

# FEDERAL RESERVE BANK OF ST. LOUIS

## MONTHLY REPORT ON

### GENERAL BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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**S**TEADY improvement in general business conditions throughout this district continued during the past thirty days. In virtually all lines investigated reports indicate good gains over the corresponding period last year, also over the preceding month this year. In addition to betterment in concrete results, sentiment in both city and country is considerably more optimistic than earlier in the year. The latter fact is reflected in a disposition on the part of merchants and the public to more freely supply their needs, immediate and future. Almost unanimously manufacturers, jobbers and wholesalers indicate substantial increases in unfilled orders. Many large distributors of commodities who in recent months had little or no future business booked, now have a showing of orders for forward shipment comparable with their volume during normal years in the past.

The principal reason given for the growing activity in commercial lines is the favorable crop prospects. In the Eighth Federal Reserve District crops already gathered and marketed have been large and of exceptional quality. Yields of early fruits and berries in the Southern states were the largest in recent years, and the same is true relative to vegetables. In the main, prices obtained for these productions were satisfactory, and better organized marketing facilities enabled the producers to minimize losses and get in their money promptly. The United States Department of Agriculture makes the average condition of all crops in the seven states entirely or partly within this district (100=10-year average) 105.8 per cent as of June 1, against 92.2 per cent on June 1, 1921.

Other favorable factors mentioned as affecting the general situation are decreased unemployment, more seasonable weather, willingness of the public to buy, easier and more plentiful credits, activity in building and further progress in the direction of price stabilization. Changes in prices of manufactured goods were relatively slight, with advances about balancing declines. This general statement holds true as well of prices of the leading agricultural products. There was a sharp decline in wheat values between May 15 and June 15, but during the same period middling cotton advanced in the St. Louis market from 19.50c to 21.50c, and the market for corn, oats and other cereals was well sustained. Farmers are still obtaining high prices for their hogs, sheep and cattle.

A general comment by merchants and manufacturers is that recent orders cover a broader variety of merchandise than heretofore. While the

public is still economizing and displaying conservatism in filling its needs, a much greater variety of goods is being called for. This has compelled retailers to increase their stocks and give greater attention to assortments. Drygoods houses report that they are receiving orders in quantity for certain goods which have been neglected for many months. These same interests say that many of their country customers who have purchased virtually nothing during the past year and a half, are now ordering substantial bills of goods, with a fair proportion of the total for forward delivery.

While the first weeks of June showed little diminution in the recent activity, there is some disposition to await the outcome of the year's crops before increasing commitments. The coal strike and agitation in railroad labor circles are having a tendency to hold back business to some extent, but the issue of fall business in this district, according to a great majority of the interests reporting to this service, is dependent largely upon the outcome of crops. The immediate need for all sorts of commodities, especially for daily consumption, is indicated by the heavy growth in recent weeks of the mail order business of wholesale houses, and the volume of purchases for immediate shipment. With success in its agricultural sections, prosperity throughout this district during the fall and winter is virtually assured.

Aside from a tendency to price increases, the fuel situation in this district has undergone no change worthy of note during the past thirty days. Reports from industries and public utilities indicate that heavy drafts have been made upon reserve stocks, but thus far no one has suffered from lack of supplies. Leading consumers have made their purchases with the utmost caution, and enter the market heavily only when they can purchase at what looks like bargain prices. Offerings of Kentucky coal continue on a liberal scale, and in the immediate past Alabama coal has been placed in the northern markets of the district. The leading producers of by-product coke still have large reserves, and are offering it at unchanged prices. There has been considerable substitution of coke for bituminous coal for raising steam, and certain important users are making arrangements to temporarily burn oil under their boilers. In the ninth week of the strike (May 29—June 3) the combined production of bituminous and anthracite was 4,631,000 tons, which compares with 8,400,000 tons during the same week in 1921. Unbilled cars of bituminous coal at the mines dropped from 30,730 cars on April 8 to 6,312 on June 3.

According to officials of railroads operating in this district there has been a satisfactory gain in traffic, both freight and passenger, during the period under review. Curtailment of the fuel movement has been largely offset by unusually large forwardings of early fruits and vegetables. In the week ended May 27, revenue freight loaded in the country as a whole amounted to 821,121 cars, against 792,459 cars for the week ending May 20, 777,459 for the week ending May 13, and 795,335 cars for the week ending May 27, 1921. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 165,168 loads in May, against 138,690 loads in April and 147,879 loads in May, 1921. During the first nine days of June 48,935 loads were interchanged, against 47,185 during the first nine days of May and 40,346 loads during the corresponding period in April. Passenger traffic of the St. Louis roads in May was 6 per cent under a year ago, but 7 per cent larger than in April.

The Mississippi Warrior Service, Inland Waterways, which operates the St. Louis-New Orleans barge line on the Mississippi River, carried approximately 67,374 tons of freight during May, exceeding by 7,000 tons its largest previous towage. The line also established a net revenue record of approximately \$42,000. May was the sixth consecutive month in which the service earned a surplus above operating costs and a reserve for depreciation.

According to reports of 235 automobile dealers scattered through the Eighth Federal Reserve District, sales in May were the largest in more than eighteen months, and the business as a whole is on a more satisfactory basis than at any time since the reaction set in about two years ago. Particular

emphasis is laid upon the increased purchases in the country. Dealers in the small towns are driving cars from the larger distributing centers to deliver on sales already made. But in addition to gains in the lower priced cars, there has been a marked improvement in sales of passenger cars selling from \$2,000 to \$2,500. The tractor business, while still under normal, has displayed considerable life during the past sixty days. Accessories are moving well, and the tire business is described more nearly normal than at any time since the depression started in 1920. The U. S. Department of Commerce reports the production of cars and trucks for the entire industry, with only a few companies missing, as follows: January, 90,842; February, 121,907; March, 171,096; April, 218,456.

Decided improvement in collections, extending generally through the district, was noted during the period under review. In many localities where backwardness in settlements was the rule earlier in the year, bills are being paid, and there was satisfactory reduction in indebtedness of long standing. Especial improvement was noted in the fruit growing sections, where the crops this season were unusually successful, whereas last season there was almost complete failure. Merchants and bankers in the coal mining region, where the strike is in progress, report numerous requests for extensions, and general backwardness in collections. Answers to 305 questionnaires addressed to representative interests in various lines through the district asking for data relative to collections show the following results: 7.2 per cent excellent; 40 per cent fair; 52 per cent good and only .08 per cent poor.

The per capita circulation of the United States on June 1, 1922, was \$48.78, against \$48.89 on May 1, 1922 and \$56.09 on June 1, 1921.

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

District	NUMBER			LIABILITIES		
	May 1922	April 1922	May 1921	May 1922	April 1922	May 1921
Boston, First.....	186	165	97	\$ 3,476,746	\$ 2,403,840	\$ 2,783,066
New York, Second.....	419	420	222	16,605,233	33,677,526	11,172,495
Philadelphia, Third.....	87	78	69	1,568,262	1,468,343	1,516,894
Cleveland, Fourth.....	173	156	102	3,359,073	2,840,844	1,969,231
Richmond, Fifth.....	169	148	99	2,544,963	3,277,906	2,657,764
Atlanta, Sixth.....	179	264	148	3,784,262	6,557,398	4,750,423
Chicago, Seventh.....	231	284	169	4,254,855	10,909,837	5,624,522
St. Louis, Eighth.....	117	120	101	1,750,033	2,244,444	20,612,058
Minneapolis, Ninth.....	79	116	59	1,342,341	2,268,658	1,203,396
Kansas City, Tenth.....	70	66	67	1,294,560	1,937,395	1,073,219
Dallas, Eleventh.....	84	167	92	2,175,351	3,865,301	1,851,774
San Francisco, Twelfth.....	166	183	131	2,247,207	1,607,145	1,851,629
Total.....	1,960	2,167	1,356	\$44,402,886	\$73,058,637	\$57,066,471

### MANUFACTURING AND WHOLESALE

**Boots and Shoes** — The boot and shoe industry continues to enjoy marked prosperity. Sales of the 11 reporting interests in May increased from 10 to 45 per cent in dollar value over the corresponding month last year and from 15 per cent to 80 per cent in numbers of pairs. Gains of from 2 per cent to 11½ per cent were made in May sales over those of April. Orders received during the first half of June indicate about the same rate of increase as that

recorded in May. The comment is made that recent orders are more generally spread over the entire line than was the case earlier in the year, with a revival of the demand for the better grades of both men's and women's shoes. Orders for forward delivery are picking up, and are expected to be much larger as soon as something more definite is determined relative to styles for the coming autumn and winter. One of the leading interests reports that

approximately 75 per cent of its May business represented mail orders and sales for immediate delivery. This same interest has sold its output for the next sixty days, and expects to operate at capacity through the balance of the year. Factory operation in the district during the period under review was at from 90 to 100 per cent of capacity. No change in prices took place since the preceding issue of this report. Hides are firmer, and the tendency of the leather market is higher.

**Clothing** — Considerable diversity features the May results of clothing interests reporting to this bank. Sales ranged from 10 per cent less to 101 per cent larger than in May, 1921, and there was also considerable unevenness in the comparison of May sales with those of April. A general comment is that business is steadily improving, and while the demand still centers in low priced suits, more of the better grade goods are being purchased. Retailers earlier in the year underestimated their needs, and manufacturers are now receiving a heavy volume of mail orders, which in many instances they have not the goods to fill. Distributors of women's apparel report a heavy volume of reorders, particularly from the South.

**Iron and Steel Products** — While there is a decided lull in the purchasing of pig iron, and other raw materials, the demand for finished and semi-finished ferrous goods continues to maintain the activity noted in the preceding issue of this report. The decline in buying of raw material is attributed to the fact that leading melters have supplied their immediate needs, and to the sold-out condition of many important furnaces. Southern pig iron advanced to \$19 to \$20 per ton, while Northern iron of the same grade is quoted at \$23. The melt of pig iron and scrap in the district increased approximately  $8\frac{3}{4}$  per cent in May over the April level. Structural steel fabricators report specifications received in May the heaviest in any month this year. Seven leading stove manufacturers report sales in May 10 per cent to 115 per cent larger than for the same month in 1921, and 10 to 60 per cent in excess of those made in April this year. Five farm implement manufacturers and distributors reported their May sales from 6 to  $82\frac{1}{2}$  per cent larger than the same month last year and from 2 per cent less to 32 per cent larger than in April. Electrical supply interests, eight reporting, show sales in May 4 per cent less to 51 per cent larger than a year ago and steady to 9 per cent larger than in April. One manufacturer specializing in electrical equipment for automobiles says that rating his production of January 1 as 100 per cent, shipments for the year to date are as follows: January, 100 per cent; February, 120 per cent; March, 158 per cent; April, 167 per cent and May 217 per cent. The recent gains indicated by railway supply interests were continued during the period under review, the four reporting showing May sales from 34 to 52 per cent over those of May, 1921, and from 5 to 19 per cent in excess of April this year.

**Hardware** — May sales of the 12 reporting interests were unchanged to 25 per cent larger than for the corresponding period a year ago, and 2 per cent less to 7 per cent larger than in April. The comment is made that business is broadening from week to week, with the proportion of orders for forward delivery steadily increasing. At the

moment building hardware is leading the line, but there has been an excellent movement of seasonal goods, especially wire and wire products, hand implements, refrigerators, electric fans, and dairy supplies. Sales of hardware supplies for farms and lumber camps in the South show enormous gains over the corresponding period in 1921.

**Flour** — Production of 11 leading mills in the district during May was 279,970 barrels against 252,868 barrels in April, 329,428 barrels in March and 250,472 barrels in February. The demand for flour throughout May was dull and featureless. Little in the way of export buying materialized, and domestic consumers were taking only what they had to have, the disposition being to await the new wheat crop and possibly lower prices before stocking up. A fairly active inquiry existed for clears and low grade flours, but the mills were unable to sell the higher grades, and had no clears to dispose of. Choice soft milling wheat continues extremely scarce and is being held at a high premium over the ordinary varieties. Mill operations in the district during the period under review were at from 40 to 50 per cent of capacity.

**Groceries** — The 13 reporting interests show May sales from 6 per cent to 36 per cent larger than for the corresponding period last year and unchanged to 18 per cent larger than in April, with one exception which reported a decline of 18 per cent under last May and 10 per cent under April. This firm is located in the heart of the Illinois coal belt, and its business has been seriously affected by the miners' strike. Sales generally through the agricultural districts have been stimulated by the demand for the planting and harvesting season. A rather general comment is that the grocery business has worked back to a stable basis, and for the first time in many months operations are being conducted on a fair margin of profit.

**Furniture** — According to the 11 reporting interests, the recent growth in building, particularly of homes, has had a stimulating effect on the furniture industry. Factory operations have been steadily increasing during the past ninety days, and in May were at from 75 to 80 per cent of capacity. May sales of the firms reporting were 10 per cent to  $51\frac{1}{2}$  per cent larger than for the same month in 1921, and 5 to 17 per cent better than in April. The demand at the moment centers chiefly in dining room and bedroom sets, but there is also an excellent movement of office furniture. During the past sixty days there has developed a tendency to buy better and more expensive goods, and for the first time in many months stock orders are beginning to materialize.

**Drugs and Chemicals** — Sales of the 7 reporting interests in May showed decreases of from  $7\frac{1}{2}$  per cent to gains of 15 per cent as compared with the same month in 1921, and losses of 4 per cent to gains of 10 per cent as contrasted with April. The retail trade is buying with more conservatism than heretofore, and the line generally is less active than earlier in the year. The firms showing gains were able to achieve the results only by intensive effort and the featuring of seasonal specialties, such as soda fountain supplies. There is a strong demand for spraying materials and insecticides, stocks of which are scant and prices higher. Toilet articles

and sundries are described as slow, with a preference being shown for cheaper and inferior quality goods. The trend of drug and chemical prices is higher. Of 21 important articles in the list on which price changes were made during May, 13 advanced and 8 declined.

**Lumber**—The unprecedentedly heavy movement of lumber in May, due to unfavorable weather and floods during the early spring, slowed down perceptibly in the opening weeks of June. In March and April receipts of lumber in St. Louis totaled 28,000 cars, and in May receipts reached 19,500 cars. Figuring about 20,000 feet to the car, accretions to local stocks resulting from this movement were about 102,000,000 feet. While the large yards are heavily stocked, retail yards and a majority of woodworking industries have less than seasonal holdings. This is true both of city and country

**Industrial Power Consumption**—Public utility companies in the four leading cities of the district report continued increases in consumption of electrical power by industrial customers during May as compared with the same month last year. For the first time since this compilation was started, all cities showed a substantial increase during the current month over the preceding one. The comparative figures follow:

Representative Customers	May, 1922	April, 1922	May, 1922 comp. to April, 1922	May, 1921	May, 1922 comp. to May, 1921
St. Louis..... 63	10,474,297 k. w. h.	8,599,980 k. w. h.	+21.8%	7,918,143 k. w. h.	+32.3%
Memphis .... 31	975,360 "	941,900 "	+ 3.6%	635,070 "	+53.6%
Little Rock.. 11	720,932 "	669,121 "	+ 7.7%	490,597 "	+46.9%
Louisville .. 81	2,206,411 "	2,098,280 "	+ 5.2%	1,612,782 "	+36.9%
Total.... 186	14,377,000 "	12,309,281 "	+16.8%	10,656,592 "	+34.9%

## RETAIL

**Department Stores**—The condition of retail trade during May, 1922, in the leading cities of this district is reflected in the following statement, compiled from reports of 21 representative department stores:

(Percentages)	St. Louis	Louisville	Memphis	Little Rock	Evansville	Quincy	8th District
Net Sales:							
May, 1922 compared with May, 1921.....	- 2.3	- 2.7	- 4.1	-17.7	-18.0	- 6.1	- 4.1
Period January 1 to May 31, 1922, compared with same period in 1921.....	-11.1	- 7.9	-11.2	-18.9	-11.8	-13.2	-11.4
Stocks at end of May, 1922:							
Compared with same month in 1921.....	- 3.3	-11.4	- .7	+15.5	-13.2	- 2.0	- 2.4
Compared with stocks at end of April, 1922.....	- 2.6	- 5.1	- .7	- 4.1	- 2.1	- 2.9	- 2.8
Average stocks on hand at end of each month since January 1, 1922, to average monthly sales during same period.....	361.9	588.6	553.3	427.3	695.8	444.3	430.3
Outstanding orders for May, 1922, compared with previous year's purchases.....	5.8	1.9	9.6	3.9	1.7	3.6	5.3

## AGRICULTURE

Reports of the U. S. Department of Agriculture and those of the several states in the Eighth Federal Reserve District covering May and the first half of June almost unanimously indicate improvement in crop conditions, and prospects for large yields. This general estimate of the situation is confirmed by replies to questionnaires addressed by this bank to agriculturists and country merchants scattered throughout the district. The crops already garnered, particularly early fruits and vegetables, were in numerous instances of bumper proportions, and prices realized were in a large majority of cases high enough to return good profits to the producers. Weather during the past few weeks has been ideal for farm operations and the growth of planted crops. This is true particularly in sections where corn and cotton are the important productions. In the areas which were affected by

the floods, heavy losses of winter wheat and oats were sustained, but the fields have dried out sufficiently to permit of planting corn and forage crops, with which it is hoped to offset a considerable part of the loss occasioned by high water.

Harvesting of winter wheat in the district is in full swing, and in the southern sections has been completed. Early reports from the wheat fields are optimistic, and indicate yields equal to, or in excess of the Department of Agriculture's June 1 estimate. Quality in some localities has been lowered by high temperatures during the filling period, and the berry is light in weight. In Illinois the general condition is above the average, and indications in Missouri are for a yield of 43,733,000 bushels against 34,390,000 bushels harvested in 1921. The district as a whole is expected to produce 83,390,000 bushels of winter wheat, against 66,110,000 bushels last year.

The late spring and excessive rainfall militated against the acreage of oats, but the crop is making good headway. The yield for this district will be under that of last season, the total based on the June 1 estimate being placed at 48,689,000 bushels, against 59,090,000 bushels last year.

Corn planting is nearing completion, and the recent dry, warm weather has put fields in condition to permit of cultivation. Generally through the district the plant is up to a good stand, and fields are fairly clean of weed growth. Private reports to this bank indicate that the acreage in the Southern states will be smaller than a year ago, probably from 15 to 20 per cent. In Missouri and Illinois fair gains in acreage over last year are indicated. For Missouri the increase will be approximately 365,000 acres.

Reports from the tobacco counties of Kentucky and Tennessee indicate a considerable increase in acreage of all varieties. All of the tobacco in the

burley district of Kentucky has been delivered and is now in the hands of the Burley Tobacco Growers Co-operative Association, with a certain percentage of the purchase price having been paid to the farmers. An effort is being made to effect the organization of the co-operative marketing association in the dark tobacco districts, which is meeting with satisfactory results.

High temperatures and sunshine over virtually all cotton producing sections of the district during the past few weeks has greatly improved the condition of that crop. Good growth is reported and activities of the boll weevil have been retarded. Intensive cultivation is general, and freer use of fertilizers than last season is reported in Arkansas and other sections of the district.

The supply of farm labor is abundant, with wages reported unchanged to as much as 25 per cent under those paid last season.

The U. S. Department of Agriculture, in its report as of June 1, 1922, gives the condition of winter wheat in States of the Eighth Federal Reserve District as follows:

	CONDITION		FORECAST 1922		DEC. 1921	ESTIMATE 5 yr. av. 1916-20	PRICE PER BU.	
	June 1 1922 10 yr. av.		from June 1—May 1				June 1 1922 1921	
	%	%	Condition *Bu. *Bu.				cents	cents
Illinois .....	89	75	51,613	48,094	42,638	41,201	116	134
Indiana .....	88	77	33,977	32,974	24,144	33,668	121	135
Kentucky .....	93	82	8,644	8,336	6,340	8,959	136	140
Missouri .....	83	77	43,754	43,044	34,390	39,479	115	128
Tennessee .....	82	82	5,196	5,616	4,500	6,077	139	146
United States .....	81.9	81.5	607,333	584,793	587,032	565,905		

### OATS

	ACREAGE 1922		CONDITION		FORECAST June 1 from June condition *Bu.	DEC. 1921 *Bu.	ESTIMATE 5 yr. av. 1916-20 *Bu.	PRICE PER BUSHEL	
	% of 1921	Acres	June 1 1922 10 yr. av.					June 1 1922 1921	
			%	%				cents	cents
Illinois .....	86	3,951	80	88	132,754	121,741	181,914	32	35
Indiana .....	85	1,596	76	88	47,912	45,072	71,070	35	35
Missouri .....	60	1,289	67	84	28,068	42,960	48,047	41	42
United States.....	93.3	41,822	85.5	89.5	1,304,664	1,060,737	1,412,602	38.4	37.9

\*In thousands—i. e., 000 omitted.

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

		Close May 15		High	Low	Close June 15		Close June 15, 1921	
July wheat.....Per bu.		\$1.22½		\$ 1.25¼	\$1.06¾		\$1.07		\$1.26½
September wheat..... "		1.17½		1.20	1.07½		1.08¾		1.19¾
July corn..... "		.63		.64¾	.58¾		.60¾		.58¾
September corn..... "		.65¾		.66¾	.61¾		.63¾		.61¾
July oats..... "		.41		.41¾	.35		.35		.36
No. 2 red winter wheat	"	\$1.47 @	1.48	1.40	1.15	\$1.17 @	1.18	\$1.46 @	1.48
No. 2 hard wheat..... "			1.38	1.39½	1.10		1.10		1.50
No. 2 corn..... "			.60	.63	.57		.58½		.58
No. 2 white corn..... "		.60½ @	.61½	.62½	.59	.60 @	.60½	.61 @	.61½
No. 2 white oats..... "		.40½ @	.41	.41	.35½		.35½		.38
Flour: soft patent.....Per bbl.		6.75 @	7.50	7.50	5.75	5.75 @	6.75	7.40 @	9.50
Flour: spring patent..... "		7.80 @	8.00	8.30	6.90	6.75 @	6.90	8.50 @	8.75
Middling cotton.....Per lb.			.19½	.21½	.19½		.21½		.11¼
Hogs on hoof.....Per cwt.		8.50 @	10.95	10.95	8.15	8.50 @	10.75	6.25 @	8.20

NOTE: May wheat closed at \$1.21; May corn at 58c and May oats at 37½c.

## COMMODITY MOVEMENT

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

	Receipts			Shipments		
	May, 1922	April, 1922	May, 1921	May, 1922	April, 1922	May, 1921
Flour, barrels.....	348,210	303,400	366,550	443,460	437,130	337,020
Wheat, bushels.....	2,558,400	1,422,225	2,823,807	2,284,320	1,331,660	2,197,610
Corn, bushels.....	2,870,352	1,196,000	2,355,600	2,145,420	1,211,995	1,309,050
Oats, bushels.....	2,603,625	1,294,000	2,596,000	1,959,760	1,349,940	1,764,355
Lead, pigs.....	406,880	308,670	266,160	217,110	122,150	136,380
Zinc and Spelter, slabs.....	338,320	198,180	107,420	308,040	164,150	237,310
Lumber, cars.....	19,518	13,131	11,017	14,392	9,699	9,139
Meats, pounds.....	20,510,300	17,417,300	20,479,500	28,389,100	22,364,200	20,801,200
Fresh Beef, pounds.....		31,000	513,400	19,205,100	16,335,100	20,345,300
Lard, pounds.....	4,447,800	3,318,200	2,145,300	8,010,000	6,728,300	7,242,600
Hides, pounds.....	7,264,700	6,992,700	3,484,500	8,849,700	8,025,400	6,049,400

## LIVE STOCK MOVEMENT

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

	Receipts			Shipments		
	May, 1922	April, 1922	May, 1921	May, 1922	April, 1922	May, 1921
Cattle and Calves.....	91,939	55,835	70,421	47,095	32,110	36,449
Hogs .....	337,158	262,953	262,788	219,866	184,144	146,116
Sheep .....	49,635	20,497	67,642	16,205	5,519	34,377
Horses and Mules.....	3,758	4,981	3,482	4,009	5,750	4,394

## 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		
May 31, 1922.....	104,522	16,704	121,226	147,352	\$8,837,054.29
April 30, 1922.....	102,460	20,058	122,518	156,761	7,314,631.46
May 31, 1921.....	95,402	15,542	110,944	147,352	8,941,526.23

From the above tabulation it will be noted that the number of employes of the reporting interests increased 10,282 or 9.2% (men increased 9.5% while women increased 7.4%) between May 31, 1921, and May 31, 1922. On May 31, 1921 the number was 24.7% under normal and on April 30, 1922, the total was 21.8% under normal as compared with 21.8% on May 31, 1922. Wages figured on a semi-monthly basis, decreased 10.2% between May 31, 1921 and May 31, 1922.

## BUILDING

Building permits issued in the five leading cities of the Eighth Federal Reserve District in May showed substantial increases over April, and the total cost involved was approximately three times as large as for the corresponding month in 1921. Gains proportionately as large are indicated in reports from the country districts and smaller cities and towns of which no regular tabulation is kept. The class of projects covered by permits issued in May include a greater variety of construction than any preceding month this year. While numerically residential construction heads the list, the number of business buildings, garages, schools and churches, industrial buildings, etc., figure more prominently than heretofore. Road building is being pushed in all states of the district, with Missouri, Illinois and Arkansas making a particularly impressive showing in this respect. In some sections of the South contractors and builders report that backwardness in deliveries on certain materials are temporarily delaying their work.

Comparative figures for May 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.....	858	572	\$2,099,960	\$ 845,665	666	571	\$296,920	\$241,530
Louisville .....	331	102	3,210,250	444,650	197	273	128,950	96,800
Memphis .....	338	205	1,032,644	752,192	89	46	49,330	34,620
Little Rock.....	88	69	297,605	238,825	155	160	46,991	42,239
Evansville .....	112	67	249,545	140,315	121	64	31,660	18,000
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	1,097	1,116	676,421	419,646
March totals.....	1,405	927	4,510,577	2,083,569	915	1,164	502,030	488,705

## FINANCIAL

Aside from a further strengthening in the general position, financial conditions in the district developed no change worthy of note during the period under review. Liquidation continues on a fairly liberal scale, and both city and country banks, particularly the former, are well equipped with loanable funds. The demand for credits to finance agricultural operations, usually felt at this season, is less pronounced than during former years. This is attributed to the smaller cost at which crops are being produced, and the fact that local banks in the rural districts are able to take care of their customers with less outside aid than in the past. Banks in the large cities report that mercantile loans are being liquidated, and the demand from general commercial sources is moderately active only. The marketing of early fruit and vegetable crops, which were very successful in this district, has served to increase cash resources in sections where these crops are produced in quantity. There is still a good demand for financing live stock operations. Between May 15 and June 15, the net deposits of the Federal Reserve Bank of St. Louis increased \$2,143,000 and Federal Reserve notes in circulation decreased \$4,894,000, while bills discounted for member banks decreased \$2,444,662. The total reserve carried against combined Federal Reserve

note and deposit liabilities decreased 5.6 per cent, standing at 66 on June 15.

**Acceptances**—The market for acceptances continues inert and featureless. Virtually no bills are originating in this district, and the market for outside offerings is extremely dull. Purchases by this bank in the open market, however, gained heavily in May, the total being \$3,815,505, against \$150,743, in April.

**Commercial Paper**—Brokers report the volume of their sales holding up well, but the demand is rather spotty and erratic. The decline in rates has removed country banks very largely from the market, and the demand from large city institutions is easily satisfied. Rates were steady with the preceding thirty days, ranging from 4¼ to 4¾ per cent.

**Bonds**—The market for investment bonds slowed down noticeably during the past four weeks, due in large measure to the advance in prices. Bond houses report that the recent buying movement heavily reduced their portfolio holdings, and there is a scarcity of issues to supply the grade of securities desired at the moment. There is still a strong demand for Government obligations of all kinds, this bank's quota of the latest issue of 3½ per cent Treasury Certificates of Indebtedness being heavily oversubscribed.

**Interest Rates**—Between May 16 and June 15 the high, low and customary interest rates prevailing in St. Louis, 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	4½	5½	6	5	6	8	6	6	8	6	7
4 to 6 months.....	6½	4½	5½	6	5	6	8	6	6	8	6	7
Prime Commercial Paper purchased in open market:												
30 to 90 days.....	5¼	4¼	4½	4¾	4¼	4½	.....	.....	.....	5	4½	5
4 to 6 months.....	5¼	4¼	4½	4¾	4¼	4½	.....	.....	.....	.....	.....	.....
Loans to other banks.....	6	5	5½	6	5	5½	7	6	6	7	6	6-7
Bankers' Acceptances of 60 to 90 days:												
Endorsed .....	3¾	3¾	3¾	.....	.....	.....	.....	.....	.....	.....	.....	.....
Unendorsed .....	3¾	3¾	3¾	.....	.....	.....	.....	.....	.....	.....	.....	.....
Loans secured by prime stock exchange collateral or other current collateral:												
Demand .....	6	5	5	5	6	6	8	6	6	8	7	7
3 months .....	6	4½	6	6	5	6	8	6	7	8	7	7
3 to 6 months.....	6	4½	6	6	5	6	8	6	7	8	7	7
Cattle Loans.....	7	5½	6	.....	.....	.....	7	6	6	8	7	8
Commodity paper secured by warehouse receipts, etc.....	6½	5	5½	6	5	6	7	6	6	8	7	8
Loans secured by Liberty Bonds and certificates.....	6	5	5	5	5	6	7	6	6	8	6	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:

	June 7, 1922			May 3, 1922		June 1, 1921	
	Number Banks Reporting	Number Savings Accounts	Amount Deposits	Number Savings Accounts	Amount Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	236,781	\$ 64,697,000	235,191	\$ 63,795,000	223,512	\$ 61,290,858
Louisville .....	7	135,193	20,810,000	133,912	20,502,000	117,949	17,650,885
Memphis .....	7	55,668	14,690,000	55,395	13,437,000	53,311	13,160,150
Little Rock.....	5	26,130	6,006,000	25,222	6,101,000	22,988	5,458,029
Evansville .....	4	20,679	8,138,000	20,936	8,155,000	20,008	7,988,459
Total.....	35	474,451	\$114,341,000	470,655	\$111,990,000	437,768	\$105,548,391

**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:

	June 14, 1922	May 10, 1922	June 15, 1921
Number of banks reporting.....	37	37	37
Loans and discounts (excluding rediscounts):			
Secured by U. S. Govt. obligations.....	\$ 16,145,000	\$ 13,346,000	\$ 17,633,000
Secured by stocks and bonds other than U. S. bonds	121,684,000	126,635,000	117,496,000
All other loans and discounts.....	271,929,000	274,112,000	283,465,000
<b>Total loans and discounts.....</b>	<b>\$409,758,000</b>	<b>\$414,093,000</b>	<b>\$418,594,000</b>
Investments:			
U. S. Bonds.....	27,836,000	27,011,000	26,715,000
U. S. Victory Notes.....	2,422,000	3,403,000	2,061,000
U. S. Treasury Notes.....	11,238,000	6,212,000	1,935,000
U. S. Certificates of Indebtedness.....	8,297,000	5,090,000	3,305,000
Other bonds, stocks and securities.....	81,928,000	75,828,000	67,311,000
<b>Total Investments.....</b>	<b>\$131,721,000</b>	<b>\$117,544,000</b>	<b>\$101,327,000</b>
Reserve Balance with Federal Reserve Bank.....	40,675,000	44,837,000	42,687,000
Cash in vault.....	7,231,000	7,039,000	7,995,000
Net demand deposits on which reserve is computed.....	318,100,000	320,080,000	299,816,000
Time deposits.....	160,508,000	161,493,000	142,997,000
Government deposits.....	9,414,000	6,454,000	7,042,000
Bills discounted with Federal Reserve Bank.....	2,722,000	4,316,000	35,055,000
Bills payable with Federal Reserve Bank.....	2,658,000	3,353,000	14,949,000

**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:

	June 14, 1922	May 17, 1922	June, 1922 comp. to May, 1922	June 15, 1921	June, 1922 comp. to June, 1921
Debits for four weeks ending.....					
St. Louis.....	\$513,248,000	\$506,408,000	+ 1.4	\$535,858,000	- 4.2
Louisville.....	132,527,000	124,565,000	+ 6.4	117,162,000	+13.1
Memphis.....	94,734,000	102,433,000	- 7.5	72,641,000	+30.4
Little Rock.....	34,805,000	35,756,000	- 2.7	33,589,000	+ 3.6
East St. Louis and Natl. Stock Yards..	36,140,000	39,721,000	- 9.0	34,269,000	+ 5.4
Evansville.....	25,776,000	26,636,000	- 3.2	19,181,000	+34.4
Springfield.....	12,986,000	10,309,000	+25.9	11,725,000	+10.8
Quincy.....	8,627,000	8,721,000	- 1.1	8,719,000	- 1.0
Owensboro.....	3,972,000	4,415,000	-10.1	.....	.....
Greenville.....	3,533,000	3,171,000	+11.4	.....	.....
Helena.....	4,055,000	3,699,000	+ 9.6	.....	.....

### FEDERAL RESERVE OPERATIONS

In May the Federal Reserve Bank of St. Louis discounted \$65,439,357 of paper for 377 member banks, which is an increase of \$8,842,051 over the amount discounted in April and an increase of 99 in the number of banks accommodated. Acceptances purchased in May amounted to \$3,966,248, an increase of \$3,815,505 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:			
	June 14, 1922	May 17, 1922	June 18, 1921		June 14, 1922	May 17, 1922	June 18, 1921
Gold Reserves.....	\$ 74,193	\$ 83,999	\$ 77,754	Capital paid in.....	\$ 4,708	\$ 4,691	\$ 4,498
Legal tender notes, silver, etc.....	16,665	17,679	12,522	Surplus.....	9,388	9,388	8,346
<b>Total Cash Reserves..</b>	<b>\$ 90,858</b>	<b>\$101,678</b>	<b>\$ 90,276</b>	Reserve for U. S. Govt. franchise tax.....	2	8	717
Discounts secured by U. S. Govt. obligations.....	6,430	7,540	30,623	Deposits.....	67,849	68,554	67,648
Discounts otherwise secured or unsecured..	12,265	14,762	46,385	F. R. notes in circulation.....	68,694	72,496	104,272
Bills bought in open market.....	9,597	2,190	372	F. R. Bank notes in circulation.....	3,348	3,335	6,242
U. S. Govt. securities....	31,605	28,216	22,860	Deferred Availability items.....	33,297	34,301	32,914
<b>Total earning assets....</b>	<b>\$ 59,897</b>	<b>\$ 52,708</b>	<b>\$100,240</b>	Other liabilities.....	935	771	1,812
Uncollected items.....	33,715	35,556	34,138	<b>Total liabilities.....</b>	<b>\$188,221</b>	<b>\$193,544</b>	<b>\$226,449</b>
Other resources.....	3,751	3,602	1,795	Combined reserve ratio..	66.5%	72.1%	52.5%
<b>Total Resources.....</b>	<b>\$188,228</b>	<b>\$193,544</b>	<b>\$226,449</b>				

(Compiled June 20, 1922)