

# FEDERAL RESERVE BANK OF ST. LOUIS

## MONTHLY REPORT ON GENERAL BUSINESS AND AGRICULTURAL CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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CONDITIONS of extreme apathy in commodity buying, outlined in the preceding issue of this report, underwent no favorable change during the past thirty days. The quietness was accompanied by further price cuts, which with few exceptions, extended to all lines investigated. Processes involved in the readjustment movement have been accelerated by uncertainty relative to ultimate stabilization and the drastic declines have failed to promote buying. This is especially true in providing for future requirements. Immediate business, while nothing like what it was in recent months and during preceding seasons, is making a fair showing. Placing of orders for forward delivery is at a minimum, and in many lines nil. With the public there is a general disposition to economize, while merchants are taking only such goods as they can dispose of at once. Manufacturers are proceeding with the utmost caution in the matter of providing themselves with raw materials. Orders on the books of manufacturers have been considerably reduced, which fact is entailing curtailed operations, and in a number of instances, closing down of plants. A direct result of this is the release of workmen, and according to State and Federal labor commissioners the surplus of both skilled and unskilled workers is rapidly augmenting.

The Christmas holiday trade served in a measure to stimulate the retail section of distribution, but hardly to the extent anticipated. Returns of the closing weeks of November and the first half of December were decidedly spotted. In some localities the volume was heavy, while elsewhere it was disappointing. Then there was considerable diversity in reports from within a given city or country district. Some stores related that shopping was brisk, while others said their stocks had not moved with the usual holiday celerity. It was noted, however, that best results were obtained where special effort was put forth, either in the way of price concessions or intensive salesmanship.

Replies to questionnaires and other sources of information develop that liquidation of manufactured goods has made excellent progress throughout this district during the past month. Inventories have been materially reduced, and the arrival of the new year will find stocks in much better shape than thought possible sixty days ago. This has been accomplished at considerable sacrifice, however, heroic measures having been adopted in numerous notable instances. In the retail division the house cleaning has been less thorough than in wholesale and manufacture, though since December 1 price reductions to the ultimate consumer

have been on a more impressive scale than at any time since the price curve started downward.

Among the lines in which further declines took place during the period under review may be mentioned clothing, textiles, boots and shoes, candies, groceries, lumber, flour, millinery, woodenware, electrical supplies, furniture and fuel. Metal goods have begun to feel the recessionary movement, independent dealers and manufacturers having cut their quotations to a parity with those of the leading interest.

The final report of the U. S. Department of Agriculture, which was released December 14, showed no change worthy of note in final estimates of production in this district as compared with immediately preceding bulletins. In point of quantity and quality the harvest was eminently successful. The average yields per acre of all crops combined in states of the Eighth Federal Reserve District, duly weighted, compared with yields of recent years, was 104.1 per cent. These excellent results, however, have not had the effect in agricultural communities which usually accompany big production. Marketing conditions continue unfavorable, due to slack demand for home consumption and export. Farmers are unwilling to accept prices offered, especially for such important staples as cotton, corn, wheat and tobacco, and the movement to market is the slowest in years. Some idea of the magnitude of price reversals can be formed from accounts of the opening sale in the dark tobacco district on December 9, at Owensboro, Kentucky. The prices at the opening of the market averaged \$5 per 100 pounds, which compares with \$18.97 at the initial sale in 1919. Farmers rejected these prices and launched a plan to prize this year's crop and hold it off the market. Marketing conditions of cotton have not bettered, the price having slumped further, and the demand showing no signs of life.

Unusually wide and erratic fluctuations marked the course of prices of farm products in the St. Louis market during the past thirty days. A comparison of prices of typical products between November 15 and December 15, shows the following declines: December wheat,  $10\frac{1}{4}c$ ; March wheat,  $11\frac{1}{4}c$ ; December corn,  $7\frac{5}{8}c$ ; May corn,  $8\frac{3}{8}c$ ; July corn,  $7\frac{3}{4}c$ ; May oats,  $5\frac{3}{8}c$ ; No. 2 red winter wheat,  $7c$ ; No. 2 hard wheat,  $10c$ ; No. 2 corn,  $14c$ ; No. 2 white corn,  $12c$ ; No. 2 white oats,  $3\frac{1}{2}c$ ; soft patent flour,  $60c$  to  $\$1.50$ ; spring patent, unchanged to  $35c$ . Middling cotton declined  $4c$  between the dates mentioned.

Daily improvement in the fuel situation is reported. The open winter to date has permitted

of intensive distribution, and it is now well established that all sections of this district will receive quotas ample to carry them comfortably through to spring. The demand for steaming coal has fallen off, and the same is true relative to metallurgical coke. Prices for both these varieties of fuel are easier. The 1920 output of bituminous coal to December 11 totaled 512,431,000 tons, which is about 33,000,000 tons behind 1918, but this does not mean a great deal because during that year production exceeded consumption and provided a net addition to consumers' stocks of more than 30,000,000 tons. Neither does it signify much that 1920 is far ahead of 1919, for in 1919 there was a net draft on stocks of 40,000,000 tons and the close of the year following the coal strikes of November-December, found consumers' stocks dangerously low. It is more significant to note that 1920 is now within 3,250,000 tons of 1917, a year when requirements were large and production about equalled consumption.

Affairs generally in the category of transportation are described as satisfactory by officials of lines operating in this territory. All congestion has been eliminated and freight is moving unhampered in all directions. The mild weather has helped things marvelously to date, and the carriers anticipate no difficulties later on, due to the fact that they are entering the winter with clear tracks. As contrasted with a year ago offerings of freight are smaller, but November and the first two weeks of December are well up with October. Southwestern roads are busier, relatively, than those operating to the East, where tonnages handled are more dependent upon prosperity in manufacturing. Passenger business continues to hold up well.

Some diversity exists in accounts of collections, but the general average during the past month is disappointing. The showing was not as

good as during the preceding month, and considerably under the corresponding period a year ago. Bankers and merchants, especially in the cotton, corn, wheat and tobacco sections, report endless requests for extensions. Retailers say they are not getting in their money as promptly as heretofore, though on the whole there is less complaint in that end of distribution than in wholesale, except in certain country districts.

Commercial failures in the Eighth Federal Reserve District during November, according to Dun's, were 58, involving liabilities of \$829,889, against 28 in November, 1919, with liabilities of \$235,393. In October this year there were 47 failures involving liabilities of \$1,280,507, and in September, 35 failures with liabilities of \$352,873.

Banks and trust companies through the district with bond departments and houses specializing in investments report that the bond business is slow. The recent demoralized condition of the New York Stock Market has had a disturbing effect on securities generally. Investment buying is confined principally to persons with large surplus cash resources, and they are taking chiefly bonds secured by taxes. The general run of smaller investors are strongly disposed to conserve their cash. This fact is strikingly illustrated by savings figures of St. Louis financial institutions. On December 1, 1920 there were 361,987 savings accounts with deposits of \$77,296,709, against 296,771 accounts with a total of \$58,570,235 deposits on December 1, 1919. This represents a gain of 12½ per cent in the number of accounts and 25 per cent in savings for the dates compared.

The per capita circulation of the United States on December 1 was \$59.41, against \$59.48 on November 1 and \$55.65 on December 1, 1919.

## MANUFACTURING AND WHOLESALE

Uncertainty relative to prices which exists among merchants and the public continues the chief factor in wholesale merchandizing and manufacture. New business, especially for future delivery, is being slowly placed. Certain important lines, in which usually at this season goods for spring consumption have been wholly or in large part ordered, are absolutely quiescent. No attempt whatever has been made to book orders. The past thirty days have developed fewer cancellations than the preceding month, but this is explained by the fact that there are fewer orders to cancel. Efforts to obtain stock orders, even at radically reduced prices, have proved futile. For the most part plants in operation are engaged in completing old orders, the volume of which has been materially reduced. Virtually all wholesalers canvassed report decreases in business as compared with the corresponding period a year ago. The losses range from 5 to 80 per cent, with the average around 58¼ per cent. Several large interests whose figures make a relatively good showing, report that the feat was possible only by dint of special effort and the staging of great sales in which goods were put into consumption at considerable sacrifice. Typical holiday goods, such as candy, toys, and certain canned and preserved fruits, moved out of first and second

hands more slowly than in any like period in more than a decade.

**Boots and Shoes**—The volume of business transacted in November by reporting corporations and firms showed a decrease as compared with the same time last year of from 18 to 36½ per cent. Results during the first two weeks of December made a showing slightly worse than this in point of future orders, but were steady to a shade better on orders for immediate shipment. Generally the industry is described as dead slow, but all things considered collections are fair. Prices have been further marked down during the past thirty days. Raw materials continue soft, except hides and calfskins, in which a buying movement has been noted. On December 1 the U. S. Government purchased 250,000 pairs of shoes at an average price of \$4.12. This represents a decline in the average price of \$1.23 under the preceding purchase, which was in September, and compares with \$6.97½ per pair paid by the Government in March. The sharp drop in December was explained by the fact that numerous factories were competing for the work in order to keep operating and hold organizations intact.

**Clothing**—Some manufacturers sent their salesmen out on December 1 and report a few orders, but generally there has been no change from the

dull conditions obtaining since early in October. Prices are unsettled, with further declines recorded in all varieties of ready-to-wear garments. Future orders have been heavily reduced, and with a number of interests have entirely disappeared. On the average collections are about 25 per cent under the corresponding period a year ago. The mild weather has had a detrimental effect on distribution of heavy clothing.

**Electrical Supplies**—Plant operation in the district has been sharply curtailed since the beginning of November, due to cancellations of orders and absence of new business. Buying is confined to small lots for immediate use. Distributors reports indicate a decrease in sales during October of from 28 to 40 per cent as compared with the same month in 1919. The quantity of goods sold for the holiday trade was the lightest since 1913.

**Iron and Steel Products**—Aside from a further weakening in prices, there was no marked change in this classification as contrasted with the preceding month. Goods are more plentiful than at any time since the scarcity due to the war set in. Foundries and rolling mills report a dearth of new business and a sharp decrease in unfilled orders. Absolutely nothing is being done in the way of raw material buying. Pig iron is dull and lower, being offered at \$35 to \$38 per ton for 1.75 to 2.25 per cent silicon. Larger quantities of resale iron are appearing on the market, which is selling considerably under the mentioned quotations.

**Hardware**—For the first time this year hardware interest are reporting a decrease in sales under the preceding month, the losses ranging from 5 to 18 per cent. The heaviest decreases were sustained by Southern houses, which fact is attributed to unfavorable conditions in the cotton and tobacco districts. Generally the trend of prices is easier, though cuts in this line are considerably less marked than elsewhere. Cancellations were heavier than the month before. Collections are fair to good.

**Flour**—Millers report conditions in their business the most unsatisfactory experienced in recent years. The export demand is abbreviated, and domestic buyers are holding off, or taking barely enough to supply absolute requirements. The point on which there is most unanimous complaint, however, is the instability of the wheat futures market. Fluctuations in the past six weeks indicate a typical speculative situation, changes in single sessions being beyond anything which legitimate supply and demand could influence. These erratic price jolts have the effect of completely disorganizing the flour market, and result in numerous cancellations or orders for flour. Mill operation in the district is at only from 45 to 50 per cent of capacity. Mills in the St. Louis industrial district have effected a cut in wages of all operatives amounting to 50c a day. This is the first general wage reduction announced by any large industry in the middle west.

**Candy**—The pruning knife was applied to candy prices during the past thirty days, reduction ranging from 5 to 15 per cent. Concessions were made in order to stimulate Christmas holiday buying, which according to interests canvassed, was astonishingly light. The general report is that retail

merchants are well stocked up, and are unwilling to purchase until they work off their high priced goods. Forward buying is virtually at a standstill. Sugar and other raw materials continue downward, but no change in the wage scale has taken place. Sales during the past thirty days show declines under the same time in 1919 of 20 to 68 per cent. Collections are poor to fair, with the principal delinquency to the South.

**Drugs and Chemicals**—Business with the larger interests holds steady to a shade under that of the same time last year, but distributors in cities outside of St. Louis report decreases of from 15 to 25 per cent both under last year and the preceding month. Certain lines of chemicals and drugs are declining considerably, but proprietary medicines hold firm. In sundries, glass and paper goods handled by drug distributing firms, the trend of values is downward.

**Lumber**—The outstanding feature in this industry during the past thirty days has been the beginning or readjustment in manufacturing costs. Many sections of the South report wage reductions in woods and mills. The price trend has continued downward. Late in November yellow pine interests made substantial price cuts and moved a fairly heavy volume of surplus stocks. One Douglas fir manufacturer suddenly cut prices and booked approximately 25,000,000 feet (board measure) in the East in four or five days selling—then cancelling his quotations. These movements reduced the general level of softwood prices but helped dispel the torpor that had settled in the lumber market. Despite continued weakness in demand and prices, the hardwood situation has improved by the disappearance of some stocks that were in weak hands. Early December witnessed a slight improvement in hardwood export movement and in railroad demand in the domestic market. Industrial consumers, the chief buyers of hardwoods, remain virtually out of the market.

**Woodenware**—Sales of reporting interests during the past month show decreases as high as 40 per cent under the same month last year and losses of 30 per cent under the preceding month this year. Prices declined on an average of 10 per cent, and are now about 30 to 40 per cent under those obtaining at this time last year. A sharp reduction in the number of employees is reported. Several large interests say their forward orders have all been filled. Collections are good.

**Furniture**—Buying for immediate shipment is a shade better than a month ago, but future business is described as the quietest so far experienced. Buyers are holding off awaiting prices to be set at the great sales at Grand Rapids and Chicago in January. Manufacturers are unable to interest their customers in forward orders, though liberal concessions have been offered. Prices have been reduced from 10 to 12½ per cent in the past thirty days, and the cuts extend pretty well through the entire line. Plant operation in the district has been reduced approximately 60 per cent of capacity.

**Fire Clay Products**—Manufacturing is centered in the filling of old business, and new orders are being sparingly placed. The blowing out and banking of furnaces has materially reduced the demand

for refractories. The trend of prices is downward. Collections are reported fair.

**Miscellaneous**—Generally speaking the trend of things in the more important lines obtain in stationery, cooperage, bags, rope, brooms and brushes,

**saddlery, paints, glass and paper.** Buying is being held down to immediate wants, and future ordering is at a minimum. Stocks of goods have been reduced somewhat, but are still apparently ample to fill all requirements.

## RETAIL

The past thirty days have been marked by numerous and drastic cuts in retail prices, but the reductions are in a large measure isolated and specialized, and do not cover the general line in anything like the degree noted in wholesale. Many important commodities used in daily consumption are little, if any, cheaper than heretofore. The holiday season helped matters materially in final distribution, but even in the shopping rush of early December there was a decided disposition to discriminate in the matter of price and quality, with stores making greatest concessions in these regards attracting most trade. A striking example of this is developed in the report of a department store in Indiana, sales of which showed a gain of 60 per cent during the past thirty days over those of the same time last year. Commenting on this showing the president of the establishment said: "Just a word of explanation of our abnormal gain in sales. We anticipated the break in prices and in October planned unloading sales. We closed the store for one day and went through every department, marking down, and have since followed the market downward, as we followed it upward during the last two years. We felt that was the quickest way to get back to a profit basis." Jewelers report a reduction in sales under last year, and comment on the fact that fewer very expensive pieces are being taken. In sporting goods, principally arms, the movement was fair, but considerable reaction against prices was noted on the part of buyers.

Furnishing goods handlers say that they have succeeded in reducing their stocks through the consumptive channel, but that the public is demanding lower prices. Unseasonably warm weather has cut the customary demand for clothing for heavy wear. Furs, however, have been taken in volume, due to special sales and general price reductions. There are numerous complaints of quietness from stores in rural districts in the South, but Memphis, Louisville and Little Rock reported fairly brisk Christmas shopping. November figures of the leading department stores in the district show an average increase of 8.2 per cent over the same month in 1919 and 10.9 per cent in net sales over the preceding month this year. The disposition to economize is reflected in reports from miscellaneous activities, such as restaurants, places of amusement, and purveyors of luxuries. The actual number of patrons at restaurants has not materially decreased, but the size of the average check indicates curtailment in the daily food outlay. Receipts at places of amusement and by dealers in luxuries show a falling off in a degree too marked to be accounted for by seasonal change. Automobile dealers report no change in their business, which is extremely apathetic. Leading dealers throughout the district, especially in St. Louis, have announced material cuts in service charges. Several southern points report a slight decline in the price of bread, but generally this finished product has not followed the downward movement of wheat and flour.

## AGRICULTURE

Climatically the agricultural sections of this district have rarely experienced more favorable weather conditions than during the past few weeks. Moisture has been sufficient to nourish planted grain crops and pastures. Winter wheat has progressed wonderfully well, its general condition showing far beyond the average for several years at this particular season. Rye also is in excellent shape. Husking of corn is rapidly proceeding, though in some sections retarded by rain and stiff wage scales demanded by labor. Freezing weather is needed to put some of the crop in the best condition for cribbing. There are few complaints of musty corn, but the damage from wet weather is slight. Harvesting is virtually completed over the entire belt. Seeding of fall oats is about over, and indications point to an acreage well up to that of last year, though reports vary somewhat. Wherever possible the white potatoe crop has been stored, and in generally good condition, so that the tubers should keep well. Live Stock through the district

continues in good shape. The low price of corn considered, however, the demand for feeder stock is not particularly strong. The supply of farm labor is ample for all purposes, with some surplus in spots. Weather has permitted of intensive work on farms and with live stock there having been no severe freezing. Cotton picking has been pushed, and ginnings to December 1 show up well. It is estimated that 80 per cent of the crop in the Eighth Federal Reserve District is now out of the fields and in the warehouses and compresses. Marketing conditions generally have not improved during the last thirty days, and in some respects are less favorable than heretofore. Despite this fact cereals have been moving in somewhat better shape, railroad facilities being better than at any time since the war congestion set in. The demand for cotton is slow, and that staple is not moving well. The same may be said relative to tobacco, prices for which are under what producers are willing to accept.

The U. S. Department of Agriculture, in its report dated December 13, gives the estimated production of cotton for 1920, in four States of this district as follows:

	Pounds Lint	Bales of 500 lbs. gross weight			Price per lb.	
	1920	1920	1919 (census)	5 yr. av. 1914-18	1920 Dec. 1	1919
Arkansas.....	555,176,000	1,160,000	884,473	985,459	13.3	36.4
Mississippi.....	423,384,000	885,000	960,886	1,028,580	15.3	37.5
Missouri.....	40,690,000	85,000	64,031	63,089	13.5	34.0
Tennessee.....	148,335,000	310,000	310,044	327,916	13.0	33.5

The following table, compiled from commercial sources for the Government market report, shows the cotton movement from August 1 to December 3.

	BALES	
	1920	1919
Port Receipts.....	2,710,964	2,937,450
Port Stocks.....	1,275,251	1,552,500
Interior Receipts.....	3,179,221	3,341,182
Interior Stocks.....	1,543,053	1,325,993
Into Sight.....	4,848,120	5,207,636
Northern Spinners' Takings.....	608,551	1,075,838
Southern Consumption.....	1,168,462	1,455,303
World's Visible Supply of American Cotton.....	4,435,467	4,414,209

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

	ACREAGE SOWN			Condition			Price	
	Autumn 1920 Prelim.	Autumn 1919 Revised	Autumn 1920 compared with 1919	December 1		1920	Dec. 1 1919	
				1920	1919	10 yr. av.		
Arkansas.....	132,000	132,000	100%	89%	81%	89%	190c 202c	
Illinois.....	2,470,000	2,600,000	95	86	82	89	161c 210c	
Indiana.....	1,953,000	2,170,000	90	82	79	88	167c 210c	
Kentucky.....	625,000	625,000	100	84	80	88	191c 211c	
Mississippi.....	8,000	15,000	53	85	88	89	213c 250c	
Missouri.....	2,820,000	2,820,000	100	90	84	88	160c 209c	
Tennessee.....	470,000	470,000	100	80	75	88	195c 222c	

The range of prices on typical products in the St. Louis market between November 15 and December 15, with closing quotations on each of those dates, are shown in the following table:

	Close Nov. 15	High	Low	Close December 15
December Wheat.....\$	1.87½	\$ 1.90½	\$1.53½	\$ 1.74
March Wheat.....	1.74½	1.79½	1.48	1.63½
December Corn.....	.77½c	.79c	.64½c	.69½c
May Corn.....	.79½c	.81½c	.68½c	.71 @ ½c
July Corn.....	.79½c	.81½c	.70½c	.71½c
December Oats.....	.49c	.52½c	.45c	.49½c
May Oats.....	.54c	.55½c	.48½c	.48½c
No. 2 Red Winter Wheat.....	2.09	2.16	1.78	2.02
No. 2 Hard Wheat.....	1.85	1.92	1.57	1.75
No. 2 Corn.....	.86c	.88c	.70c	.72c
No. 2 White Corn.....	.86c	.89c	.70c	.74c
No. 2 White Oats.....	.52½c	.53½c	.46½c	.49c
Flour: Soft Patents.....	\$9.50 @ \$11.50	\$11.50	8.50	\$8.90 @ 10.00
Flour: Spring Patents.....	8.75 @ 9.10	9.85	7.45	8.75

## LABOR

Closing down of factories and the slowing in general industrial activities have resulted in the development of a considerable labor surplus. While unemployment is much less marked in this district than elsewhere in the country, it has noticeably increased during the past thirty days. Virtually all lines of manufacture are affected, but in lumber, furniture, clothing, and metals the principal manifestations are found. In the building trades there

are more workmen than can be found employment for. To date wage reductions are insignificant. In the milling and lumber industries cuts are reported all through the list, but in other lines they have applied more to individuals. New workers taken on are usually receiving less money. In all lines investigated a marked increase in unit efficiency is reported. Office forces in some industries and railroads are being curtailed.

## BUILDING

Another radical slump, as compared with the corresponding month last year, was shown in the number and represented money outlay of building permits issued in leading cities of the district dur-

ing November. Generally conditions in building remain about as they were at the close of the preceding month. Architects, builders and contractors report more inquiries and feeling about prospective

clients, but few seem desirous of actually undertaking enterprises at this time. Aside from lumber and bricks, it is pointed out, materials going into construction are about as high as ever, and there has been no reduction in wage scales. Expensive and

scarce money is another factor working against the placing of building contracts. Road building in many sections of the district is being pushed, advantage having been taken of the open winter.

Comparative figures for November in leading cities of the district follow:

	1920		NOVEMBER		1919	
	New Construction Permits	Cost	Repairs, Etc. Permits	Cost	New Construction, Repairs, Etc. Permits	Cost
St. Louis.....	259	\$303,695	345	\$220,035	590	\$2,834,670
Louisville.....	45	179,300	82	25,700	146	373,650
Memphis.....	144	377,153	43	49,725	129	495,000
Little Rock.....	38	73,760	105	55,631	111	214,773
Evansville.....	57	53,925	8	2,335	.....	.....

### COMMODITY MOVEMENT

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

	RECEIPTS			SHIPMENTS		
	Nov. 1920	Oct. 1920	Nov. 1919	Nov. 1920	Oct. 1920	Nov. 1919
Flour, barrels.....	291,730	335,490	459,890	352,910	366,960	574,240
Wheat, bushels.....	3,320,730	3,584,849	3,389,478	1,762,460	2,597,450	2,915,780
Corn, bushels.....	881,400	1,259,700	1,335,267	621,600	694,960	678,970
Oats, bushels.....	1,918,000	2,200,055	2,898,000	1,659,080	1,146,100	2,032,345
Lead, pigs.....	214,080	210,700	268,600	94,170	127,790	188,520
Zinc and Spelter, slabs.....	408,560	490,240	354,300	617,840	657,580	617,840
Lumber, cars.....	11,085	12,239	12,316	8,021	8,735	10,006
Meats; pounds.....	5,742,500	5,337,700	5,587,000	25,581,000	25,774,600	27,622,100
Fresh Beef, pounds.....	796,500	1,346,200	3,005,900	24,748,400	22,244,900	29,608,200
Lard, pounds.....	1,202,400	1,507,300	3,029,900	5,418,100	6,221,800	8,973,400
Hides, pounds.....	2,275,500	2,057,700	2,733,600	6,056,500	4,072,200	7,896,200

### LIVE STOCK

General conditions obtaining in the live stock market were similar in most respects to those of the preceding month. The trend in cattle and hog prices is steadily downward, and are now lowest in a number of years. Sheep and lambs are likewise at a low ebb. Aged muttoms now selling around \$5 brought at the corresponding time in 1918 and 1919 around \$9.40, and in 1917 sold at

\$11.90. Lambs at \$11.75 to \$12 are lowest since 1917. These prices prevail in face of a shortage of live stock of all kinds, which fact is taken to indicate that readjustment in the meat industry has made broad strides. The demand for stock animals is slow, and according to officials of live stock commission houses, will hardly show much improvement until market prices insure larger returns.

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

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1920	1919	1920	1919	1920	1919	1920	1919
Receipts.....	131,866	155,575	328,780	311,761	46,293	56,409	2,782	31,204
Shipments.....	50,178	59,070	161,463	138,141	8,717	10,272	2,992	27,726

### FINANCIAL

A further improvement in the general banking position of the district took place during the past thirty days. As was the case during the preceding month, as set forth in this report, the improvement was represented almost entirely by changes in St. Louis financial institutions. In the country districts, especially in the South where the chief productions, tobacco, cotton, lumber and rice, are moving slowly, obligations are not being liquidated at the pace customary at this particular season, with the result that the banks are still loaned up to near the full extent of their resources. The general demand for credits shows little abatement. A slight easing up in the more popular centers is offset by heavy requirements in the country. Bankers are endeavoring to spread their funds, so as to serve

the greatest number of clients and take care of most pressing needs. More conservatism, however, is reported in the matter of making loans. There has been no change in rates charged for commercial loans.

The commercial paper market continues extremely dull, due entirely to absence of activity on the purchasing side, as offerings are in formidable volume. Houses specializing in this line report business sharply under that of the corresponding period in 1919. Purchasing is confined to small banks located in areas of diversified production. Financial institutions in the big cities, and in the "one crop" sections find their resources too fully employed in serving local customers to enter the outside investment market. Rates are unchanged at 8 per cent.

## INTEREST RATES

Between November 16 and December 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.....	7½	6½	7	8	6	6	8	7	7-8
4 to 6 months.....	7½	6½	7	8	6	6	8	7	7-8
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.....	8	6½	7	6	6	6	7	6½	7
Bankers' Acceptances of 60 to 90 days:									
Endorsed.....	7	7	7	6½	6¼	6¼	.....	.....	.....
Unendorsed.....	6¾	6¼	6½	6½	6¼	6¼	.....	.....	.....
Loans secured by prime stock exchange collateral or other current collateral:									
Demand.....	8	7	7	6	6	6	8	7	7-8
3 months.....	8	6½	7	6	6	6	8	7	8
3 to 6 months.....	8	6½	7	6	6	6	8	7	8
Cattle Loans.....	8	7	7	6	6	6	.....	.....	.....
Commodity paper secured by warehouse receipts, etc.....	7½	6½	7	6	6	6	10	8	8-10
Loans secured by Liberty Bonds and Certificates.....	7	6	7	6	6	6	8	7	7-8

## 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, Little Rock, Memphis and Evansville:

	Dec. 10, 1920	Nov. 12, 1920	Dec. 12, 1919
Number of banks reporting.....	35	35	35
U. S. Bonds, to secure circulation.....	\$ 16,221,000	\$ 16,432,000	\$ 17,153,000
Other U. S. Bonds, including Liberty Bonds.....	14,030,000	13,373,000	14,794,000
U. S. Victory Notes.....	2,706,000	2,735,000	5,348,000
U. S. Certificates of Indebtedness.....	3,631,000	4,077,000	13,034,000
Total U. S. Securities owned.....	\$ 36,588,000	\$ 36,617,000	\$ 50,329,000
Loans and investments, including bills rediscounted with F. R. Bank:			
Loans secured by U. S. War Obligations.....	32,399,000	31,940,000	34,707,000
Loans secured by stocks and bonds other than U. S. War Securities.....	127,530,000	127,261,000	154,142,000
All other loans and investments.....	381,993,000	399,692,000	333,574,000
Total loans and investments, including rediscounts with F. R. Bank.....	\$578,510,000	\$595,510,000	\$572,752,000
Reserve with the Federal Reserve Bank.....	40,923,000	40,350,000	43,382,000
Cash in vault.....	9,459,000	10,066,000	12,388,000
Net demand deposits on which reserve is computed.....	309,110,000	301,465,000	352,307,000
Time deposits.....	130,777,000	129,563,000	110,757,000
Government deposits.....	649,000	571,000	10,497,000

## 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:

	Dec. 15, 1920	Nov. 17, 1920	Dec. 17, 1919
St. Louis.....	\$549,781,000	\$574,349,000	\$610,967,000
Memphis.....	114,426,000	126,630,000	172,161,000
Louisville.....	103,465,000	108,283,000	150,687,000
Little Rock.....	45,910,000	44,411,000	44,411,000
Evansville.....	19,602,000	21,811,000	19,239,000
<b>TOTAL.....</b>	<b>\$833,184,000</b>	<b>\$875,484,000</b>	<b>\$997,465,000</b>

## FEDERAL RESERVE OPERATIONS

Discount rates of the Federal Reserve Bank of St. Louis have not been changed since the preceding issue of this report. In November this bank discounted \$178,178,626 of paper for 299 member banks, which is a decrease of \$30,259,216 under the amount discounted in October, and a decrease of 11 in the number of banks accommodated. Acceptances purchased in November amounted to \$572,563, a decrease of \$1,529,374 under the preceding month.

Between the dates November 12 and December 10 the net deposits of the Federal Reserve Bank of St. Louis and its branches increased \$3,460,000, while an increase of \$3,221,000 was shown in bills discounted for member banks. Federal Reserve currency in circulation decreased \$3,625,000. The contingent liability of this bank on paper rediscounted with or sold to other Federal Reserve Banks was reduced from \$23,679,000 to nothing.

The resources and liabilities of the Federal Reserve Bank of St. Louis on December 17, 1920, as compared to a month ago and a year ago, are shown in the following statement:

	Dec. 17, 1920	Nov. 19, 1920	Dec. 19, 1919
<b>RESOURCES:</b>			
Gold Coin and Certificates.....	\$ 2,879,000	\$ 3,625,000	\$ 2,853,000
Gold Settlement Fund—F. R. Board.....	20,590,000	12,585,000	13,909,000
Gold with Foreign Agencies.....	3,184,000	3,493,000	6,473,000
<b>Total Gold Held by Bank.....</b>	<b>26,653,000</b>	<b>19,703,000</b>	<b>23,235,000</b>
Gold with Federal Reserve Agent.....	47,270,000	48,920,000	65,258,000
Gold Redemption Fund.....	6,142,000	5,711,000	4,616,000
<b>Total Gold Reserves.....</b>	<b>80,065,000</b>	<b>74,334,000</b>	<b>93,109,000</b>
Legal Tender, Notes, Silver, etc.....	5,450,000	6,933,000	2,559,000
<b>Total Reserves.....</b>	<b>85,515,000</b>	<b>81,267,000</b>	<b>95,668,000</b>
Bills Discounted: Secured by Government War Obligations.....	48,405,000	50,462,000	43,501,000
Bills Discounted: All Other.....	68,806,000	69,849,000	27,621,000
Bills Purchased in Open Market.....	1,908,000	1,489,000	37,112,000
<b>Total Bills on Hand.....</b>	<b>119,119,000</b>	<b>121,800,000</b>	<b>108,234,000</b>
U. S. Government Bonds.....	1,153,000	1,153,000	1,153,000
U. S. Certificates of Indebtedness.....	16,542,000	17,286,000	17,309,000
<b>Total Earning Assets.....</b>	<b>136,814,000</b>	<b>140,239,000</b>	<b>126,696,000</b>
Bank Premises.....	891,000	891,000	691,000
Uncollected Items and other deductions from Gross Deposits.....	43,854,000	45,197,000	78,915,000
5% Redemption Fund against F. R. Bank Notes.....	623,000	623,000	476,000
All Other Resources.....	824,000	436,000	382,000
<b>TOTAL RESOURCES.....</b>	<b>\$268,521,000</b>	<b>\$268,653,000</b>	<b>\$302,828,000</b>
<b>LIABILITIES:</b>			
Capital Paid in.....	\$ 4,364,000	\$ 4,332,000	\$ 4,060,000
Surplus.....	5,884,000	5,884,000	2,589,000
Government Deposits.....	2,580,000	1,559,000	2,932,000
Due to Members—Reserve Account.....	63,293,000	63,589,000	65,909,000
Deferred Availability Items.....	41,512,000	41,927,000	58,368,000
Other Deposits including Foreign Government Credits.....	781,000	566,000	3,398,000
<b>Total Gross Deposits.....</b>	<b>108,166,000</b>	<b>107,641,000</b>	<b>130,607,000</b>
F. R. Notes in Actual Circulation.....	136,374,000	136,804,000	147,704,000
F. R. Bank Notes in Actual Circulation—Net Liability.....	9,918,000	10,512,000	15,380,000
All Other Liabilities.....	3,815,000	3,480,000	2,488,000
<b>TOTAL LIABILITIES.....</b>	<b>\$268,521,000</b>	<b>\$268,653,000</b>	<b>\$302,828,000</b>
Ratio of total reserves against net deposit and F. R. liabilities combined.....	42.6%	40.8%	47.8%
Contingent liability as endorser on paper rediscounted with or sold to other F. R. Banks.....	752,000	16,739,000	.....
Contingent liability on bills purchased for foreign correspondents.....	752,000	752,000	.....

(Compiled December 18, 1920)