

FEDERAL RESERVE BANK OF ST. LOUIS

MONTHLY REPORT ON GENERAL BUSINESS CONDITIONS

IN FEDERAL RESERVE DISTRICT No. 8

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THE disposition of the public to economize, coupled with extreme conservatism on the part of merchants, was reflected in quietness and a slightly declining tendency in general business throughout this district during the past thirty days. Fundamentally there has been continued improvement. Stocks of merchandise in retailers hands are low, prices are on a more stable basis, there has been a good rise in important farm products and the financial position is stronger than at any time in many months, but withal buyers are in a hesitating mood and the movement of commodities into consumption is disappointing.

In the typical grain producing sections of the district sentiment has been improved to some extent by the sharp rise in wheat, corn and oats prices. However, in the case of wheat, which sustained the broadest advance, beneficial results were less noteworthy in the country than might be expected because of the fact that producers had already marketed most of their stocks. The upturn in the course grains, according to reports from many sections, will prove an incentive for heavier acreages this spring than had been contemplated in earlier planting programs. Cotton prices have not responded to the rise in cereals, and little change worthy of note has taken place in market conditions of that staple.

Reports from manufacturers and wholesalers indicate a slowing down in the demand for all kinds of goods as compared with the preceding thirty-day period. A universal comment is that competition is even keener than heretofore, and the most intensive salesmanship is necessary in order to secure business. This is true especially in reference to commodities other than those for daily consumption. Buying by retailers continues almost exclusively on a basis of immediate shipment, and in turn retailers report that their customers are taking only what they are obliged to have, and are discriminating in favor of cheap and medium-priced articles.

According to producers of raw materials, manufacturers are buying with the utmost caution, with price the chief consideration. The attitude of the public in the matter of insisting on low-priced goods has created a difficult situation both for manufacturers and wholesalers, and is holding back certain activities which at this season should be well under way. An instance in point is the postponement of the opening of fall lines of men's wear, due to the uncertainty among mill interests relative to the establishment of woolen prices. Users of iron

and steel, non-ferrous metals, lumber, fire-clay products and other heavy materials are holding off filling their requirements in hopes of obtaining concessions later on through lower freight rates and further price adjustments.

Throughout January and during the first weeks of February there were numerous sales conducted by retail establishments in the larger cities of the district. The response to these efforts was somewhat uneven, according to reports received, but on the whole results were satisfactory, especially where exceptional bargains were offered. The comment was made, however, that the volume of goods purchased was not as large as might be expected from the number of persons attending the sales. Similar comment is made by wholesalers in the larger centers, who say that the number of buyers appearing in January and February was large, but the size of their orders was small and in some instances they simply looked over the stocks without purchasing anything.

Generally speaking prices of manufactured goods and materials used in manufacturing underwent little change worthy of comment during the period under review. Values in many important lines are on a more stable basis than has been the case for many months. In such lines as drugs and chemicals, dry goods, groceries and hardware, declines about offset advances, resulting in a fairly steady average. Flour and other cereal products were higher in sympathy with the upturn in the grain markets. Seasonal declines were recorded in some foods, such as eggs, vegetables and dairy products in certain sections of the district. The demand for dressed meats and packing-house products generally is reported as fair, with prices steady to firm.

The fuel situation has been assisted by more seasonable weather, especially the retail department. Dealers report that the demand centers in the cheaper grades of bituminous coal, domestic consumers showing a disposition to slight anthracite and the more expensive varieties. There has been a satisfactory movement of domestic sizes of coke, but no change in the dull conditions obtaining in metallurgical coke. Consumption of steaming coal continues at a low ebb, but the movement of this grade has been stimulated materially by the disposition of users to accumulate stocks against a possible strike of miners in the spring. In so far as this district is concerned, the storage has been accomplished without creating any excitement. In the immediate past production has showed a good increase, but the present coal year is far behind recent years. The

output from April 1, 1921, to February 4, 1922, was 350,000,000 tons, or in round numbers, 106,000,000 tons short of the average of the four years preceding.

According to officials of railroads operating in this district, there has been a fair improvement in the volume of freight traffic since the first of the year. The increase extends pretty well to all classes of freight, with grain showing a full recovery from the holiday lull. The recent bulge in prices is accountable in a measure for heavier forwardings of cereals. The general improvement is reflected in business of the St. Louis Terminal Railway Association, which includes in its membership 26 railroads operating through this gateway. In January this company interchanged 151,093 loads, against 141,226 loads in December. During the first nine days of February 49,199 loads were interchanged, which compares with 38,345 loads during the corresponding period in January. Passenger business is extremely quiet, reports from the various roads indicating a decrease of about 25 per cent in January under the same month in 1921.

No change worthy of comment has taken place in the automobile industry since the preceding issue of this report. Reports from 230 dealers scattered through the district indicate that the demand for all varieties of cars and trucks is at a low ebb. One

feature mentioned as seriously hampering the sale of new cars is the heavy surplus of used cars, and indifferent demand for the latter. The recent price cuts, while stimulating buying to some extent, have served to further upset confidence in values, and it is stated that numerous prospective buyers are deferring purchasing until spring in hopes of further concessions.

Reports relative to collections, while varying considerably, indicate a slight slowing down as compared with the general average of the preceding thirty-day period. Settlements on current accounts are being promptly made, but older indebtedness is being liquidated more slowly. In the cotton areas some backwardness is noted, and this is true as well of the typical grain producing sections. Intensive effort is being put forth by the large mercantile houses to reduce their outstandings. More satisfactory liquidation is noted in the rice and tobacco territories. Answers to 382 questionnaires addressed to representative interests in various lines through the Eighth Federal Reserve District asking for data relative to collections show the following results: 10.4 per cent good; 72.4 per cent fair and 17.2 per cent poor.

The per capita circulation of the United States on February 1, 1922 was \$49.96, against \$53.03 on January 1, 1922 and \$58.26 on February 1, 1921.

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

District	NUMBER			LIABILITIES		
	Jan. 1922	Dec. 1921	Jan. 1921	Jan. 1922	Dec. 1921	Jan. 1921
Boston, First.....	209	190	183	\$ 2,600,442	\$ 6,671,119	\$ 3,841,114
New York, Second.....	429	551	390	22,885,754	36,979,329	9,808,623
Philadelphia, Third.....	136	124	96	2,561,559	4,176,377	2,183,908
Cleveland, Fourth.....	242	180	133	6,238,303	4,050,490	6,661,913
Richmond, Fifth.....	233	212	142	4,696,036	5,679,487	3,887,908
Atlanta, Sixth.....	283	190	195	5,012,931	6,066,401	4,054,436
Chicago, Seventh.....	362	302	222	10,314,358	7,820,313	9,182,523
St. Louis, Eighth.....	177	142	126	4,013,092	3,873,516	2,370,168
Minneapolis, Ninth.....	109	100	48	2,597,637	2,158,515	583,858
Kansas City, Tenth.....	112	100	82	3,400,430	2,152,128	1,767,286
Dallas, Eleventh.....	207	197	155	4,326,594	4,307,254	3,359,871
San Francisco, Twelfth.....	224	156	123	5,148,644	3,567,453	4,435,023
Total.....	2,723	2,444	1,895	\$73,795,780	\$87,502,382	\$52,136,631

MANUFACTURING AND WHOLESALE

Boots and Shoes—Sales of the 11 reporting interests in January showed increases of from 30 to 70 per cent in dollar value and from 62 to 140 per cent in number of pairs as compared with the corresponding month in 1921. Generally decreases in both dollar value and pairs were reported for January as compared with December. The first two weeks of February developed a slowing down in new orders. During the period under review factory operation in the district ranged from 45 to 100 per cent of capacity, with the lower production confined chiefly to interests specializing in the more expensive footwear. On finished goods prices were unchanged, but some slight advances were recorded in leather. Orders for Easter specialties are

reported disappointing, and the demand continues to center in standard, low-priced boots and shoes. Virtually all buying is for prompt shipment. A slowing down in collections, as compared with the preceding two or three months, was the rule.

Clothing—While showing heavy increases in sales during January over the same month last year, the 23 reporting interests indicate a slight recession in volume as compared with December. The movement of winter-wear garments has been extremely slow, and relatively large stocks are still on hand. Sales and sharp price cuts have been resorted to in order to dispose of these goods. Orders for spring wear are reported generally up to expectations, but retailers of both men's and women's garments are

seeking almost exclusively moderate-priced goods. Men's suits selling from \$15 to \$30 predominate in spring orders. Retail stocks are light, and prompt deliveries are desired on most of the new business booked.

Iron and Steel Products—As indicated by inquiries and general interest taken in the several lines, the tone of industries based on iron and steel shows improvement, but actual business placed during the period under review was disappointing. Operations at mills and foundries were slightly under those of the preceding thirty-day period, and the melt of pig iron and scrap was smaller, except with the stove plants, three of which resumed operations after an idleness of several months. Job foundries are operating at about 22 per cent of capacity, and the larger steel plants at from 18 to 40 per cent of capacity. Manufacturers of heating apparatus have been operating at full time, and there has been a slight increase in activities at machine shops and boiler works. Implement makers and distributors report a seasonal increase in their sales, but the volume continues well under normal. Sales of pig iron in this district during January were the smallest thus far recorded on the downward movement. Prices of pig iron continue to decline, the base price for No. 2 Southern, 1.75 to 2.25 per cent silicon, having fallen below \$16. Railway supply interests report a slight improvement in their business as compared with the preceding month, but decreases of from 35 to 50 per cent as compared with the same time last year.

Hardware—Sales of the 12 reporting interests during January decreased $4\frac{1}{2}$ to 20 per cent as compared with the same month in 1921, but averaged about steady with December. The first two weeks of February have developed a slight gain in volume as contrasted with the opening weeks of January. Some few orders for forward delivery are reported, but buying for the most part is on an immediate shipment basis. Staples and certain seasonal goods are moving in fair volume, and the number of requests for prompt delivery indicates that stocks are light and the goods needed. Builders hardware and tools are being bought in larger quantities than at this time last year. Since February 1 there has been an excellent demand for baseball and other seasonal sporting goods.

Candy—In point of production January ran from 4 to $12\frac{1}{2}$ per cent under the preceding month, but about on a parity with the corresponding month in 1921 with the 11 reporting interests. Purchasing is mainly for prompt shipment, and thus far there has been no ordering for the Easter trade. Prices are steady.

Flour—Production of 11 leading mills in the district in January showed a sharp increase, totaling 333,966 barrels, against 248,600 barrels in December. A decidedly better feeling pervaded the trade, which was accompanied by an advance in prices and stronger demand for home consumption and export. Stocks in the hands of retailers and ultimate consumers are very light, and there is a disposition to replenish. The advance in wheat has stimulated

order buying, and round lots of low grades and clears have been sold to exporters, chiefly for Europe. Operations of mills have been at from 60 to 70 per cent of capacity, against 40 to 50 per cent during the preceding month.

Drugs and Chemicals—Sales of the 7 reporting interests in January were 4 per cent less to $12\frac{1}{2}$ per cent in excess of the same month last year, and steady to 2 per cent under those of December. Reports received indicate that the industry is in stronger position than at any time in many months. Retail stocks have been materially reduced, and prices readjusted to levels which were familiar prior to the period of inflation. The demand for chemicals used in manufacturing shows gradual improvement, and orders for forward delivery are beginning to accumulate. All interests comment on the keen competition, but say that their efforts are meeting good success. There are complaints of price slashing on certain goods in order to secure orders. The trend of the market on some drugs is higher, notably coal tar products and iodides.

Furniture—January sales of the 11 reporting interests were from 36 to 152 per cent larger than in January, 1921, but from 4 per cent to 28 per cent under those of December. Business generally is reported as slow and disappointing. Buying is on a hand to mouth basis, with stock orders conspicuously absent. The country trade is especially quiet. Bedroom and dining room sets are moving relatively better than other varieties of furniture, and office equipment is in fair demand. An intensive advertising campaign was conducted by St. Louis manufacturers and wholesalers during the last week of January and the first week of February in order to bring in out-of-town dealers to inspect new lines. It was hoped that an attendance of several hundred buyers would be attracted, while less than seventy-five actually materialized.

Lumber—Conditions in the lumber trade have not changed markedly since the outset of the year. Manufacturing consumers and retailers have bought for accruing and close-by needs only. The reshipping yards did more or less stocking in late fall and early winter, and the hardwood yards are now pretty well supplied with lumber for their spring business. On the other hand, those handling building lumber are not, as a rule, seasonably stocked because of waiting for a lower price level. The net effect of it all, is a declining market for West Coast lumber, with moderate reductions already effected on most classes of stock; ragged prices and a somewhat lower selling basis seemingly established for hardwoods; but with Southern pine slowly making headway against bearish influences. Yard buying for spring requirements has not yet started, practically speaking, and the railroad and car material demand remains dull. Unfavorable weather conditions for logging and shipping are reported for all producing territory by the mills. The outlook for building consumption is regarded as quite encouraging, because of the character as well as the amount of the construction promised. Small homes in country towns and the suburbs of big cities run largely to frame construction, with consequent benefit to the lumber trade.

Industrial Power Consumption—Public utility companies in the four leading cities of the district report electrical power consumption in January, by industrial customers, to have been slightly under that of December. It is interesting to note that all report an increase over the corresponding period of the preceding year. December was the only month in the last half of 1921 to show any increase in this regard. Memphis seems to have regained its November position notwithstanding a 22 per cent decrease in December. The comparative figures follow:

	Representative Customers	Jan. 1922	Dec. 1921	Jan. 1922 comp. to Dec. 1921	Jan. 1921	Jan. 1922 comp. to Jan. 1921
St. Louis.....	68	5,851,464 k. w. h.	6,537,452 k. w. h.	-11.9	5,762,991 k. w. h.	+ 1.5
Memphis	31	1,257,780 "	816,400 "	+54.1	639,720 "	+96.6
Little Rock....	11	572,875 "	555,417 "	+ 3.1	524,032 "	+ 9.3
Louisville	81	1,840,972 "	1,891,994 "	- 2.7	1,827,201 "	+ .7
Total.....	191	9,523,091 "	9,801,263 "	- 2.8	8,753,944 "	+ 8.8

RETAIL

Reports from retailers scattered throughout the district almost unanimously indicate a slowing down in business during the past thirty days. In the cities and larger towns unemployment is mentioned as accounting in a measure for the unsatisfactory state of trade, while the principal reason given by country merchants is the low price of farm products. In both city and country there is a marked disposition to economize, and continue purchases to necessities, and the cheaper goods in that category. Failure of winter clothing to move in greater volume earlier in the season, due to the unusually mild weather, has resulted in clothiers conducting numerous special sales in which goods are offered at considerable reductions. Haberdashers report that serviceable qualities and staples rather than styles and novelties predominate in their sales to a much greater extent than usual at this time of year. Jewelers report a decrease in their January sales of from 12 to 18 per cent as compared with the same month in 1921. There is the usual seasonal lull in

the demand for sporting goods, but dealers have received numerous inquiries concerning goods for spring and summer sports. Hardware sales have improved slightly during the first weeks of February, with builders tools and shelf hardware in somewhat better demand. Printers and stationers say that their business is restricted largely to small orders for office supplies and special catalogues, etc. Dullness in this line has necessitated reduction in working forces by a number of leading houses. Little change worthy of note is reported by dealers in groceries and other food products, except that flour and bakery products are more active than heretofore, and canned goods and dried fruits are moving in much better shape. Relative to collections a general comment is that bills contracted during and since the holidays are being promptly paid, but on accounts dating from before that time payments are slow. Merchants are making more rigid credit investigations, and are inclined to be less liberal in the matter of extensions.

Department Stores—The condition of retail trade during January, 1922, in the leading cities of this district is reflected in the following statement, compiled from reports of 19 representative department stores:

(Percentages)	St. Louis	Louisville	Memphis	Little Rock	Quincy	District
Net Sales:						
Jan. 1922, compared with Jan. 1921.....	-16.2	- 4.0	-13.1	-24.5	-15.2	- 5.1
Period Jan. 1 to Jan. 31, 1922, compared with same period in 1921.....	-16.2	- 4.0	-13.1	-24.5	-15.2	- 5.1
Stocks at end of January, 1922:						
Compared with same month in 1921.....	- 8.8	- 1.5	- .6	+19.2	+ 3.5	- 4.0
Compared with stock at end of Dec. 1921.....	-14.6	- 4.4	- 2.7	+ 6.4	-14.0	-10.2
Average stocks on hand at end of each month since Jan. 1, 1921 to average monthly sales during same period	394.9	561.2	557.3	424.7	357.0	442.1
Outstanding orders for January, 1921, compared to previous year's purchases.....	8.7	5.3	7.1	9.1	4.1	8.1

AGRICULTURE

The chief feature in agricultural developments during the period under review was a sharp advance in cereal prices, principally wheat. Between January 14 and February 15 the active wheat options, May and July, advanced 22c to 28c, and cash wheat 23c to 26c a bushel. Between the same dates corn futures were up 8c to 10c and the spot article 9c to 10c a bushel. Oats gained 2c to 4c a bushel, and the less important cereals and cereal products responded in a greater or lesser degree to the rise. Unfavora-

ble news relative to the growing winter wheat crop in the West furnished the main incentive for the advance, and speculation played an important part in the movement. The rise comes at a time when the wheat crop has largely moved from the farms, so that present holders rather than the producers will derive the principal benefit. The moral effect, however, is extremely beneficial in the agricultural communities, and will have direct bearing on plans for the next crop.

In this district the outlook for the growing wheat crop is considerably better than in other sections of the belt. Less damage has been done from winter killing, and the recent heavy wind storms in the West extended only over a few counties of the Eighth Federal Reserve District. Snow covering was lacking, however, and the crop has still to pass through its most critical periods. Stocks of corn on farms is unusually large for this season, marketing having been slow due to low prices and high freight rates. Much corn is being fed to cattle and hogs. Reports from all sections of the district indicate greater interest in a better grade of seed corn. All classes of live stock are in good condition, a minimum of disease being reported.

Little change has taken place in the cotton situation since the last issue of this report. The demand is quiet, and prices fluctuate within a nar-

row range. It is still too early to form an opinion in regard to acreage of the new crop. The compress report of the Arkansas Cotton Association shows 329,302 bales of cotton on hand in the compresses of that State.

A greater portion of the tobacco in the dark tobacco district has been delivered at very satisfactory prices. Most of the tobacco undelivered in that district is of inferior grade, but is bringing a fair price. The Burley Tobacco Growers' Cooperative Association has opened its warehouses and has received approximately 22,000,000 pounds, on which the farmers have been advanced about 40 per cent of the valuation placed by the Association committee. Receipts to date, however, are only a small percentage of the Burley tobacco which the Association will receive. Farmers are apparently satisfied with the plan of marketing outlined by the Association.

LABOR SITUATION

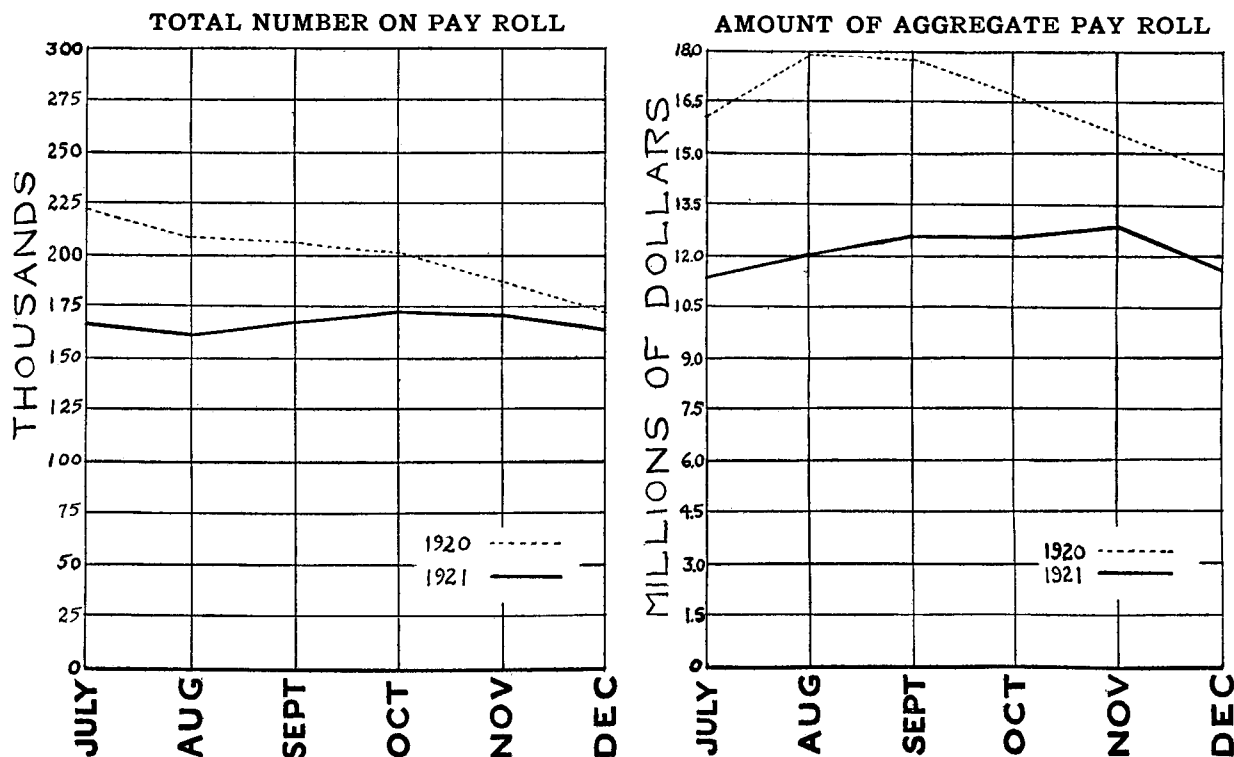
The labor situation in this district is reflected in the following table, compiled from reports received from 200 leading employers in 20 of the largest cities in the district:

	Men	Women	Wage Earners			Pay Roll
			Total	Normal	% of Normal	
Jan. 31, 1922.....	94,398	18,227	112,625	144,217	-21.9	\$6,521,716.27
Dec. 31, 1921.....	102,965	19,768	122,733	148,582	-17.3	8,939,873.64
Jan. 31, 1921.....	102,485	14,905	117,905	144,217	-18.2	8,001,807.68

From the above tabulation it will be noted that the number of employes of the reporting interests decreased 5,280 or 4.5% (men decreased 7.9% while women increased 22.3%) between January 31, 1921 and January 31, 1922. On January 31, 1921, the number was 18.2% under normal and on December 31, 1921, the total was 17.3% under normal. Wages, figured on a semi-monthly basis, decreased \$1,480,091.41 or 18.4% between January 31, 1921 and January 31, 1922.

TREND OF UNEMPLOYMENT IN THE EIGHTH FEDERAL RESERVE DISTRICT

Compiled from Monthly Reports Received from 210 Representative Employers in 21 Leading Cities Throughout the District.



Range of prices on typical products in the St. Louis grain market between January 14 and February 15, with closing quotations on each of these dates, and on February 15, 1921:

	Close Jan. 14	High	Low	Close Feb. 15	Close Feb. 15, 1921
May wheat.....Per bu.	\$1.09 ³ / ₈	\$1.37 ¹ / ₂	\$1.08 ³ / ₈	\$1.36 ⁷ / ₈	\$1.67 ³ / ₄
July wheat....."	.98 ¹ / ₈	1.21	.97 ³ / ₈	1.20 ³ / ₈	-----
May corn....."	.51 ⁵ / ₈	.61 ³ / ₄	.51 ¹ / ₈	.61	.74
July corn....."	.53 ¹ / ₄	.63 ¹ / ₂	.53	.62 ⁷ / ₈	.75 ¹ / ₂
May oats....."	.39	.43	.39	.43	.47 ³ / ₄
July oats....."	-----	.44 ¹ / ₂	.40 ¹ / ₂	.44 ¹ / ₂	.48
No. 2 red winter wheat..	\$1.21 @ 1.24	1.44	1.21	\$1.42 @ 1.44	1.96 ¹ / ₂ @ 1.99
No. 2 hard wheat....."	" 1.10	1.38	1.09 ¹ / ₂	1.35 @ 1.36	1.79 @ 1.80
No. 2 corn....."	.46 ¹ / ₂ @ .46 ³ / ₄	.55 ¹ / ₂	.46 ³ / ₄	.55 ¹ / ₂	.66
No. 2 white corn....."	" .47	.57	.47	.56 @ .57	.69
No. 2 white oats....."	.37 @ .38	.39	.36 ¹ / ₂	.39	.46
Flour: soft patent.....Per bbl.	5.75 @ 6.00	7.50	5.75	6.50 @ 7.50	9.00 @ 11.00
Flour: spring patent....."	5.80 @ 6.75	8.35	5.80	7.55 @ 8.35	9.15 @ 9.75
Middling cotton.....Per lb.	.18	.18	.16 ³ / ₄	.17 ¹ / ₄	.13 ¹ / ₂

COMMODITY MOVEMENT

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

	Receipts			Shipments		
	Jan. 1922	Dec. 1921	Jan. 1921	Jan. 1922	Dec. 1921	Jan. 1921
Flour, barrels.....	406,830	382,020	286,580	414,820	381,260	332,630
Wheat, bushels.....	1,802,400	1,771,625	4,511,423	1,860,940	1,392,315	3,072,400
Corn, bushels.....	4,438,200	3,586,822	3,975,400	3,199,745	2,304,930	2,258,660
Oats, bushels.....	2,772,000	1,590,000	3,302,000	1,823,410	1,039,850	1,928,680
Lead, pigs.....	389,990	280,110	146,210	170,270	86,350	88,900
Zinc and Spelter, slabs.....	242,670	250,200	269,240	363,150	432,410	350,030
Lumber, cars.....	10,043	12,809	9,389	7,482	9,529	7,071
Meats, pounds.....	14,803,400	14,933,200	3,883,600	23,774,600	23,676,500	22,905,600
Fresh Beef, pounds.....	20,000	20,000	2,502,900	20,450,800	20,620,400	24,776,200
Lard, pounds.....	4,190,200	3,063,700	1,914,900	8,024,700	5,566,100	7,232,500
Hides, pounds.....	6,714,700	6,493,800	3,944,500	7,775,000	7,421,900	7,188,300

LIVE STOCK MOVEMENT

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

	Receipts			Shipments		
	Jan. 1922	Dec. 1921	Jan. 1921	Jan. 1922	Dec. 1921	Jan. 1921
Cattle and Calves.....	85,412	87,832	87,274	47,947	58,234	32,817
Hogs.....	364,812	337,226	405,129	275,093	240,486	219,026
Sheep.....	44,334	44,095	52,715	22,261	22,932	11,680
Horses and Mules.....	12,264	4,981	8,360	11,376	5,231	11,392

BUILDING

In number and amount represented, building permits issued in the five leading cities of the district during January showed a good gain over the corresponding month in 1921, but the dollar value dropped below that of December. Reports from builders, architects and contractors indicate no radical change in the building status as compared with the preceding month. In the country and suburbs a large amount of building of small homes is going forward, especially in the South, where weather has been generally favorable for such operations. Some further reductions in building costs have been effected. In St. Louis the cement workers' and painters' unions have voted to accept a reduction of 20 per cent in their wage scales. Road construction in Missouri, Illinois, Arkansas and Indiana continues on a large scale, which will be increased in the spring. A further reduction of 10c per barrel in the price of Portland cement was announced by a leading producer in this district.

Comparative figures for January 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.....	246	198	\$ 958,085	\$153,025	285	276	\$161,445	\$180,000
Louisville.....	104	25	405,050	570,550	54	81	61,700	40,950
Memphis.....	260	130	557,400	342,471	33	26	21,800	25,638
Little Rock.....	74	53	294,130	99,650	70	97	34,852	76,520
Evansville.....	30	18	59,195	8,720	36	24	26,257	15,060
January totals.....	714	424	\$2,273,860	\$1,174,416	478	504	\$306,034	\$338,168
December totals.....	712	410	3,017,045	623,472	518	489	343,359	346,339
November totals.....	881	543	2,217,285	987,833	570	583	353,422	353,426

FINANCIAL

The past thirty days have been marked by a further strengthening in the financial position of this district. In the larger centers liquidation has been in excellent volume, with a fair portion of the total representing indebtedness of long standing. While cotton is moving rather slowly, loans based on that staple are being reduced as well as could be expected. Conditions in the rice sections are considerably improved, and banks there report good liquidation as compared with the corresponding period a year ago. The advance of \$1,000,000 made by the War Finance Corporation to the Rice Growers' Cooperative Association has had a notable moral effect on the rice market. This, coupled with the fact that the crop was produced with a minimum of expense, is largely responsible for the improvement in the rice territory. Marketing of tobacco is proceeding satisfactorily, with good prices being paid, and farmers are paying their supply merchants and banks. Generally the demand for money by commercial borrowers has slowed down, but there is still a strong demand in the country for financing live stock operations. There has been little liquidation of live stock loans, and a large portion of this indebtedness will be carried well through next summer. Country banks in many sections are encouraging farmers to borrow money in order to purchase feed and live stock. Deposits of banks in the district showed a good gain, and funds, while not abundant, are easily obtainable for all legitimate business purposes. The trend of rates continues easier, though no marked changes have taken place since the preceding issue of this report. Between January 16 and February 15, the bills discounted by the Federal Reserve Bank of St. Louis decreased \$2,643,509, net deposits gained \$12,476,000 and Federal Reserve

Notes in circulation decreased \$5,277,000. Between the same dates the total reserve carried against deposits and Federal Reserve note liabilities combined increased 7 per cent, standing at 79.1 on February 15.

Acceptances — No change from the recent apathetic conditions in the bill market was noted during the past month. If anything, the demand is duller, investors not caring to purchase acceptances when they can place their funds in Government obligations and other investments yielding more attractive interest rates. Now and then some corporation will buy to the extent of a few thousands, but most of the transactions have been represented by purchases of this bank. Rates range in the extremes from $3\frac{7}{8}$ to $4\frac{1}{8}$ per cent. Acceptances bought in the open market in January amounted to \$880,054, a decrease of \$341,678 under the preceding month.

Commercial Paper — While January was a quiet month with commercial brokers, considerable improvement developed during the first weeks of February. City banks entered the market for good amounts, and country institutions which had not purchased for many months, took some paper. Offerings are not large, many large manufacturers and wholesale interests being in the position of investors rather than borrowers at the moment. Rates range between $4\frac{3}{4}$ and $5\frac{1}{4}$ per cent, with a slight stiffening noted in the market.

Bonds — The demand for bonds has slowed down to some extent, though the market is still described as active. Investors are still seeking Government and Municipal issues, and the better variety of corporation bonds are well taken. Prices have held relatively steady.

Interest Rates — Between January 16 and February 15 the high, low and customary interest rates prevailing in St. Louis, Louisville, Memphis 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.....	6½	5	5¾	7	6	6	8	6	6½	8	7	7
4 to 6 months.....	6½	5	6	7	6	6	8	6	7	8	7	7-8
Prime Commercial Paper purchased in open market:												
30 to 90 days.....	5¼	5	5	6	5	6	.....	.....	.....	.....	.....	.....
4 to 6 months.....	5¼	5	5	6	5	6	.....	.....	.....	.....	.....	.....
Loans to other banks.....	6½	5	6	6	6	6	7	6	6	7	6	7
Bankers' Acceptances of 60 to 90 days:												
Endorsed	4	4	4	6	6	6	.....	.....	.....	.....	.....	.....
Unendorsed	4	4	4	.....	.....	.....	.....	.....	.....	.....	.....	.....
Loans secured by prime stock exchange collateral or other current collateral:												
Demand	7	5½	6	6	6	6	8	6	7	8	7	8
3 months.....	7	5½	6	6	6	6	8	6	7	8	7	8
3 to 6 months.....	7	5½	6	6	6	6	8	6	7	8	7	8
Cattle Loans.....	8	7	7	6	6	6	.....	.....	.....	8	7	8
Commodity paper secured by warehouse receipts, etc.....	6½	5¾	6	6	6	6	7	6	6	8	7	8
Loans secured by Liberty Bonds and Certificates.....	7	6	6	6	6	6	7	6	6	8	7	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:

	Number Banks Reporting	February 1, 1922		January 4, 1922		February 1, 1921	
		Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	230,627	\$ 61,662,000	227,795	\$ 61,773,000	216,203	\$ 59,364,000
Louisville	7	130,788	19,863,000	124,390	19,927,000	114,957	17,271,000
Memphis	7	54,597	13,373,000	57,169	13,568,000	48,806	12,601,000
Little Rock.....	5	24,580	6,237,000	24,355	5,655,000	19,183	5,385,000
Evansville	4	20,973	8,103,000	20,716	8,232,000	19,586	7,940,000
Total.....	35	461,565	\$109,248,000	454,425	\$109,165,000	418,735	\$102,561,000

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.

	Feb. 15, 1922	Jan. 11, 1922	Feb. 11, 1921
Number of banks reporting.....	37	37	37
Loans and Discounts (excluding rediscounts):			
Secured by U. S. Govt. obligations.....	\$ 15,804,000	\$ 15,666,000	\$ 20,466,000
Secured by stocks and bonds other than U. S. Bonds..	121,798,000	123,573,000	112,672,000
All other loans and discounts.....	286,919,000	280,085,000	319,889,000
Total loans and discounts.....	\$424,521,000	\$419,324,000	\$453,027,000
Investments:			
U. S. Bonds.....	26,000,000	26,898,000	28,799,000
U. S. Victory Notes.....	4,238,000	2,656,000	2,376,000
U. S. Treasury Notes.....	3,815,000	548,000	.....
U. S. Certificates of Indebtedness.....	5,979,000	4,931,000	2,565,000
Other bonds, stocks and securities.....	69,658,000	69,270,000	64,474,000
Total Investments.....	\$109,690,000	\$104,303,000	\$ 98,214,000
Reserve balance with Federal Reserve Bank.....	49,160,000	43,354,000	45,339,000
Cash in vault.....	6,603,000	7,830,000	8,495,000
Net demand deposits on which reserve is computed.....	320,360,000	312,203,000	333,486,000
Time deposits.....	155,996,000	154,056,000	142,765,000
Government deposits.....	13,742,000	6,048,000	1,645,000
Bills rediscounted with Federal Reserve Bank.....	12,671,000	21,410,000	46,026,000
Bills payable with Federal Reserve Bank.....	3,734,000	6,382,000	15,729,000

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 deposit 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 periods which they cover.

Debits for four weeks ending.....Feb. 15, 1922	Jan. 18, 1922	Feb. 1922 comp. to Jan. 1922	Feb. 16, 1921	Feb. 1922 comp. to Feb. 1921
St. Louis.....	\$462,885,000	\$501,535,000	\$481,163,000	- 3.8
Louisville	118,307,000	90,802,000	98,089,000	+11.7
Memphis	85,006,000	106,365,000	96,333,000	- 7.1
Little Rock	40,348,000	41,677,000	43,419,000	- 7.1
East St. Louis & Nat. Stock Yards	33,222,000	30,599,000	.....	.....
Evansville	20,002,000	23,621,000	18,059,000	+10.7
Springfield	11,833,000	11,190,000	10,929,000	+ 8.2
Quincy	7,474,000	7,900,000	8,792,000	-14.9

FEDERAL RESERVE OPERATIONS

In January the Federal Reserve Bank of St. Louis discounted \$74,527,672 of paper for 320 member banks, which is a decrease of \$45,507,084 under the amount discounted in December, and an increase of 4 in the number of banks accommodated. Acceptances purchased in January amounted to \$880,054, a decrease of \$341,678 under the preceding month. There was no change in the discount rates of this bank.

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):

	Feb. 15, 1922	Jan. 18, 1922	Feb. 18, 1921		Feb. 15, 1922	Jan. 18, 1922	Feb. 18, 1921
RESOURCES:				LIABILITIES:			
Gold Reserves.....	\$114,978	\$103,352	\$ 98,867	Capital paid in.....	\$ 4,604	\$ 4,606	\$ 4,438
Legal tender notes, silver, etc.....	14,247	13,251	5,988	Surplus	9,388	9,388	8,346
Total Cash Reserves..	\$129,225	\$116,602	\$104,855	Reserve for U. S. Govt. franchise tax.....	62	76	.....
Discounts secured by U. S. Govt. obligations.....	13,572	17,820	34,758	Deposits	78,335	70,477	71,775
Discounts otherwise secured or unsecured..	24,364	32,367	55,694	F. R. Notes in circulation	85,017	88,645	123,203
Bills bought in open market.....	1,469	415	387	F. R. Bank Notes in circulation	3,679	3,983	7,783
U. S. Govt. securities....	12,951	7,866	17,548	Deferred availability items	29,611	31,466	31,350
Total earning assets....	\$ 52,356	\$ 58,468	\$108,387	Other liabilities.....	597	575	1,296
Uncollected Items.....	28,268	32,838	33,118	Total liabilities.....	\$211,293	\$209,216	\$248,191
Other Resources.....	1,444	1,308	1,831	Combined reserve ratio..	79.1%	73.3%	54.3%
Total Resources.....	\$211,293	\$209,216	\$248,191				

(Compiled February 20, 1922)