

FEDERAL RESERVE BANK OF ST. LOUIS

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

RELEASED FOR PUBLICATION ON AND AFTER THE AFTERNOON OF FEBRUARY 28, 1921

WILLIAM McC. MARTIN,
CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

INCIPIENT improvement in general business conditions, sentimentally and in the concrete, noted in the preceding issue of this report, has in the main been sustained during the past thirty days. Purchasing for immediate requirements in several important lines is being pursued on quite a large scale. Sales of interests engaged in these lines, while vastly under those of the corresponding period in 1920, show fair gains over the preceding month, and are of a character indicating that the public has modified its attitude against all but absolutely necessary buying and has begun to take the things needed. Retail merchants in city and country have undertaken completing broken stocks and are replenishing depleted shelves. Wholesalers and jobbers are buying with more confidence and in heavier volume. These manifestations, it must be noted, are confined to industries in which readjustment has progressed to greatest lengths, such as drygoods, groceries, millinery, furniture, clothing and boots and shoes. Lines wherein readjustment has been less complete show relatively little improvement and are in a state of considerable uncertainty. Among the latter may be mentioned lines based on iron and steel.

Among all industries investigated there is the uniform report that never before was buying more cautious and discriminating. This applies alike to manufactures, wholesale and retail. The element of speculation has for the nonce been completely eliminated. Purveyors of goods are accumulating only what they believe their customers will want during the next thirty to ninety days. Future buying, such as was practiced in past seasons, has failed utterly to open up. Further, manufacturers are making up virtually nothing for which they have not received orders, and with but few exceptions are buying little raw material ahead, even where prices are evidently below production cost.

A favorable development noted during the past few weeks has been a gradual change in the attitude of farmers in the matter of marketing their products. In the cotton and tobacco sections, country merchants report that their customers are selling and paying part of their indebtedness. Generally marketing conditions of the leading staples, especially those typical of the South, are still unfavorable, but there are spurts of demand and market fluctuations which encourage liquidation and serve to relieve the stagnation which featured the closing weeks of last year. Some idea of the situation prevailing in the cotton region can be had from the statement that at Little Rock, Ark., a typical marketing center, the average price per bale realized in January was \$72.50, against \$201.25 during the

same month in 1920. Prices for leaf tobacco also show a radical slump as contrasted with a year ago, but in the immediate past a slight improvement in the demand and stiffening in values has been noted. Agitation continues through the cotton and tobacco belts to greatly reduce this year's planting. In sections where rice is raised producers are experiencing difficulty in marketing their crops, and prices are discouragingly low. Arkansas rice growers are conducting a campaign of advertising with the view of increasing the popularity of rice as a food.

The growth of unemployment continued rather sharply until the beginning of February, at which time it was estimated by certain authorities that the flood tide had been reached. Around that date further closings down of factories and the release of workers from distributive lines began to be offset by employment involved in the gradual reopening of plants which had been idle, so that at present the two factors about balance and a temporary equilibrium is maintained. In the steel and iron industry, mining, and with the railroads in this district, unemployment is more marked than in lines which showed the greatest number of idle workmen thirty days ago.

Included in the comment and information contained in replies to questionnaires sent to retailers, wholesalers and manufacturers in the district were specific instances of further price cuts in commodities. It was noted, however, that the reductions were not as radical nor sweeping as those which have gone before. In some lines the cuts affected a relatively few articles, while other goods in the same classification were steady, and still others evinced a tendency to stiffen. For example, in drygoods cotton cloths were steady, while certain miscellaneous articles were lower. In the grocery line some staples, such as sugar, seemed to have reached a point of resistance, while canned goods were weak. Certain merchants with heavy stocks which they were desirous of converting into cash, are offering them below current levels. Stocks generally, however, have been materially reduced, and for the most part are in good shape. Assortments in the retail branch of distribution have been well rounded out since the termination of holiday shopping, though some high-priced goods are held and have not been affected by the general reductions. A number of important commodities which heretofore have resisted readjustment, have fallen into the downward procession, among which may be enumerated gasoline, and other products of petroleum.

Seasonal declines were recorded in a number of food products, such as eggs, vegetables and dairy products, but due to the unusually mild weather

many of the reductions have been earlier and more drastic than usual. The course of the grain markets, especially wheat, continues extremely erratic. Daily fluctuations have been broad and frequent, and too radical to reflect simple changes in supply and demand conditions. Millers complain of the presence of speculation in wheat, which has a tendency to disturb the market for their product. Toward the end of January and during the first days of February grain prices worked to low levels, but considerable recovery developed during the

past two weeks, so that on the closing date of this report quotations were relatively steady with those at the end of the preceding thirty-day period. Dealers in provisions report a singular phase in the demand for their wares, which is that despite general economies being practiced by the public the demand centers in choice cuts, the cheaper meats being neglected and very dull. In the entire list of hog products, the only item selling higher than a year ago is pork tenderloins.

The following compilation of comparative prices (round lots in first hands) obtaining in the St. Louis market as of February 14, 1920, and the same date this year will serve to give some idea of the changes which have taken place in values during the past twelve months:

	February 14, 1920	February 14, 1921
Lard, per pound.....	20.35c @ 21.50c	11.50c @ 11.52c
Green meats:		
Hams, per pound.....	22.00c @ 25.00c	16.00c @ 18.50c
Shoulders, per pound.....	17.00c @ 17.50c	11.50c @ 12.50c
Picnics, per pound.....	14.50c @ 16.00c	8.75c @ 10.75c
Pork loins, per pound.....	22.50c @ 23.50c	19.50c @ 20.00c
Breakfast bacon.....	32.00c @ 35.00c	24.00c @ 26.00c
Tenderloins, per pound.....	43.00c @ 44.00c	50.00c @ 55.00c
Spareribs, per pound.....	17.50c @ 18.00c	11.00c @ 12.00c
Bellies, per pound.....	18.00c @ 19.00c	11.00c @ 12.00c
Tallow, per pound.....		13.00c @ 4.50c
Hogs, on the hoof, per pound.....	12.50c @ 15.75c	7.75c @ 10.35c
Eggs, per dozen.....		50.00c @ 30.50c
Timothy seed, per 100 pounds.....	\$ 4.00 @ 14.50	\$ 1.00 @ 5.50
Clover seed, per 100 pounds.....	\$50.00 @ 51.00	\$14.00 @ 15.50
Dried apples, per pound.....	13.00c @ 16.00c	5.00c @ 7.00c
White beans, per pound.....	7.50c @ 7.75c	4.80c @ 5.00c
Hides, No. 1 wet salted, per pound.....		30.00c @ 6.00c
Wool, Choice Mo., Ill., Southwest, etc., per pound.....		55.00c @ 20.00c

Tendencies in the fuel market, noted in the preceding report, have continued during the past thirty days. Supplies of both coal and coke are abundant, with surplus stocks accumulating at many points in face of a rather sharp curtailment of production. This is due to two main causes, i. e., the mild winter and heavy slump in the demand for steaming coal occasioned by the closing down of plants. The trend of prices is easier. Metallurgical coke can be had in any desired quantity upon demand, and the usual contracting for future needs in this material has not appeared to date. Coal at Illinois mines can be had as low as \$2.10 per ton.

According to officials of railroads operating in this district, freight is moving in smaller volume than at any time since the end of the switchmen's strike last year. There were approximately 14 per cent fewer cars loaded in January than during the same month in 1920. About 50 per cent of cars handed to the St. Louis Terminal Railway Association in January were empties, and relatively the same ratio existed with Memphis, Louisville and other important gateways of the district. Passenger business has slumped about 20 per cent as contrasted with the corresponding period a year ago.

Collections, as a rule, are reported as being unsatisfactory, especially through the Southern tiers of the district. While debts are being gradually liquidated, the process is slow and spotted. Best results are being obtained in the large cities, and in rural districts where production and resources are diversified. Replies to the inquiry as to the state of collections addressed to all interest investigated

in this district showed 60 per cent fair, 20 per cent good, 20 per cent poor and none excellent.

Commercial failures in the Eighth Federal Reserve District during January, according to Dun's, were 126, involving liabilities of \$2,370,168, against 34 in January, 1920 with liabilities of \$168,764. In December last year there were 104 failures involving liabilities of \$3,030,670, and in November, 1920, 58 failures with liabilities of \$829,889.

Reports from all sections of the district indicate a very dull real estate market, both in the city and country. City agencies report plenty of houses for sale at holders' prices, and a shortage of small residences with low rent. A fair demand exists from buyers for apartment houses. Rents hold firm at their recent peak levels. Farm lands are dull, with sharp recessions in values reported in some sections.

Generally the automobile industry shows further slight improvement, but the betterment is confined pretty much to the cities. The country business has dropped off in an astounding degree as contrasted with the same time last year. This fact is emphasized by the statement of a dealer in a medium-priced car, who said that in January, 1920, he drove 420 machines from the factory in Michigan to supply his country trade. During January, 1921, he was able to move all the cars needed by freight, but cancellations from country correspondents have resulted in his city warehouse being filled with surplus cars which he is unable to move. Some sales of high-priced cars since January 1 have been reported.

The per capita circulation of the United States on February 1, 1921, was \$57.19, against \$59.12 on January 1, 1921, and \$54.94 on February 1, 1920.

MANUFACTURING AND WHOLESALE

Business in manufacturing and wholesale lines is described as more active, but almost entirely on an immediate requirement basis. Certain branches which during the past three months were virtually at a standstill, are now booking fair orders for shipment on near-by dates. Forward orders, however, are scarcely any more numerous than during December and January. Leading wholesale houses in St. Louis, Memphis and Louisville report the presence of numerous buyers, but as contrasted with former seasons their takings are insignificant. No goods are being purchased for late spring or summer consumption. Drygoods interests, for example, report that their January sales were anywhere from 40 to 55 per cent under the corresponding period in 1920, and about the same ratio existed in hats, clothing and millinery. The closing weeks of January and the early days of February developed better things, and open order buying is fairly brisk, all considered. Several large houses reported that their sales in the first two weeks of February were about on a parity with the same time in 1919, and better than 1918. Universally buyers are proceeding with the utmost caution, and are purchasing with a greater degree of intelligence and discretion than last year, when the main object seemed to be to acquire goods regardless of all other considerations. Incidentally hats, drygoods, clothing and boots and shoes are from 30 to 45 per cent lower in price than a year ago at this time. The principal disabilities working against a resumption of normal activities are uncertainty relative to prices, the foreign financial and political situation, and the decline and sluggish marketing conditions of farm products. That the price consideration is an important one is evidenced by the fact that lines wherein deflation has been thorough are moving well, while those with readjustment still ahead of them are relatively slow. To the South some improvement is noted. The usual booking prior to opening of the planting season has been light to date, but merchants and planters have completed financial arrangements and are now in shape to buy to the extent of their means. Instability of the pig iron market has a tendency to hold back lines based on that material. In general the volume of cancellations and returned goods has decreased in a very satisfactory manner.

Boots and Shoes—Some excellent buying for immediate shipment is reported, but January shipments ran from 40 to 52.5 per cent behind those of the same month in 1920. There is a particularly good demand for women's fancy novelty goods, which lines with three leading manufacturers have been sold up to April. Easter goods are being well taken. Men's dress shoes, farmers' footwear and the general run of utilitarian goods are dead dull, future orders for spring consumption being nil. Last year this class of goods had been shipped in January for April and May consumption. The raw material market is uneven, fancy stock having firmed up, while heavy leather is slow and weak. Prices of the heavy material has worked so low that packers are now tanning and holding their hides, rather than attempt to dispose of them on the present unfavorable market. On January 25 the Navy Department purchased 113,000 pairs of shoes at an average cost of \$3.79, which compares with \$5.79½ paid in July, 1920, the last preceding purchase. This

heavy decline is explained by the fact that the low bidders were anxious to secure the business in order to keep their plants and organizations at work.

Clothing—While business is nothing like normal, enough orders were placed during the past thirty days to constitute an improvement over the recent status. Economy is still being practiced by the public, which is looking for additional price reductions. The mild weather throughout the country has played havoc with placement of winter-weight clothing. General buying is from hand to mouth, and manufacturers are pursuing the same policy in the matter of preparing stocks.

Electrical Supplies—Conditions remain substantially as they were thirty days ago. Careful, studious buying is reported, but merchants and the public look for further price recessions and are staying close to shore. Sales of reporting firms show a decrease of from 40 to 55 per cent as compared with the corresponding time last year. Prices, on an average are about 20 per cent lower than in 1920, but about steady with a month ago.

Iron and Steel Products—Quietness and uncertainty feature all lines in this classification. Unfilled orders on manufacturers books have been reduced to a minimum, and new business is being sparingly placed. Failure of building to pick up, coupled with scant faith in prevailing prices is holding back buying. Another unfavorable factor is the extremely light buying by railroads, which it had been estimated would be in full blast by this time. Warehouse interests complain of apathy in the demand for their goods, and their stocks are growing bulky. Makers of stoves and farm implements say that conditions in the country are making it extremely difficult to market their specialties. Sales of pig iron in the district during the past thirty days have been smallest for any similar period in more than a decade. Prices are uncertain, ranging from \$27.50 to \$38.50 for 1.75 to 2.25 per cent silicon, but dealers declare it is less a matter of price than that melters have no business booked and refuse to be interested at any figure.

Hardware—Sales in January ranged from 24 to 60 per cent under those of the corresponding month in 1920, but the past thirty days show up better than the preceding month, gains as high as 23 per cent being recorded. Relatively city business is better than that in the rural areas, the decline in farm products militating against purchasing by agriculturists. Prices are described as steady to a shade easier. Future buying has not started. Collections are fair. Hand implements are dull, with prices easier. Basic materials and heavy hardware hold firm.

Flour—Millers report a slight fluttering of improvement in their business, which they ascribe to buying made inevitable by exhausted stocks. General conditions, however, remain unfavorable, and mill operation in the district is still only at from 40 to 50 per cent of capacity. The South is buying sparingly and only for immediate needs. The export situation remains in a deplorable state. European countries needing flour are not financially equipped to purchase, and domestic mills can not provide credits. Cuba, usually a good outlet for

flour made in this district, is not at present available as a market. In a lesser degree like conditions obtain in South and Central American countries. Certain European countries, notably Scandinavia, are expected to buy shortly, when their governments lift restrictions thrown around operations in foreign foodstuffs.

Candy—In point of production January ran about steady with a year ago, but a decline of something more than 25 per cent was noted in value, due to the decline in prices. Immediate buying is fair, and Easter goods are moving in excellent fashion, several interests being oversold on these specialties. Retailers stocks are low, many being in a position of having little to dispose of except Easter wares. Manufacturers and jobbers complain that the failure of retailers to lower their prices is holding back business. Candy prices show a decline of about 10 per cent in the past thirty days. Sugar, after its recent decline, shows signs of reacting slightly upward. Labor costs have been adjusted to the extent of about 10 per cent, the changes having been affected individually, and not generally through the entire list of employes.

Drugs and Chemicals—Volume in January with reporting interests was about steady with a year ago, but a loss of 20 to 22 per cent was recorded in value, owing to the lower range of prices now obtaining. The first two weeks of February developed fair gains over the same time in 1920. The general trend of prices is lower. In the past thirty days there were changes in 26 drugs and chemicals, five of which were higher and 21 lower. Wood and denatured alcohols were lower. The general demand is good and collections fair.

Woodenware—Slow improvement is reported by interests engaged in this line. Stocks in second hands are light, and are gradually being replenished cautiously. Sales in January were 50 to 60 per cent under the same month in 1920, but from 10 to 35 per cent greater than in December. Prices declined from 10 to 15 per cent during the period under review, and stand 25 to 40 per cent under the same time a year ago. Wages remain stationary, but the number of employes is considerably reduced.

Lumber—Some slowing up in the volume of buying by retail yards was evident during the first two weeks of February. The purchase by line yards to balance their stocks for spring trade has supplied

a large part of the recent increase, particularly yellow pine buying, and many of these interests announce their needs filled. Reports from the East are more optimistic than at any time in recent months. The price readjustment process continues, but barring a decline in hardwoods to the South, no material change is recorded in the principal structural woods. Hardwood buying continues small in volume, but there is a little better tone in some industries consuming these woods. While production in the Southern field has shown an increase of late, it is due largely to the necessary cutting of logs which would otherwise decay. The export situation is not encouraging.

Furniture—Immediate orders show a fair improvement over the preceding thirty days, but no future buying is reported, and the volume of business as a whole is still subnormal. Some plants in the district which were shut down, have resumed on part time. Wages have been lowered about 10 per cent, and are now back to the scale of last April. Manufacturers and dealers report numerous inquiries and requests for catalogues and price lists, but thus far these have not been productive of notable orders. The housing situation is a severe detriment to the furniture business, there being a minimum of new homes furnished and fitted out.

Fire Clay Products—A sharp curtailment in production and decline of from 12 to 15 per cent in prices is reported by interests questioned. The demand for building brick is slow, and due to curtailment of operations among open hearth furnaces and by-product ovens needs for silica brick are limited. The glass industry is taking a fair amount of bauxite brick. Cement makers are finding a good outlet for their product in road building operations, and prices for this material are steady with last month and about 25 per cent higher than a year ago.

Miscellaneous—Reports from the more diversified lines, such as glass, cooperage, saddlery, office supplies, paper, stationery, brooms and brushes, rope, and paints indicate a story similar to that describing the larger industries of the district. Immediate business has picked up since the middle of January, and while results are disappointing as contrasted with the corresponding time in 1920, they are distinctly better than the preceding thirty-day period. Stocks in many instances are low, and are being built up to accommodate the consumptive demand.

RETAIL

Generally speaking the improvement which has featured wholesale and manufacturing operations during the past thirty days has extended as well to the retail end of distribution. The recent wave of economy on the part of the public is still being felt, but where prices look cheap, or even reasonable, there is a good response on the part of shoppers. The unseasonably warm weather has proved most unfavorable for the movement of certain merchandise, and the season has gotten far enough along to make recovery of this deficiency difficult, even should lower temperatures materialize. Leading department stores showed slight declines in sales during January as compared with that month in 1920, but the first two weeks of February have

developed fair gains. Replies contained in the retail questionnaires indicate that thus far unemployment has not affected business in the degree which might have been expected. Public purchasing power seems strong, though directed in more conservative channels than at any time since the period of extravagant spending came to an end. Mail order trade is well behind that of a year ago, but somewhat better during the first two weeks of February than in the initial fortnight of 1921. Price reductions are reported by restaurants in parts of the district, but bills of fare still indicate levels far above normal. Theaters and places of amusement generally report a decrease in patronage during the past month, and sales of gasoline by leading distributing interests show a sharp slump.

AGRICULTURE

Mild and generally uniform temperatures over the growing areas have been beneficial to winter wheat, which is reported in excellent shape throughout this district. Little damage from the usual winter elements has occurred. The plant has had ample moisture, and deep root growth which should enable it to resist low temperatures should they arrive. Good progress has been made in plowing for corn, cotton and other spring crops. There are

scattered reports from Illinois and elsewhere of corn spoiling in the cribs, and weevil is present in wheat in some sections. Reports vary relative to the quantity of cotton left unpicked in the fields, but latest advices indicate that it is less in this district than other parts of the belt. In virtually all sections farm labor is plentiful, but there are still instances of higher wages being asked than farmers are willing to pay.

The following table, compiled from commercial sources for the Government market report, shows the cotton movement from August 1, 1920, to February 4, 1921:

	BALES	
	1920-21	1919-20
Port receipts.....	4,100,172	4,824,870
Port stocks.....	1,412,294	1,404,240
Interior receipts.....	4,826,370	5,146,588
Interior stocks.....	1,738,118	1,264,216
Into sight.....	7,197,981	8,107,167
Northern spinners' takings.....	1,026,493	1,773,298
Southern spinners' takings.....	2,002,779	2,776,909
World's visible supply of American cotton.....	4,799,489	4,781,514

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

	Close January 15	High	Low	Close February 15
March wheat.....\$	1.76¾	\$ 1.78¾	\$1.51¾	\$ 1.78¾
May wheat.....	1.68½	1.68½	1.43¾	1.67¾
May corn.....	.71¾c	.74¾c	.64¾c	.74¾c
July corn.....	.72½c	.75½c	.66¾c	.75¾c
September corn.....	.73c	.73½c	.68¾c	.73¾c
May oats.....	.46¾c	.47¾c	.41¾c	.47¾c
July oats.....	.48c	.48c	.41¾c	.48c
No. 2 red winter wheat.....	2.02	2.02	1.87	1.96 @ 1.99
No. 2 hard wheat.....	1.81	1.83	1.57	1.79 @ 1.80
No. 2 corn.....	.68c	.68c	.59c	.68c
No. 2 white corn.....	.73c	.78c	.60c	.69c
No. 2 white oats.....	.47c	.47c	.40c	.46c
Flour: Soft patents.....	8.75 @ 10.50	11.50	8.50	9.00 @ 11.00
Flour: Spring patents.....	9.20 @ 9.50	9.90	8.00	9.15 @ 9.75

LABOR

According to State and Federal labor commissioners and employment bureaus unemployment in many lines is increasing. At the moment, however, total unemployment figures are being in a measure equalized by the return of workers to plants which have resumed operations on part time. The trend of wages, is lower, but readjustments are gradual, and in some instances have been upon the initiative

of the workers themselves. In the building, metal, mining and transportation lines unemployment is most marked. The movement back to farms is reported on the increase. Unemployment among women in centers of great population has gained headway. The only shortage is among domestics and trained nurses.

BUILDING

No change worthy of note has taken place in the building industry since the preceding issue of this report. Very little new construction is being undertaken, and work in progress is rapidly nearing completion. Costs continue too high to attract capital investment, and are preventing persons of

moderate means from erecting homes. Work in the country is confined to necessary repairs and road construction. A radical slump in the number of building permits issued and dollar values involved is shown in reports of leading cities of the district for January.

Comparative figures for January, 1921 and 1920 follow:

	1921		JANUARY		1920	
	New Construction Permits	Cost	Repairs, etc. Permits	Cost	New Construction & Repairs, etc. Permits	Cost
St. Louis.....	198	\$153,025	276	\$180,000	354	\$1,236,320
Louisville.....	25	570,550	81	40,950	236	515,660
Memphis.....	130	342,471	26	25,638	120	477,975
Little Rock.....	53	99,650	97	76,520	105	161,948
Evansville.....	18	8,720	24	15,060	32	45,245

LIVE STOCK

The cattle market has reached a more stabilized condition and for the past thirty days has averaged almost steady. The general trend has been lower, however, and prices are now at the lowest point

touched since 1915, this in face of a shortage of animals in the contributing territory. Reduced consumption due to the mild weather and heavy stocks of dressed meat in packers' coolers are largely ac-

countable for the weakness. The hog market also averaged about steady, with a run somewhat lighter than last year. The top price for the period under review was \$10.60 paid on February 3. Sheep and

lambs sustained a sharp break, lambs going \$2.50 lower and sheep 50c lower. Receipts are increasing, and the consumptive demand is restricted.

As reported by the St. Louis National Stock Yards, receipts and shipments of live stock at St. Louis in January, with comparisons for January, 1920, were as follows:

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1921	1920	1921	1920	1921	1920	1921	1920
Receipts	87,274	101,776	405,129	446,852	52,715	39,223	8,360	32,712
Shipments	32,817	34,378	219,026	220,955	11,680	8,633	11,392	35,918

COMMODITY MOVEMENT

Receipts and shipments of important commodities at St. Louis during January, 1921 and 1920 and December, 1920, as reported by the Merchants' Exchange were as follows:

	RECEIPTS			SHIPMENTS		
	Jan. 1921	Dec. 1920	Jan. 1920	Jan. 1921	Dec. 1920	Jan. 1920
Flour, barrels.....	286,580	284,320	526,970	332,630	325,410	585,390
Wheat, bushels.....	4,511,423	3,720,918	1,619,400	3,072,400	2,266,130	1,276,800
Corn, bushels.....	3,975,400	1,483,335	3,350,750	2,258,660	515,530	1,740,860
Oats, bushels.....	3,302,000	1,868,000	3,826,000	1,928,680	1,328,510	2,826,330
Lead, pigs.....	146,210	240,520	340,760	88,900	61,250	179,480
Zinc and spelter, slabs.....	269,240	420,750	317,990	350,030	435,350	429,090
Lumber cars.....	9,389	11,271	11,846	7,071	7,639	9,003
Meats, pounds.....	3,883,600	5,054,300	5,472,300	22,905,600	23,730,100	19,511,800
Fresh Beef, pounds.....	2,502,900	1,354,400	1,583,000	24,776,200	23,994,600	25,401,600
Lard, pounds.....	1,914,900	1,613,000	2,735,100	7,232,500	6,463,700	6,669,800
Hides pounds.....	3,944,500	3,276,400	4,015,000	7,188,300	5,058,600	7,783,800

FINANCIAL

As contrasted with the preceding thirty days, the general banking and financial position in this district has been subject to no marked changes. In St. Louis further progress in the matter of reducing indebtedness is noted. The heaviest payments have come from large mercantile interests, many of the important houses having reduced their credit lines. Cereals and live stock are being moved to market in fairly good shape, but the movement of cotton, tobacco and rice is still backward. Nevertheless there has been some reduction of bills payable, and in the immediate past more flexibility has been noted in the tobacco districts. Generally speaking there is more money to lend than was the case thirty days ago, but the demand continues strong, and there has been no change in rates charged by this bank or the commercial banks. A number of banks report a demand for bankers acceptances, both for their own funds and those of their correspondents. The reserve ratio of this bank has undergone steady improvement and is now higher than at any time since last February.

panies with bond departments report a good demand for high grade securities from general investment sources. New issues of municipal bonds have been well taken, and there is a scarcity of certain grades of securities. In part this is ascribed to the increase in savings deposits and to heavy writings by life insurance companies, but more confidence prevails among rank and file of investors, who are seeking an outlet for their surplus funds. A feature of the investment market at the moment is a brisk and steady demand for Government securities, including Liberty Bonds. This bank's quota of the issue of 5½ per cent Treasury Certificates of Indebtedness, dated February 15, was largely oversubscribed.

The recent spurt in the commercial paper market has apparently spent itself, and the first weeks of February brought a return of the erstwhile apathy in that line. City banks are buying virtually no paper of this kind, and takings by country institutions have dwindled materially. Rates range from 7½ to 8 per cent, but with most offerings bearing the major quotation of the spread.

INTEREST RATES

Between January 16 and February 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.....	7	6½	7	7	6	6	8	7	8
4 to 6 months.....	7	6½	7	7	6	6	8	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.....	7	6½	6¾	6	6	6	7½	7	7
Bankers Acceptances of 60 to 90 days:									
Endorsed	5¾	5¾	5¾	-----	-----	-----	-----	-----	-----
Unendorsed	6½	5¾	6	6½	6	6½	-----	-----	-----
Loans secured by prime stock exchange collateral or other current collateral:									
Demand	8	6½	7	6	6	6	8	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.....	8	6½	7	6	6	6	10	7	8
Loans secured by Liberty Bonds and Certificates.....	7	6	7	6	6	6	8	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:

	Feb. 11, 1921	Jan. 7, 1921	Feb. 13, 1920
Number of banks reporting.....	37	36	35
Loans and Discounts (including bills rediscounted with F. R. Bank):			
Secured by U. S. Gov't obligations.....	\$ 25,460,000	\$ 27,623,000	\$ 37,903,000
Secured by stocks and bonds other than U. S. Bonds..	112,672,000	121,947,000	160,838,000
All other loans and discounts.....	360,921,000	357,525,000	.....
Investments:			
U. S. Gov't bonds.....	28,799,000	29,207,000	31,427,000
U. S. Victory Notes.....	2,376,000	2,422,000	4,146,000
U. S. Certificates of Indebtedness.....	2,565,000	2,374,000	19,801,000
Other bonds, stocks and securities.....	64,474,000	64,036,000	.....
Total loans, discounts and investments (including bills rediscounted with F. R. Bank).....	597,267,000	605,134,000	625,649,000
Reserve balance with Federal Reserve Bank.....	45,339,000	44,379,000	48,060,000
Cash in vault.....	8,495,000	10,245,000	11,021,000
Net demand deposits on which reserve is computed.....	333,486,000	325,494,000	375,477,000
Time deposits.....	142,765,000	137,553,000	118,705,000
Government deposits.....	1,645,000	2,983,000	3,880,000

DEBITS TO INDIVIDUAL ACCOUNTS

The following table gives the total debits charged by banks to checking accounts, savings accounts and trust accounts of individuals, firms, corporations and U. S. Government and also certificates of deposit paid, in the leading cities of this district during the past 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:

	Feb. 16, 1921	Jan. 19, 1921	Feb. 18, 1920
St. Louis.....	\$481,163,000	\$574,548,000	\$624,714,000
Memphis.....	96,333,000	111,318,000	182,988,000
Louisville.....	98,089,000	107,375,000	155,124,000
Little Rock.....	43,419,000	45,193,000	40,032,000
Evansville.....	18,059,000	21,766,000	23,954,000

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 January this bank discounted \$144,240,320 of paper for 309 member banks, which represents a decrease of \$24,059,730 under the amount discounted in December, and a decrease of 9 in the number of banks accommodated. Acceptances purchased in January amounted to \$1,308,334, a decrease of \$1,007,918 under the preceding month.

Between January 15 and February 15, the net deposits of the Federal Reserve Bank of St. Louis and its branches decreased \$1,479,852 and a decrease of \$4,098,323 was shown in bills discounted for member banks. Federal Reserve currency in circulation decreased \$7,331,665.

The normal discount rates charged by this bank follow:

	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 or 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.

The resources and liabilities of the Federal Reserve Bank of St. Louis on February 18, 1921, as compared to a month ago and a year ago, are shown in the following statement:

	Feb. 18, 1921	Jan. 21, 1921	Feb. 20, 1920
RESOURCES:			
Gold Coin and Certificates.....	\$ 3,684,000	\$ 4,925,000	\$ 2,796,000
Gold Settlement Fund—F. R. Board.....	25,560,000	21,126,000	13,309,000
Gold with Foreign Agencies.....	—	155,000	5,303,000
Total Gold Held by Bank.....	30,244,000	26,206,000	21,408,000
Gold with Federal Reserve Agent.....	63,800,000	52,370,000	58,463,000
Gold Redemption Fund.....	4,823,000	6,984,000	4,768,000
Total Gold Reserve.....	98,867,000	85,560,000	84,639,000
Legal Tender, Notes, Silver, etc.....	5,988,000	6,255,000	3,511,000
Total Reserves.....	\$104,855,000	91,815,000	88,150,000
Bills Discounted: Secured by U. S. Government Obligations.....	34,758,000	40,600,000	49,686,000
Bills Discounted: All Other.....	55,694,000	63,720,000	52,595,000
Bills Purchased in Open Market.....	387,000	948,000	9,802,000
Total Bills on Hand.....	90,839,000	105,268,000	112,083,000
U. S. Government Bonds.....	1,153,000	1,153,000	1,153,000
U. S. Certificates of Indebtedness.....	16,395,000	15,992,000	17,479,000
Total Earning Assets.....	108,387,000	122,413,000	130,715,000
Bank Premises.....	626,000	542,000	866,000
Uncollected Items and other deductions from Gross Deposits.....	33,118,000	34,442,000	73,675,000
5% Redemption Fund against F. R. Bank Notes.....	523,000	623,000	322,000
Gold Abroad in Custody or in Transit.....	155,000	—	—
All Other Resources, Including Amounts due from Foreign Banks.....	527,000	389,000	283,000
TOTAL RESOURCES.....	\$248,191,000	\$250,224,000	\$294,011,000
LIABILITIES:			
Capital Paid in.....	4,438,000	4,414,000	4,122,000
Surplus.....	8,346,000	8,346,000	3,724,000
Government Deposits.....	4,407,000	1,855,000	3,192,000
Due to Members—Reserve Account.....	66,822,000	66,038,000	69,403,000
Deferred Availability Items.....	31,350,000	32,717,000	56,872,000
Other Deposits including Foreign Government Credits..	546,000	613,000	3,831,000
Total Gross Deposits.....	103,125,000	101,223,000	133,298,000
F. R. Notes in Actual Circulation.....	123,203,000	126,468,000	137,133,000
F. R. Bank Notes in Actual Circulation—Net Liability..	7,783,000	8,696,000	14,515,000
All Other Liabilities.....	1,296,000	1,077,000	1,219,000
TOTAL LIABILITIES.....	\$248,191,000	\$250,224,000	\$294,011,000
Ratio of total reserves against net deposit and F. R. note liabilities combined.....	54.3%	47.5%	—
Contingent liability on bills purchased for foreign correspondents.....	752,000	752,000	—

(Compiled February 18, 1921)