

FEDERAL RESERVE BANK OF ST. LOUIS

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

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THE general business situation has undergone but little change during the past thirty days as compared with the similar period immediately preceding. In some lines, notably those dealing in commodities for personal consumption, further slight improvement was noted, while elsewhere the movement continued slow and unsatisfactory. Such price changes as have occurred indicate further progress in the direction of readjustment. Several important basic materials and a number of finished and semi-finished articles show declines. Wheat, corn, oats and cotton were lower, but the movement of these staples to market was heavier. Cattle, hogs and sheep developed relative strength, with prices higher. Receipts of live stock showed a heavy decrease as contrasted with the preceding month and the corresponding period a year ago.

Sentiment in the agricultural communities of this district has improved to the extent that producers have become more reconciled to the lower price levels, and are gradually marketing their stocks. There is less talk heard of reducing acreages, and farmers have set about preparing for the new crops. Economy is being practiced on the farms, and there is every evidence that this season's crops will be raised at considerably less cost than those of last year. In the rural sections there is still a great deal of reaction against the high cost of living, farmers contending that prices of supplies and merchandise needed for daily use have not decreased in like ratio with the decline of their products.

In the department of distribution business continues almost exclusively on a spot basis. Orders for future delivery, which are usually booked at this time for summer and early fall consumption, are almost entirely absent. Withal the volume of sales is satisfactory, and such important lines as drygoods, shoes, clothing, hats, groceries and wood-ware show small gains over the preceding thirty days, though still vastly under those of the corresponding period a year ago. Interests reporting indicate that retail stocks are low, and in many instances at a point where they must be replenished. This fact, coupled with seasonal stimulation due to Easter and the spring-like weather, has augmented the demand for goods.

More unevenness exists in reports from manufacturers. Further price changes in raw materials have served to upset programs of both the plants and their customers, and there have been some further cancellations as a result. Fluctuations in the cereal, cotton and live stock markets particularly have resulted in uncertainty among handlers of goods based on these products. Stability is also lacking in the iron and steel industry, due chiefly

to the fact that price readjustments have not been carried sufficiently far to dispel fears of further changes or parallel levels attained by other commodities. Labor costs is another item which at the moment is playing an important part in the reckoning of manufacturers. Aside from shoe, clothing, drug and chemical, furniture and a few other lines, the general report among manufacturers of this district is that their operations have been further curtailed during the past thirty days, with consequent additional laying off of operatives. In the lead and zinc mining and smelting industries activity is at a low ebb, estimated at from only 30 to 42 per cent of capacity. Among iron and steel foundries, mills and machine shop operations are only at about 25 to 30 per cent of capacity, and new business is being sparingly placed.

The U. S. Department of Agriculture's report as of March 1, showed heavy accumulations of wheat, corn and oats on farms in the Eighth Federal Reserve District. The formidable carry-over is attributable in large part to the determination of producers to so regulate their marketings as to maintain a high level of prices. Because of the general wave of price readjustment in all communities, and tendency to demoralization in both domestic and foreign markets, this policy has proved unprofitable. At the corresponding time last year grain was urgently seeking an immediate market, with a scarcity of freight cars to move it. Now conditions are reversed, there being an abundance of cars, but cereal offerings relatively light, accumulations in first hands considered.

Officials of railroads operating in this district report that offerings of freight have picked up since March 1, and that the improvement would be even more marked but for slowness in the movement of coal and iron and steel. Since the last issue of this report, however, the lines have layed off additional workmen in all departments. Negotiations are in progress between officials of the railroads and labor unions looking toward wage reductions. Passenger traffic during the past thirty days shows little variation as compared with the preceding month. Early in the month there were about 450,000 idle freight cars in the United States, while in March, 1920, an acute shortage of equipment existed.

The Mississippi Warrior Service, Inland Waterways, (the Government barge line) which has been operating from Cairo as a Northern terminus during the period of possible ice in the St. Louis harbor, resumed regular service from the municipal docks at St. Louis on March 21. Officials of the line say regular weekly service to New Orleans will be possible from now on, due to additional equipment.

The fuel situation continues favorable to the consumer, supplies being abundant, and the trend of prices downward. Since March 1 the price of mine run coal in the Illinois bituminous fields dropped to \$1.85, a new low on the movement. Production of soft coal, which had been declining steadily since the middle of December, recovered slightly during the first week of March. The demand for steaming coal is somewhat better, and prices slightly firmer, but this is due more to the fact that screenings are short, owing to general curtailment of production rather than any increased consumption. Lump coal is relatively cheaper than slack. The demand for metallurgical coke remains dull, with prices lower. Standard 72-hour foundry coke ranges from \$5.25 to \$5.75 per ton, and the 48-hour foundry product from \$4.75 to \$5.25 per ton.

Since the first of March there has been quite a decided improvement in collections. Wholesale interests report results much better than expected, and well over those in January and February, and retailers are getting in their money fairly promptly. The betterment extends through the South, which heretofore had been the most backward locality in the matter of paying debts. There were fewer

requests for extensions than earlier in the year. Replies to the inquiry as to the state of collections addressed to all interests investigated in this district, including something over 300 individuals and corporations, showed 68 per cent fair, 20 per cent good and 12 per cent poor.

Commercial failures in the Eighth Federal Reserve District during February, according to Dun's were 129 involving liabilities of \$2,936,144, against 28 in February, 1920 with liabilities of \$340,110. In January this year there were 126 failures involving \$2,370,168, and in December, 1920, 104 failures with liabilities of \$3,030,670.

Reports made by automobile and accessory dealers and manufacturers indicate no change in conditions obtaining thirty days ago. Sales in the cities show gradual improvement over those of the past three or four months, but business in the rural districts has failed to show signs of revival. Prices generally remain steady with the preceding month, except on certain accessories, which have declined.

The per capita circulation of the United States on March 1, 1921, was \$57.73 against \$57.19 on February 1, 1921, and \$56.16 on March 1, 1920.

MANUFACTURING AND WHOLESALE

According to interests reporting, buying for future requirements, as practiced in former years, has not appeared. As an offset to this, the volume of orders for immediate shipment in many lines, is large and of a character indicating that the public is in need of goods and disposed to fill its wants. Buying is being cautiously pursued, with individual orders small, but retailers are now filling out and completing assortments to a greater extent than at any time since the retrograde movement set in last year. Manufacturers are not making up goods for which they have not received orders, and this has resulted in a shortage of certain seasonal goods, notably specialties in boots and shoes and women's ready-to-wear clothing and novelties for Easter. In the general staple lines, the trend of prices is downward, with merchandise plentiful. February sales and shipments showed heavy decreases under the corresponding month in 1920, but good gains over January this year. As a typical instance of this may be cited the wholesale dry-goods industry, in which 18 of the largest stores of the district report an average decrease of 43.3 per cent under February, 1920, but an increase over January of approximately 18 per cent. Goods for use on farms are moving slowly, reports developing that agriculturists are endeavoring to get along with as little as possible. This is true especially of the cotton, tobacco and rice sections, but its effects are being keenly felt in the grain districts and areas of more diversified production. Hardware interests report that their sales of implements for the year to date have been unusually light. In the classification of foodstuffs sales and shipments in February and early March show an improvement over those of January. The decline in prices has stimulated orders for groceries, packing products and confectionery. As was noted in the preceding issue of this report, in lines wherein readjustment has not yet taken place or has progressed only in its first stages, the movement is slowest.

Boots and Shoes—Interests canvassed report shipments and orders increasing, with indications for gains of from 6 to 12 per cent in volume of March business over the February totals. Prices of finished goods showed slight variation during the past thirty days, but with the trend downward. On an average prices on March 15 were 10 per cent lower than those prevailing in January and from 40 to 42 per cent under the corresponding period last year. In certain lines of fancy, specialty goods for women's wear, the demand was particularly strong, several leading manufacturers reporting they had sold out their entire stocks. The movement of staple lines of men's shoes is fairly satisfactory. Prices of the principal raw materials were easier, except such as are in seasonal demand. The hide and leather market continues weak. Collections are fair to good. Factory operation was at the rate of about 70 to 80 per cent of capacity during the period under review.

Clothing—Orders for immediate shipment are arriving in larger volume than at any time since early last fall. Of the 18 manufacturers questioned, 12 reported they had increased their working forces, while the others were operating at about the same rate as a month ago. Stocks in retailers' hands are light, and the public is buying somewhat more freely. The movement of winter-weight clothing throughout this district was in disappointing volume, due chiefly to the mild weather. Prices are described as steady to a shade lower. Collections are not uniformly satisfactory.

Electrical Supplies—Sales in February showed a decrease of from 40 to 53 per cent under those of the same month in 1920, and losses of from 10 to 22½ per cent under those in January this year. Uncertainty relative to prices and depression in industries largely using electrical appliances are given as the principal reason for the falling off in business. Prices were from 5 to 10 per cent lower

than the preceding month, and now range from 15 to 20 per cent under the corresponding time in 1920.

Iron and Steel Products—In this general classification there has been no change for the better since the preceding issue of this report. There were reports of additional curtailment in operations at foundries and mills. Old orders have been about exhausted, and new business is not arriving. Backwardness in buying by railroads, the building and oil industries and depression in automotive manufacture are given as the chief factors making for dullness in iron and steel. Producers and selling agencies of pig iron relate that the demand has never been as poor for their product as at present. Purchasing is confined to a few scattering cars for prompt shipment. Resale iron has been placed as low as \$25 in this district, but the current range on 1.75 to 2.25 per cent silicon is from \$27 to \$30. Implement makers, stove manufacturers and architectural iron and steel plants report orders at a minimum, and operation at an insignificant fraction of capacity.

Hardware—As compared with February, 1920, orders of reporting firms showed decreases of from 15 to 42 per cent last month, but orders booked in early March showed a picking up which indicates that the average for the month as a whole will be relatively much higher than that of February. Buying for spring consumption has been completed, and some orders for summer have been placed, but as a general rule purchasing is confined to spot delivery, or 30 to 60 days at the outside. Two of the leading interests report an improvement in the demand for barb wire, nails and roofing materials. All firms reporting say that their decrease in dollar and cent value is proportionately greater than volume, due to lower prices. The past thirty days have developed no radical alteration in prices, though the trend throughout the line is downward.

Flour—Business continues dull and unsatisfactory. Orders for immediate delivery have picked up slightly since February 15, but generally buying is on hand to mouth basis, with future orders absent. The decline in wheat futures had a detrimental effect on business, and resulted in further cancellations. No change whatever has taken place in the export situation, which is described as being the slowest in more than a decade. Stocks of both wheat and flour in millers' hands are light.

Candy—A brisk trade in Easter specialties was reported by manufacturers and jobbers, but otherwise no change has occurred in this line during the past thirty days. Staple goods are being taken only in quantities which can be disposed of immediately. The recent strength in the sugar market has served to stabilize prices for the moment, no changes worthy of note having been made during the period under review. Factory operation in this district was at from 60 to 75 per cent of capacity. Collections are fair.

Drugs and Chemicals—Activities in this industry are relatively well maintained, as contrasted with other lines. Fourteen reporting interests show a decline in dollar value of 17 per cent in their February sales under the same month in 1920, but only 9½ per cent less in volume of goods shipped, the difference being represented by price declines

between the periods compared. The trend of prices is lower, with the average about 12 to 15 per cent under peak levels. Last month there were changes in prices of 28 drugs and chemicals, of which 24 represented downward revisions and four advances. Among the articles reduced were sulphur, citrates, ether, cod liver oil and formaldehyde.

Woodenware—Replies to questionnaires addressed to leading interests indicate improvement in business. Decreases in business as high as 50 per cent under February, 1920, are shown, but gains of from 15 to 25 per cent over January are reported. The betterment is ascribed to depleted stocks in retail and consumptive hands, and to the radical readjustment which has taken place in prices. An average of 25 per cent more workmen were employed in this industry during February than in January.

Lumber—The first half of the period under review was marked by what might be termed subdued activity in the softwood wholesale market, in which purchases by line yards in the Middle West and Southwest constituted the chief feature. This buying has diminished since March 1, but has been in part replaced by buying on the part of individual yards in the smaller cities and towns. Generally the demand is poor in large centers, building being impeded by high prices of materials other than lumber. Yellow pine and other softwoods have declined further. A slight increase in hardwood demand is in evidence. Upper grades of the principal woods have showed firmness during the past two weeks. There is a shortage of mill stocks of the better grades, as compared with heavy surpluses of common lumber.

Furniture—Business has improved to the extent that orders for immediate shipment have increased over those of January and several plants which were closed down have resumed operation in part. No stock orders are being placed, and the buying for summer and fall usual at this season has failed to develop. Further price reductions were reported, and their character indicates keen competition for the business current. Some fair inquiries were received from Mexico, but otherwise the export business is at a standstill. Raw materials are easier, but moving much better than in January or December. About 45 per cent of the factory capacity of this district was in operation during the past 30 days.

Furs—Pelts aggregating in value about \$11,000,000 were sold at the midwinter auction of the International Fur Exchange of St. Louis, held here in late February and early March. Prices realized, while ranging from 30 to 70 per cent under those paid in the February and May auctions last year, were on the whole much better than expected. The skins disposed of brought from 20 to 25 per cent higher prices than those sold at the New York sale a month earlier, and about 50 per cent of the transactions were for cash. The character of buyers attending the auction was such as to indicate that the furs were taken for placing in consumptive channels. Due to low prices and other influencing factors, the fur catch last winter was only about 25 per cent of that of the preceding season. This served to reduce normal supplies and place the industry on a more stable basis.

Miscellaneous—Accounts from other industries, including cooperage, glass, rope, paints and oils, brooms and brushes, glass, stationery, saddlery, trunks and millinery are in the same general trend as those from the lines of greater importance in this district. Since the first of March orders for immediate shipment have improved, and the same

is true of collections. Stocks have been fairly well liquidated, and where prices seem right there is a disposition to buy. Virtually no orders for delivery at a period more distant than 60 days have been booked. In all industries investigated labor is plentiful and the trend of wages lower.

RETAIL

In the retail end of distribution business during the past thirty days has been on the whole relatively satisfactory. Shopping has been stimulated by the extremely favorable weather over the entire district and the Easter season. Clothing and furnishing stores report sales larger than at any time since the Christmas holiday period. Dealers in food say that the recent declines in prices have resulted in the movement of a heavy volume of goods. To the South business is less active than in the more northern areas of the district, and where the turnover was large, unusual efforts were made to accomplish the results. The public has made response to special sales by department stores, and

dealers in certain specialties. Jewelers are an exception to the general rule of improvement, as out of 18 stores reporting, 16 showed a decrease in sales under both the same period a year ago and the preceding month. The demand for precious stones and expensive pieces is especially dull. Sporting goods are moving well, especially such articles as are in seasonal demand. Distributors of gasoline in the larger centers of population report their sales in the first two weeks of March almost equal to those of the same period in 1920. In the country, however, heavy decreases are shown in this item.

AGRICULTURE

Throughout the period under review mild weather, with fairly uniform temperatures, prevailed through the Eighth Federal Reserve District. There was abundant precipitation, with the heaviest rainfall in the typical cotton areas. Winter wheat continues in excellent condition, with damage from winter killing, so far as can be learned, almost negative quantity. There have been numerous reports of ravages from insect pests, chiefly green bugs and Hessian fly, but the extent of actual damage done is still a matter of conjecture. In some important sections the crop is said to be a week to ten days early. Most recent reports indicate excellent progress in spring farm work. Soil preparation is from one to three weeks in advance of the ten year average in many parts of the district, due chiefly to the mild weather which permitted plowing and harrowing. Livestock is in healthy condition, with feeds abundant and cheap. Pastures are green, recent rains in many localities having

placed them in exceptional shape. Reports relative to fruits are on the whole favorable, though some apprehension is felt lest late frosts should blight orchards where buds have swelled or the trees are actually blooming.

Tobacco is being sold in larger volume, with prices about steady. Better grades are firm; medium grades bringing better prices and common grades stronger. The latter fact is due in part to the presence in this country of the Spanish Commission, sent here for the purpose of surveying the tobacco situation. Other factors in the strength are further agitation for reduced acreages and the large percentage of the crop falling below the expected weight. There are still complaints relative to marketing conditions of cotton. Between February 21 and March 9 approximately 225,000 bags, or 900,000 bushels of rice were sold in Arkansas at prices ranging from 40c to 65c per bushel.

The U. S. Department of Agriculture, in its report as of March 1, 1921, gives the amount of corn, wheat and oats on farms in States of the Eighth Federal Reserve District as follows:

CORN

	Stock on Farms March 1 in thousands of bushels (i. e., 000 omitted)			Price per Bushel March 1.			Percentage of Crop of Merchantable Quality		
	1921	1920	1919	1921	1920	1919	1920	1919	1918
				cents	cents	cents			
Arkansas	22,090	12,131	8,775	96	187	178	85	70	65
Illinois	141,201	111,720	123,966	55	142	123	82	90	86
Indiana	93,877	63,270	56,100	55	145	128	88	88	83
Kentucky	50,325	29,700	33,670	76	178	155	78	74	80
Mississippi	26,746	20,895	29,835	103	188	160	85	80	82
Missouri	93,474	44,240	36,142	61	150	143	80	80	73
Tennessee	47,481	28,248	32,760	85	185	145	84	73	85

WHEAT

	Stock on Farms March 1 in thousands of bushels (i. e., 000 omitted)			Price per Bushel March 1.			Percentage of Crop Shipped out of Co. Where Grown		
	1921	1920	1919	1921	1920	1919	1920	1919	1918
				cents	cents	cents			
Illinois	8,947	7,102	5,118	155	229	215	60	59	60
Indiana	5,414	5,926	4,943	165	226	214	56	60	60
Kentucky	842	1,138	1,213	186	229	215	21	25	27
Missouri	7,853	7,180	5,847	165	232	213	54	60	60
Tennessee	725	998	1,125	198	253	223	18	20	25

OATS

Illinois	74,497	43,890	77,357	39	82	56	48	45	50
Indiana	33,825	16,240	29,768	39	82	58	41	35	35
Missouri	23,821	14,020	15,911	47	85	67	18	16	20

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

	BALES	
	1920-21	1919-20
Port receipts.....	4,474,325	5,467,746
Port stocks.....	1,413,031	1,426,894
Interior receipts.....	5,349,225	5,706,317
Interior stocks.....	1,716,020	1,266,918
Into Sight.....	7,872,336	9,196,160
Northern spinners' takings.....	1,189,558	2,089,620
Southern spinners' takings.....	2,157,174	2,958,680
World's visible supply of American cotton.....	4,670,831	4,780,741

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

	Per bu.	Close	High	Low	Close
		February 15			March 15
March wheat.....		\$1.78 ³ / ₄	\$ 1.78 ³ / ₄	\$1.53 ³ / ₄	\$1.55
May wheat.....	"	1.67 ³ / ₄	1.67 ³ / ₄	1.46 ³ / ₄	1.50
May corn.....	"	.74 ¹ / ₈	.74 ¹ / ₈	.67 ⁷ / ₈	.69 ¹ / ₈
July corn.....	"	.75 ¹ / ₂	.75 ¹ / ₈	.70 ³ / ₄	.71 ¹ / ₂
September corn.....	"	.73 ¹ / ₂	.76	.72 ¹ / ₄	.72 ³ / ₄
May oats.....	"	.47 ³ / ₄	.47 ³ / ₄	.43 ¹ / ₈	.43 ³ / ₄
July oats.....	"	.48	.48	.44 ¹ / ₂	.44 ³ / ₄
No. 2 red winter wheat.....	"	\$1.96 @ 1.99	1.99	1.62	\$1.62 @ 1.65
No. 2 hard wheat.....	"	1.79 @ 1.80	1.80	1.54	1.56
No. 2 corn.....	"	.68	.68	.62	.63
No. 2 white corn.....	"	.69	.69	.64	.65
No. 2 white oats.....	"	.46	.47 ¹ / ₂	.43	.43 @ .44
Flour: Soft patents.....	Per bbl.	9.00 @ 11.00	11.00	8.00	8.00 @ 9.00
Flour: Spring patents.....	"	9.15 @ 9.75	9.80	7.75	7.75 @ 8.00

LABOR

Reports from State and Federal labor commissioners and employment agencies in states of the Eighth Federal Reserve District indicate a considerable increase in the number of unemployed during the past thirty days. In Kentucky the increase is placed at 10 per cent; in Mississippi 10 to 15 per cent; in Indiana 12 per cent; in Aarkansas 9 to 13 per cent, and in Missouri and Tennessee

unchanged. In the building trades and metal industries conditions of unemployment are most marked. Farm labor universally is abundant, with an overplus in some sections. Wages of unskilled labor in some localities have been cut 10 to 25 per cent. Readjustments have been made in wages paid in the following industries: flour milling, furniture, lumber, boots and shoes, candy, and textiles.

BUILDING

Reports for February from the five leading cities of the district show a further heavy falling off in number and dollar value of building permits issued for new construction and repairs. Very little in the way of new enterprise is being undertaken, and according to architects, builders and contrac-

tors, plans and specifications are being held in abeyance pending readjustment in material, labor and interest costs. Aside from lumber, and in a much less degree, bricks, the general run of materials going into buildings show little variation from their peak levels.

	1921		FEBRUARY		1920	
	New Permits	Construction Cost	Repairs, etc. Permits	Cost	New Construction & Repairs, etc. Permits	Cost
St. Louis.....	325	\$561,930	326	\$152,915	544	\$1,602,411
Louisville.....	49	354,850	104	50,100	149	691,200
Memphis.....	111	258,336	61	45,588	169	774,400
Little Rock.....	46	112,200	127	72,870	33	468,202
Evansville.....	14	10,700	35	7,360	.....	39,765

LIVE STOCK

The trend of the cattle market during the past 30 days has been upward, the \$10 mark for beef steers having been crossed in St. Louis. Light receipts were the main factor in the strength, and the general shortage in the country is beginning to be reflected in daily arrivals. Packers' coolers are still heavily loaded, and current sales do not indicate relief in the near future. This factor is having a depressing effect on the sale of stocker and feeder

cattle. Hog prices have moved over an irregular range, with the trend steadily higher. Light hogs of shipping weight are in best demand, and in this class \$11.55 was paid during the first week of March, a new top for the year. The run of sheep was the smallest in more than a year, and prices were higher, generally, lambs reaching \$10.75 per 100 pounds.

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

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1921	1920	1921	1920	1921	1920	1921	1920
Receipts	54,021	81,326	321,218	310,057	29,712	29,095	10,267	23,625
Shipments	23,940	26,464	166,911	199,200	9,379	5,386	11,107	27,422

COMMODITY MOVEMENT

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

	RECEIPTS			SHIPMENTS		
	Feb. 1921	Jan. 1921	Feb. 1920	Feb. 1921	Jan. 1921	Feb. 1920
Flour, barrels.....	329,960	286,580	471,700	387,450	332,630	546,670
Wheat, bushels.....	2,890,122	4,511,425	1,434,140	2,138,610	3,072,400	1,960,480
Corn, bushels.....	2,605,688	3,975,400	3,849,300	1,653,630	2,258,660	2,649,200
Oats, bushels.....	1,932,600	3,302,000	3,174,000	1,842,680	1,928,680	3,030,220
Lead, pigs.....	167,840	146,210	236,740	52,590	88,900	195,200
Zinc and Spelter, slabs.....	190,890	269,240	470,470	212,810	350,030	855,620
Lumber, cars.....	8,876	9,389	11,289	6,960	7,071	8,650
Meats, pounds.....	4,478,400	3,883,600	4,621,000	21,923,500	22,905,600	19,615,800
Fresh Beef, pounds.....	1,886,200	2,502,900	1,434,300	19,916,000	24,776,200	20,112,400
Lard, pounds.....	4,146,700	1,914,900	2,044,200	11,460,900	7,232,500	6,272,100
Hides, pounds.....	2,698,300	3,944,500	2,492,300	6,804,400	7,188,300	6,804,400

FINANCIAL

The past thirty days have developed no change worthy of comment in the general banking and financial status in this district. Collections by mercantile interests since March 1 have been relatively good, and in the wholesale department of distribution, much better than looked for. This has resulted in a reduction of loans at commercial banks, which has in turn been reflected in discounts with the Federal Reserve Bank, the earning assets of which have decreased. This movement, however, has been confined in a considerable measure to St. Louis and the Northern sections of the district. To the South there has been some liquidation of rice and tobacco, but the movement of cotton continues extremely slow and backward. Generally commercial banks report more loanable funds than at the end of the preceding month, but the demand holds up well, and rates continue firm. There is a good demand for funds by agriculturists in Missouri and Illinois to purchase live stock and feed, also for financing routine spring farm operations. A notable development hereabout has been the increase in savings deposits in face of growing unemployment. A feature in the situation noted in the country is that well-to-do farmers and land owners who in the past were lenders of funds to their neighbors for agricultural purposes, have discontinued such lending, and are putting their surplus cash into Liberty

Bonds, thus increasing the burden of the country bank.

The market for bankers' acceptances which had been very limited until toward the end of February and the first week of March, developed a change for the better, a brisk demand appearing. This demand came from St. Louis financial institutions, from scattering country banks and from corporations having surplus funds to invest. The market continued active for two or three weeks but during the past ten days lost its spontaneity. Rates for unendorsed prime bills range from 5½ to 6¼ per cent, according to maturity.

The demand for investment bonds is described as spotted and uneven. The demand from individual investors is quiet, while insurance companies, savings banks and other corporations are fair buyers. This situation has created a scarcity of securities of relatively short maturity, while the long term issues are plentiful and moving slowly. There continues an active demand for all varieties and issues of Government securities.

The commercial paper market is featureless and dead dull. Sales of brokers during the past thirty days are anywhere from 40 to 60 per cent under the same period in 1920. City banks are not buying, and country banks are purchasing only sparingly. Rates range from 7¾ to 8 per cent, with an occasional rare and prime name at 7½ per cent.

INTEREST RATES

Between February 15 and March 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	7	6	6	8	7	8
4 to 6 months.....	7½	6½	7	7	6	6	8	7	8
Prime Commercial Paper purchased in open market:									
30 to 90 days.....				8	7	7¾			
4 to 6 months.....				8	7	7¾			
Loans to other banks.....	8	6½	7	7	6	6	7½	7	7
Bankers' Acceptances of 60 to 90 days:									
Endorsed	5¾	5¾	5¾				8	7	8
Unendorsed	6¼	5¾	6	6	5¾	5¾	8	7	8
Loans secured by prime stock exchange collateral or other current collateral:									
Demand	8	6½	7	7	6	6	8	7	8
3 months.....	7½	6	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.....	7½	6½	7	7	6	6	8	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 in St. Louis, Louisville, Little Rock, Memphis and Evansville:

	March, 11, 1921	Feb. 11, 1921	March 12, 1920
Number of banks reporting.....	37	37	35
Loans and Discounts (including bills rediscounted with F. R. Bank):			
Secured by U. S. Gov't obligations.....	\$ 22,416,000	\$ 25,460,000	\$ 39,645,000
Secured by stocks and bonds other than U. S. Bonds..	121,119,000	112,672,000	159,942,000
All other loans and discounts.....	339,220,000	360,921,000	.....
Total Loans and Discounts.....	\$482,755,000	\$499,053,000	\$.....
Investments:			
U. S. Gov't Bonds.....	28,755,000	28,799,000	31,481,000
U. S. Victory Notes.....	2,197,000	2,376,000	3,646,000
U. S. Certificates of Indebtedness.....	2,522,000	2,565,000	15,325,000
Other bonds, stocks and securities.....	65,936,000	64,474,000	.....
Total loans, discounts and investments (including bills rediscounted with F. R. Bank).....	\$582,165,000	\$597,267,000	\$645,182,000
Reserve Balance with Federal Reserve Bank.....	44,000,000	45,339,000	47,266,000
Cash in vault.....	9,203,000	8,495,000	9,981,000
Net demand deposits on which reserve is computed.....	328,850,000	333,486,000	378,376,000
Time deposits.....	142,963,000	142,765,000	119,587,000
Government deposits.....	1,068,000	1,645,000	911,000

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:

	March 16, 1921	Feb. 16, 1921	March 17, 1920
St. Louis.....	\$490,325,000	\$481,163,000	\$619,730,000
Memphis.....	86,648,000	96,333,000	148,886,000
Louisville.....	126,712,000	98,089,000	158,146,000
Little Rock.....	35,883,000	43,419,000	40,519,000
Evansville.....	18,703,000	18,059,000	23,883,000
Quincy.....	11,030,000	8,792,000	.....
Springfield, Mo.....	10,973,000	10,929,000	.....

FEDERAL RESERVE OPERATIONS

There was no change in discount rates of the Federal Reserve Bank of St. Louis since the preceding issue of this report.

In February this bank discounted \$121,650,135 of paper for 299 member banks, which represents a decrease of \$22,590,164 under the amount discounted in January, and a decrease of 10 in the number of banks accommodated. Acceptances purchased in February amounted to \$1,572,409, an increase of \$264,095 over the amount purchased in January.

The normal discount rates on March 21 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 or Paper Secured by Bonds or Notes of the United States except Liberty Loan Bonds or Victory Notes.....	6%	6%	6%	.....
Rediscounts: Agricultural or Live Stock 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 March 18, 1921, as compared to a month ago and a year ago, are shown in the following statement:

	March 18, 1921	Feb. 18, 1921	March 19, 1920
RESOURCES:			
Gold Coin and Certificates.....	\$ 3,305,000	\$ 3,684,000	\$ 3,119,000
Gold Settlement Fund, F. R. Board.....	21,412,000	26,560,000	10,395,000
Gold with Foreign Agencies.....			5,301,000
Total Gold held by Bank.....	\$ 24,717,000	\$ 30,244,000	\$ 18,815,000
Gold with Federal Reserve Agent.....	65,295,000	63,800,000	48,786,000
Gold Redemption Fund.....	4,167,000	4,823,000	7,171,000
Total Gold Reserve.....	\$ 94,179,000	\$ 98,867,000	\$ 74,772,000
Legal Tender, Notes, Silver, etc.....	8,329,000	5,988,000	4,925,000
Total Reserves.....	\$102,508,000	\$104,855,000	\$ 79,697,000
Bills Discounted—Secured by U. S. Gov't Obligations.....	35,889,000	34,758,000	56,368,000
Bills Discounted—All other.....	56,910,000	55,694,000	53,755,000
Bills Bought in Open Market.....	2,330,000	387,000	9,988,000
Total Bills on Hand.....	\$ 95,129,000	\$ 90,839,000	\$120,111,000
U. S. Government Bonds.....	1,153,000	1,153,000	1,153,000
U. S. Certificates of Indebtedness.....	13,354,000	16,395,000	17,200,000
Total Earning Assets.....	\$109,636,000	\$108,387,000	\$138,464,000
Bank Premises.....	626,000	626,000	866,000
5% Redemption Fund against F. R. Bank Notes.....	523,000	523,000	972,000
Gold Abroad in Custody or in Transit.....	155,000	155,000	
Uncollected Items.....	36,736,000	33,118,000	56,597,000
All Other Resources.....	536,000	527,000	316,000
TOTAL RESOURCES.....	\$250,720,000	\$248,191,000	\$276,912,000
LIABILITIES:			
Capital Paid in.....	4,433,000	4,438,000	4,130,000
Surplus.....	8,346,000	8,346,000	3,724,000
Government Deposits.....	8,158,000	4,407,000	4,847,000
Due to Members—Reserve Account.....	64,042,000	66,822,000	72,491,000
Other Deposits, including Foreign Government Credits..	1,064,000	546,000	3,894,000
Total Deposits.....	\$ 86,043,000	\$ 84,559,000	\$ 89,086,000
F. R. Notes in Actual Circulation.....	119,283,000	123,203,000	137,695,000
F. R. Bank Notes in Circulation—Net Liability.....	6,998,000	7,783,000	11,259,000
Deferred Availability Items.....	36,743,000	31,350,000	37,194,000
All Other Liabilities.....	1,653,000	1,296,000	1,678,000
TOTAL LIABILITIES.....	\$250,720,000	\$248,191,000	\$276,912,000
Ratio of total Reserves to Deposit and F. R. Note Liabilities, combined.....	53.2%	54.3%	—
Memorandum: Contingent liability on bills purchased for foreign correspondents.....	1,504,000	752,000	—

(Compiled March 21, 1921)