

FEDERAL RESERVE BANK OF ST. LOUIS

MONTHLY REPORT ON

GENERAL BUSINESS CONDITIONS

IN FEDERAL RESERVE DISTRICT No. 8

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GENERAL business in this district during the past thirty days, while holding recent gains, failed to continue the pace of improvement set during the preceding two months. In some lines excellent progress was reported, but elsewhere there was a decided slowing down. Gains about offset losses, and taken as a whole the situation at the end of the period under review may be described as steady. A further slight reduction in the number of unemployed is noted, and outside of industries based on iron and steel, plant operation has increased over the average maintained during the preceding thirty days. The banking and financial position shows augmented strength, with ample funds available for all legitimate commercial needs.

The principal barrier to broader distribution of merchandise has been the radical decline in the market price of farm products, particularly wheat, corn and oats. Merchants in the typical grain areas report that farmers are cutting their purchases to absolute necessities, and there are endless complaints of the disproportion existing between the price of products of the soil and manufactured goods. According to manufacturers of implements, fall crops were put in this year with fewer new implements than has been the case in more than two decades. Color is given to this statement by the October sales of implement manufacturers and distributors reporting to this bank, which show decreases of from 45 to 90 per cent under the corresponding period in 1920.

In the South business through October held up well, but with the slowing down in the demand for spot cotton, and the decline in prices for that staple, the movement in all lines has been considerably less keen. An enormous amount of cotton, both of this year's crop and the carryover from 1920, was marketed at the advance, however, and in addition to being able to liquidate a material part of its indebtedness, including so-called "frozen credits," the cotton territory finds itself in position to purchase commodities on a scale which would have hardly been thought possible ninety days ago.

What by merchants and manufacturers is pointed out as the most hopeful feature at the moment is the growth of buying for future delivery. While the greatest caution and conservatism is still being exercised, the percentage of orders for forward shipment has shown a gratifying increase during the last month. This manifestation is noted particularly in dry goods, groceries, shoes, hardware and clothing. Reporting interests in these lines state that as high as sixty per cent of their current orders are for shipment during late winter and early

spring. Results of the change in this regard are reflected in greater confidence on the part of manufacturers, who are broadening their programs both for the purchase of raw material and preparation of stock goods.

Unseasonably warm weather throughout October had a derogatory effect on the movement of seasonal merchandise, especially heavy clothing and fuel. Lines which specialize in holiday goods report that the first signs of ordering for the Christmas season have been later in developing than for many years past. Manufacturers and wholesalers of toys, candy and other typical holiday goods report their orders to date are considerably below normal, and several give it as their opinion that the general wave of economy and conservatism will result this year in the buying for gifts of an unusually heavy percentage of necessary articles rather than things in the luxury classification. On the other hand manufacturers of electrical supplies report a decided improvement in the demand for specialties since the first of November.

Save in a few instances, the decision of the railroad labor unions not to strike had little effect on business. Of considerably more importance than the strike question, according to reporting business interests, is rate adjustment. The waiting attitude of numerous prospective buyers is due entirely to expectations of lower prices later on, which they believe will be made possible by reductions in transportation costs. This is true especially of heavy materials, such as iron and steel, fire clay products, cement, lumber and fertilizers.

Despite the decline in prices of cereals, the movement to market is holding up fairly well, which is taken as an indication that farmers are more reconciled to the change in values and conditions and are liquidating their stocks. Prices considered, business in the grain areas is much better than might be expected. In November the December wheat option declined in the St. Louis market to 96 $\frac{7}{8}$ c, a new low record on the crop, and the lowest point touched since October, 1915. December corn fell to 42 $\frac{3}{4}$ c and December oats to 31 $\frac{1}{4}$ c. Cash prices were correspondingly low, except in the case of choice milling wheat, which has ruled relatively strong because of the scarcity of prime offerings.

Through the month of October, according to officials of railroads operating in this district, the movement of freight was well maintained and a further reduction recorded in the number of idle freight cars. Coal loadings were stimulated by apprehension of a railroad strike, and this cause was also accountable for requests for expedition in the shipment of certain merchandise and raw materials.

Since the first of November there has been a slowing down on freight offerings to the roads, noted especially in grain and grain products, coal and coke and live stock. Lumber is moving in good volume, and the same is true of miscellaneous merchandise. The St. Louis Terminal Railway Association, which includes in its membership 36 railroads operating through this gateway, interchanged 191,762 loads in October; 161,168 loads in September; 162,168 loads in August; 146,500 loads in July; 142,700 loads in June and 147,879 loads in May. During the first nine days of November the interchange amounted to 92,924 loads, against 83,864 loads during the corresponding period in October. There has been no change worthy of note in passenger traffic as contrasted with the preceding thirty days, but the volume is considerably under that of a year ago.

Production of soft coal in the district and the country as a whole showed steady increase during October, due to impetus given by fears of a railroad strike and seasonal considerations, but the output dropped sharply during the first week of November. Producers and dealers report continued quietness in the demand for steaming fuel, and contracting for winter needs of domestic consumers is still much below normal. The recent cold snap, however, has been marked by freer orders from householders. The demand for metallurgical coke shows virtually no improvement, and the trend of prices is easier. Stocks of by-product coke are large and moving slowly into consumption. Production of soft coal during the first 261 days of the past five years has been as follows: 1917, 467,164,000 tons; 1918, 501,507,000 tons; 1919, 402,152,000 tons; 1920, 460,217,000 tons and 1921, 347,565,000 tons. It will be seen that 1921 is in round numbers 55,000,000 tons behind 1919 and 113,000,000 tons behind 1920,

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

District	NUMBER			LIABILITIES		
	Oct. 1921	Sept. 1921	Oct. 1920	October 1921	September 1921	October 1920
Boston, First.....	135	124	59	\$ 1,550,137	\$ 2,725,247	\$ 937,595
New York, Second.....	350	317	275	17,525,697	10,439,409	15,462,866
Philadelphia, Third.....	77	63	27	7,890,928	978,713	2,902,609
Cleveland, Fourth.....	177	118	69	2,613,018	2,815,406	1,933,886
Richmond, Fifth.....	109	85	58	1,511,141	1,692,840	1,644,702
Atlanta, Sixth.....	153	125	38	5,271,140	2,328,764	613,307
Chicago, Seventh.....	230	179	122	5,853,226	6,777,026	6,259,566
St. Louis, Eighth.....	88	80	47	1,117,815	2,383,404	1,280,507
Minneapolis, Ninth.....	70	57	16	1,833,103	980,471	83,769
Kansas City, Tenth.....	76	61	41	2,000,108	1,042,641	775,366
Dallas, Eleventh.....	109	104	42	2,455,126	2,872,281	2,947,957
San Francisco, Twelfth.....	139	153	129	3,437,220	1,984,635	4,071,529
Total.....	1,713	1,466	923	\$53,058,659	\$37,020,837	\$38,914,659

MANUFACTURING AND WHOLESALE

Reports from leading manufacturing interests of the district indicate somewhat varied results during October, and the same holds true relative to wholesalers. Goods for common consumption continue to move well, and in some lines, notably shoes, drugs and chemicals and groceries, total sales and shipments were larger than in August or September, and with a number of important interests exceeded those of the corresponding period a year ago. Dry goods and clothing experienced fair activity in October, but during the past two weeks buy-

and compared with the average of the four preceding years, it is 110,000,000 behind.

According to reports from 230 automobile dealers scattered through the cities and small towns of the district, business during October lost much of the spontaneity noted in September. Sales in the country are reported very slow, especially in the grain sections. The market as a whole is feeling effects of an unusually heavy burden of used cars, prices for which are low and the demand poor. Large numbers of these used vehicles were sold in St. Louis during October at almost any figure they would bring. Cuts in new cars, ranging from \$100 to \$800, were made by eleven manufacturers. Relatively the market for accessories is more active than that for new cars. Tire dealers report a seasonal decline in their business.

Collections generally throughout the district continue satisfactory, especially on current accounts which are for the most part being met promptly. October settlements with the big wholesalers in leading cities of the district were well up to expectations, and compare favorably with past years. Some complaints of backwardness in settling bills are heard from the grain regions, and during the past two weeks there has been a slowing down in liquidation to the South, due to the fact that cotton has not been selling as freely as heretofore, and embargoes at certain points have hindered the movement. Answers to 378 questionnaires addressed to representative interests in various lines in the Eighth Federal Reserve District, asking for data relative to collections, show the following results: 3.1 per cent excellent; 38.2 per cent good; 47 per cent fair and 11.7 per cent poor.

The per capita circulation of the United States on November 1, 1921, was \$52.71 against \$52.45 on October 1, 1921 and \$59.77 on November 1, 1920.

ing has decreased, due in a measure to the unseasonably warm weather. A universal comment of interests reporting is that while more confidence seems to be felt in current prices, there is a decided disposition to economy and conservatism. The public is insisting upon quality and what it considers right prices. Retailers have disposed of the major part of their high priced goods and in most instances have readjusted their prices to square with reductions made by manufacturers and wholesalers, but further progress in that direction must be made

to restore the normal balance. Stocks of merchandise in retailers hands are light, and there is more of a disposition to restock and fill out assortments. Buying for forward delivery has picked up more during the past thirty days than during the three months preceding. Lines based on iron and steel and the non-ferrous metals show no improvement over the dull conditions existing heretofore. There is a general tendency to defer purchasing until freight rates have been reduced and labor costs in the building industry lowered. Manufacturers of specialties, such as stoves and farm implements, report dull conditions, with the usual seasonal increase in their business failing utterly to develop.

Shoes—October sales of 11 reporting interests ranged from 32 to 40 per cent larger in numbers of pairs than a year ago, while the dollar was from 8 per cent less to 12 per cent larger than in October, 1920. Orders arriving since November 1 indicate that this month will make a still more favorable showing. The new business includes a heavy showing for future shipment, ranging from 42 to 60 per cent. Prices of the finished product were unchanged during the past month, and are from 35 to 45 per cent under the same time in 1920. Raw materials are plentiful, with the trend of prices slightly higher. The demand centers principally on moderate and low-priced shoes, and factories producing such grades are operating at full capacity.

Clothing—Throughout October, according to reports of 23 leading interests, the movement of all lines of clothing was brisk, and above expectations. Buying, however, received a sharp check toward the end of the month, and the first weeks of November have been extremely dull. Prices continue the dominant consideration, and this applies to women's wear as well as men's. Several leading manufacturers of men's suits have announced reductions running from 5 to 15 per cent on spring lines. The movement of heavy suits and overcoats has been backward, due to the warm weather during the past six weeks. Sales of the reporting interests in October were from 4 to 12½ per cent over the preceding month, and from 7 per cent less to 16 per cent better than a year ago.

Iron and Steel Products—Sales of pig iron in the district during the past month were the smallest for any similar period this year. The dullness was accompanied by a weakening in prices, No. 2 Northern (1.75 to 2.25 per cent silicon) dropping to \$20 base, with small tonnages going at a slight concession under that figure. Job foundries report the demand for castings at a low ebb, while the large steel plants are operating at only a small fraction of capacity. Warehouse interests are carrying liberal stocks and report the movement of their goods into consumption as slow as at any time since the slump set in last fall. Stove foundries complain of lack of orders, the seven reporting interests showing October sales 4 to 10 per cent under those in September, and 10 to 25 per cent under the corresponding month in 1920. Boiler makers and manufacturers of machinery and tools show heavy decreases in volume of business in October as contrasted with the like period a year ago. High railroad rates and

uncertainty relative to future prices are delaying the placing of contracts for all sorts of metal goods.

Hardware—Business by the 12 reporting interests during October is described as steady with the preceding month, but the tendency is for purchasing to slow down in the grain sections. Several firms report increases over the corresponding month last year, but make the comment that it was about this month in 1920 that results of the depression began to be felt. The trend of prices continues downward. The demand for building hardware is gradually improving, and sales of seasonal sporting goods continue in good volume. Shelf hardware and articles for use on the farm are moving slowly.

Flour—Prices of all grades of flour have declined from 50c to 75c a barrel during the period under review, and generally business has been irregular and unsatisfactory from the selling viewpoint. The domestic demand continues in fair volume, but is on a hand to mouth basis, ordering for future delivery or in quantity being almost nil. There is some export business, mainly to Western Europe, but this is not sufficient to change conditions. Complaints are made of the poor quality of wheat offerings, it being necessary to pay premiums for good milling grades. Operation of mills in the district during the period under review was at from 50 to 60 per cent capacity. Buying by the Government for Russian relief is expected to stimulate business during the next few months. Mills in this district will be benefitted by the decision of the committee to purchase part first hard clears, instead of 100 per cent soft wheat flour, as was the original plan.

Candy—According to the 11 reporting firms, business in October failed to maintain the gains recorded in September. The demand for all grades is slow, and considerably below normal for this time of year. Plans being made for holiday trade are on a smaller scale than in previous years. Plant operation was curtailed, ranging from 50 to 85 per cent, against 70 to 90 per cent of capacity in September.

Drugs and Chemicals—Measured in dollar value, business of the 7 reporting interests was from 10 to 16 per cent under October, 1920, but about steady in point of volume. Orders received during the first two weeks of November show a good increase over the same period in October. Chemicals for use in manufacturing are moving in better volume, and some sundries for the holiday trade are being ordered. Prices averaged close to steady, as the list of changes, which includes 22 articles, shows 10 advances and 12 declines.

Furniture—Sales of 14 reporting interests were slightly in excess of September, and averaged 20 per cent under the same month in 1920. Buying continues almost exclusively for immediate shipment, but a better demand is reported for household furniture. Prices for finished goods were steady during the month, but some raw materials, notably lumber, were higher.

Lumber—A heavy demand for structural lumber, most pronounced in yellow pine, and great improvement in demand for hardwoods, marked the four weeks ending November 15. Prices have ad-

vanced in all items of yellow pine and in the principal hardwoods, and though the yellow pine demand has declined to some extent in the last ten days of the period, the market is strong and bids fair to go through the usual winter lull without pronounced weakness. Some of the upper grades of yellow pine have advanced 60 to 70 per cent over low levels of three months ago, and the general level of this species has shown a gain of about 25 per cent. Although yard buying has diminished in volume, demand from other sources is increasing, railroad car material and maintenance of way material being in greater requirement and the wood consuming industries having increased their buying in many

directions. Mill stocks are badly broken and replenishment is slow, due to continued restriction of output. Shipments have been heavy, with a plenitude of cars. Increased foreign demand for the hardwoods has been simultaneous with a much better domestic movement. Furniture factories and flooring mills have been in the market with heavy requirements. The upper grades of oak and gum, the principal commercial woods of the Southwest, are in very active demand at substantial advances in prices. There has also been a great improvement in demand for low grade materials and, in spite of almost prohibitive freight rates, these stocks are now moving at a small profit to the producers.

INDUSTRIAL POWER CONSUMPTION

October statistics of the four leading electric power companies, located in the four largest cities of the district, reflect an upward trend. While the combined figures are 17.8 per cent under last year, there are marked gains in the two largest centers over the preceding month this year. Little Rock, the only center showing an increase over last year,

fell 7.7 per cent behind September. Louisville, on the other hand, seems to be improving rapidly, as that city's September figures were 33.5 per cent off from the September, 1921, totals, while the lag in October behind the same month in 1920 was only 15.5 per cent, and as compared with September, October shows a gain of 11 per cent.

The October figures follow:

Location	Representative Customers	CONSUMPTION IN K. W. H.			Percentage Inc. or Dec.	
		Oct. 1920	Oct. 1921	Sept. 1921	1920	Sept.
St. Louis.....	68	8,865,679 k. w. h.	8,153,658 k. w. h.	7,865,534 k. w. h.	-8.0	3.6
Memphis	31	9,933,295 "	7,119,890 "	.....	-28.3	.....
Little Rock..	11	632,935 "	640,357 "	694,505 "	1.1	-7.7
Louisville ---	81	2,190,000 "	1,849,600 "	1,666,000 "	-15.5	11.0
Total.....	191	21,621,909 "	17,763,505 "	10,126,039 "	-17.8	.....

RETAIL

A rather sharp recession in activities at the ultimate end of distribution during the past thirty days is attributed in a large part by retailers throughout the district to unseasonably warm weather and a general disposition on the part of the public to take only what it absolutely needs. The latter factor is working more particularly in the country, though city merchants also comment on the wave of economy. The demand for heavy clothing has been very disappointing, and large stocks of both women's and men's wear, which it had been hoped to move before this, are still on retailers' shelves. While bargain goods are moving in fair volume, department stores are not finding the response to advertised sales noted heretofore. Sales of cotton fabrics, trimmings, and other materials in this classification are relatively heavy, as are, also, purchases of paper patterns, which is interpreted as meaning a continuance of the practice of making more dresses at home. In the southern sections the activity in retail trade which accompanied the rise in raw cotton prices, has subsided in a noticeable degree. Collections of retailers in that region, however, have been excellent, especially in the rural

communities. As in the case of wholesale distribution, retail trade in the typical grain sections is being adversely affected by the decline in the market value of cereals. A rather universal comment with retailers reporting to this bank is that holiday buying is unusually backward this season. Jewelers in the large cities report a radical falling off in their business. While in isolated cases gains are shown, the average for the district is about 20 per cent under the preceding month. Hardware merchants say that while their general line is quiet, that they are selling large quantities of ammunition and other supplies for hunters. Sporting goods generally are holding their own, with seasonal goods, such as football and basketball supplies, moving in heavy volume. Hand implements, and shelf hardware are dull. Printers report their business about steady with a month ago, but less active demand from customers conducting selling campaigns. Railroads are furnishing more work for the printing shops. The disposition to economize is reflected in decreased receipts of places of amusement, and in sales of candy shops, florists and other purveyors of luxuries.

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

Net Sales:	St. Louis	Louisville	Memphis	Little Rock	Evansville	Quincy	8th District
Oct., 1921, compared with Oct., 1920.....	-9.5	-7.1	-6.3	-7.2	-17.3	-8.3	-8.7
Period July 1 to Oct. 31, 1921 compared with same period in 1920.....	-12.7	-11.1	-18.2	-11.1	-21.7	-10.8	-13.0
Stocks at end of October, 1921:							
Compared with same month in 1920.....	-10.3	-11.6	-29.1	-13.5	- 2.4	-12.5	-12.5
Compared with stocks at end of Sept., 1921..	.7	5.7	.7	.9	1.4	- 1.8	.5
Ratio of stocks to sales.....	408.7	643.8	567.0	380.5	858.3	521.1	461.9
Ratio of outstanding orders to last year's purchases	6.3	4.4	14.2	6.4	4.1	5.3	6.8

Note: -Denotes decrease.

AGRICULTURE

Husking of corn throughout the Eighth Federal Reserve District has made rapid progress and a considerable portion has already been cribbed. Reports from most sections where corn is raised in quantity indicate that the crop is well matured, and the yield both for silage and grain good. Unseasonably warm weather, however, has retarded curing, and there are complaints of damage from mold and ear worm. Pretty general precipitation furnished much needed moisture to the winter wheat crop, which is making excellent progress. There is good root and upper growth, and the plant is in prime condition to enter the cold weather. Unofficial reports indicate that the acreage will be slightly under that of last year. Due to observance of immune planting dates, Hessian fly manifestations are less in evidence this season than in a number of years. In Missouri corn averages 30 bushels to the acre, against 32 bushels last year, and the total yield 184,590,000 bushels, which compares with a five year average of 170,354,000 bushels. Total pro-

duction of corn in the district is estimated at 436,180,000 bushels, against 441,118,000 bushels in 1920. Recent advices are to the effect that the tobacco crop is better than expected, and markets are opening in certain sections, with prices satisfactory. The decreases in the size of the crop is due chiefly to reduced acreage. In Kentucky, the largest producing State in the district, quality is reported at 84 per cent, against 80 per cent last year. Present indications point to successful operation of the cooperative marketing plan in the burley tobacco belt. Pastures have been benefitted by recent rains, and are generally in flourishing condition. The protracted warm weather has enabled farmers to postpone placing their stock on prepared feeds to an unusually late date. Threshing returns from Arkansas indicate yields of rice higher than expected. In Illinois and Indiana the Irish potato crop has been harvested, and the yield is variable both as to quantity and quality.

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

CORN

	Yield per Acre (bu.)		*PRODUCTION in Bu.			QUALITY		PRICE NOV. 1	
	1921	10 yr.	1921	1920	1915-19	1921	1920	1921	1920
	Prelim.	Av.	Prelim.	Dec. est.	Av.	%	%	cents	cents
Arkansas	22.0	19.7	60,742	55,224	49,967	84	85	56	111
Illinois	35.2	33.7	304,550	294,168	346,330	78	82	35	77
Indiana	36.0	36.4	163,620	184,072	178,777	71	88	36	75
Kentucky	25.6	27.3	85,325	100,650	97,735	74	78	58	99
Mississippi	18.0	17.7	85,968	63,680	63,733	84	85	65	112
Missouri	30.0	26.0	184,590	198,880	170,354	80	80	37	80
Tennessee	26.5	25.3	92,512	93,100	84,834	82	84	59	103

TOBACCO (Pounds)

Kentucky	850	858	327,250	467,500	440,280	84	80
Tennessee	800	771	60,800	85,410	81,453	90	78

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

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:

		Close October 15	High	Low	Close Nov. 15
December wheat.....	Per bu.	\$1.15 $\frac{3}{4}$	\$1.14 $\frac{3}{4}$	\$.96 $\frac{7}{8}$	\$1.00 $\frac{3}{4}$
May wheat.....	"	1.19 $\frac{3}{8}$	1.18	1.02 $\frac{3}{4}$	1.05 $\frac{3}{4}$
December corn.....	"	.45 $\frac{3}{8}$	.46 $\frac{3}{8}$	.42 $\frac{3}{4}$	.45 $\frac{1}{4}$
May corn.....	"	.51 $\frac{1}{8}$	.52 $\frac{3}{8}$	.48 $\frac{3}{4}$	.50 $\frac{3}{8}$
December oats.....	"	.33 $\frac{3}{8}$	.34	.31	.32 $\frac{1}{2}$
May oats.....	"	.37 $\frac{1}{2}$	.38 $\frac{1}{2}$	.35	.37
No. 2 red winter wheat.....	"	1.32	1.30	1.14	1.19
No. 2 hard wheat.....	"	\$1.14 @ 1.22	1.12	.97	1.06
No. 2 corn.....	"	.44 @ .45	.47 $\frac{1}{2}$	.43 $\frac{1}{2}$	.47 $\frac{1}{2}$
No. 2 white corn.....	"	.44 $\frac{1}{2}$	.48 $\frac{1}{2}$	.43 $\frac{1}{2}$	.48 $\frac{1}{2}$
No. 2 white oats.....	"	.33	.34 $\frac{1}{2}$	.31 $\frac{1}{2}$	.33 $\frac{1}{4}$
Flour: soft patent.....	Per bbl.	6.00 @ 7.00	7.00	5.75	\$5.75 @ 6.75
Flour: spring patent.....	"	6.80 @ 7.40	7.40	6.10	6.30 @ 6.75

The following table, compiled from commercial sources for the Government market report, shows the cotton movement from August 1 to October 28:

	BALES	
	1921	1920
Port receipts.....	2,052,952	1,519,779
Port stocks.....	1,551,377	1,120,134
Interior receipts.....	2,719,536	1,792,610
Interior stocks.....	1,380,236	1,217,067
Into sight.....	3,528,896	2,880,827
Northern spinners' takings.....	528,548	362,550
Southern spinners' takings.....	927,949	606,252
World's visible supply of American cotton.....	4,519,489	3,519,062

BUILDING

A further broadening in building activities throughout the district was noted in October. Reports from scattered sections show considerable growth in the construction of new homes, with the rural districts and smaller towns taking a much more important part in the movement. There have been some further minor reductions in building material costs, affecting chiefly clay products, cement and metal goods, but lumber prices have advanced. Efforts are being made by private and

official agencies to induce labor to reduce its scale. In St. Louis pledges have been obtained to start \$9,250,000 in building construction in the four months following January 1 providing organized crafts will accept a 20 per cent reduction in wages from \$1.25 to \$1 an hour. Extensive road-building programs are being pressed in Missouri, Arkansas and Illinois. The mild autumn has permitted of considerable progress on this work.

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

	1921		OCTOBER		1920		Repairs, etc.	
	Permits	Construction Cost	Permits	Cost	Permits	Construction Cost	Permits	Cost
St. Louis.....	604	\$1,350,158	441	\$207,015	411	\$824,015	382	\$231,715
Louisville	179	722,600	87	50,900	43	99,600	153	76,800
Memphis	254	897,780	48	23,760	145	312,345	52	22,600
Little Rock.....	87	284,150	168	45,486	44	72,650	112	76,586
Evansville	55	100,400	46	6,235	50	92,345	49	9,647
Total.....	1,179	\$3,355,088	790	\$333,396	693	\$1,400,955	748	\$417,348

COMMODITY MOVEMENT

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

	RECEIPTS			SHIPMENTS		
	Oct. 1921	Sept. 1921	Oct. 1920	Oct. 1921	Sept. 1921	Oct. 1920
Flour, barrels.....	589,380	621,390	335,490	709,705	815,520	366,960
Wheat, bushels.....	3,510,165	5,457,000	3,584,849	3,522,410	4,369,230	2,597,450
Corn, bushels.....	2,369,094	1,855,100	1,259,700	1,938,945	1,171,790	694,960
Oats, bushels.....	2,477,225	2,437,260	2,200,055	1,919,300	1,724,990	1,146,100
Lead, pigs.....	199,090	221,960	210,700	113,610	91,050	127,790
Zinc and Spelter, slabs.....	213,880	219,810	490,240	303,780	317,520	657,580
Lumber, cars.....	13,560	11,724	12,239	11,191	9,783	8,735
Meats, pounds.....	20,787,900	20,182,600	5,337,700	25,273,600	25,465,600	25,774,600
Fresh Beef, pounds.....	90,900		1,346,200	24,139,100	22,765,900	22,244,900
Lard, pounds.....	4,133,100	3,216,300	1,507,300	6,564,700	8,973,100	6,221,800
Hides, pounds.....	6,462,000	4,403,000	2,057,700	7,761,000	6,682,800	4,072,200

LIVE STOCK

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

	Cattle & Calves		Hogs		Sheep		Horses & Mules	
	1921	1920	1921	1920	1921	1920	1921	1920
Receipts	129,877	131,882	241,267	212,944	41,699	41,548	8,229	7,075
Shipments	81,760	65,124	161,524	114,306	12,287	8,935	7,091	6,613

LABOR SITUATION

OCTOBER

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 203,219 workers, asking for employment data developed in the following results:

Date	Men	Number of Wage Earners	Pay Roll
Oct. 1, 1920		186,890	
	Women	20,843	
	Total	207,733	\$17,834,620.38
Oct. 1, 1921		148,492	
	Women	18,753	
	Total	167,245	\$12,572,533.84

From the above tabulation it will be noted that the number of employees of the reporting interests decreased 40,488 or 19.5% between the dates October 1, 1920 and October 1, 1921. On October 1, 1920 the number was 4,514 or 2.2% above normal and on October 1, 1921, the total was 35,974 or 17.7% under normal. Wages figured on a semi-monthly basis decreased \$5,262,086.54 or 29.5% between October 1, 1920 and October 1, 1921.

NOTE: On July 1, 1921, the total number of wage earners was 27.4 per cent under normal and on August 1, 1921, 23.1 per cent under normal.

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

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.

FINANCIAL

Little change worthy of comment has taken place in the general financial and banking status of the district during the past thirty days. The trend of things noted in the preceding issue of this report continued with considerable evenness, resulting in but slight variation in figures covering the principal items denoting financial fluctuations. Liquidation of commercial indebtedness made further progress, with payments in the South making a particularly favorable showing. Some slowing down in collections was reported in the typical grain areas, which is accounted for by the decline in market prices of wheat, corn, oats and live stock. Opening of the tobacco markets is reflected in the beginnings of liquidation of loans based on that staple. Initial prices paid by tobacco buyers have been good. The rice market has not opened sufficiently to materially affect the situation in sections where that cereal is a leading crop. The demand for money is reported holding up well, and commercial banks are still able to place all their loanable funds. Generally money is more plentiful, considerable amounts being made available by completion of the movement and marketing of a large part of the crops. A good portion of the slack thus created, however, is being absorbed in loans for live stock purposes, the demand from that source continuing strong. Rates charged by the commercial banks have eased off, due to the less urgent demand. October settlements with commercial houses in the large cities were heavy, and have resulted in curtailment of banking commitments of these interests. The financial movement during the past thirty days is reflected in the following record of operations of the Federal Reserve Bank of St. Louis: Between October 15 and November 15 earning assets decreased \$14,252,000; net deposits decreased \$1,378,000; Federal Reserve notes in circulation decreased \$829,000 and the reserve carried against combined Federal Reserve note and deposit liabilities gained 2.7 per cent, standing at 65.6 per

cent on November 15 and 62.9 per cent on October 15. Between the same dates there was a decrease of \$4,908,062 in the amount of accommodations granted member banks by this institution.

Dullness prevails in the market for commercial paper, with conditions reversed as compared with a few months back. Then there was ample paper and few buyers, while now there is a scarcity of paper, especially of the prime sort, and plenty of buyers. As is usually the case when rates decline, country banks have withdrawn as buyers, and brokers rely chiefly on the city financial institutions. Investors are turning to bonds and other investments yielding better returns. Rates range from $5\frac{1}{4}$ to 6 per cent, but relatively little paper is going at the major figure of the range, and some has been placed as low as $5\frac{1}{4}$ per cent.

The market for bonds continues, with the demand described as better than at any time since 1916. Prices of bonds have advanced from 2 to 12 per cent during the last sixty days, and bond houses report difficulty in finding securities to fill the demand. Several recent flotations of corporation bonds of large size have been readily absorbed, and the same is true of issues of South American cities and countries. There has been no diminution in the demand for U. S. Government obligations of all sorts. This bank's quota of the U. S. $4\frac{1}{4}$ % Treasury Certificates, dated November 1, was \$8,000,000 and subscriptions thereto were in excess of \$22,780,000.

The market for bankers acceptances during the past thirty days has developed more activity than for several months. Corporations with idle money and desiring a quickly convertible investment, have purchased fair amounts, and city banks have also figured as buyers. Virtually all the bills figuring in the negotiations have emanated from outside the district. Rates on acceptances reflect the generally easier tendency, ranging from $4\frac{3}{8}$ to $4\frac{5}{8}$ per cent.

INTEREST RATES

Between October 16 and November 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	$5\frac{3}{4}$	$6\frac{1}{2}$	7	6	6	8	6	7	8	7	7
4 to 6 months.....	7	$5\frac{3}{4}$	$6\frac{1}{2}$	7	6	6	8	6	7	8	7	7
Prime Commercial Paper purchased in open market:												
30 to 90 days.....	6	$5\frac{1}{2}$	6	6	$5\frac{3}{4}$	$5\frac{3}{4}$	.....	.....	.....	.....	.....	.....
4 to 6 months.....	6	$5\frac{1}{2}$	$5\frac{1}{2}$	6	$5\frac{3}{4}$	$5\frac{3}{4}$	.....	.....	.....	.....	.....	.....
Loans to other banks.....	7	6	$6\frac{1}{2}$	6	6	6	8	6	7	8	6	7
Bankers' Acceptances of 60 to 90 days:												
Endorsed	$4\frac{5}{8}$	$4\frac{3}{8}$	$4\frac{1}{2}$	6	6	6	.....	.....	.....	.....	.....	.....
Unendorsed	$4\frac{1}{2}$	$4\frac{3}{8}$	$4\frac{3}{8}$	6	6	6	.....	.....	.....	.....	.....	.....
Loans secured by prime stock exchange collateral or other current collateral:												
Demand	7	6	$6\frac{1}{2}$	6	6	6	.....	.....	.....	8	7	8
3 months.....	7	6	$6\frac{1}{2}$	6	6	6	8	6	7	8	7	8
3 to 6 months.....	7	6	$6\frac{1}{2}$	6	6	6	8	6	7	8	7	8
Cattle Loans.....	8	7	7	6	6	6	.....	.....	.....	8	7	8
Commodity paper secured by warehouse receipts, etc.....	$7\frac{1}{2}$	6	$6\frac{1}{2}$	6	6	6	8	6	7	8	7	8
Loans secured by Liberty Bonds and Certificates.....	7	6	$6\frac{1}{2}$	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, Memphis, Little Rock and Evansville:

	Nov. 9, 1921	Oct. 12, 1921	Nov. 12, 1920
Number of banks reporting.....	37	37	35
Loans and Discounts (including bills rediscounted with F. R. Bank):			
Secured by U. S. Govt. Obligations.....	\$ 18,840,000	\$ 19,220,000	\$ 31,940,000
Secured by stocks and bonds other than U. S. Bonds..	122,220,000	118,549,000	127,261,000
All other loans and discounts.....	297,871,000	300,952,000	.....
Total loans and discounts.....	\$438,931,000	\$438,721,000	\$.....
Investments:			
U. S. Government Bonds.....	29,642,000	27,164,000	29,805,000
U. S. Victory Notes.....	1,540,000	2,069,000	2,735,000
U. S. Treasury Notes.....	185,000	1,859,000	.....
U. S. Certificates of Indebtedness.....	3,265,000	3,277,000	4,077,000
Other bonds, stocks and securities.....	69,697,000	68,118,000	.....
Total loans, discounts and investments (including bills rediscounted with F. R. Bank).....	\$543,260,000	\$541,208,000	\$595,510,000
Reserve Balance with F. R. Bank.....	40,309,000	38,121,000	40,350,000
Cash in vault.....	7,574,000	7,168,000	10,066,000
Net demand deposits on which reserve is computed.....	294,362,000	285,854,000	301,465,000
Time deposits.....	148,964,000	147,066,000	129,563,000
Government deposits.....	8,881,000	15,539,000	571,000

DEBITS TO INDIVIDUAL ACCOUNTS

The following table gives the total debits charged by banks to checking accounts, savings accounts and trust accounts of individuals, firms, corporations and U. S. Government and also certificates of deposit paid, in the leading cities of this district during the past month and corresponding period a year ago. Charges to the accounts of banks and bankers are not included. These figures are considered the most reliable index available for indicating actual spending by the public during the periods which they cover.

Debits to depositors accounts for four weeks ending:

	NOVEMBER	COMPARISON		COMPARISON	
	Nov. 16, 1921	November with	October	Nov. 17, 1920	Nov. 1920
		Oct. 12, 1921	% Inc. or Dec.	% Inc. or Dec.	
St. Louis.....	\$477,753,000	\$491,736,000	- 2.9	\$574,349,000	-16.8
Louisville	86,852,000	84,786,000	2.4	108,283,000	-19.7
Memphis	126,295,000	117,332,000	7.6	126,630,000	- .3
Little Rock	44,035,000	51,305,000	-14.1	44,311,000	- .6
East St. Louis & Nat. Stock Yards..	34,607,000	31,541,000	9.7	.....	.....
Evansville	20,981,000	19,628,000	6.9	21,811,000	- 3.8
Springfield	11,119,000	11,203,000	- .7	.....	.....
Quincy	8,477,000	7,970,000	6.3	.....	.....

FEDERAL RESERVE OPERATIONS

In October the Federal Reserve Bank of St. Louis discounted \$121,338,578 of paper for 320 member banks, which is a decrease of \$8,092,669 under the amount discounted in September and a decrease of 5 in the number of banks accommodated. Acceptances purchased in October amounted to \$753,948, a decrease of \$1,897,386 under the preceding month.

Effective November 3 this bank reduced its discount rates on all classes and maturities to 5 per cent.

(Compiled November 19, 1921)