Monthly Review

FEDERAL RESERVE BANK OF ST. LOUIS

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Factors in United States Foreign Trade

Foreign trade has always been important to the United States, but aside from those directly engaged in exporting and importing, relatively few people in this country were interested in the subject until recently. World War II and the postwar period, however, by highlighting the tremendous powers and responsibilities of the United States in international affairs, plus the fact that the world's need for United States production raised our exports to unprecedented levels, has served to focus considerably more attention on our international trade position and prospects.

The Eighth District has a stake in foreign trade greater than is generally realized. Exactly how many dollars worth of goods produced in this area are shipped abroad cannot be determined from present statistics. Nor can we measure our import volume accurately. Exports generally are accredited to the port of clearance rather than the point of origin. Similarly, most imports are cleared through brokers located in port cities and arrive in this district as domestic shipments. Informed opinion, however, suggests that district foreign trade is sizable. It is estimated that exports from the St. Louis area in 1947 will total about $100 million. In the Memphis area total foreign trade volume (exports plus imports) has been estimated at about $50 million annually.

Particularly in the case of certain raw materials, producers in this district have a very real interest in foreign trade. For example, foreign demand for U. S. cotton normally accounts for a large part of our output and about 30 per cent of the cotton produced in this country is grown in this district. A similar situation has existed with respect to certain types of tobacco. Intensive efforts are now under way to develop foreign markets for burley tobacco (the most important type grown here) which has not been exported in large quantities in the past. Lumber exports from district states, while relatively small, accounted for 7 per cent of all lumber distributed from these states in 1932. The ratio declined to 5 per cent in 1936 and to 3 per cent in 1938, but even in the latter year almost 10 per cent of Kentucky's lumber was exported.

A large variety of items manufactured in this district are sold abroad. In the St. Louis area, for example, they range from seeds to street cars, and include chemicals, apparel, shoes, motors, iron products, and piston rings.

Since the end of the war, interest in developing foreign outlets for district goods has been stimulated in some district cities. In Memphis, for example, the Foreign Trade Council in conjunction with the Memphis International Center organized an Export-Import Clinic. Through this channel considerable interest has developed and from 50 to 70 persons have enrolled at the clinic annually.

Of particular significance and perhaps illustrative of the growing interest of the Midwest in international affairs is the fact that in October the Thirty-Fourth National Foreign Trade Convention is to be held in St. Louis. In this area a number of organizations function in the promotion of export-import trade. Included are the Foreign Trade Bureau of the St. Louis Chamber of Commerce, the Export Managers' Club which sponsors an annual Institute in Foreign Trade, and the St. Louis Regional Inter-American Center.

Admittedly, the potential volume of goods produced in this district and sold abroad is far from realization. At the present time many manufacturers, unable to meet their domestic demand, are disinterested in cultivating foreign markets. What often is unrealized is that export volume could provide a cushion for sales when domestic demand falls off. Thus, it would seem to be desirable, from the long-term point of view, for manufacturers to devote at least a small percentage of their output to gaining a foothold in selected foreign markets. The needs of other countries are almost without limit and when their domestic economies reach a more normal level, these nations can provide a substantial outlet for many types of goods produced in the United States and in the Eighth District.

PRINCIPLES OF INTERNATIONAL TRADE

Trade between nations stems basically from: (1) differences in climate and natural resources, (2) differences in stages of economic development, and (3) differences in customs, traditions and wants. These differences, either singly or in combination, make it advantageous for certain nations and regions to specialize in those goods and services which they are best fitted to produce. For example, since countries in the temperate zone cannot grow tropical products except under artificial conditions it is less expensive to buy them from other countries. The United States enjoys a strong competitive position in those products in which labor-saving machinery can be used advantageously. Custom and tradition also influence the type of economic activity. Skill and an established reputation for certain products tend to perpetuate certain types of production—for example, Persian rugs, Swiss watches and French wines.

The advantages of international and interregional trade are obvious. Such trade enables countries to have many commodities they could not have otherwise because they cannot be produced at home or if they can, only at high cost. More important, however, is the fact that international trade makes it possible for nations to specialize in those goods which they can produce most efficiently. Their surplus over domestic requirements can be sold abroad and the proceeds used to purchase those goods which cannot be produced as efficiently at home. By spending time and utilizing resources in doing those things which can be done best, total output is increased. Thus trade between countries, by promoting and making possible specialization and more efficient production, tends to increase the total supply of goods available for consumption and to raise the standard of living in all countries.

Any discussion of international trade at the present time should make clear the distinction between the immediate (and relatively short-run future) situation and the longer-run future. Currently we have a "favorable" trade balance—we export more than we import. This excess of exports is paid for in part by foreigners, either through drawing down their gold or dollar assets or through the use of credits extended them by the United States Government or other sources. Additional exports, in connection with the war or postwar relief, have been given by us to the recipients.

A "favorable" trade balance means that our net production is larger than our net consumption. The income from production of all goods and services is thus higher than our net consumption and in the short-run this excess provides stimulation for domestic business activity.

In the long-run, however, a "favorable" balance cannot be maintained unless we grant ever-increasing credit or give our goods away abroad. Other nations, if they pay for our goods which they buy, must sell an equivalent amount of their production to us. At a time like the present when most areas outside the United States have not the productive capacity to meet their own basic needs, it is desirable and probably necessary for us to help them meet those needs by lending or giving aid adequate in kind and quantity to assist them to re-establish their production. In the long-run it is not desirable artificially to maintain high production here by exporting more than we import.

THE VOLUME OF U. S. FOREIGN TRADE

International trade involves considerably more than buying and selling raw materials or manufactured products. In addition to the exchange of physical goods, nations also buy and sell services which, with other types of so-called intangibles, are as much a part of foreign trade as the sale of commodities. Such items as freight and shipping services, tourist trade, and interest and dividend payments to foreign holders of securities all are a part of a nation's trade volume. Thus, trade volume has to be measured not only in terms of the value of merchandise we sell to or buy from people in other countries but also must take into account the value of services exchanged.

Last year our exports of goods and services, including Lend-Lease, UNRRA and private relief shipments, amounted to $15.3 billion. We exported $9.7 billion worth of merchandise, of which approximately $8 billion was on a cash purchase basis. Except for the war years of 1943 to 1945, export volume last year was at the highest level in the history of the country. In the first six months of 1947 merchandise shipments out of the country were 62 per cent larger, on a dollar basis, than in the corresponding period last year.

The magnitude of our export trade can be appreciated better when the current rate is compared with the value of shipments in the interwar period. From 1920 to 1929 our sales of goods and services abroad averaged $6.6 billion annually; merchandise exports alone averaged $5 billion each year. The worldwide economic collapse in the early 1930's resulted in a sharp decline in foreign purchases of United States products and in the next ten years we were able to sell to other countries an average of only $3.7 billion worth of goods and services each year. Merchandise exports during that period dropped to an average of $2.6 billion annually.

With the outbreak of war in Europe in 1939, the demand for products of our industries and farms increased sharply. In 1940 and 1941 our total exports returned to a $6 billion a year level, and shipments of goods averaged $4.6 billion. Following Pearl Harbor and the beginning of our active participation in World War II, the dollar value of total exports, including lend-lease, spurted upward—from $6.9 billion in 1941 to a peak of $21.2 billion in 1944. In that year alone we shipped more goods, on a dollar basis, than in the entire period from 1935 to 1939.

The end of the war in 1945 and the cessation of lend-lease led to a decline in exports. In 1945, we shipped abroad goods valued at $9.8 billion, while total exports, including services, amounted to $16.1 billion. A further reduction occurred in 1946 but late in that year, stimulated by dollar credits resulting from United States loans to some countries plus a large foreign aid program and with an increased supply of manufactured goods available for export, our merchandise sales abroad in December reached the $1 billion a month level. In the first half of 1947 such merchandise exports averaged $1.3 billion monthly.

At the same time that the outflow of goods and services from the United States is at the highest peacetime level, our purchases of goods from other countries are higher than in any year except 1920. Last year we bought from abroad goods valued at $4.9 billion.

The current level of imports, too, can best be brought into perspective by comparison with our purchases abroad in the past. From 1920 to 1929 we bought goods abroad valued at an average of almost $4 billion each year. In the 1930's the annual rate dropped to $2.1 billion. However, the decline in imports was not as great as the decrease in volume of merchandise exports. Thus, in that decade our purchases from abroad averaged 82 per cent of the value of goods shipped out of the country as compared with 79 per cent in the 1920-1929 period.

Immediately prior to World War II the dollar value of imports increased to about $3 billion a year in 1940-1941 and during the war years (1942-1945) a further gain occurred, with purchases averaging $3.5 billion a year. Relative to exports, however, our imports declined in each of those two periods, averaging barely 31 per cent of the value of merchandise shipped out of the country during the war. Last year the balance improved slightly but imports still totaled only about half the value of goods sold to other countries.

Types of Goods Traded—Although the size of our foreign trade volume is impressive when measured in terms of dollar value, its importance to our economy is more accurately expressed, in the case of exports, by relating our shipments abroad to the value of goods and services produced in the United States. It is this relationship, too, that is of utmost significance currently, and promises to become more vital if this country places in operation a tremendous program of foreign lending or outright aid.

Last year, as noted, the value of goods and services sold abroad amounted to $15.3 billion, including lend-lease, UNRRA and private relief shipments. This sum was almost $3 billion more than was spent in the United States in 1946 for producers' durable equipment and almost double the amount spent for all new privately financed construction. Merchandise exports alone were larger in value than expenditures for new private construction. Even during the 1930's and in 1940-1941 our sales abroad were as large, dollarwise, as our expenditures for private construction.

Nevertheless, large as it is on a value basis, the nation's exports represent a relatively small portion of the goods and services we produce. In 1946, for example, when exports were larger than in any previous peacetime year, only 7.5 per cent of the $204 billion of goods and services produced in the United States was exported. While the percentage was larger than in any year since 1929 with the exception of the war period, it was at approximately the level of the 1920's. From 1930 to 1939 we exported about 4.8 per cent of our production and in 1940-1941 about 5.3 per cent. During the war, when shipments increased precipitately, their value averaged 8.8 per cent of the gross national product, reaching a peak in 1943 and 1944 of about 10 per cent.

Although the aggregate value of the goods and services we produce and sell abroad is relatively small in terms of the total output in the United States, the foreign market for some specific raw materials and finished products is of sizable importance to a given industry. For example, a large part of the raw cotton produced in this country is exported. In the ten years prior to the war an average of 48 per cent of the cotton grown in the United States was sold abroad. In that period about 30 per cent of our tobacco output was exported. In 1939, one-third of the lubricating oil produced in this country, 12 per cent of the kerosene, 14 per cent of the tin plate and terne plate and 16 per cent of the completed motor trucks, busses and chassis manufactured in the United States were sold to consumers in other countries. Thus, even in the so-called normal prewar years, shipments out of the country represented a substantial part of total sales for these industries.

Since World War II, many producers have been called upon to ship abroad an even larger proportion of their output than was exported prior to the war. The needs of all the war-ravaged countries throughout the world are enormous, not only for food and clothing but for capital equipment necessary for the economic restoration of their economies. Since the productive capacity of the United States constitutes the primary source of most of these goods, this nation's farms and factories are diverting larger-than-normal proportions of their output to other countries.

On a dollar value basis, finished manufactured goods accounted for 52 per cent of total exports of merchandise in 1946. Next most important on that basis were foodstuffs which represented 23 per cent of our out-bound shipments. Crude materials made up 15 per cent, semi-manufactures 9 per cent and military equipment 1 per cent of the value of exports that year.

Through May, 1947, finished manufactured goods accounted for an even larger part of the dollar value of merchandise exports, totaling 61 per cent of our shipments. Foodstuffs (crude and manufactured) declined in importance as compared with the full year 1946, amounting to 17 per cent of the total. Crude materials also declined in the first part of 1947, relative to total shipments, but still made up 11 per cent of the total, while semi-manufactured goods increased to 11 per cent of all exports. When allowance is made for the higher price level in 1947 the increase in value of manufactured goods sold abroad becomes less significant while the decrease in food shipments is translatable into an actual reduction in the quantity of food transported.

Imports of crude materials normally account for the largest part of the goods bought abroad and in 1946 expanded more than any other group. Last year 36 per cent of our imports were in this classification; in 1936-1938 they represented 31 per cent of the total. Raw wool, furs, rubber and silk were important items in 1946, although price increases accounted for a substantial part of the gain over prewar years. Foodstuffs, chiefly coffee, sugar and fruits, nuts and vegetables, represented 27 per cent of our 1946 imports. Semi-manufactured goods, primarily non-ferrous metals and diamonds, made up 19 per cent while finished manufactured goods accounted for 18 per cent of the total—slightly less in each case than in 1936-1938.

Geographical Distribution—Prior to the war, 21 per cent of our exports, on a dollar basis, went to the western countries of continental Europe, 19 per cent were sent to the Far East and 17 per cent were shipped to the United Kingdom. Almost as important customers as the United Kingdom at that time were the American Republics, which took 16 per cent of our exports, and Canada, which accounted for 15 per cent. Of the remainder, Africa and the Near East bought 5 per cent, Central Eastern countries of Europe 2 per cent, Russia 2 per cent, with the other 3 per cent distributed among the rest of the nations of the world.

In 1946, trade with all the major geographical areas was considerably larger than the volume prior to the war, even exclusive of Lend-Lease and relief shipments. However, a definite shift occurred in the relative importance of a number of areas, particularly in the distribution of cash-purchase exports.

While Canada, the American Republics and Africa and the Near East bought a larger percentage of our cash-purchase exports in 1946 than in 1936-1938, the United Kingdom declined in importance as compared with prewar volume. These changes resulted directly from the effects of World War II. Our imports from Western Hemisphere countries, Africa and the Near East, as well as from Russia, were larger in 1946 than before the war, relative to total imports.

FINANCING FOREIGN TRADE

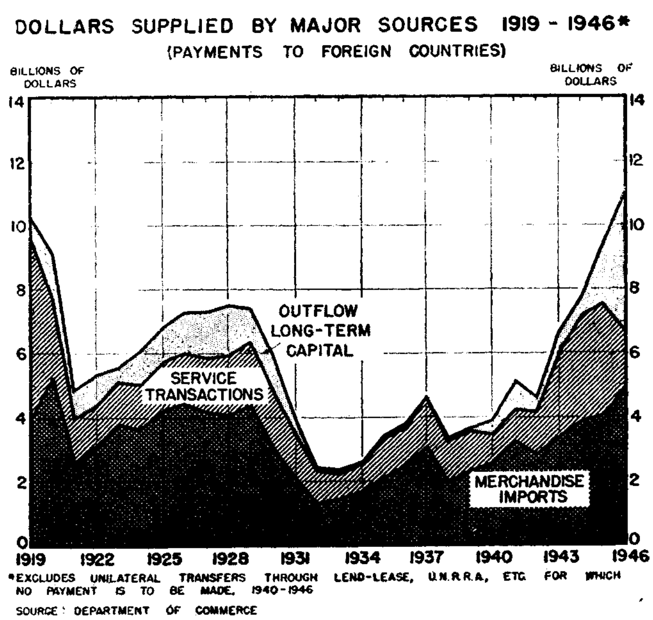
A nation's ability to buy foreign goods depends upon its ability to obtain balances in foreign countries. Other countries can build up dollar balances in the United States by selling us their goods and services or by borrowing from us. Or looking at it in another way, the United States can sell its goods and services abroad only to the extent: (1) that it purchases (imports) foreign goods and services, and (2) that it supplies dollars through foreign loans. It should be noted, however, that foreign loans obligate the borrowers to make interest and principal payments to the lender, e.g. the United States. These payments cannot be made, however, unless the United States buys enough foreign goods and services to supply the necessary dollars. Ultimately, then, credit extended to foreign countries will turn out to be gifts unless the lending nation is willing to accept goods in payment.

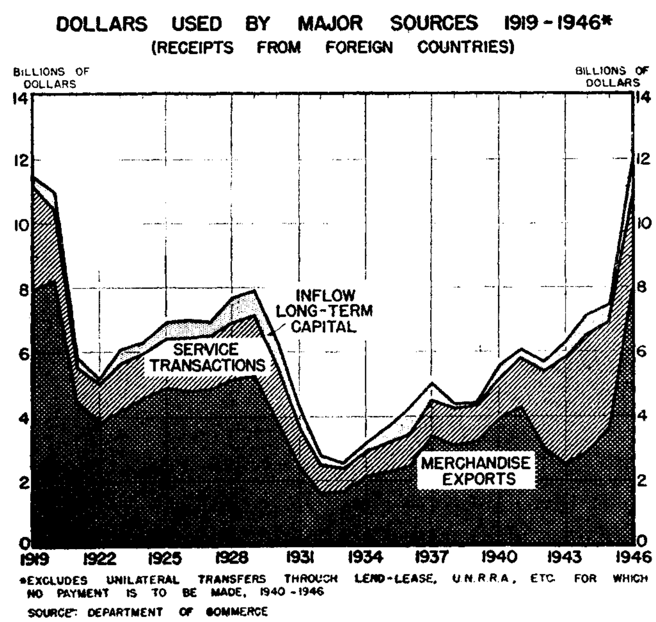
United States Balance of International Payments—Merchandise imports and exports do not have to balance during a particular period, but a nation's total outpayments and inpayments must balance if all merchandise, service and credit transactions are included. The balance of international payments of the United States is therefore a record of: (1) dollars supplied to foreign countries through purchases of their goods (imports) and services and through credits extended; and (2) the use of dollars by foreign countries for the purchase of U. S. goods (exports) and services and credit extended to U. S. borrowers.

The following charts show the major sources and uses of dollar balances from 1919 to 1946. Merchandise imports, payment for foreign shipping services, tourist expenditures abroad, personal remittances to foreign countries by United States residents and new loans and investments in foreign countries have been the major sources of dollars made available to foreign countries. These dollars have been used by foreigners mainly to purchase United States goods (exports), to pay for United States shipping services, and to pay interest and dividends to United States lenders and owners of foreign investments.

Perhaps the most striking feature revealed is the wide fluctuations in total sources and uses of dollar balances engendered by periods of depression and prosperity in the domestic economy. These fluctuations are due both to changes in the physical volume of imports and exports and to changes in the prices at which they are valued. There was a sharp decline in dollars supplied foreigners in 1921, in 1930-1932 and in 1937. The drop was especially severe in the early thirties when dollars made available to foreigners dropped from $7.4 billion in 1929 to $2.4 billion in 1932—a decrease of 68 per cent in three years. Dollars required to meet debt service payments to the United States remained fixed at about $900 million, resulting in a drop of dollars available for other purposes from $6.5 billion in 1929 to $1.5 billion in 1932, a decline of 77 per cent. Dollars used by foreigners to

SUPPLY AND USE OF DOLLARS, 1919-1946





buy United States goods and services also varied widely, decreasing during periods of depression and increasing during periods of good business. The short depression in 1937-1938 brought a sharp drop in dollars made available to foreigners but had little effect on dollars used for purchases in the United States.

The wartime pattern was dominated by the huge transfers of goods to Allied nations under lend-lease. Most of our imports, however, were for cash so that the United States had a net cash deficit from its international trade—the first time in many years. The deficit was met by a loss of gold and by an increase in foreign-owned, short-term dollar balances in the United States. Since V-J Day the pattern has changed. Lend-lease aid was stopped and the unprecedented volume of United States exports has been financed largely by various types of credit extended foreign countries or by outright gift.

The Dollar Shortage—During the war there was a tremendous demand for American goods and a major part of United States exports were lend-lease shipments which did not require cash payment. Lend-lease was terminated soon after hostilities ceased but the need for American goods continued acute. The war-involved areas were and still are in dire need of food and the necessities of life, and of raw materials, machinery and other products essential for the restoration and rehabilitation of their economies. In addition, there was and is a tremendous pent-up demand everywhere for goods not freely available since before the war.

The chief source of supply for these goods is the United States. Hence the desire for dollars is great but the ability to command them is very limited. Productive capacities of the war-devastated nations are too limited and depleted to supply domestic needs, and even if home consumption were held to a minimum there is little available for exports. Thus it has been impossible for many foreign countries to build up their dollar balances through exports.

Gold and dollar balances held by foreigners represent another source of purchasing power for United States goods. These have increased sharply since the 1930's and have been pointed to as constituting plenty of foreign purchasing power for United States goods. Actually they represent a limited means of meeting the need for foreign goods and services. First, they are not distributed among the nations according to need for assistance. In general, the countries least affected by the war and therefore least in need of assistance have been the ones which are able to maintain or increase their exports to the United States and build up their dollar balances. Second, a sizable part of the balances owned by the nations requiring assistance represents reserves which are required to maintain currency stability and hence are not available for meeting current import balances. Finally, the increase in prices and in the money volume of transactions makes it necessary for foreign countries to maintain larger working dollar balances. Actually prices have risen further than have foreign owned dollar balances so that the real purchasing power of these balances has declined.

It must be recognized, therefore, that a large part of these gold and dollar balances are not available for the purchase of needed foreign goods and services. Neither are most of these countries strong enough financially to obtain credit in the private capital markets. Hence many of them are in a dilemma—they cannot build up their productive and export capacity without essential raw materials, machinery and equipment and they cannot purchase the latter without building up their exports of goods and services.

To meet this need and provide financial resources, the Allied countries, mainly the United States, have provided an unprecedented volume of relief grants and credits for the rehabilitation and reconstruction of war-devastated areas. The International Bank for Reconstruction and Development was organized primarily to supply long-term credit for reconstruction. The International Monetary Fund was designed to supply scarce currencies to meet temporary shortages and thus to help stabilize foreign exchange rates, reduce the risk of international transactions and promote an expansion in foreign trade.

The United States especially has supplied financial assistance in a number of ways. This nation's contribution to UNRRA was almost $3 billion. More than $1 billion of civilian supplies was made available to liberated and occupied areas by the War and Navy Departments. Lend-lease "pipe line" credits for civilian-type goods supplied to war-torn countries since V-J Day total more than $1 billion. Another form of assistance has been the transfer of vast stock piles of surplus property located overseas. Through June, 1947, such transfers amounted to approximately $1.6 billion and over three-fourths of it represented credits extended foreign governments. Congress authorized the $3,750 million loan to Great Britain and a grant of $520 million for rehabilitation to the Philippines. The lending power of the Export-Import Bank was increased and its credit authorizations since V-J Day for reconstruction purposes are well in excess of $2 billion. Thus in 1946 foreign credits supplied about 20 per cent of all the dollars used by foreigners.

THE IMMEDIATE OUTLOOK

While the United States has sent a huge volume of goods abroad, so far in the postwar period the need for continued exports is still great. And not only is the need for our products large, but Secretary Marshall has pointed out that such exports can be and must be used to implement our foreign policy. Since, in at least the short-run future, our exports will continue to outrun our imports, the problem of financing the favorable trade balance will continue.

It should be recognized that certain conditions will be essential to the success of the Marshall policy. Foreign countries in need of financial aid must make every effort to put their own economies in order. Their budgets must be balanced as soon as possible and their currencies stabilized to facilitate trade and production. There must be a sincere desire to work together to carry out the plan. Finally, a freer exchange of goods will be necessary both to promote specialization and more efficient production.

In addition to the financing problems, implementation of the Marshall policy poses other serious questions for this nation. We have been shipping out of the country substantially more of our resources, in terms of materials, man hours of labor, and capital, than we have added to our wealth as a result of imports. The basic economic consideration involved in the current foreign trade question thus becomes a problem of determining the impact of the Marshall policy on our domestic economy and the current physical limitations on our ability to export. In other words, how many of what kinds of goods can this country divert to export channels, given the present high level of domestic demand and current productive capacity? Also, under these conditions, what effect will an expansion of exports have on fiscal policy, prices, employment, wage rates and other phases of our internal economy?

For the answers to these questions and for policy recommendations based thereon, President Truman in June created three committees. One group, under the direction of Secretary of the Interior Krug, is composed of technical experts whose function is to appraise the resources available for an expanded export program. A second technical group under the direction of the Council of Economic Advisors has as its objective the problem of evaluating the impact of our foreign program upon our economy. The third committee, directed by Secretary of Commerce Harriman, is composed of nineteen members drawn from the fields of labor, business, agriculture, finance, education, and research institutions. This is a policy-recommending group whose conclusions are to be based on the technical findings of the first two committees. The reports of these groups will be available early this fall.

CONCLUSIONS

Past experience demonstrates clearly: (1) that the volume of foreign trade and the volume of domestic production and employment are closely interrelated, and (2) that in general, the volume of United States exports largely depends on the volume of imports.

Both exports and imports and goods and services drop sharply during depression and expand during prosperity. The decreased buying power during depression is soon reflected in a declining demand for foreign goods and a decrease in United States imports. A decrease in imports diminishes the supply of dollars available to foreigners and forces them to buy less United States goods, resulting in a decline in exports and a still smaller volume of production in the export industries. Because of the dominant position of the United States, stability in the world economy will depend in no small degree upon economic stability in this nation. It is, therefore, of utmost importance that we do everything possible to maintain a stable economy.

If the United States is to maintain something near its present volume of exports, the course to be followed is clear. Since 1919, imports of foreign goods and services have supplied nearly 90 per cent of the dollars made available to foreigners for the purchase of United States exports of goods and services. This source of dollar exchange dropped sharply relative to exports in the war and is still low in the postwar period because war-devastated countries do not have productive capacity to supply their own essential needs and a surplus for export. A substantial increase in

United States imports, assuming a willingness to buy foreign goods, must await economic rehabilitation and reconstruction.

When the other nations of the world are in position to sell us more goods, however, we must either admit the goods to our markets or be prepared for a decline in our exports unless we are willing to extend foreign credits increasingly and indefinitely. And past history shows that the latter course is one that leads to serious repercussions.

The United States failed to realize the implications of its position as a great creditor nation after World War I. New barriers were raised against imports, making it practically impossible for foreign nations to service their debts. Widespread defaults and repudiations occurred, disrupting international trade and straining international relations. In addition, when we finally cut off our foreign credit extension, our exports dropped precipitously thus injuring many lines of activity here.

If we do not repeat the mistakes of the interwar period, if we extend credit and other foreign aid now as a means of getting the world back on its feet, and if we then attempt to hold a high level of exports by being willing to import an equivalent amount of goods and services, the foreign trade of this nation will flourish, and as it flourishes, this area should be able to increase the volume of its goods going into foreign markets.

Clay J. Anderson and Weldon A. Stein

Survey of Current Conditions

During recent months a number of apparently contradictory trends have developed in the domestic economy. On the surface some of these might be interpreted as indicating that a recession pattern is in the formative stage. Others can be pointed to as indicating continued and perhaps accelerated expansion. On the weak side, slight but fairly widespread declines have occurred in industrial output and factory employment; the value of goods shipped into distribution channels decreased monthly from February through May, although the trend was reversed in June; retail trade volume, adjusted for seasonal factors, has drifted downward since February although little change occurred in the second quarter; inventory accumulation, which was at an annual rate of $2.7 billion in the first quarter, was down to $1.5 billion in the June quarter, and in June the value of exports declined in total and in a number of important commodities.

In contrast to the above, and currently offsetting the adverse picture created by the decline in production, are several factors of basic strength. More people are at work than ever before in the history of the country. In June and through July, civilian employment exceeded 60 million. Goods and services produced in the second quarter were valued at $226 billion, an increase of $4 billion over the first three months. Personal income in June was at a new peak of $193 billion and in that quarter was at an annual rate of nearly $192 billion. Consumers' expenditures as well as producers' investment in capital equipment were higher in the second quarter, partly reflecting higher prices and, in part, despite them.

At the moment the indicators of strength and weakness just about cancel each other out. This means that very short-run future developments are likely to point the way the economy goes and probably what happens in the price field will be the major determining factor. Neither individual consumers nor the buyers of capital equipment can continue indefinitely to withstand the pressure of rising prices for the goods they purchase. The upward trend of corporate profits, despite increased wages and other costs and larger deductions for various types of special reserves as well as accelerated depreciation reserves, suggests the possibility that industry will be able to adjust to higher costs of equipment for a longer period than consumers will be able to meet their rising costs.

EMPLOYMENT

July, 1947, was the second consecutive month in which civilian employment in the United States was in excess of 60 million. Eighth District civilian employment reached a peacetime high in July, but was still somewhat below the wartime peak. Most of the increase in employment in the United States in the past two months has been seasonal, including many part-time and summer workers.

The various Employment Service offices in the district states have forecast employment increases in the major district areas for the remainder of the year. In St. Louis, employment increases are forecast for thirteen of the seventeen manufacturing industries, with stable employment predicted for the remaining four. Construction, trade, and service also are expected to increase employment. Small increases in both manufacturing and non-manufacturing employment are expected in Louisville, with the most significant expansions in fabricated metal products and food. A relatively large employment gain is forecast for Memphis as several new manufacturing plants are expected to be staffed the latter part of the year. In Evansville, an employment increase is anticipated due to probable gains in the nonelectrical machinery and food industries and in Little Rock because of the additional workers needed in apparel, furniture, and instrument manufacturing and in lumber mills and construction. These forecasts are based on employer reports. The increases are contingent, of course, upon a number of factors such as continued demand, adequate supply of materials and peaceful labor-management relations.

In July, 1947, employment in the St. Louis area exceeded 700,000 for the second time in its history. Current employment is at the highest level it has ever been with the exception of the one month of July, 1943, when the wartime peak was reached. St. Louis now has 150,000 more people working than during 1940 and only 6,000 fewer than at the war peak.

INDUSTRY

The high level of industrial activity which prevailed in this district in May and June was not maintained in July. Slight declines occurred in maufacturing output as well as in oil production. Construction activity increased slightly although the value of building permits awarded was lower than in June.

Industries in St. Louis, Little Rock and Memphis used less electric power in July than in the previous month. These declines more than offset increases in Evansville, Pine Bluff and Louisville, resulting in a decrease of 3 per cent in total consumption.

Manufacturing—The decline in manufacturing operations in July reflected, in part, shortages of materials. This was particularly true of the district's automobile assembly plants. In addition, some production was lost as a direct or indirect result of scattered labor disturbances. Output in other instances was curtailed when operations were suspended and all employees were granted vacations at one time.

The St. Louis steel industry continued to operate at about 65 per cent of capacity in July. While output was unchanged from the June level, the industry's operations were substantially ahead of July last year when they were scheduled at 29 per cent of capacity.

Production of whiskey in Kentucky declined in June and was less than in any month since November, 1946. Output in June amounted to 5.5 million tax gallons as compared with 8.3 million tax gallons in May. In the first six months, production averaged 9.9 million gallons monthly; last year in the corresponding period output averaged 5.3 million gallons. Whiskey stocks are building up in many distilleries due to a decrease in consumption, according to trade reports. Consumer reaction to currently high prices for bonded whiskies is credited by some sources with price cutting that has occurred in scattered areas. At the end of July only 21 distilleries were operating in Kentucky as compared with 25 a month earlier and 26 at the end of July, 1946. Part of the decline is seasonal, resulting from water shortages in some localities in the summer months.

District shoe production in June was at the lowest level this year. In that month an estimated 7.3 million pairs were produced, a decline of 6 per cent from May and 8 per cent less than in June, 1946. In the first half of the year, production averaged 7.9 million pairs monthly or slightly more than the average of 7.6 million pairs manufactured through June last year.

Meatpacking operations in the St. Louis area declined slightly in July. The number of animals slaughtered under Federal inspection totaled 465,000 as compared with 473,000 in June and 488,000 in July, 1946. The slaughter of cattle, calves and sheep increased over June but the number of hogs killed dropped from 279,000 to 243,000 in July.

Petroleum—After increasing in May and June, the daily average production of crude oil in the district dropped to the lowest level this year.

INDUSTRY

CONSUMPTION OF ELECTRICITY

(K.W.H. in thous.)	No. of Customers*	July, 1947 K.W.H.	June, 1947 K.W.H.	July, 1946 K.W.H.	July, 1947 Compared with June,'47	July, 1947 Compared with July,'46
Evansville	40	9,176	8,779	7,359	+ 4%	+ 25%
Little Rock	35	3,716	3,830	3,442	— 3	+ 8
Louisville	80	56,635	56,329	56,230R	+ 1	+ 1
Memphis	31	3,762	5,448	4,195	— 31	— 10
Pine Bluff	22	5,867	4,388	1,382	+ 34	+325
St. Louis	99	65,734	70,803	67,017R	— 7	— 2
Totals	307	144,890	149,577	139,625R	— 3%	+ 4%

*Selected industrial customers.
R—Revised.

LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

			First Nine Days			
July, '47	June, '47	July, '46	Aug., '47	Aug. '46	7 mos. '47	7 mos. '46
114,412	119,120	125,825	35,153	38,770	885,142	843,792

Source: Terminal Railroad Association of St. Louis.

CRUDE OIL PRODUCTION—DAILY AVERAGE

(In thousands of bbls.)	July, '47	June, '47	July, '46	July, '47 comp. with June, '47	July, '47 comp. with July, '46
Arkansas	80.9	81.2	79.5	— 0%	+ 2%
Illinois	181.3	187.9	209.1	— 4	—13
Indiana	17.7	17.7	18.9	-0-	— 6
Kentucky	26.2	25.9	31.4	+ 1	—17
Total	306.1	312.7	338.9	— 2%	—10%

TRADE

DEPARTMENT STORES

	Net Sales: July, 1947 compared with June,'47	Net Sales: July, 1947 compared with July,'46	Net Sales: 7 mos.'47 to same period '46	Stocks on Hand: July 31,'47 comp. with July 31,'46	Stock Turnover Jan. 1, to July 31, 1947	Stock Turnover Jan. 1, to July 31, 1946
Ft. Smith, Ark.	—13%	—19%	—12%	—22%	2.27	2.96
Little Rock, Ark.	— 8	— 7	— 1	—15	2.68	3.36
Quincy, Ill.	— 8	— 4	+ 6	+15	2.53	3.10
Evansville, Ind.	—12	+10	+15	— 7	2.07	2.42
Louisville, Ky.	—12	+ 7	+11	+ 4	2.70	3.67
St. Louis Area[1]	+ 1	+12	+11	+ 5	2.23	2.99
St. Louis, Mo.	+ 2	+10	+ 9	+ 5	2.23	2.99
E. St. Louis, Ill.	— 2	+88	+94	....	...	...
Springfield, Mo.	— 1	+ 4	+ 4	+20	2.27	3.27
Memphis, Tenn.	— 8	— 2	+ 4	+ 2	2.46	3.32
*All other cities	—13	+ 4	+ 5	+19	2.24	3.15
8th F. R. District	— 4	+ 6	+ 8	+ 3	2.35	3.15

*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: July, 1947—26; June, 1947—25; July, 1946—26.

Outstanding orders of reporting stores at the end of July, 1947, were 49 per cent less than on the corresponding date a year ago.

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

	Instalment Accounts	Excl. Instal. Accounts		Instalment Accounts	Excl. Instal. Accounts
Fort Smith	..%	50%	Quincy	34%	64%
Little Rock	28	56	St. Louis	35	60
Louisville	31	52	Other cities	28	57
Memphis	34	47	8th F.R. Dist.	33	56

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

8th Federal Reserve District

	July, 1947	June, 1947	May, 1947	July, 1946
Sales (daily average), Unadjusted[2]	249	269	315	234
Sales (daily average), Seasonally adjusted[2]	320	299	321	300
Stocks, Unadjusted[3]	256	267	272	240
Stocks, Seasonally adjusted[3]	246	267	272	231

[2] Daily Average 1935-39=100.

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

SPECIALTY STORES

	Net Sales: July,'47 compared with June,'47	Net Sales: July,'47 compared with July,'46	Net Sales: 7 mos. '47 to same period '46	Stocks on Hand: July 31,'47 comp. with July 31,'46	Stock Turnover Jan. 1, to July 31, 1947	Stock Turnover Jan. 1, to July 31, 1946
Men's Furnishings	—30%	+ 9%	+ 6%	+35%	2.06	3.88
Boots and Shoes	—16	+ 5	+ 5	+59	2.64	4.92

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

Men's Furnishings ....51% Boots and Shoes........................45%

Trading days: July, 1947—26; June, 1947—25; July, 1946—26.

RETAIL FURNITURE STORES

	Net Sales: July, 1947, compared with June, 1947	Net Sales: July, 1947, compared with July, 1946	Inventories: July, 1947, compared with June, 1947	Inventories: July, 1947, compared with July, 1946	Ratio of Collections July, 1947	Ratio of Collections July, 1946
St. Louis Area[1]	— 6%	+ 4%	— 2%	+59%	46%	42%
St. Louis	— 5	+ 5	— 2	+59	48	42
Louisville Area[2]	—22	+12	— 6	+21	24	28
Louisville	—19	+11	— 7	+19	24	27
Memphis	+12	+13	— 1	+23	22	28
Little Rock	—20	— 6	- o -	+26	29	36
Springfield	—17	—19	*	*	*	*
8th District Total[3]	— 8	+ 3	— 3	+40	35	37

*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

	July, 1947	June, 1947	July, 1946
Cash Sales	20%	19%	26%
Credit Sales	80	81	74
Total Sales	100	100	100

Daily production in July averaged 306,000 barrels, or 2 per cent less than in June and 10 per cent less than a year ago. Output in Kentucky increased slightly and in Arkansas and Indiana was at about the same level as in June. In Illinois, however, daily output was 4 per cent less than in June. Each state except Arkansas reported a smaller daily rate than in July, 1946.

Construction—The value of building permits awarded in the major district cities declined in July, for nonresidential as well as residential building. Totaling $8.3 million as compared with $10.3 million in June, permits declined in Louisville, Memphis, and Little Rock. In St. Louis the value of awards rose fractionally and in Evansville a sharp increase occurred.

TRADE

Eighth District department stores continued to register very high sales in July. The July seasonally adjusted index of such sales was 318 per cent of the 1935-39 average. Sales volume at reporting stores in July was off slightly, 4 per cent, from June, but this decline was less than seasonal. Volume was 6 per cent over July, 1946, volume.

A substantial part of the increase in dollar volume over the past year reflects price increases, both direct and indirect. The Bureau of Labor Statistics consumer price index rose to a new high during June, standing at 157.1 compared with the previous peak of 156.3 reached in mid-March of this year.

No significant pickup in inventories had developed by July but they seem likely to build up during the next few months, partly a seasonal movement but partly an absolute increase. In terms of value, department store inventories at the end of July, 1947, were 3 per cent less than on June 30, 1947, but were 3 per cent more than at the end of July, 1946. Many stores have been underordering in view of anticipated needs, but with veterans' leave bonds becoming payable and with consumer credit regulation being terminated November 1, stores seem likely to build up their stocks

CONSTRUCTION

BUILDING PERMITS

(Month of July)

(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	103	40	$ 734	$ 50	133	152	$ 93	$ 45
Little Rock	132	133	916	659	221	156	364	127
Louisville	216	248	1,168	928	98	73	64	65
Memphis	833	580	2,299	3,104	173	215	169	124
St. Louis	241	196	1,984	1,277	353	318	504	545
July Totals	1,525	1,197	$7,101	$6,018	978	914	$1,194	$ 906
June Totals	1,691	1,177	$9,384	$5,057	862	960	$ 904	$1,388

in anticipation of increased sales. Outstanding orders currently are running at approximately one-half the volume of the comparable period last year.

Dollar sales at women's stores are still in large volume but are running slightly below the level of the comparable period in 1946. Sales volume at men's wear stores in July was 30 per cent less than in June, but was 19 per cent over the volume of July, 1946. During July, reporting furniture store sales were 8 per cent smaller than in the previous month but 3 per cent more than in July, 1946. Sales of major appliances still are limited by shortages, as are sales of some medium-priced lines of furniture.

BANKING AND FINANCE

Total assets of Eighth District weekly reporting member banks gained $40 million during the last four weeks, reversing, at least temporarily, the generally downward trend which had prevailed. The gain in reporting bank resources was due primarily to loan expansion, the volume of investments showing little change. There were no Treasury marketable security redemptions for cash during the last month. Since the rate of such redemptions is much slower now than when the Treasury was using large Victory Loan balances to retire debt, commercial bank loan policy will probably be the major influence on bank resources and the money supply in future months.

Loans of district reporting banks continued to expand in the past month, reflecting principally a seasonal gain in commercial, industrial and agricultural loans. Business loans in this district usually reach a low around midyear and then rise gradually during the latter part of the year. Commercial, industrial and agricultural loans of district reporting banks were up $20 million during the last four weeks, most of the increase being accounted for by the larger reporting banks in St. Louis, although some gain was registered in most of the reporting centers. Reflecting the continued high level of activity in urban property, real estate loans gained $2 million, which is about the same

WHOLESALING

Lines of Commodities	Net Sales		Stocks
Data furnished by Bureau of Census, U. S. Dept. of Commerce*	July, 1947 compared with June, '47	July, 1947 compared with July, '46	July 31, 1947 compared with July 31, 1946
Automotive Supplies	+ 8%	— 9%	........%
Drugs and Chemicals	+10	+19	....
Dry Goods	+ 2	—15	+23
Groceries	+10	+20	+22
Hardware	— 3	+39	+51
Tobacco and its Products	+ 2	- 0 -	+28
Miscellaneous	+ 3	— 1	+50
Total all lines**	+ 3	+ 4	+34

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

PRICES

WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1926=100)	July, '47	June, '47	July, '46	July, '47 compared with June, '47	July, '47 compared with July, '46
All Commodities	150.8	148.0R.	124.7	+1.9%	+20.9
Farm Products	181.4	177.9	157.0	+2.0	+15.5
Foods	167.1	161.8	140.2	+3.3	+19.2
Other	133.8	132.0	109.5	+1.4	+22.2

CONSUMER PRICE INDEX

Bureau of Labor Statistics (1935-39)=100)	June 15, 1947	May 15, 1947	June 15, 1946	June 15,'47 May 15,'47	Comp. with June 15,'46
United States	157.1	155.8	133.3	+1%	+18%
St. Louis	155.6	154.5	131.2	+1	+19
Memphis	160.6	*	134.5	*	+19

*Not available.

RETAIL FOOD PRICES

Bureau of Labor Statistics (1935-39=100)	July 15, 1947	June 15, 1947	July15, 1946	July 15,'47 June 15,'47	Comp. with July 15,'46
U. S. (51 cities)	193.1	190.5	165.7	+ 1%	+17%
St. Louis	200.9	196.8	169.7	+ 2	+18
Little Rock	193.6	189.8	159.3	+ 2	+22
Louisville	185.4	183.4	155.2	+ 1	+19
Memphis	210.1	205.1	174.6	+ 2	+20

BANKING

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

(In thousands of dollars)	Aug. 20, 1947	Change from July 23, 1947	Change from Aug. 21, 1946
Industrial advances under Sec. 13b	$	$	$ ....
Other advances and rediscounts	23,778	+ 13,835	+ 7,098
U. S. securities	1,110,228	+ 12,802	+ 39,171
Total earning assets	1,134,006	+ 26,637	+ 46,269
Total reserves	618,829	+ 3,523	— 411
Total deposits	675,024	+ 26,233	+ 29,548
F. R. notes in circulation	1,075,759	+ 3,941	+ 15,575
Industrial commitments under Sec. 13b	580	+ 180	— 3,460

PRINCIPAL ASSETS AND LIABILITIES WEEKLY REPORTING MEMBER BANKS

(In Thousands of Dollars) Assets	Aug. 20, 1947	Change from July 23, 1947	Change from Aug. 21, 1946
Total loans and investments	$2,038,815	$+ 24,514	$—126,169
(Commercial, industrial, and agricultural loans, open market paper)	452,498	+ 20,345	+108,341
Loans to brokers and dealers in securities	5,144	— 709	— 5,635
Other loans to purchase and carry securities	51,092	+ 2,815	— 41,202
Real estate loans	133,575	+ 2,902	+ 33,957
Loans to banks	3,942	+ 1,886	+ 1,290
Other loans	163,340	+ 2,156	+ 27,353
Total loans	809,591	+ 29,395	+124,104
Treasury bills	9,178	— 3,863	— 10,544
Certificates of indebtedness	90,269	+ 3,388	—105,275
Treasury notes	134,730	— 1,541	— 96,059
U. S. bonds including guaranteed obligations	845,774	— 8,894	— 34,481
Other securities	149,273	+ 6,029	— 3,914
Total investments	1,229,224	— 4,881	—250,273
Cash assets	696,281	+ 14,620	+ 27,215
Other assets	24,507	+ 1,176	— 785
Total assets	$2,759,603	$+ 40,310	$— 99,739
Liabilities			
Demand deposits—total	$2,088,823	$+ 28,127	$—137,986
Individuals, partnerships, and corporations	1,376,998	+ 8,527	+ 93,495
Interbank demand deposits	561,991	— 1,314	— 49,779
U. S. Government deposits	33,705	+ 11,637	—199,274
Other demand deposits	116,129	+ 9,277	+ 17,572
Demand deposits—adjusted*	1,316,924	+ 18,567	+ 96,783
Time deposits	471,675	— 258	+ 24,161
Borrowings	18,660	+ 10,140	+ 6,860
Other liabilities	15,522	+ 1,405	— 201
Total capital accounts	164,923	+ 896	+ 7,427
Total liabilities and capital accounts	$2,759,603	$+ 40,310	$— 99,739

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

as the average monthly increase during the last year. The major part of the increase in loans on real estate was in St. Louis reporting banks, although there were slight increases at the other district reporting centers. The high level of consumer expenditures, a part of which was by means of instalment purchases, resulted in some further expansion of consumer loans.

AGRICULTURE

Discouraging reports of prospective corn production, prospects of a smaller tobacco crop than last year, even though it promises to exceed the ten year average, and optimistic reports of indicated cotton production highlight the agricultural situation in the Eighth District as the time of harvest approaches.

Unfavorable dry weather, particularly in the Corn Belt, caused a 330 million bushel reduction in estimated national corn production between July 15 and August 15. The crop was forecast at 2,440 million bushels on this latter date.

The August 1 estimated corn crop in district states was 18 per cent less than last year compared with a 19 per cent decrease nationally. The August 15 estimate for Missouri, however, is 36 per cent less than last year and for Illinois 30 per cent less compared with 16 and 21 per cent decreases respectively forecast two weeks earlier. August 1 corn production estimates for Indiana, Arkansas, Kentucky and Tennessee were 25, 11, 10 and 3 per cent less than last year. Indicated production in Mississippi is 4 per cent above last year.

Cotton production in the four important district cotton producing states is estimated to be 32 per cent above last year's crop and 2 per cent above the ten year (1936-45) average. Due to a smaller increase in acreage in the district, prospective cotton output here does not exceed 1946 production as much as in the United States as a whole. Yield in district states is expected to be 18 per cent above last year compared with an increase of 15 per cent for the United States.

PROSPECTIVE COTTON PRODUCTION—1947
EIGHTH DISTRICT STATES

	Aug. 1 indicated production (thousand bales)	Aug. 1 indicated lint yield (pounds per acre)	1947 production and yield comp. with 1946: Production	Yield	Av. 1936-45: Production	Yield
Arkansas	1,640	387	+28%	+ 7%	+18%	+19%
Mississippi	1,600	324	+53	+43	—10	— 2
Tennessee	550	401	+ 6	0	+ 4	+14
Missouri	375	415	+22	—12	+ 3	— 5
Total	4,165	379(Av.)	+32	+18	+ 2	+ 8
United States	11,844	271	+37	+15	— 4	+ 8

Source: U. S. D. A. Cotton Production, Aug. 1, 1947.

Lower prospective tobacco yields in addition to smaller acreages than in 1946 indicate a production in district states 17 per cent less than last year's crop. The prospective yield in district states is 7 per cent less than last year compared with a 6 per cent decrease for the nation. This indicated yield in district states, however, is 20 per cent above the ten year (1936-45) average compared with a 14 per cent increase for the United States.

PROSPECTIVE TOBACCO PRODUCTION—1947
EIGHTH DISTRICT STATES

	Aug. 1 indicated production (thousand pounds)	Aug. 1 indicated yield (pounds per acre)	1947 production and yield comp. with 1946: Production	Yield	Av. 1936-45: Production	Yield
Kentucky	420,235	1,135	—17%	— 7%	+25%	+21%
Tennessee	143,400	1,182	—16	— 9	+33	+20
Indiana	12,460	1,246	— 8	— 4	+23	+25
Missouri	5,600	1,000	—25	—11	— 3	+ 1
Total	581,695	1,147(Av.)	—17	— 7	+26	+20
U. S.	2,126,477	1,111	— 8	— 6	+37	+14

Source: U. S. D. A. Crop Production, Aug. 1, 1947.

Prices of agricultural commodities on July 15 reached 276 per cent of 1909-14 prices, 5 points higher than a month earlier. Since prices paid remained the same, the parity ratio widened from 117 to 119. Present reports indicate that little softening of agricultural prices can be expected for the remainder of the year.

DEBITS TO DEPOSIT ACCOUNTS

(In thousands of dollars)	July, 1947	June, 1947	July, 1946	July,'47 comp. with June, '47	July,'47 comp. with July, '46
El Dorado, Ark.	$ 18,497	$ 17,825	$ 15,249	+ 4%	+21%
Fort Smith, Ark.	31,887	32,481	30,610	— 2	+ 4
Helena, Ark.	4,861	5,271	4,363	— 8	+11
Little Rock, Ark.	99,523	102,321	93,179	— 3	+ 7
Pine Bluff, Ark.	20,953	18,895	18,099	+11	+16
Texarkana, Ark.-Tex.	8,751	8,351	8,722	+ 5	-0-
Alton, Ill.	21,912	21,981	18,211	-0-	+20
E.St.L.-Nat.S.Y.,Ill.	110,541	107,018	87,363	+ 3	+27
Quincy, Ill.	26,405	25,013	20,736	+ 6	+27
Evansville, Ind.	100,392	90,867	85,181	+10	+18
Louisville, Ky.	423,000	456,711	398,948	— 7	+ 6
Owensboro, Ky.	20,942	20,814	23,071	+ 1	— 9
Paducah, Ky.	12,757	15,370	11,464	—17	+11
Greenville, Miss.	12,492	12,673	12,925	— 1	— 3
Cape Girardeau, Mo.	9,260	8,626	8,353	+ 7	+11
Hannibal, Mo.	7,033	6,552	6,359	+ 7	+11
Jefferson City, Mo.	41,543	36,217	42,575	+15	— 2
St. Louis, Mo.	1,346,458	1,340,059	1,261,606	-0-	+ 7
Sedalia, Mo.	9,589	9,844	8,709	— 3	+10
Springfield, Mo.	54,320	53,823	52,759	+ 1	+ 3
Jackson, Tenn.	14,189	14,632	13,095	— 3	+ 8
Memphis, Tenn.	338,654	361,383	361,632	— 6	— 6
Totals	$2,733,959	$2,766,727	$2,583,209	— 1%	+ 6%

AGRICULTURE

CASH FARM INCOME

(In thousands of dollars)	June, 1947	June, '47, comp. with May, 1947	June, '47, comp. with June, 1946	12 mo. total July to June '46-'47	'46-'47 comp. with '45-'46	'46-'47 comp. with '44-'45
Arkansas	$ 22,115	— 4%	+31%	$ 472,147	+51%	+32%
Illinois	128,031	—10	+94	1,725,793	+44	+55
Indiana	76,829	— 1	+66	968,098	+36	+46
Kentucky	31,087	+19	+54	497,492	+30	+18
Mississippi	16,514	— 4	+31	292,726	—13	—18
Missouri	75,700	+ 9	+68	1,006,628	+45	+42
Tennessee	36,105	+27	+50	443,625	+33	+27
Total	$386,381	+ 1%	+67%	$5,406,509	+36%	+36%

RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts: July, 1947	July, '47 comp. with June,'47	July, '47 comp. with July,'46	Shipments: July, 1947	July, '47 comp. with June,'47	July, '47 comp. with July,'46
Cattle and Calves	172,875	+ 3%	— 28%	82,072	+ 3%	— 46%
Hogs	219,188	— 9	+ 14	78,554	+ 5	+ 14
Sheep	91,530	—31	— 37	30,738	—62	— 51
Horses	1,151	+25	— 85	1,151	+25	— 85
Total	484,744	—10%	— 17%	192,515	—19%	— 34%