

FEDERAL RESERVE BANK OF ST. LOUIS

MONTHLY REPORT ON

GENERAL BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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IN a majority of instances reports to this bank by leading interests in all lines scattered through the district indicate further improvement in business during the past thirty days. The rate of progress was somewhat less marked than during the preceding month, and in certain localities and industries a slight reaction from the recent activity was noted. The usual seasonal slowing down in production and distribution of certain commodities was emphasized by labor difficulties, and in the areas directly affected by strikes, the retail branch of trade reflected the money losses involved in stoppage of operations and workers' pay. In those localities there is decided hesitation on the part of merchants in the matter of filling their requirements for goods of all sorts.

On the other hand defactions from the list of employed, due to the strikes, was in a large measure counterbalanced by the augmented pay rolls of industries which have increased their operations, and by the enormous absorption of workers by harvesting and other agricultural activities. For the first time in many months there has developed a scarcity of laborers, both common and skilled, and the trend of wages is upward. This is true particularly of the iron and steel and building industries. Labor agencies report an unusual demand for skilled artisans and are unable to supply all the requests made upon them for common labor. Generally throughout the district farmers have been able to obtain all the help required, and are paying about the same wages as at this time last year.

Crop prospects in this district continue to furnish the basis for considerable optimism. While there was a slight loss in production outlook as a whole for the district during June, the average is still high, and with anything like normal weather and growing conditions, until harvest, the late crops will make an excellent showing. Private reports to this bank from farmers and country merchants in the typical grain areas indicate decided optimism in the rural communities. While prices are not uniformly satisfactory, the crops this season have been, and are being raised at smaller cost than during the years immediately preceding, and the producers may reasonably count on good profits. The United States Department of Agriculture makes the average condition of all crops in the seven states entirely or partly within the Eighth Federal Reserve District (100=10-year average) 100.3 per cent as of July 1, against 105.8 per cent on June 1, and 94.7 per cent on July 1, 1921.

An almost universal comment by manufacturers and wholesalers is that business has approached

more nearly to normal during the past six weeks than at any time since the war. While there has been an upward price trend in a number of important commodities, the general tendency is in the direction of stabilization. This is reflected in the disappearance to a large extent of the fears and hesitation of retailers and the public to fill their requirements. The volume of forward orders, while not as heavy as in the past, is steadily increasing. In lines for ordinary consumption, such as dry-goods, clothing, groceries and boots and shoes, orders for future shipment show striking gains as contrasted with the same period a year ago, and are vastly larger than for the same time in 1920.

Another favorable symptom noted in manufacturing and wholesale is the broader assortments of goods included in current orders. Retailers are filling out their stocks, and purchasing goods which have been relatively inactive for two years or more. This is true especially of the rural districts, where business has been stimulated by good crop yields and prospects, and the firm prices obtained for farm products. In view of the initial movement of new crop wheat to market, and the generally liberal forwardings of grain, prices of cereals have held strong. The rather sharp decline in wheat, which culminated about June 26, was largely recovered during the closing days of that month and early July, a sharp upward reaction taking place after announcement of the loss in estimated production contained in the Government's July 1 report.

Save in a few isolated instances, production of commodities in the district has not been hampered by the coal strike, but a large number of manufacturers report that their reserve stocks of fuel have been drawn upon heavily and a continuance of the strike for a much longer period will result in serious inconvenience and higher costs. Reserves of public utility companies have also been reduced, and their recent purchases of coal have been at a considerable advance in price. The general demand for coal since July 1, according to dealers in the district, has been considerably more urgent than at any time since the strike started. The rush to obtain supplies has been accompanied by a sharp upturn in prices, with individual consumers offering a premium over current quotations for prompt shipment. Production of coal for the country as a whole during the thirteenth week of the strike (June 26—July 1) was 5,232,000 tons which compares with 9,530,000 tons for the corresponding week in 1921 and 12,064,000 tons in 1920. Unbilled cars of bituminous coal at the mines dropped from 30,730 on April 8 to 1,686 on July 4.

The improvement in traffic of railroads operating in this district noted in the preceding issue of this report continued steadily through June and the first week of July. With the exception of coal, loadings of which are affected by the abnormal conditions existing in that industry, the movement of virtually all commodities showed gains over the corresponding period last year. Southern carriers report unusually heavy loadings of early fruits and vegetables, and all lines indicate gains in live stock, forest products, merchandise and miscellaneous freight. Effects of the shopmen's strike were being felt during the second week of July, and the movement of trains was interfered with, resulting in temporary embargoes and congestion at many points. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 167,610 loads in June, against 165,168 loads in May, 138,690 loads in April, 172,895 loads in March, 150,704 loads in February and 151,093 loads in January. During the first nine days of July 44,704 loads were interchanged against 48,935 loads during the corresponding period in June. The decrease is accounted for by the July 4 holiday. Passenger traffic of the St. Louis roads in June was approximately 6½ per cent less than in June, 1921, but showed a heavy increase over May, and was larger than any previous month this year. A rather sharp falling off in passenger traffic since the strike started is noted by all roads in the district.

Automobile production for the country as a whole made a further gain during June, the output of passenger cars being approximately 10.4 per cent

about 13.5 per cent. Reports from 230 dealers greater than in May, and truck production gaining scattered through the Eighth Federal Reserve District indicate a continuance of the activity noted during the preceding month. Sales of new cars in the country during June were 5¼ per cent larger than in May, while purchases in the city showed a gain of approximately 2 per cent. The condition of the used car market is more nearly normal than at any time this year. Replacement buying during the past sixty days has been an important factor in the general increase. A marked improvement has taken place in the tire trade, the recent price reductions having met with excellent response. Sales of accessories show improvement about on a parity with that noted in automobiles.

Reports relative to collections from all sections of the district were more uniformly favorable than at any time in more than two years. Wholesalers and jobbers in the larger centers of population indicate conditions normal, with several important interests stating that settlements by their customers in June and early July were as large, proportionately, as during any similar period in past years. To the South payments were stimulated by the advance in cotton prices, and successful marketing of early fruits and vegetables. Collections in the retail branch of distribution are unusually efficient for this season of the year. Answers to 327 questionnaires addressed to representative interests in various lines throughout the Eighth Federal Reserve District asking for data relative to collections show the following results: 6.1 per cent excellent; 48.8 per cent good; 41.2 per cent fair and 3.9 per cent poor.

Commercial failures in the 12 Federal Reserve Districts during the months of June and May, with comparative figures for June, 1921, as compiled by Dun's, were as follows:

District	NUMBER			LIABILITIES		
	June 1922	May 1922	June 1921	June 1922	May 1922	June 1921
Boston, First.....	150	186	136	\$ 4,838,902	\$ 3,476,746	\$ 2,546,879
New York, Second.....	273	419	232	7,642,247	16,605,233	4,736,685
Philadelphia, Third.....	57	87	71	1,573,360	1,568,262	1,939,408
Cleveland, Fourth.....	136	173	98	3,521,377	3,359,073	4,744,487
Richmond, Fifth.....	137	169	82	2,183,739	2,544,963	1,478,512
Atlanta, Sixth.....	147	179	130	2,041,013	3,784,262	3,522,511
Chicago, Seventh.....	230	231	140	6,369,831	4,254,855	4,476,283
St. Louis, Eighth.....	125	117	102	1,525,233	1,750,033	1,974,278
Minneapolis, Ninth.....	79	79	31	1,307,894	1,342,341	454,553
Kansas City, Tenth.....	86	70	73	2,149,987	1,294,560	4,764,647
Dallas, Eleventh.....	114	84	105	2,481,679	2,175,351	2,588,787
San Francisco, Twelfth.....	206	166	120	2,557,188	2,247,207	1,412,345
Total.....	1,740	1,960	1,320	\$38,242,450	\$44,402,886	\$34,639,375

MANUFACTURING AND WHOLESALE

Boots and Shoes — Results obtained in the boot and shoe industry during the period under review indicate a continuance of the steady improvement of recent months. June sales of the 11 reporting interests were from 8 to 16½ per cent heavier in dollar value and from 31 to 50 per cent heavier in number of pairs than during the same month last year. June sales compared with those in May show gains of from 3 to 14 per cent. Orders received during the first two weeks of July were extremely heavy, buying being stimulated by the firmer mar-

ket. Some scattered price advances were reported, and several of the leading interests indicate that a general advance during the next thirty days is contemplated. The advance in finished goods is due to higher prices asked for leather and hides. Present prices of boots and shoes average from 10 to 18 per cent less than last year. One leading interest says that based on 1913 prices as 100, its price average increased to 276, and in April this year returned to 137. Factory operation in the district was at from 92 to 100 per cent of capacity.

Clothing — Reports of the 23 leading interests indicate sales during June ranging from 23 per cent less to 12 per cent larger than in the same month in 1921, and from 13 per cent less to 8 per cent larger than in May. Aside from a tendency toward higher prices, there was no change in the general situation during the period under review. A large majority of the houses reporting state that their orders for forward shipment are well in excess of the same time last year.

Iron and Steel Products — Mills, foundries and machine shops report a continued flow of new business, and a number of important interests have booked all the orders they can fill during the next three months. Buying of finished and semi-finished iron and steel goods by the railroads during June was on a large scale, and the same was true of all ferrous materials used in building. The melt of pig iron, according to figures of the reporting interests, increased approximately $5\frac{3}{4}$ per cent in June over May. Prices of No. 2 Northern pig iron (1.75 to 2.25 per cent silicon) advanced to \$24 @ \$25 per ton, but Southern of the same grade held steady at \$18.50 to \$20. Stove manufacturers, 7 interests reporting, showed June sales from 23 to 51 per cent larger than a year ago, and about steady with the preceding month. Stove plants are experiencing difficulty in obtaining moulders. Five farm implement manufacturers and distributors reported gains of from 5 to 19 per cent during June over the same month last year. Boiler makers, railroad supply interests, manufacturers of architectural iron and machinery builders indicate substantial gains in June business over that of the corresponding month last year.

Hardware — Save in the areas directly affected by the coal miners' strike, steady improvement is noted in the hardware business. Sales during June of the 12 interests reporting showed gains of from $15\frac{1}{2}$ per cent to losses of 40 per cent over the same month in 1921. The losses were confined to stores in the mining sections. Orders received during the first two weeks of July were well in excess of the corresponding period a year ago. All sorts of hardware, tools and implements used on farms are moving better than at any time in more than two years. All firms reporting comment on their increased sales of shelf hardware, enamel ware, and other goods used in the household.

Electrical Supplies — According to the five reporting interests, business is steadily improving as a result of new building and renewed confidence in values. Prices are steady with the preceding month, but about $33\text{-}1\frac{1}{3}$ per cent below last year. A good demand is noted for seasonal goods, such as fans and ranges. Radio sets and supplies are in excellent demand.

Flour — Production of 11 leading mills in the district during June was 223,428 barrels against 279,970 barrels in May, 252,868 barrels in April and 239,428 barrels in March. Throughout June the demand from all sources was quiet. Domestic buyers were taking only what they required for immediate distribution, and the export inquiry was slow. Contracting for future requirements was unusually light. Since July 1, however, considerably more

interest has been manifested, both by the domestic and export trade, particularly Latin American countries. Mill operation during the period under review was at about 50 per cent of capacity.

Groceries — General improvement throughout the district, particularly in the rural sections, is indicated in reports from 18 reporting stores. These interests show sales during June ranging from 20 per cent to $13\frac{1}{2}$ per cent larger than for the same month in 1921. The declines are accounted for mainly by seasonal considerations, and conditions peculiar to certain sections. The trend of prices is upward, and the volume of future orders continues to improve, and now averages close to 28 per cent heavier than last year for the reporting stores.

Furniture — June sales of the 11 reporting interests were from 2 per cent to $14\frac{3}{4}$ per cent larger than for June, 1921, and 12 per cent less to 8 per cent larger than in May this year. Prices underwent no change during the period under review, the upward revisions looked for on July 1 having failed to materialize. Due to the advance in certain raw materials, notably lumber, mirrors, and iron and steel, manufacturers say that higher quotations on finished goods are likely during the next sixty days. There is a fair demand for office equipment but at the moment activity centers chiefly in household furniture. Plant operation in the district was at from 82 to 85 per cent of capacity during the period under review.

Drugs and Chemicals — According to the 7 reporting interests, June sales were steady to 2 per cent larger than in May, and from 9 per cent less to 12 per cent larger than for the corresponding month a year ago. The general comment is made that buying is of a more normal and satisfactory character than has been the case in many months, and includes a larger percentage of future orders. Prices are firm, and tending upward. Seasonal goods are moving in large volume, and three of the leading houses report sales of soda fountain supplies in June and early July the largest ever recorded.

Lumber — Since about June 1 the demand on the mills for building lumber has been declining and is now on the usual midsummer basis. Buying by the railroads and car shops held up in excellent shape until the beginning of the shopmen's strike, this activity being due to extensive track and bridge repairs, and to the large number of bad order cars. The unusually heavy movement of lumber from mills during May was exceeded in June, mainly as a result of an easier car supply and anxiety of wholesalers to market their recent heavy purchases at the mills. June receipts at St. Louis were 20,183 cars, against 19,518 in May and 12,432 cars in June, 1921. In face of the large amount of transit lumber thrown upon the market, prices have held their own, the yellow pine list being the only section showing weakness. Edge grain flooring, partition and dimension have held strong, and the price of western lumbers were steady during the period under review. The hesitation in buying incident to the labor troubles has not thus far disturbed hard wood values, and the same holds true relative to red and yellow cypress.

Industrial Power Consumption—Public utility companies in the four leading cities of the district report large increases in the consumption of electrical power by industrial concerns during June as compared with the same month of last year. Three of the four reporting cities show a nominal increase for the current month over the preceding one, Memphis alone reporting a decline. The comparative figures follow:

Representative Customers	June, 1922	May, 1922	June, 1922 comp. to May, 1922	June, 1921	June, 1922 comp. to June, 1921
St. Louis.... 65	10,816,177 k. w. h.	10,474,297 k. w. h.	+ 3.3%	8,354,460 k. w. h.	+29.5%
Memphis 31	800,700 "	975,360 "	-17.9%	650,640 "	+23.1%
Little Rock 11	769,494 "	720,932 "	+ 6.7%	604,581 "	+27.3%
Louisville .. 81	2,282,724 "	2,206,411 "	+ 3.5%	1,579,162 "	+44.5%
Total.. 188	14,669,095 "	14,377,000 "	+ 2.0%	11,188,843 "	+31.1%

RETAIL

While reports from retailers generally through the district indicate satisfactory and steadily improving conditions, actual sales during the period under review were slightly under those of the preceding month, also of the corresponding period a year ago. Decreases noted in the May-June comparison are due largely to seasonal considerations, while the losses as compared with a year ago may be accounted for by the coal and railroad strikes, and the fact that the weather has not been auspicious for the movement of certain goods. Clothiers report that there is still a decided disposition to economize, and discriminate in favor of medium and low price goods. During the latter part of June and early July there was a marked picking up in sales of both men's and women's garments. Jewelers report gains

in their June sales over those in May, but losses of from 8 to 10 per cent as compared with June, 1921. Hardware dealers in the country are experiencing the best demand in several years, with all farm supplies especially active. In the cities retail hardware sales are holding up well, especially of goods for household use and seasonal sporting goods. Stationers and printers report no change in conditions as compared with the preceding thirty days, though the former state that the volume of catalogue orders for fall is well in excess of a year ago. Competition in both these lines continues keen, and the margin of profit small. Sales of furniture houses were in the main larger than a year ago, with the increase being represented largely by dining room and bedroom sets. Collections are generally satisfactory, though some backward spots are noted.

Department Stores—The condition of retail trade during June, 1922, in the leading cities of this district is reflected in the following statement, compiled from reports of 20 representative department stores:

(Percentages)	St. Louis	Louisville	Memphis	Little Rock	Evansville	Quincy	8th District
Net Sales:							
June, 1922, compared with June, 1921.....	- 2.9	- 6.7	+13.1	-13.4	-16.7	+ 5.9	- 6.0
Period January 1 to June 30, 1922, compared with same period in 1921.....	- 9.4	- 7.6	- 7.4	-18.2	-12.7	-11.2	- 9.6
Stocks at end of June, 1922:							
Compared with same month in 1921.....	- 5.8	-16.1	-15.5	+10.4	-14.7	- .7	- 9.0
Compared with stocks at end of May, 1922.....	- 1.5	- 9.3	-19.9	- 5.7	- 3.3	- 1.9	- 5.8
Average stocks on hand at end of each month since January 1, 1922, to average monthly sales during same period.....	355	585.6	659.9	391.7	678.7	497.3	440.7
Outstanding orders for June, 1922, compared with previous year's purchases.....	6.3	2.8	4.5	3.9	1.3	6.4	5.4

AGRICULTURE

Harvesting of spring wheat in this district is completed, and threshing is in progress over a broad area. Early returns show rather uneven conditions, some reports indicating heavy yields with quality high, while elsewhere yields are lower than expected, and quality disappointing. The chief source of complaint appears to be the light weight of the grain, due to premature ripening. Missouri, the principal wheat area of the district, will produce approximately 40,700,000 bushels, against 34,390,000 bushels in 1921. There are some complaints of wet harvest weather, but this will hardly reduce the quantity, the worst result being a slight reduction in quality. Wheat production in all seven states of the district will be larger than last season.

Corn during the period under review has made good progress. The long dry spell was broken by abundant rains late in June, and since that time growing conditions have been ideal. Stands are

good, except in spots where the dry weather held back germination, and where chinch bugs and worms destroyed the young plants. Based on the Government's July 1 estimate, production of corn in the Eighth Federal Reserve District will be slightly under the 1921 total.

Reports relative to the oats crop are generally poor to fair. An unusually unfavorable planting season resulted in heavily reduced acreages, and growing conditions since seeding have not been favorable. In Missouri, for example, only a half crop is indicated, 21,913,000 bushels against 42,960,000 bushels in 1921. In many sections the crop is practically a failure, and has been pastured or entirely abandoned. Total production for this district is estimated at 40,373,000 bushels against 59,090,000 bushels last year.

May crops have improved in marked degree since the late June precipitation, and pastures are generally in good condition. The yield of hay in

this district is expected 7,467,000 tons against 6,934,000 tons last year.

Fruits, vegetables and small crops generally continue the excellent promise of the two preceding months. Shipments to date this season from many important fruit and truck producing counties are the largest on record. Potatoes are making good progress, and in the South indications point to an unusually heavy yield of sweet potatoes.

There is an increased acreage of rice in Arkansas, and the crop is reported in excellent condition.

With the exception of scattered complaints of hog cholera from Indiana and Illinois, live stock is reported in good condition.

Cotton made good growth under improved weather conditions. There were some complaints of too much rain, and too low temperatures at

The U. S. Department of Agriculture, in its report as of July 1, 1922, gives the condition of winter wheat, oats and corn in the states of this district as follows:

WHEAT

	CONDITION		FORECAST 1922 PRODUCTION*		PRODUCTION COMPARISONS*		PRICE PER BU.	
	July 1		from condition		1921	5 yr. av.	July 1	
	1922	10 yr. av.	July 1—June 1		Dec.	1916-20	1922	1921
	%	%	Bu.	Bu.	Est. Bu.	Bu.	Cents	Cents
Illinois	83	76	47,259	51,613	42,638	41,201	102	115
Indiana	83	76	32,046	33,977	24,144	33,668	103	114
Kentucky	83	82	7,553	8,644	6,340	8,959	119	126
Missouri	79	78	40,715	43,754	34,390	39,479	102	113
Tennessee	74	82	4,689	5,196	4,500	6,077	123	133
United States.....	77.0	81.0	569,276	607,333	587,032	565,905		

OATS

Illinois	63	83	110,767	132,754	121,741	181,914	33	33
Indiana	52	83	34,027	47,912	45,072	71,070	34	30
Missouri	50	82	21,913	28,068	42,960	48,047	42	42

CORN

	ACREAGE 1922		CONDITION		FORECAST 1922 PRODUCTION		PRODUCTION COMPARISONS		PRICE PER BU.	
	% of		July 1		from July 1, 1921		5 yr. av.	July 1		
	1921	Acres*	1922	10 yr. av.	Condition	Dec.	1916-20	1922	1921	
			%	%	Bu.*	Est. Bu.*	Bu.*	cents	cents	
Arkansas	93	2,543	77	83	47,387	60,148	48,167	87	94	
Illinois	98	8,819	84	85	303,726	305,966	327,245	55	53	
Indiana	101	4,765	82	84	170,749	169,848	182,569	56	50	
Kentucky	101	3,241	91	87	94,378	82,150	97,152	83	79	
Mississippi	90	2,855	81	81	51,339	57,096	55,702	87	105	
Missouri	97	5,913	82	84	160,006	182,880	176,224	65	58	
Tennessee	92	3,235	83	86	80,552	90,713	86,490	80	83	

*In thousands—i. e., 000 omitted.

Range of prices on typical products in the St. Louis market between June 15 and July 15, with closing quotations on each of these dates, and on July 15, 1921:

	Close June 15	High	Low	Close July 15	Close July 15, 1921
July wheat.....Per bu.	\$1.07	\$1.15½	\$1.06¼	\$1.11½	\$1.28½
September wheat..... "	1.08¾	1.16½	1.07½	1.11¾	1.29¾
December wheat..... "	1.12¾	1.19	1.10¾	1.14¾	1.33¾
July corn..... "	.60¼	.64	.59¾	.64	.58
September corn..... "	.63¾	.67	.62¾	.64½	.59½
December corn..... "	.63¼	.66¾	.61¾	.61¾	.58½
July oats..... "	.35	.38½	.35¼	.36	.39½
September oats..... "		.39½	.35	.37	.41
No. 2 red winter wheat "	1.17 @ 1.18	1.23	1.07½	1.14 @ 1.16	1.29 @ 1.33
No. 2 hard wheat..... "	1.10	1.22	1.11	1.15 @ 1.16	1.30
No. 2 corn..... "	.58½	.65	.59	.64½	.63
No. 2 white corn..... "	.60 @ .60½	.65	.60½	.64½	.64½
No. 2 white oats..... "	.35½	.40½	.36	.40½	.39½
Flour: soft patent.....Per bbl.	5.75 @ 6.75	6.50	5.50	5.50 @ 6.25	6.25 @ 6.75
Flour: spring patent..... "	6.90 @ 7.25	8.05	6.85	7.40 @ 7.70	9.00 @ 9.65
Middling cotton.....Per lb.	.21½	.23½	.22	.23	.11
Hogs on hoof.....Per cwt.	8.50 @ 10.75	11.20	8.00	8.00 @ 10.90	8.00 @ 11.00

COMMODITY MOVEMENT

Receipts and shipments of important commodities at St. Louis during June, 1922 and 1921, and May, 1922 as reported by the Merchants' Exchange, were as follows:

	Receipts			Shipments		
	June, 1922	May, 1922	June, 1921	June, 1922	May, 1922	June, 1921
Flour, barreles.....	323,950	348,210	371,050	453,340	443,460	403,320
Wheat, bushels.....	1,570,975	2,558,400	2,982,975	1,785,110	2,284,320	2,439,060
Corn, bushels.....	2,613,000	2,870,352	1,917,500	2,197,070	2,145,420	1,791,530
Oats, bushels.....	2,620,800	2,603,625	2,356,000	2,278,610	1,959,760	1,892,075
Lead, pigs.....	404,430	406,880	240,870	226,120	217,110	128,320
Zinc and Spelter, slabs.....	351,030	338,320	67,820	295,630	308,040	113,590
Lumber, cars.....	20,183	19,518	12,432	14,560	14,392	9,840
Meats, pounds.....	19,469,500	20,510,300	24,388,700	27,246,800	28,389,100	25,433,400
Fresh beef, pounds.....	147,000		136,500	20,247,700	19,205,100	23,360,000
Lard, pounds.....	3,258,400	4,447,800	3,184,600	8,045,800	8,010,000	7,537,500
Hides, pounds.....	6,314,800	7,264,700	4,757,600	9,565,100	8,849,700	7,444,900

LIVE STOCK MOVEMENT

As reported by the St. Louis National Stock Yards, receipts and shipments of live stock in June, 1922 and 1921, and May, 1922, were as follows:

	Receipts			Shipments		
	June, 1922	May, 1922	June, 1921	June, 1922	May, 1922	June, 1921
Cattle and Calves.....	113,647	55,939	86,580	67,652	47,095	48,112
Hogs.....	298,492	337,158	275,494	197,799	219,866	158,437
Sheep.....	117,068	49,635	119,163	50,625	16,205	53,555
Horses and Mules.....	2,106	3,758	2,233	2,186	4,009	2,922

LABOR SITUATION

The labor situation in this district is reflected in the following table, compiled from reports received from 200 leading employers in 20 of the largest cities in the district:

	Wage Earners				% of Normal	Pay Roll
	Men	Women	Total	Normal		
June 30, 1922.....	109,365	24,217	133,582	157,684	-15.3	\$9,947,894.52
May 31, 1922.....	104,522	16,704	121,226	147,352	-17.7	8,837,054.29
June 30, 1921.....	98,568	22,516	121,084	157,684	-23.2	9,919,193.92

From the above tabulation it will be noted that the number of employes of the reporting interests increased 12,498 or 10.3% (men increased 10.9% while women increased 7.5%) between June 30, 1921 and June 30, 1922. On June 30, 1921 the number was 23.2% under normal and on May 31, 1922 the total was 17.7% under normal as compared with 15.3% on June 30, 1922. Wages figured on a semi-monthly basis, increased .3% between June 30, 1921 and June 30, 1922.

BUILDING

A small decline was recorded in the number and amount of building permits issued in June by the five leading cities of the Eighth Federal Reserve District as compared with May, but heavy gains both in number and amount were made over the corresponding month last year. Generally through the district activity in the building industry continues at the high levels noted in the two preceding issues of this report. In some sections, mainly in the South, work is being retarded by delayed deliveries of materials. In the large cities contractors and builders complain of a dearth of skilled workers in the building crafts. Interests manufacturing and distributing building materials report June sales the largest for any month this year. One leading producer of fire clay products gives the volume of his business, expressed in percentage of normal, as 130 per cent in June, against 90 per cent in May and 37 per cent in June, 1921. Production of Portland Cement in June for the country as a whole was 11,245,000 barrels, the highest for any single month this year.

Comparative figures for June in leading cities of the district follow:

	New Construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1922	1921	1922	1921	1922	1921	1922	1921
St. Louis.....	780	602	\$2,068,140	\$1,895,299	530	481	\$368,615	\$254,770
Louisville.....	252	219	1,407,350	910,500	157	163	170,600	97,150
Memphis.....	405	274	1,284,720	1,040,184	34	37	19,920	21,480
Little Rock.....	51	69	183,574	184,600	132	157	47,965	44,245
Evansville.....	84	43	281,030	76,930	82	72	23,545	3,233
June totals.....	1,572	1,207	\$5,224,814	\$4,107,513	935	910	\$630,645	\$420,868
May totals.....	1,727	1,015	6,890,004	2,421,647	1,228	1,114	553,851	433,189
April totals.....	1,553	962	5,400,263	1,983,911	915	1,164	676,421	419,646

POSTAL RECEIPTS

	Quarter ended June 30, 1922	Quarter ended March 31, 1922	Quarter ended June 30, 1921
St. Louis.....	\$2,430,695.47	\$2,471,204.81	\$2,123,968.85
Memphis.....	378,275.73	360,445.17	335,244.84
Little Rock.....	161,204.98	172,713.80	157,844.53
Evansville.....	123,107.21	119,883.63	98,444.74
Total.....	\$3,093,283.39	\$3,024,247.41	\$2,715,502.96

FINANCIAL

The past thirty days were marked by further strengthening in the general financial position, and banks in this district are in better shape now to take care of all demands made upon them than at any time since the outbreak of the great war. Loanable resources of the commercial banks are at a high level, and with the demand only moderately active, the trend of interest rates continued easier. There was a sharp decrease in business failures, both as compared with the preceding month and a year ago, and a further improvement in the credit situation was noted in the South. The demand for financing crops is being felt to some extent, but to date loans for this purpose are relatively light as compared with former seasons. Banks in sections where early fruits and vegetables are important crops report heavy liquidation of loans, due to the large production and successful marketing of these products. In the large centers, particularly St. Louis and Louisville, there has been some liquidation by large wholesale and manufacturing interests. Some improvement in the commercial demand was noted in the immediate past, and recent advices received by financial institutions from certain of their customers indicate a further broadening in the demand during the next few weeks. Between June 15 and July 15 the net deposits of the Federal Reserve Bank of St. Louis decreased \$996,000, the decrease being partially accounted for by the fact that St. Louis was reclassified as a reserve instead of central reserve city effective July 1. Federal Reserve notes in circulation decreased \$841,000, while bills discounted for member banks decreased \$1,689,651.

The total reserve carried against combined Federal Reserve note and deposit liabilities decreased .9 per cent, standing at 65.1 per cent on July 15.

Acceptances — No change from the dull conditions obtaining in the market for acceptances during the past two months took place during the period under review. Abundant money throughout the country has resulted in seriously disturbing the supply of bankers acceptances, the volume originating in all districts being insignificant. The low rate of interest is restricting the market. Purchases of acceptances in the open market by this bank in June totaled \$6,004,920, a gain of \$2,038,672 over the preceding month.

Commercial Paper — Brokers report a good demand for commercial paper, and a large volume of sales, which was prevented from being still greater only by lack of offerings. City banks are the heaviest buyers, some institutions which have not been in the market for several years now purchasing. Country banks are buying to some extent, but the low rate of interest and other calls for their funds tend to hold down their takings. Rates quoted by brokers range from 4 to 4¼ per cent.

Bonds — No change worthy of note has taken place in the investment bond market during the past thirty days. Some temporary stimulation was felt from the July 1 interest and dividend disbursements. The demand centers in high grade corporation bonds, municipals and Government obligations. The demand for and prices of all Liberty bond issues is well sustained.

Interest Rates — Between June 15 and July 15 the high, low and customary interest rates prevailing in St. Louis, Memphis, Louisville and Little Rock, as reported by banks in those cities were as follows:

	St. Louis			Louisville			Memphis			Little Rock		
	H	L	C	H	L	C	H	L	C	H	L	C
Customers' Prime Commercial Paper:												
30 to 90 days.....	6	4½	5½	6	5	6	6	6	6	7	6	7
4 to 6 months.....	6	4½	5½	6	5	6	6	6	6	8	6	6-7
Prime Commercial Paper purchased in open market:												
30 to 90 days.....	6	4	5	4½	4¼	4½	.....	.....	.....	5	4½	5
4 to 6 months.....	5½	4	4½	4½	4¼	4½	.....	.....	.....	.....	.....	.....
Loans to other banks.....	6	4½	5½	6	5	6	6	6	6	7	6	6-7
Bankers' Acceptances of 60 to 90 days:												
Endorsed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Unendorsed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Loans secured by prime stock exchange collateral or other current collateral:												
Demand	6	3¾	5½	6	5	6	.....	.....	.....	8	6	7
3 months	6	4½	5½	6	5	6	6	6	6	8	7	7
3 to 6 months.....	6	4½	5½	6	5	6	6	6	6	8	7	7
Cattle Loans.....	7	5½	6	.....	.....	.....	.....	.....	.....	8	7	8
Commodity paper secured by warehouse receipts, etc.....	6	5	6	6	6	6	6	5	6	8	7	7
Loans secured by Liberty Bonds and certificates.....	6	3¾	5½	6	5	6	6	6	6	8	6	7

Savings Deposits — The changes in the number of savings accounts and the amount of savings deposits, exclusive of postal savings deposits, since a month ago and a year ago, as reported by the largest member banks in the leading cities of this district, are shown in the following table:

	July 5, 1922			June 7, 1922		July 1, 1921	
	Number Banks Reporting	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	238,640	\$ 65,348,000	236,781	\$ 64,697,000	224,941	\$ 61,680,167
Louisville	7	134,258	20,892,000	135,193	20,810,000	118,514	17,984,618
Memphis	7	55,896	14,880,000	55,668	14,690,000	54,950	13,150,592
Little Rock.....	5	25,194	6,097,000	26,130	6,006,000	23,098	5,520,262
Evansville	4	20,657	8,339,000	20,679	8,138,000	20,120	8,007,576
Total.....	35	474,645	\$115,556,000	474,451	\$114,341,000	441,623	\$106,343,215

Condition of Banks — The condition of banks in this district and changes since a month ago and last year, are reflected in the following comparative statement showing the principal resources and liabilities of member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville:

	July 12, 1922	June 14, 1922	July 13, 1921
Number of banks reporting.....	37	37	37
Loans and discounts (excluding rediscounts):			
Secured by U. S. Govt. obligations.....	\$ 15,666,000	\$ 16,145,000	\$ 16,924,000
Secured by stocks and bonds other than U. S. Bonds	122,988,000	121,684,000	118,682,000
All other loans and discounts.....	270,990,000	271,929,000	274,790,000
Total loans and discounts.....	\$409,644,000	\$409,758,000	\$410,396,000
Investments:			
U. S. Bonds	28,718,000	27,836,000	25,571,000
U. S. Victory Notes.....	2,233,000	2,422,000	2,010,000
U. S. Treasury Notes.....	9,765,000	11,238,000	9,110,000
U. S. Certificates of Indebtedness.....	9,366,000	8,297,000	1,237,000
Other bonds, stocks and securities.....	81,491,000	81,928,000	67,175,000
Total investments.....	\$131,573,000	\$131,721,000	\$ 96,504,000
Reserve Balance with Federal Reserve Bank.....	34,921,000	40,675,000	37,618,000
Cash in vault.....	6,841,000	7,231,000	7,580,000
Net demand deposits on which reserve is computed.....	319,500,000	318,100,000	286,941,000
Time deposits.....	162,397,000	160,508,000	142,236,000
Government deposits.....	4,131,000	9,414,000	7,568,000
Bills discounted with Federal Reserve Bank.....	1,562,000	2,722,000	38,934,000
Bills payable with Federal Reserve Bank.....	2,034,000	2,658,000	14,157,000

Debits to Individual Accounts — The following table gives the total debits charged by banks to checking accounts, savings accounts and trust accounts of individuals, firms, corporations and U. S. Government and also certificates of deposits paid, in the leading cities of this district during the past month and corresponding period a year ago. Charges to the accounts of banks and bankers are not included. These figures are considered the most reliable index available for indicating actual spending by the public during the period which they cover:

	July 12, 1922	June 14, 1922	July, 1922 comp. to June, 1922	July 13, 1922	July, 1922 comp. to July, 1921
Debits for four weeks ending.....					
St. Louis, Mo.....	\$561,677,000	\$513,248,000	+ 9.4%	\$448,166,000	+25.3%
Louisville, Ky.....	133,273,000	132,527,000	+ .5%	92,395,000	+44.2%
Memphis, Tenn.....	93,199,000	94,734,000	- 1.6%	72,690,000	+28.2%
Little Rock, Ark.....	34,198,000	34,805,000	- .2%	33,862,000	+ 1.0%
East St. Louis & Nat. Stock Yards, Ill	37,787,000	36,140,000	+ 4.6%	31,530,000	+19.8%
Evansville, Ind.....	31,526,000	25,776,000	+22.3%	22,819,000	+38.2%
Springfield, Mo.....	11,662,000	12,986,000	-10.1%	11,062,000	+ 5.4%
Quincy, Ill.....	8,528,000	8,627,000	- 1.1%	8,411,000	+ 1.4%
Owensboro, Ky.....	4,828,000	3,972,000	+21.6%		
Greenville, Miss.....	3,286,000	3,533,000	- 7.0%		
Helena, Ark.....	3,551,000	4,055,000	-12.4%		
Fort Smith, Ark.....	9,909,000				

FEDERAL RESERVE OPERATIONS

In June the Federal Reserve Bank of St. Louis discounted \$90,922,694 of paper for 249 member banks, which is an increase of \$25,483,337 over the amount discounted in May and a decrease of 128 in the number of banks accommodated. Acceptances purchased in June amounted to \$6,004,920, an increase of \$2,038,672 over the preceding month. The discount rate of this bank remained unchanged at 4½ per cent..

Changes in the assets and liabilities of the Federal Reserve Bank of St. Louis since a month ago and last year are shown in the following comparative statement (in thousands of dollars):

RESOURCES:				LIABILITIES:			
	July 12, 1922	June 14, 1922	July 13, 1921		July 12, 1922	June 14, 1922	July 13, 1921
Gold Reserves.....	\$ 72,229	\$ 74,193	\$ 74,533	Capital paid in.....	\$ 4,769	\$ 4,708	\$ 4,512
Legal tender notes, silver, etc.....	13,541	16,665	12,752	Surplus	9,388	9,388	9,114
Total Cash Reserves..	\$ 85,770	\$ 90,858	\$ 87,285	Deposits	61,235	67,849	62,210
Discounts secured by U. S.				F. R. notes in circulation	67,717	68,694	101,750
Govt. obligations.....	5,722	6,430	31,133	F. R. Bank notes in circulation	3,343	3,348	6,259
Discounts otherwise secured or unsecured..	11,211	12,265	50,339	Deferred Availability items	31,036	33,297	28,648
Bills bought in open market.....	13,856	9,597	136	Othed liabilities.....	831	937	1,891
U. S. Govt. securities....	25,739	31,605	13,209	Total liabilities.....	\$178,319	\$188,221	\$214,384
Total earning assets..	\$ 56,528	\$ 59,897	\$ 94,817				
Uncollected items.....	32,557	33,715	30,640	Combined reserve ratio..	66.5%	66.5%	53.2%
Other resources.....	3,464	3,751	1,642				
Total Resources.....	\$178,319	\$188,221	\$214,384				

(Compiled July 19, 1922)