

FEDERAL RESERVE BANK OF ST. LOUIS

MONTHLY REPORT ON

GENERAL BUSINESS AND AGRICULTURAL CONDITIONS

IN FEDERAL RESERVE DISTRICT No. 8

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WILLIAM MCC. MARTIN,

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

THE trend of things in general business through this district during the past month indicates more definite and significant steps in the direction of readjustment than have been observed up to this time. The course of values on a much broader classification of commodities is downward, and included in things which have declined are several important staples which for a long period had remained unshaken at abnormally high levels. A notable feature is the greater abundance of goods. Articles heretofore scarce have become relatively plentiful. Competition has developed among producers and distributors to dispose of their merchandise and, after many months of solid entrenchment in the seller's position, the market is veering to a buyer's affair.

Measured in dollars and cents the volume of trade holds up well as contrasted with the corresponding period last season, and to date there has been no marked decline in the purchasing power of the public. While there is some unemployment, it is far from the general rule, and fundamentally conditions are strong. Withal much greater conservatism and a disposition to economy and caution are observable, both among the public and among merchants. Price declines, where they have occurred, make for uncertainty, and give rise to the belief, well or ill founded, that soon they will extend to other lines. This has caused buyers to hold off, with the result that in certain branches of business very unsatisfactory conditions have developed. The high interest rates charged by banks have emphasized this state of affairs, and in some quarters collections are poor. Elsewhere, notably in drugs and chemicals, and hardware and metal goods generally, the recent upward pace has been well maintained. In these lines production has not caught up with the demand, or if it has, railroad facilities have not permitted of distribution sufficiently adequate to meet requirements.

Relative to the position of the householder, the declines of the past few weeks should bring about reductions in his general outlay, as they extend to foodstuffs, clothing and other articles consumed in the home, but to offset this beneficial consummation are added costs due to further advancing rents, high fuel prices, increased railroad rates and higher wages to large and important divisions of labor. While comparatively small in its direct bearing on total cost of living, the result of each of these items is cumulative, and in the final reckoning will largely equalize the reductions in prices thus far scored, and leave the total of monthly bills about as they have been during the first half of this year.

It is now conceded that the size of the crops in this district and the country at large will be enormous. Yields of virtually everything will be ample for home consumption and still leave a liberal margin for shipment to foreign customers. Recent rains put an end to drouth in the dry areas, and, according to latest reports, came in time to work incalculable benefit to corn, potatoes and other late crops. It is believed that the 3,000,000,000 bushel output of corn, as predicted in the Government's August 1 report, will be fully realized, with quotas in States of the Eighth Federal Reserve District somewhat in excess of the Washington estimate. None of the Federal Reserve Districts is more dependent for its prosperity upon agriculture than this one, so that the success of the crops will go far to brace confidence and stimulate business. Already beneficial effects are being felt. Jobbers in the larger cities report a decidedly better tone in buying since the first of August. Buyers are appearing in large numbers, and almost to a man are optimistic in their views. In such lines as shoes, dry goods and millinery, cancellations have come to an end, and reinstatements of many orders canceled earlier are reported.

Coincident with large crops are relatively high prices for farm products as compared with former seasons. This is true despite the recent upheaval in the grain market, during which cereal quotations underwent an unusual and radical decline. Trading in wheat futures was reinstated on the leading exchanges on July 15, after having been suspended for nearly three years. On that date the top price for the December option was \$2.75, from which figure it declined to \$2.09 on August 2. Two days later, August 4, the European "war scare" caused a sensational recovery, the price mounting to \$2.30, and at the close, on August 16, the quotation here was \$2.39½. Other grains also fluctuated violently during the same period, but at the close on August 16 were well under prevailing quotations on July 16. September corn closed at \$1.51½ on July 16, and at \$1.47½ on August 16; December corn at \$1.40¾ on July 16, and \$1.23½ on August 16; September oats, 77½¢ on July 16, and 69¼¢ on August 16. Comparisons of spot grains for the two dates develop relatively sharper declines than do the options. This break in prices took place in face of light arrivals of grain at primary points, but it is a well-established fact among the trade that the scant movement is due to the car shortage and not to any lack of supplies back in the country. The present high price of wheat is attributed to the foreign demand, and upon the extent and length of

export buying largely depends the future of the market.

Among the commodities on which price declines have been recorded may be mentioned sugar, coffee, certain cotton goods, boots and shoes, silks, some notions, wools, crude rubber, rice, leather millinery, lower priced furniture and ready-to-wear clothing. As was the case during the preceding month, however, cheaper clothing prices were confined largely to goods covered by special sales. In standard lines prices changes have been insignificant. High-grade woolens continue very expensive, and there is universal complaint among tailors of apathy in their business. Customers are refusing to pay the high prices which merchant tailors claim they are obliged to ask because of increased cost of materials and doing business. Regular patrons of years' standing, they say, are turning to the ready-to-wear establishments or wearing their old garments.

Fuel conditions just now constitute one of the most disturbing factors in the general business status. Production has been hampered by labor disputes and the car shortage, and considerable uncertainty exists in the minds of commercial and domestic consumers as to future supplies. In the immediate past some improvement has developed, due to partial adjustment of difficulties at the mines and freer transportation. With a reasonably mild winter to January 1, dealers estimate that they can easily catch up with the demand. On the other hand, an early and severe winter, or renewed labor and transportation disabilities, could produce a critical situation. In any event, however, dealers declare prices will remain high through the season. Metallurgical coke is scarce almost to the point of famine. Prices for the 72-hour Connellsville product range from \$20 to \$22, ovens, which compares with \$7.50 per ton when the Government released control of fuel a few months back.

The reactionary tendency in the automobile industry is still more sharply defined, and is reported to be extending to accessories. According to dealers the slowing down in purchases of new cars is due largely to the credit situation. Full 80 to 90 per cent of automobile buying is on time, and with banks refusing to handle this sort of collateral, dealers are forced to turn to brokers and other private sources for obtaining money, and rates demanded are such as to make time transactions much less attractive than when the banks were in a position to take on the business. Another detri-

mental factor working in the industry is the sentimental effect of persistent talk of diminishing oil reserves and prospects for prohibitive gasoline prices.

Officials of railroads operating in the district report gradual improvement in the transportation situation, and while their claims are not entirely confirmed by shippers, the freight movement is undoubtedly vastly more efficient than was the case six weeks or two months ago. The intensive campaign to increase mileage for locomotives and cars is bearing fruit, and while at the moment the carriers are not getting much new equipment, they are making better use of what they have. Having been granted their increase in rates, the railroads are in a position to immediately place orders for rolling stock and motive power, and the country at large will closely follow developments along these lines.

Passenger traffic in the district continues to roll up new record totals. Ticket sales of June, July and early August were heaviest in the history of the roads in this region, due to unprecedented vacation travel. Reservations are booked well into September, and all lines report an acute shortage of sleeping cars.

Rather diverse reports are made relative to collections, but the average shows a falling off as contrasted with recent showings. In several lines settlements are decidedly backward, but in hardware, drugs and metals the efficiency is high. Tight money and slow transportation are given as the principal reasons for dilatory payments. Commercial failures in the Eighth Federal Reserve District during July, according to Dun's, were 28, involving liabilities of \$96,040, against 34 in June, involving \$2,283,000, and 44 with liabilities of \$240,812 in July, 1919.

Bond houses and financial institutions report apathy in the market for bonds. The high rates offered by the Government and prime commercial sources are attracting investment funds to the detriment of regular lines of securities which usually go into strong boxes. The absence from town of investors on vacations is another contributing cause to the dullness, as is also the downward movement in New York stocks.

The per capita circulation in the United States on August 1, 1920, was \$57.07, against \$56.79 on July 1 and \$54.40 on August 1, 1919.

MANUFACTURING AND WHOLESALE

Uneven conditions prevail in the departments of jobbing and manufacture, and the past thirty days have been marked by a greater degree of uncertainty and wilder fluctuation than any similar period in recent months. The fact that production is catching up with, and even exceeding, the demand, is evidenced by the greater facility with which goods can be had, and downward revisions in prices on numerous important commodities. Manufacturers report a loosening up in raw materials, due both to heavier outputs at points of production, and improvement in transportation facilities. Some lines report no reaction whatever

from their recent state of great prosperity. Their sales are running steady to a shade better than the preceding month and well over the same time in 1919. Elsewhere accounts are less flattering. Price reductions, actual and expected, have caused retailers to place orders with the utmost caution, and even ultimate consumers are disposed to hold off in anticipation of more reasonable prices later on. Plant operation in the district, however, has been pretty well maintained, there being very few actual shut-downs, and vastly less reduction in outputs than noted in similar industries elsewhere. Fuel and cars are scarce, and foundries, fur-

naces and smelters are feeling the pinch of scarce and extravagantly high coke. Labor conditions are improving, workers generally being more plentiful, and efficiency a shade higher. Wages, however, continue high, with the tendency upward in many industries.

The extremely optimistic crop situation is proving a saving clause, and goes far to stabilize business and offset the less favorable factors. Wholesalers and jobbers for the most part report that the cancellation story, which ran through June and part of July, has come to an end. This is true particularly in dry goods and shoes. The regular influx of August buyers in St. Louis, and other cities of the district, has been large, and the character of their purchasing is more satisfactory than expected. The general disposition is to take no more than needed for current requirements, but such requirements are apparently of goodly volume. The issue to the South depends largely upon the outcome of the cotton crop, which at this juncture seems in a fair way to prove satisfactory in states of this district. Conservatism is dictated more by the desire to play safe than any feeling of pessimism.

Boots and Shoes—Generally business is described as steady to a shade less active than the preceding month, but big increases are shown by leading interests over the same period a year ago. Prices are definitely lower, but the decline is not as marked as had been looked for by the public. One important manufacturer places the average price reduction through his line at from 3 to 5 per cent. Some specific grades are off considerably more than the major figure of this spread, notably calfskins and the higher priced women's shoes. Nowhere was there pessimism expressed, and the outlook for fall and winter business is reported good. Country merchants, as indicated by August buying, are in a more settled frame of mind, and while forward orders are smaller than in some preceding seasons, there is no hesitation about taking ample goods for immediate needs. Few cancellations were reported, and the volume of returned goods has fallen off.

Woodenware—Prices in this industry continue strong, and the demand for everything holds up well. Production in July of interests canvassed held about steady with the preceding month. Labor is more plentiful, but some difficulty is being experienced in obtaining raw materials, due to the car shortage. Collections are fair to good.

Candy—Leading manufacturers and wholesalers report sales about on a parity with the same time last year, but a well defined disposition on the part of buyers to hold off. The chief cause of this is the recent demoralization of the sugar market. It now develops that there are huge supplies of sugar in all positions, while only a few weeks back there was concerted effort in certain quarters to emphasize that stocks were short to the point of exhaustion. The financial situation has caused heavy liquidation of candy stocks, and retailers are buying now from hand to mouth, believing reductions are inevitable. To date, however, there have been no notable declines in selling price. The current, or immediate, demand is normal, but manufacturers are a bit pessimistic as to future business.

Drugs and Chemicals—Still further improvement on top of recent prosperity is reported by interests engaged in this line. The demand is overwhelming, and during the past few days has been stimulated by a desire on the part of retailers to get in stocks before the new freight rates become effective. In several of the larger drug houses, forces have been working nights and Sundays since August 1. Prices hold steady to strong, and no change in this respect, nor in the volume of business, is looked for during the next few months. July returns develop increases of from 10 to 25 per cent in the amount of business done as compared with July, 1919. In the specialty of soda fountain supplies business was never better, with manufacturers and distributors experiencing difficulty in keeping up with the demand. Considerable activity is reported in chemicals used for ice manufacturing.

Clothing—Differences of opinion, almost as numerous as those to whom inquiries were addressed, were expressed relative to the present and future conditions of business. Classification and analysis of replies, however, develops that things are in much the same position as a month ago. There have been some further reductions, and great hesitation is displayed in buying for fall and winter trade. The public has been led to believe that all ready-to-wear goods are due for a slump, and are governed sentimentally accordingly. Sales are running over those of the same period last year, and collections, while not as good as they have been, are in the main satisfactory. Several important St. Louis manufacturers report that buying has slowed down, but that many cancelled orders have been reinstated. The demand for made-up fur goods has picked up, and prices are firm, despite the demoralized status of raw pelts. An interesting sidelight on the fur situation is the statement of a wholesale hardware man to the effect that the demand for animal traps is the largest in the history of his business.

Electrical Supplies—Taken as a whole manufacturing and distribution of electrical supplies in the district averages about steady with a month ago. The demand for numerous articles continues well in excess of supply, and this condition, judging from present indications, will obtain through this year. Enormous gains in sales in July were made over the same month in 1919, while a comparison of the preceding month this year shows a range from a loss of 10 per cent to gains as high as 12 per cent. Prices remain stationary, but the tendency is upward. Some cancellations of orders from automobile builders have been received. Telephone companies and street railways are in the market for large quantities of goods.

Iron and Steel Products—Absolutely no slowing down has been noted in this classification and prices hold very strong, with further advances recorded. Warehouse interests are still behind on orders for certain goods, and it will be some time before transportation and production can relieve this condition. During the last two weeks the demand for pig iron has picked up, sales for prompt delivery and future shipment being in good volume. Southern pig iron, 1.75 to 2.25 per cent silicon, is quoted at

\$42 for last quarter and first half delivery. Foundries in the district continue to operate at capacity, or as near that point as the supply of coke will permit. Castings, especially malleable, are urgently wanted, and new business is being turned down because of lack of capacity. Stove makers have all they can do, and report prospects for fall and winter business were rarely better at this particular season. A slight slowing down is reported in the inquiry for some building materials, but there is an insatiable demand for tubular goods and general oil development supplies from the Southwest. A leading sugar machinery manufacturer reports orders ahead to engage his capacity for several months to come. There has been no improvement in the stringent scarcity of nails. Collections are good.

Flour—Business for domestic consumption continues dead dull, and in general millers report the condition of their business most unsatisfactory. Buying by exporters has kept up the market, but the home trade will not pay the prices and is purchasing in a hand-to-mouth fashion. All hands on the buying side are looking for cheaper wheat, and realization or disappointment of their hopes is entirely contingent upon how much of our surplus foreigners propose to take. The credit situation in the South is against laying in of stocks, and merchants in that region are buying sparingly. There is a better call for clears and low grade than the patents and higher quality flours. The dullness and unsettled state of the market made values difficult to determine, but quotably there is little change in prices as contrasted with a month ago. Mills are running at well below capacity, and collections are not uniformly satisfactory.

Lumber—Expectations of the mills that heavy buying would develop prior to the new freight rates taking effect have not been realized. There has been no unusual buying movement, and things generally in the trade are quiet. The decline in soft pine prices has been checked, and on building lumber the feeling at the moment is a shade firmer. Sentiment, however, seems favorable to a further slump during the next few weeks, and this is causing buyers to hold off. Retail yards through the district are low on stocks, but are not replenish-

ing to any great extent, not wanting to be caught with expensive lumber should a further break occur in the market. The scarcity of nails and other building materials is working adversely in the lumber business. Hard woods are slow, with the demand under supplies. Furniture and automobile factories have slowed down in their purchasing, and generally consumers are disposed to use up their reserve stocks and postpone buying until forced to do so.

Fire Clay Products—Extensive concrete road work, activity in drainage and sewer improvements and the metal trades have conspired to maintain a fair pace of activity in fire clay and concrete lines. The demand in many instances is above supplies, and prices show an advance of about 10 per cent as compared with the preceding month and are 20 to 30 per cent higher than at this time last year. As an offset to these favorable influences, very unsatisfactory conditions obtain in labor, fuel and transportation. Production has been seriously hampered by strikes, and inability to secure raw materials. Paving brick is said to be virtually unobtainable.

Provisions and Packing—Irregularity continues to feature the packing industry. The trend of prices has been easier, and a sharp break occurred in the lamb and mutton market, due chiefly to heavy imports from New Zealand. Beef prices have sagged and the same is true of fresh pork. Unsettled conditions prevail in the provisions futures market, with an accurate idea of actual conditions difficult to obtain.

Miscellaneous—In other lines, such as cooperage, rope, glass, paints, furniture, bags, tobacco, plumbing supplies and stationery, business is affected by about the same set of influences working through the more extensive industries of the district. Orders are being placed with more conservatism, and high money rates are playing an important part. The progress of liquidation has been maintained, and manufacturing programs for the fall and winter contemplate considerably less in the way of stock accumulations than heretofore. In the main raw materials are easier to obtain, and the labor situation is universally more flexible than earlier in the year.

RETAIL

In the retail section of distribution activity during the past month has been fairly well sustained. A notable feature, however, has been the growth of competition, it being a considerably more difficult matter to dispose of goods offhand than was the case a few months ago. Shoppers are looking for lower prices on everything, and insisting upon getting them. The radical break in sugar and coffee has led to the belief that other articles of food must react downward, but thus far there has been no general following of the lead of these two important staples. Canned and package goods, meats, bakery products, fruits, vegetables, dairy products, cereals and prepared sea foods show little price variation, and are still high. Department stores are doing an enormous business, July returns showing gains of from 5 to 15 per cent over last year's sales, but here, as with the smaller stores,

greater effort has been necessary to accomplish the results. Sales are being extensively advertised, and the usual tactics of salesmanship to promote business are being resorted to. Clothing is moving well, being aided by seasonable weather, and general price concessions. Jewelers report sales in dollars and cents about equal to a year ago, but the number of customers has fallen off materially as contrasted with the preceding few months. There is a good demand for expensive pieces, notably set diamonds. Prices are steady to firm. Sporting goods, photographic supplies, books and notions are seasonably active, particularly sporting goods, of which there is a scarcity. Sales of guns and fishing tackle have been heavy. In the main stores are getting in their money promptly, but collections are not up to the standard set earlier this year.

AGRICULTURE

Generally speaking, weather since June 1 in this district has been almost ideal for growth and development, and little doubt remains as to bumper yields of the leading crops, barring winter wheat. Drouth over certain important corn raising sections was relieved by timely rains this month, which incidentally freshened things up generally and worked great benefit in pastures. While the out-turn of winter wheat was disappointing as to quantity, latest threshing returns indicate a high quality. Answers to questionnaires sent to farmers and country merchants in the district develop improvement since last month, especially in corn. About 60 per cent of the answers report the corn prospects good, 30 per cent fair and only 10 per cent poor. Threshing of oats discloses somewhat uneven results, but in Illinois and Missouri and parts of Indiana yields are heavy and of excellent quality. The hay crop is turning out well, better in some sections than in many years. While potatoes in spots are not promising, the general average is good, only 5 per cent of those reporting showing poor. Apples are turning out better than had been anticipated, but the peach crop is disappointing. Vegetable gardens are in fine shape in nearly all parts of the district. There are few complaints relative to the supply of labor, and those principally from

the South. Help has been plentiful in the harvest fields, and generally where crops have been garnered. Dairying is reported good. Tobacco is generally doing well, with fields clean and well cultivated. In central Kentucky fears of damage from "rust" and "wildfire" are reported. Burley and cigar type tobaccos in Indiana are very good, but the crop is not doing quite so well in the dark district. The condition of rice in Arkansas is excellent in virtually all the chief producing counties. The United States Department of Agriculture makes the combined condition of all crops in the seven states of the district (100=average) 103.4 per cent as of August 1, against 95.8 on July 1. While reports as a whole on cotton are favorable there are some complaints of excessive precipitation and cool nights. In the main the crop is well cultivated and fruiting nicely, and altogether the prospect is fine. The production of cotton in the Eighth Federal Reserve District, as forecast by the U. S. Bureau of Crop Estimates on August 1, is 2,173,000 bales, which compares with 1,906,000 bales estimated on July 1, and 1,789,000 bales, the 1919 estimate. A great difficulty in connection with the new cotton crop is that the warehouses in Memphis and elsewhere are filled practically to capacity with the old crop.

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

	Total Production in Thousands of Bushels			Yield per Acre — Bu. —		Quality %		Price per Bu. August 1 Cents	
	1920*	1919	December Estimate 1914-18 Av.	1920	10-Yr. Average	1920	Average	1920	1919
Illinois	29,959	57,800	40,345	15.2	16.4	92	90	236	210
Indiana	20,460	45,792	38,183	12.0	15.9	87	90	230	209
Kentucky	6,304	12,029	10,316	10.2	12.2	88	90	254	213
Missouri	29,350	57,699	35,161	12.5	14.3	92	89	237	209
Tennessee.....	4,155	7,290	8,035	9.8	10.9	88	89	265	221

*Preliminary Estimate.

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

	Condition Aug. 1		Forecast, 1920*		Dec. Estimate*		Price per Bushel August 1	
	1920 %	10-Yr. Av. %	From Aug. 1 Bu. Cond.	From July 1 Bu. Cond.	1919 Bu.	5-Yr. Av. 1914-18 Bu.	1920 Cents	1919
Arkansas	86	75	59,232	50,941	48,726	49,702	210	204
Illinois	75	78	284,871	284,125	301,000	347,537	148	189
Indiana	86	81	177,924	169,836	175,750	178,140	151	194
Kentucky	90	80	96,941	86,170	82,500	99,485	202	209
Mississippi	77	79	66,399	59,438	59,700	63,448	232	211
Missouri	84	73	200,159	179,110	155,412	171,524	169	199
Tennessee	89	83	82,032	73,994	74,750	86,790	206	212

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

LABOR

In general industrial lines labor is reported somewhat more plentiful than at any time since the war. In centers of large population some unemployment is noted, but idleness is confined almost exclusively to those who do not desire work, or operatives affected by strikes. The trend of wages continues upward, with several notable advances occurring during the past month. In the building trades there is considerable unrest and scattered strikes throughout the district. In Evansville, Indiana, the furniture workers' strike is now in its fourth month. A strike among female workers is reported in the cloth-

ing industry and other lines where skill and training are requisites. In the automobile industry workmen are being laid off, but the need of skilled mechanics in other lines has been thus far sufficient to absorb the surplus. In some sections there is a shortage of common labor, while elsewhere an overplus exists. Save in isolated sections of the South, there is little complaint relative to the supply of farm labor. In the mining areas of the district a large number of laborers have drifted temporarily to the harvest fields, but in the lead and zinc region ample help remains for all purposes.

COMMODITY MOVEMENT

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

	Receipts			Shipments		
	July, 1920	June, 1920	July, 1919	July, 1920	June, 1920	July, 1919
Flour, barrels.....	314,970	361,010	249,090	397,670	412,690	271,765
Wheat, bushels.....	4,270,970	2,497,200	8,277,964	2,115,990	1,731,020	1,874,060
Corn, bushels.....	2,299,120	3,407,300	1,078,978	1,527,530	1,625,460	1,067,215
Oats, bushels.....	2,264,000	1,744,000	2,464,000	1,534,750	1,679,580	1,921,380
Lead, pigs.....	214,730	213,300	100,530	120,620	205,630	185,820
Zinc and Spelter, slabs.....	366,180	455,870	31,410	580,640	822,320	687,280
Lumber, cars.....	10,727	9,647	14,386	6,174	7,384	11,222
Meats, pounds.....	6,380,800	6,061,400	7,360,400	22,946,600	22,368,700	24,497,800
Fresh Beef, pounds.....	723,600	1,046,700	588,100	24,305,400	19,652,500	24,530,600
Lard, pounds.....	1,028,900	1,850,300	791,700	5,996,800	6,234,400	5,183,700
Hides, pounds.....	771,200	1,634,600	3,829,300	2,230,500	2,639,100	6,392,200

BUILDING

Building operations have been hampered by a combination of influences, and on the whole the industry is in rather unsatisfactory shape. Among the disabilities may be mentioned the scarcity and high cost of labor and material, and extreme difficulty of financing loans on construction projects. Recently it has developed that contractors are loath to bid on construction. Uncertainties in the material and labor markets make them hesitate to name a price at which they will do the work. A notable instance of this was in connection with a large hotel building project in St. Louis. The movement of building materials has been aided somewhat by the recent order of the Interstate Commerce Commission allowing cars with sideboards up to 40 inches

to be used for that traffic. The housing situation is more cramped than ever, and prospects for relief are remote. According to building experts, essential construction, such as schools, hospitals, public buildings, factories and warehouses, will more than take up construction capacity for months to come, leaving nothing for application to residential needs. Wages in the building trades are estimated to have reached their peak, and any future advances will be in the nature of adjustment of differentials. Statistics covering building operations in leading cities of the district during the past month show little change as compared with the same month last year.

Comparative building figures for July follow:

	1920				JULY				1919			
	New Construction		Repairs, etc.		New Construction		Repairs, etc.		New Construction		Repairs, etc.	
	Permits	Cost	Permits	Cost	Permits	Cost	Permits	Cost	Permits	Cost	Permits	Cost
St. Louis.....	395	\$2,424,615	435	\$474,240	443	\$2,883,397	444	\$419,140				
Louisville.....	37	293,450	156	76,800	64	258,250	123	179,965				
Memphis.....	133	810,000	56	80,000	78	667,000	119	141,150				
Little Rock.....	41	74,440	100	42,158	53	251,791	60	30,425				

LIVE STOCK

Virtually no change worthy of note has transpired in the live stock situation as contrasted with a month ago. The movement in and out of St. Louis shows a sharp decline under the corresponding month last year, with the heaviest relative loss

being in sheep. The cause for this was the radical slump in prices for dressed lamb and mutton. Some improvement in the demand for stock and feeder cattle was reported, attributable to improved condition of pastures, and a decline in feeds.

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

	Cattle and Calves		Hogs		Sheep		Horses and Mules	
	1920	1919	1920	1919	1920	1919	1920	1919
Receipts.....	114,437	138,609	196,466	232,090	82,757	136,962	8,893	15,535
Shipments.....	52,713	81,059	103,778	339,830	21,411	64,427	10,229	24,623

FINANCIAL

No marked changes in financial conditions in the district occurred during the past month. There is a continued broad demand for money and credits, with the call from the country particularly urgent. There has been some liquidation in loans, and during the past week or ten days certain country banks have slightly reduced their obligations. The trend of deposits is normal for this time of year. Sharp price reductions in some staples have had a tendency to promote liquidation of accumulated stocks. Thus far the massive requirements for crop financing have been met, and requirements of essential business are being well cared for. Concensus of opinion among bankers is that with a continuance of the recent conservative policy in the matter of apportioning credits and the discouragement of speculation in all forms, general business can be carried forward without serious disturbance until the return of money begins in the fall. Efforts on the

part of railroads to increase transportation efficiency and expedite the crop movement are expected to be reflected shortly in the release of enormous credits heretofore tied up in delayed freight. To the South, where the old crop cotton has not been sold, banks have been obliged to carry a heavy burden, but with financing of the growing crop has been adequately handled. Rates are high, and present indications are that there will be little change.

Commercial paper houses report extreme dullness in their line, July and August business being well under that of preceding seasons. Country banks are buying sparingly, and the large city institutions are too closely pushed to supply regular and routine demands of their customers to invest in paper of this class. Some paper has sold fractionally above 8 per cent, but the prevailing rate is still 8 per cent, with no names, however good, obtaining concessions under that figure.

INTEREST RATES

Between July 16 and August 15 the high, low and customary interest rates prevailing in St. Louis, Louisville, and Little Rock, as reported by the 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.....	7½	6½	7	6	6	6	8	7	7
4 to 6 months.....	7½	6½	7	6	6	6	8	7	7
Prime Commercial Paper purchased in open market:									
30 to 90 days.....				8	8	8			
4 to 6 months.....				8	8	8			
Loan to other banks.....	7	6½	6¾	6	6	6	7	6	7
Bankers' Acceptances of 60 to 90 days:									
Endorsed.....	8	6½	7	6¼	6¼	6¼			
Unendorsed.....	7½	6¼	7						
Loans secured by prime stock exchange collateral or other current collateral:									
Demand.....	7½	6½	7	6	6	6	8	7	8
3 months.....	7½	6½	7	6	6	6	8	7	7
3 to 6 months.....	8	6½	7	6	6	6	8	7	7
Cattle Loans.....	8	6½	7	6	6	6	8	7	8
Commodity paper secured by warehouse receipts, etc.....	7½	6½	7	6	6	6	8	7	8
Loans secured by Liberty Bonds and Certificates.....	7	6	7	6	6	6	8	7	7

CONDITION OF BANKS

The condition of banks in this district, and changes since a month ago and last year, are reflected in the following comparative statement, showing the principal resources and liabilities of member banks of St. Louis, Louisville, Memphis, Little Rock and Evansville:

	Aug. 13, 1920	July 16, 1920	Aug. 15, 1919
Number of banks reporting.....	35	35	34
U. S. Bonds to secure circulation.....	\$ 16,924,000	\$ 16,925,000	\$ 17,155,000
Other U. S. Bonds, including Liberty Bonds.....	13,295,000	13,250,000	16,167,000
U. S. Victory Notes.....	2,675,000	2,781,000	11,681,000
U. S. Certificates of Indebtedness.....	5,036,000	6,137,000	35,050,000
Total U. S. Securities owned.....	\$ 37,930,000	\$ 39,093,000	\$ 80,053,000
Loans and investments, including bills rediscounted with F. R. Bank:			
Loans secured by U. S. War Obligations.....	\$ 33,534,000	\$ 35,564,000
Loans secured by stocks and bonds other than U. S. Securities.....	125,744,000	123,542,000
All other loans and investments.....	410,891,000	409,422,000
Total loans and investments, including rediscounts with F. R. Bank.....	\$608,099,000	\$607,621,000	\$526,015,000
Reserve with the Federal Reserve Bank.....	\$ 41,138,000	\$ 39,630,000	\$ 39,482,000
Cash in vault.....	9,390,000	9,456,000	11,707,000
Net demand deposits on which reserve is computed....	330,212,000	321,327,000	318,502,000
Time deposits.....	124,767,000	124,596,000	99,911,000
Government deposits.....	1,564,000	3,308,000	22,464,000

DEBITS TO INDIVIDUAL ACCOUNTS

The following table, compiled from figures furnished by the several clearing houses, gives the total debits charged by banks to checking accounts, savings accounts and trust accounts of individuals, firms, corporations and U. S. Government, also certificates of deposit, cashiers' checks and expense checks paid, in the leading cities of this district during the past month, with comparisons for the preceding month and corresponding period a year ago. Charges to accounts of banks and bankers are not included.

These figures are considered the most reliable index available for indicating actual spending by the public during the periods which they cover.

Debits to depositors' accounts for four weeks ending.....	Aug. 11, 1920	July 14, 1920	Aug. 13, 1919
St. Louis.....	\$604,071,000	\$585,045,000	\$576,554,000
Louisville.....	132,153,000	142,105,000	121,273,000
Memphis.....	104,096,000	114,431,000	104,048,000
Little Rock.....	30,551,000	37,838,000	32,176,000
Evansville.....	19,721,000	21,957,000	19,617,000
TOTAL.....	\$890,592,000	\$901,376,000	\$853,668,000

FEDERAL RESERVE OPERATIONS

There were no changes in the normal discount rates of the Federal Reserve Bank of St. Louis since last report. On August 18, 1920, the rates were as follows:

	15 days and less	16 to 60 days	61 to 90 days	91 days to 6 months
MEMBER BANKS' COLLATERAL NOTES:				
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 July the Federal Reserve Bank of St. Louis discounted a total of \$192,843,408 of paper for 287 member banks, which is an increase of \$14,666,873 over the amount discounted in June, and a decrease of 10 in the number of banks accommodated. Acceptances purchased in the open market during July amounted to \$2,040,770, which is a decrease of \$1,174,721 under the preceding month.

The resources and liabilities of the Federal Reserve Bank of St. Louis on August 13, 1920, as compared to a month ago and a year ago, are shown in the following statements:

	Aug. 13, 1920	July 16, 1920	Aug. 15, 1919
RESOURCES:			
Gold Coin and Certificates.....	\$ 2,927,000	\$ 3,340,000	\$ 2,686,000
Gold Settlement Fund—F. R. Board.....	10,027,000	5,808,000	32,030,000
Gold with Foreign Agencies.....	5,242,000	5,242,000
Total gold held by bank.....	\$ 18,266,000	\$ 14,390,000	\$ 34,716,000
Gold with Federal Reserve Agent.....	\$ 44,303,000	\$ 45,358,000	\$ 56,890,000
Gold Redemption Fund.....	6,474,000	5,304,000	5,181,000
Total Gold Reserves.....	\$ 69,043,000	\$ 65,052,000	\$ 96,787,000
Legal Tender, Notes, Silver, etc.....	\$ 8,066,000	\$ 7,351,000	\$ 4,542,000
Total Reserves.....	\$ 77,109,000	\$ 72,403,000	\$101,329,000
Bills Discounted: Secured by U. S. War Obligations.....	\$ 41,547,000	\$ 49,002,000	\$ 53,513,000
Bills Discounted: All Other.....	70,212,000	60,672,000	9,224,000
Bills Purchased in Open Market.....	2,160,000	3,071,000	9,817,000
Total Bills on Hand.....	\$113,919,000	\$112,745,000	\$ 72,554,000
U. S. Government Bonds.....	\$ 1,153,000	\$ 1,153,000	\$ 1,153,000
U. S. Certificates of Indebtedness.....	17,257,000	17,228,000	17,068,000
Total Earning Assets.....	\$132,329,000	\$131,126,000	\$ 90,775,000
Bank Premises.....	\$ 866,000	\$ 866,000	\$ 691,000
Uncollected Items and other deductions from Gross Deposits...	44,890,000	49,505,000	51,030,000
5% Redemption Fund against F. R. Bank Notes.....	524,000	525,000	840,000
All Other Resources.....	342,000	285,000	490,000
Total Resources.....	\$256,060,000	\$254,710,000	\$245,155,000
LIABILITIES:			
Capital Paid In.....	\$ 4,272,000	\$ 4,257,000	\$ 3,943,000
Surplus	5,884,000	5,884,000	2,589,000
Government Deposits.....	833,000	1,792,000	6,205,000
Due to Members—Reserve Account.....	64,993,000	62,297,000	61,361,000
Deferred Availability Items.....	39,542,000	41,788,000	43,257,000
Other Deposits, including Foreign Government Credits.....	1,600,000	1,608,000	4,366,000
Total Gross Deposits.....	\$106,968,000	\$107,485,000	\$115,189,000
F. R. Notes in actual circulation.....	\$128,262,000	\$127,121,000	\$106,387,000
F. R. Bank Notes in actual circulation.....	8,864,000	8,630,000	16,305,000
All Other Liabilities.....	1,810,000	1,333,000	742,000
Total Liabilities.....	\$256,060,000	\$254,710,000	\$245,155,000
Contingent liability as endorser on paper rediscounted with or sold to other F. R. Banks.....	\$ 20,941,000	\$ 24,220,000
Contingent liability on bills purchased for foreign correspondents	752,000	752,000

(Compiled August 18, 1920)