Monthly Review

FEDERAL RESERVE BANK OF ST. LOUIS

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Farm Income in the Eighth Federal Reserve District

Any realistic attempt to appraise the economy and the economic problems of the Eighth Federal Reserve District must begin with the basic fact that the district is essentially rural in character. In 1940, the district's population was about 10.2 million persons and 6.5 million or almost two-thirds of these lived on farms or in rural communities (towns of less than 2,500 population). About 4.5 million or 44 per cent of the total population actually lived on farms, although not all of these were directly dependent on farming for a livelihood. The heavy wartime migration from farm to urban centers plus withdrawals for military service cut the agricultural population of this district substantially, but even in 1944 some 3.3 million people in this area made their living on the farms they occupied and worked. Today the number is somewhat larger since there has been an appreciable movement back to the farms since the end of World War II.

Income from agriculture is of considerably more importance in the district's total income structure than in that of the nation as a whole. For example, in 1939 value of farm products sold or used by district farmers was equivalent to 30 per cent of the value of products manufactured within the district in contrast to a ratio of 14 per cent for the entire United States. In that year the value of Eighth District farm products sold or used was $750 million. In 1944, because of larger output and higher prices, it was $1.7 billion or 125 per cent more than in 1939 and 50 per cent more than in 1929.

Previous articles in this Review have stressed the basic economic problem of this district—the need for higher income for its people. A major part of the problem is to raise per capita income on the district's farms which means one of two things—substantially less people turning out the same amount of farm products at reasonable prices, or substantially more production at reasonable prices from the people now on farms plus the potential farm population increase.

This article focuses attention upon the sources of farm income and the variations and shifts in the farm income structure of the Eighth District in order to provide better understanding of the nature of the district's problem. Data are from the Censuses of Agriculture for 1930, 1940 and 1945. County figures were used to obtain data for the district proper and for convenience the state names, unless otherwise indicated, refer only to district portions of the states—in land area all of Arkansas, 85 per cent of Missouri, 56 per cent of Kentucky, 45 per cent of Mississippi, 37 per cent of Illinois and 26 per cent each of Indiana and Tennessee.

Geographic Pattern of Farm Income

The Eighth District comprises 6.6 per cent of all land area in the United States, but contains 8.5 per cent of the farm land area and 14 per cent of the farm population of this nation. In other words, a greater proportion of this district's area is in farms than is true for the nation as a whole, and the district's farms support more people per square mile of farm land than the United States average.

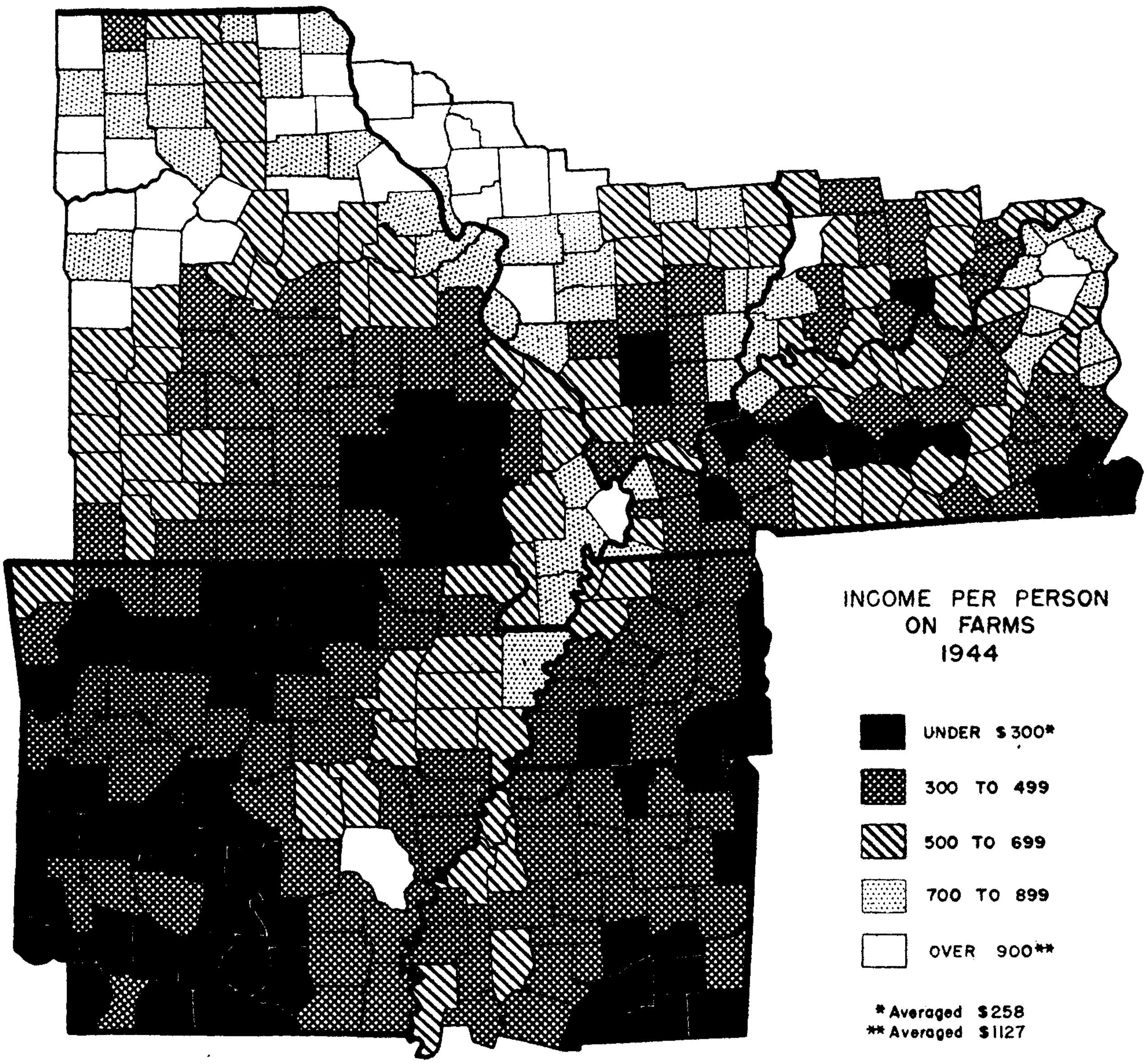
In the Mid-South states of Tennessee, Mississippi and Arkansas, the number of acres from which a farmer must earn his living is smaller than in the northern section of the district. Mississippi, for instance, has 19 per cent of district farm land and 24 per cent of the farm population, while Missouri has 32 per cent of the farm land but only 21 per cent of farm population.

FARM POPULATION, SIZE OF FARM, AND PER CAPITA INCOME IN EIGHTH DISTRICT, 1944

	Average Size of Farm (Acres)	Farm Population Per Square Mile Farmland (Number)	Proportion Population Under 14 Years Old (Per Cent)	Gross Income Per Person on Farms* (Dollars)
Mississippi	68	37	37%	$387
Tennessee	74	35	33	379
Arkansas	88	29	35	422
Kentucky	96	26	31	507
Indiana	110	22	28	570
Illinois	136	17	27	756
Missouri	146	16	29	645
Eighth District	103	24	32	508

* Based on value of all farm products sold or used by farm households.

This combination of more people on less land in the South results in a smaller gross income for the average person on a farm in that section than in the northern portion of the district, and any unfavorable differences in soil fertility and price relationships as among crops accentuates the per capita income variation. For example, per capita gross farm income in Eighth District Tennessee in 1944 was only half as large as in Eighth District Illinois. And while farm income per capita in the district portion of Illinois was higher in 1944 ($756) than in any other state or part-state contained in the Eighth District, it was smaller than the United States average ($769). The district average in 1944 was but $508. It might be noted that per capita gross farm income in the district portions of Mississippi, Tennessee and Kentucky runs higher than their respective entire state averages, but that the



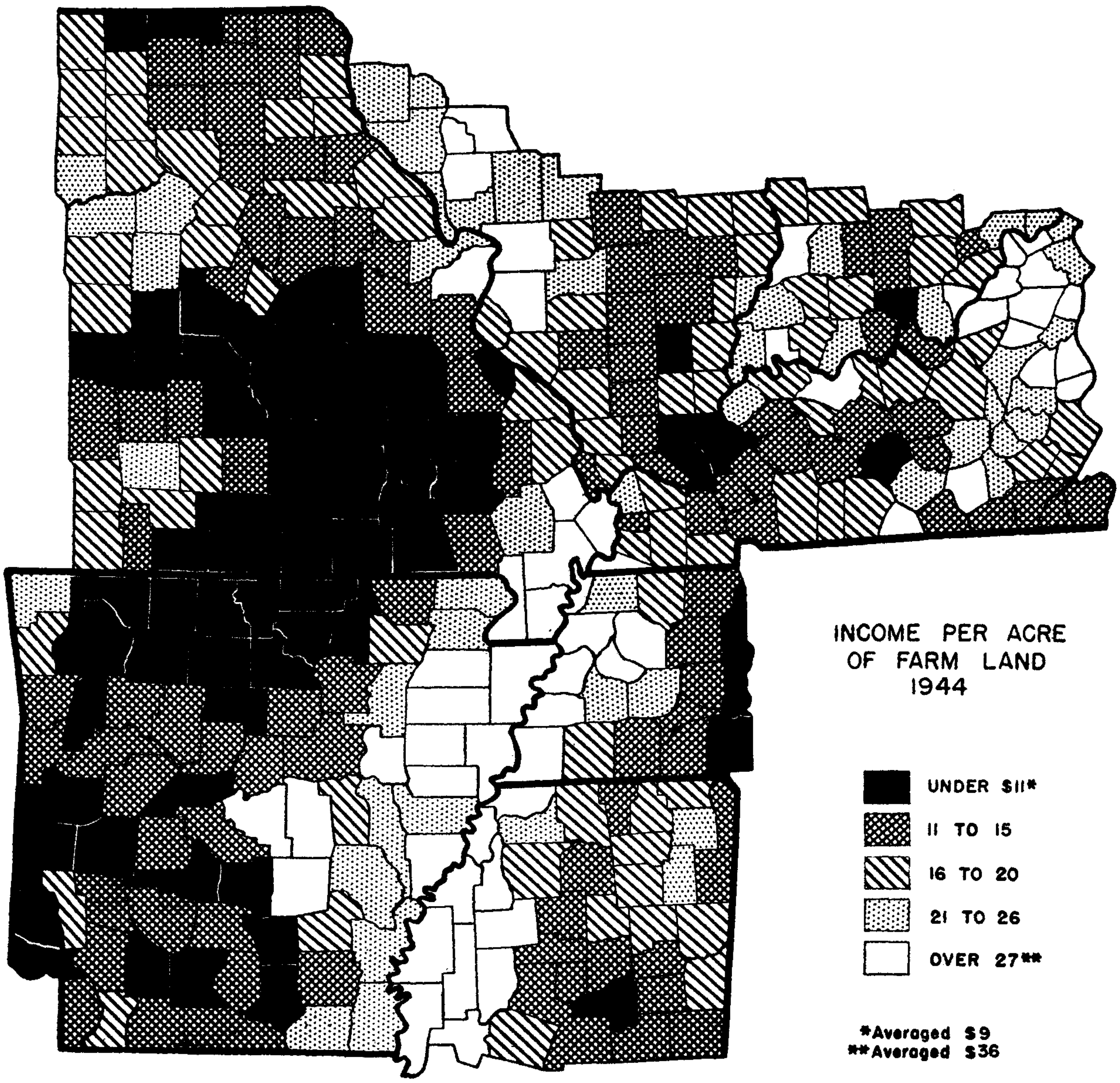
converse is true for Eighth District Illinois, Indiana and Missouri.

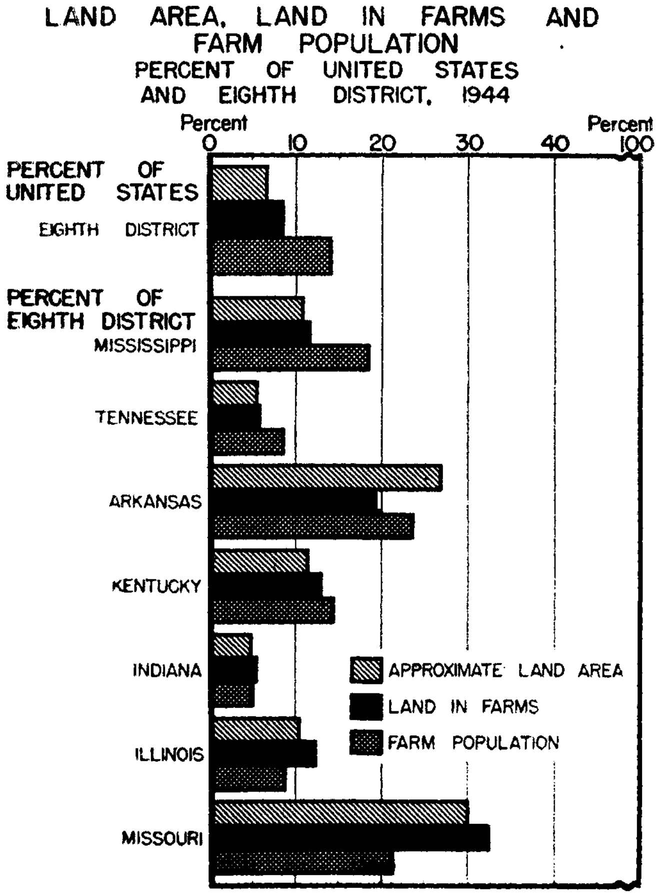
The two maps on these pages highlight two very important facts about farm income in this district. First, on a per capita income basis the southern counties are generally below the district average. Second, on a per acre income basis they are generally above the district average. The first map shows gross farm income per capita for the counties in the Eighth District; the second shows gross farm income per acre. The pattern of Map 2 is almost an exact reversal of the pattern of Map 1. While the data used pertain to 1944, the same general pattern is apparent if 1929 or 1939 data are used.

It may be noted that there are wide variations in income from agriculture among the counties, both on a per capita and a per acre basis. Even in 1944, a prosperous year for agriculture, gross farm per capita income in 70 district counties was under $300. All but three of the 17 counties with farm per capita income above $1,000 in 1944 were located in Illinois and northern Missouri.

The Mid-South area with 135 counties contains only two of the 72 highest ranking district counties in terms of gross farm per capita income, but has 33 of the 72 highest ranking district counties in gross farm income per acre. Nearly two-thirds of the 146 district counties with lowest farm income per person lie in the three states of Arkansas, Mississippi and Tennessee and only 34 of the 163 counties in the three northern states of Missouri, Illinois and Indiana are in this class.

In the rich delta counties of the Mid-South, income per acre in 1944 was twice as large as the district average; for that matter it was twice as





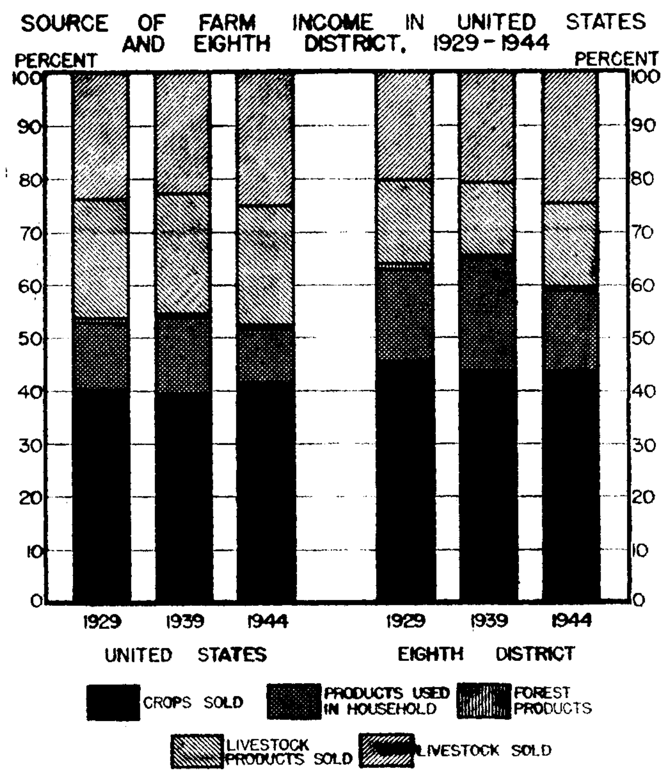
large as the average for any district state portion. Even the non-delta counties of Mississippi in 1944 averaged higher per acre gross farm income than the average for the district portion of Missouri. In general, counties with large cotton or tobacco acreage had the highest per acre income. Most of the low ranking counties in per acre farm income were in the Ozark region of Missouri and Arkansas.

The foregoing indicates that low per capita farm income in the Mid-South as compared with the Corn Belt section of the district results primarily from the heavy farm population per acre rather than from differences in soil fertility or unfavorable price relationships. Mid-South states compare favorably with other states in the district when income from products sold or used is calculated on a per acre in farm basis. Farmers in Missouri, Illinois and Indiana achieve higher per capita income, not necessarily because their land is more productive, but because fewer farmers operate larger tracts of land less intensively than in Arkansas, Mississippi and Tennessee. Even higher per acre income in the South can be achieved by increasing soil productivity and better land use practices. Per capita income can be increased by more efficient use of labor as well as from larger production.

Sources of Farm Income

About one-tenth of the income from all farm products sold or used in the United States accrues to Eighth District farmers. The district share of national farm income, however, has lessened over the past 15 years. District sales of livestock and livestock products represented about the same proportion of total sales in the United States in 1944 as in 1929, but the district share of nation-wide income from crop sales in 1944 was less than 10 per cent, in contrast to 11 per cent in 1929.

This does not mean that district income from agriculture is shrinking—on the contrary, as was indicated earlier, it was 50 per cent higher in 1944 than in 1929 and has gained since 1944. Farm income in the nation, however, has grown more rapidly than in the district. The most notable advances in agriculture in recent years—increased mechanization, the introduction of hybrid corn, much more extensive soybean acreage, and others—have benefited farmers outside the district far more than those inside. Progress has been made in this district, but it has not been as rapid as that in areas outside the district—particularly in the Corn Belt.



NOTE: 1944 livestock sold includes livestock products other than dairy and poultry

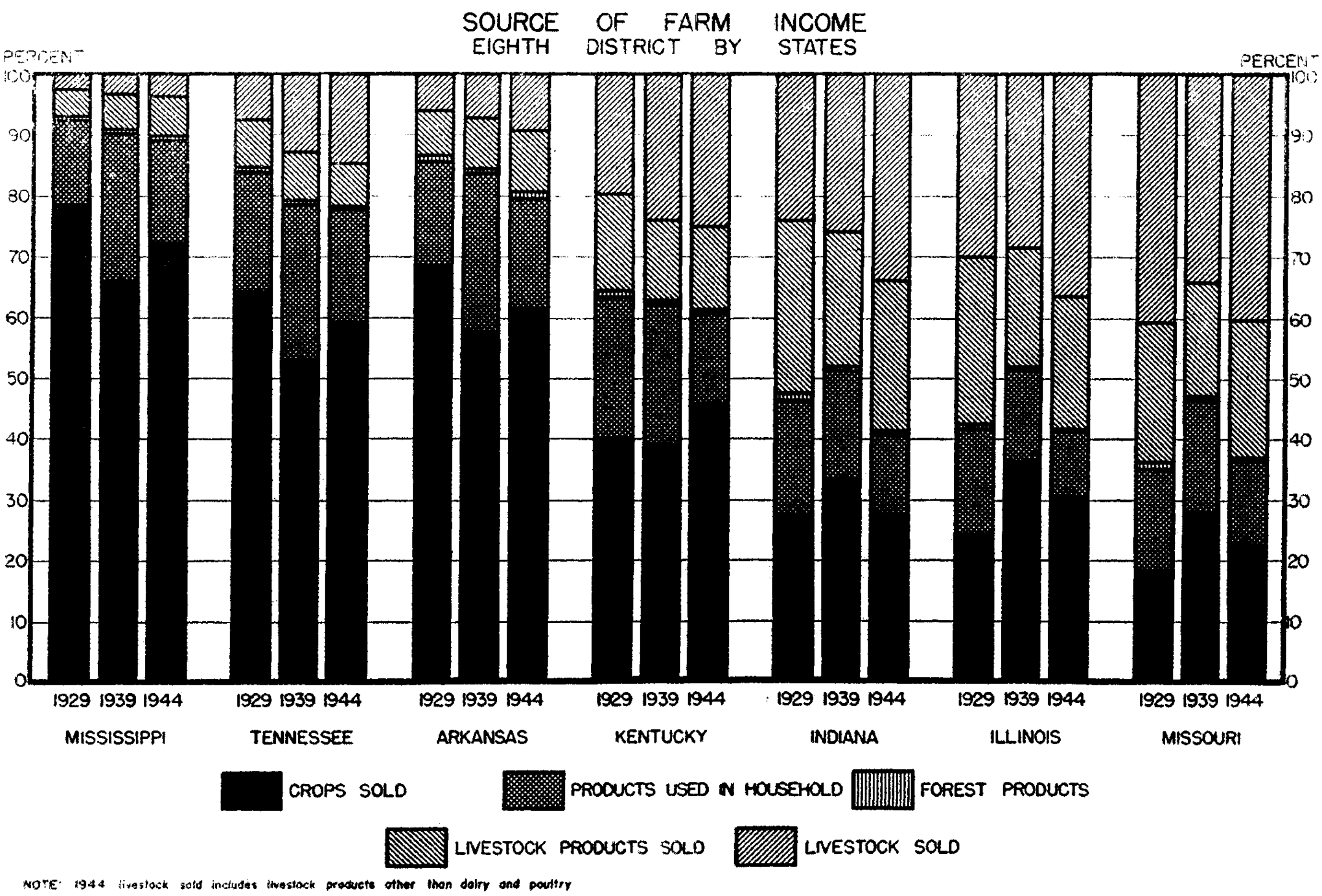
Income from Crops*—The Eighth District obtains a greater proportion of its farm income from the sale of crops than does the nation as a whole. The difference has narrowed, however, since 1929, reflecting the situation noted above. In 1929, nearly 46 per cent of the gross farm income in this district came from the sale of crops in contrast to 40 per cent for the United States. In 1944, district crop sales accounted for 44 per cent of farm income, while nationally they made up 42 per cent of the total.

In the southern portions of the district a much larger proportion of total farm income comes from the sale of crops than in the northern sections. For example, in the delta counties of Mississippi 90 per cent of 1944 farm income came from crop sales, chiefly marketings of cotton. In the non-delta counties of that state the proportion of farm income from crop sales was 57 per cent, about the same as in Arkansas and district Tennessee. The general trend toward diversification in this Mid-South region, however, is evidenced by the fact that the 1944 ratio of income from crops to total income was smaller than in 1929, even though the district's share of nation-wide farm income from cotton rose from 25 per cent to 32 per cent in the same period.

* Income from crop sales includes receipts only from crops sold as such. Grain produced and used for feed, for example, is not included since it is finally marketed as livestock or livestock products and counted as income from that source. Similarly the value of products grown and consumed by the farm household are not treated as part of income from crop sales.

In Kentucky, where the cash crop of tobacco is of paramount importance in the farm income structure, income from all crops in 1944 accounted for 46 per cent of gross farm income. Almost nine-tenths of this crop income was accounted for by tobacco sales.

Livestock and Livestock Product Sales—A slightly smaller proportion of Eighth District farm income than of national farm income consists of receipts from the sale of livestock. However, the district is gaining relative to the rest of the country, and in 1944, approximately a fourth of the income for both district and nation consisted of livestock sales. The proportion of income from livestock in this district increased in each of the census years, indicating the greater importance of diversified agriculture.



Receipts from livestock products make up a considerably smaller proportion of farm income in the district than in the United States. The percentage for each in 1944 was only slightly above 1929. The 1944 figure compared with 1939 represents an increase for the district but a decline for the nation as a whole.

About three-fifths of the farm income in Indiana, Illinois and Missouri comes from the sale of livestock and livestock products. In all three states, a smaller proportion of income came from these sources in 1939 than in 1929, but in Indiana and Illinois the percentage was higher in 1944 than in 1929. Livestock sales have become increasingly important in Kentucky in each of the census periods.

The most pronounced trend toward increasing importance of income from livestock and livestock products has occurred in Mid-South states. Although income from these sources still is far less important than that from sales of crops, the percentage of income from livestock and livestock products combined has increased substantially in each of these states since 1929.

Sale of Forest Products—Income from sale of forest products from farm land is unimportant in the Eighth District even though 23 per cent of the land in farms is in woodland of which nearly half is in woodland not pastured. Only about 0.5 per cent of farm income came from forest products in 1944. It should be noted that these figures do not include income from timberland not in farms.

Products Used by Households—Value of farm products used by farm households represented 15 per cent of district farm income in 1944, compared with the national average of 10 per cent. The higher proportion for this district does not indicate a higher per capita consumption of farm products by farm households here, but is merely another indication of low farm income. The per capita dollar value of products used by farm households in this district in 1944 was $78, one dollar less than the national average. The total value of products used by farm households was a smaller percentage of the total income in Indiana, Illinois and Missouri than in the Mid-South states, but the per capita value of products used was higher in the Corn Belt states. Value per capita of products used in Illinois and Missouri was $81 and $90, respectively, compared with $65 and $70, respectively, in Mississippi and Tennessee.

In Kentucky, Indiana and Illinois there has been a trend toward a smaller proportion of total value of products being used by farm households. The converse is true in the South. In Mississippi and Arkansas a higher proportion of income in 1944 came from products used than in 1929. In all three Mid-South states, there has been a shift toward more self-sufficiency.

Possibilities for Increasing Income

Generally speaking, increased farm income in the Eighth District is dependent upon a better use of land under cultivation rather than upon expanding crop acreage.

High income per acre in delta counties is due to cotton production. Some acreage increase may be possible by bringing idle land into production but much of any major increase in output will necessarily come from higher yields and better land use. Some diversification is occurring and probably will increase, but cotton seems likely to remain the most profitable crop in that area. There is a trend toward increased mechanization which, accompanied by diversification, will tend toward a higher per capita income. This trend should result normally in less need for labor, which is desirable providing such displaced labor finds non-farm employment.

Cotton is also the chief source of income in non-delta counties of Mississippi, but is less important than in the delta. Since a smaller proportion of non-delta land is in cotton and per acre yields are less, income per acre is lower than for the delta, but is higher than for the district as a whole. A considerable portion of this land planted in cotton should not be in row crops according to recommended land use practices. Cotton acreage probably will decrease in this area either through good land use practices or from additional destruction of farm land from erosion. If income is to be maintained, then, it must be through diversification and better utilization of resources.

Actual farm records have shown that in many areas pasture will yield more income per farm in terms of beef or dairy products sold than cotton. This does not mean necessarily that on a per acre basis pasture is worth more than cotton. However, in this area particularly, a large percentage of the land is not suited for cotton production; therefore, under a one-crop economy, it remains idle. For instance, about one-sixth of the land in farms in Tippah County, Mississippi, exclusive of woodland not pastured, was either wasteland or idle in 1944. More than one-fifth of the land was waste or idle land in Chester and Hardeman Counties, Tennessee, calculated on the same basis. By utilizing this idle and waste land for pasture, a diversified agricultural program can be developed, yielding a higher net income than under a one-crop system.

Farmers in Illinois and northern Missouri have a higher-than-average income per capita from land yielding only an average income per acre. Improvement here can come from increasing productivity, both by increasing yields of present crops and by building soil to the extent that higher yielding crops can be substituted for present ones; for example, alfalfa for red clover. Further increases in income also can be attained by using labor more efficiently, and to some extent by increasing the size of operating units.

Per acre and per capita income both are low in the Ozark region and other similar hilly areas. Although some improvement in per acre yield may be achieved by proper land and timber management, any marked increase in per capita income probably can be achieved best by further depopulation, and the combination of farms into larger units. Studies made in southern Illinois indicates that net income from two farms combined is often greater than the combined income from two separate farms. In other words, half as many farmers living on farms twice as large could make possible a greater aggregate net income than with the present population and present size of farms.

Any shifts involving increased mechanization or increasing size of operating units require large amounts of capital. Large capital input is also required to bring idle and waste land into production, as well as to carry out other farm improvement practices. A wise investment of capital for such purposes can do much to improve the farm income structure in the Eighth District.

A final point should be made here. Although census data give a picture of average conditions, they obscure the achievements of the more progressive and forward thinking farmers. An examination of results of individual farms gives clues to the possibilities of future development in the area. Such studies have proved that under proper management many subsistence farms can be developed into profitable commercial enterprises. With the widespread use of technical information and capital, applied to existing soil resources, many farms, not only in the Mid-South but in other district states as well, can be made to double or even triple their current output. With this increased production, the standard of living in the area could be raised substantially from its present low level.

Donald L. Henry

Survey of Current Conditions

Developments during the past month made small contribution to a clear definition of the readjustment pattern into which the economy is moving. Prices of basic commodities in the cash and futures markets moved within a narrow range in May and provided meager evidence upon which to predict either the direction or extent of the trend during the coming months. Wholesale prices of some items declined but others were steady to firm. At the retail level, a rash of price reductions by individual dealers appeared, but too often such price cuts were applicable largely to slow-moving items upon which mark-downs were inevitable in an increasingly competitive market. It should be noted, too, that manufacturers' prices quoted to price-cutting retailers on replacement items have shown very little, if any, indication of softening.

A similarly spotty situation exists in production. Output of some goods, almost exclusively in the nondurable group, appears to have caught up with effective consumer demand at current prices. However, shortages of some high quality consumers' goods in both durable and nondurable lines continue. In the heavy industries, materials shortages are more pronounced and demand remains at near-record peacetime levels.

The unbalanced character of the current business situation also is reflected in the changes in manufacturers' inventories during March, the latest month for which data are available. While the total value of inventories increased slightly, almost all the gain was in the heavy industries. However, not all durable goods industries participated in the increase, the advance being confined chiefly to the machinery and transportation equipment industries. In the nondurable industries, the value of inventories was relatively unchanged, seasonal declines in the value of stocks held by food and apparel companies being offset by slight increases in petroleum, chemical and textile stocks.

It is increasingly evident that generalizations with respect to the business outlook are of limited value in appraising the economic state of the nation. Each industry and each company has individual problems and varying solutions. This is particularly apparent when highly mechanized, efficient units are placed in contrast to less efficient producers. As more sectors of the economy move into the readjustment phase, both public and business policy will need to place more emphasis on individual differences and variations that exist in the economic system.

EMPLOYMENT

Employment in the Eighth District continued to increase during April but at the relatively slow rate characteristic since the end of 1946. Agricultural, service, construction and manufacturing employment showed small gains while Government employment decreased. Unemployment declined during the month principally because of agricultural workers leaving the industrial labor market to return to the farms. Female unemployment continues to increase relative to the total and that of veterans to decrease.

In St. Louis the number of unemployed veterans collecting Servicemen's Readjustment Allowances in April, 1947, was at the lowest point since the end of the war. Only four veterans were collecting compensation in April, 1947, for every ten a year earlier. The decrease in the number of nonveterans collecting regular unemployment compensation was not as great, although there were only three-fourths as many claimants in April, 1947, as in April, 1946.

The demand for labor is not as large as a year ago and no significant labor shortages exist. Workers are still scarce for certain clerical, skilled machine-shop and construction occupations, but the shortages are not critical. The labor market should ease considerably during the next few months as school graduates and drop-outs seek employment.

INDUSTRY

CONSUMPTION OF ELECTRICITY

(K.W.H. in thou.)	No. of Customers*	Apr., 1947 K.W.H.	Mar., 1947 K.W.H.	Apr., 1946 K.W.H.	Apr., 1947 compared with Mar.,'47	Apr.,'46
Evansville	40	8,784	7,999	6,477 R	+ 9.8%	+35.6%
Little Rock....	35	3,455	3,071	3,189	+12.5	+ 8.3
Louisville	80	59,945	63,052	52,029 R	— 4.9	+15.2
Memphis	31	5,328	5,291	5,287	+ 0.7	+ 0.8
Pine Bluff......	19	1,112	1,076	1,496	+ 3.3	—25.7
St. Louis........	99	67,460	62,588	60,010 R	+ 7.8	+12.4
Totals	304	146,084	143,077	128,488 R	+ 2.1	+13.7

*Selected industrial customers.
R—Revised.

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

Apr.,'47	Mar.,'47	Apr.,'46	First Nine Days May, '47	May,'46	4 mos.'47	4 mos.'46
129,668	142,714	121,329	38,342	36,677	519,651	478,525

Source: Terminal Railroad Association of St. Louis.

COAL PRODUCTION

(In thousands of tons)	Apr.,'47	Mar.,'47	Apr.,'46*	Apr., '47 comp. with Mar., '47	Apr., '46*
Illinois	4,214	6,134	1,207R	—31%	+249%
Indiana	1,746	2,552	118R	—32	+1380
Kentucky	4,189	7,204	285R	—42	+1370
Other District States....	1,110	1,510	378R	—26	+ 194
Totals	11,259	17,400	1,988R	—35	+ 466

R — Revised.
* — Coal Strike.

The Social Security Board recently released data by states on average weekly wages paid workers in all industries covered by unemployment compensation in 1946. Two of the seven states partly or wholly contained in this district, Indiana and Illinois, showed average weekly wages of $1 and $4, respectively, above the national average of $46. Weekly wages in the remaining five states fell below the national average with the difference ranging from $4 in Missouri to $15 in Arkansas and Mississippi. The relatively smaller proportion of manufacturing workers (generally higher paid than other non-agricultural workers) in these states is partially responsible for their below-average experience.

INDUSTRY

Eighth District industrial activity in April remained at approximately the same level as in March. Manufacturing operations increased slightly but production of coal and oil declined. Total consumption of electric power in the major cities was 2 per cent larger than in March and almost 14 per cent above April, 1946. All cities except Louisville reported an increase from March to April with the largest gains occurring in Little Rock and Evansville.

Manufacturing—While total manufacturing output was larger than in the previous month, increases were neither uniform nor general. Gains were registered in the electrical equipment, chemical, iron and steel products and nonferrous metals industries while some decline was indicated in the food products, textiles, basic steel and machinery industries. Materials shortages continued to affect production schedules in several lines, including electrical equipment and shoes.

Scheduled operations in the basic steel industry in the St. Louis area dropped from an average of 77 per cent of capacity in March to 66 per cent in April. The curtailment of operations in one plant, due to a labor dispute, coincided with a temporary maintenance shut-down of a portion of the open hearth capacity of another establishment, and resulted in the decline from March for the area as a whole.

Lumber production was relatively unchanged during April, according to preliminary estimates. Average weekly output of southern pine was approximately the same as in March and the rate of operations in the southern hardwood industry was only slightly lower than in that month. In February the district states produced 415 million board feet of lumber, equal to 16.0 per cent of national output that month, as compared with 323 million board feet, or 15.5 per cent of national production, in February, 1946.

At the end of April, 55 whiskey distilleries were operating in Kentucky as compared with 58 at the end of March and 45 at the close of April, 1946. Actual production of whiskey in Kentucky in March amounted to 11.3 million tax gallons and in the first quarter totalled 35.3 million tax gallons or 70 per cent more than in the same quarter a year ago. Some reduction in whiskey output is anticipated in coming months because of the rapidly accumulating stocks of whiskey in bonded warehouses and the widely reported decline in consumption.

District shoe production in March is estimated at more than 8 million pairs of all types, bringing the total for the first quarter to 24.3 million pairs or almost 20 per cent more than in the first quarter of 1946. Shortages of leather continue to restrict output in some plants and inventories of finished shoes held by established companies remain considerably below normal requirements.

Meat packing operations increased in April in this region when the number of animals slaughtered under Federal inspection in the St. Louis area totaled 402,000 as compared with 347,000 in March and 334,000 in April, 1946. Largest gains were in the slaughter of calves and hogs. The number of sheep slaughtered in April was slightly larger than in March, while cattle slaughter declined moderately.

Mining and Oil—Coal production in the district was 35 per cent less than in March, reflecting the temporary closing of the mines incidental to the Centralia disaster. Total output is estimated at 11.3 million tons as compared with 17.4 million tons in March.

The decrease in daily average production of crude oil in April continued the nine-month downward trend which began last August. Relatively little change occurred in Arkansas and Indiana, according to preliminary estimates, with all the decline being accounted for by a decrease in Illinois and Kentucky. In the district, average daily production is estimated at about 310,000 barrels in April as compared with 316,000 barrels in March and 338,000 barrels in April, 1946.

Construction—The value of building permits awarded in the major district cities in April was at the highest level since March, 1946, totaling almost $8.0 million as compared with $5.6 million in the previous month and $4.3 million in April, 1946. The value of authorizations for new construction increased $2.4 million from March to April with gains reported in each city except Evansville. New nonresidential awards increased substantially more than residential permits which in April were valued at $3.2 million as compared with $2.5 million in March and $2.4 million in April, 1946.

TRADE

During April, 1947, the dollar volume of sales at Eighth District reporting retail trade outlets registered little change from March, 1947, and April, 1946. In line with the trend of recent months, however, there were appreciable gains in sales of durable goods. Consumer reluctance or inability to purchase merchandise at current prices has resulted in smaller dollar sales volume at nondurable goods stores.

At Eighth District department stores the dollar volume of sales during April, while virtually unchanged from March, was 6 per cent higher than in April, 1946. On a daily average seasonally adjusted basis, dollar sales continued at about the same level maintained since the middle of 1946. Unit volume apparently is not as large as during the comparable month last year.

Over-all department store figures conceal the divergent trends for different lines of merchandise. In stores which report by departments, sales of soft goods, luxury items and some minor durables have been declining in recent months but have been offset by gains in lines of merchandise for which unsatisfied demand still exists. For example, sales of home

WHOLESALING

Lines of Commodities — Data furnished by Bureau of Census, U. S. Dept. of Commerce*	Net Sales — April, 1947 compared with Mar., '47	Net Sales — April, 1947 compared with Apr., '46	Stocks — Apr. 30, 1947 compared with Apr. 30, 1946
Automotive Supplies	— 4%	— 13%	........%
Drugs and Chemicals	— 6	+ 16	....
Dry Goods	— 6	— 7	+ 44
Furniture	+ 18	+ 29	....
Groceries	— 8	+ 9	+ 35
Hardware	+ 10	+ 44	+ 52
Plumbing Supplies	+ 19	+ 20	....
Tobacco and its Products	+ 6	+ 1	+ 21
Miscellaneous	— 4	+ 33	+ 64
Total all lines**	+ 2	+ 16	+ 53

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

CONSTRUCTION

BUILDING PERMITS
(Month of April)

(Cost in thousands)	New Construction Number 1947	New Construction Number 1946	New Construction Cost 1947	New Construction Cost 1946	Repairs, etc. Number 1947	Repairs, etc. Number 1946	Repairs, etc. Cost 1947	Repairs, etc. Cost 1946
Evansville	45	50	$ 114	$ 106	109	171	$ 69	$ 71
Little Rock	116	99	615	405	182	227	106	93
Louisville	234	210	1,673	680	92	69	55	34
Memphis	860	625	2,401	1,158	184	225	151	147
St. Louis	305	253	2,444	1,307	280	287	338	300
Apr. Totals	1,560	1,237	7,247	3,656	847	979	719	645
Mar. Totals	1,266	1,901	4,874	14,305	708	1,259	722	2,161

DEPARTMENT STORES

	Net Sales April, 1947 compared with Mar., '47	Net Sales April, 1947 compared with Apr., '46	Net Sales 4 mos. 1947 to same period '46	Stocks on Hand Apr. 30, '47 comp. with Apr. 30, '46	Stock Turnover Jan. 1, to Apr. 30 1947	Stock Turnover Jan. 1, to Apr. 30 1946
Ft. Smith, Ark.	+ 7%	— 11%	—11%	+17%	1.30	2.00
Little Rock, Ark.	+ 7	— 5	+ 1	+19	1.49	2.16
Quincy, Ill.	+ 2	+ 8	+10	+44	1.38	1.93
Evansville, Ind.	+ 8	+ 10	+13	+27	1.10	1.48
Louisville, Ky.	+ 6	+ 7	+10	+53	1.49	2.29
St. Louis Area[1]	— 1	+ 10	+12	+39	1.25	1.90
St. Louis, Mo.	— 2	+ 7	+11	+38	1.25	1.90
E. St. Louis, Ill.	+36	+127	+97	....	....	....
Springfield, Mo.	+19	+ 9	+ 5	+41	1.22	1.96
Memphis, Tenn.	— 1	— 2	+ 4	+37	1.37	2.14
*All other cities	+16	+ 10	+ 2	+52	1.21	1.92
8th F. R. District	+ 2	+ 6	+ 9	+38	1.31	1.99

*El Dorado, Fayetteville, Pine Bluff, Ark.; Alton, Harrisburg, Jacksonville, Mt. Vernon, Ill.; New Albany, Vincennes, Ind.; Danville, Hopkinsville, Mayfield, Paducah, Ky.; Chillicothe, Mo.; and Jackson, Tenn.

[1] Includes St. Louis, Mo., East St. Louis and Belleville, Ill.

Trading days: April, 1947—26; March, 1947—26; April, 1946—26.

Outstanding orders of reporting stores at the end of April, 1947, were 61 per cent less than on the corresponding date a year ago.

Percentage of accounts and notes receivable outstanding April 1, 1947, collected during April, by cities:

	Instalment Accounts	Excl. Instal. Accounts		Instalment Accounts	Excl. Instal. Accounts
Fort Smith	....%	52%	Quincy	28%	72%
Little Rock	31	57	St. Louis	37	58
Louisville	36	50	Other cities	33	61
Memphis	39	52	8th F. R. Dist.	36	56

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

	Apr., 1947	Mar., 1947	Feb., 1947	Apr., 1946
Sales (daily average), Unadjusted[2]	297	288	244	281
Sales (daily average), Seasonally adjusted[2]	306	294	290	272
Stocks, Unadjusted[3]	281	279	266	193
Stocks, Seasonally adjusted[3]	281	288	296	193

[2] Daily Average 1935-39=100.

[3] End of Month Average 1935-39=100.

SPECIALTY STORES

	Net Sales Apr., '47 compared with Mar., '47	Net Sales Apr., '47 compared with Apr., '46	Net Sales 4 mos. 1947 to same period '46	Stocks on Hand Apr. 30, '47 comp. with Apr. 30, '46	Stock Turnover Jan. 1, to Apr. 30 1947	Stock Turnover Jan. 1, to Apr. 30 1946
Men's Furnishings	— 9%	—15%	- 0 -%	+100%	1.14	2.71
Boots and Shoes	+ 4	— 8	+ 5	+102	1.38	2.95

Percentage of accounts and notes receivable outstanding April 1, 1947, collected during April:

Men's Furnishings.....................52%   Boots and Shoes.....................49%

Trading days: April, 1947—26; March, 1947—26; April, 1946—26.

RETAIL FURNITURE STORES

	Net Sales Apr., 1947 compared with Mar., '47	Net Sales Apr., 1947 compared with Apr., '46	Inventories Apr. 30, 1947 compared with Mar. 31, '47	Inventories Apr. 30, 1947 compared with Apr. 30, '46	Ratio of Collections Apr., '47	Ratio of Collections Apr., '46
St. Louis Area[1]	+ 5%	+ 7%	+ 4%	+ 59%	59%	64%
St. Louis	+ 3	+ 6	+ 4	+ 59	61	65
Louisville Area[2]	+13	+ 7	— 1	+ 78	32	38
Louisville	+16	+ 7	— 1	+ 78	31	37
Memphis	—20	— 8	+ 6	+ 85	23	28
Little Rock	+26	+ 23	— 1	+ 65	35	38
Springfield	— 9	— 21	*	*	*	*
8th Dist. Total[3]	+ 5	+ 3	+ 2	+ 77	42	48

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

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

[2] Includes Louisville, Kentucky; and New Albany, Indiana.

[3] In addition to above cities, includes stores in Blytheville, Fort Smith and Pine Bluff, Arkansas; Henderson, Hopkinsville, Owensboro, Kentucky; Greenville, Greenwood, Mississippi; Hannibal, Missouri; and Evansville, Indiana.

PERCENTAGE DISTRIBUTION OF FURNITURE SALES

	Apr., '47	Mar., '47	Apr., '46
Cash Sales	20%	21%	27%
Credit Sales	80	79	73
Total Sales	100	100	100

furnishings in April increased over the previous month and comparable month last year, but women's wear divisions registered declines from the same periods. The fact that consumers are shopping around is evidenced by increased dollar sales of basement store divisions.

In terms of dollars, inventories held by department stores at the end of April were down slightly from the end of March, but were approximately one-third greater than on April 30, 1946. The greatest gain was in home furnishings divisions where inventories were about three-fourths larger than those held a year ago. In men's wear divisions inventories were two-thirds greater than for the same date last year, while women's wear divisions inventories of various lines of merchandise show diverse trends. Some lines of ready-to-wear merchandise, in short supply this time last year, are now in good supply.

The April, 1947, volume of dollar sales at women's specialty stores was below that of both a month earlier and the comparable month in 1946. This type of retail outlet has encountered considerably more consumer reluctance to purchase overpriced, low quality merchandise in recent months and has had to resort to extensive clearance and mark-down sales in an effort to maintain dollar volume as close to last year's level as possible. Inventories in women's specialty stores at the end of April were down 5 per cent as compared to March 31, 1947, but were 6 per cent greater than at the end of April, 1946.

Men's apparel stores during April recorded decreases in sales volume from both the previous month and comparable month last year. The lessened sales volume of men's wear is attributed chiefly to the present price level, unseasonable deliveries of suits and coats, and a lack of special sales events to bolster declining dollar sales. While unit volume of inventories at men's wear stores is more favorable than last year, all sizes and styles of men's wear are not yet in good supply. Inventories at men's wear stores (in terms of value) at the end of April were little changed from the end of March but were about double those of last year.

At reporting furniture stores dollar volume of sales was up slightly during April, 1947, from both the previous month and comparable month of 1946. However, the sales gain at furniture stores was not as great as in the comparable divisions of department stores. While the over-all picture of inventories in furniture stores shows considerable improvement over last year, increased prices of many lines of merchandise probably account for a major portion of the gain. Inventories in terms of value at furniture stores were up slightly from the end of March, and were 77 per cent greater than on April 30, 1946.

BANKING AND FINANCE

A new phase of the Treasury's program of redeeming a part or all of certain maturing issues for cash was inaugurated on April 17 with the cash redemption of approximately $200 million of Treasury bills maturing on that date. In the five weeks ending May 21, the redemption of maturing bills amounted to approximately $900 million. Prior to that time cash redemptions had been limited to maturities of the higher-rate Treasury certificates of indebtedness, notes and bonds. Since the Federal Reserve banks hold practically all of the Treasury bills, the primary effect of the redemption of bills on the member banks (after adjustments) is to decrease both their War Loan deposits and their balances at the Federal Reserve bank.

Earning assets of reporting member banks in the Eighth District continued to decline in the past month, the total of $1,810 million being $26 million less than a month ago and $288 million below a year ago. Loans of reporting banks, following the seasonal pattern in this district, decreased $14 million for the month and were $45 million below the postwar peak of $732 million reached last December 18. The decrease in total loans was due primarily to the decline in commercial, industrial and agricultural loans which were off $17 million as compared to a decrease of $22 million during the corresponding four-week period last year. The total of $389 million was $50 million below the postwar peak reached on January 15, 1947, but was still $80 million above a year ago. Real estate loans have not as yet reflected any slowing down in real estate activity, the total for district reporting member banks being up nearly $2 million for the month—about the same rate of increase as last year. Other loans, which consist mainly of loans to consumers, increased over $2 million—about the same as the average month-to-month increase during the last twelve months.

District reporting member banks lengthened their Government security portfolios somewhat, short-term issues decreasing $30 million and U. S. bond holdings increasing $16 million. The drop in short-term issues was due mainly to the cash redemption of Treasury bills, holdings of this security being down $20 million for the month. There was some selling of Treasury notes, presumably to meet withdrawals from War Loan accounts, and reporting bank holdings of this security decreased $9 million. A major part of the shift in Government security

PRICES

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	Apr., '47	Mar., '47	Apr., '46	Apr., '47, comp. with Mar., '47	Apr., '47, comp. with Apr., '46
All Commodities	147.7	149.6	110.2	— 1.3%	+34.0%
Farm Products	177.0	182.6	135.4	— 3.1	+30.7
Foods	162.4	167.6	110.8	— 3.1	+46.6
Other	131.8	131.3	103.3	+ 0.4	+27.6

CONSUMER PRICE INDEX

Bureau of Labor Statistics (1935-39=100)	Apr. 15, 1947	Mar. 15, 1947	Apr. 15, 1946	Apr. 15, '47 comp. with Mar. 15 '47	Apr. 15, '47 comp. with Apr. 15, '46
United States	156.1	156.0	130.9	+ 0.1%	+19.3%
St. Louis	155.0	155.8	129.1	— 0.5	+20.1
Memphis	*	*	*	*	*

*Not Available.

RETAIL FOOD PRICES

Bureau of Labor Statistics (1935-39=100)	Apr. 15, 1947	Mar. 15, 1947	Apr. 15, 1946	Apr. 15 '47 comp. with Mar. 15, '47	Apr. 15 '47 comp. with Apr. 15, '46
U. S. (51 cities)	188.0	189.5	141.7	— 0.8%	+32.7%
St. Louis	195.2	198.9	143.4	— 1.9	+36.1
Little Rock	193.0	190.8	141.2	+ 1.2	+36.7
Louisville	183.6	183.9	133.8	— 0.2	+37.2
Memphis	204.6	205.1	149.8	— 0.2	+36.6

BANKING

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

(In thousands of dollars)	May 21, 1947	Change from Apr. 23, 1947	Change from May 22, 1946
Industrial advances under Sec. 13b	$	....	....
Other advances and rediscounts	4,963	— 8,155	— 8,967
U. S. securities	1,115,238	+ 8,173	+ 51,293
Total earning assets	1,120,201	+ 18	+ 42,326
Total reserves	608,456	— 5,948	— 2,478
Total deposits	648,937	+ 1,997	+ 10,416
F. R. notes in circulation	1,074,556	— 3,122	+ 32,512
Industrial commitments under Sec. 13b	2,200	— 1,440	— 1,403

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS

(In thousands of dollars)	May 21, 1947	Change from Apr. 23, 1947	Change from May 22, 1946
Total loans and investments	$1,809,717	— 26,410	—287,683
Commercial, industrial, and agricultural loans*	389,013	— 16,993	+ 79,789
Loans to brokers and dealers in securities	5,927	— 718	— 5,673
Other loans to purchase and carry securities	36,124	— 1,706	— 37,047
Real estate loans	111,094	+ 1,692	+ 33,136
Loans to banks	2,421	+ 817	— 507
Other loans	142,862	+ 2,614	+ 31,744
Total loans	687,441	— 14,294	+101,442
Treasury bills	13,699	— 20,289	— 28,602
Certificates of indebtedness	83,089	— 565	—156,594
Treasury notes	120,068	— 9,009	—138,817
U. S. Bonds	772,459	+ 16,329	— 60,593
Other securities	132,961	+ 1,418	— 4,519
Total investments	1,122,276	— 12,116	—389,125
Balances with domestic banks	110,684	+ 10,036	+ 1,241
Demand deposits—adjusted**	1,190,658	+ 28,816	+ 59,934
Time deposits	385,030	+ 1,925	+ 24,795
U. S. Government deposits	50,926	— 5,232	—316,020
Interbank deposits	510,114	— 27,049	— 57,219
Borrowings	3,800	— 8,100	— 7,500

*Includes open market paper.

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

Above figures are for selected member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville.

portfolios was in St. Louis reporting banks, their bill holdings being off $20 million and Treasury note and bond holdings being up $8 million and $11 million, respectively.

There were only minor changes in deposits of weekly reporting banks during the last month. Demand deposits of individuals and business firms were up $24 million for the month and were $75 million above a year ago. Government deposits continued to decline, the decrease being $5 million for the month and $316 million for the year. Time deposits were up $2 million to $385 million—a gain of $25 million for the year.

Bank debits continue to reflect a high dollar volume of business activity. Debits to deposit accounts, except interbank, for 22 reporting centers in the Eighth District were off slightly in April, but the total for the first four months of 1947 was 21 per cent above the same period last year as compared to a gain of 5 per cent for the nation.

AGRICULTURE

More sunshine and better weather conditions generally throughout the Eighth District during the second week of May permitted farmers to partially catch up on their spring work. Cotton planting was completed in most areas with much of it up in good stands. However, a considerably smaller proportion of corn was planted by May 15 than last year, and oats planting was completed with farmers realizing only 70 to 75 per cent of their March 1 acreage intentions. It is expected that corn and soybean acreage will be expanded in fields where farmers were unable to get their oats in.

A bumper crop of winter wheat is expected this year. Assuming an average spring wheat crop of 265 million bushels, total production will be nearly 1.3 billion bushels. If realized this will be the largest wheat crop in U. S. history—12 per cent over last year's large crop, 53 per cent above the 1935-44 average. About 500 million bushels should be available for export or carry-over, if domestic consumption is about the same as this year.

Farm income is expected to reach $2 billion in May, an increase of $200 million over April, largely due to seasonal increases in marketing. Total cash farm income for the first five months of this year was about $9.6 billion, 25 per cent higher than last year. Receipts from livestock increased 40 per cent over last year; receipts from crops about 20 per cent.

A general leveling off in commodity prices occurred in the month ending May 15. Beef and hog prices held steady on the St. Louis market during this period. Corn dropped from $1.82 per bushel to $1.59 from April 15 to the last of the month, but had regained most of this loss by May 15. Kansas City wheat rose from $2.66 per bushel to $2.72 during the period. Uneven price changes during the last few days of the month reflected unexpected purchases by the Commodity Credit Corporation and anticipation of the approaching maturity of May futures contracts. Cotton advanced 1.5 cents to the highest level since last October.

Prices paid by farmers increased slightly during the month ending April 15. This change accompanied by a drop in prices received by farmers caused the parity ratio to decline from 123 to 120, the second lowest since the peak last October. The spread between the prices farmers receive and prices paid is gradually narrowing, not from a decline in prices received, but because of increases in prices paid. The index of prices received on April 15 was 3 points above the level of 273 reached last October, but prices paid were 23 points above the index of 207 for that month.

DEBITS TO DEPOSIT ACCOUNTS

(In thousands of dollars)	Apr., 1947	Mar., 1947	Apr., 1946	Apr.,'47 comp. with Mar.,'47	Apr.,'47 comp. with Apr.,'46
El Dorado, Ark.	$ 16,542	$ 17,862	$ 12,582	— 7%	+31%
Fort Smith, Ark.	32,035	34,945	32,185	— 8	— 1
Helena, Ark.	6,019	7,076	5,567	—15	+ 8
Little Rock, Ark.	105,781	111,513	90,047	— 5	+17
Pine Bluff, Ark.	21,176	22,778	19,343	— 7	+ 9
Texarkana, Ark.-Tex.	9,899	8,932	8,079	+11	+23
Alton, Ill.	19,405	21,085	16,252	— 8	+19
E.St.L.-Nat.S.Y., Ill.	103,808	102,100	66,358	+ 2	+56
Quincy, Ill.	25,431	26,844	20,820	— 5	+22
Evansville, Ind.	86,471	88,379	68,081	— 2	+27
Louisville, Ky.	427,958	441,854	365,277	— 3	+17
Owensboro, Ky.	23,061	26,870	22,507	—14	+ 2
Paducah, Ky.	13,276	13,595	11,446	— 2	+16
Greenville, Miss.	13,476	17,951	14,215	—25	— 5
Cape Girardeau, Mo.	9,089	9,514	7,560	— 4	+20
Hannibal, Mo.	6,650	7,500	5,679	—11	+17
Jefferson City, Mo.	47,747	34,858	38,952	+37	+23
St. Louis, Mo.	1,292,960	1,336,105	1,138,103	— 3	+14
Sedalia, Mo.	9,395	9,329	7,979	+ 1	+18
Springfield, Mo.	49,436	50,077	42,251	— 1	+17
Jackson, Tenn.	14,987	15,370	13,459	— 2	+11
Memphis, Tenn.	430,609	473,511	371,524	— 9	+16
Totals	$2,765,211	$2,878,048	$2,378,266	— 4	+16

AGRICULTURE

CASH FARM INCOME

(In thousands of dollars)	Mar., 1947	Mar., '47 comp. with Feb., 1947	Mar., '47 comp. with Mar., 1946 *	12 mo. total Apr. to Mar. '46-'47	'46-'47 comp. with '45-'46	'46-'47 comp. with '44-'45
Arkansas	$ 19,111	- 0 -%	+ 8%	$ 489,994	+69%	+37%
Illinois	133,269	+ 8	+ 51	1,534,115	+33	+33
Indiana	73,258	+12	+ 55	841,382	+25	+26
Kentucky	24,070	—49	+ 67	459,083	+19	+10
Mississippi	12,975	+14	— 14	335,256	+15	— 6
Missouri	65,929	— 8	+ 57	916,531	+32	+28
Tennessee	27,928	—11	+ 54	444,257	+39	+32
Total	$356,540	— 3	+ 47	$5,020,568	+32	+25

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts Apr.,'47	Receipts Apr., '47 comp. with Mar.,'47	Receipts Apr., '47 comp. with Apr.,'46	Shipments Apr.,'47	Shipments Apr., '47 comp. with Mar., '47	Shipments Apr., '47 comp. with Apr., '46
Cattle and Calves	127,959	— 7%	+ 4%	53,665	—22%	— 43%
Hogs	203,488	+14	+10	48,255	— 1	— 34
Horses and Mules	1,920	—44	—75	1,920	—44	— 75
Sheep	29,905	— 7	—50	12,299	—10	— 53
Totals	362,905	+ 4	— 1	116,139	—14	— 42