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BUSINESS REVIEW

Covering business and industrial conditions in the Fourth Federal Reserve District

FEDERAL RESERVE BANK of CLEVELAND

D. C. Wills, Chairman of the Board

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Time is a great healer, and the year 1922 has been a great business healer. After a thorough house cleaning, business is beginning to reap the benefits of more efficient management. Present conditions seem to indicate that we are just entering the healthiest period in the business cycle.

The past year has brought many changes in business, and most of them have been for the better. Just a few comparisons with conditions a year ago serve to illustrate the encouraging results produced by the year's activities. At this time last year, iron and steel production was hovering around 50 per cent of normal, and the industry experienced considerable difficulty in holding its own at that figure. Today it is reported to be in a better position than at any time during the past two years. When winter ended lake shipping a year ago, shipments showed a heavy loss. Final returns for the season just closed indicate big gains. Homes have been built. Construction has extended to investment types and is continuing in heavy volume in spite of winter weather. In December, 1921, the coal industry was face to face with the possibility of a railroad strike. This industry at the present time, although still handicapped by lack of shipping facilities, is gradually recovering from the effects of the coal miners' strike and the heavy demand is being fairly well supplied. With the large production of principal farm crops and the advance in farm product prices, conditions in the agricultural sections are growing brighter.

These are only a few of the changes for the better which have taken place, and when cognizance is taken of the obstacles whch have been met, they are especially encouraging.

The human or emotional element is too often overlooked in business calculations. Feeling that if we better knew how people were traveling, were ordering their meals, being amused, and doing their Christmas shopping, we would better know whether we are entering the new year with greater sanity, we made a survey of the travel bureaus and steamship agencies, the hotels, the theaters, and the department stores, and discovered some very interesting facts.

The travel bureaus say that previously people were more restless; they wanted to travel and they did, irrespective of rates or routes. Now, people are using more discrimination concerning their destinations, they want to assure themselves that they are choosing exactly what meets their needs and pocketbooks. In a good many cases they choose to travel under Pullman tourist rates instead of the standard rates. The railroad fare is the same. The Pullman standard rate to California, for instance, is \$23.00; the tourist rate is \$17.00. The difference is in the fact that the Pullman is upholstered in better plush, the porters probably more attentive, the service throughout a bit better. But many people choose the other, preferring to save the difference.

The steamship agencies report that people are more conservative in their choice of transportation. During the inflationary period, price was the standard by which things were chosen. They had money and no matter what price the rooms were, they wanted them, for they seemed to think that the more expensive the rooms, the more they were getting for their money. Rooms at any price was their cry. Now, while they still seek for comfort and luxury, they go slower and look about and compare and try to find if they can't get this comfort for a little less expense. They don't seem to feel as they did, that price is the standard. They used to feel if a thing was expensive, that made it good, and they wanted it, price being no object.

People traveling by steamer have shown a tendency lately to choose one class steamers. That is, boats which do not distinguish between first, second, and third class. That they do not seem to be so feverish about "getting there" is evidenced by this. The extra seven or eight days on the water is chosen by them, with the consequent saving of money, to taking a faster boat and one more expensive.

The hotels state that it is difficult to get data on the daily ordering of meals, but it has been noticed that traveling men study the menu more closely than previously, and do not order the most expensive dishes in the profusion which they once did.

People deciding to have dinner parties are more inclined to "shop around" than before. Formerly when they wished a dinner party they merely gave an order. Now they prepare a sample menu and send it to the different hotels, ask for bids, and compare the prices before they decide. Neither are they inclined to entertain as elaborately as they did heretofore.

The theater managers say that their patrons are harder to satisfy, and are demanding better plays and features. Nine months ago a change was noted from the hysterical to the more sane type of entertainment. Since that time there has been more shopping at the box office. Formerly the most frequent request heard at the box office was, "Give me the best seat in the house." Today the query is, "What's the price of orchestra seats, of front row balcony, etc."

While the Christmas shopping purchases in Cleveland department stores are running from ten to twenty per cent greater than last Christmas season, there is less freakish and foolish buying. Shoppers are buying with better judgment, and are choosing the more useful and practical articles with more interest in the quality mark.

There was considerable fear that the millions of dollars to be released through the redemption of War Savings Stamps and the Victory Notes, redeemed Dec. 15, together with the cashing of Christmas savings club checks might cause difficulty. To date, however, our information is that much of the money released is being re-invested in Government or first-class securities, or being deposited in savings accounts. The latter seems to have been largely spent sanely and judiciously, for substantial gifts, clothing, and food necessities.

If this is a true reflection of the attitude of the general public, the new year can be entered with much confidence and with little of the fear which has attended the beginning of the past two years. These reflections would indicate that there is less danger that the effect on the public of greater prosperity will induce the extravagances and hectic conditions of 1918 and 1919.

Accommodations Grow As Business Expands; Savings Accounts Show Gain

Accommodations extended to city banks have shown a considerable increase during the month ending December 20. A gain of approximately $9,000,000 was shown as compared with a $3,000,000 increase the previous month. Near the close of November, loans were about $5,000,000 higher than they were on the 20th of this month.

This advance in the demand for accommodations may be attributed to the general expansion of business, to the usual seasonal demands of holiday trade, and to the fact that many lines of industry are operating on heavier production schedules than are usual at this time of year. As we stated last month, however, the general expansion has not yet called for a proportionate amount of accommodation from the banks.

Country bank borrowings for the month ending December 20 have shown a gradual upward trend. Total loans for the month amounted to slightly more than $2,000,000. One of the principal features in this situation is the buying of cattle for fattening purposes.

The redemption of Victory Notes up to December 20 in the Fourth District amounts to approximately $30,000,000. More funds will be released with the redemption of additional Victory Notes not yet turned in and War Savings Stamps maturing December 31. The natural result is that holiday trade has been materially benefitted, for many people have been looking forward to the receipt of these funds. It would seem unwise, therefore, to overlook the fact that at least a part of the expansion is caused by the release of these funds and cannot be looked upon as permanent.

The reserve ratio of this bank and also of the System has shown a decline during the past month ending December 20. On December 20 the reserve of this bank was 68.9 per cent as compared with 73.7 per cent for the same date a month ago. The reserve ratio of the System was 72.8 per cent on December 20 as compared with 77.1 per cent on November 20.

The combined reports of 18 representative banks in the Fourth District for the month of November show a further increase in savings accounts. November deposits as compared with those for the same month last year show a gain of 4.3 per cent. The gain for November over the previous month was 1.1 per cent.

The acceptance market situation is practically the same as it was a month ago when we reported a considerable improvement, due to the advance in interest rates.

Prospects in Iron and Steel Industry Better Than at Any Time in Two Years; Pig Iron Production Highest Since November, 1920

Underlying strength of the iron and steel situation has been reflected more clearly as the year comes to a close. Prices throughout the market are better stabilized than at any time in some months and operations having risen gradually for a number of weeks are now well maintained on the basis of 80 to 85 per cent of capacity. The basis for this strength of the situation lies in the volume of unfilled business on the books of the steel companies against first quarter production. In several lines, notably steel bars, sheets, wire products, rails, and tin plates, leading producers have only a relatively small fraction of their first quarter output unsold and a good volume of current business continues to be placed. Although some of the heavier lines are not so liberally sold up, new business of this character is encouraging and some of the price softness which related to these latter products, recently seems to be disappearing. Steel Corporation mills on the general average appear to be in a little more fortunate position for future business than the independent companies, due to their policy of holding prices in check during the past several months. At the beginning of the new 12-month period the iron and steel industry throughout shows better prospects than at any time in two years.

Another encouraging symptom of current consumptive requirements and the outlook for the future has been manifested by the recent buying of pig iron which has been in extraordinary volume. Transactions in pig iron for the first half of December, as now compiled, have aggregated more than 1,000,000 tons. Since then, several hundred thousand tons additional have been placed. Practically all of this buying has been for first quarter delivery, since up to recently, no iron for 1923 use had been placed. All the leading iron consumers in the country, including cast iron pipe, radiator, sanitary ware, and machinery manufacturers of all kinds, have been represented in the buying movement, and apparently have been covering against the expectation of better production during the next three months. Prices of pig iron having yielded $2 to $3 per ton under the offering of attractive tonnage business by buyers, have stiffened during the past week or so and now are 50 cents to $1 per ton higher. This seems to indicate that the low point of the market has been reached and passed.

The reaction in prices is well illustrated by the *Iron Trade Review* composite of 14 leading iron and steel products. For the first time in 13 weeks this single average turned upward in the week of December 21 when it stood at $40.50. This figure compared with $40.23 one week, $40.69 two weeks, $41.23 three weeks and $41.78 four weeks previously. The year's peak in prices according to the composite was reached in the last week of September, and from that point until the third week in December a steady decline has been witnessed. This fall of the market was largely due to the gradual readjustment of conditions following the sharp upturn of costs in producing iron and steel in August and September, caused by the effects of the coal strike. Coke prices from a high point of $13 to $14 per ton at that time, now declined to $7 but are much firmer at that level.

Automotive interests have been buying steel freely against production demands for the first quarter of 1923, and this has added considerable tonnage to mill books, especially in the more highly finished lines. Building work has kept up reasonably well considering the season. Structural steel awards in November were 99,040 tons, which was equivalent to 46.8 per cent of the fabricating shop capacity of the country. This brings the 11 months' total awards to 1,460,000 tons, indicating those for the full year will exceed 1,500,000 tons. This will be the largest total of structural steel awards for any single year since complete statistics were first compiled, running back to 1913. Railroad buying of equipment has kept to a satisfactory basis. Car awards in November by domestic roads totaled approximately 18,500 bringing the total of the year to date to approximately 157,000 cars. This figure represents more than seven times the total for 1921 and so far as strictly domestic business goes, it has been exceeded only once since 1912. At the present time Chicago mills have protections outstanding on 500,000 tons of steel covering more than 46,000 cars now under inquiry.

Iron and steel production in November continued to show some gain, though this was on a less fractional rate. The total output of pig iron for November as compiled by *Iron Trade Review* was 2,845,595 tons against 2,629,655 tons in October. Daily production was 94,853 tons in November compared with 84,827 tons in October. Furnaces in blast the last day of November were 240, a gain of 22 stacks over the corresponding date in October. This is the highest number of furnaces active since November, 1920. The total production, also, is the highest since that date. Steel ingot production in November showed little change from October and was at the rate of 39,495,000 tons annually. The annual rate in October was 39,265,000 tons. The indicated annual rate of output in November was equivalent to 90.5 per cent of the record output of the country for all times in 1917.

Agricultural Slump World-Wide; Farm Prices Increasing; Special Article on Poultry and Eggs

In connection with our agricultural plight for the past two years, a very interesting pamphlet has just reached our desk, postmarked Cape Town, South Africa, dated October 31, 1922. Others have reached our attention from Java, Japan, Denmark, and Great Britain.

A paragraph from the Cape Town report reads, "While wages in other industries continue today, if not at the highest war-time rates, at least at levels which exhibit considerable inflation when compared with the pre-war basis, it follows that the farmer is at present laboring under a considerable disadvantage, inasmuch as he is compelled to pay for necessary goods and materials, prices inflated by high wages paid for their manufacture, whereas he is receiving a return for his own produce on a basis of pre-war values. The problem is not peculiar to South Africa, but is of world-wide application at the present day. A recent press cable states that in Great Britain farmers of all classes and in all districts are in serious financial straits, and that failing means of adjusting outlay to revenue, large numbers will be driven out of business. In the United States of America, also, the matter has been under investigation by a Government Commission."

This report on agricultural conditions in far-away Africa reads as though describing our own agricultural situation, and further impresses the fact that the chaos from which the American farmer is slowly emerging was world-wide and by no means confined to the United States.

The value of the principal farm crops raised in Ohio this year reaches a total of $230,000,000, according to the State-Federal Crop Reporting Service. This is an average of about $900 for each of Ohio's 257,000 farms. Statistics are not available on the total value of livestock produced this year, but the number of animals sold will be greater than last year and since livestock prices are from 15 to 60 per cent more than last year, it is safe to say that the products of the Ohio farm, including both crops and livestock, will be worth this year more than 20 per cent above the value of last year's farm output.

Corn leads in value at $100,000,000, with hay a somewhat distant second at $52,000,000. The wheat crop of the State amounts to $40,000,000 and the oats crop to $17,000,000. The potato crop is estimated at $10,000,000, and the tobacco crop at $7,000,000. Fruit crops and a number of crops of minor importance are not included in the estimated total of $230,000,000. The values in this estimate are based on the State average prices prevailing on November 15.

Ohio has stood in sixth place for the last three years in the production of corn and is in fifth place this year in respect to wheat. In hay, Ohio is exceeded by only two states and it is fifth in tobacco.

The marked extent to which farm prices have increased during the last year is shown by the November price report. Corn is 60 per cent higher with an average price of 65 cents for the State, while a year ago the average was 40 cents a bushel. Hogs average almost $8.00 per hundred pounds as compared with $7.00 at this time last year. Beef cattle are selling, taking the State as a whole, at $6.50, which is exactly $1.00 a hundred above the price paid farmers a year ago. Wool is twice as high and now sells at an average of 42 cents a pound. Sheep have shown a remarkable recovery from $3.30 a year ago to $5.50 today and lambs have jumped from $6.85 to $10.65. In fact all farm products show an increase with the exception of hay and potatoes (*per hundred pounds.*) Potatoes are selling on the average in small lots from the farm at 94 cents a bushel and in large lots prices as low as 50 cents are reported. These increases reflect the increased demand for farm products.

The marketing season in the burley tobacco district for the 1922 crop has opened. The independent loose leaf floors at Lexington started their sales of non-pooled tobacco on November 27. The Burley Tobacco Growers' Co-operative Association opened its warehouses for the receipt of this year's crop on December 11. The sales on the loose leaf floors have been bringing very favorable prices and the average of the Lexington houses probably is somewhere in the neighborhood of 30 cents a pound. This is considerably higher than the average for last season.

The Association is making advances to the members upon delivery and coming at this time, this will put some Christmas money in the hands of the members. The Association has recently completed the sale of its holdings of 1921 tobacco, and as soon as all of this tobacco is delivered and settlement made, the Asssociation can compute the amounts due each member and final payment will then be made to the growers for the 1921 crop. This probably will be some time after the first of the year. Due to weather conditions during the growing season, the 1922 crop is small and in view of the fact that the 1921 crop also was a short crop, it is generally believed that the Burley Association will dispose of the 1922 crop in a comparatively short time. The crop is of splendid quality and is sure to bring satisfactory prices.

The Dark Tobacco Growers' Co-operative Association, which has recently been organized in western Kentucky, is actively engaged in completing its plans for the receiving and handling of the 1922 crop.

Special Article on Poultry and Eggs, Prepared by the Ohio Division of Markets

Ohio is one of the large chicken raising and egg producing states. This is an industry to which many farmers look for a source of revenue.

This has become particularly true during the past few years when other commodities, and particularly the products of the soil, have shown a tendency to become a means of less encouraging returns for the labor involved. As a result more people have turned to the raising of livestock and chickens. Small farms can be found in the vicinity of every urban center where poultry constitutes one of the chief, if not the chief industry.

There has been a belief in the minds of some extensively engaged in the business, that the rapid turn toward the production of poultry and eggs might lead to an over-supply of the commodities and bring about such an increase in the stock that they would flood the market and become a liability rather than an asset, even though there were no increase in demand.

Statistics secured by the Ohio Division of Markets of the State Department of Agriculture disapprove any apprehension which may be felt along such lines. They definitely demonstrate two things. First, there has been an increase in the supply of both poultry and eggs during the year; there has likewise been an enhanced demand and greater consumption, so that the amount in stock on December 1, 1922, was less as to the total of dressed poultry than on the same date, 1921, and but a little greater as to eggs. But one solution fits such a situation and this is a heartier appreciation on the part of the public as to the value of chickens and eggs as sustaining articles of food which brings with it a constantly increasing consumpton.

The four big poultry and egg markets of the country are: New York, Chicago, Boston, and Philadelphia. New York is the largest, and a good part of the production from this state finds a ready sale in these cities. This is particularly true as to white eggs, for which New York people seem to have an unusual fondness. No small number of producers in Ohio send their entire supply of eggs with a whitish shell to dealers in that city, receiving a substantial price and finding a market always ready to purchase.

During the months from January 1, of this year, to December 1, the receipts of eggs at these four centers have been 14,844,740 cases. These were divided among the cities in the way given below: New York 6,645,760 cases; Chicago 4,650,350; Boston 1,918,662; and Philadelphia 1,651,963. The receipts for the same months in 1921 for these places were 13,866,110 cases, distributed as follows: New York 6,416,038; Chicago 4,068,833; Boston 1,781,859; Philadelphia 1,599,380. The increase, therefore, for the present year was 978,630 cases.

This might cause poultry raisers some little apprehension, were it not for the fact that the increase in cold storage supplies has been far less, when compared with the receipts. On December 1 of this year, there were 1,571,847 cases placed away for consumption in these four places. They represented the accumulation since January 1. In 1921 at the same time, the total was 1,074,569 or 497,278 cases less.

This year the cases held in storage were: New York 557,994; Chicago 765,137; Boston 141,052; Philadelphia 107,664. In 1921 the division was as follows: New York 488,730; Chicago 388,471; Boston 131,535; Philadelphia 84,833.

The comparatively slight increase in cold storage, compared with the much higher advance in receipts, indicates that eggs are more than holding their own. Housewives who buy them on the market can readily testify to this. An even more satisfactory condition surrounds poultry, for here, while the receipts have been heavier this year, the amount in cold storage is considerably less. From January 1, 1922, to December 1, the receipts at these four leading centers were 217,412,978 pounds, distributed in this way: New York 111,816,096; Chicago 53,277,166; Boston 33,767,912; Philadelphia 16,552,924. For a similar period in 1921, at the same places, there were 204,538,681 pounds received, the different markets taking these amounts: New York 103,270,755; Chicago 51,508,642; Boston 31,843,700; Philadelphia 17,915,584.

To affect any concern which the increase of 2,874,297 pounds might occasion, the decrease in cold storage, testifying to a larger consumption, is given. The present number of pounds held in storage is 41,468,417, of which New York has 17,461,547; Chicago 18,220,667; Boston 5,368,214; Philadelphia 2,417,389. In 1921, at the storage houses, there were 52,308,664 pounds held, or an increase of 840,247. These were divided as follows: New York 22,477,955; Chicago 23,708,209; Boston 3,952,405; Philadelphia 2,170,095.

Thus the figures prove that with an increased number of 2,874,297 pounds placed on the market, there are 840,247 pounds less held in storage.

The only conclusion is that the popular demand for poultry is growing beyond the increase in production. Ohio raisers of chickens and sellers of eggs can take the comforting thought that the business is in a most excellent condition to continue, with the future holding no less of hope than the past.

Manufacturers Enjoy Good Business; Taking of Inventories Halts Production Temporarily

Business this month as reported by Fourth District manufacturers continues to show a substantial improvement in many lines. The mid-season dullness which is customary at this period is less noticeable than in former years, and the demand for goods in some instances is increasing. The taking of inventories near the close of the year is, to some extent, temporarily interrupting production.

Automobiles—Past records were broken in the fall automobile trade as a result of the unusually heavy demand. At present this industry continues to produce a volume of motor cars which is in excess of the amount usually turned out at this time of year, and some of the leading companies are operating at near capacity. Passenger cars rather than the truck division have been responsible for the heavy demand. Manufacturers and distributors are placing strong emphasis on the increasing demand for closed cars. Manufacturers expect some curtailment of operations this month due principally to the closing of plants for the regular taking of inventory.

In the auto body business manufacturers report that motor car builders during the past thirty days have been showing a tendency to order farther ahead than heretofore. The result is that additional orders for bodies have been received. Manufacturers are confronted by transportation, raw material, and labor problems, but so far these have not resulted in any noticeable decline in factory operations.

Reports this month from representative automobile truck manufacturers in this District indicate a somewhat spotty business for the past month. In some instances a fair improvement in sales is reported as compared with the previous month, while in others a decline is shown. Companies are reported to be operating on a conservative production schedule. Shipments of raw materials and finished products are being handled more satisfactorily by the railroads.

The following figures compiled by the Department of Commerce give the total passenger car and motor truck production for eleven months of this year by all companies whose reports have been received. With a few exceptions, the reports each month are from identical firms and include approximately 90 passenger car and 80 truck manufacturers. The November figures are subject to slight revision when all reports have been received.

AUTOMOBILE AND TRUCK PRODUCTION

(Number of Machines)

1922	Passenger Cars	Trucks
January	81,693	9,416
February	109,171	13,195
March	152,959	19,761
April	197,216	22,342
May	232,431	23,788
June	263,027	25,984
July	224,770	21,739
August	248,484	24,394
September	187,964	19,130
October	216,467	21,434
November	214,631	21,223

Electrical Goods—This business is quite active in practically all lines. The extensive building program which has been put through this fall has brought additional loads on the power plants and is partially responsible for the strength of business in that particular field, although the development in many industrial fields is also requiring additional electric power and equipment. There is an unusually heavy demand for bare and insulated electrical wires and lead covered cables. A large concern reports that orders booked during recent months in the aggregate are about double those for the corresponding months of last year. The placing of so much business at this time of year is looked upon by manufacturers as rather unusual and is attributed to the fact that copper has shown a rising tendency. It is also true that purchases for spring delivery are heavier than for some years past and this is looked upon in the trade as an evidence that public service corporations are contemplating considerable extension.

Small Tools—The volume of November sales is reported to be slightly less than for October, but about the same as the average for the past six or seven months, with a volume of about 75 or 80 per cent of what might be considered normal. The general practice of taking inventories at the end of the year means a slackening of orders in this line.

Hardware—While there have been no important developments in the hardware business lately, trade is reported to be growing each month and buyers are showing more interest. Business with the farmer is not showing the improvement it has with the city man.

Paint—Paint manufacturers have been doing a remarkably good business and sales are reported to have taken a further turn for the better. Factories are working overtime trying to fill dealers' stock orders. Dealers' orders are heavy and there is an optimistic outlook for spring business. The districts showing the greatest volume and improvement are the Pacific Coast, North Central and Middle West. Manufacturers see definite indications of returning prosperity in farming and small town communities.

Pottery—Since the return of strikers this industry has been making strenuous efforts to make up for lost time and get out some of the Christmas business. A Fourth District manufacturer of china ware reports that the majority of employees were glad to get back to their regular occupation.

Glass—This is the time of year when glass manufacturers expect a seasonal decline in demand. So far, however, it has not materialized because a great many of the buildings which are now in the course of erection were started late, and are being finished correspondingly late. Furthermore, great activity still continues in the automobile and furniture business both of which are large consumers of glass. The industry is also rushed to meet the demand for Christmas goods.

Tin Cans and Pails—Business continues good, though there is a slight falling off in orders received, due to the usual desire to curtail purchases pending the taking of the annual inventory. Stocks on hand appear to be small as evidenced by the continued demand for prompt delivery. Collections are good.

Paper—The consumption of paper during November is reported to have been large, and sales to printers, lithographers, etc. are running heavy for December. The tonnage being placed with the mills is believed to be lighter than for October and November, apparently because the merchant is running his stock low for the annual inventory and what few stock orders that are being placed are frequently for delivery after January 1.

Bags—The volume of business continues very satisfactory, although the period of greatest pressure appears to have passed with the customary relaxation toward the holidays. The requirements of the fertilizer trade for the first quarter of 1923 seem to have been pretty well covered, and there appears to be a little more tendency to anticipate from the flour and feed buyers. On the other hand, some buying in other lines has been arrested by the recent advance in cotton goods. In general, the incrase in volume compared with a year ago is reflected by the figures showing a gain of about 9 per cent in the monthly average of burlap importations to North America from Calcutta. Collections are very satisfactory and distinctly better than during the first half of this year.

Stoves and Ranges—The month of December is hardly a normal month in the stove business, especially when the weather is mild. Cold weather means additional business. The bulk of stoves are ordered in the early fall, so that retailers may have them in stock for local requirements. Such orders as are placed in November and December are usually for the purpose of balancing stock or taking care of belated demands. Then, too, the stove or range has no particular place in the holiday trade. It is noticed, however, that orders are coming in more regularly this year than they did a year ago.

An important manufacturing concern reports they have enjoyed an 80 per cent increase in the stove business for the month of November, as compared with November, 1921, and up to and including sales to December 14 there was a 240 per cent greater volume than for the same period in 1921.

Another manufacturer reports November sales for this year three times greater than for the same month of 1921. For the first eleven days of December they were six times greater than for the corresponding period last year.

Efforts are being directed toward the standardizing of products, prompt delivery, quality production, and also in other directions tending toward improvement. There is little complaint with reference to collections.

Production of Soft Coal Continues Steady; Lack of Motive Power and Cars Delay Shipments

The past year has witnessed many changes in the coal industry. During the first part of the year there was little demand for coal, except for stocking purposes. This period was followed by four and one-half months of strike, after which a heavy demand began. This demand is being fairly well supplied as the year draws to a close.

Car shortages and lack of motive power by the railroads continue to be the principal problems which face the coal men. Many mines in Ohio are getting only a small percentage of their normal car supply. Distributors report that they have a sufficient number of cars en route to keep them supplied with coal, but the delivery cannot be depended upon at near schedule time, which means that the trade must be cared for on a hand to mouth basis. The cold weather is bringing out a heavy demand from homes where supplies are low, and quick deliveries are being urged.

Production of soft coal continues at a daily rate of approximately 1,900,000 tons. The output for the week ending December 9 was estimated at 11,389,000 tons.

According to a recent report of the United States Geological Survey, the estimated cumulative production of bituminous coal this year to December 9, inclusive, stands at 376,826,000 tons, which is 7,772,000 tons or 2 per cent less than in the corresponding period of 1921; 141,352,000 tons or 27 per cent less than in 1920; 53,523,000 tons or 12 per cent less than in 1919; 174,213,000 tons or 32 per cent less than in 1918; and 142,786,000 tons or 28 per cent less than in 1917.

The cumulative production of soft coal during the first 289 working days of the past six years has been as follows:

1917	519,612,000	1920	518,178,000
1918	551,039,000	1921	384,598,000
1919	430,349,000	1922	376,826,000

Anthracite production for the week ending December 9 is estimated at 2,038,000 net tons on the basis of 38,971 carloads shipped, including, besides freshly mined coal, that recovered by washeries and river dredges, and allowances for mine fuel and sales to local trade.

Railroads Show Signs of Improvement; Number of Bad Order Cars Is Smaller

While the condition of railroad transportation is still far from normal, there is a belief that shipping difficulties are looking a little brighter. Up to this time, however, there has been no great improvement and from many sections of the country, reports that only a partial amount of the needed equipment can be secured are numerous.

On October 31 there was a total shortage of 179,239 cars and a surplus of 3,716 cars. On November 30 the shortage had fallen to 133,786 cars and the surplus had risen to 5,595 cars. This may be explained by a demand for cars which is seasonal in different sections of the country. Thus there might be a shortage of cars in western states during the fall season when grain shipments are heavy, and at the same time a surplus of cars in another section of the country, due to a seasonal decline in certain manufactured products.

During November there was a much greater movement of revenue freight than for the same month in 1920 or 1921. This increase in the amount of freight moved, together with an apparent increase in the ability of the roads to handle it, point to an improvement in the conditions of the railroads throughout the country.

In addition to the improvement in the car supply, there has been a considerable reduction in the number of cars reported in bad order. During the spring of this year there was a total of well over 300,000 cars in bad order continuously. The number of cars in bad order now is less than 250,000 and seems to be falling steadily.

The buying of equipment continues heavy with the present demand coming principally from western lines. Figures compiled by the *Iron Trade Review* show car orders for 11 months of 1922 total 157,173. The orders by months are as follows:

January	11,000	July	13,700
February	14,500	August	1,610
March	12,000	September	10,357
April	31,500	October	12,700
May	18,250	November	18,456
June	13,100		

Healthy Demand in Various Textile Lines; After-Results of Coal and Rail Strikes Noticeable in Certain Sections

The textile industry appears to be progressing along the same lines as a month ago, with the exception that in the women's wear part of the business especially, manufacturers are ordering goods ahead for delivery up to the middle of March and are urging deliveries.

The pressing for deliveries is also true in the men's wear line, but manufacturers seem to be operating more carefully in buying ahead for next season, unless a price is given them which is not in keeping with the present wool market.

The wool market remains firm. Domestic wool is pretty well used up and foreign markets are now the principal source of supply.

A Fourth District textile manufacturer recently visited textile mills in the East. He reports that the scarcity of textile labor which has been in evidence in Cleveland for some time, is also apparent in the eastern mills. These investigations disclosed the fact that many of the representative mills in that part of the country are operating shorthanded.

Many of the salesmen who have been out on spring trips for men's ready-to-wear are coming in and, generally speaking, report a satisfactory volume of business booked—in most cases ahead of a year ago.

The results continue to be spotty, however, certain territories showing a substantial gain while others do not. Some of the coal territories have not yet recovered from the blow of idleness which the coal strike precipitated. There are railroad towns in a similar condition. Agricultural territories, generally speaking, are showing improvement, though there is still caution.

The wind-up of the fall season seems to show a more healthy activity than at the end of previous seasons during the last two years. It is generally understood that stocks have been reasonably well cleaned up. Retail business seems to be picking up more than the wholesale—the demand being supplied from current stocks which is a healthy condition.

The recent cold weather which has prevailed in many parts of the country has stimulated demand for wearing apparel. There is a healthy demand for goods which are a protection against the cold, and this has been well sustained throughout the month.

There has been a noticeable absence of drastic price reductions—indices of excessive stocks that have so generally prevailed at this season of the year. This has had much to do with the feeling of strength in the textile lines, and has been a factor in price maintenance.

Bookings of spring orders in women's ready-to-wear lines indicate an absence of carried-over stocks and a better outlook for distribution based on larger earnings.

In the fancy knit goods business orders for spring delivery are heavy. The salesmen are now out on the road selling for next fall, and they report good orders.

Rubber Situation Shows No Particular Change; Cold Weather Increases Footwear Demand

The rubber industry reports a continuance of good business. Production schedules remain heavy, and manufacturers believe they have reasonable grounds for anticipating a prosperous beginning for the new year.

Because of the low prices of tires, users have done very little repairing of old tires with the result that the consumption per car has been greater this year than in any other year in the industry.

The *India Rubber Review* says that the encouraging reports of probable auto sales mean more tires for original equipment. Increasing interest in touring and good fall weather have also resulted in more tires being sold. The heavy demand for closed cars means more winter driving and the hard use of tires.

Spring dating orders are reported to be heavy in all lines of the major plants, which fact is responsible to a large extent for the unusual amount of winter production.

Seasonal weather is aiding the footwear output and has made collections in this line unusually good. More severe winter weather is needed, however, to move goods off the dealers' shelves. New styles this year have brought additional orders. Mechanical goods business is reported to be gaining steadily as more industrial plants get under way. Sales of drug sundries are good.

The rubber restriction legislation in the rubber producing countries of the East has resulted in a very marked advance in the price of crude rubber within the last three months. Fabric prices are also higher.

Some difficulty in procuring sufficient labor is reported.

Holiday Buying Brings Good Volume of Business to Wholesale Grocers; Collections Show Some Improvement

Nothing particularly new has developed in the wholesale grocery business since last month when conditions were reported to be more satisfactory than at any time during the past few years. Business continues good, and collections are reported to be a little better than for the month of November. There is a fair volume of orders, and holiday business, especially for such items as canned fruits, vegetables, nuts, dried fruits, etc., has been very good.

Just previous to the holiday week there is always a spurt of heavy buying. This is only natural, for the housewife is preparing for the holiday week and usually lays in a supply of groceries sufficient to last through this period. The natural result is that a temporary lull comes during the last week of the year. Wholesale grocery men say they are expecting business to slow up a little as usual, during the holiday week.

The canning industry, and particularly corn, is gradually getting in better shape. The improvement over this time last year is marked. This is due to a general betterment of conditions and to the improved business methods of the canners.

The following report summarizes general departments in the wholesale grocery line as they stand out in reference to dealer's and consumer's buying.

Cereals—Buying somewhat lighter than a month ago due to the season's demands being filled by previous buying. This is also true of flour, pickles, fish in bulk, and sauerkraut.

Bakers' Supplies—Buying quite sluggish and not up to expectations.

Coffee—Visible stocks very light. Prices advancing. Sales very satisfactory.

Soap—Little change since last month when consumption was reported to be growing and prices moving upward.

Tea—Stocks light. Good volume of sales. Prices advancing.

Beverages—Little change since last month when consumption was reported to be normal for this time of year.

Candy—Buying very good. Many jobbing lines completely sold out for the season. Factories working overtime on holiday goods.

Canned Goods—Fancy goods scarce and difficult to get. Prices very firm. Retailers' buying very satisfactory.

Preserves—Demand increasing.

Condiments—Prices advancing due to short tomato crop in certain sections. Jobbers' buying active. Retail dealers buying heavily.

Peanuts—Prices advancing with sales very satisfactory.

Cheese—Holiday season affects buying. Storage stocks of American cheese ten million pounds short of five-year average, with consumption much greater.

Sugar—No particular change since last month when demand was slow, due to close of canning season.

Tobacco—Cigar prices very firm with sales unusually good. The cigarette situation is about the same as it was a month ago when the demand was good. The demand for bulk, scrap, and chewing tobacco is about normal.

Olives—Many curers withdrawn from the market; holding for higher prices. Demand good.

Advances in Raw Material Prices Handicap Farm Implement Manufacturers; New Machinery Essential to Farming Efficiency

Reports this month from Fourth District farm implement and tractor manufacturers quite generally indicate that conditions are much the same as they were a month ago. Some slight improvements are noted and these are attributed to the brighter mental attitude of the farmer. Where contracts and sales show any marked improvement, comparisons are made with business a year ago rather than with last month.

One of the late developments in the implement business is the increasing export demand, which is coming at a very opportune time. This is definitely reflected in the report of an important farm implement manufacturing concern. Their November sales showed an increase of 150 per cent over November, 1921, and December sales will show a gain of approximately 100 per cent. This business in both instances was practically all export trade to South America.

The most disquieting factor in the tractor and implement industries at this time is a general and continued increase in the cost of materials.

The peak of high prices for implements was about 72 per cent above the pre-war level. This has been materially reduced during the last two years to the present level, which is about 41 per cent above the pre-war years. The manufacturers have reached this position in the face of advancing material prices which within the past nine months have shown a decided upward trend.

How best to meet this situation is a matter uppermost in the minds of manufacturers now. The industry has long believed that could it get its prices on a basis of relative pre-war exchange values with farm crops, a period of long delayed buying would ensue. The recent advance in the market prices of farm products brings them nearer the level of the present cost of implements. Whether continued increases in the farm products market will be sufficient to absorb advances in implement prices without lessening trade is problematical. The dealers have told the manufacturers that they cannot sell at any higher price levels, although they believe the farmers generally are resigned to the belief that lower prices are impossible, and that they will buy now. The manufacturers, however, believe that inasmuch as the industry has done a great deal to maintain prices upon a basis where the farmer can buy, the farmers should be willing that prices be established upon a plane which will preclude manufacturing losses.

The most encouraging feature of the present situation is the somewhat improved buying power and mental attitude of the farmer. While his earnings are not yet what they should be, they have increased. Also, he is beginning to realize that his old machinery cannot be repaired much longer except at the cost of efficient operation and that in efficient operation lies at least a partial cure for his present ills. In other words, the efficiency program which has been necessary in a great many manufacturing lines is also applicable to farming—the most important of all industries, and implement men believe this will mean new and better machinery.

Building Operations Continue Into Winter Months; Investment Building Brings Out New Orders

Cold weather does not appear to have had the usual depressing effect upon building operations so far this winter, at least so far as the construction of homes is concerned. Very little severe weather, however, has been encountered up to this time, and until a few weeks ago, conditions were unusually favorable for construction work. Certain types of construction have apparently reached the stage where they are a continuous operation.

The figures for dwelling construction in the suburbs of greater Cleveland aggregated $32,579,120 for the first 11 months of the present year as compared with $16,912,860 for the same period last year; and the first portion of December carried a like percentage of increase, indicating that the year will bring totals approximately double those of 1921.

For the city proper, the value of building permits issued for 11 months of 1922 aggregated $50,930,415 in comparison with $44,225,798 for the same period last year.

For the month of November, 1922, 211 frame dwellings with a valuation of $1,065,450 were reported at the office of the Building Commission of this city, as compared with 144 dwellings at a value of $698,150 for the same month a year ago.

Many cities in the Fourth District report that building operations have progressed nicely in spite of the winter season. This has resulted in practically constant employment for all trades. Labor shortage in certain lines continues. Bidding for labor in these lines is causing an upward tendency in costs. However, good weather for building has helped to counteract this situation to some extent.

Evidence of increasing cost is to be found in the figures being taken for new work to be started during the open days of the winter for completion the coming spring and early summer. The basis of this rising cost is to be found in both material and labor. There are many who view this tendency with feelings of apprehension in view of the heavy building program now under way.

Residential building has been going on rapidly and construction work has extended to the investment type. This expansion is bringing out new orders. As an illustration, a Fourth District hardwood lumber manufacturer reports that one grade of oak flooring for which there was no demand whatever a year ago, is now being oversold 150 per cent of the total available stock in the country. Rough lumber prices in hardwoods are advancing, with a scarcity of desirable stocks. Export demand has been showing signs of revival recently.

Final Returns on Lake Shipping Season Show Heavy Shipments; Coal Shipments Larger Than Expected

Most of the ore shippers made an early clean-up, and only one cargo was loaded in December. The last ore carrier to sail left Escanaba on December 2, and after delivering the cargo at Buffalo, loaded coal at an Ohio port for Milwaukee. The ore movement for the season did not reach the estimates made earlier in the season. Requirements were cut on account of the coal and rail strikes, as a large number of furnaces were idle during the summer months. Including the cargo that was loaded in December, the mines in the Lake Superior district sent forward 3,420,560 tons in November, making the movement for the season 42,613,184 tons, which is an increase of 20,312,458 tons over 1921, when shipments were 22,300,726 tons. The all-rail movement is estimated at 1,000,000 tons which will make the total for 1922, 43,613,184 tons.

Receipts of ore at Lake Erie ports in November were 3,171,593 tons, making 31,713,645 tons which the docks at this end of the route handled during the season up to December 1. In November, 1921, the fleet delivered 451,227 tons, and receipts for the season were only 15,554,341 tons. Ashtabula leads all the ports in receipts for the season with 7,730,461 tons; Cleveland is second with 7,169,586 tons; Conneaut third with 6,540,031 tons; and Buffalo, with 3,865,874 tons, is fourth in the list.

Receipts at the different ports for November and the season follow:

Port	Month	Season
Buffalo	430,684 Tons	3,865,874 Tons
Erie	125,346 "	666,288 "
Conneaut	580,154 "	6,540,031 "
Ashtabula	736,503 "	7,730,461 "
Fairport	52,152 "	1,032,797 "
Cleveland	720,165 "	7,169,586 "
Lorain	306,480 "	2,835,551 "
Huron	67,642 "	654,575 "
Toledo	152,467 "	1,218,482 "
Total	3,171,593 Tons	31,713,645 Tons

The Lake Erie docks shipped 2,062,997 tons of ore to the interior furnaces in November, making the movement for the season 21,095,473 tons. Stocks at the lake front are heavier than they were a year ago. On December 1 the docks were holding 9,899,313 tons and on the same date in 1921 stocks were 9,032,595 tons.

The coal movement was heavier than figured on, when the miners' strike was settled, and although the coal was very slow coming forward from the mines during the latter part of the season, a good clean-up was made. About 500 cars were carried over, and most of the material was slag, for which there is little demand in the lake trade. Shipments for December were heavier than usual, and the last cargo was not loaded until the middle of the month. Shipments for the week ended December 11 were 278,261 tons and for the same week in 1921 the fleet loaded only 27,885 tons. The movement for the season up to December 11 was 18,450,226 tons compared with 22,412,380 tons for the same time in 1921, and 22,408,355 tons in 1920.

The stone movement will show a good increase over 1921. Grain shipments were heavy but the figures are not yet available. The fleet loaded more than 200,000,000 bushels of grain at Fort William and Port Arthur.

Debits to Individual Accounts

	Week Ending Dec. 13, 1922 (323 Banks)	Week Ending Nov. 15, 1922 (323 Banks)	Increase or Decrease Amount	Per Cent	Week Ending Dec. 14, 1921 (271 Banks)	Increase or Decrease Amount	Per Cent
Akron...........	$ 14,301,000	$ 14,287,000	$ 14,000	0.1	$ 10,198,000	$ 4,103,000	40.2
Butler, Pa.*......	2,417,000	2,533,000	— 116,000	— 4.6	....	....	....
Canton..........	11,762,000	8,928,000	2,834,000	31.7	....	....	....
Cincinnati.......	69,084,000	69,696,000	— 612,000	— 0.9	60,607,000	8,477,000	14.0
Cleveland........	131,458,000	139,114,000	— 7,656,000	— 5.5	115,502,000	15,956,000	13.8
Columbus........	31,664,000	31,939,000	— 275,000	— 0.9	26,417,000	5,247,000	19.9
Connellsville*.....	1,540,000	1,565,000	— 25,000	— 1.6	....	....	....
Dayton..........	14,225,000	13,800,000	425,000	3.1	12,852,000	1,373,000	10.7
Erie............	6,388,000	7,260,000	— 872,000	—12.0	7,062,000	— 674,000	-9.5
Greensburg.......	4,439,000	4,179,000	260,000	6.2	4,347,000	92,000	2.1
Homestead*......	752,000	711,000	41,000	5.8	....	....	....
Lexington........	5,951,000	7,401,000	— 1,450,000	—19.6	3,856,000	2,095,000	54.3
Lima*..........	3,537,000	4,016,000	— 479,000	—11.9	....	....	....
Lorain..........	1,415,000	1,568,000	— 153,000	— 9.8	....	....	....
New Brighton*...	2,343,000	2,582,000	— 239,000	— 9.3	....	....	....
Oil City.........	3,019,000	3,365,000	— 346,000	—10.3	2,456,000	563,000	22.9
Pittsburgh.......	269,068,000	178,053,000	91,015,000	51.1	144,867,000	124,201,000	85.7
Springfield.......	4,938,000	4,897,000	41,000	0.8	3,297,000	1,641,000	49.8
Toledo..........	35,234,000	49,706,000	— 14,472,000	—29.1	30,975,000	4,259,000	13.7
Warren, O.*......	3,107,000	3,024,000	83,000	2.7	....	....	....
Wheeling.........	9,993,000	10,048,000	— 55,000	— 0.5	7,358,000	2,635,000	35.8
Youngstown......	13,217,000	12,972,000	245,000	1.9	10,171,000	3,046,000	29.9
Zanesville*.......	2,764,000	2,975,000	— 211,000	— 7.1	....	....	....
Total........	$642,616,000	$574,619,000	$67,997,000	11.8	$439,965,000	$173,014,000	39.3

* Debits for corresponding period 1921 not available.

Comparative Statement of Selected Member Banks in Fourth District

	Dec. 13, 1922 (84 Banks)	Nov. 15, 1922 (84 Banks)	Inc.	Dec.
Loans and Discounts secured by U. S. Government obligations......................	$ 30,954,000	$ 31,205,000	$.........	$ 251,000
Loans and Discounts secured by other stocks and bonds................................	374,743,000	354,642,000	20,101,000	....
Loans and Discounts, all other................	636,101,000	632,292,000	3,809,000	....
U. S. Bonds............................	177,218,000	177,808,000	....	590,000
U. S. Victory Notes......................	2,854,000	1,526,000	1,328,000	....
U. S. Treasury Notes.....................	33,796,000	31,836,000	1,960,000	....
U. S. Certificates of Indebtedness............	3,496,000	3,975,000	....	479,000
Other Bonds, Stocks, and Securities...........	292,288,000	280,195,000	12,093,000	....
Total Loans, Discounts, and Investments......	1,551,450,000	1,513,479,000	37,971,000	....
Reserve with Federal Reserve Bank...........	93,987,000	103,537,000	....	9,550,000
Cash in Vault..........................	36,207,000	30,426,000	5,781,000	....
Net Demand Deposits....................	855,138,000	862,508,000	....	7,370,000
Time Deposits..........................	555,823,000	516,295,000	39,528,000	....
Government Deposits....................	10,693,000	11,727,000	....	1,034,000
Total Resources at date of this Report.........	1,988,037,000	1,949,841,000	38,196,000	....

Wholesale Trade

Percentage Increase (or Decrease) in Net Sales During November, 1922, as Compared with October, 1922, and November, 1921

	Dry Goods	Hardware	Drugs	Groceries
Net Sales (selling price) during November, 1922, compared with October, 1922..	—8.6	—3.2	—2.1	4.6
Net Sales (selling price) during November, 1922, compared with November, 1921..	14.7	25.3	7.3	11.1

Department Store Sales

	Cleveland	Pittsburgh	Cincinnati	Toledo	Akron	Canton	Other Cities	District
Percentage of net sales (selling price) during November, 1922, over net sales (selling price) during the same month last year..	17.5	17.5	11.5	9.5	18.1	11.4	21.5	16.3
Percentage of net sales (selling price) from July 1, 1922, to November 30, 1922, over net sales (selling price) during the same period last year........................	16.8	11.4	4.1	8.8	14.0	10.3	24.6	12.6
Percentage of stocks at close of November, 1922, over stocks at close of same month last year...........................	4.6	—7.3	—12.5	—3.3	5.6	1.8	12.3	—2.5
Percentage of stocks at close of November, 1922, over stocks at close of October, 1922	4.6	2.0	—0.8	2.9	2.2	1.1	11.1	2.9
Percentage of average stocks at close of each month this season (commencing with July 1, 1922) to average monthly net sales during the same period..................	330.6	364.6	448.6	365.9	358.4	903.8	404.0	372.8
Percentage of all outstanding orders (cost) at close of November, 1922, to total purchases (cost) during the calendar year, 1921.............................	9.8	7.3	6.7	6.7	9.2	6.7	12.4	8.2

Building Operations for Month of November, 1922-1921

	Permits Issued				Valuation					
	New Construction		Alterations		New Construction		Alterations		Increase or Decrease	
	1922	1921	1922	1921	1922	1921	1922	1921	Amount	Per Cent
Akron......	170	98	42	23	$ 180,634	$ 69,870	$ 66,915	$ 18,425	$ 159,254	180.4
Canton....	162	85	49	43	580,964	184,305	19,639	43,610	372,668	163.5
Cincinnati..	371	246	265	151	2,380,515	671,295	335,925	150,700	1,894,445	230.5
Cleveland*.	716	404	752	660	5,354,103	3,669,895	1,298,700	559,155	2,423,753	57.3
Columbus..	315	252	67	79	822,865	548,100	143,535	77,815	340,485	54.4
Dayton....	175	100	63	46	350,105	266,743	121,846	28,521	176,687	59.8
Erie.......	86	83	17	30	151,040	253,730	45,525	24,391	— 81,556	—29.3
Lexington..	38	8	22	28	65,405	35,000	3,860	13,350	20,915	43.3
Pittsburgh..	353	308	84	74	2,173,582	2,887,917	104,376	95,759	— 705,718	—23.7
Springfield..	54	37	13	7	79,900	41,450	3,875	6,200	36,125	75.8
Toledo.....	234	127	103	91	466,630	1,172,099	78,977	84,745	— 711,237	—56.6
Wheeling...	37	44	25	16	101,435	67,175	14,975	6,150	43,085	58.8
Youngstown	128	64	20	22	353,050	238,480	14,825	23,825	106,110	40.5
Total....	2,839	1,856	1,522	1,270	$13,060,228	$10,106,059	$2,252,973	$1,132,106	$4,075,036	36.3

* Includes figures for East Cleveland, Lakewood, Cleveland Heights, and Shaker Heights.

Movement of Livestock at Principal Centers in Fourth Federal Reserve District for Month of November, 1922-1921

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1922	1921	1922	1921	1922	1921	1922	1921	1922	1921
Cincinnati.............	27,641	28,617	136,716	141,597	9,330	13,938	9,589	10,132	1,991	2,264
Cleveland.............	11,986	11,235	106,431	86,680	45,918	50,599	9,930	8,634	1,943	1,894
Columbus.............	73	14	6,951	3,717	178	114	223	242	17	12
Dayton...............	2,107	2,090	13,526	12,054	327	524	656	643	....	....
Fostoria..............	1,335	681	12,713	11,002	2,235	2,942	433	403	45	35
Marion...............	88	23	11,230	7,890	532	781	152	100	....	....
Pittsburgh............	59,340	53,958	288,402	240,601	60,785	64,015	24,512	22,031	5,890	4,707
Springfield............	131	430	7,694	6,950	1,380	1,288	208	115	....	....
Toledo...............	853	819	17,591	10,426	1,623	2,599	676	574	225	159
Wheeling.............	427	419	3,104	2,354	355	634	1,089	772	27	24
Purchases for Local Slaughter										
Cincinnati.............	12,780	15,945	64,302	92,847	4,726	10,545	4,483	6,140	.....	.....
Cleveland.............	11,162	10,474	82,794	61,775	19,221	22,875	9,604	8,343	.....	.....
Columbus.............	24	14	36	494	66	.....	44	41	.....	.....
Fostoria..............	55	45	160	1,162	18	15	25	35	.....	.....
Marion...............	88	23	3,030	1,694	13	32	116	49	.....	.....
Pittsburgh............	6,214	5,573	60,739	51,288	9,062	11,567	6,738	5,752	.....	.....
Springfield............	51	....	454	.....	133	....	35	....	.....	.....
Wheeling.............	427	419	3,104	2,354	355	634	1,089	772	.....	.....

Summary of Business Conditions in the United States

Beginning with this issue we publish a national summary of business and credit conditions which is to be prepared each month by the statistical services of the Federal Reserve Board and the Federal Reserve banks. This summary will deal with the latest available facts regarding production, prices, trade, and bank credit. The figures for banking will be those of the current month, but the other figures will necessarily relate to the preceding month.

The index of production includes the following 22 series: pig iron, steel ingots, cotton, wool, wheat flour, sugar, hogs slaughtered, cattle slaughtered, calves slaughtered, sheep slaughtered, lumber, bituminous coal, anthracite coal, copper, zinc, leather, newsprint, cement, petroleum, cigars, cigarettes, manufactured tobacco. In combining these series in a single index, the different items have been weighed in accordance with their relative importance. Allowance has been made for seasonal variations, so that the index does not reflect changes due to seasonal causes. The combined production index compares current output with the production in 1919, the wholesale price index is that of the Bureau of Labor statistics which uses average prices in 1913 as a base.

The Volume of Production and Employment Continued Upward in November, And Prices Registered a Further Advance

Production

Contrary to the usual trend at this season of the year, production in basic industries in November continued to increase. Since July, 1921, when production was lower than at any time in recent years, there has been an almost uninterrupted rise month by month. The index, illustrated in the chart, in which allowance has been made for seasonal changes, shows that production in basic industries during November was 52 per cent higher than in July, 1921, and 7 per cent higher than in October, 1922. The chief advances from October to November were in mill consumption of cotton which reached a monthly total exceeded only once since 1917, and in the production of pig iron which was larger than at any time in the past two years. Building operations were maintained on a large scale despite the approach of winter.

Final estimates for the year placed the yields of all principal crops ahead of 1921, except that of corn which was unusually large in 1921. As a result of these larger yields and the higher prices as well, the total farm value of crops grown in 1922, based on prices received at the farm, as of December 1, is estimated to be 25 per cent larger than in 1921, but 17 per cent less than in 1920.

Increased production was accompanied by continued heavy freight movement. The total number of railroad cars loaded during November was substantially larger than in the corresponding month of previous years, although 5 per cent less than in October. The decline in the demand for cars and a further decrease in the proportion of cars out of repair have resulted in a considerable reduction in the freight car shortage.

Demand for labor continued to increase as shown by the volume of employment at industrial establishments. Local shortages of labor were reported by steel mills, textile mills, and building contractors in eastern districts, but some surplus of common labor was reported from agricultural districts.

Wholesale Prices

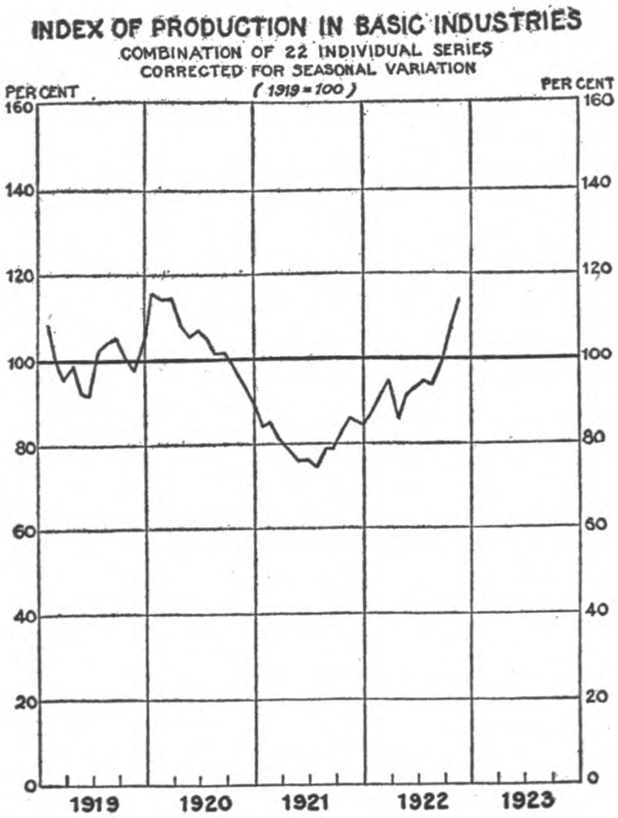
Wholesale prices advanced during November and reached the highest level since March, 1921. The rise of two points in the Bureau of Labor statistics index to 156 was due chiefly to advances in the prices of farm products, foods, and clothing, which rose to the highest point of the year. These advances more than offset the decline in the prices of fuels and metals.

Volume of Trade

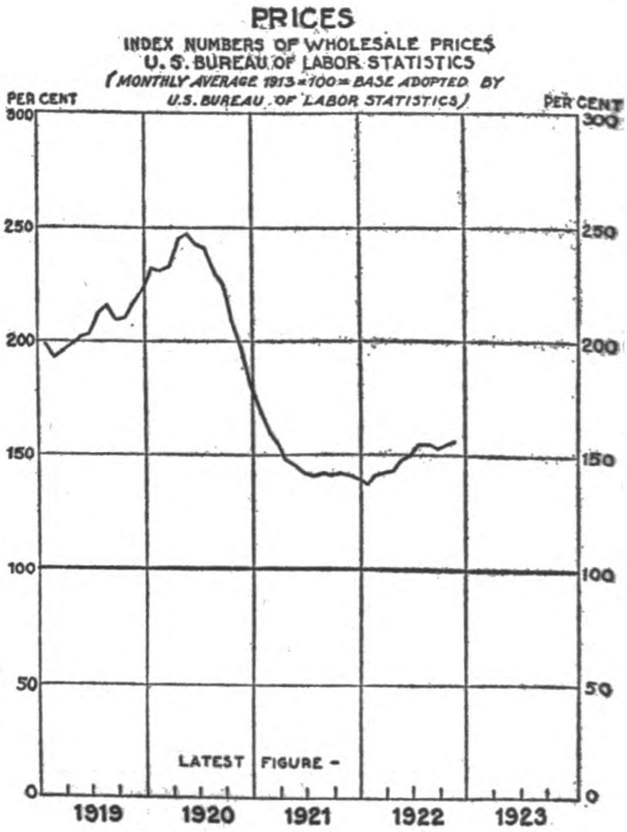
Wholesale trade in lines reported to Federal Reserve banks was substantially larger during November than in the corresponding month last year. Sales of department stores and mail order houses during November were also larger than a year ago, and reports of Christmas trade thus far received indicate sales larger than either 1920 or 1921. The volume of payments by check was 7 per cent smaller in November than in October, due partly to the smaller number of business days, but was 10 per cent larger than in November, 1921.

Bank Credit

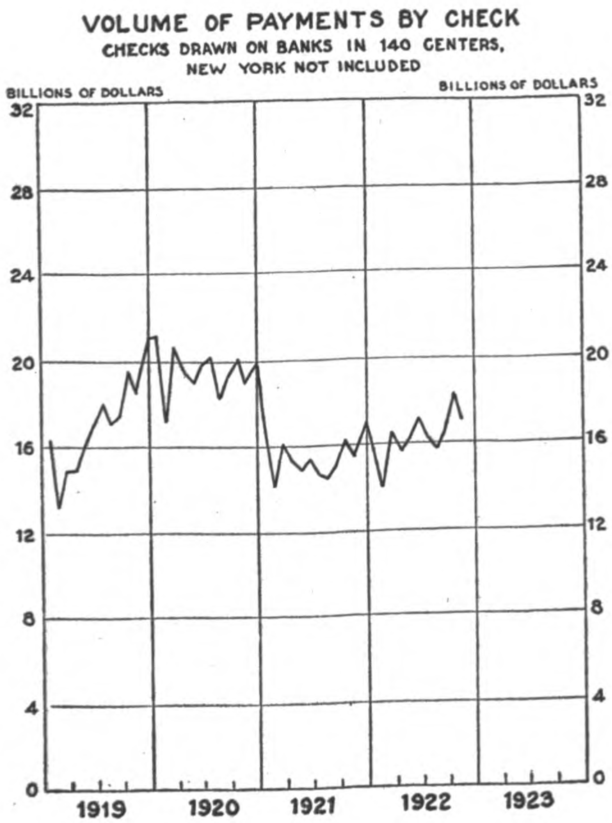
During the period between November 22 and December 20 Federal Reserve banks have been called upon to supply the extra currency needs of holiday trade, and this demand is reflected in an increase of $157,000,000 in Federal Reserve note circulation, bringing the total to the highest point for the year. A decline of $43,000,000 in gold reserve was also largely due to increased use of gold for currency purposes. The total earning assets of the Federal Reserve banks rose during the period $145,000,000, partly in response to the demand for currency, and partly in consequence of heavy Government operations on December 15. In the four weeks prior to December 13, the loans and investments of member banks in leading cities were little changed, though in the latter part of the period a renewed demand was manifested for commercial loans, offset to some extent by a decline in investments.



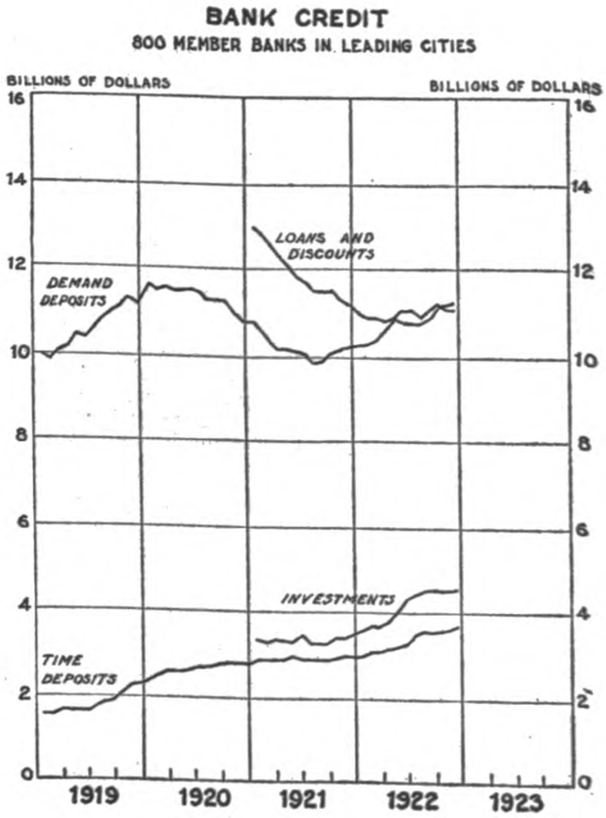
INDEX OF PRODUCTION IN BASIC INDUSTRIES
COMBINATION OF 22 INDIVIDUAL SERIES
CORRECTED FOR SEASONAL VARIATION
(1919 = 100)
PER CENT
PER CENT
160 140 120 100 80 60 40 20 0
1919 1920 1921 1922 1923



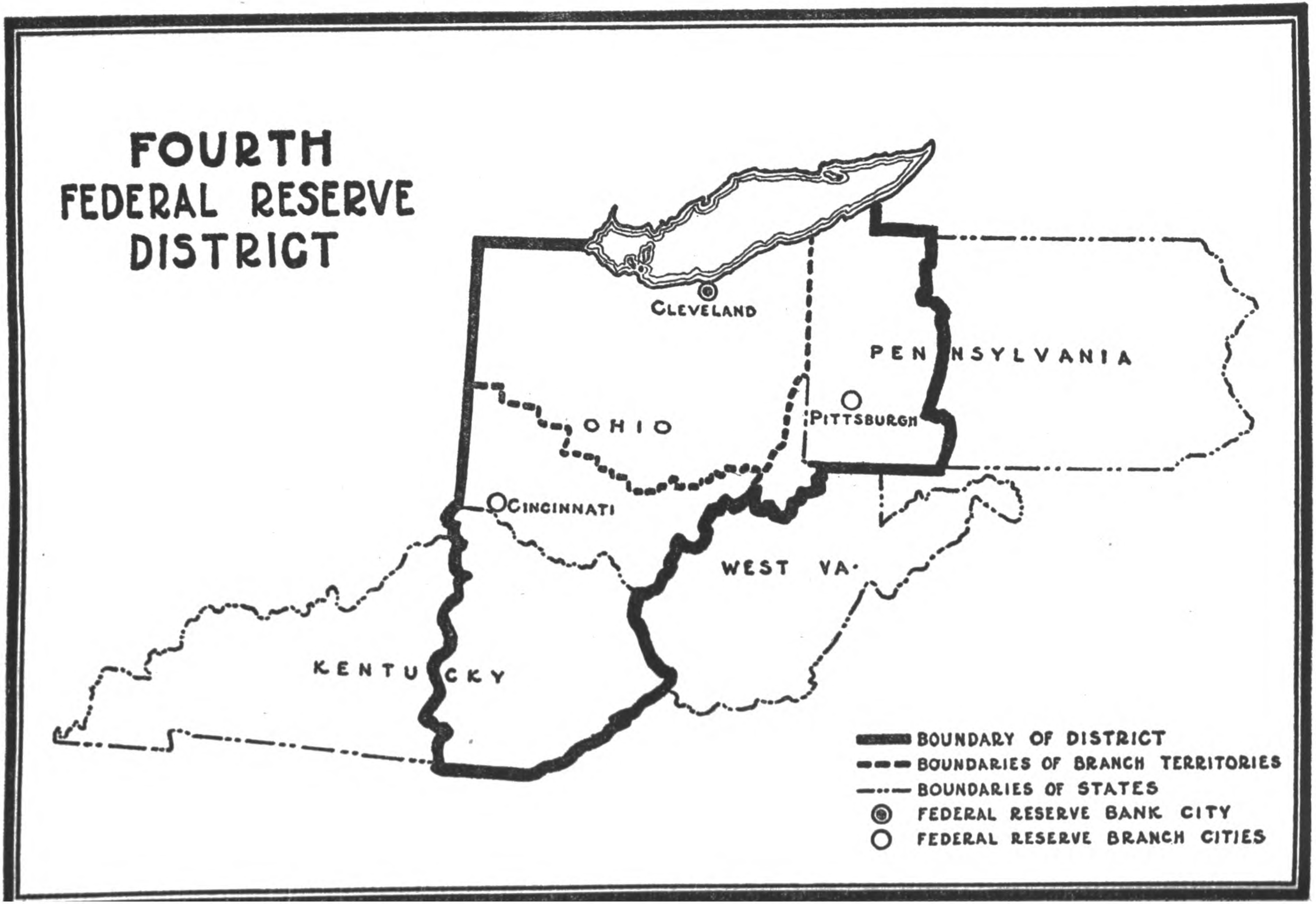
PRICES
INDEX NUMBERS OF WHOLESALE PRICES
U. S. BUREAU OF LABOR STATISTICS
(MONTHLY AVERAGE 1913 = 100 = BASE ADOPTED BY U.S. BUREAU OF LABOR STATISTICS)
PER CENT
PER CENT
300 250 200 150 100 50 0
LATEST FIGURE -
1919 1920 1921 1922 1923



VOLUME OF PAYMENTS BY CHECK
CHECKS DRAWN ON BANKS IN 140 CENTERS, NEW YORK NOT INCLUDED
BILLIONS OF DOLLARS
BILLIONS OF DOLLARS
32 28 24 20 16 12 8 4 0
1919 1920 1921 1922 1923



BANK CREDIT
800 MEMBER BANKS IN LEADING CITIES
BILLIONS OF DOLLARS
BILLIONS OF DOLLARS
16 14 12 10 8 6 4 2 0
LOANS AND DISCOUNTS
DEMAND DEPOSITS
INVESTMENTS
TIME DEPOSITS
1919 1920 1921 1922 1923


FOURTH
FEDERAL RESERVE
DISTRICT
CLEVELAND
PENNSYLVANIA
OHIO
PITTSBURGH
CINCINNATI
WEST VA.
KENTUCKY
BOUNDARY OF DISTRICT
BOUNDARIES OF BRANCH TERRITORIES
BOUNDARIES OF STATES
FEDERAL RESERVE BANK CITY
FEDERAL RESERVE BRANCH CITIES