

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF GENERAL BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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A SLOWING down in the pace of activities, which in some lines is quite sharply defined, has featured general business in this district during the past thirty days. As contrasted with the preceding several months the volume of new buying was smaller, though the comparison with a year ago exhibits continued large gains. Production of commodities held at the recent high levels and in a few instances new records were established, but a large portion of the goods turned out were for application on old orders. Books of both manufacturers and wholesalers are still well filled with future business, especially those dealing in goods for common consumption. In the clothing, dry goods, boot and shoe and drug and chemical lines future business is much heavier than at the corresponding seasons during 1922 and 1921.

The chief reasons given for the present lull are unfavorable weather conditions and extreme caution on the part of buyers. The latter manifestation, it is explained, is due to the recent advances in price, the rapidity of which had a tendency to disturb confidence in ultimate consumption. On all sides there is a marked desire to hold down inventories and take only such finished goods and raw materials as can be disposed of within the next sixty to ninety days. Prices generally reflect the quieter mood prevailing in trade and industry. Advances, except in a few instances, have halted, and where changes have taken place declines considerably outnumber the advances. The offering of premiums for prompt delivery of merchandise, which was noted earlier in the year, has almost entirely disappeared.

Fundamentally conditions remain sound and extremely healthy, the present lull being looked upon by the more conservative element of the business community as only temporary and an excellent symptom. It has had the effect of putting the brakes on the upward price movement and permitting a more even balance throughout industry. The general demand for commodities remains large and the public is filling its wants. There are numerous favorable factors which point to a continuance of good business, chief among which are moderate stocks, universal employment of labor, high wages and an ample supply of banking credits. At no time in recent years have production and distribution of commodities kept more closely to actual consumption than at present.

Replies to questionnaires addressed to leading interests in the principal lines indicate considerable variation in results obtained in different sections. The comment is made that business in the South is relatively better than in the typical grain and stock raising areas. The recent declines in grain prices has served to emphasize conservatism in localities where cereals

form the leading crops. The marketing and movement of grains to market has fallen off and farmers are purchasing only what they are obliged to have. In the cotton region, on the other hand, buying of merchandise of all sorts is on a more liberal scale and collections are in the main satisfactory. The same is true of the tobacco country, where farmers are being paid for their crops which they marketed through the cooperative associations.

Unseasonably cool weather, accompanied in many localities by excessive precipitation, played an important part in final business results during the period under review. In addition to hampering farm operations and germination of crops, these conditions held down the movement of seasonal merchandise, and prevented farmers from coming to town. On the whole, however, preparation of the soil is well up to normal in this district, due to the unusually favorable weather for plowing last fall and winter. Generally reports from the agricultural communities are optimistic, though in the case of the leading crops, the season is backward, and some replanting of cotton has been necessary, due to the light frosts and too abundant moisture. Pastures have been immensely benefited by the rains, and growing crops are making good progress, particularly winter wheat.

Railroads operating in this district continue to report record freight loadings for this time of year and on some classifications entirely new records are being established. Heavy gains over the two preceding years are shown by all roads reporting to this bank. As was the case during the preceding thirty-day period, a considerable part of the increase is accounted for by merchandise and miscellaneous freight. Passenger traffic recorded a gain of approximately 7 per cent over the corresponding month last year. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 212,006 loads in April, against 222,694 loads in March, 191,642 loads in February, 208,584 loads in January and 138,690 loads in April, 1922. During the first nine days of May, 60,907 loads were interchanged, against 63,580 loads for the corresponding period in April and 40,346 loads for the same time in 1922.

Save for a further slight weakening in prices, the coal situation underwent no change worthy of note as contrasted with the preceding thirty days. The demand for steaming coal has improved somewhat during the immediate past, and some screenings are being accumulated by large consumers. The demand for everything else, however, is extremely quiet. Contracting for coal by dealers is backward, and in turn they report little buying by householders. An-

thracite and smokeless are beginning to be stored in a small way. By-product coke producers, who have opened books to contract through next March, report a good response, especially from domestic users. Production of bituminous coal for the country as a whole during the first 107 working days of the year was 189,506,000 net tons, which compares with 148,683,000 net tons for the same period in 1922 and 137,614,000 net tons in 1921.

April production of automobiles for the country as a whole set another record and showed a large gain over March, the previous peak month. The output of passenger cars by manufacturers reporting direct or through the Automobile Chamber of Commerce was 343,698 in April, against 319,332 in March. Production of trucks in April totaled 36,674 against 33,966 in March. Sales of automobiles in this district during the period under review showed a slight slowing down as contrasted with the preceding month, with the heaviest decreases in the large cities. Business in the country is holding up relatively well. Sales of 230 dealers scattered through the district in April were approximately 8 per cent less than in March, but 20½ per cent larger than during April, 1922. Purchasing of accessories has about kept pace with

business in new cars, though somewhat less than the seasonal gain in tire sales is noted.

Reports relative to collections indicate a slight recession from the high efficiency of the preceding three months. Unfavorable weather in the country is held partially responsible for the slowing down and the decline in grain prices is also a factor. In the tobacco and rice areas liquidation has been on a large scale, and generally through the South merchants are getting in their money promptly. Wholesalers report that there have been some requests for extensions in the grain sections. Answers to 388 questionnaires addressed to representative interests in all lines throughout the district asking for data relative to collections show the following results: 3.8 per cent excellent; 38.1 per cent good; 51.4 per cent fair and 6.7 per cent poor.

Commercial failures in the Eighth Federal Reserve District during April, according to Dun's numbered 80, involving liabilities of \$2,168,109, against 107 defaults in March with \$2,529,541 of indebtedness.

The per capita circulation of the United States on May 1 was \$42.04, against \$41.98 on April 1, and \$40.06 on May 1, 1922.

MANUFACTURING AND WHOLESALE

Boots and Shoes—Sales of the 11 reporting interests in April were 6.3 per cent larger than for the corresponding month in 1922, and 21.2 per cent under March this year. The decrease in April under March is due to seasonal considerations, though somewhat larger than usual. The demand throughout the entire line continues active, with an especially heavy call for novelties and colored leather goods. Prices were unchanged during the period under review on finished goods, and raw materials held firm at the recent advances. Factory operation continues at the recent high levels, and plants turning out specialties and novelties are working at full capacity.

Clothing—In contrast to the diminution of purchasing in certain lines, buying of clothing is generally steady, with some manufacturers reporting exceptional fall bookings. Price, however, continues to be the dominant consideration, and scattered recessions have been noted in various lines. Unseasonable weather in the past thirty days has retarded late spring purchases, but withal jobbers and wholesalers report good increases over the corresponding period in 1922. Full labor employment is causing increased sales of corduroy goods, and one large firm specializing in cheaper overcoats has called in this line after booking more than capacity for fall delivery. The market for higher priced garments is spotty, but stocks of these varieties are barely normal and no general price recession has taken place. On the other hand, the decline in raw cotton has been reflected in rather general though small decreases in cotton goods. Sales of the 11 reporting interests show an increase of 18.9 per cent over April, 1922.

Iron and Steel—New buying of goods in this classification has slowed down perceptibly during the past six weeks, but the pressure for deliveries of both raw and finished materials continues strong. Mills and foundries have a sufficient accumulation of orders on their books to keep them going at the present pace for the next few months, and several important steel makers report they have sold their outputs through

the balance of the year. Prices of finished products hold firm, but the disposition on part of manufacturers to ask premiums for prompt deliveries has about disappeared. Sales of pig iron in this district during the period under review have been extremely light, and considerably less than the usual interest in third quarter requirements is in evidence. Prices of pig iron are steady on a basis of \$27 to \$28 for No. 2 Southern, 1.25 to 2.25 per cent silicon, and \$32 to \$33 for Northern iron of the same grade. Sharp declines have taken place in scrap iron and steel prices, with the demand almost at a standstill. Warehouse stocks of iron and steel goods are moderate, but warehousemen are postponing replenishing in hopes of obtaining concessions later on. Fabricators of building materials report a slowing down in specifications. April sales of stove manufacturers, 7 interests reporting, were 60.7 per cent larger than during the same month last year and 4.7 per cent under the preceding month this year; wire rope makers, 5 interests reporting, showed gains of 9 to 37½ per cent over last year; railway supplies, 5 interests reporting, gained 83 per cent; farm implements, 6 interests reporting, showed gains of 40 to 159 per cent and boiler works, 6 interests reporting, showed gains of from 42 to 305 per cent.

Hardware—April sales of the 12 reporting interests were 49.8 per cent larger than during the same month in 1922, and 5.9 per cent under the March total. An excellent demand continues for all varieties of essential hardware, but purchasing by retailers has developed a distinct falling off during the past month, and competition is considerably keener than earlier in the year. Generally goods are more plentiful and easier to obtain, deliveries by factories being more efficient. There is still a shortage of wire nails and other wire products. Price advances have halted, and on several articles there were slight declines. Builders hardware continues active.

Electrical Supplies—The demand generally through this line has abated considerably as contrasted with earlier months this year, but as compared with 1922 volume continues to make a favorable showing. Sales of the 12 reporting interests in April were 26.3 per cent larger than for the same month in 1922, but 7.7 per cent under March this year. Building operations are creating a demand for lighting installation equipment and a large variety of household appliances. Sales to public utility companies are holding up well, but less interest is displayed in radio sets and general merchandising items.

Flour—Production by the 11 leading mills of the district during April was 297,726 barrels, which compares with 350,064 barrels in March and 252,868 barrels in April, 1922. Millers report the usual end-of-the season quietness. Large buyers are deferring making commitments until something more definite is known relative to the new wheat crop. Routine consumptive buying holds up fairly well, but no improvement has taken place in the export demand. Mill operation during the period under review was approximately 60 per cent of capacity.

Dry Goods—Uncertainty relative to prices of many items in this classification, coupled with unseasonable weather, has caused a slowing down in new buying. The trend of all goods based on cotton is easier, due to the decline in raw cotton. A number of Eastern mills have lowered their quotations. Print cloths, sheetings and other staple goods have been marked down slightly, and there was a decline in denims amounting to 10 per cent, effective May 14. The number of buyers at the wholesale establishments in the cities has not been large, but mail order business is holding up relatively well. Buying for spot delivery is on a hand-to-mouth basis, but future orders booked are large, the volume with several of the leading interests being from 3 to 5 times as great as at the corresponding period last year. April sales of the 11 reporting interests were 20.5 per cent larger than for the same month in 1922.

Groceries—A gain of 19.2 per cent was shown in April sales of the 25 reporting interests over those of the corresponding month in 1922, but the April total was 2.8 per cent under March this year. Wet weather in the country and the agitation against the high price of sugar had a tendency to slow down buying. In certain commodities the price tendency is downward, notably in coffee, meats and lard. Sugar was higher, also canned fruits. Retail stocks are in the main of

moderate proportions, and buying continues largely on a hand-to-mouth basis. Collections are reported fair to good.

Drugs and Chemicals—Aside from some slowing down in orders for chemicals for use in manufacturing, business in this classification shows little change from the recent high stage of activity. Sales of the 11 reporting interests in April were 8.6 per cent over the corresponding month in 1922, and 13.9 per cent under the March total this year. Firmness with an advancing tendency, especially in the fine chemical market, was noted in prices up to about May 1, when values became more stabilized. Small spot stocks and the higher shipment prices abroad, as well as increased production costs of American manufacturers were given as the chief factors in the strength. The demand for insecticides and fertilizers was under expectations, due largely to unfavorable weather for farm work. Carbolic acid, tartaric acid and ammonia sulphate were among the items on which advances were reported.

Furniture—Sales of the 12 reporting interests in April were 38 per cent in excess of those of the same month in 1922, and 4 per cent under March this year. There is a decided abatement in new orders, but most of the factories are well equipped with future business, and will be able to maintain the present rate of production during the next ninety days. No change in prices worthy of note was reported in either raw or finished materials. There is a scarcity of glass and some hardware. Factory operation was at from 85 to 90 per cent of capacity.

Lumber—The three outstanding features of the wholesale lumber trade during the period under review were light demand, continued heavy movement from the mills on orders placed earlier in the season, and a weakening price tendency. Established price declines are not, however, as yet recorded except in some of the hardwoods such as gum and oak, notably and to a less extent in the shop grades of some other lumbers. Concessions in "specials" and on transit stock represent about the measure of price easement in building lumber. Consumption on building account continues at unprecedented levels, with factory consumption also very large. Softwood yards are accordingly very busy with deliveries, and are still taking on a great amount of new business, especially those in the larger cities. The movement of lumber through the St. Louis market in April was in large volume, exceeding that of April, 1922, by more than 7,500 cars.

Industrial Power Consumption—Considerable irregularity characterized April industrial power reports, four centers indicating that unseasonable weather had curtailed operations at certain plants—notably refrigerating—and thus reduced total consumption, while St. Louis reports that further industrial acceleration more than offsets any decline due to unseasonably low temperatures. The increasing period of daylight is also partially responsible for the retardation.

	Representative Customers	Apr. 1923	Mar. 1923	Apr., 1923 comp. to Mar. 1923	Apr. 1922	Apr., 1922 comp. to Apr., 1923
Evansville....	40	1,039,391 k.w.h.	1,045,434 k.w.h.	— 0.6%	694,499 k.w.h.	+49.7%
Little Rock..	11	631,824 “	648,139 “	— 2.5	669,121 “	— 5.9
Louisville	67	3,261,665 “	3,321,937 “	— 1.8	2,098,280 “	+55.4
Memphis.....	31	1,171,460 “	1,302,060 “	—11.1	941,900 “	+24.4
St. Louis.....	68	12,576.196 “	11,751,026 “	+ 7.0	9,943,864 “	+26.5
Total.....	217	18,680,536 “	18,068,596 “	+ 3.4	14,347,664 “	+30.2

Department Stores—The condition of retail trade during April, 1923, in the leading cities of this district is reflected in the following statement, compiled from reports of 22 representative department stores:

	(Percentages)	St. Louis	Louis- ville	Memphis	Little Rock	Evans- ville	Quincy	8th District
Net Sales:								
Apr., 1923, compared with Apr., 1922.....		+ 8.4	+ 3.4	+16.8	+12.6	+ 6.2	+ 5.8	+ 9.2
Period Jan. 1, to Apr. 30, 1923, compared with same period in 1922.....		+13.1	+ 5.9	+21.0	+18.0	+24.3	+ 9.8	+13.7
Stocks at end of April, 1923:								
Compared with same month in 1922.....		+20.7	— 2.1	+ 9.8	+23.6	+12.6	+11.7	+15.5
Compared with stocks at end of March, 1923.....		+ 3.4	+ 3.5	+ 3.0	+ 4.7	+ 5.9	+ 3.5	+ 3.5
Average stocks on hand at end of each month since Jan. 1, 1923, to average monthly sales during same period.....		366.4	433.3	506.8	496.5	720.2	589.6	417.3
Outstanding orders at close of Apr., 1923, compared with previous year's purchases.....		7.4	4.7	10.3	6.6	5.4	4.0	7.3

AGRICULTURE

Agricultural prospects throughout the district are as a whole good, with indications pointing to large yields of the principal crops. The season to date has been backward, which has retarded germination of sown crops and delayed farm work, and there are complaints of excessive moisture, but an unusual amount of preparation was possible last fall and winter, which fact served to offset delays experienced this spring.

Winter wheat came out of the cold weather in fair condition, and has made excellent progress since, being benefited by plentiful rains. A feature of the crop in Missouri and Illinois is the uniformity of growth. The March freezes did some damage and in the river bottoms floods have destroyed limited acreages, but good gains have been made since the middle of April by the crop as a whole.

Corn planting has been going forward as rapidly as weather conditions would permit, and it is expected that seeding will be completed by the last week of May. Despite plans for heavier cotton planting, corn acreages in the South are expected to be slightly over a year ago. While it is still too early to form an accurate estimate, unofficial reports indicate that the corn acreage in the northern section of the district will be about the same as last season.

Growers of tobacco are rapidly preparing the ground for planting. Plant beds are generally in good condition and in most of the heavy growing sections the supply of plants will be adequate for the planting of an increased acreage. Growers in the dark leaf district are being paid for their crop marketed through

the cooperative association. It is expected that the receiving houses of the Dark Tobacco Growers Cooperative Association will be closed for the present handling season by the first of June.

Plowing for rice is practically finished, but sowing is backward on account of the extreme wet weather and shortage of labor. The average price paid for No. 1 and No. 2 grades of rough rice is 96c, however, there is a very small amount of rice still in farmer's hands. The movement of clean rice has been slow during the past thirty days.

The condition of live stock in the district continues very satisfactory, there being considerably less than the usual amount of disease among the herds. Pastures have benefitted greatly by the recent rains.

Barring peaches, plums, and cherries, which were injured by the freezes in March and April, the outlook for fruits is in the main favorable. The apple crop escaped severe damage, and in the commercial areas prospects are good. Strawberries in the southwest section promise about 82 per cent of a full crop, against 90 per cent last year. Planting of gardens is backward, due to the cool, wet weather. Generally through the district an increased interest is being taken in town gardens.

Cotton planting has been delayed, and the season to date has been against progress for the growing plant. Some replanting has been necessary in Arkansas and Missouri because of light frosts and heavy rains. Indications in all cotton raising states of the district are for increased acreages.

WINTER WHEAT

The U. S. Department of Agriculture, in its report as of May 1, 1923, gives the condition of winter wheat in States of the Eighth Federal Reserve District as follows:

	Acreage 1923		Condition May 1			Production 1922 Dec. Est.	Forecast 1923	PRICE MAY 1	
	Per cent aban- doned	Acres remaining to be harvested	Ten year avg.	1922	1923		Production from May 1 condition	1922	1923
Arkansas.....	4.0	82,000	91	88	86	1,118,000	882,000	125	120
Illinois.....	5.5	3,224,000	85	89	91	53,025,000	52,751,000	121	119
Indiana.....	6.0	2,088,000	86	89	78	29,754,000	30,293,000	127	124
Kentucky.....	3.5	620,000	88	95	86	7,475,000	7,092,000	136	131
Mississippi.....	8.0	4,000	87	87	84	60,000	59,000	175
Missouri.....	1.8	3,076,000	87	87	87	38,750,000	43,086,000	120	115
Tennessee.....	2.5	442,000	88	93	88	4,484,000	4,629,000	140	135
United States.....	14.3	39,750,000	87.5	83.5	80.1	586,204,000	578,287,000	121.0	109.8

COMMODITY PRICES

Range of prices on typical products in the St. Louis market between April 14 and May 15, 1923, with closing quotations on each of these dates, and on May 15, 1922:

		Close April 14	High	Low	Close May 15	Close May 15, 1922
May wheat.....	Per bu.	\$1.25 1/4	\$1.26 1/8	\$1.16	\$1.17	\$1.39 7/8
July wheat.....	" "	1.21	1.23	1.11 1/8	1.13 5/8	1.22 1/2
September wheat.....	" "	1.20 1/4	1.21 1/2	1.10 7/8	1.12 3/8	1.17 1/2
May corn.....	" "	.82 5/8	.85 1/4	.80	.83 1/2	.59 1/2
July corn.....	" "	.83	.85	.78 3/4	.81 1/8	.63
September corn.....	" "	.82 1/8	.83 3/8	.76 1/4	.78 1/4	.65 5/8
May oats.....	" "	.47	.47	.43 1/4	.44 1/4	.39 1/4
July oats.....	" "47 1/2	.44	.43 3/4	.41
No. 2 red winter wheat..	" "	\$1.42 @ \$1.43	1.46	1.30	1.39	\$1.47 @ 1.48
No. 2 hard wheat.....	" "	1.26	1.28	1.19	1.21	1.38
No. 2 corn.....	" "	.83 1/2	.87	.82	.83	.60
No. 2 white corn.....	" "	.84 @ .84 1/2	.86 1/2	.82 1/2	\$.85 @ .85 1/2	.60 1/2 @ .61 1/2
No. 2 white oats.....	" "	.47 3/4	.49	.45 1/2	.46 @ .46 1/2	.40 1/2 @ .41
Flour—soft patent.....	Per bbl.	6.25 @ 7.25	7.25	6.00	6.00 @ 7.00	6.75 @ 7.50
Flour—hard patent.....	" "	6.50 @ 6.75	6.85	6.30	6.30 @ 6.65	7.80 @ 8.00
Middling cotton.....	Per lb.	.29	.29	.25 1/2	.26	.19 1/2
Hogs on hoof.....	Per cwt.	5.50 @ 8.65	8.65	5.00	5.25 @ 8.10	8.50 @ 10.95

COMMODITY MOVEMENT

Receipts and shipments of important commodities at St. Louis during April, 1923 and 1922, and March, 1923, as reported by the Merchants' Exchange, were as follows:

	Receipts			Shipments		
	Apr. 1923	Mar. 1923	Apr. 1922	Apr. 1923	Mar. 1923	Apr. 1922
Flour, barrels.....	403,590	409,840	303,400	543,530	573,800	437,865
Wheat, bushels.....	2,024,400	2,312,821	1,422,225	2,055,470	2,035,090	1,331,660
Corn, bushels.....	2,180,192	2,844,618	1,196,000	1,795,075	2,184,990	1,212,195
Oats, bushels.....	2,824,000	3,285,670	1,294,000	2,847,990	2,608,000	1,352,345
Lead, pigs.....	239,400	296,550	308,670	136,280	158,780	122,150
Zinc and Spelter, slabs..	360,640	442,070	198,180	218,780	281,320	164,150
Lumber, cars.....	20,686	22,204	13,131	16,455	15,575	9,699
Meats, pounds.....	18,350,000	17,937,000	17,417,300	30,077,600	32,212,000	22,365,600
Fresh beef, pounds.....	861,200	605,000	31,000	21,780,400	16,204,300	16,336,600
Lard, pounds.....	5,594,700	4,402,500	3,318,200	13,393,100	15,530,200	6,764,800
Hides, pounds.....	5,596,700	7,678,700	6,992,700	9,600,900	9,048,300	8,025,400

LIVE STOCK MOVEMENT

As reported by the St. Louis National Stock Yards, receipts and shipments of live stock in April, 1923 and 1922, and March, 1923, were as follows:

	Receipts			Shipments		
	Apr. 1923	Mar. 1923	Apr. 1922	Apr. 1923	Mar. 1923	Apr. 1922
Cattle and Calves.....	75,383	72,971	55,835	38,202	46,346	32,110
Hogs.....	393,036	422,429	262,953	216,946	232,866	184,144
Sheep.....	19,968	23,505	20,497	7,638	6,956	5,519
Horses and Mules.....	5,932	11,007	4,981	6,684	12,449	5,750

BUILDING

In both number and dollar amount involved, building permits issued during April in the five largest cities of the district were heavily in excess of the same month in 1922, and held well up to the high totals of recent months. Work on buildings in course of construction was pressed forward with little interruption during the period under review, but road work was seriously hampered by heavy rains. The trend of wages in the building trades continues upward, and there were several specific scale advances since the preceding issue of this report. A scarcity of both skilled and common labor is reported from virtually all sections of the district. No change worthy of note was reported in prices of building materials. Production of portland cement for the country as a whole in April was 11,359,000 barrels, the largest since last November, and comparing with 9,880,000 barrels in March and 9,243,000 barrels in April, 1922.

Comparative building figures for April in leading cities of the district follows:

	New Construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1923	1922	1923	1922	1923	1922	1923	1922
St. Louis.....	970	677	\$3,276,250	\$1,705,718	635	583	\$614,555	\$409,203
Louisville.....	405	295	1,443,385	1,997,250	215	233	123,000	178,300
Memphis.....	469	427	1,393,125	1,340,280	101	29	36,500	20,600
Little Rock.....	153	69	460,345	176,275	131	143	51,185	43,258
Evansville.....	142	85	940,395	180,740	128	109	28,760	25,060
Apr. totals...	2,139	1,553	\$7,513,500	\$5,400,263	1,210	1,097	\$854,000	\$676,421
Mar. totals.....	1,797	1,405	7,724,410	4,510,577	949	915	916,928	502,030
Feb. totals.....	1,092	844	5,782,898	3,762,435	651	632	745,469	388,052

CHANGES IN COST OF LIVING

The cost of living among wage earners' families in the United States on April 15, 1923, was 59.1 per cent higher than in July, 1914, according to figures collected monthly by the National Industrial Conference Board. Between March 15 and April 15, 1923, there was a decrease of one-tenth of one point or less than one-tenth of one per cent. Coal prices declined noticeably from March 15 to April 15. The other changes in the budget within the month were very slight. Between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and April, 1923, the cost of living dropped 45.4 points or 22.2 per cent.

FINANCIAL

The demand for credits in this district during the past thirty days was somewhat more active than during the similar period immediately preceding, with improvement most marked in the South, where seasonal demands for planting and financing of agricultural operations generally are beginning to be felt. In the grain areas there was further liquidation of loans based on cereals and live stock, and borrowing by farmers in that territory has not as yet developed in heavy volume. Marketing of early fruits and vegetables in the South is backward, due to the unseasonably cool and wet weather. The demand from commercial sources is less keen than heretofore, especially among the large wholesale and industrial interests whose collections in April were unusually large and permitted of their reducing commitments at the banks. Payments to tobacco planters are being made by the cooperative marketing associations, and excellent liquidation is reported from the tobacco areas. The general demand for investment bonds has subsided considerably, but this bank's quota of the 4½ per cent

U. S. Treasury notes, dated May 15, was heavily over-subscribed. Between April 15 and May 15 deposits of the Federal Reserve Bank of St. Louis decreased \$1,923,000 and there was an increase of \$7,252,000 in paper discounted for member banks. Total reserve carried against deposit and Federal Reserve note liabilities decreased .9 per cent, standing at 67 per cent on May 15.

Commercial Paper—Business of reporting brokerage houses during April was described as good, their sales ranging from 14½ to 30 per cent larger than for the corresponding month in 1922, but slightly under the March totals. The opening weeks of May witnessed a sharp falling off in volume, due to the fact that large manufacturers and wholesalers were able to finance themselves largely with their own resources and to the marketing of the \$400,000,000 issue of U. S. Treasury notes. Country banks were the best buyers, though some financial institutions in the larger cities were also in the market. Rates remained steady at 5 to 5¼ per cent.

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 not included. These figures are considered the most reliable index for indicating actual spending by the public during the period which they cover:

	For Four weeks ending May 16, 1923	For four weeks ending Apr. 18, 1923	May 1923 comp. to Apr. 1923	For four weeks ending May 17, 1922	May 1923 comp. to May 1922
East St. Louis and Nat'l. Stock Yards, Ill.....	43,048,000	38,294,000	+12.4%	39,721,000	+ 8.4%
El Dorado, Ark.....	12,689,000	14,376,000	—11.7		
Evansville, Ind.....	30,414,000	28,023,000	+ 8.5	26,636,000	+14.2
Fort Smith, Ark.....	10,980,000	11,567,000	— 5.1		
Greenville, Miss.....	3,200,000	3,629,000	—11.8	3,171,000	+ 0.9
Helena, Ark.....	4,105,000	4,391,000	— 6.5	3,699,000	+11.0
Little Rock, Ark.....	53,820,000	57,214,000	— 5.9	35,756,000	+50.5
Louisville, Ky.....	142,998,000	145,788,000	— 1.9	124,565,000	+14.8
Memphis, Tenn.....	116,150,000	149,943,000	—22.5	102,433,000	+13.4
Owensboro, Ky.....	5,790,000	6,099,000	— 5.0	4,415,000	+31.1
Quincy, Ill.....	11,563,000	11,096,000	+ 4.2	8,721,000	+32.6
St. Louis, Mo.....	632,004,000	623,969,000	+ 1.3	506,408,000	+24.8
Springfield, Mo.....	13,352,000	12,663,000	+ 5.4	10,309,000	+29.5
Total.....	1,080,113,000	1,107,052,000	— 2.4	865,834,000	+22.0

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:

	Banks Reporting	May 2, 1923		April 4, 1923		May 3, 1922	
		Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	255,006	\$ 71,292,000	251,995	\$ 70,737,000	235,191	\$ 63,795,000
Louisville.....	7	164,453	23,221,000	164,846	23,168,000	133,912	20,502,000
Memphis.....	7	60,913	16,210,000	59,294	16,309,000	55,395	13,437,000
Little Rock.....	5	26,063	7,233,000	25,810	7,606,000	25,222	6,101,000
Evansville.....	4	23,898	8,964,000	23,805	9,018,000	20,935	8,155,000
Total.....	35	530,333	\$126,920,000	525,750	\$126,838,000	470,655	\$111,990,000

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.

	May 9, 1923	April 11, 1923	May 10, 1922
	*36	*36	37
Number of banks reporting.....			
Loans and discounts (including rediscounts)			
Secured by U. S. Government obligations.....	\$ 15,175,000	\$ 16,163,000	\$ 13,418,000
Secured by stocks and bonds other than U. S. Bonds.....	134,714,000	136,034,000	126,635,000
All other loans and discounts.....	308,438,000	301,334,000	278,356,000
Total loans and discounts.....	458,327,000	453,531,000	418,409,000
Investments			
U. S. pre-war bonds.....	15,332,000	15,323,000}	
U. S. Liberty bonds.....	22,509,000	24,420,000}	27,011,000
U. S. Treasury bonds.....	8,968,000	9,033,000}	
U. S. Victory notes and Treasury notes.....	24,304,000	24,414,000	9,615,000
U. S. Certificates of Indebtedness.....	5,143,000	5,815,000	5,090,000
Other bonds, stocks and securities.....	85,089,000	86,793,000	75,828,000
Total Investments.....	161,345,000	165,798,000	117,544,000
Reserve Balance with Federal Reserve Bank.....	42,033,000	42,403,000	44,837,000
Cash in vault.....	8,255,000	8,385,000	7,039,000
Net demand deposits on which reserve is computed.....	365,421,000	369,215,000	320,080,000
Time deposits.....	182,345,000	183,194,000	161,493,000
Government deposits.....	7,236,000	10,322,000	6,454,000
Bills payable and rediscounts with Federal Reserve Bank secured by			
U. S. Government obligations.....	7,404,000	3,510,000	3,425,000
All other.....	9,788,000	7,614,000	4,244,000

*Decrease due to consolidation

FEDERAL RESERVE OPERATIONS

During April the Federal Reserve Bank of St. Louis discounted for 201 of its 622 member banks, which compares with 191 of its 620 member banks accommodated in March. The discount rate of this bank remains unchanged at $4\frac{1}{2}$ per cent on all classes and maturities of paper.

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

	May 16, 1923	Apr. 18, 1923	May 17, 1922
Gold Reserves.....	\$81,937	\$ 80,934	\$ 83,999
Legal Tender Notes—Silver, etc	17,738	18,722	17,679
Total Cash Reserves.....	\$ 99,675	\$ 99,656	\$101,678
Discounts secured by Govt. obligations.....	15,026	14,550	7,540
Discounts otherwise secured and unsecured.....	17,497	15,294	14,762
Bills bought in open market.....	11,158	11,966	2,190
U. S. Gov't. Securities.....	17,433	22,180	28,216
Total Earning Assets.....	\$ 61,114	\$ 63,990	\$ 52,708
Uncollected items.....	37,731	43,484	31,551
Other Resources.....	5,829	6,249	7,607
Total Resources.....	\$204,349	\$213,379	\$193,544

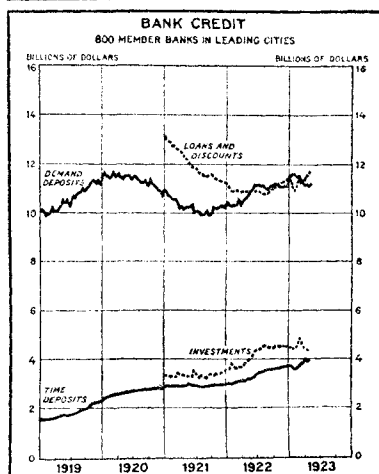
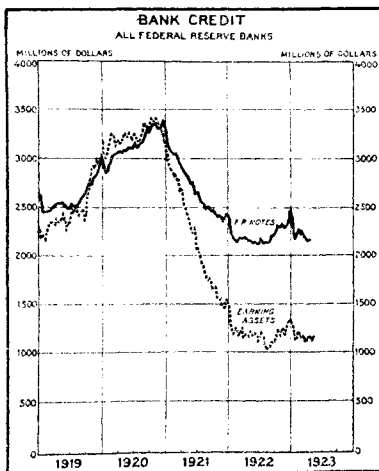
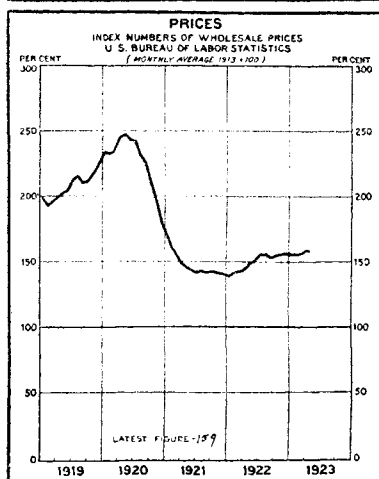
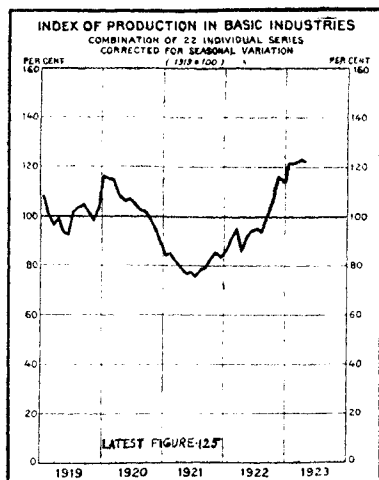
LIABILITIES

	May 16, 1923	April 18, 1923	May 17, 1922
Capital paid in.....	\$ 4,932	\$ 4,925	\$ 4,691
Surplus.....	9,665	9,665	9,388
Deposits.....	71,873	74,020	68,554
F. R. Notes in circulation.....	76,961	80,512	72,496
F. R. Bank Notes in circulation.....			3,335
Deferred availability items.....	39,945	43,409	34,301
Other Liabilities.....	973	848	797
Total Liabilities.....	\$204,349	\$213,379	\$193,544
Combined Res. Ratio.....	67.0%	64.5%	72.1%

(Compiled May 18, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by Federal Reserve Board, May 25, 1923)



Production and trade continued in large volume during April. There was some slackening of business activity in the latter part of the month and during the early weeks of May, partly on account of seasonal influences.

Production—The Federal Reserve Board's index of production in basic industries declined about 1 per cent in April. Production of lumber, anthracite coal and mill consumption of cotton decreased, while there were increases in the output of pig iron and petroleum. There was a further increase in the value of building contracts awarded in April, but the value of building permits issued in 168 cities was 16 per cent less than the record figures of March. The decrease was due chiefly to a curtailment of new projects in New York, as the aggregate value of permits at other reporting cities showed an increase of 12 per cent. Car loadings continued to be much larger than in the corresponding weeks of previous years, owing chiefly to heavy shipments of manufactured goods. In spite of present heavy traffic, the shortage of freight cars has largely disappeared.

Employment at industrial establishments continued to increase during April, although plants in eastern states reported some reductions in their forces and there was an increase in those states in the number of concerns working part time. Increases in wage rates were announced by many concerns, and average weekly earnings of factory workers increased about 1 per cent.

Trades—Wholesale and retail trade were somewhat smaller in April than in March, which is the customary trend at this season of the year. Both were well above the level of a year ago. Decreased sales by department stores in April as compared with March were in part due to the fact that Easter purchases were made in March and the unseasonably cold weather in many localities. Mail order sales during April were 10 per cent less than in March but 32 per cent larger than a year ago.

Wholesale Prices—Prices of certain basic commodities declined during April and the early part of May. The general index of wholesale prices of the Bureau of Labor statistics, it is to be noted, showed no change between March and April. Prices of building materials, metals, cloths, and clothing were higher in April than in March, these advances being offset by declines in prices of fuel, and of farm products, especially livestock and dairy products.

Bank Credits—Since the middle of April the volume of bank credit in use has remained relatively constant. Between April 11 and May 9 loans of member banks in leading cities showed an increase of nearly \$100,000,000, a large part of which occurred in the Chicago District. These increases in loans were accompanied by a somewhat larger liquidation of investments, which was general throughout the country. Partly through the sale of these investments reporting member banks have met the demand for additional loans without obtaining increased accommodation at the Reserve Banks. The volume of Federal Reserve Bank credit has consequently, continued to remain fairly steady at the level which has prevailed since the middle of January and the volume of Federal Reserve Notes in circulation has remained practically unchanged.

Somewhat easier money conditions are indicated by slightly lower rates on commercial paper and lower yields on outstanding Treasury Certificates. The Treasury offering of approximately \$400,000,000 4¾ per cent notes, maturing March, 1927, was heavily oversubscribed, and the issue was subsequently quoted at a slight premium in the open market.