

# FEDERAL RESERVE BANK OF ST. LOUIS



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

Released for Publication On and After the Morning of August 30, 1923

WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

ACCORDING to representative interests in a majority of leading lines, business in this district during the past thirty days has proceeded along a steady, even course, with results in the main satisfactory. In many instances less than the usual seasonal slowing down in production and distribution of commodities is reported, and while the recent conservatism in purchasing is still strongly in evidence, somewhat more interest is being manifested in goods for fall and winter consumption. Most of the concerns reporting state that their sales compare well with the similar period immediately preceding and exceed totals for the corresponding period a year ago by good margins. As has been the case for the past several months, however, a considerable degree of irregularity exists in business as a whole. In certain sections response has been markedly better than elsewhere, while some entire lines, and individual interests in others, have fallen below the general average in point of results obtained. Local conditions are largely responsible for the backward spots, as, for instance, depressed prices in the wheat areas and unfavorable weather conditions which made for uncertainty in localities where other crops are specialized in.

During early August the number of buyers visiting wholesale establishments in the chief cities of the district was considerably larger than during the preceding two or three years, and the character of their purchases, while confined in large measure to actual and well defined requirements, bulked heavily in the aggregate. A general comment by wholesalers and jobbers is that their customers are pressing them for prompt shipment of goods purchased, and since August 1 there have been numerous requests to forward merchandise which had been ordered for later delivery. These manifestations, coupled with an unusually light volume of cancellations, are taken to indicate small stocks in retailers hands and an excellent current demand for commodities by the public.

The extreme hot weather of July and early August resulted in an unusually heavy movement of summer goods, both in the city and country. Retailers report that they were able to liquidate a large volume of merchandise which had been relatively quiet earlier in the season. This is true especially of ready-to-wear clothing, sporting goods and hardware. A considerable amount of reordering was necessitated by the run on certain varieties of goods, which in many instances wholesalers were unable to supply because of exhausted stocks. Manufacturers of beverages and soda fountain supplies report enormous sales, the July volume for two leading interests being the largest on record for that particular month. Sales of golf and baseball supplies were of record proportions.

In the general run of commodities further progress was made toward price stabilization. In goods for

ordinary consumption fewer changes were reported, and save in a few notable instances basic materials were steady or fluctuated within narrow lines. During July raw cotton declined sharply, but a good part of the loss was recovered in the buying movement initiated in early August, and based largely on adverse weather and crop reports. Wheat declined to a new low on the crop during the latter part of July, but made substantial recovery in the second week of August. The usual seasonal fluctuations were noted in fruits, vegetables and other farm products reaching the market in quantity at this time of year. Prices on these products were in the main satisfactory to producers, and transportation facilities were considerably more adequate than during the past several seasons. A sharp reduction in the retail price of gasoline occurred during the third week of August.

The recent upturn in raw cotton values has had a stimulating effect on business throughout the Southern part of the district, and has tended to halt declines in the textile market. During the past week orders for cotton goods have increased in volume, and a number of Eastern mills have withdrawn prices quoted earlier in the month on fabrics and knit goods. In sympathy with higher cotton, there has been a firmer trend in silks, and the woolen goods market has shown an improved tone since the opening of spring lines by leading producers. The comment is made, however, that the demand for woollens for women's wear is relatively much more active than materials for men's apparel, the latter continuing sluggish, especially on the higher grades.

Reports relative to crops during the period under review were mixed and not uniformly favorable. The extreme heat was detrimental to fruits and vegetables, and small crops generally, besides doing more or less damage to corn in the dry areas. Good rains were fairly general over the district during early August, and the moisture proved of great benefit to cereals, hay and pastures. Prospects as a whole continue excellent for large yields of all the leading crops, several of which promise to exceed last year's totals. According to the U. S. Department of Agriculture the composite condition of all crops in states wholly or partly within the Eighth Federal Reserve District (100 equals 10-year average) was 96.6 per cent on August 1, against 105.9 per cent on the corresponding date in 1922.

According to officials of railroads operating in this district, freight traffic continues to surpass all previous records for this time of year. Loadings of the Southwestern lines were particularly heavy, and show large gains in the merchandise and miscellaneous freight classifications over the corresponding period of a year ago. Gains were also shown in the movement of lumber and other forest products, coal, oil and live stock.

Freight offered has been moved promptly, with fewer complaints of delays from shippers of agricultural products than in more than a decade. Unusual preparations made for handling the wheat movement have proved fully adequate to accomodate the tonnage offered. Steady gains in passenger traffic continue and for reporting roads amounted to 15 per cent during the period under review, as compared with the same time last year. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 195,318 loads during July, against 187,035 loads in June and 163,690 in July, 1922. During the first 9 days of August 62,799 loads were interchanged, against 51,472 for the corresponding period in July and 44,704 loads during the first 9 days of August last year.

Continued dullness, accompanied by easier prices, featured the market for coal during the period under review. Throughout July purchasing by householders was at a minimum, and little interest was manifested by steam users, except where exceptional bargains proved an incentive for storing. Abundant supplies have given consumers the best of the situation, and they are disposed to shop around in order to obtain best possible terms before filling their requirements. Production of coke by the by-product ovens has been at or near to capacity, and large accumulations are beginning to appear in their storage yards. The threatened strike of anthracite miners has failed thus far to stimulate the demand for hard coal in this territory. Production of bituminous coal for the country as a whole during the first 183 days of 1923, or to August 4, was 324,998,000 net tons, which compares with 207,608,000 net tons during the corresponding period last year, 237,186,000 net tons in 1921 and 344,200,000 net tons in 1918. Stocks of soft coal held by consumers on July 1 were estimated by the Geological Survey at 45,000,000 tons, an increase of 3,000,000 tons for the month.

Production of automobiles for the country as a whole continues to maintain its recent high levels. The number of vehicles turned out in July fell slightly under the June total, which latter month was in turn a little below the peak production of May, but as contrasted with July, 1922, last month's output showed a heavy increase. The output of passenger cars by manufacturers reporting direct or through the Auto-

#### MANUFACTURING AND WHOLESALE

**Boots and Shoes**—Sales of the 11 reporting interests during July were 5.6 per cent larger than for the same month in 1922, and 5.1 per cent under the June total this year. Current demand is holding up well, with shipments on past orders heavy and some reordering from sections of the South. Cancellations are at a minimum. Comment is made upon the unusually large number of new stock orders, and initial reports from salesmen sent out in early August indicate liberal commitments for late fall and winter wear. The demand for novelties continues strong, but the tendency is toward more conservative styles in both men's and women's goods. Prices of finished goods were steady to a shade lower, but with the exception of hides, raw materials displayed marked firmness. Factory operation was at from 70 to 90 per cent of capacity, as compared with 80 to 98 the month before. The decrease in activity is ascribed mainly to hot weather and absence of operatives on vacations.

**Clothing**—Manufacturers and jobbers report a

mobile Chamber of Commerce was 297,173 cars in July against 337,048 in June. Production of trucks in July totaled 29,712 against 39,945 in June. Sales of 230 dealers scattered through the district during July were 7.3 per cent larger than in June and 15.8 per cent in excess of July, 1922. A feature of the month's activities was the unusually heavy purchases of cars by country dealers for immediate delivery to customers. In numerous instances these cars were driven from the large distributing centers by the country dealer. New models placed on the market by several important manufacturers have had a tendency to stimulate interest and increase sales. The market for parts and accessories has kept well abreast of that for new cars. The used car situation shows little change as compared with a month ago, but in the larger cities the number for sale has increased more rapidly than the demand. The tire market continues in an unsatisfactory condition. Further price cuts have disturbed the psychology of buyers, and purchasing by both dealers and the public is on a necessity basis.

Reports relative to collections indicate a slowing down through the district generally as compared with recent months. Backwardness is particularly marked in the retail section of distribution, and in the case of large cities this is explained in part by the absence of numerous credit customers on vacations. Wholesalers report some backwardness on the part of merchants in the wheat sections, and efficiency in the coal mining areas is not as high as heretofore. In the Southern tiers of the district, especially in the tobacco and cotton sections, merchants are getting in their money promptly, and there has been some liquidation of indebtedness to the banks. Answers to 328 questionnaires addressed to representative interests in various lines throughout the Eighth Federal Reserve District show the following results; 3.1 per cent excellent; 31.3 per cent good; 58.3 per cent fair and 7.3 per cent poor.

Commercial failures in the Eighth Federal Reserve District during July, according to Dun's, numbered 47, involving liabilities of \$563,872, against 68 defaults with liabilities of \$2,450,239 in June, and 87 failures with indebtedness of \$1,721,083 in July, 1922.

The per capita circulation of the United States on August 1 was \$42.51, against \$42.51 on July 1, and \$39.86 on August 1, 1922.

brisk demand for fall lines. Price concessions have proved an attraction in some instances, though the chief incentives to buying are scant retail stocks and large demand by ultimate consumers. The number of buyers in the large cities, especially in St. Louis where a Fashion Pageant was held in mid-August, has been larger than for several years. A number of important manufacturers have disposed of their prospective production for fall wear and are preparing for spring lines. The hot spell of July and early August contributed to the movement of a heavy volume of summer apparel, both in men's and women's lines, with interest well divided between cheaper and better grades. July sales of the 11 reporting interests were 5.7 percent in excess of the same month in 1922 and 26.7 percent above the preceding month this year. Extreme hot weather and price uncertainty are mentioned by millinery interests as contributing causes to more conservative purchasing by retailers. July sales of reporting firms in this line were 6.3 per cent under

those of July, 1922.

**Iron and Steel Products**—Some improvement in new buying in this classification took place during late July, and the first half of August was marked by further betterment. Buyers generally seem more disposed to accept current prices, and many heavy consumers who have deferred filling their wants in hopes of more favorable terms, are now coming into the market. There was the usual seasonal slowing down in operations at mills, foundries and machine shops, but plans are being made to increase production with the return of cool weather. The trend of prices on finished and semi-finished iron and steel goods was slightly lower during the past thirty days, but actual changes were narrow. Mills and foundries are still well supplied with unfilled orders, and steel deliveries show only moderate improvement as the insistence of buyers for tonnage is keeping mill books in a highly liquid state. Quotations on pig iron were rather irregular, with the minor end of the range showing a decline of about \$1.50 per ton under the preceding month. Some resale iron brought as low as \$23.50 for the base grade, but No. 2 Southern, 1.75 to 2.25 per cent silicon, has held fairly steady in the range from \$24 to \$26 per ton. Northern iron of the same grade is quoted at \$27 to \$28 per ton, furnace. Fabricators of structural iron and steel have been doing an active business in small lots for prompt delivery, but report a falling off in large orders. Warehouse interests report a slowing down in the demand for their commodities, and their purchases are on a hand-to-mouth basis. Purchasing by the railroads continues in good volume. July sales of stove manufacturers, 7 interests reporting, were 44.5 per cent larger than in July, 1922, and 19.7 per cent in excess of the June total this year; wire rope makers, 5 interests reporting gained 27.6 per cent over the same month last year, but showed a decrease of 8.3 per cent under June this year; railway supplies, 5 interests reporting, showed a gain of 80 per cent in July over the same period in 1922, but a decrease of 21.5 per cent under the June total this year; farm implements, 6 interests reporting gained 4.2 per cent over July, 1922, but showed a decrease of 19.4 per cent under the June total this year and boiler works, 6 interests reporting gained 21.6 per cent over last July and lost 15 per cent as compared with June this year.

**Hardware**—While showing a good increase over July, 1922, sales of the reporting interests decreased rather sharply under the preceding month this year. Farmers, particularly in the grain belt, are buying only what they are obliged to, and ordering generally is on a conservative basis. Certain typical summer goods moved in large volume, but there was a falling off in buying of the more regular and staple lines. Builders hardware continues in excellent demand in the large cities, but the call from rural districts is considerably less active than heretofore. Sporting goods and automobile accessories are relatively the most active items in the line. Sales of the 12 reporting interests in July were 24.5 per cent larger than in July, 1922, but 13.8 per cent under the June total this year.

**Electrical Supplies**—Uncertainty relative to the price situation and seasonal considerations caused a decrease in July sales of the 12 reporting interests of 21.0 per cent under the preceding month, but the total was 40.5 per cent in excess of July, 1922. The comment is made that labor troubles are affecting sales of lines of contractors' supplies. Prices were in the

main steady, but a decline of 10 per cent in certain staple house-wiring devices was reported. Some slowing down in noted in the demand for ornamental lamps and fixtures.

**Flour**—Production of the 11 leading mills of the district in July totaled 291,332 barrels, against 286,463 barrels in June, 302,791 barrels in May and 223,428 barrels in June, 1922. Business during July and through the first week of August continued quiet, but since that time there has been a decided improvement in both sales and inquiries, accompanied by a stiffening in prices. Soft wheat flours have been heavily taken by the domestic trade, with the South figuring prominently in the buying. Several large Government contracts were awarded which helped to bring up the total volume. Some export business is reported, mainly to the British Isles. Mill operation during the past thirty days has been at from 60 to 75 per cent of capacity, with some soft wheat mills running full time.

**Dry Goods**—July sales of the 11 reporting interests were 12.0 per cent larger than for the corresponding period a year ago and 3.4 per cent greater than the preceding month this year. The recent advance in raw cotton had a tendency to restore confidence in prices of all textiles, and wholesalers report that many customers who had held up shipment on goods purchased have requested that the orders be forwarded. New lines of spring dress goods are moving well, and some improvement is noted in the demand for sheetings, print cloths and other staple lines. Hosiery and knit goods generally continue quiet. The demand for notions is holding up well, with prices mainly unchanged.

**Groceries**—Reports relative to business in this classification reflect rather spotted conditions. While July sales of the 20 reporting interests were 3.9 per cent larger than for the same month in 1922 and 3.6 per cent in excess of the June total this year, some leading stores report dull, unsatisfactory trade in many sections of the territory. Future buying is at a minimum, and the large amount of fresh fruits and vegetables on the market have cut down sales of canned and dried products. Sugar prices have declined about 2 cents per pound during the past 60 days, and sales of candy are reported slow and disappointing. Prices generally showed only minor changes during the period under review.

**Drugs and Chemicals**—A feature of the drug and chemical trade during the past thirty days has been an unusually heavy demand for insecticides and spraying materials, particularly from the South. Dealers have been unable to supply the demand, and numerous emergency orders have been placed with manufacturers. Business generally through the line is holding up in excellent shape, sales of the 11 reporting interests during July being 14.0 per cent larger than for the same month in 1922, and 4.3 per cent in excess of the preceding month this year. Soda fountain supplies have been active, and there is a good demand for heavy chemicals from manufacturers. The retail drug business is reported good in virtually all parts of the district. Prices were for the most part steady, with an upward trend in drugs.

**Furniture**—While continuing to show good gains over a year ago, reporting interests state that there has been a slowing down in buying as contrasted with earlier months this season. Several important factories have

closed temporarily, while others have curtailed production. Buying is largely on a necessity basis, and expectations of lower prices have a tendency to hold down commitments for future requirements. Prices on finished goods were steady, but some reductions were reported on raw materials, notably certain grades of lumber and hardware. July sales of the 12 reporting interests were 22.2 per cent above those of July, 1922, but 10.8 per cent under June this year. Evansville will hold a special trade week September 10 to 15 inclusive.

**Lumber**—While continuing quiet, the lumber situation has developed some slight improvement since the first week in August. The general attitude of all

users, however, is to purchase with the utmost conservatism. The movement of Southern pine has picked up, and shipments of Douglas fir are in larger volume than heretofore. Hard woods are maintaining a fairly active movement, with purchases by the automotive industry continuing to lead current buying. Furniture manufacturers increased their takings slightly during the past thirty days. Prices on Southern oak and gum and the upper grades of birch show a further slight softening tendency. Maple, ash, elm and poplar are generally firm, due mainly to buying by the automotive interests. Hardwood floorings have shown no increase in demand and have declined further.

**Industrial Power Consumption**—Reports from the five leading cities of the district indicate that the increased demand for electricity for industrial purposes is more than counterbalancing the seasonal decrease in consumption usual in the summer months. Recent statistics covering the smaller cities and country communities also show the tendency is steadily in the direction of augmented consumption. During late July and early August the amount of electricity used by refrigeration plants was the largest on record for any similar period in this district. Utility companies report an unusually large number of new concerns applying for power facilities in the industrial centers.

Representative Customers	July, 1923	June, 1923	July, 1923 comp. to June, 1923	July, 1922	July, 1923 comp. to July, 1922
Evansville....	40 1,177,842 k.w.h.	1,212,394 k.w.h.	- 2.8%	840,799 k.w.h.	+40.1%
Little Rock...	11 876,025 "	792,707 "	+10.5	586,341 "	+49.4
Louisville ....	67 3,952,797 "	*3,664,742 "	+ 7.9	3,222,273 "	+22.7
Memphis.....	31 806,840 "	931,060 "	-13.3	926,280 "	-13.2
St. Louis.....	67 14,768,393 "	14,393,636 "	+ 2.6	13,243,612 "	+11.5
<b>Total.....</b>	<b>216 21,581,897 "</b>	<b>20,994,539 "</b>	<b>+ 2.8</b>	<b>18,819,305 "</b>	<b>+14.7</b>

\*Revised figure

**Retail**—The condition of retail trade during July, 1923 is reflected in the following statement, compiled from reports of 22 representative department stores:

(Percentages)	Evansville	Little Rock	Louisville	Memphis	Quincy	St. Louis	8th District
<b>Net Sales:</b>							
July, 1923, compared with July, 1922.....	+ 3.7	+32.1	+11.3	+13.3	+ 6.0	+14.1	+15.1
<b>Stocks on hand at end of July, 1923:</b>							
Compared with July, 1922.....	+ 0.6	+31.7	- 4.6	+28.5	+12.4	+13.9	+15.1
Compared with stocks at end of June, 1923.....	- 5.2	- 0.8	- 4.2	- 4.3	+ 3.1	- 3.6	- 3.3
<b>Average stocks on hand at end of each month since July 1, 1923, to average monthly sales during same period</b>	<b>767.7</b>	<b>632.4</b>	<b>523.3</b>	<b>629.5</b>	<b>761.3</b>	<b>480.8</b>	<b>540.5</b>
<b>Outstanding orders at close of July, 1923, compared with purchases for calendar year 1922.....</b>	<b>1.4</b>	<b>4.6</b>	<b>8.2</b>	<b>11.4</b>	<b>10.0</b>	<b>10.9</b>	<b>9.8</b>

## AGRICULTURE

Threshing of winter wheat has progressed under generally favorable conditions, and is completed in most sections. Delays were encountered in spots, due to showers and scarcity of farm hands. Early returns indicate yields well up to official estimates, and almost universally quality is excellent. The movement of wheat to market is considerably behind the corresponding period last year, due to lateness of the crop and a disposition on the part of farmers to hold their stocks for better prices. Toward the end of July a new low on the crop was touched, but since that time the market has effected a good upward reaction. Total wheat production for the district is estimated at 79,479,000 bushels against 78,652,000 bushels last year.

In all states of the district corn prospects improved during July, and with the exception of Mississippi and Tennessee, August 1 condition indicates heavier yields than a year ago. During the past two weeks there has been deterioration in some localities, due to extreme heat and insects. Chinch bugs are present in portions of Missouri, Illinois, Indiana and Arkansas, and there are scattered accounts of damage from cut worm. Rains are needed in a number of sections and late planted fields with little cultivation are in critical condition. Corn production for the district is estimated at 403,782,000 bushels against 394,916,000 bushels in 1922.

The yield of oats for the district as a whole will be considerably larger than last year, but under the five-year average (1917-21). In Illinois early oats have turned out well as a rule, but late oats were pinched to some extent by drouth and rust, also chinch bugs in some localities, though the yield will be near to average. Elsewhere the crop is reported very uneven, both as to yield and quality. The output of oats for this district is estimated at 54,743,000 bushels against 35,861,000 bushels a year ago.

Generally hay in the district is fair, but the dry spring and recent extreme high temperatures have seriously handicapped this crop. In many localities the condition of pastures has deteriorated during the past four weeks, though recent scattered rains have wrought marked improvement in areas affected. Health of livestock is almost uniformly good, reports of disease being unusually light for this season. Stock feeding in the fall will be largely contingent upon this season's corn crop, as stocks of old corn are low and prices high.

Both white and sweet potatoes are in fair shape, though the former variety have suffered from the extreme high temperatures. Fruits and vegetables have developed no radical changes since the preceding issue of this report, though there are many complaints of gardens being dried up by the hot weather of late July and early August. Most recent estimates indicate that production of tree fruits, notably apples and

peaches, will be under last year's total.

Rice in Arkansas has made excellent progress during the past thirty days, and as a whole prospects are very encouraging. The acreage is approximately 80 per cent of last year's. The clean rice market continues strong, with the movement active.

Good rains are reported over most of the tobacco producing sections, and improvement has been noted in this crop during the past two weeks. However, in some localities in the dark fired district rains were of a character to cause some tobacco to be washed out, but the amount is comparatively small. Cutting has begun in a limited way in the burley district, and with favorable weather pushed rapidly. Indications are that the dark fired, green river and air-cured crops will be ready to cut early in September. The Cooperative Marketing Association in the burley and green

river district report no sales, whereas the dark fired Association is making sales of common to medium leaf and the better grade of lugs. Increased acreage is the rule in all districts.

Reports relative to the cotton crop received since August 1 indicate extremely irregular conditions. On the whole, however, losses about counterbalance gains, leaving the situation much as set forth in the Government's estimate as of July 25. In Arkansas, weather has been generally favorable, and the same is true of Missouri, Tennessee, and Mississippi. In some localities there has been too much moisture for best results. Boll weevil infestation is rather general, but damage from that source is spotted. Universally, the crop is late. Based on the August 1 condition, the crop for this district is estimated at 2,099,000 bales, against 2,085,000 bales last season.

The U. S. Department of Agriculture, in its report as of August 1, 1923, makes the following estimates of winter wheat production, and condition of corn and oats in states of the Eighth Federal Reserve District:

Winter Wheat	TOTAL PRODUCTION IN BUSHELS			YIELD PER ACRE BU.		QUALITY PER CENT		FARM PRICE PER BU.	
	1923	1922	1917-21 av.	1923	10 yr. Av.	1923	10 yr. Av.	1923	1922
Illinois.....	58,032,000	53,025,000	46,692,000	18.0	17.4	90	90	86	98
Indiana.....	34,452,000	29,754,000	34,608,000	16.5	15.8	91	89	88	99
Kentucky.....	7,688,000	7,475,000	8,625,000	12.4	11.8	91	89	84	97
Missouri.....	39,988,000	38,750,000	43,140,000	13.0	13.7	88	88	82	94
U. S. Total.....	568,386,000	586,204,000	589,858,000	15.4	14.3	90.1	89.0	...	...

Corn	CONDITION August 1.		PRODUCTION COMPARISONS		FORECAST 1923 PRODUCTION		FARM PRICE PER BU. August 1	
	1923 %	10 year av. %	1922 (Dec. est.)	5 yr. Av. 1917-21	From Aug. 1 Condition	From July 1 Condition	1923 cents	1922 cents
Illinois.....	85	78	313,074,000	338,259,000	334,884,000	317,164,000	81	56
Indiana.....	88	80	176,305,000	181,607,000	192,713,000	178,779,000	84	59
Kentucky.....	85	81	88,060,000	94,542,000	90,356,000	86,189,000	102	84
Mississippi.....	66	77	51,065,000	57,601,000	37,646,000	37,438,000	100	73
Missouri.....	85	76	175,275,000	186,377,000	195,718,000	179,408,000	89	66
Tennessee.....	77	82	75,440,000	89,033,000	71,575,000	68,554,000	110	84
U. S. Total.....	84.0	80.1	2,890,712,000	2,931,271,000	2,981,752,000	2,877,437,000	87.4	84.4

Oats								
	1923	10 year	1922	5 yr. Av.	From Aug. 1	From July 1	1923	1922
Indiana.....	80	77	28,770,000	69,747,000	54,975,000	53,923,000	35	32
Illinois.....	85	78	110,010,000	171,843,000	148,917,000	145,571,000	33	31
Missouri.....	80	75	17,872,000	50,189,000	35,261,000	35,836,000	38	41

### COMMODITY PRICES

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

		Close July 14		High	Low	Close Aug. 15		Close Aug. 15, 1922	
September wheat.....	Per bu.	\$ .96		\$1.01 <sup>3</sup> / <sub>4</sub>	\$ .93 <sup>1</sup> / <sub>2</sub>	\$1.01 <sup>5</sup> / <sub>8</sub>		\$ .98 <sup>3</sup> / <sub>4</sub>	
December wheat.....	" "	.99 <sup>3</sup> / <sub>4</sub>		1.04 <sup>5</sup> / <sub>8</sub>	.97 <sup>1</sup> / <sub>2</sub>	1.04 <sup>3</sup> / <sub>8</sub>		.99 <sup>7</sup> / <sub>8</sub>	
May wheat.....	" "	.....		1.09 <sup>3</sup> / <sub>8</sub>	1.03	1.09 <sup>1</sup> / <sub>8</sub>		1.04 <sup>3</sup> / <sub>4</sub>	
September corn.....	" "	.76 <sup>1</sup> / <sub>8</sub>		.78 <sup>1</sup> / <sub>8</sub>	.74 <sup>3</sup> / <sub>4</sub>	.78 <sup>1</sup> / <sub>8</sub>		.57 <sup>5</sup> / <sub>8</sub>	
December corn.....	" "	.62 <sup>1</sup> / <sub>2</sub>		.65 <sup>1</sup> / <sub>2</sub>	.62	.62 <sup>1</sup> / <sub>8</sub>		.52 <sup>1</sup> / <sub>2</sub>	
May corn.....	" "	.....		.65 <sup>1</sup> / <sub>8</sub>	.63 <sup>1</sup> / <sub>2</sub>	.64 <sup>5</sup> / <sub>8</sub>		.55 <sup>3</sup> / <sub>4</sub>	
September oats.....	" "	.....		.36	.35	.36		.30 <sup>7</sup> / <sub>8</sub>	
No. 2 red winter wheat....	" "	.97 @ 1.00		1.04	.93 <sup>1</sup> / <sub>2</sub>	1.04		\$1.02 @ 1.04	
No. 2 hard wheat.....	" "	.96 @ .98		1.02	.94	1.01 <sup>1</sup> / <sub>2</sub>		1.00	
No. 2 corn.....	" "	.87		.90 <sup>1</sup> / <sub>2</sub>	.84	.87		.58 @ .61 <sup>1</sup> / <sub>2</sub>	
No. 2 white corn.....	" "	.88 <sup>1</sup> / <sub>2</sub> @ .89		.90	.84 <sup>1</sup> / <sub>2</sub>	.85		.59 @ .59 <sup>1</sup> / <sub>2</sub>	
No. 2 white oats.....	" "	.41 <sup>1</sup> / <sub>8</sub> @ .42		.45	.39	.39 <sup>1</sup> / <sub>2</sub> @ .40		.32 <sup>1</sup> / <sub>2</sub>	
Flour—soft patent.....	Per bbl.	5.00 @ 6.00		6.25	5.00	5.25 @ 6.25		5.25 @ 6.25	
Flour—spring patent.....	" "	5.75 @ 6.20		6.35	5.60	6.10 @ 6.25		6.05 @ 6.70	
Middling cotton.....	Per lb.	.27 <sup>1</sup> / <sub>2</sub>		.27 <sup>1</sup> / <sub>4</sub>	.22 <sup>1</sup> / <sub>2</sub>	.24 <sup>1</sup> / <sub>2</sub>		.21 <sup>1</sup> / <sub>2</sub>	
Hogs on hoof.....	Per cwt.	6.50 @ 7.65		8.70	5.00	5.50 @ 8.70		6.75 @ 10.25	

### COMMODITY MOVEMENT

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

	Receipts			Shipments		
	July 1923	June 1923	July 1922	July 1923	June 1923	July 1922
Flour, barrels.....	387,100	355,930	330,060	436,650	463,730	423,010
Wheat, bushels.....	5,775,272	1,606,843	5,149,844	2,876,650	1,606,843	2,813,160
Corn, bushels.....	2,616,057	2,344,152	3,324,400	1,795,710	1,702,650	2,317,860
Oats, bushels.....	2,452,000	2,748,000	2,588,000	2,272,430	2,302,690	1,877,930
Lead, pigs.....	141,650	202,920	289,710	112,590	107,730	140,040
Zinc, slabs.....	345,350	302,260	213,210	322,980	281,200	164,470
Lumber, cars.....	19,407	20,547	14,370	13,454	14,252	10,958
Meats, pounds.....	21,400,300	22,184,800	19,150,400	32,490,000	31,119,900	28,917,400
Fresh beef, pounds.....	1,129,300	47,400	73,500	23,482,100	22,863,000	21,090,800
Lard, pounds.....	5,739,200	6,478,800	4,768,000	11,231,300	12,531,700	8,907,700
Hides, pounds.....	6,318,000	4,148,500	5,584,900	8,886,600	5,342,100	7,778,700

## LIVE STOCK MOVEMENT

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

	Receipts			Shipments		
	July 1923	June 1923	July 1922	July 1923	June 1923	July 1922
Cattle and Calves.....	138,969	94,164	106,427	81,504	56,977	63,081
Hogs.....	337,862	348,559	216,286	207,353	197,304	148,002
Sheep.....	79,209	92,412	97,113	23,351	24,525	30,469
Horses and Mules.....	2,548	1,848	2,829	2,536	2,451	2,640

## BUILDING

For the second consecutive month the number and value of building permits issued during July in the five largest cities of the district showed a decline. In addition scattered reports from the smaller towns and rural communities indicate a slowing down in new construction enterprises. There is still much activity on buildings in course of construction, and the work, it is estimated, will keep labor in the building trades well employed during the balance of the year. Except in scattered localities where heavy rains temporarily suspended operations, road building is progressing on a large scale. Wages in all the building crafts continue at their recent peak levels. Production of portland cement for the country as a whole in July was 12,620,000 barrels, which compares with 12,382,000 in June and 11,557,000 in July, 1922.

	New Construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1923	1922	1923	1922	1923	1922	1923	1922
St. Louis.....	825	744	\$2,454,685	\$1,691,915	568	503	\$451,778	\$294,032
Louisville.....	301	223	823,865	957,425	117	119	79,709	102,525
Memphis.....	328	399	952,500	2,310,095	107	30	95,125	18,840
Little Rock.....	79	45	327,000	134,140	85	108	51,989	34,580
Evansville.....	112	67	241,675	139,500	69	53	11,925	15,740
July totals.....	1,645	1,478	\$4,799,725	\$5,233,075	946	813	\$690,526	\$465,717
June totals.....	1,784	1,572	5,301,510	5,224,814	1,139	935	582,564	630,645
May totals.....	2,234	1,727	7,679,864	6,890,004	1,283	1,228	727,591	553,851

## FINANCIAL

As has been the case for some time past, the banking and credit position in this district during the period under review continued strong, and constitutes the most favorable factor in the business situation as a whole. Deposits of the commercial banks are holding up well, and lending institutions are amply equipped with funds to meet all demands of business. Further improvement in the demand for credits was noted, a large portion of the increased inquiry coming from the agricultural sections, particularly the grain areas where the movement of wheat is under way. Southern banks report larger borrowings, and financial institutions specializing in financing the flour milling industry report more activity from that source than in the past three years. The demand from general mercantile sources is of a good, steady character, but the present conservative stocks and rapid turnover have a tendency to hold down the total loans to business interests below the normal volume for this season. The trend of interest rates charged by commercial banks continued slightly upward, this tendency being more noticeable since the second week in August. The number of commercial failures in the district in July

was the smallest for any month since October, 1920. Between July 15 and August 15 there was an increase of \$8,420,988 in the amount of paper discounted by this institution for member banks. Total reserves carried against deposit and Federal Reserve note liabilities decreased 2.2 per cent, standing at 64.2 per cent on August 15.

**Commercial Paper**—Following several months of marked activity, the commercial paper market during the past thirty days showed a very decided slowing down. June sales of reporting brokerage interests dropped 14.6 per cent under the corresponding month in 1922, and business in early August indicates that results for that month as a whole will be smaller than a year ago. The low prices of wheat and disposition of farmers to hold their stocks have been factors in smaller buying of paper by country banks, while city institutions are finding demands from regular borrowing customers sufficient to absorb their loanable funds. Rates were higher, ranging from 5 to 5½ per cent, against 5 to 5¼ per cent during the preceding thirty days. Only the choicest names are being bought at the minor figure of the spread.

## DEBITS TO INDIVIDUAL ACCOUNTS

	For four weeks ending Aug. 8, 1923	For four weeks ending July 11, 1923	Aug 1923 comp. to July, 1923	For four weeks ending Aug. 9, 1922	Aug. 1923 comp. to Aug., 1922
E. St. Louis and Nat'l Stock Yards, Ill.	\$ 39,940,000	\$ 40,632,000	— 1.7%	\$ 33,388,000	+19.6%
El Dorado, Ark.....	9,140,000	10,861,000	—15.8	.....	.....
Evansville, Ind.....	28,618,000	31,078,000	— 7.9	26,120,000	+ 9.6
Fort Smith, Ark.....	9,067,000	9,501,000	— 4.6	8,474,000	+ 7.0
Greenville, Miss.....	2,424,000	2,792,000	—13.2	2,653,000	— 8.6
Helena, Ark.....	3,227,000	3,614,000	—10.7	3,789,000	—14.8
Little Rock, Ark.....	46,156,000	42,971,000	+ 7.4	31,377,000	+47.1
Louisville, Ky.....	135,603,000	155,103,000	—12.6	117,521,000	+15.4
Memphis, Tenn.....	93,776,000	106,380,000	—11.8	83,810,000	+11.9
Owensboro, Ky.....	5,359,000	5,175,000	+ 3.6	4,887,000	+ 9.7
Quincy, Ill.....	10,799,000	9,658,000	+11.8	8,841,000	+22.1
St. Louis, Mo.....	570,828,000	629,872,000	— 9.4	513,383,000	+11.2
Springfield, Mo.....	11,570,000	12,228,000	— 5.4	11,570,000	0.0
<b>Total.....</b>	<b>966,507,000</b>	<b>1,059,865,000</b>	<b>— 8.8</b>	<b>.....</b>	<b>+14.3</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	August 1, 1923		July 3, 1923		August 2, 1922	
		Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	241,334	\$ 71,681,000	255,497	\$ 72,922,000	239,655	\$ 65,044,000
Louisville.....	7	167,183	23,296,000	168,867	23,839,000	133,304	20,719,000
Memphis.....	7	67,286	18,451,000	60,550	16,072,000	56,206	14,486,000
Little Rock.....	5	26,850	7,262,000	26,344	7,484,000	24,783	6,131,000
Evansville.....	4	24,772	9,050,000	24,616	9,590,000	20,719	8,353,000
Total.....	35	527,425	\$129,740,000	535,874	\$129,907,000	474,667	\$114,733,000

**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.

	Aug. 8, 1923	July 11, 1923	Aug. 9, 1922
Number of banks reporting.....	*36	*36	37
Loans and discounts (including rediscounts)			
Secured by U. S. Government obligations.....	\$ 11,799,000	\$ 11,329,000	\$ 14,487,000
Secured by stocks and bonds other than U. S. Bonds.....	137,568,000	137,001,000	123,395,000
All other loans and discounts.....	309,427,000	298,618,000	274,916,000
Total loans and discounts.....	458,794,000	446,948,000	412,798,000
Investments			
U. S. pre-war bonds.....	15,325,000	15,335,000	31,898,000
U. S. Liberty bonds.....	23,517,000	23,184,000	
U. S. Treasury bonds.....	9,350,000	9,373,000	
U. S. Victory notes and Treasury notes.....	21,255,000	27,366,000	14,773,000
U. S. Certificates of Indebtedness.....	6,563,000	3,804,000	7,497,000
Other bonds, stocks and securities.....	84,707,000	87,875,000	82,726,000
Total Investments.....	160,717,000	166,937,000	136,894,000
Reserve Balance with Federal Reserve Bank.....	41,556,000	39,832,000	42,285,000
Cash in vault.....	7,840,000	8,464,000	6,715,000
Net demand deposits on which reserve is computed.....	345,910,000	351,199,000	323,565,000
Time deposits.....	190,633,000	182,469,000	168,128,000
Government deposits.....	5,228,000	7,205,000	4,620,000
Bills payable and rediscounts with Federal Reserve Bank secured by			
U. S. Government obligations.....	9,943,000	11,627,000	2,675,000
All other.....	18,927,000	14,995,000	1,050,000

\*Decrease due to consolidation.

### FEDERAL RESERVE OPERATIONS

During July the Federal Reserve Bank of St. Louis discounted for 251 of its 624 member banks, which compares with 230 of its 624 member banks accommodated in June. The discount rate of this bank remains unchanged at  $4\frac{1}{2}$  per cent for all classes and maturities of paper.

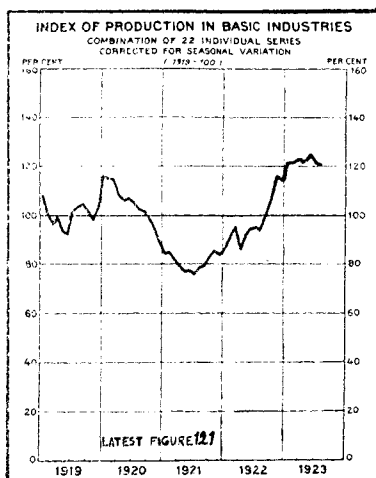
Changes in the assets and liabilities of the Federal Reserve Bank of St. Louis since a month ago and last year are shown in the following comparative statement (in thousands of dollars):

RESOURCES				LIABILITIES			
	July 18 1923	June 20 1923	July 19 1922		July 18 1923	June 20 1923	July 19 1922
Gold Reserves.....	\$79,562	\$ 72,620	\$ 72,495	Capital paid in.....	\$ 4,951	\$ 4,951	\$ 4,769
Legal Tender Notes—Silver, etc.	13,660	15,472	12,176	Surplus.....	9,665	9,665	9,388
Total Cash Reserves.....	\$ 93,222	\$ 88,092	\$ 84,671	Deposits.....	70,687	70,528	62,560
Discounts secured by Govt. obligations.....	17,910	17,652	5,898	F. R. Notes in circulation.....	73,244	73,701	66,908
Discounts otherwise secured and unsecured.....	28,328	29,918	11,202	F. R. Bank Notes in circulation.....			3,291
Bills bought in open market.....	3,445	7,359	14,415	Deferred availability items.....	34,153	32,785	30,824
U. S. Gov't. Securities.....	7,251	8,409	26,064	Other Liabilities.....	1,020	1,133	835
Total Earning Assets.....	\$ 56,934	\$ 63,338	\$ 57,579	Total Liabilities.....	\$193,720	\$192,763	\$178,575
Uncollected items.....	36,040	34,745	29,307	Combined Res. Ratio.....	64.8	61.1	65.4
Other Resources.....	7,524	6,588	7,018				
Total Resources.....	\$ 193,720	\$192,763	\$178,575				

### CHANGES IN COST OF LIVING

Cost of living in the United States on July 15, 1923, was 61.9 per cent higher than in July, 1914, according to the National Industrial Conference Board. Between June 15 and July 15, 1923, there was an increase of 1.1 per cent. This was brought about by advances in the cost of food and clothing and increases in rents. Fuel prices were a little lower, while average sundries and light charges remained unchanged. Between July, 1920, when the peak of the rise since 1914 was reached, and July, 1923, the cost of living dropped 20.8 per cent. Within this three-year period a number of shifts in costs occurred. Food and clothing prices and the average cost of all sundries combined were lower in 1923 than in 1920. Rents, on the other hand, in 1923 were at the highest average yet reached for the country as a whole. Coal prices, after mounting much higher during the winter 1922-1923, in July, 1923 were at the same level as in July, 1920.

(Compiled August 20, 1923)



## BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by Federal Reserve Board, August 24, 1923)

Production of basic commodities and employment at industrial establishments decreased in July and there was a further decline in wholesale prices. The distribution of goods, as indicated by railroads' freight shipments, maintained record totals and the sales of merchandise, though showing the usual seasonal decline, continued to be relatively heavy.

**Production**—Production in basic industries, according to index of the Federal Reserve Board, declined one per cent in July. Mill consumption of cotton, steel ingots products and sugar meltings were considerably smaller than in June. New building operations during the month as measured by the value of permits granted and of contracts awarded showed more than the usual seasonal decline.

Employment at industrial establishments located in various sections of the country decreased two per cent during July. Manufacturers of auto tires, and cotton goods showed large reductions in number of employees. There were some further announcements of wage advances but they were not as numerous as in the three previous months. Average weekly earnings of factory workers, due to a decrease in full time operations, were three per cent less than in June.

Crop forecast of the Department of Agriculture on the basis of condition August 1, indicated that yield of wheat and rye would be below July estimates, while larger yields of cotton, corn, oats, and barley were forecast. Due to seasonal increase in grain shipments and continued large shipments of industrial raw materials and manufactured goods, car loadings in the last week of July reached the largest total on record.

**Trade**—The volume of wholesale trade was about the same in July as in June, while there was a decline in retail trade which was largely seasonal in nature. Among the wholesale lines, sales of dry goods and clothing were larger than in June, while sales of groceries, hardware and shoes were considerably smaller. Business in all reporting lines was larger than in July, 1922, and the average increase, as indicated by the Federal Reserve Board's index of wholesale trade, was thirteen per cent. Sales of department stores were ten per cent larger than a year ago, while mail order sales showed a gain of twenty-seven per cent. Stocks of department stores showed a seasonal reduction during July and were smaller than in any month since January.

**Prices**—Wholesale commodity prices declined during July for the third consecutive month, and the index of the Bureau of Labor Statistics was five per cent below the April peak. Prices of all groups of commodities, except house furnishings, were lower in July. The largest declines occurred in quotations of clothing, drugs and chemicals, farm products, and building materials. During the first half of August price changes were more moderate and quotations of cotton, spring wheat, hogs, sheep, and rubber advanced.

**Bank Credit**—Since the middle of July the volume of bank credit in use has shown a reduction, largely because of the substantial liquidation of loans on stocks and bonds at New York City banks. Between July 18th and August 15th loans of member banks in leading cities secured by stocks and bonds decreased by \$94,000,000 to the lowest point for the year, \$258,000,000 below the amount outstanding at the beginning of the year. Commercial loans, however, increased so that the net reduction in total loans, for the period amounted to \$60,000,000. Security investment declined \$73,000,000 to a new low level for the year.

The volume of discounted paper held at Federal Reserve Banks showed a slight decrease, while their holdings of acceptances and United States securities reached new low points for the year. Between the middle of July and the middle of August gold holdings of the Federal Reserve Banks increased by \$21,100,000, reflecting in part net gold imports during July of \$27,400,000. Federal Reserve note circulation increased by about \$15,000,000 and there were also substantial increases in the volume of gold certificates and national bank notes in circulation.

Slightly firmer tendencies in money rates during the month were reflected in a gradually increasing proportion of commercial paper sales at  $5\frac{1}{4}$  per cent as compared with 5 per cent in the previous month.

