

# FEDERAL RESERVE BANK OF ST. LOUIS



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

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**I**RREGULAR and rather "spotted" conditions are indicated in reports covering business and industrial activities and agriculture in this district during the past thirty days. The general trend was toward a further slowing down in the distribution and production of commodities, accompanied by slight lowering in price levels and a more marked disposition to conservatism on the part of merchants and the public. Labor continues fully employed at high remuneration, the financial and banking position is strong, spending as indicated by debits to individual accounts is high, and the purchasing power of the public remains potentially as great as heretofore. The tendency, however, is to await more definite news relative to the outcome of crops before making extensive commitments. Wholesalers and jobbers in the large cities are pursuing the policy of bringing down their stocks to reasonable size, while retailers are confining their purchases to such goods as they can dispose of from month to month. This policy has worked back to manufacturers, who have curtailed their ordering of raw materials, despite generally small inventories.

Specifically the most important factor in creating the status outlined has been unfavorable weather. Throughout the entire district temperatures have been unseasonably low, and rainfall excessive. Flooded rivers and heavy roads have seriously interfered with communication in the country, and the excessive moisture has had a derogatory effect on crop progress, especially in rich bottom lands. Germination and development of planted crops has been retarded, and fields have been too soggy to permit of much needed cultivation. The latter fact is true particularly of corn and cotton, replanting of extensive acreages having been necessary in the case of both these crops. Considerable irreparable damage was done to fruit crops by hail in the commercial areas, and to wheat by flooding of lowlands. On the whole, however, crop prospects can be better described as backward than poor, and with favorable weather to harvest a large part of the deterioration may be repaired.

In addition to its adverse effects on agriculture, the cool, wet weather has retarded both wholesale and retail distribution of merchandise. Farmers have been unable to come to town to purchase supplies, and in the cities the movement of seasonal goods, particularly light wearing apparel, has been disappointing. Wholesalers report that in many localities their salesmen on the road have been delayed in making their schedules and in the lumbering sections logging operations have been interfered with by high water. Large forces of timber cutters have been idle for several weeks, and many sawmills in Tennessee, Arkansas and

Mississippi have been forced to suspend operations and will remain closed until logging service is resumed. The movement of early fruits and vegetables to market is backward, and considerably later than a year ago.

Reports of manufacturers in the leading industrial centers indicate that production is making more rapid strides in catching up with the demand, and deliveries of finished and semi-finished products are considerably easier than was the case sixty days ago. Orders booked, however, are still large, and in many lines of sufficient size to insure the present pace of activity through the summer and early fall. The comment is made that competition is keener and in some lines there are small accumulations of stocks for the first time in more than nine months.

The general trend in the raw material market, both in respect to supplies and prices, is easier. Lead and slab zinc were lower under pressure of more liberal spot offerings, and there were minor declines in some basic textile materials, cereals and other farm products. Raw cotton finished the thirty day period higher. The general run of building materials showed little variation as compared with the preceding month. Hogs touched the lowest price level this year.

Replies to questionnaires addressed to leading wholesale and jobbing interests stress the conservative attitude of a large proportion of their customers. Routine orders for goods are numerous and bulk satisfactorily in the aggregate, but there is a total absence of speculative buying. Retail stocks are in the main light, and considerable reordering is being done. Less than the usual number of cancellations are being received, customers as a rule taking their goods as they come, and in many instances pressing for and even anticipating deliveries. The demand in all lines is varied, with the call for novelties and new styles in clothing, shoes and millinery particularly strong. As was the case during the preceding thirty days, results obtained in certain sections of the district were notably better than in others, with the Southern areas purchasing in relatively heavier volume than the typical grain sections.

The movement of cereals and other farm products to market was smaller than a year ago, due mainly to lateness of the season and heavy rains. Receipts of live stock, however, were larger than either the preceding month or the corresponding period in 1922. Grain prices in the St. Louis market declined sharply during the closing weeks of May and the first week of June, but part of the loss was recovered toward the middle of the latter month. Wheat values were especially affected by the downturn and are still considerably out of line with other cereals and prices generally.

Cotton was strong throughout the period under review, and closed sharply higher. Packers reported the demand for fresh meats somewhat below normal for this season. Beef prices were firm to higher, pork weak to lower and mutton uneven.

Freight car loadings of railroads operating in the district established new high records for this season of the year. Totals showed enormous gains over the corresponding periods in 1922 and 1921. There was a slight decrease in the miscellaneous freight and merchandise classification, but this was offset by gains in the movement of farm products, coke, and mine and forest products. Further improvement was noted in the car situation, and the roads are making extensive preparations for handling the crop movement. Passenger traffic is maintaining its recent gains, the increase of reporting roads during May being 5.2 per cent over the same month last year. The St. Louis Terminal Railway Association, which includes in its membership 26 railroads operating through this gateway, interchanged 207,094 loads in May, which compares with 212,006 loads in April, 222,694 loads in March and 165,168 loads in May, 1922. During the first nine days of June 57,713 loads were interchanged, against 60,907 loads for the corresponding period in May and 48,935 loads for the same time in 1922.

Backwardness on the part of householders and steam users in contracting for their future requirements, coupled with ample stocks of all varieties, made for an extremely dull coal situation during the period under review. Save for the usual advance of 25c per ton asked by dealers on June 1, prices were mainly unchanged. Mines in the district were operating only from one and a half to three days per week, but even with this low stage of activity, difficulty was experienced in disposing of outputs. About the only fuel being stored in quantity is by the railroads and public utility companies. Considerably less than the normal amount of coal has been engaged by domestic consumers. Coke is relatively much more active than coal, the by-product manufacturers reporting a good demand from both industrial and domestic customers at steady to firm prices. Metallurgical coke continues active. Production of bituminous coal for the country as a whole for the calendar year to June 2 was 231,110,000 tons, which compares with 167,112,000 tons for the corresponding period in 1922.

Production of automobiles for the country at large

during May established another high record, both passenger cars and trucks showing moderate gains over April, the previous peak month. The output of passenger cars by manufacturers reporting direct or through the Automobile Chamber of Commerce was 350,073 in May, against 343,793 in April. Production of trucks in May totaled 42,373 which compares with 36,786 in April. Reports received from 230 dealers scattered through the district indicate a rather sharp falling off in sales as compared with the preceding thirty days, but a substantial gain (approximately 14.7 per cent) as compared with same period in 1922. Trade in the country was much less active than heretofore, due in a measure to unseasonable weather. The comment is made that the demand for high price cars is relatively slower than for medium and cheap makes. The movement of accessories and tires has slowed down markedly since the middle of May and some price reductions were made in both. The number of used cars on the market showed little variation as compared with the preceding month.

A slight slowing down in collection efficiency took place during the period under review. The number of backward spots showed an increase, but in nearly all cases local conditions were responsible for the decline in settlements. In the flooded areas merchants are getting in their money more slowly, and generally in the agricultural sections farmers are too busy with field work to attend to paying their bills. Wholesalers in the large centers report that they are being paid promptly, and some of them have surplus funds which they are lending on call. There has been good liquidation in the tobacco sections, where the cooperative associations are paying planters for their crops. Answers to 392 questionnaires addressed to representative interest in all lines throughout the district asking for data relative to collections show the following results: 2.8 per cent excellent; 36.8 per cent good; 53.8 per cent fair and 6.8 per cent poor.

Commercial failures in the Eighth Federal Reserve District during May, according to Dun's numbered 63, involving liabilities of \$760,293 against 80 defaults with liabilities of \$2,168,109 in April and 117 failures with indebtedness of \$1,750,033 in May, 1922.

The per capita circulation of the United States on June 1 was \$42.34, against \$42.04 on May 1 and \$39.87 on June 1, 1922.

## MANUFACTURING AND WHOLESALE

**Boots and Shoes**—Sales of the 11 reporting interests in May were 27.2 per cent larger than for the corresponding month in 1922 and 71 per cent in excess of the April total this year. The heavy gain in May over April is accounted for by the fact that goods purchased for fall are shipped heavily in May, and carry datings as far ahead as October. Since the middle of May there has been a decrease in purchasing, most marked in men's working shoes and other staple lines. The demand for novelties and colored leather goods is holding up relatively well, with plants specializing on these articles working at or near full capacity. No changes worthy of note were reported during the period under review either in finished goods or raw materials. The trend in raw materials, however, is slightly easier.

**Clothing**—While there has been some slowing down in purchasing for immediate requirements, the

volume of business for fall delivery is considerably in excess of the corresponding period last year. The movement of summer apparel at retail has been greatly retarded by the unseasonably cool weather and rains. The demand for overalls and working clothes generally is reported brisk. In men's suits buyers continue to show preference for medium and low price goods. Except in individual instances where special sales were conducted, prices were generally unchanged during the period under review. Sales of the 11 reporting interests in May were 12.6 per cent larger than for the same month in 1922, but 12.9 per cent under the April total this year.

**Iron and Steel**—While new buying of iron and steel continues in good volume and covers a great diversity of products, the demand has dropped below the level of current output, with the result that unfilled orders of many leading interests have decreased and

deliveries in some lines are easier. The record production of pig iron and steel ingots in May served to lessen apprehension relative to raw materials, and in this district users of pig iron continue to defer covering their requirements for the third and fourth quarters. Purchasing by the railroads is holding up well, and the oil fields and building industry are still absorbing enormous tonnages. Steel prices show a disposition to soften in spots, with small reductions in sheets, bars, nuts and bolts, etc. Quotably pig iron was steady at \$27 per ton for No. 2 Southern, 1.75 to 2.25 per cent silicon, and \$32 for Northern iron of the same grade. Some resale iron was available slightly below these figures, and one small Southern blast furnace interest cut its price to \$25. There were further sharp declines in scrap iron and steel, affecting virtually all classes and grades of material. Warehousemen report a slowing down in the routine demand for their goods, and their stocks are somewhat larger than thirty days ago. May sales of stove manufacturers, 7 interests reporting, were 27.7 per cent larger than in May, 1922, and 10.4 per cent less than April this year; wire rope makers, 5 interests reporting showed gains of from 30 to 92 per cent over the same month in 1922; railway supplies, 5 interests reporting, gained 34 per cent over May, 1922, but lost 8.4 per cent as compared with April; farm implements, 6 interests reporting, showed gains of from 12 to 68.2 per cent, and boiler works, 6 interests reporting, gained 65 per cent over May, 1922.

**Hardware**—During the past thirty days builders hardware has been the most interesting feature under this classification. Sales in May with a number of stores reached unprecedented volume, but since June 1 there has been a decided falling off, which is attributed to the completion of many buildings and postponement of construction work contemplated. The demand for hand implements, wire netting, refrigerators and other seasonal goods is reported somewhat under normal. Prices of a number of steel items and shelf hardware have declined slightly, but nails and wire products generally held firm. Wholesalers and jobbers report an unusually large number of mail orders, but orders from salesmen on the road are under expectations, which latter fact is partly ascribed to interference with communications occasioned by heavy rains. Sales of the 12 reporting interests in May were 31.1 per cent larger than for the same month in 1922, and 14.4 in excess of April this year.

**Electrical Supplies**—In face of unseasonable weather, which has held down buying of fans and other summer goods, total sales of the 12 reporting interests in May were 3.3 per cent in excess of the same month in 1922, and 5.2 per cent over the April total. The demand for wiring and equipment in new buildings is stimulating business, and improvements and extensions by public utilities companies are accounting for a heavy movement of supplies. Stocks in all positions are moderate, but factories have been catching up on orders, and deliveries are easier. Aside from a decline in copper, prices were for the most part steady.

**Flour**—Production by the 11 leading mills of the district in May totaled 302,791 barrels which compares with 297,064 barrels in April, 350,064 barrels in March and 279,979 barrels in May, 1922. Throughout the period under review the demand from all sources continued quiet, and mill operation was at only 55 to 60

per cent of capacity. Prices were lower in sympathy with the decline in wheat. Domestic car lot buyers are disposed to hold off awaiting the new wheat crop, and ordering generally is on a hand-to-mouth basis. There was some export inquiry for new crop flours, but prices were out of line. Sellers are seemingly unwilling to quote lower prices than those prevailing on old flours.

**Dry Goods**—Sales of the 11 reporting interests in May were 9.8 per cent larger than for the corresponding period in 1922, and 8.7 per cent in excess of the April total this year. Excessive rains and the break in cotton prices early in May had a disturbing effect, and buyers are disposed to purchase with the utmost caution. Special sales were conducted by several of the larger stores which in the main met excellent response, and were largely accountable for the increase in total sales in May over April. New orders received during the first half of June were disappointing, but all the reporting stores have advance business considerably in excess of the same period last year. Some price declines were reported. The demand for the better grades of dress goods is relatively more active than for staples. Hosiery continues quiet.

**Groceries**—Business in this classification during May about held its own with the corresponding month last year, the total this season being .6 per cent greater than in 1922. As compared with April, sales in May decreased 3.2 per cent. Complaints were general of unseasonable weather, with flooded rivers and bad roads preventing salesmen from making their rounds. The usual seasonal falling off in the demand for canned goods was noted, but prices were well maintained, and sales of canned goods for fall and winter delivery were well up to expectations. Uncertainty relative to sugar prices has resulted in heavy curtailment in the volume of that staple being bought.

**Drugs and Chemicals**—While the demand for drugs and chemicals was quiet during the past thirty days, due to unseasonable weather, business in specialties held up well and sales of the 11 reporting interests for May showed a gain of 30.2 per cent over the same period in 1922 and 27.1 per cent over April this year. The movement of insecticides, stock condition powders and fertilizers was heavy, and there were large gains in sales of soda fountain supplies, cosmetics, sundries and paper goods. An upward price trend was noted in drugs, the advances affecting opium, antipyrine, denatured alcohol, oxalic acid and balsam tolu. The retail trade in all sections of the district was reported active.

**Furniture**—May sales of the 12 reporting interests were 16.2 per cent over the same month in 1922, and 2 per cent over the April total. A perceptible slowing down in orders was noted during the opening weeks of June, which is attributed partly to the fact that buyers are waiting for the sales at Chicago and Grand Rapids, at which styles and prices for fall are largely determined. There were no changes in prices of raw or finished goods during the period under review. Factory operation was at from 70 to 80 per cent of capacity.

**Lumber**—With an increasing tendency on the part of buyers to limit their purchases to immediate needs and restriction of building programs in some sections of the country, there was a shrinkage in the demand for soft woods. Yellow pine developed an easier trend toward the end of May. Manufacturers were making heavy deliveries on prior bookings. Late

in May selling pressure increased, and reductions approximating 10 per cent. from peak prices began to appear. Few cancellations were reported, dealers for the most part urging deliveries, and a constant stream of fill-in orders, chiefly mixed cars, indicated light stocks in dealers' hands. There was little in the way of forward buying, however. While hardwoods declined in demand, wet weather restricted logging operations and served to offset weakening influences.

**Industrial Power Consumption**—Consumption of electricity for industrial purposes continues at the recent high level, with substantial gains being registered over the immediately preceding months and the corresponding period in 1922. Unfavorable weather, which has prevented certain seasonal expansions, is partly responsible for the declines registered in two reporting cities.

	Representative Customers	May 1923	Apr. 1923	May 1923 comp. to Apr., 1923	May 1922	May 1923 comp. to May 1922
Evansville...	40	1,060,273 k.w.h.	1,039,391 k.w.h.	+ 2.0%	658,386 k.w.h.	+61.0%
Little Rock...	11	757,696	631,824	+19.9	720,932	+ 5.1
Louisville ....	67	3,098,494	3,261,665	— 5.0	2,206,411	+40.4
Memphis.....	31	1,119,620	1,171,460	— 4.4	975,360	+14.8
St. Louis.....	*67	13,801,124	*12,666,676	+ 9.0	12,050,989	+14.5
Total.....	216	19,837,207	18,771,016	+ 5.7	16,612,078	+19.4

\*Revised figures

**Department Stores**—The condition of retail trade during May, 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	Louisville	Memphis	Little Rock	Evansville	Quincy	8th District
Net Sales:							
May, 1923, compared with May, 1922.....	+ 4.6	+ 0.1	+13.8	+12.5	+36.2	+ 3.9	+ 6.4
Period Jan. 1, to May 31, 1923, compared with same period in 1922.....	+11.5	+ 4.5	+19.3	+16.6	+27.4	+ 8.7	+12.2
Stocks at end of May, 1923:							
Compared with same month in 1922.....	+17.4	— 1.8	+ 9.7	+22.0	+ 7.3	+13.5	+13.5
Compared with stocks at end of April, 1923.....	— 4.1	— 5.1	— 0.8	— 7.1	— 6.0	— 0.7	— 3.9
Average stocks on hand at end of each month since Jan. 1, 1923, to average monthly sales during same period.....	359.2	416.5	499.4	489.3	672.7	583.3	408.2
Outstanding orders at close of May, 1923, compared with previous year's purchases.....	7.8	3.5	10.1	6.5	7.1	7.2	7.4

## AGRICULTURE

Crops generally in this district are from two to three weeks late, and during the period under review temperatures were too low and moisture too abundant for growth and development in virtually all sections. Fields have been too wet for cultivation, and in the case of corn, cotton, potatoes and other vegetables and ground fruits weed growth has made considerable headway. In the bottom lands high water has wrought considerable injury to wheat, and irreparable damage was done to berries and fruits by hail storms in important producing areas. On the whole, however, the outlook of the principal crops is for fair production, and with favorable weather from this to harvest, results should be satisfactory. In this general region years of heavy rainfall have almost invariably been coeval with big production, light crops being the result of drouth rather than excessive moisture.

While the average condition of winter wheat, according to Government figures, suffered a decline in May in States of this district, the total predicted yield is in excess of the 1922 total. Cutting is under way in the southern tiers of the belt, and weather permitting, will be in full swing by the first of July. There are complaints of lodging in a number of counties; Hessian fly and chinch bugs have appeared in numbers in Illinois, Indiana and Missouri. Generally the plant has fine color, and has headed out well, though there are some reports of rank growth and poor stooling, due to excessive moisture.

Reports relative to corn vary considerably, with

Consumption was maintained at high levels, but industrial users adopted the policy of buying for current needs. Furniture and hardwood flooring factories scaled down their purchases. Railroads continued to buy structural materials in moderate quantities, and crosstie demand showed expansion. Toward the end of the period there was a shrinkage in values of upper grades of the principal hardwoods, but declines were slight.

the predominating note being accounts of too abundant rains, which have prevented cultivation and necessitated considerably more than the usual replanting. In the uplands in the southern States the plant has a good stand and color, with the acreage about on a parity with last year. Much late corn is being planted with the view of furnishing silage, but with favorable weather and a late fall, much of this should mature and augment the total of grain harvested.

The hay crop was injured in some localities by winter killing, particularly clover, and due to the cool late spring the growth of grasses has been slow, and meadows and pastures are short.

Fruit prospects generally in the district are hardly as good as a year ago. The condition of peaches, plums and pears is low, and ground fruits are backward. Advices relative to the apple crop in commercial areas are conflicting, and the outlook is problematical. While backward, truck crops are in the main doing well, and indications are for yields equal to, or somewhat larger than last year.

In the tobacco sections both the Burley and Dark Tobacco Growers Cooperative Associations have functioned satisfactorily. The Burley Association has paid growers on the 1922 crop upward of \$34,000,000, principally the proceeds of medium and common grades of tobacco. It still has on hand approximately 50,000,000 pounds of the best grades. Fully 50 per cent of tobacco pooled with the Dark Tobacco Association has been sold at satisfactory prices. An un-

usual effort is being made to raise a large crop of tobacco this year, but the backward season and scarcity of plants has interfered somewhat with planting programs. About 40 per cent of the crop has been set, and indications point to an acreage fully as large as last season.

Seeding of rice has been delayed by wet weather, and the total acreage in this district is likely to be slightly less than in 1922.

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

Winter Wheat	CONDITION		COMPARISONS		FORECAST 1923—PRODUCTION		FARM PRICE PER BU.	
	June 1		1922		from condition		June 1	
	10 yr. av.	1923	5 yr. av.	Dec. Est.	May 1	June 1	1922	1923
	%	%	1917-21	*Bu.	*Bu.	*Bu.	cents	cents
Illinois	80	80	46,692	53,025	52,751	56,485	116	112
Indiana	82	80	34,608	29,754	30,293	32,406	121	120
Kentucky	84	85	8,625	7,475	7,092	7,378	136	130
Missouri	78	83	43,140	38,750	43,086	44,423	115	111
United States	82.3	76.3	589,858	586,204	578,287	580,541	.....	.....

Oats	ACREAGE 1923		CONDITION		PRODUCTION COMPARISONS		PRODUCTION	FARM PRICE	
	% of		June 1		5 yr. av.	1922	FORECAST 1923	PER BU.	
	1922	Acres	10 yr. Av.	1923	1917-21	Dec. Est.	From June 1		June 1
			%	%	*Bu.	*Bu.	Condition	1922	1923
							*Bu.	Cents	Cents
Illinois	102	3,937	87	87	171,843	110,010	142,146	32	44
Indiana	120	1,644	86	83	69,747	28,770	53,489	35	45
Missouri	115	1,285	83	78	50,189	17,872	31,673	41	53
United States	101.1	40,768	89.0	85.6	1,377,903	1,201,436	1,256,456	38.4	44.9

\* In thousands of bushels—i. e., 000 omitted.

### COMMODITY PRICES

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

		Close May 15	High	Low	Close June 15	Close June 15, 1922
July wheat.....	Per bu.	\$1.13½	\$1.16½	\$1.05½	\$1.09½	\$1.07
September wheat.....	" "	1.12½	1.14½	1.06	1.07½	1.08½
December wheat.....	" "	.....	1.12½	1.08½	1.10½	1.12½
July corn.....	" "	.81½	.84	.77½	.83½	.60½
September corn.....	" "	.78½	.80½	.74½	.77½	.63½
December corn.....	" "	.....	.66½	.63½	.66½	.63½
July oats.....	" "	.43½	.46	.42½	.43½	.35
No. 2 red winter wheat....	" "	1.39	1.42	1.20	1.30	\$1.17 @ 1.18
No. 2 hard wheat.....	" "	1.21	1.26	1.12	\$1.13 @ 1.14	1.16
No. 2 corn.....	" "	.83	.87½	.81	.86	.58
No. 2 white corn.....	" "	.85 @	.85½	.82	.88	.60
No. 2 white oats.....	" "	.47¾	.47½	.44	.45½	.35½
Flour—soft patent.....	Per bbl.	6.25 @ 7.25	7.00	5.50	5.50 @ 6.50	5.75 @ 6.75
Flour—hard patent.....	" "	6.50 @ 6.75	6.70	5.85	6.05 @ 6.30	6.90 @ 7.25
Middling cotton.....	Per lb.	.29	.29½	.26	.29	.22
Hogs on hoof.....	Per cwt.	5.50 @ 8.65	8.15	4.50	4.50 @ 7.25	8.50 @ 10.75

Note: May wheat closed at \$1.13¼; May corn at 85c and May oats at 44c.

### COMMODITY MOVEMENT

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

	Receipts			Shipments		
	May 1923	Apr. 1923	May 1922	May 1923	Apr. 1923	May 1922
Flour, barrels.....	394,370	403,590	348,210	482,820	543,530	444,140
Wheat, bushels.....	2,211,625	2,024,400	2,558,400	2,325,645	2,055,470	2,284,320
Corn, bushels.....	1,617,370	2,180,192	2,870,352	1,085,025	1,795,075	2,148,575
Oats, bushels.....	2,534,000	2,824,000	2,603,625	2,142,960	2,847,990	1,950,260
Lead, pigs.....	210,360	239,400	406,880	106,080	136,280	217,110
Zinc, slabs.....	325,690	360,640	338,320	250,600	218,730	308,040
Lumber, cars.....	23,201	20,686	19,518	16,188	16,455	14,392
Meats, pounds.....	20,914,100	18,350,000	20,510,300	33,512,900	30,077,600	28,389,100
Fresh beef, pounds.....	504,300	861,200	.....	24,040,600	21,780,400	19,205,100
Lard, pounds.....	6,433,500	5,594,700	4,447,800	14,912,500	13,393,100	8,010,000
Hides, pounds.....	4,583,100	5,596,700	7,264,700	8,579,400	9,600,900	8,849,700

### LIVE STOCK MOVEMENT

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

	Receipts			Shipments		
	May 1923	Apr. 1923	May 1922	May 1923	Apr. 1923	May 1922
Cattle and Calves.....	98,445	75,383	91,939	47,791	38,202	47,095
Hogs.....	419,953	393,036	337,158	233,829	216,946	219,866
Sheep.....	53,932	19,968	49,635	14,753	7,638	16,205
Horses and Mules.....	3,804	5,932	3,758	3,834	6,684	4,009

## BUILDING

As indicated by permits issued in the five largest cities of the district and reports from contractors, builders and architects in smaller communities, building activity during the period under review maintained high levels which have featured recent months. May permits exceeded those of the preceding month and the corresponding period last year both numerically and in point of money involved. Outside work was interfered with to some extent by excessive rains, but building under construction was being pushed rapidly to completion. There is a scarcity of artisans in the building crafts, and the trend of wages is higher, with specific demands for increased scales being made by certain unions in St. Louis and other cities. Prices of building materials were more stable than has been the case for several months. Production of Portland cement for the country as a whole in May set a new high record, the total being 12,910,000 barrels, against 11,359,000 barrels in April and 11,176,000 barrels in May, 1922.

Comparative building figures for May 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 .....	974	858	\$3,701,095	\$2,099,960	747	666	\$465,291	\$296,920
Louisville .....	552	331	1,784,260	3,210,250	199	197	138,885	128,950
Memphis .....	477	338	1,691,375	1,032,644	91	89	29,750	49,330
Little Rock .....	92	88	225,495	297,605	142	155	73,850	46,991
Evansville .....	139	112	277,639	249,545	104	121	19,815	31,660
May totals .....	2,234	1,727	\$7,679,864	\$6,890,004	1,283	1,228	\$727,591	\$553,851
Apr. totals .....	2,139	1,553	7,515,500	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

## FINANCIAL

Further improvement in the demand for credits, both for commercial and agricultural purposes, took place during the period under review. To the South increased requirements for financing the cotton crop were reported, and the movement of early fruits and vegetables has temporarily stimulated borrowing in areas which specialize in these productions. Banks in the Memphis and Louisville territory report a good demand from the lumber and building material interests. June settlements with the large mercantile interests in leading cities of the district were in good volume, the ratio of collections to outstandings in a number of notable instances making a better showing than last season. The demand for funds to finance live stock is holding up well, but the recent heavy marketing of cattle, hogs and sheep has resulted in liquidation which about offsets new borrowing on this account. Continued heavy payments to planters by the tobacco cooperative marketing associations have released considerable amounts to the banks, and collections in that general section are good. While loans of member banks in the district increased and deposits

declined slightly during the past thirty days, loanable funds continue ample for all legitimate business needs. Quotably rates remain about steady. Between May 15 and June 15 deposits of the Federal Reserve Bank of St. Louis decreased \$1,320,000 and there was an increase of \$4,328,785 in paper discounted for member banks. Total reserve carried against deposit and Federal Reserve note liabilities decreased 1.6 per cent, standing at 65.4 per cent on June 15.

**Commercial Paper**—Total sales of reporting brokerage houses during May were 6 per cent under the corresponding month in 1922 and 16.2 per cent under April this year. Generally business was satisfactory during the period under review, with a distinct improvement during the first two weeks of June. The demand from all sources is brisk, and considerably in excess of offerings. Prime names are readily absorbed, with both city banks and financial institutions in the smaller communities in the market. An easier trend was noted in rates, but quotably the market held steady at 5 to 5½ 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 June 13, 1923	For four weeks ending May 16, 1923	June 1923 comp. to May 1923	For four weeks ending June 14, 1922	June 1923 comp. to June 1922
East St. Louis and Nat'l. Stock Yards, Ill.....	43,653,000	43,048,000	+ 1.4%	36,140,000	+20.8%
El Dorado, Ark.....	12,565,000	12,689,000	— 1.0		
Evansville, Ind.....	29,262,000	30,414,000	— 3.8	25,776,000	+13.5
Fort Smith, Ark.....	10,390,000	10,980,000	— 5.4		
Greenville, Miss.....	2,922,000	3,200,000	— 8.7	3,533,000	—17.3
Helena, Ark.....	3,659,000	4,105,000	—10.9	4,055,000	— 9.8
Little Rock, Ark.....	50,718,000	53,820,000	— 5.8	34,805,000	+45.7
Louisville, Ky.....	150,734,000	142,998,000	+ 5.4	132,527,000	+13.7
Memphis, Tenn.....	111,638,000	116,150,000	— 3.9	94,734,000	+17.8
Owensboro, Ky.....	5,187,000	5,790,000	—10.4	3,972,000	+30.6
Quincy, Ill.....	10,686,000	11,563,000	— 8.2	8,627,000	+23.9
St. Louis, Mo.....	637,061,000	632,004,000	+ 0.8	513,248,000	+24.1
Springfield, Mo.....	14,992,000	13,352,000	+12.3	12,986,000	+15.4
<b>Total.....</b>	<b>1,083,467,000</b>	<b>1,080,113,000</b>	<b>+ 0.3</b>		<b>+21.8</b>



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

	Number Banks Reporting	June 6, 1923		May 2, 1923		June 7, 1922	
		Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	255,636	\$ 68,270,000	255,066	\$ 71,292,000	236,781	\$ 64,697,000
Louisville.....	7	168,806	23,719,000	164,453	23,221,000	135,195	20,810,000
Memphis.....	7	60,057	16,112,000	60,913	16,210,000	55,668	14,690,000
Little Rock.....	5	26,319	7,178,000	26,063	7,233,000	26,130	6,006,000
Evansville.....	4	24,083	8,994,000	23,898	8,964,000	20,679	8,138,000
Total.....	35	534,901	\$124,273,000	530,333	\$126,920,000	474,451	\$114,341,000

**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.

	June 13, 1923	May 9, 1923	June 14, 1922
Number of banks reporting.....	*36	*36	37
Loans and discounts (including rediscounts)			
Secured by U. S. Government obligations.....	\$ 11,727,000	\$ 15,175,000	\$ 16,176,000
Secured by stocks and bonds other than U. S. Bonds.....	140,983,000	134,714,000	124,375,000
All other loans and discounts.....	299,806,000	308,438,000	271,929,000
Total loans and discounts.....	452,516,000	458,327,000	412,480,000
Investments			
U. S. pre-war bonds.....	15,336,000	15,332,000	27,836,000
U. S. Liberty bonds.....	23,450,000	22,509,000	
U. S. Treasury bonds.....	9,024,000	8,968,000	13,660,000
U. S. Victory notes and Treasury notes.....	23,994,000	24,304,000	
U. S. Certificates of Indebtedness.....	10,490,000	5,143,000	8,297,000
Other bonds, stocks and securities.....	87,635,000	85,089,000	81,928,000
Total Investments.....	169,929,000	161,345,000	131,721,000
Reserve Balance with Federal Reserve Bank.....	40,535,000	42,033,000	40,675,000
Cash in vault.....	8,225,000	8,255,000	7,231,000
Net demand deposits on which reserve is computed.....	359,942,000	365,421,000	318,100,000
Time deposits.....	181,536,000	182,345,000	160,508,000
Government deposits.....	8,819,000	7,236,000	9,414,000
Bills payable and rediscounts with Federal Reserve Bank secured by			
U. S. Government obligations.....	8,860,000	7,404,000	2,689,000
All other.....	12,853,000	9,788,000	2,691,000

\*Decrease due to consolidation

#### FEDERAL RESERVE OPERATIONS

During May the Federal Reserve Bank of St. Louis discounted for 228 of its 623 member banks, which compares with 201 of its 622 member banks accommodated in April. The discount rate of this bank remains unchanged at 4½ 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				LIABILITIES			
	June 13, 1923	May 16, 1923	June 14, 1922		June 13, 1923	May 16, 1923	June 14, 1922
Gold Reserves.....	\$81,941	\$ 81,937	\$ 74,193	Capital paid in.....	\$ 4,951	\$ 4,932	\$ 4,708
Legal Tender Notes—Silver, etc	15,953	17,738	16,665	Surplus.....	9,665	9,665	9,388
Total Cash Reserves.....	\$ 97,894	\$ 99,675	\$ 90,858	Deposits.....	72,260	71,873	67,849
Discounts secured by Govt. obligations.....	15,265	15,026	6,430	F. R. Notes in circulation.....	73,910	76,961	68,694
Discounts otherwise secured and unsecured.....	20,846	17,497	12,265	F. R. Bank Notes in circulation.....			3,348
Bills bought in open market.....	9,077	11,158	9,597	Deferred availability items.....	36,413	39,945	33,297
U. S. Gov't. Securities.....	11,512	17,433	31,605	Other Liabilities.....	1,042	973	937
Total Earning Assets.....	\$ 56,700	\$ 61,114	\$ 59,897	Total Liabilities.....	\$198,241	\$204,349	\$188,221
Uncollected items.....	37,320	37,731	29,921	Combined Res. Ratio.....	67.0%	67.0%	66.5%
Other Resources.....	6,327	5,829	7,545				
Total Resources.....	\$198,241	\$204,349	\$188,221				

#### CHANGES IN COST OF LIVING

Cost of living in the United States on May 15, 1923, was 60.3 per cent higher than in July, 1914, according to figures collected monthly by the National Industrial Conference Board. Between April 15 and May 15, 1923, there was an increase of 1.2 points or eight-tenths of one per cent. Coal prices declined while rents and the cost of clothing advanced within the month. Food prices remained unchanged. Between July, 1920, when the peak of rise in the cost of living since 1914 was reached, and May, 1923, the cost of living dropped 44.2 points or 21.6 per cent.

(Compiled June 18, 1923)

## BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by Federal Reserve Board, June 26, 1923)

Production and shipment of goods continued in heavy volume during May. The volume of employment was sustained and many wage advances were reported. Wholesale commodity prices declined during May and the early weeks of June.

**Production**—Production of iron and steel, cement and petroleum was larger in May than in any previous month, and mill consumption of cotton was close to maximum. The high level of production in these industries, together with increases in practically all other reporting lines, are reflected in an advance of 2 per cent in May in the Federal Reserve Board's index of production in basic industries. In the building industry there was a further decline in principal cities in the value of permits granted which represent prospective building operations. Contract awards, however, which represent actual current undertakings, continued to increase, though declines are reported in the New York and Chicago districts.

This industrial activity has been accompanied by a slight increase of employment at industrial establishments. The demand for labor was also reflected in a larger number of wage advances during the 30-day period ending May 15 than in any earlier month this year and average weekly earnings in all reporting industries increased by 3.8 per cent. The advances were most general in the cotton, steel, meat packing and sugar refining industries.

In agriculture the condition of both winter and spring wheat is reported less favorable than a year ago, while the condition of the cotton crop is slightly better than last year, owing entirely to more favorable growing conditions in Texas. Shortage of farm labor is reported from most sections of the country.

**Trade**—Active distribution of commodities indicated by heavy movement of merchandise and miscellaneous freight and car loadings continue to exceed all previous records for this season. In certain lines of trade a decline in the volume of manufacturers' orders for future delivery is reported. The volume of both wholesale and retail trade was larger in May than in April. Among the wholesale lines sales of meat, hardware and shoes showed particularly large increases, while sales of clothing and dry goods increased. The Federal Reserve Board's index of wholesale trade, which makes no allowance for seasonal changes, was 5 per cent higher than in April and 14 per cent higher than a year ago. Sales of department stores increased about 8 per cent in May and all reporting lines of chain store business reported increases. Mail order sales were 6 per cent less than in April, but were larger than in any previous May.

**Wholesale Prices**—Price declines were reported during May and the first three weeks of June for a large number of commodities. All of the nine groups in the Bureau of Labor statistics index except food and house furnishings show decreases for May and the average for all commodities declined by 2 per cent.

**Bank Credit**—Loans of reporting member banks in principal cities, which have been increasing since the early part of the year, declined by \$115,000,000 between May 16 and June 13. Bank holdings of government securities, which increased by over \$100,000,000 in connection with the treasury transactions of May 15, later declined as the securities were distributed by the banks.

These decreases in loans of member banks and the receipt during May of \$45,000,000 of gold from abroad were accompanied by a decrease in the earning assets of Federal Reserve banks by \$120,000,000 for the four weeks ending June 20. At that time the volume of Federal Reserve Bank credit in use reached the lowest point since the opening of the year and approached the low point reached in August, 1922. Reserve bank holdings of bankers acceptances and government obligations are now lower than at any time since early in 1922.

The total volume of money in circulation increased by \$38,000,000 between May 1 and June 1, the increase being chiefly in gold and silver certificates rather than in Federal Reserve notes. Money rates continued to show a slightly easier tendency. The June 15 issue of \$150,000,000 six months treasury certificates carried a rate of interest of four per cent, compared with  $4\frac{1}{4}$  per cent on a similar issue sold in March.

