

FEDERAL RESERVE BANK OF ST. LOUIS



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

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GENERAL business during the past thirty days has undergone no marked change as contrasted with the similar period immediately preceding. Reports of the various interests indicate considerable unevenness, and the factors emphasized as influencing conditions are about evenly divided between favorable and unfavorable. Generally, however, it is agreed that the public is in need of all sorts of commodities and possesses the wherewithal to purchase, but is insisting inflexibly upon proper values and prices. Where merchants and manufacturers are placing their wares on the market upon terms meeting public ideas of what they should cost, the movement into consumption is excellent, and compares favorably with former seasons. On the other hand, stagnation continues to obtain in lines which have not been adjusted to square with the general leveling processes which have been working through industry since the decline in prices set in last year. Sentiment in the business community was dampened somewhat by failure of results in May to maintain the upward trend initiated in April, but the more seasonable weather of June in addition to benefitting crop prospects, has stimulated merchandising, and tended to revive optimism to some extent.

One universal comment among all lines investigated was upon the ultra-conservatism of buyers, both merchants and the public. This attitude is accounted for by various explanations, chief among which is the current belief that prices have not reached the ultimate limit of their downward trend, especially in the retail section of distribution. Another reason mentioned, and which refers particularly to the country, is the uncertainty relative to the outcome of agricultural production and prices to be realized on this year's crops. With the approach of harvest for the early crops, however, this feature is losing potency as an influence upon purchasing psychology.

Chiefly as a result of hesitation on the part of the buying public, merchants and manufacturers declare they are resorting to more intensive effort to place their goods than ever before. Keen salesmanship has been inaugurated, and concessions in price, terms and service are offered to secure the business. Almost unprecedented competition is the rule, and the margin of profit in wholesale and manufacturing lines has been shaved down to a small fraction of what was obtained during the boom period of the past few years, or even during normal years preceding the war.

Specific price changes during the period under review have been quite numerous, and analysis of

the several movements indicates good progress in the direction of ultimate stabilization. In the case of goods for personal consumption, included in the classification of clothing, food and incidentals, the price variation has been relatively narrow, and not uniformly downward. Quite a number of articles showed resistance, and even reacted slightly upward from the recent low point. It was further noted that several important articles of food, notably ice and bread, held firmly at or about their peak levels. In the case of bread this is surprising as No. 2 red winter wheat is down to below \$1.50 a bushel, against \$2.86 at the same time in 1920, and flour is selling at \$7.50 to \$8.50 (wholesale) against \$12.50 to \$13.50 a year ago. The declines in fuel, labor, chemicals and distribution costs of ice have failed to react thus far on the price to consumers of the finished product. Immobility in the price of these and several other items, including public service charges, coupled with high rents, serves to prevent the full influence of general reductions being felt in the cost of living.

There have been further downward revisions, in greater or lesser degree, of iron and steel, and goods based largely or in part on these products. Sales of pig iron at from \$20 to \$22 base were reported, which represent a new low on the present recessionary movement. The general trend of finished and semi-finished ferrous products is downward, and declines were recorded in lead and slab zinc.

In the case of commodities based in large part on iron and steel, the most notable reductions have been in automobiles. Since April 30 some thirty companies manufacturing pleasure cars have reduced their prices from 6 to 23 per cent, or more specifically from \$25 to \$1,015. During May the result of these cuts was not reflected in additional buying of machines, dealers through the district reporting sales at almost as low an ebb as during the extreme depression last fall. Since June 1, however, there has been a turn for the better, both in sales of automobiles and accessories in the large cities, though little if any improvement was noted in the country. Unusually heavy sales of used cars were reported in St. Louis during early June, and a very much better tone in the tire market. Reports from country dealers indicate their customers are awaiting results of the season's crops before making commitments.

The course of the cereal markets during the past thirty days has been marked by violent fluctuations in wheat, and narrowness and a lower trend in the coarse grains. The range of May wheat was

over 24 points, while the July option fluctuated between \$1.13 $\frac{3}{4}$ and \$1.38 $\frac{1}{2}$ and September wheat between \$1.11 $\frac{1}{4}$ and \$1.25 $\frac{1}{2}$. A feature of the market was the wide spread between the options and cash wheat; for instance on June 13 the July delivery sold at \$1.32 $\frac{1}{2}$, while No. 2 red winter wheat was quoted at \$1.55, a difference of 22 $\frac{1}{2}$ c. The broad gap between prices of wheat and those of corn and oats is another feature which aroused comment. This difference, and the erratic movement of the wheat options is ascribed by grain men to heavy speculative dealings rather than to any change in legitimate supply and demand conditions.

Reports relative to crops in the Eighth Federal Reserve District are somewhat mixed, and not as favorable as a month ago. Advices covering winter wheat are pretty uniformly optimistic. The grain is almost universally in excellent condition, and cutting is in progress through the Southern tier of wheat producing counties. Rumors of wholesale damage during the past few weeks from insect pests and other causes, which had their origin in marketing circles, are not borne out by reports received by this bank. Advices from the tobacco and cotton country tell of reduced acreages, and unfavorable growth and development. Weather conditions have not favored best results, but the recent spell of sunshine and high temperatures has helped to partially repair the damage done. Corn has been seeded, and the fields are showing good response to the more seasonable climatic conditions. Estimates at hand indicate reductions in cotton acreage of from 20 to 40 per cent under last year. To the South the area planted to corn is much heavier than last season, and in the northern section of the district the acreage will be from 70 to 100 per cent of last year. Considerable stores of last year's agricultural products are still held by farmers, especially corn, wheat and cotton. The United States Department of Agriculture makes the combined condition of all crops in the seven states of the district (100= average) 92.2 per cent as of June 1.

Gradual but steady improvement in volume of

traffic and revenues is reported by railroad companies operating in this district. There has been a good picking up in the movement of grain and seasonal farm products, and slight gains in shipments of coal, though the latter are still considerably under normal. During the first nine days of June loaded cars interchanged by roads through the St. Louis Terminal Railway Association showed a gain of 3,839 over the same period in April and 4,165 over the first nine days of June, 1920. Passenger departments report prospects for heavy vacation travel. The movement is already under way, and reservations for the balance of June and early July are exceptionally heavy. The proportion of box cars fit for loading is said to be short, due to recent economies in repair departments, and some apprehension is felt relative to ability to furnish adequate equipment for moving the winter wheat crop.

During May the Mississippi Warrior Service had eight sailings between New Orleans and St. Louis, its barges carrying capacity loads in either direction. The June sailings will number sixteen, the increase being permitted by the operation of four new tow boats. Financial returns in May were about equal to those of April.

The past month has developed no change in the coal and coke situation. Stocks continue heavy, and contracting for fall and winter requirements is far behind normal for this season. Prices for soft coal remain stationary, but coke quotations, on both metallurgical and domestic sizes, are lower.

Response to questionnaires relative to collections addressed to various interests throughout the district indicate fair efficiency. A favorable comment is that the rate of liquidation on accounts of long standing has been accelerated. On current accounts money is coming in promptly. Answers to 337 questionnaires show the following results: 20.7 per cent good; 65.5 per cent fair and 4 per cent poor.

The per capita circulation of the United States on June 1, 1921 was \$55.43 against \$56.31 on May 1, 1921 and \$57.42 on June 1, 1920.

Commercial failures in the twelve Federal Reserve Districts during the month of May, with comparative figures for the same period in 1920 as compiled by Dun's were as follows:

District	1921	1920	Liabilities, 1921	Liabilities, 1920
Boston, First.....	97	52	\$ 2,783,066	\$ 376,586
New York, Second.....	222	133	11,172,495	2,413,591
Philadelphia, Third.....	69	37	1,516,894	1,085,182
Cleveland, Fourth.....	102	42	1,969,231	2,544,273
Richmond, Fifth.....	99	41	2,657,764	1,577,684
Atlanta, Sixth.....	148	44	4,750,423	715,555
Chicago, Seventh.....	169	60	5,624,522	692,450
St. Louis, Eighth.....	101	13	20,612,058	61,243
Minneapolis, Ninth.....	59	18	1,203,396	163,487
Kansas City, Tenth.....	67	16	1,073,219	179,251
Dallas, Eleventh.....	92	15	1,851,774	168,165
San Francisco, Twelfth.....	131	76	1,851,629	848,810
Total	1,356	547	\$57,066,471	\$10,826,277

MANUFACTURING AND WHOLESALE

For the first time in several months it is possible to note a slight improvement in buying for future delivery. However, this change is peculiar to industries making and distributing goods for common consumption. A large majority of the buying in all lines, and exclusively in certain lines, is for immediate shipment. Distributors of shoes,

clothing, drygoods, groceries and drugs and chemicals report slight gains in unfilled orders as compared with the preceding month, though heavy decreases as compared with the corresponding period a year ago. Particularly favorable reports are made by the shoe industry, the extent of improvement in which amounts almost to complete

recovery. Wholesale drygoods interests reporting show May results equal to about 85 to 96 per cent of the volume done in May 1920. They are frank to admit, however, that it was necessary to meet keen competition in order to obtain these results, and profits thereon are not impressive. In the drygoods line there were more declines in prices than advances during the past thirty days, but there were a few advances, and the declines were slight as compared to those of recent months and of a character indicating the final approach to stability. A similar story is told in replies from wholesale grocers. Current business is described as good, though May sales were from 30 to 45 per cent under those of the same period a year ago in dollar value and from steady to 10 per cent less in volume of goods. Due to competition and price cutting, profits on the business are under normal. Canned goods continue to move actively, especially fruits, buying of which was stimulated by the freezes in late March and early April and the resultant absence of certain fresh fruits. Generally speaking manufactureres are still wrestling with the problem of reducing production and distribution costs. In many instances economies have been carried as far as possible without a further readjustment of wages. One of the chief reasons cited for backwardness in placing orders is the high railroad rates. Consumers are holding off in expectation of profiting later on by reductions in transportation costs. This is true especially of heavy products, such as fuel, iron and steel and building materials. It is generally reported that accounts on which extensions were granted last year are being gradually liquidated. These extensions were granted with the understanding that goods purchased meanwhile should be for cash or short datings, and profits on these transactions are being freely applied to liquidate the older indebtedness.

Boots and Shoes — Orders booked in May for immediate shipment were from 90 to 105 per cent of those in May, 1920. Indications are that June sales will exceed the May showing, judging from the first two weeks. Retail stocks have been greatly reduced, and the consumptive demand is better than at any time since last summer. Factory operation in the district is at from 95 to 100 per cent of capacity. Some scattered price reductions were reported, but the general line was steady with thirty days ago. This is true, also, of raw materials. Collections are satisfactory, one important interest reporting that it has collected 98 per cent of its 1920 accounts.

Clothing — Reporting interests state that salesmen sent out about the middle of May are sending in a satisfactory volume of orders. The number of garments represented in May and early June transactions is equal to that of a year ago, though the dollar value is much less, due to reductions of from 30 to 50 per cent in prices. Merchant tailors note some improvement in their business, though their customers are still reacting against high prices. Ordinary labor plentiful, but high grade, skilled workers are scarce.

Electrical Supplies — Conditions are unchanged from a month ago. Sales in May ran close to those in April, and were from 24 to 38 per cent under those of the same month in 1920. It is reported,

however, that excess stocks are nearer liquidation. The movement of seasonal specialties is fair.

Iron and Steel Products — No improvement is noted in the business of interests making and distributing merchandise coming within this category. The chief disabilities mentioned are failure of the railroads to resume buying, backwardness in the building industry, exorbitant freight rates, uncertainty relative to prices, rigid economy on the part of farmers, general business depression, and expensive credits. Sales of pig iron in this district during the last thirty days were the smallest thus far recorded. A slightly better tone is reported among stove manufacturers, operations having been resumed in part, but sales during May were 70 to 86 per cent under the same month in 1920. Implement makers report conditions in their line extremely dull. Furnace, foundry and mill operations were further curtailed.

Hardware — The month of May was on the whole unsatisfactory for manufacturers and distributors of hardware. The eight reporting wholesale interests show decreases of from 28 to 41 per cent under the same period a year ago. In the country sales were particularly light, due to the determination of agriculturists to purchase nothing more than what they are obliged to have. Since the first of June business, particularly in the cities, has picked up, and there is a fair movement of seasonal goods, such as electric fans, ice cream freezers, lawn mowers, refrigerators, wire netting, etc.

Flour — According to the 9 mills reporting, business continues very quiet, the dullness being emphasized by the season, buyers being disposed to hold off for arrival of the new wheat crop. There is a fair immediate business, but virtually nothing is being sold ahead. Stocks are very light in all positions, and at the present pace of production, from 40 to 50 per cent of capacity, are not likely to augment rapidly. Exporters are doing a fair business in clears, but the demand for better grades of flour is slow, foreigners still showing a preference for wheat as against the milled product.

Candy — The past thirty days have been barren of developments in the candy industry, things being about as recorded in the preceding issue of this report. Liquidation of accumulated stocks has progressed further, but there is no future buying. The cheaper grades of confections, especially package goods, are receiving the best call.

Drugs and Chemicals — The quantity of goods shipped in May by the 10 reporting firms was equal to 20 per cent less than a year ago, and the dollar value represented was from 40 to 80 per cent less than during May, 1920. More seasonable weather has helped matters materially, and since June 1 there has been a decided improvement, several houses showing good increases over their early June orders last year. The general trend of prices is downward, but the angle is much less acute than heretofore. In drugs and chemicals proper the readjustment has gone further than in certain specialties and sundries, such as toilet articles. Prices of soda fountain supplies are sharply lower than a year ago.

Lumber — A steady falling off in the structural lumber demand has featured the market during the

past month. Since June 1, association reports show yellow pine buying below current production. Eastern demand for Douglas fir and other Western woods has fallen off heavily. The building trades' strikes and lockouts have been an important influence in this development, but the shrinkage in buying is part seasonal. Prices have not as yet been seriously affected, due to the strong statistical position of the soft woods. Up to ten days ago there was, in fact, a tendency to increase prices for mixed car shipments of yellow pine. Bulk of buying is in more or less varied assortments. Transit shipments tend to accumulate at junctions and concessions are more frequent. Renewed liquidations in the automotive industry and labor disputes in the building industry are factors in a decided lull in hardwood buying. Stiff advances in prices on best grades were made by most of the Southern

manufacturers, but as the falling off in demand was coincident with this action—though apparently not related to it—the market has shown no decided changes in Southern hardwoods. Buying is on a shopping basis, with frequent concessions below market prices. Northern hardwood prices have declined substantially on all grades.

Furniture—Gradual improvement in the volume of immediate business is indicated by the 14 reporting interests, but little contracting for future requirements has been done. Dealers are waiting until July 1, when the new trade period begins, before making commitments. Exhibition sales are held each January 1 and July 1 in St. Louis, Chicago and Grand Rapids, at which goods for the coming season are shown and prices fixed. Prices during the past thirty days are reported from steady to 10 per cent lower.

RETAIL

Investigation of twenty-one department stores throughout the district reveals the fact that even though sales are on the upward grade, still the process is very slow and irregular. The majority of these stores are still practicing conservative buying, some on as short a period as 30 days, while a very few are covering future requirements for a longer period than sixty days.

Other retailers report general business as "spotted" and "spasmodic." The first ten days of May were exceedingly slow due to the inclement weather, the next ten days brought a remarkable seasonal rush due to the intense heat, and the last ten days recorded a downward reaction. While groceries are moving fairly well, the predominant sales are on the seasonal green and fresh goods. Cheaper grades of clothing are moving while the better grades are still quiet. One gratifying feature however is that clothiers are now buying goods for fall distribution. Collections in certain lines are

very slow and extraordinary effort is necessary in many instances to get money. Jewelers report an unusual hesitancy in remittances on large accounts. Sporting goods continue active due to the opening of the vacation period and week-end outing demands. Dealers report marked price declines in all sporting goods containing steel and leather. Printers report a falling off in business from recent levels, especially in catalogue and advertising departments. Furniture, rug, and household furnishing dealers report an increasing hesitancy on the part of the buying public due to the fact that few new homes are being built. Drygoods dealers in Southern sections report increased sales in yard goods and patterns and a slow decline in sales of ready-made dresses. Hardware is retaining its slow sales. Druggists are experiencing good demand for drugs and sundries purchased in volume at this time of year. Soda fountain business is reported good.

Figures on retail trade as indicated by reports from representative department stores for May, 1921, are as follows:

	St. Louis	Louisville	Memphis	Little Rock	Evansville	District
Percentage increase (or decrease) in net sales during May over or under sales in May, 1920	3.8	-2.2	-18.4	2.6	-16.6	-.7
Percentage increase in net sales from January 1st through May 31, 1921, in comparison with sales during the same 5 months of 1920.....	6.2	-5.6	-19.4	-5.1	-2.4	-.07
Percentage decrease in stocks on hand at the end of May, 1921, in comparison with stocks on hand at the end of May, 1920.....	-6.8	-19.9	-14.2	-25.7	-7.4	-10.6
Percentage increase in stocks on hand at the end of May, 1921, in comparison with stocks on hand at the end of April, 1921.....	1.4	-1.4	-4.	-12.7	-5.2	-1.3
Percentage of average stocks on hand at the end of each month since January 1, 1921 to average monthly sales during the same 5 months.	275.5	440.8	414.4	312.8	678.	318.7
Percentage of outstanding orders on May 31, 1921, to total purchases of merchandise (cost price) during the calendar year 1920.....	5.3	4.7	5.	.02	.5	5.3

Note: denotes decrease.

AGRICULTURE

Planting of corn in the Eighth Federal Reserve District is about completed, and cultivation is in progress in early planted fields. Generally through the Southern sections, where the acreage this season is considerably larger than last year, the stand is good. Needed rains have fallen in Tennessee and Mississippi, and elsewhere moisture has been ade-

quate. There are reports of chinch bugs, but no serious damage from that source is noted. The condition of winter wheat is excellent, and a big yield practically assured. Indications are that Missouri will produce 40,769,000 bushels, against 32,500,000 bushels last year and a 5-year average of 38,402,000 bushels. Yields in Illinois, Indiana,

Kentucky and Tennessee will all be in excess of a year ago, according to the Department of Agriculture's June 1 report. Oats seem to have overcome their poor start, and with but a few exceptions reports on that crop are favorable. Planting of late Irish potatoes is proceeding rapidly to completion, and early potatoes are up to a good stand. Some injury from potato beetle is reported in Illinois. In the South small crops, such as sweet potatoes, cantaloupes, watermelons, peanuts, etc., are making excellent growth. The Arkansas melon crop is expected to be the largest on record. Shipments of berries have exceeded expectations, and good prices have been realized. Prospects for tree fruit continue very poor. In many important districts the

apple crop is a complete failure, and recent advices from Arkansas indicate an average crop of only 18 per cent. The condition of all classes of live stock continues to range from good to excellent. Pastures and meadows have entirely recovered from the spring freezes and are flourishing. Advices from the cotton belt are in the main pessimistic. Acreages are universally under those of 1920, recent reports placing the decrease from 20 to 40 per cent. Climatic conditions have not been auspicious, and the stand in many sections is poor. Reduced tobacco acreages seem to be the rule, and that crop is backward. Farm labor is plentiful, and is costing from 20 to 45 per cent less than last year.

The U. S. Department of Agriculture, in its report as of June 1, 1921, gives the condition of winter wheat in States of the Eighth Federal Reserve District as follows:

	CONDITION		FORECAST 1921		DEC. ESTIMATE		PRICE PER BU.	
	June 1		from		1920		June 1	
	1921	10 yr. av.	June 1	May 1	1920	5 yr. av. 1915-19	1921	1920
	%	%	Bu.*	Bu.*	Bu.*	Bu.*	cents	cents
Illinois	91	74	48,748	46,952	35,720	42,485	134	263
Indiana	85	77	32,359	32,899	23,400	37,936	135	266
Kentucky	87	82	7,607	7,851	5,610	9,878	140	285
Missouri	82	77	40,797	42,256	32,500	38,402	128	263
Tennessee	84	82	5,034	5,243	4,028	7,133	146	294
United States.....	77.9	81.8	578,342	629,287	577,763	572,401	.....	.....

OATS

	ACREAGE 1921		CONDITION		FORECAST		DEC. ESTIMATE		PRICE	
	June 1		June 1		June 1		1920		PER BU.	
	% of 1920	Acres*	1921	10 yr. av.	from June 1 condition	Bu.*	1920	5 yr. av. 1915-19	1921	1920
			%	%		Bu.*	Bu.*	Bu.*	cents	cents
Illinois	105	4,305	86	88	159,199	161,950	186,096	186,096	35	97
Indiana	100	1,875	88	87	65,175	76,875	68,799	68,799	35	101
Missouri	104	1,846	77	83	46,196	54,138	42,544	42,544	42	103
United States.....	103.5	44,829	85.7	89.5	1,404,922	1,526,055	1,432,697	1,432,697	37.9	102.9

*in thousands—i. e., 000 omitted.

The following table, compiled from commercial sources for the Government market report, shows the cotton movement from August 1, 1920 to June 3, 1921:

	1920-21	BALES	1919-20
Port receipts.....	5,905,426		6,561,024
Port stocks.....	1,616,481		1,020,032
Interior receipts.....	6,920,758		6,769,546
Interior stocks.....	1,456,790		1,044,433
Into sight.....	10,196,421		11,389,299
Northern spinners' takings.....	1,761,391		2,700,439
Southern spinners' takings.....	2,411,051		3,176,077
World's visible supply of American cotton.....	4,532,667		3,887,111

Range of prices on typical products in the St. Louis grain market between May 14 and June 15, with closing quotations on each of these dates:

		Close May 14	High	Low	Close June 15
July wheat.....	Per bu.	\$1.14	\$1.38½	\$1.13¾	\$1.26½
September wheat.....	"		1.25½	1.11¾	1.19¾
July corn.....	"	.61¾	.65¾	.58¾	.58¾
September corn.....	"	.63¾	.67¾	.61¾	.61¾
July oats.....	"	.40	.44	.36	.36
September oats.....	"	.41	.45	.38¾	.38¾
No. 2 red winter wheat.....	"	\$1.58 @ 1.59	1.69	1.46	1.48
No. 2 hard wheat.....	"	1.51	1.67	1.50	1.50
No. 2 corn.....	"	.62	.62	.58	.58
No. 2 white corn.....	"	.64	.65	.60¾	.61 @ .61½
No. 2 white oats.....	"	.39¾	.42½	.38	.38
Flour: soft patent.....	Per bbl.	7.25 @ 8.00	8.50	7.25	7.40 @ 8.50
Flour: spring patent.....	"	7.75 @ 8.25	9.00	7.75	8.50 @ 8.75

Note: May wheat closed at \$1.53; May corn at 62½c and May oats at 41¼c.

LABOR

Except in scattered instances, labor conditions failed to show improvement during the period under review. Generally there was a continued, slow increase in unemployment during May, but reports from State and Federal agencies covering early June indicate that a balance has been reached temporarily through absorption of idle workers by the grain fields. The principal reasons given for the labor surplus are unsatisfactory transportation con-

ditions, continued depression in iron and steel, dullness in foreign markets, high costs of construction and apathy of the buying public. The Arkansas employment survey bulletin, dated June 1, states that the low level of employment and pay rolls for that State was reached on April 15, since which time more continuous plant operation has resulted in an upward turn. Generally throughout the district the trend of wages is downward.

BUILDING

The building situation in this district shows no change worthy of note as contrasted with the preceding month. New enterprises are being slowly undertaken, due to high material and labor costs. In the country construction is confined largely to necessary repairs and additions. The attitude of material manufacturers is that each would like to see all the others reduce their prices, while he con-

tinues to sell at present levels. The result is that no reductions worthy of note are being made. Labor is holding out for present wages, and says it will not accept cuts until materials are reduced. Meanwhile the shortage of housing continues to grow more acute, prospective builders of homes preferring to stand the gaff of high rents still longer rather than incur present building costs.

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

	1921				MAY 1920			
	New Construction		Repairs, etc.		New Construction		Repairs, etc.	
	Permits	Cost	Permits	Cost	Permits	Cost	Permits	Cost
St. Louis.....	572	\$845,665	571	\$241,530	463	\$1,800,900	429	\$310,330
Louisville	102	444,650	273	96,800	61	283,750	200	69,900
Memphis	205	752,192	46	34,620	147	473,510	14	214,100
Little Rock	69	238,825	160	42,239	50	706,640	149	64,320
Evansville	67	140,315	64	18,000	.....	.....	.....	.....

LIVE STOCK

The live stock during the past thirty days has been featured by liberal receipts, especially during the first weeks of June. Quality considered, cattle prices were not far from steady, though actual figures would seem to indicate declines. The best grades of stocker and feeder cattle have been in fair demand, but inquiry for the lower grades is very indifferent. In spite of large arrivals, hogs have held fairly steady. On May 20 best light hogs sold at \$9.25 per cwt., but since that time the market has reacted to the extent of \$1.25. Reports from

scattered sections of the district indicate an increased number of hogs on feed. For the first time in six years sheep receipts seem to be getting back to normal, scant supplies during the interim being due to successive dry years, high prices of feeds, and general disarrangements of raising programs incident to the great war. Spring lambs declined \$1 to \$1.25 during the past thirty days, but the tone of the market is good, and the augmented arrivals of ovine stock has proved encouraging to the trade.

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

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1921	1920	1921	1920	1921	1920	1921	1920
Receipts	70,421	70,175	262,788	318,351	67,642	39,675	3,482	5,596
Shipments	36,449	28,789	146,116	134,658	34,377	11,780	4,394	6,356

COMMODITY MOVEMENT

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

	RECEIPTS			SHIPMENTS		
	May, 1921	April, 1921	May, 1920	May, 1921	April, 1921	May, 1920
Flour, barrels.....	366,550	306,360	232,490	337,700	330,840	416,135
Wheat, bushels.....	2,823,807	3,203,547	1,798,606	2,208,280	2,753,565	2,422,380
Corn, bushels.....	2,355,600	1,301,300	1,754,350	1,308,250	1,188,385	996,230
Oats, bushels.....	2,596,000	1,458,000	2,544,130	1,758,860	1,261,720	2,290,550
Lead, pigs.....	266,160	176,420	270,740	136,380	103,390	171,545
Zinc and Spelter, slabs.....	107,420	114,540	275,550	237,310	217,620	705,640
Lumber, cars.....	11,017	10,211	7,607	9,196	8,148	9,057
Meats, pounds.....	20,479,500	12,181,300	6,322,700	20,795,900	20,067,400	24,783,200
Fresh Beef, pounds.....	513,400	2,003,500	558,400	20,371,500	19,786,700	19,797,700
Lard, pounds.....	2,145,300	1,483,600	2,367,700	7,204,200	5,926,100	8,378,800
Hides, pounds.....	3,484,500	2,570,300	1,893,200	6,109,700	3,290,800	6,122,200

FINANCIAL

Commercial banks throughout the Eighth Federal Reserve District report that the demand for money continues good. While the general trend of interest rates on commercial paper in the open market is lower, quotations of the banks show little variation as compared with thirty days ago. Deposits of member banks have decreased, which however, is usual at this time of year, while total loans and discounts are moving upward. Needs of the agricultural sections are being felt more strongly from week to week. This is true particularly in the typical grain areas, where cutting of winter wheat is in progress. Steady but slow liquidation in commercial loans is proceeding, and in the South payments on accounts under extension are reported a shade better. During the past thirty days the demand for rice has been better, and fair quantities of that cereal have been sold, resulting in improved conditions in the rice territory. No change worthy of note has taken place in the cotton and tobacco sections since the preceding issue of this report. Between May 14 and June 14 the Federal Reserve Note circulation of this bank decreased \$5,777,000 and net deposits decreased \$3,544,000. On June 14 total reserve carried against deposit and Federal Reserve Note liability stood at 54 per cent, against 61 per cent on May 14.

Commercial paper brokers report little change from the dull conditions which have obtained in their business for the past few months. City banks are buying sparingly, and country institutions are finding ample employment for their surplus funds in the needs of agriculturists. In the extremes rates range from $6\frac{1}{2}$ to $7\frac{1}{4}$ per cent.

Up to thirty days ago there was a fairly well sustained market for bankers' acceptances in this district. The demand has fallen off, however, in the last two weeks and the market has been extremely quiet. There is little demand for bills and it is difficult to sell even prime names at present rates.

Summer quietness prevails in the investment bond market, according to reports of dealers. The heavy issues recently put forth by corporations and municipalities has been somewhat greater than investors could digest, and prices are weak. Intensive salesmanship is required to market the various offerings, and profits are described as extremely narrow. The demand for Government obligations, on the other hand, continues excellent. Open market sales of Liberty Bonds and Victory Notes, are large, and the combined quota of this Federal Reserve District of the $5\frac{1}{2}$ per cent Treasury Certificates and $5\frac{1}{4}$ per cent Treasury Notes, dated June 15, was largely oversubscribed.

INTEREST RATES

Between May 16 and June 15 the high, low and customary interest rates, prevailing in St. Louis, Louisville, Memphis and Little Rock, as reported by banks in those cities were as follows:

	St. Louis			Louisville			Memphis			Little Rock		
	H	L	C	H	L	C	H	L	C	H	L	C
Customers Prime Commercial Paper:												
30 to 90 days.....	8	6	7	7	6	6	8	6	7	8	7	$7\frac{1}{2}$
4 to 6 months.....	8	6	7	7	6	6	8	6	7	8	7	$7\frac{1}{2}$
Prime Commercial Paper purchased in open market:												
30 to 90 days.....	$7\frac{1}{2}$	7	$7\frac{1}{2}$	$7\frac{1}{2}$	7	7	-----	-----	-----	-----	-----	-----
4 to 6 months.....	$7\frac{1}{2}$	7	$7\frac{1}{2}$	$7\frac{1}{2}$	7	7	-----	-----	-----	$7\frac{1}{2}$	7	7
Loans to other banks.....	7	6	7	8	6	6	8	6	7	$7\frac{1}{2}$	7	7
Bankers' Acceptances of 60 to 90 days:												
Endorsed	6	$5\frac{3}{4}$	$5\frac{1}{2}$	-----	-----	-----	-----	-----	-----	-----	-----	-----
Unendorsed	6	$5\frac{3}{4}$	6	8	6	6	-----	-----	-----	-----	-----	-----
Loans secured by prime stock exchange collateral or other current collateral:												
Demand	8	$6\frac{1}{2}$	7	7	6	6	-----	-----	-----	8	7	8
3 months	7	6	7	7	6	6	-----	-----	-----	8	7	8
3 to 6 months.....	8	$6\frac{1}{2}$	7	7	6	6	-----	-----	-----	8	7	8
Cattle Loans	8	7	7	-----	-----	-----	8	6	7	-----	-----	-----
Commodity paper secured by warehouse receipts, etc.....	8	$6\frac{1}{2}$	7	6	6	6	8	6	7	8	7	8
Loans secured by Liberty Bonds and Certificates.....	7	6	7	6	6	6	7	6	7	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:

	June 8, 1921 37	May 11, 1921 37	June 11, 1921 35
Number of reporting banks.....	37	37	35
Loans and Discounts (including bills rediscounted with F. R. Bank):			
Secured by U. S. Govt. obligations.....	\$ 20,780,000	\$ 20,570,000	\$ 38,177,000
Secured by stocks and bonds other than U. S. bonds	117,847,000	118,708,000	128,331,000
All other loans and discounts.....	312,872,000	320,095,000	-----
Total loans and discounts.....	\$451,499,000	\$459,373,000	-----
Investments:			
U. S. Government Bonds.....	26,431,000	27,706,000	29,732,000
U. S. Victory Notes.....	2,076,000	2,142,000	2,873,000
U. S. Certificates of Indebtedness.....	1,003,000	10,077,000	8,622,000
Other bonds, stocks and securities.....	67,555,000	66,331,000	-----
Total loans, discounts and investments (including bills rediscounted with F. R. Bank).....	\$548,564,000	\$565,529,000	\$617,109,000
Reserve Balance with F. R. Bank.....	39,309,000	41,111,000	40,782,000
Cash in vault.....	8,211,000	7,629,000	9,912,000
Net demand deposits on which reserve is computed.....	292,034,000	320,347,000	310,899,000
Time deposits.....	143,189,000	143,636,000	123,986,000
Government deposits.....	843,000	4,707,000	1,904,000

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 the 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 periods which they cover.

Debits to depositors accounts for four weeks ending:

	June 15, 1921	May 11, 1921	June 16, 1921
St. Louis.....	\$490,240,000	\$454,317,000	\$599,672,000
Louisville	93,671,000	89,947,000	140,227,000
Memphis	75,750,000	81,636,000	123,437,000
Little Rock	33,628,000	36,638,000	34,989,000
East St. Louis and National Stock Yards.....	34,296,000	34,915,000	.....
Evansville	19,719,000	18,992,000	20,955,000
Springfield	10,140,000	10,309,000	.....
Quincy	8,458,000	9,475,000	.....

FEDERAL RESERVE OPERATIONS

In May this bank discounted \$137,205,675 of paper for 321 member banks, which represents an increase of \$2,229,690 over the amount discounted in April, and an increase of 6 in the number of banks accommodated. Acceptances purchased in May amounted to \$2,262,821, an increase of \$449,754 over the preceding month.

No change has taken place in the normal discount rates of this bank since the preceding issue of this report. Rates in effect on June 17 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 Bills Receivable or Bonds or Notes of the United States	6%	.....	.....	.....
Rediscounts: Commercial Paper or Paper Secured by Bonds or Notes of the United States.....	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.

(Compiled June 18, 1921)