MONTHLY

Review

FEDERAL RESERVE BANK
OF ST. LOUIS • P. O. BOX 442 • ST. LOUIS 66, MO.

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CURRENT DEVELOPMENTS

Introduction

THE MONEY SUPPLY of the nation increased markedly in recent months, and time and savings deposits expanded even more rapidly. Total loans and investments of commercial banks also increased significantly. Member bank reserves, which expanded sharply from mid-1960 to November 1960, declined slightly in the last six months. In May, interest rates on marketable securities remained at about the level maintained since late last summer.

Business activity rebounded sharply from February through May. Output of the nation's mines, factories, and utilities increased along a broad front, recovering more than one-third of the decline from the May 1960 peak in business activity. Personal income turned up in March and registered further gains in April. Reflecting improvements in income, April retail sales were higher than in February, and indications are that sales rose again from April to May. The number of workers on nonfarm payrolls increased more than seasonally in April and probably changed little in May.

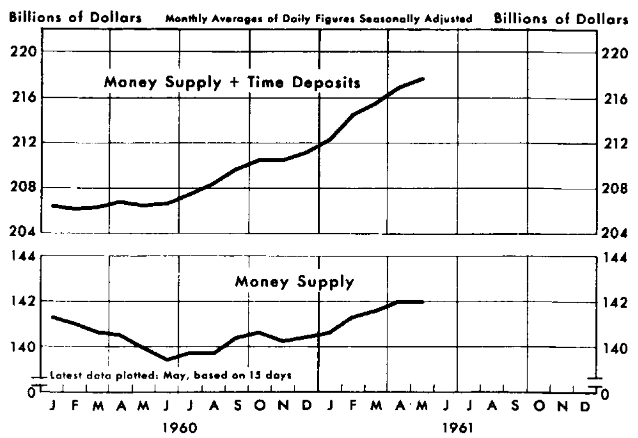
Money Supply Expands

Money Supply

THE MONEY SUPPLY of the nation expanded quite rapidly in recent months, after adjustment for seasonal influences. From the last half of November 1960 to the first half of May 1961 the money supply, defined to include demand deposits and currency outside banks, rose at an annual rate of 3.3 per cent. In the earlier months of the past recession (June-November 1960) money rose at a less rapid annual rate, 0.9 per cent. Taking the entire period of the current monetary expansion from the last half of June 1960 through the first half of May 1961, the money supply increased at an annual rate of 2.1 per cent. This rate of growth is in sharp contrast with the contraction of 2.3 per cent from mid-1959 to mid-1960 and is above the 2.0 per cent average rate of growth over the years from 1951 through 1960.

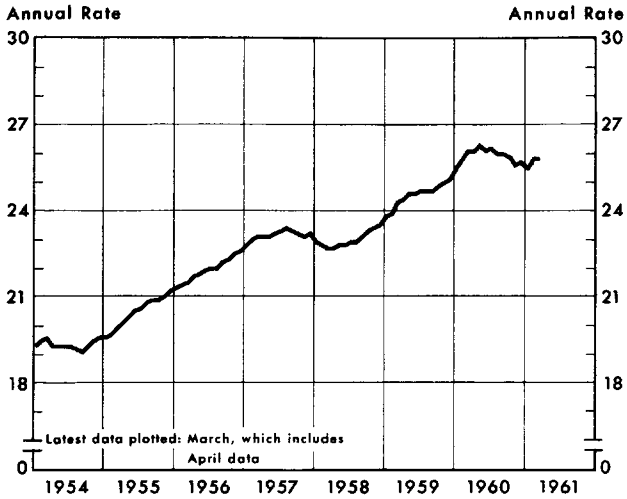
Time and savings deposits have been expanding more sharply than demand deposits. As a result, total commercial bank deposits and currency in circulation expanded at an annual rate of 5.8 per cent in the

Money Supply



Turnover of Money

3-Month Moving Average Seasonally Adjusted



ten and a half months ending with early May 1961. From the last half of November 1960 to the first half of May this year the annual rate of growth in this broader measure of money was 8.1 per cent. By comparison, in the 10 years, 1951 through 1960, the average rate of growth was 3.4 per cent.

The turnover of demand deposits at reporting centers outside the seven large financial centers has risen in recent months after declining in the last half of 1960. The annual rate of turnover reached a high in May 1960 of 26.3 times per year (three-month moving average) fell to 25.5 times per year in January of this year, and is estimated to have been 26.1 times per year in April.

Bank Credit

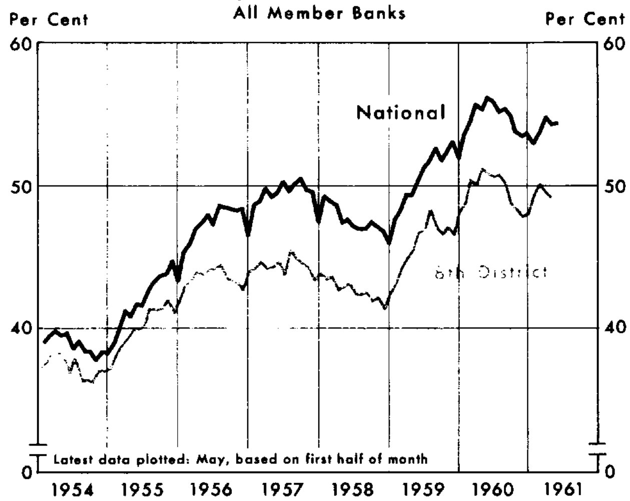
The expansion in the money supply from late November last year to early May resulted in part from a decline in U. S. Government deposits, which are not counted as money, but more largely from an increase in bank loans and investments. Total commercial bank loans and investments rose rapidly from the end of November 1960 through April and probably expanded further in May. Loans, seasonally adjusted, increased by about $540 million in April, up $3.1 billion over November of last year. Investments, which were up $1.2 billion in April, were $1.9 billion higher than in November.

Bank loans to businesses increased on a seasonally adjusted basis at banks in leading cities throughout the nation during the six months ending in May. Business loans to processors of food, liquor and tobacco, commodity dealers, contractors, and the textile industries increased, or declined less than seasonally. Loans to manufacturers of metal and metal products and to the wholesale and retail trade declined. Real estate and consumer loans showed only modest net changes in this period.

The loan position of the banking system, as measured by the ratio of loans to deposits, tightened from January to April of this year. From mid-1960 through January 1961, the loan-to-deposit ratio declined from a high of 56 per cent to a low of 53 per cent. This reflected an increase in bank holdings of securities relative to bank loans and deposits. Because of the stronger demand for bank loans the loan-to-deposit ratio increased to 54 per cent by April.

Ratio of Loans to Deposits

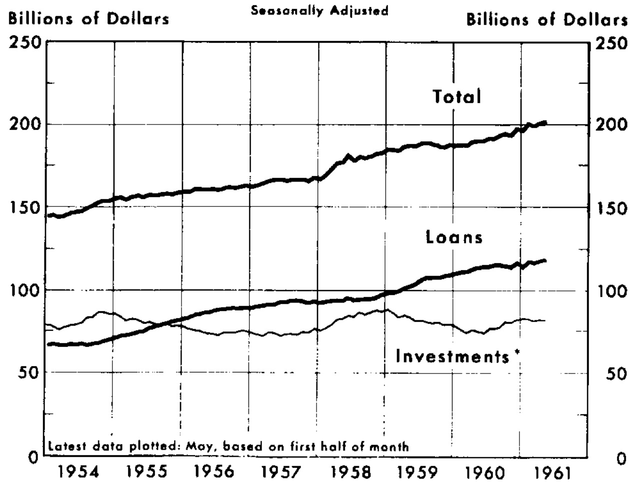
All Member Banks



Bank Credit

All Commercial Banks

Seasonally Adjusted



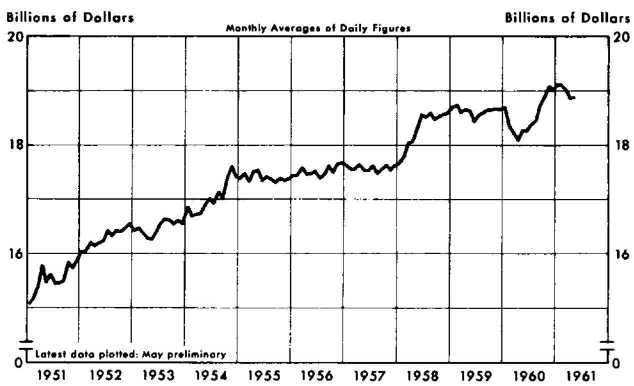
*Not adjusted seasonally

Bank Reserves

The increase in the money supply from June 1960 to May 1961 reflected a similar increase in total reserves of member banks. Increases in member bank reserves permit banks to expand their loans and investments, which in turn increases bank deposits (money). Total member bank reserves (adjusted for both seasonal influences and changes in legal required reserve percentages) increased over $800 million, or at an annual rate of 10.8 per cent, in the five months from June to November 1960 but declined slightly thereafter. As noted above, the money supply (and the money supply plus time deposits) rose from June 1960 to May 1961, with the most rapid growth occurring in the last six months.

Effective Reserves*

All Member Banks



*Effective reserves are total reserves of member banks adjusted for seasonal influences and changes in legal reserve requirements.

The relationship between changes in the money supply (either narrowly or broadly defined) and changes in member bank reserves is not always immediate and precise. The rather large increase in reserves which took place from June through November 1960 brought about a sharp increase in excess reserves. Treasury deposits, which are not counted as money but do require maintenance of reserves, also increased markedly in this period. In more recent months, banks have been employing excess reserves to expand credit and deposits, and the Treasury has reduced its balances, thus adding to the money supply.

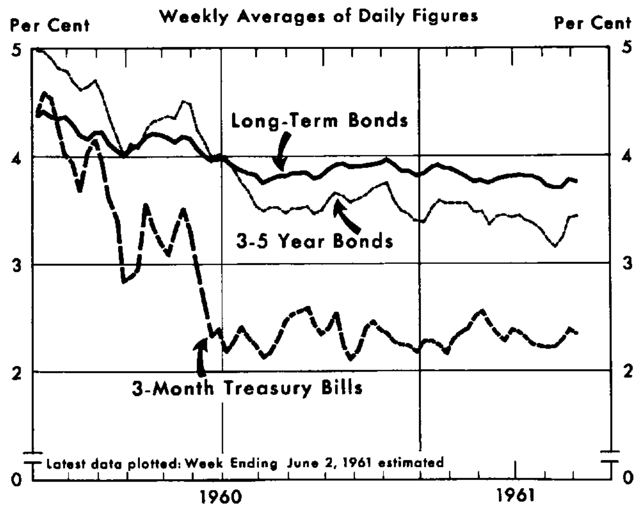
The recent sharp expansion in time deposits offers a partial explanation for the growth in total bank deposits during a period of declining reserves. Since banks are required to hold a smaller proportion of reserves behind time deposits, total deposits could rise even though reserves remained constant or declined slightly. A shift in demand deposit balances from central reserve and reserve city banks, where reserve requirements are relatively high, to country banks with lower reserve requirements also accounts for a lack of correlation between changes in bank reserves and the money supply. A shift in deposits from member banks to nonmember banks might have a similar effect.

Interest Rates

During May, interest rates on marketable securities continued to fluctuate within roughly the same range as they had since late last summer. Yields on long-term and intermediate-term Government bonds declined during the first week in May but rose in the latter part of the month. Interest rates on corporate bonds changed little on balance while yields on state and local issues moved up moderately. Rates on three-month Treasury bills fluctuated modestly about the 2.25 per cent level in the first half of May but rose somewhat in the last half. The spread between long- and short-term Government securities narrowed slightly from April to May.

From about August 1960 to April of this year the structure of interest rates changed relatively little on balance. Yields on long-term Government bonds fluctuated rather narrowly about the 3.85 per cent level while Treasury bill rates remained within the 2.25-2.50 per cent range most of the time.[1]

Yields on U.S. Government Securities



[1] See "Liquid Assets in the Recovery," in this issue.

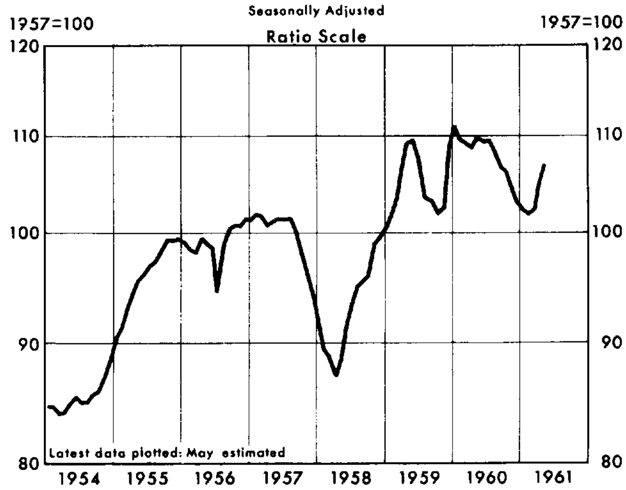
Business Activity Improves

Production

THE FEDERAL RESERVE BOARD'S INDEX of Industrial Production, a measure of changes in the physical volume of output, rose 3 per cent from February to April. This increase is in contrast to a 7 per cent decline from May of last year to February this year. On the basis of continuing improvements in several important sectors, total output probably expanded again in May. Steel output through the third week in May averaged 14 per cent higher than April's average weekly output. During the same period, average weekly mill output in the St. Louis area was 9 per cent above the April average. May production schedules in the automobile industry were adjusted upward from April's rate. The rate of production in May was 21 per cent above April.

Industrial Production

Seasonally Adjusted



Source: Board of Governors of the Federal Reserve System

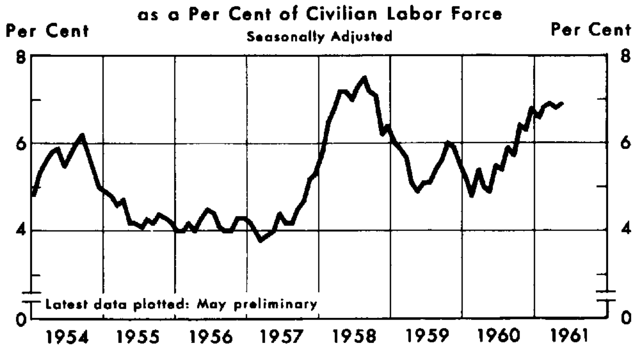
Employment and Unemployment

The number of workers on nonfarm payrolls rose more than seasonally in April, the first significant improvement since nonfarm payroll employment began to weaken in August of last year. The improvement in employment was widespread, with substantial gains in construction and in primary and fabricated metals. Employment in the automobile industry changed little from mid-March to mid-April, but probably picked up in the last half of April and in May as production schedules were advanced over earlier rates.

National Unemployment

as a Per Cent of Civilian Labor Force

Seasonally Adjusted



Source: United States Bureau of Labor Statistics

Contrary to seasonal patterns, the factory workweek was slightly longer in April than in March, the fourth consecutive monthly increase in this series. Although each increase in the workweek, taken separately, has been modest, the cumulative effect over the December-to-April period was a significant 3 per cent. On the average, production workers received about $3.00 more in their weekly paychecks in April than in December of last year (after seasonal adjustment). Average overtime hours in manufacturing inched up in April over March. The number of regular full-time workers, who for "economic" reasons were working only part time, remained about unchanged.[2]

The proportion of unemployed in the civilian labor force, at 6.9 per cent in May, remained near the December-March level. It is not unusual for unemployment to respond slowly to improvements in economic activity. As Table I indicates, experience so far in

Table I

Behavior of the Unemployment Rate During Early Months of Recovery

Periods	Rate in Trough Month	Change from Trough 2 Months	3 Months
1961	6.8	–0–	+0.1
1958	7.3	–0–	+0.2
1954	6.0	— 0.1	—0.6

this recovery is comparable to the previous two recoveries. In the 1958 recovery, one of the most rapid

[2] Persons working part time for "economic" reasons include those who worked part time because of slack work, material shortages or repairs, new job started, or job terminated.

on record, there was a rise in the unemployment rate during the initial three months.

Even though the overall unemployment rate did not show the effects of recovery, the April and May surveys revealed significant changes in the composition of the unemployed. The short-term unemployment rate dropped from the average of the first quarter; at the same time, long-term unemployment continued to rise.[3] These shifts usually accompany the recovery phase of a business cycle.

Personal Income

Personal income rose in April, reflecting the broad expansion in output and employment. The 0.1 per cent increase over the previous month was more significant than it would at first appear because March figures were inflated by the advance payment of National Service Life Insurance dividends. In the two months from February to April, personal income more than regained its four-month decline from October of last year.

Consumer Spending

Buoyed by expanding incomes and employment, and an improved liquidity position, consumers have stepped up their purchases in recent months. In January, total retail sales, seasonally adjusted, were about 4 per cent below their May 1960 level. By April, they were approximately 1 per cent above their January low, but had slowed from the brisk pace set in March. Automobile sales, which led the rapid March expansion, maintained about the same level in April. In the first three weeks of May, retail automobile sales ran well above April's pace. Weekly reporting department store sales also increased in May.

Business Spending

Business spending on plant and equipment declined 2 per cent from the second quarter to the fourth quarter of last year and, according to preliminary estimates, declined further in the initial quarter of this year. However, several promising developments have emerged since February. Machine tool orders were 4 per cent larger in April than in February, a sharp rise in March being partially offset by a contraction in April. Machinery output was 3 per cent higher in April than the average of the previous quarter. The increase recovered more than one-third of the decline in machinery production from May 1960.

[3] For reporting purposes the Bureau of Labor Statistics defines the "short-term" as less than five weeks and the "long-term" as more than 15 weeks.

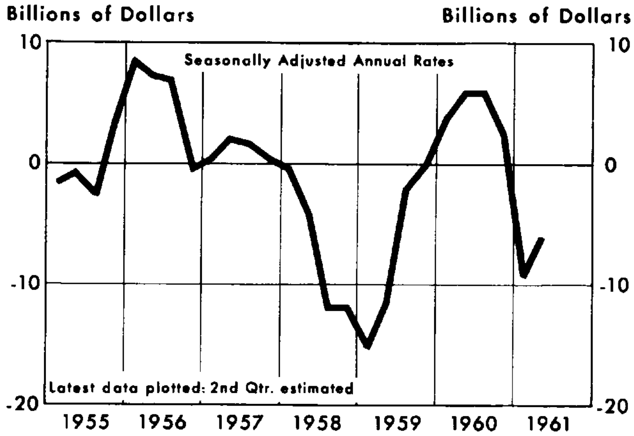
Against a backdrop of expanding sales, total business inventories declined sharply during the first quarter, especially those of retailers and of durable goods manufacturers. In April manufacturers' inventories expanded by $100 million, as increases in stocks of nondurable goods producers more than offset declines in durable goods manufacturers' stocks.

Government Spending

Government fiscal operations, as measured by the cash deficit of the United States Treasury, have been expansionary in recent months. Cash outlays of the

Net Cash Receipts (+) and Payments (-)

U.S. Government



Source: United States Treasury Department

Federal Government will probably exceed cash receipts by $7.6 billion (seasonally adjusted annual rate) during the first half of 1961. This compares with an average $7.2 billion annual rate of deficit during the corresponding periods of the two previous business cycles. However, when the deficit is related to the total output of goods and services (Gross National Product), it amounted to about 1.5 per cent in early 1961 as against an average of 1.9 per cent in the similar periods of 1954 and 1958.

Table II

Comparison of Deficits during Three Economic Troughs and Recoveries

In Annual Rates
(Dollar Amounts in Billions)

Periods	Trough Quarter*	First Quarter of Recovery	Two Quarters: Amount	Two Quarters: Per Cent of G.N.P.
1961	$ 9.2	$ 6.0**	$7.6**	1.5**
1958	4.4	12.0	8.2	2.1
1954	12.0	0.4	6.2	1.7

* The trough quarters of the 1954 and 1958 cycles were the third quarter of 1954, and the second quarter of 1958. These are the turning points of National Bureau of Economic Research "Reference Cycles." For purposes of this article the first quarter of 1961 was selected as the trough quarter of the recent recession.
** Estimated.

Liquid Assets in the Recovery

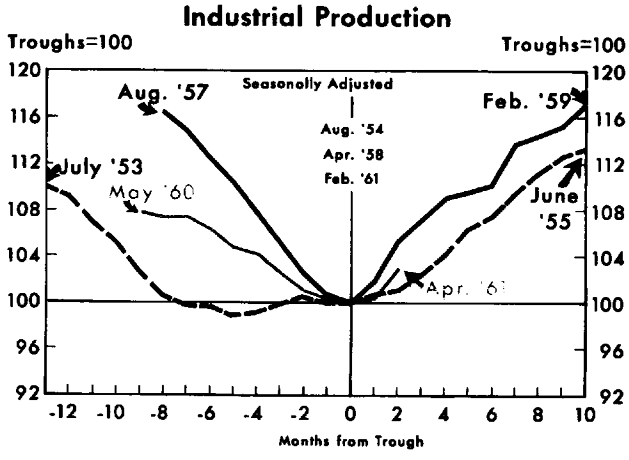
IN THE APRIL ISSUE of this *Review*, an analysis was made of changes in the public's holdings of money and other liquid assets during the three most recent cyclical declines in economic activity. Since the article was published, it has become increasingly apparent that the recession which began in the early summer of 1960 has come to an end. Indications are that the low point or trough of the recession may have been reached around February of this year.

The purpose of this article is to explore changes in the public's holdings of liquid assets during previous recoveries to provide a background for evaluating changes in liquid assets in the present recovery.[1] Changes in these liquid assets, which occurred prior to the August 1954, April 1958, and February 1961 lower turning points, will also be compared, since these changes affected subsequent developments. This analysis may place the recent past in better perspective and cast some light on future developments.

The 1960-61 recession, according to most measures of activity, was mild compared with the 1953-54 and 1957-58 contractions. Industrial production decreased 7 per cent as against an average of nearly 12 per cent in the earlier declines (see Chart I). Moreover, the recent recession, a nine-month decline, was shorter than the 1953-54 downturn but of about the same duration as the 1957-58 recession.

Chart I

Industrial Production



Advances in economic activity which apparently began in February or March of this year continued in April and May with virtually all sectors of the economy showing signs of renewed vigor.[2] The Federal Reserve Board's index of industrial production in April was 105 per cent of the 1957 average, up 3 per cent from the February low. Preliminary data suggest that the upturn continued in May.

Bank Reserves

Monetary and debt management policies, which affect the public's holdings of currency, bank deposits, and short-term Government securities, are flexible and may vary with the stages of the business cycle. Furthermore, since many factors change, such as the intensity of business fluctuations, economic stabilization policies will of necessity and by design vary between comparable phases of business cycles.

The Federal Reserve System conducts monetary policy primarily by effecting changes in member bank reserves. An increase in the total volume of reserves permits commercial banks to expand credit and the money supply; a decrease has the opposite effect. Viewed in this manner, the System followed a more expansionary policy, both in magnitude and timing, during the recent recession than in either of the two previous business declines.

From May 1960 to February 1961 total effective reserves of member banks expanded at an annual rate of 6 per cent[3] (see Chart II). Virtually all of this increase occurred in the five months from June to November 1960. An initial result of this rather large increase in reserves was to build up excess reserves of the banking system and thereby provide a basis for

[1] For analysis purposes, May 1960 and February 1961 will be arbitrarily used as the peak and trough of the most recent cycle. Other turning points used in this article are the reference dates selected by the National Bureau of Economic Research.

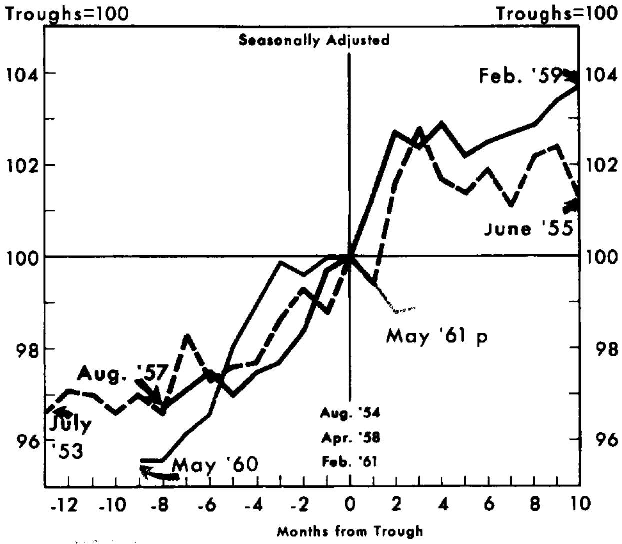
[2] See "Current Developments" in this issue.

[3] Effective reserves are total reserves of member banks adjusted for seasonal influences and for changes in legal required reserve percentages.

subsequent bank credit expansion. Accordingly, from November through May, banks used these excess reserves to expand credit and deposits even though total reserves were about unchanged.

Chart II

Total Effective Reserves*



*Effective reserves are total reserves of member banks adjusted for seasonal influences and changes in legal reserve requirements.

During the 1953-54 and 1957-58 recessions, bank reserves expanded at slower annual rates, 3 per cent and 5 per cent, respectively. The growth in reserves during the 1953-54 recession did not begin until five months of recession had elapsed. In the 1957-58 recession reserves did not begin to climb significantly until three months after the economy began to turn down.

Following the August 1954 and April 1958 troughs of business activity, bank reserves continued to expand sharply for several months before leveling off. In contrast, from February to May 1961 total bank reserves declined. However, by utilizing excess reserves which were previously built up to abnormally high levels, banks were able to support an increasing volume of deposits.

Money Supply

The money supply, defined as demand deposits and currency outside banks, expanded at an annual rate of 1.2 per cent in the recession from May 1960 to February 1961 (see Chart III). By comparison, the money supply grew at an annual rate of 1.5 per cent during the 1953-54 recession and was about unchanged on balance in the 1957-58 downturn.

In the first eight months of recovery following the April 1958 trough, the money supply expanded at an annual rate of 4.8 per cent and then continued to expand at a slower rate. In the first six months of the 1954-55 recovery the money supply expanded at an annual rate of 5.1 per cent and in the subsequent months the rate of expansion was more modest. Despite the contraction of reserves in recent months, the money supply increased at a 3.1 per cent annual rate from February to the first half of May. What happens to the money supply during the remainder of the present recovery will be determined largely by the quantity of reserves which the banking system obtains.

Time Deposits

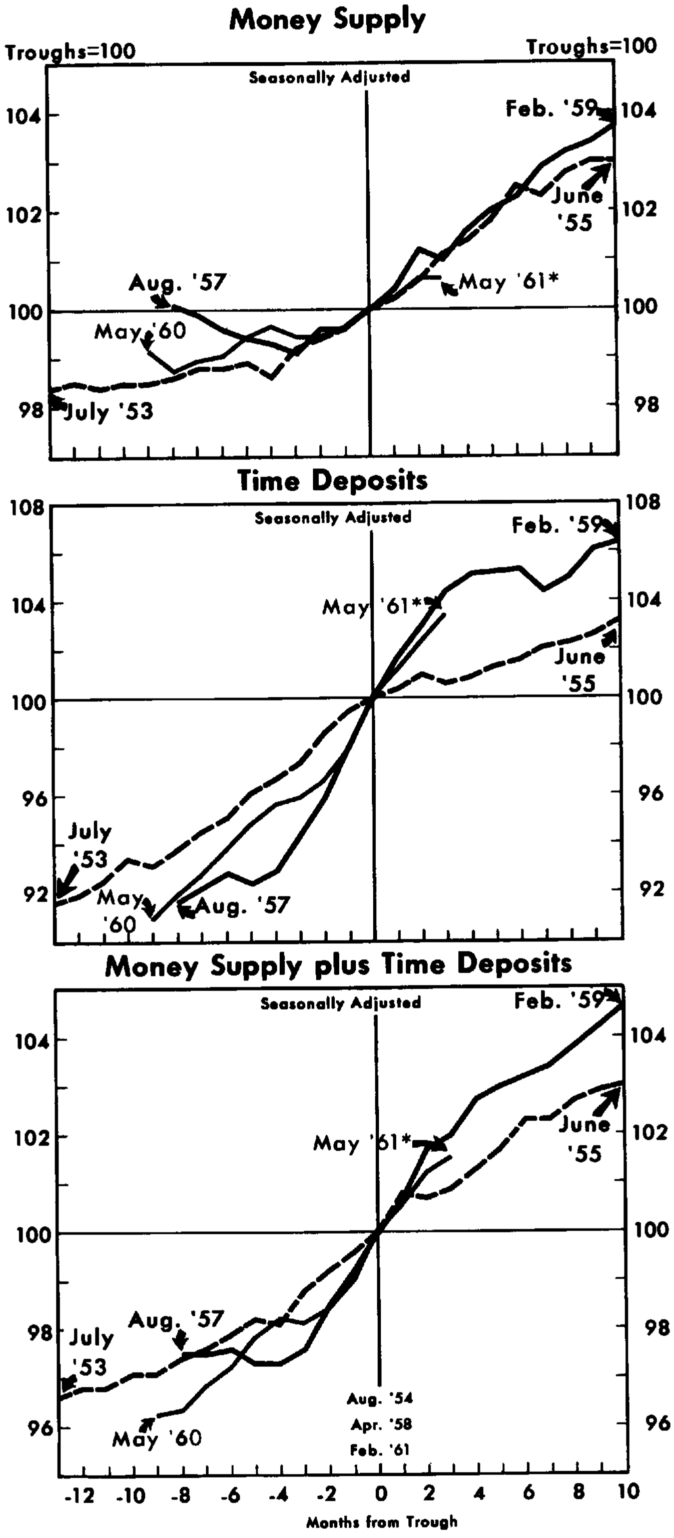
Time and savings deposits expanded sharply in the 1960-61 recession (an annual rate of nearly 14 per cent). A similar rate of increase occurred during the 1957-58 recession, and a somewhat slower rate of expansion occurred in the 1953-54 downturn (see Chart IV). The rate of growth in time and savings deposits subsided somewhat in the recovery following the August 1954 trough. On the other hand, these deposits continued to expand sharply for several months after the April 1958 low. The growth in time and savings deposits during the first two and one-half months of the present recovery approximated the rate of expansion following the April 1958 trough.

Over the past decade time and savings deposits have increased most rapidly during periods of economic contraction. Interest rates on high-grade marketable securities are generally low during periods of recession. The decline in these rates enhances the desirability of holding time and savings deposits which earn a relatively steady rate of return. For example, in the nine months ending with February 1961 most short-term money market rates were below the 3 per cent maximum rate allowable on time and savings deposits. The rate on three-month Treasury bills averaged about 2.4 per cent in this period. During the other recessions under discussion, the spread between short-term money market rates and the maximum rate banks were permitted to pay on time and savings accounts was large also. In periods of increased economic activity, when the demands for credit push up interest rates on marketable securities, the relative attractiveness of holding time deposits diminishes.

Money Supply Plus Time Deposits

Total commercial bank deposits and currency, a broader concept of money, expanded at an annual rate of 5.2 per cent during the 1960-61 recession (see Chart V). This compares with annual rates of growth of 3.2 per cent and 3.9 per cent during the 1953-54 and 1957-58 recessions, respectively. The more rapid growth in total deposits during the recent recession reflects the larger increase in member bank reserves.

Charts III, IV, V



*based on 15 days

During the first five months of the 1958-59 recovery, the money supply defined above increased at an average annual rate of 7.1 per cent and then continued to expand at a reduced rate. This broader definition of money expanded at an annual rate of 4.6 per cent in the six months following the August 1954 trough before the rate of increase subsided significantly. From February to the first half of May of this year, total deposits plus currency rose at an annual rate of about 7.2 per cent. From Chart V it can be observed that the expansion in money supply plus time deposits thus far in the current recovery has been slightly greater than that which occurred during the comparable period of the 1954-55 expansion but somewhat less than in corresponding months of the 1958-59 recovery.

Short-term Government Securities

Government securities within one year to maturity are important liquidity instruments and, like time deposits, are sometimes referred to as a "near money." Changes in the quantity of these debt instruments are largely at the discretion of the Treasury,[4] whereas changes in the volume of commercial bank deposits are influenced to a great extent by the Federal Reserve System. The Treasury has various objectives in managing the public debt other than the public's liquidity.

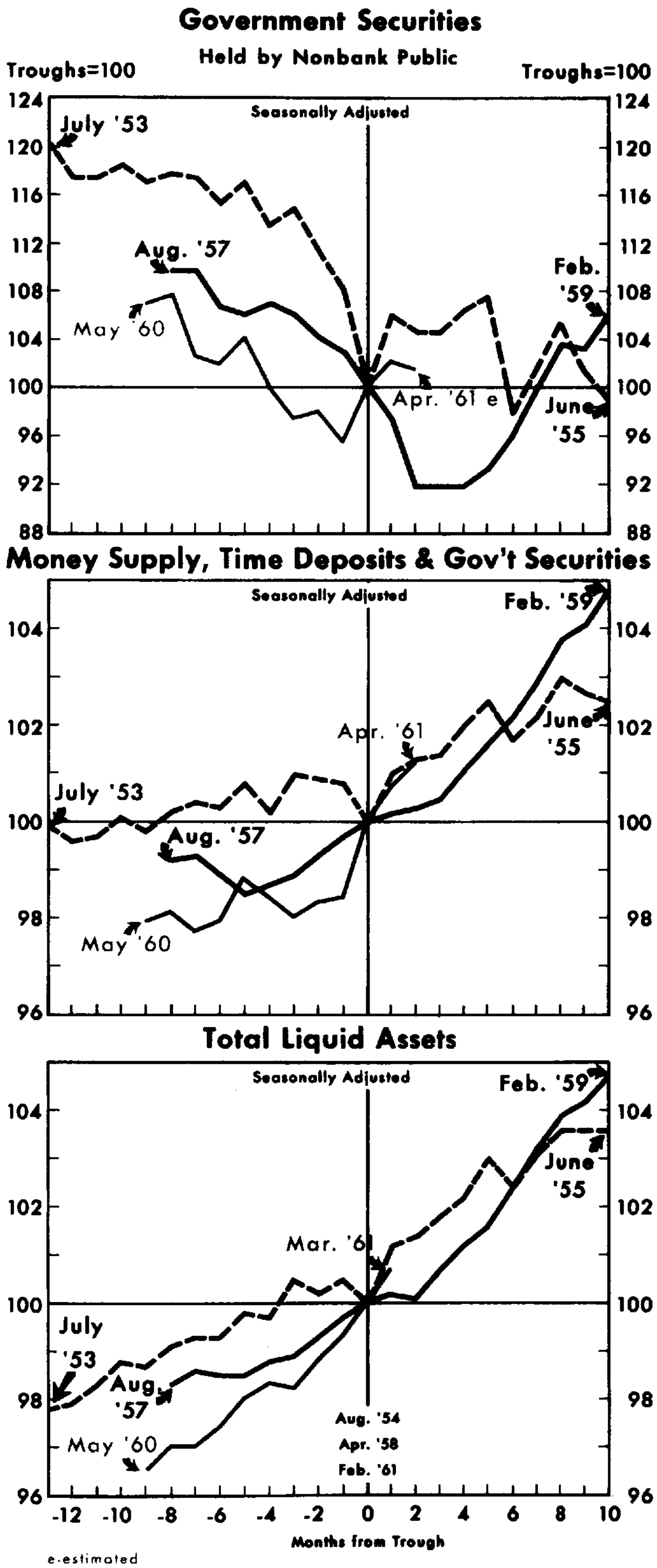
The quantity of short-term Government securities in the hands of the nonbank public declined during the 1960-61 recession. However, during the two previous periods of economic contraction the decreases in these liquid instruments were even greater, on balance. From May 1960 to February 1961 the quantity of short-term Governments declined at an annual rate of 9.3 per cent. In the 1953-54 and 1957-58 recessions they contracted at annual rates of 15.6 per cent and 13.2 per cent, respectively.

From February to April 1961 short-term Governments expanded at an estimated annual rate of 12 per cent. In the first five months following the August 1954 trough, the quantity of these liquid assets rose

[4] The Federal Reserve System also influences the quantity of these debt instruments in the hands of the nonbank public through its open market operations.

at an annual rate of 18 per cent, although they declined later. By contrast, in the first four months of the 1958-59 recovery, they decreased at an annual rate of 25 per cent and subsequently rose.

Charts VI, VII, VIII



Money Supply, Time Deposits, and Short-term Governments

Money supply, time deposits, and short-term Government securities are important liquidity instruments. The Federal Reserve System influences the quantity of bank deposits, and the Treasury and Federal Reserve together influence the volume of short-term Government securities in the hands of the public. The sum of these assets represent that portion of the nation's liquid assets that are in large measure determined by public policy.

Publicly controllable liquid assets expanded at an annual rate of 2.7 per cent during the 1960-61 recession (see Chart VII). This compares with almost no net change during the 1953-54 recession and about a 1 per cent annual rate of increase during the 1957-58 recession. To the extent that increases in the public's holdings of liquid assets stimulate total demand for goods and services, public policy was more expansionary in the past recession than in either of the preceding downturns.

In the ten months following the April 1958 trough publicly controllable liquid assets rose at an annual rate of 5.8 per cent. In the first six months of the 1954-55 recovery these assets expanded at an annual rate of 3.4 per cent before the rate of growth in these assets began to subside. From February to April 1961 these assets expanded at an annual rate of 8.3 per cent. This was about the same rate of expansion that occurred in the like number of months following the August 1954 trough and well above the early expansion following the April 1958 low.

Total Liquid Assets

Savings and loan shares, deposits in mutual savings banks, and United States savings bonds are also important liquid assets of the public. A broader measure of the public's holdings of liquid assets is obtained by combining these assets with what has been termed above "publicly controllable liquid assets." This measure, which will be referred to as "total liquid assets," rose at an annual rate of 4.8 per cent during the 1960-61 recession. By comparison, total liquid assets rose at an annual rate of only 2.0 per cent in the 1953-54 recession and 2.5 per cent in the recession of 1957-58.

Preliminary indications, based primarily on the growth of publicly controllable liquid assets, suggest that the rapid expansion in the nation's holdings of total liquid assets has continued into the present recovery period. In the 1958-59 recovery total liquid assets leveled off for several months after the trough and then expanded quite rapidly. Following the

August 1954 trough, total liquid assets rose markedly for five months and then increased at a slower rate.

Interest Rates

During the 1960-61 recession, both short-term and long-term interest rates declined less than in earlier recessions (Charts IX and X). Yields on three-month Treasury bills declined about 35 per cent compared with an average of 75 per cent during the two previous recessions. Interest rates on long-term Government bonds decreased 11 per cent as against an average contraction of 20 per cent in the two earlier downturns. The level of interest rates dropped sharply, however, from January to May 1960, several months prior to the onset of the recession.

The smaller decline in the general level of interest rates during the 1960-61 recession does not appear to have been the result of monetary restraint. As pointed out above, bank reserves, bank credit, and the money supply, defined narrowly or broadly, rose at rates which compare favorably with expansions that occurred in the two earlier recessions. Among the factors which may have tended to resist interest rate reductions in the 1960-61 downturn were a large outflow of funds from the country and the relative mildness of the recession. The mildness of the recession may have resulted in a smaller than usual cyclical decline in total demands for credit.

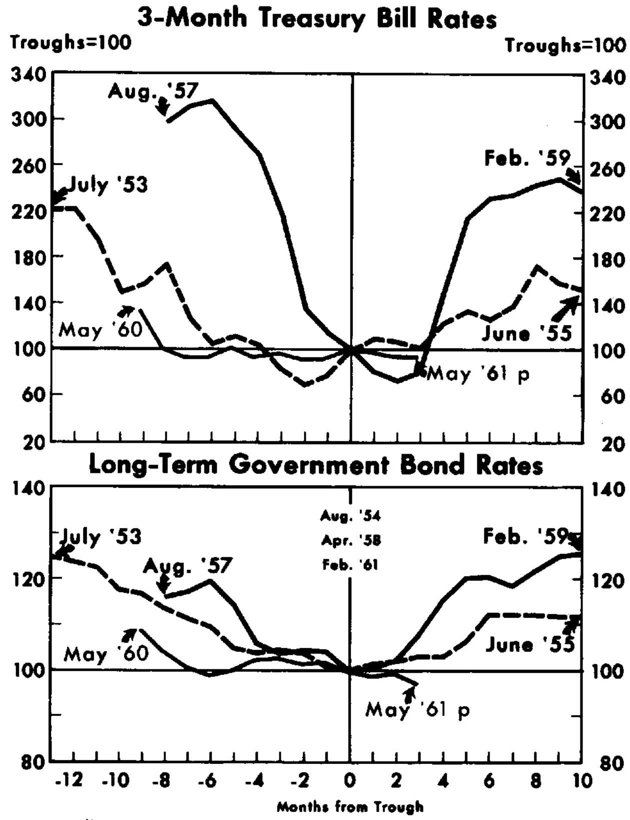
During the first three months of the current recovery (February to May 1961) short-term interest rates showed little net change (Chart IX). Similarly, in the corresponding periods of the two previous recoveries, yields on these obligations changed only slightly. However, in the fourth month following the trough in each of the two previous business upturns interest rates on Treasury bills rose markedly, and this rise continued for several months.

From February to May 1961 interest rates on long-term Government bonds were also virtually unchanged (Chart X). By contrast, interest rates on these securities rose in the comparable periods of the 1954 and 1958 recoveries. Federal Reserve purchases of long-term obligations during the February-May period this year may have had a depressing influence on this rate.

Summary

To the extent that the public's decisions to spend are influenced by its holdings of money and near monies, monetary policy and debt management decisions were more expansionary in the 1960-61 recession than in the corresponding periods of the 1953-54 and 1957-58 recessions. At the same time, the 1960-61 recession was milder than the two previous recessions.

Charts IX, X



p-preliminary

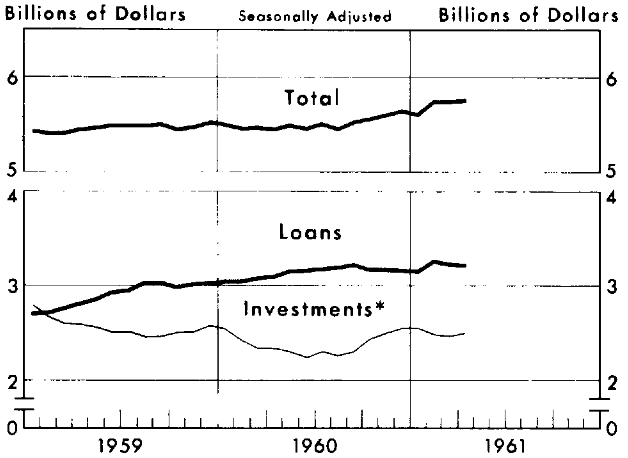
Bank reserves increased sharply very early in the 1960-61 recession. As a result, the money supply, whether defined narrowly or broadly, expanded at a rapid rate relative to growth rates in the early stages of the other recessions. Likewise, the contraction in the quantity of short-term Government securities in the hands of the public was at a lesser rate, on balance, than in either of the previous downturns. Interest rates did not decline as sharply in the 1960-61 recession as in previous downturns, probably reflecting in part a stronger demand for credit during this recession.

During the first three months of the current business recovery (from February to May), the money supply of the country expanded less rapidly than in the two previous recoveries. The growth in the money supply, defined to include time deposits, approximated the rates of increase during the early months of the two previous economic upturns. Apparently, the volume of short-term Government obligations outside banks also rose. Interest rates on marketable securities showed little net change.

DISTRICT DATA

Bank Credit

8th District Member Banks

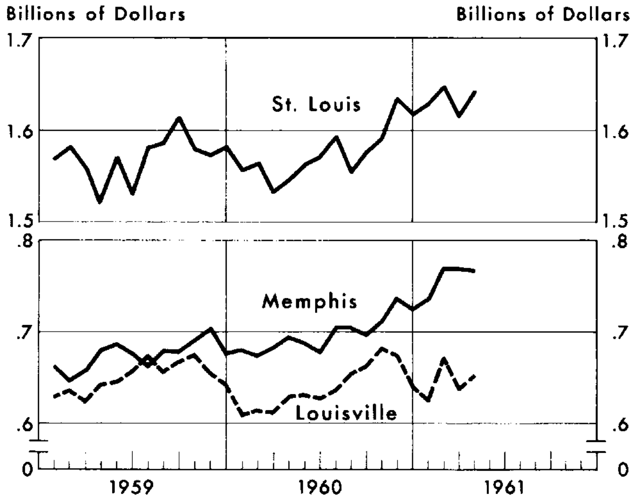


*Not adjusted seasonally

Latest data plotted: April

Total Deposits*

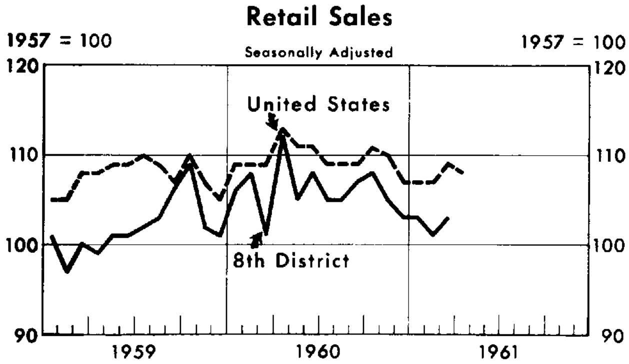
Weekly Reporting Banks - Selected District Cities



*Last Wednesday of month

Latest data plotted: April

Retail Sales



Latest data plotted: April preliminary

Source: U.S. Department of Commerce

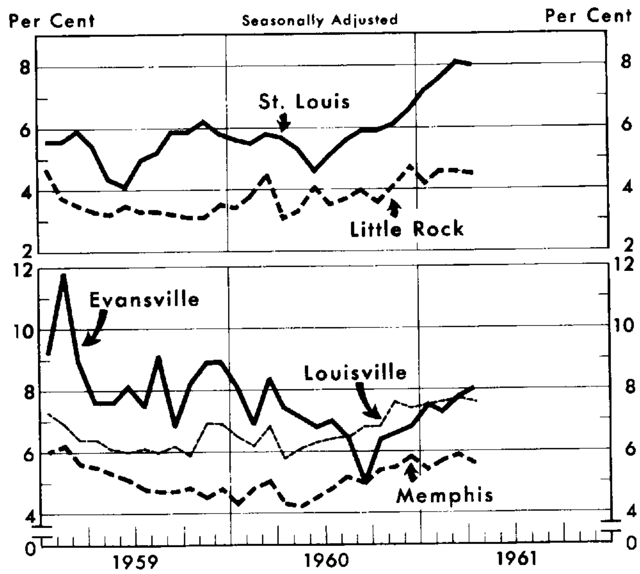
BANK DEBITS[1]

Reporting Centers	Three Months Ending with April 1961 (In Millions)	Percentage Change from Previous Three[2] Months	Like Three Months a Year Ago
Arkansas			
El Dorado	$ 98	+ 2%	-0-%
Forth Smith	191	+ 2	+ 6
Helena	35	+ 3	— 3
Little Rock	740	-0-	+ 3
Pine Bluff	144	— 5	— 1
Texarkana	76	— 5	-0-
Illinois			
Alton	129	— 6	— 6
East St. Louis & Nat'l Stock Yds.	403	— 4	— 4
Quincy	148	— 2	+ 2
Indiana			
Evansville	501	— 6	— 2
Kentucky			
Louisville	2,692	-0-	— 1
Owensboro	165	— 3	+ 2
Paducah	113	— 3	+ 2
Mississippi			
Greenville	98	— 2	— 1
Missouri			
Cape Girardeau	63	— 4	— 4
Hannibal	40	— 3	+ 4
Jefferson City	393	—14	+ 7
Sedalia	57	+ 1	+ 7
St. Louis	8,376	— 1	+ 1
Springfield	326	— 4	— 1
Tennessee			
Jackson	96	— 7	+ 2
Memphis	2,894	+ 1	+11
Total	$17,778	— 1%	+ 2%

[1] Debits to demand deposit accounts of individuals, partnerships and corporations and states and political subdivisions.
[2] Adjusted for seasonal influences.

Unemployment

as a Per Cent of Civilian Labor Force



Latest data plotted: April

Source: State employment data