

FEDERAL RESERVE BANK OF ST. LOUIS



MONTHLY REVIEW OF GENERAL BUSINESS CONDITIONS IN FEDERAL RESERVE DISTRICT No. 8

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WILLIAM McC. MARTIN

CHAIRMAN OF THE BOARD AND FEDERAL RESERVE AGENT

REPORTS relative to business in this district during the past thirty days indicate rather spotted conditions. In a number of lines, notably those involving goods for common consumption, the recent active pace has been maintained, and as a rule, slight gains over the corresponding period last year are reported. Elsewhere, however, accounts are less favorable, and there are complaints of hesitation on the part of buyers in filling their requirements, particularly those further ahead than sixty to ninety days. In lines where gains are reported the general comment is made that the improvement has taken place on hand-to-mouth buying, and that sales are numerous rather than large. Recession in volume of trade in goods based on iron and steel was reported. The sharp declines in pig iron and coke prices failed to bring melters into the market for these materials, and contracting for last quarter needs is considerably under normal for this period of the year. The coal market was dull and weak, with a general disposition on the part of both steam users and householders to postpone purchasing. A slowing down, partially seasonal, has taken place in the automotive industry, with subsidiary lines, such as tires, depressed.

In addition to unevenness in the several lines of trade, irregularity is reported in results obtained in different sections of the district. Trade in the large cities, particularly the retail department, is holding up well, reflecting continued heavy employment and the arrival of more seasonable fall weather. Through the typical grain and live stock areas relatively less activity is reported, and some backwardness is noted in the mining districts. Active marketing of cotton in the South at high prices has served to stimulate business in that general section, and has done much to strengthen trade morale. Business in the tobacco districts is holding up well, and the same is true of sections where rice is the principal crop. Late fruit and vegetable crops are turning out well, with marketing conditions in the main satisfactory. This has had a tendency to quicken the movement of merchandise in the truck and fruit producing areas.

As compared with the similar period immediately preceding, the principal change in manufacturing activity was in iron and steel, furniture, automobiles, chemicals, and several minor classifications. In these lines the trend was in the direction of curtailed operations, though shipments were in volume about on a parity with the month before, and above those of the corresponding period in 1922. In the immediate past some improvement has taken place in advance ordering of boots and shoes, dry goods, confectionery, and hardware, though generally future buying continues considerably below normal for this season. In virtually all lines investigated the proportion of goods being ordered for immediate shipment, as compared

with purchases for deferred delivery, is unusually large. Inventories of raw materials in hands of manufacturers continue light, and recent price fluctuations have emphasized the disposition to acquire supplies only sufficient to run from month to month or to apply on orders for finished products actually booked.

Employment conditions during the period under review showed little change as a whole, but according to the Employment Service of the U. S. Department of Labor, were somewhat spotted. In some industries payrolls were smaller and a small surplus of skilled laborers developed. Common labor remains in good call, though with less pressure for workers than earlier in the year. There is a good demand for track laborers, common labor on road building and river improvement work. Wages continue at the recent high levels. In the building industry a shortage of certain classes of mechanics still obtains, notably plasterers, lathers, and bricklayers. Demand for general farm help is steady, with the supply, however, fully equal to requirements except in some southern countries where a shortage of cotton pickers is reported.

Developments in agriculture were on the whole satisfactory, and a greater degree of optimism was noted in rural communities. The principal factor affecting sentiment was the sharp upturn in prices of cereals and other farm products. For the first time since 1920, corn crossed the dollar mark, and on October 11 No. 2 white corn sold at \$1.16 per bushel in the St. Louis market. Between September 15 and October 15, December wheat advanced 7-5/8c and December corn 9-5/8c per bushel, while cash wheat was up 6c to 10c and cash corn 9 1/2c to 11 1/2c per bushel. Middling cotton in the St. Louis market closed at 29 1/4c on October 15, which compares with 28 1/2c on September 15, and 21 3/4c on October 15, 1922. According to the U. S. Department of Agriculture the composite condition of all crops in states wholly or partly in the Eighth Federal Reserve District (100 equals 10-year average) was 98.45 per cent on October 1, against 100.17 on September 1 and 97.2 per cent on October 1, 1922.

Marketing of crops and the arrival of cooler weather has had a stimulating effect on the retail department of distribution. The movement of seasonal goods is reported brisk, both in the city and country, with sales of clothing running ahead of the same period in 1922. Department stores in five largest cities of the district showed a fair gain in volume of sales during September as contrasted with a year ago, and cumulative sales since July 1 were 11.7 per cent larger than for the corresponding period in 1922. As has been the case for the past several months, retail stocks are moderate, and more than the usual amount of re-ordering to fill out assortments and broken lines is reported. Business of mail order and chain stores

continues active, with sales running ahead of last year.

As compared with previous years, loadings of revenue freight by railroads operating in this district continue at unprecedented levels. Gains are shown in practically all classifications, and are particularly noteworthy in merchandise and miscellaneous freight. For the week ended September 29 total loading for the country as a whole was 1,097,274 cars, the largest on record, and exceeding the previous high record made in the week ending September 1, 1923, by 4,707 cars. The St. Louis Terminal Railway Association, which includes in its membership 26 roads operating through this gateway, interchanged 220,169 loads in September, the largest single month's total on record with the exception of March, 1923, when 222,694 loads were interchanged, and comparing with 217,651 loads in August, 195,318 loads in July and 185,545 loads in September, 1922. During the first nine days of October 64,337 loads were interchanged, against 63,533 for the corresponding period in September and 58,550 for the first nine days of October, 1922. Passenger traffic of reporting roads increased 17 per cent in September over the same month last year.

The demand for coal from all sources continues dull and listless, with the trend of bituminous prices sharply downward. Absence of ordering has caused a reduction in the running of most mines in the district. Mild weather has checked deliveries of fuel to householders, and dealers' yards are heavily stocked. Steam users are purchasing on a hand-to-mouth basis, the general disposition being to postpone contracting for distant requirements in anticipation of still further price concessions. The number of oil burners installed in recent months has adversely affected the retail coal situation. The movement of coke is slow, both metallurgical and domestic, with prices of the former grades lower. There has been slight decline in production of soft coal during the past several weeks, but the total output for the calendar year to October 6 was 424,257,000 tons, against 280,751,000 tons for the same period in 1922, 311,382,000 tons in 1921 and 454,515,000 tons in 1918.

September production of automobiles for the country as a whole, while well in excess of the corresponding month last year, showed a rather sharp decline under the August total. The output of passenger cars by manufacturers reporting direct or

through the Automobile Chamber of Commerce was 298,600 in September against 313,972 in August. Trucks built in September numbered 27,841 against 29,882 in August. A further slowing down in the distribution of automobiles during the period under review was indicated in reports of 230 dealers scattered through the district. September sales of these interests were approximately 10 per cent below the August total, but close to 6 per cent in excess of the corresponding period last year. The movement of accessories decreased during September as compared with August, but was slightly greater than in September, 1922. A further slight reduction in tire stocks was reported, but this branch of the industry continues depressed. Stocks of used cars were heavier on September 1 than a month earlier, and dealers report great difficulty in making sales. The unsatisfactory status of the used car market is ascribed partly to the large number of cheap and attractive new models being put out by manufacturers. Dealers report the usual seasonal increase in demand for closed cars.

Reports relative to collections during September reflect a slight improvement as compared with the preceding month. Extensive marketing of crops has stimulated payments in the country, particularly in the grain areas, where farmers are liquidating their indebtedness. The most favorable accounts are from the South, where the higher prices for cotton have strengthened the cash position of planters. Wholesalers in the large centers report some irregularity in collection returns, but in the main they are fair to good. Retailers, particularly in large cities, are getting in their money promptly. Answers to 344 questionnaires addressed to representative interests in various lines throughout the district show the following results; 2.7 per cent excellent, 41.0 per cent fair, 50 per cent good and 6.3 per cent poor.

Commercial failures in the Eighth Federal Reserve District during September, according to Dun's, numbered 71, involving liabilities of \$536,652, against 45 defaults with liabilities of \$694,960 in August and 100 failures for \$2,417,725 in September, 1922.

The per capita circulation of the United States on October 1 was \$43.45, which compares with \$42.85 on September 1, and \$41.04 on October 1, 1922.

MANUFACTURING AND WHOLESALE

Boots and Shoes—Sales during September of the 11 reporting interests were 1.6 per cent larger than for the corresponding month in 1922 and 14.7 per cent under the August total this year. Immediate business is reported very satisfactory, but there is considerable hesitation on the part of retail merchants in placing future orders, due largely to uncertainty relative to styles. Since the opening of the current month, however, some improvement in future buying has developed, and about 33 $\frac{1}{2}$ per cent of the orders received during this period were for deferred delivery. Prices were steady to a shade lower, one leading manufacturer announcing reductions on a large part of his line. Aside from a lower trend in sole leather, raw materials were unchanged. The tendency in spring footwear is in the direction of less extreme styles. Factory operation ranged from 80 to 100 per cent of capacity, with plants making certain grades of women's shoes running full time.

Clothing—Although demand in this line has, during recent months, been above the average of general business in this district, a sharp demarcation is now noticeable between business for spot and future delivery, the former holding up well, but the latter somewhat quiet. A variation in present demand is also seen in the several sections, with retailers in typical cotton sections reordering in small lots, whereas mining regions report demand dull. Mild temperatures up to the middle of October served, in some sections, to cause postponement of fall buying by the public, though for the district as a whole retail trade in this line is fully normal. Factory operations, largely on old orders, are at from 80 to 100 per cent of capacity. Continued strength in raw cotton, with correspondingly firm prices for goods based thereon, has served to keep some prospective buyers out of the market, but withal September sales of 11 representative interests were 27.0 per cent in excess of the same month

last year, though 4.3 per cent under the August, 1923, total. September sales of men's hats were about 4 per cent above those of the corresponding month in 1922, but the size of the average order is sufficiently below normal to suggest inventory caution on the part of retailers.

Iron and Steel Products—As contrasted with earlier months of the year, a sharp decrease in new ordering has taken place during the past six weeks, and mills and foundries are cutting heavily into old orders. Buying of both finished and semi-finished materials by ultimate consumers is on an extremely conservative basis, and inquiries for goods to be delivered further ahead than sixty to ninety days have fallen in marked degree. The demand for gray castings has slowed down, and foundries specializing in these lines have curtailed their operations. Fabricators of structural iron and steel report a diminishing volume of specifications, especially for major contracts, and the demand for reinforcing concrete bars is at the lowest point in many months. Generally, however, prices of finished steel have held fairly steady, reductions being confined to certain interests whose accumulations have forced them to seek an outlet for surplus stocks. Buying by the railroads continues on a fairly liberal scale, but smaller tonnages are being taken by the automotive industry. Pig iron sustained a further sharp decline, No. 2 Southern, 1.75 to 2.25 per cent silicon, dropping to \$20, and Northern iron of the same grade selling at \$24, as against \$24 and \$27 per ton, respectively, during the preceding month. Heavy price cuts were made through the entire list of scrap iron and steel. The break in raw material prices has failed utterly to stimulate buying, the majority of melters being disposed to postpone contracting for future wants and to fill their current needs in the open market. An exception to the general downward trend was furnished by stove manufacturers, whose business is holding up well. September sales of the 7 reporting stove builders were 24.5 per cent larger than for the same month last year and 22.2 per cent over August this year. Wire rope manufacturers, 5 interests reporting, showed a decline of 13 per cent in September sales under those of the same month in 1922, and a decrease of 20 per cent under the August total this year; railway supplies, 5 interests reporting, showed a gain of 16 per cent over September last year but a decrease of 22 per cent as compared with August this year; farm implement makers, 6 interests reporting, decreased 14.5 per cent in September as contrasted with a year ago, and 26 per cent under the August total; manufacturers of boilers, stacks, elevators and other miscellaneous products, 8 interests reporting, showed a decrease of 3.3 per cent in September sales under those of the same month in 1922, and a loss of 12 per cent as compared with August this year.

Hardware—The 12 reporting interests show September sales 10.9 per cent in excess of those of the corresponding month in 1922, but 16.7 per cent under the August total this year. No change of importance took place during the period under review, except that a slight slowing down in orders has taken place since October 1. Keen competition is reported for business in all territories. The demand for builders' hardware holds up well, and the same is true of household supplies. Cutlery and hand implements have slowed down.

Electrical Supplies—Continued buying by public utilities, an active demand for radio equipment and initial buying of holiday goods accounted for an increase of 2.7 per cent in sales of the 12 reporting interests during September as compared with the same month last year. As contrasted with August sales the September total decreased 14.9 per cent. Prices were unchanged, except for a reduction in copper and wire and pole line hardware.

Flour—Production by the 11 leading mills of the district during September was 411,018 barrels, which compares with 433,218 barrels in August, 291,332 barrels in July and 364,306 barrels in September, 1922. Business during September was described as active and satisfactory. Sales to the domestic trade were large, especially in the South, and decided improvement took place in the export demand. A slowing down in new business developed during the first weeks of October, but shipping directions on old orders were good. Prices advanced in sympathy with the upturn in wheat. Mill operations were at from 70 to 95 per cent of capacity.

Dry Goods—Prices in primary lines, especially cotton goods, have been firm to higher due to the upturn in the staple or in sympathy with its continued strength. Buying, however, is confined mainly to prompt or nearby delivery, with wholesalers and jobbers hesitating to make large commitments because of a belief that consumers will not buy freely at levels based on the present values of raw cotton. Print cloths and gray goods are in good demand at firmer prices, but gingham for spring are barely steady, despite higher cotton and wages. Hosiery is more active than in recent months and general merchandise and notions of the line have been well taken. The silk market has been unsettled by the perpendicular rise in raws, and buying is only fair at the higher levels. Demand for holiday goods has been light to date, except neckwear, which has moved in satisfactory volume. September sales of 11 representative interests exceeded those of a year ago by 5.5 per cent and were 0.3 per cent in excess of August, 1923. Millinery business is healthy with prices firm in view of strength in cotton and silk. September sales of 5 representative interests exceeded those of the corresponding month in 1922 by 6.4 per cent. Collections are reported satisfactory.

Groceries—September business in practically all sections of the district was good and with stocks generally light, indications are for a continuance of the present condition during the fall and winter. Prices generally are firm, with some grades of coffee a shade higher, reflecting labor troubles among dock workers in New Orleans. Sugar is dull. Forward buying has not appeared in normal volume since the first week in October, but many small orders are quickening turnover of wholesalers' stocks. An increasing demand for holiday goods was noted in mid-October but orders in this category are still relatively light. September sales of 22 representative interests were 4.0 per cent in excess of those for the same month a year ago and 13.4 per cent over the total for August, 1923.

Drugs and Chemicals—Business in this classification is barely holding its own, sales of the 11 reporting interests for September showing a loss of 4.0 per cent over the same month in 1922. As compared with August, the September total decreased 4.5 per cent. The movement of insecticides has been in heavy

volume, and has in a measure offset decreases in sales of heavy chemicals to manufacturers. Prices showed little change, advances about balancing declines. The usual seasonal increase in sales of sundries is noted, and a steady increase in the demand for cosmetics and toilet articles continues. The retail drug trade is active with collections generally good.

Furniture—Reports of leading interests indicate considerable variance in results during the period under review. Some factories are operating at from 80 to 90 per cent of capacity and shipping their full output, while others have about completed orders on hand and complain of backwardness in new buying. Several plants have reduced production and contemplate temporary shut-downs unless new business materializes. Prices of finished goods were unchanged and glass and hardware held steady after their recent declines. Some grades of lumber were firmer. September sales of the 16 reporting interests were 1.1 per cent less than the same month in 1922, and 4.1 per cent under the August total this year.

Lumber—Expansion in the demand for southern

pine and other building lumbers featured this industry during the past thirty days. Generally fall business is reported normal, with price improvement well up to past averages for the season. Mills for the most part are operating at or close to capacity, and there are some complaints of car shortage in the principal soft wood producing areas. Since October 1 demand has receded to some extent, despite seasonal buying by country yards in good cotton and corn territory. The hard wood market is still characterized by an upward price tendency on some classes of stock, due to concentration on them to the neglect of other classes or varieties of the same hard woods. Sap gum, both plain and quartered, is active and strong. The lower grades of oak are also moving well, chiefly as a result of buying by the flooring mills, and the same is true of maple, elm, ash, and cottonwood. Thick elm, however, judging from the attitude of automobile manufacturer toward shipments, is apparently in overplentiful supply. Plain and quartered red gum and the first and second grade of oak continue dull. Hard wood production is on a large scale.

Industrial Power Consumption—The demand for electricity for industrial purposes shows not only a seasonal decline in refrigeration load, but some decreases from scattered industrials. Although an increase was registered for September as compared with a year ago, this is the smallest for any month this year and compares with a 39.95 per cent cumulative increase for the first six months of 1923, and a 29.84 per cent increase for the year to date.

	Representative Customers	Sept. 1923	Aug. 1923	Sept. 1923 comp. to Aug. 1923	Sept. 1922	Sept. 1923 comp. to Sept. 1922
Evansville.....	40	1,043,358 k.w.h.	1,268,628 k.w.h.	-17.7%	862,941 k.w.h.	+20.9%
Little Rock.....	11	808,314 "	890,268 "	- 9.2	553,591 "	+46.0
Louisville.....	67	4,414,647 "	4,740,756 "	- 6.9	3,804,081 "	+22.5
Memphis.....	31	1,002,960 "	1,027,380 "	- 2.4	881,580 "	+13.8
St. Louis.....	68	14,007,981 "	15,068,675 "	- 6.4	13,226,690 "	+ 6.6
Totals.....	217	21,367,260 "	22,995,707 "	- 7.1	19,128,883 "	+11.7

Retail—The condition of retail trade is reflected in the following statement, compiled from reports of 22 representative department stores:

(Percentages)	Evansville	Little Rock	Louisville	Memphis	Quincy	St. Louis	8th District
Net Sales:							
Sept., 1923, compared with Sept., 1922.....	+22.9	+29.7	- 2.5	+ 9.2	+17.3	+ 9.4	+10.1
Period July 1 to Sept. 30, 1923, compared with same period in 1922.....	+11.3	+30.4	+ 4.5	+ 9.4	+11.8	+10.7	+11.7
Stocks on hand at end of Sept., 1923:							
Compared with Sept., 1922.....	+ 2.6	+22.5	- 2.3	+23.0	+ 8.5	+14.3	+13.7
Compared with stocks at end of Aug. 1923.....	+10.7	+13.3	+15.6	+ 9.6	+ 8.4	+ 4.2	+ 8.1
Average stocks on hand at end of each month since July 1, 1923, to average monthly sales during same period.....	756.0	649.1	512.5	612.8	624.8	433.8	509.3
Outstanding orders at close of Sept. 1923, compared with purchases for calendar year 1922.....	13.7	7.9	10.6	13.8	7.7	8.7	9.8

AGRICULTURE

During September changes in production prospects of major crops in this district were in the direction of reduced yields. However, with the exception of cotton and hay, outputs will exceed those of a year ago, and in the case of the lesser crops the outlook, both as to production and marketing conditions, is in the main satisfactory. According to figures of the U. S. Department of Agriculture the most significant change as compared with the preceding month was in cotton, the indicated yield of which on October 1 was 1,781,000 bales, a decrease of 166,000 bales under the September 1 forecast and a loss of 304,000 bales from the 1922 estimate. The total indicated corn crop on October 1 was 406,836,000 bushels, a decrease of 15,057,000 bushels, but greater by 1,920,000 bushels than the outturn in 1922. Oats, with an indicated production of 50,289,000 bushels on October 1, represented a decrease of 1,714,000 bushels under the September 1 forecast, but an increase of 14,428,000 bushels over last season's total. The indicated hay crop on October 1 was 7,486,000 tons, against 7,084,000

tons on September 1, and 8,217,000 tons actually produced in 1922.

Reports from scattered sections of the district indicate that corn is maturing slowly and somewhat unevenly, and husking and silo filling are backward as compared with a year ago. In some sections considerable corn is down, and elsewhere there are complaints of light and chaffy quality. Generally drying weather is needed to insure best results.

Threshing of small grains has finally been completed, following one of the most unfavorable threshing seasons in years, especially in the Northern stretches of the district. Recent moisture has put the soil in good condition for working, and wheat seeding is going forward rapidly. In Missouri, Illinois, and Indiana, farmers are closely observing fly immune dates. The acreage in all states of the district will be under that of last year.

Prospects for potatoes are the most promising in several years. In Missouri the average indicated yield is 101 bushels to the acre as compared with 60

bushels last year. In Illinois the October condition was 82 per cent of normal, indicating a total production of 10,539,000 bushels, against 7,497,000 bushels in 1922. The outturn of sweet potatoes will also be well in excess of last year's crop.

Apples are now being harvested and moving to market in good volume. Color and quality are in the main fine. In Illinois and Missouri, apple prospects improved during September, the principal gains being in commercial orchards. Late truck crops were benefitted by the rains in September, and the same is true of pastures, which are generally in good condition. Reports relative to live stock are for the most part favorable, there being few complaints of disease among the herds. Hog cholera is reported from scattered counties in Missouri, Illinois and Indiana.

Despite a sharp reduction in prospective tobacco production in states of the district during September, due principally to unfavorable weather, the year's output will be in excess of the 1922 crop. In Kentucky the crop of all types is estimated at 507,125,000 pounds, which compares with a prospect on Septem-

ber 1 for 565,186,000 pounds and actual output in 1922 of 446,250,000 pounds. In Tennessee the condition of the crop, as harvested, was 85 per cent, indicating a production of 113,000,000 pounds against 94,250,000 pounds in 1922. For the country as a whole, the tobacco crop is estimated at 1,550,716,000 pounds against 1,324,840,000 pounds in 1922 and a 5-year average, 1917-1921 inclusive, of 1,361,149,000 pounds. Approximately 45,000,000 pounds of the 1922 crop of tobacco are now in the hands of the Burley Tobacco Growers Cooperative Association and a like amount in the hands of the Dark Tobacco Association. Large buyers are postponing purchasing until the exact status of the 1923 crop is known.

Threshing of rice in Arkansas is in progress and some new rice has been delivered to the mills. Milling quality is generally good, but early returns indicate a reduction in yield per acre as compared with last season and the ten year average. An active demand continues for old rice, and stocks have been well cleared up.

The U. S. Department of Agriculture gives the condition of corn and tobacco in states of this district as follows:

Corn	CONDITION		FORECAST 1923 PRODUCTION*		Harvested PRODUCTION*		FARM PRICE PER BU.	
	1923	October 1.	From Oct. 1	From Sept. 1	1922	5 yr. av.	1923	1922
	%	10year av.	Condition	Condition	1922	5 yr. av.	1923	1922
Illinois.....	85	76	338,706	362,678	313,074	338,259	80	56
Indiana.....	86	82	184,608	201,473	176,305	181,607	82	57
Kentucky.....	88	82	92,715	95,168	88,060	94,542	98	82
Mississippi.....	65	75	38,366	38,137	51,065	57,601	100	82
Missouri.....	83	70	197,483	204,384	175,275	186,377	86	61
Tennessee.....	84	81	78,589	78,589	75,440	89,033	107	79
Tobacco								
Kentucky.....	86	82	507,125	565,186	446,250	445,022	....	....
Tennessee.....	85	84	113,042	121,922	94,250	85,308	....	....

*In thousands (000 omitted)

COMMODITY PRICES

Range of prices on typical products in the St. Louis market between September 15 and October 15, 1923, with closing quotations on each of these dates, and on October 16, 1922:

		Close Sept. 15			Close Oct. 15			Close Oct. 16, 1922	
		High	Low	High	Low	High	Low		
December wheat.....	Per bu.	\$1.03 1/4	\$1.12 3/8	\$1.02 3/8	\$1.10 7/8	\$1.11 7/8			
May wheat.....	"	1.07 3/8	1.15 1/4	1.07 1/4	1.13 1/4	1.11 3/4			
July wheat.....	"	1.09 1/2	1.05 3/8	1.05 3/8	1.08 3/8	1.03 1/2			
December corn.....	"	.66 3/4	.79	.66 3/4	.77 3/8	.67			
May corn.....	"	.67 3/4	.76 3/8	.67 3/4	.75 1/2	.67 1/4			
July corn.....	"	.76 3/4	.72 3/8	.72 3/8	.75 3/8	.67			
December oats.....	"	.44 1/2	.43 1/2	.43 1/2	.43 1/2	.44 1/2			
No. 2 red winter wheat.....	"	\$1.06 @ 1.10 1/2	1.23	1.05	\$1.17 @ 1.20	\$1.27 @ 1.29			
No 2 hard wheat.....	"	1.04	1.18	1.03 1/2	1.10	1.13 @ 1.19			
No 2 corn.....	"	.89 1/2	1.11	.88	1.09	.73 @ .73 1/2			
No. 2 white corn.....	"	.89 1/2 @ .90	1.16	.89	1.10 1/2 @ 1.12	.73 1/2 @ .74			
No 2 white oats.....	"	.43 1/2	.46 1/4	.42 1/2	.45 1/2	.46			
Flour: soft patent.....	Per bbl.	5.00 @ 5.50	6.25	5.00	5.25 @ 6.25	5.75 @ 7.00			
Flour: spring patent.....	"	5.60 @ 6.15	6.50	5.85	6.10 @ 6.20	6.10 @ 6.30			
Middling cotton.....	Per lb.	.27 1/2	.29 1/4	.28	.29 1/4	.21 3/4			
Hogs on hoof.....	Per cwt.	5.60 @ 9.60	9.00	4.50	6.50 @ 8.25	7.50 @ 9.65			

NOTE: September wheat closed at \$1.06 1/2; September corn at 91c and September oats at 43c.

COMMODITY MOVEMENT

Receipts and shipments of important commodities at St. Louis during September, 1923 and 1922, and August 1923, as reported by the Merchants' Exchange, were as follows:

	Receipts			Shipments		
	Sept. 1923	Aug. 1923	Sept. 1922	Sept. 1923	Aug. 1923	Sept. 1922
Flour, barrels.....	438,600	445,590	383,120	527,920	564,290	545,825
Wheat, bushels.....	3,028,086	5,833,912	3,460,884	2,962,030	4,393,235	2,539,380
Corn, bushels.....	2,406,714	2,581,800	2,796,300	1,473,980	1,987,156	1,734,200
Oats, bushels.....	3,184,320	3,434,000	1,760,000	2,312,320	2,733,290	1,345,145
Lead, pigs.....	132,820	215,830	384,890	151,410	157,150	218,690
Zinc, slabs.....	157,860	277,290	147,390	136,380	269,360	211,020
Lumber, cars.....	18,172	20,034	16,313	12,815	14,486	12,084
Pork products, pounds.....	23,564,800	21,825,600	23,451,900	31,363,000	32,867,500	30,913,500
Dressed beef, pounds.....	1,069,300	1,252,300	.....	24,446,000	27,223,600	20,965,600
Lard, pounds.....	6,311,800	7,533,800	7,736,900	10,019,700	13,339,200	10,400,800
Hides, pounds.....	5,466,800	6,738,500	4,967,500	8,960,300	9,433,900	7,489,600

LIVE STOCK MOVEMENT

As reported by the St. Louis National Stock Yards, receipts and shipments of live stock in September, 1923 and 1922, and August, 1923, were as follows:

	Receipts			Shipments		
	Sept. 1923	Aug. 1923	Sept. 1922	Sept. 1923	Aug. 1923	Sept. 1922
Cattle and Calves.....	165,388	161,789	175,481	117,264	110,889	116,660
Hogs.....	374,760	336,456	253,963	259,647	227,920	166,117
Sheep.....	59,854	59,944	48,235	33,275	19,604	17,004
Horses and Mules.....	7,455	5,961	9,990	7,941	4,329	8,927

BUILDING

Permits for new buildings in the five largest cities of the district during September showed a gain of 26.6 per cent over August and 62.9 per cent over September, 1922. Further progress in the direction of stabilization of building material prices was noted in September. In all sections of the district mechanics in the building trades continue well employed. Production of cement for the country as a whole in September exceeded all previous records, totaling 13,109,000 barrels, against 12,967,000 barrels in August and 11,424,000 barrels in September, 1922. Comparative figures for September follow:

	New Construction				Repairs, etc.			
	Permits		Cost		Permits		Cost	
	1923	1922	1923	1922	1923	1922	1923	1922
St. Louis.....	909	790	\$5,204,620	\$1,390,157	608	552	\$388,010	\$324,960
Louisville.....	282	226	1,004,849	901,200	123	107	53,687	63,175
Memphis.....	351	316	1,348,620	2,142,540	65	50	24,180	25,440
Little Rock.....	63	71	177,238	384,830	153	141	53,427	40,036
Evansville.....	134	58	276,860	100,705	80	62	14,460	10,999
Sept. totals.....	1,739	1,461	\$8,012,187	\$4,919,432	1,029	912	\$533,764	\$464,610
Aug. totals.....	1,869	1,539	6,329,872	4,725,260	1,075	933	588,249	691,337
July totals.....	1,645	1,478	4,799,725	5,233,075	946	813	690,526	465,717

FINANCIAL

Further improvement in the demand for money took place during the period under review, with the augmented borrowing principally in the South, where requirements for financing cotton, rice, cotton seed, and in smaller measure tobacco, are being keenly felt. Banks in the larger centers are being called upon for funds to handle the movement of cotton, and due to the high price of cotton seed, requirements of crushing mills are larger than during the past several seasons. Generally in the cotton sections there has been small reduction of loans to country banks, and some of the smaller institutions are seeking investments for surplus funds. Liberal October settlements of boot and shoe, dry goods and some other interests have resulted in a reduction of their commitments with the banks. Fair liquidation of grain loans is reported, the total volume being well under the preceding month. A slight slowing down in demands from the flour milling industry was noted, and the inquiry from other manufacturers is somewhat less active than heretofore. Net demand deposits of member banks decreased slightly during the period under review while discounts of member banks with this institution reached the highest point of the year. A slight stiffening in rates on certain classes of loans was noted, but actual rates asked

by commercial banks were mainly steady. Between September 15 and October 15 there was an increase of \$11,504,287 in the amount of paper discounted by this institution for member banks, and a gain of \$3,528,000 in Federal Reserve notes in circulation. Total reserves carried against deposit and Federal Reserve note liabilities decreased 1.8 per cent, standing at 53.9 per cent on October 15. On October 12 this reserve percentage touched 48.5, the lowest point in more than two years.

Commercial Paper—Sales of reporting brokers during September were 2¼ per cent greater than for the same period a year ago. Business during the first two weeks of October took a sharp turn for the better, with sales of several firms running as high as 50 per cent in excess of the same time in 1922. Buying is described as quite general, mainly in small lots, with the South figuring most prominently in the total. City banks, as has been the case for several months, are purchasing relatively less paper than country institutions. The supply through September was satisfactory, but a scarcity, particularly of prime names, has developed since October 1. Rates were unchanged at 5¼ to 5½ per cent.

POSTAL RECEIPTS

	Quarter ended Sept. 30, 1923	Quarter ended June 30, 1923	Quarter ended Mar. 31, 1923	Quarter ended Sept. 30, 1922
St. Louis.....	\$2,478,703.06	\$2,693,973.21	\$2,832,359.70	\$2,318,915.75
Louisville.....	577,965.20	569,183.31	599,847.76	.....
Memphis.....	408,563.68	434,656.62	403,438.30	362,387.43
Little Rock.....	189,580.54	186,652.08	178,288.33	178,288.33
Evansville.....	119,949.68	139,854.39	131,144.18	117,921.56
Totals.....	\$3,774,762.16	\$4,024,319.61	\$4,145,078.27	.....

SAVINGS DEPOSITS

	Oct. 3, 1923			Sept. 5, 1923		Oct. 4, 1922	
	Number Banks Reporting	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits	Number Savings Accounts	Amount Savings Deposits
St. Louis.....	12	256,062	\$72,315,000	255,636	\$72,158,000	241,668	\$66,817,000
Louisville.....	7	163,375	23,559,000	169,166	23,347,000	140,721	21,053,000
Memphis.....	7	67,722	18,131,000	67,249	18,326,000	57,460	14,391,000
Little Rock.....	5	27,370	7,125,000	27,181	7,333,000	24,965	6,323,000
Evansville.....	4	24,462	8,998,000	24,644	8,994,000	22,067	8,552,000
Totals.....	35	588,991	\$130,128,000	543,876	\$130,158,000	486,881	\$117,136,000

DEBITS TO INDIVIDUAL ACCOUNTS

	For four weeks ending Oct. 17, 1923	For four weeks ending Sept. 19, 1923	Oct. 1923 comp. to Sept. 1923	For four weeks ending Oct. 15, 1922	Oct. 1923 comp. to Oct. 1922
E. St. Louis and Nat'l. Stock Yards, Ill.	\$43,347,000	\$45,532,000	— 4.8%	\$40,678,000	+ 6.8%
El Dorado, Ark.	7,362,000	7,919,000	— 7.0	.....	.....
Evansville, Ind.	29,680,000	28,017,000	+ 5.9	28,499,000	+ 4.1
Fort Smith, Ark.	13,699,000	9,486,000	+44.4	13,825,000	— 0.9
Greenville, Miss.	3,420,000	2,631,000	+30.0	3,412,000	+ 0.2
Helena, Ark.	4,999,000	3,866,000	+29.3	7,403,000	—32.5
Little Rock, Ark.	63,321,000	51,002,000	+24.2	57,065,000	+11.0
Louisville, Ky.	143,334,000	128,721,000	+11.4	128,711,000	+11.4
Memphis, Tenn.	135,925,000	104,335,000	+30.3	135,784,000	+ 0.1
Owensboro, Ky.	5,597,000	4,459,000	+25.5	4,328,000	+29.3
Quincy, Ill.	10,029,000	9,082,000	+10.4	9,706,000	+ 3.3
St. Louis, Mo.	636,143,000	553,939,000	+14.8	604,682,000	+ 5.2
Springfield, Mo.	14,232,000	12,921,000	+10.1	11,574,000	+23.0
Totals	\$1,111,088,000	\$961,910,000	+15.5	.....	+ 5.6

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 reporting member banks in St. Louis, Louisville, Memphis, Little Rock and Evansville:

	Oct. 10, 1923	Sept. 12, 1923	Oct. 11, 1922
Number of banks reporting.....	*36	*36	37
Loans and discounts (including rediscounts)			
Secured by U. S. Government obligations.....	\$12,679,000	\$12,445,000	\$15,362,000
Secured by stocks and bonds other than U. S. Bonds.....	141,626,000	139,697,000	127,484,000
All other loans and discounts.....	315,253,000	310,985,000	283,986,000
Total loans and discounts	469,558,000	463,127,000	426,832,000
Investments			
U. S. pre-war bonds.....	15,204,000	15,334,000	36,512,000
U. S. Liberty bonds.....	22,487,000	23,591,000	
U. S. Treasury bonds.....	8,726,000	8,723,000	
U. S. Victory notes and Treasury notes.....	18,594,000	20,564,000	14,124,000
U. S. Certificates of Indebtedness.....	5,790,000	6,238,000	6,007,000
Other bonds, stocks and securities.....	83,061,000	84,886,000	86,766,000
Total investments	153,862,000	159,336,000	143,409,000
Reserve Balance with Federal Reserve Bank.....	38,706,000	40,433,000	40,285,000
Cash in vault.....	8,220,000	7,950,000	7,868,000
Net demand deposits on which reserve is computed.....	333,924,000	344,204,000	333,058,000
Time deposits.....	189,230,000	188,688,000	173,181,000
Government deposits.....	7,888,000	2,678,000	4,428,000
Bills payable and rediscounts with Federal Reserve Bank			
Secured by U. S. Government obligations.....	13,552,000	13,568,000	1,427,000
All other.....	34,068,000	25,188,000	6,796,000

*Decrease due to consolidation.

FEDERAL RESERVE OPERATIONS

During September, the Federal Reserve Bank of St. Louis discounted for 271 of its 626 member banks, which compares with 258 of its 624 member banks accommodated in August. The discount rate of this bank remains unchanged at 4½ per cent on all classes and maturities of paper.

Changes in the assets and liabilities of the Federal Reserve Bank of St. Louis since a month ago and last year are shown in the following comparative statement (in thousands of dollars):

	RESOURCES			LIABILITIES		
	Oct. 17, 1923	Sept. 19, 1923	Oct. 18, 1922	Oct. 17, 1923	Sept. 19, 1923	Oct. 18, 1922
Gold Reserves.....	\$70,657	\$62,011	\$97,878	Capital paid in.....	\$ 5,016	\$ 4,995
Legal Tender Notes—				Surplus.....	9,665	9,665
Silver, etc.....	10,067	10,607	5,018	Deposits.....	70,336	67,572
Total Cash Reserves	\$80,724	\$72,618	\$102,896	F. R. Notes in circulation.....	76,004	72,310
Discounts secured by				F. R. Bank Notes in		
Gov't. obligations.....	22,684	21,108	7,268	circulation.....		3,396
Discounts otherwise se-				Deferred availability items.....	45,816	36,627
cured and unsecured.....	49,260	47,919	18,405	Other Liabilities.....	1,311	1,344
Bills bought in open				Total Liabilities	\$208,148	\$192,513
market.....	7	40	8,810	Combined Res. Ratio.....	55.2%	51.9%
U. S. Gov't. securities.....		3,672	26,563			68.1%
Total Earning Assets	\$71,951	\$72,739	\$61,046			
Uncollected items.....	47,450	39,121	47,096			
Other Resources.....	8,023	8,035	5,337			
Total Resources	\$208,148	\$192,513	\$216,375			

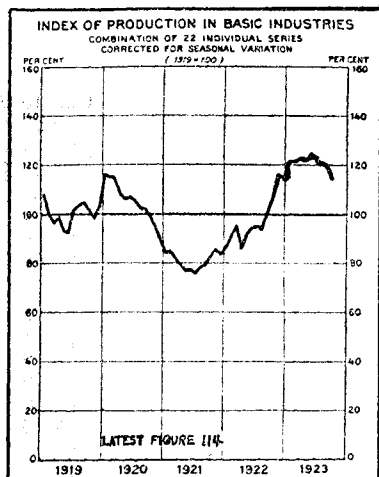
CHANGES IN COST OF LIVING

The cost of living in the United States on September 15, 1923, was slightly more than one per cent higher than on August 15, 1923 according to figures collected by the National Industrial Conference Board. This increase was occasioned by increases in food prices within the month of 2.1 per cent and 2.4 per cent in clothing prices. Between July, 1914, and September, 1923, the cost of living increased 63.4 per cent; this takes account of a decrease of 20.1 per cent between July, 1920, when the peak of the rise in the cost of living since 1914 was reached, and September, 1923.

(Compiled Oct. 20, 1923).

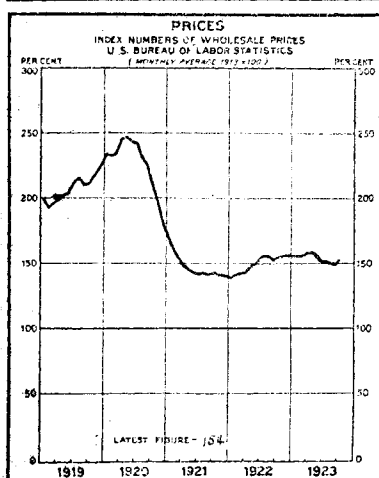
BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by Federal Reserve Board, October 26, 1923)



Production of basic commodities declined during September. Wholesale trade continued large, while retail trade, though larger than a year ago, increased less than usual at this season of the year. Wholesale prices, particularly those of agricultural products, advanced during the month.

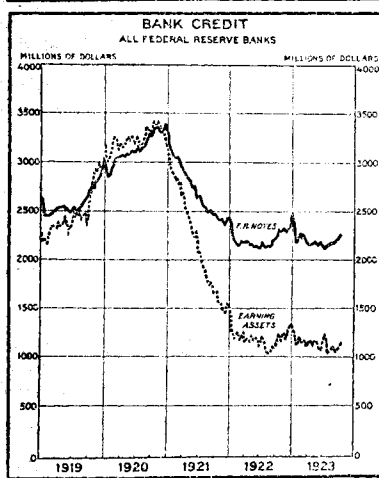
Production—Production in basic industries, according to the Federal Reserve Board's index, declined 5 per cent during September and was 10 per cent below the peak output of May. The principal factors in this decline were the suspension of anthracite coal mining for over two weeks and a substantial reduction in the production of iron and steel. Cement production and sugar meltings were larger than in August.



The decline in the production index, which is corrected for seasonal variations and reflects chiefly changes in the output of raw and semifinished products, was not accompanied by a reduction of employment at industrial establishments. New building construction showed about the usual seasonal decline in September due to a curtailment in contracts for residences. Contract awards for business and industrial buildings, however, were larger than in August.

Estimates by the Department of Agriculture on October 1 showed some reduction from the September forecast in the yields of corn, wheat, oats and tobacco, but increased yields of cotton, potatoes and hay.

Trade—Distribution of all classes of commodities by railroads continued at a higher rate throughout September. Wholesale trade, according to the Federal Reserve Board's index, reached the largest total in three years and was 9 per cent larger than in September, 1922.

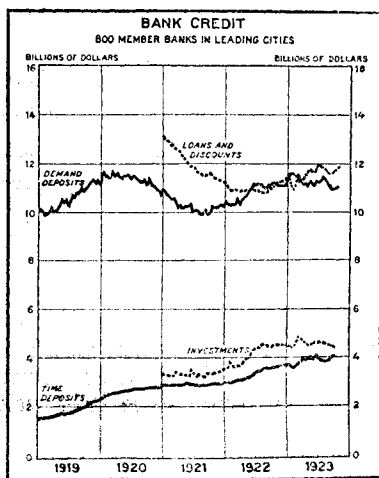


Sales of meat, hardware and drugs were considerably larger than in last September, but the increase was much less than is usual at this season of the year. Department store sales were 6 per cent more than in September, 1922 and stocks at the end of the month were 13 per cent larger than a year ago.

Prices—Wholesale prices increased over 2 per cent during September, according to the index of the Bureau of Labor statistics, particularly large increases occurring in the prices of clothing, farm products and foods. Fuel prices, on the other hand, declined in September for the eighth successive month, and prices of building materials and metals were also lower.

During the first three weeks of October prices of certain farm products continued to advance, wheat and cotton reaching the highest figures of the year, while prices of hogs, coal and metals declined.

Bank Credit—Demand for bank credit showed a seasonal increase in September and the early part of October, loans of member banks in leading cities increasing by \$116,000,000 between September 12 and October 10.



This increase reflected chiefly the demand for commercial loans, which on the latter date stood at a new high point for the year, almost \$100,000,000 above the total on September 12. Increases in the holdings of Government securities by these banks were partly offset by reductions in corporate securities holdings.

The demand for accommodation at the Federal Reserve Banks in some of the agricultural districts increased, while at the Reserve Banks in the east the volume of discounts for member banks declined. Federal Reserve note circulation continued to increase and in the middle of October was about \$100,000,000 above the July level.

In October money rates showed an easier tendency and after the fifteenth of the month rates for commercial paper in the New York market declined from a range of $5\frac{1}{4}$ — $5\frac{1}{2}$ to 5 — $5\frac{1}{4}$ per cent.