

FEDERAL RESERVE BANK OF ST. LOUIS
MONTHLY REPORT ON
GENERAL BUSINESS AND AGRICULTURAL CONDITIONS
IN FEDERAL RESERVE DISTRICT No. 8

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ACTIVITY in general business in this district during the past month has been well sustained, the total volume being close to the preceding high levels, and well in excess of the corresponding period in 1919. In describing the situation, however, it is necessary to segregate to a greater extent than heretofore, some lines showing a reactionary tendency, others holding steady, while a few record continued broad gains such as have marked their progress through the past eighteen months.

More sensitiveness is noted in the great markets for staples, and it daily becomes clearer that the period of extravagant buying is over. Due to the high cost of commodities, exalted interest rates, the ear shortage and unwillingness on the part of the public to buy regardless, orders for merchandise are being much more cautiously placed. There is a feeling that prices may sustain a sweeping revision downward, and nobody wants to find himself heavily stocked with goods should this thing happen. On the other hand the improvement in crops, which was ushered in with the month of June, has continued to date, and there is every prospect of the country producing an abundance of everything needed for personal consumption at home, with a liberal margin left over for sale abroad. This has served to bolster flagging confidence, and cancellations of orders in certain lines of trade, which were somewhat numerous in June, have greatly decreased since the first of July, and, in addition, there have been a fair number of reinstatements and requests to ship goods held back.

As indicated by the reports from retailers, hotel keepers, restaurants, places of amusement and similar agencies, purchasing power of the public has not declined in any appreciable degree. The number of patrons has apparently suffered no decrease, despite the fact that many persons are away on vacations, in the larger centers of population. Seasonable weather has assisted dealers in wearing apparel, with the result that sales during the past six weeks will more than equalize the depressed period caused by the unusually high temperatures early in the summer, and bring total sales well over those of the same period last year. It is noted that selling is being done more closely in department stores and smaller retail shops, and special sales are being widely advertised and conducted in all parts

of the district. Prices involved in these sales show some material reductions, but generally speaking retail values, which are always last to respond in readjustment movements, are full steady with a month ago.

A review of prices as a whole develops more specific declines than recorded in any single month for a long while, but the changes hardly affect articles which will immediately be felt in bills covering living cost. Since June 15 there has been a perpendicular drop in cereals, both futures and the cash article. For instance, July corn dropped from \$1.78 on June 15 to \$1.50 on July 18. September corn fell from \$1.69 to \$1.48; December corn from \$1.48 to \$1.37, and July oats from \$1.03 to 88c in the same period. No. 2 hard wheat declined from \$2.88 to \$2.76 during the month, the break coming after July 15, on which date future trading in wheat was reinstated on the grain exchanges, after having been suspended for nearly three years. Flour, however, has thus far not followed the break in wheat, though lower prices are predicted. Feeds for animals have eased off somewhat, but such declines have not been reflected in dairy products, which hold very strong. Cash corn is off as much as 40c a bushel from the recent high mark.

An easier trend is noted in sugar and coffee, but groceries generally continue as expensive as ever. To date the pack of canned goods has been light, due to light orders placed, and the high cost of credits and materials. Manufacturers predict stiff prices through the season. Meats, vegetables, prepared cereals, dried fruits, canned and salt fish and other staples show little change in price for the month.

In the classification of articles for wear, price reductions have been confined chiefly to goods handled in special sales. Regular lines of standard goods have not fluctuated in price, save in rare instances. Hardware and metal goods show an upward trend, with tools, sporting goods and other articles very scarce.

Collections in the district vary in efficiency, with a majority of the interests reporting complaining of less promptness in settlements than heretofore. Requests for extensions are more frequent to the South, where slowness in the movement of cotton

continues to cut a figure. Retail collections are reported fair to good. Failures in the district in June showed a rather sharp increase, the total being 34, involving liabilities of \$2,283,002, against 13 with liabilities of \$61,243 in May, and 15 with liabilities of \$351,947 in June, 1919.

There has been a well defined slowing down in the automobile industry. Sales of new cars, both expensive and cheap, have fallen off, and it is possible to secure delivery of the more popular makes in shorter order than at any time in several years.

Transportation has picked up during the past thirty days, railroad officials reporting the general movement well in excess of the same period last year. The glut in leading terminals of the district has been relieved to a large extent, and freight is being moved in and out with efficiency about equal to that existing at the time the roads were returned to private control. There are still, however, numerous complaints on the part of shippers, and the aspect of the car shortage situation is not reassuring. Considerable apprehension is felt in agricultural

sections relative to ability to secure equipment for handling the crops, and farmers are making such preparation as they may for a delayed movement of their products.

The volume of passenger traffic in June and early July of roads in this district will set an entirely new record. Vacation travel is of record proportions, and taxing the facilities of the carriers to handle it. The various lines handling this business report a scarcity of sleeping car equipment. An unusually heavy demand for currency at the banks is ascribed to requirements of vacationists.

Financial institutions and bond houses report liberal counter purchases of Liberty Bond issues, including many of small denominations, indicating a disposition on the part of the public to take advantage of the low prices of these securities for investment purposes.

The per capita circulation in the United States on June 1 was \$56.99, against \$56 on May 1, and \$54.29 on June 1, 1919.

MANUFACTURING

The past month has on the whole proved a prosperous one for manufacturers in this district. While the placing of orders for future delivery has been notably more cautious, it is apparent that in some important lines production has not caught up with the demand. Many plants have work ahead which will keep them going at their present pace well into the fall. While the scarcity of freight cars is still keenly felt, the improvement in the transportation situation has permitted of shipping out the greater part of accumulations occasioned by the switchmen's strike. So far as can be learned, there is no lack of labor, skilled or unskilled. In certain instances plant operation has been curtailed, and there have been temporary shut-downs, the latter being due, however, to inability to obtain raw materials or fuel. This district has had no indefinite suspensions, as in the case of textile plants in the East. Some backwardness in the matter of collections is reported, but nothing of a serious sort.

Boots and Shoes—After a period of hesitation this industry seems to be swinging to a more certain basis. Important manufacturers and distributors continue to exhibit heavy gains in volume and dollar value over the corresponding period last year, and their business is generally steady with a month ago. Cancellations for a while were formidable, amounting for the whole country to about 5 to 8 per cent, but not more than 5 per cent in this district. Since July 1 requests for cancellations have decreased, and a number of reinstatements have been received. Disturbed psychology of country merchants, due to the propaganda for lower prices, is ascribed as the main cause for cancellations. Raw materials, notably leather, are much more plentiful, and there is ample labor. No price changes have occurred during the past month, and none is looked for in the near future. Reports relative to collections vary somewhat, ranging from good to fair. One large manufacturer considers his collections in the past thirty days poorer than at any time in twenty months.

Woodenware—Orders with most interests engaged in this line are still in excess of goods ready for delivery, and prices hold very strong. Recent labor difficulties have been adjusted, and it is expected that production will shortly catch up with the demand.

Candy—Business with makers of confectionery continues brisk, the month of June showing further broad gains over that month in 1919. July and August are normally quiet months in this line, consumption running less to candies and more to cold drinks, ice cream, fruits, etc. Prices hold steady for all grades, the easier sugar market thus far failing to produce any change in selling quotations on sweets. Raw materials generally are easier to obtain, and no complaints on the score of labor are heard. Manufacturers say the outlook for fall trade is good, having been much improved by the better outlook for crops.

Drugs and Chemicals—All interests reporting indicate continued improvement in their business. Increases of from 15 to 40 per cent over the same month last year are shown, and, as compared with the preceding month this year, sales vary from a decrease of 2 per cent to a gain of 2½ per cent. Prices are in the main steady, with some advances and no declines recorded. Collections are good to excellent. Certain goods are still scarce, but generally supplies of both finished and semi-finished materials are arriving at closer parity with demand.

Clothing—Manufacturers and distributors complain that positive expectations of lower prices by the public have adversely affected their business. Retailers are showing hesitancy about buying, especially woolen clothing. Where manufacturers have accumulations of goods they are selling at considerable reductions in price in order to clean up. On the other hand, they are asking steady to higher prices for goods manufactured to order for fall and winter wear. The chaotic status of the silk and woolen markets has been largely offset as a disturbing factor in clothing by the improved crop pro-

pects. Collections have fallen off a bit, and average only fair.

Electrical Supplies—Scarcity and high prices of raw and semi-finished materials are holding down the volume of business to some extent, but the demand continues urgent and broad for virtually everything in this classification. There has been a marked growth in the use of small motors for domestic appliances, which has favorably affected many manufacturers. In numerous specialties orders are far in excess of supplies, this being especially true in things used in telephone and telegraph operation. Collections are good.

Iron and Steel Products—Prices rule strong to higher under an enormous demand and restricted output. In the general run of raw materials there is an upward trend in values, especially metallurgical coke, which is at record high levels in this territory. Pig iron is quiet, but very firm at recent quotations. Foundries making steel and iron castings have orders booked which will occupy their capacity for several months to come. Building materials, tubular goods and tank plates are active, and the scarcity of nails has assumed the proportions of famine in some sections. Business of farm implement makers and dealers has picked up materially with the improved crop prospects. Stove works are showing large increases over last year, and report indications for prosperity during balance of the season. Collections in all these lines are good.

Flour—Stolid apathy prevails in the flour market, with buyers and sellers wide apart in their views, and the former looking for lower prices. The heavy decline in wheat since resumption of future trading has been a demoralizing factor. The volume of business done by local mills during the past month is far under the total for the corresponding period in 1919. Export buying is disappointing, both in character and quantity. The demand from Europe centers principally in clears and low grade flours, which are scarce. Stocks are generally large, and sentiment seems to favor lower prices. Millers say supplies in the South are light owing to deferred buying, and look to the necessity of replenishing

While some hesitation on the part of buyers is noted in certain lines, due chiefly to anticipation of lower prices and the stiff money market, business generally is active and in great volume. Heavy average gains over the corresponding period a year ago are the rule. The closing weeks of June were marked by rather heavy requests for cancellation and hold-ups of orders for shoes, dry goods and wearing apparel, but since July 1 the number of such requests has decreased, and there have been a number of reinstatements of orders cancelled. Collections have slowed down to some extent, and

The course of retail distribution throughout the district during the past month has been more strained and labored. In order to maintain the pace, price concessions have been necessary in certain lines, notably wearing apparel, and numerous sales

in that section as a means of improving their business. No price changes worthy of note occurred during the past month.

Lumber—The decline in Southern yellow pine prices has been checked, and since July 1 there has been a material stiffening in the market. More inquiries have been received, many of which have resulted in the placing of orders. Traveling salesmen report retail yards in bad need of supplies, with many beginning to purchase. Saw mills to the South, which had been idle, due to high water, are again at work. Hardwood is relatively slow, not much improvement in the demand being noted. Consumers are busy, but disposed to use what stocks they have. Car oak is an exception in the dull hardwood situation, both railroad and industries being in the market for this material. Collections are backward, and the car shortage is hampering business.

Fire Clay Products—There has been a falling off in orders as compared with the past few months, but business still runs well ahead of last year. Manufacturers are experiencing considerable difficulty in the matter of obtaining raw materials, and fuel is scarce and expensive. Slowing down of operations in steel mills and blast furnaces is causing a slackening of new buying in the refractories market.

Provisions—In the meat packing industry rather mixed conditions exist. Some products have advanced and others declined, with the average of prices about steady with a month ago, but about 15 per cent under last year at this time. The export demand for fats has fallen off materially, but domestic consumption is heavy. Collections are reported fair.

Miscellaneous—In such lines as furniture, coo-
perage, rope, bags, tobacco and glass, an active business is being maintained, though buying is more discriminating than heretofore. The tight credit situation has a tendency to hold down orders to nearer actual requirements than has been the case for a long while. Collections are not uniformly satisfactory, especially to the South, where delayed marketing of staple crops has delayed settlements.

WHOLESALE

certain sections of the district are backward. Extensions are being asked by customers usually able to borrow from the banks. The principal item making for optimism is the brightened crop prospects. This factor is less felt in the South than through the northern and more typically grain areas of the district. Wherever possible, merchants are endeavoring to liquidate their stocks, and are by no means purchasing with the freedom which has characterized their operations during recent months. Prices with but few exceptions hold steady to strong.

RETAIL

have been in progress. While the purchasing power of the public has not decreased in any perceptible degree, shoppers are more insistent upon getting the worth of their money in both quality and quantity. Seasonable weather and pretty general em-

ployment have helped matters in the cities, while in the country the outlook for and realization of goodly agricultural yields have stimulated buying. Thus far there has been no noteworthy recession in prices. Foodstuffs continue very expensive, though abundant, and fuel is established at higher levels than heretofore. Flour, coffee, sugar and a few other staples are easier as compared with the peak levels of the season, but otherwise things going into the daily pabulum are costly as ever. Reports of leading department stores show enormous gains over the same period last year, one as high as 40 per cent, while, as compared with the preceding month this year, business was steady to 10 per cent better. In these emporiums, silks,

leather goods, some ready-to-wear clothing and notions are lower, but prices in the main are firm. In St. Louis two leading department stores have recently arranged for largely increased space to accommodate actual and expected growth in their business. Sporting goods are scarce and active. Automobile accessories have slowed down somewhat, but general hardware lines are moving well, and difficulty is experienced in keeping stocked with many standard articles. Jewelers, while experiencing seasonal quietness, report business well over last year, and prices unchanged. Generally collections are not as satisfactory as earlier in the year, but are still described as fair to good.

AGRICULTURE

The improvement in crops which began with the arrival of seasonable weather about June 1, has persisted up to this time, and prospects in the district now are considerably more hopeful than in the initial stages of the season. Harvesting of winter wheat is rapidly nearing completion, and, while early returns from threshers seem to bear out the Government's disappointing estimate as to quantity in states of the Eighth District, quality is pretty uniformly high. Seeding of corn was pushed under auspicious conditions, and weather has permitted of cultivation, so that in most of the important producing areas fields are clean, and the plant is making good progress. Oats are fully bearing out recent optimistic estimates, and the hay crop bids fair to be the most satisfactory ever raised in this region. Potatoes are almost universally doing well. Replies to questionnaires addressed to farmers and country merchants in scattered sections of the district show pastures in prime condition, and vegetable gardens thriving. Small fruits turned out beyond expectations, and apples and peaches will make a relatively satisfactory showing, though considerably under some preceding years. Reports from Arkansas lead to the belief that rice may make a record yield. Live

stock is described as being in unusually good condition, but the number of animals in some localities is considerably less than a year ago. A large majority of farmers in Kentucky, Tennessee and Missouri reporting on tobacco say the crop is good. In areas where wheat has been harvested labor has been much more plentiful than had been anticipated. Generally in the agricultural districts there is less complaint of shortage of farm help, though it is agreed that wages are abnormally high, and efficiency is not uniformly excellent. The United States Department of Agriculture makes the combined condition of all crops in the seven states of this district (100=average) 95.8 per cent as of July 1. Seasonable weather is improving the cotton crop, and latest reports indicate less disability in the way of grassy fields and weevil than in other sections of the cotton belt. The latest Government reports on cotton in states of this district indicate excellent progress, especially in Arkansas, where a large crop is expected. Memphis reports that 95 per cent of the money needed for the growing cotton crop has already been used, and that only 5 per cent more need be employed to bring it to maturity.

The U. S. Department of Agriculture, in its report as of July 1, gives the condition of winter wheat in five states of this district as follows:

	Condition July 1		Forecast 1920 from July 1, June 1 condition		Dec. Estimate 1919 5 yr. av.		Price per bu. July 1	
	1920	10 yr. av.	July 1	June 1	1919	5 yr. av.	1920	1919
	%	%	Bushels*		Bushels*		cents	cents
Illinois.....	67	77	28,392	27,752	57,800	40,345	258	219
Indiana.....	60	79	20,665	21,009	45,792	38,183	259	219
Kentucky.....	71	84	6,274	5,825	12,029	10,316	273	222
Missouri.....	75	79	31,698	29,585	57,699	35,161	258	216
Tennessee.....	75	83	4,134	3,803	7,290	8,035	288	232

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

The U. S. Department of Agriculture, in its report as of July 1, gives the condition of corn in the seven states of this district as follows:

	Acreage 1920		Condition July 1		Forecast 1920 from July 1 cond.		Final Est.		Price per bu. July 1	
	% of 1919	Acres*	1920	10 yr. av.	July 1 cond.	1919	5 yr. av.	1920	1919	
			%	%	Bushels*	Bushels*	Bushels*	cents	cents	
Arkansas.....	96	2,599	80	83	50,941	48,726	49,702	220	197	
Illinois.....	102	8,772	79	84	284,125	301,000	347,537	183	174	
Indiana.....	99	4,702	84	84	169,836	175,750	178,140	180	177	
Kentucky.....	96	3,168	85	87	86,170	82,500	99,485	213	199	
Mississippi.....	93	3,701	73	84	59,438	59,700	63,448	234	201	
Missouri.....	115	6,619	82	82	179,110	155,412	171,524	189	182	
Tennessee.....	93	3,022	83	88	73,994	74,750	86,790	218	194	

*In thousands—i. e., 000 omitted.

LABOR

The predicted record shortage of labor for harvest and general agricultural operations this season has not been verified in anything like the magnitude suggested. On the contrary, where wheat has been harvested and other crops garnered, there has in general been ample hands for handling the work. In only a relatively few localities have farmers suffered from lack of help. In industrial and general lines labor is also reported more plentiful. Actual unemployment in this district is negligible. Federal and State commissioners reporting that idleness coming under their observation thus far is voluntary or due to strikes. Closing down of or curtailment at Eastern plants has resulted in a drift of

surplus workers in this direction, which has largely relieved existing deficiencies. Wages remain about stationary with a month ago, except in segregated instances, where advances are reported. There have been minor strikes in the district, the most serious of which embrace the building trades in St. Louis. Officials of labor unions report a growing tendency toward thrift and saving among their members. To the South agricultural labor is less abundant than elsewhere in the district. Employment agencies find no improvement in the supply of domestic help, and lack of this variety of labor is acute in the smaller towns and rural districts.

COMMODITY MOVEMENT

Receipts and shipments of important commodities at St. Louis during June, 1920 and 1919, and May, 1920, as reported by the Merchants Exchange, were as follows:

	Receipts			Shipments		
	May, 1920	June, 1920	June, 1919	May, 1920	June, 1920	June, 1919
Flour, barrels	232,490	361,010	165,340	282,690	412,690	292,295
Wheat, bushels	1,798,606	2,497,200	504,477	1,606,740	1,731,020	175,910
Corn, bushels	1,754,350	3,407,300	2,369,750	833,110	1,625,460	802,490
Oats, bushels	2,544,130	1,744,000	2,814,000	1,459,180	1,679,580	1,907,650
Lead, pigs	270,740	213,300	87,830	218,620	205,630	139,980
Zinc and spelter, slabs.....	275,550	455,870	185,560	740,860	822,320	663,330
Lumber, cars	7,607	9,647	13,341	6,467	7,384	10,657
Meats, pounds	6,322,700	6,061,400	4,935,800	19,624,800	22,368,700	25,228,100
Fresh beef, pounds.....	558,400	1,046,700	576,800	15,277,500	19,652,500	18,649,400
Lard, pounds	2,367,700	1,850,300	718,800	7,731,600	6,234,400	8,372,100
Hides, pounds	1,893,200	1,634,600	3,950,600	2,288,200	2,639,100	4,588,300

BUILDING

Favorable weather and a loosening up in transportation facilities have permitted of pretty continuous work on started building projects in both city and country. New enterprises, however, are rather backward in getting under way because of the extravagant cost of materials and labor, and uncertainty relative to deliveries. Building permits

issued in leading cities of the district indicate extensive plans for alterations and repairs, but a slowing down in new construction programs. Serious delays have been occasioned by labor disagreements between employers and organized workmen and among the several unions. Absolutely no improvement in the housing situation has developed.

Comparative building figures for June follow:

	1920		JUNE		1919		
	New Construction Permits	Cost	Repairs, etc. Permits	Cost	New Construction Permits	Cost	
St. Louis	362	\$1,379,930	395	\$481,485	346	\$1,489,011	
Louisville	168	919,400	200	83,150	77	391,050	
Little Rock	62	128,700	116	73,570	45	334,840	
Memphis	141	625,900	32	33,425	55	406,050	
						182	\$24,390
							524,390

POSTAL RECEIPTS

Postal business in this district, as indicated by receipts in the five principal cities, for the second quarter of 1920 show a gratifying increase over the

same period in 1919, and a slight decrease under the first three months this year.

Comparative figures for the periods mentioned follow:

	Quarter ended June 30, 1920	Quarter ended March 31, 1920	Quarter ended June 30, 1919
St. Louis	\$2,129,201.50	\$2,132,653.45	\$1,864,531.78
Louisville	715,015.47	437,356.15	441,005.15
Memphis	354,541.20	359,802.76	344,574.70
Little Rock	160,456.50	166,564.46	158,588.05
Evansville	97,986.77	111,154.82	99,788.25
Total	\$3,457,201.40	\$3,207,531.64	\$2,908,487.93

LIVE STOCK

An extremely irregular trend is noted in the live stock market. Influences are conflicting and interests reporting are at variance in their views. At the St. Louis market there was an increase of 21,400 head of cattle in June over May, but a decrease of 63,799 in the number of hogs received. During the past two weeks the cattle trade has been helped by

strengthening dressed beef markets and a contraction of supplies. Some improvement in the demand for feeder cattle is reported, ascribed to the magnificent condition of pastures and a receding market for prepared feeds. Hogs have advanced from the recent low point under light receipts and a healthier demand.

As reported by the St. Louis National Stock Yards, receipts and shipments of live stock at St. Louis in June, with comparisons for June, 1919, were as follows:

	Cattle and Calves		Hogs		Sheep		Horses and Mules	
	1920	1919	1920	1919	1920	1919	1920	1919
Receipts.	113,915	85,371	241,696	305,495	93,357	83,361	6,366	11,328
Shipments.	50,550	20,098	115,777	83,835	21,943	10,223	7,401	8,343

FINANCIAL

The demand for money from all quarters continues heavy, with the country districts manifesting relatively the greater needs. While further improvement is noted in the banking situation as a whole over the status of six weeks or two months ago, strain is still evident. The course of liquidation has been sluggish and labored, and constant vigilance on the part of officials of the Federal Reserve Bank and commercial banks has been necessary to accomplish the results obtained in this direction. Deposits generally have decreased slightly in face of the tremendous volume of business transactions, and this fact tends to modify hopeful sentiment to which attempts at deflation would ordinarily give rise. Enormous requirements for the crop movement and other seasonal operations still remain to be dealt with, and to this end no stone is being left unturned to restrict everything but the most essential borrowings. In some lines there has been a gratifying reduction in commodity accumulations, but elsewhere considerable is left to be desired. In localities where the car shortage is especially acute or where last season's crops have not

been fully moved, banks have heavy burdens to carry. Wheat, which is counted upon as the cash crop with many agriculturists, has been short in this district, thus cutting off an important source of ready money for paying debts. Commercial banks are discriminating against loans to certain unessential industries, and there is a rigid embargo of funds against all sorts of speculation.

Universal dullness obtains in the market for commercial paper, brokers reporting a radical slump in the volume of business as contrasted with showings earlier in the year. City banks are not buying at all, and takings by country institutions are much restricted. Borrowers desiring large amounts have been obliged to split their totals into bills of small denomination in order to have them placed. The prevailing rate is 8 per cent, but this lofty and lucrative figure has failed to stimulate buying.

Bond houses also report quietness. Several particularly attractive issues recently placed on the market were readily absorbed, but in the general list of routine offerings the movement is slow.

INTEREST RATES

Between June 16 and July 15 the high, low and customary interest rates prevailing in St. Louis, Louisville and Little Rock, as reported by banks in those cities, were as follows:

	St. Louis			Louisville			Little Rock		
	H	L	C	H	L	C	H	L	C
Customers' Prime Commercial Paper:									
30 to 90 days.	8	6	7	6	6	6	8	7	7½
4 to 6 months.	7	6	7	6	6	6	8	7	7½
Prime Commercial Paper purchased in open market:									
30 to 90 days. . . . .	..	..	..	8	8	8	..	..	..
4 to 6 months. . . . .	..	..	..	8	8	8	..	..	..
Loans to other banks.	7	6¼	6½	6	6	6	7	6½	7
Bankers' Acceptances of 60 to 90 days:									
Endorsed.	7	6½	7	6	6	6	..	..	..
Unendorsed.	8	7¼	7½	6¼	6¼	6¼	..	..	..
Loans secured by prime stock exchange collateral or other current collateral:									
Demand.	7	6½	7	6	6	6	8	7	8
3 months.	7	6½	7	6	6	6	8	7	7½
3 to 6 months.	7	6½	7	6	6	6	8	7	8
Cattle Loans.	8	6½	7	6	6	6	8	7	8
Commodity paper secured by warehouse receipts, etc.	7	7	7	6	6	6	8	7	8
Loans secured by Liberty Bonds and Certificates.	7	6½	7	6	6	6	8	7	7

CONDITION OF BANKS

The condition of banks in this district at the present time, and changes during the past month, are reflected in the following comparative statement, showing the principal resources and liabilities of member banks of St. Louis, Louisville, Memphis, Little Rock and Evansville:

	June 4, 1920	July 2, 1920	July 3, 1919
Number of banks reporting.....	35	35	36
U. S. Bonds to secure circulation.....	\$ 16,925,000	\$ 16,924,000	\$ 17,156,000
Other U. S. Bonds, including Liberty Bonds.....	12,445,000	12,763,000	15,421,000
U. S. Victory Notes.....	2,706,000	2,816,000	16,544,000
U. S. Certificates of Indebtedness.....	10,014,000	4,043,000	30,931,000
Total U. S. Securities owned.....	\$ 42,090,000	\$ 36,546,000	\$ 80,052,000
Loans and investments, including bills rediscounted with F. R. Bank:			
Loans secured by U. S. War Obligations.....	\$ 39,102,000	\$ 37,112,000	.....
Loans secured by stocks and bonds other than U. S. Securities	129,653,000	127,935,000	.....
All other loans and investments.....	415,707,000	409,808,000	.....
Total loans and investments, including rediscounts with F. R. Bank.....	\$584,462,000	\$574,855,000	\$509,657,000
Reserve with Federal Reserve Bank.....	\$ 40,432,000	\$ 40,340,000	\$ 39,235,000
Cash in vault.....	10,511,000	9,811,000	9,544,000
Net demand deposits on which reserve is computed...	307,947,000	312,892,000	300,388,000
Time Deposits	124,138,000	126,446,000	98,145,000
Government Deposits	1,924,000	3,031,000	22,688,000

DEBITS TO INDIVIDUAL ACCOUNTS

The volume of individual check transactions in this district during the past month is indicated by the following comparative table compiled from information received from the clearing houses in the cities shown:

Debits to individual accounts for week ending:

	June 9	June 16	June 23	June 30
St. Louis.....	\$141,747,000	\$159,989,000	\$151,141,000	\$144,978,000
Louisville	32,717,000	38,391,000	34,387,000	37,125,000
Memphis	30,202,000	35,607,000	28,867,000	28,818,000
Little Rock.....	9,075,000	9,431,000	8,400,000	8,673,000
Evansville	5,615,000	5,077,000	4,885,000	5,466,000

FEDERAL RESERVE OPERATIONS

Normal discount rates of the Federal Reserve Bank of St. Louis on July 19, 1920, were as follows:

MEMBER BANKS' COLLATERAL NOTES:	15 days and less	16 to 60 days	61 to 90 days	91 days to 6 months
Secured by Certificates of Indebtedness except 5¼ and 5½%				
Certificates	5%	.....	.....	.....
Wholly secured by 5¼% Certificates of Indebtedness.....	5¼%	.....	.....	.....
Wholly secured by 5½% Certificates of Indebtedness.....	5½%	.....	.....	.....
Secured by Liberty Loan Bonds or Victory Notes.....	5½%	.....	.....	.....
Secured by Bills Receivable.....	6%	.....	.....	.....
 REDISCOUNTS:				
Secured by Certificates of Indebtedness except 5¼ and 5½%				
Certificates	5%	5%	5%	.....
Wholly secured by 5¼% Certificates of Indebtedness.....	5¼%	5¼%	5¼%	.....
Wholly secured by 5½% Certificates of Indebtedness.....	5½%	5½%	5½%	.....
Secured by Liberty Loan Bonds or Victory Notes.....	5½%	5½%	5½%	.....
Commercial Paper	6%	6%	6%	.....
Agricultural or Livestock Paper.....	6%	6%	6%	6%
Trade Acceptances	6%	6%	6%	.....
Bankers' Acceptances	5½%	5½%	5½%	.....

Bankers' Acceptances purchased in the market, subject to agreement.

In June the Federal Reserve Bank of St. Louis discounted a total of \$178,176,535 of paper for 297 different member banks, which is a decrease of \$27,302,959 under the amount discounted in May, and a decrease of 4 in the number of banks accommodated.

The resources and liabilities of the Federal Reserve Bank of St. Louis on July 16, 1920, as compared to a month ago and a year ago, are shown in the following statements:

RESOURCES:	June 18, 1920	July 16, 1920	July 18, 1919
Gold Coin and Certificates.....	\$ 2,682,000	\$ 3,340,000	\$ 3,463,000
Gold Settlement Fund—F. R. Board.....	12,091,000	5,808,000	21,912,000
Gold with Foreign Agencies.....	5,242,000	5,242,000	.....
Total gold held by bank.....	20,015,000	14,390,000	25,375,000
Gold with Federal Reserve Agent.....	45,729,000	45,358,000	62,788,000
Gold Redemption Fund.....	5,346,000	5,304,000	4,238,000
Total Gold Reserves.....	71,090,000	65,052,000	92,401,000
Legal Tender, Notes, Silver, etc.....	7,276,000	7,351,000	3,822,000
Total Reserves.....	78,366,000	72,403,000	96,223,000
Bills Discounted: Secured by Government War Obligations.....	55,250,000	49,002,000	46,636,000
Bills Discounted: All Other.....	49,424,000	60,672,000	11,602,000
Bills Purchased in Open Market.....	4,283,000	3,071,000	8,823,000
Total Bills on Hand.....	108,957,000	112,745,000	67,061,000
U. S. Government Bonds.....	1,153,000	1,153,000	1,153,000
U. S. Certificates of Indebtedness.....	17,308,000	17,228,000	17,068,000
Total Earning Assets.....	127,418,000	131,126,000	85,282,000
Bank Premises.....	866,000	866,000	691,000
Uncollected Items and other deductions from Gross Deposits.....	49,852,000	49,505,000	54,410,000
5% Redemption Fund against F. R. Bank Notes.....	523,000	525,000	803,000
All Other Resources.....	634,000	285,000	482,000
Total Resources.....	257,659,000	254,710,000	237,891,000
LIABILITIES:			
Capital Paid In.....	4,249,000	4,257,000	3,907,000
Surplus.....	3,724,000	5,884,000	2,589,000
Government Deposits.....	1,332,000	1,792,000	3,755,000
Due to Members—Reserve Account.....	64,437,000	62,297,000	59,951,000
Deferred Availability Items.....	41,336,000	41,788,000	40,749,000
Other Deposits, including Foreign Government Credits.....	3,007,000	1,608,000	4,950,000
Total Gross Deposits.....	110,112,000	107,485,000	109,405,000
F. R. Notes in actual circulation.....	127,549,000	127,121,000	105,629,000
F. R. Bank Notes in actual circulation.....	8,823,000	8,630,000	15,808,000
All Other Liabilities.....	3,202,000	1,333,000	553,000
Total Liabilities.....	257,659,000	254,710,000	237,891,000
Contingent liability as endorser on paper rediscounted with or sold to other F. R. Banks.....	31,400,000	24,220,000	.....
Contingent liability on bills purchased for foreign correspondents.....	.....	752,000	.....

(Compiled July 20, 1920)