

This monthly report on conditions is not to be released to the public until on and after the MORNING of January 2, 1919, so PLEASE HOLD IT CONFIDENTIAL UNTIL THE RELEASE DATE.

William McC. Martin,
Chairman of the Board and Federal Reserve Agent,
Federal Reserve Bank of St. Louis.

REPORT ON CONDITIONS
IN FEDERAL RESERVE DISTRICT NUMBER EIGHT.

A spirit of hesitation is apparent in many lines of business in this district, as a result of the termination of the war. Business men, as a rule, are optimistic regarding the future, but are buying only for their immediate needs, anticipating a readjustment of prices.

The cancellation of war contracts has affected many concerns in this district, and they are now engaged in restoring their enterprises to a peace basis. This is especially true of the iron and steel industry.

However, general business is being greatly helped by the lifting of Government restrictions. Manufacturers of building and roofing materials are making preparation for a big spring business. Candy manufacturers are also looking forward to increased business, now that they may receive an ample supply of sugar.

Manufacturers of boots and shoes continue busy, but are operating cautiously. Many have called in their salesmen, as they have already sufficient orders on hand to carry them for several months.

Retail merchants generally report a good demand for merchandise. While Christmas shopping has been hampered by the restrictions imposed to combat the influenza epidemic, yet a large volume of business is reported. An interesting statement is made by a department store that "Customers are buying evening dresses again, and altogether they are more cheerful and are buying accordingly."

Collections, as a rule, are reported good, except in some of the southern portions of the district where cotton has been slow in moving. However, the cotton situation is being materially helped by the removal of many of the restrictions

hampering the export shipments of cotton. This relieves the cotton buyer from borrowing, since a through bill of lading enables him to reduce most of his transactions to cash.

During the past month, the demand for money in this district has continued good, but not quite so strong as during the previous month. This is reflected in the accommodations extended member banks by the Federal Reserve Bank. On November 20th the Federal Reserve Bank held member banks' paper amounting to \$82,102,338., whereas on December 21st it held only \$69,882,746., showing that \$12,219,592. had been liquidated. The bank rate to customers continues at 6% in the large centers, but is not so firm as a month ago. In the outlying districts it is somewhat higher.

Brokers report an increased demand for commercial paper from the country banks. However, very few of the large city banks are in the market. Some brokers report that they are experiencing difficulty in obtaining a sufficient amount of paper of the best names. The rate now ranges from 5½% to 5¾%.

Agricultural conditions in this district continue favorable. The winter wheat is excellent, fall pastures have been fine, and livestock generally is in good condition. According to the Government's estimate of December 1st, the acreage sown in winter wheat in this district greatly exceeds the acreage last year. The condition of the winter wheat in this district was estimated to be 98% on December 1st, which is 12.5% better than last year and 9.6% better than the ten year average.

According to the Government's estimate of December 11th, the cotton in Arkansas, Mississippi, Missouri and Tennessee will yield a total of 2,545,000 bales of 500 pounds each, which is 364,118 bales more than last year and 96,965 bales more than the five year average.

The report of the St. Louis National Stock Yards for December shows a slight decrease in the receipts of cattle and a large decrease in the receipts of horses and mules, in comparison with the corresponding month last year. Substantial increases are shown in the receipts of hogs and sheep. In the shipments of live stock, increases are shown in cattle and hogs, and decreases in sheep and horses and mules. Substantial increases are also shown in the receipts and shipments of hogs, in comparison with the previous month this year. The shortage of corn in some localities is forcing many unfinished hogs to market.

Postal receipts during November in Louisville and Little Rock show increases, in comparison with the same month last year, but in St. Louis and Memphis slight decreases are shown. The reports from St. Louis, Louisville and Little Rock also show decreases, in comparison with the previous month this year.

Reports for November from leading cities in this district show decreases in the number of building permits issued, in comparison with the corresponding month last year and also in comparison with the previous month this year. However, since the lifting of Government restrictions, renewed interest has been manifested in building real estate, etc., and increased activity in this line is anticipated.

The supply of labor is becoming more ample in this district. Not only is this due to the release of soldiers from the army, but also to the release of many employees who have been engaged in the manufacture of munitions, etc. During the past month there was a street car strike in this district, but it has been settled. Outside of some labor demands which are being arbitrated, there are very few disturbances in this district.

TELEGRAM
FEDERAL RESERVE BOARD
WASHINGTON



X-1382

CONFIRMATION

February 17, 1919.

Telegram to all Federal Reserve Agents.

SUBJECT: Statement by Federal Reserve Agents as to readjustment of business in their districts.

Please get fullest specific information obtainable and send in connection with your monthly report of business conditions or as a separate report, statement of extent to which business in your district has readjusted itself to peace conditions, showing how far labor has been reemployed in peace activities, how far the industries of the district readjusted themselves, what changes in basic prices have occurred, how far demand has resumed its normal footing, what special difficulties are being encountered, what is the outlook for business both domestic and export and what is the prevailing tone of business sentiment. Please acknowledge.

BRODERICK.

COPY FOR RECEIVERS
BINDER

PRIVATE KEY

INCOMING

5FGL

RECEIVED OVER

Washington Dc Feb 17 1919 9am

FR Agent

St Louis Mo



Subject : Statement by Federal Reserve Agents to readjustment of business in their districts.

Please get fullest specific information obtainable and send in connection with your monthly report of business conditions or as a separate report, statement of extent to which business in your district has readjusted itself to peace conditions showing how far labor has been reemployed in peace activities how far the industries of the district readjusted themselves what changes in basic prices have occurred how far demand has resumed its normal footing what special difficulties are being encountered what is the outlook for business both domestic and export and what is the prevailing tone of business sentiment. Please acknowledge.

Broderick 905am

December 23, 1918.

REPORT ON CONDITIONS
IN FEDERAL RESERVE DISTRICT NUMBER EIGHT.

A spirit of hesitation is apparent in many lines of business in this district, as a result of the termination of the war. Business men, as a rule, are optimistic regarding the future, but are buying only for their immediate needs, anticipating a readjustment of prices.

The cancellation of war contracts has affected many concerns in this district, and they are now engaged in restoring their enterprises to a peace basis. This is especially true of the iron and steel industry.

However, general business is being greatly helped by the lifting of Government restrictions. Manufacturers of building and roofing materials are making preparation for a big spring business. Candy manufacturers are also looking forward to increased business, now that they may receive an ample supply of sugar.

Manufacturers of boots and shoes continue busy, but are operating cautiously. Many have called in their salesmen, as they have already sufficient orders on hand to carry them for several months.

Retail merchants generally report a good demand for merchandise. While Christmas shopping has been hampered by the restrictions imposed to combat the influenza epidemic, yet a large volume of business is reported. An interesting statement is made by a department store that "Customers are buying evening dresses again, and altogether they are more cheerful and are buying accordingly."

Collections, as a rule, are reported good, except in some of the southern portions of the district where cotton has been slow in moving. However, the cotton situation is being materially helped by the removal of many of the restrictions

hampering the export shipments of cotton. This relieves the cotton buyer from borrowing, since a through bill of lading enables him to reduce most of his transactions to cash.

During the past month, the demand for money in this district has continued good, but not quite so strong as during the previous month. This is reflected in the accommodations extended member banks by the Federal Reserve Bank. On November 20th the Federal Reserve Bank held member banks' paper amounting to \$82,102,336., whereas on December 21st it held only \$69,882,746., showing that \$12,219,592. had been liquidated. The bank rate to customers continues at 6% in the large centers, but is not so firm as a month ago. In the outlying districts it is somewhat higher.

Brokers report an increased demand for commercial paper from the country banks. However, very few of the large city banks are in the market. Some brokers report that they are experiencing difficulty in obtaining a sufficient amount of paper of the best names. The rate now ranges from $5\frac{1}{2}\%$ to $5\frac{3}{4}\%$.

Agricultural conditions in this district continue favorable. The winter wheat is excellent, fall pastures have been fine, and livestock generally is in good condition. According to the Government's estimate of December 1st, the acreage sown in winter wheat in this district greatly exceeds the acreage last year. The condition of the winter wheat in this district was estimated to be 98% on December 1st, which is 12.5% better than last year and 9.6% better than the ten year average.

According to the Government's estimate of December 11th, the cotton in Arkansas, Mississippi, Missouri and Tennessee will yield a total of 2,545,000 bales of 500 pounds each, which is 364,118 bales more than last year and 96,965 bales more than the five year average.

The report of the St. Louis National Stock Yards for December shows a slight decrease in the receipts of cattle and a large decrease in the receipts of horses and mules, in comparison with the corresponding month last year. Substantial increases are shown in the receipts of hogs and sheep. In the shipments of live stock, increases are shown in cattle and hogs, and decreases in sheep and horses and mules. Substantial increases are also shown in the receipts and shipments of hogs, in comparison with the previous month this year. The shortage of corn in some localities is forcing many unfinished hogs to market.

Postal receipts during November in Louisville and Little Rock show increases, in comparison with the same month last year, but in St. Louis and Memphis slight decreases are shown. The reports from St. Louis, Louisville and Little Rock also show decreases, in comparison with the previous month this year.

Reports for November from leading cities in this district show decreases in the number of building permits issued, in comparison with the corresponding month last year and also in comparison with the previous month this year. However, since the lifting of Government restrictions, renewed interest has been manifested in building, real estate, etc., and increased activity in this line is anticipated.

The supply of labor is becoming more ample in this district. Not only is this due to the release of soldiers from the army, but also to the release of many employees ^{who} (which) have been engaged in the manufacture of munitions, etc. During the past month there was a street car strike in this district, but it has been settled. Outside of some labor demands which are being arbitrated, there are very few disturbances in this district.

SUMMARY OF BUSINESS
 CONDITIONS, 1916.

DISTRICT OF
 St. Louis

1916.

GENERAL BUSINESS	Hesitating
CROPS: Condition, Outlook,	Wheat excellent
	Favorable
INDUSTRIES of the District,	Generally active
CONSTRUCTION, Building, Engineering,	Still quiet
FOREIGN TRADE.	
BANK CLEARINGS, (Increase or decrease)	
MONDY RATES, (Increasing or decreasing)	Softer tendency
RAILROAD, P. O., and OTHER RECEIPTS.	Decrease in Postal receipts
LABOR CONDITIONS.	More plentiful
OUTLOOK:	

REMARKS:

Wm. McC. Martin, Federal Reserve Agent.

By *CMS*
 Assistant Federal Reserve Agent

F. R. Agent and Chairman.