

FEDERAL RESERVE BANK OF ST. LOUIS

MONTHLY REPORT ON

GENERAL BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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IN spite of a number of unfavorable factors, general business in this district during the past thirty days recorded distinct progress. The volume of trade as a whole was big, and several of the leading lines reported sales the largest so far this season, and well in excess of the corresponding period a year ago. The demand for commodities holds up well and the same is true of the purchasing power of the public. While buying of merchandise continues very largely on an immediate delivery basis, there is a gradual and steady growth of orders for forward shipment. The recent upward trend in prices of many goods for common consumption has had a tendency to stimulate purchasing by retail merchants. Retail stocks, especially in the country, are for the most part light, and due to interference with transportation and production by the strikes a scarcity has developed in certain varieties of goods.

As was the case during the preceding month, there were numerous complaints from manufacturers of retarded production and higher costs, due to delayed deliveries of raw materials. Settlement of the soft coal strike, however, eliminated one of the chief factors causing this condition, and the return of the miners to work served to banish much of the fear and uncertainty relative to fuel supplies during the coming fall and winter. Merchants report a much improved feeling in the coal producing areas, but as yet it is too early for the resumption of activities to be reflected in actual sales or collections.

Wholesalers in the large cities report that the number of customers coming to market in August and early September was well up to expectations. Almost unanimously these buyers expressed themselves as optimistic relative to conditions in their several localities. Orders placed for dry goods, shoes, groceries, millinery, furniture and hardware compared favorably with the same time in 1921, and the proportion for future delivery was well in excess of a year ago. Stock orders in the Southern states were reported more numerous than during any preceding month of the present year.

Reports relative to the labor situation indicate little change as contrasted with the month before. Workers released by the completion of harvesting of early crops were about offset numerically by the return of miners in the coal fields. Some increase was noted in the number of railroad employees, and there was a gain in iron and steel plants and shoe factories. Minor seasonal decreases were reported by clothing manufacturers and retail establishments. The trend of wages was upward, advances having

been granted in certain sections of the metal industry and in the building trades in some cities. The latter, however, were not scale advances, but occurred in individual instances where a scarcity existed in the building crafts.

August proved an unfavorable month for agricultural development throughout the Eighth Federal Reserve District. The condition of all crops on which official reports are made suffered deterioration during the month, and the extreme high temperatures of the first week of September caused further lowering of prospective yields. The heaviest losses were in cotton, corn, fruits and tobacco. According to the estimates of the United States Department of Agriculture, the cotton crop in States of this district was damaged to the extent of 290,000 bales between July 25 and August 25, while corn prospects were cut during August by 28,202,000 bushels. In Kentucky the tobacco crop on September 1 was estimated at 454,212,000 pounds, which contrasts with prospects on August 1 of a yield of 520,279,000 pounds.

The movement to market of cereals and agricultural products generally was seasonably heavy, though there were some complaints of delayed shipments due to the railroad strike. Prices of farm products during the period under review were somewhat irregular, but with no broad fluctuations in either direction. Wheat continues weak, and proportionately lower than other cereals, which fact is in a large measure due to competition of a heavy Canadian crop. Corn and oats responded to the decline in prospective yields, and scored fair advances. Cotton moved in a narrow range, easing off after September 1, the status of the consumers' market superceding crop conditions as an influence on values. Live stock prices worked slightly lower.

A marked improvement in the movement of coal subsequent to settlement of the strike in the bituminous fields, coupled with heavy shipments of merchandise and farm and forest products, was reflected in the volume of traffic handled by roads operating in this district. Substantial gains were reported by some roads over the preceding month, and virtually all showed improvement over the corresponding period in 1921. Passenger traffic was stimulated by the return of vacationists, but the total volume was less than normal for this season. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 182,683 loads in August, the largest number for any month this year, and comparing with 168,367 loads in July,

168,610 loads in June, 165,168 loads in May and 162,792 loads in August, 1921. During the first nine days of September 56,561 loads were interchanged, against 53,837 loads for the same period in August.

The strain and shortage existing in the fuel situation in the district was relieved to a large extent by settlement of the coal strike. Announcement of the settlement was followed almost immediately by sharp reductions in coal prices, both of steaming and domestic grades. Movement from the mines to the areas where scarcity was most felt has been in good volume, but reserve supplies are still low, and the amount of coal laid in by householders is the smallest on record for this time of year. Production of soft coal for the country as a whole for the week ended September 2 was 9,142,000 tons, which compares with 6,700,000 for the preceding week, and 11,750,000 tons for the same week in 1920. The limiting factor in the supply of soft coal, according to the U. S. Geological Survey, has now become transportation. Production for the calendar year to September 2 was 232,702,000 tons, against 262,753,000 tons for the same period a year ago.

Automobile production for the country at large showed a seasonal increase, the gain as compared with July being approximately 6 per cent on pas-

senger cars and 10 per cent on trucks. Total production of manufacturers reporting direct and through the Automobile Chamber of Commerce was 234,274 passenger cars and 22,520 trucks in August, as compared with 220,126 passenger cars and 20,140 trucks in July. Reports of 230 dealers scattered through this district indicate that sales in August were from 10.25 per cent larger than a year ago, and slightly better than in July. Distributors of certain medium price cars report that they are behind on deliveries. The used car market is in better shape than at any time this year. Seasonal stimulation and the recent reduction in prices have resulted in unusually heavy sales of tires.

Reports relative to collections continue extremely irregular, and taken as a whole were less satisfactory than in July, but about equal to August, 1921. Wholesalers in the large cities report a slowing down in payments in certain localities. Settlement of the coal strike is expected to be reflected in an easing up in the coal producing areas during the next sixty days. Answers to 328 questionnaires addressed to representative interests in various lines throughout the Eighth Federal Reserve District show the following results: 4.6 per cent excellent; 33.7 per cent good; 57.1 per cent fair and 4.6 per cent poor.

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

| District | NUMBER | | | AMOUNT | | |
|-----------------------------|-----------|-----------|-----------|--------------|--------------|--------------|
| | Aug. 1922 | July 1922 | Aug. 1921 | Aug. 1922 | July 1922 | Aug. 1921 |
| Boston, First..... | 118 | 130 | 118 | \$ 1,556,039 | \$ 2,393,565 | \$ 2,821,841 |
| New York, Second..... | 269 | 384 | 216 | 7,364,329 | 8,035,662 | 9,685,653 |
| Philadelphia, Third..... | 76 | 86 | 68 | 2,735,637 | 1,676,773 | 2,090,756 |
| Cleveland, Fourth..... | 156 | 163 | 137 | 3,574,148 | 5,164,164 | 5,183,707 |
| Richmond, Fifth..... | 134 | 150 | 98 | 2,253,748 | 2,349,539 | 2,658,017 |
| Atlanta, Sixth..... | 152 | 173 | 198 | 2,890,891 | 2,157,713 | 4,489,443 |
| Chicago, Seventh..... | 243 | 249 | 204 | 6,776,867 | 11,484,832 | 4,123,520 |
| St. Louis, Eighth..... | 135 | 87 | 67 | 2,347,687 | 1,721,083 | 2,200,012 |
| Minneapolis, Ninth..... | 69 | 60 | 72 | 888,750 | 1,142,174 | 1,458,576 |
| Kansas City, Tenth..... | 95 | 61 | 75 | 1,963,119 | 891,386 | 966,896 |
| Dallas, Eleventh..... | 85 | 64 | 137 | 5,198,294 | 1,230,581 | 1,991,284 |
| San Francisco, Twelfth..... | 182 | 146 | 172 | 2,730,209 | 1,762,841 | 5,234,704 |
| Total..... | 1,714 | 1,753 | 1,562 | \$40,279,718 | \$40,010,313 | \$42,904,409 |

MANUFACTURING AND WHOLESALE

Boots and Shoes—Sales of the 11 reporting interests showed an increase of 5.7 per cent over the corresponding period in 1921, and a decrease of 12.5 per cent under the preceding month this year. The decrease as compared with July is largely seasonal, but in the case of three companies was due to the fact that their prospective outputs were disposed of, and they were obliged temporarily to withdraw from the market on certain lines. There was a slight increase in prices during the period under review, averaging approximately 2 per cent. Prices of raw materials have advanced sharply, particularly upper leather and sole leather. Factory operation in the district was from 90 to 100 per cent of capacity.

Clothing—Reports of 23 leading interests indicate a decrease in sales during the past month of 8.2 per cent under the corresponding period a year ago, and an increase of 22.3 per cent over the preceding month this year. Prices show little change worthy

of note during the period under review, but average approximately 8½ per cent under a year ago. Orders for forward delivery are in larger volume than heretofore, but buying generally continues on an immediate shipment basis. Collections are reported fair. Retail stocks, particularly in the country, are light.

Iron and Steel—Activity in the iron and steel industry, noted in the preceding issue of this report, continued during the period under review. There was a slight gain in operations of iron and steel mills and foundries, several which had been obliged to temporarily close down because of the shortage of fuel, having resumed since settlement of the coal strike. Costs of production were increased in some instances by advanced wages, and there was an irregular increase in prices of finished materials. Production was held down to some extent by delayed deliveries of raw materials. Pig iron was in strong demand and higher, No. 2 Southern iron having advanced to \$26 to \$30 per ton, and No. 2

Northern to \$32 base. The melt of pig iron during the past thirty days was approximately $3\frac{1}{4}$ per cent larger than the similar period immediately preceding. Warehouse interests report stocks at the lowest point of the year.

Hardware—August sales of the 12 reporting interests reflected rather uneven conditions ranging from 11.8 per cent less to 23.5 per cent greater than the corresponding period a year ago and from 2.3 per cent to 23.1 per cent larger than in July. Buying for future delivery showed a good increase during the period under review, and seasonal goods are moving in excellent volume. Builders hardware is less active than during the several months immediately preceding, and the same is true relative to tools and wire products. Cutlery and shelf hardware continue active. Specialties and supplies for farms are being well taken.

Electrical Supplies—The 7 reporting interests show sales in August averaging 8.8 per cent over the same month in 1921, and about steady with the preceding month this year. There has been a marked improvement in sales of equipment and supplies in the coal mining sections since settlement of the strike. Contractors and dealers are increasing their orders, and all varieties of goods employed in new buildings are in strong demand. Pole and line hardware continue active, and there is a good movement of lighting fixtures and shades. A slight upward trend in prices is noted generally through the line.

Flour—Production of the 11 mills in the district during August was 353,367 barrels, against 281,783 barrels in July, 223,428 barrels in June and 279,970 barrels in May. Business throughout August was described as fair, with the domestic demand confined chiefly to soft flours in the South. Since September 1 the general demand has improved, and shipping directions are freer on flour previously purchased. There is no export business to speak of with Europe, but a fair amount of flour is selling currently to the Latin American countries. Mill operation in the district during the period under review was at about 75 to 80 per cent of capacity.

Groceries—Further improvement in this line as a whole is indicated in reports of 17 leading interests. Their sales in August were 2.5 per cent larger than for the same month in 1921 and 4.4 per cent over the July total. Prices during the period under review showed little change, though staples continue their slight upward trend. Canned vegetables and fruits were lower, and flour and meats developed an easier trend. A marked improvement in sales and collections is noted in the coal fields.

Dry Goods—As contrasted with a year ago, August sales showed a formidable gain, the total

Industrial Power Consumption—Public utility companies in three of the four leading cities of the district report sharp increases in the consumption of electrical power for industrial purposes during August as compared with the same month last year, Little Rock again registering a decline. Losses and gains for August as compared with July about balance each other, the net gain for reporting cities being 1%. Comparative figures follow:

| | Representative Customers | Aug., 1922 | July, 1922 | Aug., 1922 comp. to July, 1922 | Aug., 1921 | Aug., 1922 comp. to Aug., 1921 |
|----------------|--------------------------|---------------------|---------------------|--------------------------------|--------------------|--------------------------------|
| St. Louis.... | 66 | 10,916,884 k. w. h. | 11,227,240 k. w. h. | — 2.8% | 8,333,074 k. w. h. | +31.0% |
| Memphis | 31 | 867,420 " | 806,840 " | + 7.5% | 767,620 " | +13.0% |
| Little Rock | 11 | 529,899 " | 585,891 " | — 9.6% | 640,698 " | —17.3% |
| Louisville.... | 81 | 2,873,287 " | 2,411,426 " | +19.2% | 1,554,795 " | +84.8% |
| Total..... | 189 | 15,187,490 " | 15,031,397 " | + 1.0% | 11,296,187 " | +34.4% |

for 11 leading interests in the district being 50.5 per cent larger than for the same month in 1921. August sales as compared with those reported in July showed a gain of approximately 5.8 per cent. Prices during the period under review were generally higher, with advances being most marked in cotton goods. Sales of underwear and ready-to-wear clothing were well in excess of a year ago. Orders for future delivery continued the improvement noted in the preceding issue of this report.

Furniture—August sales of the 11 reporting interests were 45.9 per cent larger than for the same month in 1921 and 4.7 per cent greater than in July this year. Prices were mainly steady, though some advances were noted in household furniture. Raw materials, particularly glass and lumber, were higher, and there were numerous complaints of delayed deliveries due to the railroad strike. Office furniture and fixtures are moving more actively, and sales of furniture for new hotels were the largest in a number of months.

Drugs and Chemicals—Sales of the 7 reporting interests in August were 8.0 per cent under those of the same month in 1921, but 1.4 per cent larger than in July this year. Sales to manufacturers showed a decline under the preceding several months, but orders placed by retailers and jobbers were on a large scale. Retail stocks are light, and there is more disposition on the part of the small merchants to fill out their assortments. Prices averaged steady, declines about counterbalancing the advances.

Lumber—The volume of business in late August and early September was in keeping with the records of large distribution since the midspring period. Despite severe transportation handicaps resulting from the strikes, St. Louis lumber receipts increased in August, as compared with July, and were much more than of seasonable size in the first half of September. The demand readily absorbed all the mills were able to ship, at advancing prices for Southern pine, Western fir and other building woods. The price increase was well distributed over the various items, but was particularly rapid and strong in edge grain flooring, dimension, fencing and boards. Red and yellow cypress in box and shop lumbers and No. 2 Common were also in active demand, and scored price advances. The hardwood market, on the other hand, was quiet and virtually without quotable change during the period under review. The exceptions to the rule were the low grades of oak, sap gum, poplar and log run elm and soft maple, together with some betterment in walnut and cottonwood, all of which were quite active.

RETAIL

Considerable irregularity features retail reports covering August activities, some lines showing fair gains, while others indicate more than seasonal losses as contrasted with the preceding month. There were an unusual number of conflicting reports within identical lines, which fact is accounted for in large measure by local labor and crop developments. Taken as a whole, however, this department of distribution reflects a good increase in volume over the same period a year ago. Extremely hot weather in late August and early September caused postponement of fall buying, especially of clothing. Sales of clothiers, while slightly under those of July, were about 5 per cent above August, 1921, and a marked increase in sales was noted during the second week of September. According to jewelers, the seasonal decrease in sales expected in

August was prevented by heavy purchases of diamonds and other gems. Hardware merchants report that the increase in prices has had a tendency to slow down sales of builders' hardware, but there is an excellent movement of cutlery and household goods. Stationers report the volume of August business disappointing, but since September 1 there has been a picking up in catalogue orders and sales of school supplies. Furniture dealers have enjoyed a continuance of the active demand noted in July, with house furnishings, floor coverings and office furniture especially active. Early sales of fall sporting goods were well up to expectations, and indicate a satisfactory movement when the season opens. Grocers report no change worthy of note in their business as compared with the preceding month.

Department Stores—The condition of retail trade during August, 1922, in the leading cities of this district is reflected in the following statement, compiled from reports of 16 representative department stores:

| (Percentages) | St. Louis | Louis- ville | Memphis | Little Rock | Quincy | 8th District |
|--|--------------|-----------------|---------|----------------|--------|-----------------|
| Net Sales: | | | | | | |
| Aug., 1922, compared with Aug., 1921..... | — 0.5 | — 5.5 | + 11.8 | — 8.2 | + 9.0 | + 0.8 |
| Period July 1 to Aug. 31, 1922, compared with same period in 1921..... | — 1.4 | — 0.6 | + 6.2 | — 12.8 | — 11.5 | — 0.8 |
| Stocks at end of Aug., 1922: | | | | | | |
| Compared with same month in 1921..... | — 4.4 | — 18.9 | — 11.9 | — 0.8 | — 2.7 | — 6.9 |
| Compared with stocks at end of July, 1922.... | + 10.0 | + 0.3 | + 1.8 | + 7.7 | + 6.0 | + 7.4 |
| Average stocks on hand at end of each month since July 1, 1922, to average monthly sales during same period..... | 457.0 | 418.9 | 644.9 | 412.4 | 557.2 | 489.7 |
| Outstanding orders for Aug., 1922, compared with previous year's purchases..... | 8.6 | 8.5 | 11.1 | 11.0 | 11.3 | 9.1 |

AGRICULTURE

The extremely hot and dry weather of August and the first week of September resulted in serious deterioration to crops in this district. In many instances prospects, which at the end of July were the most favorable in a number of years, have since fallen below the ten-year average. Withal production as a whole is expected to be well in excess of last season's total, and in no single crop will there be a shortage. The protracted drouth interfered to some extent with preparation of the soil for planting fall cereals, and in some counties this will be reflected in slightly reduced acreages of wheat and oats. Rains were general over the district during the second week of September, and the moisture was beneficial in reviving pastures and late garden crops. Reports relative to results of the early crops continue almost unanimously favorable. Earlier accounts of large yields are confirmed, and marketing conditions and prices were generally satisfactory.

Corn deteriorated in all States of the district during the period under review, with the principal damage to the late planted grain. Early corn had for the most part reached a stage of development where the yield was fairly well assured, but quality has been affected by the heat and insects. In Missouri the condition dropped from 87 per cent on August 1 to 77 per cent on September 1, indicating a loss of 8,988,000 bushels. Indiana dropped from 85 to 82 per cent; Illinois from 85 to 82; Kentucky from 93 to 80; Tennessee from 86 to 75; Mississippi from 83 to 76 and Arkansas from 79 to 72.

In Kentucky, Tennessee and Indiana the tobacco crop went back badly, both in point of quantity and quality. Heavy firing is reported generally in Kentucky, and much of the crop has been cut prematurely. Organization in the dark patch of Kentucky has made considerable progress. Farmers are anticipating very satisfactory prices when the tobacco market opens this fall.

Rice also retrograded, and growers in Arkansas now look for a yield of about 42 bushels to the acre, or about 6,552,000 bushels for the State. Harvesting of early varieties has begun, but no material marketings are expected before the second week in October.

Virtually all of the early potato crop has been harvested, but latest reports indicate heavy loss in condition of the tubers still in the ground. Late truck and garden crops have suffered from the drouth, and there are numerous reports of deterioration in late tree fruits. Orchardists in the Ozark region and Southern Illinois report a heavy dropping of apples, due to the intense heat. Melon crops in all sections where a specialty is made of this production, were abundant, but as in the case of other fruits and vegetables, raisers in many localities sustained heavy losses because of delays in transportation occasioned by the railroad strike.

A universal comment from all sections of the district is that live stock is in exceptionally good health. An increase in dairying is noted in Arkansas, Tennessee, Mississippi and Missouri. The sup-

ply of farm labor is ample for all purposes, with wages ranging from steady to 15 per cent lower than a year ago.

Reports from virtually all sections of the district where cotton is grown indicate continued deterioration since the closing time of the Government's August report. Hot weather accounts for

the greater part of the damage, with boll weevils ranking second as a destroying factor. In Arkansas, the chief cotton area of the district, there was a loss of condition between July 25 and August 25 of 18 points, but based on the July 25 figures, Arkansas will produce 969,000 bales, against 797,000 bales last year.

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

| | Condition | | Forecast 1922 | | Production | | Price per Bu. | |
|-------------------|-----------|------------|----------------|---------|--------------|-----------|---------------|-------|
| | Sept. 1 | | *Production | | *Comparisons | | September 1, | |
| | 1922 | 10 yr. av. | from condition | | 1921 | 5 yr. av. | 1922 | 1921 |
| | % | % | bu. | bu. | bu. | bu. | cents | cents |
| Arkansas | 72 | 74 | 48,887 | 52,635 | 60,148 | 48,167 | 86 | 82 |
| Illinois | 82 | 76 | 325,421 | 329,831 | 305,966 | 337,245 | 55 | 48 |
| Indiana | 82 | 80 | 177,783 | 184,287 | 169,848 | 182,569 | 59 | 51 |
| Kentucky | 80 | 81 | 88,155 | 102,480 | 82,150 | 97,152 | 85 | 81 |
| Mississippi | 76 | 77 | 50,339 | 54,976 | 57,096 | 55,702 | 84 | 97 |
| Missouri | 77 | 69 | 176,201 | 185,195 | 182,880 | 176,224 | 63 | 54 |
| Tennessee | 75 | 82 | 75,214 | 86,245 | 90,713 | 86,490 | 85 | 76 |

| OATS | | | | | | | | |
|----------------|----|----|---------|---------|---------|---------|-------|-------|
| | % | % | bu. | bu. | bu. | bu. | cents | cents |
| Illinois | 64 | 81 | 113,789 | 115,567 | 121,741 | 181,914 | 30 | 26 |
| Indiana | 49 | 80 | 33,002 | 33,276 | 45,072 | 71,070 | 33 | 29 |
| Missouri | 48 | 78 | 21,779 | 22,364 | 42,960 | 48,047 | 38 | 28 |

*In thousands of bushels.

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

| | Close Aug. 15 | High | Low | Close Sept. 15 | Close Sept. 15, 1921 |
|---------------------------------|---------------------------------------|------------------------------------|----------------------------------|---------------------------------------|---|
| September wheat.....Per bu. | \$.98 ³ / ₄ | \$1.02 ¹ / ₂ | \$.97 | \$1.02 ¹ / ₂ | \$1.25 ³ / ₄ |
| December wheat....." | .99 ⁷ / ₈ | 1.03 ³ / ₈ | .98 ¹ / ₄ | 1.00 ¹ / ₂ | 1.28 ¹ / ₈ |
| May wheat....." | 1.04 ³ / ₄ | 1.08 | 1.03 ⁷ / ₈ | 1.05 ¹ / ₈ | 1.33 |
| September corn....." | .57 ⁵ / ₈ | .60 ³ / ₄ | .57 ³ / ₈ | .60 ³ / ₄ | .49 ³ / ₄ |
| December corn....." | .52 ¹ / ₂ | .57 ¹ / ₂ | .51 ³ / ₈ | .56 ¹ / ₂ | .51 ⁵ / ₈ |
| May corn....." | .55 ³ / ₄ | .60 ¹ / ₂ | .55 | .59 ³ / ₈ | .56 ⁵ / ₈ |
| September oats....." | .30 ⁷ / ₈ | .35 | .30 ³ / ₄ | .34 ¹ / ₂ | .36 |
| No. 2 red winter wheat....." | \$1.02 @ 1.04 | 1.15 | 1.05 | \$1.11 @ 1.13 | \$1.34 @ 1.39 ¹ / ₂ |
| No. 2 hard wheat....." | 1.00 @ 1.02 | 1.08 | .99 | 1.03 | \$1.27 ¹ / ₂ @ 1.28 |
| No. 2 corn....." | .58 @ .61 | .62 ¹ / ₂ | .57 ¹ / ₂ | .61 @ .61 ³ / ₄ | .51 @ .51 ¹ / ₂ |
| No. 2 white corn....." | .59 @ .59 ¹ / ₂ | .63 | .59 ¹ / ₂ | .61 ³ / ₄ | .52 ¹ / ₂ @ .53 |
| No. 2 white oats....." | .32 ¹ / ₂ | .40 ¹ / ₂ | .32 | .40 | .39 |
| Flour: soft patent.....Per bbl. | 5.25 @ 6.25 | 6.25 | 5.20 | 5.25 @ 6.25 | 6.50 @ 7.50 |
| Flour: hard patent....." | 6.05 @ 6.70 | 6.85 | 5.75 | 5.90 @ 6.10 | 7.50 @ 8.00 |
| Middling cotton.....Per lb. | .21 ¹ / ₂ | .22 ¹ / ₂ | .21 ¹ / ₂ | .21 ³ / ₄ | .20 |
| Hogs on hoof.....Per cwt. | 6.75 @ 10.25 | 6.00 | 9.90 | 6.75 @ 9.80 | 6.00 @ 8.85 |

COMMODITY MOVEMENT

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

| | Receipts | | | Shipments | | |
|------------------------------|------------|------------|------------|------------|------------|------------|
| | Aug., 1922 | July, 1922 | Aug., 1921 | Aug., 1922 | July, 1922 | Aug., 1921 |
| Flour, barrels..... | 428,280 | 330,060 | 720,640 | 570,010 | 422,300 | 813,410 |
| Wheat, bushels..... | 7,058,479 | 5,149,844 | 7,160,672 | 6,379,160 | 2,813,160 | 5,382,260 |
| Corn, bushels..... | 2,568,800 | 3,324,400 | 2,394,800 | 1,771,790 | 2,317,835 | 1,924,130 |
| Oats, bushels..... | 2,580,000 | 2,588,000 | 2,519,000 | 2,155,075 | 1,873,275 | 1,994,365 |
| Lead, pigs..... | 322,230 | 289,710 | 280,220 | 245,680 | 140,040 | 98,440 |
| Zinc and Spelter, slabs..... | 166,940 | 213,210 | 94,950 | 279,550 | 164,470 | 225,660 |
| Lumber, cars..... | 15,228 | 14,370 | 10,927 | 12,488 | 10,958 | 9,172 |
| Meats, pounds..... | 19,527,000 | 19,150,400 | 22,573,800 | 28,483,500 | 28,858,500 | 26,812,100 |
| Fresh beef, pounds..... | 43,300 | 73,500 | 275,200 | 24,256,900 | 21,085,800 | 26,218,800 |
| Lard, pounds..... | 6,229,300 | 4,768,000 | 2,965,100 | 9,915,000 | 8,867,200 | 7,581,600 |
| Hides, pounds..... | 6,954,000 | 5,584,900 | 4,529,800 | 8,934,100 | 7,778,700 | 7,190,600 |

LIVE STOCK MOVEMENT

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

| | Receipts | | | Shipments | | |
|------------------------|------------|------------|------------|------------|------------|------------|
| | Aug., 1922 | July, 1922 | Aug., 1921 | Aug., 1922 | July, 1922 | Aug., 1921 |
| Cattle and Calves..... | 157,864 | 106,427 | 120,877 | 102,403 | 63,083 | 71,243 |
| Hogs | 240,535 | 216,286 | 201,031 | 158,565 | 148,002 | 123,721 |
| Sheep | 81,668 | 97,113 | 80,089 | 20,866 | 30,469 | 23,507 |
| Horses and Mules..... | 6,031 | 2,829 | 4,418 | 4,827 | 2,640 | 4,330 |

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 | |
| Aug. 31, 1922..... | 108,086 | 19,323 | 127,409 | 157,745 | —19.2 | \$ 8,883,889.76 |
| July 31, 1922..... | 112,918 | 21,150 | 134,068 | 155,410 | —13.7 | 10,274,603.20 |
| Aug. 31, 1921..... | 109,011 | 19,874 | 128,885 | 157,745 | —18.3 | 9,281,002.17 |

It will be noted that the number of employees of reporting interests decreased 1,476 or 1.1% (men decreased 0.8% while women decreased 2.8%) between August 31, 1921 and Aug. 31, 1922. Wages, figured on a semi-monthly basis, decreased 3.2% during the same period.

BUILDING

The building situation in this district developed no change worthy of note during the past thirty days. In some localities, particularly in the South, work of construction was delayed because of interference with delivery of materials by the railroad strike. Building permits issued by the five leading cities of the district in August showed an increase numerically over July, but fell slightly below the preceding month in dollars and cents. As compared with a year ago a heavy gain was shown both in number and amount. Approximately 50 per cent of the August permits were for dwellings, and slightly over 3½ per cent of the permits were for garages. Building operations in Louisville for the fiscal year ending August 31 were more than double those for the twelve months immediately preceding. The trend of building material prices continues higher. The output of Portland cement in the United States during August totaled 11,664,000 barrels, the largest for any month this year.

Comparative figures for August 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..... | 803 | 669 | \$1,780,450 | \$1,071,820 | 538 | 482 | \$426,220 | \$235,385 |
| Louisville | 287 | 192 | 1,113,000 | 713,300 | 134 | 146 | 130,375 | 61,500 |
| Little Rock..... | 62 | 59 | 202,545 | 992,506 | 58 | 42 | 55,500 | 18,420 |
| Memphis | 311 | 255 | 1,476,240 | 180,350 | 139 | 182 | 61,427 | 52,510 |
| Evansville | 76 | 112 | 153,025 | 163,545 | 64 | 18 | 17,815 | 4,915 |
| Aug. totals..... | 1,539 | 1,287 | \$4,725,270 | \$3,121,521 | 933 | 870 | \$671,337 | \$372,731 |
| July totals..... | 1,478 | 1,166 | 5,233,075 | 3,164,464 | 813 | 845 | 465,717 | 513,818 |
| June totals..... | 1,572 | 1,207 | 5,224,814 | 4,107,513 | 935 | 910 | 630,645 | 420,868 |

FINANCIAL

Financial and banking operations during the past thirty days have been chiefly along routine and seasonal lines, and have resulted in little change worthy of note in the general position of the district. The demand for funds from commercial sources is moderately active only, and the call for credits to finance the crop movement, which in past years was felt in volume at this season, has failed to develop to the usual extent thus far. Loans of reporting member banks, and discounts with this institution, show little variation as compared with a month ago, but are under those of the corresponding period in 1921. A fair demand is noted for credits to employ in purchasing cattle and other live stock. Commercial banks in the large cities report some liquidation of commercial loans, and in the country where early crops have been marketed, farmers are settling with their banks. Deposits show little change from a month ago, but in the case of the member banks, are well below those of the same

time last year. Ample funds are held by the commercial banks to meet all requirements of business, and rates hold about steady with the preceding thirty days. Between August 15 and September 15 the net deposits of the Federal Reserve Bank of St. Louis decreased \$7,884,000. Federal Reserve notes in circulation increased \$4,145,000 and there was an increase in bills discounted for member banks of \$409,949. The total reserve carried against combined Federal Reserve note and deposit liabilities decreased 3.1 per cent standing at 61.2 per cent on September 15.

Acceptances—No change has taken place in the dull conditions which have featured the acceptance market for the past several months. Practically no bills are originating in this district, and the demand from all sources is at a standstill. During August the Federal Reserve Bank of St. Louis purchased \$3,203,400 of acceptances, a decrease of \$4,275,281 under the preceding month.

Commercial Paper—Brokers report fair activity in commercial paper during the period under review. Sales of reporting firms in August compared favorably with those of July, and were well in excess of the same month last year. Offerings are not particularly heavy, and no trouble is experienced in finding an outlet for all desirable names.

Purchasing is confined almost exclusively to city banks, rates being too low to attract country institutions. Rates range from 4 to 4¼ per cent, and it is noted that this is the first time in a number of years that the commercial paper rate in the district has dropped below the discount rate of this bank.

Interest Rates—Between August 15 and September 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 | 5 | 5 | 6 | 5 | 6 | 6 | 6 | 6 | 8 | 6 | 6-7 |
| 4 to 6 months..... | 6 | 4 | 5½ | 6 | 5 | 6 | 6 | 6 | 6 | 8 | 6 | 6-7 |
| Prime Commercial Paper purchased in open market: | | | | | | | | | | | | |
| 30 to 90 days..... | 5 | 4 | 4½ | 4¼ | 4¼ | 4¼ | ..... | ..... | ..... | 5 | 4½ | 5 |
| 4 to 6 months..... | 4½ | 4 | 4½ | 4½ | 4¼ | 4¼ | ..... | ..... | ..... | 5 | 4½ | 5 |
| Loans to other banks..... | 7 | 5 | 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 | 6½ | 4 | 5½ | 6 | 5 | 6 | 6 | 6 | 6 | 7 | 6 | 7-8 |
| 3 months..... | 6½ | 4½ | 5½ | 6 | 5 | 6 | 6 | 6 | 6 | 8 | 6 | 7-8 |
| 3 to 6 months..... | 6 | 4½ | 5½ | 6 | 5 | 6 | 6 | 6 | 6 | 8 | 6 | 7-8 |
| Cattle Loans..... | 8 | 5 | 6 | 6 | 5 | 6 | ..... | ..... | ..... | 7 | 5 | 6 |
| Commodity paper secured by warehouse receipts, etc..... | 6½ | 5 | 6 | 6 | 5 | 6 | 6 | 6 | 6 | 8 | 7 | 7-8 |
| Loans secured by Liberty Bonds and certificates..... | 6 | 4 | 5½ | 6 | 5 | 6 | 6 | 6 | 6 | 8 | 7 | 7-8 |

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:

| | Sept. 6, 1922 | | | Aug. 2, 1922 | | Sept. 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 | 240,963 | \$ 66,909,000 | 239,655 | \$ 65,044,000 | 225,258 | \$ 60,231,884 |
| Louisville | 7 | 133,312 | 20,960,000 | 133,304 | 20,719,000 | 118,277 | 17,589,168 |
| Memphis | 7 | 57,058 | 14,255,000 | 56,206 | 14,486,000 | 58,772 | 12,599,883 |
| Little Rock..... | 5 | 24,867 | 6,158,000 | 24,783 | 6,131,000 | 23,199 | 5,388,609 |
| Evansville | 4 | 21,876 | 8,433,000 | 20,719 | 8,353,000 | 20,302 | 8,023,673 |
| Total..... | 37 | 478,076 | \$116,715,000 | 474,667 | \$114,733,000 | 445,808 | \$103,833,217 |

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:

| | Sept. 13, 1922 | Aug. 9, 1922 | Sept. 14, 1921 |
|---|----------------|---------------|----------------|
| Number of banks reporting..... | 37 | 37 | 37 |
| Loans and discounts (excluding rediscounts): | | | |
| Secured by U. S. Govt. obligations..... | \$ 15,555,000 | \$ 14,480,000 | \$ 18,637,000 |
| Secured by stocks and bonds other than U. S. Bonds | 124,493,000 | 123,395,000 | 118,622,000 |
| All other loans and discounts..... | 278,139,000 | 273,866,000 | 304,157,000 |
| Total loans and discounts..... | \$418,187,000 | \$411,741,000 | \$441,416,000 |
| Investments: | | | |
| U. S. Bonds..... | 36,045,000 | 31,898,000 | 26,849,000 |
| U. S. Victory Notes..... | 4,543,000 | 3,320,000 | 1,894,000 |
| U. S. Treasury Notes..... | 8,102,000 | 11,453,000 | 114,000 |
| U. S. Certificates of Indebtedness..... | 7,391,000 | 7,497,000 | 1,631,000 |
| Other bonds, stocks and securities..... | 84,176,000 | 82,726,000 | 67,181,000 |
| Total investments..... | \$140,257,000 | \$136,894,000 | \$ 97,669,000 |
| Reserve Balance with Federal Reserve Bank..... | 38,591,000 | 42,285,000 | 37,928,000 |
| Cash in vault..... | 7,246,000 | 6,715,000 | 7,388,000 |
| Net demand deposits on which reserve is computed..... | 331,997,000 | 323,565,000 | 285,694,000 |
| Time deposits..... | 170,415,000 | 168,128,000 | 145,916,000 |
| Government deposits..... | 3,749,000 | 4,620,000 | 3,850,000 |
| Bills discounted with Federal Reserve Bank..... | 1,719,000 | 1,057,000 | 32,576,000 |
| Bills payable with Federal Reserve Bank..... | 1,356,000 | 2,668,000 | 13,739,000 |

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 period which they cover:

| | Sept. 13, 1922 | Aug. 9, 1922 | Sept., 1922 comp. to Aug., 1922 | Sept. 14, 1921 | Sept., 1922 comp. to Sept., 1921 |
|--|----------------|---------------|---------------------------------------|----------------|--|
| Debits for four weeks ending..... | Sept. 13, 1922 | Aug. 9, 1922 | Sept., 1922 comp. to Aug., 1922 | Sept. 14, 1921 | Sept., 1922 comp. to Sept., 1921 |
| East St. Louis & Nat. Stock Yards, Ill.. | \$ 31,595,000 | \$ 33,388,000 | — 5.4% | \$ 30,581,000 | + 3.3% |
| Evansville, Ind..... | 21,590,000 | 26,120,000 | —17.3% | 17,898,000 | +20.6% |
| Fort Smith, Ark..... | 8,646,000 | 8,474,000 | + 2.0% | ..... | ..... |
| Greenville, Miss..... | 2,438,000 | 2,653,000 | — 8.1% | ..... | ..... |
| Helena, Ark..... | 3,880,000 | 3,789,000 | + 2.4% | ..... | ..... |
| Little Rock, Ark..... | 37,085,000 | 31,377,000 | +18.2% | 34,934,000 | + 6.2% |
| Louisville, Ky..... | 110,728,000 | 117,521,000 | — 5.8% | 77,004,000 | +43.8% |
| Memphis, Tenn..... | 84,427,000 | 83,810,000 | + 0.7% | 78,468,000 | + 7.6% |
| Owensboro, Ky..... | 3,988,000 | 4,887,000 | —18.4% | ..... | ..... |
| Quincy, Ill..... | 7,812,000 | 8,841,000 | —11.6% | 7,427,000 | + 5.2% |
| St. Louis, Mo..... | 471,350,000 | 513,383,000 | — 8.2% | 307,349,000 | +53.3% |
| Springfield, Mo..... | 10,644,000 | 11,213,000 | — 5.1% | 10,008,000 | + 6.3% |

FEDERAL RESERVE OPERATIONS

During August the Federal Reserve Bank of St. Louis discounted for 252 of its 606 members, which compares with 241 out of 605 members accommodated in July. The discount rate of this bank remains 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: | | | | |
|--|--------------------|-------------------|--------------------|--|-------------------|--------------------|-----------|
| | Sept., 20, 1922 | Aug., 16, 1922 | Sept., 21, 1921 | Sept., 20, 1922 | Aug., 16, 1922 | Sept., 21, 1921 | |
| Gold Reserves..... | \$ 75,029 | \$ 75,519 | \$ 77,197 | Capital paid in..... | \$ 4,786 | \$ 4,767 | \$ 4,567 |
| Legal Tender, Notes, Silver, etc..... | 8,101 | 11,761 | 15,236 | Surplus | 9,388 | 9,388 | 9,114 |
| Total Cash Reserves.. | \$ 83,130 | \$ 87,280 | \$ 92,433 | Deposits | 63,349 | 62,274 | 61,872 |
| Discounts secured by U. S. Govt. Obligations..... | 8,054 | 4,764 | 26,867 | F. R. notes in circulation | 74,260 | 68,493 | 100,215 |
| Discounts otherwise secured or unsecured.. | 16,860 | 11,135 | 48,424 | F. R. Bank notes in circulation | 3,411 | 3,307 | 6,022 |
| Bills bought in open market..... | 14,153 | 15,524 | 592 | Deferred Availability items | 35,642 | 31,062 | 32,082 |
| U. S. Govt. securities.... | 28,212 | 25,146 | 12,355 | Other liabilities..... | 901 | 838 | 2,450 |
| Total earning assets.... | \$ 67,279 | \$ 56,569 | \$ 88,238 | Total liabilities..... | \$191,737 | \$180,129 | \$216,322 |
| Uncollected items..... | 39,666 | 32,738 | 33,656 | Combined reserve ratio.. | 60.4% | 66.7% | 57.0% |
| Other resources..... | 1,662 | 3,542 | 1,995 | | | | |
| Total Resources..... | \$191,737 | \$180,129 | \$216,322 | | | | |

(Compiled September 20, 1922)