

# Monthly Review

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## *Eighth District Agriculture in a Period of Readjustment*

District agricultural production in 1953 was close to its record volume despite the drouth, the consequences of which were serious for some farmers particularly beef cattle raisers and producers of dairy products.

But near record production in face of declining foreign demand has brought falling prices and a price-cost squeeze. Income is down and financial problems have increased.

The nation is faced again with an agricultural surplus problem. Present price-support and output-restriction programs are helpful, but delay needed adjustments in agriculture. Provision should be made in any farm program, however, for (1) protection of farm income, (2) disaster, defense, and future needs of our domestic economy and (3) our international responsibilities to the free world.



**District agricultural production in 1953 was close to its record volume . . .**

**D**ISTRICT crop production for 1953 totaled only slightly lower than in 1952, and was larger than the level of production for the past ten years. District wheat and rice crops were the largest in history. The cotton crop, although not a record, was 19 per cent larger than the ten-year average and 9 per cent more than 1952 production. Burley tobacco production was down 10 per cent from 1952 (largely due to smaller acreage allotments for the 1953 crop). Even so, it was 9 per cent larger than the average for the past decade. Oats production exceeded that of 1952, but fell short of the ten-year average.

On the unfavorable side, pasture production was off sharply and there were sizable reductions in the outturn of hay, soybeans, corn, and dark tobacco. District soybean production was down more than one-fourth from 1952. However, it exceeded the ten-year average production by nearly one-sixth, due to greatly increased acreages. Nationally the crop was larger than the long-time average by about the same proportion.

**. . . despite the drouth, the consequences of which were serious for some farmers . . .**

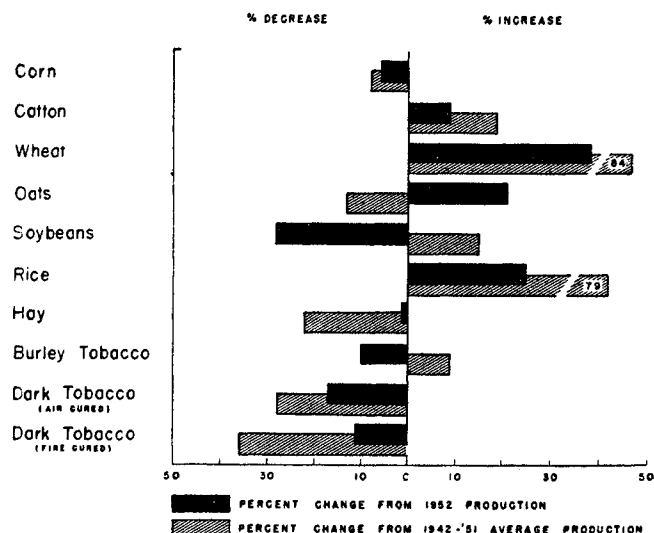
This production record was made despite a prolonged drouth covering most of the district counties. Extensive areas in the district had worse drouths than those of 1930, 1934, and 1936. Actual rainfall in Missouri, for example, during the growing season of 1953 was but 51 per cent of normal. Furthermore, in many district areas, it was the second year of drouths and, in a few counties, a continuation of subnormal rainfall begun in 1951.

Actual monetary losses directly attributed to the drouth cannot be ascertained readily. But it is clear that they have been substantial. Furthermore, indirect and delayed losses will be fully as important as current losses resulting from reduced crop yields and forced sales of livestock.

**. . . particularly beef cattle raisers and producers of dairy products.**

The drouth was particularly hard on district beef and dairy producers relying on pastures for much of their feed. Many were forced to sell livestock (usually in poor condition) when their pastures or water supplies dried up. This had the effect of unduly depressing local market prices. The plight of such producers was further aggravated by the fact that feed costs rose, making it costly to maintain herds on purchased supplies. And many pastures required the additional expense of reseeding.

**1953 Eighth District Crop Production Compared with 1952 and the 1942-51 Average**



Unfortunately, the drouth extended into late fall with but little relief. Pasture conditions over much of the district on October 1 (last significant date on pasture conditions) were extremely poor. In Missouri the condition was estimated to be 13 per cent of normal and other district areas were little better. Even in the disastrous drouth of the 'thirties considerable recovery had occurred by that date. And in 1952 drouth conditions were less damaging since fall rains stimulated growth of pasture and hay. Then, too, there was an open winter in 1952-53, permitting a longer grazing season and thus reducing the amount of hay and other feed requirements. By contrast, this year, due to lack of moisture, considerable hay had to be fed even before winter began.

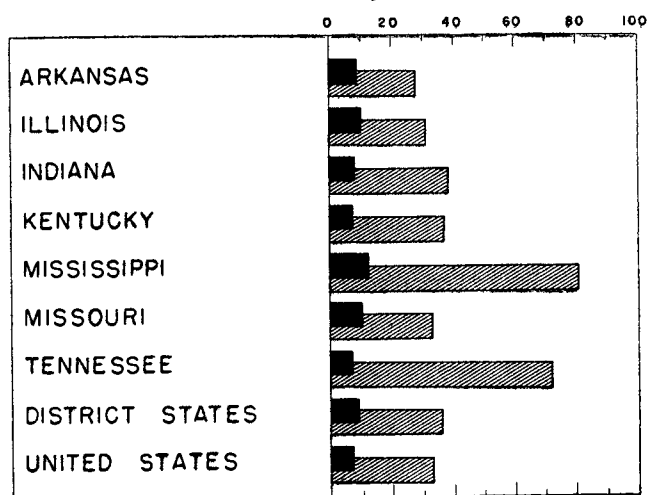
The scarcity of hay is pointed up in district crop production statistics which show sharp reductions in the hay output this year in comparison with a year ago. Production was also off sharply from the ten-year average. In contrast, production nationally this year was up both from 1952 and the ten-year average levels.

Last year (1952) cattle numbers increased in every district state, and by the close of the year had reached record levels. Dairy cow numbers also increased during this period. These increases occurred despite that year's drouth, price declines, and some forced marketings. The availability of late fall pasture in 1952 undoubtedly was a factor in holding livestock numbers at a high level.

This year, however, farmers were unable to maintain their herds. Reflecting the drouth and other factors, cattle slaughter in district states for the first nine months increased 37 per cent over the corresponding period a year ago. This rate of slaughter, if

maintained, will exceed the production rate. Therefore, if substantially fewer feeders were shipped into the district during the year, a downturn in cattle numbers has probably occurred. A further indication that the total number of cattle in the district has reached or passed its peak is that there were larger marketings of cows in relation to total cattle slaughter.

**Increases in  
1953 Livestock Numbers and Slaughter  
in District States Compared with 1952**



■ NUMBERS- % CHANGE JANUARY 1, 1952 TO JANUARY 1, 1953

▨ SLAUGHTER % CHANGE 9 MONTHS - JAN. - SEPT. 1952 TO JAN. - SEPT. 1953

***But near record production in face of declining foreign demand . . .***

Notwithstanding the drouth, farm production for the district and nation in 1953 has been substantial and accumulated supplies have increased. Partly the increase is accounted for by a reduction in foreign demand for our agricultural products.

Export markets are important to American crop producers. Last year, for example, one-quarter of our wheat, about one-fifth of our cotton and tobacco, and better than half our rice production was shipped abroad. But this foreign demand is shrinking. Agricultural exports of the United States for the year ending June, 1953, already have declined nearly one-third from the record year preceding as the chart shows. The \$2.8 billion export total also was lower than in any of the preceding seven years.

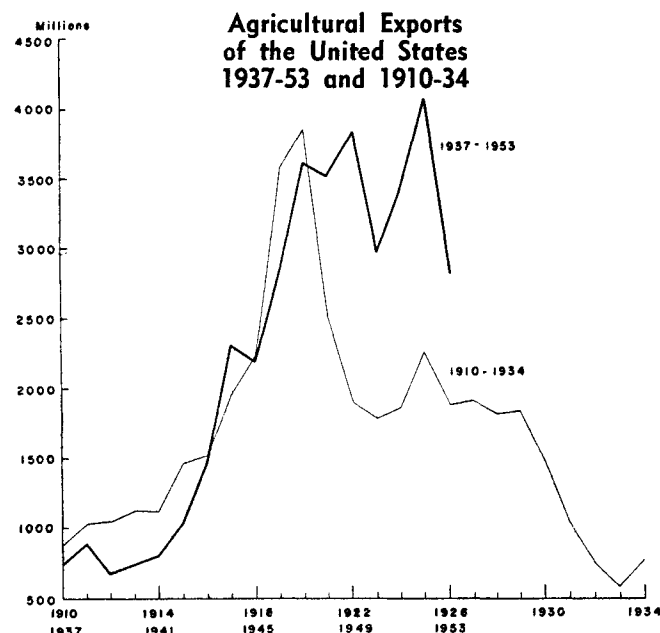
A striking similarity is apparent between the two lines shown on the chart. During each of the two war periods agricultural exports rose sharply and remained at a high level for a period following cessation of hostilities. Assistance following World War II, of course, was more extensive and, therefore, the high level of exports lasted longer. Then, following the period of reconstruction, the chart shows that agricultural exports declined. Thus, dur-

ing the 'twenties they were about half as large as in the peak year following World War I. For the more recent period, a substantial drop occurred in 1949 and, as mentioned, a further skid took place during the current year following the bulge in foreign demand related to the Korean outbreak.

Several reasons account for the current decline. A major one is that foreign countries have agricultural production back up to normal following wartime disruptions. Thus, pressure for food and fiber imports has lessened. To some extent importing countries have purchased agricultural commodities from sterling areas in order to save dollars for other purchases in this country. Not the least among the reasons for fewer purchases in this country has been a reduction in our foreign economic aid programs and a higher domestic price than world price for some of the surplus commodities.

The bulk of the export decline (\$1.0 billion out of a total of \$1.2 billion) occurred in two crops—cotton and wheat. Cotton, of course, is a commodity produced in major quantities in the district. Cotton exports fell \$628 million, or more than 50 per cent for the year ending June 30. However, the dollar value of cotton exports in fiscal 1952 was unusually high (exceeding that of any previous year with the exception of 1920) due not only to a large physical volume of shipments but also to a relatively high price.

Exports of wheat, another important district crop, were down one-third from the preceding year. This



fiscal 1953 dollar value of exports was exceeded in five of seven postwar years. But prior to 1946, there were only two years in which exports of this commodity were higher.

**EXPORTS OF FARM PRODUCTS—UNITED STATES  
1948-52 (YEARS ENDING JUNE 30)**

	(Value in million dollars)				
	1953	1952	1951	1950	1949
Cotton.....	\$ 576	\$1,204	\$ 941	\$ 948	\$ 807
Tobacco.....	284	327	274	235	225
Wheat.....	687	1,073	749	684	1,300
Rice.....	145	141	83	86	84
Soybeans (and soybean oil).....	108	118	153	92*	122*

Source: *Tobacco Situation*, July-September 1953 and *Foreign Agricultural Trade*, September 1953.  
\* Year ended September 30.

On the other hand, rice exports, tied closely to foreign aid programs, increased moderately. Normally, Japan and India have been the major rice importing countries on the world market. And, normally, they have been supplied largely by the countries of Southeast Asia. Political turmoil has so changed this situation that some countries which are generally rice exporters have become rice importers. The United States, along with Egypt and Brazil, has moved in to meet the needs of the non-communist nations. Production here has increased rapidly. Last year, for example, this country was the third largest exporter of rice, two-thirds of our shipments going to Asia—primarily Japan, Korea, Ceylon, and Indonesia.

**. . . has brought falling prices . . .**

In part reflecting the shifts in export demand, in part other influences, sharp declines have occurred in the prices of a number of important farm commodities.

Wheat prices in the recent period have reflected the shift in export demand quite closely. Both exports and prices were high in all years since 1946. However, the peak was reached during the period 1947-49 when world supplies were limited and demand highest. Since then foreign supplies have increased and exports have declined. The price logically should have declined, and to some extent this occurred, with wheat prices for the first three quarters of 1953 averaging about 7 per cent lower than in 1951 and 1952. That a greater adjustment in price did not occur can be attributed to price supports, loans, and purchase programs which took large quantities of wheat off the market. By August 31, 1953, the Government had in inventory or under loan 611 million bushels.

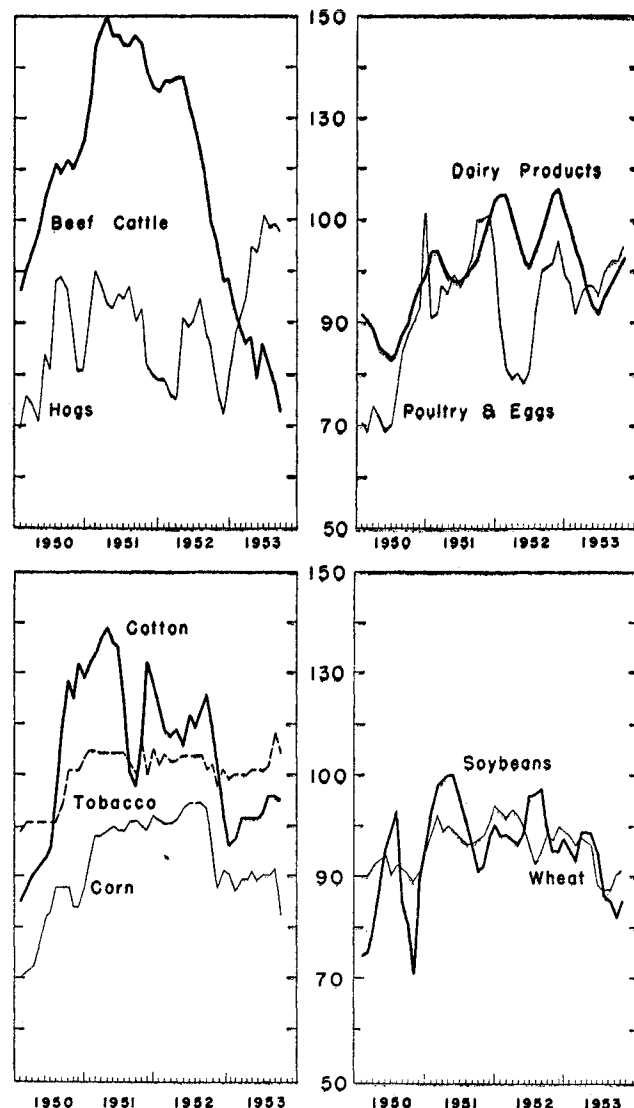
A somewhat different pattern of prices occurred for cotton. The years of big cotton exports were from 1948 to 1951 with cotton prices reaching their peak in the latter year. The next year they dropped slightly. Then, during 1953, prices dropped 13 per cent. However, exports dropped 50 per cent and prices still averaged 2 per cent above the 1947-49 average. As in the case of wheat, a more drastic readjustment was prevented by the loan and pur-

chase program. Cotton loans and inventories in connection with these operations covered more than two million bales at the end of this August and are expected to increase sharply during the succeeding twelve months.

Beef cattle prices have gone through an even greater adjustment than wheat or cotton prices. In 1953 they dropped about 30 per cent from the 1952 average and 40 per cent from the 1951 average. The major cause of the break in cattle prices was the drouth, but other factors are significant. Although the long-time trend in numbers has been upward, readjustments have occurred periodically. Usually about 12 to 15 years are required for a complete cycle in numbers. Cattle numbers now are very close to or have passed the peak of the current cycle, and even without drouths some herd reduction likely would have occurred. The purchasing

**Prices Received by Farmers  
for Farm Products**

1947-49 = 100



power of beef naturally has moved inversely to the cycle in numbers. Thus, during the late 'forties and early 'fifties, from the cyclical standpoint, purchasing power of beef could be expected to be high. These high prices were pushed even higher by strong consumer demand. The high purchasing power of beef in turn stimulated more farmers to start raising beef and to hold stock in greater numbers from the market to increase herd size. Thus, the beef farmers were rapidly approaching a period of adjustment by the summer of 1952. Successive drouths brought about adjustments sooner than expected and intensified their severity.

Most attention has been centered on products—such as wheat, cotton, and beef—having major downward adjustment in prices during the past year. Some agricultural prices however, have become higher than in 1952. Prices of hogs, for example, through the first ten months of 1953 averaged 19 per cent above their 1952 levels, were nearly up to the 1947-49 average, and were above prices prevailing in 1950 and 1951. This upturn in prices reflects the 14 per cent decline in marketings for the first three quarters of 1953.

Prices of poultry and eggs also have shown an improvement over 1952 prices, and were not far below the 1947-49 average. Prices of milk and dairy products, although down 11 per cent from 1952, were but one per cent below those received during 1947-49. For all of these products, substantial price adjustments had occurred previous to 1953.

On balance, however, the number of commodities that have declined in price has outweighed the few that have increased. Thus, the average of all farm product prices was less for the first ten months of 1953 than in 1952, continuing the decline begun in

February, 1951. During the twelve months ending October 15, prices received declined 11 per cent; from their all-time peak they dropped 20 per cent.

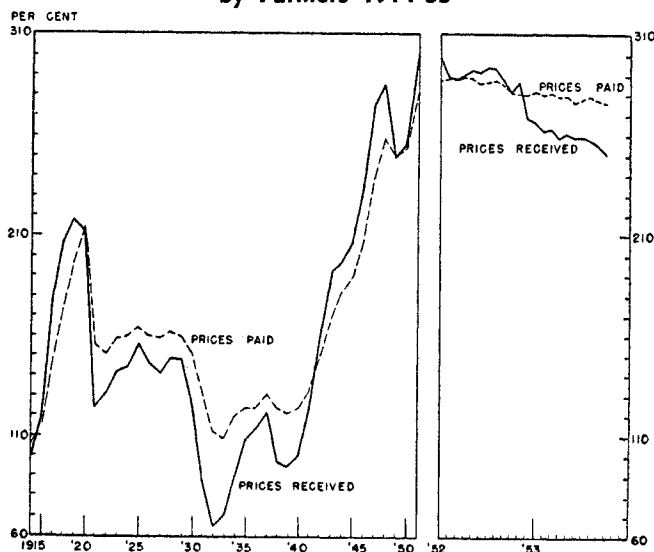
#### **. . . and a price-cost squeeze.**

Intensifying the effect of the downward march of farm product prices is the fact that prices of manufactured goods—the things that farmers buy—have remained near peak levels. Compared with the drop in prices received by farmers, just noted, prices paid by farmers have decreased only 2 per cent in 12 months and less than 5 per cent from the peak. Even these reductions have been largely in feed and feeder livestock, themselves farm produced.

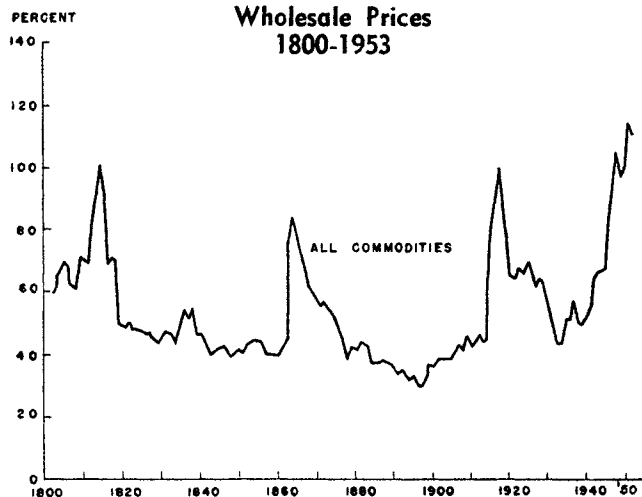
The foregoing chart indicates that the price-cost squeeze in agriculture has been going on for some time. Actually, the purchasing power of agriculture reached its peak in 1947 and has been drifting downward since that time. Beginning in November of 1952, the ratio of prices received to that of prices paid fell below parity. The price-cost squeeze has been particularly hard on those in drouth areas where income has gone down relative to the average, but costs remained high. Affected, too, are those heavily in debt. In addition, adjustment to lower profit margins has been quite difficult for marginal farmers who started in agriculture during a favorable period and already have seen their margin of profit disappear completely.

If a longer view is taken, it is clear that there are certain similarities between events of the past few years and those of previous war and postwar years. Each of the war periods of the nation's history has been characterized by sharp upturns in business activity and prices—also in agricultural production and prices. A similar pattern of price rises was evident in the War of 1812, the Civil War, World War I, and World War II. Agricultural prices, being sensitive to increased war demand, usually have

**Prices Received and Paid  
by Farmers 1914-53**



**Wholesale Prices  
1800-1953**



been among the first to rise and frequently have risen farthest.

After each of the first three major wars, sudden and precipitate adjustments occurred. Prices of farm products sold decreased sharply, but farm costs declined much less swiftly, resulting in the characteristic profit squeeze. However, the post-World War II reconstruction period has been somewhat different. Extensive rehabilitation programs were undertaken requiring vast amounts of food, feed, and fiber, as well as the hard goods of industry. The effect of these programs was to maintain demand for many American farm products at near war-time levels. But even in this period of Governmental aid, signs began to appear by 1949 that readjustments were at hand.

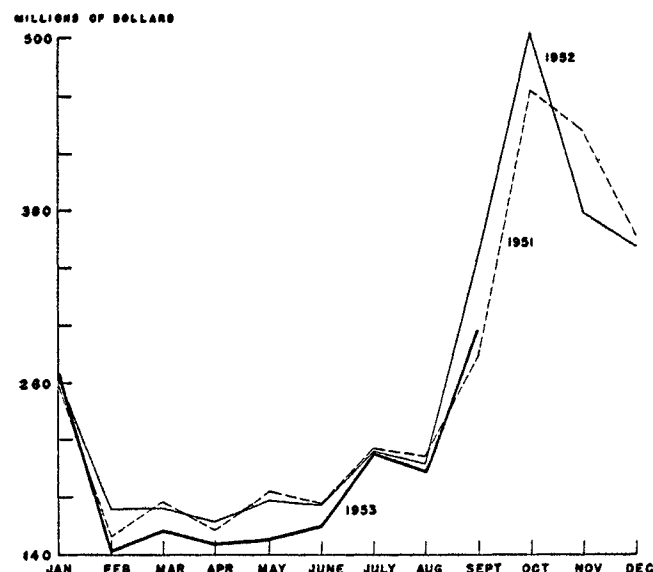
***Income is down and financial problems have increased.***

Even at the outset of 1953, the effects of this latest price-cost squeeze were becoming apparent. Personal demand deposits of farmers in the Eighth District in January, 1953, were one per cent below year-earlier figures and have declined since then. Other personal demand deposits showed a 7 per cent increase.<sup>1</sup> Little improvement can be expected during 1953. Farm incomes have been averaging lower than in either 1951 or 1952. For the first nine months of 1953, the decline was 10 per cent from a similar period in 1952. Nationally farm income is expected to decline 4 per cent for the year. The net is estimated to be down 7 per cent.

Financial problems have increased as a result of the adjustments mentioned. Fortunately, not all of

<sup>1</sup> 1953 Survey of Deposit Ownership, MONTHLY REVIEW, Federal Reserve Bank of St. Louis, April, 1953.

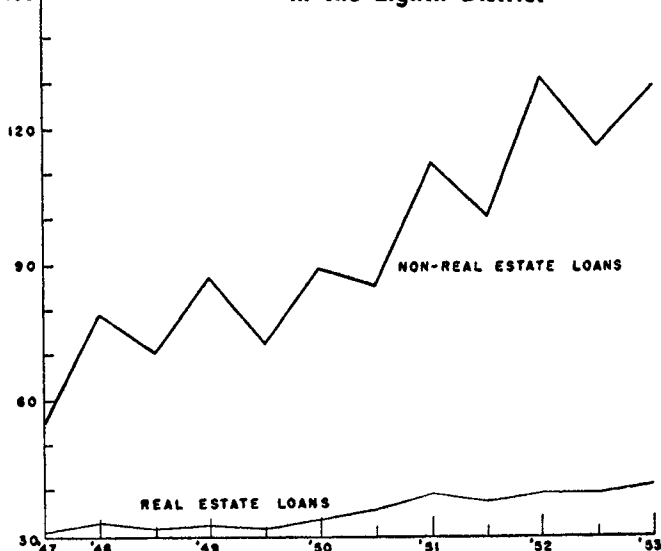
**Estimated Cash Farm Income  
in the Eighth District  
1951-1953**



them have come at the same time. Thus, while beef producers prospered a year or so ago, hog production was relatively unprofitable. This year the reverse is true. Similar rolling adjustments have occurred in other commodities. The severe drouth, however, has blanketed entire areas with serious financial and farm management problems.

For the first time in several years, agricultural loans in 1953 failed to exceed year-earlier figures. Non-real estate loans to Eighth District farmers were lower on June 30, 1953, than a year earlier. Estimates indicate the same will be true nationally at least when year-end figures are compared with those in 1952. To some extent this reflects a lower credit need due to lower prices for certain of the

**Loans to Farmers by Member Banks  
in the Eighth District**



things farmers buy, such as feeder cattle. At the same time, it reflects conservatism on the part of farmers in not making commitments requiring large amounts of credit (such as purchase of farm machinery) when income is uncertain. Undoubtedly a factor has been a more careful screening of loan applications.

***The nation is faced again with an agricultural surplus problem.***

Income shrinkage and developing financial problems have not generally reached serious proportions except in the categories noted (drouth victims, those heavily in debt, and marginal operators). However, this year's expanding surpluses are casting shadows into 1954 and beyond. And a good deal of the farmers' present concern arises from the existence of these surpluses and the fact that severe cuts in income may lie ahead.

The surplus problem arises partly, as pointed out above, from diminution of foreign demand and partly from the record and near-record outturns of

the past few years, including peak-cycle cattle production and increased marketings occasioned by the drouth. Underlying and adding significantly to the growing supply of food, feed, and fiber, has been the improvement of agricultural techniques. What the tractor and motor truck, modern farm implements, and electric power have done to increase production is apparent. With the rapid reduction of horses on farms many millions of acres have been freed for human use. Not so spectacular, but of equal importance, have been the development of new methods of pest and diseases control, new ideas about fertilizers, the use of hybrid seeds, and so on. In the areas of mechanization and the application of scientific discoveries to agriculture there is no foreseeable end to the changes which present and future knowledge may make possible.

Accumulation of surpluses of some commodities can be explained partially by looking at the demand for agricultural products. High levels of employment and high wage levels characteristic of war and postwar years have resulted in strong consumer demand. And by any standard, demand for agricultural products in 1953 has been high. However, a slight decline has occurred in the proportion of total income going for food (25 per cent in 1947-49 and 23 per cent in 1953). In addition, some shift has occurred over a period of time in consumer preferences. Eggs, dairy products (excluding butter), fruits, vegetables, and meats have been popular. Per capita consumption of cereals, potatoes, and cotton, on the other hand, has declined in recent years.

***Present price-support and output-restriction programs are helpful, . . .***

Another factor in the accumulation of surpluses has been the agricultural support program. Supporting prices at a high level reduces demand for products supported and stimulates production. The desire to maintain a pre-determined price relationship for agricultural products conflicts with efforts to move surplus supplies on the market.

Some help to agriculture, however, is in the national interest. In the past agriculture has reabsorbed a portion of the unemployed from urban centers. Another reason for the support of agriculture is that variations in weather cause wider fluctuations in production than acreage changes. Thus, in order to be sure to have enough food, we frequently end up with too much. Then, too, it is an important fact that agricultural prices are determined in markets which approach the norm of free competition, whereas the prices of the things the farmer buys are determined in imperfectly competitive markets. A farmer cannot control his pro-

duction to the same degree that a manufacturer can, particularly in the short-run. When surpluses occur or when demand declines, farm prices fall farther and faster than do those of industry generally. The effect of the price decline on income is aggravated by the relative inflexibility of transportation, processing, and selling charges. A 10 per cent decline in prices at the farm results in a much smaller percentage drop in prices to consumers. Furthermore, a drop in the retail price of most staple farm commodities does not result in a proportional increase in the quantity of the commodity taken from the market. The end result of these factors is that farm income falls with cruel sharpness during any period of price decline.

***. . . but delay needed adjustment in agriculture.***

Because of this competitive position of agriculture, some kind of a "farm program" appears necessary as a matter of permanent policy. Current support measures undoubtedly have cushioned declines in agricultural prices, and have helped sustain farm income. There is serious question, however, whether present rigid price supports (resulting in top-heavy inventories and drastic output restrictions), necessary and helpful though they may be in the short-run, ought to be continued indefinitely in their present form. Surely they delay adjustments to a more realistic current situation.

To some extent the adjustments needed in agriculture involve a reallocation of land and human resources, both within agriculture and between agriculture and industry. Within agriculture some shift probably is necessary from production of the commodities in which excessive supplies are likely to continue, to some other type of production which will move more readily on the market.

The drouth has not only created problems, but also has uncovered weaknesses in management and has hastened adjustments to some of the more fundamental agricultural problems. Hundreds of farmers (a small number relative to the total number of farmers), caught in a profit squeeze and prolonged drouth, have exhausted their financial reserves. For some, the successive reverses have caused them to leave the farm for more profitable employment elsewhere. If such farmers can earn more in industry than on the farm, theirs is a personal gain. To the extent that the farms they leave are combined into more efficient units with adequate capital, agriculture and society ultimately benefit. It is unfortunate that some social change has its start in drouth and economic reverses. No one, of course, recommends such routes to the reallocation of land and resources. But, to the extent that some individuals

may in the long run be better off outside agriculture, such changes should be encouraged.

Basic to such a shift is high level industrial output. Full employment and rising incomes for nonfarm workers mean a strong and increasing demand for food and fiber. But more than this, a greater number of jobs in industry and commerce mean that those who cannot make an adequate living on the land will be able to earn a livelihood in the cities and towns in a technically progressive economy. In an economy in which agricultural techniques are improving, the proportion of the total population gainfully employed in agriculture must continue to fall.

***Provision should be made in any farm program, however, for (1) protection of farm income, . . .***

Any agricultural policy must have as one objective the maintenance of farm income. Implementation of such a policy, however, faces many vexing problems. Foremost of these, is determining the level of income to be maintained. Wartime levels represent something higher than can be expected on the average. Attempts to support incomes at such levels likely would prove costly and result in ever increasing controls over agriculture. The income of the early 'thirties was an all-time low. Selecting some level between these extremes is difficult from an economic standpoint and even more ticklish in its political aspects. The problem is further aggravated by the extremes in agricultural efficiency and output. Unfortunately, in terms of numbers, the bulk of the farmers tend to be on the low end of the scale. Average incomes of farm workers even in the past favorable years have been considerably below those of industrial workers. Finally, for a considerable number of farm people, agriculture is a way of life. Their income is low, but many apparently prefer their present mode of existence to moving to more efficient farm units, or into industrial pursuits.

***. . . (2) disaster, defense, and future needs of our domestic economy . . .***

One of the easiest objectives to be reached in a period of oversupply is building up emergency stocks of commodities, particularly those that are storable. Some reserves to take care of disaster situations, such as flood or drouth, are desirable. Reasonable carryover of food and feed grains insures adequate food supply and stabilizes livestock numbers. This is a desirable goal both for farmers and consumers. But in operation the goal is frequently lost sight of and storage merely becomes a device to withhold increasing amounts from the market to maintain or raise prices.

Similarly, twice within a short space of time large stocks of food and fiber have been of great value in our defense effort. This consideration cannot be overlooked with the existing state of tension throughout the world. Supplies of grains and other storable commodities, therefore, should be kept larger than if the world were truly at peace.

Over and above the desire to maintain the agricultural plant in a state of high productivity to meet disaster or defense needs, the necessity of an expanded agricultural plant to meet the food requirements of our increasing population cannot be overlooked. Even conservative estimates indicate a population in the United States of more than 175 million people by 1960 and over 200 million by 1975. At current rates of food consumption this would necessitate a 30 per cent increase in food production by 1975. There is every indication that present and future agricultural know-how will enable it to meet the demand for food in this country. However, it might be well to remember that during the 'twenties and 'thirties, and in the current situation when the surplus problem has been acute, the mechanical revolution on American farms has had the effect of releasing 35 million acres of cropland for human use since 1937 and 75 million acres since World War I. No such windfall of additional cropland will be available over the next two decades.

***. . . and (3) our international responsibilities to the free world.***

Finally any farm program should not lose sight of the fact that food can be a decisive factor in our relations with the rest of the world. Various food supply programs since World War I make this abundantly clear. Only a relatively small proportion of the world's population has the resources or means to maintain a diet equal to that in the United States. Many millions hover on the borderline of starvation day after day and all too frequently hundreds and thousands fall below the minimum level necessary to sustain life. In such a situation, and when the United States is spending billions to check communist expansion, it is almost inconceivable that the best interests of this country are served by a price policy that denies them food—and forces this country into restricted production. This does not imply that the resources of this country should be given away. Give-away programs would be resisted here. Dumping of our crops abroad would be resented there. It does mean that the new farm program should incorporate foreign demand—at prices they can afford to pay—into its solution of the agricultural surplus problem.

DONALD L. HENRY



# Survey of Current Conditions

**B**USINESS ACTIVITY in the Eighth District during October and early November showed little change from the level reached in September, remaining in many lines somewhat below the peaks reached earlier this year. Employment remained substantially the same in major centers of the district, but industrial output and farm income continued downward, the latter largely as a result of falling prices. Credit extended to businesses expanded less-than-seasonally. A more-than-seasonal increase in department store sales from September to October brightened the picture. But even this was tempered by the fact that September sales had been relatively low and, further, by the failure of sales to expand to their full seasonal extent in the first three weeks in November.

Economic activity in the nation also held at about the previous month's level during October, but in the first half of November there were indications of a resumption of the third quarter decline. October industrial output remained at the September level—about 5 per cent below the peak reached in March—but in November the rate declined again. The Federal Reserve Board index of industrial production for October was 231 per cent of the 1935-1939 average, and was estimated at 228 per cent for November. Employment in nonfarm establishments continued at about the same level as in September as decreases in manufacturing employment were offset by increases in trade and some other industries. Throughout October and for the first week of November, unemployment insurance claims increased, whereas last year they remained practically unchanged. Department store sales increased more than seasonally from the low level of September. But in November, sales rose slightly more than the amount normally expected.

Average wholesale prices declined from mid-October to mid-November, primarily as a result of reduced prices for farm products and processed foods. Price changes of industrial commodities balanced.

Bank loans increased, largely as a result of bank purchases of the new Commodity Credit Corporation certificates of interest for price support loans on farm products. Business loans increased less than the usual amount, largely as a result of cotton

being put into CCC loans rather than being marketed through the regular channels. Real estate loans continued to expand moderately and consumer credit extended by banks increased slightly after remaining unchanged in September.

One of the strong spots in the economic picture was the construction industry. Expenditures for new construction declined less-than-seasonally from September to October and the value of contracts awarded during October, which will result in construction activity in the future, actually increased although a decline is usually expected.

## Employment

In district and nation, employment remained practically unchanged from September to October. A slight decline in manufacturing employment was offset by an increase in wholesale and retail trade jobs to handle the seasonal upswing in shopping, and by the return of school teachers to the classroom. Construction employment remained steady. Unemployment was at a post-World War II low in October of 1.2 million, equal to 1.8 per cent of all civilian workers.

Nationally, manufacturing employment went down by 200,000 between September and October, about one per cent. Most industry groups had declines, with the largest drops in metals and metal products, textiles, and leather. In addition, there was a seasonal decline in food processing. Although the decline in manufacturing jobholders was slight,

### CONSUMER PRICE INDEX

Bureau of Labor Statistics (1947-49=100)	Oct., '53	Sept., '53	Oct., '52	Oct., 1953 compared with	
United States .....	115.4	115.2	114.2	Sept., '53	Oct., '52
				-0-%	+ 1%

### RETAIL FOOD

Bureau of Labor Statistics (1947-49=100)	Oct., '53	Sept., '53	Oct., '52	Oct., 1953 compared with	
U. S. (51 cities) .....	113.6	113.8	115.0	Sept., '53	Oct., '52
St. Louis .....	115.5	115.7	116.8	-0-%	- 1%

### WHOLESALE PRICES IN THE UNITED STATES

Bureau of Labor Statistics (1947-49=100)	Oct., '53	Sept., '53	Oct., '52	Oct., 1953 compared with	
All Commodities.....	110.2	111.0	111.1	Sept., '53	Oct., '52
Farm Products.....	95.2	98.1	104.9	- 1%	- 1%
Foods.....	104.7	106.6	108.5	- 3	- 9
Other.....	114.5	114.7	113.0	- 2	- 4
				-0-	+ 1

a number of industry groups reported less-than-usual increases in hours worked per week or greater-than-usual reductions. These industries included furniture, primary and fabricated metals, electrical machinery, paper, petroleum products, leather, miscellaneous manufacturing, and stone, clay and glass products.

In Arkansas and Missouri, temporary shutdowns of shoe plants for inventory adjustment idled several thousand shoe workers for about a week in October. Nonagricultural employment in the Little Rock area remained steady from mid-September to mid-October with a small increase in manufacturing employment. Louisville employment continued the gradual decline of the last three months, with a decrease of 1,500 in total nonagricultural employment to 232,610. The largest declines there were in ordnance and farm equipment manufacturing and in construction. In Evansville, there was a 1.4 per cent increase in jobs from September to October, resulting from seasonal pickups in manufacturing and nonmanufacturing, termination of temporary layoffs, and ending of a labor dispute.

Unemployment compensation claims in the St. Louis area were rising slowly through the first week in November, indicating an increase in unemployment. A slowing down of apparel and shoe production, as well as recent layoffs in durable goods manufacturing, were apparently the reasons for the rise in claims.

## Industry

Industrial activity in the district in October and early November declined further. However, total output was still large, as shown by the high level of such basic indicators of production as manufacturing employment and steel ingot and paper output.

**Manufacturing**—Use of electric power on the daily average basis was slightly lower in October than during September in most industries in the major cities of the district. However, considerable strength of activity was indicated by the increased use of power in comparison with last year. Among those industries showing the greatest increase in consumption of kilowatts over last year were the paper and allied products (35 per cent), nonelectrical machinery (20 per cent), fabricated metals (18 per cent), and transportation (15 per cent). These gains contrasted sharply to declines in use of power of 30, 10, and 8 per cent respectively for lumber and wood products, primary metals, and leather and shoe manufacturing.

The over-all industrial situation in the district has many plus and minus factors. The positive side of the picture was emphasized by a continued high level of steel ingot production in the St. Louis area (averaging 95 per cent of capacity for the six weeks ending mid-November), doubling of refined lead output at Herculaneum, Missouri, and reports that the long range outlook for its associate metal, zinc, has brightened as imports dropped and a demand-supply balance appeared a possibility within a few months. Livestock slaughter continued in large volume. And there were 30 distilleries in operation in Kentucky at the end of the month, compared with only 15 at the end of October a year ago.

On the other side of the picture, trade reports and other data confirmed the slackening of activity in the lumber, primary metals and shoe industries indicated by their power consumption figures. Orders and shipments continued to fall behind production of lumber, several layoffs at foundries took place during the month, and shoe production was estimated by the Tanners' Council to be about 10 per cent below a year ago. In addition, coal production picked up less than seasonally as warm weather continued. Oil production in district producing states averaged about the same as in September.

### CONSUMPTION OF ELECTRICITY— DAILY AVERAGE\*

(K.W.H. in thous.)	Oct., 1953 K.W.H.	Sept., 1953 K.W.H.	Oct., 1952 K.W.H.	Oct., 1953 compared with	
				Sept., '53	Oct., '52
Evansville.....	887	912	811	— 3%	+ 9%
Little Rock.....	234	181	215	+29	+ 9
Louisville.....	4,221	4,485	3,579	— 6	+18
Memphis.....	1,625	1,603	1,374	+ 1	+18
Pine Bluff.....	421	516	235	—19	+79
St. Louis.....	5,125	5,340	4,801	— 4	+ 7
Totals.....	12,513	13,037	11,015	— 4%	+14%

\* Selected Manufacturing Firms.

### LOADS INTERCHANGED FOR 25 RAILROADS AT ST. LOUIS

Oct., '53	Sept., '53	Oct., '52	First Nine Days		10 mos. '53	10 mos. '52
			Nov., '53	Nov., '52		
118,271	110,795	123,180	31,845	34,402	1,026,251	996,239

Source: Terminal Railroad Association of St. Louis.

### CRUDE OIL PRODUCTION—DAILY AVERAGE

(In thousands of bbls.)	Oct., 1953	Sept., 1953	Oct., 1952	Oct., '53 compared with	
				Sept., '53	Oct., '52
Arkansas.....	76.3	77.8	74.0	—2%	+ 3%
Illinois.....	166.7	165.3	167.0	+1	-0.
Indiana.....	34.1	34.6	34.1	—2	-0.
Kentucky.....	32.3	31.5	31.2	+3	+ 4
Total.....	309.4	309.2	306.3	-0.-%	+ 1%

### COAL PRODUCTION INDEX 1935-39=100

Oct., '53	Unadjusted Sept., '53	Oct., '52	Oct., '53	Adjusted Sept., '53	Oct., '52
142.8 <sup>P</sup>	145.3	118.6	133.5 <sup>P</sup>	138.4	110.8

<sup>P</sup> Preliminary.

## Construction

Construction activity in both the Eighth District and the nation during October continued close to the September rate. In the nation, the amount of construction put in place (both in value and physical volume) appeared to be headed for a record in 1953. Expenditures for new construction and the number of privately owned nonfarm housing units started in October declined less than seasonally and the value of contract awards increased, although a decline is usual.

In the district, construction employment remained at about the same level as in September, but failed to equal that a year earlier. Construction contracts awarded continued below the value of a year earlier even after allowance for the \$459 million contract for the Paducah AEC plant included last year. So far this year, contracts awarded in the district have lagged behind the value of awards in 1952, in contrast to a gain in the nation.

Mild weather in October and early November moderated the usual seasonal decline in district construction activity. The level of activity is lower than last year in most district centers primarily because of completion of major projects and a slowing down of home building. Many defense-supporting expansions in private and public facilities, which boosted district construction to an all-time record last year, have been completed or are nearing completion. Construction of commercial buildings is proceeding at a higher rate than last year as district cities adjust to recent increases in manufacturing plants and population.

Nationally, expenditures of \$3.2 billion for new construction during October set another record for the month, 4 per cent greater than in October 1952. However, the increase over a year earlier was not as large as in previous months of this year. For the first ten months, the margin over the same period of 1952 was 7 per cent. Physical volume (expenditures adjusted for changes in construction costs) was up only 3 per cent from last year.

### INDEX OF CONSTRUCTION CONTRACTS AWARDED EIGHTH FEDERAL RESERVE DISTRICT\*

(1947-1949=100)

	Sept., '53	Aug., '53	Sept., '52
Unadjusted			
Total .....	199.2 <sup>P</sup>	188.0	443.9**
Residential .....	197.7 <sup>P</sup>	176.9	163.4
All Other .....	199.8 <sup>P</sup>	193.2	573.2**
Seasonally adjusted			
Total .....	177.3 <sup>P</sup>	154.0	395.9**
Residential .....	175.0 <sup>P</sup>	147.4	146.4
All Other .....	178.4 <sup>P</sup>	157.1	511.8**

\*Based on three-month moving average of value of awards, as reported by F. W. Dodge Corporation.

\*\*Includes \$459,000,000 Atomic Energy Commission Project.

<sup>P</sup>Preliminary.

The number of privately owned nonfarm housing units started during October was only 1,000 fewer than in September, a less-than-normal decline. On a seasonally adjusted basis, private starts have continued at an annual rate of about 1.0 million since June, about 12 per cent less than in the first half of the year. Less than 50 publicly owned housing units were started in October, further increasing the decline this year from last. For the first ten months, the drop in public housing starts from comparable months last year more than offset the gain in private housing.

## Trade

Retail sales throughout the district during October were generally larger than in September but dropped below last year's fairly high level in most lines. Through the first three weeks of November, indications were that sales volume was not expanding from October as seasonally expected. The drop below year-earlier levels was due in part to the unusually warm weather during much of the period, which limited the effectiveness of seasonal promotions in both hard goods and soft goods lines.

Sales of new automobiles in October continued larger than a year earlier for most dealers. However, used car sales lagged and prices weakened further.

District department store sales during October (seasonally adjusted index of daily sales) averaged 108 per cent of the 1947-1949 base period. In comparison, they were 102 per cent in September and 115 per cent in October 1952. Cumulative 1953 sales for the first ten months were 2 per cent larger than a year earlier and preliminary reports at mid-November indicated this rate of gain would continue through the month.

At both men's and women's specialty stores during October, sales gained from September but totaled less than a year ago. Men's wear stores experienced a larger increase from September and a larger decline from October 1952 than did women's specialty stores.

### WHOLESALE TRADE

Line of Commodities	Net Sales		Stocks	
	Oct., 1953 compared with Sept., '53    Oct., '52		Oct. 31, 1953 compared with Oct. 31, 1952	
Drugs and Chemicals.....	- 1%	- 2%	-	%
Dry Goods.....	-14	-25	-0.	
Groceries .....	+ 6	- 1	- 4	
Hardware .....	+ 8	-12	- 9	
Tobacco and its Products.....	- 4	- 5	+ 5	
Miscellaneous .....	- 3	- 9	+15	

\* Preliminary.

## DEPARTMENT STORES

	Net Sales			Stocks on Hand		Stock Turnover	
	Oct., 1953		10 mos. compared with Sept., 1953	Oct. 31, '53		Jan. 1 to Oct. 31	
	1953	1952		comp. with Oct. 31, '52	1953	1952	1952
8th F. R. Dist. Total.....	+19%	— 5%	+ 2%	+ 3%	2.87	3.06	
Fort Smith Area, Ark. 1, 2.....	+11	— 8	— 3	+ 8	2.72	2.90	
Little Rock Area, Ark. 2.....	+13	— 5	— 1	+ 3	2.73	3.05	
Quincy, Ill.....	+24	+ 2	+ 1	+ 1	2.77	3.06	
Evansville Area, Ind. 2.....	+20	— 5	+ 9	.....	.....	.....	
Louisville Area, Ky., Ind. 2.....	+15	— 7	— 0	+ 2	3.05	3.17	
St. Louis Area, Mo., Ill. 2.....	+22	— 3	+ 3	+ 3	2.89	3.04	
Springfield Area, Mo. 2.....	+13	— 7	— 1	— 3	2.56	2.77	
Memphis Area, Tenn. 2.....	+16	— 6	+ 1	+ 6	3.24	3.50	
All Other Cities 3.....	+17	—16	— 1	— 4	2.32	2.74	

<sup>1</sup> In order to permit publication of figures for this city (or area), a special sample has been constructed which is not confined exclusively to department stores. Figures for any such nondepartment stores, however, are not used in computing the district percentage changes or in computing department store indexes.

<sup>2</sup> The sample for these areas is unchanged from the sample previously reported for the principal cities in these areas.

<sup>3</sup> Fayetteville, Pine Bluff, Arkansas; Harrisburg, Mt. Vernon, Illinois; Vincennes, Indiana; Danville, Hopkinsville, Mayfield, Kentucky; Chillicothe, Missouri; Greenville, Mississippi; and Jackson, Tennessee.

Outstanding orders of reporting stores at the end of October, 1953, were 28 per cent smaller than on the corresponding date a year ago.

## PERCENTAGE OF ACCOUNTS AND NOTES RECEIVABLE

Outstanding October 1, 1953, collected during October

	Instalment Accounts		Excl. Instal. Accounts	
	.....%	.....%	.....%	.....%
Fort Smith.....	.....%	46%	Quincy.....	19%
Little Rock.....	15	49	St. Louis.....	21
Louisville.....	21	48	Other Cities.....	09
Memphis.....	18	41	8th F.R. Dist.....	19

## INDEXES OF DEPARTMENT STORE SALES AND STOCKS

8th Federal Reserve District

	Oct., 1953	Sept., 1953	Aug., 1953	Oct., 1952
Sales (daily average), unadjusted <sup>4</sup> .....	119	109	100	126
Sales (daily average), seasonally adjusted <sup>4</sup> .....	108	102	110	115
Stocks, unadjusted <sup>5</sup> .....	138	138	130	136
Stocks, seasonally adjusted <sup>5</sup> .....	124	129	134	121

<sup>4</sup> Daily average 1947-49=100.

<sup>5</sup> End of month average 1947-49=100.

Trading days: Oct., 1953—27; Sept., 1953—25; Oct., 1952—27.

## RETAIL FURNITURE STORES

	Net Sales		Inventories		Ratio of Collections	
	Oct., 1953		Oct., 1953		Oct., 1953	
	compared with Sept., 1953	Oct., 1952	compared with Sept., 1953	Oct., 1952	Oct., 1953	Oct., 1952
8th Dist. Total <sup>1</sup> .....	+16%	—11%	+ 4%	+ 2%	20%	21%
St. Louis.....	+11	—15	+ 3	— 3	29	31
Louisville Area <sup>2</sup> .....	+19	— 8	+ 3	+ 4	14	15
Louisville.....	+20	— 9	+ 4	+ 3	14	14
Memphis.....	+22	—21	+	+	12	13
Little Rock.....	+10	—15	+ 8	+ 3	15	21
Springfield.....	+22	—0-	+ 7	+13	15	16

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

<sup>1</sup> In addition to following cities, includes stores in Blytheville, Fort Smith and Pine Bluff, Arkansas; Hopkinsville, Owensboro, Kentucky; Greenwood, Mississippi; and Evansville, Ind.

<sup>2</sup> Includes Louisville, Kentucky; and New Albany, Indiana.

## PERCENTAGE DISTRIBUTION OF FURNITURE SALES

	Oct., '53	Sept., '53	Oct., '52
Cash Sales.....	14%	14%	15%
Credit Sales.....	86	86	85
Total Sales.....	100%	100%	100%

Furniture store sales during October, throughout the district, totaled substantially larger than a month earlier but were somewhat lower than in the like month last year. In some sections of the district increased consumer interest in television has been aroused as new television broadcasting facilities have been placed in operation.

Inventories held by reporting retail lines in the district on October 31 showed mixed trends. At automobile dealers, stocks of 1953 models at the end of October increased slightly as production continued to outrun sales. Furniture store, women's specialty, and department store inventories were slightly higher than either a month or a year ago. The increase over month-ago levels appeared to have been less than usual for October. On a seasonally adjusted basis, the index of department store inventories was 124 per cent of the 1947-1949 base period, compared to 129 per cent a month earlier and 121 per cent on October 31, 1952. At men's wear stores, inventories were about the same as a month earlier but were somewhat larger than a year ago.

## Banking and Finance

During the five weeks ended November 18, district bank credit expanded although business loans rose less than seasonally. Interest rates tightened in November, recovering part of an earlier decline.

**District Banking**—Credit expanded \$82 million at district weekly reporting banks during the five weeks ended November 18. As usual for this time, a large part of the gain was in loans to businesses, primarily processors and distributors of agricultural products. However, the expansion of borrowing by this group was less than normal, which can be attributed in large part to the fact that cotton was moving into loans guaranteed by the CCC instead of directly to the commodity dealers. Loans on securities rose moderately. On the other hand, loans on real estate and "other", largely consumer, loans showed small declines. In addition to the loan expansion, banks increased their security holdings, primarily by purchases of the new 2¾ per cent seven year-10 month United States Government bonds.

Total deposits rose only \$13 million in the period. Demand deposits of both Federal and local governments increased, but there was a continued growth in savings accounts. Partially offsetting these gains was a reduction in demand deposits by individuals and businesses.

During the five week period, these weekly reporting banks had to meet a net seasonal withdrawal of

currency and coin. Also they lost other funds, in part through adverse clearing balances with the smaller district banks. As a result, deposits rose less than earning assets. To meet the drains, these banks drew on their correspondent balances and increased their borrowings.

**Interest Rates**—During most of the last half of October, yields on Government securities and corporate bonds declined—continuing the earlier downward trend. The fall in yields was sharpest for short-term securities; the average rate on accepted bids for Treasury bills dated October 29 was 1.22 per cent, or roughly half the rate on bills dated June 4 (peak to date for 1953). However, by mid-November yields on Government securities had worked upward to about the rate of a month earlier. Yields on 9 to 12 month issues contrasted sharply with this general behavior.

**Debits to Demand Deposits**—The dollar volume of payments in October was higher than during September. Debits to demand deposit accounts (except interbank and United States Government) at banks in 22 reporting centers in the district totaled \$4.6 billion for October, 7 per cent more than a month earlier. This increase was shared by all reporting centers except Jefferson City, Missouri. Centers in the Cotton Belt showed large percentage increases reflecting the marketing of crops there.

## DEPOSIT ACTIVITY

	Debits <sup>1</sup>			Turnover	
	Oct., 1953 (In millions)	Sept., 1953	Percent Change from Oct., 1952 <sup>2</sup>	Oct., 1953 (Annual Rate)	Year Ended Oct. 31, 1953 <sup>2</sup>
<b>Six Largest Centers:</b>					
East St. Louis-National Stock Yards, Ill.....	135.5	+ 2%	— 7%	25.0	25.8
Evansville, Ind.....	164.3	+ 4	+ 7	17.1	17.2
Little Rock, Ark.....	168.0	+11	— 7	16.9	15.5
Louisville, Ky.....	718.9	+ 5	+ 2	23.5	24.2
Memphis, Tenn.....	797.9	+21	— 8	30.7	25.3
St. Louis, Mo.....	2,065.6	+ 3	— 2	21.4	20.8
Total—Six Largest Centers.....	4,050.2	+ 7%	— 3%	22.8	21.7
<b>Other Reporting Centers:</b>					
Alton, Ill.....	37.3	+ 5%	+11%	13.3	12.4
Cape Girardeau, Mo.....	14.9	+ 5	+10	13.4	12.0
El Dorado, Ark.....	27.4	+ 7	— 1	11.6	10.9
Fort Smith, Ark.....	49.2	+12	—11	14.0	13.3
Greenville, Miss.....	35.5	+50	+16	21.5	14.7
Hannibal, Mo.....	10.6	+10	+ 1	9.5	8.8
Helena, Ark.....	14.1	+47	— 6	20.5	12.8
Jackson, Tenn.....	30.3	+29	+ 7	16.0	11.5
Jefferson City, Mo.....	64.4	—16	+15	11.9	11.7
Owensboro, Ky.....	43.9	+ 5	—14	14.6	14.6
Paducah, Ky.....	37.0	+ 1	—22	14.5	14.1
Pine Bluff, Ark.....	59.8	+47	— 9	22.4	14.2
Quincy, Ill.....	37.5	+ 7	— 4	15.6	14.4
Sedalia, Mo.....	13.0	+ 2	+ 4	10.7	10.0
Springfield, Mo.....	71.0	+ 3	— 7	13.0	13.6
Texarkana, Ark.....	22.9	+ 7	+21	15.6	13.9
Total—Other Centers.....	568.8	+10%	— 2%	14.5	12.9
Total—22 Centers.....	4,619.0	+ 7%	— 3%	21.3	20.1

<sup>1</sup> Debits to demand deposit accounts of individuals, partnerships and corporations and states and political subdivisions.  
<sup>2</sup> Estimated.

## EIGHTH DISTRICT MEMBER BANK ASSETS AND LIABILITIES BY SELECTED GROUPS

	All Member			Large City Banks <sup>1</sup>			Smaller Banks <sup>2</sup>		
	Change from:			Change from:			Change from:		
	Oct., '53	Sept., '53 to Oct., '52	Oct., '52 to Oct., '53	Oct., '53	Sept., '53 to Oct., '52	Oct., '52 to Oct., '53	Oct., '53	Sept., '53 to Oct., '52	Oct., '52 to Oct., '53
<b>Assets</b>									
1. Loans and Investments.....	\$4,603	\$+ 98	\$+ 97	\$2,684	\$+ 85	\$+ 34	\$1,919	\$+ 13	\$+ 63
a. Loans.....	2,180	+ 91	+112	1,456	+ 79	+ 70	724	+ 12	+ 42
b. U. S. Government Obligations.....	2,002	+ 6	— 37	1,026	+ 6	— 46	976	—0—	+ 9
c. Other Securities.....	421	+ 1	+ 22	202	—0—	+ 10	219	+ 1	+ 12
2. Reserves and Other Cash Balances.....	1,477	+ 31	— 58	907	+ 17	— 31	570	+ 14	— 27
a. Reserves with the F. R. Bank.....	714	+ 38	— 32	462	+ 34	— 25	252	+ 4	— 7
b. Other Cash Balances <sup>3</sup> .....	763	— 7	— 26	445	— 17	— 6	318	+ 10	— 20
3. Other Assets.....	56	+ 2	+ 2	35	—0—	+ 2	21	+ 2	—0—
4. Total Assets.....	\$6,136	\$+131	\$+ 41	\$3,626	\$+102	\$+ 5	\$2,510	\$+ 29	\$+ 36
<b>Liabilities and Capital</b>									
5. Gross Demand Deposits.....	\$4,517	\$+ 68	\$— 27	\$2,773	\$+ 44	\$— 19	\$1,744	\$+ 24	\$— 8
a. Deposits of Banks.....	799	+ 68	— 19	753	+ 62	— 13	46	+ 6	— 6
b. Other Demand Deposits.....	3,718	—0—	— 8	2,020	— 18	— 6	1,698	+ 18	— 2
6. Time Deposits.....	1,097	+ 11	+ 54	518	+ 5	+ 20	579	+ 6	+ 34
7. Borrowings and Other Liabilities.....	110	+ 51	— 12	101	+ 52	— 11	9	— 1	— 1
8. Total Capital Accounts.....	412	+ 1	+ 26	234	+ 1	+ 15	178	—0—	+ 11
9. Total Liabilities and Capital Accounts.....	\$6,136	\$+131	\$+ 41	\$3,626	\$+102	\$+ 5	\$2,510	\$+ 29	\$+ 36

<sup>1</sup> Includes 12 St. Louis, 6 Louisville, 3 Memphis, 3 Evansville, 4 Little Rock, and 4 East St. Louis-National Stock Yards, Illinois, banks.

<sup>2</sup> Includes all other Eighth District member banks. Some of these banks are located in smaller urban centers, but the majority are rural area banks.

<sup>3</sup> Includes vault cash, balances with other banks in the United States, and cash items reported in process of collection.

# Agriculture

**Crop Production**—Estimates as of November 1 of district cotton, rice and corn production were higher than a month earlier, as the effects of the drouth appeared slightly less damaging than previously anticipated. According to the new figures, cotton production will be 19 per cent above the 1942-51 average, rice production 79 per cent higher and corn

## ESTIMATED PRODUCTION FOR MAJOR CROPS EIGHTH DISTRICT—NOVEMBER 1, 1953

(In thousands of Units)	Estimated production November 1, 1953	Per cent change from 1952	Per cent change from 1942-1951 average
Corn (bu.).....	324,750	— 6%	— 8%
Wheat (bu.).....	70,015	+38	+84
Oats (bu.).....	52,487	+21	—13
Cotton (bales).....	4,247	+ 9	+19
Soybeans (bu.).....	63,407	—28	+15
Rice (bags).....	13,055	+25	+79
Hay (tons).....	7,525	— 3	—22
Tobacco, burley (lbs.).....	196,517	—10	+ 9
Dark, air-cured (lbs.).....	21,346	—17	—28
Dark, fire-cured (lbs.).....	18,286	—11	—36

Source: Adapted from *Crop Production*, USDA, November 1, 1953.

production 8 per cent lower (compared with an estimate of 10 per cent lower the prior month). The upward revision of district corn production was in contrast to a lower estimate for the United States as a whole. It represented an increase of one to one-and-one-half bushels per acre in Kentucky, Tennessee and Missouri. The district soybean crop was expected to be 28 per cent below 1952. This would be 15 per cent above the ten-year average, however.

Fall rains, less than normal for the period through December 1, have not materially relieved the current situation of short feed supplies but did improve prospects for crop and pasture conditions in 1954. However, subsoil moisture is still inadequate in many areas.

**Prices**—The agricultural cost-price squeeze continued. The United States parity ratio was reduced to 90 on November 15, 1953. This is approximately the same as the 1941 relationship between prices paid and prices received by farmers, but 9 per cent below the ratio in November, 1952.

## PRICE CHANGES FOR SELECTED EIGHTH DISTRICT AGRICULTURAL PRODUCTS

	Eighth District price Oct. 15, '53 <sup>1</sup>	Oct. 15, '53 compared with Sept. 15, '53	Oct. 15, '52
Corn (per bu.).....	\$1.40	—13%	—17%
Soybeans (per bu.).....	2.39	+ 2	—12
Wheat (per bu.).....	1.83	+ 1	—14
Oats (per bu.).....	.85	+ 2	—18
Rice (per cwt.).....	5.10	+ 9	—11
Hay, baled (per ton).....	26.04	+13	—11
Cotton, Am. Upland (per lb.).....	.34	— 0	—11
Tobacco, types 11-37 (per lb.).....	.53 <sup>2</sup>	— 9	+ 4
Beef cattle (per cwt.).....	13.10	— 9	—38
Hogs.....	21.51	— 9	+15
All milk, whole (per cwt.).....	4.51	+ 8	—16
All chickens, live (per lb.).....	.23	— 4	— 4
Eggs (per doz.).....	.49	+ 4	+ 7

<sup>1</sup> Average price for district states.

<sup>2</sup> U. S. average.

Source: *Agricultural Prices*, USDA, October 30, 1953.

District price movements for specific crops were irregular. In the month ended October 15, hay prices increased 13 per cent and whole milk prices gained 8 per cent, reflecting in part the effect of recent drouth conditions. At the same time, the price of corn declined 13 per cent and beef cattle and hog prices were both 9 per cent lower.

## CASH FARM INCOME

		Sept., 1953 compared with		9 month total Jan. thru Sept., 1953 compared with		
(In thousands of dollars)	Sept., 1953	Aug., 1953	Sept., 1952	1953R	1952	1951
Arkansas.....	\$ 69,306	+206%	—24%	\$ 282,133	—13%	+18%
Illinois.....	154,806	+ 6	— 2	1,367,710	— 4	+ 11
Indiana.....	108,334	+ 6	+ 4	790,840	— 1	+ 15
Kentucky.....	30,389	— 4	—18	342,891	— 1	+ 8
Mississippi.....	81,308	+268	—23	320,416	+ 3	+52
Missouri.....	100,849	+ 40	— 8	677,074	— 5	— 0
Tennessee.....	53,194	+ 97	—14	290,513	— 8	+ 7
7 State Totals.....	\$598,186	+ 41%	—10%	\$4,071,577	— 4%	+12%
8th Dist. Totals.....	\$296,890	+ 71%	—14%	\$1,700,111	—10%	— 6%

R Revised cumulative total.

## RECEIPTS AND SHIPMENTS AT NATIONAL STOCK YARDS

	Receipts			Shipments		
	Oct., 1953 compared with			Oct., 1953 compared with		
	Oct., 1953	Sept., 1953	Oct., 1952	Oct., 1953	Sept., 1953	Oct., 1952
Cattle and calves....	181,176	0 —	5 —	72,851	+10%	—24%
Hogs.....	245,793	+22	— 2	49,465	+33	+34
Sheep.....	59,589	+18	— 3	11,259	+62	—44
Totals.....	486,558	+12%	— 3%	133,575	+21%	—13%



# Publications, Films and Releases

## **Available from this Bank and the Board of Governors of the Federal Reserve System**

A large number of publications and statistical reports and several films are available to interested individuals and groups from this Bank, other Federal Reserve Banks and the Board of Governors of the Federal Reserve System. Many are available without charge. A selected list of material is presented below. In most cases, back issues of the monthly publications are available. And statistical tables can be provided, giving historical data to supplement current reports.

Special arrangements can be made for bulk mailings of the *Monthly Review* to banks, business organizations and educational institutions.

## **Selected Publications of the Federal Reserve Bank of St. Louis**

The following publications and reports of this Bank may be obtained without charge by writing to:

Research Department  
Federal Reserve Bank of St. Louis  
St. Louis 2, Missouri

### **PUBLICATIONS**

**Monthly Review.** A monthly publication which contains a survey of current business conditions and articles explaining and analyzing business and financial events on both a district and national basis.

**Annual Report of the Federal Reserve Bank of St. Louis.** A review of the past year's economic developments and a report on the Bank's operations, earnings and expenses and financial condition.

**An Introduction to the History of Coinage and Currency in the United States.** Presents, in pocket-size form, a brief history of coinage and currency in this country. (32 pages)

### **STATISTICAL REPORTS**

#### **Banking Statistics**

**Principal Assets and Liabilities Weekly Reporting Member Banks in the Eighth Federal Reserve District.** A weekly report showing the combined principal assets and liabilities of 31 banks located in the six major cities of the Eighth District. Separate reports for banks in St. Louis and Louisville are also available.

**Debits to Demand Deposit Accounts.** A monthly report on the dollar volume of debits to demand deposit accounts (except interbank and United States Government) for the following cities:

Alton, Ill.	Little Rock, Ark.
Cape Girardeau, Mo.	Louisville, Ky.
East St. Louis.	Memphis, Tenn.
National Stockyards, Ill.	Owensboro, Ky.
El Dorado, Ark.	Paducah, Ky.
Evansville, Ind.	Pine Bluff, Ark.
Fort Smith, Ark.	Quincy, Ill.
Greenville, Miss.	St. Louis, Mo.
Hannibal, Mo.	Sedalia, Mo.
Helena, Ark.	Springfield, Mo.
Jackson, Tenn.	Texarkana, Ark.
Jefferson City, Mo.	

#### **Industrial Statistics**

**Indexes of Coal Production in Eighth Federal Reserve District.** A monthly report showing seasonally adjusted and unadjusted index figures for the most recent month available in comparison with the prior month and the month a year ago.

**Indexes of Shoe Production in Eighth Federal Reserve District.** A monthly report showing seasonally adjusted and unadjusted index figures for the most recent month available in comparison with the prior month and the month a year ago.

#### **Trade Statistics**

**Retail Department Stores Report.** A monthly report showing the percentage comparisons of sales, stocks, orders and collections for the Eighth District and the following areas:

Fort Smith, Ark.	Louisville, Ky., Ind.
Little Rock, Ark.	St. Louis, Mo., Ill.
Quincy, Ill.	Springfield, Mo.
Evansville, Ind.	Memphis, Tenn.

**Eighth District Department Store Sales by Departments.** A monthly report giving percentage comparisons of sales by groupings of related departments. This report gives figures for the district and for St. Louis, Louisville, Memphis and Little Rock. (A similar report is available for stocks.)

**Indexes of Department Store Sales and Stocks.** A monthly report giving seasonally adjusted and unadjusted figures for both sales and stocks for the Eighth District. Indexes of sales only are shown for St. Louis, Louisville, Memphis, Little Rock and Evansville areas.

**Weekly Report of Department Store Sales.** A weekly report giving percentage comparisons of sales with those of a year ago for the Eighth District and the St. Louis, Louisville, Memphis and Little Rock areas.

**Retail Furniture Report.** A monthly report showing the percentage comparisons of sales, stocks and collection data for the Eighth District and these local areas:

St. Louis	Little Rock
Louisville	Springfield
Memphis	Fort Smith

## Selected Publications of Other Federal Reserve Banks

The following publications may be obtained, without charge, by writing either directly to the Federal Reserve Bank noted or to the Research Department of this bank.

**A Day's Work at the Federal Reserve Bank of New York.** An illustrated booklet describing in layman's language what Federal Reserve Banks do and how Federal Reserve policies influence the economy. (40 pages. Federal Reserve Bank of New York.)

**Bank Reserves, Some Major Factors Affecting Them.** Five articles dealing with reserve requirements of commercial banks and several important

influences affecting the level of bank reserves. (28 pages. Federal Reserve Bank of New York.)

**Money Market Essays.** Articles discussing the money market, member bank borrowing from Reserve Banks, Federal funds, the commercial paper market, bankers' acceptances, and financing security brokers and dealers. (33 pages. Federal Reserve Bank of New York.)

**The Quest for Stability.** An analysis of some of the major problems of our monetary and banking system—past and present—and of attempts to solve them. Discusses why money has not managed itself, objectives and tools of Federal Reserve policy, and current problems. (35 pages. Federal Reserve Bank of Philadelphia.)

## Selected Publications of Federal Reserve Board

A list of Federal Reserve Board publications, releases, and reprints of articles is published in the monthly *Federal Reserve Bulletin*. This list, including the following selections, may be obtained from:

Division of Administrative Services  
Board of Governors of the Federal Reserve System  
Washington 25, D. C.

**Annual Report of the Board of Governors of the Federal Reserve System.** Issued each year.

**Federal Reserve Bulletin.** Issued monthly. Subscription price is \$2.00 per annum or 20 cents a copy. Group subscriptions in the United States for 10 or more copies to one address, 15 cents per copy per month, or \$1.50 for 12 months.

**Federal Reserve Charts on Bank Credit, Money Rates, and Business.** Issued monthly. \$6.00 per annum including edition of historical supplement (listed below) available when subscription is en-

tered or renewed. 60 cents per copy; in quantities of 10 or more copies of a particular issue for single shipment, 50 cents each.

**Historical Supplement to Federal Reserve Charts on Bank Credit, Money Rates, and Business.** Issued semi-annually, usually April and September. Annual subscription to monthly chart book includes one issue of supplement. Single copies, 60 cents each; in quantities of 10 or more copies for single shipment, 50 cents each.

**The Federal Reserve System—Its Purposes and Functions.** 75 cents per cloth-bound copy; in quantities of 10 or more copies for single shipment, 50 cents each. Paper-bound copies available without charge. (125 pages.)

**The Development of Bank Debits and Clearings and Their Use in Economic Analysis.** 175 pages. 25 cents per copy; in quantities of 10 or more copies for single shipment, 15 cents each.

## Films on the Federal Reserve System

The following films on the Federal Reserve System may be borrowed without charge for showings to schools, civic, professional, and business groups, and other interested organizations. Bookings may be arranged by writing to:

Field Service Department  
Federal Reserve Bank of St. Louis  
St. Louis 2, Missouri

**The Federal Reserve System: Its Origin, Purpose, and Functions.** Produced by Encyclopaedia Britannica Films, Inc. Viewing time twenty minutes. A 16 mm. sound, black and white motion film. This film gives an account of the develop-

ment of the Federal Reserve System to date and describes how the Federal Reserve System operates to promote stability.

**The Federal Reserve Bank and You.** Produced for the Federal Reserve Bank of Minneapolis. Viewing time thirty minutes. A 16 mm. sound, black and white motion film. In filling a class assignment a student seeks the aid of the president of the local bank, who explains what the Federal Reserve System is, how Reserve Banks operate, and why the System is important to banking and to people in general.