,154	6,325	5,517	-3	+12
Springfield, Mo.....	32,913	32,915	30,197	-0-	+9
Jackson, Tenn.....	9,762	11,095	8,966	-12	+9
Memphis, Tenn.....	291,132	331,621	278,287	-12	+5
Totals.....	2,319,338	2,440,038*	2,121,513*	-5	+9

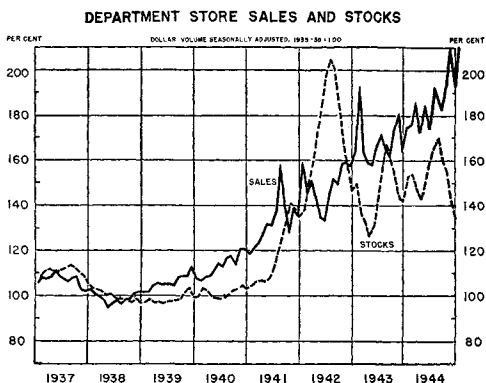
*Revised.

NATIONAL SUMMARY OF CONDITIONS

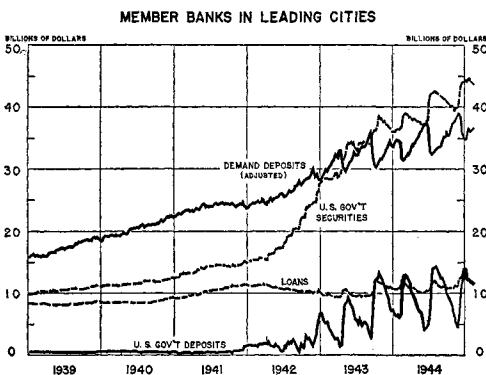
BY BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM



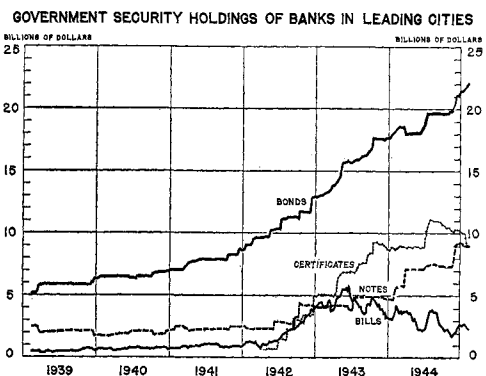
Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are for January, 1945.



Federal Reserve indexes. Monthly figures, latest shown are for January, 1945.



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 February 14, 1945.



Excludes guaranteed securities. Data not available prior to February 8, 1939; certificates first reported on April 15, 1942. Wednesday figures, latest shown are for February 14, 1945.

Industrial production— Total output at factories and mines rose slightly in January and the Board's seasonally adjusted index was 234 per cent of the 1935-39 average as compared with 232 in the preceding three months.

Activity in munitions industries was maintained in January at the December rate, although slight increases were scheduled. In February it was announced that schedules for 1945 production of aircraft and Army ordnance items had been increased further. Output of open hearth and Bessemer steel in January was at the lowest rate since July, 1942, largely due to severe weather conditions in several important steelmaking areas. Output of electric steel, however, which had been declining since the end of 1943, rose 10 per cent in January, reflecting new military requirements for alloy steel. The War Production Board early in February ordered a 10 per cent increase in aluminum ingot production and announced that a large increase had occurred in output of aluminum sheet since December 1.

Output of nondurable goods rose 2 per cent in January. Production of liquor and beverage spirits increased sharply as a result of the release of distilleries from industrial alcohol production for the month of January. Output of manufactured food products also showed a gain for the month, reflecting increases in the canning and baking industries, after allowing for seasonal changes. Activity at meatpacking establishments declined 10 per cent in January and was at a rate 25 per cent below the same month a year ago. Production in the chemical industries continued to rise, largely reflecting further increases in output of small arms ammunition. Activity at textile and paper mills continued to show little change.

Output of coal increased in January but the tonnage was 8 per cent less than the large volume for January, 1944. The production rise was limited by shortages of cars at mines due to congestion in ice-clogged northern railroad yards. In the week ending February 10 output of bituminous coal was the largest for any week since last November.

Distribution— Department store sales continued in January and the first half of February at about the same high level that prevailed in the last quarter of 1944 after allowance is made for the usual sharp seasonal decline. Value of sales was 14 per cent greater than in the corresponding period a year ago, with a higher rate of gain shown in February.

Freight carloadings increased in the early part of January due chiefly to larger shipments of fuel and war materials. At the end of January and in the early part of February, however, two short embargoes were placed on rail shipments of most non-war goods. These embargoes were limited to the northeastern states where heavy snowfalls had resulted in traffic tie-ups.

Commodity prices— Prices of commodities in wholesale and retail markets continued to increase slightly during January. In the first three weeks of February prices of farm products averaged above the January level and small increases were permitted in maximum wholesale prices of various industrial commodities.

Bank credit— With a steady succession of Treasury calls on War Loan balances, both demand deposits adjusted and time deposits at member banks increased from mid-January to mid-February. Time deposits maintained the rather rapid rate of increase which has prevailed for the past several months. During this period reporting member banks in 101 cities reduced their total holdings of Treasury bills in order to meet increases in required reserves and a currency drain. At the same time, however, banks continued to make sizeable purchases of Treasury bonds, mostly in the eight- to ten-year maturity range. Loans for purchasing and carrying Government securities decreased, particularly loans made directly to customers. Commercial loans also declined slightly.

During the five weeks ending February 21, Reserve Banks increased their holdings of Treasury bills by 630 million dollars and sold 65 million of Treasury bonds. The bill purchases, together with advances of 165 million dollars to member banks, enabled banks to meet a 450 million currency drain and a 270 million dollar growth in required reserves. Although currency in circulation had declined through most of January, the outflow was renewed in the last days of the month and continued at an accelerated pace in February. Excess reserves declined to below 1 billion dollars late in January, about the average level at which they have been between drives during the past year.

Government security yields— Following the close of the Sixth War Loan drive in December, the Government security market was strong during January and the first part of February. The average yield on medium-term, taxable Treasury bonds declined from 1.94 per cent during the last week of December to 1.78 per cent during the week ended February 17. The average yield on long-term, taxable Treasury bonds declined from 2.47 per cent to 2.39 per cent in the same period, the lowest since early December, 1941.