

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 tendency of business during the past thirty days has been to slow down, with the readjustment movement gaining considerably in momentum. The period under review has been marked with further price declines in the departments of manufacture and wholesale, as well as agricultural products. Buying in all lines has been narrowed largely to a necessity basis, orders for forward delivery being at a minimum. The recent price recessions have given rise to hesitation and uncertainty, and the universal disposition is to postpone purchases as long as possible. This is true not only of merchants but the public as well. Ultimate consumers are insisting on values and will not spend until goods offered square with their ideas of what quality should be. Fundamental conditions have developed no particular change, and so far as can be gathered there has been little impairment in purchasing power of the public. There is, however, a well defined disposition to economize and conserve cash. This is verified by the disappearance of extraxagant spending and an upward movement in savings accounts.

In certain lines, notably textiles, liquidation has progressed at a rapid pace during the past month, the movement being accompanied by sharp price cuts. Several of the leading wholesale dry goods houses conducted sales which were well attended and at which merchandise aggregating upwards of \$15,000,000 was disposed of. Wholesale grocers, boot and shoe interests, lumber manufacturers and jobbers, millers and furniture interests report price reductions, and further concessions have been made by manufacturers of clothing. Owing to unwillingness on the part of retailers and the public to purchase, even at the concessions offered, however, stocks have not been reduced in the volume which might have been expected under the circumstances.

While resistance to the readjustment movement is gradually wearing away, there remain interests which have not fallen in line with the tide. In some instances those holding out are doing so through policy and in hope of avoiding loss, while others are unable to market their products because of absence of demand at the moment. Farmers to the South are very reluctant to sell their cotton at prevailing prices, and the movement of cereals to market has been unusually backward, owing in a

large measure to the determination of producers to hold for higher price levels.

Final results of the harvest in this district came well up with the optimistic estimates made earlier in the season. Yields of all the leading products were massive and fall farm operations have progressed well. According to the November 1 report of the U. S. Department of Agriculture the average yields per acre of all crops combined in states of the Eighth Federal District, duly weighted, compared with yields of recent years, was 104.1 per cent. The problem confronting agriculturists and distributors of farm products is not one of quantity but the shrinkage in demand and unfavorable market conditions. Buying for domestic account is extremely backward, and the export demand is described as being the slowest in years. European countries which can afford to purchase have their immediate requirements fairly well covered, and many foreign customers who bought heavily before the war are unable to make financial arrangements for acquiring needed supplies. A comparison of prices of typical products in the St. Louis market between October 15 and November 15 shows the following declines: December wheat, 34c; March wheat, 39 $\frac{1}{4}$ c; December corn, 11 $\frac{3}{8}$ c; May corn 9 $\frac{1}{2}$ c; December oats, 8 $\frac{1}{4}$ c; May oats, 8 $\frac{1}{8}$ c; No. 2 red winter wheat, 30c; No. 2 hard wheat, 40c; No. 2 corn, 7c; No. 2 white corn, 7 $\frac{1}{2}$ c; No. 2 white oats, 4 $\frac{1}{2}$ c; and flour, 50c to \$2.00. Wheat and flour touched new low levels since the advances incident to the war set in. In the same period middling cotton declined approximately 3c per pound.

The fuel situation is rapidly adjusting itself, and there now exists little doubt that supplies for all purposes will be abundant through the balance of the season. The demand for steaming coal has fallen off in a marked degree, due to the curtailment of plant operation in this district and other parts of the country. Household bins are being rapidly filled, and arrangements for handling this end of the business are completed. The trend of prices is downward. Early in October when the committee having charge of fuel distribution began to function, the price of bituminous coal loaded in cars at Illinois mines was around \$8 per ton, while now the price is \$4.50 per ton. A still more drastic cut has been made in the price of metallurgical coke, which a month ago was quoted at from \$15 to \$18 per ton, according to quality and delivery, and can now be

had in quantity at from \$9 to \$10 per ton. Production of soft coal has been maintained at high levels during the past month, the average weekly output in the whole country being around 12,000,000 tons. The cumulative production of the year is rapidly overtaking that of 1918. The 1920 output is 7,000,000 tons behind 1917, and nearly 42,000,000 tons behind 1918, but is over 51,000,000 tons over that of 1919. In this connection it should be remembered that production during 1918 exceeded consumption and provided a net addition to consumers' stocks by the end of the year of approximately 30,000,000 tons. In 1919 the condition was reversed, owing to the coal strike, consumption exceeding production and there was a net draft on stocks of perhaps 40,000,000 tons.

Recent reports indicate a continued reduction in the car shortage and constant easier condition with respect to car supply. Officials of railroads operating through the main gateways of the district state that all congestion has disappeared and that freight is moving normally in all directions. During the past thirty days there has been a decided falling off in the volume of freight offered to the roads, and passenger travel has contracted, but not in proportion to freight traffic. The carriers are reducing their labor forces, and in all branches of railroading help is plentiful. Business interests report that freight agents are soliciting their business, a thing unique in many months. One western road which operates in the western grain region is storing box cars, this action being due to the holding back of wheat and other cereals.

Offerings of freight to the Mississippi-Warrior Service, Inland Waterways, which operates a barge service between St. Louis and New Orleans, are reported good, but low water in the Mississippi River and backward deliveries on equipment are hampering its operations. The service has increased its facilities at Memphis by the acquisition of box cars for moving cotton from the compresses to the terminals of the barge line.

Under the general heading of collections, reports vary somewhat broadly, but the average is not up to preceding months this year, and is considerably under that of the same time in 1919. In some lines good returns are the rule, notably in drugs, hardware, electrical supplies and iron and steel products. Backwardness is complained of by whole-

salers and manufacturers of clothing, dry goods, groceries, lumber, candy and furniture. Analysis of the reports on this subject develops that slowness of payments is less sectional than individual. Southern customers in many instances are paying up well despite the cotton situation, while in other sections where crops have been marketed, bills are not being met promptly. Taken as a whole, however, the principal delinquency is in the cotton states. Retailers, who up to this time have been getting in their money in good shape, report a slight slowing down, both in the smaller towns and larger centers of population.

Commercial failures in the Eighth Federal Reserve District during October, according to Dun's, were 47, involving liabilities of \$1,280,507, against 23 in October, 1919, with liabilities of \$249,471. In September of this year there were 35 failures involving liabilities of \$352,873 and in August, 31 failures with liabilities of \$288,762.

Little change has transpired in the automobile industry during the past month, conditions being as quiet as at any time since the reaction set in a few months back. Price reductions served temporarily to stimulate buying of new cars, but the demand was quickly filled, leaving things about as they were before the price flurry. The tractor business is particularly slow, the recent drop in farm product values having adversely affected that branch of the industry. The accessory market is characterized as listless, with the curve of values still bending downward. Prices of gasoline and lubricating oils hold steady, but the volume of sales shows a decrease of from 15 to 35 per cent under a year ago, and a seasonal decline under the preceding month this year.

Bond houses throughout the district report business variable, but showing steady improvement. Investors have been turning more and more to high grade securities since the decline in the speculative markets. More attention is being paid to solidity and returns of offerings, and the demand for municipals and first mortgage bonds of large corporations has picked up. Excellent counter sales of Liberty Bonds, of small and large denomination, are reported.

The per capita circulation of the United States on November 1 was \$59.48, against \$58.63 October 1 and \$54.63 on November 1, 1919.

MANUFACTURING AND WHOLESALE

Price declines and the resultant disturbed psychology of retail merchants and the public generally have made for extremely unsatisfactory conditions with manufacturers and wholesalers. Activities among the former are confined largely to the completion of work on old orders, while the latter are selling goods almost exclusively for immediate delivery. Virtually nothing is being done in the way of forward orders, and cancellations and return of goods in a number of important lines have been proportionally greater in the past thirty days than during the preceding month. Price revisions downward in the textile lines have been broad and frequent, nearly every day developing new changes. Under these circumstances there is a disinclination to stock up, and buying of goods for spring distribution, which at this time in previous years had

made good progress, is almost, nil. Further, mid-season and spring programs of buying and selling have not been formulated by many large interests and little will be undertaken in that direction until a greater degree of stability has been attained in the goods market. Wholesale dry goods houses reporting show decreases in sales during October of from 20 to 45 per cent under the corresponding month in 1919, and similar accounts are given by manufacturers and distributors of clothing. Other lines, with the exception of hardware, drugs and chemicals and one or two others, report declines in a greater or lesser degree. Reports for the first two weeks of November are in most instances even less optimistic than those covering October. Some stimulation to the general volume of wholesale business has been given by sales and other special efforts to

move goods, and the recent cold snap is reflected in an improvement in mail orders and the demand for heavy outer garments, underwear and seasonable goods. Buying for the Christmas holiday trade is reported the lightest in years by wholesale grocers, candy manufacturers and commission houses handling dried and preserved fruits. Purveyors of toys and notions report scant buying and many cancellations. Manufacturing has suffered a slowing down since the first of October, which since the first of this month has become more decided. Unfilled orders are being rapidly reduced, and new business is materializing slowly. In manufactures based on iron and steel the curtailment is not so marked, but the call for lead, copper and zinc products narrowed to slender proportions. In the lumber industry and kindred lines working schedules have been reduced, and in some cases plants closed down. Raw materials of all kinds are in greater abundance than at any time since the war, and in nearly all instances cheaper.

Boots and Shoes.—The record of shipments in the month of October and the first two weeks of November discloses averages close to those of the same time a year ago, but during the same period there was a radical decline in new business, ranging from 40 to 75 per cent. There were also heavy declines in the quantity of goods manufactured as contrasted with the preceding season, figures at hand indicating a slump in factory output of 25 to 40 per cent. The month developed some minor price reductions as compared with thirty days ago, but for the most part jobbers and manufacturers have not marked down their goods under the cuts recorded in October. Numerous complaints are still heard of, merchandise being returned and orders cancelled. Future orders booked by salesmen on the road are the smallest in many years, and a number of important interests have ordered their men back to headquarters. The raw material market, notably leather and cotton fabrics, is soft, which fact serves to emphasize the unwillingness of merchants to stock up. Certain grades of hides are at the lowest price levels since 1905. No. 1 wet salted at St. Louis on November 12 was quoted at 7c, against 9c a month ago, and 41c at the same time in 1919. Proportionately as heavy declines are noted in other grades. Collections are reported poor to fair. The percentage of employees in the industry through the district is 15 to 25 per cent less than a year ago. Labor of all sorts is plentiful, and a gradual betterment in unit efficiency is reported.

Clothing.—Considerable disappointment is voiced by manufacturers and jobbers at the failure of recent price concessions to bestir buying. In many instances salesmen have not been sent out on the road, and will not be this year unless the demand should pick up. During the past month manufacturing forces have been cut down and production sharply curtailed. Little is being made up which is not to fill specific orders. Heavy declines in volume and dollar value of business during October are reported as compared with the same period in 1919. Buyers in all positions are holding off, the principal reason given being uncertainty relative to future prices and the unwillingness of the public to purchase. Warm weather in October and early November are given as additional reasons for failure of the trade to open up. The recent cold snap

has brought a small increase of orders for overcoats and heavy suits from the country, but little effect has been observed in the centers of big population. Collections are backward and numerous complaints of returned goods and cancelled orders are heard.

Electrical Supplies.—Declines of from 15 to 23 per cent in the volume of business during the past thirty days as compared with the same time last year are reported. There were losses also, of from 6 to 15 per cent under the preceding month this year. New business is being placed with the utmost caution, and future buying is extremely light. The purchase of electrical appliances for the holiday trade is acting as a temporary stimulant. No improvement over the preceding month is noted in the demand from automobile manufacturers, and cancellations from that quarter are still being received. Both manufacturers and distributors say their customers are waiting final adjustment of prices before entering the market. Aside from a decline of 6c in copper, there was no notable variation in prices during the past month.

Iron and Steel Products.—In this classification the adjustment movement to date has manifested itself more in a general slowing down of business than sharp price reductions. Goods are vastly more abundant as a rule, and premiums for prompt delivery have vanished. Orders on books of foundries and mills have been considerably curtailed, and new business is not coming in satisfactorily. The plants have kept in operation at a fair percentage of capacity. Warehouse stocks are larger than for many months, and the leading steel interest is rapidly catching up on deliveries. The price differentials between goods of this manufacturer and the independents still obtain, but in some instances have narrowed. The market for raw materials is described as dead dull. Pig iron users are not purchasing a ton, either for prompt or future shipment, and selling agencies and producers have received a number of requests for delayed shipments on contract quotas. The market is flooded with resale iron. Nominally the price holds steady at \$42 for 1.75 to 2.25 per cent silicon, but doubtless this figure would be shaded to anyone inquiring for anything like a substantial tonnage. Buying by the railroads continues on a necessity basis. The demand for grey castings and rolled goods has slumped in a remarkable degree during the past two months. Collections vary from fair to good. Implement and stove makers report that the recent decline in farm products prices has had an unfavorable effect on their business.

Hardware.—Generally favorable reports have been received from interests engaged in this line. In St. Louis, Louisville and Memphis business is steady to a shade better than a year ago, though a slowing down as contrasted with recent averages is noted. To the South some rather sharp decreases in sales under the same time a year ago are recorded, attributed to the cotton situation and drop in prices of agricultural products. Some goods are more plentiful, while a scarcity continues in other varieties. Prices in the main show little variation during the past thirty days. Relatively there have been few cancellations in this line, and the readjustment wave otherwise has affected it less forcefully than has been the case elsewhere.

Flour.—The demand for domestic consumption is reported at a low ebb, and the export situation at the moment is characterized as hopeless. In most European countries food distribution is under Government control, and the policy is to buy wheat rather than flour in order to give employment to millers and retain the by-products. The erratic and hysterical movement of the wheat market is a disturbing factor, increasing the uncertainty relative to flour values. Business is of hand-to-mouth sort, buyers who have heretofore dealt in car lots, taking only a few barrels or sacks. In the South this is particularly noticeable. In Eastern markets Canadian millers are underselling domestic producers, and Canada still has close to 100,000,000 bushels of surplus wheat to dispose of. Mill operation in this district during the past thirty days ranged from 40 to 50 per cent of capacity.

Candy.—Radical decreases under the corresponding period a year ago in sales and shipments are reported by interests canvassed. At a time when this industry should be booking its heaviest orders, in view of the Christmas trade, buying for forward delivery is almost at a standstill. Manufacturers report that jobbers and retailers are making strenuous efforts to dispose of what stocks they possess at recently prevailing prices, and are taking only such additional goods as they absolutely must have. Reductions to the ultimate consumer thus far have been insignificant, with the result as in some other lines, sales over the counter are not of proportions calculated to rapidly clean up stocks. Wholesale prices have sustained further cuts on top of those recorded a month ago, and there have been additional declines in raw materials, notably sugars, syrups and some flavoring materials. Great uncertainty exists as to values, present and future, for which reason little has been done in the direction of formulating manufacturing and selling programs for next season. October sales range from 12½ per cent to 35 per cent under the same month last season, and early November returns indicate even more radical declines. Collections are described as slow, with an increasing number of requests for extensions.

Drugs and Chemicals.—While normal increases, such as have been recorded by leading houses during the past few years, have been entirely eliminated, business during the past thirty days has maintained a steady average. Interests reporting say October results compare favorably with the preceding month and the corresponding period a year ago. Two large houses showed a slight increase. Goods, however, are universally more plentiful, due to improved transportation and easier raw material markets. Glass and metal containers, which heretofore were scarce, can be had now upon demand, and the same is true of paper goods handled in the drug trade. Rubber goods and sundries generally are steady to a shade lower. Declines during the month were recorded in denatured alcohol, quinine, all iodides, salol, and some botanical drugs. Chloroform and a few other drugs were higher. The demand for chemicals to be used in manufacture has further eased off. Collections are fair to good. One Arkansas firm reports its October collections 10 per cent larger than sales that month

and incidentally the best for this particular month in twenty years.

Lumber.—Further price declines have taken place during the past thirty days, but in the past week or ten days a halt has come in the movement downward. Some slight signs of reviving business are in evidence. Production has been drastically cut, it being estimated from data at hand that about 50 per cent of the mills in the Mississippi Valley have closed down. Some wage reductions in the industry to the South are reported. Cancellations are fewer, but several large interests ironically attribute this to the fact that they have considerably less business on their books than heretofore. Present values represent a decline of full 40 per cent from the apex of prices. The dearth of new building enterprise is adversely affecting the trade. Hardwood continues inactive, with most of the small sales recently announced being at lower figures. Automobile and railroad car builders are buying next to nothing, and retailers, are postponing restocking. Both in yellow pine and hard woods there is a broad spread in prices quoted by individual producers and selling agencies.

Woodenware.—Reports of interests canvassed indicate a declining business. Sales in October and early November range from 18 to 25 per cent under the corresponding period last year and as high as 30 per cent under the preceding thirty days. Unfilled orders on manufacturers books show a sharp decrease, ranging from 30 to 50 per cent. Prices are approximately 20 per cent under a year ago, but steady to 5 per cent lower than a month ago. There have been slight wage cuts and reductions in the number of persons employed since the middle of October.

Furniture.—Activity in this line has been reduced almost exclusively to goods for immediate use. Future buying is the slowest for this particular season in a span of years. Manufacturers report that it is impossible to interest jobbers and retailers in stock orders. Prices are lower on bedroom dining room, and kitchen furniture, and on the general run of low-priced goods. Office furniture is steady, and manufacturers of that specialty are busy on old orders. In the past thirty days there have been a decline of 20 per cent in mirrors and other glass used in furniture, but metal materials, such as bed-springs, hardware, etc., hold steady with some further advances. Price guarantees by manufacturers of certain lines are in effect. Collections generally are reported fair, but with some backward spots.

Paper.—In some cases of different grades of paper, according to the best information obtainable, the mills are gradually catching up on their orders, although jobbers' stocks are low and there has been some softening in prices. Buyers are keeping out of the market as far as possible in hopes that they may force a decline. In the case of newsprint paper the spot market has sagged a little, while contract prices have been advanced.

Miscellaneous.—Similar tendencies to those noted in the lines of greater importance obtain in the more varied classification, including stationery, tobacco, bags, rope, plumbers' supplies, brooms and brushes, saddlery, paints and other industries investigated. Collections vary in efficiency, but the average show a decline as compared with earlier in the year, and the same period in 1919.

RETAIL

Effects of the readjustment movement, while beginning to be felt in the final stage of distribution, are to date much less marked than in the primary stages. The fall in wholesale prices has not been paralleled by a decline in retail prices. Shoppers are discriminating and are buying with nothing like the freedom of past months, and in some sections this attitude has assumed the proportions of what merchants characterize as a "consumers' strike." Some price reductions have been made, but they apply chiefly to advertised specialties, the general average through standard lines of goods showing little decrease as contrasted with the preceding month. The general policy is to dispose of stocks on hand at prevailing prices as far as possible, it being estimated that this will entail less loss than handling a greater volume at cheaper prices. Answers to questionnaires sent to the retail trade in the district indicate that decreases in volume of business where shown are principally in the country districts and smaller towns. In the centers of greater population

the decreases have been relatively smaller. Department store figures show an increase in October sales as compared with the same month in 1919, the average gain being 5.2 per cent. That the trend is downward, however, is developed by comparison with the average gains for September and August, which were 11.8 and 20.8 respectively. Jewelers, sporting goods dealers, and handlers of other lines outside of the necessity classification report a heavy slump in business. The disposition to economize is reflected in decreased receipts of restaurants, hotels and places of amusement. In the large cities restaurant keepers report little variation in the number of their patrons as compared with recent weeks, but the average cost of meals served is less than heretofore. A notable feature in clothing and furnishing lines is the unusually light buying of winter suits and overcoats. This is attributed to the warm weather which prevailed up until two weeks ago, but more particularly to the determination of the public to wait for lower prices.

AGRICULTURE

Weather generally over this district during the past thirty days has been seasonable and favorable for farm operations and movement of crops to market. Seeding of winter wheat is practically completed, and the early sown grain has made good growth and is in prime condition to enter the cold weather. Fly ravages, which in some sections looked formidable, have been checked by the recent rains, and low temperatures, so that little fall damage will result. Husking of corn is making favorable progress, though delayed in spots by wet weather. With few exceptions yield and quality are good. In Missouri early husking returns indicate an average yield of 32 bushels to the acre. In states of this district there seem to be ample huskers, reports to the contrary being confined to a few scattered points. Reports relative to tobacco vary somewhat. In Kentucky the crop is heavy as a whole, but with more than usual low grades due to damage of different kinds. Fifteen to 25 per cent of the burley crop is affected more or less. In Tennessee the crop is cured, but the yield will be light, color bad and quality rather low. The market will be late opening. The yield of rice in Arkansas is heavy, and of generally good quality, but marketing conditions at the moment are discouraging. Digging of Irish potatoes was completed before frost dam-

age occurred, but the yield is proving spotted, especially in Illinois, where quality and yield are uneven, but generally poor. Live stock and pastures are generally in prime condition throughout the district. Some outbreaks of hog cholera are reported in Illinois and Indiana, but the condition is not alarming. The apple season has about drawn to a close, and much of the crop is in cold storage. The average crop for Arkansas was about two-thirds of a full crop. The yield in Illinois was heavy, with quality a shade better than the ten year average. Cotton picking is rapidly nearing completion, and ginning for the belt as a whole up to November 1 is well over that of the corresponding period a year ago. There was some injury to open bolls in Arkansas by heavy rains during the last days of October. On the whole the intrinsic situation of the crop in this district is favorable, both in point of yield and quality. There are further reports of the intention of farmers to hold their products for higher prices.

The price index of all crops in the United States on November 1 was 28.0 per cent less than a year ago and 4.6 per cent less than the average of the preceding five years. The production index is about 3.2 per cent more than last year's aggregate production and 6.8 per cent more than the preceding five years, 1914-1918.

The U. S. Department of Agriculture, in its report as of November 1, gives the condition of corn, tobacco and potatoes in the seven states of this district as follows:

CORN

	Yield per Acre		Production (000 omitted)			Quality		Price Nov. 1	
	1920 Prelim. Bu.	10 yr. av. Bu.	1920 Prelim. Bu.	1919 Dec. Est. Bu.	1914-18 av. Bu.	1920 %	1919 %	1920 cents	1919 cents
Arkansas.....	23.4	19.7	60,817	48,726	49,702	88	73	111	167
Illinois.....	34.5	34.2	302,634	301,000	347,537	84	88	77	124
Indiana.....	40.5	36.3	190,431	175,750	178,140	92	89	75	121
Kentucky.....	30.5	27.1	96,624	82,500	99,485	91	80	99	149
Mississippi.....	17.5	18.2	64,768	59,700	63,448	85	80	112	156
Missouri.....	32.0	26.2	211,808	155,412	171,524	85	82	80	135
Tennessee.....	28.5	25.3	86,127	74,750	86,790	89	80	103	152

TOBACCO

Kentucky.....	850	854	420,750	456,500	413,480	80	81	.....	.....
Tennessee.....	730	773	71,467	88,000	71,791	78	92

POTATOES

Illinois.....	65.0	71.0	9,100	8,060	10,714	80	76	141	186
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The U. S. Department of Agriculture, in its report dated October 4, gives the condition of cotton in four states of this district as follows:

	Sept. 25			Aug. 25			Change During Sept.		Forecast Production Sept. 25, 1920 Bales	Ginned 1919 Crop (Census) Bales
	1920 %	1919 %	10 Yr. Av. %	1920 %	10 Yr. Av. %	1920 %	10 Yr. Av. %			
Arkansas.....	65	60	64	75	72	-10	-8	1,116,000	882,768	
Mississippi.....	50	52	60	60	68	-10	-8	867,000	952,446	
Missouri.....	75	78	72	83	71	-8	-5	80,000	64,005	
Tennessee.....	66	64	68	75	77	-9	-9	305,000	308,746	

The range of prices on typical products in the St. Louis grain market between October 15 and November 15, with closing quotations on each of these dates, are shown in the following table:

	Close October 15	High	Low	Close November 15
December wheat.....	\$ 2.18½	\$ 2.21¼	\$ 1.78¼	\$ 1.84¼
March wheat.....	2.13½	2.13½	1.68¼	1.74¾
December corn.....	.88¾c	.89½c	.76c	.77¾c
May corn.....	.92¾c	.93c	.78½c	.79¼c
December oats.....	.57¼c	.57¾c	.49c	.49c
May oats.....	.62¾c	.62½c	.53½c	.54c
No. 2 red winter wheat.....	2.39	2.39	2.05	2.09
No. 2 hard wheat.....	2.25	2.25	1.80	1.85
No. 2 corn.....	.93c	.93c	.86c	.86c
No. 2 white corn.....	.93½c	.93½c	.86c	.86c
No. 2 white oats.....	.57½c	.57½c	.52½c	.52½c
Flour: Soft patents.....	10.00 @ 12.50	12.50	9.50	9.50 @ 11.50
Flour: Spring patents.....	10.90 @ 11.90	11.90	8.75	8.75 @ 9.10

The following table, compiled from commercial sources for the Government market report, shows the cotton movement from August 1 to November 5, 1920:

	1920 Bales	1919 Bales
Port receipts.....	1,781,643	1,826,836
Port stocks.....	1,163,220	1,598,274
Interior receipts.....	2,093,777	2,079,887
Interior stocks.....	1,296,123	1,138,395
Into sight.....	3,320,062	3,382,710
Northern spinners' takings.....	420,793	608,715
Southern consumption.....	823,282	819,527
World's visible supply of American cotton.....	3,774,963	3,792,997

LABOR

Slowing down of manufacturing and general industry during the past thirty days has resulted in considerable reductions in operating forces, and a surplus of labor in virtually all lines is reported. Curtailment has been particularly marked in the lumber industry, clothing factories, shoe plants and transportation. Metal lines and furniture have also been affected. Reports of Federal and State labor commissioners are to the effect that the surplus of

both skilled and unskilled workers is increasing. In the building trades the supply exceeds the demand, and mechanics are applying in numbers to automobile and railroad shops for employment. For the first time in many months domestic help is easier. Wage reductions to date are insignificant. In virtually all industries investigated increased unit efficiency is reported. There are fewer strikes in progress than at any time this year.

COMMODITY MOVEMENT

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

	RECEIPTS			SHIPMENTS		
	Oct. 1920	Sept. 1920	Oct. 1919	Oct. 1920	Sept. 1920	Oct. 1919
Flour, barrels.....	335,490	343,700	626,640	366,960	401,340	773,820
Wheat, bushels.....	3,584,849	4,503,213	5,033,654	2,597,450	3,469,120	4,826,490
Corn, bushels.....	1,259,700	1,514,742	1,435,340	694,960	959,450	547,755
Oats, bushels.....	2,200,055	2,786,000	2,239,190	1,146,100	1,890,090	1,401,205
Lead, pigs.....	210,700	214,490	138,030	127,790	178,130	91,800
Zinc and Spelter, slabs.....	490,240	526,040	411,640	657,580	773,810	684,830
Lumber, cars.....	12,239	11,007	14,035	8,735	9,442	10,721
Meats, pounds.....	5,337,700	7,187,800	8,543,700	25,774,600	22,598,300	26,157,700
Fresh Beef, pounds.....	1,346,200	1,504,200	3,071,800	22,244,900	24,913,200	32,176,700
Lard, pounds.....	1,507,300	866,200	2,372,500	6,221,800	5,811,000	7,574,400
Hides, pounds.....	2,057,700	1,688,900	2,990,800	4,072,200	3,134,400	5,467,000

BUILDING

Conditions in building are described as dull to stagnant. Work in progress is rapidly nearing completion, but little new work is being commenced. In the five leading cities of the district the dollar value of building permits issued in October showed

a sharp decline as compared with the corresponding period last year. Reports from smaller towns and the country are to the effect that the recent drop in prices of farm products has caused postponement or abandoning of much new building and improvement

in the rural districts. Numerous projects are being held back awaiting lower costs. Residential construction has made practically no progress, despite acute needs in that direction. Some reductions in

building materials are recorded, but others remain as high as ever. The cement market holds firm, due to the heavy demands for that material in road construction work.

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

	1920		OCTOBER		1919	
	New Construction		Repairs, etc.		New Construction and Repairs, etc.	
	Permits	Cost	Permits	Cost	Permits	Cost
St. Louis.....	411	\$824,015	382	\$231,715	761	\$1,986,160
Louisville.....	43	99,600	153	76,800	204	755,745
Memphis.....	145	312,345	52	22,600	111	335,715
Little Rock.....	44	72,650	112	76,586	95	150,558
Evansville.....	50	92,345	49	9,647	.....	.....

LIVE STOCK

A resume of market conditions for the past thirty days shows that prices on all classes of live stock, with the possible exception of sheep, are on the downturn. The weakness may be ascribed to a combination of influences, not least of which is the insistent demand of the consuming public for cheaper living costs. A reflection of this attitude is noted particularly in quotations on cured and fresh meats, wool, hides, tallow grease, and in fact

every article produced from farm animals. Price declines on cattle range from 25c to \$2 per 100 lbs. according to grade and quality, while hogs are off \$2.50 to \$3. The sharp slump in porker values is due in a large measure to a slow export demand and the decline in corn and other feeds. Receipts of horses and mules in October were the poorest in years, and the sale of draft animals is adversely affected by conditions in the cotton states.

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

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1920	1919	1920	1919	1920	1919	1920	1919
Receipts.....	131,882	177,856	212,944	235,456	44,548	62,040	7,075	33,433
Shipments.....	65,124	66,850	114,306	236,365	8,935	11,258	6,613	34,604

FINANCIAL

Some slight improvement in the general banking position of the district has developed since the preceding issue of this report. The improvement, however, is due almost entirely to changes in St. Louis financial institutions, some of whose mercantile customers have liquidated part of their loans. The condition of the country banks is little changed, especially to the South where they are still obliged to shoulder heavy burdens because of the cotton, rice and lumber situation. In the cereal producing section of the district liquidation is retarded by reluctance of agriculturists to market their grain at prevailing prices, and in these regions demands are unusually heavy for credits to finance herds of live stock. Some banks in the cotton states, which at this particular time of the year have passed their period of greatest credit demand, find that the usual liquidation of loans has not taken place. Special sales

conducted by important wholesalers and jobbers in St. Louis and other large cities of the district since the middle of October were largely for cash or on short datings, and have resulted in substantial payments to the banks. Interest rates charged for all commercial loans hold over firm, and the general inquiry for credits is quite as aggressive as earlier in the season, save among certain mercantile interests. Requirements for crop financing are considerably more protracted than during former seasons.

Commercial paper houses continue to show heavy losses in volume of sales as contrasted with the corresponding period a year ago. Purchasing is confined almost exclusively to country banks, and firms seeking large accommodations are obliged to split their paper into small units in order to get it placed. City banks are buying no commercial paper to speak of at the moment. Rates remain unchanged at the uniform quotation of 8 per cent.

INTEREST RATES

Between October 16 and November 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	7-8
4 to 6 months.....	8	6½	7	6	6	6	8	7	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.....	8	6½	7	6	6	6	7-8	6½	7
Bankers' Acceptances of 60 to 90 days:									
Endorsed.....	8	7	7	.....	.....	.....	.....	.....	.....
Unendorsed.....	6¾	6½	6½	6½	6½	6¾	.....	.....	.....
Loans secured by prime stock exchange collateral or other current collateral:									
Demand.....	8	6½	7	6	6	6	8	7	8
3 months.....	8	6	7	6	6	6	8	7	8
3 to 6 months.....	8	6½	7	6	6	6	8	7	8
Cattle Loans.....	8	7	7½	6	6	6	8	7	8
Commodity paper secured by warehouse receipts, etc.....	7½	6½	7	6	6	6	8	7	8
Loans secured by Liberty Bonds and Certificates.....	7	6	7	6	6	6	8	7	7-8

CONDITION OF BANKS

The condition of banks in this district, and changes since a month ago and last year, are reflected in the following comparative statement, showing the principal resources and liabilities of member banks of St. Louis, Louisville, Little Rock and Evansville:

	Nov. 12, 1920	Oct. 8, 1920	Nov. 14, 1919
Number of banks reporting.....	35	35	35
U. S. Bonds to secure circulation.....	\$ 16,432,000	\$ 16,923,000	\$ 17,154,000
Other U. S. Bonds, including Liberty Bonds.....	13,373,000	13,217,000	14,002,000
U. S. Victory Notes.....	2,735,000	2,572,000	6,531,000
U. S. Certificates of Indebtedness.....	4,077,000	3,882,000	14,129,000
Total U. S. Securities owned.....	\$ 36,617,000	\$ 38,594,000	\$ 51,816,000
Loans and investments, including bills rediscounted with F. R. Bank:			
Loans secured by U. S. War Obligations.....	31,940,000	31,858,000	.....
Loans secured by stocks and bonds other than U. S. War Securities.....	127,261,000	126,206,000	.....
All other loans and investments.....	399,692,000	418,172,000	.....
Total loans and investments, including rediscounts with F. R. Bank.....	\$595,510,000	\$612,830,000	\$544,373,000
Reserve with the Federal Reserve Bank.....	40,350,000	38,838,000	46,846,000
Cash in vault.....	10,066,000	9,986,000	11,330,000
Net demand deposits on which reserve is computed.....	301,465,000	307,465,000	342,092,000
Time deposits.....	129,563,000	128,063,000	108,281,000
Government deposits.....	571,000	5,458,000	5,679,000

DEBITS TO INDIVIDUAL ACCOUNTS

The following table, compiled from figures furnished by the several clearing houses, gives the total debits charged by banks to checking accounts, savings accounts and trust accounts of individuals, firms, corporations and U. S. Government, also certificates of deposit, cashiers' checks and expense checks paid in the leading cities of this district during the past month, with comparisons for the preceding month and corresponding period a year ago. Charges to 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:

	Nov. 10, 1920	Oct. 13, 1920	Nov. 12, 1919
St. Louis.....	\$591,336,000	\$614,916,000	\$600,273,000
Louisville.....	110,962,000	113,144,000	137,053,000
Memphis.....	129,528,000	116,284,000	165,350,000
Little Rock.....	46,927,000	47,269,000	42,002,000
Evansville.....	21,470,000	20,904,000	18,834,000
TOTAL.....	\$899,223,000	\$912,517,000	\$963,512,000

FEDERAL RESERVE OPERATIONS

There has been no change in the discount rates of the Federal Reserve Bank of St. Louis since the last issue of this report. In October this bank discounted \$208,437,839 of paper for 310 member banks, which is a decrease of \$1,046,727 under the amount discounted in September and a decrease of 7 in the number of banks accommodated. Acceptances purchased during October amounted to \$2,101,937, an increase of \$756,937 over the preceding month.

Between the dates of October 15 and November 12, reserve deposits of the Federal Reserve Bank of St. Louis and its branches increased \$1,580,000, while a decrease of \$2,889,000 was shown in bills discounted for member banks. Federal Reserve currency in circulation decreased \$217,000. The contingent liability of the bank on paper discounted with or sold to other Federal Reserve Banks was cut from \$35,347,154 to \$23,679,923 in the period mentioned.

(Compiled November 20, 1920)