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Chairman of the Board and Federal Reserve Agent,
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REPORT ON CONDITIONS IN FEDERAL
RESERVE DISTRICT NUMBER EIGHT FOR THE
NOVEMBER 1ST ISSUE OF THE FEDERAL RESERVE BULLETIN.

The recent peace discussions have had little effect on business in this district. Government work is being prosecuted with unslackened vigor, and marked activity continues in all essential lines of industry.

Manufacturers of iron and steel products are operating at capacity, and manufacturers of shoes, clothing, etc., are also especially busy. Wholesalers of dry goods report an active demand for all classes of merchandise. Some distributors are finding it difficult to fill orders on account of the shortage of many of the staple articles. There is very little speculation going on. The spirit of conservatism seems to permeate all lines, and business men are moving carefully.

The influenza epidemic, and the measures taken to combat it, have had a disturbing effect on certain branches of business in this district. Theatres, schools, churches, and other meeting places have been closed entirely, and some of the large stores have been compelled to open later and close earlier than usual. This has especially handicapped retail trade, though other lines have also been affected. Some activities have suffered considerably on account of the depletion of their working forces through the contraction of the disease.

The abundance of money in the rural districts, where crops are being marketed, and the high wages paid to labor in the cities, give promise of a large business this season.

The outstanding feature in financial circles during the past month has been the successful flotation of the Fourth Liberty Loan. This district over-

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subscribed its quota of \$260,000,000., being the first one to do so.

The demand for money has continued active in this district. The rediscounts of the Federal Reserve Bank of St. Louis have steadily increased, until on October 19th it held \$84,707,000. of paper discounted for member banks. In the larger cities the bank rate to customers remains firm at 6% for practically all classes of loans, and in the country districts it is somewhat higher.

The commercial paper market has been exceedingly quiet, but now that the Liberty Loan campaign is over, some revival is anticipated among brokers. The commercial paper rate continues at 6% for all names and maturities.

Practically all of the winter wheat has been sown in this district, and reports indicate a larger acreage than last year. With few exceptions, the ground has had sufficient moisture and the seed has been put in under the best conditions.

The present prospects of the corn crop in this district are more promising than a month ago. Rain has helped the late corn materially, and it is said to be yielding better than expected. In many sections the quality is reported to be better than last year. The condition of the corn in the seven states in this district was estimated by the Government on October 1st to be 66.7%, which is 3% better than the estimate of September 1st. The condition of the corn in this district on October 1st was estimated to yield 138,544,000 bushels, which is 40,000,000 bushels below last year's crop, but about equal to the average for the past five years.

The oats crop continues to progress satisfactorily. The condition of oats in Indiana, Illinois and Missouri was estimated by the Government on October 1st to be 93.3%, which is 2.7% better than the estimate of September 1st and 7% better than the average.

Reports indicate that only a fair crop of cotton will be picked in this district. The condition of the cotton in Arkansas, Mississippi, Missouri and Tennessee was estimated by the Government on September 25th to be 58.5%, which is

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.7% below the estimate of August 25th and 9% below the ten year average.

The condition of the tobacco in Kentucky and Tennessee was estimated by the Government on October 1st to be 84.5%, which is 1% better than the ten year average. The condition of the tobacco in the two States named was estimated to yield 422,333,000 pounds, which is 27,354,000 pounds more than the estimate of September 1st, but 86,077,000 pounds less than the estimate for last year and 4,364,000 pounds less than the average for the past five years.

The report of the St. Louis National Stock Yards for September shows substantial increases in the receipts and shipments of cattle, horses and mules, both in comparison with the corresponding month last year and the previous month this year. The report also shows perceptible increases in the receipts and shipments of hogs in comparison with the corresponding month last year, but a slight decrease in comparison with August of this year.

Postal receipts during September in St. Louis, Louisville, Memphis and Little Rock, all show substantial increases in comparison with the same month last year. With the exception of St. Louis, the receipts in the cities named during September also show increases over August of this year.

Reports for September from leading cities in this district show perceptible decreases in the number of building permits issued and the estimated cost of construction, both in comparison with the previous month and the corresponding month last year. Practically no building is going on in this district except for Government needs and the extension of essential factory buildings.