

FEDERAL RESERVE BANK OF ST. LOUIS

MONTHLY REPORT ON

GENERAL BUSINESS CONDITIONS

IN FEDERAL RESERVE DISTRICT No. 8

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THE improvement in general business through the Eighth Federal Reserve District, noted in the preceding issue of this report, was well sustained during the past thirty days. While all lines of industry have not been directly affected, and some unfavorable factors have developed, change for the better in the aspect of commerce and finance as a whole is sufficiently well marked to indicate substantial progress toward normal and to furnish grounds for greater optimism in the community. The volume of merchandise going into consumption shows an excellent increase; plant operation has gained, and is reflected in a further slight reduction in unemployment; collections as a rule are more satisfactory; transportation companies report better revenues, heavier traffic and a decrease in the number of idle freight cars; prices on many important commodities have reached a relatively stable basis, and the public is more disposed to supply its needs.

The advance in cotton prices, which commenced after the announcement of the September crop condition by the U. S. Department of Agriculture, was held during the period under review, though market fluctuations in this staple have been somewhat violent and erratic. Effect upon the South of the higher value has been most favorable, the principal manifestations being better collections and more general and larger purchasing of commodities than at any time since the reaction set in last fall.

Marketing conditions of other leading agricultural productions of the district, however, have not been as auspicious as those surrounding cotton. Wheat, corn and oats declined sharply, working to levels leaving scant or in many instances, no profit to their producers. May wheat, which on September 16 sold in the St. Louis market at \$1.33¼,

dropped to \$1.07⅞ on October 8. May corn fell from 56½¢ a bushel on September 16 to 50¢ on October 10, while on the latter date cash corn was selling at 43½¢. Between the same dates May oats declined from 42¢ to 36½¢ a bushel. A large portion of the wheat had been marketed prior to the present slump and this being the chief cash crop in the typical grain areas, the decline was less keenly felt than had farmers held their stocks for future disposition. In the case of the coarse grains, particularly corn of which the production is large, the

low price will have a detrimental effect, save where farmers can feed it to live stock, and this alternative is being extensively adopted.

Replies to questionnaires addressed to leading manufacturers and merchants throughout the district for the most part indicate good increases in sales and shipments over the preceding month. This is true especially of goods for common consumption. In a number of notable instances gains are shown in both volume and dollar value over the corresponding period in 1920. Because of the radical price adjustments since last fall, however, many interests which show gains in tonnage report a decrease in the monetary equivalent of the turnover. Among the lines in which improvement is recorded are boots and shoes,

wholesale dry goods, candy, hats, clothing, groceries, furniture and hardware.

One rather general comment contained in the replies is relative to the low stocks of merchandise in retailers hands. This is emphasized by the recent buying movement on the part of the public, which disclosed poor assortments, and in some cases, absence of the things wanted. Retail merchants are more disposed to replenish their stocks, but are doing so with the utmost caution, and while there has been a slight growth in purchasing for

SAVINGS STATISTICS

The following table in regard to savings accounts has been compiled from reports furnished by 54 of the leading banks and trust companies in St. Louis, Louisville, Memphis and Little Rock:

Number of Savings Accounts

October 1, 1921.....	503,819
October 1, 1920.....	426,184
Increase.....	77,635 or 18.21%

October 1, 1921.....	503,819
July 1, 1921.....	491,871
Increase.....	11,948 or 2.42%

Amount of Savings Deposits

October 1, 1921.....	\$109,870,667
October 1, 1920.....	96,303,539
Increase.....	\$ 13,567,128 or 14.07%

July 1, 1921.....	\$111,575,213
October 1, 1921.....	109,870,667
Decrease.....	1,704,546 or 1.54%

Average Amount of Each Account

October 1, 1920.....	\$225.95
July 1, 1921.....	226.83
October 1, 1921.....	218.07

future requirements, great bulk of the buying continues on a basis of immediate shipment, or from 30 to 60 days at the outside.

Price declines, which have featured the commodity market for many months, have in a large measure been checked. In lines where the readjustment started earliest, such as dry goods, groceries, boots and shoes and lumber relative stability has been reached, and on certain articles there have been advances from the recent low levels. Goods based on cotton and silk display an upward tendency. Readjustment continues in many iron and steel products, but even in this category points of resistance have developed, notably steel and iron sheets and pipe.

Agricultural conditions, aside from the further deterioration indicated in cotton, have undergone no marked change during the past thirty days. The shrinkage in estimated production of that staple between September 1 and October 1 in this district is 92,000 bales, the total being placed at 1,344,000 bales against 2,161,000 bales last year. The estimated production of wheat, corn and oats remains substantially the same as for the preceding month. The combined condition of all crops in the Eighth Federal Reserve District (100 per cent equaling average) on October 1 was, according to the estimate of the U. S. Department of Agriculture, 93.2 per cent, which compares with 97.5 per cent on September 1.

The volume of freight handled and earnings by railroads in the district continue to show steady improvement. A notable reduction in the number of idle cars has taken place during the past thirty days, due in large measure to the picking up in the movement of soft coal. Miscellaneous merchandise and farm products are holding their own well in the general movement. The St. Louis Terminal Railway Association, which includes in its membership all roads operating through this gateway, interchanged 142,700 loads in June; 146,500 loads in July; 162,792 loads in August, and 161,168 loads in September. The slight decrease in September under August is accounted for by the fact that there is one day less in the former than the latter month. During the first week of October 39,692 loads were interchanged, against 33,865 loads for the first week in September. Incidentally the initial week of this month was the best since last spring. Passenger traffic showed little change as contrasted with the preceding month.

The arrival of more seasonable weather has stimulated buying of fuel for domestic consumption. Producers and dealers report contracting on a

larger scale than thirty days ago, though still well under normal for this season. Makers of by-product coke report a better movement of domestic sizes, but a dull market for metallurgical coke. The demand for steaming fuel developed no change from the recent dullness until the past week or ten days, when some important industries began to build up their reserve stocks against the contingency of a transportation tie-up. The total production of soft coal this year to September 30 was 296,000,000 tons, against 408,000,000 tons for the corresponding period last year. Should the remaining three months fail to yield a greater output than the first nine months, the total for the year will be less than 400,000,000 tons. The last year in which the country required less than 400,000,000 tons was 1909.

Reports from something over 250 automobile dealers scattered through the district develop a great variety of opinion relative to the status of that industry. An analysis of the information indicates that there has been some slight improvement over the preceding thirty days, most of which has occurred since October 1. The percentage of standard cars in the total sales is larger than heretofore. The used car market has been relieved of a considerable part of its oversupply, and is in better shape. Sales of high-priced cars since October 1 are better than during September. Extraordinary efforts are being made to stimulate business, the most notable instance of which was the automobile show held in St. Louis beginning October 15. Sales of accessories are better proportionately than transactions in cars. Prices show little variation as compared with a month ago.

October settlements, as indicated by the first half of the month, are well up to expectations, and collections generally are making a favorable showing. Merchants report that current accounts are being paid up promptly, and there has been fair liquidation on extended obligations. The South, which earlier in the year was the backward section, is in better condition financially, due to the upturn in cotton prices. A slight slowing down is reported in collections in the typical grain sections. Retailers in the large centers of population report that their outstandings have been considerably reduced since October 1. Answers to 382 questionnaires addressed to various lines throughout the district asking for data relative to September collections show the following results: 43 per cent good; 54 per cent fair and only 3 per cent poor.

The per capita circulation in the United States on October 1, 1921, was \$52.45, against \$52.41 on September 1, and \$58.95 on October 1, 1920.

Commercial failures in the 12 Federal Reserve Districts during the months of August and September, with comparative figures for September, 1920, as compiled by Dun's were as follows:

District	NUMBER			LIABILITIES		
	Sept. 1921	Aug. 1921	Sept. 1920	Sept. 1921	Aug. 1921	Sept. 1920
Boston, First	124	118	73	\$ 2,725,247	\$ 2,821,841	\$ 1,360,762
New York, Second.....	317	216	145	10,439,409	9,685,653	14,551,283
Philadelphia, Third	63	68	25	978,713	2,090,756	1,417,524
Cleveland, Fourth	118	137	65	2,815,406	5,183,707	1,348,681
Richmond, Fifth.....	85	98	54	1,692,840	2,658,017	1,646,417
Atlanta, Sixth	125	198	44	2,328,764	4,489,443	500,371
Chicago, Seventh	179	204	67	6,777,026	4,123,520	5,679,728
St. Louis, Eighth.....	80	67	35	2,383,404	2,200,012	352,837
Minneapolis, Ninth	57	72	16	980,471	1,458,576	99,730
Kansas City, Tenth	61	75	26	1,042,641	966,896	466,451
Dallas, Eleventh	104	137	36	2,872,281	1,991,284	864,924
San Francisco, Twelfth.....	153	172	91	1,984,635	5,234,704	1,265,544
Total.....	1,466	1,562	677	\$37,020,837	\$42,904,409	\$29,554,288

MANUFACTURING AND WHOLESALE

Business of leading manufacturers and wholesalers during the past thirty days compares favorably with the corresponding period a year ago. This fact is due to two chief causes, the first being that it was about this time in 1920 that effects of the reaction began to be strongly felt, and second, to the recovery which has taken place in nearly all lines since the middle of September. Another important factor in the September and early October results is the increasing confidence in present values. Goods are being ordered in larger quantities, and manufacturers are broadening their preparations for the production of merchandise for late winter and spring consumption. In some instances manufacturers have sold their prospective outputs for two months ahead, and several large interests are booked up to January 1. Considerable impetus to the distribution of merchandise was furnished by the more seasonable weather, especially in the South. Wholesale grocers report increases of from 6 to 22 per cent in their September sales over the preceding month. Prices of canned goods are strong, and difficulty is being experienced in securing certain brands and grades. Due to failure of the fruit crop in the Middle West and to unfavorable financial conditions, earlier in the year, the pack is considerably under the average of recent seasons. A slightly better demand is reported for building materials, and more activity is noted in iron and steel products during the past sixty days. Lead and zinc production has responded to a slightly stronger market for these metals. In several lines ordering for the holiday season is beginning to appear. During the past few weeks developments in the paper industry have been such as to indicate that the corner has been turned. Surplus stocks have been materially reduced, and prices have reached a point where consumers are more willing to fill their requirements.

Shoes—Reports from 11 leading interests show that in numbers of pairs, shipments in September ranged from 10 to 40 per cent larger than for the corresponding month in 1920. Measured in dollar value, however, September business reflected the sharp reduction in prices which has taken place since last fall, estimated at from 35 to 45 per cent. Still heavier shipments were prevented only by inability to manufacture more goods. Incidentally production is at a higher rate than at any time in the past. All reporting plants have sold their output for sixty days ahead, and one interest has sufficient orders to absorb its entire production to January 1. There was a reduction in prices early in October averaging about 5 per cent. Collections are reported pretty uniformly good, and much better than at any time this year. Relative to the collection situation one manufacturer makes the following comment: "The situation in the future seems to be in a measure reversing itself: The cotton States are in position to pay their bills and order some goods, but the grain-growing districts are pessimistic and holding up in the payment of their accounts and not ordering many shoes."

Clothing—Unseasonably warm weather throughout September had a detrimental effect on

sales and orders of clothing for winter wear, but excellent response was made by buyers to the drop in temperatures since October 1. September sales of 23 leading interests were from 10 per cent under to 16 per cent larger than a year ago, and 7 to 25 per cent larger than the preceding month this year. Both manufacturers and wholesalers are scrutinizing credits with great care, and the volume of business might have been considerably larger during the past thirty days but for the extreme caution exercised. Hat interests report increases in September over August, with shipments in units heavier than a year ago.

Iron and Steel Products—Purchasing of pig iron, which showed signs of revival in this district during September, has slowed down since October 1. Quoted prices remain steady at \$22 for No. 2 Northern (1.75 to 2.25 per cent silicon) and \$19 for the Southern product of the same grade, but sales have been made at a concession of \$1 under these prices. The movement of the general run of warehouse products is fairly well sustained on the average, but is spotted. Fabricators of structural materials continue to complain of backwardness in specifications. No improvement whatever is noted in the demand for farm implements, farmers throughout the entire district being disposed to get along with what they have. Further reductions in prices, varying from 10 to 20 per cent, have taken place in threshers, plows, mowers, reapers, binders, harvesters, tillage implements, corn shellers, hay rakes, farm wagons and gas engines. Business of stove manufacturers, according to 8 reporting interests, indicate sales in September, 8 to 19 per cent under a year ago, but 14 to 44 per cent larger than in August. Buying of stoves and ranges continues on an immediate delivery basis, with the size of average orders the smallest in more than a decade.

Hardware—Improvement in this line continues steadily, according to reports of 9 leading interests. Measured in tonnage, September sales were 12 per cent less to 9 per cent larger than a year ago, but with one exception all the firms show an increase of sales and shipments in September over August. The first two weeks of October were marked by increased activity, two or three of the largest interests stating that their sales in that period were larger than for any fortnight this year.

Flour—The 12 reporting mills are unanimous in the comment that business has dropped off since the end of September. Buying earlier in that month was brisk, and apparently the most urgent demands were satisfied. The chief reason for the slump, however, is the decline in wheat prices, which has served to upset confidence in flour values and defer purchasing in quantity and for future requirements. Some export demand has appeared, but it centers mainly in the lower grades. Some flour has been sold to customers in the Tropics, and Mexico is returning as a customer. There is universal complaint of poor quality of current wheat arrivals, which fact accounts for the relatively high cost of choice flours as contrasted with quotations on wheat futures. Estimated mill operation is at from 50 to 60 per cent of capacity, compared with 60 to 100 per cent thirty days ago.

Candy—September business of the 10 reporting interests was from 4 to 10 per cent larger than in August, and measured in volume, from 8 to 16 per cent in excess of the corresponding month last year. Plant operation remained unchanged at from 70 to 90 per cent of capacity. The unseasonably warm weather has had a tendency to hold down retail distribution. Prices are slightly lower than thirty days ago, reductions being spotted and not affecting the entire line. Virtually no improvement in future buying is reported.

Drugs and Chemicals—Little change worthy of comment has taken place in this classification. The improvement noted last month continues pretty steadily with the 7 reporting interests. Manufacturers are gradually increasing their outputs. Wholesalers report that orders for holiday goods are beginning to appear. Price changes were reported in 27 articles, 12 being advances and 15 downward revisions.

Furniture—While there is a notable dearth of future buying and stock orders, the volume of immediate business continues to augment. Shipments of the 14 reporting interests were 7 to 10 per cent larger in September than August. Part of this gain may be accounted for by seasonal activity, the period of heaviest business in this district being normally from September 1 to November 15. The average rate of plant operation is approximately 75 per cent of capacity. Improvement is noted in the demand for office furniture.

Lumber—Very material gains have been made in prices of upper grades of yellow pine during the

past month, with smaller but substantial advances in common items. Advances in some of the high grade items range from 30 to 50 per cent over the price level of August 1. Demand has been active throughout the month, manufacturers reporting orders 20 to 30 per cent in excess of current production and the market in this species is now distinctly in sellers' hands with a strong upward trend. Production at the larger mills has shown little increase, many remaining on three to five-day weekly operating schedules, and the scarcity of high grade lumber is sharply defined. Car siding in the most desirable lengths has sold up to \$50.00 f. o. b. mills, against prices of \$31 @ 33 ruling early in August. Shipments are heavy, weather conditions and the labor supply being all that could be desired. Western woods are coming into this market more actively, with the increasing difficulty in placing yellow pine orders. There have been sharp advances in some upper grades of Douglas fir, with a moderate gain in the entire list. Shop grades of cypress have declined substantially, with slight advances in some other items in this species; demand is only fair. Red cedar shingles have scored heavy advances. Lath in all species continue a strong upward trend under heavy demand, with increases of 20 to 40 per cent during the month. The hardwood situation is much improved; demand is heavier and values more definite. The local industrials have come into the market moderately and wholesale yards have been gradually building up their stocks. Prices have not changed materially, but the trend is upward.

INDUSTRIAL POWER CONSUMPTION

An investigation of the business of the four leading power companies, located in the four largest cities of the district, has been undertaken by this bank for the purpose of showing the trend of industrial activity as reflected in current consumption by their principal commercial customers. September statistics, compiled in tabular form below, seem to indicate that as contrasted with the same month

in 1920, St. Louis and Memphis are experiencing about the same general influences, the percentages of reduction in both cases showing little variation. Little Rock, with a gain of 7.4 per cent reflects decided betterment in condition. Louisville, which exhibits the most unfavorable comparison, has been specifically affected by local conditions incident to the closing of the war period.

The September figures follow:

Location	Representative Consumers	Consumption Power in Sept. 1920	K. W. H. Sept. 1921	Percentage Inc. or Dec.
St. Louis	68	8,334,369 k. w. h.	7,865,534 k. w. h.	-5.6
Memphis	---	1,722,363 "	1,566,016 "	-7.4
Little Rock	11	646,658 "	694,505 "	7.4
Louisville	82	2,507,500 "	1,666,000 "	-33.5
Total	---	13,210,890 "	11,792,055 "	-10.7

RETAIL

More seasonable weather since the first of this month has had a stimulating effect on retail trade throughout the district. Retail business in September, while better than in August, was on the whole backward and disappointing. The principal cause of the poor results obtained in September was the unusually warm weather, so that the drop in temperatures has served to revive optimism as well as volume of business. In the South the rise in cotton prices has given impetus to retail distribution, and shops in that region report more active trade than at any time since last fall. Chain grocery stores operating through the district report

sales during the past thirty days well in excess of the preceding month, and up to totals a year ago. Color is given to the report of increased sales by the debits to individual accounts figures of leading cities of the district for the four weeks ending October 12. The St. Louis debits were 59.9 per cent larger than during the preceding four weeks and only 23.7 per cent behind the same period a year ago. Little Rock showed an increase of 75.4 per cent, and strong upward tendencies were disclosed by figures of all the other reporting points. In manufacturing centers collections are being aided by the reduction in unemployment, and

on the whole retailers are getting in their money in satisfactory shape. Department stores in the large cities report that the return of vacationists in September resulted in the settlement of many accounts which had run through the summer. The demand for wearing apparel, both men's and women's, has been held down by the warm weather and the continued disposition on the part of the public to conservatism. It is remarked that cheap and medium priced suits are being bought in relatively larger numbers than expensive ones. Since the first of September hardware dealers have experienced better business, with seasonal articles mov-

ing in good volume. The brisk demand for sheet-metal heating stoves has resulted in the employment of a double shift in a St. Louis plant. The demand for the general run of stoves and ranges, however, is under normal. Jewelers reports indicate irregularity in that line. The average reflects a decrease of about 14 per cent under the same month last year. Sales of gems, notably diamonds, are increasing. Street railway corporations report a decrease in daily fares during the last quarter as contrasted with the same quarter in 1920. Printers and stationers report an excellent increase in sales and orders during the past thirty days.

Figures on retail trade as indicated by 21 representative department stores for September, 1921, were as follows:

Net Sales:	St. Louis	Louisville	Memphis	Little Rock	Evansville	Quincy	8th District
Sept., 1921, compared with Sept., 1920.....	-18.5	-13.2	-22.6	-14.6	-23.5	-11.9	-18.2
Sept., 1921, compared with August, 1921.....	-14.2	-10.7	-23.7	-12.9	-23.4	-11.7	-15.3
Stocks at end of September, 1921:							
Compared with same month in 1920.....	-12.1	-10.6	-21.3	-12.1	-5.8	-13.1	-13.3
Compared with stocks at end of Aug., 1921..	5.3	10.	9.8	12.2	16.6	13.2	7.4
Ratio of stocks to sales.....	429.4	638.6	434.8	457.5	904.9	653.1	462.5
Ratio of outstanding orders to last year's purchases.....	5.9	7.2	4.7	7.7	8.3	6.4	6.8

Note: - Denotes decrease.

AGRICULTURE

Husking of corn has become general through the district, and early returns are showing up well as to quantity, but quality in many sections is disappointing. There are reports of damage from ear worms, and the new pest known as the corn borer. Points in Illinois and Indiana report damage from molding in the shock, due to rain. Seeding of winter wheat is making excellent progress, with indications of increased acreage over last year. There has been general observance of immunity dates against Hessian fly infection in wheat seeding throughout the district. Weather to the South has been favorable for picking cotton, and the crop is being gotten out rapidly. With continuance of auspicious weather conditions the entire crop should be picked

by November 15. The tobacco crop generally in this district is above expectations, the plant having made excellent response to the more favorable weather late in the growing season. In Kentucky weather has been ideal for cutting and curing, and that State will produce approximately 350,000,000 pounds. It is reported that the burley crop in all the dark tobacco districts is among the finest ever raised. The entire crop is now cut and housed. Pastures and meadows are generally in good condition and the same is true of live stock. Aside from minor outbreaks of hog cholera in scattered sections, no complaints are heard relative to the health of farm animals.

The production of corn, wheat, cotton, oats and hay, in Federal Reserve District No. 8, according to the October 1, 1921, forecast of the Department of Agriculture is as follow:

	October 1 Forecast for 1921	Estimate for 1920
Corn, bushels	450,971,000	441,118,000
Spring wheat, bushels.....	* 529,000	716,000
Cotton, bales	1,344,000	2,161,000
Oats, bushels	* 58,477,000	77,814,000
Hay, tons	* 7,280,000	8,183,000

*Preliminary estimate for 1921.

The U. S. Department of Agriculture, in its report as of October 1, gives the condition of corn, cotton, oats and tobacco, in States of this district as follows:

	Condition Oct. 1		*Forecast 1921		*December Estimate		Price per bu. Oct. 1	
	10 yr.		From Condition		1920		1921 1920	
	1921	av.	Oct. 1	Sept. 1	10 yr. av.	cents		
Arkansas	87%	74%	64,856 bu.	66,347 bu.	55,224 bu.	49,967 bu.	64	143
Illinois	81%	76%	309,058 "	325,592 "	294,168 "	346,330 "	44	109
Indiana	80%	82%	160,711 "	163,620 "	184,072 "	178,777 "	47	112
Kentucky	80%	82%	89,325 "	91,990 "	100,650 "	97,735 "	72	156
Mississippi	82%	76%	92,817 "	92,363 "	63,680 "	63,733 "	77	159
Missouri	82%	70%	189,205 "	206,372 "	198,880 "	170,354 "	46	115
Tennessee	86%	82%	93,070 "	94,152 "	93,100 "	84,834 "	73	159

TOBACCO

Kentucky	85%	83%	337,068 lbs.	314,738 lbs.	467,500 lbs.	440,280 lbs.
Tennessee	78%	85%	53,945 "	52,531 "	85,410 "	81,453 "

*in thousands, i. e., 000 omitted.

OATS

	Yield per Acre		Total Production in thousands of bu.		Quality		Price Oct. 1	
	*1921	10 yr. av.	*1921	1920 Dec. Est.	1921	Av.	1921	1920
Illinois	26.5%	37.4%	114,082	161,950	70%	88%	28c	52c
Indiana	24.0%	34.6%	45,000	76,875	74%	88%	29c	53c
Missouri	20.0%	26.8%	36,920	54,138	72%	86%	29c	65c

*Preliminary estimate.

COTTON

	September 25			August 25			Change during September		Sept. 25 forecast	
	1921	1920	10 yr. av.	1921	10 yr. av.	1921	10 yr. av.	Production *1921	Ginned *1920 crop	
Arkansas	53%	63%	64%	63%	72%	-10%	-8%	677,000	1,214,448	
Mississippi	48%	50%	59%	57%	66%	-9%	-7%	646,000	895,312	
Missouri	70%	75%	72%	78%	77%	-8%	-5%	48,000	78,856	
Tennessee	62%	66%	68%	74%	76%	-12%	-8%	217,000	325,085	

*Bales.

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

		Close Sept. 15	High	Low	Close Oct. 15
December wheat.....Per bu.		\$1.28 ³ / ₈	\$1.29 ¹ / ₈	\$1.07 ¹ / ₈	\$1.15 ³ / ₈
May wheat....."		1.33	1.33 ¹ / ₄	1.12 ¹ / ₄	1.19 ³ / ₈
December corn....."		.51 ⁵ / ₈	.51 ⁵ / ₈	.44	.45 ³ / ₈
May corn....."		.56 ⁵ / ₈	.56 ¹ / ₂	.50	.51 ¹ / ₈
December oats....."		.38 ¹ / ₂	.38	.32 ¹ / ₄	.33 ³ / ₈
May oats....."		.42	.42	.36 ³ / ₈	.37 ¹ / ₂
No. 2 red winter wheat.....	\$1.34 @	1.39 ¹ / ₂	1.41	1.20	1.32
No. 2 hard wheat....."	1.27 ¹ / ₂ @	1.28	1.28	1.09 ¹ / ₂	\$1.14 @ 1.22
No. 2 corn....."	.51 @	.51 ¹ / ₂	.51 ¹ / ₂	.43 ¹ / ₂	.44 @ .45
No. 2 white corn....."	.52 ¹ / ₂ @	.53	.53 ¹ / ₂	.44	.44 ¹ / ₂
No. 2 white oats....."	.38 @	.40	.39	.31	.33
Flour: soft patent.....Per bbl.	6.50 @	7.50	7.50	6.00	6.00 @ 7.00
Flour: spring patent....."	7.50 @	8.00	7.80	6.60	6.80 @ 7.40

NOTE: September wheat closed at \$1.18¹/₂; September corn at 47¹/₂c and September oats at 33c.

BUILDING

In both number and expenditure involved, building permits issued in the five largest cities of the district in September show a radical gain over those issued in August, also over September, 1920. The heaviest increase is shown in St. Louis, but all the cities except Little Rock, reflect returning activity in the building industry. Reports from builders, architects and contractors indicates a slow, but

steady revival in construction. Basing their opinion on actual and tentative plans before them, they look for greatly increased building movement to begin early next spring. Some further decreases in prices of building materials have taken place, notably cement, which declined 10 per cent. Road building in Illinois, Arkansas and Missouri is being pushed on an extensive scale.

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

	1921		SEPTEMBER		1920		Repairs, etc.	
	New Construction Permits	Cost	Permits	Cost	New Construction Permits	Cost	Permits	Cost
St. Louis.....	687	\$4,003,252	464	\$303,920	345	\$519,110	393	\$266,230
Louisville.....	164	469,950	133	78,200	40	262,300	163	53,250
Memphis.....	275	683,940	52	24,780	134	290,540	64	52,655
Little Rock.....	73	190,300	188	66,553	29	653,075	141	68,282
Evansville.....	74	106,300	37	10,430	63	93,201	14	5,800
Total.....	1273	\$5,453,742	874	\$483,883	611	\$1,818,226	775	\$446,217

POSTAL RECEIPTS

Postal receipts in the leading cities of the district for the quarter ended September 30, 1921, as compared with the preceding quarter and the corresponding period a year ago, are shown in the following statement:

	Quarter ended Sept. 30, 1921	Quarter ended June 30, 1921	Quarter ended Sept. 30, 1920
St. Louis.....	\$2,062,550.71	\$2,123,968.85	\$1,999,150.90
Memphis.....	310,538.07	335,244.84	139,577.61
Little Rock.....	161,935.58	157,844.53	174,233.62
Evansville.....	112,333.02	98,444.74	106,450.75
Total.....	\$2,647,357.38	\$2,715,502.96	\$2,419,412.88

LABOR SITUATION

SEPTEMBER

Replies received from questionnaires addressed to 210 leading employers in 21 of the largest cities in the Eighth Federal Reserve District, with an estimated normal complement of 193,720 workers, asking for employment data developed in the following results:

Date	Number of Wage Earners		Pay roll
Sept. 1, 1920	Men	191,285	\$17,948,421.81
	Women	17,940	
	Total	209,225	
Sept. 1, 1921	Men	145,163	\$12,020,275.96
	Women	16,742	
	Total	161,905	

From the above tabulation it will be noted that the number of employees of the reporting interests decreased 47,320 or 22.6 per cent between the dates September 1, 1920, and September 1, 1921. On September 1, 1920 the number was 15,505 or 8 per cent above normal and on September 1, 1921, the total was 31,815 or 16.4 per cent under normal. Wages figured on a semi-monthly basis decreased \$5,928,145.85 or 33 per cent between September 1, 1920 and September 1, 1921.

NOTE: On July 1, 1921 the total number of wage earners was 27.4 per cent under normal.

AUGUST

Replies received from questionnaires addressed to 210 leading employers in 21 of the largest cities in the Eighth Federal Reserve District, with an estimated normal complement of 215,784 workers asking for employment data developed in the following results:

Date	Number of Wage Earners		Pay roll
August 1, 1920	Men	206,952	\$16,112,148.00
	Women	16,565	
	Total	223,527	
August 1, 1921	Men	150,652	\$11,254,110.00
	Women	15,222	
	Total	165,874	

From the above tabulation it will be noted that the number of employees of the reporting interests decreased 57,653 or 21.3 per cent between the dates August 1, 1920, and August 1, 1921. On August 1, 1920 the number was 7,743 or 3.5 per cent above normal, and on August 1, 1921, the total was 49,910 or 23.1 per cent under normal. Wages, figured on a semi-monthly basis decreased \$4,858,038.00 or 30.1 per cent between August 1, 1920 and August 1, 1921.

COMMODITY MOVEMENT

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

	RECEIPTS			SHIPMENTS		
	Sept. 1921	Aug. 1921	Sept. 1920	Sept. 1921	Aug. 1921	Sept. 1920
Flour, barrels.....	621,390	720,640	343,700	815,520	812,380	401,340
Wheat, bushels.....	5,457,000	7,160,672	4,503,213	4,369,230	5,382,260	3,469,120
Corn, bushels.....	1,855,100	2,394,800	1,514,742	1,171,790	1,921,445	959,450
Oats, bushels.....	2,437,260	2,519,000	2,786,000	1,724,990	1,991,080	1,890,090
Lead, pigs.....	221,960	280,220	214,490	91,050	98,440	178,130
Zinc and Spelter, slabs.....	219,810	94,950	526,040	317,520	225,660	773,810
Lumber, cars.....	11,724	10,927	11,007	9,783	9,172	9,442
Meats, pounds.....	20,182,600	22,573,800	7,187,808	25,465,600	26,808,300	22,598,300
Fresh Beef, pounds.....		275,200	1,504,200	22,765,900	26,218,800	24,913,200
Lard, pounds.....	3,216,300	2,965,100	866,200	8,973,100	7,528,000	5,811,000
Hides, pounds.....	4,403,000	4,529,800	1,688,900	6,682,800	7,190,600	3,134,400

LIVE STOCK

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

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1921	1920	1921	1920	1921	1920	1921	1920
Receipts	114,200	150,847	199,356	189,662	39,463	59,969	5,387	10,466
Shipments	71,622	72,616	125,643	101,342	14,293	14,253	5,701	11,877

FINANCIAL

Banking and financial operations during the past thirty days have been largely along seasonal and routine lines, with the trend in the direction of further strengthening of the general position. October settlements with important wholesale interests were large, in many instances exceeding expectations. Payments in the Southern stretches of the district continue to show stimulation of the advance in cotton prices. Conversely, however, some backwardness has developed in collections in the typical grain areas, where effects of the sharp downward reaction in cereal values are being felt. The demand for money continues good, though considerably less urgent than earlier in the year, and financial institutions throughout the district are better equipped with loanable funds than heretofore. Financing of the crop movement to date this season has been easily handled, and is causing less apparent drain upon banking resources than has been the case in recent years. Country banks report a continued

brisk inquiry for credits for the purchase of cattle and hogs, farmers being desirous of taking advantage of present cheap and abundant feed crops. There has been no change in rates of the commercial banks, but as noted in the preceding issue of this report, the trend is easier. This fact is indicated by the larger numbers of borrowers who are being accommodated at the minor end of the quotable range, and the lower rates carried by brokers' offerings of commercial paper. The variation in financial movements during the past thirty days is reflected in the following record of operations of the Federal Reserve Bank of St. Louis: Between September 15 and October 15 earning assets decreased \$6,283,000; net deposits increased \$2,789,000 and the reserve carried against combined Federal Reserve note and deposit liabilities increased 3.1 per cent, standing at 58 per cent on September 15 and 62.9 on October 15. Between the same dates there was a decrease of \$2,190,035 in the amount of accommodations granted member banks by this institution.

During the past thirty days the acceptance market has been considerably more active than for some time previous. The larger banks of the district have displayed more interest, investing rather freely and rates of discount have declined. Prime unindorsed bills are now selling at about 4¾ per cent, which is the lowest quotation for many months.

Commercial paper brokers report a further slight improvement in their business, though the volume of their sales continues far below normal. Banks in the larger cities, particularly St. Louis, are purchasing some paper at 5½ per cent, and in

certain sections the country banks are in the market for small amounts. Rates range from 5½ to 6 per cent, with some few sales of less well known names at 6¼ per cent.

The demand for high-grade corporation bonds is holding up well, and several recent flotations of new issues have been readily absorbed. According to dealers, however, interest centers chiefly in municipals and Government and State obligations. The feature of the investment market during the past sixty days has been the sharp advance in Liberty Bonds and Victory Notes, and the avid demand for short-term Government notes and tax certificates.

INTEREST RATES

Between September 16 and October 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	6½	7	6	6	8	6	7	8	7	8
4 to 6 months.....	7	6	6¾	7	6	6	8	6	7	8	7	8
Prime Commercial Paper purchased in open market:												
30 to 90 days.....	6¼	5¾	6	6½	6	6	-----	-----	-----	-----	-----	-----
4 to 6 months.....	6½	6	6½	6½	6	6	-----	-----	-----	-----	-----	-----
Loans to other banks.....	8	6	6¾	7	6	6	8	6	7	7½	6	7
Bankers' Acceptances of 60 to 90 days:												
Endorsed.....	4¾	4½	4½	-----	-----	-----	-----	-----	-----	-----	-----	-----
Unendorsed.....	6	6	6	6	6	6	-----	-----	-----	-----	-----	-----
Loans secured by prime stock exchange collateral or other current collateral:												
Demand.....	7	6	6½	6	6	6	8	6	7	8	7	8
3 months.....	7	6	6¾	6	6	6	8	6	7	8	7	8
3 to 6 months.....	7	6	6¾	6	6	6	8	6	8	8	7	8
Cattle Loans.....	8	7	7	6	6	6	-----	-----	-----	8	7	8
Commodity paper secured by warehouse receipts, etc.....	7½	6	7	6	6	6	8	6	8	8	8	8
Loans secured by Liberty Bonds and Certificates.....	7	6	7	6	6	6	7	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:

	Oct. 12, 1921	Sept. 14, 1921	Oct. 15, 1920
Number of banks reporting.....	37	37	35
Loans and Discounts (including bills rediscounted with F. R. Bank):			
Secured by U. S. Govt. Obligations.....	\$ 19,220,000	\$ 18,637,000	\$ 31,672,000
Secured by stocks and bonds other than U. S. Bonds....	118,549,000	118,622,000	126,098,000
All other loans and discounts.....	300,952,000	304,157,000	-----
Total loans and discounts.....	\$438,721,000	\$441,416,000	-----
Investments:			
U. S. Government Bonds.....	27,164,000	26,849,000	30,284,000
U. S. Victory Notes.....	2,069,000	1,894,000	2,615,000
U. S. Treasury Notes.....	1,859,000	114,000	-----
U. S. Certificates of Indebtedness.....	3,277,000	1,631,000	5,175,000
Other bonds, stocks and securities.....	68,118,000	67,181,000	-----
Total loans, discounts and investments (including bills rediscounted with F. R. Bank).....	\$541,208,000	\$529,085,000	\$611,530,000
Reserve Balance with F. R. Bank.....	37,421,000	37,928,000	38,121,000
Cash in vault.....	7,166,000	7,388,000	9,538,000
Net demand deposits on which reserve is computed.....	285,854,000	285,694,000	308,610,000
Time deposits.....	147,066,000	145,916,000	128,291,000
Government deposits.....	15,539,000	3,850,000	5,167,000

Debits to depositors' accounts for four weeks ending:

	OCTOBER	COMPARISON		COMPARISON	
	October 12, 1921	October with September	% Inc. or Dec.	Oct. 1921 with Oct. 1920	% Inc. or Dec.
St. Louis.....	\$491,736,000	\$307,349,000	59.9	\$632,001,000	-23.7
Louisville.....	84,786,000	77,004,000	10.1	119,989,000	-29.3
Memphis.....	117,332,000	78,468,000	49.5	120,403,000	- 2.5
Little Rock.....	51,305,000	34,934,000	75.4	50,492,000	1.6
E. St. Louis & Natl. Stock Yards..	31,541,000	30,581,000	3.1	-----	-----
Evansville.....	19,628,000	17,898,000	9.6	20,952,000	- 8.0
Springfield.....	11,203,000	10,008,000	11.9	-----	-----
Quincy.....	7,970,000	7,427,000	7.3	-----	-----

FEDERAL RESERVE OPERATIONS

In September the Federal Reserve Bank of St. Louis discounted \$129,321,247 of paper for 325 member banks, which represents a decrease of \$11,788,822 under the amount discounted in August, and a decrease of 2 in the number of banks accommodated. Acceptances purchased in September amounted to \$2,651,334, an increase of \$1,463,904 over the preceding month. There has been no change in the discount rates of this bank since the preceding issue of this report.

(Compiled October 20, 1921)