

**Jan. 1962**

**FEDERAL RESERVE BANK OF ST. LOUIS**

# *Review*

## *The Economic Recovery of 1961*

THE TEMPO OF BUSINESS increased during most of 1961. Although the country was in the fourth postwar recession as the year began, the decline was quickly halted. Economic activity surged in the spring but paused during the late summer and early fall. In the final quarter of the year there was a renewed upswing in production, employment, incomes, and sales. This issue reviews economic conditions during 1961 with emphasis on monetary and fiscal developments.



**VOL. 44 • No. 1 • JAN. '62**

**FEDERAL RESERVE BANK  
OF ST. LOUIS**

**P. O. Box 442 • St. Louis 66, Mo.**

# The Economic Recovery of 1961

## Early 1961—Decline and Trough

**T**HE LAST STAGE of the 1960-1961 business recession was reached in the early months of 1961. However, at the time it was not clear how far the decline might proceed or how long it would last. With the advantage of hindsight it now appears that the low point in activity was reached in February. A brief review of the business contraction will be followed by a discussion of fiscal and monetary developments which preceded the turnaround in activity.

## Background of the Recovery

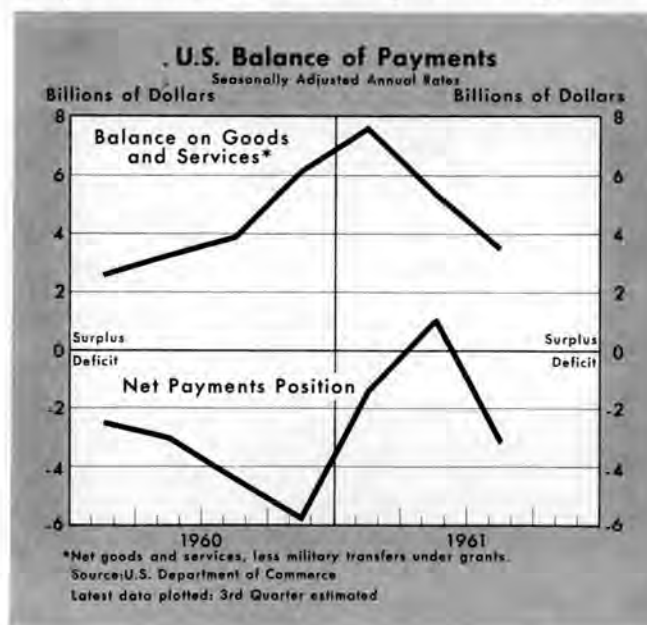
General business activity declined markedly from May 1960 to February 1961. During the nine months, industrial production decreased 7 per cent. Unem-



ployment rose from 5.1 per cent of the civilian labor force to 6.8 per cent. Personal income failed to rise, and retail sales in February were 3.3 per cent below the peak month level. Average prices were about unchanged during the period.

As in the two previous recessions, the 1960-1961 decline was dominated by a shift from business inventory expansion to contraction. Inventories, which rose at a \$5.4 billion annual rate in the second quarter of 1960, rose at a reduced rate of \$2.4 billion in the third quarter. They were liquidated at an annual rate of \$1.9 billion in the fourth quarter of 1960 and at a rate of \$4.0 billion in the first quarter of 1961.

During the late 1960-early 1961 period, monetary and fiscal policies were conducted against the backdrop of an unfavorable international balance of payments situation. In the last two quarters of 1960 the net payments position of the United States deteriorated rapidly, reflecting large outflows of short-term capital. The large volume of outpayments led to a heavy transfer of United States gold to foreign owner-



ship and to reports of dollar weakness and rumors of impending devaluation. In the first quarter of 1961 the payments deficit was \$1.4 billion (annual rate),

in sharp contrast to the \$5.7 billion deficit during the fourth quarter of 1960. Confidence in the dollar increased considerably, but the fear that the United States was vulnerable to massive capital outflows was not entirely dissipated.

One of the important factors inducing short-term capital outflows from the United States was the fact that short-term interest rates in the United States were substantially below rates in many foreign money markets, particularly in Western Europe. A problem confronting policymakers in this period was that the objective of arresting short-term capital outflows called for relatively higher short-term interest rates while the objective of offsetting the recession called for substantial bank credit expansion, a development which normally tends to depress rates of interest.

### *Monetary and Fiscal Expansion*

Both monetary and fiscal developments tended to ameliorate and reverse the business downturn. These actions became more vigorous during the later phases of the contraction despite the country's adverse balance of payments.

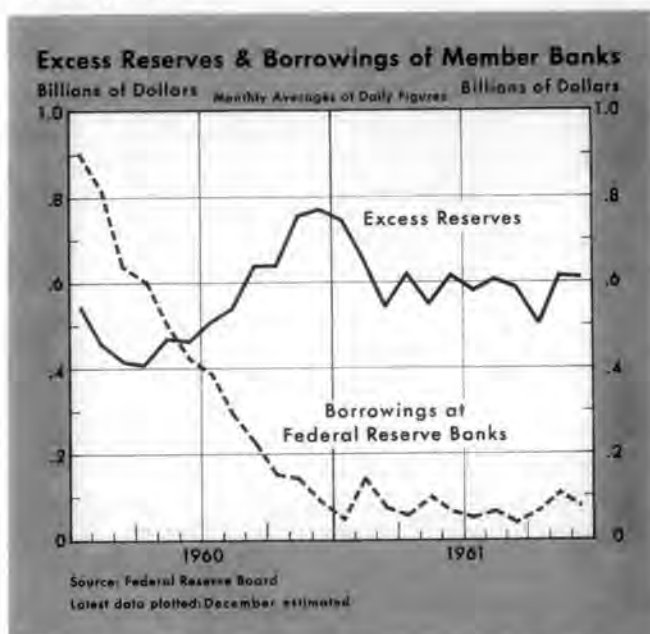
Government fiscal operations were stimulative during the recession, especially in late 1960 and early 1961. Largely as a result of changes accompanying the slackening in economic activity, Federal expenditures increased and receipts decreased. Cash expenditures rose from a seasonally adjusted annual rate of \$94.4 billion in the second quarter of 1960 to a rate of \$99.6 billion in the first quarter of 1961. Larger outlays were partly the result of stepped up unemployment compensation and other transfer payments. Over the same period, Federal cash receipts decreased from an annual rate of \$100.0 billion to \$90.0 billion, reflecting declines in personal income and corporate profits.

As a consequence of increased expenditures and falling receipts, the cash budget of the Treasury shifted from a \$6.0 billion surplus (seasonally adjusted annual rate) in the second quarter of 1960 to a \$2.4 billion surplus in the fourth quarter, and to a \$9.2 billion deficit in the first quarter of 1961. The income and product account budget moved from a surplus of \$4.5 billion (seasonally adjusted annual rate) in the second quarter of 1960 to a \$0.4 billion surplus in the fourth quarter, and to a \$5.5 billion deficit in the first quarter of 1961.

Bank reserves increased substantially during the business decline, and the rate of increase in the

money supply rose progressively. Total reserves of member banks, adjusted for seasonal influences and changes in legal reserve requirements, increased from \$18.4 billion in May 1960 to \$19.2 billion in February 1961, an annual rate of increase of 5.8 per cent. Reserves expanded earlier and more rapidly in the 1960-61 recession than in the two previous downturns.

The increase in bank reserves resulted chiefly from System actions. Net open market purchases provided about \$915 million in reserves, seasonally adjusted, from May 1960 to February 1961. In addition, the System released roughly \$2 billion of reserves during the latter half of 1960 by allowing member banks to count cash in vault as part of their reserve requirements. A large offset, however, resulted from the gold outflow. During the summer months of 1960 the discount rate at which member banks borrow from Reserve Banks was lowered in two steps from 4 to 3 per cent. Nevertheless, member bank borrowing from the Reserve Banks fell sharply, declining from a \$502 million average in May 1960 to \$137 million in February 1961.



With greater total reserves, banks expanded credit, thereby increasing deposits and the amount of reserves required. Required reserves rose less than total reserves; thus, banks held more excess reserves. Total loans and investments of commercial banks increased at an annual rate of about 7 per cent from May 1960 through February 1961. Net purchases of investments accounted for the bulk of the credit expansion. Holdings rose from \$75.0 billion in May 1960 to \$82.6 billion in February 1961, an annual rate of increase

of almost 14 per cent. Loans, seasonally adjusted, increased moderately in this period, with most of the gain occurring in February.

The liquidity of the commercial banking system, according to most measures, increased during the recession. The ratio of loans to deposits declined from 56.2 per cent in May 1960 to 53.7 per cent in February 1961. In this same period commercial banks substantially increased their holdings of high-grade, short-term marketable securities, mostly Treasury bills.

Reflecting the increase in bank reserves and credit, the money supply (demand deposits adjusted plus currency outside banks) rose at progressively increasing rates. After declining at a 3.0 per cent annual rate from July 1959 through June 1960, the money supply increased at an annual rate of 0.9 per cent from the second half of June to the second half of November 1960. In the subsequent four months, the second half of November 1960 to the second half of March 1961, the money supply expanded at a more rapid rate, 4.5 per cent per annum.

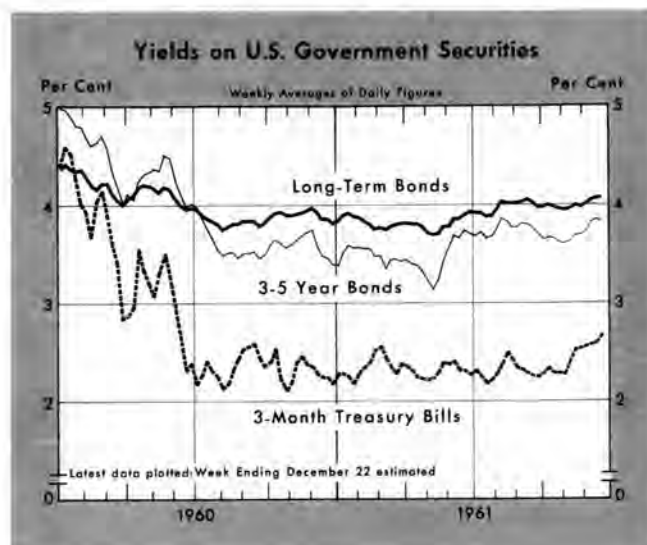
A similar pattern developed in the rates of change of the money supply plus time deposits. Money defined in this broad way declined at an annual rate of 1.6 per cent from July 1959 through June 1960. From the first half of June to the second half of November 1960 this money magnitude increased at an annual rate of 5.4 per cent and then at an annual rate of 8.0 per cent from the second half of November 1960 to the second half of March 1961.

Short-term Government securities in the hands of the nonbank public, a close substitute for money, declined during the last half of 1960. However, beginning in February 1961 the public's holdings of these debt instruments increased. Other liquid assets of the public, such as savings and loan shares and deposits in mutual savings banks, increased rapidly during the second half of 1960 and the early months of 1961.

Total liquid assets of the public rose at a rapid rate in late 1960 and early 1961, partly as a result of the sharp increases in the money supply and in commercial bank time deposits. Cash and other liquid balances may have grown faster than the desires of individuals and businesses for these balances. Whenever the public's actual holdings of liquid assets become greater than its desired holdings, spending and other outlays tend to expand. The money supply,

defined either narrowly or broadly, has increased rapidly during the late recession and early recovery periods of each of the three business cycles of the past decade.<sup>1</sup>

Interest rates remained relatively stable from mid-1960 through the early months of 1961. Usually, during a recession the demand for credit contracts and



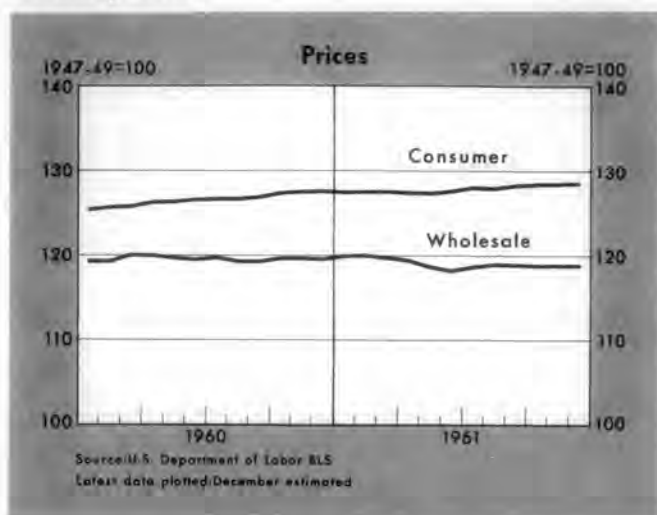
interest rates decrease. In late 1960 and early 1961, however, a sizable outflow of funds to other countries may have largely offset the downward pressure on rates. The discount rate was maintained at 3 per cent, roughly 65 basis points above the three-month Treasury bill rate. From October 1960 to February 1961 average stock prices rose 16 per cent, reducing dividend-price ratios from 3.60 per cent to 3.13 per cent. The sharp rise in value of stock holdings may have increased the holders' propensities to spend and invest.

The foregoing discussion suggests that during late 1960 and early 1961 a number of factors may have been operating in the direction of increasing total demand for goods and services and turning the economy from recession to recovery. Government expenditures were exceeding receipts. Both the money supply and time deposits in commercial banks were rising rapidly, contributing to satisfaction of the public's demand for liquidity. Also, business adjustments had occurred; for example, business inventories had declined significantly. In this setting the course of the economy reversed about February, though it was not until spring that the change became evident and confirmed.

<sup>1</sup> See "Changes in Selected Liquid Assets 1951-1961" in the October issue of this *Review*.

## Spring and Summer—Recovery

Economic activity quickened in the spring of 1961 and advanced at a very rapid pace into early summer. The advance in economic activity moderated during the summer and early fall. Consumer prices rose slightly from February to September (about 1 per cent annual rate). Wholesale prices in September, despite increases after midyear, were below their February level.



From the first to the third quarter, Treasury receipts rose relative to expenditures. Total member bank reserves, which had been expanding at a rapid rate, declined moderately. There was little change in the money supply during the period. How these developments may have been correlated with the public's desires to hold liquid assets cannot be definitely known.

### *Business Expands Rapidly, then Moderates*

Physical output of mines, factories, and utilities expanded sharply from February to June, 8.1 per cent, compared with increases of 9.0 per cent and 4.1 per cent in the corresponding periods of the 1958 and 1954 recoveries. Gains in production were widespread, but, as in other recoveries, increases were most pronounced in the output of materials, especially primary metals.

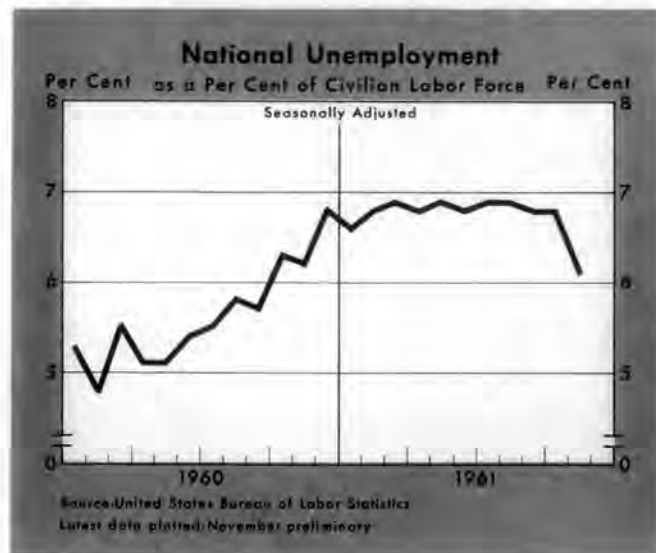
The rapid advance in production which characterized the early months of recovery slowed in the period from June to September. In contrast to a 2.0 per cent average monthly increase during the February-June period, the rate of expansion was only 0.2 per cent per month from June through September. Output actually declined from August to September, chiefly as a result of work stoppages in the automobile industry and loss of work due to hurricane Carla.

As in the two previous recoveries, increases in construction provided an important impetus to the rise in economic activity. Preceding the general upturn in business, the number of housing starts began climbing in January 1961 and rose irregularly through September. The increase was especially sharp during the six months ending in June. From June through September there was only a slight additional rise in housing starts.

The increase in productive activity was accompanied by improvements in the labor market. From mid-February to mid-June total employment, seasonally adjusted, rose slightly (0.8 per cent). In addition, the average workweek lengthened, overtime increased, and, consequently, take-home pay rose. Moreover, the number working part time declined nearly 30 per cent. However, the number of unemployed also rose from February to June.

Employment, seasonally adjusted, declined from mid-June to mid-September. Part of the decrease resulted from work stoppages due to strikes and adverse weather conditions during the latter survey period. Unemployment also declined somewhat more than seasonally during the three-month period.

Throughout the February-September period the proportion of unemployed in the civilian labor force<sup>2</sup> was about unchanged, remaining just under 7 per cent. There were significant changes in the composition of the unemployed, however. The unemployment rate of those previously employed in manufac-



turing fell substantially from February to September, while the unemployment rate among those previously engaged in trade increased.

<sup>2</sup> The civilian labor force is defined as the sum of civilian employment and unemployment.

Retail sales rose at a seasonally adjusted annual rate of 6.6 per cent from February to June. From the first to the second quarter of 1961 all personal consumption expenditures, which include purchases of services as well as goods, increased at an annual rate of 6.4 per cent.

Personal income rose more rapidly than spending from February through June. Saving as a share of disposable (after tax) income increased, from 6.7 per cent in the first quarter to 7.1 per cent in the second quarter of 1961. Time deposits, savings and loan shares, and most other forms of liquid assets (except money) rose rapidly during this period, reflecting the growth in savings. In addition to building up savings, consumers reduced their indebtedness.

In contrast to the sharp increase during the February-June period, personal income rose at a moderate pace (0.9 per cent annual rate) from June to September. This slowdown in the rate of increase in incomes was accompanied by a decline in the rate of expansion of personal consumption expenditures. The rate of saving rose further, from 7.1 per cent of disposable income in the second quarter of 1961 to 7.3 per cent in the third quarter.

From the first quarter to the second quarter of 1961, the first quarter of recovery, total spending on goods and services increased substantially, 3.1 per cent. From the second to the third quarter of the year, the growth in spending was less, 1.9 per cent. The increase was greater in the second quarters of the

two previous recoveries, 3.0 per cent in 1958 and 3.6 per cent in 1954.

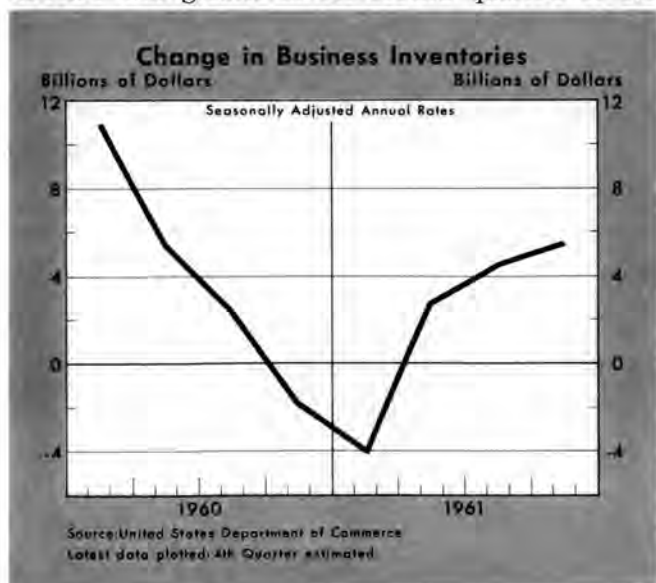
A \$6.8 billion rise in net business spending on inventories accounted for 44 per cent of the rise in the total demand for goods and services during the first quarter of recovery. The rate of expansion in spending on inventories slowed during the second quarter of recovery, rising only \$1.7 billion. By contrast, during the 1958-1959 and 1954-1955 recoveries the pickup in inventories accelerated through the second quarter.

The deficit in the United States balance of payments increased from the first to the third quarters of 1961, mainly because of the advance in imports accompanying domestic recovery.<sup>3</sup> Nevertheless, during the first three quarters of the year the deficit was substantially below that of the three previous quarters. Although the basic problem of the payments deficit continued to plague the United States during this period, the fear of speculative capital movements and possible "runs" on the dollar lessened considerably. There was little evidence of any large speculative short-term capital outflow during the second and third quarters of 1961.

Confidence in the international payments system was markedly strengthened. In March, European central bankers entered into an agreement to provide Great Britain with temporary assistance to offset a sudden withdrawal of short-term funds from London. Fear of disruptive capital movements was further reduced by international agreement at the September meeting of the International Monetary Fund. Member nations agreed in principle to permit the IMF to borrow approximately \$5 billion in selected currencies. This agreement increased the ability of the Fund to offset the effects of speculative movements of short-term capital.

### *Government Deficit Declines and Money Remains Unchanged*

During the early months of the recovery Government operations became less stimulative than at the bottom of the recession. Government cash receipts rose substantially in the second and third quarters of 1961, the initial two quarters of the recovery, reflect-



<sup>3</sup> The recorded surplus in the second quarter (see chart) reflected primarily the prepayments of foreign government debts to the United States.

ing improvement in incomes and profits. Although Government purchases of goods and services rose slightly, the cash deficit declined from a \$9.2 billion annual rate in the first quarter of 1961 to \$3.6 billion in the third. This \$5.6 billion decrease in the deficit compares with an increase of \$7.6 billion in the first two quarters of the 1958 recovery and a moderate decline of \$2.6 billion in the like period of the 1954-1955 recovery. The income and product account deficit declined from a \$5.5 billion annual rate in the first quarter of 1961 to a \$1.5 billion annual rate in the third quarter.

Reserves of member banks, seasonally adjusted, declined at an annual rate of 1.9 per cent from February through July. This followed the rapid expansion in total member bank reserves during most of 1960 and the early part of 1961. In the February to

July period, however, Treasury deposits decreased about \$1.8 billion, and as a result total reserves less reserves required to support Treasury deposits expanded at an annual rate of 1.6 per cent. This rate of increase was the same as in the corresponding period of the 1954 recovery but much less than in the like period of the 1958 expansion.

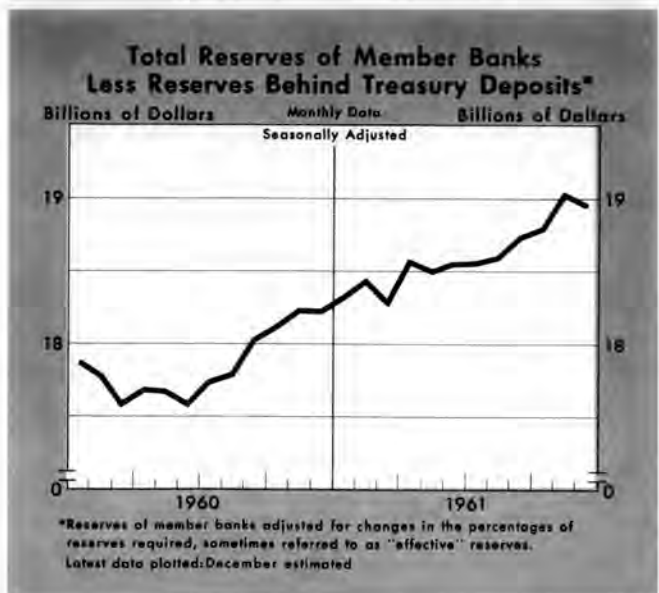
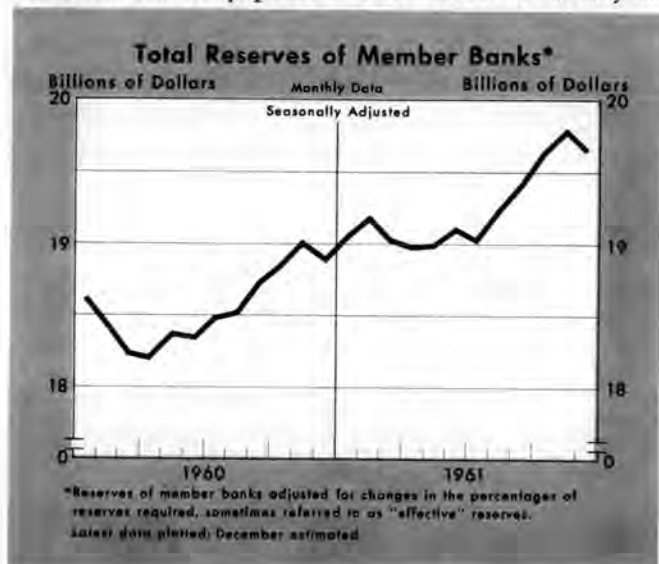
On February 20 the Federal Reserve System announced that the Open Market Account would purchase U. S. Government notes and bonds of varying maturities. In this way, net System purchases could be accomplished without putting direct pressure on short-term interest rates. From 1953 to early 1961, transactions for the System Account, except in connection with disorderly markets, were made in Treasury bills or other very short-term U. S. Government securities.

From February through July the Federal Reserve System, operating under the altered policy, purchased over \$2 billion gross of Government securities with maturities of more than 15 months. Most of the purchases outside the short-term sector were concentrated within the five-year maturity range, although some open market purchases of longer term Government bonds were made. There was little change in interest rates during the period, but it is difficult to infer what would have happened to interest rates had the operation not been undertaken.

Despite the decline in total member bank reserves from February to July, total commercial bank credit, seasonally adjusted, expanded by \$5.4 billion, or at an annual rate of 6.5 per cent. The expansion in bank credit during a period of declining reserves is partially explained by two developments. Banks reduced their holdings of excess reserves by about \$73 million. The composition of bank deposits changed so that banks held more time deposits (5 per cent reserve requirement) and less demand deposits (reserve requirements averaging about 15 per cent).

Most of the \$5.4 billion expansion in total bank credit from February to July was in investments. Total loans, seasonally adjusted, rose only slightly. Outstanding advances to security dealers increased sharply, but most other categories of loans showed little net change.

The money supply, which increased at an annual rate of 4.5 per cent in the four months ending with the second half of March (also a period of rapidly



increasing reserves), declined at an annual rate of 0.3 per cent in the subsequent five months. Time deposits in commercial banks, however, expanded rapidly, at an annual rate of 12.6 per cent.

Money supply plus time deposits expanded at an annual rate of 4.2 per cent from the second half of March through the second half of August. This was substantially below the 8.0 per cent annual rate of increase in the preceding four months. As the economy moved from recession to rapid recovery, changes in liquidity desires of the public may have made some reduction in the growth rate of these highly liquid assets desirable.

Holdings of other liquid assets by the public increased during the February to August period. Short-term Government securities in the hands of the non-bank public, seasonally adjusted, changed only slightly. Other major liquid assets of the public, such as savings and loan shares and deposits in mutual savings banks, increased rapidly.



## Autumn and Early Winter—Expansion

The decline in member bank reserves which began in early April ended by late summer. After August both bank reserves and the money supply increased rapidly. In addition, time deposits at commercial banks expanded at a vigorous rate. Actual cash holdings of the public may have risen more rapidly than liquidity desires. The Federal Government continued to spend more than it received from taxes and other revenue sources.

Business activity picked up markedly during the last quarter of the year in contrast to the pause during the summer and early fall. From September to October production rose sharply and apparently continued to expand through the remainder of the year. Similarly, personal incomes and retail sales showed a rapid improvement from September to October and evidently continued their upward movement through November and December. Unemployment declined during the last quarter of 1961. At the same time little upward pressure on prices was apparent.

### *Vigorous Activity Resumed*

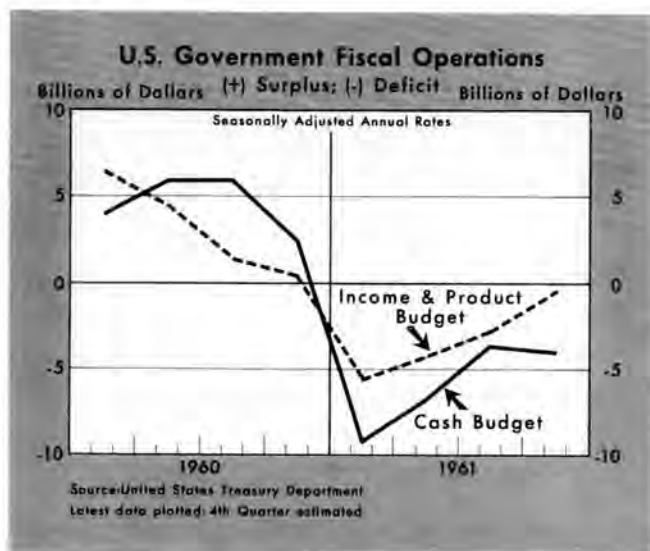
Industrial production expanded sharply (about 3 per cent) from September to November, reaching 114 per cent of the 1957 average. Indications are that it probably expanded further from November to December. Many industries shared in the improvement, but gains were particularly marked in the automobile and steel industries.

From mid-September to mid-November, total employment, seasonally adjusted, rose 1.4 per cent. During the same period the number unemployed declined more than usual for this time of year. As a result, the proportion of unemployed in the civilian labor force declined from 6.8 per cent in mid-September to 6.1 per cent in mid-November.

Personal income rose sharply from September through November (1.9 per cent) and probably increased further in December. Reflecting improvements in industrial activity, increases were most pronounced in wages and salaries of factory workers. Consumer spending rose during the period. Retail sales expanded 6.6 per cent from September through November. Preliminary data suggest that retail sales rose further in December.

## Continued Government Deficit and Rapid Monetary Expansion

During the fourth quarter of 1961 the cash deficit of the Government was estimated to be \$4 billion (seasonally adjusted annual rate). This was about the same level as the deficit in the previous quarter. Cash receipts of the Government rose as they usually do at this stage of the recovery in response to larger personal incomes and corporate profits. However, the rise in receipts was matched by greater cash outlays, primarily for defense and for agricultural price support programs.



In the income and product accounts, however, the Federal budget was almost balanced in the fourth quarter. By comparison, in the previous quarter there was a deficit at the annual rate of \$2.8 billion. The improvement reflected the accruing of enlarged tax liabilities on corporate profits. The difference in the two budgets in this period resulted primarily from the fact that corporate taxes were accrued in the income and product accounts but were not recorded in the cash budget.

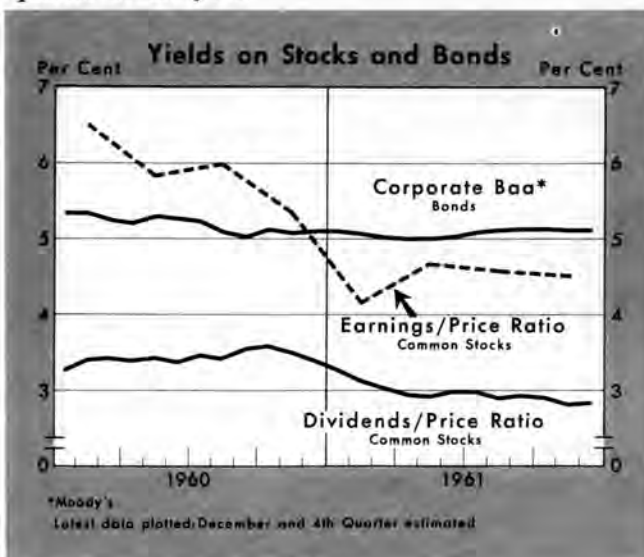
From late August to year end, the money supply increased at an estimated annual rate of 6 per cent after adjustment for seasonal influences. This rapid increase in the last four months of 1961 was in sharp contrast to the 0.3 per cent annual rate of decline in the money supply during the previous five months. Time deposits increased at an estimated annual rate of 11 per cent during the September to December period. As a result, money supply plus time deposits increased at an estimated annual rate of 8 per cent. Judged in the light of the past ten years, these were rapid rates

of increase. In the previous five months money, defined broadly, increased at an annual rate of 4.2 per cent.

Total bank credit expanded rapidly during the last four months of the year. Loans, which had increased at a moderate rate earlier in 1961, rose quite sharply. Most major categories of loans shared in the expansion. Business loans, which had shown relatively little change in the first eight months, increased more than seasonally, reflecting the pickup in business activity. Investments increased only moderately on balance from August through December.

Preceding the rapid expansion in the money supply by about one month, total reserves of member banks increased rapidly in August and continued to move up sharply during the remainder of the year. In contrast, reserves had declined at an annual rate of 1.9 per cent from February through July. Total reserves, exclusive of reserves behind Treasury deposits, began to increase in September, roughly coincident with the rise in the money supply, and rose at an advanced rate during the remainder of the year. Member bank borrowing continued to average below \$100 million during the fall, and excess reserves remained at roughly \$600 million.

Despite the rapid expansion in bank reserves and the money supply, short-term interest rates began to rise in early November, reflecting an increased demand for funds. The three-month Treasury bill rate, which had fluctuated around 2.35 per cent since mid-1960, rose to an average of 2.59 per cent in the first three weeks of December. Long-term rates also rose as the year end approached. Despite the rise in short-term rates, there was some outflow of gold in the last quarter of the year.

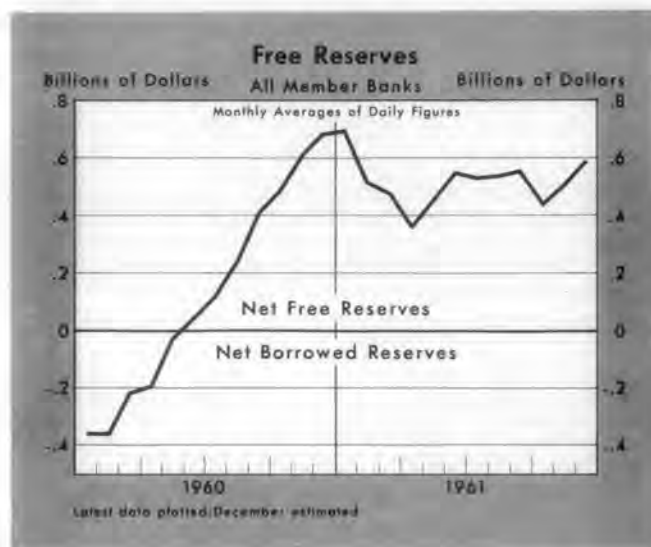


## Summary of Monetary Developments

There are numerous ways of viewing monetary developments. One is to observe monetary actions themselves in conjunction with business conditions. During 1961 business activity could be characterized in successive steps by recession, trough, rapid recovery, lull, and renewed expansion. System open market operations, seasonally adjusted, added considerably to member bank reserves early in the year, absorbed a moderate amount of reserves from March through July, and contributed a sizable volume of reserves during the last five months. There were no changes in reserve requirements of members banks, the discount rate, or margin requirements on stocks.

An analysis of changes in reserve positions of member banks is an alternative way of viewing monetary developments. There are two popular ways of measuring bank reserve positions. Some analysts regard levels and changes in "free reserves" (i.e., excess reserves minus borrowings from Reserve Banks) as significant measures of monetary developments. During most of 1961 free reserves remained virtually unchanged at about \$500 million. Judged by the past decade, this was a rather high level. Other analysts view changes in total reserves (or total reserves less those behind Treasury deposits) as a significant indicator of monetary action. These reserves rose rapidly during early 1961, leveled off during the spring and

summer, and rose quite rapidly during the remainder of the year.



Monetary developments may also be viewed in terms of the levels and changes in interest rates and the money supply. Interest rates on marketable securities were about unchanged during most of the year at a level higher than the average of the past ten years. Changes in the money supply roughly paralleled changes in total member bank reserves, rising markedly during the first quarter, pausing in the March to August period, and rising sharply again in the final four months of the year.



## FEDERAL RESERVE SYSTEM ACTIONS DURING 1961

### Discount Rates

In effect January 1, 1961 .....	3%
In effect January 1, 1962 .....	3%

### Reserve Requirements

	Percentage Required			
	Demand Deposits			Time Deposits
	Central Reserve City Banks	Reserve City Banks	Country Banks	All Member Banks
In effect January 1, 1961 ..	16½	16½	12	5
In effect January 1, 1962 ..	16½	16½	12	5

### Margin Requirements on Stocks

In effect January 1, 1961 .....	70%
In effect January 1, 1962 .....	70%

### Open Market Operations

	Net Purchases (+) or Net Sales (-) Changes in Daily Average Figures (Millions of Dollars)	
	Unadjusted	Seasonally Adj.
January .....	\$-306	\$+221
February .....	-113	+480
March .....	+ 2	+ 57
April .....	-155	-130
May .....	+ 71	+100
June .....	+188	- 84
July .....	+ 89	-182
August .....	+391	+499
September .....	+148	+120
October .....	+481	+286
November .....	+572	+512
December .....	+589*	+ 30*
Total .....	+1,957*	

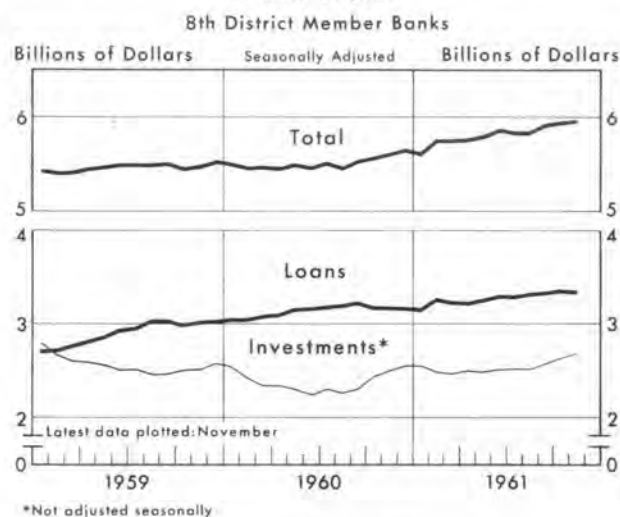
\*December based on 20 days

# EIGHTH FEDERAL RESERVE DISTRICT DATA

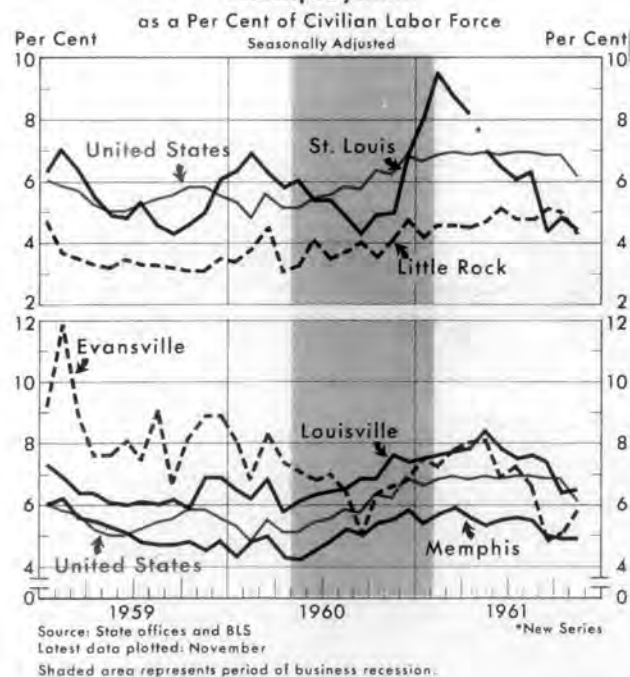
## Ratio of Loans to Deposits



## Bank Credit



## Unemployment



## BANK DEBITS<sup>1</sup> Seasonally Adjusted

Reporting Centers	Three Months Ending with Nov. 1961 (In Millions)	Percentage Change from Previous Three Months	Like Three Months a Year Ago
<b>Arkansas</b>			
El Dorado .....	\$ 107	— 1%	+ 6%
Fort Smith .....	215	+ 1	+ 9
Helena .....	49	+12	+35
Little Rock .....	798	+ 1	+ 7
Pine Bluff .....	184	+ 5	+ 4
Texarkana .....	91	+ 4	+ 6
<b>Illinois</b>			
Alton .....	143	+ 3	+ 5
East St. Louis & Nat'l Stock Yards .....	437	— 0—	+ 1
Quincy .....	170	+ 2	+10
<b>Indiana</b>			
Evansville .....	585	+ 1	+ 1
<b>Kentucky</b>			
Louisville .....	3,000	+ 3	+ 6
Owensboro .....	185	— 0—	+ 8
Paducah .....	124	+ 4	+ 4
<b>Mississippi</b>			
Greenville .....	115	+ 1	+ 6
<b>Missouri</b>			
Cape Girardeau .....	65	+ 4	— 4
Hannibal .....	43	— 1	+ 5
Jefferson City .....	548	— 0—	+41
St. Louis .....	9,039	— 0—	+ 6
Sedalia .....	65	— 0—	+ 8
Springfield .....	374	+ 2	+ 7
<b>Tennessee</b>			
Jackson .....	99	— 3	— 8
Memphis .....	3,098	+ 1	+ 6
Total .....	\$19,542	+ 1%	+ 6%

<sup>1</sup> Debits to demand deposit accounts of individuals, partnerships and corporations and states and political subdivisions.

## Department Store Sales

