

FEDERAL RESERVE BANK OF ST. LOUIS

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

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SOME improvement in general business conditions has taken place during the past thirty days as contrasted with the similar period immediately preceding. The betterment has been accompanied by quite a marked change in sentiment among the business community, there being much less pessimism and considerably more optimism expressed on all sides. This reversed psychology is based on the opening up of scattered buying, not particularly noteworthy in volume, but of a character indicating that stocks of merchandise have reached a point where they must be replenished and that a good part of the war inflation has been absorbed by the level of prices. In lines where the readjustment has made greatest progress, buying is heaviest. The public is in need of goods, and is more disposed to fill its requirements than was the case during the closing months of last year. In a number of important lines there seems to be a greater degree of stability, deflation having gone sufficiently far to restore confidence in future values. This has resulted in the placing of some fair orders by retail merchants, and wholesalers have also begun to build up their stocks. Most of the buying, however, is for immediate delivery, there being relatively little done in the way of future commitment. Ultra caution is still the dominating feature among distributors of merchandise, and ultimate consumers have relaxed their recent regime of economy only to the extent of taking what they are obliged to have, or what they may acquire at very evidently reduced prices.

Generally the holiday trade was moderately satisfactory only. While the volume exceeded expectations in many instances, it did not aggregate the totals of former years, and was considerably under that of 1919. This was true especially in the rural sections, where the decline in prices of farm products and unsatisfactory marketing conditions necessitated revisions of spending programs. Great quantities of goods were moved, however, and the opening of the new year found stocks in much better shape than was thought possible two months ago.

One of the most favorable factors noted during the period under review was the stiffening in markets for several important agricultural products. Wheat had an excellent advance, and corn prices, while closing lower than at the end of the preceding thirty days, fluctuated to higher levels between the opening and final dates. Cotton was firmer, and displayed evidence of being in better

demand, though the movement into consumptive channels is still subnormal. Advices from all sections of the district, with the exception of the typically tobacco growing areas, indicate that agriculturists are becoming accustomed to changed price conditions, and are gradually abandoning their determination to hold their products. All strong spots in the markets for the several staples are meeting heavier offerings from the country, and farmers are devoting the proceeds to liquidating their indebtedness.

As against these favorable developments may be set a rather sharp increase in unemployment throughout the district. Closing down of mills, factories, and foundries and the reduction of office and sales forces by numerous interests have resulted in the release of thousands of workers. These manifestations are most acute in the centers of great population, though they are also present in smaller communities. State and Federal labor commissions and agencies note a return flow of labor from the city to the farms. A summary of employment and other labor conditions in Arkansas made by the Federal-State Employment Service at Little Rock develops facts which are typical of the districts as a whole. In this survey 842 firms and other business interests were investigated, and on October 15 these interests employed 35,488 persons. Since that date 12,600 of these workers have been dismissed, and in addition approximately 10,000 of those remaining have been affected by wage reductions. Virtually all industries in the state, other than agriculture, were represented in the investigation.

Replies to questionnaires addressed to manufacturers, wholesalers and retailers through the district show heavily reduced stocks as compared both with the preceding month and the corresponding period a year ago. While the period of inventory taking had not been completed in some instances, a large majority of those reporting bear evidence that liquidation has continued to make notable progress. Among the other data included in the replies were accounts of further price reductions, though more lines reported no change in this respect than at any time since the retrograde movement was inaugurated last summer. Under some general classifications, such as drygoods, drugs and chemicals, and clothing it was related that certain items had sustained further declines, others held steady with the preceding month, while a few recorded slight advances.

Throughout the past thirty days the grain markets were subject to frequent and broad fluctuations, the character of which reflected unusually heavy speculative activity. Receipts of wheat here in December showed an increase of 1,590,523 bushels, while flour arrivals decreased 247,523 barrels as compared with the same month in 1919. Corn receipts fell off about 1,000,000 bushels and oats 958,000 bushels. A comparison of prices of typical articles between December 15 and January 15 shows the following changes: March wheat, $13\frac{1}{4}c$ higher; May wheat, $13\frac{1}{2}c$ higher; May corn, $5\frac{1}{8}c$ higher; July corn, $5\frac{1}{8}c$ higher; May oats, $3\frac{1}{4}c$ lower; No. 2 red winter wheat, steady; No. 2 hard wheat $6c$ higher; No. 2 corn, $6c$ lower; No. 2 white corn, $1c$ lower; No. 2 white oats, $2c$ lower; Soft patent flour, $15c$ lower to $50c$ higher; Spring patent flour, $55c$ to $\$1.25$ higher.

The trend of fuel prices continues downward, and there are ample supplies of both coal and coke for all purposes. A heavy slump in the demand for steaming coal is accounted for by closing down of industrial plants. Domestic requirements have been well taken care of, and in a number of localities surplus supplies are reported. In soft coal producing areas the new year opened with car and labor supply abundant, and production limited chiefly by demand. Total production of bituminous coal in 1920 was 556,563,000 tons, against 458,063,000 tons in 1919 and 579,386,000 tons in 1918. Prices of coal to ultimate consumers have been reduced slightly in St. Louis and other large cities of the district. Recent declines in metallurgical coke prices have failed to stimulate business, future orders in that commodity being the smallest in recent years for this particular season.

Transportation companies reported a rather heavy falling off in freight offerings during the month of December, but a slight improvement during the first two weeks of January. Passenger traffic is holding up fairly well, nothing like the decline in volume appearing in this department that is noted in freight. Approximately 56 per cent of the freight cars reaching terminal tracks in St. Louis, the leading gateway of the district, were empties, against 30 per cent for the corresponding period a year ago, and about 20 per cent at the height of the movement last spring. Some idea of the decreased activity in general transportation can

be had from the statement that now there are in the country from 250,000 to 300,000 idle cars, while at the same time last year there was a shortage of approximately the same amount of equipment. Business of western and southwestern roads has been assisted during the past ten days by a freer movement of grain and cotton.

For the most part collections continue slow, though some notable exceptions to this rule are reported. Percentage of outstandings with some houses has been materially lowered, while with others it has gone up. There are complaints relative to backward payments in the South, where merchants have been obliged to carry their customers much longer than usual, due to unsatisfactory marketing conditions of cotton, rice, tobacco and lumber. In the grain country and areas of diversified crop production, banks report that loans are being taken up and merchants have considerably reduced their indebtedness. Credits based on live stock are being liquidated very slowly. Great diversity exists in reports of retail interests canvassed, but on the whole they have been getting in their money in good shape since the first of the year.

Commercial failures in the Eighth Federal Reserve District during December, 1920, according to Dun's were 104, involving liabilities of $\$3,030,670$, against 22 in December, 1919, with liabilities of $\$554,848$. In November last year there were 58 failures involving $\$829,889$ and in October 47 failures with liabilities of $\$1,280,507$.

During the past two weeks there has been a decided turn for the better in the bond and general investment market. Trust companies, banks and brokerage houses report a heavier volume of sales and more satisfactory buying than in several months. Temporary stimulation was given by the January 1 interest and dividend disbursements, but a more substantial and permanent incentive to investment was found in the goodly recovery in listings on the New York Stock Exchange. The demand for high grade municipals has been particularly brisk, with the supply of certain grades and issues being scarce. More interest is being manifested in railroad bonds.

The per capita circulation of the United States on January 1 was $\$59.12$, against $\$59.41$ on December 1, 1920 and $\$55.89$ on January 1, 1920.

MANUFACTURING AND WHOLESALE

The closing weeks of December brought little change in the condition of extreme apathy existing in manufacturing and wholesale, interests reporting for the most part indicating that their business was at the low ebb of the downward movement. Since the first of January, however, buying has opened up in fair shape, collections have improved, and the general aspect of things is more roseate. Many wholesale houses dispatched their selling forces on the road, and these salesmen have been sending in fair orders from all sections of the district. Some few orders for forward delivery have been booked, but virtually all transactions thus far reported are for immediate shipment. Business has been placed by the wholesalers and jobbers, and for the first time in several months there is a disposition to take advantage of the reduced prices to lay in

stocks. This is especially true in textiles, clothing, shoes, groceries and furniture, in all of which lines readjustment has progressed to considerable lengths. Manufacturers report that while they are not speculating in raw materials, even in such as have worked to the lowest levels, they are buying sufficient for immediate requirements and that orders for their products recently placed will enable them to keep operating at their present pace for some weeks to come. In the metal lines, that is, those based on iron and steel, readjustment of raw materials has not kept pace with other commodities, and many important plants have closed down. Great uncertainty relative to the future price of pig iron exists, and is holding back large operations contingent upon the stability of that material. The past thirty days have witnessed a very satis-

factory decrease in the number of cancellations and returned goods. This is attributed partly to the fact that there were fewer orders open, but is due also in a large measure to greater willingness on the part of merchants to accept the goods engaged. Incidentally recent experiences of manufacturers and wholesalers in the matter of cancellations have resulted in the decision of many important interests to revise their credit policies in the direction of closer datings and less flexible privilege to their customers.

Boots and Shoes—Sales of reporting houses for December show radical declines under the same month in 1919, and shipments decreased from 28 to 42 per cent. Since January 1, however, sales have picked up, two leading manufacturers reporting a slight increase over the same time last year, while others show unchanged to slightly lower averages. Plant operation in this district during the past month was approximately 50 per cent of capacity, against an estimate of 30 per cent of capacity for the entire United States. No further price reductions occurred after those announced December 10. The trend of raw materials continues downward, with the exception of calfskins, which have reacted slightly upward from the recent low mark. Sole leather is weak, but general leather stocks are not heavy. Traveling salesmen, started out on January 3, send in accounts of improved sentiment in their several territories, and fair buying for immediate needs.

Clothing—Goods which are usually sold in October and November are now being purchased conservatively, according to reporting firms. The recent cold snap helped the movement of overcoats and heavy suitings and underwear, and resulted in belated calls for this variety of goods. The general run of factories have made up virtually nothing, except on orders and declare they will continue to pursue this policy through the balance of the season. Collections are fair to good. Sales and shipments of hat distributors in December ranged from 30 to 67½ per cent under the corresponding period a year ago.

Electrical Supplies—There is a distinctly better inquiry for electrical products of all sorts than existed thirty days ago. Partial resumption by automobile plants which had been shut down has helped manufacturers producing automotive equipment. The volume of business in December, however, shows a heavy decline as contrasted with the same month in 1919. Collections are reported fair.

Iron and Steel Products—No change worthy of note has taken place with industries under this head. Numerous plants have been closed down, or are operating on largely reduced schedules. Buyers are holding off awaiting readjustment of prices. The demand for building materials is almost at a standstill, and the same is true of castings of all sorts. Warehousemen report augmenting stocks. The inquiry for tubular goods, and general supplies from the oil fields has fallen off materially. Stove makers report further cancellations and are carrying large stocks in their warehouses. Farm implement manufacturers and distributors complain of lack of demand for their products, especially in the Southern States. Prices in this particular line are still about 20 per cent higher than last year, though 8 to 10 per cent under the high level reached in

1920. Farmers are clamoring for still further reductions. The leading interest has cut its prices, but as yet this change has not been passed on to the ultimate consumer. Chaotic conditions relative to prices exist in the pig iron market. Furnace interests are wide apart in their asking prices, and resale tonnages have been placed at vastly lower figures than those quoted by the iron-masters. Buying of raw material has been at a standstill in this district for the past month or six weeks.

Hardware—Interests reporting show decreases in sales during December ranging from 20 to 65.9 per cent under the corresponding period in 1919. Some goods are holding steady, but generally through the line the trend is downward, prices averaging 5 to 10 per cent lower than thirty days ago. Some improvement in buying has developed since January 1, but the purchases are confined to immediate needs, no forward orders to speak of having been placed. Collections have picked up since the first of the year, and are described as fair to good.

Flour—For the first time in many weeks millers report signs of revival in their business. Supplies with jobbers, dealers, retailers and ultimate consumers have dwindled to such attenuated proportions that buying can no longer be postponed. Prices have fluctuated considerably during the month, with the trend upward, principally in sympathy with the advance in wheat futures. Country mills are busier, relatively, than the larger city plants, which fact is accounted for by depleted supplies, and the fact that country millers sell their product locally, and are not affected by the condition of the export trade. Foreign buying continues light, recent inquiries abroad by mills hereabout bringing very disappointing replies. Wage readjustments have taken place in this industry, and mill operation in the district is only about 50 to 60 per cent of capacity.

Candy—Stocks in retailers' hands have been fairly well liquidated, and buying on a limited scale has been resumed after several weeks of almost absolute quiescence. December sales of reporting interests show decreases of from 30 to 79.2 per cent under the same month in 1919. The small showing made in December was composed largely of purchases by retailers, jobbers having done virtually nothing. Prices of the principal raw materials have been pretty well readjusted, showing declines of 25 to 50 per cent from the peak. A fair business in specialties and Easter goods is reported, but staple lines are moving slowly. Collections, except in the South and Southwest, are mainly fair.

Drugs and Chemicals—December results in this line show decreases of 5 to 18 per cent in total volume of business as contrasted with December, 1919. The first weeks of January, however, present a better showing, with accounts of steady volume to slight gains over the same time last year. Prices of many chemicals are lower, including coal tar products, narcotics, salicylates, bromides, epsom salts and carbolic acid. The arrival in increasing quantities of drugs from Germany is affecting values. On the other hand wood products and proprietary medicines hold steady, with some few advances. Collections are fair to good. Small stocks in the hands of retail druggists and seasonal

requirements are helping business. Cosmetics continue in excellent demand and firm. Labor efficiency has increased, one typical interest reporting a saving in operating expense of 15 per cent due to that feature.

Woodenware—Heavy declines in business were reported for the month of December, the highest being 60 per cent and the lowest 36¼ per cent. Unfilled orders have been exhausted, and new business is being placed haltingly and on an absolute requirement basis. Prices fell on an average of 20 per cent during the period under review, and are now approximately 20 per cent under the corresponding time in 1920. Working forces in manufacturing plants have been curtailed. Wages were the same at the close as the beginning of the month, but are from 10 to 20 per cent under last year.

Lumber—As compared with a month ago there is a distinctly better feeling in the trade, despite the fact that prices in most commercial species have worked to a considerably lower point during the period. Within the last few days considerable buying activity has developed in yellow pine, the demand being principally from the smaller centers in the central and middle Western States. Resumption of building is impeded in the larger cities by the high price of labor and building materials other than lumber. The demand for structural lumber will be contingent upon a change in this situation. Aside from some demand for low grades from box makers, hardwoods are inactive, but somewhat greater feeling of confidence prevails in the trade. The upturn in British exchange is expected to improve the long-dormant export demand. During the two weeks holiday period, lumber production in this district probably did not exceed 10 per cent of normal. For the month under review the average will approximate 25 to 30 per cent, output being greatly restricted in all sections. Wages have been sharply reduced, and adjustment is still in progress.

Furniture—Manufacturers and jobbers in this district report little change for the better in their business. Buyers who had been holding off awaiting results of the great sales at Grand Rapids and Chicago in early January were for the most part displeased with the reductions developing in those gatherings, though they represented cuts of from 10 to 25 per cent in the extremes. Orders are confined to immediate requirements, no forward business being placed. Failure of business to materialize has resulted in wholesale closing of plants throughout the district. Several of the leading factories, however, have specified their intention of resuming operation late in January or in early February. Raw material prices remain about as they were thirty days ago, but certain articles, notably glass, are accumulating. Collections are poor to fair.

Fire Clay Products—Quietness in the building industry, and the general blowing out of furnace stacks have adversely affected this line. Plant operation has been further curtailed, and in an effort to stimulate buying, some price reductions have been put into effect. Labor is plentiful and generally reported more efficient. The demand for cement holds up well, with prices very firm. Requirements for road building are absorbing the full product of plants in this district.

Miscellaneous—In diversified lines, such as cooperage, rope, brooms and brushes, stationery, paper, glass, saddlery and office supplies December results were disappointing as compared with the same month in 1919. Some astonishingly heavy declines are disclosed in replies to questionnaires sent out to these interests. As in the larger lines, however, there is a distinct improvement in sentiment and volume of sales since January 1. In a number of notable instances stocks are at a low ebb. Collections vary from poor to good.

RETAIL

The chief feature in the retail division of distribution during the past thirty days was the holiday trade, accounts of which develop much variety. In some entire sections of the district the average was disappointing, while in other sections certain stores did a satisfactory business and others complain of poor response to their efforts. Prior to Christmas there were many price reductions, mainly of the specialized and advertised sort, and since that time additional cuts have been made. On the whole, however, readjustment among retailers has not been as thorough as with the primary stages of merchandising. The public is quite as discriminating as heretofore, but is purchasing where prices seem to square with its ideas of cheapness. This is particularly true in clothing, boots and shoes, hardware, and other goods for personal consumption. From scattered parts of the district come accounts of reductions in the price of bread, milk and groceries, but the 5-cent loaf and pre-war dairy prices have not appeared anywhere. Jewelers report that their December sales, while vastly under those of the preceding year, were still fair and larger than those in 1918. Since the first of the year sales in

this line have slumped in a greater degree than can be accounted for by seasonal change, and collections are unsatisfactory. Automobile dealers relate that there has been a slight improvement in their business since the last issue of this report. The accessory market is displaying evidences of life for the first time in several months. More seasonable weather has stimulated the movement of typically winter goods, though considerable is still left to be desired in that respect. Country merchants in the cotton and tobacco areas complain of slow business. Farmers are selling their products slowly, and many are asking for extended and increased credit. In the large cities unemployment has had direct effect on retail activities, but hardly to the extent which might be expected from published statistics on persons out of work. Places of amusement investigated show for the most part increased receipts during the past thirty days, but part of this gain is doubtless due to holiday gaiety. For the first time in 1920 the department stores of the district showed an average decrease in net sales in December, the actual composite being 1.61 per cent under the same month in 1919.

AGRICULTURE

More seasonable winter weather has prevailed throughout the district during the past three weeks. Temperatures have been fairly low, and snowfall more in evidence than earlier in the season. On the whole the condition of winter wheat is fair to good, the crop having been benefitted by the snow blanket. Thus far there have been fewer complaints than usual of damage from inclement weather, alternate freezing and thawing, etc. To the South early sown fields were affording good pasturage up until the recent cold snap. Reports from scattered sections of the wheat territory indicate a disposition on the part of farmers to sell wheat a bit more freely. Some damage from fly is reported from Illinois and Indiana. Slightly more than usual acreage of fall oats has been sown in some sections to the South, and the crop is reported as making generally good progress. Latest reports on cotton ginned about agree with the Government's forecast of the total expected yield. Due to favorable weather and

a slight stiffening in price, more cotton has been picked during the last two weeks. Belated picking has also been stimulated by a temporary market for weather-stained cotton. Swelling of fruit buds in the South, which had caused apprehension among orchardists, has been checked by lower temperatures. Conditions in the tobacco sections continue extremely unsatisfactory. Farmers are unwilling to accept prices offered, claiming that they are not sufficient to cover costs of production. As a result few markets are being opened, and farmers are agitating to hold last year's crop and plant none this year. The best grades are selling at reasonably fair prices, while the inferior grades, of which the crop is largely composed, are bringing unusually low figures. The condition of live stock is generally good, due to the mild winter and abundant feed. Barring a few cases of hog cholera, very little disease is reported. Recent shipments of live stock to market have been on a massive scale.

The following table, compiled from commercial sources for the Government market report, shows the cotton movement from August 1 to December 31:

	BALES	
	1920	1919
Port Receipts.....	3,432,216	3,802,141
Port Stocks.....	1,454,308	1,548,452
Interior Receipts.....	4,051,180	4,232,326
Interior Stocks.....	1,734,703	1,355,312
Into Sight.....	6,103,731	6,599,022
Northern Spinners' Takings.....	768,486	1,414,822
World's Visible Supply of American Cotton.....	4,846,155	4,609,064

Range of prices on typical products in the St. Louis grain market between December 15, 1920, and January 15, 1921, with closing quotations on each of these dates:

	Close December 15	High	Low	Close January 15
March wheat.....	\$ 1.63½	\$ 1.88½	\$ 1.61	\$ 1.76¾
May wheat.....	1.56	1.77	1.54	1.68½
May corn.....	.71 @ ¼c	.77c	.69½c	.71¾c
July corn.....	.71¾c	.77¾c	.70½c	.72¾c
May oats.....	.48¾c	.51½c	.47¾c	.46¾c
No. 2 red winter wheat.....	2.02	2.12	1.89	2.02
No. 2 hard wheat.....	1.75	1.87	1.75	1.81
No. 2 corn.....	.72c	.75c	.68c	.68c
No. 2 white corn.....	.74c	.77c	.71c	.73c
No. 2 white oats.....	.49c	.50c	.47c	.47c
Flour: Soft patents.....	8.90 @ 10.00	10.50	8.90	8 00 @ 8.50
Flour: Spring patents.....	8.75	10.60	8.50	9.20 @ 9.50

Note: December wheat closed at \$1.80; December corn at 70¾c and December oats at 48c.

LABOR

Growth of unemployment in the district is embracing more general lines. The past thirty days, according to reports of State and Federal labor commissioners, have developed a greater surplus of workers than any like period since the commencement of the war in the summer of 1914. Typically manufacturing centers are affected to a greater ex-

tent than other communities. Among the lines in which there is most unemployment may be mentioned iron and steel, automobiles, shoes, furniture, clothing and lumber. Transportation companies report a large surplus of skilled and unskilled workers. Conditions considered, wages have held fairly steady.

BUILDING

A heavy slump in the number of building permits and dollar values involved is shown in reports of leading cities of the district for December. Virtually nothing in the way of new construction is

being undertaken at the moment. Aside from lumber, building materials are about as high as ever, and labor costs remain unchanged. Scarce and high credits are also acting as a deterrent to this variety

of investment. Road construction work continues on a large scale, and recent bond issues and appro-

priations for highways assure a continuation of this activity for an indefinite period.

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

	1920				1919	
	New Construction		Repairs, etc.		New Construction & Repairs, etc.	
	Permits	Cost	Permits	Cost	Permits	Cost
St. Louis.....	186	\$285,040	303	\$239,445	434	\$692,725
Louisville.....	36	174,350	63	27,600	112	302,050
Memphis.....	136	108,522	24	13,865	117	1,003,750
Little Rock.....	25	6,020	90	60,629	95	243,420
Evansville.....	27	49,540	9	4,800

POSTAL RECEIPTS

Postal business in this district, as indicated by receipts of the four principal cities, for the final quarter of 1920, show fair gains over the preceding quarter and corresponding period in 1919.

Comparative figures for three periods mentioned follow:

	Quarter Ended December 31 1920	Quarter Ended September 30 1920	Quarter Ended December 31 1919
St. Louis.....	\$2,366,665.31	\$1,999,150.90	\$2,275,251.44
Memphis.....	390,855.83	139,577.61	367,871.55
Little Rock.....	185,503.81	174,233.62	177,757.40
Evansville.....	110,787.03	106,450.75	103,181.31

LIVE STOCK

The summary of receipts at the St. Louis National Stock Yards in 1920 shows the following: Cattle, 974,416 head; calves, 279,134; hogs, 3,398,940; sheep, 604,769; horses and mules, 141,230. These figures indicate a decrease in all animals except calves as compared with the year before, but the showing was still a good one, as only during three preceding years were the 1920 totals exceeded.

The past month was marked by rather broad

fluctuations in prices of cattle, hogs and sheep, but the average shows very little change from the preceding month. During Christmas week some fancy cattle were offered, but the quality generally was inferior. For hogs the highest price paid was \$11.10, and pigs went as high as \$11.40. The past two weeks was marked by the heaviest run of hogs in any like period for more than two years. The first shipments for the season of Colorado pea-fed lambs are beginning to arrive.

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

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1920	1919	1920	1919	1920	1919	1920	1919
Receipts.....	81,263	142,158	357,207	442,229	47,252	66,154	3,096	18,961
Shipments.....	39,336	39,340	202,896	184,319	10,556	10,776	3,546	19,979

COMMODITY MOVEMENT

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

	RECEIPTS			SHIPMENTS		
	Dec. 1920	Nov. 1920	Dec. 1919	Dec. 1920	Nov. 1920	Dec. 1919
Flour, barrels.....	284,320	291,730	532,030	325,410	352,910	602,765
Wheat, bushels.....	3,720,918	3,320,730	1,770,395	2,266,130	1,762,460	1,877,170
Corn, bushels.....	1,483,335	881,400	2,441,400	515,530	621,600	1,454,995
Oats, bushels.....	1,868,000	1,918,000	2,624,000	1,328,510	1,659,080	1,746,195
Lead, pigs.....	240,520	214,080	335,940	61,250	94,170	236,880
Zinc and Spelter, slabs.....	420,750	408,560	363,190	435,350	617,840	729,510
Lumber, cars.....	11,271	11,085	13,249	7,639	8,021	10,056
Meats, pounds.....	5,054,300	5,742,500	4,304,400	23,730,100	25,581,000	23,452,300
Fresh Beef, pounds.....	1,354,400	796,500	1,058,600	23,994,600	24,748,400	28,771,300
Lard, pounds.....	1,613,000	1,202,400	2,916,900	6,463,700	5,418,100	7,528,700
Hides, pounds.....	3,276,400	2,275,500	1,810,900	5,508,600	6,056,500	5,312,800

FINANCIAL

Generally speaking the banking position of the district has continued the gradual improvement which set in ninety days ago. In St. Louis proper and through the northern tiers a fair showing has been made in the matter of liquidating bank loans. The recent upturn in wheat prices has resulted in freer marketing of that cereal by farmers, and other grains and live stock, notably hogs, are being

converted into cash. Proceeds of these sales are being used by agriculturists to pay their debts to merchants, the latter are settling with their banks, and the movement is ramifying to financial institutions in the large cities. The supply of loanable funds has increased slightly in some sections, but the demand is still heavy. To the South the status is less favorable. Cotton is moving a shade better

than heretofore, farmers who had decided to hold indefinitely being disposed to turn loose of part of their accumulations, but marketing conditions as a whole are unsatisfactory. Banks are still obliged to carry an unusually large volume of loans based on cotton, and similar conditions exist in the rice sections. Banks in the tobacco country find their funds tied up through unwillingness of farmers to sell their product at prevailing prices. There has been no change in interest rates charged by com-

mercial banks since the preceding issue of this report.

More life has been displayed in the commercial paper market than noted for a long while. Brokers report business picking up since the first of the year. Country banks are purchasing to some extent, but city institutions are still out of the market. Generally the rate holds steady at 8 per cent, though several choice names during the past few days are being quoted at $7\frac{3}{4}$ per cent.

INTEREST RATES

Between December 16 and January 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	8	8
4 to 6 months.....	7	6½	7	8	6	6	8	8	8
Prime Commercial Paper purchased in open market:									
30 to 90 days.....				8	7	8			
4 to 6 months.....				8	8	8			
Loans to other banks.....	7	6½	7	7	6	6	8	7	7-7½
Bankers' Acceptances of 60 to 90 days:									
Endorsed.....				6¼	6¼	6¼			
Unendorsed.....	6¾	5¾	6¼	6¼	6¼	6¼			
Loans secured by prime stock exchange collateral or other current collateral:									
Demand.....	8	6½	7	7	6	6	8	7	8
3 months.....	8	6½	7	7	6	6	8	7	8
3 to 6 months.....	8	6½	7	7	6	6	8	7	8
Cattle Loans.....	8	7	7	7	6	6			
Commodity Paper secured by warehouse receipts, etc.....	8	6½	7	7	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:

	Jan. 7, 1921	Dec. 10, 1920	Jan. 9, 1920
Number of banks reporting.....	36	35	35
Loans and Discounts (including bills rediscounted with F. R. Bank):			
Secured by U. S. Gov't. obligations.....	\$ 27,623,000	\$ 32,399,000	\$ 35,104,000
Secured by stocks and bonds other than U. S. Bonds....	121,947,000	127,530,000	157,659,000
All other loans and discounts.....	357,525,000	—	—
Investments:			
U. S. Gov't. bonds.....	29,207,000	30,251,000	36,840,000
U. S. Victory Notes.....	2,422,000	2,706,000	4,752,000
U. S. Certificates of Indebtedness.....	2,374,000	3,631,000	25,776,000
Other bonds, stocks and securities.....	64,036,000	—	—
Total loans, discounts and investments (including bills rediscounted with F. R. Bank).....	\$605,134,000	\$578,510,000	\$606,289,000
Reserve balances with Federal Reserve Bank.....	44,379,000	40,923,000	49,897,000
Cash in vault.....	10,245,000	9,459,000	11,365,000
Net demand deposits on which reserve is computed.....	325,494,000	309,110,000	380,368,000
Time deposits.....	137,553,000	130,777,000	114,094,000
Government deposits.....	2,983,000	649,000	23,249,000

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 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 the 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:

	Jan. 12, 1921	Dec. 15, 1920	Jan. 14, 1920
St. Louis.....	\$584,267,000	\$549,781,000	\$ 644,752,000
Memphis.....	116,158,000	114,426,000	191,143,000
Louisville.....	107,310,000	103,465,000	154,408,000
Little Rock.....	50,419,000	45,910,000	39,098,000
Evansville.....	22,564,000	19,602,000	24,681,000
Total.....	\$880,718,000	\$833,184,000	\$1,054,082,000

FEDERAL RESERVE OPERATIONS

Effective January 22, 1921, the Federal Reserve Bank of St. Louis established a 6% rate on all paper secured by bonds or notes of the United States, except Liberty Loan Bonds or Victory Notes. The normal discount rates on said date 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 Liberty Loan Bonds or Victory Notes.....	5½%	-----	-----	-----
Member Banks' Collateral Notes: Secured by Bills Receivable or Bonds or Notes of the United States except Liberty Loan Bonds or Victory Notes.....	6%	-----	-----	-----
Rediscounts: Secured by Liberty Loan Bonds or Victory Notes.....	5½%	5½%	5½%	-----
Rediscounts: Commercial Paper Secured by Bonds or Notes of the United States except Liberty Loan Bonds or Victory Notes.....	6%	6%	6%	-----
Rediscounts: Agricultural or Livestock Paper.....	6%	6%	6%	6%
Rediscounts: Trade Acceptances.....	6%	6%	6%	-----
Rediscounts: Bankers' Acceptances.....	5½%	5½%	5½%	-----

Bankers' Acceptances purchased in the market subject to agreement.

In December this bank discounted \$168,300,049 of paper for 318 member banks, which represents a decrease of \$9,878,577 under the amount discounted in November, and an increase of 19 in the number of banks accommodated. Acceptances purchased in December amounted to \$2,316,252, an increase of \$1,743,689 over the preceding month.

Between the dates December 17, 1920 and January 14, 1921, the net deposits of the Federal Reserve Bank of St. Louis and its branches decreased \$638,628, and a decrease of \$15,558,243 was shown in bills discounted for member banks. Federal Reserve currency in circulation decreased \$7,680,345.

The resources and liabilities of the Federal Reserve Bank of St. Louis on January 14, 1921, as compared to a month ago and a year ago, are shown in the following statement:

RESOURCES:	Jan. 14, 1921	Dec. 17, 1920	Jan. 16, 1920
Gold Coin and Certificates.....	\$ 4,810,000	\$ 2,879,000	\$ 2,853,000
Gold Settlement Fund—F. R. Board.....	23,699,000	20,590,000	22,359,000
Gold with Foreign Agencies.....	155,000	3,184,000	5,655,000
Total Gold Held by Bank.....	28,664,000	26,653,000	30,867,000
Gold with Federal Reserve Agent.....	53,619,000	47,270,000	53,879,000
Gold Redemption Fund.....	6,493,000	6,142,000	7,536,000
Total Gold Reserve.....	88,776,000	80,065,000	92,282,000
Legal Tender, Notes, Silver, etc.....	6,312,000	5,450,000	2,934,000
Total Reserves.....	\$ 95,088,000	\$ 85,515,000	\$ 95,216,000
Bills Discounted: Secured by Government War Obligations.....	37,256,000	48,405,000	62,032,000
Bills Discounted: All Other.....	64,397,000	68,806,000	33,683,000
Bills Purchased in Open Market.....	585,000	1,908,000	15,668,000
Total Bills on Hand.....	102,238,000	119,119,000	111,383,000
U. S. Government Bonds.....	1,153,000	1,153,000	1,153,000
U. S. Certificates of Indebtedness.....	15,968,000	16,542,000	17,281,000
Total Earning Assets.....	\$119,359,000	\$136,814,000	\$129,817,000
Bank Premises.....	542,000	891,000	356,000
Uncollected Items and other deductions from Gross Deposits.....	37,558,000	43,854,000	74,553,000
5% Redemption Fund against F. R. Bank Notes.....	623,000	623,000	725,000
All Other Resources.....	383,000	824,000	282,000
TOTAL RESOURCES.....	\$253,553,000	\$268,521,000	\$300,949,000
LIABILITIES:			
Capital Paid in.....	4,367,000	4,364,000	4,081,000
Surplus.....	8,346,000	5,884,000	3,724,000
Government Deposits.....	1,714,000	2,580,000	5,128,000
Due Member Banks—Reserve Account.....	65,043,000	63,293,000	70,869,000
Deferred Availability Items.....	33,749,000	41,512,000	59,720,000
Other Deposits including Foreign Government Credits..	725,000	781,000	4,183,000
Total Gross Deposits.....	\$101,231,000	\$108,166,000	\$139,900,000
F. R. Notes in Actual Circulation.....	129,513,000	136,374,000	136,621,000
F. R. Bank Notes in Actual Circulation—Net Liability..	9,098,000	9,918,000	15,925,000
All Other Liabilities.....	998,000	3,815,000	698,000
TOTAL LIABILITIES.....	\$253,553,000	\$268,521,000	\$300,949,000
Ratio of total reserves against net deposit and F. R. note liabilities combined.....	49.2%	42.6%	47.1%
Contingent liability on bills purchased for foreign correspondents.....	752,000	752,000	-----

(Compiled January 20, 1921)